

## **ANNOUNCEMENT**

17.11.2015

Cyprus Stock Exchange  
71-73, Lordos Vyronos Avenue, 1096  
P.O.Box 25427  
1309 Nicosia

Re: **Unaudited Interim Management Statement for the period 01.07.2015-17.11.2015**

Petrolina (Holdings) Public Ltd (the “Company”) presents the Interim Management Statement of the Company and of its subsidiaries (the “Group”) for the period from 1 July 2015 to 17 November 2015. The Interim Management Statement has been prepared pursuant to the provisions of Article 11 of the Transparency Requirements (Securities Admitted to Trading on a Regulated Market) Law of 2007 (Law no. 190(I)/2007) and has not been audited by the external auditors of the Company.

The main activities of the Group have not changed during the period under review compared to the previous financial year and focus on the import and trading of light and heavy oil products, liquid gas, machine oil and lubricants as well as aircraft refueling.

The material events and transactions that took place during the period under review as well as their impact, where applicable, on the financial statements, are presented below:

- i. The works for the construction of 7 new fuel storage tankers of a total capacity of 52.500m<sup>3</sup> on a freehold land in the Vassiliko area, which had commenced in April 2012, have been completed and the permits required have been issued by the competent authorities.
- ii. In September 2015, Lca Aviation Fueling System Ltd (“LAFS”), a wholly owned subsidiary of the Company, assigned the construction of civil works pertaining to the construction of tankers for the storage and management of aircraft fuels to the successful tenderer. The total cost of the civil works under the said agreement amounts to €5.9m. The agreement provides for the construction of three tankers of a total capacity of 5.400m<sup>3</sup> and of related premises for the loading and unloading of tanker trucks. The project has commenced, is in progress and its completion is expected in 2017.

It is reminded that in July 2014 LAFS entered into contract with Hermes Airports Ltd (“Hermes”) and obtained a relevant permit for the construction of the said project within the boundaries of the new Larnaka airport. The agreement expires on 12 May 2031 simultaneously with the expiry of the current concession agreement between the Republic of Cyprus and Hermes for the management of Cypriot airports, with simultaneous extension of at least 10 years in case the current concession agreement between the Republic of Cyprus and Herms is extended. It is also reminded that LAFS shall provide services of storage and management of fuels to the aircraft refueling companies and that, upon its operation, the new terminal shall replace the existing terminals located in the area of the old Larnaka airport.

The total capital expenditures required for the construction of the project are estimated to exceed the initial estimated cost and the Board of Directors is in the process of eventually determining the capital expenditures based on the data that has been formulated. The project will be financed from the Group's own funds as well as from a bank loan on the terms and conditions provided for in the said agreement.

- iii. With a letter dated 3 July 2015, the Ministry of Communication and Works announced the termination of the negotiations between the Government and Zenon Consortium, in which Petrolina (Holdings) Public Ltd participates for the construction of the Larnaka port and marina project with the "Design-Build-Finance-Operate" method. Zenon Consortium has proceeded with an appeal to the Tender Review Authority against the Ministry's decision. The final decision is expected before the end of the year.
- iv. Within the context of implementation of the strategic programme for the development and upgrading of its petrol stations network service, the Company will soon complete the erection of a new petrol station in Hoirokitia on a plot of land opposite the existing petrol station, which will close when the new petrol station starts its operation. In addition, the Company scheduled the upgrading of an existing petrol station on Limassol Avenue, Nicosia. At the same time, the Company has recently undertaken the management of another petrol station on Spyros Kyprianou Avenue, Larnaka. The erection of new petrol stations is based on the latest European standards on issues of safety, environment, functionality and appearance. In addition, the promotions through the petrol stations network based on the annual corporate marketing and advertising programme continue during the period under review.
- v. The results for the period under review has decreased compared to the corresponding period in 2014, mainly due to the reduced gross profit and increased operating expenses, which are partially offset by reduced forecast for bad debts. More specifically, the results of the nine months ended on 30.09.2015, compared to the corresponding results of the previous year, are as follows:
  - The total turnover, including sales to other oil companies, amounted to €293.3m compared to €325.0m.
  - The cost of sales decreased to €267.1m from €297.5m resulting in the decrease of gross profit to €26.2m compared to €27.5m.
  - The profit from operations stood at €5.3m compared to €6.8m while the associated companies had a positive impact of €534 thousand compared to a share of loss of €815 thousand.
  - The profit before taxation amounted to €5.8m compared to €7.7m while the profit after tax stood at €5.0m compared to €6.8m.

The Company continues its strategic growth in the trading of oil products in the Cyprus market within the framework of free competition.

Yours,  
Dinos Savvides  
Financial Director