

# SCIENS INTERNATIONAL INVESTMENTS AND HOLDINGS SA

COMPANY PRESENTATION

JUNE 2007

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## EXECUTIVE SUMMARY- Introduction

- Sciens International Investments and Holdings SA (“Sciens” or the “Company”) is an Athens Stock Exchange listed holding company that invests and manages alternative assets.
- Since November 2005, the principals of Sciens Capital Management (“SCM”), an alternative asset manager headquartered in New York, purchased through Sciens Hellenic Capital Ltd, a significant shareholding in Sciens. Sciens now invests using its management resources as well as the SCM’s specialization and expertise in international investments.
- Sciens’ objective is to generate capital gain, dividend income and management fees through a diversified and cycle resistant portfolio of alternative investments in real estate, private equity, funds of funds, reinsurance and other alternative assets.
- John Rigas is the CEO of Sciens and the driving force behind our current vision. John is also Chairman and CEO of SCM.

## INVESTMENT OBJECTIVE/STRATEGY

Sciens International's goals are to:

- Achieve blended returns of 10% - 15% on assets that are uncorrelated with world stock and bond markets. Return on equity may be increased depending on the degree of leverage.
  - Grow assets and earnings and maintain a high dividend yield.
  - Achieve these returns within an optimized tax structure.
- In order to achieve these investment objectives, Sciens International will invest in specialized and niche strategies such as:
  - Private Equity, Private Debt and Structured Finance assets, Reinsurance, Specialty Finance, Real Estate and Hedge Fund Strategies.
- In addition to direct acquisitions of equity and debt securities, Sciens International will invest through specially created conduits such as Collateralized Fund Obligations (Sciens CFO I) or a Limited Liability Reinsurance Company (Oceanus).
- Growth in assets will be achieved through investment appreciation and returns as well as through share capital increases and the issuance of debt.

## INVESTMENT ALLOCATION PROCESS

- **Investment objective:** Generate consistent absolute and relative returns uncorrelated with world financial markets by investing in alternative assets worldwide
- Three main investment management guidelines:
  - Diversification of risk and source of revenue away from any one factor such as a manager, geography, sector, instrument or strategy
  - Portfolio balance between liquid, income yielding, relative value strategies that are defensive and consistent, and illiquid, high capital appreciation niche strategies (liquidity generally inversely correlated to return expectation)
  - Focus on risk management including down deviation, portfolio construction, liquidity and proprietary asset recovery capability
- In the medium term, dynamically adjust allocation to:
  - Changing market conditions
  - Take advantage of temporal and emerging opportunities as they arise
- Each investment in an asset class or position is managed in conjunction with funds from third party investors by discreet specialist management teams that are part of Sciens (Real Estate, Reinsurance, Other Alternatives) or using the expertise of SCM (Private Equity, FoF).
- Allocations and investments to be recommended by CEO and approved by the Sciens Board of Directors. CEO is supported by Sciens or SCM resources according to the asset specific investment process

## OUR VISION

Sciens International's vision is to:

- Create a broadly diversified publicly-traded alternative asset investor and manager
- And become a unique vehicle that allows investors to participate in the fast growing alternative asset market via a diversified platform of investments across a variety of asset classes

## INITIAL 3 YEAR PLAN- 2006-2008

- Expand from acquired asset base of one private equity position (CHL) and 37% participation in Piraeus Real Estate Trust, through the additional of core positions in reinsurance, structured finance and specialty finance.
- 85% increase in assets in 2006 from €83mm to € 154mm through acquisition of Diolkos and a €50mm bond issuance.
- Plan for 2007 and 2008 is to further increase our asset base and allow for the addition for a further 2-3 core positions.

