

ELINOIL

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VALUATION & RESEARCH SPECIALISTS

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31st January 2006

ELINOIL

Sector: Wholesale Petroleum Products

Christophoros Makrias
CA, HCMC

Company Description:

With a broad range of activities, Elinoil constitutes the most comprehensive private Greek company in the energy market that is not belonging to a group with a refinery. Elinoil is strong in sales of liquid and solid industrial fuels, with a constantly expanding network of approximately 440 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. €)	2004	2005 E	2006 E
Turnover	351.31	406.72	452.08
EBITDA	8.52	8.99	10.96
Margin %	2.43%	2.21%	2.42%
Net Income	3.63	3.79	3.63
Margin %	1.03%	0.93%	0.80%

Price (31/01/2006)	€ 9.30
Shares outstanding (,000)	9,400
MktCap (in mn €)	87.42

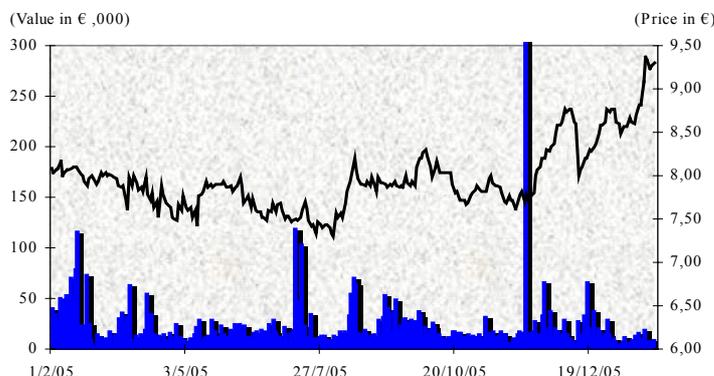
Beta (1 year)	0.85		
Dividend '04	€ 0.14		
Div. Yield	1.51%		
P/E	24.07x	23.08x	24.08x
P/BV	2.61x	2.43x	2.29x
Debt/Eq.	0.85	1.11	1.70
ROE	10.85%	10.91%	9.79%

Source: Company Data & VRS Projections

Key Investment Points

- ⊙ **The upgrade of petrol stations network**, aiming at their increase, in conjunction with the improvement of average performance is expected to significantly strengthen the gasoline (**CAGR₂₀₀₄₋₂₀₀₉ 10.7%**) and petrol **CAGR₂₀₀₄₋₂₀₀₉ 7.8%**) sales volume, having a higher growth rate compared to the average rate of the Greek market in the coming years.
- ⊙ The entrance of the Group in the **biodiesel market** is expected to boost turnover and bottom line results from fiscal 2007 and on. It is estimated that biodiesel market will **represent about 5% of total turnover and 35% of pre-tax profits for the Group.**
- ⊙ 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, **CAGR₂₀₀₄₋₂₀₀₉ of solid fuels is estimated at 5.9%, accounting for 1.7% of the total Group turnover at the end of 2009.**

Share Price Graph (01/02/05 - 31/01/06)
Max.: € 9.36 - Min.: € 7.30



Please see important disclosure and disclaimer statements at the end of this report

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INVESTMENT CASE

Future growth of Elinoil Group will mostly derive from:

1. upgrade of the petrol station network aiming at both its expansion and the improvement of the stations' average performance based on high quality petroleum products.
2. production and distribution of biodiesel, a new product with a significant potential which is expected to generate 6% of turnover and 35% of pre-tax profits of the Group at the end of 2009.

Increase in Revenues through Petrol Station Network

Having ensured high quality in the existing petrol stations through strict controls, the Company aims at a selective network expansion. For fiscal 2006, Elinoil aims to increase its petrol stations by **approximately 50**. This aggressive expansion plan will be based on:

1. **The significant increase of its fuel storage capacity** following the recent acquisition of a storage facility in Volos (7 tanks with a total capacity of 25,000 c.m.). The new storage facility will boost sales in the local area, while is also expected to enhance the negotiating power of the Company against its suppliers. The Company now owns a strategically placed storage network, operating storage facilities in Volos, Attica and Thrace.
2. **The arrival of two newly-built, time-chartered tankers**, which will be operated by newly founded subsidiary Elin Naftiki. These new tankers (which will be delivered on February and June 2006 respectively) will replace the existing vessels, which are old and relatively small, and will allow Elinoil to strengthen its presence in the Greek islands and improve sales.
3. **The newly founded subsidiary Elin Stations S.A.**, which will implement the Group's penetration in the retailing market through the operation of owned or controlled petrol stations.

