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A legal framework for public-private partnerships

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Athens

Law 3389/2005 was enacted in 2005, introducing the concept of PPPs in Greece, aiming to attract private funding for the needs of the public sector and offering to the latter the opportunity to take advantage of the know-how and methods of operation of the private sector. Under this legislation, large projects related to national defence, education, health, culture, the environment, transport infrastructure and public buildings, which would otherwise be struggling due to lack of funding, have taken off and are now in various phases of progress. The Joint Ministerial Commission on PPPs and the PPP Special Secretariat under the Ministry of Economy and Finance maintain centralised control, acting as a one-stop shop and facilitating relevant procedures.

The PPP contracts and ancillary agreements entered into according to the PPP tender documents constitute the exclusive binding contractual framework for the participating public and private entities. The private entities participate in the PPP through a special-purpose company (SPC) in the form of a *société anonyme*. Greek PPP contracts and ancillary agreements do not deviate materially from EU industry standards.

Facilities, shortcuts and benefits of PPPs

Public entities are enabled by the new Law to enter into agreements with the lenders of the SPC, thus facilitating the financing structure. If the remuneration for the works or services is paid directly from the end users, the procedure for collection is regulated by the Joint Ministerial Commission for PPPs, which facilitates the relevant SPC in achieving effective and efficient collection.

Any licences required for the PPP project are considered granted to the SPC if the com-

petent authorities have not given a justified negative reply within an exclusive 60-day period.

If antiquities are found during the construction of a PPP project, the Greek Archaeological Service is obliged to recommend the measures for continuing the works and protecting the antiquities within an exclusive 60-day period. Otherwise, the public entity participating in the PPP must grant to the SPC an extension of the contractual deadlines equal to the delay. The SPC is entitled to claim compensation for any loss caused by such delays. Environmental impact studies and approval of environmental terms are conducted and set before the assignment of the PPP contract.

If the participating public body wishes to impose additional terms for any reason, it must compensate the SPC for any additional cost or expense. Measures of increased natural and cultural protection may be included in a PPP contract only if these measures were included in the relevant tender documents. Any expropriations or constitutions of real-property rights needed for the implementation of a PPP contract are deemed to serve a public utility and are immediately executable.

If relevant actions do not take effect within the set deadline, the SPC is entitled (and the public body is obliged) to grant an extension of the contractual deadlines equal to the delay and the SPC is also entitled to claim compensation for any loss caused by such delays. The same stands for the works and actions of any public services and utility companies necessary or useful for the expedited and unhindered execution of any PPP-related works and services.

The SPCs are entitled to assign part or all of their current or future claims to banks (including the European Investment Bank), any other duly supervised financial institution, or any licensed SPCs for the purpose of securitisation. Any real securities offered by the SPC or by third parties on behalf of the SPC to banks or any other duly supervised financial institution are not affected by the

imposition of any collective measure for the satisfaction of creditors. The same applies to future claims, whose emanation takes place after the imposition of the collective measure.

The SPCs are also exempted from income tax on interest earned until the time of the initiation of exploitation. If any financing contribution is paid by the public body participating in the PPP, this is deemed a capital grant and is not subject to VAT, income tax or any other tax and is paid free from any third-party levy. The VAT credit balance is returned to the third parties transacting with the SPC for the PPP project within 90 days of their relevant application. In cases where this deadline is not met, default interest is owed. Accrued SPC losses are eligible to be carried forward and set off with the taxable profits of the next 10 fiscal years. The SPC has the right to choose the method of depreciation and amortisation of its assets.

Any dispute regarding the implementation, interpretation or status of a PPP contract or ancillary agreement is settled exclusively by means of arbitration with all relevant details being included within the PPP contract or in the ancillary agreements without the application of any rules related to arbitrations relevant to the Greek State. The arbitration decision is final, irrevocable, not subject to appeal and is a legally executable title. The Greek substantive law is the applicable law.

