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 2007
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 the Company, set out on pages 3 to 46, were approved at the Board of Directors' Meeting dated Monday February 25, 2008 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.

MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.

Income Statement for the year ended 31 December 2007

		GROUP		COMPANY	
In 000´s Euros (except for "earnings per share")	Note	1.1.2007-31.12.2007	1.1.2006-31.12.2006	1.1.2007-31.12.2007	1.1.2006-31.12.2006
Continuing Operations					
Revenue	3	4,069,996	3,977,091	3,719,133	3,629,694
Cost of Sales		(3,798,309)	(3,729,274)	(3,494,213)	(3,427,013)
Gross profit		**271,687**	**247,817**	**224,920**	**202,681**
Distribution expenses		(52,158)	(47,747)	(15,074)	(12,748)
Administrative expenses		(31,243)	(27,576)	(21,862)	(19,727)
Other operating income/(expenses)	5	57,713	50,249	52,413	45,126
Profit from operations		**245,999**	**222,743**	**240,397**	**215,332**
Investment income	7	2.190	4,471	5,053	6,574
Share of profits/(loss) in associates	15	(15)	(189)	0	0
Finance costs	8	(42,188)	(35,858)	(37,038)	(32,307)
Profit before taxes		**205,986**	**191,167**	**208,412**	**189,599**
Income taxes	9	(56,129)	(63,576)	(53,729)	(62,125)
Profit after taxes attributable to shareholders of the parent company		**149,857**	**127,591**	**154,683**	**127,474**
Earnings per share basic and diluted (in Euros)	11	**1.35**	**1.15**	**1.40**	**1.15**

The notes on pages 7-46 are an integral part of these Financial Statements.

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

Balance Sheet as at 31st December 2007

In 000´s Euros	Note	GROUP 31.12.2007	GROUP 31.12.2006	COMPANY 31.12.2007	COMPANY 31.12.2006
ASSETS					
Non-current assets					
Goodwill	12	16,200	16,200	0	0
Other intangible assets	13	4,435	4,129	1,229	559
Property, plant and equipment	14	731,123	729,751	687,174	691,481
Investments in subsidiaries and associates	15	3,586	3,646	38,678	38,528
Available for sale investments	16	927	927	927	927
Other non-current assets	17	14,923	11,158	2,823	1,280
Total		**771,194**	**765,811**	**730,831**	**732,775**
Current assets					
Inventories	18	346,213	187,522	339,916	182,122
Trade and other receivables	19	395,721	326,720	315,161	252,727
Cash and cash equivalents	20	13,743	8,785	10,634	6,533
Total		**755,677**	**523,027**	**665,711**	**441,382**
Total Assets	4	**1,526,871**	**1,288,838**	**1,396,542**	**1,174,157**
LIABILITIES					
Non-current liabilities					
Bank loans	21	276,120	317,048	246,120	287,048
Provision for retirement benefit obligation	34	41,177	50,038	37,186	46,488
Deferred tax liabilities	22	28,830	20,248	28,287	19,751
Other non-current liabilities		1,315	1,260	0	2
Deferred income		4,768	5,057	4,768	5,057
Total		**352,210**	**393,651**	**316,361**	**358,346**
Current liabilities					
Trade and other payables	23	344,677	123,388	317,914	102,591
Provision for retirement benefit obligation	34	4,618	2,160	4,581	2,117
Income Taxes		15,529	6,404	15,529	6,139
Bank loans	21	445,631	421,543	370,156	360,303
Deferred income		468	411	468	411
Total		**810,923**	**553,906**	**708,648**	**471,561**
Total Liabilities	4	**1,163,133**	**947,557**	**1,025,009**	**829,907**
EQUITY					
Share capital	24	33,235	33,235	33,235	33,235
Share premium	25	49,528	49,528	49,528	49,528
Reserves	26	77,559	79,521	75,166	77,136
Retained earnings	27	203,416	178,997	213,604	184,351
Total Equity		**363,738**	**341,281**	**371,533**	**344,250**
Total Equity and Liabilities		**1,526,871**	**1,288,838**	**1,396,542**	**1,174,157**

The notes on pages 7-46 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 2007

GROUP In 000´s Euros	**Share capital**	**Share premium**	**Reserves**	**Retained earnings**	**Total**
Balance as at 1 January 2006	33,235	49,528	76,393	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**	**178,997**	**341,281**
Profit for the year				149,857	149,857
Dividends				(127,400)	(127,400)
Transfer to reserves	-	-	(1,962)	1,962	0
Balance as at 31 December 2007	**33,235**	**49,528**	**77,559**	**203,416**	**363,738**

COMPANY In 000´s Euros	**Share capital**	**Share premium**	**Reserves**	**Retained earnings**	**Total**
Balance as at 1 January 2006	33,235	49,528	75,374	180,500	338,637
Profit for the year				127,474	127,474
Dividends				(121,861)	(121,861)
Other movements	-	-	1,762	(1,762)	0
Balance as at 31 December 2006	**33,235**	**49,528**	**77,136**	**184,351**	**344,250**
Profit for the year				154,683	154,683
Dividends				(127,400)	(127,400)
Transfer to reserves	-	-	(1,970)	1,970	0
Balance as at 31 December 2007	**33,235**	**49,528**	**75,166**	**213,604**	**371,533**

The notes on pages 7-46 are an integral part of these Financial Statements.

