

CAPITAL RAISING

“MINING”

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A) Objectives

A) Objective 1: Follow the six steps

- ◆ Increase **Visibility** – *“Be on the Radar Screen”*
- ◆ Establish *Management & Company* **Credibility**
- ◆ Raise (Investors) **Interest**
- ◆ Increase share **Liquidity**
- ◆ Attract & Retain **Capital**
- ◆ Increase **Stock Price** & Capitalization

Objective 2: Targeting Strategically

A)	ANALYSTS		
1	SELL-SIDE GLOBAL ANALYSTS	MEDIA	SMALL CAP
2	SELL-SIDE AMERICAN ANALYSTS	ENTERTAINMENT	MEDIUM CAP
3	BUY-SIDE GLOBAL ANALYSTS	TELECOM	EMERGING
4	BUY-SIDE AMERICAN ANALYSTS	INTERNET	EUROPEAN
5	OBJECTIVE ANALYSTS	FOOD	
6	SELL-SIDE GREEK ANALYSTS	BIOTECH	
7	BUY-SIDE GREEK ANALYSTS	ENERGY	
B)	GREEK FUND MANAGERS		
1	EQUITY GREEK FUND MANAGERS		
2	FIXED INCOME GREEK FUND MANAGERS		
3	OTHER GREEK FUND MANAGERS		
Γ)	ANGLO FUND MANAGERS		
1	LONDON FUND MANAGERS		
2	USA FUND MANAGERS		
	NEW YORK FM		
	BOSTON FM		
	ATLANTIC REGION FM		
	FLORIDA		
	MID WEST FM		
	PACIFIC REGION FM		
3	CANADIAN FUND MANAGERS		
Δ)	ROW FUND MANAGERS		
1	GLOBAL FUND MANAGERS		
	EDINBROUGH-SCOTLAND		
	FRANKFURT-GERMANY		
	PARIS-FRANCE		
	MILANO-ITALY		
	HOLLAND		
	SWISS		
	MADRID-SPAIN		
	DENMARK		
	BELGIUM		
	SWEDEN		
	IRELAND		
	AUSTRIA		
	CZECH		
	TURKEY		
	FAR EAST		
	BERMUDA		
	CYPRUS		
	ARAB WORLD		
	BALKAN		
	LATIN AMERICA		

E)	BOND AGENCIES-ANALYSTS-FMs-BANKERS	
1	BOND HOLDERS	
2	BOND AGENCIES	
3	BOND ANALYSTS	
4	BOND FUND MANAGERS	
5	BOND BANKERS	
ΣΤ	MARKETING-SALES	
1	RETAIL BROKERS	
2	REGISTERED REPRESENTATIVES	
3	GREEK MARKET MAKERS	
4	AMERICAN MARKET MAKERS	
5	TRADERS	
6	SALES DESKS	
7	BANKERS	
Z)	RETAIL	
1	RETAIL INVESTORS	
H)	MEDIA RELATIONS	
1	FINANCIAL MEDIA	
	FOREIGN MEDIA	
	GREEK MEDIA	
2	WIRES	
3	ASSOCIATIONS	
I)	OTHER	
1	GDRs-ADRs-STOCK EXCHANGES	
2	CONSULTANTS - IR	
3	LAWYERS	
4	BACK-UP	
5	ASSOCIATIONS-RESEARCH	
6	VENTURE CAPITAL	
7	CUSTODIANS	

