



Restart in the new economic environment

FINANCIAL PRESENTATION FOR THE PERIOD 2014 - 2009 | October 2015



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Introduction

Challenge or restart, stability is the main issue at stake

Within a prolonged period of recession and uncertainty, Greek economy has shown resilience and adaptability. What now matters is how to stabilize and then restart the economy, which will lead us to growth. Ensuring the European course of our country, as well as its commitment to implementing reforms in a broad social and economic field, constitute the key pillars on which stability is to be developed. Given that entities and institutions take targeted actions, the Greek economy will Restart.

Grant Thornton stands alongside this national effort, fully realizing the burden of responsibility that each entity has to undertake. In this context our Research was conducted in respect of the industries and entities financial performance, highlighting the developed tendencies and market forces.

This year, our efforts have addressed the greatest challenge of our over a decade engagement with the analysis of the financial performance of Greek businesses. In the present circumstances, while the use of historical data is a vital tool in the evaluation of Greek entrepreneurship, is to some extent outdated considered the uncertainty in all aspects of domestic economic activity within the current year. While obviously Greek economy activity has been affected by the domestic economic environment, it's a rather plain conclusion, since every activity sector is sensitive to different variables, which, in many cases, are significantly independent of domestic economic conditions.

Nevertheless, it should not be overlooked that the financial performance and structure of every entity depends on two main factors. Firstly the particular characteristics distinguishing every industry in which an entity operates, and secondly the entity as such, i.e. its structures, administrative organization, ability to adapt, and the degree of effectiveness in evaluating and managing the business risks.

Our research is a useful analysis and documentation tool, in respect of the external factors, that define the business opportunities and risks. However, any such tool is unable to substitute inspiration and passion of people who want to invest and undertake relevant responsibilities.

Our contribution is made through our work and by means of submitting proposals aimed at improving economic and business environment. These proposals are summarized as follows:

- **Boost Liquidity:** Removal of capital control restrictions; enhancing entities' liquidity through banking system; an imminent recapitalization of banks.
- **Entities' Reorganization:** Capital restructuring, as well as mergers and acquisitions, where possible, in order to create viable entities.
- **Consistent and growth-oriented taxation system:** Rationalization of taxation so that it should not have a punishing effect on healthy entrepreneurship and would not discourage investments; stability and simplification of tax regulations.
- **Investment environment:** Modernization of public administration, and embedding trust in state structures; strengthening entrepreneurship through strategic planning, making the best use of productive resources; Incentives with the main objective of reducing unemployment.

Political stability that will enable the above actions is the fundamental and necessary condition to Restart Greek economy, attract investment and return to growth.

Vassilis Kazas
Managing Partner
Grant Thornton

Grant Thornton Greece

Grant Thornton is one of the biggest auditing & consulting firms in Greece that provides assurance, tax and advisory services to dynamic companies.

The firm was established in 1994 and joined Grant Thornton International in 1998. It is located at 56 Zefirou Street in Palaio Faliro, while it has fully operating offices in Thessaloniki and Heraklion, Crete. Grant Thornton currently employs almost 450 staff and has an annual turnover of € 25,2 million. In 2008, Grant Thornton Greece was selected as the International Business Centre, reflecting our ability to effectively respond to any needs of the international market. Every International Business Centre (41 internationally) operates as a business gateway for all the member firms of Grant Thornton International, disseminating knowledge and expertise through its network.

With its remarkable growth during the last years, our firm, has the capabilities and capacities of a large firms while, at the same time, retains the accessibility and flexibility of a smaller one. Grant Thornton relies on business strategy and instinct and supports clients in making sound business decisions, helping them to unlock their potential for growth.

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More than 38,000 Grant Thornton people, across 134 countries, are focused on creating a special market identity, rendering high added value services. In 2014/2015, Grant Thornton was awarded the title of the «National Champion» at the European Business Awards and in 2014 & 2015, the Company's global network was nominated as the «Employer of the year» by the journal International Accounting Bulletin, and the «Best managed international firm» in 2014, since it managed to lead the major global accounting networks in revenue growth the last two years. The company is a member of the Greek association of environmentally responsible companies "Green Angels", recognizing the crucial contribution of CSR actions to achieving sustainable development and it has also proceeded with signing and adopting the 10 of the UN Global Compact.

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Research's Identity

Research's Objective

Research's objective is the systematic observation of the financial performance and structure of 4.997 Greek entities, operating in 88 industries of Greek Economy.

Analysis uses historical financial figures of the 2014 – 2009 periods (as described in Table 1) to reflect the current economic reality experienced by Greek Entities. Observing the progress of Greek Economy's productive industries, we tried to assess the progression of their turnover for 2015 using independent economic variables that have direct correlation with industries' activities. Using the identified correlations and taking into account, where possible, current economic and sociopolitical information, we developed an estimation of the turnover for the 88 industries' under examination.

In order to demonstrate the process of interrelated sectors with similar characteristics, we grouped Greek Economy in 9 Broader Sectors, excluding Financial Services.

Still, prospects recognition, investment opportunities, as well as structural problems, that Greek economy activity is characterized, have merit, if it can be determined through a systematic appraisal system. This appraisal can be achieved through the use of appropriate financial ratios and trend analysis that categorize industries and entities based on the model "Dynamic Growth" and "Financial Health" (financial growth/health matrix model), into 4 sub categories, as described in Table 2. Through the model we can observe industries' and entities' progression, in order to assess their growth prospects and their financial health. The successful combination of these two variables provides higher assessment, without necessarily indicating their future prospects. In some cases, the current low assessment in one or in both variables, besides the difficulties that it highlights, hides future prospects and opportunities.

Going one step further, we examined the relationship between size and industry's characteristics. Therefore we are able to observe different trends for entities of similar industries with different financial size.

The final objective of this research is to answer the question whether Greek Entities could lead to Greek Economy's restart, which industries might be the pioneers, and which problems the industries could encounter in order for growth to be achieved.

Sources

Analysis was based in the collection of data and relevant information, as presented in companies' published financial statements, for fiscal years 2014 – 2009.

For the forecast of 2015 sales, public available data of the 62 independent variables were used, that were correlated with basic historical figures.

The following should be noted:

- Figures of the consolidated financial statements were used, for companies presenting consolidating financial statements, unless otherwise stated.
- In the analysis concerning the entire population of entities under evaluation, entities which are consolidated by other entities are not included, as the consolidated financial statements of the latter are used, which already include the former.

TABLE 1

Comparisons/Field Analysis	Examined Area
Statement of Financial Position 2009-2014	Summarizes and discusses, key items and variations of the Statement of Financial Position, to reflect the financial position of industries/entities. Moreover, the balance between long and short term assets and liabilities is examined.
Statement of Comprehensive Income 2009 – 2014	Summarizes and discusses, key items and variations of Comprehensive Income, to reflect the financial performance of industries/entities.
Basic Ratios 2009 – 2014	Key financial indicators are listed in order to identify and analyze relationships and trends in terms of the financial position and performance of industries/entities included in the analysis.

TABLE 2

Growth	High	Spotlighters High leverage and growth prospects	Illuminators Healthy financial structure and growth prospects
	Low	Gloomers High leverage and relatively limited or no growth	Moonlighters Healthy financial structure and relatively limited or no growth
		Low	High
		Health	

Entities Classification

The sample of 4,997 entities was classified in 3 different ways for a more comprehensive analysis.

The **first classification** categorizes entities into 9 broader activity sectors grouping interrelated industries with similar characteristics.

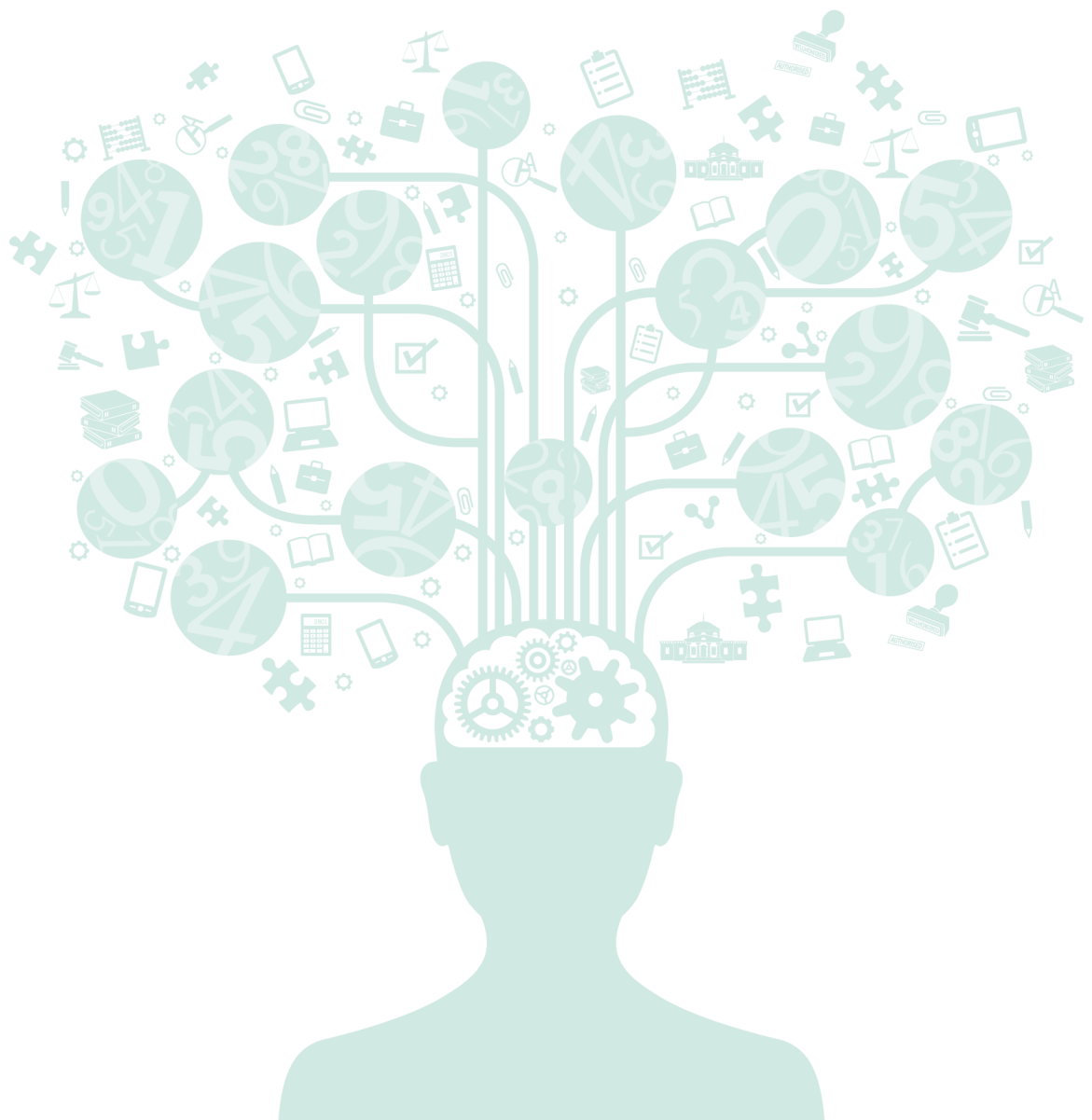
The **second classification** categorizes entities based on their industry irrespective of their size. Thus, gathered entities operating in 88 specific industries.

The **third classification** relates into 4 categories by size:

- **Mega:** Companies with AVG turnover in FY 2009 - 2014 over € 250 million
- **Large:** Companies with AVG turnover in FY 2009 - 2014 from € 50 million to € 250 million.
- **SMEs:** Companies with AVG turnover in FY 2009 - 2014 from € 2 million to € 50 million.
- **Micro:** Companies with AVG turnover in FY 2009 - 2014 under € 2 million.



Brief Financial Presentation of Greek Businesses



INTRODUCTION

The following analysis is divided into three individual sections, which are interrelated in order to reflect the current state of Greek entities, their dynamics and their response to independent economic variables that affect their activity. With this approach we try to assess the impact of these variables on the entities' 2015 turnover.

The **first section** presents Grant Thornton's assessment regarding 2015 turnover of the Greek entities. The estimation considers the evolution of historical financial information in relation with independent variables in industries with similar characteristics.

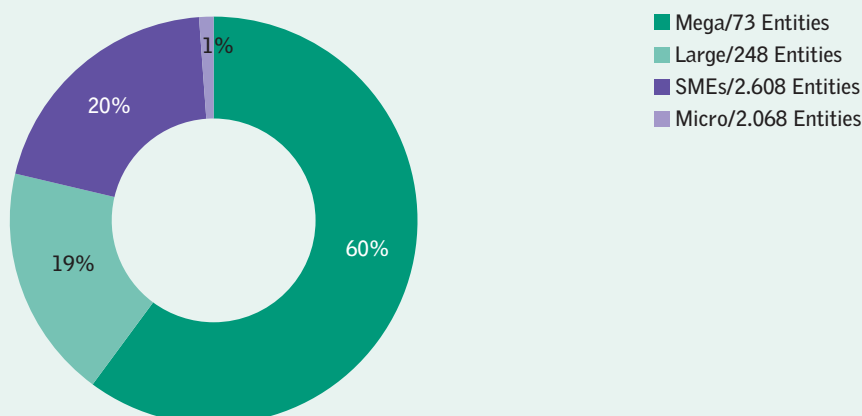
The **second section** presents the rank of 88 sectors of the Greek economy using their 31.12.2014 financial performance and health. This ranking is based upon the FINANCIAL GROWTH/HEALTH MATRIX model that Grant Thornton has developed.

The **third section** of the analysis presents the financial performance of Greek entities based on historical data for the fiscal years 2014 – 2009, as presented in the published financial statements, using 9 broader sectors as benchmarks, which in turn are further analyzed into 88 industries. Finally, our analysis used as an additional benchmark business size.

Financial Analysis 2014-2009

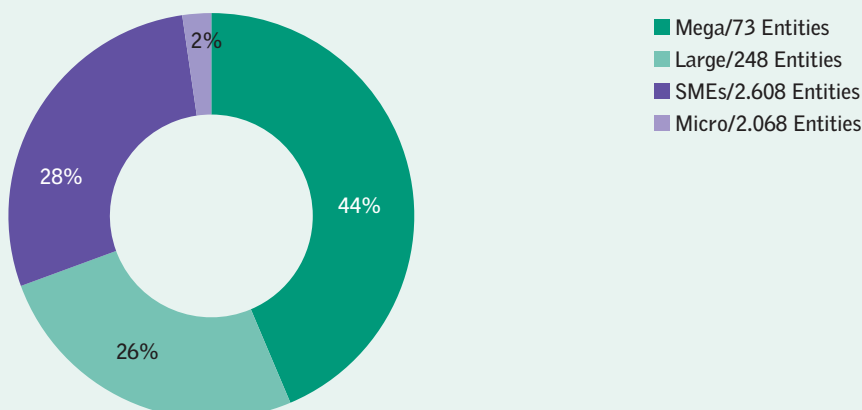
- 4.997 entities divided into 4 categories based on their sales for the year.

Sales 2014



- 73 Mega entities represent 60% of total sales of the sample.

Net Debt 2014



- 73 Mega entities represent 44% of net debt of the sample.

Development of Financial Items

Financial Items	2014	2013	2012	2011	2010	2009
Entities with Profit After Tax	62%	59%	52%	54%	63%	73%
Entities with operational profitability (EBITDA)	84%	82%	79%	82%	85%	89%
Entities with positive working capital	72%	76%	75%	76%	77%	77%

- Over the last two years there have been an increasing number of entities with profitability. Nevertheless liquidity problems remain.

Change in Financial Items

Financial Items	% Entities (increase) 2014-2009	Amount (increase) 2014-2009	% Entities (decrease) 2014-2009	Amount (Decrease) 2014-2009
Profit after tax	42%	2.933	58%	-6.582
EBITDA	41%	2.521	59%	-7.410
Sales	37%	3.678	63%	-10.483

- Satisfactory number of entities located at pre-crisis levels of activity. However losses in the rest of the entities were significant.

Employment Data in Sample

Category	Number of Sampled Entities	Sampled Entities Structure of Personnel 2014	AVG Personnel/ Entity 2014	Variation of employees number 2009-2014
Mega	73	41%	3.096	-14,8%
Large	248	21%	441	-22,7%
SMEs	2.608	33%	61	-21,2%
Micro	2.068	5%	10	-23,0%
Total	4.997	100%	92	-19,1%

- Reduction of personnel in sampled companies by 19% highlights the severe decline in employment, the primary problem of Greek society.

- All figures are presented in million € unless otherwise stated.
- Percentages and sums are based on non-rounded figures.

CONCLUSIONS

- We estimate that the turnover of the sampled companies for 2015 will be reduced by 3,1 %. However, when the sector of processing and trading oil products is excluded, there are sectors that are expected to rise, creating growth trends for the current year. The question remains, how this upward trend will be affected by capital control restrictions, collection measures that will be taken under the third program and the successful evaluation and recapitalization of banks. A rise is expected examining the individual sectors related to Tourism, such as Hotels; to Primary Production, such as Agricultural Products; and certain Consumer Products, such as Vehicles Trade & Representatives.
- It's encouraging that the expected performances, particularly in sectors that during the fiscal years 2014 – 2009 have recorded high losses, appear to stabilize in 2015. Certain sectors of Industrial Products, Healthcare Products and Services, are expected to rise in 2015. Nonetheless, in 2015, nearly half of the sectors continue to record losses or to move marginally.
- The analysis of the assessment model "financial growth / health matrix", compared to the previous year, indicates an improvement in general economic climate, as expressed by the shifting of industries towards more favorable areas of the model, either due to their economic position or strength or because of both.
- As "Illuminators" are recognized industries such as Personal Hygiene Products, Recycling and Waste Management and Airlines along with industrial sectors such as Chemicals and Plastics. At the same time emerging sectors are recognized, such as Transportations, and more traditional ones, such as Tobacco.
- As "Spotlighters" are recognized industries such as Hotels and Supermarkets. Also Primary's Production sectors such as Agricultural Products, Livestock, as well as products and activities related to these sectors, for instance Fruit and Vegetable's Trade.
- As "Moonlighters" are recognized industries such as Pharmaceutical, Various Food Products, Production of Alcoholic Beverages and Ground Cargo Transportation Support Services.
- As "Gloomers" are recognized industries such as Fish Farms, Real Estate, Heavy Industrial Products, Publishing, Television, Newspapers, Advertising, Healthcare Services and Textiles.
- Mapping Greek entrepreneurship entities, an improvement of the economic climate from last year is obvious. Several businesses had an essential improvement and differentiated by the industry.
- Not including Processing and Trading oil products sector, turnover of the sampled companies has reduced by 13% during the period under examination. Sufficient number of companies recovers at pre-crisis levels of activity, but still losses in rest of the entities are significant.

