HELLENIC REPUBLIC ASSET
DEVELOPMENT FUND

PRESS RELEASE

Concession Agreement for the Upgrade, Maintenance, Management and Operation of the 14 Greek Regional Airports

Athens, December 14th, 2015 – Today the 40-year Concession Agreement between the Hellenic Republic Asset Development Fund (HRADF) and Fraport AG – Slentel Ltd. Consortium for the Upgrade, Maintenance, Management and Operation of the 14 Greek Regional Airports was signed.

Forming part of the international privatization process for the regional airports concessions initially launched in 2013, HRADF had declared Fraport AG – Slentel Ltd. Consortium as a Preferred Bidder in November 2014, with an offer consisting of an upfront payment of €1.234 billion and an annual payment of €22.9 million for the life of the Concession, annually adjusted according to CPI.

The aforementioned was achieved by HRADF, in addition to an extraordinarily compelling financial consideration, in what can be considered as one of the most successful transactions in the respective European sector in the recent years.

The predominant objective of the transaction is the upgrade of the airports in need of significant investments, a development which is followed by particularly important benefits for the Greek tourism and the local development of the respective islands and cities throughout Greece.

The Concession Agreement ensures the investor's obligations to upgrade the airports' services and infrastructure. The Investor is obliged, within the first 4 years, to upgrade the airports to the clearly prescribed and objectively quantified standards of IATA (Level C), as well as to maintain them for the duration of the concession. In total, the Concessionaire estimates that the investments will amount €330mn over the first 4 years and they will reach the amount of €1.4bn over the total 40 years of the Concession.

Any fare increases –marginal, not radical– will only be allowed once the upgrade is completed.

The Hellenic Republic will ensure combined tax, social, and other contributions of up to €4.6bn and significant investment commitments, which will upgrade the touristic infrastructure of the corresponding Greek destinations. The increased capacity and traffic will result in job creation that will amount to 1,500 new jobs in and around the airports.

HRADF Chairman, Stergios Pitsiorlas stated: «The signing of the concessions contract for the 14 regional airports few days after the greek banks recapitalization is very important and a strong message to everyone that the Greek economy is gaining the markets confidence and re-enters the path of development».

For more information and updates please refer to the Hellenic Republic Asset Development Fund's website (www.hradf.com).

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