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A legal framework for publicprivate partnerships

Vassilis Gavrilis Cocalis & Psarras 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 knowhow 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 competent authorities have not given a justified negative reply within an exclusive 60-day peri-

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 realproperty 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 thirdparty 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.

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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

KI C

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

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 traditional 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 e2.5 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 coun-

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 e650 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 e50 million sale of assets to Affichage.

In project finance, the firm advised Rodon Anaptyxiaki and Casino Rhodes in the e62.5 million construction of a marina, shopping centre and residential area in Rhodes in September 2007.

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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-

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 e60 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 compa-

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 e1 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 e830 million acquisition of 74% of Neochimiki. The firm also advised OTE on its e400 million sale of additional shares to Deutsche Telekom.

The highly recommended Catherine Karatzas advised Hellas Online on its merger with Unibrain. The e150 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 e164 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 e1 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 e35 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

In the past year, the firm was also appointed as legal counsel by Lion Hellas for a e220 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 e15 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 southeast 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 jurisdic-

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 e1.35 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

Another noteworthy deal saw the firm act for HSBC in the e170 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 e3 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 e50 million acquisition of a controlling stake in Istanbul-based manufacturer Sogutma Sanayi Iç ve Dıs 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 e255 million gas turbine power plant.

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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

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 e100 million, focusing on investments in Greece and Egypt.

In the banking market, the firm acted for Chandris Hotels on a e40 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 e20 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 e38 million merger with Ionian Sea Farm, and acted for Proton Investment Bank on its e303 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 e30 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 e30 billion EMTN update and capital increase. Other debt capital markets deals include advising Alpha Bank on a e7.5 billion MTN programme, and representing EFG Eurobank Ergasias on its e2 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 e30 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 e70 million Cosmos shopping centre in Salonika.

On the M&A side, Tryfon Koutalidis advised Deutsche Telekom in relation to its e3.5 billion acquisition of a 25% stake in OTE. Another standout deal saw Koutalidis represent private-equity firm BC Partners on a e1 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 e1.15 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 mar-

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 e2.7 billion acquisition of telecoms company Cosmote. The firm also represented OTE on the corporate aspects of the acquisition, and its subsequent e2.1 billion note issue.

Well-regarded partner Papachristopoulos was active this year, advising the seller in a e480 million share offering to Carlyle in May 2008. "Papachristopoulos is smart guy and a great negotiator," says one peer.

The firm' equity capital markets activity includes advising Alapis on its e800 million rights issue, while name partner Panayotis Bernitsas advised Sciens International on its e105 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

Banking and finance head, Athanasia Tsene advised HSBC as arranger on the financing of a e280 million leisure and retail centre in Athens. Tsene also led the team advising Depfa Bank on its e265 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 e1.7 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 e1.3 billion capital increase. The team is also advising Bank of Cyprus on a e560 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 e5 billion EMTN programme.

PI Partners is also active in straight debt, and this year advised plastics manufacturer Petzetakis on a e120 million loan refinancing. In M&A, the firm advised Notos Com on a e240 million leveraged buyout. Italian power

www.iflr1000.com 2009 EDITION company Enel also sought the firm's counsel during its e210 million acquisition of wind

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 e250 million facility for the construction of a gas turbine power plant, and is advising Piraeus Bank on the financing for a e180 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 e96 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.

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