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

Cash Flow Statement for the year ended 31 December 2007

In 000´s Euros	Notes	GROUP 1/1 - 31/12/2007	GROUP 1/1 - 31/12/2006	COMPANY 1/1 - 31/12/2007	COMPANY 1/1 - 31/12/2006
Operating activities:					
Profit before taxes		205,986	191,167	208,412	189,599
Adjustments for:					
Depreciation	6	50,381	47,300	45,919	43,272
Provisions		6,129	1,534	3,896	927
Exchange differences		(36,170)	(15,050)	(36,091)	(15,185)
Investment income		(1,616)	(4,252)	(4,500)	(6,225)
Finance costs	8	42,188	35,858	37,038	32,307
Movements in working capital:					
Decrease/(increase) in inventories		(158,691)	126,822	(157,794)	126,103
Decrease / (Increase) in receivables		(76,804)	(22,707)	(66,533)	(4,532)
(Decrease) / Increase in payables excluding banks		216,354	(161,247)	210,145	(161,293)
Less:					
Finance costs paid		(42,400)	(35,286)	(37,300)	(31,845)
Taxes paid		(38,421)	(89,670)	(35,803)	(87,894)
Net cash (used in) / from operating activities (a)		**166,936**	**74,469**	**167,389**	**85,234**
Investing activities:					
(Increase) / Decrease of interest in subsidiaries & associates		(430)	(121)	(150)	0
Purchase of tangible and intangible assets		(51,365)	(44,568)	(41,828)	(36,697)
Proceeds from disposal of tangible and intangible assets		127	1,260	0	30
Proceeds from sale of investment securities		0	2,800	0	1,600
Interest received		1,368	1,500	1,285	898
Dividends received		0	312	3,317	4,156
Net cash (used in) / from investing activities (b)		**(50,300)**	**(38,817)**	**(37,376)**	**(30,013)**
Financing activities:					
New bank loans raised		740,538	692,699	617,790	549,848
Repayments of borrowings		(724,629)	(606,576)	(616,115)	(483,075)
Repayments of finance leases		(187)	0	(187)	0
Dividends paid		(127,400)	(122,201)	(127,400)	(122,201)
Net cash (used in) / from financing activities (c)		**(111,678)**	**(36,078)**	**(125,912)**	**(55,428)**
Net Increase / (Decrease) in cash and cash equivalents (a)+(b)+(c))		**4,958**	**(426)**	**4,101**	**(207)**
Cash and cash equivalents at the beginning of the year		**8,785**	**9,211**	**6,533**	**6,740**
Cash and cash equivalents at the end of the year		**13,743**	**8,785**	**10,634**	**6,533**

The notes on pages 7-46 are an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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.

These financial statements are presented in Euro because that is the currency of the primary economic environment in which the Group operates.

As at December 31st 2007 the number of employees, for the Group and the Company, was 1,485 and 1,267 persons respectively. (2006: Group: 1,411 persons, Company: 1,197 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 International Accounting Standards Board (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.

Adoption of new and revised Standards and Interpretations

In the current year, the Group has adopted IFRS 7 “Financial Instruments: Disclosures which is effective for annual reporting periods beginning on or after 1 January 2007, and the consequential amendments to IAS 1 Presentation of Financial Statements”.

Four interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period. These are: IFRIC 7 Applying the Restatement Approach under IAS 29 “Financial Reporting in Hyperinflationary Economies”; IFRIC 8 Scope of IFRS 2 “Group and Treasury Share Transactions”; IFRIC 9 Reassessment of Embedded Derivatives; and IFRIC 10 Interim Financial Reporting and Impairment. The adoption of Interpretations 7, 8, and 9 is not relevant for the Group, while the adoption of IFRIC 10 has not any effect for the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Early adoption of Standards and Interpretations

In addition, the Group has elected to adopt the following in advance of its effective date:

IAS 23 (Revised) "Borrowing Costs" (effective for accounting periods beginning on or after 1 January 2009). The revisions to IAS 23 had no impact on the Group's accounting policies. The principal change to the Standard, which was to eliminate the previously available option to expense all borrowing costs when incurred, has no impact on these financial statements because it has always been the Group's accounting policy to capitalize borrowing costs incurred on qualifying assets.

Standards and Interpretations not yet adopted

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. 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 considers the probable changes from the corresponding current information.

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 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. According to this IFRIC the respective entities should not account for a fixed asset but rather for a financial asset. 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.

IFRIC 13, Customer Loyalty Programmes (effective for financial years beginning on or after 1 July 2008).
IFRIC 13 addresses accounting by entities that grant loyalty award credits (such as 'points' or travel miles) to customers who buy goods or services. Specifically, it explains how such entities should account for their obligations to provide free or discounted goods or services ('awards') to customers who redeem award credits. IFRIC 13 has not yet been endorsed by the EU and is not relevant to the Group's operations.

IFRIC 14, IAS 19 "Employee Benefits" **-** The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for financial years beginning on or after 1 January 2008).
IFRIC 14, provides a clearer interpretation of the availability of a surplus, than the original standard, IAS 19 "Employee Benefits". Under IAS 19 some have argued that a surplus is not available to a plan sponsor unless it is immediately realisable at the balance sheet date. IFRIC 14 states that the employer only needs to have an unconditional right to use the surplus at some point during the life of the plan or on its wind up in order for a surplus to be recognised. IFRIC 14 has not yet been endorsed by the EU.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the 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 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 and are subject to impairment testing.

2. 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.

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. 9 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 or if shorter over the period as per the finance lease contract.

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 estimated useful lives, residual values and depreciation method are reviewed on a frequent basis, with the effect of any changes in estimate to be accounted for on a prospective basis.

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.

2. 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.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

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 S.A. 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

The estimated useful lives of intangible assets, residual values if any and depreciation method are reviewed on a frequent basis, with the effect of any changes in estimate to be accounted for on a prospective basis.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 fair value cannot be reliably estimated. Dividends on AFS equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

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. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 29.
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:

	GROUP		COMPANY	
In 000´s Euros	1/1 – 31/12/07	1/1 – 31/12/06	1/1 – 31/12/07	1/1 – 31/12/06
Sales of goods	4,069,996	3,977,091	3,719,133	3,629,694

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 – 31/12/07			1/1 – 31/12/06	
SALES	**DOMESTIC**	**EXPORT**	**TOTAL**	**DOMESTIC**	**EXPORT**	**TOTAL**
Products	1,680,984	1,495,609	3,176,593	1,774,220	1,085,431	2,859,651
Merchandise	584,419	308,984	893,403	664,863	452,577	1,117,440
TOTAL	**2,265,403**	**1,804,593**	**4,069,996**	**2,439,083**	**1,538,008**	**3,977,091**

COMPANY

In 000´s Euros		1/1 – 31/12/07			1/1 – 31/12/06	
SALES	**DOMESTIC**	**EXPORT**	**TOTAL**	**DOMESTIC**	**EXPORT**	**TOTAL**
Products	1,680,984	1,495,608	3,176,592	1,774,219	1,085,431	2,859,650
Merchandise	287,901	254,640	542,541	361,994	408,050	770,044
TOTAL	**1,968,885**	**1,750,248**	**3,719,133**	**2,136,213**	**1,493,481**	**3,629,694**

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 following table:

MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.

4. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Income Statement

In 000´s Euros	01.01-31.12.2007				01.01-31.12.2006			
Business Operations	**Refinery's Activities**	**Sales to Gas Stations**	**Eliminations**	**Total**	**Refinery's Activities**	**Sales to Gas Stations**	**Eliminations**	**Total**
External sales	3,243,687	826,309	0	4,069,996	3,181,589	795,502	0	3,977,091
Inter-segment sales	475,446	264	(475,710)	0	448,105	14	(448,119)	0
Total revenue	3,719,133	826,573	(475,710)	4,069,996	3,629,694	795,516	(448,119)	3,977,091
Cost of Sales	(3,494,213)	(780,952)	476,856	(3,798,309)	(3,427,013)	(750,423)	448,162	(3,729,274)
Gross profit	**224,920**	**45,621**	**1,146**	**271,687**	**202,681**	**45,093**	**43**	**247,817**
Distribution costs	(15,074)	(37,230)	146	(52,158)	(12,748)	(36,225)	1,226	(47,747)
Administrative expenses	(21,862)	(9,434)	53	(31,243)	(19,727)	(7,888)	39	(27,576)
Other operating income / (expense)	52,413	6,552	(1,252)	57,713	45,126	6,386	(1,263)	50,249
Segment result from operations	**240,397**	**5,509**	**93**	**245,999**	**215,332**	**7,366**	**45**	**222,743**
Investment revenues	5,053	614	(3,492)	2,175	6,574	1,896	(4,188)	4,282
Finance cost	(37,038)	(5,150)	0	(42,188)	(32,307)	(3,551)	0	(35,858)
Profit before taxes	**208,412**	**973**	**(3,399)**	**205,986**	**189,599**	**5,711**	**(4,143)**	**191,167**
Other information								
Capital additions	42,852	9,890	16	52,758	36,697	7,871	0	44,568
Depreciation/amortization	45,919	4,461	1	50,381	43,272	4,028	0	47,300
Balance Sheet								
Assets								
Segment assets (except investments)	1,356,937	189,230	(23,809)	**1,522,358**	1,134,702	168,557	(18,994)	**1,284,265**
Investments in:								
Subsidiaries & associates	38,678	2,543	(37,635)	**3,586**	38,528	1,299	(36,181)	**3,646**
Related parties	927	0	0	**927**	927	904	(904)	**927**
Total assets	**1,396,542**	**191,773**	**(61,444)**	**1,526,871**	**1,174,157**	**170,760**	**(56,079)**	**1,288,838**
Total liabilities	**1,025,009**	**178,000**	**(39,876)**	**1,163,133**	**829,907**	**152,639**	**(34,989)**	**947,557**

5. OTHER OPERATING INCOME / (EXPENSES)

In 000´s Euros	GROUP		COMPANY	
	1/1 – 31/12/07	1/1 – 31/12/06	1/1 – 31/12/07	1/1 – 31/12/06
Foreign exchange -(losses)	(50,859)	(38,913)	(50,875)	(39,047)
Foreign exchange -gains	92,291	75,955	92,328	76,037
Income from services rendered	8,859	7,627	10,007	8,779
Rental Income	4,781	3,693	187	40
Other Income/(Expenses)	2,641	1,887	766	(683)
Total	**57,713**	**50,249**	**52,413**	**45,126**

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 – 31/12/07	1/1 – 31/12/06	1/1 – 31/12/07	1/1 – 31/12/06
Amortization of intangible assets	1,046	1,065	466	496
Depreciation of property, plant and equipment	49,335	46,235	45,453	42,776
Total depreciation/amortization	50,381	47,300	45,919	43,272
Government grants amortization	(468)	(411)	(468)	(411)
Impairment loss recognized on trade receivables (note 19)	1.486	443	0	0
Personnel salaries and other benefits	68,068	64,776	59,189	56,250
Employer's contribution	13,884	12,520	11,288	10,164
Defined benefit plans	4,643	3,776	3,896	3,671
Termination benefits	1,917	3,185	1,782	3,151
Total payroll costs	**88,512**	**84,257**	**76,155**	**73,236**

7. INVESTMENT INCOME

Income from investments, is as follows:

In 000´s Euros	GROUP		COMPANY	
	1/1 – 31/12/07	1/1 – 31/12/06	1/1 – 31/12/07	1/1 – 31/12/06
Interest received	2,190	1,499	1,736	898
Dividends received	0	312	3,317	4,156
Profit on Sale of Investment	0	2,660	0	1,520
TOTAL INVESTMENT INCOME	**2,190**	**4,471**	**5,053**	**6,574**

Profit on Sale of Investment in 2006, 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 – 31/12/07	**1/1 – 31/12/06**	**1/1 – 31/12/07**	**1/1 – 31/12/06**
Interest on long-term bank loans	19,399	18,252	17,760	16,973
Interest on short-term bank loans	19,281	14,202	15,897	12,039
Interest on finance leases	34	0	34	0
Other interest expenses	3,474	3,404	3,347	3,295
TOTAL FINANCE COST	**42,188**	**35,858**	**37,038**	**32,307**

9. INCOME TAX EXPENSES

In 000´s Euros	GROUP		COMPANY	
	1/1 – 31/12/07	**1/1 – 31/12/06**	**1/1 – 31/12/07**	**1/1 – 31/12/06**
Current corporation tax for the year	43,162	46,068	42,904	44,595
Tax audit differences from prior years	2,096	10,186	0	10,186
Taxation of the L. 3220/2004 reserves	2,289	0	2,289	0
Less: Income tax discount	0	(1,266)	0	(1,266)
	47,547	54,988	45,193	53,515
Deferred tax (note 22)	8,582	8,588	8,536	8,610
Total	**56,129**	**63,576**	**53,729**	**62,125**

Domestic income tax is calculated at 25% on the estimated tax assessable profit for the year 2007 (2006: 29%).

According to the tax audit outcome for the years 2003 to 2005, the additional taxes assessed to the wholly owned subsidiary "Avin Oil S.A." amount to Euro 2,096 thousand (of which an amount of Euro 1,502 thousand concerns tax relating to accounting differences and an amount of Euro 594 thousand concerns surcharges) and was charged against the earnings of the period 1/1-31/12/2007. Furthermore according to a decision by the Ministry of Finance, for the recovery of Government Grants, additional taxation has been imposed for the L.3220/2003 tax free reserve accounted for in prior years, resulting in an extra tax the Company of € 2,289 thousand (€ 1,960 thousand relates to tax and € 329 thousand to the respective interest on tax).

MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.

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 – 31/12/07	1/1 – 31/12/06	1/1 – 31/12/07	1/1 – 31/12/06
Tax at the domestic income tax rate	25.0%	29.0%	25.0%	29.0%
Tax effects from:				
Tax audit differences & reserve taxation	2.1%	5.3%	1.1%	5.4%
Tax effect of non tax deductible expenses	0.2%	0.1%	0.1%	0.1%
Tax effect of tax free income	-0.1%	-0.2%	-0.4%	-0.6%
Effect of change in income tax rate	0.0%	-0.3%	0.0%	-0.4%
Income tax discount	0.0%	-0.7%	0.0%	-0.7%
Effective tax rate for the year	**27.2%**	**33.2%**	**25.8%**	**32.8%**

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 (1.1-31.12.2006) amounted to € 1.15 per share, of which an interim dividend of € 0.20 per share was paid in December 2006 and accounted for in 2006, and € 0.95 has been accounted for in 2007. The Management of the Company has proposed to the coming Annual General Assembly Meeting the distribution of total dividends for 2007 of € 132,939,576 (or € 1.20 per share). It is noted that an interim dividend of € 22,156,596 (€ 0.20 per share) for 2007 has been paid and accounted for in December 2007, while the remaining € 1.00 per share will be accounted for in 2008.

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:

	GROUP		COMPANY	
	1/1-31/12/07	1/1-31/12/06	1/1-31/12/07	1/1-31/12/06
Earnings (in 000's Euros)	**149,857**	**127,591**	**154,683**	**127,474**
Weighted average number of ordinary shares for the purposes of basic earnings per share	110,782,980	110,782,980	110,782,980	110,782,980
Earnings per share, basic and diluted in €	**1.35**	**1.15**	**1.40**	**1.15**

MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.

12. GOODWILL

There was no change in Goodwill for the year ended December 31, 2007 amounting to € 16,200 thousand. This Goodwill pertains to the acquisition of the subsidiary company Avin Oil S.A., which has shown 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 represents software purchases and rights to operate gas stations on leasehold property. The movement during periods 1/1 – 31/12/2006 and 1/1 – 31/12/2007 is presented in the following table.

In 000´s Euros	GROUP			COMPANY
	Software	Rights	Total	Software
COST				
As at 1 January 2006	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
Additions	540	0	540	324
Transfers	812	0	812	812
As at 31 December 2007	**12,393**	**3,690**	**16,083**	**10,299**
ACCUMULATED DEPRECIATION				
As at 1 January 2006	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
Charge for the year	668	378	1,046	466
As at 31 December 2007	**10,482**	**1,166**	**11,648**	**9,070**
CARRYING AMOUNT				
As at 31 December 2006	**1,227**	**2,902**	**4,129**	**559**
As at 31 December 2007	**1,911**	**2,524**	**4,435**	**1,229**

Rights include rights to operate gas stations on property leased by the subsidiary, Avin Oil S.A..

MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.

14. PROPERTY, PLANT AND EQUIPMENT

The movement in the **Group's** fixed assets during periods 1/1 – 31/12/2006 and 1/1 – 31/12/2007 is presented below:

GROUP	**Land and buildings**	**Plant & machinery / Transportation means**	**Fixtures and equipment**	**Assets under construction**	**Equipment under finance lease at cost**	**Total**
In 000´s Euros						
COST						
As at 1 January 2006	126,213	732,534	16,831	51,796	0	927,374
Additions	1,718	6,822	1,194	33,278	0	43,012
Disposals	(437)	(1,070)	(427)	0	0	(1,934)
Transfers	7,042	25,940	284	(33,351)	0	(85)
As at 31 December 2006	134,536	764,226	17,882	51,723	0	968,367
Additions	4,036	7,250	1,184	38,724	1,024	52,218
Disposals	(5)	(992)	(20)	0	0	(1,017)
Transfers	7,473	44,980	438	(53,703)	0	(812)
As at 31 December 2007	**146,040**	**815,464**	**19,484**	**36,744**	**1,024**	**1,018,756**
ACCUMULATED DEPRECIATION						
As at 1 January 2006	9,183	174,538	9,702	0	0	193,423
Charge for the year	2,524	42,223	1,488	0	0	46,235
Disposals	(7)	(639)	(396)	0	0	(1,042)
As at 31 December 2006	11,700	216,122	10,794	0	0	238,616
Charge for the year	2,830	44,794	1,517	0	194	49,335
Disposals	0	(307)	(11)	0	0	(318)
As at 31 December 2007	**14,530**	**260,609**	**12,300**	**0**	**194**	**287,633**
CARRYING AMOUNT						
As at 31 December 2006	**122,836**	**548,104**	**7,088**	**51,723**	**0**	**729,751**
As at 31 December 2007	**131,510**	**554,855**	**7,184**	**36,744**	**830**	**731,123**

MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The movement in the **Company's** fixed assets during periods 1/1 – 31/12/2006 and 1/1 – 31/12/2007 is presented below.

GROUP	**Land and buildings**	**Plant & machinery / Transportation means**	**Fixtures and equipment**	**Assets under construction**	**Equipment under finance lease at cost**	**Total**
In 000´s Euros						
COST						
As at 1 January 2006	113,135	692,373	13,756	50,681	0	869,945
Additions	953	1,612	1,091	32,942	0	36,598
Disposals	(20)	(661)	(15)	0	0	(696)
Transfers	7,032	25,950	284	(33,351)	0	(85)
As at 31 December 2006	121,100	719,274	15,116	50,272	0	905,762
Additions	342	2,470	833	37,859	1,024	42,528
Disposals	0	(566)	(6)	0	0	(572)
Transfers	6,680	43,510	438	(51,440)	0	(812)
As at 31 December 2007	**128,122**	**764,688**	**16,381**	**36,691**	**1,024**	**946,906**
ACCUMULATED DEPRECIATION						
As at 1 January 2006	6,686	157,054	8,140	0	0	171,880
Charge for the year	2,094	39,417	1,265	0	0	42,776
Disposals	0	(360)	(15)	0	0	(375)
As at 31 December 2006	8,780	196,111	9,390	0	0	214,281
Charge for the year	2,274	41,678	1,307	0	194	45,453
Disposals	0	0	(2)	0	0	(2)
As at 31 December 2007	**11,054**	**237,789**	**10,695**	**0**	**194**	**259,732**
CARRYING AMOUNT						
As at 31 December 2006	**112,320**	**523,163**	**5,726**	**50,272**	**0**	**691,481**
As at 31 December 2007	**117,068**	**526,989**	**5,686**	**36,691**	**830**	**687,174**