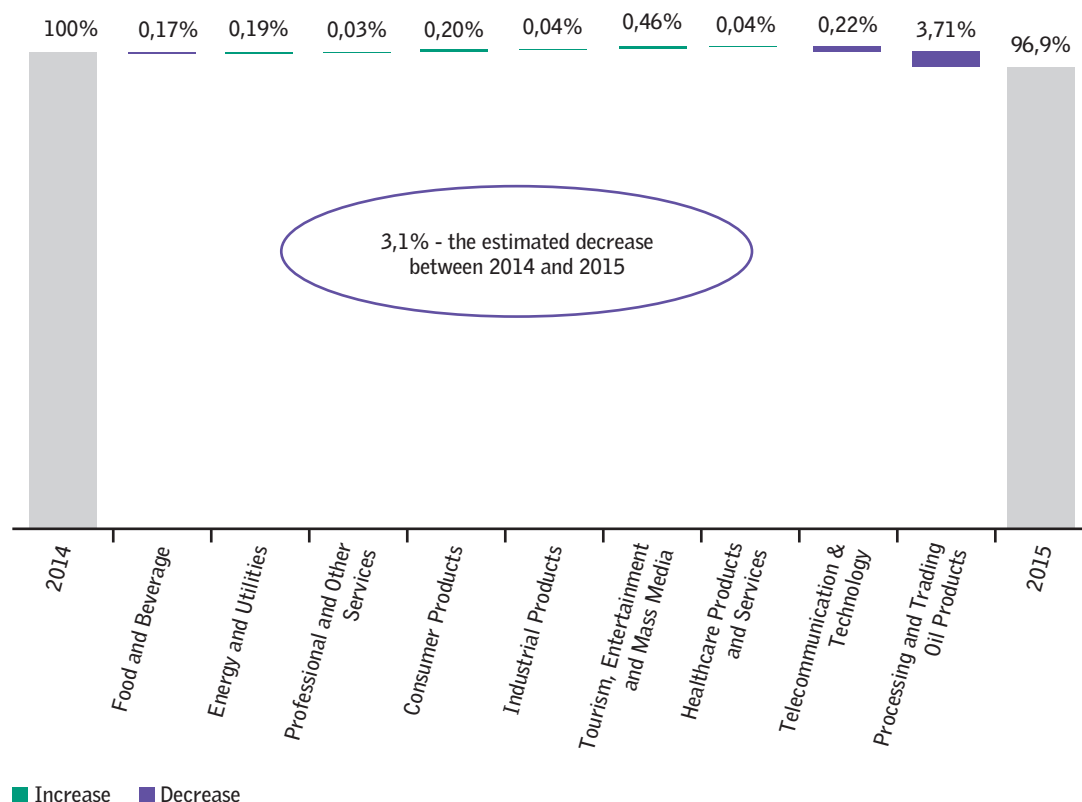
- Considering entities turnover depending on their size, appears crucial. Mega entities seems to increase their turnover, however if Processing and Trading oil products sector is not included, a 10% of their sales has been lost. On the contrary Micro entities have lost 35% of their sales.
- EBITDA appears reduced by 32% (€ 4,8 billion) for 2009 to 2014. Relative margin was squeezed by 30% by declining EBITDA. Half of the entities have seen their profitability decline over the examined period. Remarkably smaller entities adapt quicker to new circumstances. During the last five years, total profit before tax of sampled entities appears reduced by 86% (€ 5,3 billion). Its promising that over the last two years there is an increasing number of entities with increasing profitability. Still liquidity problems remain.
- A main consequence of profitability's decline is the reduction by 60% of income tax charged to business % over the examined period, making clear that the entities reduction of profitability and activity has a negative impact on their taxpaying ability.
- Reduction of personnel in sampled companies by 19% highlights the severe decline in employment, confirming the primary problem of Greek society.
- During the last years half of entities have decreased their net assets.
- During the period under examination net debt of entities have reduced by € 7,5 billion. This net debt reduction is based mainly in the lack of access by entities to new financing and to the increased pressure from the financial sector to repay debt obligations that have the effect of shrinking new investment.
- One out of seven entities has higher debt than turnover. Relevant image is sharper as firm size decreases. In 2014, net debt of € 18,2 billion, is attributed to entities whose debt exceeded their sales.
- Loan repayments for several industries are almost impossible under the present circumstances, with debt formed to activity levels that are unlikely to be recovered in the near future.
- Current liquidity ratio of most entities is marginal. More than 1 out 4 entities' highly liquid assets is not sufficient to cover their current liabilities. In those entities total working capital deficit amounted to € 11,3 billion should be financed.
- Lack of liquidity remains the main problem facing the market and entities asked to solve. Further labor costs reduction or an increase in taxes and the lack of investment that could create liquidity condition and new employment will intensify the problem with unpredictable effects on business performance.

1. ESTIMATE OF GREEK BUSINESSES TURNOVER PER SECTOR IN 2015

Considering the historical financial data regarding the Greek Business for the period 2014 - 2009, and the corresponding changes in 62 independent variables affecting homogeneous industries, we estimated the turnover for 2015 of the sampled companies, bearing in mind that every industry is sensitive to different variables, and as a total are not exclusively linked to the domestic economic environment. There are industries, which depict great sensitivity to changes in the domestic economic environment and industries whose operation levels are almost unaffected. Consequently, and examining every industry separately, we have identified the specific or general nature factors that affect the operation levels and, using projections regarding these items, proceeded with estimating the sales volumes for 2015. For the purposes of the following analysis of 88 sample industrials, we have established 9 key operating sectors that will assist us in concluding about the domestic economic activity.

Sector	Estimate 2015	2014	Change	Change (%)
Food and Beverage	19.223	19.453	-230	-1,2%
Energy and Utilities	9.114	8.868	246	2,8%
Professional and Other Services	4.563	4.527	37	0,8%
Consumer Products	20.456	20.193	263	1,3%
Industrial Products	23.845	23.793	52	0,2%
Tourism, Entertainment and Mass Media	11.111	10.500	611	5,8%
Healthcare Products and Services	7.306	7.247	59	0,8%
Telecommunication & Technology	7.645	7.930	-285	-3,6%
Total	103.263	102.510	753	0,7%
Processing and Trading Oil Products	24.307	29.192	-4.885	-16,7%
Total	127.571	131.702	-4.132	-3,1%

Estimate of Change in Sales 2015-2014 (basic year 2014)

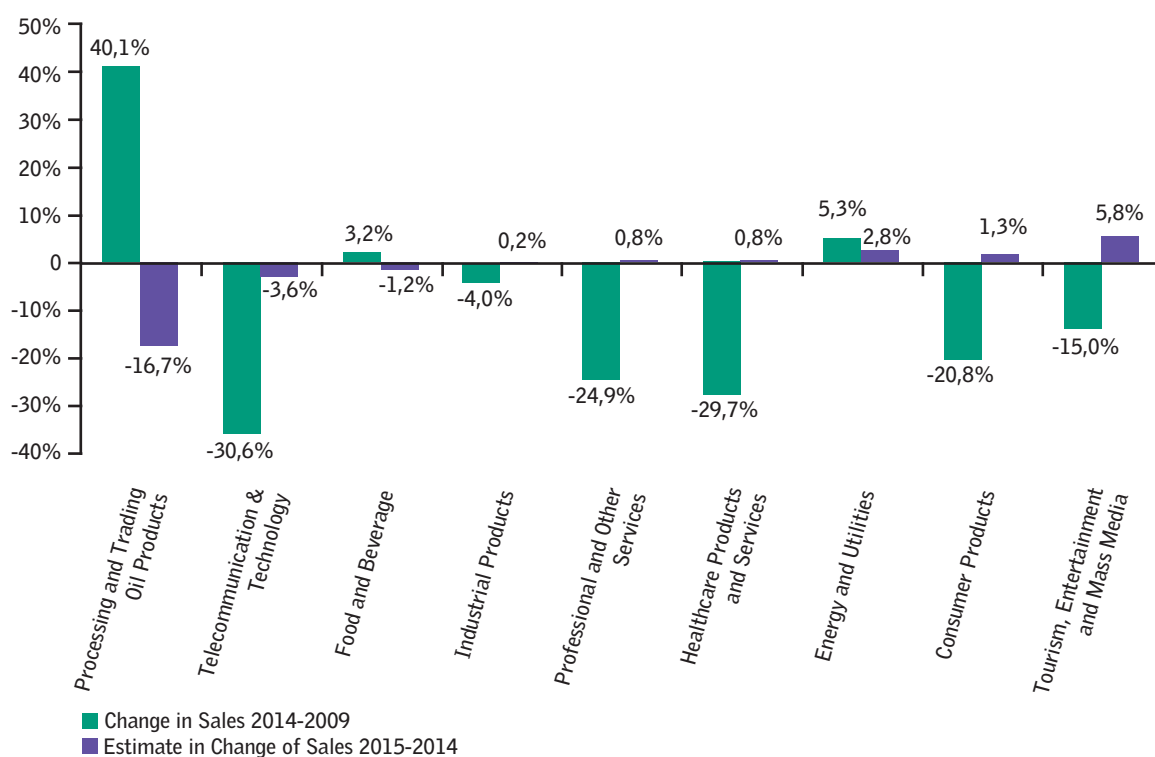


According to our analysis, we estimate that in 2015, as far as 4.997 sample entities are concerned, their turnover will be lower than in 2014. The overall decrease is estimated at 3.1%, mainly due to the sector of Processing and Trading Oil Products, which affects total economy by 3.71%. The estimated decrease of the turnover of the sector of Processing and Trading Oil Products is mainly due to the course of international oil prices, which have significantly dropped in 2015 and does not indicate the development of the sector's profitability.

Sectors like Consumer Goods counterbalance positively the economy by 0, 20%, as well as by 0, 46% the Tourism, Entertainment and Mass.

Should the sector of Processing and Trading Oil Products be excluded, it could be noted that the other industries maintain growth, since we estimate that an increase of the economy of approximately 1% will be recorded.

Estimate of Change in Sales 2014-2015



Examining the sectors separately, as presented in the above diagram, it is estimated that a considerable decrease (-17%) will be recorded in the sector of Processing and Trading Oil Products, while, in contrast, increases will be recorded in the sectors of Consumer Goods (+1,3%) and Tourism, Entertainment and Mass Media (+5,82%). Remarkable is the expected return in sectors that recorded high losses during the period 2014 - 2009 and are about to record growth in 2015. Specifically, Industrial Products, Healthcare Products and Services, Consumer Products and related tourism activities are expected to grow further in 2015.

The following analysis examines the assessment of sectors' turnover in relation to the industries composing them.

Industrial Products Sector

The sector includes industries that have heterogeneous elements and operate in industrial goods production. The course of the industries is affected by both - the course of domestic consumption and the prices of raw materials used in production process. Moreover, a lot of the aforementioned industries base their operations on the domestic construction activity that significantly affects their development. Notably industries, such as Building Materials & Fixtures, Plumbing Fixtures, Ready Mixed Concrete, Steel, Cooling and Heating and Paints and Varnishes recorded losses in their turnover from 24% to 57% of turnover in 2014 compared with 2009. Industries and entities with export activities - that have significantly increased within the period under examination - present substantially different results.

Industry	Estimate 2015	Sales 2014	Change 2015-2014	Change 2015-2014 (%)	Change 2014-2009 (%)
Agricultural Products	549	511	38	7,4%	48%
Commodity Metals	3.644	3.886	-242	-6,2%	16%
Various Industrial Products	781	747	34	4,6%	0%
Various Metal Products	1.047	1.035	12	1,2%	1%
Building Materials & Fixtures	1.873	1.942	-69	-3,6%	-28%
Plumbing Fixtures	108	113	-5	-4,8%	-57%
Printing	310	323	-13	-4,0%	-24%
Metal Trade and Processing	527	516	11	2,1%	-29%
Ready Mixed Concrete	276	232	44	19,0%	-52%
Animal Feed	288	256	32	12,5%	4%
Tobacco	1.543	1.434	109	7,6%	8%
Construction	4.955	4.834	121	2,5%	-8%
Textiles	600	596	4	0,7%	20%
Lubricants	269	263	6	2,2%	50%
Metal Constructions	83	87	-4	-4,8%	-35%
Industrial Machinery	1.831	1.841	-10	-0,5%	-8%
Timber	240	233	7	3,1%	-31%
General Mining	637	722	-85	-11,7%	24%
Plastics	1.276	1.260	15	1,2%	20%
Containers & Packaging	665	657	8	1,3%	28%
Steel	329	319	11	3,4%	-43%
Paper	332	318	14	4,4%	-3%
Chemicals	1.055	1.051	4	0,4%	29%
Paints and Varnishes	352	332	21	6,3%	-24%
Cooling, heating, plumbing	274	286	-12	-4,2%	-37%

Eight industries are expected to be unfavorable impacted by the expected decline in GDP, the precipitation of the domestic construction activity and the decrease in prices of some commodity metals. Similarly, some industries of the sector exhibit resilience, expecting to record even marginal increases. Remarkably, stabilization of constructions' industry operations is expected, or even a marginal increase.

An increase is also expected to be recorded by the industries related to primary production, such as Agricultural Products, Lubricants and Animal Feed. Notably these industries have substantially increased their turnover since 2009 demonstrating the growth potential of the primary production sector and the industries, which are directly and indirectly related to it.

Energy and Utilities Sector

This sector includes entities operating in the industries related to energy and environment. Given the increased investor interest and the perceived importance of the entities in the growth of Greek Economy, we should take into account not only the structural singularities of operations of the industries, but also the legislative interventions that have or will have investment or/and revenue nature. In this context, fulfillment of bailout agreement obligations and completion of privatization would significantly affect the course of the industries.

Industry	Estimate 2015	Sales 2014	Change 2015-2014	Change 2015-2014 (%)	Change 2014-2009 (%)
Recycling and Waste Management	220	262	-42	-16,2%	33%
Renewable Sources of Energy	134	145	-11	-7,4%	16%
Electricity	6.861	6.486	375	5,8%	5%
Water Supply and Sewerage	399	400	-1	-0,2%	-14%
Natural Gas	1.500	1.575	-74	-4,7%	9%

Electric Energy and Natural Gas industries of the sector are expected to benefit from the increase in production and supply. The sector of Water Supply and Sewerage industry is expected to record stable trends, after the losses recorded in the period 2014-2009 (-14%).

Professional and Other Services Sector

This sector includes entities mainly involved in rendering services. Though these industries render services of different kind and nature, as a total, they have recorded significant losses during the period 2014 - 2009. In particular, industries, such as Advertising, Professional Services, Courier Services and Transportations record losses of approximately 30% of their turnover during the period.

Industry	Estimate 2015	Sales 2014	Change 2015-2014	Change 2015-2014 (%)	Change 2014-2009 (%)
Real Estate	300	309	-9	-2,9%	-23%
Vehicle Spare Parts & Service	449	443	7	1,6%	-19%
Advertisement	538	539	-1	-0,2%	-36%
Professional Services	889	978	-89	-9,1%	-32%
Private Education	171	164	7	4,3%	-20%
Post Office - Courier Services	483	469	14	3,0%	-33%
Transportation Services	1.392	1.278	114	9,0%	-10%
Ground Cargo Transportation Support Services	252	258	-6	-2,4%	-32%
Ground Cargo Transportation Services	89	90	0	-0,3%	-6%

The forecasted increase in new vehicles registrations is expected to assist the industry of Vehicles Spare Parts & Service. The expected increase in the flow of goods as well as price reductions in services seems to result in 9% increase regarding the Transportation Services industry. In contrast, negative trend is still effective in the Professional Services industry, which will shrink further due to increased competition, leading to lower prices. Particularly for industries such as Private Education and Advertising, legislative interventions are still pending therefore their effect on the business operations is not yet determinable.

Processing and Trading Oil Products Sector

The sector includes the entities operating in Processing and Trading Oil Products. Their activity is mainly affected by international oil prices while their profitability arises from domestic demand. Consequently, an impressive increase in turnover recorded during 2014 -2009 was not accompanied by a corresponding increase in profitability.

Industry	Estimate 2015	Sales 2014	Change 2015-2014	Change 2015-2014 (%)	Change 2014-2009 (%)
Petroleum Products Trade	7.686	10.322	-2.635	-25,5%	4%
Integrated Petrol	16.621	18.870	-2.250	-11,9%	73%

The ongoing decline in oil prices during 2015 is expected to affect sales adversely of Trading Oil Products and Integrated Petrol resulting in losses of over 10%, without the expected increase in oil consumption volume to be able to compensate for the related losses. However, as far as the aforementioned entities are concerned, the volume of sales - expected to increase given the decrease in prices – constitutes the key to their profitability.

Consumer Products Sector

The industries, included in the sector, primarily address the general consuming public and, therefore, are significantly affected by the decrease in domestic demand. Thus, a lot of industries have recorded losses exceeding 40% of their turnover during the period 2014 -2009, for instance – Retailers (-72%), Vehicles Importers (-59%), Books and Newspapers Trade (-55%), Furniture Trade (-48%) and Electrical & Electronic Household Trade (-40%). The sector also includes Super Markets that have not recorded reduction of turnover as a result of compression of their profit margins.

