



PETROL, D.D.

www.petrol.si

Sector:
Energy

Ticker:
PETG SV

PRICE (15.09.2006)	EUR 431.05
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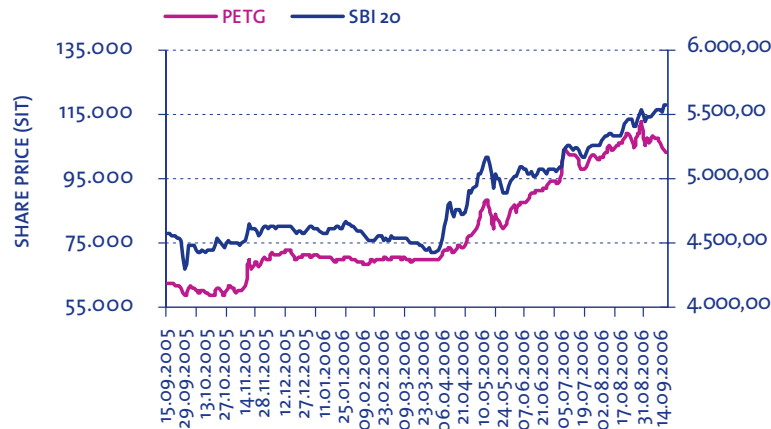
PETG	
NO OF SHARES	2,086,301
MIN (52 WEEK)	EUR 243.70
MAX (52 WEEK)	EUR 471.62
MARKET CAP.	EUR 899.30 MN

BV (31.12.2005)	EUR 180.92
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RATIOS*	
P/E	17.82
P/B	2.38
EV/EBITDA	11.55
EPS	EUR 24.15

* values based on H1 2006 annualized results and current prices

Petrol is a leading Slovenian oil distribution company and one of the major Slovenian exporters. It is also one of the most important Slovenian merchants. The core line of the business in Petrol is oil trading. Besides oil trading Petrol has introduced some new energy activities, in particular the distribution and the sale of gas, heat and electricity. In the long-term, it will run activities concerning renewable energy sources. Petrol intends to expand its business in the field of power supply where at the moment it is realising 80% of total sales and it has a leading market share in Slovenia. The residual 20% of the revenues are realised with the sales of consumer goods and services.



Petrol introduced partnership with Russian multinational Lukoil in August 2006. The partnership is based on establishing a joint company which will sell oil product in the area of South

Eastern Europe. Both companies will contribute their existing gas stations in the area to a newly established company so that the new company will operate with approximately 550 gas stations at its foundation. According to the plans of development presented, the number of operating gas stations should more than double by the end of 2009.

The net revenue from the sales of Petrol in the amount of EUR 908.4 mn is 15% higher than in the first half of 2005. The operating profit amounts to EUR 26.3 mn or 69% more than in the same period in 2005. The consolidated net profit in the amount of EUR 27.1 mn exceeds the figure reported in the same period in 2005 by 44%. The Petrol Group's net profit in the first half of 2006 also includes EUR 4 mn which were returned to Petrol on the basis of a judgement by the High Court.

The Petrol group consists of five Slovenian and five foreign subsidiaries and other affiliates. The group has a network of 303 service stations in Slovenia, 31 in BIH, 1 in Serbia and Montenegro and 18 in Croatia. It also manages 22 licences for distribution of gas (the last one obtained in February 2006). At the end of the first half of 2006, it had 2,724 employees.

COMPANY PROFILE:

Petrol was formally established in 1945 as a Slovenian subsidiary of a state owned company Jugopetrol. Till the end of 1996, when it was transformed into a private joint-stock company, Petrol operated in



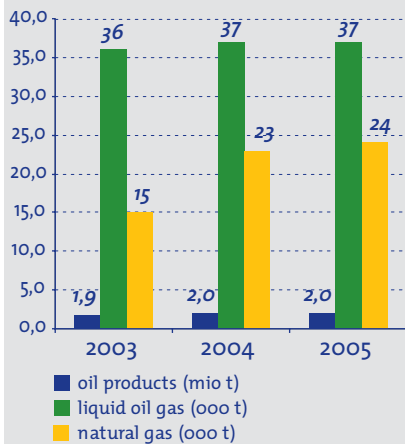
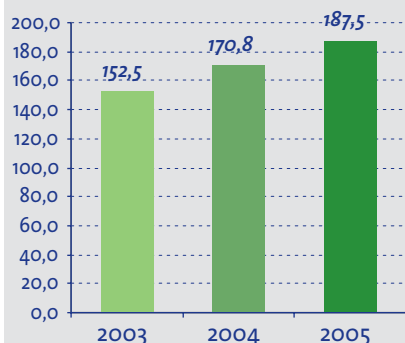
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MERCHANDISE SALES (MIO EUR)



different organizational forms. Today Petrol is a leading Slovenian energy company and the principal strategic supplier of oil and other energy products. Besides oil trading, Petrol activities include retail sales with household and food products and other merchandise under the brand name HIP-HOP.