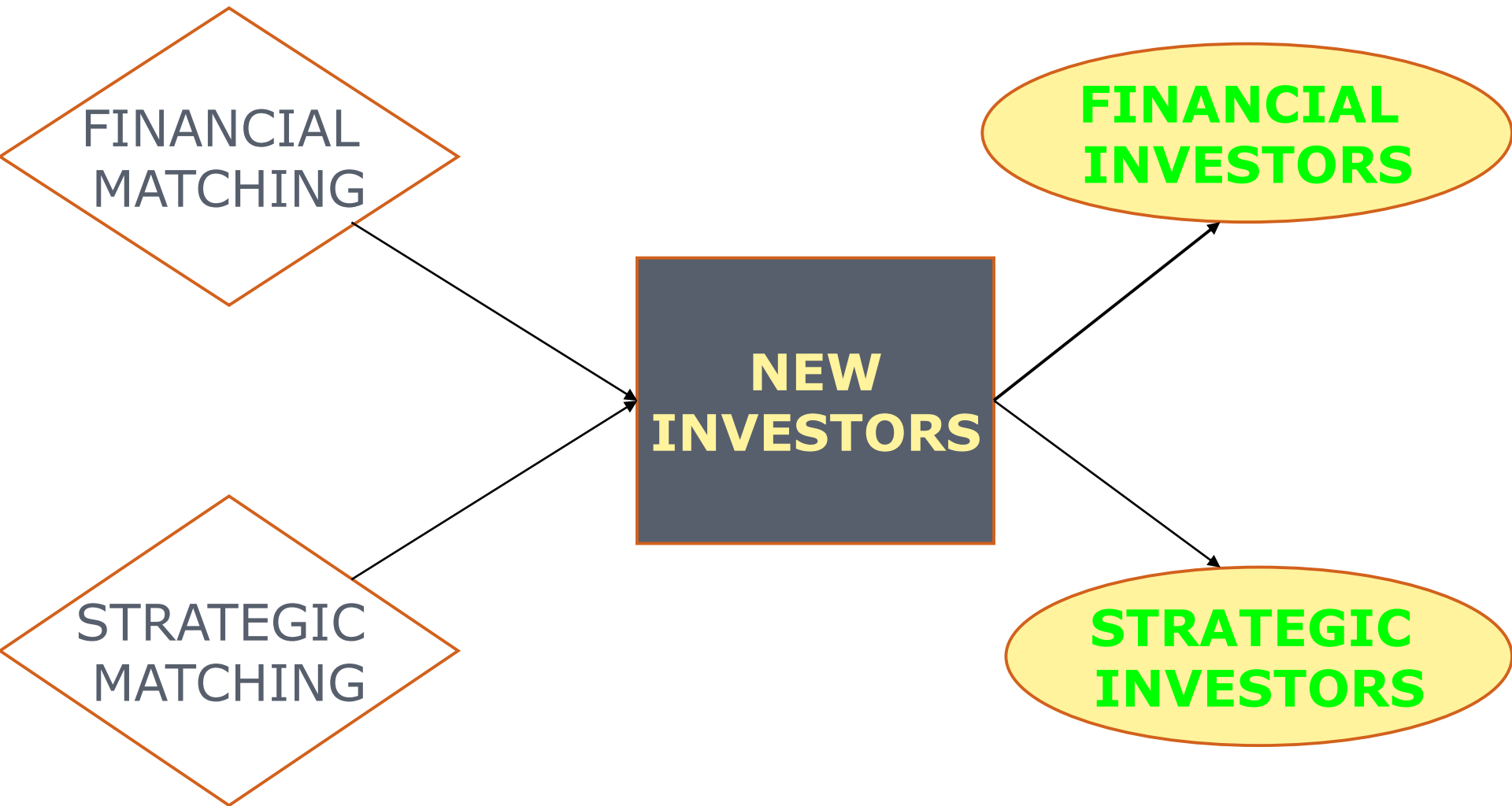
Objective 3: The Ultimate



**Convert
targeted
potential
investors
to
shareholders**

B) Capital Mapping

Indicator 1: Matching with New Investors



Where Financial-Strategic-Private-Retail Investors Are?



