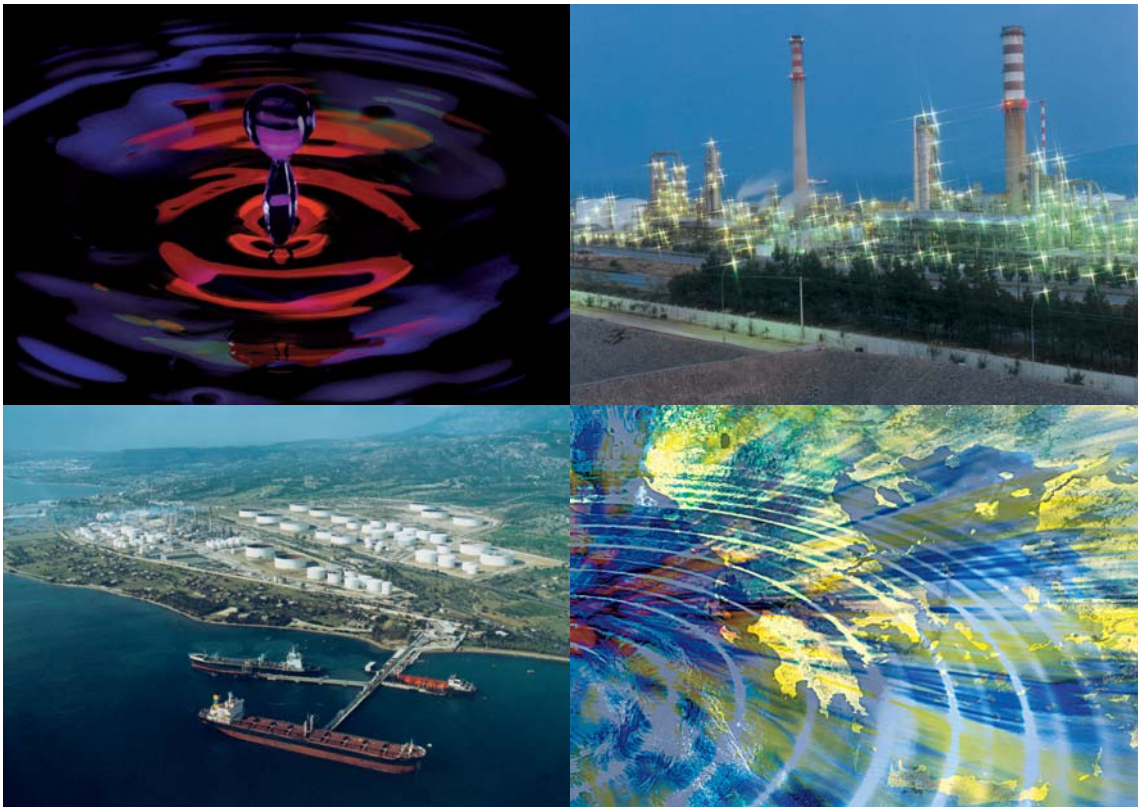
ANNUAL REPORT 2005



MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

Annual Report
2005

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1. Information Concerning this Annual Report and the Company Auditors

This Annual Report contains all the information and financial data needed for a correct assessment of the property, the activities, the financial position, the profitability and the prospects of the Company **"MOTOR OIL (HELLAS) CORINTH REFINERIES S.A"** (henceforth called the "Company" or "MOTOR OIL"), on the part of the investors and their investment consultants.

Investors interested in additional pieces of information may inquire during working days and hours with Messrs. Spyros Balezos (Investor Relations Officer), Philip Malergos (Financial Controller) and Ioannis Dimakis (Corporate Announcements Officer and Shareholders' Office Head) at the Company Headquarters, 12A Irodou Attikou str., Maroussi 151 24, (++ 30 210 8094194).

This Annual Report was compiled and distributed in accordance with the Hellenic Capital Market Commission decision 7/372/15.02.2006 as it is in force.

The following persons are responsible for the writing of this Report and the accuracy of the data contained herein:

- Petros Tzannetakis, Deputy Managing Director – Chief Financial Officer, 12A Irodou Attikou str., Maroussi 151 24, (tel. ++ 30 210 8094162)
- Spyros Balezos, Banking Manager and Investor Relations Officer, 12A Irodou Attikou str., Maroussi 151 24, (tel. ++ 30 210 8094169).

The Company Board of Directors declare that all its Members have reviewed the content of this Annual Report and jointly with its authors confirm that:

- All information and data contained in the Annual Report are complete, true, correct and accurate.
- There are no other data, neither have any events occurred, the concealment or omission of which might render the totality or part of the data and information contained in this Annual Report misleading.
- There are no legal disputes pending against the Company or the companies in which the Company has a controlling interest that might have serious consequences on its financial position.

MOTOR OIL FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED), ADJUSTED SHAREHOLDERS' EQUITY (PARENT COMPANY AND CONSOLIDATED) AS AT 1.1.2004 DUE TO THE TRANSITION FROM THE GREEK ACCOUNTING STANDARDS (GREEK GAAP) TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS), CERTIFIED PUBLIC ACCOUNTANTS, TAX AUDIT.

The Company is audited by Certified Public Accountants. The regular audits of the Company's financial statements (Parent Company and Consolidated) for the years 2004 – 2005 were conducted by the Auditing Company DELOITTE, 250-254 Kifissias Avenue, Halandri, tel. ++ 30 210 6781100 (responsible Certified Public Accountant Mr. George Cambanis REG No.ICPA (GR) 10761). According to the 2005 Auditor' s Report there are no comments for the accounting year 2005 with the exception of a matter of emphasis concerning the Company's following note: "The Company has not been subject to a tax audit for the years from 2000 up to 2005. Avin Oil, has not been subject to a tax audit for the years from 2003 up to 2005. The outcome of a tax audit cannot be estimated at present and, consequently, no provision has been made in the financial statements, in relation to this issue. In addition, the associated companies have not been audited by the Tax authorities since their establishment and up to 2005".

The companies included in the consolidated financial statements of the Company are, apart from the parent Company, the wholly owned subsidiary AVIN OIL S.A with the "full consolidation" method, the OLYMPIC FUEL COMPANY S.A with the "net equity" method (percentage of direct and indirect participation 28%) and HAFCO S.A also with the "net equity method" (percentage of indirect participation 50%).

It is clarified that at the time of the production of the Company consolidated financial statements of the accounting period 2005 no audited financial statements were available for the OLYMPIC FUEL COMPANY S.A and HAFCO S.A. The contribution of the earnings of these two companies in the consolidated earnings after tax and minorities of MOTOR OIL for the year 2005 amount to 0.13% .

All three companies included in the consolidated financial statements of MOTOR OIL are audited by Certified Public Accountants (Chapter 6 of the present Annual Report).

It is stressed that MOTOR OIL prepared its financial statements in accordance with the International Financial Reporting Standards (IFRS) for the first time in 2005 and for this reason in the present Annual Report and in particular in Chapter 5 "Performance Review" a review of the last two accounting years 2004 and 2005 only is offered as their financial figures are directly comparable. In addition, in the same Chapter the Earnings Per Share (EPS) and the Book Value (BV) Per Share figures (Parent Company and Consolidated) are offered based on the number of shares at the year end as well as on the weighted number of shares according to the International Accounting Standard no. 33.

The adjusted Shareholders' Equity (on Parent Company and Consolidated basis) as at January 1, 2004 following the transition from the Greek Accounting Standards to the International Financial Reporting Standards (IFRS) is presented in the following table:

(amounts in Euros)	COMPANY	GROUP
Shareholders' Equity as at 1.1.2004 according to Greek GAAP	**165,819**	**169,618**
Plus: Increase in Shareholders' Equity due to transition to IFRS		
Dividends approved after balance sheet date reversed for IFRS	33,235	33,235
Adjustment as a result of depreciation being provided over estimated useful life for IFRS	69,005	74,729
Unrealised exchange differences deferred for Greek GAAP reversed for IFRS	38,029	38,183
Increase Totals	**140,269**	**146,147**
Less: Decrease in Shareholders' Equity due to transition to IFRS		
Provision for staff retirement benefit obligation	- 36,860	- 39,624
Transfer of subsidies from Equity to Deferred Income	- 5,681	- 5,681
Adjustment to opening goodwill amortisation in accordance with the Greek GAAP		- 8,353
Share issue expenses net of tax set off against share premium	- 1,561	- 1,561
Reclassification of own shares from current assets per Greek GAAP to equity per IFRS	- 1,385	- 1,385
Recognition of deferred taxation per IFRS	- 20,141	- 20,998
Miscellaneous	- 3,008	- 3,637
Decrease Totals	**- 68,636**	**- 81,239**
Shareholders' Equity as at 1.1.2004 according to IFRS	**237,452**	**234,526**

The published figures and information for the accounting year 2005, the Financial Statements for the accounting year 2005, the Report of the Auditor as well as the Reports of the Board of Directors are presented in the Appendix of the present Annual Report. The financial figures and information along with the interim financial statements as at 31.3.2005, 30.6.2005 (audited) and 30.9.2005, are available at the Company's site at the electronic address www.moh.gr.

2. Shareholders' Rights

2.1. General

The last cash share capital increase of the Company was effected in the context of its listing in the Athens Stock Exchange in 2001 with the issue of 5,275,380 new common registered shares through an Initial Public Offering at the price of € 10.30 per share. In addition, based on the December 19th, 2001 decision of the General Assembly of Company Shareholders and ruling K2-17690/14.1.2002 of the Ministry of Development the nominal value of its shares increased to € 0.30 per share. As a result, the Company's Share Capital today amounts to € 33,234,894 divided into 110,782,980 common registered shares.

- Every Company share embodies all the rights and obligations specified by Codified Law 2190/1920 and the Company Codified Memorandum and Articles of Association. Possession of a Company Share automatically denotes acceptance, on the part of its owner, of the Company Codified Memorandum and Articles of Association and of the lawful decisions of the General Assembly of Company Shareholders.
- Based on the decisions of the Extraordinary General Assembly of Company Shareholders dated December 23rd, 2005 certain provisions of the Company's Memorandum and Articles of Association were amended – cancelled as follows:
  - Paragraph 1 of article 14 regarding the number of the members of the Board of Directors was amended and henceforth the headcount of Board members may range from 8 up to 12.
  - Paragraph 5 of article 14 regarding the right of certain shareholders to appoint members in the Board of Directors of the Company was cancelled.
  - The 2nd section of paragraph 1 of article 16 regarding the filling of the post of the Managing Director by a member of the Board of Directors appointed or elected following a proposal of ARAMCO OVERSEAS B.V. was cancelled.
  - Paragraph 1a of article 18 regarding the capacity of the Board of Directors to convene its meetings abroad was amended and specifically the relevant convenience of the Board to convene its meetings at Dhahran of Saudi Arabia was cancelled.
  - Paragraphs 2 of article 19 and 1 of article 30 and specifically the requirement to keep the minutes of the Board of Directors meetings and of the General Shareholders meetings respectively in the English language were cancelled.

Company shares do not embody any special privileges of any sort and the Company has not issued any ownership stock or shares participating in earnings, neither any common or preferred founders' shares.

Shareholder responsibility is limited to the nominal value of the shares they own. Each share entitles its owner to a right on the Company's property and proportionate participation in Company's earnings in accordance with the Law and the Company Codified Memorandum and Articles of Association. The rights and obligations that accompany each share are transferred to every universal or special shareholder successor.

Shareholders exercise their rights in relation to Company management only through General Assemblies of Company Shareholders.

Shareholders have a right in every future share capital increase of the Company, proportionally to their shareholding prior to the increase, as prescribed by article 13, paragraph 5 of Codified Law 2190/1920.

Creditors of a shareholder and their successors may in no way cause the confiscation or placement of any restriction on the use or disposal of any Company asset or of Company accounting Ledgers, neither may they demand its distribution or its liquidation, nor may they in any way interfere in its administration or management.

Every shareholder regardless of his/her actual place of residence, is considered as having as his legal address the Company's headquarters and is subject to Greek Law with respect to his/her relations to the Company. Any difference or dispute between the Company on the one hand and its shareholders or any third party on the other belongs to the exclusive jurisdiction of the regular courts, while the Company may be sued only before the courts of its domicile.

Every share is indivisible and entitles its owner to the right of one vote. Joint owners of common shares must appoint in writing to the Company their representative who will represent them at the General Assembly of Company Shareholders. In case no common representative is appointed, the rights of joint owners of shares cannot be exercised at a General Assembly of Company Shareholders.

Every shareholder has the right to participate in a General Assembly of Company Shareholders either in person or through a fully authorized representative. In order to be able to participate in an Extraordinary or Ordinary General Assembly of Company Shareholders, a shareholder must block his/her shares with the Securities Dematerialization System (SAT) or the Central Securities Depository (CSD) at least five (5) days prior to the date set for the General Assembly of Company Shareholders. Within the same deadline the Company must receive certification of this blocking placed on the shares as well as representation documentation in return for a receipt that is given to the shareholder or representative for his/her admission to the General Assembly of Company Shareholders. Those who fail to comply with these terms can only be admitted to the General Assembly of Company Shareholders by permission of the latter.

Company Shareholders representing at least 5% of paid up Share Capital:

a. Have the right to submit petition to the First Instance Court of the Company's domicile to conduct an audit of the Company in accordance with articles 40, 40e of Codified Law 2190/1920, and

b. May ask the convention of General Assembly of Company Shareholders. The Board of Directors is obliged to convene the Meeting no later than thirty (30) days from the day the relevant petition is submitted to the Chairman of the Board of Directors. On their petition, the petitioning shareholders have to state the issues on which the General Assembly will have to decide upon.

Every shareholder may request, ten (10) days prior to the Ordinary General Assembly of Company Shareholders, copies of the annual financial statements as well as of the relevant Board-of-Directors reports and of Auditors' reports.

Shareholders entitled to dividend are the ones who appear on the Shareholders' Registry, which is kept by the Company, on the date the annual accounting statements are approved by the Ordinary General Assembly of Company Shareholders or on whichever date specified by the Ordinary General Assembly of Company Shareholders.

Dividend first day of payment is within two (2) months from the date of the Ordinary General Assembly of Company Shareholders that approved the annual financial statements. The place and method of payment is acknowledged to the shareholders through announcements on the daily press.

Dividends not claimed for five years since they became payable are written off in favor of the State.

All procedural matters regarding share blocking, so that shareholders may participate in General Assemblies of Company Shareholders, and dividend payment are provided for by the Regulation of Operation and Clearance of the Securities Dematerialization System of the Central Securities Depository as this Regulation is in force.

2.2 Dividend Taxation

Under Greek Corporate Law (Law 2238/1994 article 109), as it is in force, the rate of income tax for companies listed on the Athens Stock Exchange (ASE), with the exemption of banks, is 32% for the accounting year 1.1.2005 – 31.12.2005 and is applied on taxable earnings prior to any appropriation. In this way, dividends are paid out from already taxed corporate earnings and, therefore, the shareholder has no further tax obligation on the dividend amount he collects.

The date on which the General Assembly of Company Shareholders approves the Financial Statements is regarded as the one that dividend income is generated.

It must be noted that, under Greek Corporate Law, in case a subsidiary proceeds with a dividend distribution from its earnings, the portion of the dividend attributable to the parent company can only be distributed by the latter to its shareholders during the next fiscal year (unless the parent company decides to distribute an interim dividend during the current fiscal year) and, consequently, this portion of dividend is recorded as income on next fiscal year's earnings of the parent company.

That part of parent company earnings accounted for by dividend income received by its subsidiaries can only be distributed to parent company shareholders in the next fiscal year following its collection.

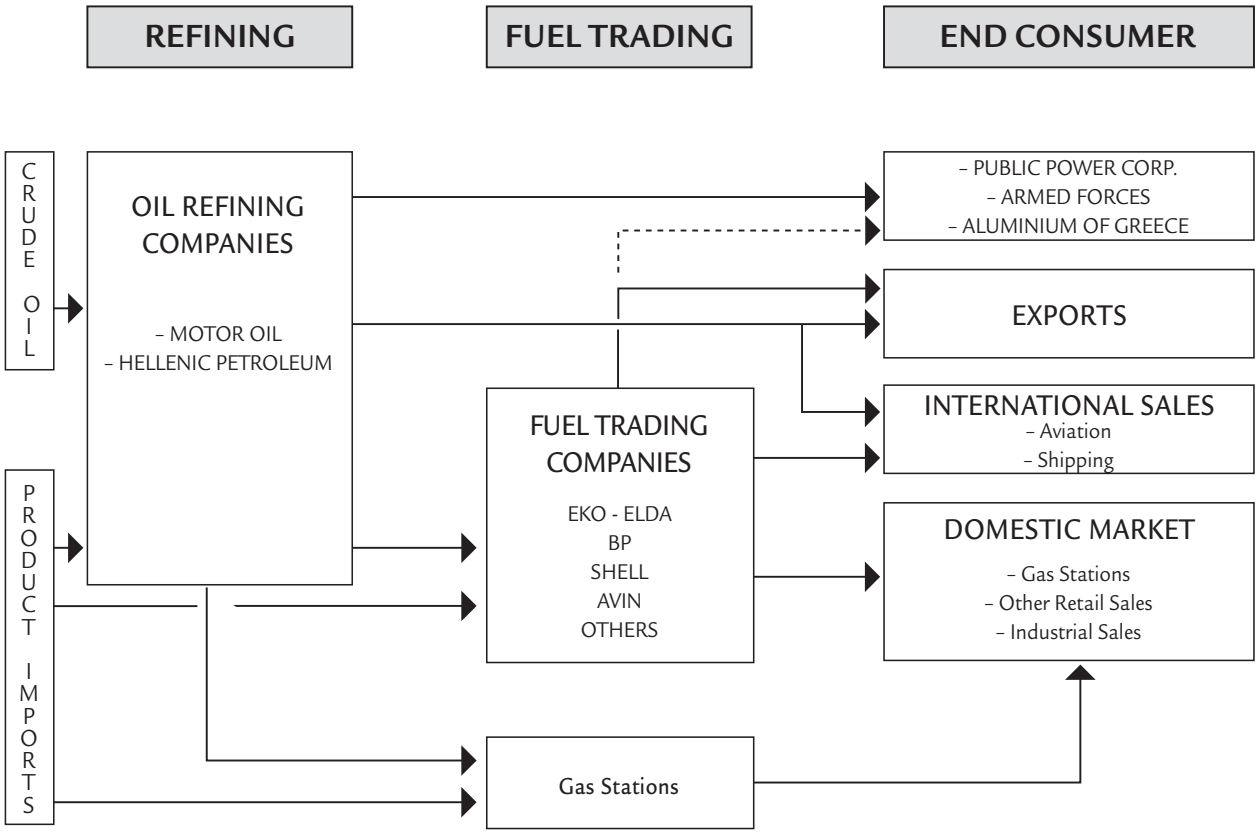
3. Market information and Structure

3.1 Structure of the Greek Oil Refining Market

3.1.1. General

Production of crude oil in Greece is very limited. The Prinos reserves at Kavala cover less than 2% of domestic demand and consequently nearly all of the country's needs in crude oil is covered by imports. Once processed in domestic refining units, crude oil is exported or sold in the domestic market.

The following chart depicts the structure of the domestic oil market:



3.2. Regulatory Framework

3.2.1 General

Fuel production and distribution in Greece takes place within a unique regulatory framework. Until the mid-eighties there was heavy state intervention. The Greek government set the pricing policy and ruled that petroleum product commercial enterprises could only get their supplies from the two state-owned refineries. Gradually the market liberalized completely and at present its operation is regulated by Law 3054/2002. According to this law a legal entity may obtain more than one licenses (e.g., oil refining, fuel trading, retail customer sales activities/gas stations' operation etc.) on condition that the licensee fulfills the requirements, as these are set by the law, for each separate activity.

3.2.2. Oil Refining

This regulatory framework allows oil refining companies to freely import and process crude oil and petroleum products from any country on condition that they pay taxes relating to imports from non European Union Member States in harmonisation to European Union directives.

3.2.3. Fuel Retailing (Marketing)

For the Ministry of Development to grant an operating license to a Company engaged in fuel retailing the latter must fulfill the following requirements: a) the Company share capital must exceed a stipulated floor, b) the Company must be in possession of its own storage premises or must be entitled to the usage of storage premises the storage capacity of which is dependent upon the type of license the Company has applied for, c) the Company technical installations must be suitable for the safe transport and distribution of the products, and d) the Company must be in possession of a tank truck fleet with a minimum number of vehicles. The Law enforces restrictions regarding the usage of tank trucks and of the vessels which carry oil products from refineries.

Companies engaging in fuel retailing may obtain finished products either from domestic refineries or through imports from any country under the sole condition that they pay taxes in harmonization to European Union directives relating to imports from non EU Member States. According to the Law 3054 / 2002, these companies may operate gas outlets and have the right to be owners of land and gas outlet equipment. In addition, "independent" gas outlet owners may get their supplies directly from the refineries and/or through imports as well as from companies engaging in fuel retailing.

3.2.4. Mandatory Reserves

Based on the Law 3054/2002 the importers of crude and petroleum products either domestic refineries, or companies engaging in fuel trading, or gas station owners, have to maintain mandatory reserves equal [in value] to 90/365 of previous calendar year's net imports as a means to meet not only the country's needs but also the European Union and the International Energy Association (IEA) requirements. Compliance with the law calling for maintenance of mandatory reserves results in Greek refineries adding a mark up when selling their products in the domestic market to compensate for this additional cost of storage.

3.2.5. Pricing

Consumer prices of petroleum products are fully liberalised and set according to supply and demand prevailing conditions. For reasons relating to protection of the consumers, refineries acknowledge to the Ministry of Development their way of ex factory price determination, while companies engaging in petroleum product commerce acknowledge the actual selling prices at which they supply the gas outlets. The government has kept the right to impose on a national or local level maximum selling prices.