Industry	Estimate 2015	Sales 2014	Change 2015-2014	Change 2015-2014 (%)	Change 2014-2009 (%)
Vehicles Importers - Representatives	1.833	1.708	126	7,4%	-59%
Personal Hygiene Products	1.565	1.491	74	5,0%	-2%
Trade in Various Products	327	306	21	7,0%	-29%
PC and Electronic Equipment Trade	1.952	1.930	22	1,1%	-20%
Textile Trade	132	124	8	6,7%	-18%
Books, Newspapers and Magazines Trade	102	115	-13	-11,1%	-55%
Vehicles Trade	296	270	26	9,6%	-72%
Apparel & Footwear Production	412	385	27	6,9%	-24%
Retailers	2.856	2.936	-80	-2,7%	-16%
Retail of Fuels and Vehicles Lubricants	725	739	-14	-1,9%	69%
Production & Trade in Furniture & Household Appliances	397	412	-15	-3,7%	-48%
Production and Trade in Jewelry and Fashion Accessories	70	64	6	9,4%	-37%
Trade and Production of Games	106	106	0	0,3%	-25%
Production & Wholesale of Electrical & Electronic Household Goods	990	1.002	-12	-1,2%	-40%
Soupermarket	7.934	7.877	57	0,7%	4%
Apparel & Footwear Wholesale	759	730	29	4,0%	-20%

Particularly importance is that for the majority of industries, the year 2014 was the year their turnover increased. The same tendency has been observed in 2015 despite the imposition of capital control restrictions, which have hindered trade in the 2nd half of 2015.

The expected decline in demand affects adversely the industries of Retail Trade and Fuel and Lubricants Trade, as well as Production and Trade of Furniture and Household Goods, Electrical & Electronic Appliance. A further reduction in the Advertising industry is expected to unfavorably affect the Newspapers and Magazines industry. In contrast, a lot of industries actually benefit from the relative expected decline in consumer price index such as Various Goods Trade and Personal Hygiene Products. Vehicles Importers - Representatives and Vehicles Trade expect growth of over 7%, due to an increase in new registrations.

Healthcare Products and Services Sector

The sector includes relatively homogeneous entities in respect of the variables affecting their activities. Reduced state spending in the Healthcare sector has significantly affected the operations of the entities, resulting in a significant decrease in turnover during the period 2014-2009.

Industry	Estimate 2015	Sales 2014	Change 2015-2014	Change 2015-2014 (%)	Change 2014-2009 (%)
Medical Equipment	700	689	11	1,6%	-40%
Healthcare Services	1.182	1.171	11	0,9%	-35%
Pharmaceuticals	5.423	5.386	37	0,7%	-27%

Reduced state spending seems to be offset by the expected decline in consumer price index of leading Healthcare Products industries and Healthcare Services, stabilizing their turnover as a result. It is to be noted that a similar trend was recorded in 2014, which reinforces the emerging trend. However, further cuts and changes in the Healthcare Sector will negatively affect these industries.

Telecommunications and Technology Sector

The sector is significantly affected by consumer spending and domestic demand. The decline of disposable income has significantly affected the activities of the sector's entities and was accompanied by pressure on profit margins.

Industry	Estimate 2015	Sales 2014	Change 2015-2014	Change 2015-2014 (%)	Change 2014-2009 (%)
Electronic Equipment	659	663	-5	-0,7%	-31%
Telecommunications	6.060	6.378	-318	-5,0%	-32%
Computer Services	927	889	38	4,3%	-20%

Intense competition, coupled with the relative decline in services prices, adversely affects Telecommunications. In contrast, industries such as Electronic Equipment and Computer Services are expected to stabilize their activity level.

Tourism, Entertainment and Mass Media Sector

The sector includes industries that facilitate the growth of the Greek economy. Excluding the Hotels, the rest of the industries have strongly experienced the recession with a significant reduction of their activities during the period 2014 to 2009. In 2014 there was stabilization or even growth in the industries, directly related to Tourism while, in contrast, the industries, related to entertainment, is still under pressure.

Industry	Estimate 2015	Sales 2014	Change 2015-2014	Change 2015-2014 (%)	Change 2014-2009 (%)
Airlines	1.015	958	57	6,0%	-2%
Marine Transportations	773	757	16	2,1%	-23%
Book Publishing	104	107	-3	-2,9%	-20%
Newspapers and Magazines Publishing	237	272	-35	-13,0%	-61%
Catering	192	174	19	10,7%	-38%
Vehicles Leasing	442	431	12	2,7%	-19%
Hotels	1.978	1.812	166	9,2%	19%
Audio-visual Production	90	86	4	4,7%	-30%
TV, Radio & Entertainment	214	220	-6	-2,8%	-39%
Gambling	5.795	5.416	379	7,0%	-16%
Ground Passenger Transportation Services	271	269	3	0,9%	-13%

The significant increase in foreign tourism volumes and strengthening of dollar over euro the last two years lead to an increase in the volumes of the Hotels industry. Alongside, the Transportations sector related to tourism (Air and Marine Transportations) is expected to be reinforced. The increase in foreign tourism volumes has absorbed the decline in domestic tourism volumes, a trend that seems to be confirmed for 2015. The increase in revenue related to tourism demonstrates the significant investment opportunities which may be the basis for the growth of the Economy.

It is to be noted that enforcements of taxes (e.g. VAT on hotels, islands, transport) may adversely affect the general trend, especially in relation to domestic tourism.

The ongoing decline of advertising activity is expected to lead the industries of Publications and Television to additional losses of over 10% for 2015.

Food and Beverage Sector

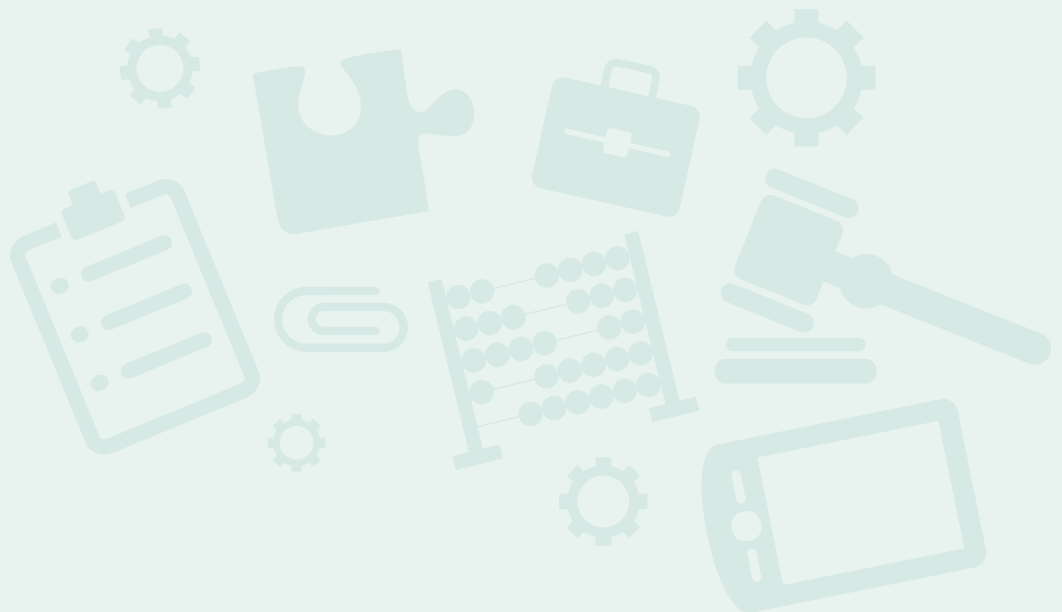
Food and Beverage Sector is of particular interest with respect to the investment opportunities it presents. It is a defensive industry that has achieved export orientation in order to absorb the pressures suffered from reduced demand in the domestic market. It is observed that the majority of industries that compose the sector recorded growth during the period 2014-2009.

Industry	Estimate 2015	Sales 2014	Change 2015-2014	Change 2015-2014 (%)	Change 2014-2009 (%)
Agricultural Supplies	490	476	14	3,0%	22%
Flour Mills	350	334	15	4,6%	-7%
Cold Cuts	341	351	-11	-3,0%	-8%
Bakery & Confectionery	2.099	2.041	58	2,8%	9%
Dairy Products	2.461	2.504	-43	-1,7%	7%
Various Food Products	2.643	2.671	-28	-1,0%	6%
Olive Oil - Cooking Fats	890	872	18	2,1%	2%
Fruit and Vegetable's Trade	637	630	7	1,2%	26%
Processing and wholesale meat trade	641	654	-13	-2,0%	2%
Fish Farms	654	631	23	3,6%	23%
Mineral Water, Juices & Soft Drinks	6.524	6.818	-294	-4,3%	-1%
Production of Alcoholic Beverages	680	686	-6	-0,8%	-12%
Poultry	519	481	38	7,8%	57%
Wholesale in alcoholic beverages and drinks	295	304	-9	-3,1%	-35%

The expected increase in the consumer price index regarding Food and Beverage & Tobacco is expected to result in losses in turnover of up to 4% in respect of the industries such as Dairy Products, Various Food Products and Mineral Water, Juices & Soft Drinks.

In contrast, industries such as Poultry, Fish Farms and Agricultural Supplies are expected to further increase their operations.

Sample Entities and Industry Analysis based on “Financial Growth / Health Matrix”



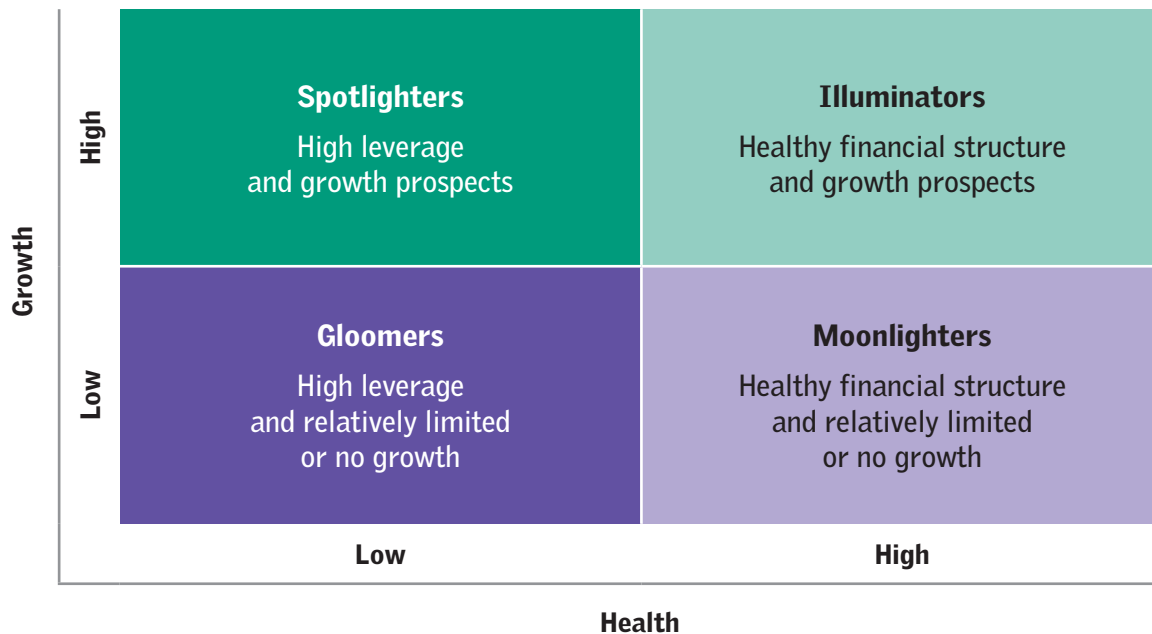
2. SAMPLE ENTITIES AND INDUSTRY ANALYSIS BASED ON "FINANCIAL GROWTH / HEALTH MATRIX"

The analysis and assessment of the course of various Greek industries general development is based, on the analysis and understanding of the financial position and performance of these industries, recorded in recent years. This analysis reveals - both ant entity and industry level - strength and dynamics that have been developed over time, but also reveals the problematic areas and weaknesses of the Greek economy.

Based on the historical financial position and performance of the Greek entrepreneurship industries, we have applied the appropriate financial ratios and analyzed relevant trends that illustrate industries' financial performance and dynamics as well as financial structure. Our objective is to identify industries with common characteristics in order to facilitate further discussions in respect of investment opportunities and challenges faced by existing and potential stakeholders.

Consequently, Grant Thornton correlated «dynamic growth» and «financial health» of entities of various industries, creating «Financial Growth / Health Matrix», and accordingly classified the sectors into 4 categories («Illuminators», «Spotlighters», «Gloomers», «Moonlighters»).

As a result, «Financial Growth / Health Matrix», and the general characteristics of the categories forming it are as follows:



Based on our methodology, the classification of sectors in the matrix is as follows:

Below, we present the brief data per category in terms of industries. Moreover, in brackets, we present the relative sizes arising from our last year analysis in order to facilitate better understanding of the tendencies developed in the Greek economy over the past year.

Spotlighters 14 (15) industries Represent: 14% (16%) of total sales 16% (13%) of total debt	Illuminators 17 (11) industries Represent: 27% (14%) of total sales 23% (9%) of total debt
Gloomers 49 (52) industries Represent: 45% (58%) of total sales 49% (72%) of total debt	Moonlighters 8 (10) industries Represent: 14% (12%) of total sales 12% (5%) of total debt

Compared to last year, we can observe an improvement in the general economic environment as expressed by shifting industries ratios towards more favorable areas of the matrix, due to their economic position or strength or because of both.

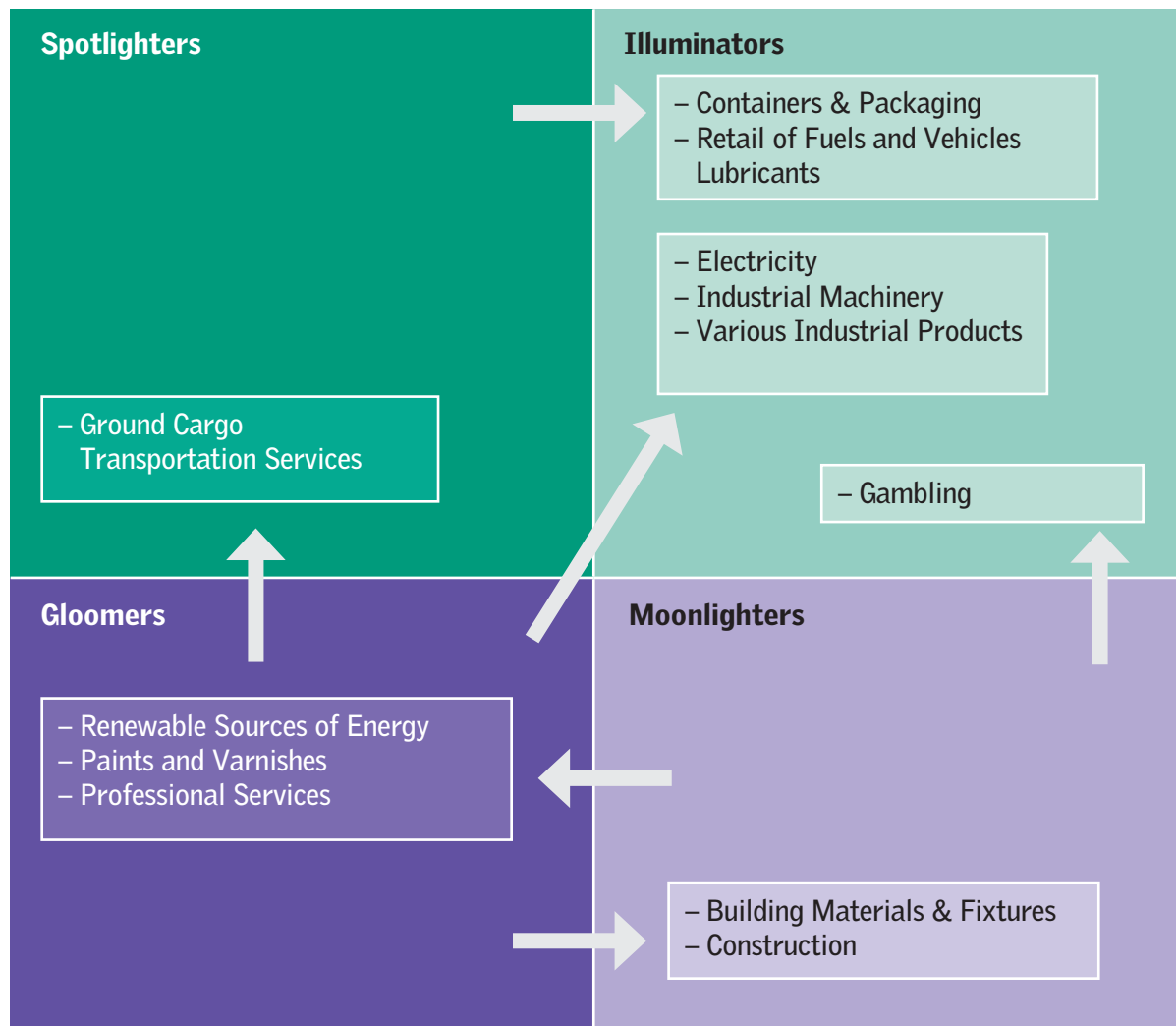
As "Illuminators" are recognized industries such as Personal Hygiene Products, Recycling and Waste Management and Airlines along with industrial sectors such as Chemicals and Plastics. At the same time emerging sectors are recognized, such as Transportations, and more traditional ones, such as Tobacco. It is to be noted that this year, the category also includes the industries that seem to be gaining momentum, such as Various Industrial Products, Industrial Machinery and Electric Energy.

As "Spotlighters" are recognized industries such as Hotels and Supermarkets. Also Primary's Production sectors such as Agricultural Products, Livestock, as well as products and activities related to these sectors, for instance Fruit and Vegetable's Trade. Industries showing improvements in their dynamics, such as Ground Passenger Transportation Services, also included in the above category.

As "Moonlighters" are recognized industries such as Pharmaceutical, Various Food Products, Production of Alcoholic Beverages and Ground Cargo Transportation Support Services. Construction and Building Materials & Fixtures industries are the ones showing an improvement in their financial position, thus enabling them to claim participation in the new economic environment.

As "Gloomers" are recognized industries such as Fish Farms, Real Estate, Heavy Industrial Products, Publishing, Television, Newspapers, Advertising, Healthcare Services and Textiles. However, the fact that quite a lot of industries of that category seem to improve their financial position and momentum not only is encouraging, but indicating that they can be drivers of growth in a more favorable and stable economic environment. Such industries include Marine Transportations, Commodity Metals, Fish Farms and Real Estate.

