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HELLENIC EQUITIES UNIVERSE COVERAGE. OCTOBER 2015

Following the finalization of the HY 15 corporate results announcement process for our Hellenic Equities Universe, we provide an overview of our basic Investment Themes and expectations. The accompanying table offers the updated assumptions and estimates for our Universe as well as our FV Thesis.

Once again we indicate that the extraordinary circumstances such as capital controls and long period bank holidays hampered the normal business for the majority of our investment universe. In order to be consistent and accurate with our Cash Flow valuations we have utilized both the normalized scenario of 6.50% risk-free rate and the 10.50% risk-free rate stressed scenario.

Regarding HY15 results our fundamental research indicates as top picks in our Hellenic Equities Universe the following listed stocks: Coca Cola Hellenic (CCH), OTE Hellenic Telecommunications Organization (HTO), Aegean Airlines (ARAIG), Mytilineos Holdings (MYTIL), Metka S.A (METK), Hellenic Organization of Football Prognostics (OPAP) and Hellenic Exchanges Group (EXAE). Additionally we have a positive view on Motor Oil, Thrace Plastics, Kri Kri S.A, and Terna Energy S.A.

Coca Cola Hellenic Bottling operates largely in a broad geographical area covering the Balkan markets, Russia, certain parts of Europe and Greece. The HBC'S HY15 results came in line with our expectations in terms of Operating performance and net sales revenues deceleration. The Group for HY15 reported 1.150mn Euros and 369.50m Euros Net Sales revenue and Ebitda respectively. For FY15 we expect 6.300mn Euros in terms of net Sales Revenues and 746.00 and 242.00mn. Euros in Ebitda and Net income respectively.

We retain our estimates about HBC's Fair Estimated Value at 21.70 Euros/Share based on company's efforts for further operating expenses reduction which reflected on HY15 results, the upturn in unit cases volume in Emerging sector which came in line with our expectations (see our HBC previous analysis), the signs of stability in Sales of the Established Markets, and the generation of strong Cash Flows.

OTE (HTO) is the major player of Telecoms sector. According to HY15 results the Company has increased its Sales in Fixed Line Sector mainly from the positive contribution of Internet and Cable TV products in Greece and the project for broadband connection in rural areas of Romania. In the Mobile sector the sales were lower due to the challenging and competitive environment in the markets of Romania and Albania which the group operates. Moreover, HY 15 results also strengthened our base case scenario which incorporates stable sales of c. 4.00bn euros for the period 2015 to 2019 and Cash Flow generation of c.750mn euros. Management's efforts are oriented towards the preservation of strong Operating Cash Flows and profit margins respectively.

Aegean Airlines has successfully completed the acquisition of Olympic Air and continues to handle the increasing trend of Tourist arrivals to Greece from 2012 and on. Regarding HY15 results we evidenced the upward trend in Domestic and Abroad passenger's transportation (5.00mn passengers for HY15 vs 4.38mn passengers for HY14) and the positive contribution of favorable fuel prices to the Total cost of Goods.

According to these facts we have incorporated to our model 967.00 mn. Euros Total revenues, 114.50mn. Euros of EBITDA and 78.40mn. Euros Net income.

We view Aegean Air as an unleveraged firm with significant Cash Flow Value potential and will closely monitor the Company's performance especially in the COGS and CAPEX expenses in the coming quarters which are the main Aegean's cost drivers.

In the Metals sector, we consider Mytilneos Holdings as a reliable and valuable firm. Mytilneos's HY15 results showed a solid performance in the Metals division as a result of management's efforts towards increased exports and further minimization of business exposure in the Hellenic market. Moreover, Mytilneos Group remains focused in cost cutting for the Metal sector in order to enhance the operating margin and stay competitive in the international markets. Our estimates about Mytilneos Group FY15 Operating performance and Profitability are: 1.200 mn. Euros in Net Revenues, 247.00 mn. Euros in Ebitda and 60mn. Euros in Net Income.

On the other hand, METKA has evidenced a reduction in its Sales primarily in the Middle East which is the most important market the Group operates while the new constructing contracts outside Middle East are enhancing the operating margins and offsetting the operating profit

reduction. For METKA our estimates about Total Revenues, EBITDA and Net Income are 582.00, 105.30 and 66.00 mn. Euros respectively.

OPAP is the market leader in the Hellenic Sports Betting Market. We reiterate our investment thesis on OPAP on the back of better than expected HY15 results. Specifically, HY15 Gaming revenues after 30% taxation were 498.00m. Euros in line with our expectations for 500m. Euros. Corresponding net income for HY15 was 110.8m. Euros which exceed our 82m. Euros expectations.

We should point out that OPAP is still facing delays in the launch of VLT'S which corresponds to 971m. Euros less in Revenues and 54m. Euros less in annual profits according to our Cash Flow model and is anticipated in the Group's Fair estimated price.

Despite this setback, OPAP's operating performance, successful penetration in Lotteries and Scratch games, healthy capital position and generation of positive Cash flows outline its share as one of the best Values in our Universe. Our expectations about OPAP's FY 15 results are 4.200mn. Euros in net Revenues, 314.00 mn Euros in EBITDA and 193.50 mn. Euros in Net Income.

