



East Mediterranean **ENERGY LAW FORUM**

Friday, December 8th 2017

N.J.V. Athens Plaza



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FINANCING THROUGH THE DEBT CAPITAL MARKETS THE CASE OF HELLENIC PETROLEUM



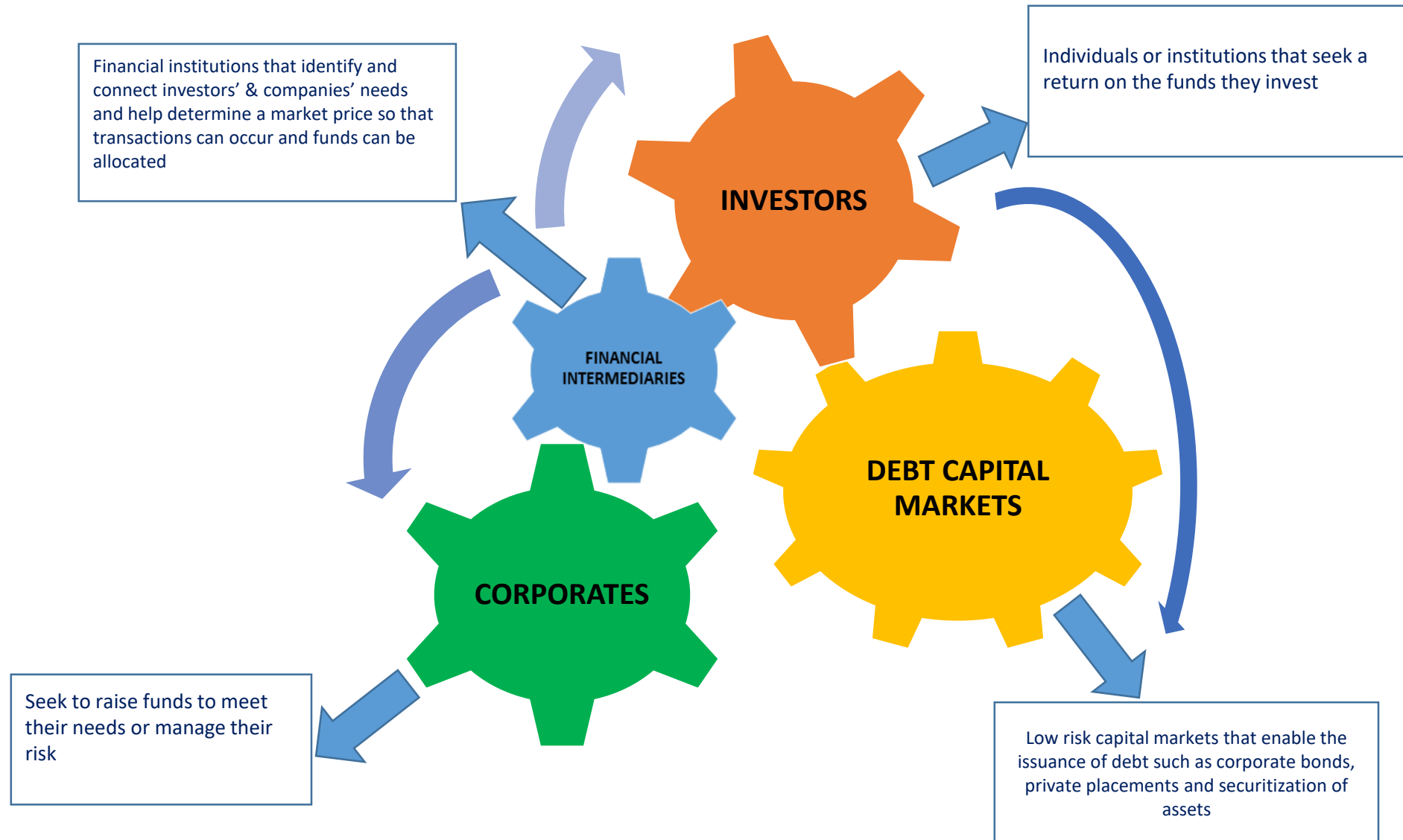
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Senior Legal Counsel on Finance- Corporate Secretary