The Petrol group includes several companies that are spread all over the European region:

	AFFILIATE COMPANY	OWNERSHIP STAKE
SLOVENIA	Petrol Maloprodaja Slovenija d.o.o., Ljubljana	100%
	Petrol Plin d.o.o., Ljubljana	100%
	Petrol Skladiščenje d.o.o., Ljubljana	100%
	Petrol Tehnologija d.o.o., Ljubljana	100%
	Petrol Energetika ravne d.o.o., Ravne na Koroškem	98.85%
EUROPE	Cyper Oils Ltd, Limassol, Cyprus	100%
	Petrol-Trade H.m.b.H, Wien, Austria	100%
	Petrol Trgovina d.o.o., Zagreb, Croatia	100%
	Petrol BH Oil Company d.o.o., Sarajevo, BIH	100%
	Petrol d.o.o., Beograd, Serbia and Montenegro	100%
ASSOCIATED CO.	Geoenergo d.o.o., Lendava	50%
	Instalacija d.o.o., Koper	49%
	Karkasa d.o.o., Kranj	50%
	Marche Gostinstvo d.o.o.	25%
	Ogrevanje Piran d.o.o., Piran	40%
	Aquasystems d.o.o., Maribor	26%
	Geoplin d.o.o., Ljubljana	27.26%

At the beginning of December 2005, a new management board was appointed with its new president Marko Kryžanowski. In 2005, Petrol started a project at Terme Zreče for a CHP plant co-financed (50%) by Unior d.d. and a 75% of the subsidiary Petrol Gostinstvo d.o.o. was sold to Marche International Ltd. Petrol d.d. retains 25% of the new company. The joint venture established by Petrol d.d. and Sava Tires d.o.o. in 2004, started the operations in 2005 as Karkasa d.o.o. The core business of Karkasa d.o.o. is refitting tyres for freight vehicles.

The oil company Petrol is slowly developing into an energy company. In a short-term period Petrol is giving the priority to the broadening of the network of service stations in South-Eastern Europe and making contacts with strategic partners. Till 2010, Petrol is planning to control the entire spectrum of energy supply: besides oil products and gas, Petrol's plan also includes electricity, geothermic energy, waste treatment, the production and the distribution of bio materials and bio diesel.

In the future Petrol plans to reorganize into a holding company by joining companies to cover each of the strategic areas. The first step to that goal has been done establishing a joint company with Lukoil for the distribution of oil product. The joint company will operate with 550 gas stations at its establishing and tends to double the figure by the end of 2009. Petrol will contribute all its gas stations to the joint company and will own 51% stake of the joint company.

The similar joint ventures are also probable to develop other strategic areas.



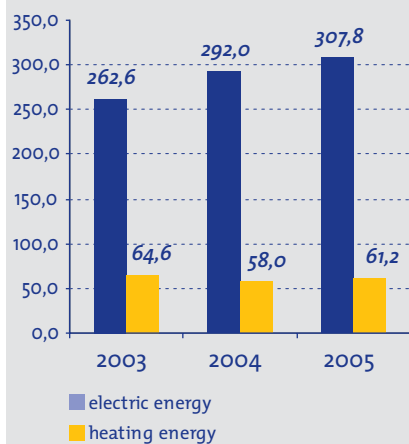
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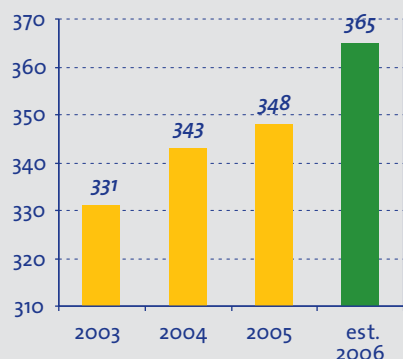
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PERFORMANCE:



NUMBER OF SERVICE STATIONS



The net revenues in 2005 were 19.3% higher than the revenues in the same period last year. The profit of the group increased by 71.4% and the profit of the parent company grew by 21.7%.