3.2.6. Taxes

Law 2127/93 and Law 1642/86 as amended on 1/1/93, deal with all issues relating to Excise Tax and VAT on fuels.

3.2.7. Allocation of the greenhouse gas emission allowances

Aiming at the reinforcement of the global endeavor to confront the danger of climate change, the Kyoto Protocol was adopted in 1997, defining legally binding objectives for the reduction of the greenhouse gas emissions in the developed countries.

In the framework of the accomplishment of the objectives of the Protocol, the E.U adopted the Directive 2003/87/EC, according to which, a trading scheme for the greenhouse gas emission allowances was established. The Directive calls on the Member States to submit comprehensive national allocation plans for the greenhouse gas emission allowances to the different activities covered by the Directive, and therefore to the relevant installations. Following the Ministerial Decision No. 54409/2632 of 2004, Greece harmonised with the above mentioned directive, while in 2005 the Greek National Allocation Plan was approved by the European Commission.

The crude oil refining and trading sector is subject to the above-mentioned Directive. Hence, during the first phase of the implementation of the Plan (2005-2007) MOTOR OIL HELLAS was allocated gas emission allowances both for its existing and already operating units as well as for its units under construction.

3.2.8. Product Specifications

Specifications regarding oil products targeted for the domestic market are prescribed by Law 549/70 and its consequent ministerial decrees. Product testing regarding specifications fulfilment is carried out by the State General Chemical Laboratory. In the context of European Union's environmental protection policy, new specifications on sulfur content as well as other qualities for gasoline and automotive diesel fuel oil were set recently. The new specifications will become effective through a two step process the respective deadlines of which have been announced as the years 2005 and 2009. These new specifications are presented in the next table.

NEW SPECIFICATIONS (FOR GASOLINE & GASOIL)

	EFFECTIVE FROM: 01/01/2005	01/01/2009
Unleaded Gasoline		
Sulfur content (ppm)	50 max [1]	10 max
Aromatics (% vol.)	35 max	35 max
Olefins (% vol.)	18 max	18 max
Benzene (% vol.)	1 max	1 max
Oxygenates (% vol.)	2.7 max	2.7 max
Automotive Gasoil (Diesel)		
Density at 15°C (kg/l)	0.845 max	0.845 max
Sulfur content (ppm)	50 max [1]	10 max
Cetane number	51 min	51 min
Polyaromatics (% wt)	11 max	11 max
Distillation at 95% vol. (°C)	360 max	360 max

[1] *As of January 1st, 2005, each European Union Member State must gradually make available gasoline and automotive diesel with a maximum 10mg/kg sulfur content.*

3.3. Recent Developments in the World Oil Market

During 2005 the demand for crude oil increased in absolute terms by 1.1 million bpd, with the aggregate demand amounting to 83.22 million bpd against an increase of 2.7 million bpd and of an aggregate demand of 82.15 million bpd, in 2004.

The comparatively slower rate of demand increase in 2005 compared to 2004, did not create conditions of surplus of oil supply since the latter was negatively affected to a great extent by natural phenomena and specifically the Hurricanes Rita and Katrina that hit the geographic region of the gulf of Mexico in the USA.

The production of crude in the USA was affected by the stoppage of drilling operations resulting in the reduction of oil production by roughly 5% in 2005 compared to 2004. More specifically, during the last quarter of 2005 it is estimated that the reduction of crude production in the USA in absolute terms amounted to 570,000 bpd in relation to the respective quarter of 2004 and as a percentage to –16%.

As a result of the above, the international prices of various types of crude rose to considerably higher levels in 2005 compared to 2004 (Chapter 7 of the present Annual Report).

As regards petroleum products, a notable increase in their prices occured in 2005. This development is attributed to the fact that particularly during the second half of the year the production of refined products decreased due to the hurricanes in the USA when the local refineries suspended their operations. However, the demand for refined products coming from the other areas in the USA (one of the biggest oil consumers worldwide) as well as the rest of the world remained steady.

Along with the above described situation in the USA, the extremely adverse weather conditions (snowfalls) prevailing in Europe in 2005 revealed, to a certain degree, the difficulty of the refineries to adjust their product mix and meet the demand for particular products such as gasolines and diesels the prices of which rose significantly (Chapter 7 of the present Annual Report).

To sum up, the incremental increase of the prices of the refined products was greater than the incremental increase of the prices of crude oil and this resulted in the refining margins of the complex refineries in the region of Eastern Mediterranean to amount to 63.4 $/MT on average in 2005.

4. Company Profile

4.1. General Information

MOTOR OIL is one of the most important industrial companies in Greece in the oil sector.

In 2002 the Company acquired 100% of AVIN OIL S.A. (henceforth called "AVIN OIL"), which ranks 4th amongst the fuel trading companies in the domestic market, thus obtaining a strong arm in retail sales.

MOTOR OIL is the only refining company that possesses a lubricants complex and together with Hellenic Petroleum's Aspropyrgos refinery, are the only complex oil refineries in Greece. Besides the basic complexes (atmospheric distillation, catalytic reforming and hydrotreating) it includes other conversion units such as catalytic and thermal cracking.

The Company was founded through the notarial deed nr 4105/1970 with initial shareholders the Vardinoyannis Group companies "VARNIMA CORPORATION OF PANAMA" and "SEKA SA VESSEL FUELING STATIONS". Its founding permit was based on Ministry of Commerce decision 23020/1339 that ratified its charter (Government Journal - FEK - nr 511/7.05.1970) under the name "MOTOR OIL (HELLAS) LUBRICANT REFINERIES S.A.", that was subsequently changed, following a decision at its General Assembly of Company Shareholders of 31.10.1972 (Government Gazette – FEK – nr 1896/29.11.1972), into "MOTOR OIL (HELLAS) CORINTH REFINERIES S.A." - as accurately translated from the Greek, this is the Company's official trade name used in its transactions with foreign business entities.

The Company's headquarters are located in the municipality of Maroussi of Attica (official address: 12A Irodou Attikou str.) and is registered as an incorporated firm ("Societé Anonyme") with the Prefecture of Athens, East Attica Sector, with Incorporated Company Registration number 1482/06/B/86/26.

The Company's term was set to 50 years, up to 7/5/2020. License number D3/A/4124/20.3.2001, issued by the Ministry of Development provides the Company the right to infinitely operate its premises in the area of Aghii Theodori of Corinth.

According to article 3 of the Codified Memorandum and Articles of Association of the Company, its corporate objectives are:

- To establish and operate industrial units for the production and processing of gasoline, light diesel, illuminating kerosene, fuel oil, heating gasoil, LPG (liquid petroleum gas), basic and final lubricants, mineral oils and other petroleum products and by-products of any kind as well as to establish units for the packaging and preservation thereof and develop the various types of products and by-products being produced or manufactured.
- In accordance with Decision nr 805/729/1970 of the Ministers of Coordination, Finance and Industry to carry on any commercial or industrial activities for the development or marketing, in Greece and abroad, with respect to the above mentioned products and any products, in general, being produced by the Company, i.e petroleum products and by-products and services to automobiles, vessels, aircraft and establish machine repair shops, motor inns, restaurants and coffee-shops and any other relevant activities.
- To acquire, purchase, store, import, export, be a broker with respect to, transport, sell and /or distribute crude oil, petroleum products and by-products and of other hydrocarbons, minerals and ores, chemicals (both organic and inorganic), and by-products and products used as substitutes therefore and generally to be involved in the marketing and distribution business and have any other activities which are necessary or useful for doing and developing such business.
- To establish and operate facilities for the production of steam and electric power as well as port facilities, hydraulic facilities, sewage facilities and other similar facilities serving the Company's objectives and the objectives of other companies to be established or of entities that are related or cooperate with the Company as well as to render various general services to these companies or entities.

- To establish and operate factories for the industrial processing and storage of LPG, packaging materials, and to perform any marketing related thereto as well as to perform any industrial or commercial activity or business relating to this purpose.
- To hold, license and otherwise possess and manage in any way whatsoever trademarks, copyrights and letters patent, methods of elaboration/preparation of plans/designs, production methods, etc.
- To establish, operate and exploit liquid fuel outlets.
- To engage in the business of handling, transporting and disposing of hydrocarbon wastes
- To establish other companies of any legal form with identical, similar or complementary objectives or companies simply useful in any way, even on an indirect manner, for the accomplishment of the objectives of the Company.
- To participate in and cooperate with other business entities/ groups of whatever form with similar, relevant, complementary or even simply useful in any way for the accomplishment, even on an indirect basis, of the objectives of the Company as well as to represent, directly or indirectly, Greek or foreign companies having similar objectives.
- To purchase, rent, and lease tangible and intangible assets as a means to fulfill the above mentioned objectives.
- To grant third party guarantees or ordinary guarantees or any security of any form whatsoever (real or personal) in favor of natural persons or legal entities and in general to perform any act that aims directly or indirectly at achieving any of the above mentioned objectives.

It is noted that the corporate objectives of the Company, as set forth in its Codified Memorandum and Articles of Association, have not been amended in the last five years.

The industry in which the Company carries out its business activities is defined as "Production of Oil Refining Products" (Statistical Codification of Economic Activity –STAKOD 03- 232.0).

4.2. Background

The main milestones in the Company's history are:

1970-1972

Foundation and beginning of operation of the refinery comprised of a crude oil refining unit, a basic lubricant production unit, a jetty with loading terminal, and truck loading terminals.

1975

Entrance to fuel production with the addition of the Atmospheric Distillation Unit.

1978

Construction of the Catalytic Reforming Unit (further downstream processing of naphtha).

1980

Installation of the Catalytic Cracking Unit (further downstream processing of fuel oil to turn it into high value-added products).

1984

Construction of an Electric Power Production Unit that uses gaseous fuel as raw material. Right to sell energy to the domestic market.

1993

ISO 9002 accreditation for the entire spectrum of activities of the Company.

1996

Purchase of 50% of the Company's shares by Aramco Overseas Company BV, 100% subsidiary of Saudi Arabian Oil Company (Saudi Aramco). Relocation of Company Headquarters to a modern building in Maroussi, Attica.

2000

Completion of investment projects aiming at the production of products in harmonization to European Union specifications for 2000. During the same year the Environmental Protection System of the Company is ISO 14001 accredited.

2001

Installation of a new gas turbine in the electric power station. Upgrading of the lubricants' vacuum unit. Company share capital increase through public offer of shares and listing in the Athens Stock Exchange.

2002

Acquisition of 100% of AVIN OIL which engages in fuel trading in the domestic market.

2003

ISO 9001:2000 accreditation for the Quality regarding the whole spectrum of Company activities.

2004

Recertification of the Environmental Protection System of the Company according to the ISO 14001 with validity for three more years (until 2007).

2005

Completion of the installation of the Hydrockracking Unit (Hydrocracker) for the production of the new clean fuels according to the specifications of the European Union not only of 2005 but also of 2009 (Auto Oil II). Acquisition of the aggregate stake of Aramco Overseas Company B.V. in the Company by Motor Oil Holdings S.A.

4.3. Company Activity – Fixed Assets

Together with its ancillary units and its fuel custody transfer premises the refinery constitutes the largest private industrial complex in Greece and is considered one of the most flexible refineries in Southeast Europe.

Up until 1989 MOTOR OIL exported its entire production. From 1989 until today, following the liberalization of the market, the Company has acquired approximately 25% of the domestic market remaining at the same time a strong export refinery. Consequently, business risk is reduced through the geographical distribution of sales between domestic and foreign markets as well bunkering (shipping and aviation).

The refinery is one of the most modern industrial complexes, capable of processing low-quality raw material and turn it into high-value-added finished products. The refinery is vertically integrated to the highest degree possible and apart from that its facilities include extensive storage capacity of approximately 2.2 million cubic meters, loading premises and, port installations consisting of three jetties with maximum berthing capacity of 450,000 tons.

The Company uses crude oil as its primary raw material to produce a full range of products, i.e, gasoline, diesel, fuel oil, asphalt, jet fuel and lubricants with the emphasis being placed on high-value-added products and on new-specification products thus catering to the needs of large companies engaging in petroleum product commercial activities in Greece and abroad. It is also the only producer of lubricants in Greece. The basic and final lubricants produced are approved by international organizations (ACEA, API) and by the United States Armed Forces.

Total covered area at refinery premises concerns mainly storage tanks and building complexes. These building complexes accommodate the monitoring equipment of the production facilities, the ancillary power stations, the maintenance-repair units, the storage premises for auxiliary production material – equipment, and management offices.

Most of those premises were built in the period 1972-3. Major additions to buildings were effected gradually throughout the decades of the 1980s and the 1990s. Furthermore, large scale investments were carried out during the last three year period 2003 – 2005 amounting to approximately € 500 million (detailed description in the section 4.9 of the present Chapter).

As at 31.12.2005 the net book value of the building complexes owned by the Company amounted to € 67,392 thousand whereas the net book value of land sites to € 30,752 thousand.

Apart from its industrial production activity, the Company is active in commerce through buying and selling finished products, taking advantage of any market opportunities as they appear.

The Company rents office space at the building at Maroussi (12A Irodou Attikou str., 151 24 Athens) in which it houses its headquarters.

It is emphasized that the Company has all required licenses relating to its operation while no administrative penalty has ever been imposed or is pending for any violation on these licenses.

It must also be stressed that there has never been an interruption in Company activities throughout the period since its foundation.

4.4. Sales & Distribution Network – Customer Service

The bulk of the Company's product output is delivered to its customers FOB at the refinery premises at Aghii Theodori. That part of the output targeted for consumption in the large cities is carried with vessels to third party premises, while the remainder is either carried through pipelines at the nearby storage tanks of AVIN OIL or delivered onto tank-trucks directly from the refinery.

The clientele of MOTOR OIL includes all large Greek companies engaging in petroleum product activities as well as companies engaging in ship refueling (bunkering), while part of the revenue is generated from exports to the countries of the East Mediterranean, the Balkans etc.

Further to its commercial activities, the Company offers its customers various types of services taking full advantage of its infrastructure. These services include product storage facilities as well as crude oil refining for third parties.

It is also emphasized that MOTOR OIL is one of the major aircraft fuel suppliers of the new Athens Airport at Spata. More specifically, the Company participates in the share capital of the "ATHENS AIRPORT FUEL PIPELINE COMPANY" assigned the project to construct and handle the pipeline which will carry fuel directly from the Aspropyrgos Hellenic Petroleum Refinery to the new Athens Airport, and in the share capital of "OLYMPIC FUEL COMPANY" assigned the task to handle the fuel tanks and the fuel pipeline within the new Athens Airport area (for the participation percentages please see Chapter 6).

4.5. Share Capital – Shareholder Structure

The share capital of the Company amounts to € 33,234,894 consisting of 110,782,980 common registered shares of a nominal value of € 0.30 each. It must be noted that there is not any authorized but not yet issued share capital and no issue of shares which do not represent share capital has taken place. Moreover, there are not any outstanding convertible to shares bonds (or any other form of debt), and there are not any terms in the Codified Memorandum and Articles of Association relating to changes of share capital which are more restrictive than those terms specified by the law.

The Company's shareholder structure is presented hereunder:

Shareholder	Number of Shares	%
PETROVENTURE HOLDINGS LTD	56,499,320	51.00%
PETROSHARES LIMITED	11,673,690	10.54%
Free Float	42,609,970	38.46%
TOTAL	**110,782,980**	**100.00%**

The two legal entities-shareholders of MOTOR OIL, PETROVENTURE HOLDINGS LTD and PETROSHARES LIMITED have their headquarters at Jersey Channel Islands and they operate according to the 1991 Jersey law. In November 2005, MOTOR OIL HOLDINGS S.A a Luxembourg based holding company owned by the Vardinoyannis family announced that it became the controlling shareholder of PETROVENTURE HOLDINGS LTD and PETROSHARES LIMITED.

SHARE BUYBACK

In 2005, MOTOR OIL sold the aggregate of 15,180 own shares it acquired in the context of the relevant decision of the Annual Ordinary General Shareholders Meeting of June 1st, 2004. As a result, MOTOR OIL has no own shares in its possession.

4.6. Company Administration & Management

The Board of Directors of the Company is presented hereunder:

First Name and Surname	BoD Position	Member Identity *
1. Vardis J. Vardinoyannis	Chairman & Managing Director	Executive
2. John V. Vardinoyannis	Vice-Chairman	Non-Executive
3. Panayotis N. Kontaxis	Vice-Chairman	Non-Executive
4. John N. Kosmadakis	Deputy Managing Director	Executive
5. Petros T. Tzannetakis	Deputy Managing Director	Executive
6. Demosthenes N. Vardinoyannis	Member	Non-Executive
7. Nikos Th. Vardinoyannis	Member	Non-Executive
8. George P. Alexandridis	Member	Non-Executive
9. George Th. Theodoroulakis	Member	Non-Executive
10. Despina N. Manolis	Member	Non-Executive
11. Konstantinos V. Maraveas	Member	Non-Executive Independent
12. Leonidas K. Georgopoulos	Member	Non-Executive Independent

** According to Corporate Governance Law 3016/2002*

The term of the above Board of Directors expires on the next Annual Ordinary General Assembly of the Company Shareholders which will approve the Company Financial Statements of the accounting year 2005.

The top executives of the Company are presented hereunder:

- **Vardis J. Vardinoyannis, Chairman & Managing Director.** He is one of the founders of the Company and has been a member of the top management team since 1972. Apart from MOTOR OIL, he has exploited a wide array of entrepreneurial endeavours in Greece and abroad.
- **John N. Kosmadakis, Deputy Managing Director, General Manager of Marketing.** He has been working with the Company since 1978.
- **Petros T. Tzannetakis, Deputy Managing Director, Chief Financial Officer.** He has been working with the Company since 1986.
- **Michael Stiakakis, Refinery Manufacturing General Manager.** He has been working with the Company since 1982.
- **Constantinos Vasilakis, General Manger of Corporate Planning.** He has been working with the Company since 1973.

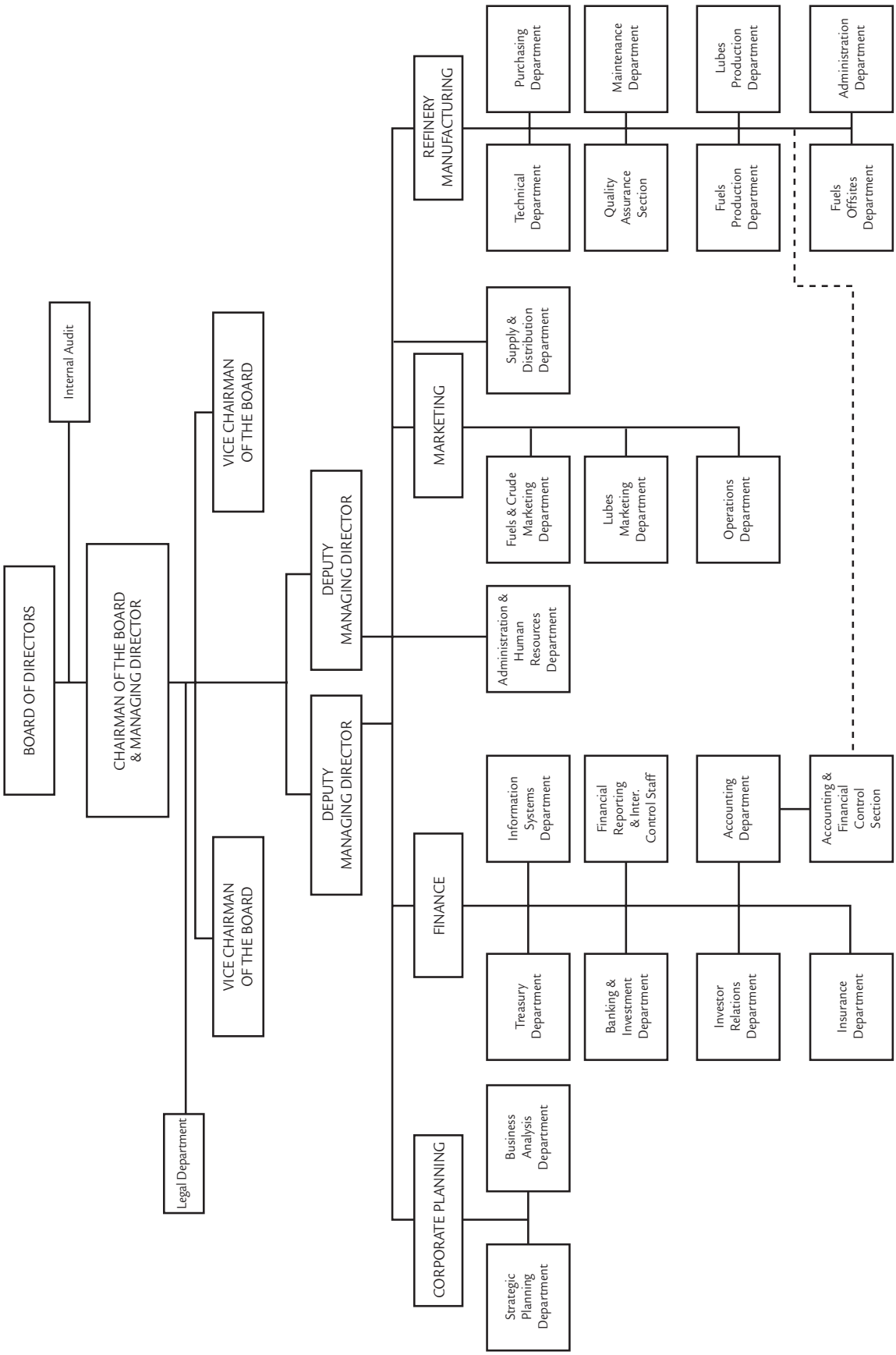
Mr. Constantinos Thanopoulos is the Internal Audit Manager.