## CURRENT ASSETS:

Sciens International's initial assets provide a stable asset base and dividend yield:

### Sciens International Investment and Holdings SA

#### Piraeus REIT

**Nature of Income:**  
Dividend Yield  
& Significant Capital  
Appreciation Potential

**Nature of Asset:** Hard Assets

**Currency:** Euro

**Liquidity:** Listed on the ASE

**Geography:** Greece

**Invested Capital:** €40mm

**Fair Market Value:** €51mm

#### Casino Hotel Loutraki

**Nature of Income:**  
Dividend Yield  
& Significant Capital  
Appreciation Potential

**Nature of Asset :** Equity

**Currency:** Euro

**Liquidity:** Illiquid

**Geography:** Greece and  
Southeastern Europe

**Invested Capital:** €42mm

**Fair Market Value:** €44mm

#### Sciens Protective : Oceanus

**Nature of Income:**  
Dividend Yield  
& Significant Capital  
Appreciation Potential

**Nature of Asset :** Invested in  
Oceanus Reinsurance through  
Equity

**Currency:** US\$

**Liquidity:** Illiquid

**Geography:** United States  
(Puerto Rican regulatory  
domiciliation)

**Invested Capital:** €30mm

#### Sciens International Structured Finance: Sciens CFO I

**Nature of Income:**  
Dividend Yield  
& Significant Capital  
Appreciation Potential

**Nature of Asset :** Diversified  
Fixed Income, Equity and  
other

**Currency:** US\$/ Euro

**Liquidity:** Controlled  
liquidity

**Geography:** Worldwide

**Invested Capital:** €34mm



## INVESTMENT and GROWTH PHILOSOPHY

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- At maturity, the Sciens International investment portfolio will comprise 5 categories of assets in alternative and specialty finance activities with over 100 investment positions in its portfolio directly or through conduit entities.
- Sciens International intends to invest in assets that generate current income (dividends) and/or provide significant capital appreciation.
- Sciens International intends to diversify its asset base geographically, by industry, by type of security invested, by liquidity of asset, and generally in a manner that will allow diversification of risk and elimination of dependence on any single risk or income factor.
- Allocation to each asset class will be on-going and will depend both on top down macro factors such as economic cycles or secular industry trends, as well bottom-up micro-factors based on intensive research and availability of specific portfolio opportunities.

## DYNAMIC ALLOCATION

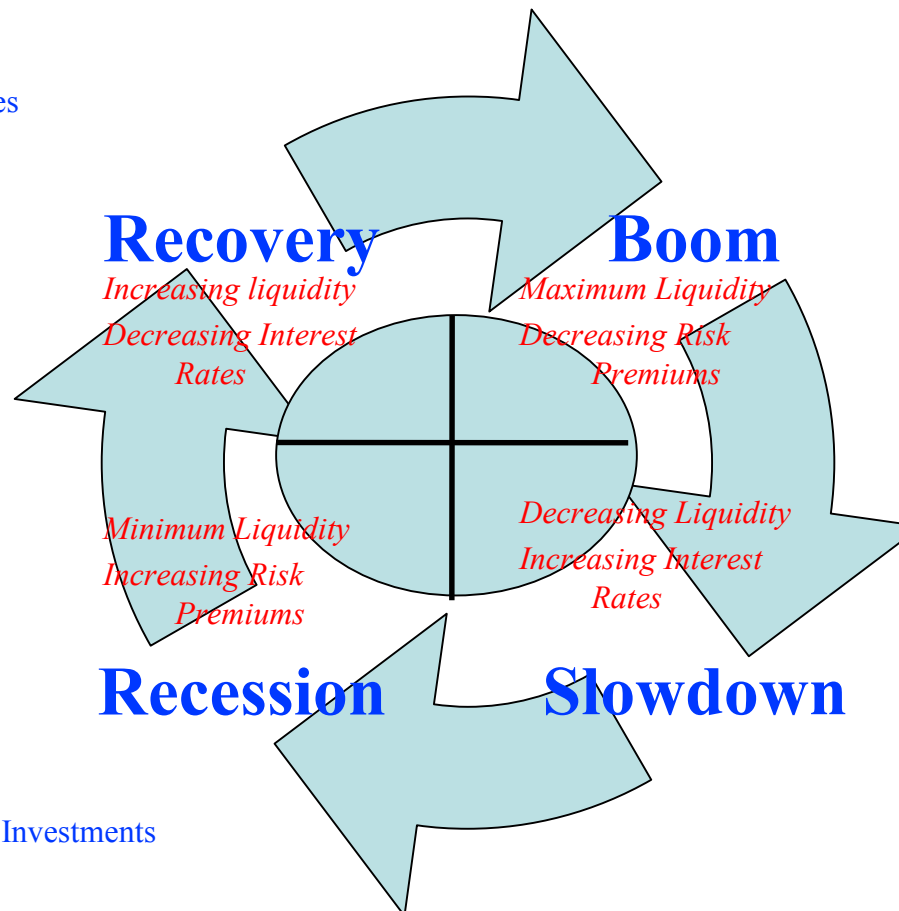
Allocation to different alternative asset classes during different phases of the economic cycle and on the basis of secular trends optimizes returns in the long-term. Returns to be further enhanced and smoothed with management and incentive fees.

