HELLENIC PETROLIUM BULGARIA PROPERTIES EAD

ANNUAL DIRECTOR'S REPORT
ANNUAL FINANCIAL STATEMENTS
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2008

HELLENIC PETROLIUM BULGARIA PROPERTIES EAD

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ANNUAL DIRECTOR'S REPORT
DECEMBER 31, 2008

The management of Hellenic Petrolium Bulgaria Properties EAD (the Company), herewith presents its annual director's report for the year ended December 31, 2008. This report has been audited by PriceWaterhouseCoopers Audit OOD.

1. Main activities

Hellenic Petrolium Bulgaria Properties EAD is a Bulgarian joint stock company, registered in Sofia Court, Bulgaria on June 26, 2003, company file 6459 / 2003.
The Company's activities include wholesale and retail sales of petrol and liquid petrol gas products, lubricants, additives, as well as any other activities not forbidden by the law.
After change in the ownership of the Company as of October 31, 2008, its name was changed from Opet Aygaz Bulgaria EAD to Hellenic Petrolium Bulgaria Properties EAD.
The head office of the Company is located in Sofia, Izgrev district, 36 Dragan Tsankov Blvd., INTERPRED, block A, floor 8, office 800A.

2. Review of the activities

A. Development and results from the Company's activities during the year

During the reporting year, the Company recorded a net loss of 11,630 thousand leva, set out in details in the attached Income Statement, which is 40% higher then the one for 2007. Operational result is loss at the amount of BGN'000 4,431.

From 2007 the main activities of the Company's management was the identification of the potential buyer of the company and successful finalization of the sales - purchase transaction. In relation to the above the Company has temporary ceased its investment plans and activities during the current year.

On October 31, 2008 based on the signed share purchase agreement the shares of the Company were transferred to Hellenic Petrolium Bulgaria (Holdings) Limited, Cyprus. Till the end of the year the new owners have started investment plan for renovation of the available petrol stations, that will continue during the next year.

As at December 31, 2008, the Company owns sixteen (16) petrol stations and two (2) storage depots.

As at December 31, 2008, the Company has 1 employee and 3 managers.

B. Events subsequent to the reporting period end

Starting from 2009 based on the signed agreement the Company will rent the available petrol stations and storage depots to related party - Eko Bulgaria EAD.

C. Company share capital structure

As at December 31, 2008 the share capital of the Company amounts to BGN 22,543,082, comprised in 22,543,082 shares with BGN 1 value each.

The sole shareholder of the Company as of October 31, 2008 is Hellenic Petroleum Bulgaria (Holdings) Ltd, Cyprus. The ultimate shareholder is Hellenic Petroleum S.A., Greece.

Till October 31, 2008 the sole owner of the Company was Opet Aygaz B.V., Holland and the ultimate shareholders were Aygaz AS, Turkey and Opet Petrolculuk AS, Turkey.

The management of the Company are aware with the requirements of art. 252 of the Bulgarian Commercial Act.

D. Management of the Company

As at December 31, 2008 the Company has Management Board of Directors that consists of 3 members.

The Company is represented and managed by its Managing director Ioannis Antonius Policandriotis, appointed as of October 31, 2008.

E. Members of the Management Board of Directors

After change in the ownership of the Company as of October 31, 2008 a new Management Board of Directors has been appointed with the following members:

Georgi Yordanov Deyanov, Bulgaria
Ioannis Antonius Policandriotis, Greece
Nikolaus Georgudas, Greece

The annual remuneration of the Board of directors members is presented in the notes of the financial statements.

HELLENIC PETROLIUM BULGARIA PROPERTIES EAD

ANNUAL DIRECTOR'S REPORT (CONTINUE)
DECEMBER 31, 2008

3. Company future development

The Company intend to continue its development in 2009 as a company specialized in the construction and exploitation of the immovable property (petrol stations, storage depots. etc.). The goal of the Company is to includes in its structure all properties of the Hellenic Petrolium Group on the territory of Bulgaria. This step will ensure separation of the operational from investing activities in the country. Thus accumulating experience in the management and exploitation of the immovable properties from one hand and the ability to generate cash resource, secured with these tangible assets from the other hand would help Hellenic Petrolium Group to optimize its activities on the local market in order to generate maximum benefit for its shareholders.
The restructuring of the activities of the Group in the country is expecting to start in the next year.

During 2009 the Company is expecting to put in operation its third storage depot for gas in Gara Yana, Sofia District, that was delay due to the necessity to finalize the project activities and to receive all documents for the operation of the site.

4. Financial risk management

The policy of the Company regarding management of the financial risk is presented in details in the accounting policies, that are integral part of these financial statements.

5. Management responsibility

In compliance with the Bulgarian legislation, it is a duty of the management of the Company to prepare financial statement for every reported period, which to present truly and fairly the Company's financial position, financial results and cash flows in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The management confirms that the current financial statements, prepared in accordance with IFRS, are based on the adequate accounting policies of the Company, legislatory and legal requirements and are prepared using the going concern concept. All accruals and provisions are made following the prudence concept, true and consistency in presentation.

The management of the Company confirms that all the requirements of the applicable accounting standards have been observed in the preparation of the financial statements.

The management is responsible for the proper maintaining of the Company's financial records, for the proper use and control of the assets and for taking proper measures to avoid any mistakes and fraud.

February 17, 2009
Sofia

Ioannis Antonios Polikandriotis
Managing Director

HELLENIC PETROLIUM BULGARIA PROPERTIES EAD

BALANCE SHEET
AS AT DECEMBER 31, 2008

(All amounts are in thousand leva, unless otherwise stated)

ASSETS	NOTES	31.12.2008	31.12.2007
Non-current assets			
Property, plant and equipment	1.	37 260	37 938
Intangible Assets	2.	12	25
Prepayments	3.	1 156	1 303
Total Non-current assets		**38 428**	**39 266**
Current assets			
Inventory	4.	436	5 242
Trade and other receivable	5.	2 664	5 538
Cash and cash equivalents	6.	3 505	2 703
Total Current assets		**6 605**	**13 483**
TOTAL ASSETS		**45 033**	**52 749**
EQUITY AND LIABILITIES			
Shareholders' equity			
Ordinary shares	7.	22 543	22 543
Accumulated losses		(41 525)	(29 895)
Total Shareholders' equity		**(18 982)**	**(7 352)**
Non-current liabilities			
Long-term borrowings	8.	-	31 041
Financial lease	9.	438	548
Total Non-current liabilities		**438**	**31 589**
Current liabilities			
Short-term borrowings	8.	61 605	20 312
Financial lease	9.	111	197
Trade and other payable	10.	1 861	8 003
Total Current liabilities		**63 577**	**28 512**
TOTAL EQUITY AND LIABILITIES		**45 033**	**52 749**

The financial statements were authorised for issue by the Board of directors of Hellenic Petrolium Bulgaria Properties EAD on March 4, 2009.

Managing Director
Ioannis Polychronidis

Chief Accountant
TMF Services EOOD

Initialled for identification purposes in reference to the audit report:

Registered auditor
Irena Vakova

Petko Dimitrov

PriceWaterhouseCoopers Audit OOD

ХЕЛЕНИК ПЕТРОЛИУМ БЪЛГАРИЯ ПРОПЪРТИС ЕАД *

The notes on pages 7 to 27 are an integral part of these financial statements.

