

COMMENT OF THE BOARD OF DIRECTORS OF Í MOTOR OIL (HELLAS) S.A.Í
ON THE ITEMS OF THE AGENDA OF THE ANNUAL ORDINARY GENERAL ASSEMBLY
OF COMPANY SHAREHOLDERS TO BE HELD ON JUNE 28TH, 2012

Pursuant to article 27 of the Codified Law 2190/1920 as it is in force, the comments of the Board of Directors of MOTOR OIL (HELLAS) S.A. on the items of the daily agenda of the Annual Ordinary General Shareholders Meeting to be held on Thursday June 28th, 2012 at 12:30 hrs at the NJV Athens Plaza Hotel at 2 Vassileos Georgiou A Street . Syntagma Square . Municipality of Athens are presented hereunder.

With regard to the **first item** on the agenda

Representation and Approval of the Financial Statements of the Company (on parent Company and Consolidated basis) for the fiscal year 2011 (1.1.2011 . 31.12.2011) together with the accompanying reports of the Board of Directors and of the Auditors+the Board hereby notes the following:

The full set of the year 2011 Annual Financial Report including the Published Figures & Information, the notes (disclosures) on the financial statements, the declaration of the representatives of the Board pursuant to article 4 of Law 3556/2007, the Report of the Board also pursuant to article 4 of Law 3556/2007, the information bulletin pursuant to article 10 of Law 3401/2005 with the Stock Exchange announcements of the Company during the year 2011, the Corporate Governance Statement pursuant to Law 3873/2010 and Auditor's Report of the Certified Public Accountant is available on the Company website www.moh.gr (option Investor Relations / Financial Information / Full Year Financial Reports).

MOTOR OIL financial figures for fiscal years 2010 . 2011 are presented in the following table:

<u>(amounts in thousand EURO)</u>	<u>2010</u>	<u>2011</u>	<u>Change</u>
Turnover	4,879,266	7,146,118	46.46%
Less: Cost of sales (before depreciation)	4,621,927	6,821,411	47.59%
Gross Profit (before depreciation)	257,339	324,707	26.18%
Less: Selling and administration expenses (before depreciation)	46,627	54,209	16.26%
Plus: Other operating income	4,311	28,685	565.39%
EBITDA	215,023	299,183	39.14%
Less: Depreciation	60,707	71,415	17.64%
Earnings Before Interest and Tax (EBIT)	154,316	227,768	47.60%
Less: Financial cost	27,695	50,692	83.04%
Earnings before Tax (EBT)	126,621	177,076	39.85%
Less: Tax	44,339	36,146	(18.48%)
Earnings after Tax (EAT)	82,282	140,930	71.28%

The Company balance sheet figures as of 31.12.2009, 31.12.2010 and 31.12.2011 are presented in the following table:

<u>Balance Sheet (in million Euros)</u>	<u>31.12.2009</u>	<u>31.12.2010 (*)</u>	<u>31.12.2011</u>
FIXED ASSETS	902.6	1,033.3	1,005.1
CURRENT ASSETS			
Inventories	248.5	535.3	599.5
Receivables	246.5	291.4	324.2
Cash	15.0	25.1	103.5
TOTAL CURRENT ASSETS	510.2	851.8	1,027.2
TOTAL ASSETS	1,412.6	1,885.1	2,032.3
OWN CAPITAL & RESERVES	332.8	359.3	444.8
STAFF RETIREMENT PROVISIONS (L+S)	35.4	38.6	36.9
BANK DEBT			
Long term debt	192.4	114.0	310.7
Short term debt	377.7	508.0	656.1
TOTAL BANK DEBT	570.0	622.0	966.8
OTHER LIABILITIES (Short + Long)	474.4	865.2	583.8
TOTAL LIABILITIES	1,412.6	1,885.1	2,032.3
NET BANK DEBT / EQUITY	1.67	1.66	1.94

(*) The account balances as of 31.12.2010 have been restated in accordance with the provision of IFRS 3 following the final valuation of the fair value of assets and liabilities obtained from the acquisition of %CORAL A.E.+ (ex %SHELL HELLAS S.A.+) and %CORAL GAS COMMERCIAL AND INDUSTRIAL S.A.+ that was finalized on June 30th, 2011.

