MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

Prefecture of Attica Registration Nr 1482/06/B/86/26
Headquarters: Irodou Attikou 12A – 151 24 Maroussi Attica

**ANNUAL FINANCIAL STATEMENTS**
**IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS**
**THAT HAVE BEEN ADOPTED BY THE EUROPEAN UNION**
**FOR THE YEAR 1 JANUARY – 31 DECEMBER 2005**
**FOR THE GROUP AND THE COMPANY**
**«MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.»**
**Headquarters: Irodou Attikou 12$^{A}$, 151 24 Maroussi, Attica**

## TABLE OF CONTENTS



The financial statements of the Group and of the Company, set out on pages 3 to 39, were approved at the Board of Directors' Meeting dated Friday February 24, 2006 and are subject to the approval of the Annual Ordinary General Meeting of Company Shareholders.

| THE CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR | THE DEPUTY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER | THE CHIEF ACCOUNTANT |
|---|---|---|
| VARDIS I. VARDINOYANNIS | PETROS T. TZANNETAKIS | THEODOROS N. PORFIRIS |

**MOTOR OIL (HELLAS)**
**CORINTH REFINERIES S.A.**

**Income Statement for the year ended 31 December 2005**

| In 000´s Euros | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | **Note** | **1.1.2005-31.12.2005** | **1.1.2004-31.12.2004** | **1.1.2005-31.12.2005** | **1.1.2004-31.12.2004** |
| **Continuing Operations** | | | | | |
| Revenue | 4 | 3,237,376 | 2,219,042 | 2,923,769 | 1,937,191 |
| Cost of Sales | | (2,952,147) | (2,003,219) | (2,682,623) | (1,762,742) |
| **Gross profit** | | **285,229** | **215,823** | **241,146** | **174,449** |
| Distribution expenses | | (44,097) | (42,299) | (12,801) | (12,618) |
| Administrative expenses | | (22,672) | (22,609) | (14,805) | (15,163) |
| Other operating income/expenses | 6 | (14,112) | 23,339 | (17,322) | 20,394 |
| **Profit from operations** | 7 | **204,348** | **174,254** | **196,218** | **167,062** |
| Investment income | 8 | 1,474 | 2,172 | 4,773 | 6,351 |
| Share of profits in associates | 16 | 166 | 232 | 0 | 0 |
| Finance costs | 9 | (14,631) | (8,817) | (12,461) | (6,727) |
| **Profit before taxes** | | **191,357** | **167,841** | **188,530** | **166,686** |
| Income tax | 10 | (59,722) | (50,289) | (57,843) | (48,026) |
| **Profit after taxes attributable to shareholders of the parent company** | | **131,635** | **117,552** | **130,687** | **118,660** |
| **Earnings per share (in Euro)** | 12 | **1.19** | **1.06** | **1.18** | **1.07** |

The notes on pages 7-37 are an integral part of these Financial Statements.

**MOTOR OIL (HELLAS)**
**CORINTH REFINERIES S.A.**
**Balance Sheet as at 31st December 2005**

| In 000´s Euros | Note | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | | 31.12.2005 | 31.12.2004 | 31.12.2005 | 31.12.2004 |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Goodwill | 13 | 16,200 | 16,200 | 0 | 0 |
| Other intangible assets | 14 | 3,553 | 2,888 | 871 | 1,177 |
| Property, Plant and Equipment | 15 | 733,951 | 596,519 | 698,065 | 565,775 |
| Investments in subsidiaries and associates | 16 | 3,664 | 3,219 | 38,608 | 38,468 |
| Investments in related parties | 17 | 927 | 927 | 927 | 927 |
| Other non-current assets | 18 | 11,965 | 11,159 | 969 | 776 |
| **Total** | | **770,260** | **630,912** | **739,440** | **607,123** |
| **Current assets** | | | | | |
| Inventories | 19 | 314,344 | 163,176 | 308,225 | 156,878 |
| Trade and other receivables | 20 | 304,486 | 193,614 | 248,756 | 153,148 |
| Cash and cash equivalents | 21 | 9,211 | 43,599 | 6,740 | 41,426 |
| **Total** | | **628,041** | **400,389** | **563,721** | **351,452** |
| **Total Assets** | 5 | **1,398,301** | **1,031,301** | **1,303,161** | **958,575** |
| | | | | | |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Bank loans | 22 | 359,880 | 174,697 | 329,880 | 144,695 |
| Provision for retirement benefit obligation | 35 | 48,637 | 45,010 | 45,275 | 41,808 |
| Deferred tax liabilities | 23 | 11,660 | 20,399 | 11,141 | 19,920 |
| Other non-current liabilities | | 1,188 | 1,046 | 2 | 2 |
| Deferred income | | 4,819 | 5,204 | 4,819 | 5,204 |
| **Total** | | **426,184** | **246,356** | **391,117** | **211,629** |
| **Current liabilities** | | | | | |
| Trade and other payables | 24 | 274,641 | 202,790 | 253,876 | 185,239 |
| Provision for retirement benefit obligation | 35 | 2,526 | 2,324 | 2,403 | 2,324 |
| Taxes | | 41,049 | 33,285 | 40,570 | 32,663 |
| Bank loans | 22 | 317,935 | 248,166 | 276,143 | 224,306 |
| Deferred income | | 415 | 422 | 415 | 422 |
| **Total** | | **636,566** | **486,987** | **573,407** | **444,954** |
| **Total Liabilities** | 5 | **1,062,750** | **733,343** | **964,524** | **656,583** |
| **EQUITY** | | | | | |
| Share capital | 25 | 33,235 | 33,235 | 33,235 | 33,235 |
| Share premium | 26 | 49,528 | 49,528 | 49,528 | 49,528 |
| Own shares | 27 | 0 | (113) | 0 | (113) |
| Reserves | 28 | 76,393 | 76,319 | 75,374 | 75,487 |
| Retained earnings | 29 | 176,395 | 138,989 | 180,500 | 143,855 |
| **Total Equity** | | **335,551** | **297,958** | **338,637** | **301,992** |
| **Total Equity and Liabilities** | | **1,398,301** | **1,031,301** | **1,303,161** | **958,575** |

The notes on pages 7-37 are an integral part of these Financial Statements.

**MOTOR OIL (HELLAS)**
**CORINTH REFINERIES S.A.**

## Statement of Changes in Equity for the year ended 31 December 2005

| **GROUP**<br>In 000´s Euros | **Share capital** | **Share premium** | **Reserves** | **Own Shares** | **Retained earnings** | **Total** |
|---|---|---|---|---|---|---|
| Balance as at 1 January 2004 | 33,235 | 49,528 | 67,369 | (1,385) | 85,779 | 234,526 |
| Profit for the year | | | | | 117,552 | 117,552 |
| Dividends | | | | | (55,391) | (55,391) |
| Own shares sales | | | | 1,272 | | 1,272 |
| Other movements | - | - | 8,950 | - | (8,951) | (1) |
| **Balance as at 31 December 2004** | **33,235** | **49,528** | **76,319** | **(113)** | **138,989** | **297,958** |
| | | | | | | |
| Profit for the year | | | | | 131,635 | 131,635 |
| Dividends | | | | | (94,155) | (94,155) |
| Own shares sales | | | | 113 | | 113 |
| Other movements | - | - | 74 | | (74) | 0 |
| **Balance as at 31 December 2005** | **33,235** | **49,528** | **76,393** | **0** | **176,395** | **335,551** |

| **COMPANY**<br>In 000´s Euros | **Share capital** | **Share premium** | **Reserves** | **Own Shares** | **Retained earnings** | **Total** |
|---|---|---|---|---|---|---|
| Balance as at 1 January 2004 | 33,235 | 49,528 | 66,758 | (1,385) | 89,316 | 237,452 |
| Profit for the year | | | | | 118,660 | 118,660 |
| Dividends | | | | | (55,391) | (55,391) |
| Own shares sales | | | | 1,272 | | 1,272 |
| Other movements | - | - | 8,729 | - | (8,730) | (1) |
| **Balance as at 31 December 2004** | **33,235** | **49,528** | **75,487** | **(113)** | **143,855** | **301,992** |
| | | - | | | | |
| Profit for the year | | | | | 130,687 | 130,687 |
| Dividends | | | | | (94,155) | (94,155) |
| Own shares sales | | | | 113 | | 113 |
| Other movements | - | - | (113) | - | 113 | 0 |
| **Balance as at 31 December 2005** | **33,235** | **49,528** | **75,374** | **0** | **180,500** | **338,637** |

The notes on pages 7-37 are an integral part of these Financial Statements.