**HELLENIC
PETROLEUM**

Debt Capital Markets- Overview



Corporate Bonds - Characteristics

- Corporate bonds: A debt obligation. When an investor buys a corporate bond he is essentially buying an IOU from the corporate that is to be paid back after a pre-determined time
- Main terms and characteristics:



Can be privately placed or sold in public markets

Range in maturity (mostly from 3 to 10 years)

May have fixed, floating, zero-coupon or payment in kind structures

Yield of the bond represents the cost of borrowing/ indicates the risk associated with the bond/moves inversely to the bond price

May be unsecured or backed by collateral of various forms

Mostly traded on secondary market (existing bonds traded among investors)

Corporate Bonds – Key terminology

Maturity

the day that the issuer has to pay back the principal to investors

Credit rating

an evaluation of the credit risk of the issuer predicting its ability to pay back and an implicit forecast of its likelihood to default. Ratings are assigned by credit rating agencies the largest of which are Standard & Poor's, Moody's and Fitch Ratings

Face/ Par value

the price of the bond to be paid at maturity.

Price of the Bond

changes on a daily basis, just like that of any other publicly-traded security

Coupon or yield

the interest rate the issuer agrees to pay its bondholders. It is determined by a number of factors (interest rate, inflation expectations, maturity, rating)

Fixed rate

the interest rate that remains the same for the life of the bond

Floating rate

an adjustable or variable rate tied to a benchmark (Euribor/Libor)

Zero coupon

no interest bearing bond that is issued at a discount to its face value

PIK Bond

bond that pays interest in additional bonds rather than in cash

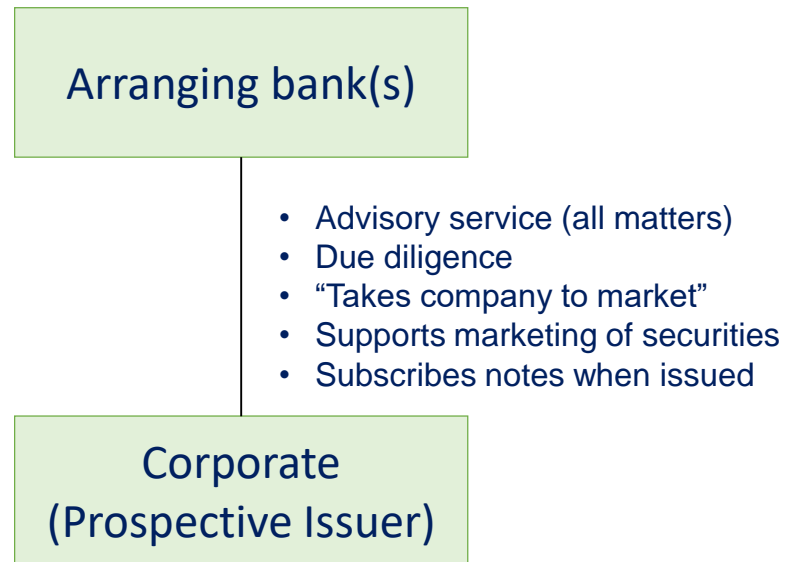
Yield to maturity

the annual return on the bond if held to maturity taking into account the time that the bond was bought and the price paid

