

**28/11/2007**

## **9M 2007 Financial Results**

- ▣ **Profits after tax increased five-fold to €395.2 million**
- ▣ **Significant investments in leading companies in the SEE region already undertaken**

Marfin Investment Group ("MIG") today reported its results for the first nine-months ended September 30, 2007.

The company recorded a significant increase in profitability during the first nine months of 2007. Net earnings increased five-fold to €395.2m from €83.1m the year before. Net earnings from recurring activities surged by 316% to €137.6m, while shareholders equity stands at €5.56 billion.

In July 2007, MIG completed the largest ever share capital increase globally by a listed investment company, transforming itself into the largest investment and holdings company in South Eastern Europe ("SEE"). Despite the short period of time, since completion of the share capital increase, MIG has executed a significant part of its investment pipeline; today, MIG controls a portfolio of leading companies in Greece and the wider SEE region across various sectors and industries identified during its investment roadshow in the summer of 2007.

The companies in which MIG has invested engage in activities in 38 countries and collectively employ more than 47,300 people<sup>1</sup>. More specifically, these investments are as follows:

- ▣ **Vivartia:** MIG currently owns a 80% stake in the largest food company in SEE with leading market shares and brands operating in Dairy & Drinks (ex Delta Dairy Industries), Bakery & Confectionery (ex Chipita), Foodservices and Entertainment (ex Goody's), and Frozen Foods (ex General Frozen Foods Barba Stathis). Vivartia operates in 30 countries, is listed on the Athens Stock Exchange and has a market capitalisation of €2.04bn. In the first nine months of 2007 Vivartia recorded total sales of €821.5m (an increase of

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<sup>1</sup> Excluding the employees of OTE; including exclusive distribution agents of Vivartia

16% vs the same period in 2006) while EBITDA reached €109.2m (an increase of 7.5% vs the same period in 2006).

- **OTE:** MIG currently owns a 17% stake in OTE, the largest telecommunications company in SEE. OTE is the incumbent and dominant fixed line operator in Greece, and it owns a 54% majority stake in Romtelecom and a 20% stake in Telekom Srbija, both incumbent operators in their domestic markets. In addition, its mobile subsidiary Cosmote is the leading mobile service operator in Greece with significant presence in Romania, Bulgaria, Albania and FYROM. OTE is listed on the Athens and New York Stock Exchanges with a total market capitalisation of €12.3bn. MIG is currently the second largest shareholder in OTE after the Hellenic Republic, which owns a 28% stake in the company.
- **Hygeia Hospital:** Hygeia is the leading Greek private diagnostic and therapeutic center offering a full spectrum of health and health-related services. The company is currently undergoing a merger with Mitera and Leto maternity clinics. The group's strong momentum is demonstrated by the robust financial performance reported for the 9M 2007: total revenues increased by 19%, reaching €81.9m, while net earnings soared to €10.3m, recording an increase of 395%. Hygeia shares are listed on the Athens Exchange with a market capitalisation of €542m. Finally, Hygeia has acquired the Achilleion Hospital in Cyprus, has started the construction of a hospital in Albania and continues to look into a number of strategic opportunities in the region.
- **Attica Holdings:** MIG owns a 56% shareholding of the leading passenger ferry operator in the Eastern Mediterranean, effectively a holding company for two major assets: Superfast Ferries, the leading passenger ferry operator in the Adriatic Sea with a presence in the North Sea, and Blue Star Maritime, the leading passenger ferry operator in the Aegean Sea, also operating in the Adriatic Sea. Following the acquisition of a controlling stake in Attica, MIG has appointed Petros Vettas, an experienced operator in the shipping sector, as the new Chief Executive Officer. Both Attica Holdings and Blue Star Ferries are listed on the Athens Stock Exchange with market capitalisations of €560m and €397m respectively.
- **Robne Kuce Beograd ("RKB"):** On 29 October 2007, Verano Group won the competitive auction for the real estate portfolio of RKB, the state-owned department stores operator owned by the Serbian Privatisation Agency as the company's bankruptcy administrator. Immediately after the auction, MIG sealed an agreement to purchase of 66.67% of RKB, with

Verano owning the remaining 33.33%. The winning bid was €360m, representing a significant discount to the estimated value of the properties. Historically, RKB was the leading department store chain in the former Yugoslavia and it owns a significant real estate portfolio, comprising assets in the most attractive and central locations in all major cities across Serbia and Montenegro, with a total net area of approximately 232,000 sq.m. This includes 32 department stores in Serbia (9 of which in Belgrade), 4 department stores and 1 warehouse facility in Montenegro, 1 logistics centre and 1 large business centre in Belgrade. RKB's portfolio represents possibly the most attractive real estate portfolios in the wider SEE region, with tremendous upside potential both for RKB as well as a number of MIG's portfolio companies.

- **Singular Logic:** MIG currently owns a 15.7% stake in Singular Logic, the leading IT company in SEE in software development and software integration services and a seed investment of MIG strategically aimed at the consolidation and restructuring of the IT space in Greece and the wider SEE region. This strategy was pursued through the acquisition of two historic leaders, namely Singular and LogicDIS groups, both of which had been suffering from continuous top line erosion and negative EBITDA for extended periods.
- **Hilton Cyprus:** Acquisition of a 42% stake of the largest and only 5-star hotel in the capital Nicosia, a landmark asset in the domestic market.

Commenting on the 9M 2007 financial results, MIG's Chief Executive Officer Dennis Malamatinas made the following statement:

"MIG has become the largest Greek business group and one of the largest in the wider South East Europe region. We continue the implementation of our investment plan, aiming to create significant shareholder value while making all necessary adjustments dictated by the prevailing market conditions."