For the coming years (2007-2009), **net additions to the petrol stations network are expected to shrink to 20 per year** (new stations « - » contract termination with stations having poor performance). The aim of the Company is to increase the sales volume through cooperation with stations with high throughput rates. The selective strengthening of its presence in Athens is estimated to contribute towards this direction.

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). 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. **In the coming years, the volume of Elinoil gasoline sales is estimated to advance at a CAGR₂₀₀₄₋₂₀₀₉ of approximately 10.73%.**

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 coming years, with a CAGR₂₀₀₄₋₂₀₀₉ of around 9.4% (a corresponding increase in the sales volume with CAGR₂₀₀₄₋₂₀₀₉ of 7.83%).** The growth of the diesel sales volume will be smaller in relation to the growth of gasoline sales volumes due to:

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

In contrast, the establishment of a duty free petrol station at the border with Turkey in cooperation with Hellenic Duty Free Shops in 2004 has had a positive effect. The particular station sells only motor diesel to commercial 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); constituting, however, a new area for the Company's activities, which is estimated to post an average annual growth rate of 5% in the next 5 years. This increase is mainly attributed to the enhanced presence and promotion of lubricants in the stations, as well as to the rising number of stations.

Projections

In 2005, the average annual station performance is estimated at € 660 thous., compared to approximately € 576 thous. in 2003. In total, for 2005 we anticipate income from station sales of fuels and lubricants to reach € 290.13 (+18.29% y-o-y), with gasoline sales representing 55% of total sales, compared to 23.44% for motor diesel and 19.14% for heating diesel. In the following years, the value of station sales of fuels and lubricants is expected to account for most of the turnover (**from 70% of the total in 2004, to 71% in 2009**), **posting a CAGR₂₀₀₄₋₂₀₀₉ of 11%** (a higher growth rate for sales volume is estimated) due to:

1. the increase of stations by approximately 50 in 2006,
2. the net annual increase in stations by 20 in the coming years,

3. the strengthen of the average annual performance of the stations due to their expansion in densely populated areas,
4. the constant improvement of brand awareness.

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 in Athens, where competition significantly compresses margins. We note that Company's profit margins are absolute figures and not percentages on sales, whereby they are not influenced in absolute monetary terms by the course of oil prices.

Dynamic Growth in Biodiesel Market

What is Biodiesel – EU Directives

Biodiesel is highly environmental friendly and renewable fuel, since it derives from vegetable oil and / or animal fats, while it is fairly widespread in many European countries. Biodiesel is blended up to 5% by volume with diesel in refineries in a proportion of 5%, and contributes to significant reduction of CO₂.

Biofuels, as well as other alternative renewable fuels, are in the centre of EU energy policy and are promoted to replace diesel or gasoline. EU has issued a relevant directive, which sets an indicative target, by 31/12/2010, to replace the 5.75% (on a lower calorific value basis) of gasoline and diesel fuels that are used for transportation with renewable fuels. Referring to Greece, the aim of 5.75% is estimated at 540,000 tons of bio-fuels (27 mil tons for total EU). As of today, the penetration of bio-fuels to EU (25 countries) does not exceed the 0.6% of the total fuel consumption for transportation (according to European Biodiesel Board), **stating that there are significant growth opportunities for companies that would be active in this sector in the 4 coming years.**

Pricing

The selling price of biodiesel worldwide is directly related to the price of diesel, although its production cost is higher. In order to achieve the national target of 5.75%, an important prerequisite is the excise tax exemption of biodiesel so that it becomes competitive. In Greece, biodiesel will remain tax-free till 2007 (the estimated quantities are 51,000 tons in 2005, 91,000 tons in 2006 and 114,000 tons in 2007, while quantities beyond 2007 will be revised according to diesel consumption). Also, it is provided that the two refineries and the marketing companies that are importing petroleum products are obliged to absorb all the tax-free quantities.

Domestic Competition – Elin Biofuels S.A.