### Recovery

Mortgage Credit Strategies  
Long Real Estate  
Long/Short Equities  
Global Macro

### Boom

Private Equity and Venture  
Capital exits  
Merger Arbitrage  
Emerging Markets  
Long based Equity Strategies



### Recession

Fixed Income Arbitrage  
All Distressed Strategies  
Asset Based Lending  
Entry into Private Equity Investments

### Slowdown

Convertible Arbitrage  
Defensive Equities  
Distressed Real Estate  
Global Macro  
Relative Value Strategies

## INVESTMENT CONSIDERATIONS

- Sciens International will seek to provide two types of profits to investors:
  - **Dividend Yield:** The Company currently has a dividend yield of approximately 3% and plans to maintain an analogous dividend payout in the future.
  - **Capital Appreciation:** Through an increase in the value of its shares traded on the Athens Stock Exchange.
- Sciens International offers Greek investors who wish to diversify away from pure equity exposure on the Athens Stock Exchange access in assets outside Greece that are alternative in nature and not wholly dependent on equity markets (especially that of the Athens Stock Exchange).
- Sciens International offers European and US investors access to alternative assets in an on-shore but tax efficient framework. Greece's favorable corporate taxation structure includes avoidance of double taxation via treaties with all European Union members and the US (taxation of dividends only once), a decreasing corporate tax rate, no capital gains tax for ASE listed companies and limited taxation of foreign sourced income (only upon repatriation, allowing for perpetual tax free compounding offshore).

## EXECUTIVE SUMMARY- Recent Developments

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- **Nov. 2005.** Sciens Hellenic Capital Ltd acquires a 45% interest in Sciens International (formerly “Solvency SA”) from Piraeus Bank. Piraeus maintains a 37% ownership at the time.
- **Jan. 2006.** Board of Directors announces merger discussions with Diolkos, an Athens stock exchange listed closed end fund with €36mm in assets, and approves new investment plan.
- **Apr. 2006.** Oceanus Reinsurance gains International Insurance license to operate in Puerto Rico.
- **July. 2006.** Official name change from Solvency SA to Sciens International.
- **Aug. 2006.** Completion of €50mm debt offering.
- **Sept. 2006.** Approval of Diolkos merger
- **Dec. 2006.** Conclusion of Diolkos merger. Increase of equity capitalization to €120mm and assets to €170mm (Fair market value). Sciens Hellenic Capital diluted to 33.6% and Piraeus to 25%.
- **Dec. 2006.** Formation of Sciens International Structured Finance Holdings and Sciens CFO I.
- **April. 2007.** Piraeus Bank reduced ownership to 19.9%.

## REAL ESTATE: Strategy

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- Sciens International intends to invest in real estate assets in a variety of markets that offer attractive risk- reward characteristics with hard asset backing.
- Sciens International intends to invest in both current income yielding assets such as Piraeus REIT as well as in assets that incorporate development risk.
- Sciens International intends to invest as a manager or co-manager of assets with specialist real estate investors worldwide.

## REAL ESTATE: Piraeus REIT (“PREIT”) (Ownership: 37.1%)

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- PREIT is the second largest publicly traded Real Estate Investment Trust in Greece. It became Greece’s first publicly traded REIT through an IPO in June 2005.
- The company is a real estate investment trust that buys, sells and leases real estate commercial properties.
- PREIT currently has a diversified commercial portfolio which includes major assets throughout Greece as follows: Athens (52%) Salonika (26%), Thessaly (14%) and the Peloponnese (3%). Its major holdings include office buildings as well as retail facilities which it leases to blue chip tenants such as the Bank of Piraeus and BP Hellas.
- The company is currently trading at a market capitalization of €145mm and in FYE 2006 posted a net income of €8.2mm. Sciens International owns 37.1% of Piraeus REIT which is valued at €54mm and has an unrecognized capital gain of €13mm over a cost basis of €41mm.