HELLENIC PETROLIUM BULGARIA PROPERTIES EAD

INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2008

(All amounts are in thousand leva, unless otherwise stated)

	NOTES	31.12.2008	31.12.2007
SALES	13.	61 713	85 923
COST OF SALES	14.	(58 016)	(79 757)
GROSS MARGIN		3 697	6 166
GENERAL & ADMINISTRATIVE OPERATIONS			
Other Income	15.	144	345
General and administrative expenses	16.	(10 108)	(11 058)
GENERAL & ADMINISTRATIVE OPERATIONS		(9 964)	(10 713)
NET OPERATIONAL LOSS		(6 267)	(4 547)
FINANCIAL EXPENSES, NET	17.	(5 363)	(3 740)
LOSS BEFORE TAX		(11 630)	(8 287)
CURRENT TAX EXPENSE		-	-
NET LOSS		(11 630)	(8 287)

The financial statements were authorised for issue by the Board of directors of Hellenic Petrolium Bulgaria Properties EAD on March 4, 2009.

Managing Director
Ioannis Polikandriotis

Chief Accountant
TMF Services EOOD

Initialled for identification purposes in reference to the audit report

Registered auditor
[illegible]a Vakova

Petko Dimitrov

PriceWaterhouseCoopers Audit OOD

ХЕЛЕНИК ПЕТРОЛИУМ БЪЛГАРИЯ ПРОПЪРТИС ЕАД *

The notes on pages 7 to 27 are an integral part of these financial statements.

HELLENIC PETROLIUM BULGARIA PROPERTIES EAD

CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2008

(All amounts are in thousand leva, unless otherwise stated)

	31.12.2008	31.12.2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	76 394	103 520
Cash paid to suppliers and employees	(79 772)	(104 624)
Cash generated from operations	(3 378)	(1 104)
Interest and other borrowing charges paid	(1 786)	(3 368)
Income taxes paid	(9)	(14)
NET CASH GENERATING FROM OPERATING ACTIVITIES	**(5 173)**	**(4 486)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current assets	(494)	(721)
Proceeds from sale of non-current assets	113	235
Interest received	70	139
NET CASH USED IN INVESTING ACTIVITIES	**(311)**	**(347)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	15 647	9 779
Payments of borrowings	(9 127)	(10 431)
Payments of finance lease liabilities	(234)	(247)
NET CASH USED IN FINANCING ACTIVITIES	**6 286**	**(899)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**802**	**(5 732)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**2 703**	**8 435**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**3 505**	**2 703**

The financial statements were authorised for issue by the Board of directors of Hellenic Petrolium Bulgaria Properties EAD on March 4, 2009.

ХЕЛЕНИК ПЕТРОЛИУМ БЪЛГАРИЯ ПРОПЪРТИС ЕАД

Managing Director
Ioannis Polikandriotis

Chief Accountant
TMF Services EOOD

Initialled for identification purposes in reference to the audit report:

Registered auditor
Irina Vakova

Petko Dimitrov

PriceWaterhouseCoopers Audit OOD

The notes on pages 7 to 27 are an integral part of these financial statements.

HELLENIC PETROLIUM BULGARIA PROPERTIES EAD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008

(All amounts are in thousand leva, unless otherwise stated)

	ORDINARY SHARES	ACCUMULATED LOSS	TOTAL
BALANCE AT JANUARY 1, 2007	18 510	(21 608)	**(3 098)**
Net loss for the period	-	(8 287)	**(8 287)**
Issue of new shares	4 033	-	**4 033**
BALANCE AT DECEMBER 31, 2007	22 543	(29 894)	**(7 352)**
BALANCE AT JANUARY 1. 2008	22 543	(29 895)	**(7 352)**
Net loss for the period	-	(11 630)	**(11 630)**
BALANCE AT DECEMBER 31, 2008	**22 543**	**(41 525)**	**(18 982)**

The financial statements were authorised for issue by the Board of directors of Hellenic Petrolium Bulgaria Properties EAD on March 4, 2009.

Managing Director
Ioannis Polikandriotis

Chief Accountant
TMF Services EOOD

ХЕЛЕНИК ПЕТРОЛИУМ БЪЛГАРИЯ ПРОПЪРТИС ЕАД *

Initialed for identification purposes in reference to the audit report:

Registered auditor
Irena Vakova

Petko Dimitrov

PriceWaterhouseCoopers Audit OOD

The notes on pages 7 to 27 are an integral part of these financial statements.

HELLENIC PETROLIUM BULGARIA PROPERTIES EAD

ACCOUNTING POLICIES
DECEMBER 31, 2008

1. General information

Hellenic Petrolium Bulgaria Properties EAD (the Company) is a Bulgarian shareholding entity, registered in Sofia Court, Bulgaria on June 26, 2003, company file 6459 / 2003.

After change in the ownership of the Company as of October 31, 2008, the name was changed from Opet Aygaz Bulgaria EAD to Hellenic Petrolium Bulgaria Properties EAD.

The sole shareholder of the Company as of October 31, 2008 is Hellenic Petroleum Bulgaria (Holdings) Ltd, Cyprus. The ultimate shareholder is Hellenic Petroleum S.A..

Till October 31, 2008 the sole owner of the Company was Opet Aygaz B.V., Holland and the ultimate shareholders were Aygaz AS, Turkey and Opet Petrolculuk AS, Turkey.

The Company's activities are construction and development of a network of petrol stations, wholesale and retail sales of petrol products, liquid petrol gas products, lubricants, additives, etc.

The head office of the Company is located in Sofia, Izgrev district, 36 Dragan Tsankov Blvd., INTERPRED, block A, floor 8, office 800A.

As at December 31, 2008, the Company owns sixteen (16) petrol stations and two (2) storage depots.

As at December 31, 2008, the Company has 1 employee and 3 managers. The Managing director of the Company is Ioannis Polikandriotis.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

A Basis of preparation

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates.

Principle of going concern

The financial statements have been prepared under the going concern concept which assumes that the company will continue its activity in the foreseeable future. In case the business risks prove to be underestimated and the company's activities meet difficulties or cease and the assets are sold, then corrections shall be made in order to decrease the net book value of the assets to their liquidation value, to accrue possible liabilities, to re-classify the long-term assets and liabilities into short-term ones. Taking into consideration the estimation of the expected future cash flows, the company's management is in the opinion that it is appropriate to prepare the financial statements based on the going concern principle.

(1) Interpretations effective in 2008 but not relevant to the Company

The following interpretation to published standards is mandatory for accounting periods beginning on or after 1 January 2008 but is not relevant to the Company's operations:

IFRIC 11, IFRS 2 – Group and treasury share transactions, provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. This interpretation does not have an impact on the Company's financial statements.

IFRIC 12 Service concession arrangements. IFRIC 12 provide guidance on the implementation of the current IFRS from the concession arrangement operators for the services provided in reporting their rights and obligations under the concession arrangements. IFRIC 12 is not applicable for the Company, as it does not provide services in the public sector.

IFRIC 14, IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction, provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognized as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This interpretation does not have any impact on the Company's financial statements, as the Company has no pension plans with defined benefits.

(2) Standards early adopted by the Company

IFRIC 13 Customer Loyalty Programmes - early adopted in 2007. IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. IFRIC 13 is relevant to the Company's operations and accepted in 2007, as the Company has operated loyalty programmes.

(3) Standards, interpretations and amendments to existing standards that are not yet effective and not accepted for early application.

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2009 or later periods but are not accepted by the Company for early application:

IAS 23 Borrowing Costs (Revised) removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the Company's 2009 financial statements and will constitute a change in accounting policy for the Company.

IAS 1 (Revised), Presentation of financial statements (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Company will apply IAS 1 from 1 January 2009.

IAS 36 (Amendment), Impairment of assets (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Company will apply the IAS 36 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 January 2009.

