

Metka (METTK GA)

Overweight (V)

Target price (EUR)	14.0
Share price (EUR)	10.03
Potential total return (%)	40

Dec	2009a	2010e	2011e
HSBC EPS (EUR)	0.70	1.35	1.66
HSBC PE (x)	14.4	7.4	6.1
Performance	1M	3M	12M
Absolute (%)	-5.4	8.4	41.3
Relative [^] (%)	0.1	12.8	37.2

Note: (V) = volatile (please see disclosure appendix)

23 April 2010

Vangelis Karanikas*

Analyst

HSBC Pantelakis Securities (Greece)

+30 210 6965 211

vangelis.karanikas@hsbc.com

View HSBC Global Research at:
<http://www.research.hsbc.com>

*Employed by a non-US affiliate of HSBC Securities (USA) Inc, and is not registered/qualified pursuant to NYSE and/or NASD regulations

Issuer of report: HSBC Pantelakis Securities SA

Disclaimer & Disclosures

This report must be read with the disclosures and the analyst certifications in the Disclosure appendix, and with the Disclaimer, which forms part of it

OW(V): Delivers on expectations; high conviction call

- ▶ **Current backlog of EUR2.1bn (c3-year duration) creates a compelling EPS growth story (HSBC 2010e EPS up 94% yoy)**
- ▶ **Metka's growing international exposure (61% of 2010e net profits come from abroad) is another key investment theme**
- ▶ **We raise our TP to EUR14 from EUR13 and remain OW(V); still a high conviction call, in our view**

Metka delivers on expectations: Since our last report on Metka (15 December 2009), the company delivered on both our and investors' expectations through: a) the sale of 90% of its EUR500m Megalopolis project to GEK Group, b) the award of another major contract in Turkey with budget of EUR475m (identified as a key performance catalyst in the report), and c) the signing of EUR37m of lucrative defence-related contracts with Raytheon, the execution of which we expect to provide margin support in 2010e-11e.

One of the most compelling 2010e EPS growth stories in our Greek universe: Following a poor 2009 (recurring EPS down 12% y-o-y largely on execution delays), we now expect Metka's clean net profits to soar 94% y-o-y in 2010e to EUR70m, even after excluding EUR42m of pre-tax capital gains from the Megalopolis deal (cash to be received in 2011e). Clearly, the timely execution of Metka's all-time high backlog of EUR2.1bn and margin control is the key factor to watch in the short-term (1Q10 results scheduled for 19 May).

Increase TP to EUR14 (from EUR13), reiterate OW(V): we raise our TP (60% DCF, 40% target PE) by 8% to EUR14 (implying a potential return of 40%) to account for our new forecasts and a higher target (peer group) 2010e PE despite our higher WACC of 12.1% (from 11.6%) due to Greek macro concerns and Metka's growing international exposure. We reiterate our OW(V) rating. Overall, we favour Metka's solid earnings outlook, strong prospects and healthy balance sheet, which improve substantially its risk/reward profile.

High conviction call and growing international presence: Overall, the recent deals have further raised Metka's international exposure, a key positive investment theme currently, especially in view of Greece's weak macro backdrop. On our numbers, Metka is one of the least domestically exposed companies in our universe, deriving c61% of its 2010e clean net profits from abroad (79% in 2011e) from 12% in 2009. In addition, Metka offers a debt-free balance sheet, with minimum capex requirements, strong cash flow generation and a decent DY (4-5% in 2010e-11e, c3.4x covered). Aside from the timely backlog execution, another key short-term catalyst includes the potential compensation from PPC for delays in its Aliveri project (possibly exceeding EUR20m; we expect news soon).

Index [^]	ATHENS SE	Enterprise value (EURm)	459
Index level	1,936.43	Free float (%)	44
RIC	MTKr.AT	Market cap (USDm)	698
Bloomberg	METTK GA	Market cap (EURm)	521

Source: HSBC

Source: HSBC

Financials & valuation: Metka

Overweight (V)

Financial statements (IFRS)

Year to	12/2009a	12/2010e	12/2011e	12/2012e
Profit & loss summary (EURm)				
Revenue	339.4	619.6	749.3	723.2
EBITDA	60.6	103.7	123.7	108.2
Depreciation & amortisation	(4.8)	(4.5)	(4.3)	(4.2)
Operating profit/EBIT	55.8	99.2	119.4	104.1
Net interest	(1.2)	40.0	(2.0)	(2.0)
PBT	54.6	139.2	117.4	102.1
HSBC PBT	50.6	97.2	117.4	102.1
Taxation	(17.6)	(35.4)	(29.4)	(24.5)
Net profit	35.2	101.9	86.1	75.6
HSBC net profit	36.3	70.4	86.1	75.6

Cash flow summary (EURm)

Cash flow from operations	36.6	24.5	76.7	59.0
Capex	(1.5)	(3.0)	(3.0)	(3.0)
Cash flow from investment	(0.7)	(2.5)	(2.5)	(2.5)
Dividends	(10.4)	(20.8)	(26.0)	(26.0)
Change in net debt	(14.6)	(40.8)	(40.3)	(25.5)
FCF equity	35.1	33.5	75.2	57.5

Balance sheet summary (EURm)

Intangible fixed assets	8.0	8.0	8.0	8.0
Tangible fixed assets	62.4	61.0	59.7	58.5
Current assets	372.8	378.6	409.8	424.2
Cash & others	31.3	72.1	112.4	137.9
Total assets	482.8	527.9	598.1	636.8
Operating liabilities	299.1	262.6	272.2	260.8
Gross debt	10.4	10.4	10.4	10.4
Net debt/(cash)	(20.9)	(61.7)	(102.0)	(127.5)
Shareholders funds	157.0	238.1	298.2	347.8
Invested capital	144.2	185.0	205.3	229.9

Ratio, growth and per share analysis

Year to	12/2009a	12/2010e	12/2011e	12/2012e
Y-o-y % change				
Revenue	(11.0)	82.6	20.9	(3.5)
EBITDA	(9.4)	71.3	19.3	(12.5)
Operating profit	(9.3)	77.9	20.3	(12.9)
PBT	(5.9)	155.1	(15.7)	(13.1)
HSBC EPS	(12.4)	93.9	22.3	(12.2)

Ratios (%)

Revenue/IC (x)	2.3	3.8	3.8	3.3
ROIC	25.9	45.0	45.9	36.4
ROE	24.2	35.6	32.1	23.4
ROA	9.6	21.1	16.1	13.0
EBITDA margin	17.8	16.7	16.5	15.0
Operating profit margin	16.4	16.0	15.9	14.4
EBITDA/net interest (x)	49.8	-2.6	61.9	54.1
Net debt/equity	(12.0)	(24.2)	(32.3)	(34.9)
Net debt/EBITDA (x)	-0.3	-0.6	-0.8	-1.2
CF from operations/net debt	-175	-40	-75	-46