**MOTOR OIL (HELLAS)**
**CORINTH REFINERIES S.A.**

## Cash Flow Statement for the year ended 31 December 2005

| In 000´s Euros | Note | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | | 1/1 - 31/12/2005 | 1/1 - 31/12/2004 | 1/1 - 31/12/2005 | 1/1 - 31/12/2004 |
| **Operating activities:** | | | | | |
| Profit for the year | | 191,357 | 167,841 | 188,530 | 166,686 |
| **Adjustments for:** | | | | | |
| Depreciation | 7 | 25,959 | 21,814 | 22,516 | 17,504 |
| Provisions | | 3,829 | 1,808 | 3,546 | 1,396 |
| Exchange differences | | (1,061) | (6,211) | (903) | (6,258) |
| Investment income | | (1,246) | 2,141 | (4,649) | 3,312 |
| Finance costs | | 14,631 | 8,817 | 12,461 | 6,727 |
| **Movements in working capital:** | | | | | |
| Decrease/(increase) in inventories | | (151,168) | (7,864) | (151,347) | (7,231) |
| Decrease / (Increase) in receivables | | (110,704) | (15,437) | (94,915) | (16,877) |
| (Decrease) / Increase in payables excluding banks | | 76,172 | 43,612 | 73,854 | 46,306 |
| **Less:** | | | | | |
| Finance costs paid | 9 | (20,465) | (9,126) | (18,388) | (7,186) |
| Taxes paid | | (60,641) | (33,063) | (58,666) | (29,102) |
| **Net cash from operating activities (a)** | | **(33,337)** | **174,332** | **(27,961)** | **175,277** |
| **Investing activities:** | | | | | |
| Disposal / (Acquisition) of subsidiaries & associates | | (278) | 0 | (140) | 0 |
| Purchase of tangible and intangible assets | | (164,502) | (250,985) | (154,515) | (242,822) |
| Proceeds on disposal of tangible and intangible assets | | 390 | 119 | 3 | 4 |
| Interest received | | 1,169 | 1,004 | 621 | 320 |
| Dividends received | | 306 | 224 | 4,153 | 5,112 |
| **Net cash used in investing activities (b)** | | **(162,915)** | **(249,638)** | **(149,878)** | **(237,386)** |
| **Financing activities:** | | | | | |
| New bank loans raised | | 2,926,080 | 1,758,429 | 2,674,636 | 1,445,614 |
| Repayments of borrowings | | (2,670,173) | (1,626,447) | (2,437,440) | (1,327,184) |
| Dividends paid | | (94,043) | (55,408) | (94,043) | (55,408) |
| **Net cash (used in) from financing activities (c)** | | **161,864** | **76,574** | **143,153** | **63,022** |
| **Net Increase / (Decrease) in cash and cash equivalents (a)+(b)+( c))** | | **(34,388)** | **1,268** | **(34,686)** | **913** |
| **Cash and cash equivalents at the beginning of the year** | | **43,599** | **42,331** | **41,426** | **40,513** |
| **Cash and cash equivalents at the end of the year** | | **9,211** | **43,599** | **6,740** | **41,426** |

The notes on pages 7-37 are an integral part of these Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

## 1. GENERAL INFORMATION

The parent company of the MOTOR OIL Group (the Group) is the entity under the trade name “Motor Oil (Hellas) Corinth Refineries S.A.” (the Company), which is registered in Greece as an incorporated firm (Societe Anonyme) according to the provisions of CL 2190/1920, with headquarters in Maroussi of Attica, $12^{A}$ Irodou Attikou street, Athens 151 24. The Company operates in the oil sector with its main activities being oil refining and oil products trading.

Major shareholders of the Company are “Petroventure Holdings Ltd” and “Petroshares Ltd”, holding 51% and 16.4% of Company shares respectively. It is noted that during 2005 “Aramco Overseas Company BV”, effective subsidiary of “Saudi Aramco” group, sold its share of 16.4% in “Motor Oil (Hellas) S.A”

These financial statements are presented in Euro because that is the currency of the primary economic environment in which the Group operates. Foreign operations do not exist.

As at December 31st head count for the Group and the Company, totaled 1,369 and 1,157 persons respectively. (2004: Group: 1,384 persons, Company: 1,175 persons)

## 2. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The financial statements have been prepared for the first time in accordance with International Financial Reporting Standards(“IFRS”) issued by the International Accounting Standards Board (“IASB”) as well as the relevant Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) which are applicable to the Group’s activities and are valid for the periods commencing 1 January 2005 and have been adopted by the European Union Commission. Information required by IFRS 1 in relation to the transition from the Greek GAAP, previously applied according to CL 2190/1920 and the General Greek Chart of Accounts, to IFRS as adopted by the European Union and introduced to Greece under L 3229/2004 are provided from page 38 to page 39 of this set of financial statements.

The most recent financial statements prepared in accordance with Greek GAAP related to the year ended December 31, 2004. The date of transition to IFRS was January 1st, 2004.

## 3. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) for the first year.

The financial statements have been prepared on the historical cost basis, except for land and buildings which are stated at deemed cost as allowed by IFRS1. The principal accounting policies adopted are set out below:

**Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) at the end of each respective period. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit and loss in the period of acquisition.

The accounting policies of the subsidiary used for are in line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

**Investments in Associates**

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group’s share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the Group’s interest in those associates are not recognized.

Profits or losses arising on transactions among associates and companies included in the consolidated accounts are eliminated to the extent of the Group ´s share in the associates. Losses may be an indication of impairment of the asset, in which case a relevant provision is accounted for.

Investments in subsidiaries and associates are stated in the Companies stand alone Balance Sheets at cost.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and sales related taxes.

Sales of goods are recognized when goods are delivered and ownership has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

**The Group as lessor**

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

AVIN OIL S.A., a subsidiary of Motor Oil (Hellas), leases under long-term operating leases (approx. 10 years), immovable property for use as gas stations, which in turn are subleased to physical/legal persons for a corresponding period for the operation of fuel and lubricants stations under the “Avin” trademark.

**The Group as lessee**

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group’s general policy on borrowing costs (see below).

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

**Foreign Currencies**

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Currency Units, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### Government Grants

Government grants towards staff re-training costs are recognized as income over the periods necessary to match them with the related costs and are deducted from the related expense.

Government grants relating to property, plant and equipment are treated as deferred income and released to profit and loss over the expected useful lives of the assets concerned.

### Retirement Benefit Costs

Payments to defined contribution retirement plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in profit or loss in the period in which they are incurred.

Past service cost is recognized immediately in the profit or loss to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Taxation

The tax expense represents the sum of the current tax payable and deferred tax, reduced by any discount obtained for paying previous year taxes in one lump sum.

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on differences, between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their cost amounts less any subsequent accumulated depreciation.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognized impairment loss.

Fixed assets under finance leases are depreciated over the same useful lives as the Group owned fixed assets.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

| Fixed Assets category | Useful lives (yrs) |
|---|---|
| Land | Indefinite |
| Buildings | 40 |
| Plant & machinery | 7-30 |
| Transportation equipment | 15-20 |
| Fixtures and equipment | 4-20 |

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

It is noted that, in making the transition to International Financial Reporting Standards (IFRS), the Group elected for land and for buildings to use as deemed cost the historic cost as adjusted by Greek law revaluations, and historic cost for all other fixed assets. Depreciation was provided based on the assets' useful lives from the date of acquisition or construction

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Internally-generated Intangible Assets - Research and Development Expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Group's development is recognized only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortized on a straight-line basis over their useful lives. Where no internally-generated intangible asset can be recognized, development expenditure is recognized as an expense in the period in which it is incurred.

### Other intangible assets

Other Intangible Assets include the Group's software as well as rights to operate gas stations on property leased by its subsidiary, Avin Oil.

These assets are initially recorded at acquisition cost and then depreciated based on expected useful lives in respect of software, and in respect of Avin Oil's leasing rights, over the period the Company is entitled to the rights.

The useful life of these assets is noted bellow:

| Intangible assets | years |
|---|---|
| Software | 3 – 8 |
| Leasing Rights (average) | 9 |

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprise direct materials and where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### Financial Instruments

Financial assets and financial liabilities are recognized on the Group’s balance sheet when the Group becomes a party to the contractual provisions of the instrument.

### Trade receivables

Trade receivables are interest free and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

## 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

### Bank borrowings

Interest-bearing bank loans and overdrafts are recorded according to the amounts received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the profit and loss account using effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

### Trade payables

Trade payables are interest free and are stated at their nominal value.

### Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Group management's best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Provisions for restructuring costs, if any, are recognized only when the entity has developed a detailed formal plan for the restructuring and have announced details of plan to the involved parties.

### Main sources of uncertainty in accounting estimations.

The major sources of uncertainty in accounting estimations by the Group's management, concern mainly the legal cases and the financial periods not audited by the tax authorities, as described in detail in note 31.

For the legal claims by third parties against the Group and the legal claims by the Group against third parties, the Group according to its policy does not make any provision until the final court decision.

The relevant accounting treatment applicable to the years not audited by the tax authorities, is stated in note 31.

## 4. REVENUE

An analysis of the revenue, is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| In 000´s Euros | 1/1 – 31/12/05 | 1/1 – 31/12/04 | 1/1 – 31/12/05 | 1/1 – 31/12/04 |
| Sales of goods | 3,237,376 | 2,219,042 | 2,923,769 | 1,937,191 |

The following table provides an analysis of the sales by geographical market (domestic – export) and by category of goods sold (products – merchandise).

**GROUP**

| In 000´s Euros | | 1/1 – 31/12/05 | | | 1/1 – 31/12/04 | |
|---|---|---|---|---|---|---|
| **SALES** | **DOMESTIC** | **EXPORT** | **TOTAL** | **DOMESTIC** | **EXPORT** | **TOTAL** |
| Products | 827,388 | 1,181,274 | 2,008,662 | 678,248 | 805,007 | 1,483,255 |
| Merchandise | 755,479 | 473,235 | 1,228,714 | 462,654 | 273,133 | 735,787 |
| **TOTAL** | **1,582,867** | **1,654,509** | **3,237,376** | **1,140,902** | **1,078,140** | **2,219,042** |

**COMPANY**

| In 000´s Euros | | 1/1 – 31/12/05 | | | 1/1 – 31/12/04 | |
|---|---|---|---|---|---|---|
| **SALES** | **DOMESTIC** | **EXPORT** | **TOTAL** | **DOMESTIC** | **EXPORT** | **TOTAL** |
| Products | 827,388 | 1,181,274 | 2,008,662 | 678,248 | 805,007 | 1,483,255 |
| Merchandise | 479,548 | 435,559 | 915,107 | 212,382 | 241,554 | 453,936 |
| **TOTAL** | **1,306,936** | **1,616,833** | **2,923,769** | **890,630** | **1,046,561** | **1,937,191** |

## 5. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group’s basic activities are oil refining and oil product trading.

All of the Group’s activities take place in Greece, given that all Group Companies included in the consolidation have their headquarters in Greece and no branches abroad.

All operational segments fall under one of two distinct activity categories: Refinery’s Activities and “Sales to Gas Stations”.

Segment information is presented in the table below.

## 5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

**Income Statement**

| In 000´s Euros | 01.01-31.12.2005 | | | | 01.01-31.12.2004 | | | |
|---|---|---|---|---|---|---|---|---|
| **Business Operations** | **Refinery's Activities** | **Sales to Gas Stations** | **Eliminations** | **Total** | **Refinery's Activities** | **Sales to Gas Stations** | **Eliminations** | **Total** |
| External sales | 2,532,106 | 705,270 | 0 | 3,237,376 | 1,640,972 | 578,070 | 0 | 2,219,042 |
| Inter-segment sales | 391,663 | 14 | (391,677) | 0 | 296,219 | 3 | (296,222) | 0 |
| **Total revenue** | 2,923,769 | 705,284 | (391,677) | 3,237,376 | 1,937,191 | 578,073 | (296,222) | 2,219,042 |
| Cost of Sales | (2,682,623) | (661,492) | 391,968 | (2,952,147) | (1,762,742) | (536,404) | 295,927 | (2,003,219) |
| **Gross profit** | **241,146** | **43,792** | **291** | **285,229** | **174,449** | **41,669** | **(295)** | **215,823** |
| Distribution costs | (12,801) | (32,326) | 1,030 | (44,097) | (12,618) | (30,689) | 1,008 | (42,299) |
| Administrative expenses | (14,805) | (7,906) | 39 | (22,672) | (15,163) | (7,482) | 36 | (22,609) |
| Other operating income/expense | (17,322) | 4,275 | (1,065) | (14,112) | 20,394 | 3,999 | (1,054) | 23,339 |
| **Segment result from operations** | **196,218** | **7,835** | **295** | **204,348** | **167,062** | **7,497** | **(305)** | **174,254** |
| Investment revenues | 4,773 | (701) | (2,432) | 1,640 | 6,351 | 821 | (4,768) | 2,404 |
| Finance cost | (12,461) | (2,171) | 1 | (14,631) | (6,727) | (2,088) | (2) | (8,817) |
| **Profit before tax** | **188,530** | **4,963** | **(2,136)** | **191,357** | **166,686** | **6,230** | **(5,075)** | **167,841** |
| Income tax expense | | | | | | | | |
| **Profit for the year from operations** | 154,515 | 9,987 | | 164,502 | 242,822 | 8,163 | | 250,985 |
| **Other information** | 22,516 | 3,443 | | 25,959 | 17,504 | 4,310 | | 21,814 |
| Capital additions | | | | | | | | |
| Depreciation/amortization | | | | | | | | |
| **Balance Sheet** | 1,263,626 | 148,035 | (17,951) | **1,393,710** | 919,180 | 115,795 | (7,820) | **1,027,155** |
| **Assets** | 38,608 | 910 | (35,854) | **3,664** | 38,468 | 910 | (36,159) | **3,219** |
| Segment assets (except investments) | 927 | 1,042 | (1,042) | **927** | 927 | 904 | (904) | **927** |
| Investments | **1,303,161** | **149,987** | **(54,847)** | **1,398,301** | **958,575** | **117,609** | **(44,883)** | **1,031,301** |
| **Total assets** | | | | | | | | |
| **Total liabilities** | **964,524** | **132,153** | **(33,927)** | **1,062,750** | **656,583** | **100,166** | **(23,406)** | **733,343** |

Sales to foreign customers representing more than 10% of foreign sales concern sales to U.S.A amounting to € 339,003 thousand for 2005 (2004: € 209,743 thousand).

## 6. OTHER OPERATING INCOME / (EXPENSES)

| In 000´s Euros | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 1/1 – 31/12/05 | 1/1 – 31/12/04 | 1/1 – 31/12/05 | 1/1 – 31/12/04 |
| Foreign exchange -(losses) | (60,089) | (29,240) | (59,497) | (28,531) |
| Foreign exchange -gains | 35,876 | 42,378 | 35,046 | 41,670 |
| Service Income | 6,687 | 6,750 | 6,687 | 6,750 |
| Rental Income | 3,568 | 3,162 | 0 | 0 |
| Other Income/(Expenses) | (154) | 289 | 442 | 505 |
| **Total** | **(14,112)** | **23,339** | **(17,322)** | **20,394** |

## 7. PROFIT FROM OPERATIONS

The Group and the Company profits from operation have been arrived at after charging/(crediting):

| In 000´s Euros | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 1/1 – 31/12/05 | 1/1 – 31/12/04 | 1/1 – 31/12/05 | 1/1 – 31/12/04 |
| Foreign exchange losses/(gains) | 24,213 | (13,138) | 24,451 | (13,139) |
| Amortization of intangible assets | 566 | 732 | 414 | 437 |
| Depreciation of property, plant and equipment | 25,393 | 21,082 | 22,102 | 17,067 |
| Total depreciation/amortization | 25,959 | 21,814 | 22,516 | 17,504 |
| Government grants amortization | (415) | (422) | (415) | (422) |
| Cost of Sales | 2,947,918 | 1,998,389 | 2,678,394 | 1,757,912 |
| Impairment of inventories | 4,229 | 4,830 | 4,229 | 4,830 |
| Staff costs | 86,560 | 76,938 | 76,159 | 66,837 |

## 8. INVESTMENT INCOME

Income from investments, is as follows:

| In 000´s Euros | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 1/1 – 31/12/05 | 1/1 – 31/12/04 | 1/1 – 31/12/05 | 1/1 – 31/12/04 |
| Interest on bank deposits | 1,096 | 1,004 | 548 | 320 |
| Dividends received | 306 | 224 | 4,153 | 5,112 |
| Other investment income | 72 | 159 | 72 | 159 |
| Income from Sale of Own Shares | 0 | 785 | 0 | 760 |
| **TOTAL INVESTMENT INCOME** | **1,474** | **2,172** | **4,773** | **6,351** |

## 9. FINANCE COSTS

| In 000´s Euros | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **1/1 – 31/12/05** | **1/1 – 31/12/04** | **1/1 – 31/12/05** | **1/1 – 31/12/04** |
| Interest on bank loans & related expenses | 22,075 | 8,817 | 19,905 | 6,727 |
| **Less:** amounts included in the cost of qualifying assets | (7,444) | 0 | (7,444) | 0 |
| **TOTAL FINANCE COST** | **14,631** | **8,817** | **12,461** | **6,727** |

Borrowing costs included in the cost of qualifying assets incurred during the year from borrowings acquired exclusively to finance the refinery's new hydrocracker unit, an investment which will significantly improve the Company's capacity to produce high-specification fuels.

