



Thessaloniki 14th December 2017

**ANNOUNCEMENT FOR THE EXPRESSION OF INTEREST
FOR ACQUIRING THE ASSETS OF HELLENIC STEEL Co S.A. UNDER LIQUIDATION
(GREECE)**

The Liquidators of Hellenic Steel Co S.A. Under Liquidation, Greece (the "Company"), intend to initiate an international bidding process for the disposal of the Company's assets (the "Assets"). Deloitte Business Solutions S.A. ("Deloitte" or the "Advisor") acts as exclusive advisor to the Liquidators, for this disposal process.

1. Introduction

Hellenic Steel Co. S.A., was dissolved and officially put under liquidation according to L.2190/1920, on 1.11.2014. It was established in 1963 and was engaged in the production of steel coils and sheets, with its main products being cold rolled steel uncoated or galvanised and electrolytic tinplate. The Company's plant and offices are located in Thessaloniki, Northern Greece (6km from Thessaloniki's port).

The Liquidators, acting within the frame of their legal duties, intend to proceed to a one-step bidding process for the sale, as a whole, of the Company's Assets, which are presented in the section below.

2. Overview of the Assets

I) Land Plot

Currently only 107,486 m² out of a total of 979,545 m² is occupied by buildings. The remaining plot can be utilised for various purposes including:

- Development of complementary facilities for the vertical integration of the Company
- Construction of logistic facilities serving the entire South-Eastern Europe and Middle East (via utilising proximity to Thessaloniki's port and upgrading current railway connection).

II) Buildings

- a. Main Building: The main building is 100,873 m² (or 102,726 m² adding basements) and houses all the production lines. It is equipped with 26 overhead cranes and 3 shuttle transfer cars.
- b. Peripheral Buildings: Peripheral buildings for the supporting services to the production, of a total area of 5,442 m².
- c. Administration Building (Offices): Fully equipped building of 3 floors and a total area of 1,429 m².

III) Production Lines

- a. Continuous Hydrochloric Acid Pickling Line
- b. 4-High / 4-Stands Hydraulic Tandem Cold Mill, 584mm and 1.346mm x 1.422mm
- c. Electrolytic Cleaning Line (Alkaline Solution)
- d. Single Stack Tight Coil Annealing Furnaces (60 Bases and 22 Furnaces)
- e. 4-High/2-Stands Hydraulic Temper Mill (1st Stand 520mm, 2nd Stand 585mm & 1.350mm x 1.422mm)
- f. Continuous Hot Dip Galvanising Line (Tension Leveler & Skin Pass on line)
- g. Electrolytic Tinning Line (9 Electrolytic Cells- Stannous Chloride Electrolyte)
- h. Recoiler & Slitting Line
- i. 48" Cutting No. 1
- j. 48" Cutting No. 2
- k. Cold Rolled Slitting Line
- l. Hot Rolled Slitting Line

IV) Other Facilities

- a. Roll Shop with 3 Grinders
- b. Liquid Waste Treatment Plants (x4)
- c. Osmosis (Demineralised Water) Plants (x3)
- d. "Atlas Copco" Air Compressors (x3)
- e. Shuttle Cars (x3)
- f. Laboratory (Metallurgical and Chemical Departments)
- g. HNX (Protective Atmosphere) Plant
- h. Weigh Scales (x2)
- i. Vehicles (x30)

V) NetworksInstalled

- a. Natural Gas Network
- b. Electrical Power Network
- c. Compressed Air Network
- d. Steam Network
- e. Water Networks
- f. HCI ACID Network
- g. Fire protection Network
- h. Protective Atmosphere Network
- i. Industrial Liquid Wastes Network
- j. Sewage Network

VI) Other Current Assets

- a. Other current assets of the Company (e.g. receivables, etc.)

It is noted that, the Assets will be acquired at their current condition and free from any liens and encumbrances. It is also specified that the Liquidators shall not offer any other form of representation or warranty and moreover that the buyer shall bear any additional costs that may result from the restart, replacement or modernisation of the plant's equipment.

