INITIAL STATEMENT

by VALUATION & RESEARCH SPECIALISTS (VRS)

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ELINOIL

[ELIr.AT]

Increasing Market Shares Supporting High Quality Petroleum Products

Valuation & Research Specialists (VRS)

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Greek Equities - May 25th 2005

ELINOIL

Sector: Wholesale Petroleum Products

Company Description:

Based on its range of activities, Elinoil constitutes the most comprehensive private Greek company in the energy market not belonging to a group with a refinery. Elinoil is high in sales of liquid and solid industrial fuels, with a constantly expanding network of approximately 430 petrol stations, significant participation in the fuel and lubricant sector for leisure vessels, significant sales in residential heating, and marine lubricant sales in Greece and abroad.

(in mil. €)	2003 A	2004 A	2005 E
Turnover	295.26	351.31	368.23
EBITDA	8.46	9.22	10.19
Margin %	2.86%	2.62%	2.77%
Net Income	2.78	3.31	3.67
Margin %	0.94%	0.94%	1.00%

Price (24/05/2005)	**€ 7.90**
Shares (outstanding)	**36,000,000**
Mkt Cap (in mn €)	**74.13**

Beta			0.85
Dividend '04			€ 0.14
Div. Yield			1.77%
P/E	26.71x	22.42x	20.22x
P/BV	5.65x	2.38x	2.26x
Debt/Eq.	2.42	0.94	0.82
ROE (avg)	22.68%	14.94%	11.45%

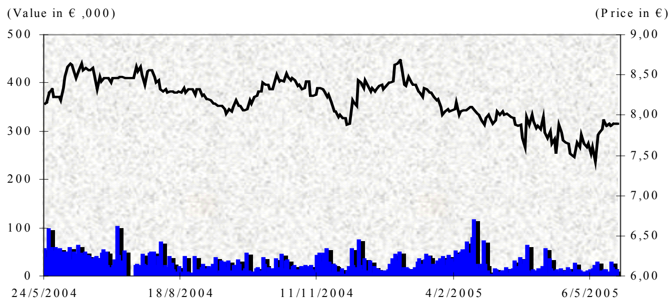
Source: Company Data & VRS Projections

Key Investment Points

- The increasing number of petrol stations (approximately 20 new stations per year) collaborating with Elinoil, in conjunction with the strengthening of their average performance, is expected to significantly boost the sales volumes for gasoline and diesel at rates higher than the Greek market average in the coming years.
- In the next 5-year period, **we estimate that the volume of gasoline sales will grow by a $CAGR_{2004-2009}$ of approximately 10% and a corresponding rate for diesel of 7.16%.**
- The Group's expansion abroad (marine lubricants sales) is deemed especially positive, with the presence of the Elin brand in Singapore and the targeted expansion to China and Brazil. **The revenues from marine lubricants sales are expected to grow with a rate of $CAGR_{2004-2009}$ at the rate of 9.85%.**
- The Company holds a major stake in the Greek solid fuel market, while the sales of these products contribute to results with high gross profit margins. In the coming years, **$CAGR_{2004-2009}$ of solid fuels is estimated at 11.3%, accounting for 2.6% of the total Group turnover.**

Share Price Graph (24/05/2004-24/05/2005)

Max: € 8.68 - Min: € 6.82



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Investment Case

The Company name is synonymous with guarantees for provision of high quality petroleum products and related services, a fact that spearheads its future development.

Increase in Revenues through the Petrol Station Network

Having ensured high quality in the existing petrol stations through strict controls, the Company aims at a selective network expansion, with petrol stations increasing by about 20 per year (new stations - contract termination with low performance stations) for the next 5-year period. The Company's objective is to raise the number of petrol stations while boosting their average performance. The Company has achieved a significant network in rural areas (islands, mainland Greece) and aims at a gradual growth in cities, and especially Athens, where it has a smaller presence, achieving higher revenues per station, though burdening profit margins due to high competition.

The Group's strategy concerning new additions is to reach **the highest possible number of company-controlled petrol stations** (today they number 50). Company-controlled stations yield the highest profit margins, at the same time making the Company less vulnerable against competition and minimizing the likelihood of stations changing suppliers. At the same time, Elinoil is considering **broadening the range of services** in its stations with the development of a line of consumer products (besides petroleum products), aiming at maximizing revenues.

During 2006, a large number of Greek petrol stations (approximately 1,000 stations) will acquire the right of renegotiating their contracts with distribution Companies, which is expected to positively affect Elinoil, raising the number of its stations at a higher than expected rate (solely for this particular year). This supposition is based on the following:

1. Elinoil is expected to have the fewest possible losses since it has long-term relations with the majority of its collaborating stations, while new stations agree to the especially strict quality control terms in the new contracts, in essence choosing to collaborate with the Company.

2. Elinoil provides high quality support services, while stations enjoy the Company's brand name visibility, which is constantly augmented through the range of products and geographic coverage offered by the Company.

Gasoline

Gasoline accounts for the bulk of petrol station sales (56%) and the highest stake in sales of Elinoil's consolidated turnover (39% of the total). Quality constitutes a competitive advantage of the Company's gasolines, ensured via its collaboration with the National Metsovio Polytechnic School that performs 3,000 quality checks in the stations per year. The constant checks ensure quality in Elin's fuels and stations that do not accept the checks are penalized, thereby ensuring the safety of consumers. At the same time, the collaboration with stations that choose quality over slightly more competitive pricing is secured. Through this strategy, the Company has managed to forge long-term relations with the stations, while offering high quality fuels.

In 2004, the volume of Elinoil gasoline sales rose by 12.81%, compared to 2003, despite a falling trend in the total volume of gasoline sales in Greece. Specifically, gasoline sale s of petroleum product companies rose from 3.67 million metric tons in 2003 to 3.81 million metric tons in 2004 (+3.72%). It should be noted that 20 companies with a nation-wide operating licenses control for the distribution of these quantities, half of which displayed a decline in sales.