Per share data (EUR)

EPS Rep (fully diluted)	0.68	1.96	1.66	1.45
HSBC EPS (fully diluted)	0.70	1.35	1.66	1.45
DPS	0.20	0.40	0.50	0.50
NAV	3.02	4.58	5.74	6.69

Key forecast drivers

Year to	12/2009a	12/2010e	12/2011e	12/2012e
Sales secured by backlog	268.1	579.6	699.4	630.5
Sales from new projects	0.0	0.0	9.9	52.7
Subsidiaries' net contribution	71.2	40.0	40.0	40.0
Total group sales	339.4	619.6	749.3	723.2
of which foreign	41.5	380.1	591.4	612.0
Foreign as a % of total sales	12%	61%	79%	85%
EBITDA margin ex-mgt fees	19.8%	19.5%	19.4%	17.9%

TP sensitivity on WACC and LT growth (after the 5% valuation discount)

LT growth vs WACC	11.1%	12.1%	13.5%
0.0%	14.2	13.7	13.0
1.0%	14.5	13.9	13.1
1.5%	14.6	14.0	13.2
2.0%	14.8	14.1	13.3
3.0%	15.2	14.4	13.4

Valuation data

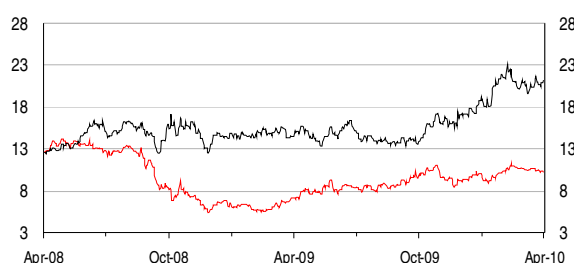
Year to	12/2009a	12/2010e	12/2011e	12/2012e
EV/sales	1.5	0.7	0.6	0.5
EV/EBITDA	8.3	4.4	3.4	3.6
EV/IC	3.5	2.5	2.0	1.7
PE*	14.4	7.4	6.1	6.9
P/NAV	3.3	2.2	1.7	1.5
FCF yield (%)	6.7	6.4	14.4	11.0
Dividend yield (%)	2.0	4.0	5.0	5.0

Note: * = Based on HSBC EPS (fully diluted)

Issuer information

Share price (EUR)	10.03	Target price (EUR)	14.0	Potent'l tot rtn (%)	40
Reuters (Equity)	MTKr.AT	Bloomberg (Equity)	METTK GA		
Market cap (USDm)	698	Market cap (EURm)	521		
Free float (%)	44	Enterprise value (EURm)	459		
Country	Greece	Sector	Machinery		
Analyst	Vangelis Karanikas	Contact	+30 210 6965 211		

Price relative



Source: HSBC

Note: price at close of 21 April 2010

Still a high conviction call

- ▶ On our new numbers, Metka remains one of the most compelling EPS growth stories in our Greek Small & Mid Cap Universe based on its all-time high backlog and positive outlook
- ▶ Metka also offers a healthy, debt-free balance sheet, and is one of the least domestically exposed Greek market constituents
- ▶ We raise our TP from EUR13 to EUR14 and we remain OW(V); Metka continues to be a high conviction call, in our view

Valuation and rating

Discounted cash flow model

In our primary DCF model (60% weight), we now use a 12.1% WACC (vs 11.6% previously, so as to reflect rising sovereign bond yields but also Metka's growing international presence in emerging markets) and a long-term growth rate of 1.5% (unchanged).

Our key assumptions include: (a) a 14% long-term (ie post-2012e) EBITDA margin after accounting for management fees (unchanged) vs a 2010e-12e average of 16.1% – in other words, we still take a rather cautious view on Metka's long-term margins to account for execution risks in light of the increasing top-line; and (b) average long-term (ie 2013e-20e) sales of EUR720m (unchanged); this compares with a 2010e-12e average of EUR700m.

Our DCF exercise returns a fair equity value of EUR11.9/share for Metka, vs EUR12.4 previously, which implies a 2010e PE of 8.8x.

DCF-based fair value sensitivity analysis (EUR/share)

		2013-20 average sales				
		665	692	720	750	780
Long-term after mgt fees	12.0%	10.2	10.3	10.5	10.7	10.9
	13.0%	10.8	11.0	11.2	11.4	11.7
	14.0%	11.4	11.7	11.9	12.2	12.4
	15.0%	12.1	12.3	12.6	12.9	13.2
	16.0%	12.7	13.0	13.3	13.6	14.0
		WACC %				
		11.1%	11.6%	12.1%	13.1%	13.5%
Long-term growth %	0.0%	12.3	11.8	11.4	10.4	10.1
	1.0%	12.8	12.2	11.7	10.7	10.3
	1.5%	13.0	12.4	11.9	10.9	10.5
	2.0%	13.3	12.7	12.1	11.0	10.6
	3.0%	14.0	13.3	12.6	11.4	10.9

Source: HSBC Pantelakis Securities estimates

PE-based valuation

As our target PE multiple (40% weight), we now take Metka's peer group 2010e weighted average PE of 14x (vs 11.5x previously) and apply this to Metka's 2010e recurring net earnings of EUR70m. Hence, the implied fair equity value for Metka is EUR985m or EUR19.0 per share vs EUR815m (or EUR15.7/share) previously.

Raise TP to EUR14 (from EUR13) and reiterate OW (V) rating

The weighted average of our 2 methodologies (60% DCF, 40% target PE) produces a fair value of EUR14.7 per share, 8% above our previous value of EUR13.7. We continue to apply a 5% valuation discount so as to reflect Metka's execution risks and low share liquidity. Hence, we set our target price at EUR14, up 8% from EUR13.0 previously.

