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 2006
FOR THE GROUP AND THE COMPANY
«MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.»
Headquarters: Irodou Attikou 12^A, 151 24 Maroussi, Attica

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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 Thursday February 22, 2007 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 J. VARDINOYANNIS	PETROS T. TZANNETAKIS	THEODOROS N. PORFIRIS

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

Income Statement for the year ended 31 December 2006

In 000´s Euros (except for "earnings per share")		GROUP		COMPANY	
	Note	**1.1.2006-31.12.2006**	**1.1.2005-31.12.2005**	**1.1.2006-31.12.2006**	**1.1.2005-31.12.2005**
Continuing Operations					
Revenue	3	3,977,091	3,237,376	3,629,694	2,923,769
Cost of Sales	6	(3,729,274)	(2,952,147)	(3,427,013)	(2,682,623)
Gross profit		**247,817**	**285,229**	**202,681**	**241,146**
Distribution expenses		(47,747)	(44,097)	(12,748)	(12,801)
Administrative expenses		(27,576)	(22,672)	(19,727)	(14,805)
Other operating income/expenses	5	50,249	(14,112)	45,126	(17,322)
Profit from operations	6	**222,743**	**204,348**	**215,332**	**196,218**
Investment income	7	4,471	1,474	6,574	4,773
Share of profits/(loss) in associates	15	(189)	166	0	0
Finance costs	8	(35,858)	(14,631)	(32,307)	(12,461)
Profit before taxes		**191,167**	**191,357**	**189,599**	**188,530**
Income tax	9	(63,576)	(59,722)	(62,125)	(57,843)
Profit after taxes attributable to shareholders of the parent company		**127,591**	**131,635**	**127,474**	**130,687**
Earnings per share basic and diluted (in Euros)	11	**1.15**	**1.19**	**1.15**	**1.18**

The notes on pages 7-39 are an integral part of these Financial Statements.

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.
Balance Sheet as at 31st December 2006

In 000´s Euros	Note	GROUP		COMPANY	
		31.12.2006	**31.12.2005**	**31.12.2006**	**31.12.2005**
ASSETS					
Non-current assets					
Goodwill	12	16,200	16,200	0	0
Other intangible assets	13	4,129	3,553	559	871
Property, Plant and Equipment	14	729,751	733,951	691,481	698,065
Investments in subsidiaries and associates	15	3,646	3,664	38,528	38,608
Available for sale investments	16	927	927	927	927
Other non-current assets	17	11,158	11,965	1,280	969
Total		**765,811**	**770,260**	**732,775**	**739,440**
Current assets					
Inventories	18	187,522	314,344	182,122	308,225
Trade and other receivables	19	326,720	304,486	252,727	248,756
Cash and cash equivalents	20	8,785	9,211	6,533	6,740
Total		**523,027**	**628,041**	**441,382**	**563,721**
Total Assets	4	**1,288,838**	**1,398,301**	**1,174,157**	**1,303,161**
LIABILITIES					
Non-current liabilities					
Bank loans	21	317,048	359,880	287,048	329,880
Provision for retirement benefit obligation	34	50,038	48,637	46,488	45,275
Deferred tax liabilities	22	20,248	11,660	19,751	11,141
Other non-current liabilities		1,260	1,188	2	2
Deferred income		5,057	4,819	5,057	4,819
Total		**393,651**	**426,184**	**358,346**	**391,117**
Current liabilities					
Trade and other payables	23	123,388	274,641	102,591	253,876
Provision for retirement benefit obligation	34	2,160	2,526	2,117	2,403
Income Taxes		6,404	41,049	6,139	40,570
Bank loans	21	421,543	317,935	360,303	276,143
Deferred income		411	415	411	415
Total		**553,906**	**636,566**	**471,561**	**573,407**
Total Liabilities	4	**947,557**	**1,062,750**	**829,907**	**964,524**
EQUITY					
Share capital	24	33,235	33,235	33,235	33,235
Share premium	25	49,528	49,528	49,528	49,528
Own shares	26	0	0	0	0
Reserves	27	79,521	76,393	77,136	75,374
Retained earnings	28	178,997	176,395	184,351	180,500
Total Equity		**341,281**	**335,551**	**344,250**	**338,637**
Total Equity and Liabilities		**1,288,838**	**1,398,301**	**1,174,157**	**1,303,161**

The notes on pages 7-39 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 2006

GROUP In 000´s Euros	**Share capital**	**Share premium**	**Reserves**	**Treasury Shares**	**Retained earnings**	**Total**
Balance as at 1 January 2005	33,235	49,528	76,319	(113)	138,989	297,958
Profit for the year					131,635	131,635
Dividends					(94,155)	(94,155)
Treasury shares sales				113		113
Transfer to reserves	-	-	74	-	(74)	0
Balance as at 31 December 2005	**33,235**	**49,528**	**76,393**	**0**	**176,395**	**335,551**
Profit for the year					127,591	127,591
Dividends					(121,861)	(121,861)
Transfer to reserves	-	-	3,128	-	(3,128)	0
Balance as at 31 December 2006	**33,235**	**49,528**	**79,521**	**0**	**178,997**	**341,281**

COMPANY In 000´s Euros	**Share capital**	**Share premium**	**Reserves**	**Own Shares**	**Retained earnings**	**Total**
Balance as at 1 January 2005	33,235	49,528	75,487	(113)	143,855	301,992
Profit for the year					130,687	130,687
Dividends					(94,155)	(94,155)
Treasury 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**
		-				
Profit for the year					127,474	127,474
Dividends					(121,861)	(121,861)
Transfer to reserves	-	-	1,762	-	(1,762)	0
Balance as at 31 December 2006	**33,235**	**49,528**	**77,136**	**0**	**184,351**	**344,250**

The notes on pages 7-39 are an integral part of these Financial Statements.