IAS 38 (Amendment), Intangible assets (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. A prepayment may only be recognized in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. The Company will apply the IAS 38 (Amendment) from 1 January 2009.

IAS 19 (Amendment), Employee benefits (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation. The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation. The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered. IAS 37, 'Provisions, contingent liabilities and contingent assets', requires contingent liabilities to be disclosed, not recognized. IAS 19 has been amended to be consistent. The Company will apply the IAS 19 (Amendment) from 1 January 2009, but it is not expected to have effect on its financial statements.

(4) Amendments and interpretations to existing standards that are not yet effective and are not relevant to the Company's activities.

The amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2009 or later periods but are not relevant to the Company's operations:

IFRS 8, Operating segments (effective from 1 January 2009). The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker. IFRS 8 is not relevant to the activities of the Company.

IFRS 2 (Amendment), Share-based payment (effective from 1 January 2009). The amended standard deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. As such these features would need to be included in the grant date fair value for transactions with employees and others providing similar services, that is, these features would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment will not have impact on the Company's financial statements, as the Company has no share - based payments.

IAS 32 (Amendment), Financial instruments: Presentation, and IAS 1 (Amendment), 'Presentation of financial statements' – 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2009). The amended standards require entities to classify puttable financial instruments and instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions. The amendment will not have impact on the Company's financial statements, as the Company has no such financial instruments.

IFRS 1 (Amendment) First time adoption of IFRS and IAS 27 Consolidated and separate financial statements (effective from 1 January 2009). The amended standard allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. The amendment will not have any impact on the Company's financial statements, as it is not going to adopt IFRS for the first time.

(4) Amendments and interpretations to existing standards that are not yet effective and are not relevant to the Company's activities (continue)

IAS 27 (Revised), Consolidated and separate financial statements (effective from 1 July 2009). The revised IAS 27 will require the Company to separate the whole income of the owners of the parent company from those of the minority shareholders, even if this will lead to negative balance of the minority shareholders (currently the standard requires in most cases additional losses to be allocated between the owners of the parent company). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognized in profit or loss. The revised standard is not expected to have any effect on the financial statements of the Company, as it does not prepare consolidated reports.

IFRS 3 (Revised), Business combinations (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair vale or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The revised standard is not expected to have any effect on the financial statements of the Company, as it has no business combinations.

IFRS 5 (Amendment), Non-current assets held for sale and discontinued operations (and consequential amendment to IFRS 1, 'First-time adoption') (effective from 1 July 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control, and relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. The revised standard is not expected to have any effect on the financial statements of the Company, as it has no non-current assets held for sale or discontinued operations.

IAS 39(Amendment), Financial instruments: Recognition and measurement(effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. This amendment clarifies that it is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is also amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition. The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amended standard is not expected to have any effect on the financial statements of the Company, as it has no such financial instruments.

IAS 1 (Amendment), Presentation of financial statements (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39, 'Financial instruments: Recognition and measurement' are examples of current assets and liabilities respectively. The amended standard is not expected to have any effect on the financial statements of the Company, as it has no financial assets and liabilities held for trading.

IFRIC 16, Hedges of a net investment in a foreign operation (effective from 1 October 2008). IFRIC 16 clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency not presentation currency, and hedging instruments may be held anywhere in the group. The requirements of IAS 21, 'The effects of changes in foreign exchange rates', do apply to the hedged item. The interpretation is not expected to have any effect on the financial statements of the Company, as it has no hedges of net investments.

IAS 16 (Amendment) Property, plant and equipment (and consequential amendment to IAS 7, 'Statement of cash flows') (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for- sale. A consequential amendment to IAS 7 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. The amendment will not have an impact on the Company's operations because Company ordinary activities does not comprise renting and subsequently selling assets.

IAS 27 (Amendment), Consolidated and separate financial statements (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Where an investment in a subsidiary that is accounted for under IAS 39, 'Financial instruments: recognition and measurement' is classified as held for saleheld for sale under IFRS 5, 'Non-current assets held for saleheld for sale and discontinued operations', IAS 39 would continue to be applied. The amendment will not have an impact on the Company's operations because the Company does not have any investments in subsidiary.

IAS 28 (Amendment), Investments in associates (and consequential amendments to IAS 32, 'Financial Instruments: Presentation' and IFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008.Where an investment in associate is accounted for in accordance with IAS 39 'Financial instruments: recognition and measurement' only certain, rather than all disclosure requirements in IAS 28 need to be made in addition to disclosures required by IAS 32, 'Financial Instruments: Presentation' and IFRS 7 'Financial Instruments: Disclosures'. The amendment will not have an impact on the Company's operations because the Company has no investments in associates.

(4) Amendments and interpretations to existing standards that are not yet effective and are not relevant to the Company's activities (continue)

IAS 29 (Amendment), Financial reporting in hyperinflationary economies (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The guidance has been amended to reflect the fact that a number of assets and liabilities are measured at fair value rather than historical cost. The amendment will not have an impact on the Company's operations, as the Company does not operate in hyperinflationary economies.

IAS 31 (Amendment), Interests in joint ventures (and consequential amendments to IAS 32 and IFRS 7) (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Where an investment in joint venture is accounted for in accordance with IAS 39, only certain rather than all disclosure requirements in IAS 31 need to be made in addition to disclosures required by IAS 32, 'Financial instruments: Presentation' and IFRS 7 'Financial instruments: Disclosures'. As the Company has no interests in joint ventures the amendment will not have an impact on the Company's operations.

IAS 38 (Amendment), Intangible assets, (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The amendment deletes the wording that states that there is 'rarely, if ever' support for use of a method that results in a lower rate of amortization than the straight line method. The amendment will not currently have an impact on the Company's operations as all intangible assets are amortized using the straight line method.

IAS 40 (Amendment), Investment property (and consequential amendments to IAS 16) (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The amendment will not have an impact on the Company's operations, as there are no investment properties are held by the Company.

IAS 41 (Amendment), Agriculture (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. It requires the use of a market-based discount rate where fair value calculations are based on discounted cash flows and the removal of the prohibition on taking into account biological transformation when calculating fair value. The amendment will not have an impact on the Company's operations as no agricultural activities are undertaken.

IAS 20 (Amendment), Accounting for government grants and disclosure of government assistance (effective from 1 January 2009). The benefit of a below-market rate government loan is measured as the difference between the carrying amount in accordance with IAS 39, 'Financial instruments: Recognition and measurement', and the proceeds received with the benefit accounted for in accordance with IAS 20. The amendment will not have an impact on the Company's operations as there are no loans received or other grants from the government.

IFRIC 15, Agreements for construction of real estates (effective from 1 January 2009). The interpretation clarifies whether IAS 18, 'Revenue', or IAS 11,'Construction contracts' should be applied to particular transactions. It is likely to result in IAS 18 being applied to a wider range of transactions. IFRIC 15 is not relevant to the Company's operations as all revenue transactions are accounted for under IAS 18 and not IAS 11.

The minor amendments to IFRS 7 Financial instruments: disclosures, IAS 8 Accounting policies, changes in accounting estimates and errors, IAS 10 Events after the reporting period, IAS 18 Revenue and IAS 34 Interim financial reporting, which are part of the IASB's annual improvements project published in May 2008 (not addressed above). These amendments are unlikely to have an impact on the Company's accounts and have therefore not been analyzed in detail.