Capital markets

Recommended firms
Tier 1
Karatzas & Partners Law Office TJ Koutalidis M&P Bernitsas
Tier 2
Dryllerakis & Associates Kyriakides Georgopoulos & Daniolos Issaias Norton Rose PI Partners Tsibanoulis & Partners Zepos & Yannopoulos
Tier 3
Dracopoulos & Vassalakis Elias Paraskevas Attorneys IKRP Rokas & Partners Lambadarios Law Office E Stratigis & Partners Sarantitis Vgenopoulos & Partners
Tier 4
Avramopoulos & Partners Bahas Gramatidis & Associates KLC Kelemenis & Co Moratis Passas

Banking

Recommended firms
Tier 1
Elias Paraskevas Attorneys Karatzas & Partners Kyriakides Georgopoulos & Daniolos Issaias Law Office TJ Koutalidis M&P Bernitsas
Tier 2
KLC Moratis Passas Norton Rose PI Partners Lambadarios Vgenopoulos & Partners Zepos & Yannopoulos
Tier 3
Calavros & Partners Dracopoulos & Vassalakis Dryllerakis & Associates Gr J Timagenis IKRP Rokas & Partners Kelemenis & Co Law Office E Stratigis & Partners Moussas & Tsibris Roussos & Hatzidimitriou Sarantitis Theo V Sioufas

Mergers and acquisitions

Recommended firms
Tier 1
Karatzas & Partners Kyriakides Georgopoulos & Daniolos Issaias Law Office TJ Koutalidis M&P Bernitsas Vgenopoulos & Partners Zepos & Yannopoulos
Tier 2
Dryllerakis & Associates Lambadarios Moratis Passas Sarantitis Theo V Sioufas
Tier 3
Calavros & Partners Cocalis & Psarras Dracopoulos & Vassalakis Elias Paraskevas Attorneys IKRP Rokas & Partners KLC Kelemenis & Co Law Office E Stratigis & Partners Moussas & Tsibris PI Partners
Tier 4
Apostolos Georgiades & Associates Avramopoulos & Partners Bahas Gramatidis & Associates Souriadakis Frangakis & Associates

Project finance

Recommended firms
Tier 1
Karatzas & Partners Kyriakides Georgopoulos & Daniolos Issaias Law Office TJ Koutalidis M&P Bernitsas
Tier 2
Dryllerakis & Associates Norton Rose PI Partners Sarantitis Vgenopoulos & Partners Zepos & Yannopoulos
Tier 3
Calavros & Partners IKRP Rokas & Partners Kelemenis & Co

Greece is surrounded by the global energy producers of the Middle East, North Africa and the Caspian Sea. This has led market commentators to suggest Greece's unique

positioning makes it a potential candidate for an energy hub between the east and west.

In recent times, the energy market in Greece has shown signs of growth. The agreement, signed in late June 2007, will see the construction of a \$15 billion pipeline which will carry 30 billion cubic metres of Russian gas per year through to Bulgaria, Greece and Italy.

The infrastructure sector is also maturing, with a notable increase in PPP projects. Over the past year lawyers received an increase in mandates for the construction and management of school buildings, prisons, waste-treatment facilities and student accommodation.

Real estate is another area of significant investment. Greece's status as an EU member, its low interest rates, and its reduced exchange-rate risks are making Greece an appetising market for foreign investors.

Shipping has traditionally been a principal area of investment - with UK firms such as and dominating the maritime market. US law firms have also tried to enter this market, but Reed Smith Richards Butler remains the only US firm with an office in Greece.

Highlighted deals in the market include Deutsche Telekom's €2.5 billion acquisition of a 20% stake in Greek incumbent operator Hellenic Telecommunications Organisation (OTE). One market commentator says: "The OTE deal is significant because it is large and has weight in the Greek market. If the management of Deutsche Telekom moves to Greece it will serve a broader strategy and it will bring new skills and talent to our country."

Avramopoulos & Partners

Avramopoulos & Partners is known for its M&A practice but over the past year the firm is increasingly becoming recognised for its work in banking, capital markets and project finance.

One of its highlights transactions was advising ABN Amro on a syndicated bond loan agreement worth €650 million. Elsewhere, the firm acted for Bank of Attica in its merger with Attica Leasing, one of its subsidiaries.

In other M&A work, the firm carried out due diligence in Lamda Technol Flisvos's sale of shares to Island Global Yachting. The firm also provided due diligence and contract drafting in Alma Atermon's €50 million sale of assets to Affichage.

In project finance, the firm advised Rodon Anaptyxiaki and Casino Rhodes in the €62.5 million construction of a marina, shopping centre and residential area in Rhodes in September 2007.

In another standout deal, the firm advised Balfour Beatty Rail on the public bid for the extension of Athens's metro system. One client says: "I am very happy with the quality of service provided."