In the coming years, the volume of Elinoil gasoline sales is estimated to rise at a $CAGR_{2004\text{-}2009}$ of approximately 9.97% due to:

1. the net annual average increase in the number of stations by 20,
2. the growth of the average station performance,
3. promotional activities aiming to raise visibility and associate in consumer consciousness the provision of quality fuels with the Company name.

Motor & Heating Diesel

The motor and heating diesel sales through stations represent approximately 30% of the total Group turnover and 43% of station sales. **This percentage is expected to decline slightly in the following years, with a $CAGR_{2004\text{-}2009}$ ranging around 7.25% (a corresponding increase in the sales volume with $CAGR_{2004\text{-}2009}$ of 7.16%).** The growth of the diesel sales volume will be smaller in relation to the growth of gasoline sales volumes due to:

1. the gradual replacement of heating diesel with natural gas, and
2. the limitation of diesel consumption by industries.

In contrast, the opening of a station on the border with Turkey after a collaboration agreement with Duty Free Shops in 2004 has had a positive effect. The particular station sells only motor diesel to business vehicles. In the event of a new contract for a similar border station, motor diesel sales will be further enhanced.

Lubricants

Lubricants represent a small part of petrol station sales (0.78% in 2004); they constitute, however, a new area for the development of Company activities, which is estimated to boost by an average annual rate of 15% in the next 5 years. This increase will be mainly due to the enhanced presence and promotion lubricants in the stations and to the rise in the number of stations.

Projections

In 2004, the average annual station performance was estimated at € 576 thous., compared to approximately € 500 thous. in 2003. In total, for 2005 we anticipate income from station sales of fuels and lubricants to reach € 258.13 million, compared to € 245.26 million in 2004 (+5.25%), with the sales of fuels representing 99% (gasoline sales account for 55.3%, motor diesel 22.6%, and heating diesel 21.37%). This growth is attributed for the most part to the increase in the sales volume and to a lesser degree to a price increase, as we have supposed a stabilization of the average crude oil price during 2005.

In the following years, the station sales of fuels and lubricants are expected to account for most of the turnover (from 70% of the total in 2004, to 73.8% in 2009), strengthened by $\text{CAGR}_{2004\text{-}2009}$ of 8% (a higher growth rate for sales volume is estimated).

Profit margins from the station sales of fuels and lubricants are soon expected to move to lower levels due to the Company's strategy for increasing the number of stations in urban areas, and especially Athens, where competition significantly compresses margins. We note that Company profit margins are absolute figures and not percentages on sales, whereby they are not influenced in absolute monetary terms by the course of the oil prices. The Company's objective is to increase station sales volumes though higher consumption. We estimate that the selective enhancement of the Company presence in Athens will contribute in this direction.

Claiming Higher Market Shares in the Marine Fuel Market

Motor diesel sales at marinas constitute a special market that faces problems due to deficient deliveries and low fuel quality due to extensive smuggling. The successful handling of these problems by Elinoil through satisfactory compensation of delivery persons, systematic control of deliveries, and the provision of high quality services constitute its competitive advantage. **The**

Company's customer-centered strategy has resulted in its fast becoming dominant at Attica marinas, which accounts for the bulk of this market.

Elinoil already holds a significant market share (approximately 50%), which is expected to further enhance in the next few years. Apart from Attica marinas, the Company is present in many seaside areas (101 points), while it has established refueling points inside 5 marinas (2 in Chalkidiki, 1 in Lefkas, 1 in Samos, as well as 1 in Volos).

This particular category represents approximately 4% of the total Group turnover, a percentage expected to remain stable in the coming years. We note that this activity is seasonal and is significantly affected by weather during the summer period as well as by tourist numbers in Greece. However, remarkable synergies result at the operating level from this activity (fuel tracks, human resources), as functions in a complementary fashion to the distribution of heating diesel, which is performed during the winter period.

Expansion of Activities Abroad

The Group's international expansion relates to the sale of marine lubricants under the Elin brand, besides Greece, to Singapore. This particular activity accounted for approximately 1.9% of the total Group turnover in 2004, with 70% of the sale deriving from points with the presence of the Elin brand (the Company provides products and services to other ports all over the world through collaborations with local companies).

During the next few years, the percentage on the total turnover is expected to reach 2.2%, with sale strengthened by $CAGR_{2004\text{-}2009}$ of at least 9.85%. Elinoil is considering expansion of the Elin brand to ports in China and Brazil aiming to activate there during the next 2-year period. The Group aims to place the same brand in at least 10 ports outside Greece.

The market that Elinoil targets today is the approximately 700 Greek ship owners, of which it has gained approximately a 10% market share until today. The Company's competitive advantages are its high quality products and services as well as its flexibility in terms of delivery and service (customer-centered philosophy). **The growth in the sales volume of marine lubricants is expected to move at an $CAGR_{2004\text{-}2009}$ of 9% and will derive from:**

1. enhancement of the presence of the Elin brand in new ports worldwide
2. the expansion of its customer-portfolio
3. the boosting of the sales volume of existing customers.

The sales growth rate in the particular activity is likely to move to higher levels if the Company expands the use of its brand name to other ports beyond its original target areas.

Maintaining a Strong Presence in the Industry

In the past, sales to industries (mazut) constituted the core of Elinoil's activities; **today it represents 17.5% (mazut and diesel) of the total Group turnover.** Since energy-devouring industries constantly seek more economical solutions (mainly in solid fuels and natural gas), the demand for mazut is steadily declining, a fact reflected in the Company results. In the following years, the volume of mazut sales is expected to decline, moving at an $CAGR_{2004\text{-}2009}$ of approximately-5%, while diesel sales to industries move at lower rates of development as a result of the industries' policies of controlling costs. **In the following 5-year period, mazut and diesel sales to industries are expected to stabilize at a $CAGR_{2004\text{-}2009}$ of 0.36%, accounting at end-2009 for 12.6% of the total Group turnover.**

Dynamic Growth in High Added Value Products

The Company has expanded its activities to solid fuel sales, which display a steady rise in the last few years and include pet coke, coal, and anthracite. These products are addressed to energy-devouring industrial units, such as lime, ceramic, cement, steel, and other producers, while in the last two years Elinoil has expanded to Balkan countries.