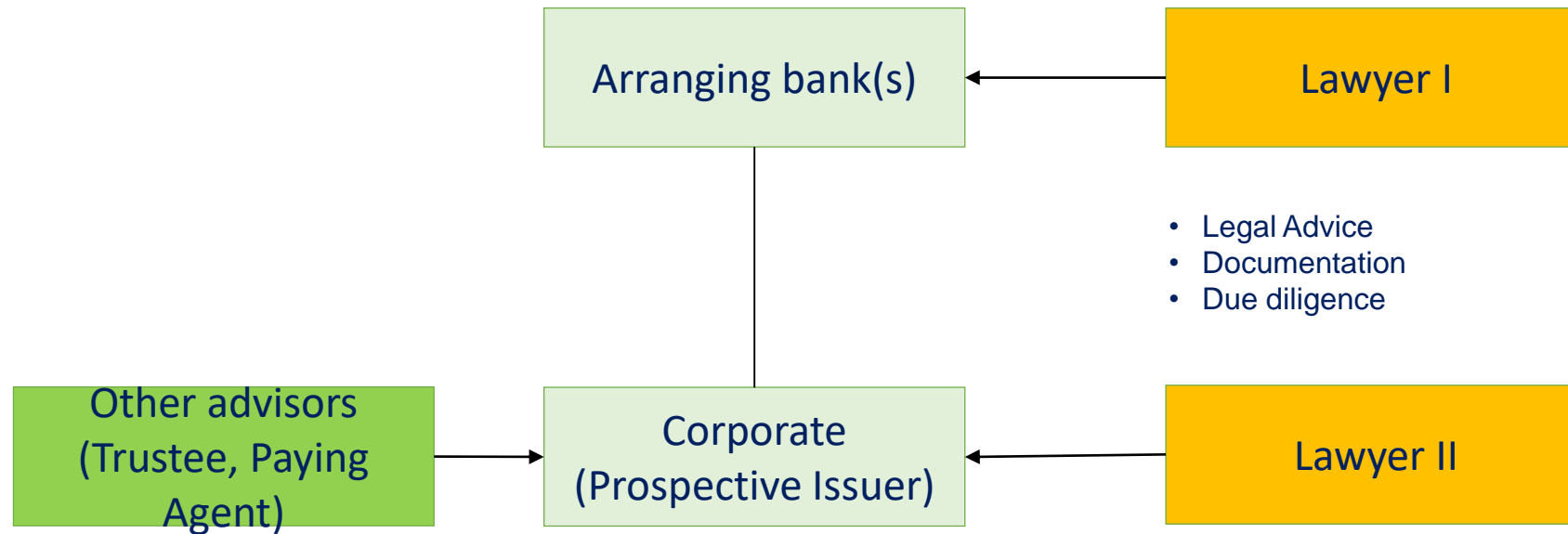
Corporate Bonds – Issuance Mechanics

Corporate
(Prospective Issuer)