Target price sensitivity analysis (EUR/share)

		2013-20 average sales				
		665	692	720	750	780
Long-term	12.0%	13.0	13.1	13.2	13.3	13.4
	13.0%	13.4	13.5	13.6	13.7	13.8
	14.0%	13.7	13.9	14.0	14.1	14.3
	15.0%	14.1	14.2	14.4	14.6	14.7
EBITDA %	16.0%	14.5	14.6	14.8	15.0	15.2

		WACC %				
		11.1%	11.6%	12.1%	13.1%	13.5%
Long-term	0.0%	14.2	13.9	13.7	13.2	13.0
	1.0%	14.5	14.2	13.9	13.3	13.1
	1.5%	14.6	14.3	14.0	13.4	13.2
	2.0%	14.8	14.4	14.1	13.5	13.3
	3.0%	15.2	14.8	14.4	13.7	13.4

Note: Target price is after the 5% valuation discount; DCF-driven fair value accounts for 60% of target price; the remaining 40% stems from target valuation multiples
Source: HSBC Pantelakis Securities estimates

Our revised target implies a potential total return of 40% from current levels. Under HSBC's research model, for European stocks with a volatility indicator, the Neutral band is 10 percentage points above and below the hurdle rate of 8.5% (based on a risk-free rate of 4% and an equity premium of 4.5%). We therefore reiterate our OW (V) rating on the stock.

Still a high conviction call in our Greek Small & Mid Cap space

Based on our new estimates, Metka remains one of the most compelling EPS growth stories in our Greek Small & Mid Cap Universe; additionally, Metka offers a healthy, debt-free balance sheet, with minimum capex requirements, strong cash flow generation and a decent dividend yield (4-5% in 2010e-11e, more than 3x covered).

Growing international exposure is a key positive investment theme for Metka

We still believe that Metka will be a key beneficiary of the upcoming large expansion in Greece's electricity generation capacity, given its good track record and competitive pricing. Moreover, Metka's lean cost structure, together with its strong know-how and expertise in energy projects, has allowed it to compete efficiently in the global arena and win key projects outside Greece. The recent major project awards in Turkey with RWE and OMV, which are among the most demanding clients globally, are testament to Metka's capabilities and enhance its growth opportunities in the region; note that Turkey is a 4GW market, while RWE's project pipeline in the country exceeds EUR3bn.

On balance, we continue to favour Metka's growing international presence especially in view of Greece's current challenging weak macro backdrop. At present, international projects account for c83% of Metka's EUR2.1bn backlog and we expect them to contribute 61% of total sales in 2010e (and 85% in 2012e) from just 12% in 2009.

Metka's international exposure (% of total)

Int'l exposure	2008a	2009a	2010e	2011e	2012e
Sales	7%	12%	61%	79%	85%
EBITDA (after mgt fees)	7%	10%	62%	80%	87%
Net profits	7%	12%	61%	79%	85%

Source: Company data, HSBC Pantelakis Securities estimates

Enough personnel resources to execute its current backlog on time and within budget

Finally, we continue to believe that a) following the recent new hirings, Metka has taken the right measures to address HR capacity constraints, which could prevent it from executing its backlog in time and within budget (a real challenge for the management), and b) Metka's lean cost structure (also aided by relatively low personnel costs), strong management focus and good execution track record should help it maintain its competitive advantage vs foreign peers and achieve solid, above sector average EPC margins in the next 2 years.

Relative valuation

YTD, Metka has gained 3% in absolute terms, outperforming the local market by 17%.

Having said that, Metka's relative valuation against its peers still looks attractive, in our view. Metka continues to trade at a discount on 2010e-11e PE and EV/EBITDA, while offering a higher dividend yield and a stronger growth outlook (2009-12e EPS CAGR of 29% vs 8.3% for the peer group). Metka's average 2010e-11e EBITDA margin of 16.6% is also considerably higher than the peer group's average of 12.1%.

Future potential catalysts

In our view, increasing evidence of the timely execution of Metka's huge backlog together with successful cost control will emerge as Metka's key valuation and performance catalyst in the short-term. Note that Metka's Q1 2010 results are scheduled for 19 May.

Other future potential catalysts, we believe, include: a) a potential compensation from PPC for the protracted delays in its Aliveri project (on our estimates, this one-off gain could exceed EUR20m; we expect relevant newsflow soon), b) a potential reduction in the management fees charged by the parent Mytilineos Group (3% of parent sales from 2010 onwards vs 2.5% in 2009). To put things into perspective, we estimate that, ceteris paribus, the entire abolition of the 3%

management fees from 2013e onwards would lead to a EUR1.2/share increase in our target price (or 9%) to EUR15.2 (the increase in the DCF-driven fair value would be even greater at 18% to EUR14/sh). That said, the potential abolition of management fees is not a short-term theme for Metka, in our view.

Last but not least, based on our estimates, Metka could afford to distribute at least EUR1.0/share (10% yield) as a cash capital return sometime in late 2011e, on top of our forecast for a EUR0.50 DPS in 2011 (DY 5.0%), due to its strong cash flow (FCFE of EUR75m in 2011e, implying a yield of 14.4%), further enhanced by the receipt of the EUR42m from GEK Group for the Megalopolis project, and the absence of major capex.

Risks to our forecasts and rating

The greatest downside risks to our forecasts and rating include execution delays in existing projects and the postponement of projects in the pipeline due to constrained project financing. Weaker-than-anticipated margins, ineffective cost control (especially in light of its fast expansion overseas) and HR capacity constraints (ie, a failure to secure an adequate amount of skilled engineers) also represent key downside risks.

Metka's relative valuation

	Ticker	HSBC Rating	Price (EUR)	MCap EURm	P/E (x)		EV/EBITDA (x)		DY (%)		2009-12e CAGR (%)		EBITDA %	
					2010e	2011e	2010e	2011e	2010e	2011e	Sales	EPS	2010e	2011e
Wartsila	WRT1V.HE	N(V)	39.4	3,889	14.6	12.9	6.8	6.3	4.4	4.4	-1.5	-1.7	13.2	13.4
Foster Wheeler	FWLT.O	N/R	23.6	3,014	13.7	12.0	7.0	5.6	0.0	0.0	8.0	6.9	9.0	9.2
Mcdermott Int'l	MDR.N	N/R	20.6	4,755	14.0	12.4	7.2	5.7	0.0	0.0	9.1	17.3	12.4	13.2
ATEC	ATEC.VI	N/R	10.8	284	12.0	7.8	3.6	3.2	0.0	0.0	3.3	8.6	5.2	5.2
Weighted average					14.1	12.4	7.0	5.8	1.4	1.4	5.2	8.3	11.6	12.1
Metka	MTKr.AT	OW(V)	10.03	521	7.4	6.1	4.4	3.4	4.0	5.0	28.7	29.0	16.7	16.5
Premium/(discount)					-47%	-51%	-36%	-42%						
Metka @ TP	MTKr.AT	OW(V)	14.00	675	10.3	8.4	6.4	5.0	2.5	3.6				
Premium/(discount)					-27%	-32%	-8%	-13%						

Note: Prices as of 21 April; U/W = Underweight, N = Neutral, N/R = Non rated, V = volatile
Source: HSBC Pantelakis Securities estimates for Metka and Wartsila, Factset consensus for the rest

Compelling 2010e EPS growth story

- ▶ On our new numbers, Metka remains one of the most compelling 2010e EPS growth stories in our Greek Small & Mid Cap universe
- ▶ Following a rather poor 2009 (EPS down 12%), we now expect 2010e-11e recurring EPS up by 94% and 22% y-o-y, respectively
- ▶ Timely execution of its all-time high backlog (EUR2.1bn with 5 major projects) and margin control are key performance catalysts

Recent developments

February 2010: Award of EUR475m contract (from OMV) in Turkey

On 4 February 2010, Metka announced that, jointly with its fully-owned Turkish subsidiary Power Projects, it reached an agreement with Austrian OMV for the majority of works for the construction of an 870MW gas-fired power plant

in Samsun, Turkey. The project is planned to be completed within 28.5 months with a total budget of cEUR475m (EUR342m plus USD183m).