Indicator 2: Follow Private-Retail money

Retail Fund Volume (bn €)	2007
Greece	25
Switzerland	79
Spain	171
GB	275
Japan	288
Italy	361
Germany	382
Luxemburg	767
France	806
U.S.	6.095

Indicator 3: Institutional Investors

Financial Characteristics

■ Liquidity

- Market Capitalization
- 3-year Revenue and EPS Growth
- Consensus Earnings Estimate
- Net Profit margin
- P/E Ratio
- Price to Book Ratio

Non Financial Characteristics

■ Quality of Management*

- Quality of Products and Services
- Level of Customer Satisfaction
- Strength of Corporate Culture
- Quality of Investor Communications
- Effectiveness of Compensation Policies

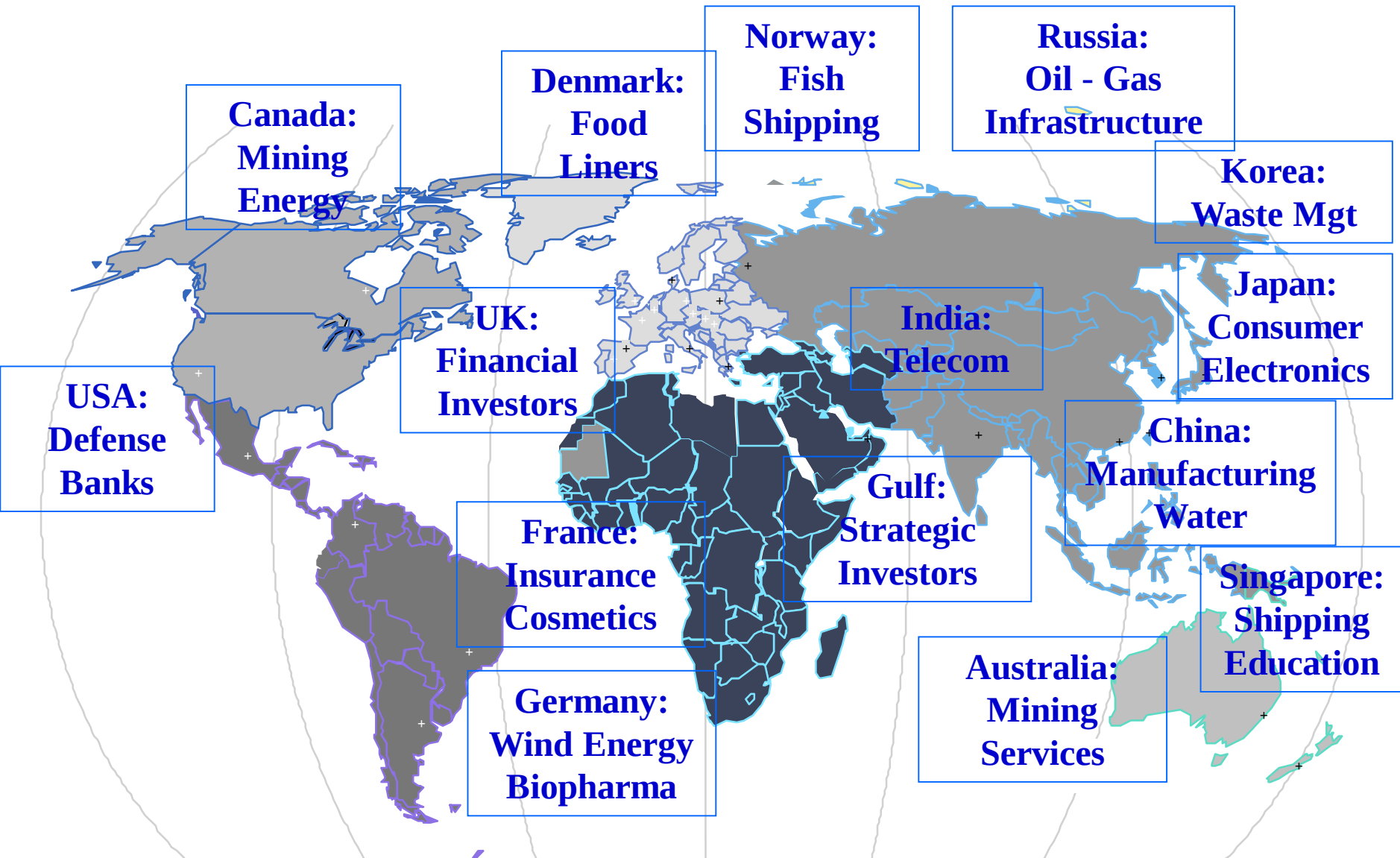


Buying Shares

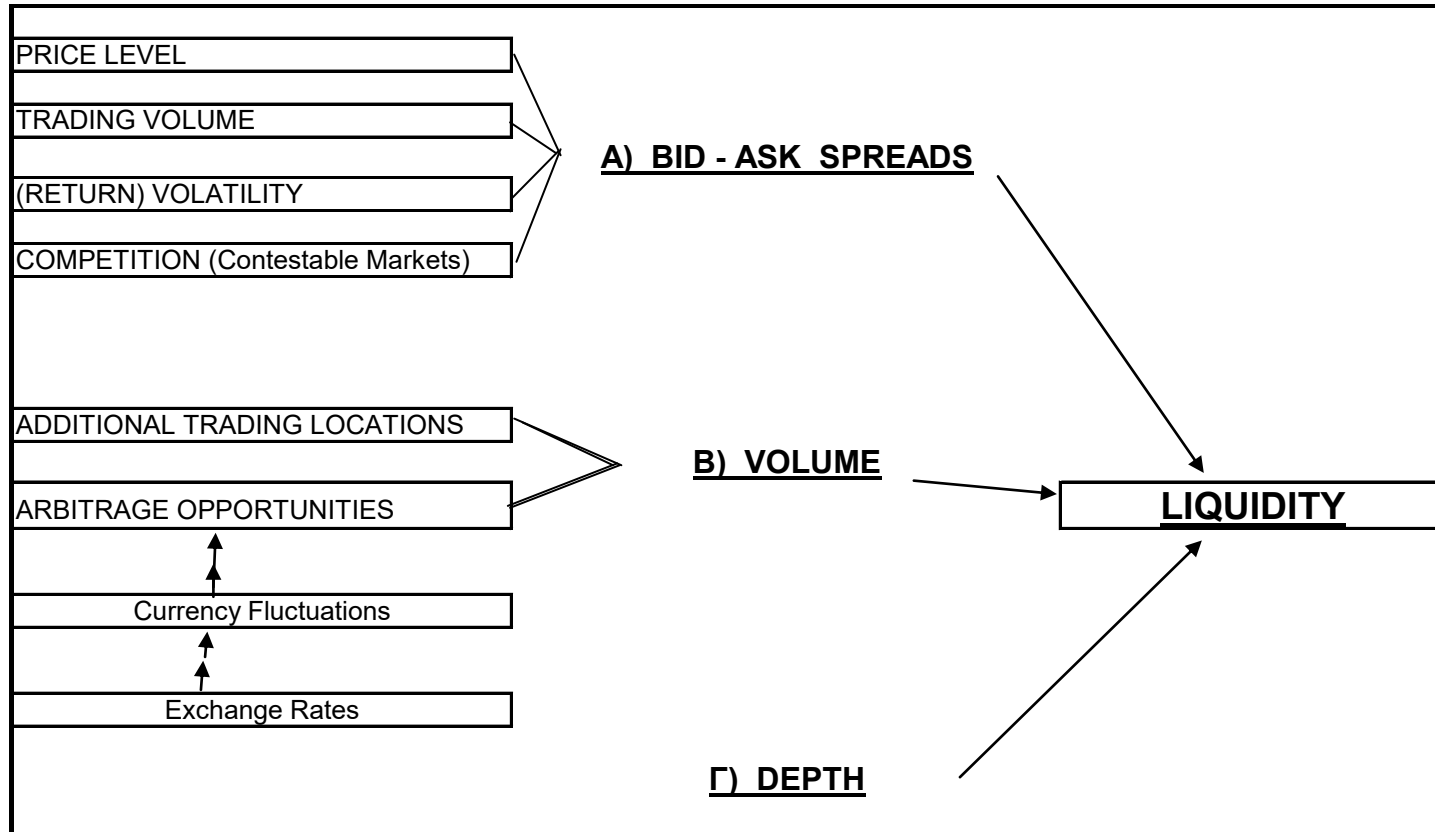
*"THE MANAGEMENT IS BRILLIANT"