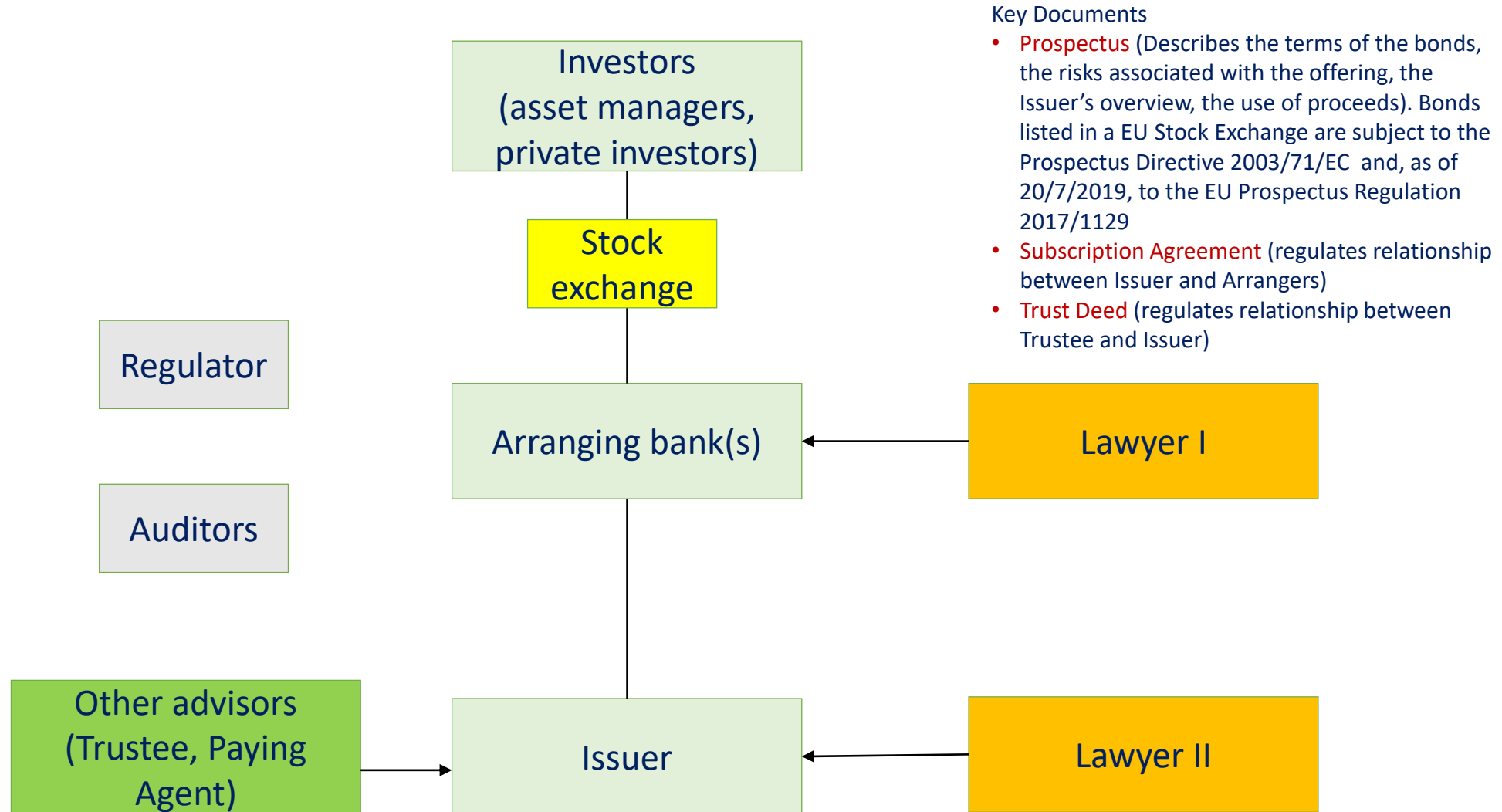
Corporate Bonds– Issuance Mechanics



Corporate Bonds – Issuance Mechanics



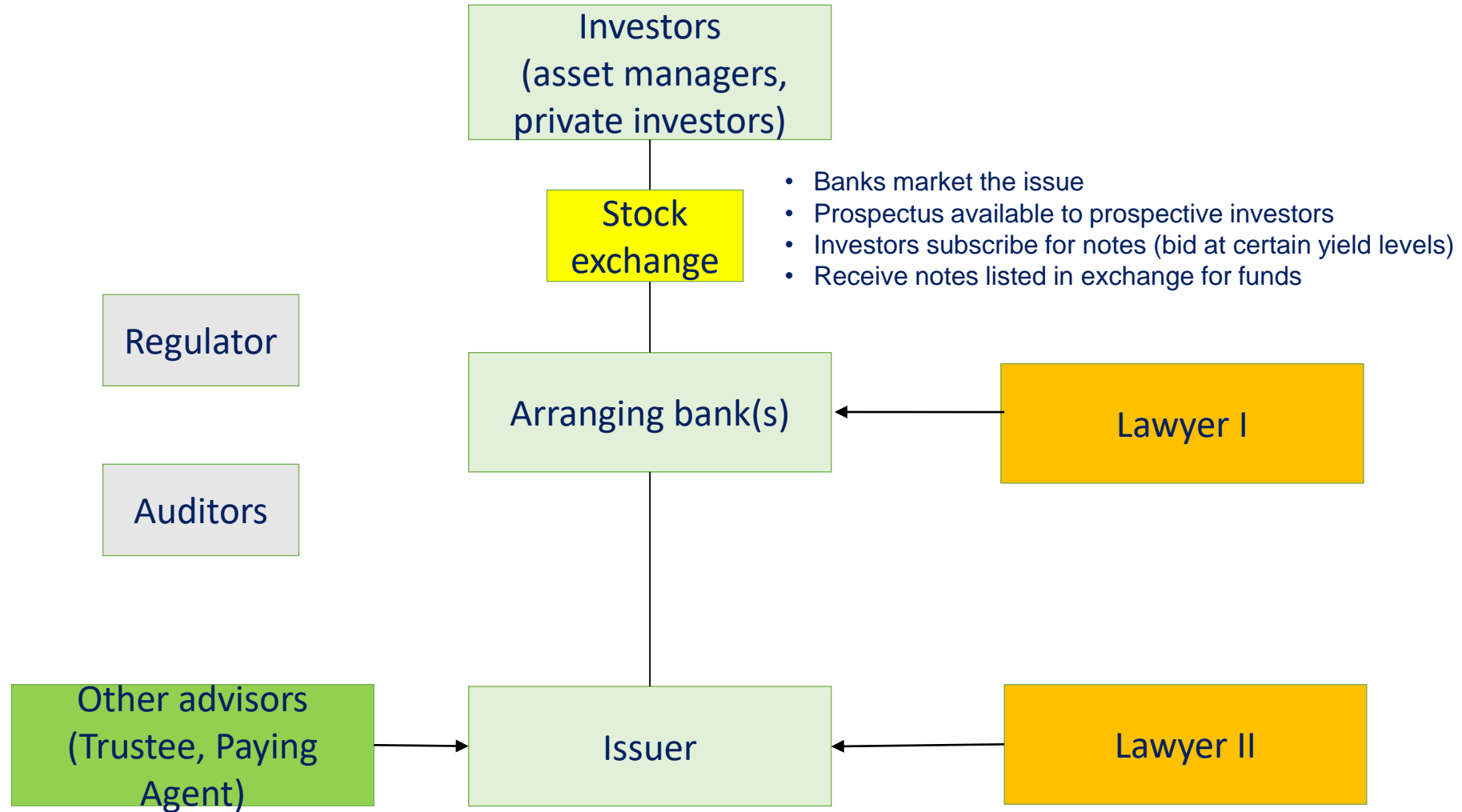
Corporate Bonds – Issuance Mechanics



Key Documents

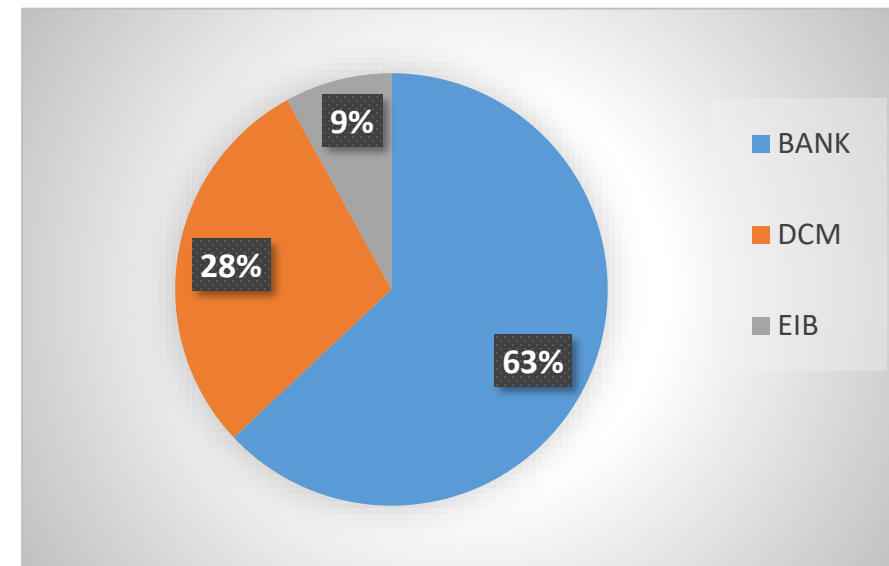
- **Prospectus** (Describes the terms of the bonds, the risks associated with the offering, the Issuer's overview, the use of proceeds). Bonds listed in a EU Stock Exchange are subject to the Prospectus Directive 2003/71/EC and, as of 20/7/2019, to the EU Prospectus Regulation 2017/1129
- **Subscription Agreement** (regulates relationship between Issuer and Arrangers)
- **Trust Deed** (regulates relationship between Trustee and Issuer)