Leading lawyers

Vassilis Avramopoulos

Elias Paraskevas Attorneys

Elias Paraskevas moves up a tier in banking following recommendations from peers and clients. "I have been impressed by the whole team, says one banking client. "Elias Paraskevas Attorneys is not a huge firm but the quality of service they provide is first-rate."

Over the past year the firm secured a number bank lending transactions, advising international clients operating in the country. On one notable deal, the highly-regarded Dimitris Paraskevas acted with Clifford Chance to advise Banc of America Securities and Credit Suisse on the financing of Bain Capital's \$1.7 billion acquisition of Ideal Standard.

Paraskevas's ability to meet expectations is winning clients over. One says: "He is a terrific, well-connected, business-savvy person who is able to produce the goods for our clients. He knows how the market players are moving."

In another bank lending deal, private investment bank Bluewater Partners mandated the firm to advise on the €60 million financing of a Greek telecoms company listed on the Athens Stock Exchange.

Elias Paraskevas prides itself as being a firm that primarily caters to an international clientele - according to the firm, only 3% of its clients are domestic. In the past year the firm acted for Indian IT solutions company I-flex Solutions in its acquisition of a Greek company.

Capital markets are also providing fruitful mandates for the firm. On the debt side, the firm acted as counsel to a UK bank listing on a European stock exchange in a deal worth €1 billion.

In equity capital markets work, the firm advised Deutsche Bank on securities and collateral issues. Other banking clients include Citibank, Commerzbank and Deutsche Bank.

Leading lawyers

Dimitris Paraskevas

Karatzas & Partners

Karatzas & Partners had a strong year, advising on some of the most sought-after deals in the market. The firm solidified its success by

scooping *International Financial Law Review's* award for the Greek law firm of the year in 2008. "Karatzas & Partners is one of the best firms in Greece," says a client of the firm.

In one strong deal, the firm was mandated by Clifford Chance as Greek counsel in Carlyle Group's €830 million acquisition of 74% of Neochimiki. The firm also advised OTE on its €400 million sale of additional shares to Deutsche Telekom.

The highly recommended Catherine Karatzas advised Hellas Online on its merger with Unibrain. The €150 million transaction was part of a three-way merger between Teledome, Unibrain and Hellas Online.

Alexander Metallinos was active on most of the firm's standout transactions. In December 2007 he advised the National Bank of Greece on its €164 million acquisition of shares in a subsidiary, National Insurance. The M&A lawyer is highly praised by peers: "I have worked with him a number of times; he is a leading lawyer as he has a vast amount of experience," says one competitor. Another rival says: "Companies use him for anything that has legal complexity."

In project finance, the firm is acting for HypoVereinsbank, RBS and BNP Paribas on the €1 billion financing of the E65 Highway, which will run through central Greece.

The firm has also recently advised on the establishment of BNP Paribas Private Bank in Greece.

Leading lawyers

Catherine Karatzas
Alexander Metallinos

Kelemenis & Co

"Kelemenis & Co is a top corporate and commercial law firm; we are pleased by the quality of service they continue to provide," says a client. Established in 2004, the young firm is growing rapidly - in the past year five lawyers have joined the firm, including two partners.

In one notable deal, Yannis Kelemenis advised Aquis Hotels and Resorts on the leasing arrangements for various five-star hotels in Corfu valued at €35 million.

The firm is receiving consistent mandates from Stelow and its Greek subsidiary Youtravel.com. In one, the firm advised on Barclays' issue of a loan note to Stelow, and also assisted in the restructuring of Stelow, which required Barclays to increase its loan facilities.

In the past year, the firm was also appointed as legal counsel by Lion Hellas for a €220 million private placement in a Greek renewable-energy company.

M&A is proving to be a distinguished practice area for the firm. Kelemenis led a

team advising Stelow on the acquisition of a UK travel group through the issue of €15 million loan notes.

In other work the firm has been advising Barclays Ventures' investments in Greek tourism, and acted for Japanese gas supplier Osaka Gas on an investment project in south-east Europe.