Francesco Conte, Portfolio Manager, JP Morgan Chase Fleming

Indicator 4: Targeting Strategic Investors



Indicator 5: Liquidity concerns

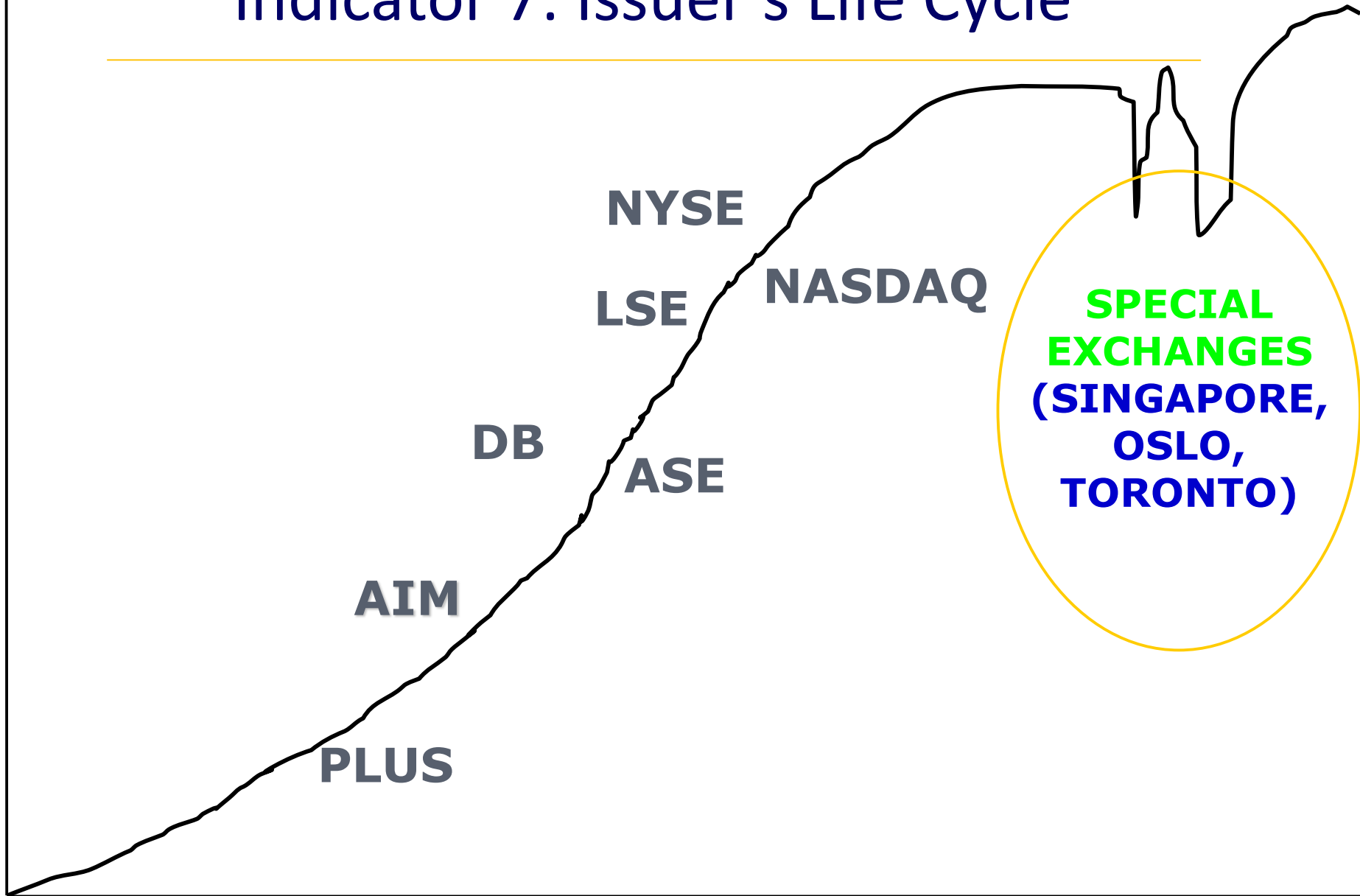


Indicator 6: Visibility

Visibility affects

- ◆ Local and global market awareness
- ◆ Soft and hard information flows
- ◆ Knowledge and education of management
- ◆ Firm evaluation
- ◆ Stock liquidity, marketability, trading,...
- ◆ Stock price
- ◆ Equity shareholding
- ◆ Market players participation
- ◆ Industry knowledge
- ◆ Investment decisions

Indicator 7: Issuer's Life Cycle



Γ) Offerings (IPO, SPO,...)

Selection 1: Plan for 3 phases

1) Pre-IPO	Underwriter A	Underwriter B	Underwriter C
LEGAL AND REGULATORY FRAMEWORK			
LISTING FEE			
LEGAL FEES			
AUDITORS FEES			
OUT-OF-POCKET-EXPENSES			
CAPABILITIES			
1) On-IPO			
BANKS SYNDICATE			
OFFERING ROADSHOWS			
TARGETTING AND SHARE DISTRIBUTION			
PRICE SELECTION			
OUT-OF-POCKET-EXPENSES			
1) After-IPO			
FILLINGS			
STOCK EXCHNAGE AND SEC REGULATIONS			
RELATIONSHIP ROADSHOWS			
PROACTIVE ROADSHOWS			
LEGAL FEES			
OUT-OF-POCKET-EXPENSES			

Regulated and Standardized markets

CONTINUING OBLIGATIONS LIST

Notify / send to the Company Announcements Office (of LSE) of:

- ▶ Six copies of Annual Reports, Interim Reports, Auditor's Report, and any other publication within six months of the end of the financial period.