January 2010: sale of 90% of EUR500m PPC project to GEK Group for EUR42.5m in cash

On 8 January 2010, Metka announced the sale of 100% of its fully-owned subsidiary ETADE to GEK Group for EUR42.5m in cash (to be paid in

Metka's backlog analysis (as of end-2009) and future potential pipeline

Project	MW	Budget (EURm)	Backlog (EURm)	Project status
Existing backlog of EPC projects				
Endesa Hellas 2nd CCGT plant (St. Nicholas, Greece)	430	235	27	Already under construction, to be delivered in H1 2010
PPC Aliveri CCGT plant (Greece)	417	219	58	Already under construction, to be delivered by 2011
OMV CCGT plant (Romania, 50% stake)	860	210	174	Already under construction, project to be delivered in 2011
MG-MOH CCGT plant (Corinth, Greece)	395	285	177	Already under construction, delivery in late 2011
PEEGT CCGT plant (Syria)	700	650	650	Construction to begin in 2010, delivery in 36 months
PPC Megalopolis CCGT plant (Greece, 10% stake)	811	500	50	90% of project sold to GEK; construction to begin in 2011
RWE/Turcas CCGT plant (Turkey)	775	470	470	Construction to begin in 2010, delivery due end-2012
OMV (Borasco) CCGT plant (Turkey)	870	475	472	Already under construction, project to be delivered by end-2012
Other (various)	nm	91	49	Excludes defence-related backlog
Total existing order book of EPC projects	5,258	2,685	2,127	
Potential future pipeline of EPC projects				
Endesa Hellas 3rd CCGT plant (Volos, Greece)	445	280		Construction may begin in 2011, project to be delivered in 2013
PEEGT CCGT 2nd plant (Syria)	700	680		Preferred bidder may be announced in 2010
PPC lignite plant (Ptolemaida, Greece)	600	390		Tender to be launched in 2010
Total potential future pipeline	1,745	1,350		
Grand Total	7,003	4,035		

Source: Company data, HSBC Pantelakis Securities estimates

June 2011), citing execution delays in PPC's Aliveri project and further international expansion needs. ETADE holds 90% in the JV which was awarded in November 2009 the 3-year EUR500m Megalopolis project in Greece from PPC. The remaining 10% is held by Metka, which also retains the right to sign in the near future a EUR94m maintenance contract for the plant.

Based on our estimates, the sale took place above our calculated project NPV of EUR36m for 90%, using a WACC of 12.1% and an EBITDA margin of 14% after the reduction of 3% of management fees to MG; hence we believe the deal is value enhancing for Metka. Additionally, the sale a) will significantly enhance Metka's liquidity in 2011e, b) frees up human resources to be used for the execution of the remaining projects in the backlog, c) minimises execution risks for Metka, in light of past execution delays in PPC's Aliveri project but also due to the more efficient allocation of resources in the remaining projects.

January 2010: signing of two defence-related contracts totalling EUR37m (USD52m)

On 4 January 2010, Metka signed two contracts totalling EUR37m (USD52m) for the construction of Patriot missile launcher mechanics with the US company Raytheon. The contracts were signed with the governments of the United Arab Emirates (USD39m) and Taiwan (USD12m). We expect these lucrative projects (c40% margin), to support Metka's EBITDA margins in 2010e-11e.

FY09 results overall weak, but marked recovery in Q4

Metka's FY09 results were overall weak (with recurring net profits down 12% y-o-y largely due to execution delays in Aliveri and Romania) but broadly in line with our estimates. That said, Metka staged a marked recovery in Q4, largely on the back of new revenues streams from the MG-Motor Oil (MOH) CCGT plant project in Corinth.

Metka's FY/Q4 2009 results (EURm)

	FY09a	FY08a	y-o-y	FY09e	A v E	Cons
Sales	339.4	381.5	-11%	357.6	-5%	352.9
EBITDA	60.6	66.9	-9%	61.3	-1%	60.3
EBITDA %	17.8%	17.5%		17.1%		17.1%
Reported net profits	35.2	41.4	-15%	34.6	2%	
Recurring net *	36.3	41.4	-12%	36.1	1%	35.6
	4Q09a	4Q08a	y-o-y	4Q09e	A v E	qoq
Sales	136.4	82.3	66%	154.6	-12%	35%
EBITDA	24.5	15.3	60%	25.2	-3%	17%
EBITDA %	18.0%	18.6%		16.3%		
Reported net profits	15.3	11.1	37%	14.7	4%	29%
Recurring net *	19.4	11.1	74%	19.2	1%	119%

Note: * excluding a EUR4m one-off client compensation (booked in 3Q09) and EUR4.05m one-off tax charges in 2009
Source: Company data, HSBC Pantelakis Securities estimates, JCF

On balance, Metka reported FY09 sales of EUR339m, down 11% y-o-y and 5% below HSBCe; that said, Q4 sales surged 66% y-o-y to EUR136m (also implying a 35% sequential hike), largely due to strong revenues stemming from the MG-MOH-project.

In a similar pattern, FY09 EBITDA fell 9% y-o-y to EUR60.6m, implying an EBITDA margin increase of 30bp to 17.8% (HSBCe was 17.1%). In Q4, Metka's EBITDA soared 60% y-o-y (up 17% sequentially) to EUR24.5m, with the 60bp margin decline (to 18%) largely attributed to the absence of the high-margin defence-related revenues and the higher management fees to parent MG of 2.5% of sales in 2009 vs 2.0% in 2008. FY09 reported group net earnings (ie including EUR4.05m one-off tax charges) fell 15% y-o-y to EUR35.2m or 12% y-o-y on a recurring basis to EUR36.3m (vs HSBCe of EUR36.1m and consensus of EUR35.6m). In Q4, recurring net earnings jumped 74% y-o-y to EUR19.4m, in line with our estimates.