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**

In addition, the Company's obligations under finance leases (note 30) are secured by the lessors' title to the leased assets, which have a carrying amount of € 830 thousand (2006: nil)

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 S.A.	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)
MAKREON S.A.	Greece, Maroussi of Attika	100%	Trading, Transportation, Storage & Representation of Petroleum Products.
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)

15. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

Investments in subsidiaries and associates are as follows:

Name	GROUP		COMPANY	
In 000´s Euros	31/12/2007	31/12/2006	31/12/2007	31/12/2006
AVIN OIL S.A.	0	0	37,564	37,564
AVIN ALBANIA S.A.	510	510	0	0
OLYMPIC FUEL COMPANY S.A.	2,961	2,949	904	904
BRODERICO LTD	60	60	0	0
MAKREON S.A.	0	0	0	0
HELLENIC AVIATION FUEL COMPANY S.A.(HAFCO S.A)	8	67	0	0
CORINTH POWER S.A.	47	60	210	60
TOTAL	**3,586**	**3,646**	**38,678**	**38,528**

Of the companies listed above, “AVIN OIL S.A.” and “MAKREON S.A.” are fully consolidated, “OLYMPIC FUEL COMPANY S.A.”, “HELLENIC AVIATION FUEL COMPANY S.A.” and “CORINTH POWER S.A.”, are consolidated using the equity method because the Group does not exercise control on them, while “BRODERICO LTD”, and “AVIN ALBANIA S.A.” are not consolidated but are stated at cost due to their insignificance and because they are dormant.

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

In 000´s Euros	31/12/2007	31/12/2006
Acquisition cost	3,597	3,167
Share of profits (loss)	(11)	479
Investments in related parties	**3,586**	**3,646**
	31/12/2007	**31/12/2006**
Total assets	31,955	30,624
Total liabilities	(21,209)	(19,958)
Net assets	10,746	10,666
Group’s share of related parties’ net assets	**3,586**	**3,646**

Group’s results from associates, are as follows:

In 000´s Euros	1/1 – 31/12/2007	1/1 – 31/12/2006
Sales	33,217	18,137
Profit after taxes	371	570
Group’s share of associates´ profit for the year	**(15)**	**(189)**

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	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Cheques receivable	869	405	0	0
Prepaid expenses	13,642	9,473	2,411	0
Guarantees	412	1,280	412	1,280
Total	**14,923**	**11,158**	**2,823**	**1,280**

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 presented in the carrying amounts that approximate their fair value.

18. INVENTORIES

In 000´s Euros	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Merchandise	49,807	10,980	43,838	5,899
Raw materials	173,749	80,943	173,421	80,624
Raw materials in transit	12,851	0	12,851	0
Products	109,806	95,599	109,806	95,599
Total inventories	**346,213**	**187,522**	**339,916**	**182,122**

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	2007	2006
Products	2,954	8,533
Merchandise	0	531
Raw materials	460	2,035
Total	**3,414**	**11,099**

The cost of inventories recognized as an expense within "Cost of Sales" during the current and prior year for the Group was for 2007 € 3,749,272 thousand and for 2006 € 3,676,369 thousand (Company: 2007: € 3,445,177 thousand, 2006: € 3,373,108 thousand)

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

19. TRADE AND OTHER RECEIVABLES

Trade and other receivables at the balance sheet date comprise mainly amounts receivable from the sale of goods. Analysis of the trade and other receivable, are as follows:

	GROUP		COMPANY	
In 000´s Euros	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Trade receivables	295,125	222,573	237,053	172,520
Allowance for doubtful debts	(2,429)	(943)	0	0
	292,696	221,630	237,053	172,520
Related parties	17,554	4,993	57,249	39,895
Cheques receivable	55,146	56,021	0	1,255
Debtors	20,433	24,547	17,024	22,791
Prepayments	6,533	19,110	3,512	15,876
Other	3,359	419	323	390
Total	**395,721**	**326,720**	**315,161**	**252,727**

The average credit period on sales of goods for the parent company is 29 days while for the subsidiary is 49 days. After the specified credit period, interest is charged depending on the payment currency on the outstanding balance. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods, determine by reference to past default experience.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attribute to customers are reviewed on a permanent basis.

Ageing Analysis – Overdues in trade receivables and checqes receivable

	GROUP		COMPANY	
In 000´s Euros	31/12/2007	31/12/2006	31/12/2006	31/12/2006
0-30 days	14,109	15,512	10,420	6,967
30-60 days	474	244	54	1
60-90 days	70	151	10	0
90-120 days	35	92	0	0
120 + days	7,106	8,437	0	0
Total	21,794	24,436	10,484	6,968

Included in the Group's trade receivable balance are debtors with a carrying amount of € 21,794 thousand (2006: € 24,436 thousand), Company: 2007:€ 10,484 thousand, (2006: € 6,968 thousand) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered fully recoverable. Furthermore, for some of them the Group has been obtained guarantees.

19. TRADE AND OTHER RECEIVABLES (continued)

The provision for doubtful trade receivables has increased during 2007 by € 1,500 thousand in the subsidiary's books to cover additional bad debts

Movement in the allowance for doubtful debts

	GROUP	
In 000´s Euros	**31/12/2007**	**31/12/2006**
Balance as at the beginning of the year	943	500
Impairment losses recognized on receivables	1,500	500
Amounts written off as uncollectible	(14)	(57)
Balance at year end	**2,429**	**943**

Ageing of impaired trade receivables

	GROUP	
In 000´s Euros	**31/12/2007**	**31/12/2006**
120 + days	1,500	500
Total	**1,500**	**500**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customers' wide base. Accordingly, the management considers that there is no further credit provision required in excess of the existing allowance for doubtful debts.