Despite the fact that solid fuels are addressed to the same customer category as mazut, a specialized department promotes sales, since solid fuel sales is combined with the provision of technical expertise on combustion and transportation matters. Beyond fuels and technical advice provision, Elinoil also undertakes, if necessary, the construction and installation of technical equipment.

The company has a leading market share, while the sales of these particular products contribute high gross profit margins to the results. The high profit margins are due to the specialization required in the processing of solid fuels combined with the provision of high quality services and low production costs. **In the next 5-year period, solid fuels sales to industries are expected to rise at an $CAGR_{2004\text{-}2009}$ of 11.3%, representing at end-2009 2.6% of the total Group turnover, from 2.4% today.**

Biodiesel is expected to constitute a high added value product. It is highly environmentally friendly and renewable fuel since it derives from vegetable oil and / or animal fats, while it is fairly widespread in many European countries. The Company has already successfully executed two EU financed programs studying Biodiesel distribution, as well as a feasibility study for the construction of a Biodiesel production unit in Greece. This particular activity is not included in the projection model since it is unclear when the legal framework governing this activity will be completed.

Successful Presence in the Construction Sector

Elin Technical was established in order to fill the gap in the Greek market for the integrated study and construction of retail stores. The experience and technical expertise acquired by the subsidiary since its activation in the broader energy sector allows it to undertake any related project, small or large, such as the study and construction of buildings, industrial facilities, warehouses and technical works in general, as well as the provision of technical support and maintenance. Due to the low predictability of the subsidiary's object, we keep its revenues for 2005 almost at the corresponding 2004 levels.

GROUP HISTORIC & PROJECTED TURNOVER BREAKDOWN

		2003	2004	2005 E	2006 E	2007 E	2008 E	2009 E
Domestic Liquid Fuel Market								
Petrol Stations		208,262	245,230	255,675	274,653	303,152	332,968	360,297
	% of Total	70.54%	69.80%	69.43%	70.28%	71.18%	71.97%	72.97%
	y-o-y % growth		17.75%	4.26%	7.42%	10.38%	9.84%	8.21%
Industry		56,054	60,982	60,026	59,892	60,827	61,593	62,099
	% of Total	18.99%	17.36%	16.30%	15.33%	14.28%	13.31%	12.58%
	y-o-y % growth		8.79%	-1.57%	-0.22%	1.56%	1.26%	0.82%
Retail (Heating)		3,746	3,741	3,792	3,858	3,898	3,948	3,990
	% of Total	1.27%	1.06%	1.03%	0.99%	0.92%	0.85%	0.81%
	y-o-y % growth		-0.12%	1.36%	1.74%	1.03%	1.28%	1.06%
Other Customers		11,753	19,402	23,386	24,865	28,281	32,439	34,256
	% of Total	3.98%	5.52%	6.35%	6.36%	6.64%	7.01%	6.94%
	y-o-y % growth		65.08%	20.53%	6.33%	13.74%	14.70%	5.60%
Total Domestic Liquid Fuel Market Sales		279,815	329,355	342,879	363,268	396,159	430,947	460,643
	% of Total	94.77%	93.75%	93.12%	92.95%	93.02%	93.14%	93.30%
	y-o-y % growth		17.70%	4.11%	5.95%	9.05%	8.78%	6.89%
Other Sales								
Lubricants for domestic market		2,346	2,795	3,410	3,887	4,368	4,775	5,100
	% of Total	0.8%	0.8%	0.9%	1.0%	1.0%	1.0%	1.0%
	y-o-y % growth		19.1%	22.0%	14.0%	12.4%	9.3%	6.8%
Marine Lubricants		4,116	6,751	7,920	8,640	9,360	10,080	10,800
	% of Total	1.4%	1.9%	2.2%	2.2%	2.2%	2.2%	2.2%
	y-o-y % growth	154.4%	64.0%	17.3%	9.1%	8.3%	7.7%	7.1%
Solid Fuel - Industry		7,399	8,443	9,989	10,923	11,867	12,657	12,910
	% of Total	2.5%	2.4%	2.7%	2.8%	2.8%	2.7%	2.6%
	y-o-y % growth		14.1%	18.3%	9.3%	8.6%	6.7%	2.0%
Other Sales		31	42	43	44	45	46	47
	% of Total	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
	y-o-y % growth		36.56%	2.50%	2.50%	2.50%	2.50%	2.50%
Elin Technical		1,546	3,928	3,987	4,046	4,107	4,169	4,231
	% of Total	0.52%	1.12%	1.08%	1.04%	0.96%	0.90%	0.86%
	y-o-y % growth		154.03%	1.50%	1.50%	1.50%	1.50%	1.50%
Total Group Sales		**295,254**	**351,314**	**368,228**	**390,808**	**425,905**	**462,674**	**493,731**
	y-o-y % growth		**19.0%**	**4.8%**	**6.1%**	**9.0%**	**8.6%**	**6.7%**

Source: Company Data & VRS Projections

Investment Risks

	Investment Risk	Mitigating Factors / Important Notes
1	Any change in the existing legislative framework (L. 3054/2002), which regulates the production and distribution of petrol products in Greece, might affect the Company's profitability.	The State and other pertinent authorities deem the existing legislative framework satisfactory so it is not anticipated that a significant change will take place in the immediate future or the long term.
2	The presence of unfair competition, as well as any attempt to manipulate prices by major companies in the sector, is likely to have a negative impact on the Company results and prospects, since the Company activates as an independent entity in the market (it is not connected in terms of share capital with suppliers in the sector).	The organization of the structure of the market, the long-term equilibriums and relations among the major players in the petroleum product sector, as well as the Company's ability to follow a flexible pricing policy curtail the impact in the event of unfair competition.
3	The Company maintains verbal collaboration agreements with 69 petrol stations. As a result, there are no legal penalties in the case of a termination of collaboration with the Company by the aforementioned stations.	Based on Company estimates, interruption of collaboration with the aforementioned stations and non-replacement with new stations, will negatively affect Company turnover by € 36.3 million.
4	The demand for Company products displays seasonality due both on weather conditions as well as consumer needs.	The broadening of the Company's range of products constitutes a mode of defense against seasonality effects.
5	There is a series of legal proceedings pending against the Company, the negative outcome of which would likely negatively affect its results.	On a historical basis, the Company has not been affected by such cases in its financial magnitudes. Furthermore, its three major shareholders have agreed to cover as physical entities a considerable part of any resulting financial damages.
6	The entry of natural gas in the market and the expansion market share is likely to affect the Company's heating diesel sales.	The Company's share of revenues of in the area of heating diesel is very small.