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

Cash Flow Statement for the year ended 31 December 2006

In 000´s Euros	Note	GROUP		COMPANY	
		1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Operating activities:					
Profit for the year		191,167	191,357	189,599	188,530
Adjustments for:					
Depreciation	6	47,300	25,959	43,272	22,516
Provisions		1,534	3,829	927	3,546
Exchange differences		(15,050)	(1,061)	(15,185)	(903)
Investment income		(4,252)	(1,246)	(6,225)	(4,649)
Finance costs	8	35,858	14,631	32,307	12,461
Movements in working capital:					
Decrease/(increase) in inventories		126,822	(151,168)	126,103	(151,347)
Decrease / (Increase) in receivables		(22,707)	(110,704)	(4,532)	(94,915)
(Decrease) / Increase in payables excluding banks		(161,247)	76,172	(161,293)	73,854
Less:					
Finance costs paid		(35,286)	(20,465)	(31,845)	(18,388)
Taxes paid		(89,670)	(60,641)	(87,894)	(58,666)
Net cash from operating activities (a)		**74,469**	**(33,337)**	**85,234**	**(27,961)**
Investing activities:					
(Increase) / Decrease of interest in subsidiaries & associates		(121)	(278)		(140)
Purchase of tangible and intangible assets		(44,568)	(164,502)	(36,697)	(154,515)
Proceeds on disposal of tangible and intangible assets		1,260	390	30	3
Proceeds on sale of investment securities		2,800		1,600	
Interest received		1,500	1,169	898	621
Dividends received		312	306	4,156	4,153
Net cash used in investing activities (b)		**(38,817)**	**(162,915)**	**(30,013)**	**(149,878)**
Financing activities:					
New bank loans raised		692,699	589,826	549,848	477,808
Repayments of borrowings		(606,576)	(333,919)	(483,075)	(240,612)
Dividends paid		(122,201)	(94,043)	(122,201)	(94,043)
Net cash (used in) from financing activities (c)		**(36,078)**	**161,864**	**(55,428)**	**143,153**
Net Increase / (Decrease) in cash and cash equivalents (a)+(b)+(c))		**(426)**	**(34,388)**	**(207)**	**(34,686)**
Cash and cash equivalents at the beginning of the year		**9,211**	**43,599**	**6,740**	**41,426**
Cash and cash equivalents at the end of the year		**8,785**	**9,211**	**6,533**	**6,740**

The notes on pages 7-39 are an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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 a public company (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 Group 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 10.5% of Company shares respectively. It is noted that on 23 March 2006 "Petroshares ltd" sold 5.9% of its shares through an accelerated book building process to international and domestic institutional investors.

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 2006 the number of employees, for the Group and the Company, was 1,411 and 1,197 persons respectively. (31/12/2005: Group: 1,369 persons, Company: 1,157 persons)

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which are effective at the date of preparing these financial statements as issued by the IASB and adopted by the European Union (EU). The Group is not affected by the sections not adopted by the EU which relate to hedging of deposit portfolios as stated in IAS 39.

The financial statements have been prepared on the historical cost basis.

New and revised standards and interpretations

Certain new standards, interpretations and revisions to existing standards have been published that are mandatory for financial years beginning on or after May 1, 2006. Management's estimation of the impact and adoption of these are as follows:

IFRS 7, "Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements" Capital Disclosures (effective for financial years beginning on or after 1 January 2007) IFRS 7 provides for further disclosures in relation to financial instruments in order to improve the information about the disclosure of qualitative and quantitative information for exposure to risks arising from financial instruments such as credit risk, liquidity risk and market risk (sensitivity analysis to market risk). The amendment to IAS 1 introduces disclosures about the level and the way an entity's manages its capital. The Group will apply IFRS 7 and the amendment to IAS 1 for the year commencing 1.1.2007 and will present the additional disclosures.

IFRS 8, "Operating Segments" (effective for financial years beginning on or after 1 January 2009). IFRS 8 replaces IAS 14 "Segment Reporting" and adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments of a group. This Standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this new standard and will apply it when necessary as well as the Group estimates that there will be no material changes from the corresponding current information.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (effective for financial years beginning on or after 1 March 2006) IFRIC 7 requires entities to apply IAS 29 Financial Reporting in Hyperinflationary Economies in the reporting period in which an entity first identifies the existence of hyperinflation in the economy of its functional currency, as if the economy had always been hyperinflationary. IFRIC 7 is not relevant to the Group's operations.

IFRIC 8, Scope of IFRS 2 "Share-based payments" (effective for financial years beginning on or after 1 May 2006). IFRIC 8 clarifies that IFRS 2 will apply to any arrangement when equity instruments are granted or liabilities (based on the value of an entity's equity instruments) are incurred by an entity, when the identifiable consideration appears to be less that the fair value of the instruments given. IFRIC 8 is not relevant to the Group's operations as there are no share based payments.

IFRIC 9, Reassessment of Embedded Derivatives (effective for financial years beginning on or after 1 June 2006) IFRIC 9 requires an entity to assess whether a contract contains an embedded derivative at the date an entity first becomes a party to the contract and prohibits reassessment unless there is a change to the contract that significantly modifies the cash flows. IFRIC 9 is not relevant to the Group's operations.

IFRIC 10, Interim Financial Reporting and Impairment (effective for financial years beginning on or after 1 November 2006). IFRIC 10 prohibits the reversal of impairment losses recognised in the interim financial statements in relation to available for sale equity investments, unquoted equity instruments carried at cost and goodwill. This Interpretation has not yet been endorsed by the EU however the Group will apply IFRIC 10 from 1.1.2007 and it is not expected to have any financial impact on the financial statements.

IFRIC 11, IFRS 2-Group and Treasury Share Transactions (effective for financial years beginning on or after 1 March 2007) This Interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme by an entity even if the entity chooses or is required to buy those equity instruments from another party, or the shareholders of the entity provide the equity instruments needed. The Interpretation also extends to the way in which subsidiaries, in their separate financial statements, account for schemes when their employees receive rights to equity instruments of the parent company. This Interpretation has not yet been endorsed by the EU and is not relevant to the Group's operations.

IFRIC 12, Service Concession Arrangements (effective for financial years beginning on or after 1 January 2008). IFRIC 12 provides for an approach to account for contractual arrangements arising from entities providing public services. IFRIC 12 has not yet been endorsed by the EU and is not relevant to the Group's operations as the Group is not involved in the provision of public services.

The principal accounting policies adopted which are consistent with those of the prior year 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 unless these investments are classified as available for sale. 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.

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.

2. 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

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, plus any additional tax from the prior years tax audit.

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.