Corporate bonds – Issuance Mechanics



ELPE Group in Debt Capital Markets

- >1.5bn of bond issuance since 2013 listed in the Luxembourg Stock Exchange
- The largest independent Greek issuer
- First Greek issuer to tap the market after Greek crisis (2013)
- Active in liability management (open market purchases, tender offer, consent solicitation)
- Key financing strategy tool
 - Sourcing diversification
 - Reduce cost of funding
 - Improve the debt maturity profile



PROSPECTUS DATED 12 OCTOBER 2016



**HELLENIC
PETROLEUM**

HELLENIC PETROLEUM FINANCE PLC

(incorporated with limited liability under the laws of England and Wales with registered number 05610284)

€375,000,000

**4.875 per cent. Guaranteed Notes due 14 October 2021
guaranteed by**

Hellenic Petroleum S.A.

*(a société anonyme organised and existing under the laws of the Hellenic Republic with registration number at GEMI 296601000,
former registration number 2443/06/B/8623)*

The issue price of the €375,000,000 4.875 per cent. Guaranteed Notes due 14 October 2021 (the “Notes”) of Hellenic Petroleum Finance plc (the “Issuer” or “HPF”) is 99.453 per cent. of their principal amount.

Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on 14 October 2021. The Notes are subject to redemption in whole at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in the United Kingdom or in the Hellenic Republic. In addition, the holder of a Note may, by the exercise of the relevant option, require the Issuer to redeem such Note at its principal amount in accordance with Condition 6 (*Redemption and Purchase*). See “*Terms and Conditions of the Notes—Redemption and Purchase*”.

The Notes will bear interest from 14 October 2016 (the “Issue Date”) at the rate of 4.875 per cent. per annum payable semi-annually in arrear on 14 April and 14 October in each year commencing on 14 April 2017. Payments on the Notes will be made in euros without deduction for or on account of taxes imposed or levied by the United Kingdom or the Hellenic Republic to the extent described under “*Terms and Conditions of the Notes—Taxation*”. Hellenic Petroleum S.A. (the “Guarantor” or “Hellenic Petroleum”) will unconditionally and irrevocably guarantee the due and punctual payment of all amounts at any time becoming due and payable in respect of the Notes.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “CSSF”) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 (as amended, the “**Luxembourg Act**”) on prospectuses for securities to approve this document as a prospectus (the “**Prospectus**”) and to the Luxembourg Stock Exchange for the listing of the Notes on the Official List of the Luxembourg Stock Exchange and admission to trading on the Luxembourg Stock Exchange’s regulated market. The CSSF gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with the provisions of Article 7(7) of the Luxembourg Act.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the “**Securities Act**”), and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Joint Bookrunners (as defined in the section below entitled “**Subscription and Sale**”) in accordance with Regulation S under the Securities Act (“**Regulation S**”), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be in bearer form and in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. The Notes will initially be in the form of a temporary global note (the “**Temporary Global Note**”), without interest coupons, which will be deposited on or around the Issue Date with a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the “**Permanent Global Note**”, together with the Temporary Global Note, the “**Global Note**”), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 and with interest coupons attached. See “*Summary of Provisions Relating to the Notes in Global Form*”.

Global Coordinators and Joint Bookrunners

Credit Suisse

HSBC

Joint Bookrunners

Alpha Bank

Eurobank

National Bank of Greece

Piraeus Bank