Source: Elinoil, VRS.

COMPANY PROFILE

The Company was established in 1954, serving initially large industrial customers in the Greek market, such as Titan, Halivourgiki, and Viohalko. In 1963, the Company became Elinoil SA, which in turn became the leader in mazut sales (with a stake of over 30% of the total market). The first network of petrol stations was created in the 1970s, while in the 1980s, in view of the liberalization of the market, the Company proceeded to a substantial investment program, thanks to the entry of a new investor in its share capital. In the 1990s, the Company applied stricter quality controls, and at the same time strengthened its marketing strategy, changing its brand name to Elin.

The Company was listed on the Main Market of the Athens Stock Market in the first half of 2004, performing its initial public offering in the period 12-17 February 2004. The IPO price was set to € 6.80, and the capital injected was € 16.05 million (2,250,000 common bearer shares was sold though a public offering and 110,000 common bearer shares through private placement, being subscribed 3.5 times over). The list date was 10 March 2004.

Corporate Identity

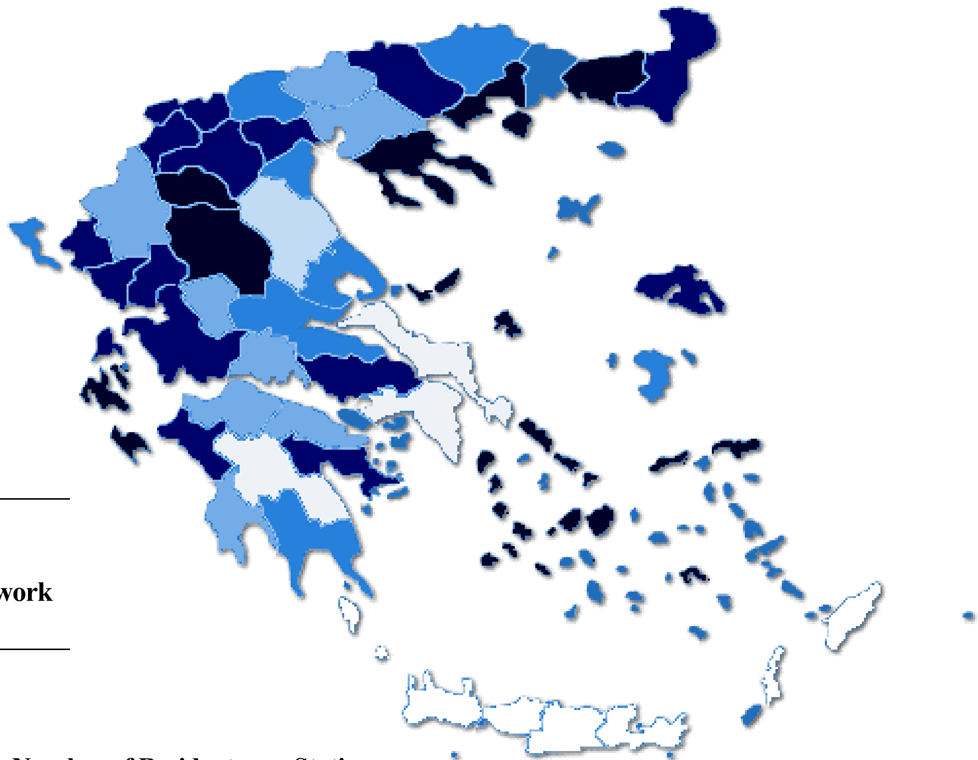
Elinoil activates in the wholesale petroleum and related products sector, offering almost the entire range of products, such as gasoline, diesel, mazut, solid fuels, lubricants, etc.

At the same time, the Group activates in the construction sector through its subsidiary Elin Technical SA.

The Company's production facilities include 2 liquid fuel storage areas in Aspropyrgos and in Porto Lagos, 2 solid fuel-processing factories (raw material are imported from abroad) in Aspropyrgos (pet coke) and in Volos (pet coke and anthracite). Additionally, the Company has advanced technological equipment as well as a substantial fleet of transportation vehicles.

The Main Sectors of Group Activities

Network of Petrol Stations (Greek Market) [Gasoline, diesel, lubricants]	434 petrol stations (50 are company-controlled), with substantial presence in mainland and island Greece. The stations undergo strict quality controls (3,000 checks per year performed by the National Metsovio Polytechnic School). Indicatively, fuel adulteration in Elinoil stations is only 1%-2%, compared to 8%-16% for the market. The average cost of establishing a petrol station is EUR 50,000 and the payback period is 1.5 year.
Industrial Sales (Greek Market) [Heating and motor diesel, mazut, lubricants, gasoline, and solid fuel]	Major Greek Industries are included and companies with a leading presence in their sectors of activation.
Fueling of Recreational Vessels (Greek Market) [Motor Diesel]	Through the Company's presence at marinas or via fuel tracks, the supply of the entire Greek territory is managed. The contract for the Marina of Zea has already been signed and now the Company has its sights set on the marinas of Floisvos and Alimos.
Residential Heating (Greek Market) [Heating Diesel]	The Company views the provision of high quality services as very important and addresses consumers who are willing to buy heating fuel at a higher price. The Company also activates in the heating sector through petrol stations (heating diesel).
Marine Lubricants (Greek and International Markets) [Shipping Sector]	The Company's position in the particular market is steadily growing (4th position in marine lubricant sales in Greece). In 2004, the Company sold 10,000 tons (50% in Greece and 50% abroad). It was a "physical supplier"(with its own brand name) for 7.000 tons (Greece, Singapore) out of those and a "trader" for 3,000 tons (other countries).
Elin Technical SA (Greek Market)	It activates in the sector of study and construction of retail sale buildings, industrial facilities, warehouses, and technical works in general.