The table that follows presents the changes between the categories recorded in 2014 versus last year:



Regarding the industries, remaining in the same category, the following table presents the industries recording significant improvement or aggravation in their financial position:

Spotlighters <div> IMPROVEMENT <ul style="list-style-type: none"> – Lubricants – Hotels – Poultry DETERIORATION <ul style="list-style-type: none"> – Olive Oil - Cooking Fats </div>	Illuminators <div> IMPROVEMENT <ul style="list-style-type: none"> – Plastics – Tobacco – Transportation Services DETERIORATION <ul style="list-style-type: none"> – Mineral Water, Juices & Soft Drinks </div>
Gloomers <div> IMPROVEMENT <ul style="list-style-type: none"> – Marine Transportations – Real Estate – Paper – Commodity Metals – Advertisement – Vehicles Trade – Fish Farms – Timber – Vehicles Importers - Representatives – Various Metal Products – Vehicle Spare Parts & Service DETERIORATION <ul style="list-style-type: none"> – Electronic Equipment – Healthcare Services – Production & Wholesale of Electrical & Electronic Household Goods – Production & Trade in Furniture & Household Appliances </div>	Moonlighters <div> IMPROVEMENT <ul style="list-style-type: none"> – Trade and Production of Games DETERIORATION <ul style="list-style-type: none"> – Pharmaceuticals – Ground Cargo Transportation Support Services </div>

It should be noted that classifying an industry in a particular place in the «Financial Health / Growth Matrix» is the weighted performance of the entities that constitute it, in terms of financial ratios and characteristics analyzed above. Therefore, also due to the number of the entities that make up an industry, every entity of every industry does not necessary accurately present the characteristics attributed to the latter. Every industry has entities that record dynamic growth and strong financial structure, and entities recording downward trends in their operations and weak financial position, however, the general picture of the industry is a result of all the components entities.

In conjunction with the position of the industry, the analysis of the specific financial characteristics at entities level is what fully reveals both investment opportunities and necessary targeted actions concerning the entities of various industries. The result of this analysis, i.e. classification at the examined sample entities level, is summarized in the following table. Moreover, in brackets, we present the relative sizes arising from our last year analysis in order to facilitate better understanding of the tendencies developed in the Greek economy over the past year.

Spotlighters 19% (18%) of total companies Represent: 33% (19%) of total sales 27% (15%) of total debt	Illuminators 21% (16%) of total companies Represent: 16% (21%) of total sales 6% (9%) of total debt
Gloomers 39% (50%) of total companies Represent: 35% (46%) of total sales 50% (72%) of total debt	Moonlighters 22% (16%) of total companies Represent: 15% (14%) of total sales 17% (4%) of total debt

The results of mapping Greek businesses at entities level indicate the improvement of the economic environment compared to last year. Several entities have improved their basic financial sizes and obtain dynamic expansion of their operations. Stabilization of the economic environment can trigger their restart, and on the basis of optimization of costs and operations achieved in recent years, they can still play the leading part in the newly formed Greek business environment.

Historic Financial Items for the period 2014-2009



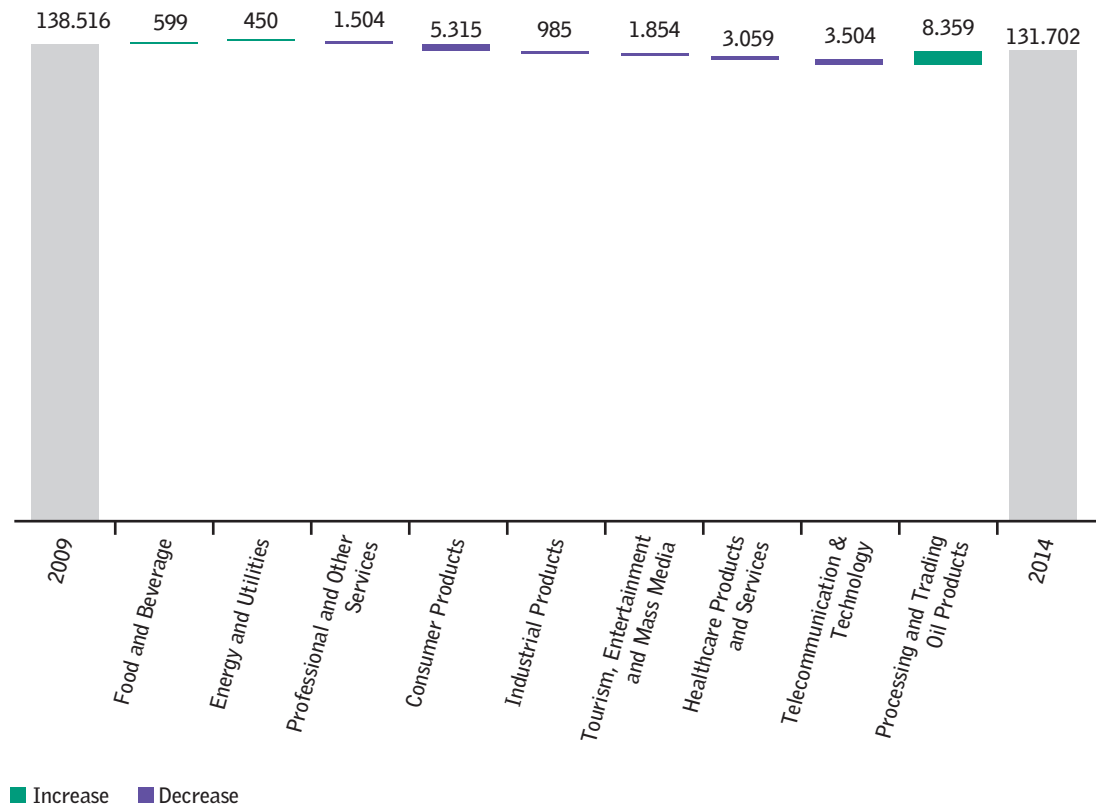
3. HISTORIC FINANCIAL ITEMS FOR THE PERIOD 2014-2009

Summary of Financial Items	2014	2013	2012	2011	2010	2009
Non-current Assets	108.147	106.104	108.305	110.825	111.690	109.660
Current Assets	68.374	66.728	70.881	73.255	76.672	75.912
Total Assets	176.521	172.833	179.186	184.080	188.362	185.572
Equity	67.416	67.866	68.778	70.084	69.954	69.979
Long-term Loan Liabilities	32.151	29.783	28.027	33.124	35.992	36.533
Other Long-term Loan Liabilities	17.624	15.863	15.248	15.827	15.617	17.185
Total Long-term Liabilities	49.775	45.646	43.276	48.951	51.609	53.718
Short-term Loan Liabilities	21.047	22.797	29.206	25.849	25.031	21.638
Other Loan Liabilities	38.283	36.524	37.926	39.196	41.768	40.237
Total Short-term Liabilities	59.330	59.320	67.133	65.045	66.799	61.875
Total Liabilities	109.105	104.967	110.408	113.996	118.407	115.593
Total Equity and Liabilities	176.521	172.833	179.186	184.080	188.362	185.572
Working Capital	9.044	7.408	3.749	8.210	9.873	14.037
Working Capital without Borrowing	30.091	30.205	32.955	34.059	34.904	35.675
Sales	131.702	130.081	136.864	140.672	138.940	138.516
EBITDA	10.230	9.613	10.499	10.878	11.443	15.119
EBIT	4.259	3.465	3.753	3.547	4.261	8.486
EBT	885	208	-21	-44	549	6.142
EAT	-218	-1.140	-1.020	-1.426	-1.721	3.431

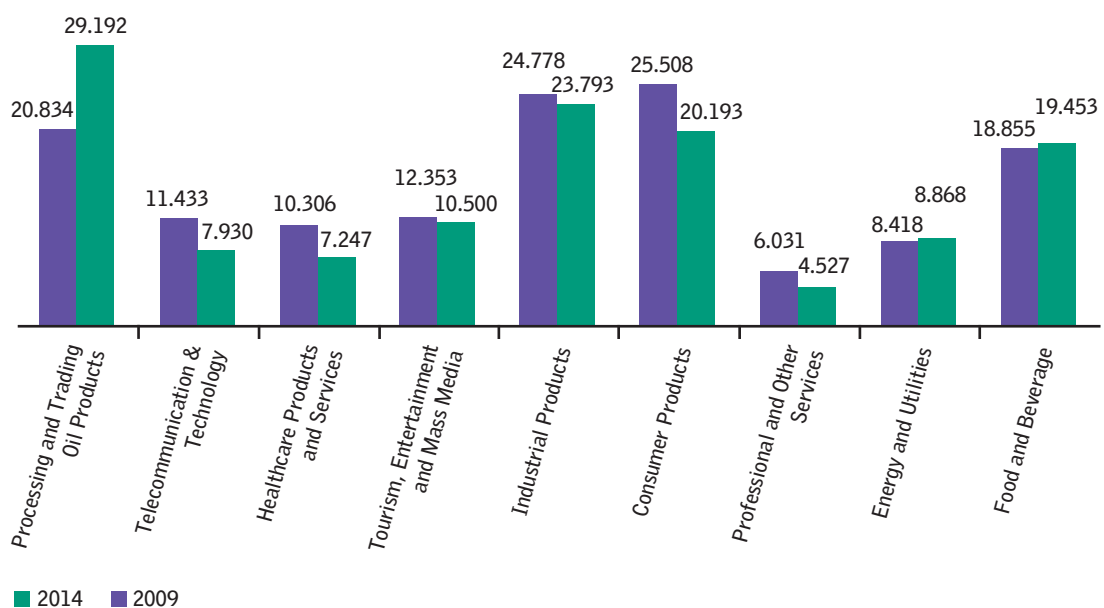
Key Ratios	2014	2013	2012	2011	2010	2009
Loan Liabilities / Equity	0,8	0,8	0,8	0,8	0,9	0,8
Current Assets / Short-term Liabilities	1,2	1,1	1,1	1,1	1,1	1,2
EBITDA Margin	7,8%	7,4%	7,7%	7,7%	8,2%	10,9%

Sales

Change in Total Sales 2014-2009 per Sector



Sales comparison per Sector 2014-2009



- During the last five years, the sampled entities recorded losses equaling 4.7% of their total sales. As presented in the diagram, a significant positive impact on the change of the total turnover is recorded in the sector Processing and Trading Oil Products, whose gross revenue increased by about 40% in the period 2009 - 2014. Notably the sales value of this sector is significantly influenced by the price of crude oil and € / \$ exchange rate, while during the period under examination, the sales value has increased due to increased taxes incorporated in the price of petroleum products. Not including Processing and Trading oil products sector, turnover of the sampled companies has reduced by € 15 milliard or 13%.
- The sectors of Healthcare Products & Services, Telecommunications & Technology and Professional and Other Services have recorded the highest percentage reduction in turnover during the period under examination. The sector of Food - Beverages has managed to maintain its turnover, and so did the industries of Industrial Products sector relating to primary production. On the contrary, the industries involved in construction activity have received substantial pressure. The sector of Tourism, Entertainment and Mass Media, also under pressure during the period under examination, shows recovery signs especially in tourism related industries.

The following table presents the sectors recording the most significant increases and decreases in sales within the period 2014-2009.

Change of Sales 2014-2009		
10 Sectors with the highest increase	Sector	2014-2009
Integrated Petrol	Processing and Trading Oil Products	73%
Retail of Fuels and Vehicles Lubricants	Consumer Products	69%
Poultry	Food and Beverage	57%
Lubricants	Industrial Products	50%
Agricultural Products	Industrial Products	48%
Recycling and Waste Management	Energy and Utilities	33%
Chemicals	Industrial Products	29%
Containers & Packaging	Industrial Products	28%
Fruit and Vegetable's Trade	Food and Beverage	26%
General Mining	Industrial Products	24%
10 Sectors with the highest decrease	Sector	2014-2009
Vehicles Trade	Consumer Products	72%
Newspapers and Magazines Publishing	Tourism, Entertainment and Mass Media	61%
Vehicles Importers - Representatives	Consumer Products	59%
Plumbing Fixtures	Industrial Products	57%
Books, Newspapers and Magazines Trade	Consumer Products	55%
Ready Mixed Concrete	Industrial Products	52%
Production & Trade in Furniture & Household Appliances	Consumer Products	48%
Steel	Industrial Products	43%
Production & Wholesale of Electrical & Electronic Household Goods	Consumer Products	40%
Medical Equipment	Healthcare Products and Services	40%

- Further specifying our analysis from 9 major sectors to 88 separate industries, we can ascertain that the industries related to agriculture and livestock, such as those of Poultry, Fertilizers, Agricultural Products etc., have presented substantial improvement. This is a particularly encouraging, in view of the growth pillars that are to facilitate the Greek economy restart in the years to follow. In contrast, industries such as the Publication of Newspapers and Magazines and Books and Newspaper Trade present the biggest decline. We should also refer to the industries such as Vehicles Trade & Representatives that seem to be on the way towards recovery, despite recording substantial decreases in the period 2014 – 2009.

Sales	2014	2013	2012	2011	2010	2009
Mega	79.175	78.902	84.215	84.790	81.194	76.753
Large	24.459	24.462	25.994	27.530	27.992	29.674
SMEs	26.558	25.269	25.179	26.645	27.764	29.775
Micro	1.510	1.448	1.475	1.706	1.991	2.314
Total	131.702	130.081	136.864	140.672	138.940	138.516

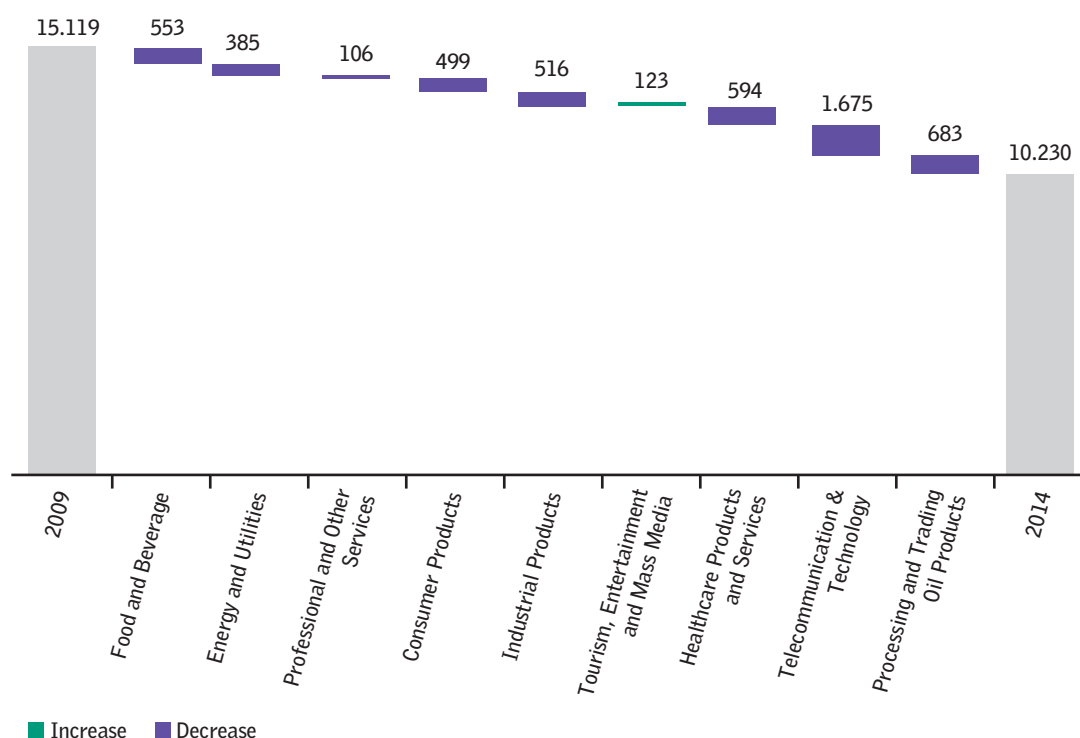
- Examining entities turnover depending on their size appears crucial. Mega entities seems to increase their turnover, however if Processing and Trading Oil Products sector is not included, a 10% of their sales has been lost. On the contrary Micro entities have lost 35% of their sales.

Entities	Number of Entities	With increase in Sales 2014-2009	With decrease in Sales 2014-2009
Mega	73	48%	52%
Large	248	38%	62%
SMEs	2.608	42%	58%
Micro	2.068	29%	71%
Total	4.997	37%	63%

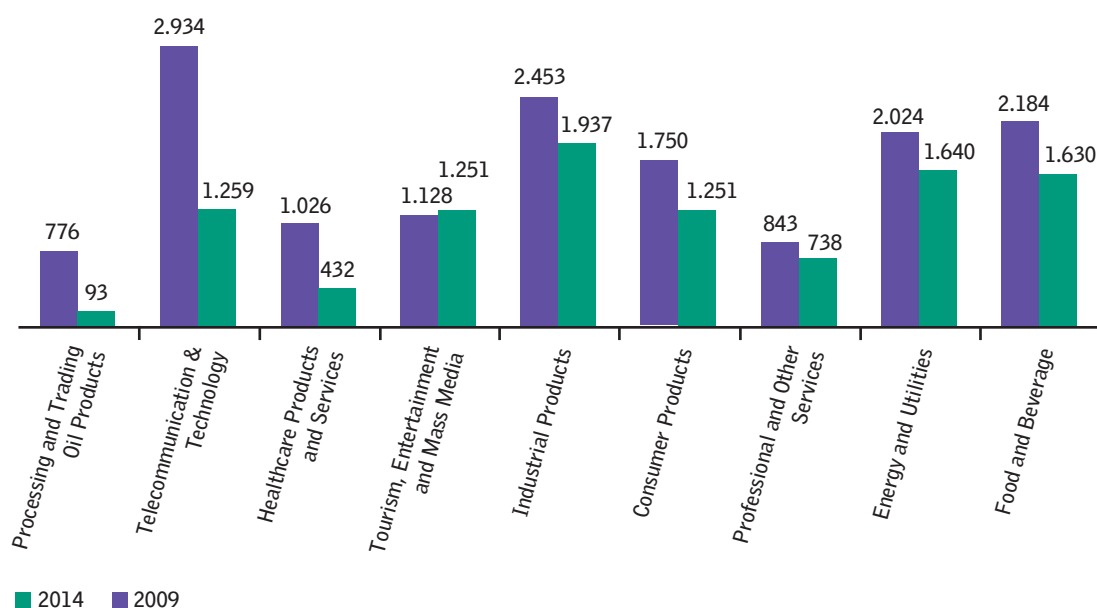
- The importance of business size is also illustrated through considering the number of businesses per category, which during the period under examination, has increased or decreased their turnover. Notably crisis has adversely affected 7 out of 10 Micro entities, whose sales have decreased, although quota is not completely different regarding other categories of entities.