Top Management and Administration remuneration for accounting year 2005 amounted to € 1,852.0 thousand while BoD members' fees (included in Administrative Expenses) amounted to € 216.0 thousand.

TOP MANAGEMENT REMUNERATION

(amounts in thousand euros)	2003	2004	2005
Top Management and Administration Remuneration	1,791.6	1,941.5	1,852.0
BoD Members' Fees	213.0	213.0	216.0
Total	**2,004.6**	**2,154.5**	**2,068.0**

4.7. Organization Chart



4.8. Personnel

The Company is one of the biggest employers in Greece. The total employee headcount as at December 31, 2005 reached the number of 1,157 persons of whom 971 worked at the refinery and 186 at the Company headquarters.

PERSONNEL HEADCOUNT (at the year end)

	2003	2004	2005
Refinery Staff	903	988	971
Headquarters Personnel	189	190	186
TOTAL	**1,092**	**1,178**	**1,157**

The Company places particular emphasis to the employee educational background as this provides a comparative advantage against competition given the international and technologically advanced character of the refining sector. Today 20% of Company personnel have graduated from Institutions of Higher or Highest Education while intra-company educational programs are offered and seminars are held on a regular basis each year.

Company employees may take advantage of a comprehensive program of educational courses and seminars conducted in Greece or abroad. In this way continuous development of Company personnel is achieved to the benefit of MOTOR OIL and of society at large.

In addition, the Company places emphasis on the optimization of working conditions and above all on workforce safety, employing 3 doctors, medical personnel, and owning 3 fully equipped ambulances. As part of its interest in employee welfare, the Company offers its personnel and their families a private life insurance and medical care program covering all hospital treatment expenses that may arise. This insurance program is considered to be innovative as a result of the benefits and compensations it involves. The Company also has a multi-member security section and a specialized safety technician who is assigned the responsibility to supervise and secure hygiene and safety conditions at workplace as well as to prevent work accidents. As an aid to workplace accident prevention the Company owns 5 fire extinction vehicles and a multitude of stable and portable fire & smoke detection systems and extinguishers.

The accident prevention policy is implemented through the following methods:

- Strict adherence to legislation and internationally accepted codes, protocols and safety operation rules.
- Continuous improvement of all safety and hygiene control systems.
- Record keeping of all accidents, accident evaluation and adopting appropriate corrective action and preventive measures.
- Continuous upgrade of all resources relating to individual safety and fire prevention, combined with personnel training on the use of these resources.

4.9. 2003–2005 Capital Expenditure

During the last three years capital expenditure amounted to € 483 million aiming at the expansion and the upgrading of the production units of the refinery.

(amounts in million euros)	2003	2004	2005	Total
Investment Amount	86	243	154	483

A) The greatest part of capital expenditure during the period 2003–2005 aimed at the **maximization of the refining margin**. The most significant of these investments are presented next:

- **Installation of a Hydrocracking Unit** (total expenditure € 350 million) for the production of the new clean fuels according to the specifications of the European Union not only for 2005 but also for 2009 (Auto Oil II). This unit will enhance the production capacity of the refinery with reference to diesel, of which there is a shortage in Greece and generally in Europe. The additional diesel production will substitute refinery imports while the particular unit will provide greater flexibility in maximizing either diesel or gasolines production according to seasonal demand.

  In the context of this project the following units were constructed:
  - A Mild Hydrocracker unit with a 37,000 bpd capacity.
  - A Gasoil desulphurisation unit with a 32,000 bpd capacity.
  - A hydrogen production unit with a 65,000 Nm^3/hr capacity.
  - A 150 kV substation for the connection of the refinery with the interconnected transmission system of electricity, as well as a new gas turbine with which the installed electricity capacity increased to 62 MW.
  - A new complex for sulfur recovery.

Furthermore, extended revamp works in the existing distillation units (atmospheric and vacuum) as well as restructuring in the refinery utilities (new flare, new desalination units, water treatment, instrument air etc.) took place.

The Hydrockracker Complex became fully operational in November 2005. All the project objectives regarding delivery deadlines, quality of produced products and budgeted capital expenditure were met.

For the completion of the project more than 4.5 million man hours were required. It is important to mention that throughout the duration of the project no working accident occurred, despite the fact that a great part of the works took place in limited space conditions due to the existing units. This is indicative of the emphasis placed by the Company on the aspect of safety at workplace.

In the context of the Hydrockracker project and through a series of upgrades, modifications and additions, the environmental terms of the refinery improved as regards both the gas emissions and the management of liquid wastes.

As a result of the installation of the Hydrockracker, the Nelson Complexity Index assigned to the refinery increased significantly placing it among the most sophisticated and modern ones all over Europe, thus strengthening one of its key competitive advantages even more.

- **The installation of an Advanced Process Control (APC) System,** which is an extension of the Distributed Control System, contributes to the maximization of the refining profit margin of the Company since it constitutes a key catalyst for the increase in production of high value-added products, the rationalization of the utilization of the refinery production units and the operating cost containment. During the period 2003-2005, and in the context of a wider investment project of a total expenditure of € 8.8 million, the APC system was applied on the existing refinery units and was modified to reflect the new operating conditions following the installation of the new Mild Hydrocracker while the process for the inclusion in the APC system of additional units was initiated.

- In 2005 the installation of a **Power Management System (PMS)** aiming at increasing reliability of the electricity network of the refinery as well as reducing the energy cost was completed. The capital expenditure for the PMS amounted to € 3 million.

B) In addition, aiming at the **promotion and sale of all refinery products at the best possible price,** MOTOR OIL proceeded with the construction of a **new Truck Loading Terminal (TLT) at the refinery** as a means to improve and optimize the distribution system of the Company. This new loading terminal, the operation of which started in April 2004, improves customer service while contributing to the Company's increasing its market share in the areas of Peloponissos and Western Greece (total project budget € 20.5 million).

C) During the period 2003–2005 the Company completed, as part of its firm policy, a number of significant projects for **the improvement of environmental conditions and safety standards** of the refinery.

- In the beginning of 2003 **the installation of a new sulfur-recovery unit** was completed (total expenditure € 9.3 million). This investment contributes to environmental protection and to the additional boost of productivity of the refinery units. In the context of the installation of the new Mild Hydrocracker a new complex of units for sulfur recovery was constructed, contributing to the reliability and availability of the unit while achieving the minimum environmental impairment at the same time.

- In 2004 the works for the upgrading of the **Waste Water Treatment (WWT Unit)** commenced with the installation of a new biological treatment unit and the thorough upgrading of the primary and secondary treatment system. The project aims at the increase of the capacity of the WWT Unit in order to cater for the new Hydrocracker complex as well as extreme rainfall conditions. Furthermore, provision has been made for the modernization of the facility with the employment of new technologies as a means to further improve waste water quality and enhance the mechanical availability. The project will be completed within 2006 and its total budget amounts to € 16 million.

- The works for the **reduction of catalyst emissions from the Fluid Catalytic Cracking Unit (FCC)** also commenced in 2004 (total budget € 10.9 million). The project includes among other things the installation of an electrostatic precipitator on the flue gas of the FCC for the minimization of the catalyst emissions in the atmosphere by following the Best Available Techniques (BAT) adopted by the European Union with reference to the refineries. The project was completed within 2005.

For the **year 2006** the **capital expenditure** of the Company is estimated at approximately **€ 40 million**, the greater part of which concerns the installation of three (3) fixed roof tanks of a 35,000 m^3 capacity each, the connection of the refinery with the natural gas pipeline and the subsequent internal network construction, and, finally, the substitution of one of the four gas turbines for the production of electricity.

4.10. MOTOR OIL and Society

4.10.1 Environment – Quality

From the beginning of its operation MOTOR OIL focused its efforts on the production of quality products having as a main objective to satisfy the needs of its customers. Another Company objective is to offer its customers dependable quality products through total mobilization of its management and to resolve any potential problems before they arise.

As a result of the previously mentioned objectives, in 1992 the Company initiated the planning and development of a Quality Assurance System which covered all Company activities and fulfilled the requirements of the ISO 9002 standards. This system was firstly certified in December 1993.

Since then, the Quality System has become an integral part of MOTOR OIL operations.

In 2002 started the restructuring of the existing system in order to develop a new Quality Management System fulfilling the ISO 9001:2000 standards. This new system was certified in January 2003 by Bureau Veritas Quality International (BVQI).

The Administration and personnel of the Company are fully committed to continuous quality improvement.

The adoption of methods and procedures that protect the environment comprise top priority for MOTOR OIL. The refinery operation conforms to the environmental regulation of the Ministry of Urban Planning and the Ministry of Development and is fully harmonized with the most stringent international environmental standards. The employment of advanced processing methods that do not cause any environmental harm contributed to the refinery's certification with ISO 14001 in December 2000 and recertification in January 2004 with certificates valid up until January 2007.

It is important to note that MOTOR OIL is the unique refinery in Greece and one among only a handful in Europe which with such a high complexity index has been certified with both systems which are part of the Integrated Management System.

In order to accomplish and adhere to the above mentioned environmental objectives, the Company seeks to:

- Reduce its consumption needs for natural resources and energy while at the same time increase its self-produced energy capacity.
- Produce products and use technologies that are environmental friendly.
- Control the management of gaseous emissions and continue the monitoring of the quality of the atmosphere.
- Promote recycling and effective management of solid and liquid waste.
- Tackle environmental emergencies through the development and implementation of emergency response plans such as the Oil Spill Contingency Plan.

Ultimately, the new Hydrocracker complex, which aims at the production of environment friendly gasoline and diesel with low sulfur content, will have a decisive contribution to the Company's environmental protection goals. Moreover, several other units such as sour water stripping, sulfur recovery, waste water treatment upgrading are well under way together with energy saving projects and the connection to the Natural Gas network which will render the Company's production facilities more environment friendly.

4.10.2. Social responsibility

Social responsibility, in the sense of initiatives by businesses to integrate community welfare and environmental protection into their commercial activities, was adopted by businesses in both the United States and the European Union many years prior to the development and establishment of the concept of Corporate Social Responsibility as a part of modern business practice. It is obvious that today's businesses – as members of the society in which they operate and because of their potential to influence the living conditions of those working for them or indirectly affected by their activities – should actively promote social cohesion and fund social programs in the general public interest.

The principles and commitments associated with corporate social responsibility programs are not merely about charitable donations and sponsorships aimed at promoting a corporate image. They are an extension of the commitment by businesses not only to fully comply with legislative requirements but also to act altruistically and ensure industrial development is conforming to the sustainable growth principles.

MOTOR OIL has been a founding member of the Greek Corporate Social Responsibility Network since 1999 and has adopted activities and programs to develop its human resources, protect the environment and ensure the social well-being of the community in which it operates. Within this context, the key action points for businesses are the following:

- development of human resources
- health and safety in the workplace
- environmental and natural resources management
- cooperation with local communities
- contribution to sustainable development.

Through its participation in the Greek Corporate Social Responsibility Network the company aims to contribute to the bolstering of social cohesion, to support social stability and to apply the best practices in environmental protection so as to ensure sustainable development, that is, to satisfy its own needs without depleting resources for future generations. This contribution is practically implemented through policies and actions related to the management of its own human resources, of quality, of occupational health and safety and of environmental protection. Furthermore, it is expressed through a variety of support activities, both to local communities and the society at large. In other words, for MOTOR OIL, corporate social responsibility means giving satisfactory returns to its shareholders, ensuring the personal and professional development for its employees, satisfying the needs of its clients and functioning without compromising health and safety at work, environmental protection or the interests of society as a whole.

A detailed presentation of the company's policies and actions with regard to Corporate Social Responsibility is available at a separate edition produced by MOTOR OIL titled "Environmental and Social Report".

4.10.3. Subsidies – Sponsorships – Educational Programs

The Company engages in various areas of social activities. More specifically, MOTOR OIL supports international sports events, athletic clubs, art events, hospitals, educational institutes and social organizations by the means of sponsorships and grants while it organizes festive events for children every year.

MOTOR OIL was "Golden Sponsor" of the Greek Olympic Team for physically challenged persons in the "Special Olympics" Games held in Sydney, Australia, while the Company is permanent sponsor of the Greek Special Olympics Teams. More specifically, in 2004 the Company was the sponsor of 25 athletes who were members of the Greek Team for the Games which took place at the Rhodes island.

In addition to providing on-the-job intra-company training seminars to its personnel, MOTOR OIL holds every year a series of educational sessions at the refinery to visiting university students who receive up to date information on various technical and commercial matters as well as advice on professional orientation.

Moreover, every year MOTOR OIL accommodates a large number of university students doing their practice, as part requirement of their studies, either at the Refinery or Company Headquarters.

5. Performance Review

5.1 Company Activities

Company turnover for the year 2005 amounted to € 2,923.8 million compared to € 1,937.2 million for 2004 and € 1,560.1 million for 2003 demonstrating an increase of 50.93% in 2005 in relation to 2004. The development of Company turnover by product, type of activity (refining, trading) and geographical market during the last three year period is presented hereunder:

TURNOVER BREAKDOWN (amounts in million euros)

	2003	2004	2005
Refining Production			
Domestic	632.5	681.8	827.4
Exports	609.8	801.4	1,181.3
Total Refining Production	**1,242.3**	**1,483.3**	**2,008.7**
Trading Activity			
Domestic	177.9	207.4	479.5
Export	139.8	246.5	435.6
Total Trading Activity	**317.8**	**453.9**	**915.1**
TOTAL TURNOVER	**1,560.1**	**1,937.2**	**2,923.8**

TURNOVER BREAKDOWN (% of total)

	2003	2004	2005
Refining Production			
Domestic	40.5%	35.2%	28.3%
Exports	39.1%	41.4%	40.4%
Total Refining Production	**79.6%**	**76.6%**	**68.7%**
Trading Activity			
Domestic	11.4%	10.7%	16.4%
Exports	9.0%	12.7%	14.9%
Total Trading Activity	**20.4%**	**23.4%**	**31.3%**
TOTAL TURNOVER	**100.0%**	**100.0%**	**100.0%**

The **refining production** concerns the sales of products produced by the refinery of MOTOR OIL.

The **trading activity** concerns the sales generated as a result of imports of finished products from the international market and their resale in the domestic market and/or abroad. The Company has the flexibility to take full advantage of the favorable market conditions, whenever these arise, and is in a position to respond in any exceptional and unpredictable event meeting the increased demand in the domestic and international market with imports.

5.1.1. Turnover

The major objective of MOTOR OIL is to achieve the optimum selling price for its products and to increase its market share in Greece. At the same time the Company aims to accomplish emerging market penetration. To this end, MOTOR OIL has created a coherent sales and distribution network for the promotion of its products as a means to strengthen its presence in the oil market. It is important to note that the Company responds to customer demand without neglecting workplace hygiene, workforce safety and environmental protection issues. Through these moves MOTOR OIL aims to increase its profitability and maximize shareholder value.

The following tables include summary data of MOTOR OIL's turnover breakdown by type of activity, market and product for the last three years.

By Type of Activity

	(thousand MT)			(million EURO)		
	2003	2004	2005	2003	2004	2005
Refining Production	5,562	5,808	5,492	1,242.2	1,483.3	2,008.7
Trading Activity	1,199	1,495	2,158	317.9	453.9	915.1
TOTAL	**6,761**	**7,303**	**7,650**	**1,560.1**	**1,937.2**	**2,923.8**

By Type of Market

	(thousand MT)			(million EURO)		
	2003	2004	2005	2003	2004	2005
Domestic	3,157	3,066	3,238	809.8	890.6	1,306.9
Exports	2,375	2,867	3,160	550.4	782.3	1,259.2
Shipping – Aviation	1,229	1,370	1,252	199.9	264.3	357.7
TOTAL	**6,761**	**7,303**	**7,650**	**1,560.1**	**1,937.2**	**2,923.8**

Domestic Market

The domestic sales of the Company in 2005 increased both by volume (5.6%) and value (46.7%) compared to the previous year.

Exports

In 2005 MOTOR OIL exports increased compared to the previous year by both volume (10.2%) and value (60.96%). This increase is mainly accounted for by the sale and promotion of products in the international markets, in which traditionally MOTOR OIL is very active, as a result of the significantly improved margins these markets offered during 2005.

Shipping - Aviation

The sales of the Company in this market decreased by volume (- 8.6%) and increased by value (35.5%) compared to the previous year. The lower sales volume is attributed to the decrease in the volume sales of fuel oil since its limited production, following the refinery shutdown for a three week period in April for the installation of the Hydrocracker, was directed to exports given the relatively higher margins these markets offered during 2005.

By Product Category

(Amounts in thousand Metric Tons)	2003	2004	2005
Asphalt	130	179	132
Fuel Oil	1,593	1,702	1,549
Diesel (Automotive – Heating)	2,297	2,284	2,641
Jet Fuel	591	852	1,007
Gasoline	1,653	1,873	1,928
LPG	150	156	138
Lubricants	196	187	181
Other	150	70	74
TOTAL	**6,761**	**7,303**	**7,650**

The breakdown of the Company's production output by product category for the last three years is presented in the following table:

Production Output By Product Category

Products (in thousand MT)	2003	2004	2005
Lubricants	177	177	175
LPG	153	157	142
Gasoline	1,345	1,492	1,359
Jet Fuel	533	599	649
Diesel (Automotive – Heating)	1,466	1,392	1,390
Special Products	325	298	237
Fuel Oil	1,702	1,645	1,544
TOTALS	**5,701**	**5,760**	**5,496**

The Company's market share by product category in the domestic market is presented in the following table:

MOTOR OIL MARKET SHARE BY PRODUCT CATEGORY IN THE GREEK MARKET

	2003	2004	2005
Domestic Market			
LPG	18.8%	24.5%	21.7%
Gasoline	30.7%	26.2%	26.5%
Jet Fuel	0.5%	0.7%	0.6%
Diesel (Automotive – Heating)	19.6%	20.1%	21.9%
Fuel Oil	10.2%	10.8%	10.9%
Asphalt	32.3%	39.0%	41.6%
Domestic Market Total (Fuels)	**20.8%**	**20.3%**	**21.1%**
Shipping - Aviation			
Jet Fuel	25.3%	33.7%	29.2%
Fuel Oil	30.1%	27.5%	25.3%
Bunker Gasoil	16.2%	19.7%	18.1%
Shipping – Aviation Total (Fuels)	**26.9%**	**27.1%**	**24.8%**
Lubricants	61.6%	52.3%	47.3%
INLAND MARKET TOTAL	**22.4%**	**22.2%**	**22.2%**

5.2. Company Turnover and Earnings Review 2004-2005

The development of Company earnings for the period 2004-2005 is presented in the following table:

(amounts in thousand euros)	2004	2005
Turnover (Sales)	1,937,191	2,923,769
Less: Cost of Sales (before Depreciation)	-1,745,885	-2,660,561
Gross Profit (before depreciation) [1]	**191,306**	**263,208**
% on turnover	9.88%	9.00%
Less: Administrative Expenses (before depreciation)[1,2]	-14,558	-14,376
% on turnover	-0.75%	-0.49%
Less: Selling Expenses (before depreciation) [1]	-12,576	-12,776
% on turnover	-0.65%	-0.44%
Plus (Less): Other Operating Income (Expenses)	20,394	-17,322
Earnings before Interest, Depreciation & Tax (EBITDA)	**184,566**	**218,734**
% on turnover	9.52%	7.48%
Plus: Income from Participations & Interest	6,351	4,773
Less: Interest & Related Expenses	-6,727	-12,461
Earnings before Depreciation & Tax	**184,190**	**211,046**
% on turnover	9.50%	7.22%
Less: Depreciation	-17,504	-22,516
Earnings Before Tax (EBT)	**166,686**	**188,530**
% on turnover	8.60%	6.45%
Less: Income Tax [3]	-48,026	-57,843
Earnings after Tax (EAT)	**118,660**	**130,687**
% on turnover	6.12%	4.47%
Weighted number of shares [4]	110,715,732	110,776,573
Number of shares at year end	110,782,980	110,782,980

PER SHARE DATA (in euros)	2004	2005
Earnings before Depreciation and Tax [5]	1.66	1.91
Earnings Before Tax [5]	1.50	1.70
Earnings after Tax [5]	1.07	1.18
Dividend per share [6]	0.85	1.10

Notes:

[1] *The breakdown of depreciation charges relating to Cost of Sales and Administrative & Selling Expenses is available in the section "Depreciation" of the present chapter.*

[2] *BoD fees for 2004 (€ 213 thousand) and 2005 (€ 216 thousand) are included in Administrative Expenses.*

[3] *The Company has been audited for tax purposes until the accounting year 1999 (included).*

[4] *For the weighted number of shares the buy back shares in possession of the Company were taken into consideration.*

[5] *Based on the weighted number of shares. It is noted that due to the small number of buy back shares in possession of the Company during the years 2004 and 2005 the data per share would not differ in case the calculations were made using the number of shares at the year end.*

[6] *The 2005 dividend amount per share regards the proposal of the Company BoD to the General Assembly of Company Shareholders.*

❑ Turnover

In principle, the turnover increase or decrease of oil refining and trading companies is mainly a function of the following factors:

a) Volume of Sales.
b) Crude Oil and Petroleum Product prices.
c) Euro / U.S Dollar parity.

The turnover of the Company in 2005 amounted to € 2,923.8 million from € 1,937.2million in 2004 demonstrating a 50.9% increase. In this development of Company turnover the positive catalysts were the increase of the volume of sales by 4.75% (from MT 7,303 thousand in 2004 to MT 7,650 thousand in 2005) and mainly the increase of the average prices of petroleum products by approximately 44% (the average Euro / USD parity remained unchanged thus having no effect).

The increase in the volume of sales is attributed mostly to the increased sales of gasolines, jet fuel and automotive and heating diesel.

It must be stressed that the bulk of Company sales regards refining production comprising 68.7% of turnover in 2005, 76.6% of turnover in 2004 and 79.6% in 2003. The reduction of the percentage of refining production during 2005 is attributed to the three week period shutdown of the refinery in April for the necessary works in the context of the installation of the new Hydrocracker unit.