Petrol group sold 2 mio tons of oil products, 37,000 tons of liquid oil gas, 307,835 MWh of electric energy, 56,197 MWh of heating energy and EUR 187.5 mio of merchandise. The total sales revenues accounted EUR 1.75 bn in 2005. The parent company reached a 91.5% stake. The group realised EUR 28.5 mio operating profit and EUR 42.7 mio profit before taxes. The net income of the group amounted EUR 35 mio in 2005, of which the minority shareholders gained EUR 9 thousand. The sales of the parent company reached EUR 1.6 bn in 2005, operating profit amounted EUR 21.8 mio. The net income of the company reached EUR 30.4 mio.

The net revenue from the sales of Petrol in the amount of EUR 908.4 mn are 15% higher than in the first half of 2005. The operating profit amounts to EUR 26.3 mn or 69% more than in the same period in 2005. The consolidated net profit in the amount of EUR 27.1 mn exceeds the figure reported in the same period in 2005 by 44%. The Petrol Group's net profit in the first half of 2006 includes also the amount of EUR 4 mn that was returned to Petrol d.d. on the basis of a judgement by the High Court about taxes.

There are 353 Petrol stations (303 in Slovenia, 31 in BIH, 18 in Croatia and 1 in Serbia). The Petrol group sold 20 thousand tons of liquid oil gas, 22,868 thousand m³ of natural gas, 173,786 MWh of electric energy and 56,197 MWh of heating energy. At the end of the first six months the number of employees reached 2,724.

The Petrol group is planning EUR 1.8 bn sales revenue and EUR 29 mio net income by the end of the year 2006.

SHAREHOLDERS:

On 17 August 2006, ten largest shareholders owned 47.98% stake of the company:

SHAREHOLDER	NO OF SHARES	% STAKE	CUMULATIVE % STAKE
SLOVENSKA ODŠKODNINSKA DRUŽBA, D.D.	412,009	19.75	19.75
KAPITALSKA DRUŽBA, D.D.	172,639	8.27	28.02
NFD 1 DELNIŠKI INVESTICIJSKI SKLAD D.D.	73,507	3.52	31.55
ISTRABENZ D.D.	67,538	3.24	34.78
NOVA KBM D.D.	56,789	2.72	37.51
VIZIJA HOLDING, D.D.	49,205	2.36	39.86
KD GALILEO, VZAJEMNI SKLAD	46,774	2.24	42.11
DELNIŠKI VZAJEMNI SKLAD TRIGLAV STEBER I	45,900	2.20	44.31
VIZIJA HOLDING ENA, D.D.	39,315	1.88	46.19
KD ID, DELNIŠKA ID, D.D.	37,260	1.79	47.98

BALANCE
SHEET

ooo EUR	GROUP				COMPANY			
	31.12.2005	31.12.2004	30.06.2006	05 / 04	31.12.2005	31.12.2004	30.06.2006	05 / 04
ASSETS								
Intangible assets	985,517	987,457	8,269	-0.2%	3,888	4,033	3,805	-3.6%
Property, plant and equipment	48,771,251	45,837,055	401,160	6.4%	30,863	296,798	300,254	-89.6%
Property, plant and eq. for sale	0	266,778		-100.0%	0	2,226		-100.0%
Investment property	2,260,363	2,396,849	18,295	-5.7%	18,865	20,004	18,295	-5.7%
Investments in associates	6,415,234	6,106,321	58,231	5.1%	40,549	39,946	40,549	1.5%
Investments in jointly controlled entities	1,720,488	1,705,532	15,234	0.9%	7,187	7,187	7,187	0.0%
Available for sale investments	1,476,088	3,520,584	12,286	-58.1%	12,113	29,226	99,921	-58.6%
Long-term receivables	845,793	1,044,911	8,807	-19.1%	15,358	17,056	12,046	-10.0%
Deferred income tax assets	160,472	151,736	1,233	5.8%	485	444	18,812	9.2%
NON-CURRENT ASSETS	62,635,205	62,017,222	523,516	1.0%	506,989	506,534	394	0.1%
Inventories	14,038,081	8,593,313	87,397	63.4%	107,995	66,589	79,309	62.2%
Trade and other receivables	23,776,108	19,678,571	187,985	20.8%	185,459	149,88	176,642	23.7%
Investments held for trading	0	71,006	8,146	-100.0%	0	593	6,381	-100.0%
Accruals	344,429	718,144	2,706	-52.0%	2,529	2,306	2,455	9.7%
Cash and cash equivalents	1,350,617	1,070,257	10,779	26.2%	7,094	4,285	6,984	65.6%
CURRENT ASSETS	39,509,235	30,131,290	297,013	31.1%	303,077	223,652	271,770	35.5%
TOTAL ASSETS	102,144,440	92,148,512	820,529	10.8%	810,067	223,652	773,036	262.2%