(5) Amendments to existing standards and interpretations, not yet adopted by the European Union

IAS 39 Financial instruments: Recognition and measurement
IAS 27 Consolidated and individual financial statements
IFRS 3 Business combinations
IFRIC 12 Service concession arrangements
IFRIC 15 Agreements for construction of real estates
IFRIC 16 Hedges of a net investment in a foreign operation
IFRIC 17 Distribution of non-cash assets to the shareholders

B Foreign currency translation

(1) Functional currency
According to the Bulgarian legislation, The Company is obliged to prepare its financial statements in the official Bulgarian currency, the Bulgarian Lev (BGN). As from January 1, 1999 the exchange rate of the BGN against the European Union currency (EUR) is fixed. 1 EUR is exchanged for 1.95583 BGN.

The financial statements are prepared in thousand bulgarian leva (BGN'000), unless otherwise stated.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the official exchange rate of the Bulgarian National Bank at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges.
Translation differences on debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as equities held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale equities are included in the revaluation reserve in equity.
The closing rate of the Bulgarian lev to the major currencies, with which the Company operates for the periods, for which the current financial statements are prepared, are as follows:

	31/12/2008	31/12/2007
[illegible]	1,38731	1,33122
[illegible]	1,95583	1,95583

HELLENIC PETROLIUM BULGARIA PROPERTIES EAD

ACCOUNTING POLICIES (CONTINUE)
DECEMBER 31, 2008

C Property, plant and equipment

Land and buildings which comprise petrol stations are shown at historical cost, less subsequent depreciation for buildings. All other property, plant and equipment is stated at historical cost less depreciation.

Depreciation is calculated on the straight-line method to write off the cost or revalued amount of each asset to their residual values over their estimated useful lives as follow:

Buildings - 25 years
Tank and pipe systems - 25 years
Plant and machinery - 3.34 years
Computer equipment - 2 years
Vehicles - 4 years
Railway tanks - 10 years
Equipment, furniture and other assets - 6.67 years
Improvements of rented office and equipment - 6.67 years

Land is not depreciated, as it has indefinite life.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

D Intangible assets

The intangible assets include mainly the software products, licenses for fiscal system purchase and other assets (prepared plans).

Computer software

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure to acquire patents, trademarks and licenses is capitalized and amortized using the straight-line method over their useful lives, but not exceeding 20 years. Intangible assets are not revalued.

The intangible assets are stated at historical cost less depreciation.

Amortization is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful lives as follow:

Computer software - 2 years
Fiscal system licenses - 2 years

E Leases

(1) Finance leases
Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in long-term loans payable or short-term loans payable. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

(2) Operating leases
Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

HELLENIC PETROLIUM BULGARIA PROPERTIES EAD

ACCOUNTING POLICIES (CONTINUE)
DECEMBER 31, 2008

F Inventories

The delivery cost comprise the purchase price, transport costs, import duties and other delivery related expenses. Cost is determined using the weighted-average method.

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. The impairment is recognized always, when the cost of certain inventory item (group of inventory) exceed its net realizable value. The loss from impairment is recognized in the Income statement.

G Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers.

The Company accords provisions for bad debts, which represents the expected financial losses related with the trade receivables. The Company has chosen to decide on the provision based on aging and other individual analysis of every single customer.

H Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

I Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

The current income tax charge is calculated as expected tax payments over the taxable profit for the year, by applying the tax rates in force as of the date of the balance sheet preparation, as well as some adjustments of the tax due, that relates to prior periods.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets are decreased with the amount of those, for which the probable future profit will not be realized in the foreseeable future.

J Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The Company recognizes a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

K Revenue recognition

Revenue comprises the fair value for the sale of goods and services net of value-added tax, rebates and discounts, and after eliminating sales within the Company. Revenue from the sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering of services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Revenue arising from royalties is recognized on an accrual basis in accordance with the substance of the relevant agreements. Interest income is recognized on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company. Dividends are recognized when the right to receive payment is established.

L Expenses

(1) Operating lease payments
Payments made under operating leases (except from the discounts of the leasor) are recognized in the income statements on straight-line basis over the term of the lease. Lease incentives received are recognized in the income statement as an integral part of the total lease expense.

(2) Net financing costs
Net financing costs comp[illegible] interest payable on borrowings calculated using the effective interest rate method, dividends on redeemable preference shares, interest receivable on fun[illegible]nvested, dividends income and foreign exchange gains and losses.

Interest income is recognized in the income statement as it accrues, taking into account the effective yield on the asset.
The interest expense component of finance lease payments is recognized in the income statement using the effective interest rate method.

M Borrowing

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective yield method: any difference between proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings.

N Share capital

The share capital of the Company amounts to BGN 22,543,082 comprised in 22,543,082 ordinary shares with BGN 1 value each. The sole owner of the share capital is Hellenic Petroleum Bulgaria (Holdings) Limited, Cyprus. The share capital is classified as equity.

O Related party

The related parties of the Company as of December 31, 2008 are:

Hellenic Petroleum Bulgaria (Holdings) Ltd., Cyprus - sole shareholder of the Company
Hellenic Petroleum S.A., Greece - ultimate shareholder
Eko Bulgaria EAD, Bulgaria - related party

P Employee benefits

(1) Defined benefit plan

The government of the Republic of Bulgaria has the obligation to ensure the pension under the defined benefit plans. The Company's obligations to pay contributions for the defined benefit plans are recognized in the Income statement when they are due.

(2) Annual paid leave

The Company recognizes [illegible] liability non - discounted amount of the expected expenses for the annual paid leave, that are expected to be paid to the employees for the past reporting period.

(3) Other long term benefits

The Company has an obligations to pay benefit as of the date of termination, for those employees that has retired in the Company, in accordance with the requirements of the Labor Code, article 222, paragraph 3. In accordance with the requirements of the law, as of the date of termination of the labor agreement with the employee [illegible] in pension, the Company should pay him compensation at the amount of two gross employee salaries. As of each balance sheet date the Company assess the amount of expenses, payables in the current level of remunerations. Taking into account the low average age of the employees of the Company and taking into account the great uncertainty for the calculation of the expected expenses, no actuarial valuation has been made.

Q Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3. Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency and interest risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk [illegible] carried out by a Treasury department on a Group level.

A Cr[illegible]

Th[illegible] of th[illegible]mpany represents the risk of potential loss in situations in which clients do not manage to fulfill their contractual obligations related with paym[illegible] mainly originates from receivables from customers.
The [illegible] a procedure for management of receivables, that includes credit limits for the most of the corporate clients, weekly reports, that are reviewed [illegible] committee. Promissory Notes are being signed as guarantee before start working with any new customer.

The Com[illegible]y's [illegible] credit risk is a result from the individual characteristics of the separate customers.

HELLENIC PETROLIUM BULGARIA PROPERTIES EAD

ACCOUNTING POLICIES (CONTINUE)
DECEMBER 31, 2008

3. Financial risk management (continue)

The Company has no significant concentrations of credit risk due to exposure spread over a large number of customers. It has policies in place to ensure that wholesales of products are made to customers with an appropriate credit history. Most of wholesale customers are paying with 5 days deferred payment but some are paying in advance.

Sales to retail customers are made in cash, via major credit cards or sales to corporate customers with 5 days deferred payment. In case of delay / refusal to pay the receivables a legal action is taken by the Company, using the "guarantee cover" usually by claiming the signed promissory notes for the new clients.

From the beginning of 2009 the Company believes, that the credit risk will be minimized, as the major client of the Company will be related party from the group.

Cash deposits and transactions are limited to high-credit-quality financial institutions. The credit rating of the banks, presented in the notes is set by external credit agencies - Moodis and Standard and Poors. The cash in Ziraat bank is without credit rating as the bank is presented only by Branch in Bulgaria and has no external credit rating.