❑ Cost of Sales (before Depreciation) - Gross Profit

The Cost of Sales before depreciation amounted to € 2,660.6 million in 2005 from € 1,745.9 million in 2004 (an increase of 52.4%) and, as a result, the Gross Profit (before depreciation) increased as an absolute figure by 37.6% from € 191,306 thousand in 2004 to € 263,208 thousand in 2005.

It must be emphasized that the Cost of Sales (before depreciation) figure includes the Refinery Operating Cost (ROC) which concerns mainly the remuneration of the production staff, the cost of the private insurance program offered by the Company to its employees and the insurance premium for the refinery premises. The Refinery Operating Cost amounted to € 89,100 thousand in 2005 compared to € 79,800 thousand in 2004 and this 11.65% increase is attributed, firstly, in the increased expenditure for maintenance works during the refinery shutdown in April in the context of the installation of the Hydrocracker unit and, secondly, in the regular annual salary increase of the production staff.

Excluding the Refinery Operating Cost, the Gross Profit increased to € 352.3 million in 2005 from € 271.1 million in 2004 (an increase of 30%), confirming the continuously high and stable profitability of the Company in terms of gross margin.

The reasoning behind the increase of the Gross Profit (before depreciation) is twofold: a) the increase in the refinery margins, and b) the increase in the volume of Company sales due to its ability to engage in all three main markets (domestic, bunkering/aviation, exports) allowing it to optimize its sales and its profit margins according to the prevailing market conditions. In this way the Company manages, to a great extent, to secure a high level of sales and to improve its gross margin.

The development of the Company Gross Profit Margin in USD/MT for the last three years is shown below:

GROSS PROFIT MARGIN (IN $/MT)	2003	2004	2005
Refining Profit Margin	39.6	53.9	72.8
Trading Profit Margin	12.5	11.2	18.0
Blended Profit Margin	**34.6**	**45.9**	**57.4**

❑ Operating Expenses (Administrative and Selling)

In 2005 a containment of the Administrative and Selling Expenses as an absolute figure was achieved while as a percentage of Company's turnover these expenses decreased to 0.93% from 1.4% in 2004. This development is attributed to the resignation of executives, belonging to the top end of managerial posts and remuneration scale, following the change in the ownership status of the Company as well as the relatively greater participation of trading activity in the Company's turnover.

❑ Other Operating Income (Expenses)

Other operating income (expenses) relates to the net difference of foreign exchange gains and losses which evolve during the accounting year from the receivables and payables of the Company denominated in foreign currency.

❑ Earnings before Interest, Depreciation and Tax (EBITDA)

The Company earnings before interest, depreciation and tax (EBITDA) increased in 2005 by 18.51% compared to 2004 and amounted to € 218,734 thousand from € 184,566 thousand in 2004.

❑ Income from Participations and Interest

Income from participations and interest amounted to € 4.8 million out of which an amount of € 4.2 million concerns the dividend paid to the Company by the wholly owned subsidiary AVIN OIL from the 2004 yearly earnings of the latter and an amount of € 0.6 million concerns interest income from bank deposits.

❑ Financial Expenses

In 2005 the financial expenses of the Company amounted to € 12.5 million from € 6.7 million in 2004 (an increase of 86.6%). This development is attributed to the increase of the aggregate debt of the Company for the financing of its investment projects as well as the additional working capital needs due to the high prices of crude and petroleum products.

❑ Depreciation

In 2005 the depreciation charge amounted to € 22.5 million from € 17.5 million in 2004.

The breakdown of the depreciation charge relating to the Cost of Sales, Administrative Expenses and Selling Expenses for the last two years is presented in the next table:

DEPRECIATION BREAKDOWN

(amounts in thousand euros)	2004	2005
Cost of Sales	16,857	22,062
Administrative Expenses	605	429
Selling Expenses	42	25
TOTAL DEPRECIATION	**17,504**	**22,516**

❑ Earnings Before Tax

Earnings Before Tax (EBT) amounted to € 188.5 million in 2005 compared to € 166.7 million in 2004 (an increase of 13.1%) keeping the Company at a steady course of high profitability.

❑ Tax

The Company's Tax for 2005 amounted to € 57,843 thousand compared to € 48,026 thousand in 2004. The tax amount for the accounting year 2005 as a percentage of Earnings Before Tax (EBT) is equivalent to 30.68% since the amount relating to the AVIN OIL dividend is tax exempted.

5.3. Company Balance Sheet Statements Review 2004 - 2005

ASSETS

The development of the balance of the accounts of the Assets' side of the Company Balance Sheet as at 31.12.2004 and 31.12.2005 is presented in the following table:

ASSETS (amounts in thousand euros)	2004	2005
Fixed Assets		
Intangible assets	1,177	871
Tangible Assets	565,775	698,065
Participations in subsidiaries and affiliated companies	39,395	39,535
Other long term receivables	776	969
Total Fixed Assets	**607,123**	**739,440**
Current Assets		
Inventories	156,878	308,225
Receivables		
Customers	120,865	219,834
Other short term receivables	32,283	28,922
Total Receivables	**153,148**	**248,756**
Cash and cash equivalents	41,426	6,740
Total Current Assets	**351,452**	**563,721**
TOTAL ASSETS	**958,575**	**1,303,161**

❑ Intangible Assets

The balance of the account "Intangible Assets" concerns expenses for the purchase of software.

❑ Tangible Assets

An analysis of the balances of the accounts of "Tangible Assets" as at 31.12.2005 is included in note 15 of the disclosures on the financial statements for the accounting year 2005 (please see Appendix). It is clarified that the noted cumulative € 155 million increase in the balance (at cost) of the Tangible Assets (€ 869.9 million as at 31.12.2005 compared to € 715.56 million as at 31.12.2004) relates to the investments completed during 2005 in the context of the 2003 – 2005 investment program of the Company (please see section 4.9 of the present annual report).

❑ Participations in Subsidiaries and Affiliated Companies

The balance of the account "Participations in Subsidiaries and Affiliated Companies" as at 31.12.2005 relates to the appraisal of the participation of MOTOR OIL in the companies "AVIN OIL" (€ 37.6 million), "OLYMPIC FUEL COMPANY S.A" (€ 0.9 million) and "CORINTH POWER S.A" (€ 0.14 million). Reference to these companies is made in chapter 6 of the present annual report while the percentages of the participation of MOTOR OIL in their share capital are presented in the following table:

Company Name	% participation
AVIN OIL S.A.	100%
OLYMPIC FUEL COMPANY S.A.	14%
CORINTH POWER S.A.	70%

❑ Other Long-Term Receivables

The balance of the account "Other Long-Term Receivables" as at 31.12.2005 amounted to € 969 thousand compared to € 776 thousand as at 31.12.2004 and concerns prepayments of rental payments and guarantees.

❑ Inventories

Year-end inventories (finished goods, raw materials, consumables etc.) are valued at the lower value between the purchase cost and the net realizable value at the end of each accounting period.

It must be stressed that because of the nature of Company products, economic depreciation of inventories is ruled out while the volume of transactions (purchases – sales) achieved during each accounting period eliminates the possibility of slowly moving inventories, in particular, with relation to petroleum products.

Furthermore, the Company keeps a stock of spare parts which were purchased for the purpose to be used in maintenance and repair works of its machinery. This stock concerns a large number of items, some of which are of high value and slow moving in general. The management of the refinery has declared that this situation is acceptable because these spare parts are accompanying items of the new machinery and of the equipment purchased by the Company in order to be in operational readiness. More specifically, keeping a safety stock of such items is a prerequisite for the Company on two counts: firstly, in order to be in a position to meet the maintenance and repair needs of the refinery equipment without delays and, secondly in order to avoid any refinery units remaining idle as a consequence of a certain spare part not being immediately available since a shortage may have serious an impact on Company production.

The total value of inventories as at 31.12.2005 amounted to € 308,225 thousand compared to € 156,878 thousand as at 31.12.2004 a development attributed to the increase in the prices of the crude and of the petroleum products. It is emphasized that a firm Company policy is to always keep low level of inventories.

❑ Customers

The balance of the account "Customers" amounted to € 219,834 thousand as at 31.12.2005 compared to € 120,865 thousand as at 31.12.2004. This development is mainly attributed to the increase in the prices of the crude and of the petroleum products. The average collection period of customer receivables is 20 days approximately.

❑ Other short term receivables

The balance of the account "Other short term receivables" amounted to € 28,922 thousand as at 31.12.2005 compared to € 32,283 thousand as at 31.12.2004 and mainly relates to receivables from VAT return and rebates on raw material purchases effected during the accounting year.

❑ Cash and cash equivalents

As at 31.12.2005 the cash balances of the Company relating to its current and time deposits amounted to € 6,740 thousand compared to € 41,426 thousand as at 31.12.2004.

LIABILITIES & SHAREHOLDERS' EQUITY

The development of the balance of the accounts of the Liabilities & Shareholders' Equity side of the Company Balance Sheet as at 31.12.2004 and 31.12.2005 is presented hereunder:

LIABILITIES & SHAREHOLDERS' EQUITY (amounts in thousand euros)	2004	2005
SHAREHOLDERS' EQUITY		
Paid up share capital	33,235	33,235
Share premium Account	49,528	49,528
Own shares	- 113	0
Reserves	75,487	75,374
Retained earnings	143,855	180,500
TOTAL SHAREHOLDERS' EQUITY	**301,992**	**338,637**
LIABILITIES		
Long term liabilities		
Bond loans	144,695	329,880
Provision for retirement benefit obligation	41,808	45,275
Deferred tax liabilities	19,920	11,141
Other non current liabilities and deferred income	5,206	4,821
Total Long term Liabilities	**211,629**	**391,117**
Short term liabilities		
Suppliers and other trade payables	185,239	253,876
Bank loans	224,306	276,143
Provision for retirement benefit obligation	2,324	2,403
Tax payable	32,663	40,570
Deferred income	422	415
Total Short Term Liabilities	**444,954**	**573,407**
TOTAL LIABILITIES	**656,583**	**964,524**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**958,575**	**913,861**

❑ Shareholders' Equity

As at 31.12.2005 the aggregate balance of Shareholders' Equity amounted to € 338,637 thousand compared to € 301,992 thousand as at 31.12.2004. An analysis of the development of the shareholders' equity of the Company from January 1st, 2004 (date signifying the application of the International Financial Reporting Standards – IFRS) up until December 31st, 2005 is offered hereunder:

SHAREHOLDERS' EQUITY (amounts in thousand euros)	2004	2005
Shareholders' Equity as at 1.1.2004 & 1.1.2005 respectively	**237,452**	**301,992**
Plus :Earnings after tax	118,660	130,687
Less: Dividends paid during the accounting year	- 55,391	- 94,155
Plus: Sale of own shares	1,271	113
Shareholders' Equity as at 31.12.2004 & 31.12.2005 respectively	**301,992**	**338,637**

❑ Long-Term Liabilities

As at 31.12.2005 the balance of this account was € 391,117 thousand compared to € 211,629 thousand as at 31.12.2004. This increase is mainly attributed to the two bond loans of the Company the first of which for an amount of € 250 million and duration of seven years (it was received gradually according to the progress of the Hydrocracker project) and the second one for an amount of USD 150 million and duration of five years. The agreement for the first loan was signed in July 2004. This loan concerns the financing needs of the Hydrocracker project and matures on June 30th, 2011. The balance of this loan included in the long term liabilities of the Company as at 31.12.2005 amounts to € 205 million compared to € 144.7 million as at 31.12.2004. The second loan concerns the refinancing of a long term loan for an amount of USD 150 million for the financing of the Company's working capital needs of a rather permanent nature. The refinancing was effected in December 2005. The new loan matures in December 2010.

❑ Suppliers and other trade payables

As at 31.12.2005 the balance of the account "Suppliers and other trade payables" amounted to € 253,876 thousand compared to € 185,239 thousand as at 31.12.2004. The average payment period of trade payables is 30 days approximately. The increase in the balance of this account as at 31.12.2005 is mainly attributed to the higher prices of raw material and finished products during the accounting period.

❑ Short-Term Bank Loans

As at 31.12.2005 the balance of "Short term bank loans" amounted to € 276,143 thousand compared to € 224,306 thousand as at 31.12.2004. It is clarified that the balance of 31.12.2005 includes an amount of € 30 million relating to the installment of the € 250 million bond loan payable within 2006. We also note that the balance of 31.12.2004 included the aggregate amount of the USD 150 million long term loan which was refinanced in December 2005 as well as an amount of € 15 million relating to the installment of the € 250 million bond loan paid within 2005. The increase in the short term bank loans within the accounting year 2005 is attributed to the enhanced working capital needs of the Company due to the high prices of crude and of the petroleum products.

❑ Tax payable

The tax liabilities of the Company as at 31.12.2005 increased to € 40,570 thousand compared to € 32,663 thousand as at 31.12.2004 due to the increased earnings for the accounting year 2005 compared to the accounting year 2004.

5.4 Company Key Financial Ratios

The key financial ratios of the Company for the period 2004 - 2005 are presented hereunder:

KEY FINANCIAL RATIOS	2004	2005
Growth Ratios (%)		
Turnover (Sales)	24.2%	50.9%
Earnings Before Tax	N/A	13.1%
Earnings after Tax	N/A	10.1%
Earnings Margin Ratios (%)		
Gross Profit Margin (before depreciation)	9.9%	9.0%
Net Profit Margin Before Tax	8.6%	6.5%
Net Profit Margin after Tax	6.1%	4.5%
Return on Capital Ratios (Before Tax) (%)		
Average Shareholders' Equity	61.8%	58.9%
Average Total Assets	N/A	17.8%
Liquidity Ratios (:1)		
Current Ratio	0.79	0.98
Quick Ratio	0.44	0.45
Efficiency Ratios (number of days)		
Average Collection Period	22.8	27.4
Average Payment Period	38.4	34.5
Inventory Turnover	34.4	43.8
Times Interest Earned		
EBIT/ Interest Expense	23.25	10.67
Capital Structure Ratios (:1)		
Liabilities / Equity	2.17	2.85
Bank Debt / Equity	1.22	1.79

The **turnover growth ratio** indicates a 50.9 % increase in sales in 2005 compared to 2004. The increase in turnover is explained by the increase in the Company's sales volumes and in the prices of petroleum products. The **earnings growth ratios** indicate a 13.1% and a 10.1% increase in 2005 EBT and EAT respectively.

The **gross profit margin** (before depreciation) amounted to 9% in 2005 from 9.9 % in 2004. The **net profit margin (before tax)** amounted to 6.5% in 2005 compared to 8.6% in 2004 as a result of the development of the gross profit margin.

The **return on average shareholders' equity** was maintained at a high level (2005: 58.9% compared to 2004: 61.8%) while the **return on average total assets** reached 17.8% in 2005.

The **current and quick ratios** of the Company improved marginally amounting to 0.98 and 0.45 respectively in 2005 from 0.79 and 0.44 in 2004.

The **average collection period** was 27.4 days in 2005 compared to 22.8 days in 2004. The **average payment period** was 34.5 days in 2005 compared to 38.4 days in 2004. Furthermore, **inventory turnover** was 43.8 days in 2005 compared to 34.4 days in 2004.

The **times interest earned ratio** stood at 10.67 in 2005 compared to 23.25 in 2004.

The **liabilities /equity ratio** was 2.85 in 2005 compared to 2.17 in 2004 a development attributed mainly to the increase in bank debt. For the same reason the **bank debt/ equity ratio** increased to 1.79 in 2005 from 1.22 in 2004.

DESCRIPTION OF KEY FINANCIAL RATIOS

GROWTH RATIOS (%)		
Turnover (Sales)	=	[(Current Year's Turnover – Previous Year's Turnover) / Previous Year's Turnover] *100
Earnings Before Tax (EBT)	=	[(Current Year's EBT – Previous Year's EBT) / Previous Year's EBT] *100
Earnings after Tax (EAT)	=	[(Current Year's EAT – Previous Year's EAT) / Previous Year's EAT] *100
PROFIT MARGIN RATIOS (%)		
Gross Profit Margin (before depreciation)	=	[Gross Profit (before depreciation) / Turnover] * 100
Net Profit Margin before Tax	=	[Earnings Before Tax / Turnover] * 100
Net Profit Margin after Tax	=	[Earnings After Tax / Turnover] * 100
RETURN ON CAPITAL RATIOS (%) (before tax)		
Average Shareholders' Equity	=	[Current Year's EBT /((Current Year's Shareholders' Equity + Previous Year's Shareholders' Equity)/2)]*100
Average Total Assets	=	{(Current Year's EBT + Interest & related Expenses) / [(Current Year's Total Assets + Previous Year's Total Assets) / 2]}*100
LIQUIDITY RATIOS (:1)		
Current Ratio	=	(Current Assets / Current Liabilities)
Quick Ratio	=	(Current Assets - Inventories) / (Current Liabilities)
EFFICIENCY RATIOS (number of days)		
Receivables	=	[Debtors' year end balance / Turnover]* 365
Payables	=	[Suppliers' year end balance/Cost of Sales (before depreciation)] * 365
Inventories	=	[Closing Stock of inventories/ Cost of Sales (before depreciation)]* 365
CAPITAL STRUCTURE RATIOS		
Liabilities / Equity	=	(Long-Term Liabilities + Current Liabilities) / Shareholders' Equity
Bank Debt / Equity	=	(Long-Term Bank Loans + Short-Term Bank Loans + Current portion of Long Term Bank Loans) / Shareholders' Equity
TIMES INTEREST EARNED RATIO		
Earnings before Interest and Tax / Interest Expenses	=	(EBT + Interest Expenses) / (Interest Expenses)

5.5 Cash Flow Statements

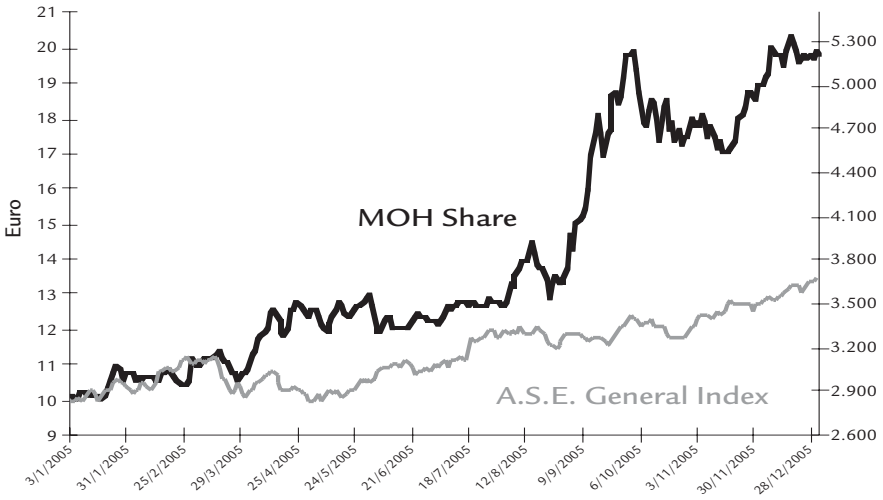
The Company Cash Flow Statements for the accounting year 2005 are included in the Appendix of this Annual Report (please see Appendix).

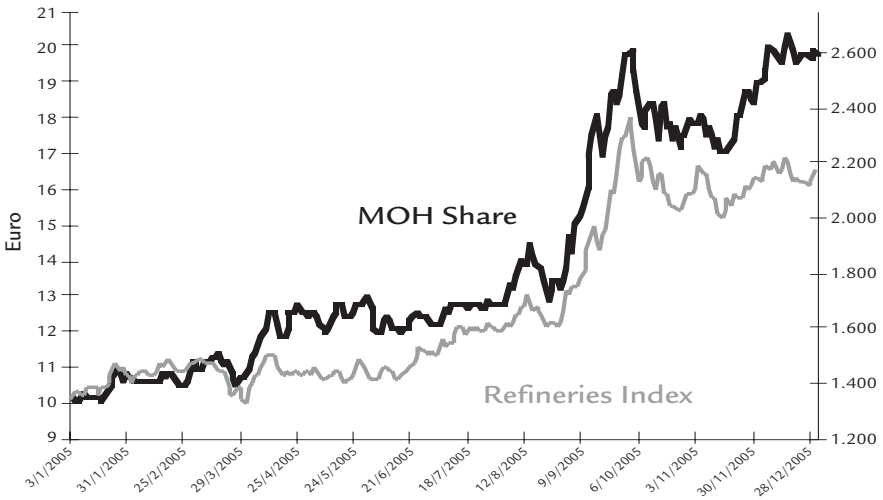
5.6 Share Market Price Development

The closing of the market price of the share of the Company on the last business day of the Athens Stock Exchange of each month of the year 2005, the total monthly share trading volume (both in quantity and value), and the closing prices of the ASE General and Refineries Indices on the respective dates, are presented in the following table:

	MOTOR OIL HELLAS			CLOSING PRICES	
Date	Share Closing Price	TRANSACTION VOLUME in shares	in Euros	GENERAL ASE INDEX	REFINERIES INDEX
31/12/2004	10.06	1,319,688	13,243,320	2,786.18	1,323.07
31/1/2005	10.74	1,185,213	12,319,326	2,919.93	1,423.78
28/2/2005	10.62	1,015,282	10,797,499	3,145.16	1,430.19
31/3/2005	10.92	1,996,821	21,895,541	2,854.91	1,326.69
28/4/2005	12.40	3,063,042	37,321,053	2,868.45	1,437.63
31/5/2005	12.68	1,312,573	16,600,921	2,959.53	1,410.54
30/6/2005	12.24	2,250,101	27,406,374	3,060.73	1,508.28
29/7/2005	12.80	1,285,511	16,191,957	3,271.78	1,590.41
31/8/2005	13.40	2,081,998	28,056,236	3,231.48	1,606.04
30/9/2005	19.80	27,467,789	481,374,533	3,381.96	2,289.92
31/10/2005	18.00	7,282,566	131,691,591	3,307.32	2,081.75
30/11/2005	18.50	6,923,410	123,502,766	3,441.64	2,109.16
30/12/2005	19.86	3,867,182	76,006,963	3,663.90	2,167.45

The following diagrams depict the development of the market price of MOTOR OIL share compared to the development of the Athens Stock Exchange General Index (diagram no. 1) and the development of the Refineries Index (diagram no. 2).