## 10. INCOME TAX EXPENSES

| In 000´s Euros | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **1/1 – 31/12/05** | **1/1 – 31/12/04** | **1/1 – 31/12/05** | **1/1 – 31/12/04** |
| Current corporation tax for the year | 69,354 | 51,484 | 67,515 | 48,992 |
| Tax audit differences from prior years | 0 | 150 | 0 | 0 |
| **Less:** Income tax discount | (893) | (746) | (893) | (746) |
| | 68,461 | 50,888 | 66,622 | 48,246 |
| Deferred tax (note 23) | (8,739) | (599) | (8,779) | (220) |
| **Total** | **59,722** | **50,289** | **57,843** | **48,026** |

Domestic income tax is calculated at 32% on the estimated tax assessable profit for the year 2005 (2004:35%).

## 10. INCOME TAX EXPENSES (continued)

The Group´s and the Company´s total income tax rate for the year can be reconciled to the accounting profit as follows:

| In 000´s Euros | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 1/1 – 31/12/05 | 1/1 – 31/12/04 | 1/1 – 31/12/05 | 1/1 – 31/12/04 |
| Tax at the domestic income tax rate | 32.0% | 35.0% | 32.0% | 35.0% |
| **Tax effects from:** | | | | |
| Tax audit differences | 0.0% | 0.1% | 0.0% | 0.0% |
| Tax effect of non tax deductible expenses | 0.1% | 0.2% | 0.1% | 0.2% |
| Tax effect of tax free income | -0.1% | -2.1% | -0.7% | -3.3% |
| Effect of change in income tax rate | -0.3% | -2.6% | -0.3% | -2.6% |
| Income tax discount | -0.5% | -0.5% | -0.5% | -0.4% |
| **Effective tax rate for the year** | **31.2%** | **30.0%** | **30.7%** | **28.8%** |

## 11. DIVIDENDS

Dividends to shareholders are proposed by management at each year end and are subject to approval by the Annual General Assembly Meeting. Dividends relating to the previous year (1.1-31.12.2004) amounted to € 0.85 per share, of which an interim dividend of € 0.20 per share was paid in December 2004 and accounted for in 2004, and € 0.65 has been accounted for in 2005. The Management of the Company has proposed to the coming Annual General Assembly Meeting the distribution of total dividends for 2005 of € 121,861,278 (or € 1.10 per share). It is noted that an interim dividend of € 0.20 for 2005 has been paid in December 2005 and has been accounted for within 2005, while the remaining € 0.90 per share will be accounted for in 2006.

It is noted that in accordance with Greek Tax legislation, the taxable income is taxed at source fulfilling all tax obligations on dividends. Thus the dividends payable to the shareholders (physical and legal persons) are paid net of any tax.

## 12. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

| In 000´s Euros | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 1/1 – 31/12/05 | 1/1 – 31/12/04 | 1/1 – 31/12/05 | 1/1 – 31/12/04 |
| **Earnings** | 131,635 | 117,552 | 130,687 | 118,660 |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 110,715,732 | 110,776,573 | 110,715,732 | 110,776,573 |
| **Earnings per share in €** | **1.19** | **1.06** | **1.18** | **1.07** |

## 13. GOODWILL

There was no change in Goodwill of the Group for the years ended December 31, 2005 and December 31, 2004 amounting to € 16,200 thousand. This Goodwill pertains to the acquisition of the subsidiary company Avin Oil AVENEP, which has shown high profitability during all years in which it is owned by the Group. Furthermore the Group performs on an annual basis impairment testing on Goodwill from which no need for impairment has arisen.

## 14. OTHER INTANGIBLE ASSETS

The carrying amount of the Group's intangible assets represent software purchases and rights to operate gas stations on leasehold property. The movement during periods 1/1 – 31/12/2004 and 1/1 – 31/12/2005 is presented in the following table.

| In 000´s Euros | | GROUP | | COMPANY |
|---|---|---|---|---|
| | **Software** | **Rights** | **Total** | **Software** |
| **COST** | | | | |
| As at 1 January 2004 | 9,698 | 1,168 | 10,866 | 8,537 |
| Additions | 495 | 498 | 993 | 333 |
| As at 31 December 2004 | 10,193 | 1,666 | 11,859 | 8,870 |
| Additions | 390 | 841 | 1,231 | 109 |
| **As at 31 December 2005** | **10,583** | **2,507** | **13,090** | **8,979** |
| **ACCUMULATED DEPRECIATION** | | | | |
| As at 1 January 2004 | 8,142 | 97 | 8,239 | 7,257 |
| Charge for the year | 588 | 144 | 732 | 437 |
| As at 31 December 2004 | 8,730 | 241 | 8,971 | 7,694 |
| Charge for the period | 396 | 170 | 566 | 414 |
| **As at 31 December 2005** | **9,126** | **411** | **9,537** | **8,108** |
| **CARRYING AMOUNT** | | | | |
| **As at 31 December 2004** | **1,463** | **1,425** | **2,888** | **1,177** |
| **As at 31 December 2005** | **1,457** | **2,096** | **3,553** | **871** |

## 15. PROPERTY, PLANT AND EQUIPMENT

The movement in the Group's fixed assets during periods 1/1 – 31/12/2004 and 1/1 – 31/12/2005 is presented below:

| **GROUP**<br>In 000´s Euros | **Land and buildings** | **Plant & machinery / Transportation means** | **Fixtures and equipment** | **Assets under construction** | **Total** |
|---|---|---|---|---|---|
| **COST** | | | | | |
| **As at 1 January 2004** | 68,777 | 346,141 | 13,946 | 87,427 | 516,291 |
| Additions | 1,914 | 6,486 | 1,701 | 239,891 | 249,992 |
| Disposals | (2) | (255 ) | (718) | 0 | (975) |
| Transfers | 7,894 | 25,064 | 253 | (33,211) | 0 |
| As at 31 December 2004 | 78,583 | 377,436 | 15,182 | 294,107 | 765,308 |
| Additions | 1,642 | 14,739 | 1,590 | 145,299 | 163,271 |
| Disposals | (217) | (925) | (62) | 0 | (1,204) |
| Transfers | 46,205 | 341,284 | 121 | (387,610) | 0 |
| **As at 31 December 2005** | **126,213** | **732,534** | **16,831** | **51,796** | **927,374** |
| **ACCUMULATED DEPRECIATION** | | | | | |
| As at 1 January 2004 | 6,600 | 134,613 | 7,349 | 0 | 148,562 |
| Charge for the year | 1,128 | 18,406 | 1,548 | 0 | 21,082 |
| Disposals | (1) | (183) | (671) | 0 | (855) |
| As at 31 December 2004 | 7,727 | 152,836 | 8,226 | 0 | 168,789 |
| Charge for the year | 1,461 | 22,396 | 1,536 | 0 | 25,393 |
| Disposals | (5) | (694) | (60) | 0 | (759) |
| **As at 31 December 2005** | **9,183** | **174,538** | **9,702** | **0** | **193,423** |
| **CARRYING AMOUNT** | | | | | |
| **As at 31 December 2004** | **70,856** | **224,600** | **6,956** | **294,107** | **596,519** |
| **As at 31 December 2005** | **117,030** | **557,996** | **7,129** | **51,796** | **733,951** |

## 15. PROPERTY, PLANT AND EQUIPMENT (continued)

The movement in the Company's fixed assets during periods 1/1 – 31/12/2004 and 1/1 – 31/12/2005 is presented below.