More information regarding credit risk could be found in note 12 in the current financial statements.

B Liquidity risk

Liquidity risk is the risk that the Company will not manage to fulfill its financial obligations when they become due.

Prudent liquidity risk management implies maintaining sufficient cash at deposits so that the Company can meet its obligations. Moreover the Company has the support of its ultimate shareholders which are funding it in case of lack of liquidity.

The Treasury department on a group level prepare and update regular cash flow projections in order to ensure it will meet its obligations on time.

As of December 31, 2008 the Company has obligations under the loan agreement with Eurobank EFG Private Bank Luxemburg S.A.

More information regarding liquidity risk could be found in note 12 in the current financial statements.

C Market risk

Market risk is the risk that with changes in the market prices like foreign exchange rates or interest rates the results of the Company will be effected. The aim of the market risk management is to manage and control the market risk exposure with acceptable parameters.

(1) Currency Risk

The Company's sales are primarily in bulgarian leva, but it operates internationally related to its liquid petrol gas supply and to some extent is exposed to foreign exchange risk arising mainly from US dollars exposures. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The Company does not use any financial instrument to hedge it, but it monitors the market and its own exposure in US dollars and decides when to buy currency and respectively pay the balances staying in US dollars. Thus using leading or lagging techniques it partially tries to minimize the risk.

(2) Interest rate risk

The Company has no significant interest-bearing assets. Concerning liabilities the Company has a loan from Eurobank EFG Private Bank Luxemburg S.A. with floating rate based on the EURIBOR. Thus the interest payments are sensitive on the changes of interest rates, but the Company decided not to use any financial instruments in order to hedge them. Generally the Company's income and operating cash flows are substantially independent of changes in market interest rates. More information regarding market risk could be found in note 12 in the current financial statements.

D. Capital risk management

The Company's major goal in capital management is to maintain stable credit rating and gearing rations, in the view of the continuing as a going concern and to maximize the return for the shareholders.

The Company manages its capital structure and change it, if necessary, based on the changes in the economic circumstances. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During 2008 and 2007 there has been no changes in the goals, policies or processes, that relates to the capital risk management.

The Company manages its capital by analyzing its gearing ratio, that as of December 31, 2008 and 2007 were as follows:

	31/12/2008	31/12/2008
Total loans (note [illegible])	61 605	51 353
Less: cash and cash equivalents (note 6)	3 505	2 703
Net debt	58 100	48 650
Total shareholders equity	(18 982)	(7 352)
Total	39 118	41 298
Gearing ration	149%	118%

(All amounts are in thousand leva, unless otherwise stated)

1. Property, plant and equipment

	Land & buildings	Plant & machinery	Vehicles & equipment	Leasehold imrovements	Assets under construction	Total
Historical cost as at January 1, 2007	29 279	6 712	4 447	164	3 628	44 230
Additions	-	28	71	175	411	685
Disposals	-	(78)	(163)	(18)	-	(259)
Capitalization of assets		1	89	-	(90)	-
Historical cost as at January 1, 2008	29 279	6 663	4 444	321	3 949	44 656
Additions	387	207	624	-	56	1 274
Disposals	-	(170)	(85)	-	-	(255)
Historical cost as at December 31, 2008	29 666	6 700	4 983	321	4 005	45 676
Accumulated depreciation as at January 1, 2007	1 527	1 604	1 467	28	-	4 626
Depreciation current period	682	793	663	39	-	2 177
Disposals	-	(18)	(63)	(4)	-	(85)
Accumulated depreciation as at January 1, 2008	2 209	2 379	2 067	63	-	6 718
Depreciation current period	683	473	619	48	-	1 823
Disposals	-	(59)	(67)	-	-	(126)
Accumulated depreciation as at December 31, 2008	2 892	2 793	2 619	111	-	8 415
Net book value as at December 31, 2008	26 774	3 907	2 364	210	4 005	**37 260**
Net book value as at December 31, 2007	27 070	4 284	2 377	258	3 949	37 938

Six vehicles purchased under the terms of finance lease are included in the amount of the assets.

	31/12/2008	31/12/2007
Cost – capitalised finance leases	286	286
Accumulated depreciation	237	189
Net book value	**49**	**97**

Ten railway tanks purchased under the terms of finance lease are included in the amount of the assets.

	31/12/2008	31/12/2007
Cost – capitalised finance leases	589	589
Accumulated depreciation	201	142
Net book value	**388**	**447**

The cost of building and equipment of a 25-year petrol station finance lease are included in the amount of the assets.

	31/12/2008	31/12/2007
Cost – capitalised finance leases	1 065	1 065
Accumulated depreciation	512	404
Net book value	**553**	**661**

Costs of assets under construction include the costs for design and construction of new petrol stations and storage facilities for petrol products.

(All amounts are in thousand leva, unless otherwise stated)

The net book value of the assets not in use as at the balance sheet date amounts to BGN 91,177. They comprise mainy dispensers kept in warehouse which are intended to be installed at new stations, as well as some other assets which are not in use at the moment.

As at the date of the preparation of these financial statements there are no limitations of the ownership rights on the assets.

2. Intangible Assets

	Software and cash fiscal systems	Other	Total
Historical cost as at January 1, 2007	495	-	495
Additions	22	-	22
Disposals	-	-	-
Historical cost as at January 1, 2008	517	-	517
Additions	-	4	4
Disposals	(449)	-	(449)
Capitalization of assets	-	-	-
Historical cost as at December 31, 2008	68	4	72
Accumulated depreciation as at January 1, 2007	447	-	447
Depreciation current period	45	-	45
Disposals	-	-	-
Accumulated depreciation as at January 1, 2008	492	-	492
Depreciation current period	13	-	13
Disposals	(445)	-	(445)
Accumulated depreciation as at December 31, 2008	60	-	60
Net book value as at December 31, 2008	8	4	12
Net book value as at December 31, 2007	25	-	25

3. Prepayments

The non - current prepayments relates to lease agreements of land for petrol stations in Bourgas and Sofia, that have been prepaid for more then one year. As of December 31, 2008 the Company has change the way of presentation of prepayments and reclassified as non - current assets all expenses, prepaid for more then one year.

The total amount of prepayments for rent of land on the petrol stations is presented as follow:

	31/12/2008	31/12/2007
Non - current prepayments	1 156	1 303
Current prepayments (see note 5)	148	148
Total prepayments	**1 304**	1 451

4. Inventory

	31/12/2008	31/12/2007
Inventory in storage facilities	350	3 158
Inventory in railway tank cylinders (in transit)	84	344
Inventory in stations	2	1 740
	436	5 242

5. Trade and other receivable

	31/12/2008	31/12/2007
Trade receivables	788	4 372
Related parties receivables (see note 18)	1 242	-
Advances to suppliers	113	562
Other current assets and prepayments	521	604
	2 664	5 538

HELLENIC PETROLIUM BULGARIA PROPERTIES EAD

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

(All amounts are in thousand leva, unless otherwise stated)

Trade receivables include:

	31/12/2008	31/12/2007
Trade receivables - current	857	3 737
Trade receivables - overdue, without impairment	1 169	420
Trade receivables - overdue, with impairment	528	471
	2 554	4 628
Less:		
Provision for impairment of trade receivables	524	256
	2 030	4 372

Trade receivables that are due for less then 150 days are not subject to impairment. They are from different independent clients, without history of delays in payments.