5.7 Consolidated Financial Statements

In 1999 the Company produced Consolidated Financial Statements for the first time in which, apart from the parent company, AVIN OIL S.A. was included with the full consolidation method.

It is clarified that up until March 7th 2002, AVIN OIL was not a MOTOR OIL subsidiary. Nevertheless, nine (9) members of the MOTOR OIL Board of Director participated in the Board of AVIN OIL and this fact constituted condition for (horizontal) consolidation even though there was no direct participation of one company in the share capital of the other company. On March 8th, 2002 MOTOR OIL acquired 100% of the shares of AVIN OIL.

In 2003 the Company produced Consolidated Financial Statements in which OLYMPIC FUEL COMPANY S.A was additionally included with the net equity method (aggregate percentage of direct and indirect participation 28%).

Furthermore, in 2004 the Company produced Consolidated Financial Statements in which HAFCO S.A was additionally included with the net equity method (percentage of indirect participation 50%).

In the following tables the development of MOTOR OIL consolidated financial figures for the accounting years 2004 and 2005 compiled in accordance with the International Financial Reporting Standards is presented. The regular audit of the Company's consolidated financial statements was conducted by the Auditing Company DELOITTE, 250-254 Kifissias Avenue, Halandri, tel. ++ 30 210 6781100 (responsible Certified Public Accountant Mr. George Cambanis REG No. ICPA - GR - 10761).

5.7.1 Consolidated Turnover and Earnings Review 2004 - 2005

The development of the Consolidated Turnover and Earnings during the accounting years 2004 – 2005 is presented in the following table:

CONSOLIDATED YEARLY EARNINGS

(amounts in thousand euros)	2004	2005
Turnover (Sales)	2,219,042	3,237,376
Less: Cost of Sales (before depreciation)[1]	-1,986,362	-2,930,085
Gross Profit (before depreciation)[1]	**232,680**	**307,291**
% on Turnover	*10.49%*	*9.49%*
Less: Administrative Expenses (before depreciation)[1]	-21,663	-22,038
% on Turnover	*- 0.98%*	*- 0.68%*
Less: Selling Expenses (before depreciation)[1]	-38,288	-40,834
% on Turnover	*- 1.73%*	*- 1.26%*
Plus (Less): Other Operating Income (Expenses)	23,339	-14,112
Earnings before Interest, Depreciation and Tax (EBITDA)	**196,068**	**230,307**
% on Turnover	*8.84%*	*7.11%*
Plus: Income from Interest / earnings from participations	2,404	1,640
Less: Interest and other related expenses	- 8,817	- 14,631
Earnings before Depreciation and Tax	**189,655**	**217,316**
% on Turnover	*8.55%*	*6.71%*
Less: Depreciation	- 21,814	- 25,959
Earnings Before Tax (EBT)	**167,841**	**191,357**
% on Turnover	*7.56%*	*5.91%*
Less: Income tax [2]	-50,289	-59,722
Earnings after Tax (EAT)	**117,552**	**131,635**
% on Turnover	*5.30%*	*4.07%*
Weighted Number of Shares [3]	110,715,732	110,776,573
Number of Shares at year end	110,782,980	110,782,980

DATA PER SHARE (in euros)	2004	2005
Earnings before Depreciation and Tax [4]	1.71	1.97
Earnings Before Tax [4]	1.51	1.73
Earnings after Tax [4,5]	**1.06**	**1.19**

[1] *The breakdown of the depreciation charges relating to Cost of Sales, Administrative and Selling Expenses is presented in the section "Depreciation" of this chapter of the annual report.*

[2] *The parent company has been audited for tax purposes until the accounting year 1999 (included). The wholly owned subsidiary AVIN OIL has been audited for tax purposes until the accounting year 2002 (included).*

[3] *For the weighted number of shares the buy back shares in possession of the parent Company were taken into consideration.*

[4] *Based on the weighted number of shares. It is noted that due to the small number of buy back shares in possession of the parent Company during the years 2004 and 2005 the data per share would not differ in case the calculations were made using the number of shares at the year end.*

[5] *There are no minority interests.*

❑ Consolidated Turnover

The Consolidated Turnover for 2005 amounted to € 3,237.4 million compared to € 2,219.0 million for 2004 demonstrating a 45.89% increase. This development is by and large attributed to the same factors which contributed to the increase in the turnover of the parent company MOTOR OIL, namely, the increase of the volume of sales and the prices of the petroleum products.

The Consolidated Turnover breakdown by geographical market (domestic – exports) and type of activity (refining, trading & marketing) for the three year period 2003 – 2005 is presented hereunder:

CONSOLIDATED TURNOVER BY GEOGRAPHICAL MARKET

(amounts in thousand euros)	2003	2004	2005
Domestic Sales	1,071,576	1,140,902	1,582,867
% on consolidated turnover	58.13%	51.41%	48.90%
Export sales	771,897	1,078,140	1,654,509
% on consolidated turnover	41.87%	48.59%	51.10%
CONSOLIDATED TURNOVER AGGREGATE	**1,843,473**	**2,219,042**	**3,237,376**

CONSOLIDATED TURNOVER BY TYPE OF ACTIVITY

(amounts in thousand euros)	2003	2004	2004
Refining	1,242,308	1,483,255	2,008,662
% on consolidated turnover	67.39%	66.84%	62.05%
Trading & Marketing	601,165	735,787	1,228,714
% on consolidated turnover	32.61%	33.16%	37.95%
CONSOLIDATED TURNOVER AGGREGATE	**1,843,473**	**2,219,042**	**3,237,376**

❑ Cost of Sales (before depreciation) and Gross Profit

In 2005 the Gross Profit (before depreciation) increased as an absolute figure by 32.07% compared to 2004 (€ 307,291 thousand from € 232,680 thousand).

The analysis of the consolidated Cost of Sales per type of activity is presented in the next table:

(amounts in thousand euros)	2004	2005
Refining	1,309,008	1,779,466
Trading & Marketing	677,354	1,150,619
COST OF SALES (BEFORE DEPRECIATION) TOTAL	**1,986,362**	**2,930,085**

❑ Operating Expenses (Administrative and Selling)

Total operating expenses (before depreciation) at consolidated level amounted to € 62,872 thousand in 2005 compared to € 59,951 thousand in 2004 (an increase of 4.87%). As a percentage on consolidated turnover these expenses declined to 1.94% from 2.70% in 2004.

❑ Other Operating Income (Expenses)

Other operating income (expenses) relates to the net difference of foreign exchange gains and losses which evolve during the accounting year from the receivables and payables of the Group denominated in foreign currency.

❑ Earnings before Interest, Depreciation and Tax (EBITDA)

The consolidated earnings before interest, depreciation and tax (EBITDA) increased in 2005 by 17.46% compared to 2004 and amounted to € 230,307 thousand from € 196,068 thousand in 2004.

❑ Income from Interest / Earnings from Participations

Income from investments amounted to € 1.4 million in 2005 out of which an amount of € 1.1 million concerns interest earned from bank deposits and an amount of € 0.3 million dividends received from related companies. The earnings from participations amounted to € 0.2 million and concern the share of the Group on the net income of the year 2005 of the companies "HELLENIC AVIATION FUEL COMPANY (HAFCO) S.A" and "OLYMPIC FUEL COMPANY S.A".

❑ Financial Expenses

In 2005 the financial expenses at consolidated level amounted to € 14,631 thousand from € 8,817 thousand in 2004 (an increase of 62.9%). This development is attributed to the increase of the aggregate debt of the Group for the financing of its investment projects as well as the additional working capital needs due to the high prices of crude and petroleum products.

❑ Depreciation

The allocation of the depreciation charge on the various cost accounts is presented hereunder:

DEPRECIATION BREAKDOWN

(amounts in thousand euros)	2004	2005
Cost of sales	16,857	22,062
Administrative expenses	946	634
Selling expenses	4,011	3,263
TOTAL DEPRECIATION CHARGE	**21,814**	**25,959**

❑ Consolidated Earnings Before Tax

Consolidated Earnings Before Tax as an absolute figure amounted to € 191,357 thousand in 2005 compared to € 167,841 thousand in 2004 (an increase of 14.01%) confirming a steady course of high profitability level.

❑ Tax

The income tax at Group level amounted to € 59,722 thousand in 2005 from € 50,289 thousand in 2004. These amounts relate to the income tax of the parent Company MOTOR OIL and the wholly owned subsidiary AVIN OIL.

5.7.2. Review of Consolidated Balance Sheet Statements

The development of the balance of the Assets' and Liabilities' accounts of the Consolidated Balance Sheet Statements as at 31.12 of the years 2004 – 2005 is presented in the next tables:

ASSETS

(amounts in thousand euros)	2004	2005
Fixed Assets		
Goodwill	16,200	16,200
Other intangible assets	2,888	3,553
Tangible Assets	596,519	733,951
Participations in affiliated companies	3,219	3,664
Participations in related companies	927	927
Other long term receivables	11,159	11,965
Total Fixed Assets	**630,912**	**770,260**
Current Assets		
Inventories	163,176	314,344
Receivables		
Customers	157,825	252,254
Other short term receivables	35,789	52,232
Total Receivables	**193,614**	**304,486**
Cash and cash equivalents	43,599	9,211
Total Current Assets	**400,389**	**628,041**
TOTAL ASSETS	**1,031,301**	**1,398,301**

❑ Goodwill and other Intangible Assets

The amount of € 16,200 thousand relates to the goodwill which evolved from the acquisition of AVIN OIL which took place in March 2002.

The balance of the account "Other Intangible Assets" relates to expenses for the purchase of software incurred by the parent Company and the value of the rights to operate gas outlets on leasehold property of the wholly owned subsidiary AVIN OIL.

❑ Tangible Assets

An analysis of the balances of the accounts of "Tangible Assets" as at 31.12.2005 is included in note 15 of the disclosures on the consolidated financial statements for the accounting year 2005 (please see Appendix). It is clarified that the noted cumulative € 162 million increase in the balance (at cost) of the Tangible Assets (€ 927.4 million as at 31.12.2005 compared to € 765.3 million as at 31.12.2004) relates mainly to the investments completed during 2005 in the context of the 2003 – 2005 investment program of the parent Company (please see section 4.9 of the present annual report).

❑ Participations in Affiliated & Related Companies – Other Long Term receivables

The balance of the account "Participations in Affiliated Companies" as at 31.12.2005 amounted to € 3,664 thousand and concerns the value of the participation of the Group in the companies "OLYMPIC FUEL COMPANY S.A" (€ 3,000 thousand) and "HELLENIC AVIATION FUEL COMPANY –HAFCO- S.A" (€ - 46 thousand), as these values evolve according to the Net Equity method, as well as the value of the participation of the Group in the companies "CORINTH POWER S.A" (€ 200 thousand) and "AVIN ALBANIA S.A" (€ 510 thousand).

The balance of the account "Participations in Related Companies" as at 31.12.2005 amounted to € 927 thousand and concerns the value of the participation of the Group in the company "ATHENS AIRPORT FUEL PIPELINE COMPANY S.A".

The percentages of the participation of the Group in the share capital of the above companies are presented hereunder:

Company's Legal Name	% participation
OLYMPIC FUEL COMPANY S.A	28%
HELLENIC AVIATION FUEL COMPANY (HAFCO) S.A	50%
AVIN ALBANIA S.A	100%
CORINTH POWER S.A	100%
ATHENS AIRPORT FUEL PIPELINE COMPANY S.A	16%

The balance of the account "Other long term receivables" amounted to € 11,965 thousand as at 31.12.2005 from € 11,159 thousand as at 31.12.2004 and mainly concerns prepayments of rental payments and guarantees.

❑ Inventories

As at 31.12.2005 the value of the inventories, at consolidated basis, amounted to € 314,344 thousand compared to € 163,176 thousand as at 31.12.2004. This development is mainly attributed to the increase in the crude and petroleum product prices. It is emphasized that a firm policy of the parent company is to always keep low level of inventories.

❑ Customers

As at 31.12.2005 the balance of the account "Customers", at consolidated basis, amounted to € 252,254 thousand compared to € 157,825 thousand as at 31.12.2004. This development is mainly the outcome of the increase in the crude and petroleum product prices.

❑ Other short term receivables

The balance of this account as at 31.12.2005 amounted to € 52,232 thousand compared to € 35,789 thousand as at 31.12.2004 and mainly concerns receivables from VAT return and rebates on raw material purchases effected during the accounting year.

❑ Cash and cash equivalents

The cash balances at consolidated basis concern current account deposits and time deposits amounting to € 9,211 thousand as at 31.12.2005 compared to € 43,599 thousand as at 31.12.2004.

LIABILITIES & SHAREHOLDERS' EQUITY

(amounts in thousand euros)	2004	2005
SHAREHOLDERS' EQUITY		
Paid up share capital	33,235	33,235
Share premium Account	49,528	49,528
Own shares	- 113	0
Reserves	76,319	76,393
Retained earnings	138,989	176,395
TOTAL SHAREHOLDERS' EQUITY	**297,958**	**335,551**
LIABILITIES		
Long term liabilities		
Bond loans	174,697	359,880
Provision for retirement benefit obligation	45,010	48,637
Deferred tax liabilities	20,399	11,660
Other non current liabilities and deferred income	6,250	6,007
Total Long term Liabilities	**246,356**	**426,184**
Short term liabilities		
Suppliers and other trade payables	202,790	274,641
Bank loans	248,166	317,935
Provision for retirement benefit obligation	2,324	2,526
Tax payable	33,285	41,049
Deferred income	422	415
Total Short Term Liabilities	**486,987**	**636,566**
TOTAL LIABILITIES	**733,343**	**1,062,750**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**1,031,301**	**1,398,301**

❑ Consolidated Shareholders' Equity

As at 31.12.2005 Consolidated Shareholders' Equity amounted to € 335,551 thousand compared to € 297,958 thousand as at 31.12.2004.

An analysis of the development of the Consolidated Shareholders' Equity of the Company from January 1st, 2004 (date signifying the application of the International Financial Reporting Standards – IFRS) up until December 31st, 2005 is offered hereunder:

GROUP SHAREHOLDERS' EQUITY (amounts in thousand euros)	2004	2005
Group Shareholders' Equity as at 1.1.2004 & 1.1.2005 respectively	**234,526**	**297,958**
Plus : Consolidated Earnings after tax	117,552	131,635
Less: Dividends paid during the accounting year (parent company)	- 55,391	- 94,155
Plus: Sale of own shares (parent company)	1,271	113
Group Shareholders' Equity as at 31.12.2004 & 31.12.2005 respectively	**297,958**	**335,551**

❑ Long-Term Liabilities

As at 31.12.2005 the balance of this account amounted to € 426,184 thousand compared to € 246,356 thousand as at 31.12.2004. This increase is mainly attributed to the two bond loans (one for an amount of € 250 million and one for an amount of USD 150 million) received by the parent company and described in detail in section 5.3 of the present annual report. The balance of the account "Bank Loans" both as at 31.12.2004 and as at 31.12.2005 includes a bond loan for an amount of € 30 million received by AVIN OIL in 2004 which will be fully repaid in 2008.

❑ Suppliers and other trade payables

As at 31.12.2005 the balance of the account "Suppliers and other trade payables", at consolidated basis, amounted to € 274,641 thousand compared to € 202,790 thousand as at 31.12.2004. The increase in the balance of this account as at 31.12.2005 is mainly attributed to the higher prices of raw materials and finished products during the accounting period.

❑ Short-Term Bank Loans

As at 31.12.2005 the balance of "Short Term Bank Loans", at consolidated basis, increased to € 317,935 thousand from € 248,166 thousand as at 31.12.2004. The short term debt increased within 2005 due to the working capital needs both of the parent company and of AVIN OIL because of the increase in the prices of crude and petroleum products.

❑ Tax Payable

As at 31.12.2005 the balance of the account "Tax Payable", at consolidated basis, amounted to € 41,049 thousand compared to € 33,285 thousand as at 31.12.2004 a development attributed to the increased profitability of the parent company and its subsidiary during the accounting year 2005 compared to the accounting year of 2004.

5.7.3. Consolidated Cash Flow Statements

The Consolidated Cash Flow Statements for the year 2005 is included in the Appendix of the present Annual Report (please see Appendix).

6. Affiliated Companies

6.1 MOTOR OIL Subsidiaries

AVIN OIL Industrial, Commercial & Maritime Oil Company S.A.

AVIN OIL Industrial, Commercial & Maritime Oil Company S.A was founded in Athens in 1977 and currently its headquarters are located at Maroussi (12A Irodou Attikou str., 151 24). The main activity of the company is the sale of liquid fuels, lubricants, LPG and asphalt which have a wide array of applications (transportation, industrial and home use).

The sole shareholder of the company (Share Capital: € 5,200,272 divided into 1,768,800 common registered shares of a nominal value € 2.94 each) is MOTOR OIL (HELLAS) S.A which in March 2002 purchased the aggregate of the shares of AVIN OIL in the context of a relevant condition set in the process of the introduction its shares in the main market of the Athens Stock Exchange.

The acquisition of AVIN OIL gave MOTOR OIL a strong arm in the retail sector of fuels and lubricants since the acquired company ranks fourth among its competitors in the Greek market with a market share of approximately 9%.

The gas outlet network of AVIN OIL numbers approximately 550 units and several representatives all over Greece while at the same time the company owns tank-trucks and employs specialized technical personnel.

Moreover, AVIN OIL has built and operates a twin grand station at Megara (70 km outside Athens), located on the new section of the Athens–Corinth highway, which, besides fuelling, offers banking, catering, and car maintenance services, at both sides of the road.

The primary objective of AVIN OIL is the qualitative enhancement of its gas outlet network and the strengthening of its new endeavors. The participation of the company as a founding shareholder in the companies "HAFCO S.A" and "OLYMPIC FUEL COMPANY S.A" (section 6.2 of the present chapter) fall within the context of the above mentioned objective.

AVIN OIL sells fuels in the Greek market mainly through its privately owned storage premises located at Aghii Theodoroi in Corinth. The operation of the premises started in 1987 and constitute a modern truck loading terminal fully equipped with safety and environment protection systems.

The major supplier of AVIN OIL is MOTOR OIL (section 6.5 of the present chapter).

The aggregate personnel headcount of AVIN OIL as at 31.12.2005 amounted to 212 employees (2004: 209 employees).

The company is audited by certified public accountants (Auditing firm DELOITTE, responsible certified public accountant for the year 2005 Mr. George Cambanis REG No.ICPA – GR - 10761). The AVIN OIL yearly financial statements (based on the International Financial Reporting Standards – IFRS), the report of the auditor and the management report of the Board of Directors for the accounting year 2005 (Sales: € 705.3 million (+ 22%), Earnings after Tax: € 4.4 million (+ 10.8%), Total Assets: € 150 million, Shareholders' Equity: € 17.8 million) are available at the AVIN OIL site at the electronic address *www.avinoil.gr*.

6.2 Companies included in MOTOR OIL S.A Consolidated Financial Statements

A. OLYMPIC FUEL COMPANY S.A.

The company was founded in October 1998 at Athens with duration for 24 years (until 6.10.2022). The objective of the company, according to article 3 of its Codified Memorandum and Articles of Association, is to design, finance, construct and operate the aircraft fuel supply system and the storage facilities at the New International Athens Airport "Eleftherios Venizelos" at Spata of Attica, as well as to engage in other similar endeavors.

Following the decision of the Extraordinary General Meeting dated 12.12.2000, the headquarters of the company were relocated to Spata County and specifically to privately owned premises situated inside the Athens International Airport area on the 5th km of the Spata– Loutsa Avenue. The fixed assets of "OLYMPIC FUEL COMPANY S.A" include storage tanks of total capacity 24,000 m³, pipelines of total length 14km, 125 fuel supply pits and, a fully automated system to cater for fuel flow control as well as fire and environmental protection (hydrant system). The OFC premises as well as its methods of operation have been certified by IATA (International Air Transport Association), by the Athens International Airport, and by all international and national competent authorities.

The share capital of "OLYMPIC FUEL COMPANY S.A" amounts to € 6,457,000 divided into 220,000 common registered shares of nominal value € 29.347each while its current shareholder structure is as follows:

Shareholder	No of Shares	% Participation
OLYMPIC AIRWAYS SERVICES S.A.	145,200	66%
MOTOR OIL (HELLAS) CORINTH REFINERIES S.A	30,800	14%
AVIN OIL	30,800	14%
BELGIAN FUELLING AND SERVICES COMPANY S.A./N.V.	11,000	5%
HANSA CONSULT INGENIEURE GESSELSCHAFT MBH	2,200	1%
Total	**220,000**	**100%**

The company is audited by Certified Public Accountants (responsible Auditor Mr. Vasilios Petrides of SOL S.A, ICPA –GR-No. 11981). The key financial figures of the company, based on the preliminary financial statements available to MOTOR OIL at the time of the production of the consolidated financial statements of the latter, are as follows: Total Assets: € 30.2 million, Shareholders' Equity: € 9.6 million, Sales: € 9.94 million, Earnings after Tax: € 0.76 million.

B. HAFCO S.A.

This company was founded in August 2002 with headquarters at Maroussi of Athens (12A Irodou Attikou str., 151 24 Maroussi), duration for 50 years and legal name "HAFCO S.A". The objective of the Company, according to article 3 of its Codified Memorandum and Articles of Association, is to render ground services relating to aircraft fuel supply at various airports located in Greece and abroad and in general to involve into jet fuel trading.