In Greece today, the specific sector is not yet formulated since there is not any domestic production or imports. During the last two years, Elinoil has successfully executed two pilot programmes, subsidized by the EU, the first concerning biodiesel marketing in Greece, and the second the construction of a biodiesel plant. Several companies have expressed their interest to build their own biodiesel production plants, among them company ELVY (according to Ministry of Development, the company is currently constructing a plant with an annual capacity of 40,000 tons), and some oilseed producers.

Elinoil, having established its subsidiary Elin Biofuels S.A., is at the stage of constructing a biodiesel plant that is expected to be completed by autumn of 2006. According to the Company's plan, the first productive year of the plant would be 2007, having a total capacity of 40,000 tons, covering the 40% of domestic market (estimated at 114,000 tons). The Company may consider the possibility to expand its production in the domestic, as well as in international markets, and if this is profitable, to export biodiesel to other EU countries. According to our estimations, Elin Biofuels S.A. in 2007 (this year the company will reach full capacity), will sell approximately 44,000 tons (40,000 biodiesel, 4,000 glycerine) with an average price of € 0.65/lt, and gross profit margin of approximately 25%. **Based on this estimation, biodiesel sales would represent 5% of the total turnover and 12% of the Group's gross profits for the same period.**

Claiming Higher Market Shares in the Marine Fuel Market

Elinoil already holds a significant market share in marinas (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 refuelling points inside 6 marinas (2 in Chalkidiki, 1 in Lefkas, 1 in Samos, 1 in Volos and recently the Olympic Marine in Lavrio). **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, while synergies emerge at the operating level (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 and along the Chinese coastline. This particular activity accounted for approximately 1.8% of the total Group turnover in 2004, with 70% of sales 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 1.3%, with sales posting CAGR₂₀₀₄₋₂₀₀₉ of at least 2.3%.** Elinoil is considering expansion of the Elin brand to 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. **In following years, the growth in the sales volume of marine lubricants is expected to increase at a CAGR₂₀₀₄₋₂₀₀₉ of 2.3%.**

Maintaining a Strong Presence in Industrial Sales

In the past, sales to industries (fuel oil) constituted the core of Elinoil's activities; **today it represents 17.5% (fuel oil 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 fuel oil is steadily declining, a fact reflected in the Company results. In the following years, the volume of fuel oil sales is expected to decline, moving at a CAGR₂₀₀₄₋₂₀₀₉ of approximately -8%, while diesel sales to industries move at lower rates as a result of the industries' policies of controlling costs. **In the following 5-year period, fuel oil and diesel sales to industries are expected to increase slightly at a CAGR₂₀₀₄₋₂₀₀₉ of 2%, accounting at end-2009 for 11.7% of total Group turnover.**

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. The company has a leading market share, while the sales of these particular products contribute with high gross profit margins to the results. **In the next 5-year period, solid fuels sales to industries are expected to rise at a CAGR₂₀₀₄₋₂₀₀₉ of 5.9%, representing at end-2009 1.7% of total Group turnover, from approximately 2.1% at the end of 2005.**