## PRIVATE EQUITY: Strategy

- Sciens International intends to invest selectively in private equity assets that offer attractive risk-reward opportunities on a global basis.
- Sciens International may also invest in funds or other organized investment pools using the knowledge and expertise of SCM or its affiliates.
- SCM has generated annualized realized IRR of 28% since commencing its private equity investing activities in 1994.
- Sciens International has a wide range of co-investors and management relationships generating a large variety of potential transaction opportunities.

## PRIVATE EQUITY: Club Hotel Loutraki (“CHL”) (Ownership: 7% with an option for additional 3%)

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- Club Hotel Loutraki is a private gaming company established in 1995 through a joint venture with the municipality of Loutraki. CHL currently operates a casino as well as a multi-purpose hotel and conference center in the sea-side town of Loutraki, near Athens, Greece.
- Sciens International currently has a 7% ownership in the company with an option to purchase an additional 3% interest based on a €600mm equity value.
- CHL is currently the biggest casino in Europe with over 900,000 annual visitors. It has a gaming market share of 35% of the Greek market and is one of only two casinos drawing upon the large metropolitan area of Athens.
  - The current gaming license for Loutraki has been granted to CHL until the year 2045. Additionally CHL has partnered with Casino Austria to become the exclusive casino operator in Belgrade, Serbia.
  - CHL is one of the most profitable casinos in Europe, consistently generating significant cash flow to shareholders throughout its 10-year history.



## INSURANCE/REINSURANCE: Strategy

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- Sciens International intends to invest in specialty insurance and reinsurance activities that offer attractive risk-reward characteristics.
- Opportunities will be of a cyclical, idiosyncratic or a regulatory or tax arbitrage nature.
  - The cyclical nature of the insurance industry allows for very attractive risk/reward opportunities at different times in the cycle.
  - Idiosyncratic opportunities exist whereby the loss ratios of specific investment policies are low, allowing for substantial capital accumulation on the asset side of the balance sheet.
  - Sciens International has identified the recently enacted Puerto Rican Insurance legislation to afford significant regulatory and tax advantages for active insurance risks.
- Sciens International intends to manage the balance sheet assets of the reinsurance business consistent with certain SCM strategies generating historical returns of over 9% net on capital invested with less than 3% volatility and less than 1% down deviation.

## INSURANCE/REINSURANCE: Oceanus (Ownership 100%)

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- Oceanus Reinsurance, A.I. (the “Company” or “Oceanus” )is a newly formed insurer that reinsures certain insurance products. The Company was formed in Puerto Rico pursuant to the “Act to Create an International Insurance Center” together with the “PR Insurance Law”. To the knowledge of management, Oceanus was the first re-insurer to be fully licensed International in Puerto Rico.
- Initially, the Company intends to reinsure insurance products, and contractual liability insurance for non-insurance products, sold by automobile dealers or affiliates in connection with the sale and financing of automobiles. Such products include vehicle service contracts, limited and extended warranties, guaranteed automobile protection, vehicle protection products, and possibly others. Oceanus will initially focus on providing extended warranty (“EW”) reinsurance to select warranty and insurance companies. Generally EW reinsurance holds less risk and is called participatory because the principal (ie. automobile dealer) selling the insurance also shares in the profits of the business underwritten and investment income generated.
- The Company’s offering is superior to the current products car dealers can select from as it offers higher investment returns, an on-shore solution to creating a dedicated captive reinsurance company and avoids all taxes levied on foreign domiciled companies and their shareholders including CFC, PFIC and repatriation of dividend related taxes.

