

## **ANNOUNCEMENT**

16.05.2016

Re: **Unaudited Interim Management Statement for the period 01.01.2016 - 16.05.2016**

Petrolina (Holdings) Public Ltd (the “Company”) presents the Interim Management Statement of the Company and its dependent companies (the “Group”) for the period from 1 January 2016 to 16 May 2016. The Interim Management Statement has been prepared in accordance with 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 include the import and trading of light and heavy oil products, liquid gas, machine oils and lubricants as well as aircraft refueling.

Material events and transactions 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 three new oil storage tanks of a total capacity of 6.000m<sup>3</sup> and related loading and unloading facilities for refueling tankers within the boundaries of the new Larnaca Airport, which commenced in September 2015, continue as planned and are expected to be completed in October 2016.
- ii. In January 2016, the Tenders Review Authority dismissed the recourse filed by Zenon Consortium to cancel the decision taken by the Council of Ministers in June 2015 to terminate negotiations between the Government and the Consortium for the construction of the project for the development and management of Larnaka port and the marina. Zenon Consortium has filed an appeal against the above decision of the Tenders Review Authority before the Supreme Court.
- iii. In February 2016, the Board of Directors of the associated company Superlube Ltd decided to terminate the operations and wind up the company, following the decree for the termination of its operation licence in the specific area in Larnaca. The decree was issued by the Municipality of Larnaka as the competent town planning authority and was ratified by the Minister of Internal Affairs. The Company is currently considering a proposal to sell the shares it holds in Superlube Ltd at their fair value. It is noted that Superlube Ltd, in which the Company has an interest of 35%, was engaged in the production / mixing of lubricants and satisfied part of the Company’s needs in lubricants. From now on, the Company’s needs in lubricants will be satisfied entirely with direct imports from ENI S.p.A. in Italy.
- iv. In the context of implementing the strategic plan for the development and upgrading of its petrol stations network, the Company has recently completed the construction of a new petrol station in Hoirokitia on a plot of land opposite the existing petrol station which was closed and demolished after the operation of the new station. Moreover, a petrol station in Kyvides, Limassol, is currently

under full restoration and an existing petrol station in Limassol Avenue in Nicosia is being upgraded. The construction of new petrol stations is based on the latest European standards on matters of safety, environment, functionality and appearance. Moreover, the Company has recently undertaken the management of another of its petrol stations in Griva Dighenis Avenue in Paralimni. Promotional activities through the petrol stations network continue, based on the annual corporate marketing and advertising plan.

v. The results for the period under review are increased compared to the corresponding period in 2015, mainly due to an increase in gross profit. More specifically, the results for the quarter ended 31.03.2016, compared to the corresponding quarter of the previous year, are as follows:

- The total turnover, including sales to other oil companies, amounted to €96.0m compared to €90.1m.
- The cost of sales increased to €84.8m up from €81.9, resulting in the increase of gross profit to €11.2m compared to €8.2m.
- The operating profit stood at €2.8m compared to €1.3m while associated companies had a negative impact of €103 thousand compared to a share of loss of €245 thousand.
- Profit before tax stood at €2.7m compared to €1.1m while profit after tax stood at €2.3m compared to €0.9m.

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

Dinos Savvides  
CFO