- ▶ Any major new developments (that might affect the financial position of the Issuer.
- ▶ Any information sent to other Stock Exchanges (Equivalent Information).
- ▶ Any changes in Capital Structure (major shareholders).
- ▶ Any information on dividends.
- ▶ Any information concerning the shareholders (meetings, voting, etc.)
- ▶ Any change in the Depositary Receipts in public hands.
- ▶ Finally, pay the annual charges to the LSE.

Selection 2: Offering Cost Structure

<u>Offering cost structure</u>					
A. Offering Advisers	<u>IPO</u>	<u>Secondary Offering</u>	<u>Underwriter's estimation</u>	<u>Company's estimation</u>	<u>Management's opinion</u>
LB					
α) Offering prospectus, etc					
Business Plan - Feasibility Study	32	20			
Prospectus	17	20			
Evaluation	17				
β) Costs					
7 months X 6	42				
5 months X 10		50			
γ) Success Bonus					
0,270% X 96.000.000	260				
0,225% X 160.000.000 (Max 400)		360			
δ) Out-of pocket expenses					
Total	368	360			
B. Legal Advisers					
α) Legal Office A	20	36			
β) Legal Office B	7	137			
γ) Legal Office C		18			
Γ. Auditors					
α) Auditor A	34,2	32			
β) Auditor B	22,4	15			
γ) Auditor C		14			
Δ. Roadshow Consultants					
INTERNATION PRESENTATION		110			
IMAGINATION		154			
E.Printer					
MERRILL BURRUPS		30			
Printer B		42			

