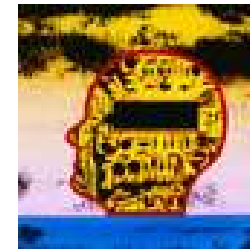




Invest in Greece

Unleash the Potential

March 2014



Enterprise Greece
INVEST & TRADE



a unique combination of development and potential

Greece:

- A physical **gateway** to Europe from Asia and the Middle East
- At the **heart of a fast-growing region** that includes Southeast Europe, North Africa and the Middle East
- A **leading reformer**, according to recent OECD findings
- A member of **all major international organisations**
- A developed country, with **a huge untapped potential** for investors and companies
- Current **financial challenges** have propelled **investment opportunities to the forefront** in **many sectors** of the Greek economy

**Now is the time to explore
investment opportunities in
Greece!**



Greece a top reformer up-to-date accomplishments

Fiscal Adjustment

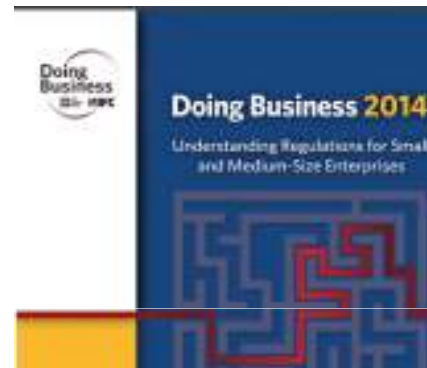
- Between 2009 and 2013, the General Government deficit declined by 13.4 p.p. of GDP (from -15.6% to -2.2%), and the primary deficit declined by 10.8 p.p. of GDP (from a deficit of -10.4% **to a surplus of 0.4%**) – **the biggest and fastest ever recorded adjustment by an OECD economy.**
- After landmark labour market reforms, real compensation per employee fell by 16.9% (between 2010-2012) and declined further by almost 6.0% in 2013. **Real wages are projected by 2013 to have declined cumulatively by 22% since 2009.**

Business environment amendments:

- “One-stop-shop” to set up a business in 1 day
- Fast track process for strategic investments
- Abolition of the cabotage rules related to cruise vessels flying non-EU flags
- Liberalization of road haulage sector
- New Export Law reduces the red-tape in export activity
- Repeal unnecessary restrictions in retail (sanitary, labor, and transport)
- New Investment Law support can reach 60% of capital invested

Greece a top reformer up-to-date accomplishments

*World Bank –
Doing Business
2014*



+ 28 positions in general
ranking in two years

+ 110 positions in establishing
a new business

In 2014: 72nd in 189 countries

*IIMD - World
Competitiveness
Yearbook*



+ 4 positions in general
ranking

➤ 6th in the world in
experienced workforce

➤ 5th in well educated
engineers

➤ 10th in tourism revenues

➤ 19th in exports



Watson Pharmaceuticals acquisition of Specifar, 562mn\$



Fosun Participation at Folli – Follie, 85mn€ and Fosun Pharma entered into a 388mn€ cooperation agreement with Sellas Clinicals



Fairfax acquisition of 42% of Eurobank Properties, 200mn\$



ArabSat acquired Hellas Sat, 208 mn€



Chinese COSCO strategic presence in Piraeus port



Invel acquired a 66% of NBG Pangaea Real Estate Investment Company ("Pangaea"), 653 mn€



York Capital acquired 10% of GEK-TERNA, 100mn€, and entered Pangaea deal with 125mn€



Shah Deniz Consortium selects TAP as European export pipeline, 1.5bn€



Third Point's equity contribution to Energean Oil & Gas, 60mn€, and Dolphin Capital, 50 mn€



UAE Embassy in Athens acquired Real Estate complex, 8mn€



Azeri Socar acquired Greece's natural gas transmission network operator (DESFA), 400mn€



Qatar Petroleum International (QPI) - GEK TERNA, 45mn€



Microsoft announced a technical support call center for users in 30 languages



Czech private equity firm PPF Group – OPAP, 622mn€



Emirati Al Dahra – Loulis Mills, 8mn €

Just announced
Deutsche Telecom to invest
1.2 bn€ in the next 4 years

selected investments by Greek investors



New industrial unit for recycling accumulated lead at a cost of 22 million Euro



Construction of new lignite plant, new RES and hydro and interconnection of islands amount to more than 1 billion Euro in 2014