ooo EUR	GROUP				COMPANY			
	31.12.2005	31.12.2004	30.06.2006	05 / 04	31.12.2005	31.12.2004	30.06.2006	05 / 04
EQUITY AND LIABILITIES								
Share capital	12,517,806	12,517,806	52,236	0.0%	12,517,806	12,517,806	52,236	0.0%
Treasury shares	-661,023	-664,662	2,716	-0.5%	661,023	664,662	2,716	-0.5%
Equity reserves	80,506	80,483	80,574	0.0%	80,506	80,483	80,574	0.0%
Legal and other reserves	181,495	162,511	179,837	11.7%	181,436	162,486	179,777	11.7%
Fair value reserves	6,211	6,371	512	-2.5%	601	6,371	512	239.64
Fixed asset valuation reserves	2,713	2,713	2,713	0.0%				
Translation reserves	1,91	420	2,074	354.4%				
Retained earnings	38,863	30,541	59,052	27.2%	7,099	3,381	18,863	110.0%
CAPITAL AND RESERVES	355,567	332,502	374,281	6.9%	319,119	302,183	329,246	5.6%
MINORITY INTEREST	110	101	111	9.2%				
TOTAL EQUITY	355,677	332,603	374,392	6.9%	319,119	302,183	329,246	5.6%
Borrowings	127,426	115,244	121,149	10.6%	123,622	110,012	116,638	12.4%
Deferred income tax liabilities	449	3	419	1,6817.2%	417	2,633		-84.2%
Employee benefits	3,915	4,373	3,846	-10.5%	1,845	1,918		-3.8%
Provisions	25,674	27,605	25,198	-7.0%	24,485	26,626	17,407	-8.0%
Other liabilities	175	1,815	1,963	-90.4%	1,411	1,464		-3.6%
NON-CURRENT LIABILITIES	159,213	151,688		5.0%	151,781	142,652	299,847	6.4%
Trade and other payables	212,163	191,034	166,359	11.1%	263,086	199,813		31.7%
Borrowings	109,87	78,968	108,107	39.1%	62,852	72,381		-13.2%
Prepayments	15,56	14,764	19,097	5.4%	13,229	13,158		0.5%
CURRENT LIABILITIES	337,592	284,767	293,563	18.6%	339,167	285,351		18.9%
TOTAL LIABILITIES	496,805	436,455	446,137	13.8%	490,947	428,003	443,789	14.7%
TOTAL EQUITY AND LIABILITIES	852,482	769,058	820,529	10.8%	810,067	7,401,935	773,036	-89.1%

INCOME
STATEMENT:

ooo EUR	GROUP			COMPANY		
	2005	2004	05 / 04	2005	2004	05 / 04
Revenue	1,753,513	1,470,381	19.3%	1,604,618	1,338,455	19.9%
Cost of sales	1,554,551	1,287,285	20.8%	1,434,456	1,177,435	21.8%
GROSS PROFIT	198,962	183,096	8.7%	170,161	161,020	5.7%
Other operating income	9,168	13,178	-30.4%	6,820	10,131	-32.7%
Distribution costs	139,384	138,949	0.3%	125,346	127,578	-1.7%
Administrative expenses	40,238	40,999	-1.9%	29,718	31,330	-5.1%
PROFIT FROM OPERATIONS	28,508	16,325	74.6%	21,918	12,243	239.64
Share of result	7,504	6,817	10.1%	7,628	15,790	-51.7%
Finance income - net	6,778	1,723	293.4%	7,965	1,255	534.7%
PROFIT BEFORE TAX	42,790	24,865	72.1%	37,510	29,288	28.1%
Taxation	7,738	4,412	75.4%	7,106	4,309	64.9%
PROFIT AFTER TAX AND BEFORE MINORITY INTEREST	35,052	20,453	71.4%			
Minority interest	9	4	135.1%			
NET PROFIT FOR THE YEAR	35,043	20,449	71.4%	30,405	24,979	21.7%
BASIC EARNINGS PER SHARE	17	10	71.4%	15	12	21.7%