Elinoil: Geographical Distribution of Network of Petrol Stations

Network Density = Number of Residents per Station

>50.000	<50.000	<40.000	<30.000	<20.000	<10.000

Suppliers & Customers

The Company procures fuels from 2 Greek refineries, Hellenic Petroleum and Motor Oil. According to the last available financial statements, Hellenic Petroleum accounted for 78% of the market, Motor Oil for17%, and other suppliers for 5%. The payment period for Company supplies ranges between 15 and 30 days. During fiscal year 2004, 96% of Suppliers balance had a maturity period of up to 30 days.

The Company has major industrial customers such as Titan, Aluminum of Greece, EVZ, Elais, Intracom, Chipita, Terna, Elval, Unilever, Katselis, Babis Vovos, Shelman, etc.

Additionally, Elinoil recently entered collaboration with Duty Free Shops, establishing the first duty free fuel station at the border station of Kipoi, Evros.

The average collection time from Company customers ranges between 5 and 15 days at the stations and 60-70 days for industries. During fiscal year 2004, 95.5% of the Customers balance had a maturity time of up to 60 days and 90% of Checks Receivable had a maturity of up to 60 days.

Shareholder Structure

After the Company's listing on the Stock Exchange, its shareholder structure was shaped as follows:

Shareholder	Stake
ILIUM S.A.	59.91%
ANEMOS S.A.	7.49%
Charalambos Kynigos	3.74%
Ioannis Kourouklis	3.74%
Free Float	25.11%
Total	**100%**

Petroleum Product Sector

The Sector & Legislative Framework

The Greek Oil Market is distinguished into three levels. The first level includes oil refining activities and commercial transactions that concern the sale of products by refineries to commercial companies. Today there are four refineries in Greece, which belong to two different companies.

The second level includes the sale of final products to consumers, the station owner, as well as to heating resellers. Today 20 Commercial Petroleum Product Companies are in operation, out of which two are multinationals (BP and Shell), one is a state company, and the remaining are private companies.

Finally the third level includes the commercial sale by petrol stations and heating oil resellers. Today in the Greek market, there are approximately 7,500 petrol stations in operation. It is noted that, based on the relevant EU directive, in 2006 the contracts of 1,000 Greek petrol stations will be freed. The above stations have not managed till now to adjust the contracts to EU dictates, and as a result they are free from 2006 to renegotiate new agreements with any commercial petroleum company.

The commercial petroleum product companies procure their materials from Greek refineries Hellenic Petroleum (three refineries) and Motoroil (one refinery), which based on the legislative framework cannot engage directly into commercial activity (except through subsidiaries or affiliates). On the other hand, commercial petroleum product companies operate under special commercial license through which they are able to sell their products to retail sale licensees (such as liquid fuel stations, heating oil resellers, etc.).

Competition

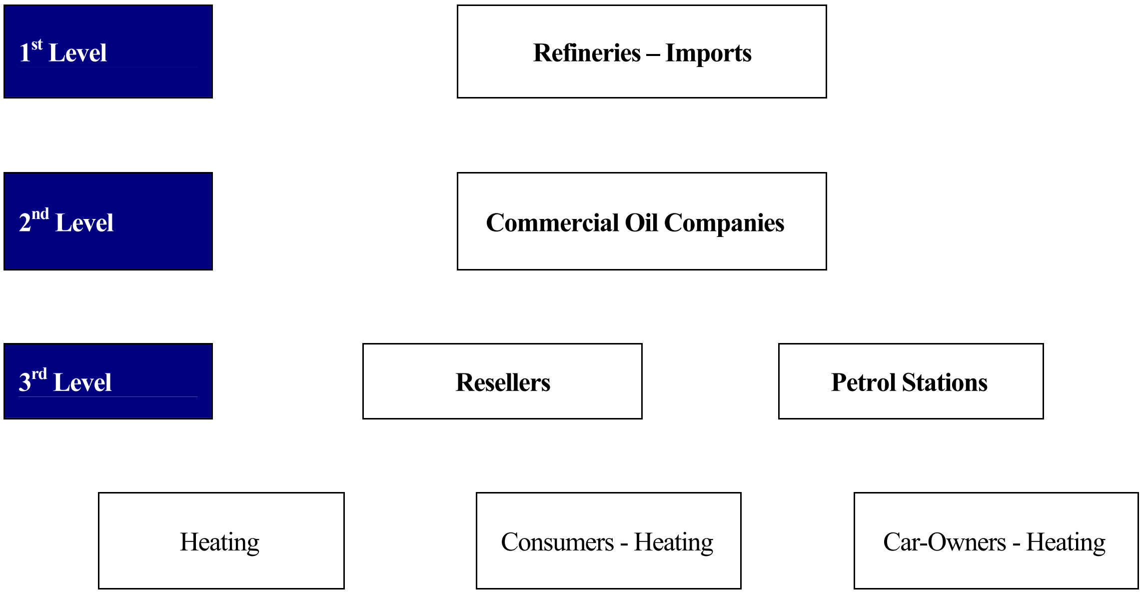
Despite the existence of a large number of companies of varying financial magnitudes, the Commercial Petroleum Products Sector in Greece is characterized by considerable consolidation. It is characteristic that the three largest companies control over 50% of the total market; as a result, we witness at times phenomena of price manipulation by the big players, with the attendant negative impact on the financial performance of smaller companies.