EBITDA

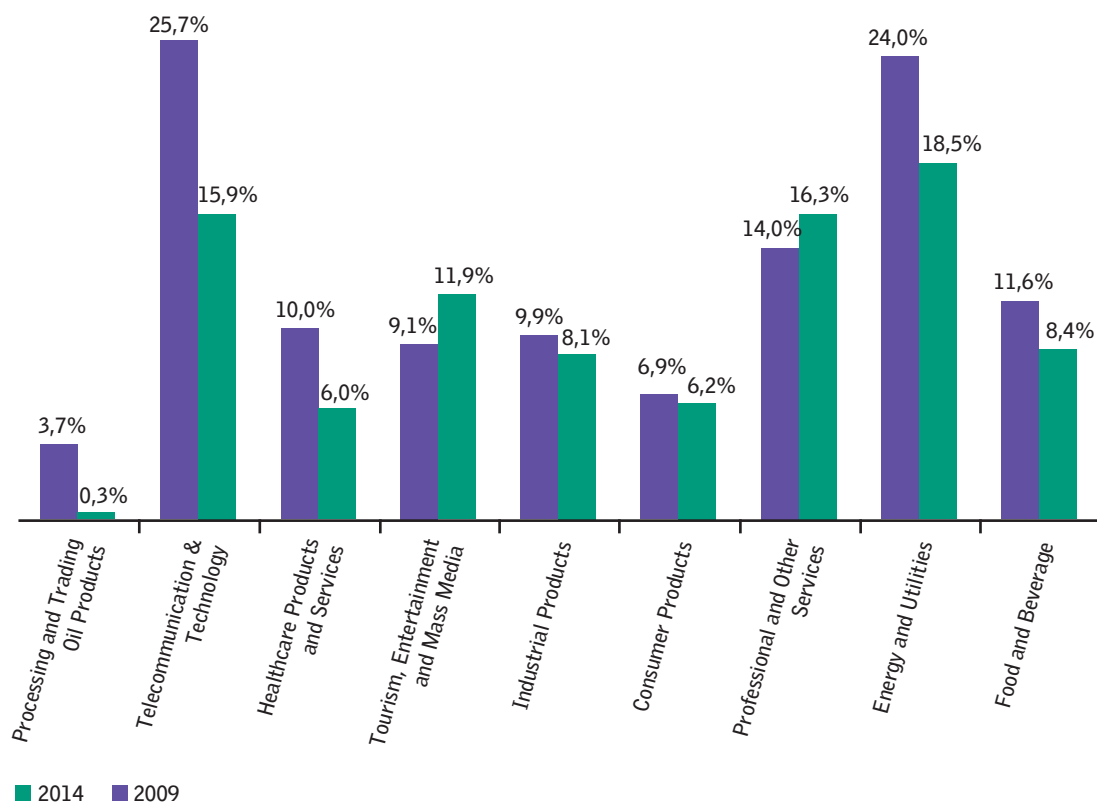
Change of EBITDA 2014-2009 per Sector



EBITDA comparison per Sector 2014-2009



EBITDA Margin comparison per Sector 2014-2009



- Examination of the sampled companies has shown that the overall operating profit appears reduced by 32% (€ 4,8 billion) from 2009 to 2014, with the largest decrease in absolute numbers being recorded in Telecommunications and Technology sector. The sectors, whose operating profitability recorded the highest decline in the last five years, include Processing and Trading Oil Products (-88%), Healthcare Products and Services (-58%), Telecommunications and Technology (-57%) and Consumer Products (-29%). Moreover, crisis has adversely affected the sales volume of the Processing and Trading Oil Products sector, thus decreasing the profit margins, unlike the course of turnover in absolute figures in respect of these entities, which as mentioned above, is affected by external factors. In contrast, the sector of Tourism, Entertainment and Mass Media is the only sector recording an increase of 11% in operating profit.
- As we can see from the analysis of the EBITDA margin per sector, the decline in operating profitability as an absolute number is mainly due to the decline in the relative margin resulting from the efforts made by the entities to adapt to lower demand and increased competition.

The following table presents the sectors recording the most significant increases and decreases in operating profitability within the period 2014-2009.

Change of EBITDA 2014-2009		
10 Sectors with the highest increase	Sector	2014-2009
Textiles	Industrial Products	451%
Airlines	Tourism, Entertainment and Mass Media	336%
Electronic Equipment	Telecommunication & Technology	279%
Post Office - Courier Services	Professional and Other Services	224%
Metal Trade and Processing	Industrial Products	204%
TV, Radio & Entertainment	Tourism, Entertainment and Mass Media	161%
Lubricants	Industrial Products	129%
Integrated Petrol	Processing and Trading Oil Products	103%
Ground Passenger Transportation Services	Tourism, Entertainment and Mass Media	86%
Hotels	Tourism, Entertainment and Mass Media	77%
10 Sectors with the highest decrease	Sector	2014-2009
Plumbing Fixtures	Industrial Products	99%
Ready Mixed Concrete	Industrial Products	98%
Steel	Industrial Products	88%
Production & Trade in Furniture & Household Appliances	Consumer Products	72%
Timber	Industrial Products	71%
Healthcare Services	Healthcare Products and Services	70%
Production & Wholesale of Electrical & Electronic Household Goods	Consumer Products	70%
Trade in Various Products	Consumer Products	69%
Printing	Industrial Products	68%
Vehicles Trade	Consumer Products	66%

- Furthermore, from our analysis, 9 major sectors to 88 separate industries, we can establish that significant increases in operating profitability have been recorded in the industries such as Textiles and Airlines. Moreover, some of the aforementioned industries, such as Textile, that have reported operating losses in 2009, have in 2014 have even marginally been turned to profit. The industries, whose operating profitability has significantly declined, include industries related to construction activity and trade - consumption.

EBITDA	2014	2013	2012	2011	2010	2009
Mega	6.055	5.597	7.063	7.117	7.812	9.888
Large	1.546	1.662	1.878	1.607	1.741	2.491
SMEs	2.412	2.168	1.409	1.969	1.649	2.399
Micro	218	185	149	185	241	341
Total	10.230	9.613	10.499	10.878	11.443	15.119

- As mentioned above, during the last five years, the total operating profitability of the sampled entities appears reduced by 32% (€ 4,8 billion). However, it is encouraging that within the last two years, the rate of decline was limited to -3% showing signs of stabilization, and should we examine only the data in respect of 2014, it will become obvious that after four years of decline, for the first time, total EBITDA has recorded an increase of 6%.
- Size seems irrelevant to operating profitability. Both – Mega and Large entities and Micro entities seem to record losses of almost 40% of their profitability during the five years under examination. SMEs seem to show signs of stamina, adjusting their costs to the shrinkage of their turnover. It is particularly encouraging that during the last two years, both – SMEs and Micro – show remarkable signs of recovery, since this category of entities constitute a significant part of the Greek economy.

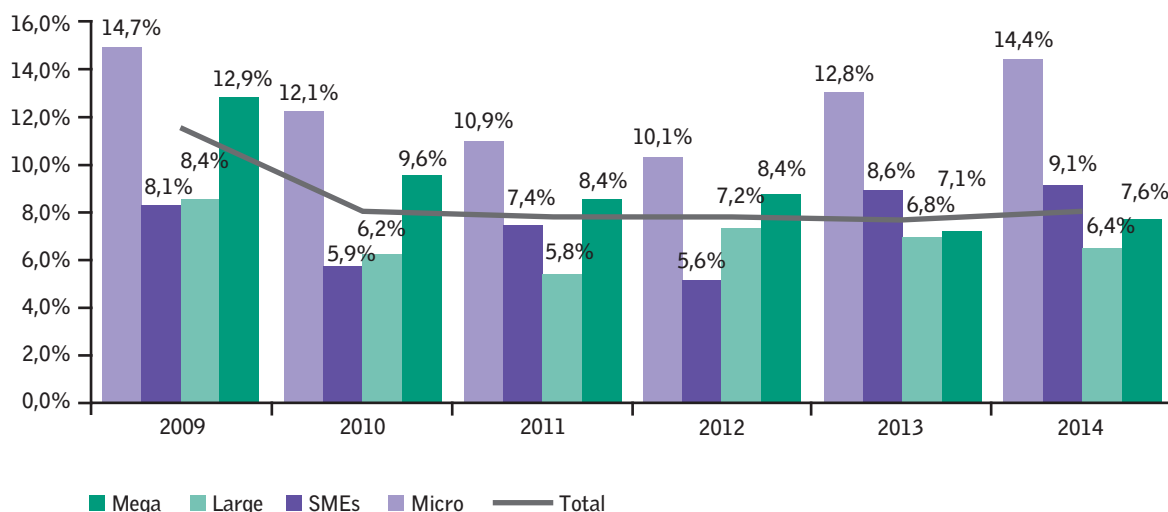
Entities	Number of Entities	With increase in EBITDA 2014-2009	With decrease in EBITDA 2014-2009
Mega	73	33%	67%
Large	248	35%	65%
SMEs	2.608	42%	58%
Micro	2.068	40%	60%
Total	4.997	41%	59%

- Six out of ten entities record decreases in operational profitability, while it is encouraging that in recent years, this trend has been significantly reduced.

Entities with EBITDA <0	2014	2013	2012	2011	2010	2009
Mega	6	8	5	10	9	2
	8%	11%	7%	14%	12%	3%
Large	39	50	46	42	39	28
	16%	20%	19%	17%	16%	11%
SMEs	304	325	414	365	289	218
	12%	12%	16%	14%	11%	8%
Micro	462	495	580	500	407	322
	22%	24%	28%	24%	20%	16%
Total	811	878	1.045	917	744	570
	16%	18%	21%	18%	15%	11%

- The problem of sustainability, faced by several Greek entities, is reflected in the above table that presents the sample entities with operating losses. In 2014, nearly 1 in 6 entities has negative EBITDA, while the problem is most acute regarding Micro entities. Several entities (20% of the above) achieve operational profitability in the last two years; however, there is a critical mass of entities, whose viability is considered problematic.

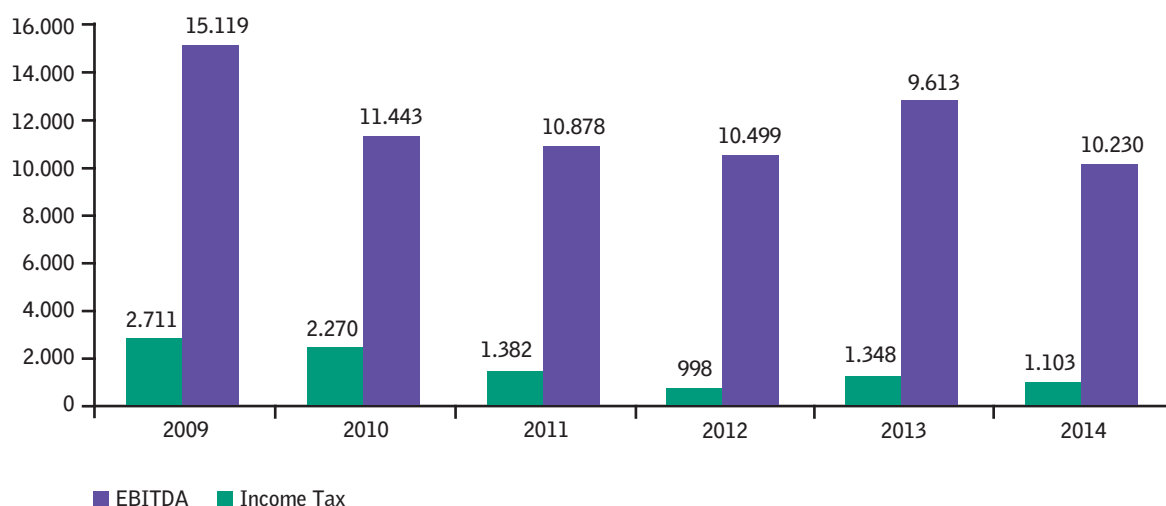
EBITDA Margin



- The decline in operational profitability decreased the relative margin by almost 30%. However, adjusting their operational costs to increasingly declining operations levels, within the recent years, the entities have succeeded in stabilizing the operating profit margin, which is encouraging, given that at average, the entities show signs of recovery in 2014. Particularly, as presented in the table, in 2014, Micro and SMEs managed to improve their margins, presenting signs of adjustment and the result of their efforts aimed at improving the financial position.

The following diagram presents the relation between operational profitability and income tax.

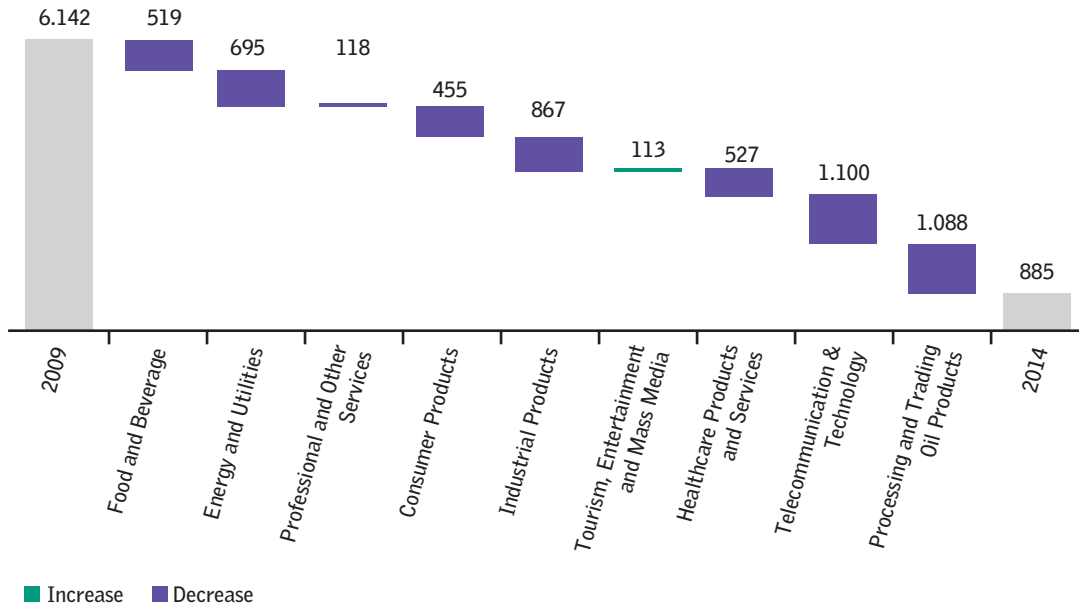
EBITDA regarding Income Tax



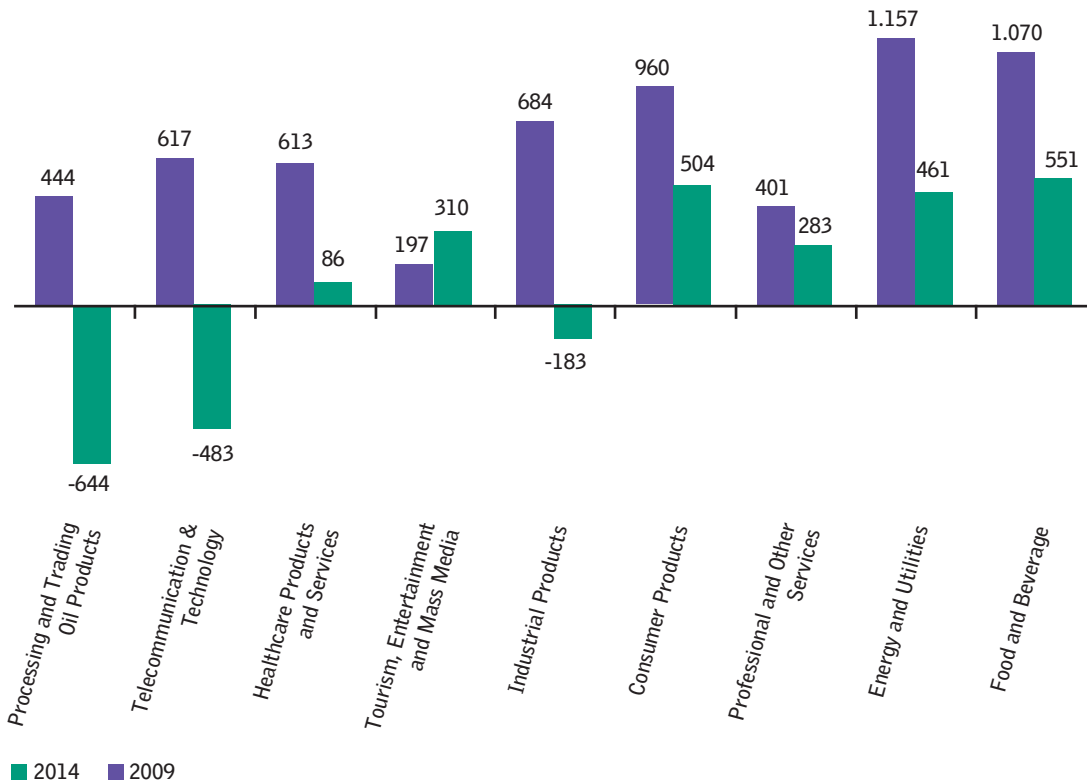
- As we can see, while in the period under examination, operational profitability has decreased by 32%, income tax was decreased by 60%. Thus, it is obvious that the decline in the entities' operations and profitability has multiplier negative effects on their potential ability to pay taxes.