2. 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and the Company's emission rights.
These assets are initially recorded at acquisition cost and then depreciated, using the straight-line method, based on expected useful lives in respect of software, and in respect of leasing/emission rights, over the period the Group entitled to the rights.

The useful life of these assets is noted bellow:

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

Emission Rights

Emission Rights are accounted under the net liability method, based on which the Company recognises a liability for emissions when the emissions are made and are in excess of the allowances allocated. Emission Rights acquired in excess of those required to cover the relevant shortages are recognized as an intangible asset at cost. Profit and/or loss arising on sale of emission rights is recognized in the Income Statement.

Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

The Company is a member of IOPC Fund (International Oil Pollution Compensation Fund) an international organisation for the protection of the environment from oil pollution. The Company is obliged to pay contributions to this organisation in case of a relevant accident. These liabilities are accounted for according to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" while any refund is accounted for upon receipt.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with original maturity of 3 months or less.

Available for sale investments

Investments in unlisted equity shares are classified as available for sale and are stated at cost as their fare value cannot be reliably estimated.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 preparation of the financial statements presumes that various estimations and assumptions are made by the Group's management which possibly affect the carrying values of assets and liabilities and the required disclosures for contingent assets and liabilities as well as the amounts of income and expenses recognized. The use of adequate information and the subjective judgment used are basic for the estimates made for the valuation of assets, liabilities derived from employees benefit plans, impairment of receivables, unaudited tax years and pending legal cases. The estimations are important but not restrictive. The actual future events may differ than the above 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 30.
Other sources of uncertainty relate to the assumptions made by the management regarding the employees benefit plans such as payroll increase, remaining years to retiring, inflation rates etc and other sources of uncertainty is the estimation for the fixed assets useful life. The above estimations and assumptions are based to the up todate experience of the management and are re-evaluated so as to be updated to the current market conditions.

3. REVENUE

An analysis of the revenue, is as follows:

In 000´s Euros	GROUP 1/1 – 31/12/06	GROUP 1/1 – 31/12/05	COMPANY 1/1 – 31/12/06	COMPANY 1/1 – 31/12/05
Sales of goods	3,977,091	3,237,376	3,629,694	2,923,769

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 – 31/12/06			1/1 – 31/12/05		
SALES	**DOMESTIC**	**EXPORT**	**TOTAL**	**DOMESTIC**	**EXPORT**	**TOTAL**
Products	1,774,220	1,085,431	2,859,651	827,388	1,181,274	2,008,662
Merchandise	664,863	452,577	1,117,440	755,479	473,235	1,228,714
TOTAL	**2,439,083**	**1,538,008**	**3,977,091**	**1,582,867**	**1,654,509**	**3,237,376**

COMPANY

In 000´s Euros	1/1 – 31/12/06			1/1 – 31/12/05		
SALES	**DOMESTIC**	**EXPORT**	**TOTAL**	**DOMESTIC**	**EXPORT**	**TOTAL**
Products	1,774,219	1,085,431	2,859,650	827,388	1,181,274	2,008,662
Merchandise	361,994	408,050	770,044	479,548	435,559	915,107
TOTAL	**2,136,213**	**1,493,481**	**3,629,694**	**1,306,936**	**1,616,833**	**2,923,769**

Based on historical information of the Company and the Group, the quarterly sales volume varies from 22% to 29% of annual sales volume and thus there is no material seasonality on the total sales volume.

4. 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 have 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:

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Income Statement

In 000´s Euros	01.01-31.12.2006				01.01-31.12.2005			
Business Operations	**Refinery's Activities**	**Sales to Gas Stations**	**Eliminations**	**Total**	**Refinery's Activities**	**Sales to Gas Stations**	**Eliminations**	**Total**
External sales	3,181,589	795,502	0	3,977,091	2,532,106	705,270	0	3,237,376
Inter-segment sales	448,105	14	(448,119)	0	391,663	14	(391,677)	0
Total revenue	3,629,694	795,516	(448,119)	3,977,091	2,923,769	705,284	(391,677)	3,237,376
Cost of Sales	(3,427,013)	(750,423)	448,162	(3,729,274)	(2,682,623)	(661,492)	391,968	(2,952,147)
Gross profit	**202,681**	**45,093**	**43**	**247,817**	**241,146**	**43,792**	**291**	**285,229**
Distribution costs	(12,748)	(36,225)	1,226	(47,747)	(12,801)	(32,326)	1,030	(44,097)
Administrative expenses	(19,727)	(7,888)	39	(27,576)	(14,805)	(7,906)	39	(22,672)
Other operating income/expense	45,126	6,386	(1,263)	50,249	(17,322)	4,275	(1,065)	(14,112)
Segment result from operations	**215,332**	**7,366**	**45**	**222,743**	**196,218**	**7,835**	**295**	**204,348**
Investment revenues	6,574	1,896	(4,188)	4,282	4,773	(701)	(2,432)	1,640
Finance cost	(32,307)	(3,551)	0	(35,858)	(12,461)	(2,171)	1	(14,631)
Profit before tax	**189,599**	**5,711**	**(4,143)**	**191,167**	**188,530**	**4,963**	**(2,136)**	**191,357**
Other information								
Capital additions	36,697	7,871	0	44,568	154,515	9,987		164,502
Depreciation/amortization	43,272	4,028	0	47,300	22,516	3,443		25,959
Balance Sheet								
Assets								
Segment assets (except investments)	1,134,702	168,557	(18,994)	**1,284,265**	1,263,626	148,035	(17,951)	**1,393,710**
Investments in:								
Subsidiaries & associates	38,528	1,299	(36,181)	**3,646**	38,608	910	(35,854)	**3,664**
Related parties	927	904	(904)	**927**	927	1,042	(1,042)	**927**
Total assets	**1,174,157**	**170,760**	**(56,079)**	**1,288,838**	**1,303,161**	**149,987**	**(54,847)**	**1,398,301**
Total liabilities	**829,907**	**152,639**	**(34,989)**	**947,557**	**964,524**	**132,153**	**(33,927)**	**1,062,750**

Sales to foreign customers representing more than 10% of foreign sales concern sales to U.S.A amounting to € 339,003 thousand for 2005 or 11.6% (2006: € 36,618 thousand or 1.0%).