At the same time, there is likelihood that subsidiaries or affiliates of large refineries receive preferential treatment, in contrast to the other independent commercial companies.

Pricing Policy

The conditions of pricing in the Greek market are free and shaped by commercial companies activating in the sector. The legislative framework requires refinery companies as well as the commercial petroleum companies to notify the Ministry of Development of the prices of their products regularly.

Sector Structure



Source: ELINOIL.

Domestic Petroleum Sales For Fiscal 2003 (in ,000 M.T.)					
Company	**Gasoline**	**Diesel**	**Mazout**	**Total**	**%**
EKO	628	1,249	235	2,112	19.0
BP	821	1,202	38	2,061	18.6
SHELL	786	925	58	1,768	15.9
AVIN	240	700	86	1,027	9.2
JET OIL	223	545	33	800	7.2
ELINOIL	**145**	**316**	**113**	**573**	**5.2**
AEGEAN	146	289	3	438	3.9
REVOIL	136	237	2	375	3.4
SILK OIL	121	232	4	357	3.2
ETEKA	103	200	0	303	2.7
DRACOIL	71	225	5	301	2.7
KAOIL	53	192	0	244	2.2
ELPETROL	51	173	5	229	2.1
CYCLON	52	118	4	174	1.6
SUNOIL	38	88	0	126	1.1
KMOIL	30	65	1	96	0.9
MEDOIL	22	49	0	71	0.6
ARGO	12	34	0	46	0.4
BITOUMINA	0	3	6	9	0.1
TOTAL	**3,677**	**6,842**	**592**	**11,110**	**100**

Domestic Petroleum Sales For Fiscal 2004 (in ,000 M.T.)					
Company	**Gasolin e**	**Diesel**	**Mazout**	**Total**	**%**
EKO - ELDA	639	1,197	222	2,057	18.7
BP	825	1,099	43	1,967	17.9
SHELL	766	851	60	1,677	15.2
AVIN	265	626	82	972	8.8
JET OIL	219	558	43	820	7.4
ELINOIL	**163**	**330**	**112**	**605**	**5.5**
AEGEAN	199	326	5	530	4.8
REVOIL	152	239	2	392	3.6
SILK OIL	117	234	6	358	3.2
ETEKA	118	200	0	318	2.9
DRACOIL	72	202	7	280	2.5
ELPETROL	73	176	9	259	2.3
KAOIL	51	183	0	234	2.1
CYCLON	55	123	1	180	1.6
SUNOIL	35	84	0	119	1.1
KMOIL	30	62	1	93	0.8
MEDOIL	19	46	0	65	0.6
ARGO	16	36	0	52	0.5
TEXACO HELAS	0	25	2	27	0.2
BITOUMINA	0	1,3	3,8	5	0.05
TOTAL	**3,814**	**6,599**	**598**	**11,010**	**100**

Source: Ministry of Development

Investment Program

The Company lays particular emphasis on investments in infrastructure, such storage and production facilities, transportation means, technical equipments, as well as advanced IT systems. Characteristically, the Company's investment program for the period 1999-2004 reached EUR 26.21 million.

Investments for the period 1999 – 2004 (EUR million)	
1999	3,847
2000	3,488
2001	3,860
2002	4,177
2003	4,298
2004	6,540
Total	**26,210**

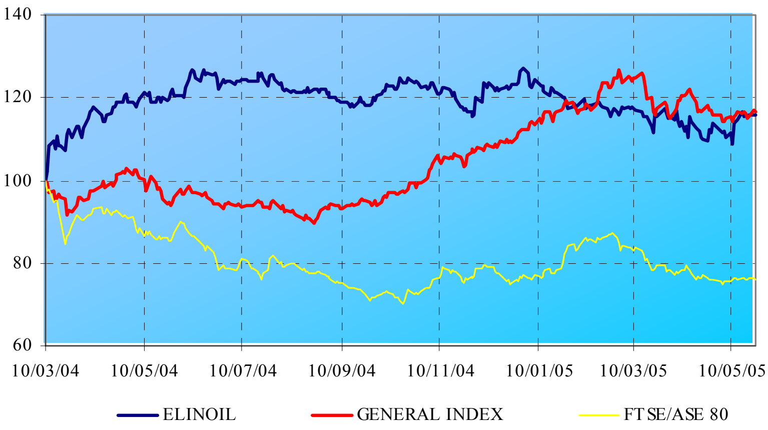
During fiscal year 2004, the Company investments rose to EUR 6.54 million and concerned investment expenses for petrol stations, and activities at marinas and in the industry. According to the management, the corresponding investments for fiscal year 2005 are estimated at approximately EUR 8.5 million, while in the coming years it is estimated that the Company will spend approximately EUR 6.0 million annually, with the greatest part going to the development of petrol stations. It is worth noting that the average cost per petrol station reaches approximately EUR 50,000, while the cost may reach even EUR 100,000 depending on the specifications.

Share Price Performance vs. General Index & FTSE / ASE 80 (base=100)

	Ticker
ASE:	ΕΛΙΝ
Bloomberg	ELIN GA
Reuters	ELIr.AT

Shares are included in the following indices of the ASE:

- General Index
- FTSE/ASE 80
- Wholesale Sector Index



	May 24, 2005	2004	2005 E	2006 E	2007 E
Price	€ 7.90				
Shares	9,400,000				
Market Capitalization (in €)	74,260,000				
EPS (in €)		0.35	0.39	0.46	0.57
Book Value / Share (x)		3.3	3.5	3.8	4.2
EV (in € mn)		91,151	96,582	98,451	98,911
P/E (a.t.& m.i.)		22.42x	20.22x	17.09x	13.74x
P/BV		2.38x	2.26x	2.08x	1.88x
P/Cash Flow		11.28x	8.82x	7.37x	6.31x
EV/EBITDA		9.89x	9.48x	8.31x	7.29x
EV/Sales		0.26x	0.26x	0.25x	0.23x
Dividend / Share (in €)		0.14	0.16	0.16	0.18
Dividend Yield		1.77%	1.98%	2.05%	2.33%