Finally, Metka declared an FY09 DPS of EUR0.20 (down 50% y-o-y), well below our EUR0.34 call, while Metka ended the year with a net cash position of EUR21m (HSBCe was EUR50m) vs EUR6m in FY08.

Metka's forecast revisions (EURm)

	2008a	2009a	y-o-y	2010e				2011e				2012e	
				Old	New	Rev	y-o-y	Old	New	Rev	y-o-y	New	y-o-y
Sales	381.5	339.4	-11%	650.2	619.6	-5%	83%	741.2	749.3	1%	21%	723.2	-3%
EBITDA ex-mgt fees	74.5	67.3	-10%	123.5	121.1	-2%	80%	138.4	145.0	5%	20%	129.2	-11%
EBITDA % ex-mgt fees	19.5%	19.8%		19.0%	19.5%			18.7%	19.4%			17.9%	
EBITDA	66.9	60.6	-9%	105.4	103.7	-2%	71%	117.4	123.7	5%	19%	108.2	-13%
EBITDA margin	17.5%	17.8%		16.2%	16.7%			15.8%	16.5%			15.0%	
HSBC EBT	58.0	50.6	-13%	99.8	97.2	-3%	92%	111.9	117.4	5%	21%	102.1	-13%
Reported net profits	41.4	35.2	-15%	70.8	101.9	44%	189%	80.8	86.1	7%	-16%	75.6	-12%
HSBC net profits	41.4	36.3	-12%	70.8	70.4	-1%	94%	80.8	86.1	7%	22%	75.6	-12%
Net margin	10.9%	10.7%		10.9%	11.4%			10.9%	11.5%			10.5%	
HSBC EPS (EUR)	0.80	0.70	-12%	1.36	1.35	-1%	94%	1.56	1.66	7%	22%	1.45	-12%
DPS (EUR)	0.40	0.20	-50%	0.60	0.40	-33%	100%	0.70	0.50	-29%	25%	0.50	0%

Note: HSBC net profits in 2009a are adjusted for a EUR4m one-off acknowledged compensation and a EUR4.5m one-off tax provision
Source: Company data, HSBC Pantelakis Securities estimates

Forecast revisions

2010-11e: it's all about execution

Metka's Q3/Q4 2009 interims signalled the all-important earnings recovery, which we expect to prevail in 2010e-11e as well, based on Metka's backlog of EUR2.1bn as of end-2009 (average duration is c3 years), which remains at all-time high levels even after the sale of 90% of the EUR500m Megalopolis project.

All in all, we have fine-tuned our previous 2010e-11e forecasts by 1-7% to account for the new projects/deals and the different maturity profile of each project in the backlog.

For 2010, we have lowered our sales forecast by 5% to EUR620m (94% backlog-secured) so as to reflect the Megalopolis project sale, the slight delays in the billing of the Syria project as well as the new contract in Turkey. We still expect 2010 to be Metka's first year of reaping the benefits of its backlog expansion, recording an impressive 83% y-o-y jump in its top-line; clearly, the timely execution of the backlog is a key factor to watch going forward.

We also expect Metka's EBITDA margin in 2010e to remain resilient, largely owing to the support from the defence division and despite the 0.5% increase in

Metka: 2010e-12e sales model (EURm)

	2008a	2009a	yoy	% of tot	2010e				2011e				2012e				
					Old	New	Rev	yoy	% of tot	Old	New	Rev	yoy	% of tot	New	yoy	% of tot
PPC CCGT plant in Megalopolis					100.0	0.0				158.4	15.0	-91%	2%	25.0	67%	3%	
Other PPC projects (Aliveri + other)	135.3	70.5	-48%	21%	50.8	43.5	-14%	-38%	7%	25.0	15.0	-40%	-66%	2%	0.0		
Various ALG projects	26.3	6.3	-76%	2%	0.0	0.0				5.0	0.0				0.0		
Pakistan CCGT plant	24.3	2.3	-91%	1%													
OMV CCGT plant in Romania *	2.5	34.0		10%	102.5	82.0	-20%	141%	13%	38.5	86.5	125%	6%	12%	0.0		
EH 2nd CCGT plant in St Nicholas	134.0	59.0	-56%	17%	31.4	27.0	-14%	-54%	4%	0.0	0.0				0.0		
MG-MOH CCGT plant in Corinth		108.0		32%	105.0	110.0	5%	2%	18%	100.0	67.0	-33%	-39%	9%	0.0		
PEEGT CCGT plant in Syria					100.0	50.0	-50%		8%	180.0	150.0	-17%	200%	20%	230.0	53%	32%
RWE/Turcas CCGT plant in Turkey					80.0	80.0			13%	0.0	160.0			21%	230.0	44%	32%
OMV(Borasco) CCGT plant, Turkey		3.0			0.0	150.0			24%	0.0	180.0		20%	24%	142.0	-21%	20%
Other (defence + infrastructure)	32.5	11.0	-66%	3%	13.5	18.1			3%	0.0	14.8		-18%	2%	0.0		
Total sales secured by backlog	330.5	268.1	-19%	79%	605.2	579.6	-4%	116%	94%	506.9	699.4	38%	21%	93%	630.5	-10%	87%
Plus																	
New EPC projects (domestic+ int'l)					0.0	0.0				63.8	9.9	-84%		1%	52.7	432%	7%
Total parent sales	330.5	268.1	-19%	79%	605.2	579.6	-4%	116%	94%	570.7	709.3	24%	22%	95%	683.2	-4%	94%
-subsidiaries (net contribution)	51.0	71.2	40%	21%	45.0	40.0	-11%	-44%	6%	40.0	40.0	0%	0%	5%	40.0	0%	6%
Total group sales	381.5	339.4	-11%	100%	650.2	619.6	-5%	83%	100%	610.7	749.3	23%	21%	100%	723.2	-3%	100%
of which foreign	26.7	41.5	55%	12%	296.0	380.1	28%	816%	61%	282.3	591.4	109%	56%	79%	612.0	3%	85%

Note: * EUR34m sales in 2009 include EUR26m of subsidiary sales (excluded from EUR268m total parent sales figure)
Source: Company data, HSBC Pantelakis Securities estimates

Metka's 2010e-12e sales and EBITDA margin analysis (EURm)