The share capital of "HAFCO S.A" amounts to € 957,000 divided into 95,700 common registered shares of nominal value € 10 each. The sole Company shareholders are the companies AVIN OIL and TEXACO each of which is in possession of 47,850 common registered shares (50% of the share capital).

The company is audited by Certified Public Accountants (responsible Auditor Mr. Efstratios Paparides of SOL S.A, ICPA –GR - No. 14351). The key financial figures of the company based on its audited financial statements of the accounting year 2005 are as follows: Total Assets: € 1,154 thousand, Shareholders' Equity (negative): (€ 10 thousand), Sales: € 3,515 thousand, Earnings (loss) for the accounting year: (€ 410 thousand). It is clarified that HAFCO S.A commenced its activities in 2004.

6.3 MOTOR OIL related companies

ATHENS AIRPORT FUEL PIPELINE COMPANY S.A.

The company was founded in May 2000 at Maroussi (199 Kifisias Ave., zip code 151 25) with duration for 50 years. The objective of the ATHENS AIRPORT FUEL PIPELINE COMPANY S.A, according to article no. 3 of its Codified Memorandum and Articles of Association, is the execution of all works and activities relating to the design, financing, construction, completion, operation, maintenance and handling of the pipeline and its premises for the carrying of aircraft fuel from the "Hellenic Petroleum" (EL-PE) refinery at Aspropyrgos to the Athens International Airport "Eleftherios Venizelos" at Spata. The length of the pipeline is 53 km, the diameter is 26 cm and the advancement capacity is 300 m3 / hour.

This investment provides many environmental benefits as it contributes to the reduction of air pollution as well as the traffic relief at the greater Athens area (the aggregate distance covered every year by trucks carrying aircraft fuel to the airport was estimated at 2,000,000 km and the number of travels at 18,000). Additionally, thanks to the underground routing of the pipeline both the natural environment and the settlement will be unaffected.

The operation of the pipeline started in the beginning of 2004 and caters successfully for the fulfillment of jet fuel needs while the economic viability of the project is guaranteed as a result of increasing demand for jet fuel at the airport area.

The share capital of the "ATHENS AIRPORT FUEL PIPELINE COMPANY S.A" amounts to € 5,782,355 and is divided into 1,973,500 common registered shares of nominal value € 2.93 each.

The current shareholder structure of the company is as follows:

Shareholder	Number of Shares	% Participation
HELLENIC PETROLEUM S.A	986,750	50%
MOTOR OIL (HELLAS) CORINTH REFINERIES S.A	315,760	16%
OLYMPIC AIRWAYS SERVICES S.A	335,495	17%
ATHENS INTERNATIONAL AIRPORT S.A	335,495	17%
Total	**1,973,500**	**100%**

The company is audited by certified public accountants (Auditing firm DELOITTE, responsible certified public accountant Mr. Telemahos Georgopoulos REG No.ICPA –GR- 19271). For the accounting year 2005 the company Sales amounted to € 3,061 thousand and the Earnings before Taxes to € 709 thousand.

6.4. Other MOTOR OIL Subsidiaries

A. AVIN ALBANIA S.A.

This company was founded on July 19th, 2001 by its sole shareholder AVIN OIL at Tirana of Albania. The share capital of AVIN ALBANIA amounts to € 481,000. The objective of the company is the sale of petroleum products and the promotion of AVIN OIL exports in Albania. AVIN ALBANIA has not commenced its operations.

B. CORINTH POWER S.A

This company was founded on January 5th, 2005 at Maroussi of Athens (Irodou Attikou 12A street, 151 24) with duration for 50 years. The share capital of the company amounts to € 200,000 divided into 20,000 registered shares of nominal value € 10 each. The sole shareholders of "CORINTH POWER S.A" are MOTOR OIL and AVIN OIL which participate in its share capital with 70% and 30% respectively. The objective of the company according to article 4 of its Codified Memorandum and Articles of Association is the construction, operation and business exploitation of an electricity power production unit in the region of Aghii Theodoroi of the county of Corinth. The company has not commenced its operations.

6.5. BoD REPORT ON INTER-COMPANY TRANSACTIONS ACCORDING TO CORPORATE GOVERNANCE LAW 3016/2002 (par. 4, article 2)

The Board of Directors of MOTOR OIL compiled the annual report on inter-company business transactions with its affiliated companies, according to article 42e of the Greek Codified Law 2190/1920, as provided for by article 2 par. 4 of Corporate Governance Law 3016/2002. The content of the report appears hereunder:

MOTOR OIL (HELLAS) S.A sales to and purchases from its affiliated companies:

(amounts in thousand euros) Company	MOH Yearly Sales to	Receivables Balance 31.12.04	Receivables Balance 31.12.05	MOH Yearly Purchases from	Liabilities Balance 31.12.04	Liabilities Balance 31.12.05
AVIN OIL S.A	391,677	23,405	33,831	14	2	3
OLYMPIC FUEL COMPANY S.A	0	0	0	0	0	0
HAFCO S.A.	0	0	0	0	0	0
MOTOR OIL HOLDINGS S.A	0	0	0	0	0	0
ARAMCO OVERSEAS COMPANY B.V.	0	0	0	0	0	0
PETROVENTURE HOLDINGS LTD	0	0	0	0	0	0

The transactions with AVIN OIL concern usual business activities. In November 2005 Aramco Overseas Company (AOC) B.V sold its aggregate shareholding (16.4% of the share capital) it owned in MOTOR OIL (HELLAS) to Petroshares Limited which is controlled by Motor Oil Holdings S.A. Therefore, AOC was included in the above table only for comparison purposes of the balances of receivables and payables as at 31.12.2004 and 31.12.2005. Finally it is specified that the companies "CORINTH POWER S.A" and "AVIN ALBANIA S.A" were not included in the above table since they have not commenced their operations yet.

7. Future Goals - Prospects

7.1. Goals & Strategy

The Company's primary objective for the years to come is to establish itself as a major crude oil refining and trading enterprise in the greater Eastern Mediterranean region. Interim goals on the way to achieving this primary objective are:

I) **Maximization of the refining margin.** The following tactics are adopted for the attainment of this goal:

- Meet all latest product specifications on time and in the most economical way utilizing the most up-to-date technology.
- Improve energy efficiency and thus reduce refinery operating cost.
- Fully automate refinery processing.
- Improve production efficiency and availability of production units.

II) **Effective promotion and sale of all refinery products at the optimum price.** This goal can be attained through the following strategic moves:

- Maximize Company market share in the domestic market through the improvement of the distribution system.
- Expand sales of Company products to developing markets which present good potential of high profit margins.

III) **Operating the refinery with the highest possible degree of safety and placing heavy emphasis on the protection of the environment.** This goal will be attained through the following tactic:

- Continuation of investments which help to maintain the high level of programs pertaining to the environment, the hygiene and the safety at workplace.

7.2. Prospects

At the same time with its pursuance to establish itself in the oil refining and trading sector, MOTOR OIL investigates possible ways to achieve differentiation by entering into new activities and endeavours. To this end the Company proceeded with the following actions during the three year period 2003 - 2005:

- It entered into a contract with the Natural Gas Corporation (DEPA) which caters for the connection of MOTOR OIL to the natural gas network in the future. The contract was signed in 2004. The natural gas will be used for the thermal and energy needs of the refinery as well as for feedstock for the New Hydrogen Production Unit while at the same time it is expected to contribute to the improvement of the environmental conditions of the refinery.

- It formed along with the wholly owned subsidiary AVIN OIL a Société Anonyme with the legal name "CORINTH POWER S.A". In March 2004 the newly formed company was granted a license for the production of electricity for a combined cycle unit of 395.9 MW with fuel natural gas at Aghii Theodoroi of the county of Corinth. The relevant installation permit is expected to be granted within 2006.

In the context of strategic moves aiming at the maximization of the refinery gross profit margin of the Company the following investment project is in the examination and analysis phase:

- **Construction of a Propane Deasphalting Unit and Upgrading of the Lubricants Complex.** Upon completion of this project the refinery of the Company will be endowed with the capacity to produce Brightstock, a high value-added product, complementing its basic lubricants portfolio of products already produced while improving their major qualitative features at the same time. Being the unique lubricants' producer in Greece, the Company will further enhance its competitive advantage upon completion of this investment.

As regards the key activity of the Company, the international prices for the various types of crude and petroleum products for the period 2003-2005 are presented in the tables that follow:

INTERNATIONAL CRUDE OIL PRICES ($/bbl)

	2003	2004	2005
Dated Brent	28.83	38.28	54.53
Arab Light,fob	26.70	34.44	50.22
Arab Medium,fob	24.07	28.94	47.39
Urals,cif Med	27.03	34.67	50.66
Iranian Heavy,fob	26.35	33.09	48.39
Es Sider,fob	28.23	36.62	52.67

INTERNATIONAL PETROLEUM PRODUCT PRICES ($/MT)

	2003	2004	2005
Naphtha	252	352	449
Unleaded Gasoline	283	388	515
Jet Kero / A1 (Aviation fuels)	261	379	546
Automotive Gasoil	262	363	538
Heating Gasoil	247	346	497
Fuel Oil 1%	168	169	260
Fuel Oil 3.5%	139	141	221

The above prices set the basis for the profit margins of the oil refining and trading companies at international level.

The following table presents the refining margin achieved by the refineries in the Mediterranean region compared to that achieved by MOTOR OIL during the last three year period:

REFINING MARGIN ($/MT)

	2003	2004	2005
MOTOR OIL (HELLAS) S.A	39.6	53.9	72.8
Complex Mediterranean Refinery	34.4	56.8	63.4

Demand estimates per product category are presented in detail in the following table:

ESTIMATES FOR TOTAL DEMAND PER PRODUCT CATEGORY (in thousand MT)

	2003	2004	2005	2006 (Est.)
Lubricants	160	160	144	144
Asphalt	385	418	275	336
LPG	384	382	355	363
Jet Kero / A1 (Aviation fuels)	1,148	1,198	1,228	1,210
Gasoline	3,685	3,823	3,965	4,046
Fuel Oil	5,401	5,420	5,376	5,125
Diesel (Automotive – Heating)	8,298	7,973	7,908	7,835
TOTAL	**19,460**	**19,374**	**19,251**	**19,060**
% Change over previous year	5.2%	- 0.4%	- 0.6%	- 1.0%

In the domestic market the reduction in the demand for LPG is indicative of the introduction of the natural gas in the energy balance. The demand for gasoline increases every year driven by various catalysts (new registrations of high cubic capacity engine vehicles, greater use of the Attika Ring Road and the Rio – Antirio bridge by the drivers). The demand for automotive diesel slowed slightly in 2005. This development is very likely to be reversed when the automotive diesel will be allowed to be used in passenger vehicles. The demand for heating diesel still remains closely dependent on weather conditions during winter months since natural gas penetration for household needs occurs at a pace much slower than anticipated. The noted reduction in fuel oil demand is attributed to natural gas substitution. Finally, as regards asphalt, the significant reduction in demand is explained by the slow down of the activities facing the construction sector at the post Olympic Games era.

8. Dividend Policy

The dividend policy is determined taking into consideration the Company earnings and the need for capital expenditure for new investment projects.

Over time the dividend amount paid to the shareholders as percentage on the Company's Earnings after Tax is notably high. This percentage for the accounting years 2004 and 2005 is presented in the next table:

DIVIDEND POLICY

(amounts in thousand Euros)	2004	2005
Earnings after Tax	118,660	130,687
Total Dividend amount	94,165	121,861
Dividend as % on Earnings after Tax	**79.36 %**	**93.25 %**

The Board of Directors will propose to the Annual General Meeting of Company Shareholders the distribution of an aggregate dividend amount of € 1.10 per share from 2005 Company earnings.

It is noted that on 20.12.2005 the Company proceeded with the distribution of an interim dividend of € 0.20 per share, based on the interim financial statements dated 30.9.2005, as advance payment for the year 2005 dividend.

According to the Greek law, the minimum amount of dividend paid to Company shareholders equals at least 35% of net earnings (after the deduction of the corresponding income tax and the legal reserves), or 6% of the paid up share capital, whichever of these two amounts is greater.

The payment of the dividend is effected within two months from the date of the Annual Ordinary General Meeting of Company Shareholders which approved the Company's financial statements.

The Company aims to continue the high dividend payout policy.

9. Appendix

- INVITATION TO THE ANNUAL GENERAL MEETING OF MAY 30TH, 2006
- MOTOR OIL 2005 PUBLISHED FIGURES AND INFORMATION (PARENT COMPANY AND CONSOLIDATED)
- MOTOR OIL 2005 FINANCIAL STATEMENTS (PARENT COMPANY AND CONSOLIDATED) – REPORT OF THE AUDITORS
- BoD REPORT ON MOTOR OIL 2005 CONSOLIDATED FINANCIAL STATEMENTS
- BoD REPORT ON MOTOR OIL 2005 FINANCIAL STATEMENTS
- INFORMATION BULLETIN COMPILED IN ACCORDANCE WITH THE LAW 3401/2005

INVITATION

TO THE ANNUAL ORDINARY GENERAL SHAREHOLDERS' MEETING

Pursuant to a resolution of the Board of Directors and according to the provisions of the Law and of the Company's Codified Memorandum and Articles of Association, the Company's shareholders are invited to the Annual Ordinary General Meeting on Tuesday May 30, 2006 at 12:30 hours, to be held at the NJV Athens Plaza Hotel, at A2 Vassileos Georgiou Street – Syntagma Square - Municipality of Athens, for discussion and decision on the following matters:

1. Presentation and approval of the Financial Statements of the Company (on parent Company and Consolidated basis) for the accounting year 2005 (1.1.2005-31.12.2005), together with the accompanying Reports of the Board of Directors and the Auditors.
2. Discharge of the members of the Board of Directors and the Auditors from any liability for damages with regard to the Financial Statements and activities during the above mentioned accounting year.
3. Election of the new Board of Directors as the term of service of the existing Board expires.
4. Approval of the changes in the composition of the Board of Directors which occurred during its term of service.
5. Approval of a dividend.
6. Election of two Chartered Auditors, that is, one ordinary and one substitute, for the accounting year 2006 and approval of their fees.
7. Approval of the fees paid to the Members of the Board of Directors for the accounting year 2005 and pre-approval of the fees for the accounting year 2006.
8. Announcement of the registry of shareholders from whom the own shares of the Company were acquired during the period from 14.6.2005 until 23.5.2006 in the process of the share buy back programme which was initiated following the decision of the Ordinary General Shareholders Meeting of 31.5.2005.

Shareholders who wish to participate in the Annual Ordinary Shareholders' Meeting, according to the Law and the Company's Codified Memorandum and Articles of Association, must block their shares, through the User of their Securities Account at the Dematerialised Securities System (S.A.T) or the Central Securities Depository, and deposit the relevant receipt together with the legal documentation, at least 5 days prior to the date of the Ordinary Shareholders' Meeting.

Maroussi, April14th, 2006.

THE BOARD OF DIRECTORS

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

FINANCIAL DATA AND INFORMATION FOR THE YEAR 1 JANUARY TO 31 DECEMBER 2005

The financial information bellow provide general information about the financial position and the results of MOTOR OIL (HELLAS) CORINTH REFINERIES S.A. and the Group. The user who wishes to have a view of the financial position and the results should visit the company´s web site, where the annual financial statements, prepared in accordance with International Financial Reporting Standards, and auditor's report, are presented.

INFORMATION ABOUT THE COMPANY

Head office Address: 12A Irodou Attikou str., 151 24 Maroussi
Company's number in the register of Societes Anonymes: 1482/06/B/86/26
Authority: Ministry of Development
Board of Directors: Chairman and Managing Director: Vardis I Vardinoyiannis, Vice-Chairmans: Ioannis V. Vardinoyiannis, Panagiotis N.Kontaksis, Deputy Managing Directors: Ioannis N.Kosmadakis, Petros T. Tzannetakis, Members:Nikolaos Th. Vardinoyiannis, George P.Alexandridis, Leonidas K.Georgopoulos, Kostantinos V. Maraveas, George Th. Theodoroulakis, Eirini-Karolina A. Kontoyianni, Despoina N.Manoli
Date of approval of the Financial Statements: 24 February 2006
Name of the auditor: George D. Kampanis
Auditors company: Deloitte.
Auditors report : Unqualified opinion with emphasis of matter
Company's web address: www.moh.gr

BALANCE SHEET

	GROUP Amounts in thd euro		COMPANY Amounts in thd euro	
	31.12.2005	31.12.2004	31.12.2005	31.12.2004
ASSETS				
Non-Current Assets	770.260	630.912	739.440	607.123
Inventories	314.344	163.176	308.225	156.878
Trade Receivables	252.254	157.825	219.834	120.865
Other Assets	61.443	79.388	35.662	73.709
TOTAL ASSETS	**1.398.301**	**1.031.301**	**1.303.161**	**958.575**
LIABILITIES				
Long-term Liabilities	426.184	246.356	391.117	211.629
Short-term Bank Liabilities	317.935	248.166	276.143	224.306
Other Short-term Liabilities	318.631	238.821	297.264	220.648
Total Liabilities (a)	**1.062.750**	**733.343**	**964.524**	**656.583**
Share Capital	**33.235**	**33.235**	**33.235**	**33.235**
Other data of Shareholders' Equity	**302.316**	**264.723**	**305.402**	**268.757**
Total Shareholders' Equity (b)	**335.551**	**297.958**	**338.637**	**301.992**
Minority Interests (c)	0	0	0	0
Total Equity (d)=(b)+(c)	**335.551**	**297.958**	**338.637**	**301.992**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY (e)=(a)+(d)	**1.398.301**	**1.031.301**	**1.303.161**	**958.575**

EQUITY RECONCILIATION BETWEEN GREEK GAAP AND IFRS

	GROUP Amounts in thd euro		COMPANY Amounts in thd euro	
	01.01.2005	01.01.2004	01.01.2005	01.01.2004
GREEK GAAP opening equity	179.559	169.618	177.373	165.819
Dividends approved after balance sheet date reversed for IFRS	72.009	33.235	72.009	33.235
Adjustment as a result of depreciation being provided over estimated useful life for IFRS	80.421	74.729	75.296	69.005

INCOME STATEMENT

	GROUP Amounts in thd euro		COMPANY Amounts in thd euro	
	01.01-31.12.2005	01.01-31.12.2004	01.01-31.12.2005	01.01-31.12.2004
Turnover	3.237.376	2.219.042	2.923.769	1.937.191
Gross Profit	285.229	215.823	241.146	174.449
Profit before Taxes, Interest and Depreciation	230.307	196.068	218.734	184.566
Profit Before Taxes and Interest	204.348	174.254	196.218	167.062
Profit Before Taxes	191.357	167.841	188.530	166.686
Less: Taxes	59.722	50.289	57.843	48.026
Profit After Taxes	**131.635**	**117.552**	**130.687**	**118.660**
Attributable to:				
Shareholders	131.635	117.552	130.687	118.660
Minority Interest	0	0		
Net Profit per Share - basic (in Euro)	1,19	1,06	1,18	1,07
Proposed dividend per share - (in Euro)			1,10	0,85

STATEMENT OF CHANGES IN SHAREHOLDERS 'EQUITY

	GROUP Amounts in thd euro		COMPANY Amounts in thd euro	
	01.01-31.12.2005	01.01-31.12.2004	01.01-31.12.2005	01.01-31.12.2004
Equity beginning period (01.01.2005 and 01.01.2004 respectively)	**297.958**	**234.526**	**301.992**	**237.452**
Profit After Taxes	131.635	117.552	130.687	118.660
	429.593	352.078	432.679	356.112
Share Capital Increase / (Decrease)	0	0	0	0
Dividends Paid	(94.155)	(55.391)	(94.155)	(55.391)
Income Charged Directly to Equity	0	0	0	0
(Purchases) / Sales of Own Shares	113	1.271	113	1.271
Equity ending balance (31.12.2005 and 31.12.2004 respectively)	**335.551**	**297.958**	**338.637**	**301.992**

CASH FLOW STATEMENT
Indirect Method

	GROUP Amounts in thd euro		COMPANY Amounts in thd euro	
Operating activities	01.01-31.12.2005	01.01-31.12.2004	01.01-31.12.2005	01.01-31.12.2004
Profit Before Taxes	191.357	167.841	188.530	166.686
Plus / (Less) adjustments for:				
Depreciation	25.959	21.814	22.516	17.504
Provisions	3.829	1.808	3.546	1.396
Exchange Differences	(1.061)	(6.211)	(903)	(6.258)
Investment Income (expenses)	(1.246)	2.141	(4.649)	3.312
Interest and Related Expenses	14.631	8.817	12.461	6.727
Changes in Working Capital:				
Decrease / (Increase) in Inventories	(151.168)	(7.864)	(151.347)	(7.231)
Decrease / (Increase) in Receivables	(110.704)	(15.437)	(94.915)	(16.877)
(Decrease) / Increase in Payables (excluding banks)	76.172	43.612	73.854	46.306
Less:				
Interest and Related Expenses Paid	(20.465)	(9.126)	(18.388)	(7.186)

Write off of non qualifying intangible assets recorded under Greek GAAP	(146)	(561)	26	(531)
Provision for staff retirement benefit and defined benefit plan based on actuarial valuation	(41.889)	(38.678)	(38.810)	(36.014)
Accrual for untaken vacation	(1.093)	(946)	(977)	(846)
Reclassification of State Subsidies/Grants from Equity to Deferred Income	(5.626)	(5.681)	(5.626)	(5.681)
Share issue expenses net of tax set off against share premium	(780)	(1.561)	(780)	(1.561)
Unrealised exchange differences deferred for Greek GAAP reversed for IFRS	44.464	38.183	44.428	38.029
Adjustment to opening goodwill amortisation in accordance with Greek GAAP	(7.003)	(8.353)	0	0
Reclassification of own shares from current assets per Greek GAAP to equity per IFRS	(113)	(1.385)	(113)	(1.385)
Recognition of deferred taxation per IFRS	(20.399)	(20.998)	(19.920)	(20.141)
Miscellaneous	(1.446)	(3.076)	(914)	(2.477)
IFRS opening equity	**297.958**	**234.526**	**301.992**	**237.452**

Taxes Paid	(60.641)	(33.063)	(58.666)	(29.102)
Net cash (used in) / from operating activities (a)	**(33.337)**	**174.332**	**(27.961)**	**175.277**
Investing activities				
Disposal / (Acquisition) of Subsidiaries & Affiliates	(278)	0	(140)	0
Purchase of Tangible and Intangible Assets	(164.502)	(250.985)	(154.515)	(242.822)
Proceeds from the Sale of Tangible and other Intangible Assets	390	119	3	4
Interest received	1.169	1.004	621	320
Dividends received	306	224	4.153	5.112
Net cash (used in) / from investing activities (b)	**(162.915)**	**(249.638)**	**(149.878)**	**(237.386)**
Financing activities				
Proceeds from Share Capital Increase	0	0	0	0
Proceeds from Loans	2.926.080	1.758.429	2.674.636	1.445.614
Payments on Loans	(2.670.173)	(1.626.447)	(2.437.440)	(1.327.184)
Payments of Leasing Liabilities	0	0	0	0
Dividends Paid	(94.043)	(55.408)	(94.043)	(55.408)
Net cash from financing activities (c)	**161.864**	**76.574**	**143.153**	**63.022**
Net Increase / (Decrease) in Cash and Cash Equivalents (a)+(b)+(c)	**(34.388)**	**1.268**	**(34.686)**	**913**
Cash and Cash Equivalents at beginning of the Year	**43.599**	**42.331**	**41.426**	**40.513**
Cash and Cash Equivalents at Year end	**9.211**	**43.599**	**6.740**	**41.426**

FURTHER INFORMATION

1. Included in the Consolidation are the following companies:

Company Name	Headquarters	% of share	Consolidation method
MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.	Greece, Maroussi of Attica	Parent company	Full
AVIN OIL S.A.	Greece, Maroussi of Attica	100,00%	Full
OLYMPIC FUEL COMPANY S.A.	Greece, Spata of Attica	28,00%	Equity
HELLENIC AVIATION FUEL COMPANY S.A.	Greece, Maroussi of Attica	50,00%	Equity

2. Tax audits have not been conducted for MOTOR OIL (HELLAS) S.A. for fiscal years 2000 up to and including 2005 and for AVIN OIL S.A. for fiscal years 2003 up to and including 2005.