Source: VRS Projections

Valuation

DCF Methodology

Our valuation incorporates a discounted free cash flow method. **Evaluating our projections on the DCF valuation method, we end up on a fair value of € 101.97 mil. or € 8.80 per share.**

		2005 E	2006 E	2007 E	2008 E	2009 E	L-Term Assumptions
Cash Flow to the Firm (FCFF)							
EBIT		6,372	7,497	8,681	10,134	10,930	11,257
Less: Adjusted Tax		1,768	1,775	1,802	2,150	2,343	2,413
Adjusted Operating Profit		4,604	5,722	6,880	7,984	8,587	8,844
Plus: Depreciation		3,818	4,351	4,882	5,402	5,844	6,592
Operating Cash Flow		**8,422**	**10,073**	**11,762**	**13,386**	**14,431**	**15,436**
Less: Working Capital		3,657	3,097	3,227	3,424	2,731	2,586
Less: Capex		8,491	6,000	6,000	6,000	6,000	6,592
Cash Flow to the Firm (FCFF)		**-3,726**	**976**	**2,535**	**3,962**	**5,700**	**6,258**
Discount Factor		0.938	0.876	0.819	0.762	0.703	0.703
Present Value of Cash Flows		-3,496	855	2,075	3,018	4,007	
Accumulated Present Value		-3,496	-2,640	-565	2,453	6,459	
Residual Value							135,885
Present Value of Residual Value							**95,514**
Value of Firm (in € ,000)		101,973					
VALUATION (in € ,000)							
Value of Firm	101,973						
Less: Net Debt	19,391						
Plus: Participations	170						
Value of Firm	**82,752**						
Value of Share	**€ 8.80**						
WACC CALCULATION							
Risk Free Rate		4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Beta Factor		1.20	1.20	1.20	1.20	1.20	1.20
Market Risk Premium		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Cost of Equity		10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Debt / Debt + Equity		47.6%	45.1%	45.2%	43.2%	39.3%	39.3%
Cost of Debt		4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
Tax Rate		32.50%	29.00%	25.00%	25.00%	25.00%	25.0%
Weighted Average Cost of Capital		**6.59%**	**6.84%**	**6.90%**	**7.04%**	**7.31%**	**7.31%**

Source: VRS Estimates

GROUP HISTORIC & PROJECTED PROFIT & LOSS ACCOUNT

		2003 A	2004 A	2005 E	2006 E	2007 E	2008 E	2009 E
Turnover		**295,256**	**351,314**	**368,228**	**390,808**	**425,905**	**462,674**	**493,731**
	y-o-y Change %	16.29%	18.99%	4.81%	6.13%	8.98%	8.63%	6.71%
Cost of Sales		265,979	316,814	330,851	349,738	380,957	413,467	440,887
	% of Turnover	90.08%	90.18%	89.85%	89.49%	89.45%	89.36%	89.30%
	y-o-y Change %	16.18%	19.11%	4.43%	5.71%	8.93%	8.53%	6.63%
Total Gross Operating Results		**29,277**	**34,500**	**37,378**	**41,071**	**44,949**	**49,207**	**52,844**
Gross Operating Margin		9.92%	9.82%	10.15%	10.51%	10.55%	10.64%	10.70%
	y-o-y Change %	17.29%	17.84%	8.34%	9.88%	9.44%	9.47%	7.39%
Other operating income		1,203	1,405	1,440	1,476	1,513	1,551	1,590
Administrative Expenses		3,052	3,565	3,808	4,067	4,335	4,617	4,912
	% of Turnover	1.03%	1.01%	1.03%	1.04%	1.02%	1.00%	0.99%
Distribution Cost		18,972	23,121	24,820	26,632	28,563	30,605	32,748
	% of Turnover	6.43%	6.58%	6.74%	6.81%	6.71%	6.61%	6.63%
Total Expenses		**22,024**	**26,686**	**28,628**	**30,699**	**32,898**	**35,222**	**37,660**
	% of Turnover	7.46%	7.60%	7.77%	7.86%	7.72%	7.61%	7.63%
	y-o-y Change %	20.09%	21.17%	7.28%	7.23%	7.16%	7.06%	6.92%
EBITDA		**8,456**	**9,219**	**10,190**	**11,848**	**13,564**	**15,536**	**16,774**
EBITDA Margin		2.86%	2.62%	2.77%	3.03%	3.18%	3.36%	3.40%
	y-o-y Change %	10.85%	9.03%	10.53%	16.27%	14.48%	14.54%	7.97%
Depreciation		**3,053**	**3,482**	**3,818**	**4,351**	**4,882**	**5,402**	**5,844**
	% of Turnover	1.03%	0.99%	1.04%	1.11%	1.15%	1.17%	1.18%
EBIT		**5,403**	**5,737**	**6,372**	**7,497**	**8,681**	**10,134**	**10,930**
	% of Turnover	1.83%	1.63%	1.73%	1.92%	2.04%	2.19%	2.21%
	y-o-y Change %	9.19%	6.19%	11.07%	17.64%	15.80%	16.74%	7.85%
Total Financial Income		74.3	211.0	100.0	50.0	50.0	50.0	50.0
Total Financial Expense		1,125.9	1,075.9	932.5	1,226.3	1,275.0	1,233.8	1,208.5
Net Extraordinary Results		-302	517	-100	-200	-250	-350	-400
Net Results Before Taxes		**4,049**	**5,389**	**5,440**	**6,121**	**7,206**	**8,601**	**9,372**
EBT Margin		1.37%	1.53%	1.48%	1.57%	1.69%	1.86%	1.90%
	y-o-y Change %	18.00%	33.10%	0.94%	12.51%	17.74%	19.35%	8.96%
Tax income		1,268	2,077	1,768	1,775	1,802	2,150	2,343
	Effective Tax Rate	31.33%	38.55%	32.50%	29.00%	25.00%	25.00%	25.00%
Net Results After Taxes		**2,781**	**3,312**	**3,672**	**4,346**	**5,405**	**6,451**	**7,028**
EAT Margin		0.94%	0.94%	1.00%	1.11%	1.27%	1.39%	1.42%
	y-o-y Change %	9.01%	19.10%	10.88%	18.34%	24.37%	19.35%	8.95%
Proportion of Minority rights		0.0	0.2	0.2	0.2	0.2	0.2	0.2
Consolidated Net Results (a.t.&m.i.)		**2,781**	**3,312**	**3,672**	**4,345**	**5,405**	**6,450**	**7,027**
Net Margin		**0.94%**	**0.94%**	**1.00%**	**1.11%**	**1.27%**	**1.39%**	**1.42%**
	y-o-y Change %	**9.01%**	**19.10%**	**10.88%**	**18.35%**	**24.37%**	**19.35%**	**8.95%**