Hellenic Exchanges Group has always been our investment proxy for the domestic market. The cash and derivatives markets operator, a cash cow, is an unleveraged, monopoly type player that has historically captured the upside of the local economy in its valuation whereby offering investors a generous yield (Dividends and capital returns). Our estimates regarding EXAE's Revenues and Earnings are 32.00 mn. Euros and 9.3mn. Euros respectively. We should note that Hellenic Exchanges' FY15 net earnings could be positively increased from commissions earned as a result of the re capitalization of the four major Hellenic Banks.

Additionally to our Top Picks we also cover the following listed equities of Motor Oil S.A, Thrace Plastics S.A, KRI KRI S.A and Terna Energy S.A. with a positive view.

Motor Oil's HY15 results confirmed our expectations regarding the contribution of the favorable currency impact as well as the lower oil prices in the Sales mix. The enormous improvement of operating and profit margins (7.8% vs 1.4% and 3.8% vs 0.03% respectively) came from the significant reduction of the related COGS of Group's total sales. Operating and profit margins were further enhanced by the significantly higher refining margins (63.3 USD/MT vs 27.1 USD/MT HY14).

The 2nd HY15 domestic market volumes remain a point of concern in conjunction with the Firm's strategy towards this volatile environment.

In our model we have incorporated the trends in Sales volumes and the operating improvement from the favorable currency effects, oil prices and higher refining margins.

In summary, the positive HY 15 results of Motor Oil indicate an increase in the FV band that we have previously posted (see Motor Oil 200715): 7.20 Euros/Share for the upper case scenario (6.50% Risk Free rate) and 2.80 Euros/Share for the lower case scenario (10.5% Risk Free rate). Even with these favorable conditions for Motor Oil we believe that the stock is Overvalued in terms of current Market capitalization.

Thrace Plastics, offering a wide range of specialized products such as technical fabrics and plastic packaging, is a healthy small cap. firm with its efficient capital structure and export oriented setup is an interesting Hellenic play on chemicals. Our estimates regarding FY15 Sales, EBITDA and Net Income are 286.00, 23.75 and 7.21mn Euros respectively.

In the Consumers Staples sector, Kri Kri confirmed our expectations regarding the increasing demand trend for Yoghurt products both domestically and internationally. For the 2nd HY 15 period and on we are expecting further Operating Margin improvement and enhanced expected sales for the Yoghurt sector due to the increased capacity from the brand new Yoghurt production line as well as anticipated strong demand for Dairy products. Our estimates about FY15 Sales, EBITDA and Net Income are 74.00, 11.50 and 6.07mn Euros respectively.

Terna Energy is a renewable energy sector player which, by large, has expanded its capacity to position itself as an alternative to traditional energy producers in the domestic market. We upgrade Terna's Fair Estimated Value to 5.00 Euros/Share from 4.20 Euros/Share previously due to enhanced Operating conditions projected for 2015 while pinpointing the High Risk factor of our recommendation attributed to low visibility (downside risks) and very demanding current Valuation (P/E 25x FY15 EPS).

Despite the improved results, Terna's operations and profitability are still highly exposed to various downside risks such as the framework pertaining the payout per MW/h that could reduce Income from Operations thus hurting Net Earnings and weather conditions that cause volatility to load factor and Sales. Our estimates for Terna Energy's Revenues, EBITDA and Net Income are 170.00, 105.00 and 20.90mn. Euros respectively.

A final note should be dedicated to certain potentially interesting names in our Hellenic Equities Universe that demonstrate valuation merits and could potentially become Top pick candidates: In the Utilities sector, we perceive the two Water and Sewage Public Companies, Athens Water

(EYDAP) and Thessaloniki Water (EYAPS), as fundamentally sound. Both are unleveraged and trade below BV 15 levels (0.67x and 0.73x respectively) while demonstrating low P/E metrics as well (14.50x and 8.20x FY15 expected EPS respectively.)

Finally, Fourlis Holdings, Plaisio Computers (from the Consumer Cyclical sector) and Karelia Tobacco (from the Consumer Staples sector) show signs of positive yet demanding valuation.

Σημειώσεις/Notes		Οδηγός Συστάσεων/Ratings	
P:	Τρέχουσα Τιμή	Market Price	
MCAP:	Κεφαλαιοποίηση	Capitalization	
EPS:	Καθαρά Κέρδη Ανά Μετοχή	Earnings per Share	UV Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος
			Underpriced/ Small Risk
			Stock Price < 20% of Fair
			Underpriced/ Risk
P/E:	Λόγος Τιμής προς Κέρδη	Price/Earnings Ratio	UV1 Χαμηλή Αποτίμηση/ Κίνδυνος
			Stock Price < 10% of Fair
			Fairly Priced/ Small Risk
P/S:	Λόγος Τιμής προς Πωλήσεις	Price/Sales Ratio	FV Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος
			10% < Stock Price < 10%
			Fairly Priced/ Risk
D/A:	Συνολικός Δανεισμός προς Παθητικό	Total Debt/Assets Ratio	OV Υπερτιμημένη Μετοχή
			Stock Price > 10% of Fair
			Overvalued
DY:	Απόδοση Μερίσματος	Dividend Yield	N/R Μη Αποτιμημένη Μετοχή
ROE:	Απόδοση Ιδίων Κεφαλαίων	Return on Equity	
FV:	Τιμή Σωστής Αποτίμησης	Fair Value Price	
			Stock Price > 20% of Fair
			Not Rated

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