Investment of 100 mil Euro in magnesite mining



Increase of production capacity will cost 5 million Euro



Upgrade of the production unit at a cost of 8 million Euro

Ambitious Privatization Program

Tourism – Real Estate

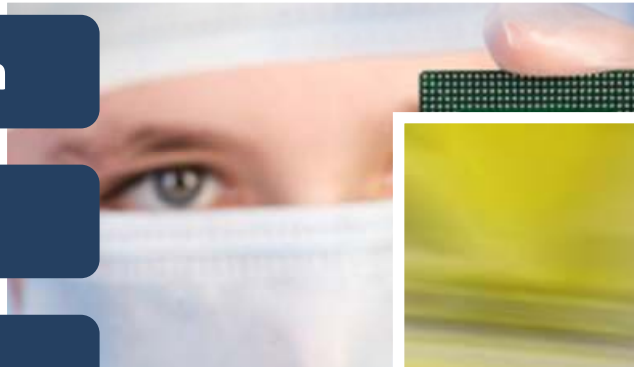
Energy - Clean Tech

Agri - food

ICT

Life Sciences

Logistics





Highlights

- In 2012, Greece ranked **17th** in the world with regard to the number of international **tourist arrivals** and **23rd** with regard to **income** from international tourists.
- In 2013, Greece experienced an all-time record in tourist arrivals, receiving more than **17m tourists**.
- Total contribution to GDP was equal to **16.4% of GDP** in 2012, while it is forecast to rise from 2013 onwards by 3.2% p.a. to €42.2bn in 2022.
- In 2012, the total contribution of Travel and Tourism to employment was **18,3% of total employment** (688,800 jobs).
- Most tourists come to Greece from Europe and the majority of them are German and British citizens. There was considerable increase in tourist arrivals from Russia, China and Turkey in 2013.
- Greece is among the **top 5 most favorite destinations** for British and other North European citizens.
- The gaps that exist between demand and supply of tourist services provide **significant room for opportunity in many subsectors** of the Greek tourism market (luxury resorts, tourism residences, marinas, cruise, golf tourism, thalassotherapy etc).

Investment opportunities

Large Integrated resorts - Vacation Homes

- New legislation granting residence permits to non-EU real estate owners, and for holiday homes in integrated resorts
- Big resorts on sale in prime locations

Cruise – Marinas

- Many ports close to world known tourist attractions
- Safe sea with small distances between destinations
- New upcoming market after the removal of the cabotage rules
- More new cruise port/terminals to be built in Athens
- Need for new and upgraded Marinas

Upgrade existing infrastructure –New destinations

- Privatisation of tourism assets and incentives to upgrade existing tourism infrastructure
- New private projects in the pipeline create new destinations

Thematic parks /tourism

- Mild climate, suitable for year round tourism
- World known monuments and attractions in thematic fields of tourism (culture, religion, history, sports, culinary etc.)

Medical tourism - Thalassotherapy

- Plethora of famous medical schools, along with highly qualified multilingual medical personnel
- Lower costs (app. 30%) compared to other western countries
- Available sites for developing spas and thalassotherapy centers given the untapped thermal springs available



Highlights

Energy Sector

- Energy is accounting for 4% of the country's economic activity
- Electricity is the largest sub-sector representing c 53% of the sector's economic output, followed by Petroleum (44%) and natural gas (2%)

Electricity

- Total installed capacity of c. 17GW mostly dependent on lignite and fossil fuels
- 18% of renewable energy in total power generation supported by a feed in tariff framework
- Transmission system of c.16,000 km of high-voltage lines
- Distribution system of c.226,500 km of medium/high voltage lines
- Vertical integrated Public Power Corporation ("PPC") dominating the supply chain

Petroleum/Natural Gas

- Limited fossil fuel reserves but large scale seismic research for natural gas is currently under way
- 2 refining companies operating in Greece with an annual capacity in the area of 26m metric tons

Prospects

Electricity Generation

- EU commission is pushing for lignite market deregulation
- Significant renewable energy resources potential
- Liberation of the Greek power market with several independent power producers that have entered or are in the process of entering the market

Electricity transmission/Distribution

- Significant need for electricity networks upgrade as well as interconnection of islands
- Electricity Transmission is a 100% subsidiary of PPC, which falls within the privatisation fund's perimeter

Petroleum/Natural Gas

- Natural Gas trading and distribution companies are under privatisation
- Natural Gas transmission system operator is also under privatisation

Investment Opportunities

- ✓ Privatization of state assets
- ✓ New infrastructure in natural gas transmission (liquid gas terminals, gas pipelines, gas distribution systems)
- ✓ International public Tenders for the Hydrocarbon Exploration in different areas of Greece.
- ✓ Renewable energy projects (Wind, Solar-thermal, Biomass, Small Hydro, Geothermal etc.)
- ✓ Waste Management
- ✓ Integrated energy management services (measuring/monitoring, retrofits, smart-grids)
- ✓ Grid connectivity for the islands (PPP)
- ✓ Energy efficiency businesses and investments
- ✓ High-end R&D focusing on generation and storage



Highlights

Food and Beverage (F&B) is the most dynamic and high-growth sector of Greek manufacturing contributing decisively and steadily to the country's exports. Total **exports' value** is **3.7bn€** and it has been steadily rising for the last years.

F&B enterprises represent around **19%** of **total manufacturing** enterprises and sales account for 25%. The industry employs 106,488 people covering **25% of total employment** in manufacturing.

F&B is a privileged sector offering plenty of benefits to international entrepreneurs and a promising future as it will continue to be the steam-engine of Greek manufacturing. Its low operating costs and the abundance of raw materials make it one of the most attractive sectors of the Greek economy.