| COMPANY | Land and buildings | Plant & machinery / Transportation means | Fixtures and equipment | Assets under construction | Total |
|---|---|---|---|---|---|
| In 000´s Euros | | | | | |
| **COST** | | | | | |
| As at 1 January 2004 | 58,504 | 316,637 | 11,209 | 87,386 | 473,736 |
| Additions | 349 | 927 | 1,384 | 239,829 | 242,489 |
| Disposals | 0 | (25) | (628) | 0 | (653) |
| Transfers | 7,894 | 25,064 | 253 | (33,211) | 0 |
| As at 31 December 2004 | 66,747 | 342,603 | 12,218 | 294,004 | 715,572 |
| Additions | 636 | 8,060 | 1,423 | 144,287 | 154,406 |
| Disposals | 0 | (14) | (19) | 0 | (33) |
| Transfers | 45,752 | 341,724 | 134 | (387,610) | 0 |
| **As at 31 December 2005** | **113,135** | **692,373** | **13,756** | **50,681** | **869,945** |
| **ACCUMULATED DEPRECIATION** | | | | | |
| As at 1 January 2004 | 4,764 | 122,316 | 6,293 | 0 | 133,373 |
| Charge for the year | 815 | 15,050 | 1,202 | 0 | 17,067 |
| Disposals | 0 | (15) | (628) | 0 | (643) |
| As at 31 December 2004 | 5,579 | 137,351 | 6,867 | 0 | 149,797 |
| Charge for the year | 1,107 | 19,703 | 1,292 | 0 | 22,102 |
| Disposals | 0 | 0 | (19) | 0 | (19) |
| **As at 31 December 2005** | **6,686** | **157,054** | **8,140** | **0** | **171,880** |
| **CARRYING AMOUNT** | | | | | |
| **As at 31 December 2004** | **61,168** | **205,252** | **5,351** | **294,004** | **565,775** |
| **As at 31 December 2005** | **106,449** | **535,319** | **5,616** | **50,681** | **698,065** |

The Company and, consequently, the Group has mortgaged land and buildings as security for bank loans granted to the Group, an analysis of which is presented below.

Within the cost of Plant & machinery/Transportation means an amount of € 7,327 thousand is included for 2005 as capitalized borrowing costs. (2004: € 1,083 thousand)

| BANK | PRENOTICES | | MORTGAGES |
|---|---|---|---|
| | **000´s €** | **000´s $** | **000´s €** |
| N.B.G | 47,098 | 25,000 | 6 |
| CITIBANK INTERNATIONAL PLC | 0 | 0 | 275,001 |
| **TOTAL** | **47,098** | **25,000** | **275,007** |

## 16. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Details of the Group's subsidiaries and related parties, are as follows:

| Name | Place of incorporation and operation | Proportion of ownership interest | Principal activity |
|---|---|---|---|
| AVIN OIL | Greece, Maroussi of Attika | 100% | Petroleum Products |
| OLYMPIC FUEL COMPANY S.A. | Greece, Spata of Attika | 28% | Aviation Fueling Systems |
| HELLENIC AVIATION FUEL COMPANY S.A. | Greece, Maroussi of Attika | 50% | Aviation Fueling Systems |
| CORINTH POWER S.A. | Greece, Maroussi of Attika | 100% | Energy |
| AVIN ALBANIA S.A. | Tirana, Albania | 100% | Petroleum Products |

Investments in subsidiaries and associates are as follows:

| Name | GROUP | | COMPANY | |
|---|---|---|---|---|
| In 000´s Euros | 31/12/2005 | 31/12/2004 | 31/12/2005 | 31/12/2004 |
| AVIN OIL | 0 | 0 | 37,564 | 37,564 |
| OLYMPIC FUEL COMPANY S.A. | 3,000 | 2,623 | 904 | 904 |
| HELLENIC AVIATION FUEL COMPANY S.A. | (46) | 86 | 0 | 0 |
| CORINTH POWER S.A. | 200 | 0 | 140 | 0 |
| AVIN ALBANIA S.A. | 510 | 510 | 0 | 0 |
| **TOTAL** | **3,664** | **3,219** | **38,608** | **38,468** |

Of the companies listed above, "CORINTH POWER S.A." and "AVIN ALBANIA S.A." are not included in the consolidation due to their insignificance. "Hellenic Aviation Fuel Company S.A." is accounted using the equity method because the Group does not exercise control.

Summarized financial information in respect of the Group's related parties is set out below:

| In 000´s Euros | 31/12/2005 | 31/12/2004 |
|---|---|---|
| Acquisition cost | 2,997 | 2,718 |
| Share of profits | 667 | 501 |
| **Investments in related parties** | **3,664** | **3,219** |

| | 31/12/2005 | 31/12/2004 |
|---|---|---|
| Total assets | 31,996 | 34,433 |
| Total liabilities | (21,619) | (24,740) |
| **Net assets** | 10,377 | 9,693 |
| **Group's share of related parties' net assets** | **3,664** | **3,219** |

## 16. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

Group's profits from associates, are as follows:

| In 000´s Euros | 1/1 – 31/12/2005 | 1/1 – 31/12/2004 |
|---|---|---|
| Sales | 13,459 | 14,282 |
| Profit after taxes | 268 | 631 |
| **Group's share of associates´ profit for the period** | **166** | **232** |

## 17. INVESTMENT IN RELATED PARTIES

| Name | Place of incorporation | Proportion of ownership interest | Cost Euro 000´s | Principal activity |
|---|---|---|---|---|
| ATHENS AIRPORT FUEL PIPELINE CO. S.A. | Athens | 16% | 927 | Aviation Fueling Systems |

"ATHENS AIRPORT FUEL PIPELINE CO. S.A." is stated at cost as significant influence is not exercised on it.

## 18. OTHER NON-CURRENT ASSETS

| In 000´s Euros | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31/12/2005 | 31/12/2004 | 31/12/2005 | 31/12/2004 |
| Cheques receivable | 5,445 | 5,847 | 0 | 0 |
| Other | 6,520 | 5,312 | 969 | 776 |
| **Total** | **11,965** | **11,159** | **969** | **776** |

## 19. INVENTORIES

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| In 000´s Euros | 31/12/2005 | 31/12/2004 | 31/12/2005 | 31/12/2004 |
| Merchandise | 61,507 | 34,790 | 55,648 | 28,721 |
| Raw materials | 169,657 | 78,017 | 169,397 | 77,788 |
| Raw materials in transit | 30,203 | 0 | 30,203 | 0 |
| Products | 52,977 | 50,369 | 52,977 | 50,369 |
| **Total inventories** | **314,344** | **163,176** | **308,225** | **156,878** |

It is noted that inventories are valued at each year end at the lowest of cost and their net realizable value. For the current and previous year certain inventories were valued at their net realizable value resulting in the following charges to the income statement:

| In 000´s Euros | 2005 | 2004 |
|---|---|---|
| Products | 2,583 | 4,362 |
| Merchandise | 42 | 58 |
| Raw materials | 1,604 | 410 |
| **Total** | **4,229** | **4,830** |

## 20. TRADE AND OTHER RECEIVABLES

Group’s trade and other receivables at the balance sheet date comprise amounts receivable from the sale of goods of € 215 million (31/12/2004: € 120 million). Company’s trade and other receivables at the balance sheet date comprise of amounts receivable from the sale of goods of € 217 million (31/12/2004: € 120 million). Analysis of the trade and other receivable, are as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| In 000´s Euros | **31/12/2005** | **31/12/2004** | **31/12/2005** | **31/12/2004** |
| Trade receivables | 210,804 | 118,674 | 178,387 | 95,154 |
| Related parties | 4,645 | 1,683 | 38,476 | 25,088 |
| Other | 89,037 | 73,257 | 31,893 | 32,906 |
| **Total** | **304,486** | **193,614** | **248,756** | **153,148** |

The average credit period taken on sales of goods is 20 days. Thereafter, interest is charged on the outstanding balance.

Management considers that the carrying amount of trade and other receivables approximates their fair value.

**Credit risk**

The Group’s credit risk is primary attributable to its trade and other receivable as the Group´s cash equivalents are deposited with well known banks.

The Group’s trade receivables are concentrated to a significant degree, as the parent company has a limited number of customers who comprise a large percentage of the trade receivable balance who are, mostly, internationally reputed oil companies and consequently credit risk is minimized. The Group companies have contracts for transactions with their clients, where the product prices are determined according to the corresponding current prices in the international oil market during the period of transactions. In addition the parent company as a policy, receives letters of guarantee from its clients in order to secure its receivables. As far as receivables by “Avin Oil” these are spread in a wide number of customers and in this way there is no material concentration and material credit risk.

## 21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist from cash and short term deposits of initial duration of three months or less. The book value for cash and cash equivalents approximates their fair value.