Project	2008a		-2009a		2010e		2011e		2012e	
	sales	EBITDA %	sales	EBITDA %	sales	EBITDA %	sales	EBITDA %	sales	EBITDA %
Various PPC projects	21.8	19.8%	23.5	13.4%	19.0	16.3%	11.0	20.0%	3.5	20.0%
PPC CCGT plant in Aliveri (430MW)	113.5	17.0%	47.0	17.0%	43.5	17.0%	15.0	17.0%	0.0	17.0%
PPC CCGT plant in Megalopolis (811MW)	0.0		0.0		0.0		15.0	17.0%	25.0	17.0%
Total PPC projects	135.3	17.5%	70.5	15.8%	62.5	16.8%	41.0	17.8%	28.5	17.4%
Pakistan CCGT plant (220MW)	24.3	21.0%	2.3	21.0%	0.0		0.0		0.0	
Other (ALG plant LT-service)	2.0	20.0%	6.3	20.0%	0.0		0.0		0.0	
OMV CCGT plant in Romania (860MW, 50% stake)	2.5	20.0%	34.0	20.0%	82.0	20.0%	86.5	20.0%	0.0	
EH 2nd CCGT plant in St Nicholas (430MW)	134.0	20.0%	59.0	20.0%	27.0	20.0%	0.0		0.0	
MG-MOH CCGT plant in Corinth (395MW)	0.0		108.0	20.0%	110.0	20.0%	67.0	20.0%	0.0	
PEEGT CCGT plant in Syria (700MW)	0.0		0.0		50.0	19.0%	150.0	19.0%	230.0	19.0%
RWE/Turcas CCGT plant in Turkey (775MW)	0.0		0.0		80.0	18.0%	160.0	18.0%	230.0	17.0%
OMV (Borasco) plant in Turkey (870MW)	0.0		3.0	19.0%	150.0	19.0%	180.0	19.0%	142.0	18.0%
All energy-related projects	300.0	18.2%	257.1	18.8%	561.5	18.9%	684.5	18.9%	630.5	18.0%
All defence-related projects	28.4	39.6%	4.2	-25.6%	18.1	40.0%	14.8	40.0%	0.0	
All infrastructure-related projects	4.1	10.0%	6.8	9.4%	0.0		0.0		0.0	
Total Signed Contracts	332.5	20.0%	268.1	17.7%	579.6	19.5%	699.4	19.4%	630.5	18.0%
New EPC projects (domestic + international)	0.0		0.0		0.0		9.9	16.0%	52.7	15.0%
Total parent sales	332.5	20.0%	268.1	17.7%	579.6	19.5%	709.3	19.3%	683.2	17.7%
+subsidiaries (net contribution)	51.0	16.8%	71.2	27.8%	40.0	20.0%	40.0	20.0%	40.0	20.0%
Total group sales	381.5	19.5%	339.4	19.8%	619.6	19.5%	749.3	19.4%	723.2	17.9%
Management fees as a % of parent sales		2.0%		2.5%		3.0%		3.0%		3.0%
Total group sales and EBITDA % after mgt fees	381.5	17.5%	339.4	17.8%	619.6	16.7%	749.3	16.5%	723.2	15.0%

Source: Company data, HSBC Pantelakis Securities estimates

management fees to 3% of parent sales. On balance, we expect Metka to record a 16.7% margin in 2010e (flat y-o-y on a recurring basis, after excluding a EUR4m one-off booked in 2009 EBITDA), hence leading to a remarkable EBITDA growth of 71% y-o-y to EUR103.7m

Further down the P&L, we expect Metka to record EUR42m of pre-tax capital gains (EUR32m after tax) in Q1 2010, stemming from the sale of the Megalopolis project to GEK Group. Remember that the cash proceeds will be received in 2011 and we have adjusted our balance sheet forecasts accordingly (note that it is not yet clear to us whether Metka will record this capital gain above or below the EBITDA line). In any case, excluding this one-off item, we are looking for Metka's 2010e recurring net profits to soar by 94% y-o-y to EUR70m.

In our view, the risks to our forecasts lie to the upside, as according to Metka's CEO, the company may receive in 2010 a potential compensation by PPC for delays in the latter's Aliveri project. We have not accounted for any such compensation in our current estimates.

For 2011, we now forecast Metka's sales and EBITDA to further grow by 21% and 19% y-o-y to EUR749m and EUR124m, respectively, on the back of strong revenues from the two projects in Turkey and the one in Syria (which we expect to account for 65% of total sales in 2011). That said, following Metka's high success ratio in recent tenders and the subsequent reduction in the number of projects in the pipeline, we now forecast only EUR10m of revenues from new projects in 2010 (just 1% of total).

We also introduce in this report our 2012 forecasts, which call for sales of EUR723m (-3% y-o-y), with EBITDA and net profits declining by 13% and 12% y-o-y to EUR108m and EUR76m, respectively, mainly due to the absence of the lucrative defence projects.

HSBCe vs consensus

Our new 2010e-11e adjusted net profit forecasts of EUR70m and EUR86m stand 5% above consensus (Factset median), while we are broadly in line with consensus at the sales and EBITDA levels.

Disclosure appendix

Analyst Certification

The following analyst(s), economist(s), and/or strategist(s) who is(are) primarily responsible for this report, certifies(y) that the opinion(s) on the subject security(ies) or issuer(s) and/or any other views or forecasts expressed herein accurately reflect their personal view(s) and that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views contained in this research report: Vangelis Karanikas

Important disclosures

Stock ratings and basis for financial analysis

HSBC believes that investors utilise various disciplines and investment horizons when making investment decisions, which depend largely on individual circumstances such as the investor's existing holdings, risk tolerance and other considerations. Given these differences, HSBC has two principal aims in its equity research: 1) to identify long-term investment opportunities based on particular themes or ideas that may affect the future earnings or cash flows of companies on a 12 month time horizon; and 2) from time to time to identify short-term investment opportunities that are derived from fundamental, quantitative, technical or event-driven techniques on a 0-3 month time horizon and which may differ from our long-term investment rating. HSBC has assigned ratings for its long-term investment opportunities as described below.

This report addresses only the long-term investment opportunities of the companies referred to in the report. As and when HSBC publishes a short-term trading idea the stocks to which these relate are identified on the website at www.hsbcnet.com/research. Details of these short-term investment opportunities can be found under the Reports section of this website.

HSBC believes an investor's decision to buy or sell a stock should depend on individual circumstances such as the investor's existing holdings and other considerations. Different securities firms use a variety of ratings terms as well as different rating systems to describe their recommendations. Investors should carefully read the definitions of the ratings used in each research report. In addition, because research reports contain more complete information concerning the analysts' views, investors should carefully read the entire research report and should not infer its contents from the rating. In any case, ratings should not be used or relied on in isolation as investment advice.