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

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	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Cash at bank	13,638	8,695	10,550	6,468
Cash on hand	105	90	84	65
Total	**13,743**	**8,785**	**10,634**	**6,533**

21. BANK LOANS

In 000´s Euros	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Bank loans	722,338	740,438	616,863	649,198
Finance leases	837	0	837	0
Less: Bond loan expenses*	(1,424)	(1,847)	(1,424)	(1,847)
Total loans	721,751	738,591	616,276	647,351
The borrowings are repayable as follows:				
On demand or within one year	445,631	421,543	370,156	360,303
In the second year	60,200	60,000	30,200	30,000
From the third to fifth years inclusive	217,344	258,895	217,344	258,895
After five years	0	0	0	0
Less: Bond loan expenses*	(1,424)	(1,847)	(1,424)	(1,847)
Total loans	721,751	738,591	616,276	647,351
Less: Amount payable within 12 months (shown under current liabilities)	445,631	421,543	370,156	360,303
Amount payable after 12 months	276,120	317,048	246,120	287,048

*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.

Analysis of borrowings by currency on 31/12/07 and 31/12/06:

In 000´s Euros	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Loan's currency				
EURO	356,012	340,240	250,537	249,000
U.S DOLLARS	247,266	264,617	247,266	264,617
SWISS FRANC	119,897	135,581	119,897	135,581
Total	**723,175**	**740,438**	**617,700**	**649,198**

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 with 2 year extension option. This balance at the end of the period 31/12/2007 is € 175,000 thousand. This loan is secured with mortgages registered on fixed assets of the Group amounting to € 275,000 thousand.

21. BANK LOANS (continued)

Another loan amounting $ 150,000 thousand (or € 101,895 thousand as at 31/12/2007) concerns a long-term loan, granted on 22/12/2005 which will be repaid in total by 19/12/2010 with 2 year extension option.

Total short-term loans (incl. short-term part of long-term loans) with duration up to one year amount to € 370,156 thousand. There are outstanding mortgages and pledges against these loans as mentioned above in note number 14.

ii) **Avin Oil S.A.** has been granted a loan of € 30,000 thousand granted on 14/6/2004 which is fully repayable on 14/6/2008 with 1 year extension option. The company's other loans, totalling to € 75,475 thousand have 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:**	**1/1/2006**	**Income statement expense/(income)**	**31/12/2006**	**Income statement expense/(income)**	**31/12/2007**
Difference in depreciation	22,384	4,497	26,881	5,178	32,059
Intangible assets recognized as expense	(119)	76	(43)	(5)	(48)
Gain from exchange differences	310	3,714	4,024	3,179	7,203
Retirement benefit obligations	(12,262)	463	(11,799)	475	(11,324)
Capitalised borrowing cost	1,883	(197)	1,686	(197)	1,489
Other temporary differences between tax and accounting basis	(536)	35	(501)	(48)	(549)
Total	**11,660**	**8,588**	**20,248**	**8,582**	**28,830**

COMPANY **Deferred tax arising from:**	**1/1/2006**	**Income statement expense/(income)**	**31/12/2006**	**Income statement expense/(income)**	**31/12/2007**
Difference in depreciation	21,098	4,500	25,598	5,040	30,638
Intangible assets recognized as expense	(56)	53	(3)	(11)	(14)
Gain from exchange differences	264	3,760	4,024	3,179	7,203
Retirement benefit obligations	(11,391)	489	(10,902)	585	(10,317)
Capitalised borrowing cost	1,883	(197)	1,686	(197)	1,489
Other temporary differences between tax and accounting basis	(657)	5	(652)	(60)	(712)
Total	**11,141**	**8,610**	**19,751**	**8,536**	**28,287**

22. DEFERRED TAX (continued)

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

	GROUP		COMPANY	
In 000´s Euros	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Deferred tax liabilities	44,494	35,915	42,545	34,108
Deferred tax assets	(15,664)	(15,667)	(14,258)	(14,357)
TOTAL	**28,830**	**20,248**	**28,287**	**19,751**

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 purchases is approximately 31 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):

	GROUP		COMPANY	
In 000´s Euros	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Trade payable	327,883	70,952	305,418	54,533
Current liabilities of the related parties	240	35,808	190	35,762
Creditors	7,309	7,936	6,455	6,116
Other	9,245	8,692	5,851	6,180
Total	**344,677**	**123,388**	**317,914**	**102,591**

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

24. SHARE CAPITAL

In 000´s Euros	31/12/2007	31/12/2006
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.

25. SHARE PREMIUM ACCOUNT

In 000´s Euros	31/12/2007	31/12/2006
Opening and closing balance for the year	49,528	49,528

26. RESERVES

Group's reserves, are as follows:

In 000´s Euros

TYPE OF RESERVE	1/1/2006	INCREASE (DECREASE) 2006	31/12/2006	INCREASE (DECREASE) 2007	31/12/2007
Legal	16,895	222	17,117	6	17,123
Special	2,007	1,762	3,769	3,630	7,399
Extraordinary	2,590	0	2,590	0	2,590
Tax-free	54,901	1,144	56,045	(5,598)	50,447
TOTAL	**76,393**	**3,128**	**79,521**	**(1,962)**	**77,559**

Company's reserves, are as follows:

In 000´s Euros

TYPE OF RESERVE	1/1/2006	INCREASE (DECREASE) 2006	31/12/2006	INCREASE (DECREASE) 2007	31/12/2007
Legal	15,895	0	15,895	0	15,895
Special	2,007	1,762	3,769	3,630	7,399
Extraordinary	2,590	0	2,590	0	2,590
Tax-free	54,882	0	54,882	(5,600)	49,282
TOTAL	**75,374**	**1,762**	**77,136**	**(1,970)**	**75,166**

Legal Reserve
5% of after tax profits must be transferred to a legal reserve until this amount 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 € 12.3 million will be payable as tax at the tax rates currently prevailing.

During the current year and according to a decision by the Ministry of Finance for recovery of Government Grants, the Company and consequently the Group decreased the tax free reserves by the amount of the tax free reserve of L.3220/2003 that had been accounted for in prior years.

27. RETAINED EARNINGS

In 000´s Euros	GROUP	COMPANY
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**
Dividends	(127,400)	(127,400)
Profit for the year	149,857	154,683
Transfer to retained earnings	1,962	1,970
Balance as at 31 December 2007	**203,416**	**213,604**

28. ACQUISITION / ESTABLISHMENT OF SUBSIDIARY

On April 11, 2007, the Group incorporated the subsidiary company "MAKREON S.A." with a share capital of € 60.000. The main activities of the newly established company are trading, transportation, storage and representation of petroleum products.