GROUP HISTORIC & PROJECTED TURNOVER BREAKDOWN

		2004	2005 E	2006 E	2007 E	2008 E	2009 E
Domestic Liquid Fuel Market							
Petrol Stations		245,230	287,991	322,591	354,897	381,957	409,511
	% of Total	69.80%	70.81%	71.36%	69.19%	70.09%	70.98%
	y-o-y % growth	17.75%	17.44%	12.01%	10.01%	7.62%	7.21%
Industrial Sales		60,982	66,125	68,119	69,296	68,267	67,421
	% of Total	17.36%	16.26%	15.07%	13.51%	12.53%	11.69%
	y-o-y % growth	8.79%	8.43%	3.02%	1.73%	-1.48%	-1.24%
Retail (Heating)		3,741	4,123	4,169	4,229	4,232	4,266
	% of Total	1.06%	1.01%	0.92%	0.82%	0.78%	0.74%
	y-o-y % growth	-0.12%	10.19%	1.13%	1.43%	0.08%	0.82%
Other Customers		19,402	26,831	29,071	32,936	37,198	41,063
	% of Total	5.52%	6.60%	6.43%	6.42%	6.83%	7.12%
	y-o-y % growth	65.08%	38.29%	8.35%	13.29%	12.94%	10.39%
Total Domestic Liquid Fuel Market Sales							
		329,355	385,069	423,950	461,358	491,654	522,260
	% of Total	93.75%	94.68%	93.78%	89.95%	90.22%	90.53%
	y-o-y % growth	17.70%	16.92%	10.10%	8.82%	6.57%	6.23%
Other Sales							
Lubricants for domestic market		2,795	2,968	3,325	3,703	4,101	4,519
	% of Total	0.8%	0.7%	0.7%	0.7%	0.8%	0.8%
	y-o-y % growth	19.1%	6.2%	12.1%	11.4%	10.7%	10.2%
Marine Lubricants		6,751	7,128	7,235	7,343	7,454	7,565
	% of Total	1.9%	1.8%	1.6%	1.4%	1.4%	1.3%
	y-o-y % growth	64.0%	5.6%	1.5%	1.5%	1.5%	1.5%
Solid Fuel - Industry		8,443	8,374	9,011	9,238	9,867	10,064
	% of Total	2.4%	2.1%	2.0%	1.8%	1.8%	1.7%
	y-o-y % growth	14.1%	-0.8%	7.6%	2.5%	6.8%	2.0%
Biodiesel		0	0	5,325	28,000	28,560	29,131
	% of Total	0.0%	0.0%	1.18%	5.46%	5.24%	5.05%
	y-o-y % growth				425.82%	2.00%	2.00%
Other Sales		42	43	44	45	46	47
	% of Total	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%
Turnover of Elin Technical		3,928	3,142	3,189	3,237	3,286	3,335
		1.12%	0.77%	0.71%	0.63%	0.60%	0.58%
		154.03%	-20.00%	1.50%	1.50%	1.50%	1.50%
	% of Total	351,314	406,724	452,079	512,925	544,967	576,922
	y-o-y % growth	19.0%	15.8%	11.2%	13.5%	6.2%	5.9%

Source: Financial Results & VRS Estimates

Investment Risks

	Investment Risk	Mode of Managing / 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 existing legislative framework is deemed satisfactory by the State and other pertinent authorities, 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 operates 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 equilibrium 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 to both weather conditions as well as consumer needs.	The broadening of the Company's range of products constitutes a mode of defence 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 of its market share is likely to affect the Company's heating diesel sales.	The Company's share of revenues in the area of heating diesel is very small.

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

Ticker
 ASE: EAIN
 Bloomberg: ELIN GA
 Reuters: ELIr.AT

ELIN stock is included in the following indices:

- FTSE/ASE 80
- FTSE/OIL&GAS



	January 31, 2006	2004	2005 E	2006 E	2007 E
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Price	€ 9.30
Shares	9,400,000
Market Capitalization (in €)	87,420,000

EPS (in €)	0.39	0.40	0.39	0.75
Book Value / Share (x)	3.6	3.8	4.1	4.7
EV (in € mn)	106,811	122,217	150,328	150,592
P/E (a.t.& m.i.)	24.07x	23.08x	24.08x	12.35x
P/BV	2.61x	2.43x	2.29x	1.98x
P/Cash Flow	19.44x	12.19x	9.23x	6.07x
EV/EBITDA	12.53x	13.59x	13.72x	8.98x
EV/Sales	0.30x	0.30x	0.33x	0.29x
Dividend / Share (in €)	0.14	0.14	0.14	0.23
Dividend Yield	1.51%	1.52%	1.45%	2.43%

Source: VRS Estimates

COMPANY VALUATION

DCF Methodology

Based on our estimation for the coming 5-years, and applying the Discounted Free Cash Flow Method, the **fair price** for the share is **€ 10.33**.