## STRUCTURED and SPECIALTY FINANCE: Strategy

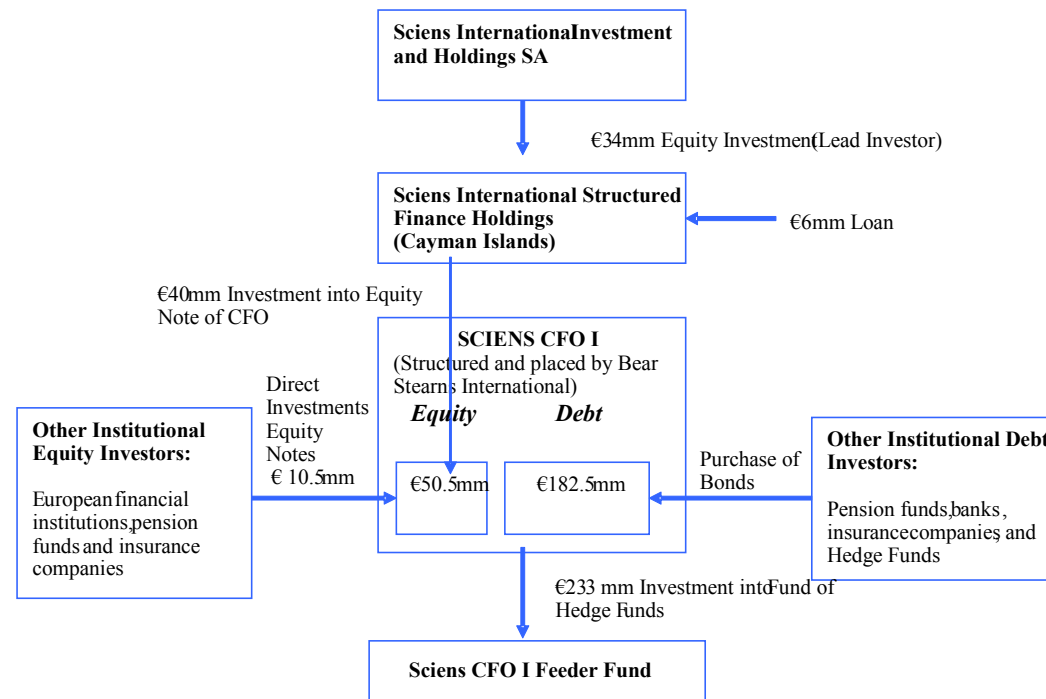
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- Sciens International intends to invest in selected opportunities that offer attractive risk-reward characteristics as a result of structural features, niche nature or timing of the investment cycle.
- Sciens International objective is to invest in structured finance assets that combine high quality, high diversification, low volatility, low down deviation, the returns of which can be enhanced with leverage and hedge methodologies, generating consistent, repeatable, uncorrelated returns and cash flows.
- Sciens International intends to invest in or co-invest with specialty finance and specialist asset managers who are active in misunderstood or inefficient sectors that continue to offer above average, non financial market correlated returns.

## STRUCTURED FINANCE: Sciens CFO I (Ownership 79.2%)

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- The Sciens CFO I (the “CFO”) is a collateralized fund obligation special purpose vehicle structured and organized by Bear Stearns, and managed through Sciens Capital Management. The CFO has five debt classes and one equity class of securities in a ratio of 78.3% in debt and 21.7% in equity. Each of the bond classes issued by the CFO is rated by Moody’s and Fitch from AAA to BB. The underlying assets are funds invested in more than 12 trading and investment strategies.



## **SPECIALTY FINANCE: AVIATION GROUP** (Ownership 50% *Projected*)

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- Started in 2002, the Aviation Group is a leader in aircraft asset management and brokerage. Originally founded as an advisory company offering consulting services to airlines and lessors, it now focuses on asset trading and leasing. Sciens is presently in negotiations to purchase 50% ownership in the Aviation Group.
- The Aviation Group acquires, leases, and sells commercial jet aircraft and engines through its in-house team of aircraft sales, marketing, legal and finance experts. Clients include both passenger and freight airlines, in addition to banks, individual aircraft owners, traders and operating lessors.
- Since inception it has purchased and/or committed to over \$120 Million in aviation assets. The Aviation Group operates across the entire spectrum of aircraft trading and leasing with operations in aircraft part-outs, arbitrage sales, operating leases, engine refurbishment and green-time leases.
- The management team is well established in the industry with a proven track record of successfully investing in and managing a wide range of aviation assets. Their experience has allowed them to operate profitably and effectively.