## 22. BANK LOANS

| In 000´s Euros | GROUP 31/12/2005 | GROUP 31/12/2004 | COMPANY 31/12/2005 | COMPANY 31/12/2004 |
|---|---|---|---|---|
| Bank loans | 680,087 | 424,766 | 608,295 | 370,904 |
| Less: Bond loan expenses* | (2,272) | (1,903) | (2,272) | (1,903) |
| Total loans | 677,815 | 422,863 | 606,023 | 369,001 |
| | | | | |
| The borrowings are repayable as follows: | | | | |
| On demand or within one year | 317,935 | 248,166 | 276,143 | 224,306 |
| In the second year | 30,000 | 30,098 | 30,000 | 30,098 |
| From the third to fifth years inclusive | 247,152 | 120,002 | 217,152 | 90,000 |
| After five years | 85,000 | 26,500 | 85,000 | 26,500 |
| Less: Bond loan expenses* | (2,272) | (1,903) | (2,272) | (1,903) |
| Total loans | 677,815 | 422,863 | 606,023 | 369,001 |
| Less: Amount payable within 12 months (shown under current liabilities) | 317,935 | 248,166 | 276,143 | 224,306 |
| | | | | |
| Amount payable after 12 months | 359,880 | 174,697 | 329,880 | 144,695 |

*The amounts of bank loans included in the financial statements are reduced by the expenses of the Company's bond loan, acquired exclusively to finance the refinery's new hydrocracker unit (€ 2,272 thousand on 31/12/2005 and € 1,903 thousand on 31/12/2004). Those amounts will be charged to expenses after the investment´s completion, in proportion to the number of years remaining to loan maturity.

Analysis of borrowings by currency on 31/12/05:

| In 000´s Euros | GROUP 31/12/2005 | GROUP 31/12/2004 | COMPANY 31/12/2005 | COMPANY 31/12/2004 |
|---|---|---|---|---|
| **Loan's currency** | | | | |
| EURO | 421,889 | 229,656 | 350,098 | 175,794 |
| U.S DOLLARS | 166,993 | 110,124 | 166,992 | 110,124 |
| SWISS FRANC | 91,205 | 84,986 | 91,205 | 84,986 |
| **Total** | **680,087** | **424,766** | **608,295** | **370,904** |

The Group's management considers that the carrying amount of the Group's borrowings approximates their fair value.

The Group has the following bank loans:

i) **Motor Oil** has been granted a loan amounting to € 250,000 thousand. The loan was drawn down in five instalments, starting on 31/8/2004 and ending on 2/6/2005. The loan is repayable in semi-annual instalments commencing on 31/12/2005 and the last instalment is due on 30/6/2011. The loan's balance at the end of the year is € 235,000 thousand. The loan is secured with mortgages registered on specific assets of the Group amounting to € 275,000 thousand.

**22. BANK LOANS (continued)**

Other loans totalling €127,151 thousand consist of long-term loans, granted on 22/12/2005 and shall be repaid by 31/12/2005. Short-term loans totalling € 246,143 thousand shall be repaid within one year.

There are outstanding mortgages and pledges against these loans as mentioned above in note number 15.

ii) **Avin Oil** has been granted a loan of € 30 million granted on 14/6/2004 which is fully repayable on 14/6/2008. The Company's other loans are all short-term, totalling to € 41,792 thousand and shall be repaid within one year.

The interest rate of the above loans is LIBOR/EURIBOR+SPREAD.

**23. DEFERRED TAX**

The following are the major deferred tax liabilities and assets recognized by the Group and the Company, and the movements thereon, during the current and prior reporting periods.

In 000´s Euros

| **GROUP**<br>**Deferred tax arising from:** | **1/1/2004** | **Income statement expense/(income)** | **31/12/2004** | **Income statement expense/(income)** | **31/12/2005** |
|---|---|---|---|---|---|
| Difference in depreciation | 24,659 | (4,547) | 20,112 | 2,272 | 22,384 |
| Items not qualifying as assets | (743) | 332 | (411) | 292 | (119) |
| Gain from exchange differences | 13,364 | 865 | 14,229 | (13,919) | 310 |
| Retirement benefit obligations | (15,094) | 3,182 | (11,912) | (350) | (12,262) |
| Capitalised borrowing cost | 0 | 0 | 0 | 1,883 | 1,883 |
| Other differences between tax and accounting basis | (1,188) | (431) | (1,619) | 1,083 | (536) |
| **Total** | **20,998** | **(599)** | **20,399** | **(8,739)** | **11,660** |

| **COMPANY**<br>**Deferred tax arising from:** | **1/1/2004** | **Income statement expense/(income)** | **31/12/2004** | **Income statement expense/(income)** | **31/12/2005** |
|---|---|---|---|---|---|
| Difference in depreciation | 22,833 | (4,065) | 18,768 | 2,330 | 21,098 |
| Items not qualifying as assets | (732) | 369 | (363) | 307 | (56) |
| Gain from exchange differences | 13,310 | 907 | 14,217 | (13,953) | 264 |
| Retirement benefit obligations | (14,118) | 3,006 | (11,112) | (279) | (11,391) |
| Capitalised borrowing cost | 0 | 0 | 0 | 1,883 | 1,883 |
| Other differences between tax and accounting basis | (1,153) | (437) | (1,590) | 933 | (657) |
| **Total** | **20,140** | **(220)** | **19,920** | **(8,779)** | **11,141** |

## 23. DEFERRED TAX (continued)

Certain deferred tax assets and liabilities have been offset. Deferred taxes are analyzed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| In 000´s Euros | 31/12/2005 | 31/12/2004 | 31/12/2005 | 31/12/2004 |
| Deferred tax liabilities | 24,577 | 34,341 | 23,245 | 32,985 |
| Deferred tax assets | (12,917) | (13,942) | (12,104) | (13,065) |
| **TOTAL** | **11,660** | **20,399** | **11,141** | **19,920** |

## 24. TRADE AND OTHER PAYABLE

Trade and other payables mainly comprise amounts outstanding for trade purchases and operating expenses.
The major raw material for the Group's production of oil products is crude oil.
The average credit period received for trade purchases is approximately 30 days.
The Company's management considers that the carrying amount of trade payables approximates their fair value. Analysis of the trade and other payables, are as follows (excluding banks):

| | ΟΜΙΛΟΣ | | ΕΤΑΙΡΙΑ | |
|---|---|---|---|---|
| In 000´s Euros | 31/12/2005 | 31/12/2004 | 31/12/2005 | 31/12/2004 |
| Trade payable | 190,330 | 130,214 | 173,880 | 116,644 |
| Current liabilities of the related parties | 71,685 | 59,588 | 71,688 | 59,590 |
| Other | 12,626 | 12,988 | 8,308 | 9,005 |
| **Total** | **274,641** | **202,790** | **253,876** | **185,239** |

## 25. SHARE CAPITAL

| In 000´s Euros | 31/12/2005 | 31/12/2004 |
|---|---|---|
| Authorized, issued and fully paid:<br>(110,782,980 ordinary shares of € 0.30 each) | 33,235 | 33,235 |

The Company has one class of ordinary registered shares which bear no right to fixed income.
Please see note number 27 concerning the Company's own shares.
As far as the weighted number of shares for the period is concerned, please see note number 12.

## 26. SHARE PREMIUM ACCOUNT

| In 000´s Euros | 31/12/2005 | 31/12/2004 |
|---|---|---|
| Opening and closing balance for the period | 49,528 | 49,528 |

## 27. OWN SHARES

| In 000´s Euros | 31/12/2005 | 31/12/2004 |
|---|---|---|
| Opening balance of the period | 113 | 1,385 |
| Acquired in the period | 0 | 113 |
| Sold during the period | (113) | (1,385) |
| Closing balance of the period | **0** | **113** |

According to a decision by the Annual Ordinary Shareholders' General Assembly Meeting of 31/5/2005, the Company may purchase shares from 14/6/2005 to 23/5/2006 (1% of the total number of shares) up to 1,107,800 shares at a price ranging between € 7 and € 17 per share.