Profit Before Tax

EBT 2014-2009 Change per Sector



EBT comparison per Sector 2014-2009



- During the last five years, total profit before tax of sampled entities appears reduced by 86% (€ 5,3 billion). Apart from the sector of Tourism, Entertainment and Mass Medias, all the other sectors record significant decreases in both, absolute numbers and as a percentage, while the most significant decreases are presented in the sectors of Telecommunications & Technology and Processing and Trading Oil Products.

The following table presents the sectors recording the most significant increases and decreases in profitability within the period 2014-2009.

Change 2014-2009		
10 Sectors with the highest increase	Sector	2014-2009
Lubricants	Industrial Products	357%
Airlines	Tourism, Entertainment and Mass Media	342%
Fruit and Vegetable's Trade	Food and Beverage	247%
Recycling and Waste Management	Energy and Utilities	219%
Hotels	Tourism, Entertainment and Mass Media	210%
Various Industrial Products	Industrial Products	169%
Ground Cargo Transportation Services	Professional and Other Services	147%
Post Office - Courier Services	Professional and Other Services	122%
Animal Feed	Industrial Products	120%
Water Supply and Sewerage	Energy and Utilities	109%
10 Sectors with the highest decrease	Sector	2014-2009
Electronic Equipment	Telecommunication & Technology	4525%
Catering	Tourism, Entertainment and Mass Media	794%
Fish Farms	Food and Beverage	659%
Marine Transportations	Tourism, Entertainment and Mass Media	639%
Timber	Industrial Products	488%
Real Estate	Professional and Other Services	452%
Printing	Industrial Products	344%
Ready Mixed Concrete	Industrial Products	311%
Poultry	Food and Beverage	262%
Steel	Industrial Products	259%

- Further specifying our analysis from 9 major sectors to 88 separate industries, we can establish that the industries that could increase or maintain their sales did not manage to keep intact their profit margins.

EBT	2014	2013	2012	2011	2010	2009
Mega	1.081	818	1.955	1.269	2.320	5.125
Large	-417	-443	-500	-242	-1.147	632
SMEs	237	-98	-1.366	-975	-619	304
Micro	-17	-69	-110	-96	-5	81
Total	885	208	-21	-44	549	6.142

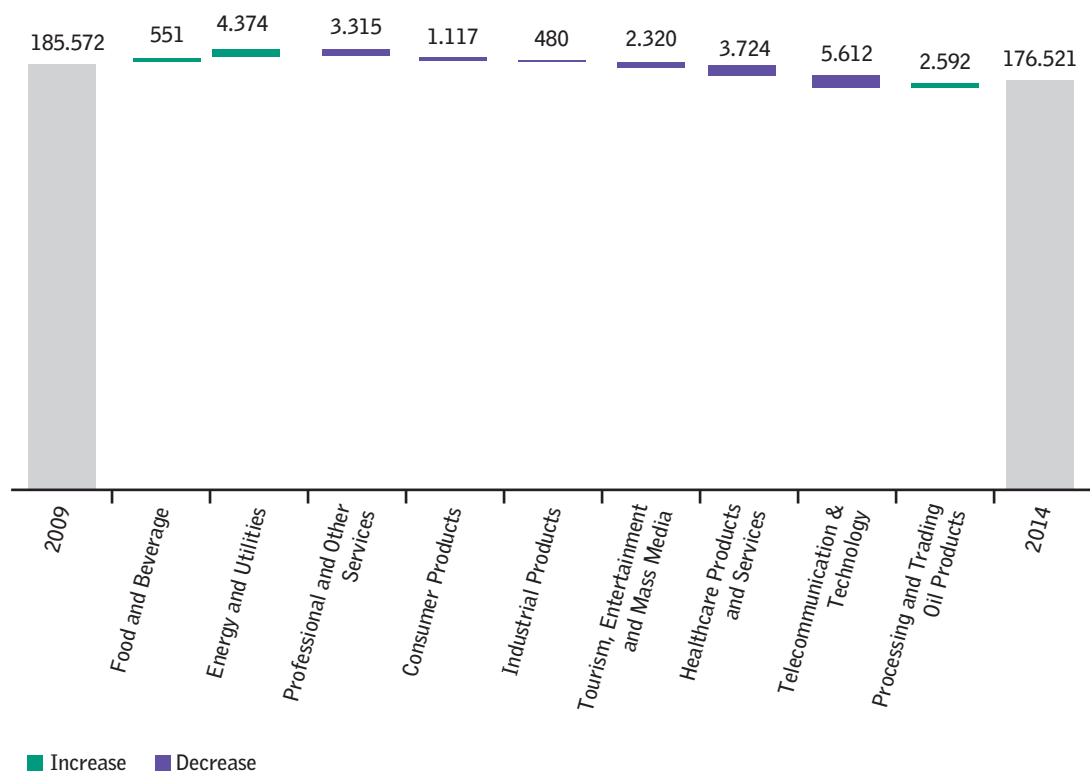
- As already mentioned before, during the last five years, total profit before tax of sampled entities appears reduced by 86% (€ 5,3 billion). Its exceptionally promising, however, that over the last two years there is an increasing number of entities in all the categories with increasing profitability.

Entities	Number of Entities	With increase in EBT 2014-2009	With decrease in EBT 2014-2009
Mega	73	36%	64%
Large	248	38%	62%
SMEs	2.608	42%	58%
Micro	2.068	43%	57%
Total	4.997	42%	58%

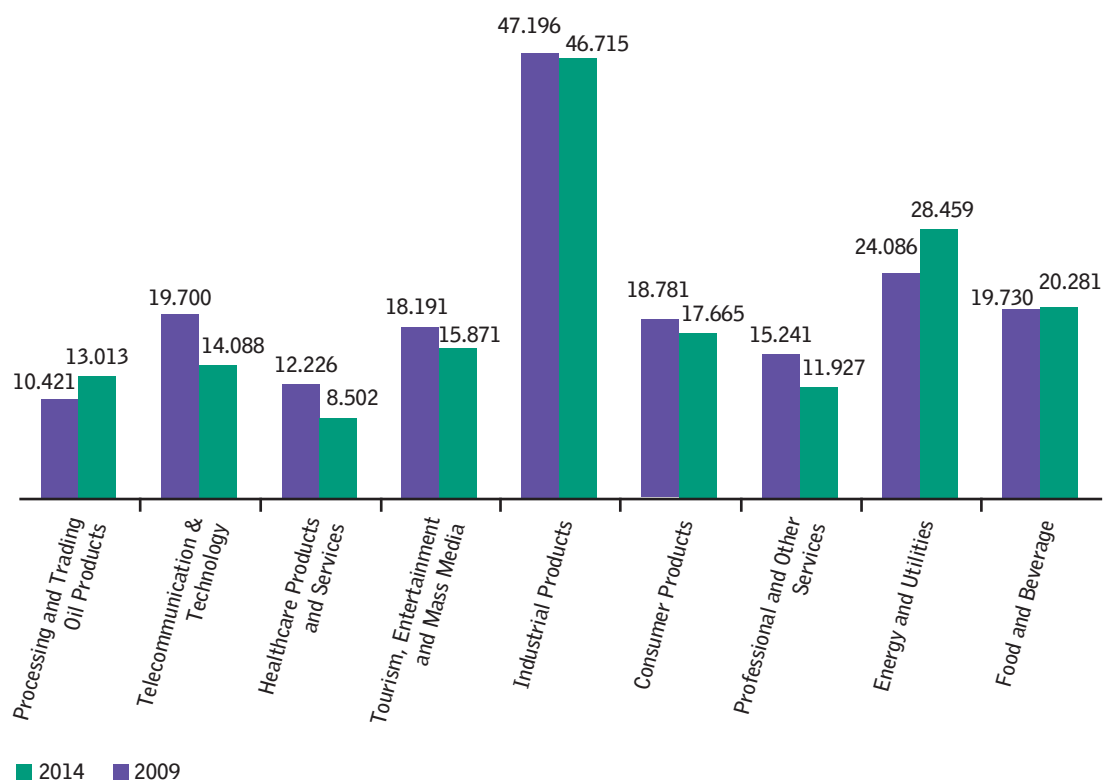
- Half of the entities have seen their profitability decline over the examined period. Remarkably smaller entities adapt quicker to new circumstances.

Assets

Change of Assets 2014-2009 per Sector



Assets comparison 2014-2009 per Sector



- Overall, the sample entities have recorded losses of 5% of their assets equivalent to € 9 billion. The losses mainly arose from disposal of assets at prices lower than the acquisition value, from making provisions and conducting impairments, along with the reduction of new investments.
- With the exception of Energy and Utilities sector, where significant investments in energy projects were made in the period 2014-2009, as well as Food & Beverage and Processing and Trading Oil Products sectors, the remaining six sectors record total assets reduction of nearly € 16,6 billion, representing approximately 12% of the assets held in 2009.

Assets	2014	2013	2012	2011	2010	2009
Mega	85.132	81.509	84.875	86.611	86.459	83.745
Large	35.604	36.311	38.100	38.920	41.271	40.878
SMEs	50.428	49.583	50.677	52.987	54.885	55.154
Micro	5.357	5.429	5.535	5.562	5.747	5.794
Total	176.521	172.833	179.186	184.080	188.362	185.572

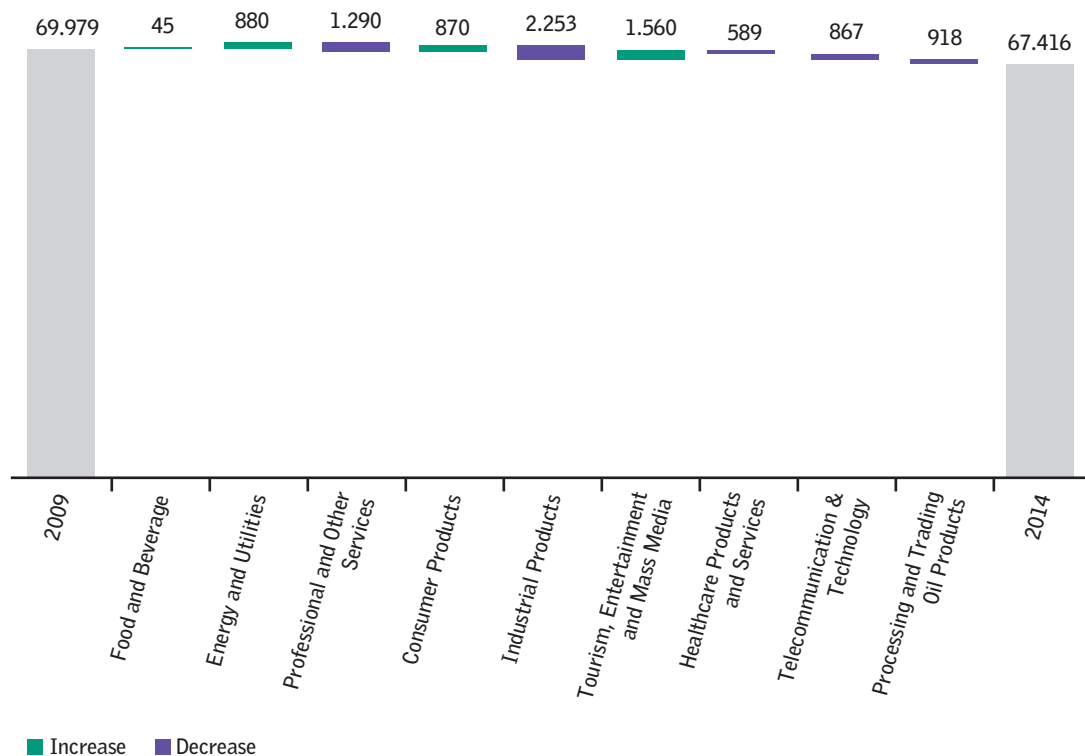
- Given the development of the Greek entities in the last five years, it is evident that only Mega entities had access to the necessary investment capitals. Other categories of entities record decreases in assets, while it should be noted that potentially, losses recorded by SMEs and Micro could be even higher since they are much more hesitant to make provisions. However, it is encouraging that in 2014, the entities increased their assets in most categories.

Entities	Number of Entities	With increase in assets 2014-2009	With decrease in assets 2014-2009
Mega	73	44%	56%
Large	248	36%	64%
SMEs	2.608	40%	60%
Micro	2.068	37%	63%
Total	4.997	38%	62%

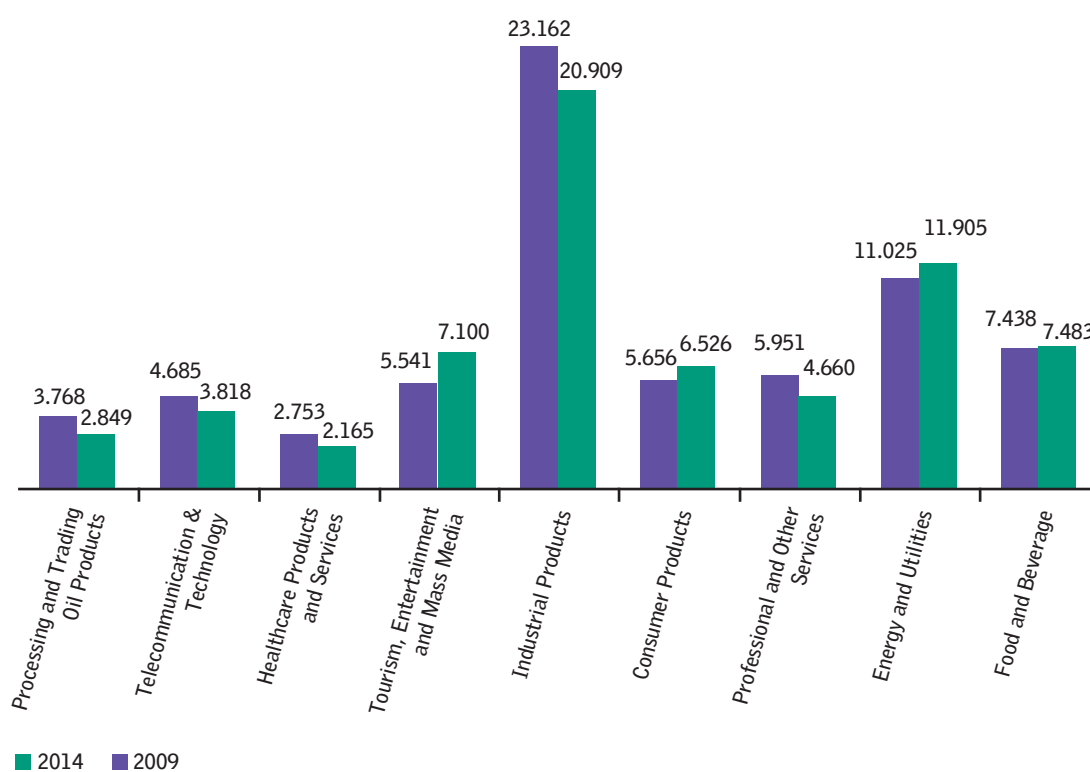
- On average, within the last five years, 6 in 10 entities have recorded decreases in assets.

Equity

Equity 2014-2009 Change per Sector



Equity comparison per Sector 2014-2009



- As a total, the sample entities have recorded losses equaling € 2,6 billion of their net assets.
- Examining the separate sector, the most significant decrease has been recorded in the sector of Industrial Products (by € 2,3 billion) and the sector of Professional and Other Services (by € 1,3 billion), while the entities belonging to the sector of Tourism – Entertainment and Mass Media seem to increase their net assets.

Equity	2014	2013	2012	2011	2010	2009
Mega	30.505	29.840	30.289	30.392	31.105	30.313
Large	10.655	11.488	11.868	12.261	12.754	13.713
SMEs	23.425	23.633	23.623	24.510	23.105	22.986
Micro	2.831	2.905	2.999	2.922	2.991	2.968
Total	67.416	67.866	68.778	70.084	69.954	69.979

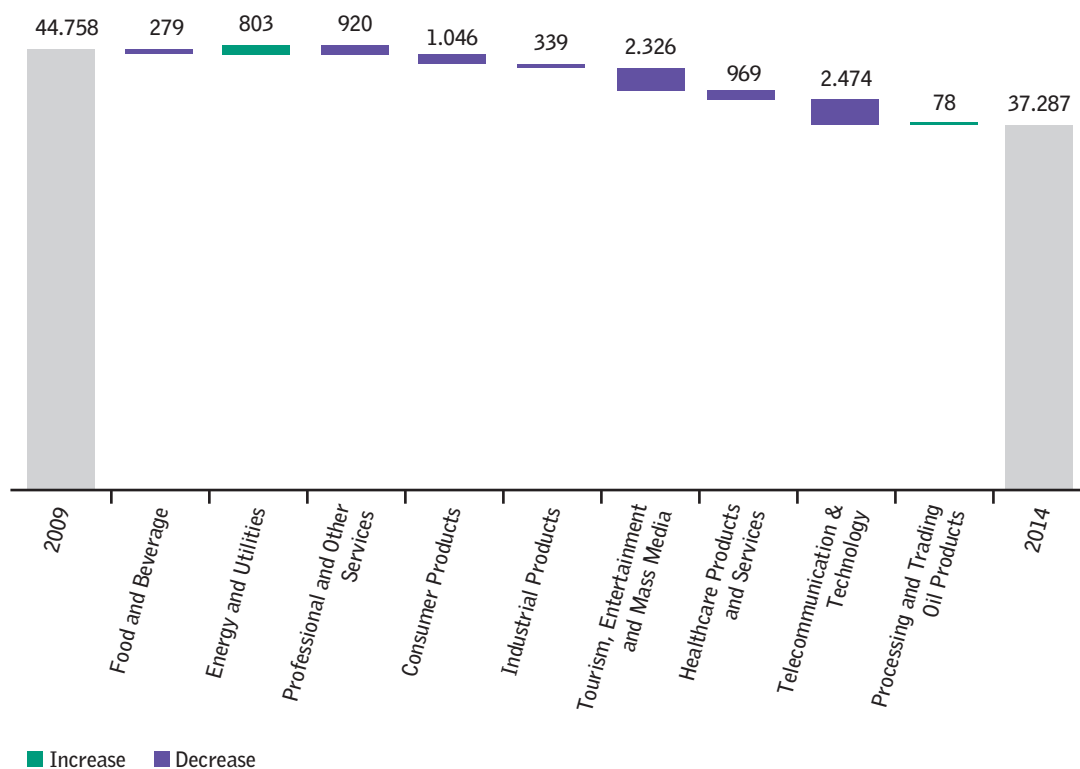
- Micro and SMEs have manifested significant stamina and have maintained the level of their equity, however, as already mentioned in the previous capital, the losses, especially recorded by these entities, may be higher given their reluctance to make provisions and conduct impairment.