29. CONTINGENT LIABILITIES / COMMITMENTS

There are legal claims by third parties against the Group and the Company amounting to approximately € 14.5 million. There are also legal claims of the Group against third parties amounting to approximately € 71.5 million (Company: approximately € 60.5 million). No provision has been made as all of the above cases concern legal claims where the final outcome cannot be currently estimated. In addition, 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 has appealed to the relevant courts for the cancellation of this decision.

The Company has not been subject to a tax audit for the years 2005 up to 2007. AVIN OIL S.A has not been audited by the tax authorities for the years 2006 and 2007. OLYMPIC FUEL COMPANY SA has not been subject to a tax audit for the years from 2001 up to 2007 and a tax audit is currently in progress, for the fiscal years 2001 up to 2006. HAFCO SA and CORINTH POWER SA have not been audited by the Tax authorities since their establishment (2002 and 2005 respectively).

The Company and, consequently, the Group in order to complete its capital expenditures and commitments has entered into construction contracts with construction companies, the outstanding balances of which, as at 31/12/2007, amount to approximately € 10 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.

29. CONTINGENT LIABILITIES / COMMITMENTS (continued)

The total amount of letters of guarantee given as security for Group companies' liabilities as at 31/12/2007, amounted to € 50,083 thousand. The respective amount as at 31/12/2006 was € 48,621 thousand.

The total amount of letters of guarantee given as security for the Company's liabilities as at 31/12/2007, amounted to € 3,612 thousand. The respective amount as at 31/12/2006 was € 1,347 thousand.

30. OBLIGATIONS UNDER FINANCE LEASES

Finance leases relate to vehicles with lease terms of 5 years. The Company has the option to purchase the vehicles for a minimal amount at the conclusion of the lease agreements.

	COMPANY			
	Lease payments		Present value of lease payments	
In 000´s Euros	31/12/2007	31/12/2006	31/12/2007	31/12/2006
No later than 1 year	237	-	188	-
Later than 1 year and not later than 5 years	720	-	649	-
Later than 5 years	-	-	-	-
	957	-	837	-
Less future finance charges	(120)	-	-	-
Present value of minimum lease payments	837	-	837	-
Included in the financial statement as:				
Current borrowings (note 21)			188	-
Non-current borrowings (note 21)			649	-

The management considers that the carrying amount of the finance lease liabilities approximate their fair value.

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

	GROUP		COMPANY	
In 000´s Euros	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Minimum lease payments under operating leases recognized as an expense for the period	10,559	8,321	4,807	3,526

31. OPERATING LEASE ARRANGEMENTS (continued)

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:

	GROUP		COMPANY	
In 000´s Euros	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Within one year	10,074	9,173	4,235	4,001
From the second to fifth years inclusive	37,260	34,502	18,360	16,588
After five years	40,769	45,436	11,980	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.

	GROUP		COMPANY	
In 000´s Euros	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Rental income earned during the period	4,781	3,693	187	40

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

	GROUP		COMPANY	
In 000´s Euros	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Within one year	4,808	3,857	207	40
From the second to fifth years inclusive	15,338	13,180	894	163
After five years	17,392	13,447	709	-

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 that could have a material impact on the Group's and Company's financial structure or operations have occurred since 31/12/2007 up to the date of issue of these financial statements.

33. RELATED PARTY TRANSACTIONS

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

GROUP

In 000´s Euros	SALES	PURCHASES	RECEIVABLES	PAYABLES
Associates	146,464	1,000,071	17,554	240

COMPANY

In 000´s Euros	SALES	PURCHASES	RECEIVABLES	PAYABLES
Subsidiaries	476,706	15	39,711	2
Associates	146,396	998,952	17,538	188

Sales of goods to associates were made on an arm ´s length basis.
The amounts outstanding 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 related parties.

Compensation of key management personnel

The remuneration of directors and other members of key management for the Group for the period 1/1 – 31/12/2007 and 1/1 – 31/12/2006 amounted to € 1,909 thousand and € 2,035 thousand respectively. (Company: 2007: € 1,623 thousand, 2006: € 1,784 thousand)
The remuneration of members of the Board of Directors are proposed and approved by the Annual General Assembly Meeting of the shareholders.
Other short term benefits granted to key management for the Group for the period 1/1 – 31/12/2007 amounted to € 354 thousand and 1/1 – 31/12/2006 amounted to € 181 thousand. (Company: 2007: € 341 thousand, 2006: € 168 thousand)
Leaving indemnities to key management for the Group for 2007 amounted to € 0 thousand while for 2006 was € 457 thousand. (Company: 2007: € 0 thousand, 2006: € 457 thousand)

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 2007 by a certified actuary. The present value of the defined benefit obligations, and the related current service cost, were measured using the projected unit credit method.

	Valuation at:	
	31/12/07	**31/12/06**
Key assumptions used:		
Discount rate	4.83%	4.11%
Expected return on plan assets	4.83%	3.50%
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		COMPANY	
	31/12/07	**31/12/06**	**31/12/07**	**31/12/06**
Present value of unfunded plan obligation	42,371	39,671	39,927	37,647
Present value of funded defined benefit obligation	31,655	30,003	28,088	26,823
Fair value of plan assets	(28,231)	(17,476)	(26,248)	(15,865)
Deficit	3,424	12,527	1,840	10,958
Net liability recognised in the balance sheet	**45,795**	**52,198**	**41,767**	**48,605**
Presented in the Balance Sheet:				
Current provision for retirement benefit	4,618	2,160	4,581	2,117
Non-current provision for retirement benefit	41,177	50,038	37,186	46,488
Total	**45,795**	**52,198**	**41,767**	**48,605**

34. 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		COMPANY	
	31/12/07	31/12/06	31/12/07	31/12/06
Current service cost	2,752	3,311	2,226	2,850
Interest cost less Expected return on plan assets	1,891	1,529	1,670	1,494
Net expense recognised in the Income Statement	**4,643**	**4,840**	**3,896**	**4,344**

The return on plan assets for the current year for the group and the Company amounts to € 806 thousand and € 742 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	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Cost of Sales	1,721	2,689	1,721	2,689
Administration expenses	2,632	1,408	1,900	1,330
Distribution expenses	290	743	275	325
	4,643	**4,840**	**3,896**	**4,344**