During the respective periods the main external parameters, the weighted average rate of interest and Company bank liabilities developed as follows:

	<u>2009</u>	<u>2010</u>	<u>Change 2009/2010</u>	<u>2011</u>	<u>Change 2010/2011</u>
<u>USD/EURO (**)</u>					
At period end	1.44	1.34	7.5%	1.29	3.9%
Moving average	1.40	1.33	5.3%	1.39	(4.3%)
<u>Dated Brent (USD/bl)</u>					
At period end	77.67	92.55	19.2%	106.51	15.1%
Moving average	61.69	79.54	28.9%	111.16	39.7%
<u>Interest Rate on Loans</u>					
Weighted average	2.20%	3.21%	45.9%	5.16%	60.7%
<u>Net Bank Debt</u>					
At period end (mn EURO)	555	596	7.4%	863	44.8%
Average (mn EURO)	523	710	35.8%	766	7.9%

(**) With reference to the USD/EURO parity a negative sign percentage change denotes USD weakening in relation to the EURO while a positive sign percentage change denotes USD strengthening in relation to the EURO.

Despite the tight conditions prevailing during the year in the refining sector the Company managed to deliver a set of solid financial results on the back of improved

Company blended profit margin (2011: 55.0 USD/MT compared to 2010: 50.3 USD/MT) and increased volume of product sales (2011 MT 10,756 thousand compared to 2010 MT 9,742 thousand) which constitutes a historic high for MOTOR OIL (HELLAS) S.A. The improved profit margin was achieved on the back of the increased contribution of industrial activity as a result of the operation of the new Crude Distillation Unit on 12-month basis in 2011 while the operation of the unit in essence concerned only the second half of fiscal 2010. The generation of high volume of sales is attributed to the export orientation of the Refinery of the parent Company as well as the contribution of the two coherent retail site networks, namely AVIN and CORAL, through which the Group sells its products in the domestic market.

Consolidated Earnings after Tax (EAT) for the year 2011 amounted to Euro 142,804 thousand compared to Euro 164,547 thousand a year earlier (a decrease of 13.21%). It must be noted that year 2010 consolidated earnings were restated to include a Euro amount of 85 million approximately as %Share of Profit from Associates+ relating almost entirely to the ultimate gain from the bargain purchase of %CORAL+Group.

The Board proposes to the AGM to approve the year 2011 Company and consolidated financial statements and the accompanying BoD report and Auditor's report as published on March 20th, 2012 with no amendments.

With regard to the **second item** on the agenda

%Discharge of the members of the Board of Directors and the Auditors from any liability for damages with regard to the Yearly Financial Statements and activities during the fiscal year 2011+the Board hereby notes the following:

The yearly financial statements were prepared in accordance with the International Financial Reporting Standards applicable to the listed companies. They represent a true and fair view of the assets, liabilities, shareholders equity and statement of comprehensive income of the Company and the companies included in the consolidated financial statements taken as a total. The Auditor's report bears an %unqualified opinion+.

The Board proposes to the AGM to discharge the Board of Directors and the Auditors.

With regard to the **third item** on the agenda

%Election of the members of the new Board of Directors as the term of service of the existing Board expires+the Board hereby notes the following:

The current composition of the Board is representative of the changes effected in the organizational structure of the Company over the period December 2010 . March 2011. The curriculum vitae of each Director is available at the Company website (www.moh.gr, option: About MOH / Organizational Structure / Board of Directors).

According to the Company Articles of Association (available at www.moh.gr , option: About MOH / Corporate Governance) the Board may consist of minimum eight (8) up to maximum twelve (12) Directors and the General Assembly of Company shareholders is called to appoint and elect the members of the new Board with the subsequent condition that two (2) of them must be non executive independent BoD members as provided by the Greek Corporate Governance Law 3016/2002 (available at www.moh.gr, option: About MOH / Corporate Governance).