3. Existing encubrances on company's fixed assets: a) Prenotices in thd euro 47.098, b) Prenotices in thd US $ 25.000, c) Mortgages in thd euro 275.007. Existing encubrances on Group's fixed assets: a) Prenotices in thd euro 47.098, b) Prenotices in thd US $ 25.000, c) Mortgages in thd euro 275.007.

4. No provision has been made for outstanding legal third party claims against MOTOR OIL (HELLAS) S.A. totalling euro 48 million approximately (Group 49 million), as well as for the claims of MOTOR OIL (HELLAS) S.A. against third parties totalling euro 67 million approximately (Group 74 million).

5. The Group's personnel as at December 31, 2005 is 1.369 persons and the Parent Company's personnel is 1.157 persons.

6. MOTOR OIL S.A. transactions and receivables and payables from related parties according to IAS 24:

	Sales thd euro	Purchases thd euro	Receivables thd euro	Liabilities thd euro
SUBSIDIARY	391.677	14	33.831	3
OTHER RELATED PARTIES	59.856	1.019.633	5.703	71.924
TOTAL	**451.533**	**1.019.647**	**39.534**	**71.927**

Maroussi, February 24, 2006

CHAIRMAN AND MANAGING DIRECTOR OF THE BOARD OF DIRECTORS	DEPUTY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER	CHIEF ACCOUNTANT
VARDIS I. VARDINOYIANNIS I.D. No K 011385/82	**PETROS T. TZANNETAKIS** I.D. No R 591984/94	**THEODOROS N. PORFIRIS** I.D. No R 557979/94 E.C.G. Licence No. 0018076 A' Class

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

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

ANNUAL FINANCIAL STATEMENTS

IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

THAT HAVE BEEN ADOPTED BY THE EUROPEAN UNION

FOR THE YEAR 1 JANUARY – 31 DECEMBER 2005

FOR THE GROUP AND THE COMPANY

«MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.»

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The financial statements of the Group and of the Company, set out on pages 64 to 90, were approved at the Board of Directors' Meeting dated Friday February 24, 2006 and are subject to the approval of the Annual Ordinary General Meeting of Company Shareholders.

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

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

Income Statement for the year ended 31 December 2005

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

The notes on pages 68-89 are an integral part of these Financial Statements.

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

Balance Sheet as at 31st December 2005

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

The notes on pages 68-89 are an integral part of these Financial Statements.

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

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

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

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

The notes on pages 68-89 are an integral part of these Financial Statements.

MOTOR OIL (HELLAS)
CORINTH REFINERIES S.A.

Cash Flow Statement for the year ended 31 December 2005

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

The notes on pages 68-89 are an integral part of these Financial Statements.

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

1. GENERAL INFORMATION

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

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

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

As at December 31st, 2005 the personnel headcount for the Group and the Company, totaled 1,369 and 1,157 persons respectively. (2004: Group: 1,384 persons, Company: 1,175 persons)

2. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The financial statements have been prepared for the first time in accordance with International Financial Reporting Standards("IFRS") issued by the International Accounting Standards Board ("IASB") as well as the relevant Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") which are applicable to the Group's activities and are valid for the periods commencing 1 January 2005 and have been adopted by the European Union Commission. Information required by IFRS 1 in relation to the transition from the Greek GAAP, previously applied according to CL 2190/1920 and the General Greek Chart of Accounts, to IFRS as adopted by the European Union and introduced to Greece under L 3229/2004 are provided from page 89 to page 90 of this set of financial statements.

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

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards

(IFRSs) for the first year.

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

Basis of Consolidation

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

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

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

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

Investments in Associates

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

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

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

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

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. 10 years), immovable property for use as gas stations, which in turn are subleased to physical/legal persons for a corresponding period for the operation of fuel and lubricants stations under the "Avin" trademark.

The Group as lessee

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

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

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

Foreign Currencies

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

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

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

Borrowing Costs

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

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

Government Grants

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

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

Retirement Benefit Costs

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit

Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in profit or loss in the period in which they are incurred.

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

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

Taxation

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

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

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

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

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

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

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

Property, Plant and Equipment

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

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

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

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

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

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

FIXED ASSETS CATEGORY	USEFUL LIVES (YRS)
Land	Indefinite
Buildings	40
Plant & machinery	7-30
Transportation equipment	15-20
Fixtures and equipment	4-20

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

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

Internally-generated Intangible Assets - Research and Development Expenditure

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

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

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

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

Other intangible assets

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

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

The useful life of these assets is noted bellow:

INTANGIBLE ASSETS	YEARS
Software	3 – 8
Leasing Rights (average)	9

Impairment of tangible and intangible assets excluding goodwill

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

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

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

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

Inventories

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

Financial Instruments

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

Trade receivables

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

Cash and cash equivalents

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

Bank borrowings

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

Trade payables

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

Provisions

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

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

Main sources of uncertainty in accounting estimations.

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

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

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

4. REVENUE

An analysis of the revenue, is as follows:

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

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

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

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

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

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

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

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

Segment information is presented in the table below.

Income Statement

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

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

6. OTHER OPERATING INCOME / (EXPENSES)

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

7. PROFIT FROM OPERATIONS

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

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

8. INVESTMENT INCOME

Income from investments, is as follows:

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

9. FINANCE COSTS

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

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

10. INCOME TAX EXPENSES

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

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

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

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

11. DIVIDENDS

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

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

12. EARNINGS PER SHARE

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

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

13. GOODWILL

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

14. OTHER INTANGIBLE ASSETS

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

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

15. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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	275,001
TOTAL	**47,098**	**25,000**	**275,007**

16. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

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

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

Investments in subsidiaries and associates are as follows:

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

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

Summarized financial information in respect of the Group's related parties is set out below (in 000's Euros):

Related Parties	31/12/2005	31/12/2004
Acquisition cost	2,997	2,718
Share of profits	667	501
Investments in related parties	**3,664**	**3,219**

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

Group's profits from associates, are as follows (in 000's Euros):

Related Parties	1/1 – 31/12/2005	1/1 – 31/12/2004
Sales	13,459	14,282
Profit after taxes	268	631
Group's share of associates' profit for the period	**166**	**232**

17. INVESTMENT IN RELATED PARTIES

Name	Place of incorporation and operation	Propotion of ownership interest	Cost Euro 000's	Principal activity
ATHENS AIRPORT FUEL PIPELINE CO. S.A.	Athens	16%	927	Aviation Fueling Systems

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

18. OTHER NON-CURRENT ASSETS

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

19. INVENTORIES

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

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

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

20. TRADE AND OTHER RECEIVABLES

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

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

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

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

Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables 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 receivables 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" are concerned these are spread in a wide number of customers and in this way there is no material concentration and material credit risk.

21. CASH AND CASH EQUIVALENTS

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

22. BANK LOANS

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

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

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

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

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

The Group has the following bank loans:

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

Other loans totalling €127,151 thousand consist of long-term loans, granted on 22/12/2005 and shall be repaid by 19/12/2010. Short-term loans totalling € 246,143 thousand shall be repaid within one year.

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

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

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

23. DEFERRED TAX

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

GROUP In 000's Euros	1/1/2004	Income statement expense/ (income)	31/12/2004	Income statement expense/ (income)	31/12/2005
Deferred tax arising from:					
Difference in depreciation	24,659	(4,547)	20,112	2,272	22,384
Items not qualifying as assets	(743)	332	(411)	292	(119)
Gain from exchange differences	13,364	865	14,229	(13,919)	310
Retirement benefit obligations	(15,094)	3,182	(11,912)	(350)	(12,262)
Capitalised borrowing cost	0	0	0	1,883	1,883
Other differences between tax and accounting basis	(1,188)	(431)	(1,619)	1,083	(536)
Total	**20,998**	**(599)**	**20,399**	**(8,739)**	**11,660**

COMPANY In 000's Euros	1/1/2004	Income statement expense/ (income)	31/12/2004	Income statement expense/ (income)	31/12/2005
Deferred tax arising from:					
Difference in depreciation	22,833	(4,065)	18,768	2,330	21,098
Items not qualifying as assets	(732)	369	(363)	307	(56)
Gain from exchange differences	13,310	907	14,217	(13,953)	264
Retirement benefit obligations	(14,118)	3,006	(11,112)	(279)	(11,391)
Capitalised borrowing cost	0	0	0	1,883	1,883
Other differences between tax and accounting basis	(1,153)	(437)	(1,590)	933	(657)
Total	**20,140**	**(220)**	**19,920**	**(8,779)**	**11,141**

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

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

24. TRADE AND OTHER PAYABLE

Trade and other payables mainly comprise amounts outstanding for trade purchases and operating expenses.

The major raw material for the Group's production of oil products is crude oil.

The average credit period received for trade purchases is approximately 30 days.

The Company's management considers that the carrying amount of trade payables approximates their fair value. Analysis of the trade and other payables, are as follows (excluding banks):

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

25. SHARE CAPITAL

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

The Company has one class of ordinary registered shares which bear no right to fixed income.

Please see note number 27 concerning the Company's own shares.

As far as the weighted number of shares for the period is concerned, please see note number 12.

26. SHARE PREMIUM ACCOUNT

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

27. OWN SHARES

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

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

28. RESERVES

Group's reserves, are as follows:

TYPE OF RESERVE In 000's Euros	1/1/2004	INCREASE (DECREASE) 2004	31/12/2004	INCREASE (DECREASE) 2005	31/12/2005
Legal	16,489	219	16,708	187	16,895
Special	2,007	0	2,007	0	2,007
Extraordinary	2,590	0	2,590	0	2,590
Tax-free	44,898	10,003	54,901	0	54,901
Own shares	1,385	(1,272)	113	(113)	0
TOTAL	**67,369**	**8,950**	**76,319**	**74**	**76,393**

Company's reserves, are as follows:

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

Statutory Reserve

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

Special Reserves

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

Extraordinary Reserves

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

Tax Free Reserves

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

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

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

Own Shares Reserve

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

29. RETAINED EARNINGS

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

30. ACQUISITION / ESTABLISHMENT OF SUBSIDIARY

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

31. CONTINGENT LIABILITIES / COMMITMENTS

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

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

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

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

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

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

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

32. OPERATING LEASE ARRANGEMENTS

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

The Group as Lessee

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

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

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

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

The Group as Lessor

Rental income from operating lease contracts recognised as period income.

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

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

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

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

33. EVENTS AFTER THE BALANCE SHEET DATE

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

34. RELATED PARTY TRANSACTIONS

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

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

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

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

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

Compensation of key management personnel

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

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

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

Directors' Transactions

There are no transactions between Group companies and directors.

35. RETIREMENT BENEFIT PLANS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TRANSLATION
AUDITORS' REPORT

To the Shareholders of

Motor Oil (Hellas) Corinth Refineries S.A.

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

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

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

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

Athens, February 25, 2006

The Certified Public Accountant

George D. Cambanis

Reg. No (ICPA (GR)): 10761

250-254 Kifissias Ave., 152 31 Halandri

Deloitte

DIRECTORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF "MOTOR OIL (HELLAS) CORINTH REFINERIES S.A." FOR THE YEAR ENDED 31 DECEMBER 2005

(PERIOD 01.01 – 31.12.2005)

I. RESULTS OF OPERATIONS

The financial results for the year under review are as follows:

	Amounts in Euro 000s		% on Turnover		% change on Sales Turnover
	2005	2004	2005	2004	
Sales Turnover	3,237,376	2,219,042	100.00%	100.00%	45.89% *
Cost of Sales	(2,952,147)	(2,003,219)	-91.19%	-90.27%	-0.92
Gross Profit	**285,229**	**215,823**	**8.81%**	**9.73%**	**-0.92**
Distribution expenses	(44,097)	(42,299)	-1.36%	-1.91%	0.55
Administration expenses	(22,672)	(22,609)	-0.70%	-1.02%	0.32
Other operating income / (expenses)	(14,112)	23,339	-0.44%	1.05%	-1.49
Operating Profit	**204,348**	**174,254**	**6.31%**	**7.85%**	**-1.54**
Finance cost	(12,991)	(6,413)	-0.40%	-0.29%	-0.11
Net Profit before Tax	**191,357**	**167,841**	**5.91%**	**7.56%**	**-1.65**
Tax	(59,722)	(50,289)	-1.84%	-2.27%	0.43
Net Profit after Tax	**131,635**	**117,552**	**4.07%**	**5.29%**	**-1.22**

* *% change vs last year.*

It is noted that this is the first time that the financial statements of the current year as well as the comparative figures of last year have been prepared according to the International Financial Reporting Standards (IFRS), as required by the relevant regulations. The date of transition from Greek GAAP to IFRS was January 1st, 2004.

In connection with the above results we note the following:

1.Sales Turnover

Group Sales Turnover has increased by € 1,018,334 or 45.89% compared to prior year, mainly due to the increase in prices.

Sales Turnover analysis by geographical segments of the Group activities and by sales category is as follows:

Geographical Segments	Sales Category	Amounts in Euro 000's 2005	2004	Change %
Foreign	Products/Fuel	1,137,560	772,215	47.31%
Foreign	Products/Lubricants	43,714	32,792	33.31%
Foreign	Merchandise/Fuel etc	473,235	273,133	73.26%
	Total	**1,654,509**	**1,078,140**	**53.46%**
Domestic	Products/Fuel	787,427	642,464	22.56%
Domestic	Products/Lubricants	39,961	35,784	11.67%
Domestic	Merchandise/Fuel etc	755,479	462,654	63.29%
	Total	**1,582,867**	**1,140,902**	**38.74%**
	Grand Total	**3,237,376**	**2,219,042**	**45.89%**

The total quantity of crude oil and other raw materials processed by the parent company during 2005 compared to the respective quantities of prior year is analysed as follows:

	Tons 2005	Tons 2004
Crude oil	4,605,148	4,927,113
Fuel Oil – raw material	812,013	910,766
Naphtha	69,175	1,678
Gas Oil	407,538	287,110
Chemical additives	23,080	21,921
Total	**5,916,954**	**6,148,588**

2. Gross Profit

Gross Profit for the Group amounts to € 285,229 thousand compared to € 215,823 thousand of prior year, an increase of 32.16%.

3. Operating Expenses

Group operating expenses are analysed per category as follows for 2005 and 2004:

Amounts in Euro 000's	2005	2004	Variance Amount	%
Administration	22,672	22,609	63	0.28%
Distribution	44,097	42,299	1,798	4.25%
Other expense / (income)	14,112	(23,339)	37,451	-160.47%
Total operating expenses	**80,881**	**41,569**	**39,312**	**94.57%**

As per the above table, operating expenses have increased by € 39,312 thousand or 94.57%. In order though to have a better assessment and comparison with the prior year, the major expenses should be compared by category as follows:

(a) Administration expenses

Amounts in Euro 000's	2005	2004	% Change
Payroll cost	13,613	13,999	-2.76%
Rental	2,636	2,446	7.78%
Other	6,423	6,164	4.20%
Total administration expenses	**22,672**	**22,609**	**0.28%**

(b) Distribution expenses

Amounts in Euro 000's	2005	2004	% Change
Payroll cost	7,598	8,100	-6.20%
Rental	3,063	2,648	15.67%
Warehousing	4,565	4,793	-4.76%
Transportation	18,887	16,695	13.13%
Other	9,984	10,063	-0.79%
Total distribution expenses	**44,097**	**42,299**	**4.25%**

(c) Other Operating (income) / expenses

Amounts in Euro 000's	2005	2004	% Change
FX losses	60,089	29,240	105.50%
FX gains	(35,876)	(42,378)	-15.34%
Sale of services	(6,687)	(6,750)	-0.93%
Rental income	(3,568)	(3,162)	12.84%
Other	154	(289)	-153.29%
Total Other	**14,112**	**(23,339)**	**-160.47%**
Total Operating Expenses	**80,881**	**41,569**	**94.57%**

The above expenses represent 2.50% and 1.87% on the sales turnover for the years 2005 and 2004 respectively.

4. Finance Costs

Net finance costs (expenses) for the year have been increased from prior year by € 6,512 thousand. This variance is analysed per category in the following table:

			Variance	
Amounts in Euro 000's	2005	2004	Amount	%
Investment income	(378)	(1,168)	-790	-67.64%
Interest income	(1,096)	(1,004)	92	9.16%
Interest expense & bank charges	14,631	8,817	5,814	65.94%
Total Finance cost (income)/expense	**13,157**	**6,645**	**6,512**	**98.00%**

Investment income concerns mainly income from dividends and from sale of securities. Prior year also includes gain on liquidation of the subsidiary "Pyrros". The increase in interest expense is due to the increase in borrowings.

5. Taxes

Taxes for 2005 were € 59,722 thousand and they have increased by € 9,433 thousand compared to last year or 18.76%.

The breakdown of taxes is presented hereunder:

Amounts in Euro 000's	2005	2004
Income tax	69.354	51,484
Differences on prior years' tax audits	–	150
Discount on income tax down payment	(893)	(746)
Deferred tax	(8,739)	(599)
Total	**59,722**	**50,289**

It is noted that the parent company has been tax audited until the fiscal year 1999 inclusive, while the subsidiary "AVIN OIL AVENEP" until the fiscal year 2002 inclusive.

6. Dividends

The parent company's management assessing the various factors determining the dividends' policy, proposes to the Annual Ordinary General Assembly the distribution of a total dividend of € 121,861,278 (or € 1.10 per share) for the fiscal year 2005. It is noted that an amount of € 22,156,596 (or € 0.20 per share) has been already paid as interim dividend for the fiscal year 2005 within December 2005.

II. PROSPECTS

The course of the Group's activities within the new year 2006 is very satisfactory, until now, since the sales turnover for January 2006 was € 377,238,778 (January 2005: € 194,376,711) and the quantity of crude oil and other raw materials processed by the refinery was 585,853 Metric Tons (January 2005: 406,446 MT).

It is expected that, for the total year of 2006, the international refinery margins will remain approximately at the same high levels of 2005. It is also expected that the sales volume for the parent company for 2006 will increase by approximately 2%, and the sales revenues by approximately 5%.

III. CAPITAL EXPENDITURES

The major projects that were completed during 2005 were the following:

- Replacement of equipment M-1100.
- Replacement and improvement of distillation tower C-1101.
- Works for MHC.
- Replacement of Outer Baskets in the Reformer reactors.
- New pier unloading line VGO.

The new project of the Hydro-cracking Unit installation was also completed within 2005 with a total cost of € 376 mil. The Hydro-cracking Unit has the ability to produce auto gasoil and gasoline with the new standards and also increases the production capacity of auto gasoil and heating oil of the refinery. It is expected that as from 2006, the completion of this project will boost the sales volume and the gross margins.

The estimated capital expenditures for 2006 are approximately € 62 mil. and the most important project is the natural gas network at the refinery and its connection to the DEPA network.

IV. SHAREHOLDERS

It is noted that within 2005 "MOTOR OIL HOLDINGS S.A" sold its share of 16.4 % in the parent company "MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.".

In 2005 the sale/acquisition of the shareholding of "ARAMCO OVERSEAS COMPANY BV" in "MOTOR OIL (HELLAS) CORINTH REFINERIES S.A." from "MOTOR OIL HOLDINGS S.A." was also completed.

V. SIGNIFICANT POST BALANCE SHEET EVENTS

There are no significant events occurred todate, which may affect the Group's financial position as at 31 December 2005.