(in thous. €)	2005 E	2006 E	2007 E	2008 E	2009 E	Long-Term Assumptions
ASSUMPTIONS						
Turnover growth	15.8%	11.2%	13.5%	6.2%	5.9%	2.4%
EBIT growth	1.7%	1.7%	2.4%	2.5%	2.6%	2.8%
Tax Rate	32.5%	29.0%	25.0%	25.0%	25.0%	25.0%
Working Capital (% turnover)	3.0%	1.8%	0.8%	0.5%	0.5%	0.5%
Investments (% turnover)	2.0%	6.4%	1.2%	1.1%	1.0%	1.2%
Cost of Capital	6.8%	6.1%	6.5%	6.8%	7.0%	7.0%
Depreciations	0.6%	0.7%	0.9%	0.9%	0.9%	1.2%
Cash Flow to the Firm (FCFF)						
Operating profit	6,725	7,616	12,158	13,547	15,078	16,326
Less: Taxes	1,824	1,483	2,359	2,701	3,082	3,337
Adjusted Operating Profit	4,901	6,133	9,799	10,846	11,996	12,989
Plus: Depreciations	2,268	3,342	4,603	4,978	5,352	7,089
Operating Cash Flow	7,169	9,475	14,403	15,825	17,348	20,078
Less: Working Capital Changes	12,047	8,248	4,346	2,495	2,857	2,954
Less: New Investments	8,000	29,000	6,000	6,000	6,000	7,089
Free Cash Flow (FCFF)	-12,878	-27,774	4,056	7,330	8,491	10,035
Discount Factor	0.936	0.888	0.828	0.770	0.711	0.711
Present Value of Cash Flows	-12,053	-24,657	3,361	5,642	6,041	
Accumulated Present Value	-12,053	-36,710	-33,350	-27,708	-21,667	
Residual Value						215,917
Present Value of Residual Value						153,602
VALUATION						
Value of Firm	131,935					
Less: Net Debt	34,797					
Value of Firm	97,138					
Value of Share (in €)	€ 10.33					
WACC Calculation						
Risk Free Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Beta Factor	1.40	1.40	1.40	1.40	1.40	1.40
Market Risk Premium	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Cost of Equity	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Debt / Debt + Equity	52.7%	63.0%	60.0%	56.1%	52.3%	52.3%
Cost of Debt	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
Tax Rate	32.50%	29.00%	25.00%	25.00%	25.00%	25.0%
Weighted Average Cost of Capital (WACC)	6.84%	6.13%	6.47%	6.76%	7.05%	7.05%

Source: VRS Estimates

Sensitivity Analysis

The table below presents the sensitivity analysis showing the valuation of the Company based on different growth rates and different values for weighted average cost of capital (WACC).

		WACC				
		6.00%	7.00%	7.05%	8.50%	9.50%
Sales Growth	Parameters					
	1.00%	9.73	6.51	6.38	3.33	1.86
	2.00%	13.86	9.16	8.98	4.87	3.00
	2.40%	16.15	10.54	10.33	5.63	3.54
	3.00%	20.74	13.13	12.87	6.98	4.49
3.50%	26.25	15.97	15.63	8.35	5.42	

Source: VRS Estimates

Free Cash Flow Valuation of the subsidiary Elin Biodiesel

The Fair Value of Elinoil's subsidiary, Elin Biodiesel, is € 24.5 mil., based on our projections for the period 2006-2010, using the Free Cash Flow method under the following long-term assumptions:

1. Turnover growth of 0.5%
2. EBIT growth of 18%
3. «Working Capital / turnover» of 2.74%
4. Weighted Average Cost of Capital (WACC) of 9.78%

	2006 E	2007 E	2008 E	2009 E	2010 E	Long-Term Assumptions
Operating Cash Flow	1,048	5,050	5,080	5,172	5,266	4,682
Less: Working Capital Change	146	767	782	798	814	818
Less: New Investments	10,000	500	500	500	500	448
Free Cash Flow (FCFF)	-9,097	3,783	3,798	3,874	3,952	3,416
Discount Factor	0,947	0,897	0,825	0,744	0,658	0,627
Present Value of Cash Flows	-8,618	3,395	3,134	2,883	2,601	
Accumulated Present Value	-8,618	-5,223	-2,090	793	3,394	
Residual Value						36,808
Present Value of Residual Value						23,085
VALUATION						
Value of Firm	26,479					
Less: Net Debt	2,000					
Value of Firm (in thous €)	24,479					

Source: VRS Estimates

9-Month 2005 Results – Financial Projections

For the nine month period of fiscal 2005, on consolidated basis, turnover reached € 314.6 mil compared to € 249.0 mil in the same period of 2004. Earnings before interest, tax, depreciation and amortisation (EBITDA), increased by 16.47%, reaching € 7.51 mil, while net earnings before tax increased by 13.17% amounting to € 5.1 mil. We note that EBITDA and earnings before tax for the nine month 2005 are not directly comparable to the 9month 2004 figures. During the 9-month period of 2004, results were affected by approximately € 1.0 mil due to expenses attributed to the capital increase and the Company's listing on the Athens Exchange.