Leading lawyers

Andreas Bagias
Yannis Kelemenis
Ioanna Lazaridou

Kyriakides Georgopoulos & Daniolos Issaias

Clients and peers are unanimous in their praise of Kyriakides Georgopoulos & Daniolos Issaias - a firm which competes with Karatzas & Partners, Law Office TJ Koutalidis and M&P Bernitsas in the top tier. "Kyriakides is one of three top Greek law firms in Greece," says one client.

The firm is a founding member of SEE Legal - a regional association of law firms operating in 11 southeast European jurisdictions.

Kyriakides Georgopoulos secured some desirable deals in capital markets despite a slowdown in public offerings over the past year. In one such transaction, the firm advised the joint global coordinators on Piraeus Bank's €1.35 billion rights issue on the Athens Stock Exchange.

The banking team, led by Konstantinos Vouterakos, acted for a consortium of banks in a \$150 million syndicated term loan facility to Black Sea Trade and Development Bank, and acted for Alpha Bank in the financing and construction of two hotels and one golf course.

Another noteworthy deal saw the firm act for HSBC in the €170 million financing of the acquisition of the Praktiker stores in Greece.

In M&A work, senior partner Leonidas Georgopoulos advised OTE on its acquisition of minority shares in mobile telecoms company Cosmote. The €3 billion deal is hailed as one of the most significant deals of the year by market commentators.

Another M&A deal saw the firm advise Frigoglass on its €50 million acquisition of a controlling stake in Istanbul-based manufacturer Sogutma Sanayi İç ve Dış Ticaret.

Among the firm's project finance mandates, Despina Doxaki - who was promoted to the partnership in July 2008 - is advising Heron Thermoelectric on the financing, commission and construction of a €255 million gas turbine power plant.

In addition, the firm acted for Alpha Bank and Piraeus Bank in the debt restructuring of Aegek, a Greek construction company.

Leading lawyers

Leonidas Georgopoulos
Konstantinos Vouterakos

Lambadarios

Lambadarios Law Offices, established in 1863, advises a combination of domestic and international clients. Over the years the firm has featured on a range of transactions in the banking, corporate and structured-finance markets.

Despite a global downturn in capital markets activity, the firm has been mandated on some notable public offerings in the past year. In one, the firm assisted Proton Investment Bank on its flotation on the Athens Stock Exchange.

Lambadarios also advised on the establishment of two real-estate investment funds, totalling €100 million, focusing on investments in Greece and Egypt.

In the banking market, the firm acted for Chandris Hotels on a €40 million loan agreement with HVB Bank to fund the construction of a new hotel in Thessalonica. In another deal, the firm acted for Aventurine on its provision of a €20 million convertible bond issue.

In M&A work, the firm advised Proton Investment Bank in its merger with Omega Bank. The firm also advised Nireus Aquaculture Group on its €38 million merger with Ionian Sea Farm, and acted for Proton Investment Bank on its €303 million acquisition of three investment funds listed on the Athens Stock Exchange.

The firm's recent project finance work includes acting for Lockheed Martin in a PPP involving the Ministry of Finance in Greece. In addition, the firm acted for Proton Investment Bank in the financing of a €30 million joint venture to construct a wind farm on a Greek island.

Other notable clients of the firm include Google, UBS, Isuzu and Scania and Samsung.

Leading lawyers

Maria Fronista
Dimitris Lambadarios
Epaminondas Lambadarios

Law Office TJ Koutalidis

TJ Koutalidis has had a solid year advising on a selection of big-ticket transactions, particularly in capital markets.

The firm has a strong debt capital markets presence in Greece. In one high-value deal,

the firm advised Alpha Bank on a €30 billion EMTN update and capital increase. Other debt capital markets deals include advising Alpha Bank on a €7.5 billion MTN programme, and representing EFG Eurobank Ergasias on its €2 billion bond issuance.

In the equity capital markets, the firm acted for National Bank of Greece on its \$600 million redeemable issue of preference shares on the NYSE.

The firm's real-estate finance work is also notable. One recent highlight was acting for Sonae Sierra and Charagionis in the €30 million financing and construction of the Park Avenue shopping centre in Athens. Sonae Sierra again mandated the firm along with Pylea on the financing of the construction of the €70 million Cosmos shopping centre in Salonika.

On the M&A side, Tryfon Koutalidis advised Deutsche Telekom in relation to its €3.5 billion acquisition of a 25% stake in OTE. Another standout deal saw Koutalidis represent private-equity firm BC Partners on a €1 billion merger between Dionysos Leisure and Regency Entertainment. "Tryfon is very knowledgeable and experienced in corporate and commercial transactions," says one of Koutalidis's clients.