VI. OWN SHARES

During 2004 the parent company disposed off 205,890 own shares acquired at a total cost of € 1,384,955 for € 1,544,175 i.e. with a gain of € 159,220. Afterwards the Company acquired 15,180 own shares, of nominal value € 0.30 each, for a total cost of € 113,592 for which the Company accounted for an equal reserve from Retained Earnings. As at 31.12.2005 the parent company had no own shares.

Maroussi, 24 February 2006

THE CHAIRMAN OF THE BOD AND MANAGING DIRECTOR

VARDIS J. VARDINOYANNIS

THE VICE CHAIRMEN

JOHN V. VARDINOYANNIS
PANAGIOTIS N. KONTAXIS

THE DEPUTY MANAGING DIRECTORS

JOHN N. KOSMADAKIS

PETROS T. TZANNETAKIS

THE MEMBERS OF THE BOD

NIKOS TH. VARDINOYANNIS

GEORGE P. ALEXANDRIDIS

GEORGE TH. THEODOROULAKIS

KONSTANTINOS B. MARAVEAS

IRENE-KAROLINA A. KONTOYANNI

LEONIDAS K. GEORGOPOULOS

DESPINA N. MANOLI

DIRECTORS' REPORT

ON THE 35TH BALANCE SHEET AND PROFIT & LOSS STATEMENT OF "MOTOR OIL (HELLAS) CORINTH REFINERIES S.A." FOR THE YEAR ENDED 31 DECEMBER 2005

The chairman of the Board of Directors and Managing Director Mr. Vardis J. Vardinoyannis submits for approval to the Annual Ordinary General Assembly of the Shareholders, the Directors' Report for the period 1.1.2005 - 31.12.2005.

I. RESULTS OF OPERATIONS

The financial results for the year under review are as follows:

	Amounts in Euro 000's		% on Turnover		% change on Sales Turnover
	2005	2004	2005	2004	
Sales Turnover	2,923,769	1,937,191	100.00%	100.00%	50.93% *
Cost of Sales	(2,682,623)	(1,762,742)	-91.75%	-90.99%	-0.76
Gross Profit	**241,146**	**174,449**	**8.25%**	**9.01%**	**-0.76**
Distribution expenses	(12,801)	(12,618)	-0.44%	-0.65%	0.21
Administration expenses	(14,805)	(15,163)	-0.51%	-0.78%	0.27
Other operating income / (expenses)	(17,322)	20,394	-0.59%	1.05%	-1.65
Operating Profit	**196,218**	**167,062**	**6.71%**	**8.62%**	**-1.91**
Finance cost	(7,688)	(376)	-0.26%	-0.02%	-0.24
Net Profit before Tax	**188,530**	**166,686**	**6.45%**	**8.60%**	**-2.15**
Tax	(57,843)	(48,026)	-1.98%	-2.48%	0.50
Net Profit after Tax	**130,687**	**118,660**	**4.47%**	**6.12%**	**-1.65**

* *% change vs last year.*

It is noted that this is the first time that the financial statements of the current year as well as the comparative figures of last year have been prepared according to the International Financial Reporting Standards (IFRS), as required by the relevant regulations. The date of transition from Greek GAAP to IFRS was January 1st, 2004.

In connection with the above results we note the following:

1. Sales Turnover

Sales Turnover has increased by € 986,578 thousand or 50.93% compared to prior year mainly due to the increase in prices but also increase in the volume by approx. 5%.

Sales Turnover analysis by geographical segments and by sales category is as follows:

Geographical Segments	Sales Category	Amounts in Euro 000's 2005	2004	Change %
Foreign	Products/Fuel	1,137,560	772,215	47.31%
Foreign	Products/Lubricants	43,714	32,792	33.31%
Foreign	Merchandise/Fuel etc	435,559	241,554	80.32%
	Total	**1,616,833**	**1,046,561**	**54.49%**
Domestic	Products/Fuel	787,427	642,464	22.56%
Domestic	Products/Lubricants	39,961	35,784	11.67%
Domestic	Merchandise/Fuel etc	479,548	212,382	125.80%
	Total	**1,306,936**	**890,630**	**46.74%**
	Grand Total	**2,923,769**	**1,937,191**	**50.93%**

The total quantity of crude oil and other raw materials processed by the Company during 2005 compared to the respective quantities of prior year is analysed as follows:

	Tons 2005	Tons 2004
Crude oil	4,605,148	4,927,113
Fuel Oil – raw material	812,013	910,766
Naphtha	69,175	1,678
Gas Oil	407,538	287,110
Chemical additives	23,080	21,921
Total	**5,916,954**	**6,148,588**

2. Gross profit

Gross Profit for the Company amounts to € 241,146 thousand compared to € 174,449 thousand of prior year, an increase of 38.23%.

3. Operating expenses

Operating expenses for the Company for the years 2005 and 2004 are as follows:

Amounts in Euro 000's	2005	2004	Variance Amount	%
Administration	14,805	15,163	-358	-2.36%
Distribution	12,801	12,618	183	1.45%
Other expense / (income)	17,322	(20,394)	37,716	-184.94%
Total	**44,928**	**7,387**	**37,541**	**508.20%**

As per the above table operating expenses have increased by € 37,541 thousand or 508.20%. This increase is mainly due to realised FX differences that have affected the current year. It is noted that the above difference represents just 1.28% of the Sales Turnover.

In order to have a better assessment and comparison with the prior year, the major expenses should be compared by category as follows:

(a) Administration expenses

Amounts in Euro 000's	2005	2004	% Change
Payroll cost	8,652	9,723	-11.02%
Rental	1,819	1,652	10.11%
Other	4,334	3,788	14.41%
Total Administration	**14,805**	**15,163**	**-2.36%**

(b) Distribution expenses

Amounts in Euro 000's	2005	2004	% Change
Payroll cost	2,158	2,274	-5.10%
Transportation	6,547	5,976	9.55%
Awarehousing	2,560	2,788	-8.18%
Other	1,536	1,580	-2.78%
Total Distribution	**12,801**	**12,618**	**1.45%**

(c) Other Operating (income) / expenses

Amounts in Euro 000's	2005	2004	% Change
FX losses	59,497	28,531	108.53%
FX gains	(35,046)	(41,670)	-15.90%
Sale of services	(6,687)	(6,750)	-0.93%
Other	(442)	(505)	-12.47%
Total Other	**17,322**	**(20,394)**	**-184.94%**
Total Operating Expenses	**44,928**	**7,387**	**508.20%**

The above expenses represent 1.54% and 0.38% on the sales turnover for the years 2005 and 2004 respectively.

4. Finance Costs

Finance costs (expenses) for the year have been increased. This increase is mainly due to the fact that during last year the liquidation of the subsidiary "Pyrros" resulted in additional investment income in 2004 while 2005 has been materially affected by additional interest expenses on loans. The change is analysed as follows:

			Variance	
Amounts in Euro 000's	2005	2004	Amount	%
Investment income	(4,225)	(6,031)	1,806	-29.94%
Interest income	(548)	(320)	(228)	71.25%
Interest expense & bank charges	12,461	6,727	5,734	85.24%
Total Finance cost (income)/expense	**7,688**	**376**	**7,312**	**1,944.68%**

Investment income is dividends from the subsidiary "AVIN OIL AVENEP" and the associate "Olympic Fuel Company SA".

5. Taxes

Income taxes for the fiscal year 2005 were € 57,843 thousand, € 9,817 thousand above last year or 20.44% increase.

Taxes are analysed as follows:

Amounts in Euro 000s	2005	2004
Income tax	67,515	48,992
Discount on income tax down payment	(893)	(746)
Deferred tax	(8,779)	(220)
Total	**57,843**	**48,026**

It is noted that the Company has been tax audited until the fiscal year 1999 inclusive.

6. Own shares

During 2004 the Company disposed off 205,890 own shares acquired at a total cost of € 1,384,955 for € 1,544,175 i.e. with a gain of € 159,220. Afterwards the Company acquired 15,180 own shares, of nominal value € 0.30 each, for a total cost of € 113,592 which the Company disposed off within 2005 for € 186,009 i.e. with a gain of € 72,417. As at 31.12.2005 the Company had no own shares.

7. Dividends

The Company's management assessing the various factors determining the Company's dividends' policy, proposes to the Annual Ordinary General Assembly the distribution of a total dividend of € 121,861,278 (or € 1.10 per share) for the fiscal year 2005. It is noted that an amount of € 22,156,596 (or € 0.20 per share) has been already paid as interim dividend for the fiscal year 2005 within December 2005.

II. PROSPECTS

The course of the Company's activities within the new year 2006 is very satisfactory, until now, since the sales turnover for January 2006 was € 295,440,079 (January 2005: € 166,298,176) and the quantity of crude oil and other raw materials processed by the refinery was 585,853 Metric Tons (January 2005: 406,446 MT).

It is expected that, for the total year of 2006, the international refinery margins will remain approximately at the same high levels of 2005. It is also expected that the sales volume for the Company for 2006 will increase by approximately 2%, and the sales revenues by approximately 5%.

III. CAPITAL EXPENDITURES

The major projects that were completed during 2005 were the following:

- Replacement of equipment M-1100.
- Replacement and improvement of distillation tower C-1101.
- Works for MHC.
- Replacement of Outer Baskets in the Reformer reactors.
- New pier unloading line VGO.

The new project of the Hydro-cracking Unit installation was also completed within 2005 with a total cost of € 376 mil. The Hydro-cracking Unit has the ability to produce auto gasoil and gasoline with the new standards and also increases the production capacity of auto gasoil and heating oil of the refinery. It is expected that as from 2006, the completion of this project will boost the sales volume and the gross margins.

The estimated capital expenditures for 2006 are approximately € 53 mil. And the most important project is the natural gas network at the refinery and its connection to the DEPA network.

IV. ASSETS

1. Fixed assets

Total Net Book Value of tangible fixed assets (Property, Plant and Equipment) as at 31.12.2005 was € 698,065 thousand (31.12.2004: € 565,775 thousand). The site with the technical installations and buildings of the Company is located at Soussaki, Ag. Theodori of Corinth.

2. Cash in foreign currency

Cash in foreign currency as at 31 December 2005 was $ 2,168,676.76 or € 1,838,329.04.

3. Branches

The refinery of the Company at Soussaki, Ag. Theodori of Corinth operates as branch of the Company.

V. SHAREHOLDERS

It is noted that within 2005 "MOTOR OIL HOLDINGS S.A" sold its share of 16.4 % in "MOTOR OIL (HELLAS) CORINTH REFINERIES S.A.".

In 2005 the sale/acquisition of the shareholding of "ARAMCO OVERSEAS COMPANY BV" in "MOTOR OIL (HELLAS) CORINTH REFINERIES S.A." from "MOTOR OIL HOLDINGS S.A." was also completed.

VI. SIGNIFICANT POST BALANCE SHEET EVENTS

There are no significant events occurred todate, which may affect the Company's financial position as at 31 December 2005.

In light of the above analysis and the attached Financial Statements and the notes thereto, a complete picture of the Company's activities and the actions resolved by the Board of Directors, please Messrs. Shareholders, approve these and discharge the Board of Directors and the Auditors from any liability for this year.

Maroussi, 24 February 2006

THE CHAIRMAN OF THE BOD

AND MANAGING DIRECTOR

VARDIS J. VARDINOYANNIS

THE VICE CHAIRMEN

JOHN V. VARDINOYANNIS

PANAGIOTIS N. KONTAXIS

THE DEPUTY MANAGING DIRECTORS

JOHN N. KOSMADAKIS

PETROS T. TZANNETAKIS

THE MEMBERS OF THE BOD

NIKOS TH. VARDINOYANNIS

GEORGE P. ALEXANDRIDIS

GEORGE TH. THEODOROULAKIS

KONSTANTINOS B. MARAVEAS

IRENE-KAROLINA A. KONTOYANNI

LEONIDAS K. GEORGOPOULOS

DESPINA N. MANOLI

NOTE

The present information bulletin was compiled in the context of article 10 of the Law 3401/2005 and concerns the announcements made by MOTOR OIL (HELLAS) S.A. during the fiscal year 2005. The full text of the announcements is available at the Company's site at the electronic address www.moh.gr at the particular options as these are indicated at the footer of each page of the information bulletin.

FEBRUARY 2005

During this month, the Company announced its Intended Corporate Actions Program for the year 2005. In particular, the date of the convocation of the Annual Ordinary General Shareholders Meeting as well as the ex-dividend remainder for the year 2004 date and the first day of payment were defined by approximation[1].

Furthermore, following the relevant decision of the Annual Ordinary General Shareholders Meeting of June 1st, 2004 regarding the Buy Back of its owns shares, the Company announced its intention to acquire up to 1,050,000 own shares (0.95 % of the share capital), with a minimum price € 5.00 per share, maximum price € 10.30 per share and validity from March 1st, 2005 to May 20th, 2005[2].

The publication of the audited yearly financial statements (parent Company and Consolidated) for the year ended 2004 took place on February 26th, 2005[3], whereas the detailed analysis of the Company's earnings, turnover and generally of the key figures and performance indicators during the fiscal year in question were communicated to the public on February 28th, 2005 [4].

MARCH 2005

During this month, the management of the Company proceeded with a presentation at the Association of Greek Institutional Investors regarding the financial results for the fiscal year 2004. The content of the briefing to the analysts was announced to the Athens Stock Exchange in compliance with the provisions of its Regulation[5].

MAY 2005

This particular month is one of the most important ones for the Company's shareholders since the Annual Ordinary General Assembly is convened whereupon the Yearly Financial Statements are approved, the new Board of Directors is elected and the dividend amount for the fiscal year is declared.

The relevant invitation with the matters on the agenda of the Annual Ordinary General Shareholders Meeting was published within the deadline provided for by the Codified Law 2190/1920[1].

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[1] Investor Relations / Announcements – Press Releases / General Shareholders Meetings
[2] Investor Relations / Announcements – Press Releases / Share Buy Back
[3] Investor Relations / Financial Information / Yearly Financial Statements
[4] Investor Relations / Announcements – Press Releases / Yearly - Interim Results
[5] Investor Relations / Announcements – Press Releases / Other Issues

At the same time, the Company announced, within the deadline provided for by the Capital Market Commission decision 5/204, the availability of the year 2004 Annual Report[6].

Furthermore, this month signaled the termination of the Company's Share Buy Back Program approved by the Annual Ordinary General Shareholders Meeting of June 1st, 2004. In particular, throughout the duration of the program (period from June 14th, 2004 until May 20th, 2005), an aggregate of 15,180 own shares (0.01370% of the share capital) were acquired, at an average purchase price of Euro 7.48 per share[7].

The Board of Directors of the Company pre-announced the sale of the above mentioned own shares declaring the sales period the one from May 26th until June 17th, 2005 and the minimum sale price of € 12.00 per share[7].

The Annual Ordinary General Shareholders Meeting took place on May 31st, 2005, and, among other matters, a new share buy back program was approved (up to 1,107,800 shares – 1% of the share capital, with a minimum price € 7.00 per share and maximum price € 17.00 per share[7]), the total dividend amount for the fiscal year 2004 was declared (€ 0.85 per share) and the ex-dividend remainder date was announced[8].

Along with the convocation of the Annual Ordinary General Shareholders Meeting, the Company proceeded with the publication of the Figures and Information for the period 1.1.2005 – 31.3.2005 in accordance with the International Financial Reporting Standards (IFRS) for the first time[9].

JUNE 2005

According to the provisions of the Regulation of the Athens Stock Exchange, the Company disclosed the percentage of the share capital represented at the Annual Ordinary General Shareholders Meeting of May 31st, 2005 as well as the respective voting percentages the various items of the daily agenda received (approval of the financial statements, discharge of the members of the Board of Directors and of the Auditors, election of the new Board of Directors, approval of the new share buy back program, approval of the aggregate dividend amount, election of the Auditors for the fiscal year 2005)[10].

In compliance with the decisions of the Annual Ordinary General Shareholders Meeting of May 31st, 2005, and following the organization of the new Board of Directors as a Body Corporate[6], the Company declared the payment commencement date (June 17th, 2005) of the dividend remainder amount (€ 0.65 per share) for the fiscal year 2004[8] and pre-announced its intention to acquire up to 277,000 own shares

[6] Investor Relations / Announcements – Press Releases / Other Issues
[7] Investor Relations / Announcements – Press Releases / Share Buy Back
[8] Investor Relations / Announcements – Press Releases / Dividend
[9] Investor Relations / Financial Information / Quarterly Financial Statements
[10] Investor Relations / Announcements – Press Releases / General Shareholders Meetings

with a minimum price € 7.00 per share and maximum price €17.00 per share during the period June 14th, 2005 to August 31st, 2005[11] (finally, the Company did not acquire any shares during this period).

The sale of the aggregate of 15,180 own shares of the Company acquired following the relevant decision of the Annual Ordinary General Shareholders Meeting of June 1st, 2004 was completed within the deadline specified at the relevant pre-announcement[11].

AUGUST 2005

During this month, the Company proceeded with the publication of the Figures and Information for the period 1.1.2005 – 30.6.2005, in accordance with the International Financial Reporting Standards (IFRS)[12]. The Interim Financial Statements of the first half of 2005 were audited and had been approved by the Board of Directors of the Company according to the PD 360/1985.

In addition, the Company, following the relevant decision of the Annual Ordinary General Shareholders Meeting of May 31st, 2005, pre-announced[11] its intention to buy up to 544,000 of its own shares (0.5% of the share capital), with minimum price € 7.00 per share, maximum price € 17.00 per share and validity from September 1st, 2005 to November 30th, 2005 (finally, the Company did not acquire any shares during this period).

SEPTEMBER 2005

This specific month signaled the beginning of developments concerning the composition of the Company's Shareholders structure as one of its key shareholders "Motor Oil Holdings S.A", announced[13] that it agreed with "Saudi Aramco Company B.V." to acquire the aggregate stake of the latter in MOTOR OIL (HELLAS) S.A.

Further to the above mentioned announcement, "Motor Oil Holdings S.A" disclosed[13], in compliance with the PD 51/1992 the sale of the total number of 18,173,690 shares (16.4% of the share capital) that it possessed in the Company. As a result of the above share sale, the stake of "Motor Oil Holdings S.A" in the share capital of the Company became nil while at the same time the enhancement of the shareholders base of the latter was achieved[14].

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[11] Investor Relations / Announcements – Press Releases / Share Buy Back
[12] Investor Relations / Financial Information/ Quarterly Financial Statements
[13] Investor Relations / Announcements – Press Releases / Other Issues
[14] Investor Relations / Shareholder Structure

Moreover, in the context of article 13 of the Law 3340/2005, the Company acknowledged the stock exchange transactions concerning MOTOR OIL (HELLAS) S.A shares effected by its executives[15].

OCTOBER 2005

In the context of its consistent policy regarding the distribution of an interim dividend, the Company announced its intention to distribute an interim dividend to its shareholders as an advance payment of the dividend for the fiscal year 2005, based on the net Company earnings of the period 1.1.2005 - 30.9.2005[16].

Moreover, in the context of article 13 of the Law 3340/2005, the Company acknowledged the stock exchange transactions concerning MOTOR OIL (HELLAS) S.A shares effected by its executives[15].

NOVEMBER 2005

At the beginning of the month the Company proceeded with the publication of the Figures and Information for the period 1.1.2005 - 30.9.2005[17] in accordance with the International Financial Reporting Standards (IFRS).

Following the publication of the 9-month 2005 Financial Results, the Company with a series of announcements declared the amount of the interim dividend per share (€ 0.20), the ex-interim dividend date (December 5th, 2005) and the payment commencement date (December 20th, 2005) [16].

Moreover, in the context of the PD 51/1992, the changes in the direct stake of "Aramco Overseas Company B.V" and "Motor Oil Holdings S.A" in the share capital of the Company were announced[15]. As a result, the two aforementioned legal entities with a joint announcement[15] confirmed the completion of their agreement which signaled the change in the Company's shareholders structure[18].

The Company invited its shareholders to an Extraordinary General Meeting for December 14th, 2005[19], with the approval of a five year Bond Loan for the amount of US Dollars 150 mn as the sole item in the agenda.

The change in the shareholders structure of the Company was accompanied with changes at managerial level (resignation of executives) [15], administrative level (changes in the composition of the Board of Directors) [15] and organizational level (organizational chart)[20].

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[15] Investor Relations / Announcements – Press Releases / Other Issues
[16] Investor Relations / Announcements – Press Releases / Dividend
[17] Investor Relations / Financial Information / Quarterly Financial Statements
[18] Investor Relations / Shareholder Structure
[19] Investor Relations / Announcements – Press Releases / General Shareholders Meetings
[20] Company Profile / Organizational Structure / Organizational Chart

In the framework of the above mentioned changes, the Company invited its shareholders to an Extraordinary General Meeting for December 23rd, 2005[21] with agenda items the amendment of specific articles of the Company's Codified Memorandum and Articles of Association as well as the approval of the changes in the composition of the Board of Directors.

Finally, following the relevant decision of the Annual Ordinary General Shareholders Meeting of May 31st, 2005, the Company pre-announced its intention to buy up to 1,107,800 of its own shares (1% of the share capital) with minimum price € 7.00 per share, maximum price € 17.00 per share and validity from December 1st, 2005 to May 23rd, 2006[22].

DECEMBER 2005

The sole announcements of the last month of the year 2005, concerned the acknowledgement of the decisions of the Extraordinary General Meetings of December 14th, 2005 and December 23rd, 2005[21], as well as, the signing the USD 150 mn Bond Loan agreement[23] for which the first of the two Assemblies had duly authorized the Company's Board of Directors.

[21] Investor Relations / Announcements – Press Releases / General Shareholders Meetings
[22] Investor Relations / Announcements – Press Releases / Share Buy Back
[23] Investor Relations / Announcements – Press Releases / Other Issues

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