5. OTHER OPERATING INCOME / (EXPENSES)

In 000´s Euros	GROUP		COMPANY	
	1/1 – 31/12/06	**1/1 – 31/12/05**	**1/1 – 31/12/06**	**1/1 – 31/12/05**
Foreign exchange -(losses)	(38,913)	(60,089)	(39,047)	(59,497)
Foreign exchange -gains	75,955	35,876	76,037	35,046
Income from services rendered	7,627	6,687	8,779	6,651
Rental Income	3,693	3,568	40	36
Other Income/(Expenses)	1,887	(154)	(683)	442
Total	**50,249**	**(14,112)**	**45,126**	**(17,322)**

6. PROFIT FROM OPERATIONS

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

In 000´s Euros	GROUP		COMPANY	
	1/1 – 31/12/06	**1/1 – 31/12/05**	**1/1 – 31/12/06**	**1/1 – 31/12/05**
Amortization of intangible assets	1,065	566	496	414
Depreciation of property, plant and equipment	46,235	25,393	42,776	22,102
Total depreciation/amortization	47,300	25,959	43,272	22,516
Government grants amortization	(411)	(415)	(411)	(415)
Personnel salaries	64,776	67,131	56,250	59,215
Employer´s contribution	12,520	11,934	10,164	9,787
Defined benefit plans	3,776	5,049	3,671	4,754
Termination benefits	3,185	2,446	3,151	2,403
Total payroll costs	84,257	86,560	73,236	76,159

7. INVESTMENT INCOME

Income from investments, is as follows:

In 000´s Euros	GROUP		COMPANY	
	1/1 – 31/12/06	**1/1 – 31/12/05**	**1/1 – 31/12/06**	**1/1 – 31/12/05**
Interest on bank deposits	1,499	1,096	898	548
Dividends received	312	306	4,156	4,153
Other investment income	0	72	0	72
Profit on Sale of Investment	2,660	0	1,520	0
TOTAL INVESTMENT INCOME	**4,471**	**1,474**	**6,574**	**4,773**

Profit on Sale of Investment represents the net gain on the sale of 70% of “CORINTH POWER S.A.”.

8. FINANCE COSTS

In 000´s Euros	GROUP		COMPANY	
	1/1 – 31/12/06	**1/1 – 31/12/05**	**1/1 – 31/12/06**	**1/1 – 31/12/05**
Interest on bank loans & related expenses	35,858	22,075	32,307	19,905
Less: amounts included in the cost of qualifying assets	0	(7,444)	0	(7,444)
TOTAL FINANCE COST	**35,858**	**14,631**	**32,307**	**12,461**

Borrowing costs capitalized represent the borrowing cost of the loan 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, up to the date the asset was brought into use.

9. INCOME TAX EXPENSES

In 000´s Euros	GROUP		COMPANY	
	1/1 – 31/12/06	**1/1 – 31/12/05**	**1/1 – 31/12/06**	**1/1 – 31/12/05**
Current corporation tax for the year	46,068	69,354	44,595	67,515
Tax audit differences from prior years	10,186	0	10,186	0
Less: Income tax discount	(1,266)	(893)	(1,266)	(893)
	54,988	68,461	53,515	66,622
Deferred tax (note 22)	8,588	(8,739)	8,610	(8,779)
Total	**63,576**	**59,722**	**62,125**	**57,843**

Domestic income tax is calculated at 29% on the estimated tax assessable profit for the year 2006 (2005:32%).

According to the tax audit outcome for the years 2000 to 2004, the additional taxes assessed to the Company amount to Euro 10,186 thousand (of which an amount of Euro 5,755 thousand concerns tax relating to expenses disallowed and Euro 4,431 thousand concerns surcharges).

9. 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 – 31/12/06	1/1 – 31/12/05	1/1 – 31/12/06	1/1 – 31/12/05
Tax at the domestic income tax rate	29.0%	32.0%	29.0%	32.0%
Tax effects from:				
Tax audit differences	5.3%	0.0%	5.4%	0.0%
Tax effect of non tax deductible expenses	0.1%	0.1%	0.1%	0.1%
Tax effect of tax free income	-0.2%	-0.1%	-0.6%	-0.7%
Effect of change in income tax rate	-0.3%	-0.3%	-0.4%	-0.3%
Income tax discount	-0.7%	-0.5%	-0.7%	-0.5%
Effective tax rate for the year	**33.2%**	**31.2%**	**32.8%**	**30.7%**

10. 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 (1.1-31.12.2005) amounted to € 1.10 per share, of which an interim dividend of € 0.20 per share was paid in December 2005 and accounted for in 2005, and € 0.90 has been accounted for in 2006. The Management of the Company has proposed to the coming Annual General Assembly Meeting the distribution of total dividends for 2006 of € 127,400,427 (or € 1.15 per share). It is noted that an interim dividend of € 22,156,596 (€ 0.20 per share) for 2006 has been paid and accounted for in December 2006, while the remaining € 0.95 per share will be accounted for in 2007.

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.

11. 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 – 31/12/06	1/1 – 31/12/05	1/1 – 31/12/06	1/1 – 31/12/05
Earnings	127,591	131,635	127,474	130,687
Weighted average number of ordinary shares for the purposes of basic earnings per share	110,782,980	110,715,732	110,782,980	110,715,732
Earnings per share basic and diluted in €	**1.15**	**1.19**	**1.15**	**1.18**

12. GOODWILL

There was no change in Goodwill for the year ended December 31, 2006 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 the years in which it is owned by the Group. The Group performs on an annual basis impairment testing on Goodwill from which no need for impairment has arisen.

13. OTHER INTANGIBLE ASSETS

The carrying amount of the intangible assets represent software purchases and rights to operate gas stations on leasehold property. The movement during periods 1/1 – 31/12/2005 and 1/1 – 31/12/2006 is presented in the following table.