Rating definitions for long-term investment opportunities

Stock ratings

HSBC assigns ratings to its stocks in this sector on the following basis:

For each stock we set a required rate of return calculated from the risk free rate for that stock's domestic, or as appropriate, regional market and the relevant equity risk premium established by our strategy team. The price target for a stock represents the value the analyst expects the stock to reach over our performance horizon. The performance horizon is 12 months. For a stock to be classified as Overweight, the implied return must exceed the required return by at least 5 percentage points over the next 12 months (or 10 percentage points for a stock classified as Volatile*). For a stock to be classified as Underweight, the stock must be expected to underperform its required return by at least 5 percentage points over the next 12 months (or 10 percentage points for a stock classified as Volatile*). Stocks between these bands are classified as Neutral.

Our ratings are re-calibrated against these bands at the time of any 'material change' (initiation of coverage, change of volatility status or change in price target). Notwithstanding this, and although ratings are subject to ongoing management review, expected returns will be permitted to move outside the bands as a result of normal share price fluctuations without necessarily triggering a rating change.

*A stock will be classified as volatile if its historical volatility has exceeded 40%, if the stock has been listed for less than 12 months (unless it is in an industry or sector where volatility is low) or if the analyst expects significant volatility. However,

stocks which we do not consider volatile may in fact also behave in such a way. Historical volatility is defined as the past month's average of the daily 365-day moving average volatilities. In order to avoid misleadingly frequent changes in rating, however, volatility has to move 2.5 percentage points past the 40% benchmark in either direction for a stock's status to change.

Prior to this, from 7 June 2005 HSBC applied a ratings structure which ranked the stocks according to their notional target price vs current market price and then categorised (approximately) the top 40% as Overweight, the next 40% as Neutral and the last 20% as Underweight. The performance horizon is 2 years. The notional target price was defined as the mid-point of the analysts' valuation for a stock.

From 15 November 2004 to 7 June 2005, HSBC carried no ratings and concentrated on long-term thematic reports which identified themes and trends in industries, but did not make a conclusion as to the investment action that potential investors should take.

Prior to 15 November 2004, HSBC's ratings system was based upon a two-stage recommendation structure: a combination of the analysts' view on the stock relative to its sector and the sector call relative to the market, together giving a view on the stock relative to the market. The sector call was the responsibility of the strategy team, set in co-operation with the analysts. For other companies, HSBC showed a recommendation relative to the market. The performance horizon was 6-12 months. The target price was the level the stock should have traded at if the market accepted the analysts' view of the stock.

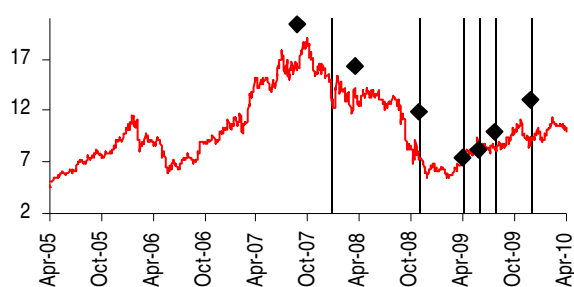
Rating distribution for long-term investment opportunities

As of 22 April 2010, the distribution of all ratings published is as follows:

Overweight (Buy)	48%	(13% of these provided with Investment Banking Services)
Neutral (Hold)	38%	(10% of these provided with Investment Banking Services)
Underweight (Sell)	14%	(10% of these provided with Investment Banking Services)

Share price and rating changes for long-term investment opportunities

Metka (MTKr.AT) Share Price performance EUR Vs HSBC rating history



Source: HSBC

Recommendation & price target history

From	To	Date
Overweight (V)	Overweight	11 January 2008
Overweight	Overweight (V)	20 November 2008
Overweight (V)	Neutral (V)	23 April 2009
Neutral (V)	Underweight (V)	15 June 2009
Underweight (V)	Neutral (V)	11 August 2009
Neutral (V)	Overweight (V)	15 December 2009
Target Price	Value	Date
Price 1	20.50	12 September 2007
Price 2	16.40	03 April 2008
Price 3	11.80	20 November 2008
Price 4	7.50	23 April 2009
Price 5	8.30	15 June 2009
Price 6	10.00	11 August 2009
Price 7	13.00	15 December 2009

Source: HSBC

HSBC & Analyst disclosures

Disclosure checklist

Company	Ticker	Recent price	Price Date	Disclosure
METKA	MTKr.AT	10.03	21-Apr-2010	2, 6, 7

Source: HSBC

- 1 HSBC* has managed or co-managed a public offering of securities for this company within the past 12 months.
- 2 HSBC expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.
- 3 At the time of publication of this report, HSBC Securities (USA) Inc. is a Market Maker in securities issued by this company.
- 4 As of 31 March 2010 HSBC beneficially owned 1% or more of a class of common equity securities of this company.
- 5 As of 28 February 2010, this company was a client of HSBC or had during the preceding 12 month period been a client of and/or paid compensation to HSBC in respect of investment banking services.
- 6 As of 28 February 2010, this company was a client of HSBC or had during the preceding 12 month period been a client of and/or paid compensation to HSBC in respect of non-investment banking-securities related services.
- 7 As of 28 February 2010, this company was a client of HSBC or had during the preceding 12 month period been a client of and/or paid compensation to HSBC in respect of non-securities services.
- 8 A covering analyst/s has received compensation from this company in the past 12 months.
- 9 A covering analyst/s or a member of his/her household has a financial interest in the securities of this company, as detailed below.
- 10 A covering analyst/s or a member of his/her household is an officer, director or supervisory board member of this company, as detailed below.
- 11 At the time of publication of this report, HSBC is a non-US Market Maker in securities issued by this company and/or in securities in respect of this company

Analysts, economists, and strategists are paid in part by reference to the profitability of HSBC which includes investment banking revenues.

For disclosures in respect of any company mentioned in this report, please see the most recently published report on that company available at www.hsbcnet.com/research.

* HSBC Legal Entities are listed in the Disclaimer below.

Additional disclosures

- 1 This report is dated as at 23 April 2010.
- 2 All market data included in this report are dated as at close 21 April 2010, unless otherwise indicated in the report.
- 3 HSBC has procedures in place to identify and manage any potential conflicts of interest that arise in connection with its Research business. HSBC's analysts and its other staff who are involved in the preparation and dissemination of Research operate and have a management reporting line independent of HSBC's Investment Banking business. Information Barrier procedures are in place between the Investment Banking and Research businesses to ensure that any confidential and/or price sensitive information is handled in an appropriate manner.