Law Office TJ Koutalidis was also involved in a number of project finance transactions this year, with Nikos Pimblis receiving praise from the market for his projects work. "Nikos Pimblis has a solid background and understanding legal matters," says a peer. In one notable deal, the firm advised a consortium of successful bidders on the €1.15 billion Pathe motorway project.

The firm's regulatory work is also strong, and it has advised Deutsche Bank on the establishment of offices in Greece, while Bloomberg also hired the firm to advise on Mifid compliance aspects of its offering of electronic trading products in the Greek market.

Leading lawyers

Nikos Koritsas
Tryfon Koutalidis
Nikos Salakas

M&P Bernitsas

"I have required their legal services for over four years and I will continue to use them in the future," says a client of M&P Bernitsas. "They have a very good response rate and are competent in banking and real-estate transactions." The firm, known for its work in privatisation, is increasingly being recognised by peers for its range of expertise in all areas of financial and corporate law.

One headline transaction saw the firm advise a consortium of banks on the financing of national telecoms company OTE's €2.7 billion acquisition of telecoms company Cosmote. The firm also represented OTE on the corporate aspects of the acquisition, and its subsequent €2.1 billion note issue.

Well-regarded partner Nikos Papachristopoulos was active this year, advising the seller in a €480 million share offering to Carlyle in May 2008. "Papachristopoulos is smart guy and a great negotiator," says one peer.

The firm's equity capital markets activity includes advising Alapis on its €800 million rights issue, while name partner Panayotis Bernitsas advised Sciens International on its €105 million share capital increase. "He knows the subject very well. Lately he has been monopolising the Greek state by acting on some of the best capital market deals," says one peer.

Banking and finance head, Athanasia Tsene advised HSBC as arranger on the financing of a €280 million leisure and retail centre in Athens. Tsene also led the team advising Depfa Bank on its €265 million bond loan issue to Hellenic Railways Organisation. "Athanasia is a very capable lawyer and willing to adapt to any situation," says one Greek lawyer.

In notable project finance transactions, the firm advised a group of lenders, headed by Calyon, on the €1.7 billion Maliakos-Kleidi motorway project.

Leading lawyers

Vicky Athanassoglou
Panayotis Bernitsas
Yannis Kourniotis
Nikos Papachristopoulos
Athanasia Tsene

PI Partners

"PI Partners is one out of two law firms we use in Greece. We screened five or six prominent law firms but they were the best of the bunch," says one client of PI Partners.

In capitals markets work, the firm acted alongside Shearman & Sterling to represent Piraeus Bank on a €1.3 billion capital increase. The team is also advising Bank of Cyprus on a €560 million convertible bond listing on the Athens and Cyprus Stock Exchanges. In addition, the firm advised the National Bank of Greece on an update to its €5 billion EMTN programme.

PI Partners is also active in straight debt, and this year advised plastics manufacturer Petzetakis on a €120 million loan refinancing. In M&A, the firm advised Notos Com on a €240 million leveraged buyout. Italian power

company Enel also sought the firm's counsel during its €210 million acquisition of wind farms.

Euripides Ioannou, hailed a rising star by peers, was seen practising on several notable project finance deals over the last 12 months. Ioannou advised construction group Gek on its provision of a €250 million facility for the construction of a gas turbine power plant, and is advising Piraeus Bank on the financing for a €180 million photovoltaic plant.

"We are very happy with the level of professional service they provide," says a client of the firm. "They have a good knowledge of Greek law and are very presentable when dealing with clients."

Leading lawyers

George Bersis
Euripides Ioannou
Evangelia Kounenou
Stathis Potamitis

Other notable firms

IKRP Rokas & Partners, established by Ioannis Rokas in 1977, is active in banking, project finance, telecoms, energy and construction. In one standout deal, the firm advised wind farm operator Ktistor ATE on a loan and leasing agreement.

Norton Rose gains frequent recommendations from peers and clients. "I often see them on the other side of capital markets deals," says one lawyer. The firm advised on Phoenix Metrolife Emporiki's €96 million sale of its entire share capital to Groupama. In other notable work, Quintana Maritime sought the firm's expertise during its \$2.5 billion merger with Excel Maritime Carriers.