In 000´s Euros		GROUP		COMPANY
	Software	**Rights**	**Total**	**Software**
COST				
As at 1 January 2005	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
Additions	373	1,183	1,556	99
Transfers	85	0	85	85
As at 31 December 2006	**11,041**	**3,690**	**14,731**	**9,163**
ACCUMULATED DEPRECIATION				
As at 1 January 2005	8,730	241	8,971	7,694
Charge for the year	396	170	566	414
As at 31 December 2005	9,126	411	9,537	8,108
Charge for the year	688	377	1,065	496
As at 31 December 2006	**9,814**	**788**	**10,602**	**8,604**
CARRYING AMOUNT				
As at 31 December 2005	**1,457**	**2,096**	**3,553**	**871**
As at 31 December 2006	**1,227**	**2,902**	**4,129**	**559**

14. PROPERTY, PLANT AND EQUIPMENT

The movement in the Group's fixed assets during periods 1/1 – 31/12/2005 and 1/1 – 31/12/2006 is presented below:

GROUP In 000´s Euros	Land and buildings	Plant & machinery / Transportation means	Fixtures and equipment	Assets under construction	Total
COST					
As at 1 January 2005	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
Additions	1,718	6,822	1,194	33,278	43,012
Disposals	(437)	(1,070)	(427)	0	(1,934)
Transfers	7,042	25,940	284	(33,351)	(85)
As at 31 December 2006	**134,536**	**764,226**	**17,882**	**51,723**	**968,367**
ACCUMULATED DEPRECIATION					
As at 1 January 2005	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
Charge for the year	2,524	42,223	1,488	0	46,235
Disposals	(7)	(639)	(396)	0	(1,042)
As at 31 December 2006	**11,700**	**216,122**	**10,794**	**0**	**238,616**
CARRYING AMOUNT					
As at 31 December 2005	**117,030**	**557,996**	**7,129**	**51,796**	**733,951**
As at 31 December 2006	**122,836**	**548,104**	**7,088**	**51,723**	**729,751**

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The movement in the Company's fixed assets during periods 1/1 – 31/12/2005 and 1/1 – 31/12/2006 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 2005	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
Additions	953	1,612	1,091	32,942	36,598
Disposals	(20)	(661)	(15)	0	(696)
Transfers	7,032	25,950	284	(33,351)	(85)
As at 31 December 2006	**121,100**	**719,274**	**15,116**	**50,272**	**905,762**
ACCUMULATED DEPRECIATION					
As at 1 January 2005	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
Charge for the year	2,094	39,417	1,265	0	42,776
Disposals	0	(360)	(15)	0	(375)
As at 31 December 2006	**8,780**	**196,111**	**9,390**	**0**	**214,281**
CARRYING AMOUNT					
As at 31 December 2005	**106,449**	**535,319**	**5,616**	**50,681**	**698,065**
As at 31 December 2006	**112,320**	**523,163**	**5,726**	**50,272**	**691,481**

Plant & machinery/Transportation means includes € 7,327 thousand as capitalized borrowing costs from which € 6,980 thousand concern interest with an average interest rate of 3.32% and € 347 thousand expenses on issue of the loan.

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.

BANK	**PRENOTICES**		**MORTGAGES**
	000´s €	**000´s $**	**000´s €**
N.B.G	47,098	25,000	6
CITIBANK INTERNATIONAL PLC	0	0	275,000
TOTAL	**47,098**	**25,000**	**275,006**

15. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

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

Name	Place of incorporation and operation	Proportion of ownership interest	Principal activity
AVIN OIL	Greece, Maroussi of Attika	100%	Petroleum Products
AVIN ALBANIA S.A.	Tirana, Albania	100%	Petroleum Products (dormant)
OLYMPIC FUEL COMPANY S.A.	Greece, Spata of Attika	28%	Aviation Fueling Systems
BRODERICO LTD	Cyprus, Nicosia	100%	Commerce, Investments and Rendering of Services (dormant)
HELLENIC AVIATION FUEL COMPANY S.A. (HAFCO S.A)	Greece, Maroussi of Attika	50%	Aviation Fueling Systems
CORINTH POWER S.A.	Greece, Maroussi of Attika	30%	Energy (dormant)

Investments in subsidiaries and associates are as follows:

Name	GROUP		COMPANY	
In 000´s Euros	31/12/2006	31/12/2005	31/12/2006	31/12/2005
AVIN OIL	0	0	37,564	37,564
AVIN ALBANIA S.A.	510	510	0	0
OLYMPIC FUEL COMPANY S.A.	2,949	3,000	904	904
BRODERICO LTD	60	0	0	0
HELLENIC AVIATION FUEL COMPANY S.A.(HAFCO S.A)	67	(46)	0	0
CORINTH POWER S.A.	60	200	60	140
TOTAL	**3,646**	**3,664**	**38,528**	**38,608**

Of the companies listed above, "AVIN OIL" is fully consolidated, "OLYMPIC FUEL COMPANY S.A." and "HELLENIC AVIATION FUEL COMPANY S.A." are consolidated using the equity method because the Group does not exercise control on them, "CORINTH POWER S.A.", "BRODERICO LTD", "AVIN ALBANIA S.A." are not consolidated but are stated at cost due to their insignificance and because they are dormant. The Group sold on 19 July 2006 70% of "CORINTH POWER S.A" from the 100% stake held and the capital gain accounted for in the current reporting year (included in "Profit on Sale of Investment", see note 7) was € 2,660 thousand.

15. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

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

In 000´s Euros	31/12/2006	31/12/2005
Acquisition cost	3,167	2,997
Share of profits	479	667
Investments in related parties	**3,646**	**3,664**

	31/12/2006	31/12/2005
Total assets	30,624	31,996
Total liabilities	(19,958)	(21,619)
Net assets	10,666	10,377
Group's share of related parties' net assets	**3,646**	**3,664**

Group's results from associates, are as follows:

In 000´s Euros	1/1 – 31/12/2006	1/1 – 31/12/2005
Sales	18,137	13,459
Profit after taxes	570	268
Group's share of associates´ profit for the year	**(189)**	**166**

16. AVAILABLE FOR SALE INVESTMENTS

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.

17. OTHER NON-CURRENT ASSETS

In 000´s Euros	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cheques receivable	405	5,445	0	0
Prepaid expenses	9,473	5,551	0	0
Guarantees	1,280	969	1,280	969
Total	**11,158**	**11,965**	**1,280**	**969**

Prepaid expenses include long term rental prepayments to secure gas station premises and other prepayments of long term nature, which are non interest bearing. These amounts are recognised at fair value.