“The banks serve the interests of their Investors”

- ▶ Check carefully the engagement letter with the banks
- ▶ Select actively the syndicate - prevent collusion – manage conflict
- ▶ Control bookrunner behaviour (trading, allocation)
- ▶ Be part of your valuation
- ▶ Audit and control feedback from Investors
- ▶ Enlarge the pool of targeted Investors
- ▶ Optimize pricing and sustain aftermarket performance

Selection 3: Selecting IR Firms

EVALUATION CRITERIA

Thursday 20/10/10

Beauty Contest PR/IR firms

		Related Greek	Local Rep./	Dual	Key	Media	Cost	Writing	Writing
		Experience	Office	Proposal	Messages	Plan	Structure	Articles	Speeches
9:00	Citigate Dewe Rogerson								
9:45	Shandwick								
10:30	College Hill								
11:15	Financial Dynamics								
12:00	Finsbury								
15:00	Publicom-Spot								
	<u>Subtotal A</u>								
		Specialised							
		in Media comp.							
9:00	Citigate Dewe Rogerson								
9:45	Shandwick								
10:30	College Hill								
11:15	Financial Dynamics								
12:00	Finsbury								
15:00	Publicom-Spot								
	<u>Subtotal B</u>								
	<u>Total Points</u>								

Range of points / marks:

- 5 Best
- 4 Good
- 3 Mediocre
- 2 Insufficient
- 1 Poor

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Δ) Case : Mining Industry

Gold & Silver

- Electrum is a naturally occurring alloy of gold and silver, with trace amounts of copper and other metals. The ancient Greeks called it 'gold' or 'white gold', as opposed to 'refined gold'.
- The Gold/Silver relationship has changed around 1876
- Silver stopped being a medium of exchange while gold has remained the currency of last resort and a store of value
- Silver is the poor's man gold
- Still a 0.80 correlation with gold
- 75% of SILVER supply is mine production vs.
1.5% of GOLD supply is mine production
- 74% of SILVER demand is industrial vs.
14% of GOLD demand is industrial, 19% Investment &
68% Jewellery

E) Gold

Gold Characteristics

- Throughout history and in all civilizations it has been cherished
- It has offered security in times of political or economic crisis or catastrophe
- It is near-indestructible and does not corrode or rust; gold's nature does not alter
- May be formed equally into bullions, bars or coins

Gold Reserves

World Official Gold Reserves

December 2009

		<u>Tonnes</u>	<u>% of reserves</u>	
•	1	United States	8,133.5	68.7%
•	2	Germany	3,407.6	64.6%
•	6	China	1,054.0	1.5%
•	7	Switzerland	1,040.1	28.8%
•	8	Japan	765.2	2.4%
•	10	Russia	607.7	4.7%
•	11	India	557.7	6.4%
•	16	United Kingdom	310.3	15.2%
•	24	Saudi Arabia	143.0	10.2%
•	27	South Africa	124.8	10.5%
•	47	Brazil	33.6	0.5%
•	78	Canada	3.4	0.2%

The international average is about 10.2% at current market prices but, in the EU it is over 50% and the USA holds around 70% of its reserves in gold.

Gold Mining Stocks

- In human history, only 161,000 tons of gold have been mined - more than half of that extracted in just the past 50 years.
- High cost of production – total production costs in Q2 2009 = US\$602/oz. (Exploration budgets up from US\$ 2 billions in 2002 to US\$ 13 billions in 2008)
- High-grade, low-cost deposits increasingly rare
- Mine production declining since 2001
- Harder to find new gold reserves
- New deposits increasingly in higher cost, higher political risk jurisdictions

ΣT) Conclusion

Capital matching