The ageing analysis of the trade receivables, that are overdue, but not impaired is as follow:

	31/12/2008	31/12/2007
Up to 6 months	1 040	339
Over 6 months	129	81
	1 169	420

The ageing analysis of the trade receivables, that are overdue and impaired is as follow:

	31/12/2008	31/12/2007
Up to 6 months	80	-
Over 6 months	448	471
	528	471

The movement in the provision for impairment of trade receivables during the year is, as follows:

	31/12/2008	31/12/2007
Impairment at the beginning of the year	256	190
Impairment accrued through the year	268	66
Impairment at the end of the year	524	256

In the advances to suppliers are included as follow:

	31/12/2008	31/12/2007
Advances to suppliers for non-current assets	2	2
Advances to suppliers for goods	111	560
	113	562

In the amount of other current assets and prepayments is included as follow:

	31/12/2008	31/12/2007
Refundable taxes (VAT and excise)	202	392
Deferred land rent prepayments (see note 3)	148	148
Guarantee deposits paid	18	28
Deferred car insurances and subscriptions	13	31
Insurance events claims	13	5
Deferred commitment charges and financial fees	-	2
Advances to staff	-	(6)
Other	127	4
	521	604

6. Cash and cash equivalents

	31/12/2008	31/12/2007
Cash in hand	5	450
Cash in current accounts in local currency	3 335	1 764
Cash in current accounts in foreign currency	165	56
Cash in deposit accounts	-	433
	3 505	2 703

7. Ordinary shares

	Number of shares (thousand)	Total amount (thousand leva)
Balance as at January 1, 2008	22 543	22 543
Balance as at December 31, 2008	**22 543**	22 543

The share capital of the Company amounts to BGN 22,543,082, comprised in 22,543,082 shares with BGN 1 value each. All issued shares are fully paid.
On October 31, 2008, based on the signed SPA agreement, the shares of the Company were transferred to Hellenic Petroleum Bulgaria (Holdings) Ltd, Cyprus and it becomes the sole owner of Hellenic Petrolium Bulgaria Properties EAD.

8. Long-Term and Short-Term Borrowings, Interest Payable

	Nominal IR	Maturity	31/12/2008	31/12/2007
Long-Term Borrowings				
EBRD loan	6m EURIBOR + 2.75%	2011	-	31 041
			-	31 041

	Nominal IR	Maturity	31/12/2008	31/12/2007
Short-Term Borrowings				
Eurobank EFG loan	3m EURIBOR + 1.75%	2009	60 915	-
EBRD loan	6m EURIBOR + 2.75%	2011	-	10 347
Related party loans	6,67%	2008	-	9 779
			60 915	20 126

	31/12/2008	31/12/2007
Interest Payable		
Eurobank EFG loan	690	-
Related party loans	-	186
	690	186

On October 31, 2008 the Company has signed loan agreement with Eurobank EFG Private Bank Luxemburg S.A. (Eurobank EFG) for the maximum facility of EUR 33,000,000. The maturity of the loan is not later then one year from the date of the agreement. The allocated amount of the loan on October 31, 2008 at the amount of EUR 31,145,509.89 was transferred directly from Eurobank EFG to EBRD, Aygaz AS and Opet Petrolculuk AS for repayment of the loan liability available as of the same date.

The EBRD loan is stated at amortised cost using the effective yield method. The original principal amount was EUR 32,000,000. On October 31, 2008 the EBRD loan was repaid in full.

(All amounts are in thousand leva, unless otherwise stated)

Terms and debt repayment schedules of the borrowings are as follow:

	Interest rates per year	Total in BGN	In 1 year	Maturity 1-5 year	More than 5 years
					31/12/2008
Eurobank EFG	6,58%	60 915	60 915	-	-
		60 915	**60 915**	-	-

	Interest rates per year	Total in BGN	In 1 year	Maturity 1-5 year	More than 5 years
					31/12/2007
EBRD loan	7,38%	41 388	10 347	31 041	-
Related party loans	6,67%	9 779	9 779	-	-
		51 167	**20 126**	**31 041**	-

9. Financial lease

The Company has signed lease agreements for rent of buildings and equipments, six vehicles and ten railway tanks.

The Building and equipment lease payables relate to a 25 years lease contract. The fair value of the payables under this contract are based on discounted cash flows using a discount rate based upon the borrowing rate which the management of the Company expect would be available to the Company under the Loan Agreement concluded with the European Bank of Reconstruction and Development in December 2003.

The present value of minimim lease payments is as follow:	31/12/2008	31/12/2007
Not later than 1 year	111	197
Later than 1 year and not later than 5 years	60	154
Later than 5 years	378	394
	549	745
Future finance charges on finance leases	264	301
Total minimum lease payments	**813**	1 046

The present value of finance lease payments are presented as follow:

	Nominal IR	Maturity	31/12/2008	31/12/2007
Long-Term Financial Lease				
Building and equipment lease	4,91%	2029	438	451
Finance leases cars	9,50%	2008-2009	-	11
Finance leases railway tanks	7,09%	2009	-	86
			438	548

	Nominal IR	Maturity	31/12/2008	31/12/2007
Short-Term Financial Lease				
Building and equipment lease	4,91%	2029	13	13
Finance leases cars	9,50%	2008-2009	11	45
Finance leases railway tanks	7,09%	2009	87	139
			111	197

(All amounts are in thousand leva, unless otherwise stated)

The repayment schedule of the liabilities is as follow:

				Maturity	31/12/2008
	Interest rates per year	Total in BGN	In 1 year	1-5 year	More than 5 years
Building and equipment lease	4,91%	451	13	60	378
Finance leases cars	9,50%	11	11	-	-
Finance leases railway tanks	7,09%	87	87	-	-
		549	**111**	**60**	**378**

				Maturity	31/12/2007
	Interest rates per year	Total in BGN	In 1 year	1-5 year	More than 5 years
Building and equipment lease	4,91%	465	13	58	394
Finance leases cars	9,50%	56	45	11	-
Finance leases railway tanks	7,09%	224	139	85	-
		745	**197**	**154**	**394**

10. Trade and other payable

	31/12/2008	31/12/2007
Trade payables	1 341	4 921
Related parties payables (see note 18)	472	2 152
Taxes and social security payables	13	617
Other payables	35	304
Advances from customers	-	9
	1 861	8 003

Trade payables consists of:

	31/12/2008	31/12/2007
Trade payables local	1 698	4 714
Trade payables foreign	94	2 330
Retentions payable local	21	29
	1 813	7 073

Taxes and social security payables are as follow:

	31/12/2008	31/12/2007
Withholding Tax	12	5
Personnel social security contributions	-	5
Excise payable	-	605
Other taxes	1	2
	13	617

(All amounts are in thousand leva, unless otherwise stated)

Other payables consists of:

	31/12/2008	31/12/2007
Payables to staff	-	102
Provisions & accruals	-	14
Deferred revenue	-	63
Other payables	35	125
	35	304

Advances from customers includes:

	31/12/2008	31/12/2007
Advances received for supply of goods	-	9
	-	9

11. Financial instruments

Financial instruments by categories

Assets in the balance sheet:	Loans and receivables 31/12/2008	Loans and receivables 31/12/2007
Trade and other receivable	2 551	4 976
Cash and cash equivalents	3 505	2 703
	6 056	7 679

Liabilities in the balance sheet:	Other financial liabilities 31/12/2008	Other financial liabilities 31/12/2007
Borrowings	61 605	51 353
Trade and other payables	1 861	7 994
	63 466	59 347

Credit quality of financial assets

The credit quality of the financial assets have been assessed based on the historical information for the level of overdue of each type of receivables as follow:

Trade receivables	31/12/2008	31/12/2007
Group 1 - Current clients without overdue	460	2 815
Group 2 - Current clients with overdue amounts and no impairment	1 570	1 557
Group 3 - Current clients with overdue amounts and impairment	524	256
	2 554	4 628

Cash in banks and short term deposits

The credit quality of cash in banks have been assessed based on external credit ratings, as follow:

	31/12/2008	31/12/2007
Credit rating D+	329	1 164
Credit rating BB[illegible]	1 414	1 044
Credit rating B[illegible]	1 714	-
Other	43	45
	3 500	2 253

(All amounts are in thousand leva, unless otherwise stated)

12. Financial risk management

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	31/12/2008	31/12/2007
Trade and other receivables	2 664	5 538
Cash and cash equivalents	3 505	2 703
	6 169	8 241

The maximum exposure to credit risk at the reporting date of the trade receivables by type of clients is, as follows:

	31/12/2008	31/12/2007
Wholesale clients	1 590	2 632
Retail clients	846	1 929
Other	118	67
	2 554	4 628

Liquidity risk

The following tables analyse the financial liabilities of the Company in respective maturity groups based on the period left from the balance sheet date to the contrctu maturity date. The amounts disclosed are not discouted cash flows.