18. INVENTORIES

In 000´s Euros	GROUP 31/12/2006	GROUP 31/12/2005	COMPANY 31/12/2006	COMPANY 31/12/2005
Merchandise	10,980	61,507	5,899	55,648
Raw materials	80,943	169,657	80,625	169,397
Raw materials in transit	0	30,203	0	30,203
Products	95,599	52,977	95,598	52,977
Total inventories	**187,522**	**314,344**	**182,122**	**308,225**

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 (cost of sales) for the Group and the Company:

In 000´s Euros	2006	2005
Products	8,533	2,583
Merchandise	531	42
Raw materials	2,035	1,604
Total	**11,099**	**4,229**

The cost of inventories recognized as an expense during the current and prior year for the Group was for 2006 € 3,676,369 and for 2005 € 2,925,856 (Company: 2006: € 3,373,108, 2005: € 2,656,332)

19. TRADE AND OTHER RECEIVABLES

Trade and other receivables at the balance sheet date comprise mainly amounts receivable from the sale of goods of € 227 million (31/12/2005: € 215 million). Company's trade and other receivables at the balance sheet date comprise of amounts receivable from the sale of goods of € 212 million (31/12/2005: € 217 million). Analysis of the trade and other receivable, are as follows:

In 000´s Euros	GROUP 31/12/2006	GROUP 31/12/2005	COMPANY 31/12/2006	COMPANY 31/12/2005
Trade receivables	222,573	211,304	172,520	178,387
Provision for doubtful debts	(943)	(500)	0	0
Related parties	4,993	4,645	39,895	38,476
Cheques receivable	56,021	52,507	1,255	512
Debtors	24,547	27,315	22,791	24,431
Prepayments	19,110	8,341	15,876	6,280
Other	419	873	390	671
Total	**326,720**	**304,486**	**252,727**	**248,756**

The average credit period on sales of goods for the parent company is 20 days while for the subsidiary is 35 days. Thereafter, interest is charged on the outstanding balance.

19. TRADE AND OTHER RECEIVABLES (continued)

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

The provision for doubtful trade receivables has increased during 2006 by € 443 thousand in the subsidiary's books to cover additional bad debts.

20. 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.

	Group		Company	
In 000´s Euros	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cash at bank	8,695	9,078	6,468	6,667
Cash on hand	90	133	65	73
Total	**8.785**	**9.211**	**6.533**	**6.740**

21. BANK LOANS

	GROUP		COMPANY	
In 000´s Euros	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Bank loans	740,438	680,087	649,198	608,295
Less: Bond loan expenses*	(1,847)	(2,272)	(1,847)	(2,272)
Total loans	738,591	677,815	647,351	606,023
The borrowings are repayable as follows:				
On demand or within one year	421,543	317,935	360,303	276,143
In the second year	60,000	30,000	30,000	30,000
From the third to fifth years inclusive	258,895	247,152	258,895	217,152
After five years	0	85,000	0	85,000
Less: Bond loan expenses*	(1,847)	(2,272)	(1,847)	(2,272)
Total loans	738,591	677,815	647,351	606,023
Less: Amount payable within 12 months (shown under current liabilities)	421,543	317,935	360,303	276,143
Amount payable after 12 months	317,048	359,880	287,048	329,880

*The bond loan expenses relating to the loan, acquired exclusively to finance the refinery's new hydrocracker unit will be amortised over the number of years remaining to loan maturity.

21. BANK LOANS (continued)

Analysis of borrowings by currency on 31/12/06 and 31/12/05:

	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
In 000´s Euros				
Loan's currency				
EURO	340,240	421,889	249,000	350,098
U.S DOLLARS	264,617	166,993	264,617	166,992
SWISS FRANC	135,581	91,205	135,581	91,205
Total	**740,438**	**680,087**	**649,198**	**608,295**

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 initially amounting to € 250,000 thousand. This loan was drawn down in five instalments, starting on 31/8/2004 and ending on 2/6/2005. It is repayable in semi-annual instalments commencing on 31/12/2005 and the last instalment is due on 30/6/2011. This balance at the end of the year (31/12/2006) is € 205,000 thousand. This loan is secured with mortgages registered on fixed assets of the Group amounting to € 275,000 thousand.

Another loan amounting $ 150,000 thousand (or € 113,895 thousand as at 31/12/2006) concerns a long-term loan, granted on 22/12/2005 which will be repaid in total by 19/12/2010.

Total short-term loans (incl. short-term part of long-term loans) with duration up to one year amount to € 360,303 thousand. There are outstanding mortgages and pledges against these loans as mentioned above in note number 14.

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 € 61,240 thousand with duration up to one year.

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

22. 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 Deferred tax arising from:	1/1/2005	Income statement expense/(income)	31/12/2005	Income statement expense/(income)	31/12/2006
Difference in depreciation	20,112	2,272	22,384	4,497	26,881
Intangible assets recognized as expense	(411)	292	(119)	76	(43)
Gain from exchange differences	14,229	(13,919)	310	3,714	4,024
Retirement benefit obligations	(11,912)	(350)	(12,262)	463	(11,799)
Capitalised borrowing cost	0	1,883	1,883	(197)	1,686
Other differences between tax and accounting basis	(1,619)	1,083	(536)	35	(501)
Total	**20,399**	**(8,739)**	**11,660**	**8,588**	**20,248**

COMPANY Deferred tax arising from:	1/1/2005	Income statement expense/(income)	31/12/2005	Income statement expense/(income)	31/12/2006
Difference in depreciation	18,768	2,330	21,098	4,500	25,598
Intangible assets recognized as expense	(363)	307	(56)	53	(3)
Gain from exchange differences	14,217	(13,953)	264	3,760	4,024
Retirement benefit obligations	(11,112)	(279)	(11,391)	489	(10,902)
Capitalised borrowing cost	0	1,883	1,883	(197)	1,686
Other differences between tax and accounting basis	(1,590)	933	(657)	5	(652)
Total	**19,920**	**(8,779)**	**11,141**	**8,610**	**19,751**

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

In 000´s Euros	GROUP 31/12/2006	GROUP 31/12/2005	COMPANY 31/12/2006	COMPANY 31/12/2005
Deferred tax liabilities	35,915	24,577	34,108	23,245
Deferred tax assets	(15,667)	(12,917)	(14,357)	(12,104)
TOTAL	**20,248**	**11,660**	**19,751**	**11,141**

23. TRADE AND OTHER PAYABLES

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	**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Trade payable	70,952	190,330	54,533	173,880
Current liabilities of the related parties	35,808	71,685	35,762	71,688
Creditors	7,936	5,023	6,116	3,472
Other	8,692	7,603	6,180	4,836
Total	**123,388**	**274,641**	**102,591**	**253,876**

24. SHARE CAPITAL

In 000´s Euros	**31/12/2006**	**31/12/2005**
Authorized, issued and fully paid: (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.
Refer to note number 26 concerning the Company's treasury shares.