With regard to the **fourth item** on the agenda

Appointment of the members of the Audit Committee according to article 37 of the Law 3693/2008+the Board hereby notes the following:

As mentioned in the Code of Corporate Governance of the Company (available at www.moh.gr, option About MOH / Corporate Governance) the Audit Committee assists considerably the Board to carry out its duties. The functioning of the Audit Committee in the case of MOTOR OIL stems back since 1996 and its current composition is as follows:

Chairman: G. P. Alexandridis

Members: A. Th. Theocharis, K. V. Maraveas

All members of the Audit Committee have good knowledge of the refining sector while the non-executive independent member of the Board Mr. A. Th, Theocharis has proven experience in matters of accounting and audit.

Pursuant to the provisions of article 37 of the Law 3693/2008 the General Assembly of Company shareholders is called to appoint and elect all Audit Committee members with the subsequent condition that its composition will consist of at least two (2) non executive members of the Board and one independent member in possession of sufficient proven knowledge on accounting and auditing issues.

With regard to the **fifth item** on the agenda

Approval of a dividend+the Board hereby notes the following:

The proposed aggregate amount of dividend for the year 2011 equals EURO 44,313,192 or EURO 0.40 per share. This amount is subject to tax withholding of 25% pursuant to article 14 of the Law 3943 (Government Gazette Aq66/31.03.2011). The gross amount of EURO 0.40 per share corresponds to a dividend yield of 6.76% based on the closing price of the share of MOTOR OIL of December 31st, 2011. The proposed dates (ex . date, record date, first day of payment) are as follows:

Ex-dividend date: Monday July 2nd, 2012.

Record date: Wednesday July 4th, 2012.

First day of payment: Tuesday July 10th, 2012.

The Board proposes to the AGM to approve the amount of EURO 0.40 per share as dividend for the year 2011 and the relevant dates mentioned above.

With regard to the **sixth item** on the agenda

Electio of two Certified Auditors, that is, one ordinary and one substitute, for the accounting year 2012 and approval of their fees+the Board hereby notes the following:

The Company Codified Memorandum provides that Certified Auditors may be reappointed but not for more than five years in succession. The Audit Committee has recommended to maintain Messrs Tilemachos Georgopoulos (SOEL Nr. 19271) and Epaminondas Giouroukos (SOEL Nr. 10351) as ordinary and substitute Certified Auditor respectively for the fiscal year 2012. Both Auditors work for the Auditing firm Deloitte. Hatjipavlou Sofianos & Cambanis S.A.+ As regards their fees the recommendation of the Audit Committee is to remain the same as in fiscal 2011.

The Board proposes to the AGM to approve the election of the two Auditors and their fees for the fiscal year 2012.

With regard to the **seventh item** on the agenda

Approval of the Directors' fees for the year 2011 and pre-approval of their fees for the year 2012+the Board hereby notes the following:

As mentioned in the Code of Corporate Governance of the Company the executive Board members receive a fee of EURO 16,000 per annum while the non-executive ones a fee of EURO 19,000 per annum for their services. The fees have remained the same since the fiscal year 2003.

The Board proposes to the AGM to approve the above mentioned fees of the Directors for the year 2011 and pre-approve them for the year 2012.

With regard to the **eighth item** on the agenda

Return of capital to the shareholders through reduction of the share capital of the Company with subsequent reduction of the share nominal value and respective amendment of article 5 of the Company's Memorandum+the Board hereby notes the following:

The proposed aggregate amount of return of capital equals EURO 11,078,298 or EURO 0.10 per share. The return of capital amount combined with the proposed amount of dividend for the year 2011 corresponds to a yield of 8.45% based on the closing price of the share of MOTOR OIL of December 31st, 2011. To this end, the objective for the maximization of return of Company shareholders is fully met. The proposed dates (ex . date, record date, first day of payment) are as follows:

Ex-return of capital date: Monday November 5th, 2012.

Record date: Wednesday November 7th, 2012.

First day of payment: Tuesday November 13th, 2012.

Article 5 of the Company's Memorandum will be amended to incorporate the change in the share capital of the Company which will become EURO 94,165,533 divided into 110,782,980 registered share of a nominal value EURO 0.85 each.

The Board proposes to the AGM to approve the return of capital amount of EURO 0.10 per share, the relevant dates mentioned above and the amendment of article 5 of the Company's Memorandum and Articles of Association.

The Board of Directors
Maroussi, May 30th, 2012