For 2005 year-end, we expect EBITDA to increase by approximately 5.5% (a smaller growth as compared to gross profit growth), and earnings before tax to decrease by 3.49% due to higher depreciation expenses (23% on annual basis) and financial expenses.

The investments of the Group are expected to reach approximately € 8 mil in 2005 and € 29 mil in 2006 mainly due to:

1. the construction of the biodiesel plant (approximately € 10 mil.),
2. the cash settlement of the acquisition of the storage facility in Volos (approximately € 5 mil.), and
3. the dynamic expansion into new stations (approximately 50 new stations in 2006).

From fiscal 2006 and on, the Group's investments will be reduced to approximately € 6 mil., concerning mainly investments in new petrol stations.

The debt of the Group for fiscal 2006 is expected to reach € 65 mil. (€ 22.5 long-term debt), as compared to about € 40 mil for fiscal 2005, due to dynamic investments and increasing working capital needs. From fiscal 2006 and on, the debt of the Group is expected to remain at around € 62-66 mil., mainly due to increased working capital needs.

GROUP HISTORIC & PROJECTED PROFIT & LOSS ACCOUNT (I.F.R.S.)

(in thous. €)	2004 A	2005 E	2006 E	2007 E	2008 E	2009 E
Profit and Loss account						
Turnover	351,314	406,724	452,079	512,925	544,967	576,922
y-o-y Change %		15.77%	11.15%	13.46%	6.25%	5.86%
Cost of Sales	316,837	369,265	408,587	459,973	488,469	516,718
% of Turnover	90.19%	90.79%	90.38%	89.68%	89.63%	89.56%
y-o-y Change %		16.55%	10.65%	12.58%	6.20%	5.78%
Total Gross Operating Results	34,477	37,459	43,492	52,952	56,498	60,204
Gross Operating Margin	9.81%	9.21%	9.62%	10.32%	10.37%	10.44%
y-o-y Change %		8.65%	16.11%	21.75%	6.70%	6.56%
Other operating income	2,162	2,119	2,172	2,226	2,282	2,339
Administrative Expenses	4,787	3,989	4,153	4,686	4,831	4,967
% of Turnover	1.36%	0.98%	0.92%	0.91%	0.89%	0.86%
Distribution Cost	23,328	26,596	30,553	33,730	35,424	37,146
% of Turnover	6.64%	6.54%	6.76%	6.58%	6.50%	6.44%
Total Expenses	28,116	30,585	34,707	38,416	40,255	42,113
% of Turnover	8.00%	7.52%	7.68%	7.49%	7.39%	7.30%
y-o-y Change %		8.78%	13.48%	10.69%	4.79%	4.62%
EBITDA	8,524	8,993	10,958	16,762	18,525	20,431
EBITDA Margin	2.43%	2.21%	2.42%	3.27%	3.40%	3.54%
y-o-y Change %		5.51%	21.85%	52.97%	10.52%	10.29%
Depreciation	1,844	2,268	3,342	4,603	4,978	5,352
% of Turnover	0.52%	0.56%	0.74%	0.90%	0.91%	0.93%
EBIT	6,680	6,725	7,616	12,158	13,547	15,078
% of Turnover	1.90%	1.65%	1.68%	2.37%	2.49%	2.61%
y-o-y Change %		0.67%	13.25%	59.65%	11.42%	11.31%
Financial results	-864.9	-1,112.5	-2,502.5	-2,722.5	-2,743.8	-2,750.0
Net Results Before Taxes	5,815	5,612	5,113	9,436	10,803	12,328
EBT Margin	1.66%	1.38%	1.13%	1.84%	1.98%	2.14%
y-o-y Change %		-3.49%	-8.89%	84.54%	14.49%	14.12%
Tax income	2,184	1,824	1,483	2,359	2,701	3,082
Effective Tax Rate	37.55%	32.50%	29.00%	25.00%	25.00%	25.00%
Net Results After Taxes	3,632	3,788	3,630	7,077	8,102	9,246
EAT Margin	1.03%	0.93%	0.80%	1.38%	1.49%	1.60%
y-o-y Change %		4.31%	-4.17%	94.94%	14.49%	14.12%
Proportion of Minority rights	-0.16	-0.16	-0.17	-0.18	-0.19	-0.20
Consolidated Net Results (a.t.&m.i.)	3,631	3,788	3,630	7,077	8,102	9,246
Net Margin	1.03%	0.93%	0.80%	1.38%	1.49%	1.60%
y-o-y Change %		4.31%	-4.17%	94.95%	14.49%	14.12%