3. Expression of Interest

Candidates wishing to participate in this disposal process are invited to submit by **Friday 16 February 2018 by 17:00 Greek time**, to the Advisor (contact details provided below) by email (signed hard copies must follow by courier), the following information in Greek or English about the candidate, or in case of a group of candidates, joint venture or consortium, about each member of the group, consortium or joint venture:

- a. full name, address, phone and fax numbers and internet website address, registered office and tax registration number. If the candidate is a holding company, details should be submitted for the ultimate parent company of the candidate and/or the parent company of a member participating in a group, consortium or joint venture;
- b. information about the candidate's ownership structure, representation, legal standing and business activity;
- c. copies of audited financial statements for the last two years (parent company and on a consolidated basis);
- d. declaration that the candidate submits the expression of interest on its own behalf;
- e. declaration that the candidate accepts unconditionally all the terms and conditions of this process; and
- f. name and contact details of the authorised person, who will be handling the process on behalf of the candidate.

4. Next Steps –Process to be Followed

Following the evaluation of the submitted information by the Liquidators and the Advisor, selected candidates that will also execute a Non-Disclosure Agreement ("NDA"), will enter into a one-step bidding process and will:

- i. be informed about the next steps and the envisaged timeline of the process via a detailed process letter;
- ii. obtain access to a Virtual Data Room ("VDR") containing detailed technical, environmental, legal and other information on the Company and the Assets;
- iii. visit the Company's properties ("Site Visits");
- iv. meet with the Liquidators, the Advisor and their legal advisors to discuss the proposed transaction and the required documentation to effect this;
- v. review and comment on key terms of draft transaction agreements that may be provided by the Liquidators' legal advisors (depending on the envisaged transaction);
- vi. The purpose of the above steps is to enable willing candidates to submit a binding and fully financed offer, for the acquisition of the Assets;
- vii. Based on the binding offers received, the most suitable bidder, that will timely submit a binding offer under and in accordance with the terms and conditions of this process, will be invited to enter into discussions with the Liquidators and possibly proceed with the proposed transaction, which could be included in the framework of a pre-bankruptcy procedure, as specified by the Greek Bankruptcy code of Law 4446/2016 (e.g. Articles 106b and 106d).
- viii. The timeline for the completion of the abovementioned process is estimated within 1 and 2 months.

Binding offer shall include on a binding basis, at least the following information:

- a. Total cash consideration which the candidate is proposing to pay for the acquisition of the Assets (as a whole). This consideration must be expressed as a single amount in Euros and not as a range of values and should refer to a single upfront cash payment.
- b. Letter of Guarantee, payable on demand, for the participation in this process, issued by a qualified and reputable credit institution for a nominal amount of €500,000 (five hundred thousand Euro), as a surety for the fulfillment of the candidates' obligations and commitments arising in connection with the binding offer.
- c. Proof of funds in the form of either bank statements in relation to cash balances, equity commitment letters (or equivalent) or documentation in relation to other facilities in case of financing from internal sources, or comfort letters from external funding provider(s), in case of external financing.

The Liquidators reserve the right, without prior notice and without giving reasons, to vary or terminate the disposal process, to reject any or all binding offers with respect to the proposed transaction, based also on applicable laws.

The Liquidators

Nikolaos D. Marantos

Dimitrios G. Antoniou

For more information you may contact the Advisor as per the contact details provided below:

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The abovementioned procedure is subject to the terms & conditions as described below:

The Liquidators, the Company and their Advisor reserve the right, at their absolute discretion and without prior notification, to change or amend the process to be followed, and which will be notified to the candidates that will qualify to participate, as well as the respective time schedule, to terminate the participation in the procedure of any candidate and to postpone or terminate and / or declare unsuccessful the procedure itself. Participants in the process do not assume any right whatsoever and cannot claim any kind of compensation from the Company and / or the Liquidators and / or the Advisor or their officers and staff, for any reason whatsoever arising out of or relating to the present invitation and / or their participation in the process. Their expression of interest entails the unconditional acceptance of all terms and conditions of the present invitation, as well as of the terms and conditions that will be provided at a later time in the procedure. Participation in the subsequent stages of the procedure shall constitute an unconditional acceptance of all terms and conditions thereof.

This invitation shall be governed by and construed in accordance with Greek law. The Courts of Athens, Greece will have exclusive jurisdiction with respect to any dispute that may arise out of or in relation to this invitation.