31/12/2008

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-5 years	over 5 years
Short-term and long-term borrowings and leases						
Eurobank EFG loan	61 605	(64 977)	-	(64 977)	-	-
Building and equipment lease	451	(713)	(18)	(18)	(141)	(537)
Finance leases cars	11	(12)	(8)	(4)	-	-
Finance leases railway tanks	87	(88)	(75)	(13)	-	-
Trade and other payables	1 861	(1 861)	(1 861)	-	-	-

31/12/2007

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-5 years	over 5 years
Short-term and long-term borrowings and leases						
EBRD loan	41 388	(48 495)	(6 748)	(6 553)	(35 194)	-
Related party loans	9 965	(10 443)	(4 166)	(6 277)	-	-
Building and equipment lease	465	(749)	(18)	(18)	(141)	(572)
Finance leases cars	56	(60)	(32)	(16)	(12)	-
Finance leases railway tanks	224	(238)	(75)	(75)	(88)	-
Trade and other payables	8 003	(8 003)	(8 003)	-	-	-

Currency risk

Company's receivables and payables, denominated in USD, are presented in the statements by using the currency exchange rate at the balance sheet date: USD 1 = BGN 1,38. These positions are exposed to negative change of the foreign currency rate.

	31/12/2008	31/12/2007
Trade receivable and advances to suppliers, denominated in USD	14	432
Trade payable and advances from customers, denominated in USD	(1)	(2 176)
Net balance position denominated in USD	13	(1 744)

(All amounts are in thousand leva, unless otherwise stated)

The following significant foreign currency exchange rates are used through the periods:

	Average used ER		ER at the balance sheet date	
	2008	2007	31/12/2008	31/12/2007
USD	1,33723	1,42756	1,38731	1,33122

Sensitivity analysis

10 per cent increase of the above exchange rates as at the respective reporting dates would increase the respective financial expense with the amounts below. It is assumed that all other variables, especially the interest rates are constant.

	31/12/2008	31/12/2007
	In Income Statement	In Income Statement
USD	2	(232)

10 per cent decrease of the exchange rates would lead to the same effect as amounts but in the opposite direction.

Interest rate risk

Fixed rate instruments	31/12/2008	31/12/2007
Related party loan	-	9 965
Building and equipment lease	451	465
Finance leases cars	11	56
Finance leases military tanks	87	224
	549	10 710

Floating rate instruments	31/12/2008	31/12/2007
Eurobank EFG loan	61 605	-
EBRD loan	-	41 388
	61 605	41 388

Sensitivity analysis

The change of the interest rates with 1% would effect the floating rate financial instruments, as follows:

	31/12/2008 1 % increase	31/12/2008 1 % decrease	31/12/2007 1 % increase	31/12/2007 1 % decrease
Eurobank EFG loan	41	(41)	-	-
EBRD loan	-	-	31	(31)
	41	**(41)**	31	(31)

Fair values

The fair values of the financial assets and liabilities together with their carrying amounts in the balance sheet are, as follows:

	31/12/2008 Carrying amount	31/12/2008 Fair value	31/12/2007 Carrying amount	31/12/2007 Fair value
Trade and other receivables	2 664	2 664	5 538	5 538
Cash and cash equivalents	3 505	3 505	2 703	2 703
Short-term and long-term borrowings	61 605	61 605	51 353	51 353
Financial lease	549	549	745	745
Trade and other payables	1 861	1 861	8 003	8 003
	70 184	**70 184**	68 342	68 342

HELLENIC PETROLIUM BULGARIA PROPERTIES EAD

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008

(All amounts are in thousand leva, unless otherwise stated)

13. Sales

	%	31/12/2008	31/12/2007
Wholesales	36,39	22 607	42 593
Retail sales	63,61	39 508	44 070
Trade discounts		(402)	(740)
	100	**61 713**	85 923

14. Cost of sales

	%	31/12/2008	31/12/2007
Cost of wholesales	38,22	(22 175)	(40 460)
Cost of retail sales	61,78	(35 841)	(39 297)
	100	**(58 016)**	(79 757)

15. Other Income

	31/12/2008	31/12/2007
Income from car-wash rent	87	99
Other income (advertisement, fines of dealers)	40	112
Income from sales of tangible assets	14	43
Surpluses from stock-counts	3	6
Fines and indemnities received	-	85
	144	345

16. General and administrative expenses

	31/12/2008	31/12/2007
Salary Expenses	(1 197)	(1 600)
Office Rent, Utilities & Charges	(559)	(517)
Materials, Consumable & Stationary	(157)	(187)
Communication Expenses	(157)	(198)
Car Related Expenses	(73)	(129)
Consultant Fees	(517)	(393)
Other Professional Services	(362)	(190)
Advertisement	(0)	(78)
Rent of Land	(230)	(230)
Insurance Property & Liability	(48)	(47)
Trade Activity Expenses	(2 131)	(2 625)
Expenses for depreciation	(1 836)	(2 222)
Dealers Commission	(1 544)	(1 707)
Maintenance & Repairs	(252)	(248)
Real Estate Taxes & Fees	(298)	(307)
Travel Expenses	(59)	(60)
Other Expenses	(688)	(320)
	(10 108)	(11 058)

General and administrative expenses grouped by nature are as follow:

	31/12/2008	31/12/2007
Expenses for [illegible]s	(723)	(991)
Expenses for [illegible]ces	(4 819)	(5 094)
Expenses for d[illegible]n	(1 836)	(2 222)
Expenses for [illegible] social security expenses	(1 193)	(1 595)
C[illegible]	(1 420)	(1 040)
E[illegible]	(117)	(116)
	(10 108)	(11 058)

(All amounts are in thousand leva, unless otherwise stated)

17. Financial expenses, net

	31/12/2008	31/12/2007
Interest expenses, net	(4 816)	(3 789)
Financial charges and commissions	(682)	(32)
Income from exchange rate differences, net	135	81
	(5 363)	(3 740)

Interest expenses, net includes:

	31/12/2008	31/12/2007
Interest expense on bank loans	(3 833)	(3 646)
Interest expense on loans from related parties	(1 016)	(207)
Interest expense on finance leases	(37)	(50)
Interest income [illegible] accounts	70	114
	(4 816)	(3 789)

Financial charges and commissions are as follow:

	31/12/2008	31/12/2007
Commitment charges and fees on borrowings	(682)	(32)
	(682)	(32)

Income from exchange rate differences, net includes:

	31/12/2008	31/12/2007
Realised loss from exchange rate differences	(8)	-
FX gain from revaluation	143	81
	135	81