Disclaimer

* Legal entities as at 31 January 2010

'UAE' HSBC Bank Middle East Limited, Dubai; 'HK' The Hongkong and Shanghai Banking Corporation Limited, Hong Kong; 'TW' HSBC Securities (Taiwan) Corporation Limited; 'CA' HSBC Securities (Canada) Inc, Toronto; HSBC Bank, Paris branch; HSBC France; 'DE' HSBC Trinkaus & Burkhardt AG, Dusseldorf; 000 HSBC Bank (RR), Moscow; 'IN' HSBC Securities and Capital Markets (India) Private Limited, Mumbai; 'JP' HSBC Securities (Japan) Limited, Tokyo; 'EG' HSBC Securities Egypt S.A.E., Cairo; 'CN' HSBC Investment Bank Asia Limited, Beijing Representative Office; The Hongkong and Shanghai Banking Corporation Limited, Singapore branch; The Hongkong and Shanghai Banking Corporation Limited, Seoul Securities Branch; The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch; HSBC Securities (South Africa) (Pty) Ltd, Johannesburg; 'GR' HSBC Pantelakis Securities S.A., Athens; HSBC Bank plc, London, Madrid, Milan, Stockholm, Tel Aviv; 'US' HSBC Securities (USA) Inc, New York; HSBC Yatirim Menkul Degerler A.S., Istanbul; HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, HSBC Bank Brasil S.A. - Banco Múltiplo, HSBC Bank Australia Limited, HSBC Bank Argentina S.A., HSBC Saudi Arabia Limited.

Issuer of report

HSBC Pantelakis Securities S.A.

109-111 Messoghion Avenue

115 26 Athens, Greece

Telephone: +30 210 69 65 000

Fax: +30 210 69 29 587

Website: www.research.hsbc.com

This document has been issued by HSBC Pantelakis Securities SA ("HSBC") for the information of its customers only. If it is received by a customer of an affiliate of HSBC, its provision to the recipient is subject to the terms of business in place between the recipient and such affiliate.

HSBC Securities (USA) Inc. accepts responsibility for the content of this research report prepared by its non-US foreign affiliate. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security discussed herein should do so with HSBC Securities (USA) Inc. in the United States and not with its non-US foreign affiliate, the issuer of this report.

In the UK this document is for the information of its Clients (as defined in the Rules of FSA) and those of its affiliates only. It is not intended for Retail Clients in the UK. The protections afforded by the UK regulatory regime are available only to those dealing with a representative of HSBC Bank plc in the UK. In Singapore, this publication is distributed by The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch for the general information of institutional investors or other persons specified in Sections 274 and 304 of the Securities and Futures Act (Chapter 289) ("SFA") and accredited investors and other persons in accordance with the conditions specified in Sections 275 and 305 of the SFA. This publication is not a prospectus as defined in the SFA. It may not be further distributed in whole or in part for any purpose. The Hongkong and Shanghai Banking Corporation Limited Singapore Branch is regulated by the Monetary Authority of Singapore. In Australia, this publication has been distributed by The Hongkong and Shanghai Banking Corporation Limited (ABN 65 117 925 970, AFSL 301737) for the general information of its "wholesale" customers (as defined in the Corporations Act 2001). Where distributed to retail customers, this research is distributed by HSBC Bank Australia Limited (AFSL No. 232595). These respective entities make no representations that the products or services mentioned in this document are available to persons in Australia or are necessarily suitable for any particular person or appropriate in accordance with local law. No consideration has been given to the particular investment objectives, financial situation or particular needs of any recipient.

In Japan, this publication has been distributed by HSBC Securities (Japan) Limited. In Hong Kong, this document has been distributed by The Hongkong and Shanghai Banking Corporation Limited in the conduct of its Hong Kong regulated business for the information of its institutional and professional customers; it is not intended for and should not be distributed to retail customers in Hong Kong. The Hongkong and Shanghai Banking Corporation Limited makes no representations that the products or services mentioned in this document are available to persons in Hong Kong or are necessarily suitable for any particular person or appropriate in accordance with local law. All inquiries by such recipients must be directed to The Hongkong and Shanghai Banking Corporation Limited. It may not be further distributed, in whole or in part, for any purpose. In Korea, this publication is distributed by The Hongkong and Shanghai Banking Corporation Limited, Seoul Securities Branch ("HBAP SLS") for the general information of professional investors specified in Article 9 of the Financial Investment Services and Capital Markets Act ("FSCMA"). This publication is not a prospectus as defined in the FSCMA. It may not be further distributed in whole or in part for any purpose. HBAP SLS is regulated by the Financial Services Commission and the Financial Supervisory Service of Korea.

This document is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. HSBC has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; HSBC makes no guarantee, representation or warranty and accepts no responsibility or liability as to its accuracy or completeness. Expressions of opinion are those of the Research Division of HSBC only and are subject to change without notice. HSBC and its affiliates and/or their officers, directors and employees may have positions in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment). HSBC and its affiliates may act as market maker or have assumed an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform investment banking or underwriting services for or relating to those companies. The information and opinions contained within the research reports are based upon publicly available information and rates of taxation applicable at the time of publication which are subject to change from time to time. Past performance is not necessarily a guide to future performance. The value of any investment or income may go down as well as up and you may not get back the full amount invested. Where an investment is denominated in a currency other than the local currency of the recipient of the research report, changes in the exchange rates may have an adverse effect on the value, price or income of that investment. In case of investments for which there is no recognised market it may be difficult for investors to sell their investments or to obtain reliable information about its value or the extent of the risk to which it is exposed. HSBC Pantelakis Securities SA (registered in Greece No 23572/06/B/91/14) is regulated by the Hellenic Capital Markets Commission (licensed with No 59/31.10.1990 (amended by 3/473/5.6.2008) HCMC decision) and is a member of the Athens Exchange and the Athens Derivatives Exchange ("market maker type A").

© Copyright. HSBC Pantelakis Securities S.A 2010, ALL RIGHTS RESERVED. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of HSBC Pantelakis Securities S.A. MICA (P) 177/08/2009

Greece Research Team

Joanna Telioudi

Analyst, Head of research

+30 210 6965 209 joanna.telioudi@hsbc.com

Paris Mantzavras

Analyst

+30 210 6965 210 paris.mantzavras@hsbc.com

Vangelis Karanikas

Analyst

+30 210 6965 211 vangelis.karanikas@hsbc.com

Spiros Tsangalakis

Analyst

+30 210 6965 212 spiros.tsangalakis@hsbc.com

Dimitris Haralabopoulos

Greek Banks Analyst

+30 210 6965 214 dimitris.haralabopoulos@hsbc.com

Specialist Sales

Thanassis Drogossis

Head of institutional equities

+30 210 6965 129 thanassis.drogossis@hsbc.com

Philip Dragoumis

Specialist sales Greek equities

+30 210 6965 128 philip.dragoumis@hsbc.com