Entities	Number of Entities	With increase in equity 2014-2009	With decrease in equity 2014-2009
Mega	73	45%	55%
Large	248	49%	51%
SMEs	2.608	57%	43%
Micro	2.068	48%	52%
Total	4.997	53%	47%

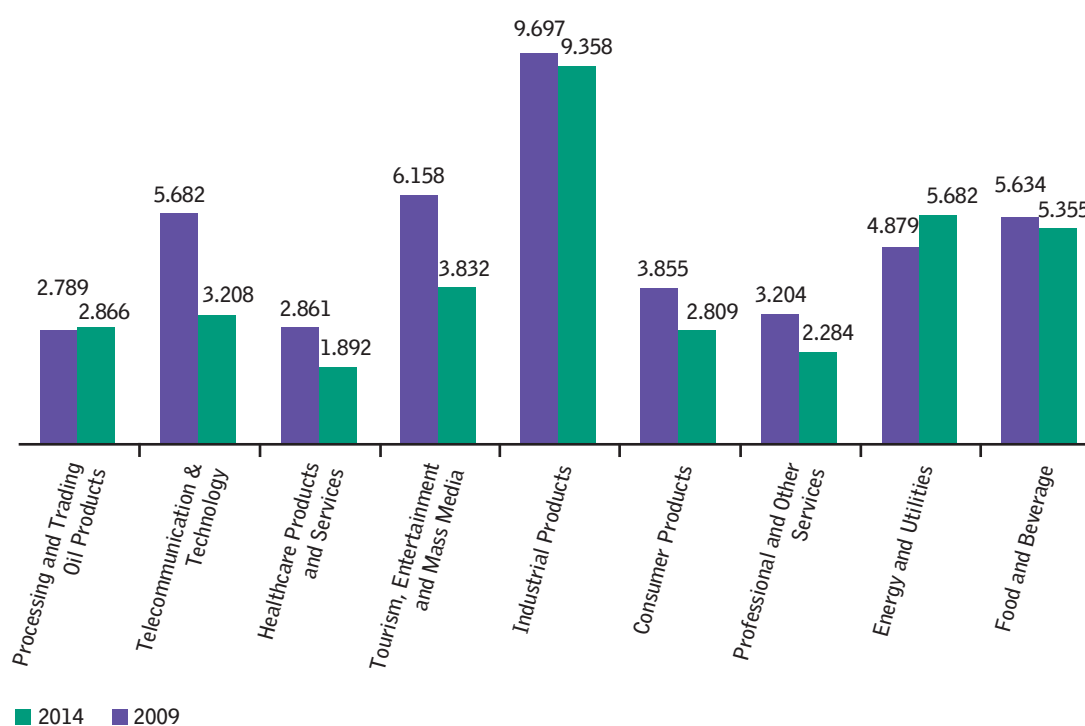
- It can be observed during the last five years that half of the entities have recorded decreases in their net assets. This picture is almost the same, irrespective of the size of the entities, with the exception of SMEs which appear more resistant. The proportion of the entities recording decreases in their net assets would be even higher given the share capital increases and capitalization commitments made in the previous years.

Net Debt

Net Debt 2014-2009 Change per Sector



Net Debt comparison per Sector 2014-2009



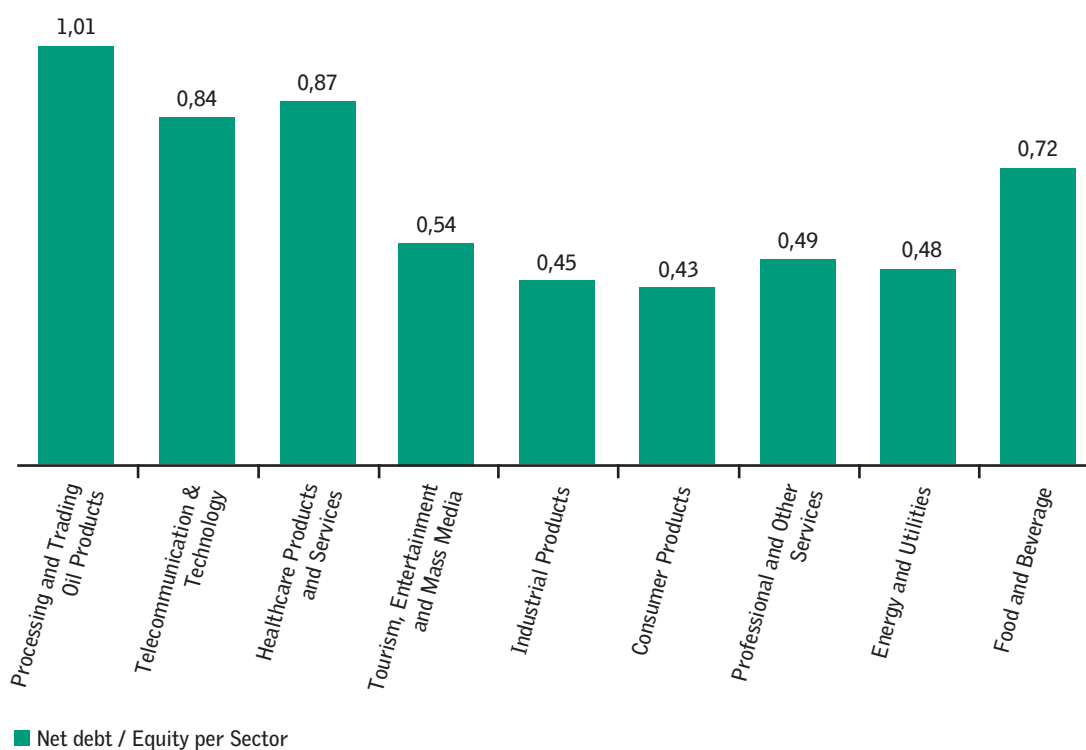
- During the period under examination net debt of entities has been reduced by € 7,5 billion. Seven sectors record decreases in net debt, standing at € 8,3 billion as a total, while only the sectors of Energy and Utilities and Processing and Trading Oil Products present a total increase in net debt of approximately € 0,9 billion.
- Net debt reduction is based mainly in the lack of access by entities to new financing and to the increased pressure from the financial sector to repay debt obligations that consequently shrank new investments.

The following table presents the industries recording the highest and the lowest net debt in absolute figures as at 31/12/2014:

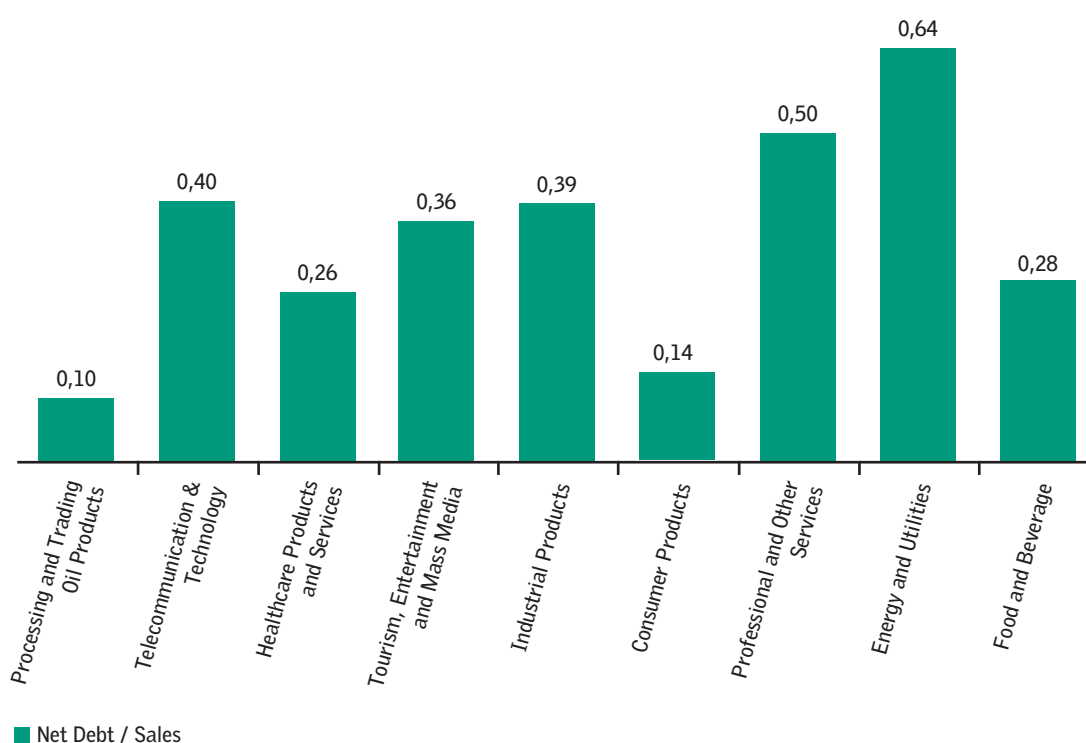
Change 2014-2009		
10 Sectors with the Highest Net Debt	Sector	2014-2009
Electricity	Energy and Utilities	5.877
Construction	Industrial Products	2.858
Telecommunications	Telecommunication & Technology	2.816
Integrated Petrol	Processing and Trading Oil Products	2.030
Commodity Metals	Industrial Products	2.004
Hotels	Tourism, Entertainment and Mass Media	1.952
Mineral Water, Juices & Soft Drinks	Food and Beverage	1.480
Real Estate	Professional and Other Services	1.317
Healthcare Services	Healthcare Products and Services	1.143
Marine Transportations	Tourism, Entertainment and Mass Media	946
10 Sectors with the Lowest Net debt	Sector	2014-2009
Gambling	Tourism, Entertainment and Mass Media	-319
Water Supply and Sewerage	Energy and Utilities	-284
Tobacco	Industrial Products	-244
Professional Services	Professional and Other Services	-176
Airlines	Tourism, Entertainment and Mass Media	-168
Natural Gas	Energy and Utilities	-59
Ground Passenger Transportation Services	Tourism, Entertainment and Mass Media	-8
Trade and Production of Games	Consumer Products	-6
Retail of Fuels and Vehicles Lubricants	Consumer Products	-5
Production and Trade in Jewelry and Fashion Accessories	Consumer Products	-2

The following diagrams present net debt at the sector level in respect of equity and sales.

Net debt / Equity per Sector 2014



Net Debt / Sales per Sector 2014



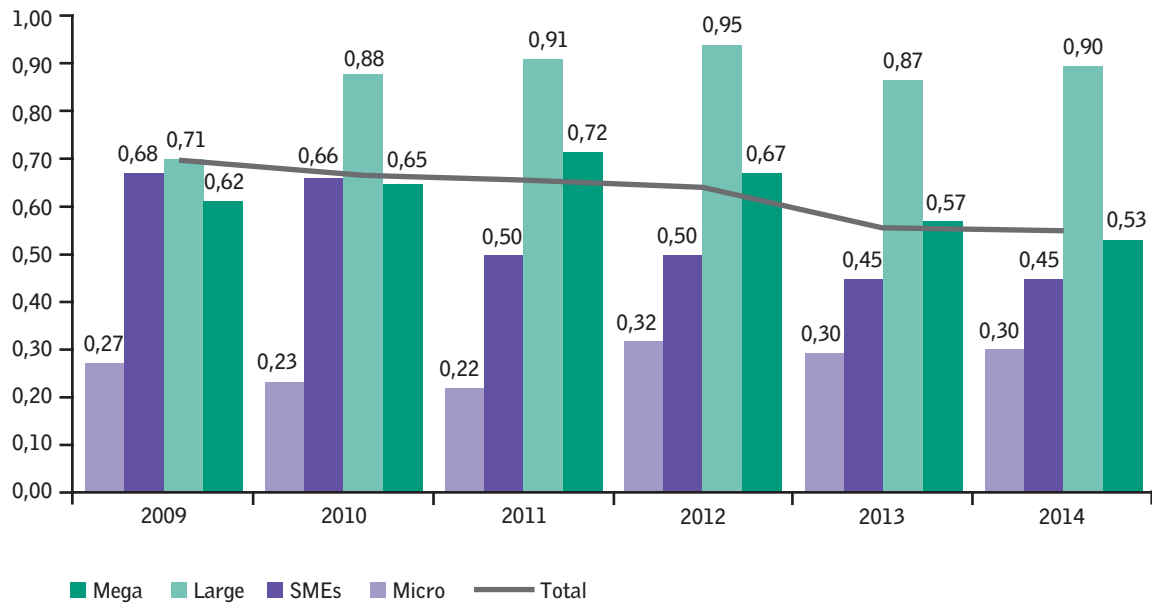
- The sectors of Processing and Trading Oil Products, Telecommunications and Healthcare Products and Services present high leverage, which – if coupled with the absolute numbers of their high borrowings - is a key issue to be resolved with a view to both, the entities going concern principal and the general stabilization of the financial sector. In contrast, the sectors of Industrial Goods and Consumer Products present low level of debt; however, problematic industries are also presented in those sectors.

Leverage 2014 (Net Debt / Equity)		
10 Sectors with the Highest Leverage	Sector	2014
Cold Cuts	Food and Beverage	7,50
Newspapers and Magazines Publishing	Tourism, Entertainment and Mass Media	4,88
Books, Newspapers and Magazines Trade	Consumer Products	4,45
TV, Radio & Entertainment	Tourism, Entertainment and Mass Media	4,16
Fish Farms	Food and Beverage	3,96
Vehicles Importers - Representatives	Consumer Products	2,64
Catering	Tourism, Entertainment and Mass Media	2,46
Medical Equipment	Healthcare Products and Services	2,45
Audio-visual Production	Tourism, Entertainment and Mass Media	2,39
Healthcare Services	Healthcare Products and Services	2,20
10 Sectors with the Lowest Leverage	Sector	2014
Airlines	Tourism, Entertainment and Mass Media	-0,63
Tobacco	Industrial Products	-0,47
Retail of Fuels and Vehicles Lubricants	Consumer Products	-0,30
Professional Services	Professional and Other Services	-0,28
Gambling	Tourism, Entertainment and Mass Media	-0,28
Water Supply and Sewerage	Energy and Utilities	-0,27
Trade and Production of Games	Consumer Products	-0,21
Production and Trade in Jewelry and Fashion Accessories	Consumer Products	-0,07
Natural Gas	Energy and Utilities	-0,02
Ground Passenger Transportation Services	Tourism, Entertainment and Mass Media	-0,01

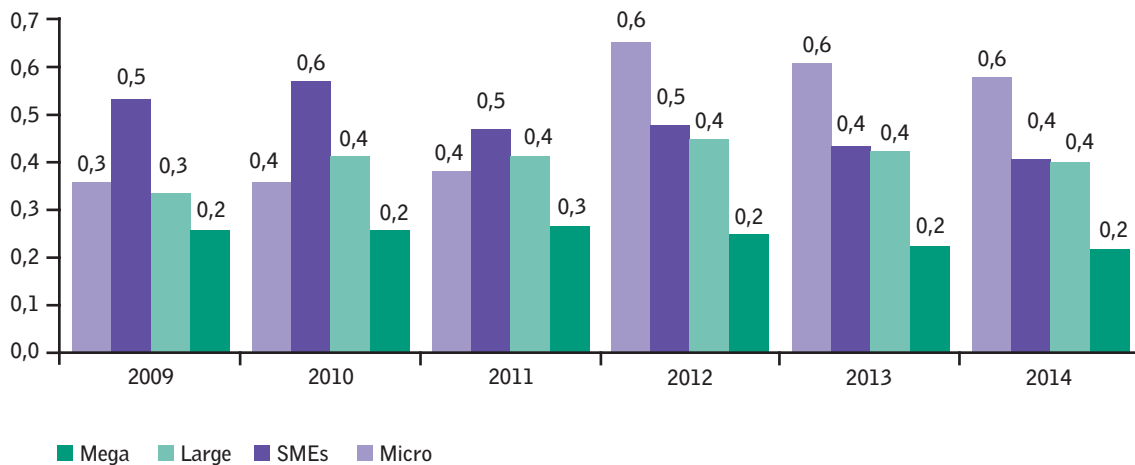
- The table above presents further analysis of the sample entities' debt at industries level. Key sector of the Greek economy, such as Fish Farms, record particular high debt levels, while the same applies to Mass Media related industries. In contrast, the industries recording negative net debt design easier their development strategy in the new business environment.

Net Debt	2014	2013	2012	2011	2010	2009
Mega	16.267	17.003	20.308	21.792	20.240	18.685
Large	9.607	10.046	11.267	11.203	11.276	9.693
SMEs	10.556	10.658	11.806	12.203	15.360	15.589
Micro	857	860	948	634	697	792
Total	37.287	38.567	44.329	45.832	47.572	44.758

Net Debt / Equity



Net Debt / Sales



- In 2014, net debt of the sample entities stood at € 37 billion. 70% of debt refers to Mega and Large entities and 30% - to SMEs and Micro.
- Micro entities present low debt to equity, mainly due to lower access to borrowing funds than that available to larger entities. On the contrary, in the recent years, Large entities record a ratio of debt to equity approaching almost 1:1. The relation between net debt and sales regarding Mega entities is affected by high volume of sales of the Processing and Trading Oil Products sector, which, however, does not imply better debt repayment given very low profit margins.

Entities with Sales < Net Debt	2014	2013	2012	2011	2010	2009
Mega	5 7%	5 7%	5 7%	4 5%	5 7%	5 7%
Large	40 16%	37 15%	35 14%	29 12%	23 9%	19 8%
SMEs	330 13%	343 13%	351 13%	290 11%	295 11%	264 10%
Micro	389 19%	407 20%	440 21%	277 13%	264 13%	264 13%
Total	764 15%	792 16%	831 17%	600 12%	587 12%	552 11%

- One out of seven entities has higher debt than turnover. Severer figures appear as entity size decreases. In 2014, net debt of € 18,2 billion, is attributed to entities whose debt exceeded their sales.