25. SHARE PREMIUM ACCOUNT

In 000´s Euros	**31/12/2006**	**31/12/2005**
Opening and closing balance for the year	49,528	49,528

26. TREASURY SHARES

In 000´s Euros	**31/12/2006**	**31/12/2005**
Opening balance of the year	0	113
Acquired in the year	0	0
Sold during the year	0	(113)
Closing balance of the year	**0**	**0**

According to a decision by the Annual Ordinary Shareholders' General Assembly Meeting of 23/5/06, the Company announced the termination of the share buy back programme approved of 31/5/05. Throughout the duration of the programme (period June 14th, 2005 - May 23rd, 2006) the Company did not effect any purchases and therefore it has no treasury shares in its portfolio.

27. RESERVES

Group's reserves, are as follows:

In 000´s Euros

TYPE OF RESERVE	1/1/2005	INCREASE (DECREASE) 2005	31/12/2005	INCREASE (DECREASE) 2006	31/12/2006
Legal	16,708	187	16,895	222	17,117
Special	2,007	0	2,007	1,762	3,769
Extraordinary	2,590	0	2,590	0	2,590
Tax-free	54,901	0	54,901	1,144	56,045
Treasury shares	113	(113)	0	0	0
TOTAL	**76,319**	**74**	**76,393**	**3,128**	**79,521**

Company's reserves, are as follows:

In 000´s Euros

TYPE OF RESERVE	1/1/2005	INCREASE (DECREASE) 2005	31/12/2005	INCREASE (DECREASE) 2006	31/12/2006
Legal	15,895	0	15,895	0	15,895
Special	2,007	0	2,007	1,762	3,769
Extraordinary	2,590	0	2,590	0	2,590
Tax-free	54,882	0	54,882	0	54,882
Treasury shares	113	(113)	0	0	0
TOTAL	**75,487**	**(113)**	**75,374**	**1,762**	**77,136**

Legal Reserve

5% of after tax profits must be transferred to a legal reserve 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 represent 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.

In the event of distribution of the tax free reserves, an amount of approximately € 14,0 million will be payable as tax at the tax rates currently prevailing.

28. RETAINED EARNINGS

In 000´s Euros	GROUP	COMPANY
Balance as at 31 December 2004	**138,989**	**143,855**
Dividends	(94,155)	(94,155)
Profit for the year	131,635	130,687
Transfer (to)/from	(74)	113
Balance as at 31 December 2005	**176,395**	**180,500**
Dividends	(121,861)	(121,861)
Profit for the year	127,591	127,474
Transfer to reserves	(3,128)	(1,762)
Balance as at 31 December 2006	**178,997**	**184,351**

29. ACQUISITION / ESTABLISHMENT OF SUBSIDIARY

On June 29, 2006, the Group incorporated the subsidiary company "BRODERICO LTD" with a share capital of € 60.000.. The newly established company has not commenced its activities up to the day of this report however the main activities of this company are commerce, Investments and Rendering of Services.

30. CONTINGENT LIABILITIES / COMMITMENTS

There are legal claims by third parties against the Group and the Company amounting to approximately € 51 million. There are also legal claims of the Group against third parties amounting to approximately € 79 million (Company: approximately € 67 million). No provision has been made as all above cases concern legal claims where the final outcome cannot be currently estimated. Also on February 5, 2007 the Greek Competition Committee, by its decision, imposed a fine upon the Company of €1,591 thousand, for its alleged participation in harmonised practices concerning the setting of the jet fuel selling prices. The Company considers the decision incorrect and unsubstantiated and will appeal to the relevant courts for the cancellation of this decision.

The Company has not been subject to a tax audit for the years from 2005 up to 2006. Avin Oil has not been subject to a tax audit for the years from 2003 up to 2006, Olympic Fuel Company SA has not been subject to a tax audit for the years from 2001 up to 2006 while HAFCO SA has not been audited by the Tax authorities since its establishment.

The Company and, consequently, the Group in order to complete its capital expenditures at the refinery, has entered into construction contracts with construction companies, the outstanding commitments of which, as at 31/12/2006, amounts to approximately € 8 million.

The Group companies have entered into contracts to purchase and sell crude oil and fuels, at current prices in line with the international market 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 31/12/2006, amounted to € 48,621 thousand. The respective amount as at 31/12/2005 was € 46,741 thousand.

30. CONTINGENT LIABILITIES / COMMITMENTS (continued)

The total amount of letters of guarantee given as security for the Company's liabilities as at 31/12/2006, amounted to € 1,347 thousand. The respective amount as at 31/12/2005 was € 1,271 thousand.

31. 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		COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Minimum lease payments under operating leases recognized as an expense for the period	8,321	6,366	3,526	2,488

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		COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Within one year	9,173	6,357	4,001	2,562
From the second to fifth years inclusive	34,502	24,767	16,588	10,376
After five years	45,436	22,596	17,083	-

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

The Group as Lessor

Rental income from operating lease contracts recognised as period income.

In 000´s Euros	GROUP		COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Rental income earned during the period	3,693	3,101	40	36

31. OPERATING LEASE ARRANGEMENTS (continued)

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

In 000´s Euros	GROUP 31/12/2006	GROUP 31/12/2005	COMPANY 31/12/2006	COMPANY 31/12/2005
Within one year	3,857	3,053	40	40
From the second to fifth years inclusive	13,180	11,448	163	162
After five years	13,447	13,122	-	-

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

32. EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred that could have a material impact on the Group's and Company's financial structure or operations since 31/12/2006 up to the date of issue of these financial statements.