## 28. RESERVES

Group's reserves, are as follows:

In 000´s Euros

| TYPE OF RESERVE | 1/1/2004 | INCREASE (DECREASE) 2004 | 31/12/2004 | INCREASE (DECREASE) 2005 | 31/12/2005 |
|---|---|---|---|---|---|
| Legal | 16,489 | 219 | 16,708 | 187 | 16,895 |
| Special | 2,007 | 0 | 2,007 | 0 | 2,007 |
| Extraordinary | 2,590 | 0 | 2,590 | 0 | 2,590 |
| Tax-free | 44,898 | 10,003 | 54,901 | 0 | 54,901 |
| Own shares | 1,385 | (1,272) | 113 | (113) | 0 |
| **TOTAL** | **67,369** | **8,950** | **76,319** | **74** | **76,393** |

Company's reserves, are as follows:

In 000´s Euros

| TYPE OF RESERVE | 1/1/2004 | INCREASE (DECREASE) 2004 | 31/12/2004 | INCREASE (DECREASE) 2005 | 31/12/2005 |
|---|---|---|---|---|---|
| Legal | 15,895 | 0 | 15,895 | 0 | 15,895 |
| Special | 2,007 | 0 | 2,007 | 0 | 2,007 |
| Extraordinary | 2,590 | 0 | 2,590 | 0 | 2,590 |
| Tax-free | 44,882 | 10,000 | 54,882 | 0 | 54,882 |
| Own shares | 1,385 | (1,272) | 113 | (113) | 0 |
| **TOTAL** | **66,759** | **8,728** | **75,487** | **(113)** | **75,374** |

## 28. RESERVES (continued)

**Statutory Reserve**
Statutory reserve is accounted for as the 5% of after tax profits until this amounts to 1/3 of the Company's share capital. This reserve cannot be distributed but may be used to offset losses.

**Special Reserves**
These are reserves of various types and according to various laws such as taxed accounting differences, differences on revaluation of share capital expressed in Euros and other special cases.

**Extraordinary Reserves**
Extraordinary reserves comprise consist of prior years retained earnings and may be distributed to the shareholders with no additional tax following a relevant decision by the Annual General Assembly Meeting

**Tax Free Reserves**
These are tax reserves created based on qualifying capital expenditures. All tax free reserves, with the exception of those formed in accordance with Law 1828/82, may be capitalised if taxed at 5% for the parent company and 10% for the subsidiaries or if distributed will be subject to income tax at the prevailing rate. There is no time restriction for their distribution.

Tax free reserve formed in accordance with Law 1828/82 can be capitalized to share capital within a period of three years from its creation without any tax obligation.

The Group's and the Company ´s tax free reserves as at 31.12.2005 were approximately € 54.9 million. In the event of distribution, an amount of approximately € 15.9 million will be payable as tax.

**Own Shares Reserve**
The parent company created at each year end a reserve from its taxed profits equal to the acquisition cost of own shares that the Company held at year end.

## 29. RETAINED EARNINGS

| In 000´s Euros | GROUP | COMPANY |
|---|---|---|
| **Balance as at 31 December 2003** | **85,779** | **89,316** |
| Dividends due | (55,391) | (55,391) |
| Profit for the period | 117,552 | 118,660 |
| Distributed Reserves | 1,049 | 1,270 |
| Transfer to reserves | (10,000) | (10,000) |
| **Balance as at 31 December 2004** | **138,989** | **143,855** |
| Dividends due | (94,155) | (94,155) |
| Profit for the period | 131,635 | 130,687 |
| Transfer to reserves | (74) | 113 |
| **Balance as at 31 December 2005** | **176,395** | **180,500** |

## 30. ACQUISITION / ESTABLISHMENT OF SUBSIDIARY

On January 5, 2005, the Group established the subsidiary company "CORINTH POWER S.A." with a share capital of € 200,000. The newly established company has not commenced its activities until the day of this report.

## 31. CONTINGENT LIABILITIES / COMMITMENTS

There are legal claims against the Group amounting to approximately € 49 million and legal claims of the Group against third parties amounting to approximately € 74 million.

The Company has not been subject to a tax audit for the years from 2000 up to 2005.

Avin Oil, has not been subject to a tax audit for the years from 2003 up to 2005.

The outcome of a tax audit cannot be estimated at present and, consequently, no provision has been made in the financial statements, in relation to this issue. In addition, the associate companies have not been audited by the Tax authorities since their establishment and up to 2005.

The Group has entered into contracts to purchase and sell crude oil and fuels, at current prices in line with the world markets effective prices at the time the transaction takes place.

The total amount of letters of guarantee given as security for Group companies' liabilities as at 31/12/2005, amounted to € 46,741 thousand. The respective amount as at 31/12/2004 was € 47,974 thousand.

The total amount of letters of guarantee given as security for the Company's liabilities as at 31/12/2005, amounted to € 1,271 thousand. The respective amount as at 31/12/2004 was € 1,898 thousand.

## 32. OPERATING LEASE ARRANGEMENTS

Motor Oil's operating leases mainly represent rentals for certain of its office properties and transportation means. Subsidiary company, Avin Oil's leasing contracts pertain mostly to premises for gas stations which are then subleased to co-operating gas station operators, and transportation means.

**The Group as Lessee**

| In 000´s Euros | GROUP 31/12/2005 | GROUP 31/12/2004 | COMPANY 31/12/2005 | COMPANY 31/12/2004 |
|---|---|---|---|---|
| Minimum lease payments under operating leases recognized as an expense for the period | 6,366 | 5,779 | 2,488 | 2,337 |

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| In 000´s Euros | GROUP 31/12/2005 | GROUP 31/12/2004 | COMPANY 31/12/2005 | COMPANY 31/12/2004 |
|---|---|---|---|---|
| Within one year | 6,357 | 6,366 | 2,562 | 2,488 |
| From the second to fifth years inclusive | 24,767 | 25,179 | 10,376 | 10,111 |
| After five years | 22,596 | 25,714 | - | - |

Average lease term for offices and transportation means are nine and four years respectively. The lease term for gas stations premises is nine years average.

**The Group as Lessor**

Rental income from operating lease contracts recognised as period income.

| In 000´s Euros | GROUP 31/12/2005 | GROUP 31/12/2004 | COMPANY 31/12/2005 | COMPANY 31/12/2004 |
|---|---|---|---|---|
| Rental income earned during the period | 3,101 | 2,728 | 36 | 33 |

At the balance sheet date, the Group has contracted with tenants for the following future minimum lease payments:

| In 000´s Euros | GROUP 31/12/2005 | GROUP 31/12/2004 | COMPANY 31/12/2005 | COMPANY 31/12/2004 |
|---|---|---|---|---|
| Within one year | 3,053 | 3,101 | 40 | 36 |
| From the second to fifth years inclusiv | 11,448 | 12,047 | 162 | 147 |
| After five years | 13,122 | 15,521 | - | - |

Rental income of the Group mostly concerns subleases of Avin Oil, suitable to operate as gas stations. The average lease term is nine years average.

## 33. EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred that could have an impact on the Group's financial structure or operations since 31/12/2005 up to the date of issue of these financial statements.

## 34. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiary (Avin Oil), have been eliminated on consolidation. Details of transactions between the Group and other related parties disclosed as associates are set below:

| In 000´s Euros | SALES | PURCHASES | RECEIVABLES | LIABILITIES |
|---|---|---|---|---|
| Subsidiary | 391,677 | 14 | 33,831 | 3 |
| Associates | 59,856 | 1,019,633 | 5,703 | 71,924 |
| **Total** | 451,533 | 1,019,647 | 39,534 | 71,927 |

Sales of goods to associates were made on an arm ´s length basis.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

No provision has been made for doubtful debts in respect of the amounts due from associates.

### Compensation of key management personnel

The remuneration of directors and other members of key management for the period 1/1 – 31/12/2005 and 1/1 – 31/12/2004 amounted to € 2,138 thousand and € 2,009 thousand respectively.

The remuneration of members of the Board of Directors are discussed and approved by the Annual General Assembly Meeting of the shareholders.

Other short term benefits granted to key management for the period amounted to € 177 thousand.

### Directors' Transactions

There are no transactions between Group companies and directors.

## 35. RETIREMENT BENEFIT PLANS

The Group ´s obligations to its employees in relation to the future payment of benefits in proportion to their time of service are based on an actuarial study.

This liability is computed and presented in the Balance Sheet date based on the expected vested benefit of every employee.

The vested benefit is presented at its present value based on expected date of payment.