Source: Company Data & VRS Estimates

	2003	2004	2005 E	2006 E	2007 E	2008 E	2009 E
Assets							
Formation Expenses	2,495	4,739	5,547	6,117	6,687	7,257	7,827
Accumulated depreciation	1,020	1,747	2,724	3,657	4,650	5,695	6,751
Total Net Formation Expenses	**1,475**	**2,992**	**2,822**	**2,459**	**2,037**	**1,561**	**1,075**
Tangible Assets	28,168	33,039	40,680	46,080	51,480	56,880	62,280
Accumulated depreciation	13,302	15,501	18,341	21,759	25,650	30,006	34,794
Total Net Tangible Assets	**14,866**	**17,539**	**22,339**	**24,321**	**25,831**	**26,874**	**27,486**
Financial Assets	153	170	213	243	273	303	333
TOTAL FIXED ASSETS	**15,019**	**17,709**	**22,552**	**24,563**	**26,103**	**27,177**	**27,819**
% Total Assets	**27.35%**	**22.90%**	**29.08%**	**29.31%**	**29.16%**	**28.93%**	**28.15%**
Inventories	5,720	7,134	7,161	7,378	7,724	7,930	8,214
Debtors	27,408	35,755	39,345	42,828	46,675	50,704	54,108
Other Receivables	1,380	3,346	3,027	3,212	3,501	3,803	4,058
Cash in bank and at hand	2,841	8,976	1,178	1,809	1,849	1,047	1,753
TOTAL CURRENT ASSETS	**37,349**	**55,212**	**50,710**	**55,228**	**59,747**	**63,484**	**68,132**
% Total Assets	**68.0%**	**71.4%**	**65.4%**	**65.9%**	**66.7%**	**67.6%**	**68.9%**
Prepayments & Accrued Income	1,075	1,403	1,473	1,547	1,624	1,705	1,791
GRAND TOTAL ASSETS	**54,918**	**77,316**	**77,558**	**83,797**	**89,512**	**93,927**	**98,817**

Source: Company Data & VRS Estimates

	2003	2004	2005 E	2006 E	2007 E	2008 E	2009 E
Equity & Liabilities							
Share capital	7,040	9,400	9,400	9,400	9,400	9,400	9,400
Share premium account	0	13,663	13,663	13,663	13,663	13,663	13,663
Total Reserves	2,711	2,887	3,107	3,368	3,692	4,079	4,501
Profit carried forward	3,126	4,777	6,760	9,324	12,675	16,803	21,301
Minority Rights	0.0	0.0	0.2	0.3	0.5	0.7	0.9
TOTAL CAPITAL & RESERVES	**13,153**	**31,184**	**32,931**	**35,756**	**39,431**	**43,946**	**48,866**
% Total Equity & Liabilities	23.95%	40.33%	42.46%	42.67%	44.05%	46.79%	49.45%
Provisions	85.2	40.0	73.6	78.2	85.2	92.5	98.7
Other long term debts	35	0	0	0	0	0	0
Bank Loans	0	12,000	13,500	10,000	6,500	1,000	0
Total L-Term Liabilities	**35**	**12,000**	**13,500**	**10,000**	**6,500**	**1,000**	**0**
Suppliers	8,899	12,524	13,143	13,894	15,134	15,859	16,911
Banks	29,326	13,867	10,000	16,000	20,000	22,000	26,000
Current portion of long term debt	0	2,500	3,500	3,500	3,500	5,500	1,000
Taxes-duties	1,518.7	2,725	1,768	1,775	1,802	2,150	2,343
Social charges	261.5	358	324	346	368	392	418
Dividends	1,128	1,316	1,469	1,521	1,729	1,935	2,108
Sundry debtors	322	497	537	609	635	716	729
Total Current Liabilities	**41,455**	**33,787**	**30,741**	**37,644**	**43,168**	**48,553**	**49,508**
TOTAL LIABILITIES	**41,490**	**45,787**	**44,241**	**47,644**	**49,668**	**49,553**	**49,508**
% Total Equity & Liabilities	75.55%	59.22%	57.04%	56.86%	55.49%	52.76%	50.10%
Accrued Expenses	190	304	312	319	327	336	344
TOTAL EQUITY & LIABILITIES	**54,918**	**77,315**	**77,557**	**83,797**	**89,512**	**93,927**	**98,817**

Source: Company Data & VRS Estimates

SWOT ANALYSIS

Strengths

- Long experience in the sector of the commercial distribution of liquid fuels
- High growth rates in financial figures through the long term
- Special emphasis on product quality control
- Growth of market shares in different petroleum product categories

Weaknesses

- Commercial distribution of petroleum products is characterized by narrow profit margins.
- Developing new products demands a high level of technical expertise and investments in equipment and human resources.

Opportunities

- Penetration in high added value products
- Expansion of activities to markets with high growth potential.

Threats

- Impact of external factors on prices (global crude oil prices, exchange rates), even though elasticity in demand due to the price is low.
- Any modification of the legislative framework will affect companies in the sector.
- Seasonality in demand for certain petroleum products (heating diesel, gasoline).

Notes

Equity Research

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