ooo EUR	GROUP			COMPANY		
	H1 2006	H1 2005	06 / 05	H1 2006	H1 2005	06 / 05
Revenue	908,628	792,100	14.7%	860,032	724,448	18.7%
Cost of sales	808,823	694,479	16.5%	775,879	641,958	20.9%
GROSS PROFIT	99,805	97,622	2.2%	84,153	82,491	2.0%
Other operating income	13,629	3,401	300.7%	11,640	2,428	379.4%
Distribution costs	69,142	66,994	3.2%	63,231	59,205	6.8%
Administrative expenses	17,958	18,486	-2.9%	12,385	13,697	-9.6%
PROFIT FROM OPERATIONS	26,334	15,543	69.4%	20,178	12,017	67.9%
Finance income from participating interests	6,101	6,010	1.5%	2,352	3,111	-24.4%
Finance income from non-current receivables	777	263	195.2%	972	454	114.2%
Finance income from current receivables	19,591	15,401	27.2%	18,077	14,466	25.0%
FINANCE INCOME	26,469	21,675	22.1%	21,401	18,031	18.7%
Write-downs of investments	151	87	72.5%	28	22	29.8%
Interest expenses and finance expenses for other liabilities	18,532	15,479	19.7%	16,688	14,064	18.7%
FINANCE EXPENSES	18,683	15,566	20.0%	16,717	14,086	18.7%
PROFIT BEFORE TAX	34,121	21,651	57.6%	24,862	15,963	55.7%
Tax expense	6,529	2,852	128.9%	5,967	2,636	126.3%
Deffered tax	294	103	186.3%	32	181	-82.4%
PROFIT AFTER TAX AND BEFORE MINORITY INTEREST	27,298	18,902	44.4%	18,863	13,507	39.7%
Minority interest	10	9	22.4%			
NET PROFIT FOR THE YEAR	27,287	18,893	44.4%	18,863	13,507	39.7%
BASIC EARNINGS PER SHARE	13.24	9.17	44.4%	9.16	6.56	39.7%



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COMPARATIVE ANALYSIS

FIRM	COUNTRY	MARKET CAPITALIZATION (MIO EUR)	ROE	ROA	P/E	EST P/E	P/B	P/S
Statoil	Norwege	2,776,124.07	32.06	11.44	9.43	8.83	3.35	0.82
MOL	Hungary	5,482,632.58	28.52	13.37	6.99	8.44	2.12	0.72
OMV	Austria	14,784.71	24.73	8.76	8.65	7.49	1.86	0.66
Repsol	Spain	30,118.69	21.47	7.30	8.11	7.87	1.54	0.50
Lundin Petroleum	Sweden	198,899.68	32.86	14.59	19.72	17.84	5.22	4.74
Average - adjusted (oil sector)	1,001,714.15	28.44	11.19	8.73	8.38	2.44	0.73	
Min		14,784.71	21.47	7.30	6.99	7.49	1.54	0.50
Max		5,482,632.58	32.86	14.59	19.72	17.84	5.22	4.74

Carrefour	France	27,900.05	18.60	3.24	22.38	17.44	4.03	0.44
Tesco	UK	17,757.67	17.08	7.31	18.24	16.77	3.09	0.73
Metro	Germany	13,367.69	10.84	1.86	30.50	16.17	2.88	0.26
Ahold	Netherlands	9,845.13	3.12	0.64	78.41	16.25	2.57	0.27
J Sainsbury	UK	3,790.62	1.55	0.53	97.11	27.87	1.62	0.39
Delhaize Group	Belgium	5,194.84	11.34	3.85	14.62	14.52	1.70	0.30
Douglas Holding	Germany	1,237.72	11.97	5.11	20.20	19.39	2.29	0.53
Average - adjusted (retail sector)	9,991.19	10.87	2.94	33.95	17.20	2.51	0.39	
Min		1,237.72	1.55	0.53	14.62	14.52	1.62	0.26
Max		27,900.05	18.60	7.31	97.11	27.87	4.03	0.73

Average Combined*			23.17	8.72	16.29	11.03	2.46	0.63
Petrol	Slovenia	609.06	10.19	4.32	25.66	17.82	2.48	0.45
Comparative price					275.22	268.21	430.28	605.93
Weight					0.15	0.25	0.30	0.30
PEER VALUE PER SHARE	419.20							

Source:
Bloomberg and Ilirika's estimates

* the oil sector has a weight of 0.7
and the retail sector has a weight of 0.3



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