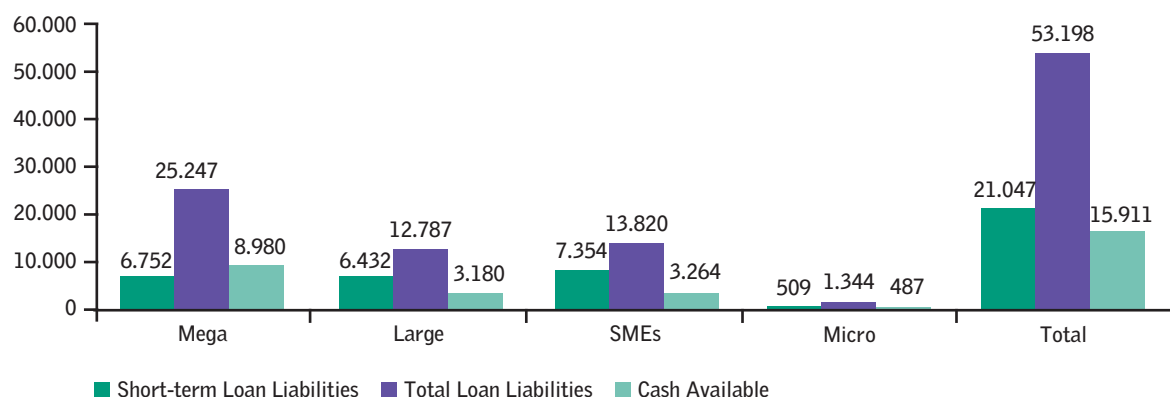
The following table presents the sectors with the lowest total debt versus sales coverage in 2014.

Sales / Net Debt 2014		
10 Sectors with the Lowest Coverage	Sector	2014
Real Estate	Professional and Other Services	0,23
Newspapers and Magazines Publishing	Tourism, Entertainment and Mass Media	0,62
Marine Transportations	Tourism, Entertainment and Mass Media	0,80
TV, Radio & Entertainment	Tourism, Entertainment and Mass Media	0,86
Vehicles Leasing	Tourism, Entertainment and Mass Media	0,87
Steel	Industrial Products	0,92
Hotels	Tourism, Entertainment and Mass Media	0,93
Renewable Sources of Energy	Energy and Utilities	1,00
Healthcare Services	Healthcare Products and Services	1,02
Electricity	Energy and Utilities	1,10

- Loan repayments for several industries are almost impossible under the present circumstances, with debt formed to activity levels that are unlikely to be recovered in the near future.

The following diagram analyzes the sample entities debt according to the repayment time.

Total to Short-term Liabilities 2014

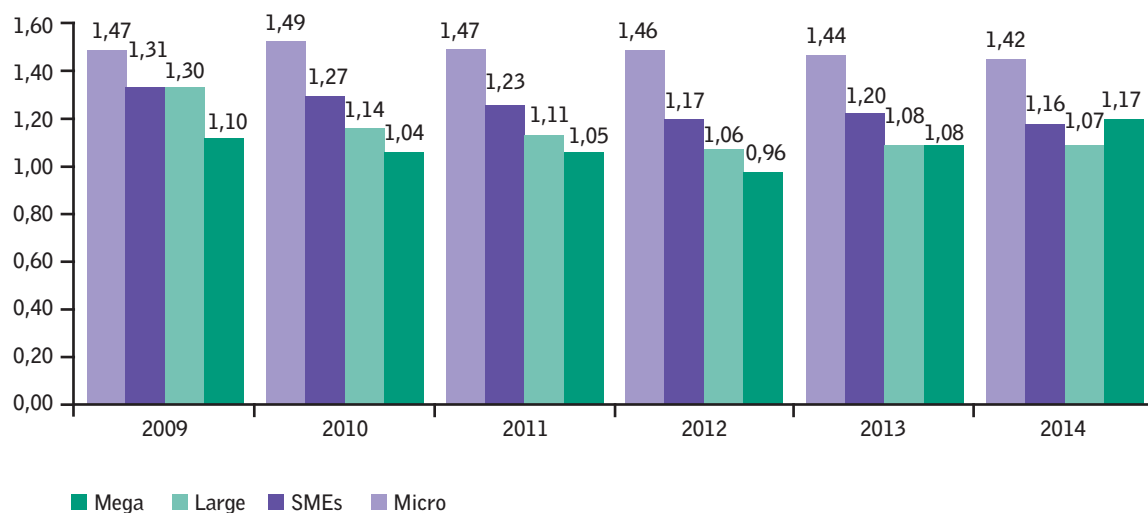


- 40% of total debt is short-term. The amount of € 21 billion shall either be repaid, or a part of it shall be restructured within 2015.

SEPARATE ANALYSIS

Working Capital

Current Assets / Short-term Liabilities



- Current liquidity ratio of most entities is marginal, particularly in Large and Mega entities, thus indicating difficulties in repaying short-term liabilities. The highest ratio level in Micro entities is mainly related to past due receivables, a part of which is not recoverable and is in need of impairment, rather than increased liquidity.

Entities with Negative Working Capital	2014	2013	2012	2011	2010	2009
Mega	30 41%	27 37%	37 51%	30 41%	25 34%	23 32%
Large	83 33%	77 31%	78 31%	78 31%	72 29%	64 26%
SMEs	708 27%	591 23%	606 23%	578 22%	544 21%	542 21%
Micro	558 27%	521 25%	512 25%	507 25%	499 24%	499 24%
Total	1.379 28%	1.216 24%	1.233 25%	1.193 24%	1.140 23%	1.128 23%

Entities with Negative Working Capital (in € million)	2014	2013	2012	2011	2010	2009
Mega	-2.884	-4.230	-6.098	-3.219	-4.482	-2.925
Large	-3.842	-3.793	-3.779	-2.630	-2.483	-1.215
SMEs	-4.235	-3.662	-3.802	-2.961	-2.234	-1.800
Micro	-359	-341	-298	-286	-255	-262
Total	-11.320	-12.026	-13.977	-9.096	-9.453	-6.202

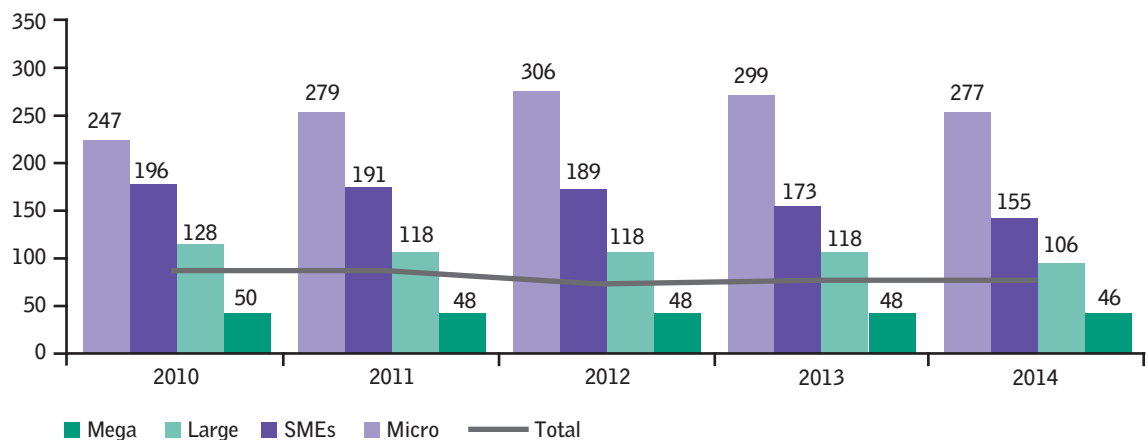
- More than 1 out of 4 entities' highly liquid assets is not sufficient to cover their current liabilities. In those entities total working capital deficit amounted to € 11,3 billion should be financed. It is encouraging that within the last two years, this deficit of working capital records decreasing tendencies. A substantial part of the working capital deficit is due to overdue long-term borrowings and thus, burdened short-term liabilities, since the entities did not meet the covenants of loan agreements.

Average Collecting Period of Receivables and Average Period of Paying Liabilities

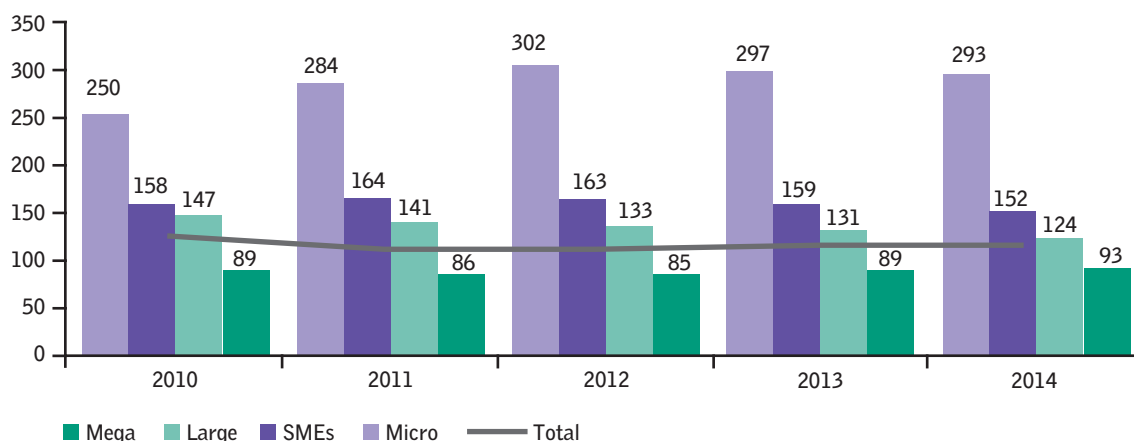
Average Collecting Period of Receivables and Average Period of Paying Liabilities



Average Collecting Period of Receivables



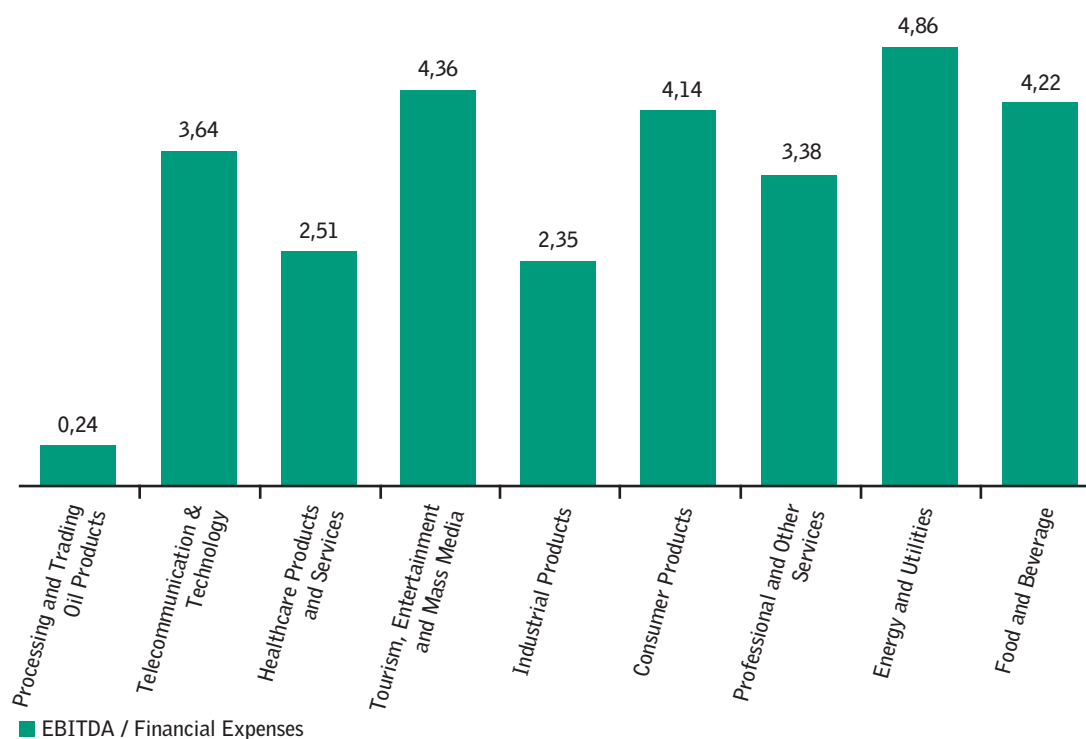
Average Period of Paying Liabilities



- The size of the entities seems to constitute the major factor regarding the time of repayment of their liabilities and collecting receivables.
- Over time, in order to cover deficits in their working capital, the entities have been extending the time difference between days to repay their liabilities in relation to collecting their receivables. Thus, while in 2009 the difference between the two amounted to 19 days (117 days for payment of suppliers and 98 days for collecting receivables), during the five year period under examination, the difference equaled 30 days (112 days for payment of suppliers and 82 days for collecting receivables).
- Regarding Micro entities, the average collection period of receivables continues to extend, reaching approximately 10 months, thus indicating the existence of significant bad debts, intensifying liquidity problems. Regarding Mega entities, this period stands at 3 months, Large entities – 4 months and SMEs - approximately 5 months.
- Industries involved in transactions with the Greek State as well as domestic market oriented industries have the greatest difficulty in collecting their receivables.

Finance Cost Coverage

EBITDA – Financial Expenses 2014



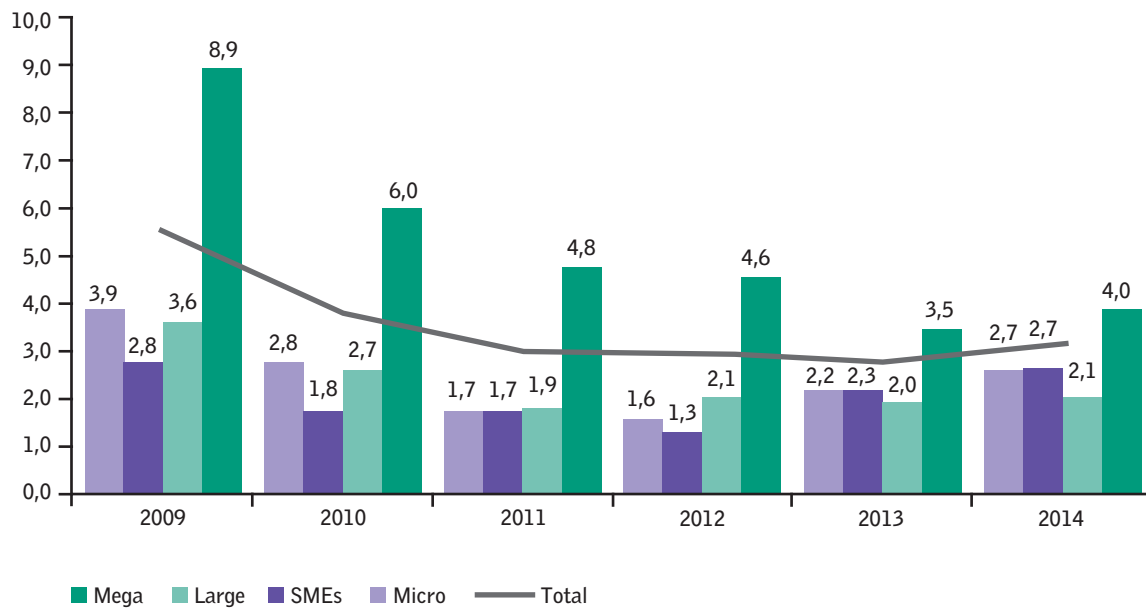
- The sectors of Industrial Products, Healthcare Products and Services and, mainly, Processing and Trading Oil Products find it most difficult to cover their finance costs through operational profitability.

The following table presents the industries with the highest and the lowest coverage of finance costs from operational profitability in 2014.

EBITDA / Financial Expenses		
10 Sectors with the Highest Coverage	Sector	2014
Gambling	Tourism, Entertainment and Mass Media	247,49
Water Supply and Sewerage	Energy and Utilities	199,71
Natural Gas	Energy and Utilities	27,56
Airlines	Tourism, Entertainment and Mass Media	22,66
Retail of Fuels and Vehicles Lubricants	Consumer Products	21,05
Mineral Water, Juices & Soft Drinks	Food and Beverage	11,62
Tobacco	Industrial Products	10,02
Trade and Production of Games	Consumer Products	9,01
Ground Cargo Transportation Services	Professional and Other Services	8,69
Retailers	Consumer Products	8,19
10 Sectors with the Lowest Coverage	Sector	2014
Ground Passenger Transportation Services	Tourism, Entertainment and Mass Media	*
Electronic Equipment	Telecommunication & Technology	*
Newspapers and Magazines Publishing	Tourism, Entertainment and Mass Media	*
Integrated Petrol	Processing and Trading Oil Products	*
Plumbing Fixtures	Industrial Products	0,08
Ready Mixed Concrete	Industrial Products	0,09
Steel	Industrial Products	0,16
Catering	Tourism, Entertainment and Mass Media	0,42
Timber	Industrial Products	0,80
Textiles	Industrial Products	0,81

* negative EBITDA

- It is to be noted that industries related to construction activity face significant difficulty in covering finance costs, while the same problem arises regarding such industries as Electronic Equipment and Newspapers and Magazines Publications.

EBITDA / Financial Expenses

- Obviously Mega entities are in a much better position to cover financial expenses through operating profits, despite the overall decrease recorded till 2014. The increase in finance costs in almost all the financing/refinancing procedures taking place within the last years, and decreases in profitability arising from the decline in demand and extensive competition, constitute the basic reason behind the phenomenon.

Entities with EBITDA < Financial Expenses	2014	2013	2012	2011	2010	2009
Mega	13 18%	16 22%	15 21%	17 23%	11 15%	3 4%
Large	66 27%	76 31%	73 29%	65 26%	58 23%	42 17%
SMEs	513 20%	531 20%	673 26%	564 22%	441 17%	323 12%
Micro	587 28%	634 31%	742 36%	647 31%	521 25%	400 19%
Total	1.179 24%	1.257 25%	1.503 30%	1.293 26%	1.031 21%	768 15%

- One in four entities presents difficulties in covering financial expenses through operational profitability. The entities' potential to cover finance costs decreases in line with the decrease in their size.
- In 2014, net debt amounting to € 14,4 billion is attributed to the entities, whose EBITDA is lower than their financial expenses.



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