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

In 000´s Euros	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Opening Defined benefit obligation	69,673	65,331	64,470	60,665
Service cost	2,752	3,311	2,226	2,850
Interest cost	2,696	2,092	2,413	2,016
Benefits paid	(1,095)	(1,061)	(1,095)	(1,061)
Closing Defined benefit obligation	**74,026**	**69,673**	**68,014**	**64,470**

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

In 000´s Euros	GROUR		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Opening fair value of plan assets	17,476	14,168	15,865	12,987
Expected return on plan assets	806	563	742	522
Contributions from the employer	11,044	3,806	10,735	3,417
Benefits paid	(1,095)	(1,061)	(1,095)	(1,061)
Closing fair value of plan assets	**28,231**	**17,476**	**26,247**	**15,865**

35. CATEGORIES OF FINANCIAL INSTRUMENTS

Financial assets

In 000´s Euros	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Available-for-sale investments	927	927	927	927
Trade and other receivables (including cash and cash equivalents)	409,464	335,505	325,795	259,260

Financial liabilities

In 000´s Euros	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Bank loans	721,751	738,591	616,276	647,351
Trade and other payables	344,677	123,388	317,914	102,591
Deferred income	5,236	5,468	5,236	5,468

36. MANAGEMENT OF FINANCIAL RISKS

a. Capital risk management

The Group manages its capital to ensure that Group companies will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt to equity ratio. 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 Company, comprising issued capital, share premium, reserves and retained earnings as disclosed in notes 24, 25, 26 and 27 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 repayment of existing debt.

Gearing Ratio

The Group's management reviews the capital structure on a frequent basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the year end was as follows:

In 000´s Euros	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Bank loans	721,751	738,591	616,276	647,351
Cash and cash equivalents	(13,743)	(8,785)	(10,634)	(6,533)
Net debt	708,008	729,806	605,642	640,818
Equity	363,738	341,281	371,533	344,250
Net debt to equity ratio	1.95	2.14	1.63	1.86

36. 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

Due to the nature of its activities the Group is exposed 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 oil prices mainly due to the obligation to maintain certain level of inventories. The Company addresses the fluctuation of oil prices by monitoring the inventory levels to the possible minimum. Furthermore, any change in the pertaining refinery margin, denominated in USD, affects the Company's gross margin. 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 may arise. In addition, due to the use of the international Platts prices in USD for oil purchases/sales, the exchange rate of EUR/USD is a very important factor for the Company's profit margins. The Company minimises foreign currency risks through physical hedging, mostly by monitoring assets and liabilities in foreign currencies as shown in the table below as at 31/12/2007:

	COMPANY	
Amounts in mil.	31/12/2007	31/12/2006
Assets		
Balances in USD	733	390
Liabilities		
Balances in USD	772	449

In addition to the above there is a part of the Company's liabilities expressed in CHF which are considered not having a material risk since their amount is not material and the exchange rate EUR/CHF had no material fluctuations during the last two years.

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. Hence, the operating expenses and cash flows from financing activities are not materially affected by interest rates fluctuations.

Had the current interest rates been 50 basis points higher/lower and all other variables were kept constant, the Group's profit for the year ended 31 December 2007 would have decreased/increased by approximately € 3.3 million.

36. MANAGEMENT OF FINANCIAL RISKS (continued)

f. Credit risk

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

The Company's trade receivables are significantly concentrated, due to a limited number of customers comprising a high percentage of the trade receivable balances. Most of them are international well known oil companies and consequently the credit risk is very limited. None of them exceeds the 10%, of the total year to date sales revenue, during the year. The Group companies have signed contracts 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 Company, as a policy, obtains letters of guarantee from its clients in order to secure its receivables, which as at 31/12/2007 amounted to € 29,068 thousand. As far as receivables of "Avin Oil S.A" are concerned these are spread in a wide base of customers and consequently there is no material concentration and the credit risk is very limited.

g. Liquidity risk

Liquidity risk is managed through the proper combination of cash and cash equivalents and the bank loan facilities granted, used or unused. In order to address such risks, the Group's management monitors the balance of cash and cash equivalents and ensures available bank loans facilities. The Group expects to maintain current debt to equity ratio, approximately at the level of "2". (Group: 2007: 1.98 2006:2.16 – Company: 2007: 1.66 2006: 1.88)

36. MANAGEMENT OF FINANCIAL RISKS (continued)

The following tables present the **Group's** remaining contractual maturity for its financial liabilities:

GROUP 2007

In 000´s Euros	Weighted average effective interest rate	0-6 months	6-12 months	1-5 years	5 + years	Total
Trade & other payables	-	344,677	-	-	-	344,677
Finance leases	6.08%	94	94	649	-	837
Bank loans	5.38%	425,770	19,673	275,471	-	720,914
Total		770,541	19,767	276,120	-	1,066,428

GROUP 2006

In 000´s Euros	Weighted average effective interest rate	0-6 months	6-12 months	1-5 years	5 + years	Total
Trade & other payables		123,388	-	-	-	123,388
Finance leases		-	-	-	-	-
Bank loans	4.73%	400,956	20,587	317,048	-	738,591
Total		524,344	20,587	317,048	-	861,979

36. MANAGEMENT OF FINANCIAL RISKS (continued)

The following tables present the **Company's** remaining contractual maturity for its financial liabilities:

COMPANY
2007

In 000´s Euros	Weighted average effective interest rate	0-6 months	6-12 months	1-5 years	5 + years	Total
Trade & other payables	-	317,914	-	-	-	317,914
Finance leases	6.08%	94	94	649	-	837
Bank loans	5.36%	354,968	15,000	245,471	-	615,439
Total		672,976	15,094	246,120	-	934,190

COMPANY
2006

In 000´s Euros	Weighted average effective interest rate	0-6 months	6-12 months	1-5 years	5 + years	Total
Trade & other payables	-	102,591	-	-	-	102,591
Finance leases	-	-	-	-	-	-
Bank loans	4.78%	345,303	15,000	287,048	-	647,351
Total		447,894	15,000	287,048	-	749,942

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, 2007, 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, 2007, 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 29 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 is consistent with the accompanying financial statements.

Athens, February 26, 2008

The Certified Public Accountant

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