The Group operates a partially funded defined benefit plan for qualifying employees who work for Motor Oil and its subsidiary Avin Oil. Under the plan, the employees are entitled to retirement benefits which are dependent on each employee's final salary upon attainment of retirement age (on average between 55 and 58) and the years of service with the Group. In addition the Company is obligated to pay retirement compensation to its employees in accordance with law 2112/12, based on the above mentioned rights and retirement age limits. No other post-retirement benefits are provided.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation as well as of the obligation for retirement compensation to personnel were carried out at 31 December 2005 by PHOENIX METROLIFE company. The present value of the defined benefit obligations, and the related current service cost, were measured using the projected unit credit method.

| | Valuation at: | |
|---|---|---|
| | **31/12/05** | **31/12/04** |
| **Key assumptions used:** | | |
| Discount rate | 3.73% | 3.80% |
| Expected return on scheme assets | 3.73% | 5.00% |
| Expected rate of salary increases | 3.50% | 3.50% |

The amount recognised in the balance sheet in respect of the defined benefit retirement benefit plans are as follows:

| In 000´s Euros | **GROUP 31/12/05** | **GROUP 31/12/04** | **COMPANY 31/12/05** | **COMPANY 31/12/04** |
|---|---|---|---|---|
| Present value of obligations | 65,331 | 57,849 | 60,665 | 53,869 |
| Fair value of plan assets | (14,168) | (10,515) | (12,987) | (9,737) |
| **Net liability recognised in the balance sheet** | **51,163** | **47,334** | **47,678** | **44,132** |
| Presented in the Balance Sheet: | | | | |
| Current provision for retirement benefit | 2,526 | 2,324 | 2,403 | 2,324 |
| Non-current provision for retirement benefit | 48,637 | 45,010 | 45,275 | 41,808 |
| **Total** | **51,163** | **47,334** | **47,678** | **44,132** |

### 35. RETIREMENT BENEFIT PLANS (continued)

Amounts recognised in the income statement in respect of these defined benefit schemes are as follows:

| In 000´s Euros | GROUP 31/12/05 | GROUP 31/12/04 | COMPANY 31/12/05 | COMPANY 31/12/04 |
|---|---|---|---|---|
| Current service cost | 4,973 | 3,068 | 4,538 | 2,802 |
| Interest cost | 3,565 | 2,439 | 3,314 | 2,293 |
| **Net expense recognised in the Income Statement** | **8,538** | **5,507** | **7,852** | **5,096** |

Movements in the present value of the defined benefit obligations in the current period are as follows:

| In 000´s Euros | GROUP 31/12/2005 | GROUP 31/12/2004 | COMPANY 31/12/2005 | COMPANY 31/12/2004 |
|---|---|---|---|---|
| Defined benefit obligation 1/1/05 | 57,849 | 53,728 | 53,869 | 50,160 |
| Service cost | 4,973 | 3,068 | 4,538 | 2,802 |
| Interest cost | 3,565 | 2,439 | 3,314 | 2,293 |
| Benefits paid | (1,056) | (1,386) | (1,056) | (1,386) |
| **Defined benefit obligation 31/12/05** | **65,331** | **57,849** | **60,665** | **53,869** |

## 36. Opening Equity Reconciliation for the Group and the Company between Greek GAAP and IFRS as at 31/12/2004 and 01/01/2004

| In 000´s Euros | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2004 | 01.01.2004 | 31.12.2004 | 01.01.2004 |
| **GREEK GAAP opening equity.** | **179,559** | **169,618** | **177,373** | **165,819** |
| **A. Adjustments according to the qualifications of the certified public accountants** | | | | |
| Actuarial valuation for statutory staff retirement benefit | (30,371) | (26,258) | (28,935) | (25,093) |
| Provision for voluntary benefit plan based on actuarial valuation | (11,518) | (12,420) | (9,875) | (10,921) |
| Bad debt provision | 0 | (1,653) | 0 | (1,653) |
| Adjustment to opening goodwill amortization in accordance with Greek GAAP | (7,003) | (8,353) | 0 | 0 |
| **Total (A)** | **(48,892)** | **(48,684)** | **(38,810)** | **(37,667)** |
| **B. Adjustments due to differences between Greek GAAP and IFRS** | | | | |
| Dividends approved after balance sheet date reversed for IFRS | 72,009 | 33,235 | 72,009 | 33,235 |
| Adjustment as a result of depreciation being provided over estimated useful life for IFRS. | 80,421 | 74,729 | 75,296 | 69,005 |
| Write off of non qualifying intangible assets recorded under Greek GAAP. | (146) | (561) | 26 | (531) |
| Accrual for untaken vacation | (1,093) | (946) | (977) | (846) |
| Reclassification of State Subsidies/Grants from Equity to Deferred Income and recalculation of its amortization according to the relative fixed assets useful life. | (5,626) | (5,681) | (5,626) | (5,681) |
| Share issue expenses net of tax set off against share premium. | (780) | (1,561) | (780) | (1,561) |
| Unrealized exchange differences deferred for Greek GAAP reversed for IFRS. | 44,464 | 38,183 | 44,428 | 38,029 |
| Reclassification of own shares from current assets per Greek GAAP to equity per IFRS | (113) | (1,385) | (113) | (1,385) |
| Recognition of deferred taxation per IFRS | (20,399) | (20,998) | (19,920) | (20,141) |
| Miscellaneous | (1,446) | (1,423) | (914) | (824) |
| **Total (B)** | **167,291** | **113,592** | **163,429** | **109,300** |
| **Total (A + B)** | **118,399** | **64,908** | **124,619** | **71,633** |
| **IFRS Equity** | **297,958** | **234,526** | **301,992** | **237,452** |

## 36. Profits Reconciliation for the Group and the Company between Greek GAAP and IFRS for the Year 1/1/2004 – 31/12/2004

| In 000´s Euros | GROUP | COMPANY |
|---|---|---|
| | Profit | Profit |
| **GREEK GAAP opening equity.** | **155,947** | **155,414** |
| **A. Adjustments according to the qualifications of the certified public accountants** | | |
| Actuarial valuation for statutory staff retirement benefit | (4,113) | (3,842) |
| Provision for voluntary benefit plan based on actuarial valuation | 902 | 1,046 |
| Bad debt provision | 1,653 | 1,653 |
| Adjustment to opening goodwill amortization in accordance with Greek GAAP | 1,350 | - |
| **Total (A)** | **(208)** | **(1,143)** |
| **B. Adjustments due to differences between Greek GAAP and IFRS** | | |
| Dividends approved after balance sheet date reversed for IFRS | - | - |
| Adjustment as a result of depreciation being provided over estimated useful life for IFRS. | 6,099 | 6,192 |
| Write off of non qualifying intangible assets recorded under Greek GAAP. | 16 | 156 |
| Accrual for untaken vacation | (147) | (131) |
| Reclassification of State Subsidies/Grants from Equity to Deferred Income and recalculation of its amortization according to the relative fixed assets useful life. | (252) | (252) |
| Share issue expenses net of tax set off against share premium. | 780 | 780 |
| Unrealized exchange differences deferred for Greek GAAP reversed for IFRS. | 6,282 | 6,399 |
| Reclassification of own shares from current assets per Greek GAAP to equity per IFRS | | |
| Recognition of deferred taxation per IFRS | 599 | 220 |
| Income tax for the year | (51,485) | (48,992) |
| Depreciation on spare parts | (40) | (40) |
| Difference arising on adjusting inventories valuation method | (80) | (80) |
| Accounting for relating land acquisition cost expenses | 30 | 30 |
| Reverse of the depreciation of the borrowing cost for the Hydrocracker | 400 | 400 |
| Allocation of fixed assets depreciation to inventories | 100 | 100 |
| Provision for obsolete inventories | | |
| Goodwill on consolidation | 67 | |
| Prior years tax differences | (150) | |
| Property Tax and B.O.D Fee | (406) | (393) |
| **Total (B)** | **(38,187)** | **(35,512)** |
| **Total (A + B)** | **(38,395)** | **(36,755)** |
| **IFRS Equity** | **117,552** | **118,660** |

# T R A N S L A T I O N

## AUDITORS' REPORT

To the Shareholders of
Motor Oil (Hellas) Corinth Refineries S.A.

We have audited the accompanying financial statements as well as the consolidated financial statements of "Motor Oil (Hellas) Corinth Refineries S.A.", as of and for the year ended December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement presentation as well as assessing the consistency of the Board of Directors' report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements give a true and fair view of the financial position of the Company and that of the Group (of which this Company is the Holding Company) as of December 31, 2005 and of the results of its operations, and those of the Group and their cash flows and changes in shareholders' equity for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union and the content of the Board of Directors' Report is consistent with the aforementioned financial statements.

Without qualifying our report, we draw your attention to note 31 to the financial statements which refers to the tax position of the Company and the Group and especially the unaudited fiscal years. The liability, if any, that may result from such audits can not be estimated with reasonable accuracy.

Athens, February 25, 2006
The Certified Public Accountant
George D. Cambanis
Reg. No (ICPA (GR)): 10761
250-254Kifissias Ave., 152 31 Halandri
Deloitte.