# APPENDIX I

## Historical Financial Information

## *Consolidated Income Statement*

### *Sciens International Investments and Holdings SA*

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(€ thousands)	FY2005	FY2006	1Q2006	1Q2007
Income from investments (net)	4,969	7,221	598	8,127
Other income	3,418	3,290	46	357
<b>Total Operating Income</b>	<b>8,387</b>	<b>10,511</b>	<b>644</b>	<b>8,484</b>
Personnel cost	(605)	(121)	(18)	(48)
Other operating expenses	(1,995)	(1,260)	(92)	(1,019)
Depreciation	(96)	(33)	(24)	(7)
<b>Total Operating Expenses</b>	<b>(2,696)</b>	<b>(1,414)</b>	<b>(134)</b>	<b>(1,074)</b>
<b>Profit before Interest &amp; Tax</b>	<b>5,691</b>	<b>9,098</b>	<b>509</b>	<b>7,410</b>
Interest expense	(529)	(1,964)	(215)	(3,209)
<b>Profit before tax</b>	<b>5,162</b>	<b>7,134</b>	<b>294</b>	<b>4,201</b>
Tax	183	621	(1)	0
<b>Profit for the period</b>	<b>5,345</b>	<b>7,755</b>	<b>293</b>	<b>4,201</b>
<b>Attributable to:</b>				
Equity holders	4,142	7,846	293	3,409
Minority Interest	1,203	(91)	0	791
<b>Earnings per share (in €)</b>	<b>0.09</b>	<b>0.16</b>	<b>0.01</b>	<b>0.05</b>

## Consolidated Balance Sheet

### Sciens International Investments and Holdings SA

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(€ thousands)	FY2005	FY2006	1Q2007
<b>ASSET</b>			
<b>Non current assets</b>			
Tangible assets	131	81	75
Intangible assets	112	214	211
Investments in subsidiaries, associates, JV's	40,802	41,010	41,425
Other receivables	111	13	25
	<b>41,157</b>	<b>41,317</b>	<b>41,736</b>
<b>Current Assets</b>			
Trade and other receivables	594	578	492
Deferred tax assets	388	998	998
Loan receivables	0	10,623	0
Available for sale financial assets	42,000	46,188	46,188
Financial assets at fair value through profit & loss	0	234,360	254,902
Cash and cash equivalents	191	10,960	9,803
	<b>43,173</b>	<b>303,706</b>	<b>312,382</b>
<b>TOTAL ASSETS</b>	<b>84,330</b>	<b>345,023</b>	<b>354,118</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's shareholders</b>			
Share Capital	10,966	41,095	41,095
Share Premium	41,237	40,484	40,484
Reserves	685	1,308	1,363
Reserve from valuation gains of the available for sale financial assets	0	2,178	2,178
Retained earnings	13,263	15,200	18,179
Minority interest	0	10,409	11,401
<b>Total Equity</b>	<b>66,150</b>	<b>110,673</b>	<b>114,700</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	0	227,010	227,022
Unearned premiums	0	0	2,188
Retirement Benefit Obligations	5	8	8
	<b>5</b>	<b>227,018</b>	<b>229,219</b>
<b>Current Liabilities</b>			
Borrowings	17,855	6,564	9,036
Trade and other payables	321	768	1,164
	<b>18,175</b>	<b>7,332</b>	<b>10,200</b>
<b>Total Liabilities</b>	<b>18,180</b>	<b>234,350</b>	<b>239,418</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>84,330</b>	<b>345,023</b>	<b>354,118</b>



# APPENDIX II

## Sciens Capital Management

## SCIENS CAPITAL MANAGEMENT

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- Independent New York based alternative asset manager, established in 1994, currently has US\$1.2bn in assets under management. It has invested in private equity transactions valued at over US\$2bn since inception.
- Team of 29 professionals with asset class specialization and broad experience in alternative asset management.
- Institutional resources and infrastructure in investment and risk management, back office operations and reporting, investment mindset of a boutique.
- Manages three Fund of Hedge Fund Strategies, Private Equity and Venture Capital Funds and Partnerships, and Structured Finance and Real Estate Investments.
- A continuous successful track record in alternative investments
  - Private Equity/Venture capital: **+24.0%** annualized realized return since September 1994 – April 2007.
  - Structured Finance: **+27.5%** annualized return since 2001 – January 2005
  - Fund of Hedge Funds: **+18.8%** (leveraged) / **+9.7%** (unleveraged) annualized return since May 2003 - April 2007
- Registered Investment Adviser with the U.S Securities and Exchange Commission, funds of funds listed in Ireland and regulated by the Irish Stock Exchange, CFO listed on in Channel Islands Stock Exchange with bonds rated by Moody's and Fitch