Investment Opportunities

- Consolidation of the Aquaculture market
- Export branding of olive-oil
- Niche and segment-focused processed products
- Increasing demand and new consumer habits, which lead the way for branded Mediterranean products
- Further development of small local production
- JVs and strategic alliances in various segments like dairy, pasta, processed food, organic products, super foods, etc.
- Further reinforcement of R&D and innovation at industry level to cover new consumer needs and preferences (i.e. demand for convenience and specialized products based on safe, healthy and high quality ingredients)



Highlights of the Greek ICT Sector

The ICT sector is one of the most significant in the Greek Economy, driven mostly by the **demand for automation and digitalization** in the Greek public and private sector. The Greek ICT market is service oriented and roughly 85% of the sector is focused on telecommunications.

The ICT sector offers several opportunities of **investment in high-end, value added services** with a global reach. IT sector in Greece consists of a group of hard working, highly qualified professionals with global experience and entrepreneurial talent.

Investors can recruit **top talent at a highly competitive cost**. Greece is in 2nd position among the top 10 countries in Eastern Europe in **ICT Development Index skills** and in 16th position globally in ICT human capital. Public and EU funds are available for cooperation and development.

Many Greek **start-ups** are competing successfully abroad and major international players have a strong presence in the Greek market.

Recently, Greece became the center of several new investment initiatives announced by some of the largest companies in the global ICT industry such as Nokia, Microsoft and HTC

Main Investment Opportunities

- Data centers
- Call centers / service centers staffed by English-speaking staff
- Software Product Development
- Assembly and distribution of ICT devices
- Mobile Marketing & advertising
- B2B cloud services
- Information security services
- Innovation and research activities



Pharmaceutical – Bio R&D -Healthcare

With its highly-skilled workforce, and established R&D, manufacturing capability and state of the art health care infrastructure the Greek Life Sciences exhibits significant growth potential both in serving its internal market, as well as in expanding its reach beyond national borders.

The **Greek Pharmaceutical sector**, mainly focuses on generic's manufacturing, has been significant extrovert placed among the top-5 manufacturing sub-sectors in terms of exports. Extroversion with the increased generic's penetration in local market (supported by state measures) is expected to boost Greek Pharmaceutical sector.

International renowned research Institutes, research teams and University Research Groups generate the environment for new **R&D start ups**. In addition the strong scientific network facilitated by the new legal framework creates a strong platform for attracting more R&D investment for **Clinical trials**

The private **health care** providers have a strong market share in local patient's services offering high-end services. Also have the potential for competing in the "middle market" of medical tourism

Indicative type of Investment Projects

- ✓ R&D centers- manufacturing of generics
- ✓ Elderly and LTC care services and infrastructure
- ✓ Integrated medical tourism facilities
- ✓ Patient support services –Home care services
- ✓ Conducting Clinical trials
- ✓ E-health tools and services



Highlights

- Greece stands on the crossroad of three continents (Europe, Asia, Africa), being a **strategic node** for the development of transportation in the greater region.
- According to a recent study the **Logistics sector in Greece accounts for almost 10% of Greece's GDP** strongly supporting economic activity in and through the country, and facilitating the country's extroverted profile, by promoting its exports.
- With maritime transport accounting for 80 per cent of global trade by volume and container throughput in **European ports growing South-East Mediterranean ports** are becoming more and more important for global trade.
- In this environment, Greece's geographical position as a gateway between East and West render it highly attractive for investments in logistics and transport.
- Piraeus port was the **fastest growing European port** in 2013.

Prospects

- Infrastructure closely related to the logistics industry is a major component of the Greek government's privatization program, including OSE (Hellenic Railways Organization), ports (Piraeus, Thessaloniki, other regional and small ports), motorways (Egnatia Odos) and marinas
- There is potential in the market, as evidenced by the recent agreement of Hewlett-Packard with Cosco / Trainose, which uses Greece as a gateway for Central Europe, MENA and Mediterranean countries
- Greece is in a unique position to take advantage of growth opportunities in the Balkans to become a gateway to Eastern European countries
- Modernization of existing infrastructure, targeted development of new infrastructure and promotion of the logistics sector can act as a positive catalyst

10 reasons to invest in Greece

1. Greece is still **one of the 40 richest countries** in the world (WORLD BANK 2012)
2. It is a **member of the Eurozone, EBRD, IMF, UN, OECD** and many of the most powerful international organizations
3. **Positioned strategically at the crossroads of three continents** gives access to the strategic and high growth SEE and Middle East markets
4. It holds **strong business and cultural ties with most of the countries of the region**
5. Possesses an **extended infrastructure and all networks required** to support investments and foreign businesses
6. During the last three years **reforms already implemented puts Greece in the first place of the relevant OECD list**. Many more reforms in progress to liberalize products and services markets
7. **High caliber human capital** with international experience available
8. **Investment incentives** support new investment plans
9. **New Laws to accelerate licensing procedures** for strategic investments
10. **The biggest privatization program** declared in the world currently in progress

“Welcome Back Greece”

J.P.Morgan



PHILIP MORRIS INTERNATIONAL



Unilever





Enterprise Greece
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