Source: Company Data & VRS Estimates

	2004	2005 E	2006 E	2007 E	2008 E	2009 E
Assets						
Formation Expenses	1,769	2,209	3,659	4,199	4,679	5,159
Accumulated depreciation	593	792	1,086	1,479	1,922	2,414
Total Net Formation Expenses	1,176	1,417	2,573	2,720	2,757	2,745
Tangible Assets	32,914	40,474	68,024	73,484	79,004	84,524
Accumulated depreciation	8,709	10,779	13,827	18,038	22,572	27,433
Total Net Tangible Assets	24,205	29,696	54,197	55,447	56,432	57,092
Participations & other long-term financial claims	180	350	370	391	414	437
TOTAL FIXED ASSETS	25,560	31,463	57,141	58,558	59,602	60,274
% Total Assets	31.10%	32.02%	44.12%	42.41%	41.53%	40.46%
Inventories	7,134	8,093	8,955	10,082	10,439	10,759
Debtors	35,755	47,915	55,116	59,724	63,455	67,176
Other Receivables	4,772	5,572	6,193	6,886	7,017	7,113
Cash in bank and at hand	8,976	5,203	2,092	2,828	3,003	3,655
TOTAL CURRENT ASSETS	56,638	66,784	72,357	79,520	83,914	88,702
% Total Assets	68.9%	68.0%	55.9%	57.6%	58.5%	59.5%
TOTAL ASSETS	82,198	98,246	129,498	138,078	143,516	148,976

Source: Company Data & VRS Estimates

	2004	2005 E	2006 E	2007 E	2008 E	2009 E
Equity & Liabilities						
Share capital	9,400	9,400	9,400	9,400	9,400	9,400
Share premium account	13,663	13,663	13,663	13,663	13,663	13,663
Total Reserves	2,887	3,077	3,258	3,612	4,017	4,479
Profit carried forward	6,203	8,476	10,654	15,254	20,115	25,663
Minority Rights	0.2	0.0	-0.1	-0.3	-0.5	-0.7
	1,316	1,326	1,271	2,123	2,836	3,236
TOTAL CAPITAL & RESERVES	33,470	35,942	38,246	44,052	50,031	56,441
% Total Equity & Liabilities	40.72%	36.58%	29.53%	31.90%	34.86%	37.89%
Provisions	2861	2932	3005	3081	3158	3236
Bank Loans	12,000	13,500	22,500	16,500	8,500	5,000
Investment subsidies	373	373	3,811	3,430	3,087	2,778
Deferred tax	475	475	475	475	475	475
Provisions for staff indemnities	2,861	2,932	3,005	3,081	3,158	3,236
Total long-term liabilities	15,709	17,280	29,791	23,485	15,220	11,490
Suppliers	12,524	14,669	15,112	16,383	17,398	18,404
Banks, short-term liabilities	16,367	26,500	42,500	49,500	55,500	57,000
Taxes-duties	2,725	2,223	1,898	2,828	3,184	3,579
Sundry debtors	1,403	1,632	1,950	1,831	2,184	2,063
Total Current Liabilities	33,019	45,024	61,460	70,541	78,266	81,045
TOTAL LIABILITIES	48,728	62,305	91,252	94,026	93,485	92,535
% Total Equity & Liabilities	59.28%	63.42%	70.47%	68.10%	65.14%	62.11%
TOTAL EQUITY & LIABILITIES	82,198	98,246	129,498	138,078	143,516	148,976

Source: Company Data & VRS Estimates

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Value Invest - www.valueinvest.gr Investment Research & Analysis Journal - www.iraj.gr

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