18. Related party transactions

Till October 31, 2008 Opet Aygaz Bulgaria EAD was part of the Koc Holding Group and the related parties include:

Aygaz AS, Turkey	ultimate parent
Opet Petrolculuk AS, Turkey	ultimate parent
Opet Aygaz B.V., Nitherland	parent company
Georgi Tatarski	member of the Board of Directors
Burhan [illegible]	member of the Board of Directors
E[illegible]	member of the Board of Directors

On October 31, 2008 [illegible] shares of the Company were transferred to Hellenic Petroleum Bulgaria (Holdings) Ltd. and as of the date the related parties are as follow:

Hellenic Petroleum S.A., Greece	ultimate parent
Hellenic Petroleum Bulgaria (Holdings) Ltd., Cyprus	parent company
Eko Bulgaria EAD, Bulgaria	related party
Ioannis [illegible]	member of the Board of Directors
Georgi Deyanov	member of the Board of Directors
Nikolaus [illegible]	member of the Board of Directors

18.1 Trading transactions

Type of transactions	Party	Reported as:	31/12/2008	31/12/2007
Sale of stock and fuels	Eko Bulgaria EAD, Bulgaria	Sale of goods sold	(1 035)	-
Purchase of LPG	Eko Bulgaria EAD, Bulgaria	Cost of goods sold	169	-
Purchase of assets	Eko Bulgaria EAD, Bulgaria	Cost of goods sold	322	-
Purchase of LPG & [illegible]ane	Aygaz AS, Turkey	Cost of goods sold	3 708	7 184
Import of fuel additives and lubricants	Opet Madeni Yag San AS, Turkey	Cost of goods sold	-	13
Import of fuel additives and lubricants	Opet Petrolculuk AS, Turkey	Cost of goods sold	57	90
Accrued interest	Aygaz AS, Turkey	Interest expenses	508	46
Accrued interest	Opet Petrolculuk AS, Turkey	Interest expenses	508	46
			4 237	7 379

Payables to related parties	Party	Reported as:	31/12/2008	31/12/2007
Purchase of L[illegible] and Assets	Eko Bulgaria EAD, Bulgaria	Trade payables	472	-
Purchase of LPG & Propane	Aygaz AS, Turkey	Trade payables	-	2 086
Im[illegible]charged expenses and other	Opet Petrolculuk AS, Turkey	Trade payables	-	65
L[illegible]	Aygaz AS, Turkey	Short-term borrowings	-	4 890
L[illegible]	Opet Petrolculuk AS, Turkey	Short-term borrowings	-	4 890
[illegible]	Aygaz AS, Turkey	Interest payable	-	92
[illegible]	Opet Petrolculuk AS, Turkey	Interest payable	-	94
			472	**12 117**

Receivables from related parties	Party	Reported as:	31/12/2008	31/12/2008
Purchase of goods and LPG	Eko Bulgaria EAD, Bulgaria	Trade receivables	1 242	-
			1 242	-

T[illegible]tions from the normal market conditions in the transactions between the parties.

1[illegible]tions

[illegible]	31/12/2008	31/12/2007
Gross remuneration for the management team	531	773
	531	773

19. Operating leases

The Company concluded a 25-year petrol station lease contract located in Sofia. The part of the contract related to the rent of the land is treated as operating lease.

	EUR'000	BGN'000
Contract rent amount for the land	1 680	3 286
A[illegible]ntract date	630	1 232
Re[illegible]g lease commitments	1 050	2 054
F[illegible]nthly payments	4	7

T[illegible] payments under operating lease are:

	31/12/2008	31/12/2007
Not later than 1 year	82	82
Later than 1 year and not later than 5 years	329	329
La[illegible]	1 253	1 335
	1 664	1 746

T[illegible]ontract plus the additional expenses (local taxes, court and notary fees) are treated as deferred expenses and [illegible]ine basis for the period of the lease contract.

The Company concluded a 25-year land lease contract for the construction of petrol station in Burgas.

	EUR'000	BGN'000
Contract amount	1 200	2 347
Advance paid upon submission of construction permission	288	563
Remaining operating lease commitments	912	1 784
Payable in 228 equal monthly payments (19 years starting from the 6th year of the contract)	4	8

The future minimum lease payments under this operating lease are:

	31/12/2008	31/12/2007
Not later than 1 year	-	-
Later than 1 year and not later than 5 years	258	164
Later than 5 years	1 526	1 620
	1 784	1 784

20. Financial crisis influence

Recent volatility in global and country financial markets

The ongoing global liquidity crisis which commenced in the middle of 2007 has resulted in, among other things, a lower level of capital market funding, lower liquidity levels across the banking sector, and, at times, higher interbank lending rates and very high volatility in stock markets. The uncertainties in the global financial markets have also led to bank failures and bank rescues in the United States of America, Western Europe, Russia and elsewhere. Indeed the full extent of the impact of the ongoing financial crisis is proving to be impossible to anticipate or completely guard against.

Management is unable to reliably estimate the effects on the Company's financial position of any further deterioration in the liquidity of the financial markets and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances.

Impact on liquidity

The volume of wholesale financing has significantly reduced recently. Such circumstances may affect the ability of the Company to obtain new borrowings and re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions. In the limit of the group there is company, registered in [illegible] which main purpose is to generate financial resources for the companies in the group, if necessary. Thus the Company hopes to limit the negative impact of the financial crisis over its liquidity.

Impact on customers

Debtors of the Company may be affected by the lower liquidity situation which could in turn impact their ability to repay the amounts owed. Deteriorating operating conditions for customers may also have an impact on management's cash flow forecasts and assessment of the impairment of financial and non-financial assets. To the extent that information is available, management have properly reflected revised estimates of expected future cash flows in their impairment assessments. As [illegible] the Company has review and asses its liabilities, impair the ones that would not be collected. In the future the major client of the Company would be related party from the Group, that will also mitigate the risk.

21. Commitments

At the balance sheet date the Company has no capital and payment commitments.

22. Contingent liabilities

At the balance sheet date the Company has no contingent liabilities.

23. Subsequent events

[illegible] on the signed agreement the Company will rent the available petrol stations and storage depots to related party - Eko Bulgaria EAD.

* * *

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HELLENIC PETROLEUM BULGARIA PROPERTIES EAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Hellenic Petroleum Bulgaria Properties EAD (the "Company") which comprise the balance sheet as of 31 December 2008 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted in the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

This version of our report is a translation from the original, which was prepared in Bulgarian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

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circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Hellenic Petroleum Bulgaria Properties EAD as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union.

Without qualifying our opinion, we draw attention to the fact that as of December 31, 2008 and 2007 the Company's registered share capital exceeds its net assets which is not in compliance with art. 252 par.1 clause 5 of the Bulgarian Commercial Act, which requires that in such instance the shareholders take a decision to decrease the registered share capital, restructure or liquidate the Company or other appropriate measures. Otherwise the Company may be liquidated by the court of registration. As of the date of the approval of the accompanying financial statements the shareholders have not taken a decision for restructuring, liquidation or decrease of registered share capital or other appropriate measures.

Report on Other Legal and Regulatory Requirements

Management is also responsible for preparing the Annual Report in accordance with the Accounting Act.

We are required by the Accounting Act to express an opinion whether the Annual Report is consistent with the annual financial statements of the Company.

In our opinion, the Annual Report set out on pages 3 to 5, is consistent with the accompanying financial statements of the Company as of 31 December 2008.

Irena Vakova
Registered Auditor

Petko Dimitrov
PricewaterhouseCoopers Audit OOD

18 March 2009
Sofia