33. 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	PAYABLES
GROUP	108,829	1,643,707	4,993	35,808
COMPANY	108,634	1,642,629	39,895	35,762

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 Group for the period 1/1 – 31/12/2006 and 1/1 – 31/12/2005 amounted to € 2,110 thousand and € 2,138 thousand respectively. (Company: 2006: € 1,859 thousand, 2005: € 2,138 thousand)

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

33. RELATED PARTY TRANSACTIONS (continued)

Other short term benefits granted to key management for the Group for the period 1/1 – 31/12/2006 amounted to € 106 thousand and 1/1 – 31/12/2005 amounted to € 177 thousand respectively. (Company: 2006: € 93 thousand, 2005: € 177 thousand)

Leaving indemnities to key management for the Group for 2006 amounted to € 457 thousand while for 2005 was 0. (Company: 2006: € 457 thousand, 2005: € 0)

Directors' Transactions

There are no other transactions, receivables and/or payables between Group companies and key management personnel.

34. 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 2006 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:	
	31/12/06	31/12/05
Key assumptions used:		
Discount rate	4.11%	3.73%
Expected return on plan assets	3.50%	3.50%
Expected rate of salary increases	3.50%	3.50%

34. RETIREMENT BENEFIT PLANS (continued)

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

In 000´s Euros	GROUP 31/12/06	GROUP 31/12/05	COMPANY 31/12/06	COMPANY 31/12/05
Present value of unfunded plan obligation	39,671	37,584	37,647	35,745
Present value of funded defined benefit obligation	30,003	27,747	26,823	24,920
Fair value of plan assets	(17,476)	(14,168)	(15,865)	(12,987)
Deficit	12,527	13,579	10,958	11,933
Net liability recognised in the balance sheet	52,198	51,163	48,605	47,678
Presented in the Balance Sheet:				
Current provision for retirement benefit	2,160	2,526	2,117	2,403
Non-current provision for retirement benefit	50,038	48,637	46,488	45,275
Total	**52,198**	**51,163**	**48,605**	**47,678**

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

In 000´s Euros	GROUP 31/12/06	GROUP 31/12/05	COMPANY 31/12/06	COMPANY 31/12/05
Current service cost	3,311	4,973	2,850	4,538
Interest cost less Expected return on plan assets	1,529	3,565	1,494	3,314
Net expense recognised in the Income Statement	**4,840**	**8,538**	**4,344**	**7,852**

The expected return on plan assets for the current year for the group and the Company amounts to € 563 thousand and € 522 thousand respectively

The above recognized expense is included into the Group's and the Company's operating expenses as follows:

In 000´s Euros	GROUP		COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Cost of Sales	2,689	4,742	2,689	4,859
Administration expenses	1,408	2,483	1,330	2,404
Distribution expenses	743	1,313	325	589
	4,840	**8,538**	**4,344**	**7,852**

34. RETIREMENT BENEFIT PLANS (continued)

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

In 000´s Euros	GROUP 31/12/2006	GROUP 31/12/2005	COMPANY 31/12/2006	COMPANY 31/12/2005
Defined benefit obligation 1/1/05	65,331	57,849	60,665	53,869
Service cost	3,311	4,973	2,850	4,538
Interest cost	2,092	3,565	2,016	3,314
Benefits paid	(1,061)	(1,056)	(1,061)	(1,056)
Defined benefit obligation 31/12/05	**69,673**	**65,331**	**64,470**	**60,665**

Movements in the present value of the plan assets in the current period were as follows:

In 000´s Euros	GROUR 31/12/2006	COMPANY 31/12/2006
Opening fair value of plan assets	14,168	12,987
Expected return on plan assets	563	522
Contributions from the employer	3,806	3,417
Benefits paid	(1,061)	(1,061)
Closing fair value of plan assets	**17,476**	**15,865**

The Group expects to make a contribution of € 5,000 thousand to the defined benefit plans during the next financial year.

35. MANAGEMENT OF FINANCIAL RISKS

a. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 21, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, share premium, reserves and retained earnings as disclosed in notes 24, 25, 27 and 28 respectively. The Group's management reviews the capital structure on a frequent basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group's intention is to balance its overall capital structure through the payment of dividends, as well as the issue of new debt or the redemption of existing debt.

35. MANAGEMENT OF FINANCIAL RISKS (continued)

b. Financial risk management

The Group's Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Treasury function reports on a frequent basis to the Group's management that monitors risks and policies implemented to mitigate risk exposures.

c. Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see (d) below), interest rates (see (e) below) and to the volatility of the oil prices. The Company addresses the fluctuation of oil prices by monitoring minimum inventory levels. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

d. Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The Company minimises foreign currency risks through natural hedges, mostly by monitoring purchases and sales as well as assets and liabilities in foreign currencies.

e. Interest rate risk

The Group has access to various major domestic and international financial markets and manages to succeed borrowings with very competitive interest rates and terms. Because of this operating expenses and cash flows from financing activities are not affected materially from interest rates fluctuations.

f. 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.

35. MANAGEMENT OF FINANCIAL RISKS (continued)

g. Liquidity risk

Liquidity risk is managed through the proper combination of cash and cash equivalents and the bank loan facilities granted. In order to address such risks the Group's management monitors the balance of cash and secures available bank loans facilities.

36. PRIOR YEAR RESTATEMENTS

Last year cash flow statement accounts of "New bank loans raised" and "Repayments of borrowings" were equally restated for the Group and the Company by the amount of € 2,336,254 thousand and € 2,196,828 thousand respectively. These restatements were done in order for these accounts to be comparable with the current year's ones that represent the net receipts and repayments of loans.

TRANSLATION
INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MOTOR OIL HELLAS CORINTH REFINERIES S.A

Report on the Financial Statements

We have audited the accompanying financial statements of Motor Oil Hellas Corinth Refineries S.A. ("The Company") and the consolidated financial statements of the Company and its subsidiaries ("The Group"), which comprise the balance sheet as at December 31, 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as these were adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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 harmonised with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company and that of the Group as of December 31, 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as these were adopted by the European Union.

Without qualifying our report we draw your attentions to note 30 to the financial statements which refers to the tax position of the Company and the Group and especially the unaudited tax years. The liability, if any, that may result from such audits cannot be estimated with reasonable accuracy.

Report on Other Legal and Regulatory Requirements

The content of Directors Report consists of 13 pages and is consistent with the accompanying financial statements.

Athens, February 23, 2007

The Certified Public Accountant

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