

Annual Report

08





**HELLENIC**  
**PETROLEUM**



# Contents

<b>1.</b>	<b>The Group</b> .....	<b>4</b>
	Message to shareholders .....	4
	The Group in brief .....	9
	The Group in 2008 .....	11
	HELLENIC PETROLEUM SA in Stock Markets .....	13
	From past to present.....	18
	Group's Management.....	20
	Corporate Governance .....	23
<b>2.</b>	<b>Corporate Activities</b> .....	<b>26</b>
	Oil Refining.....	28
	Industry Overview.....	34
	Fuels Marketing .....	36
	Production & Trading of Petrochemicals / Chemicals.....	44
	Power Generation Production & Trading.....	48
	Oil & Gas Exploration and Production .....	50
	Main Participations .....	53
<b>3.</b>	<b>Additional Information</b> .....	<b>56</b>
	Social Product.....	56
	Human Resources.....	58
	Health & Safety .....	60
	Environment.....	64
	Corporate Social Responsibility.....	68
<b>4.</b>	<b>Selected Financial Statements</b> .....	<b>70</b>
	Selected Financial Data .....	72
	Analysis per Activity Sector .....	73
	Group's Consolidated Financial Statements .....	74
	Subsidiaries, Associated Companies and Participations.....	76
	Analysis by Industry Segment.....	78
	Parent Company Financial Statements.....	82
	General Information.....	84
	Communication.....	85
	Shareholders Information Desk.....	86
	Annual Report Feedback.....	87



E.N. Christodoulou  
Chairman of BoD



J.A. Costopoulos  
Chief Executive Officer

# 1.

## The Group

### Message to Shareholders

Dear Shareholders,

In 2008, the global economy and the business environment were adversely impacted. The crisis which began in the financial sector and spread to the «real economy» led the global economy into recession. As a result, the share prices in stock exchanges around the world fell sharply, consumer spending was curtailed, investments were cancelled or postponed and, in general, business activity was negatively impacted.

Oil markets were characterised by unprecedented volatility. In the space of a few months, the oil price plunged from more than \$140 per barrel in mid-2008 to almost \$40 in December, the EUR went from a record high of \$1.60 to less than \$1.30, and refining margins witnessed huge swings.



**B**ecause of the unprecedented fall in oil prices during the second half of the year, as with most often refining companies, the published results were negatively affected by inventory valuation losses of €482m. In comparison, 2007 published results included inventory gains of €159m.

Despite, however, this rapidly changing and challenging environment, HELLENIC PETROLEUM posted increased operating profits, as a result of strong refining margin realisations, tight cost controls, continued operational improvements in our core R&M activities, as well as good overall performance in our non-refining business units. 2008 EBITDA, adjusted for inventory effects and other non-operating items, increased by 12% to €512m, while free cash flow generation doubled y-o-y to €500m.

Operating profitability in Refining increased by 14% over 2007 levels, driven by increased margins, improved sales mix, better planning and strict cost controls. In Marketing, we continued restructuring the domestic network footprint and expansion in the Balkans, while operating profits were essentially flat y-o-y, mainly because of the drop in product prices. Note that consumption in all markets we operate remained fairly strong and that HELLENIC PETROLEUM gained market shares.

With regards to the performance in our remaining business activities, Petrochemicals were adversely impacted by the worsening global macro backdrop, which led to lower demand and margins, while profitability in Power generation was particularly strong due to higher spark spreads and increased load factors. Finally, contribution to Group net profits from the 35% stake in DEPA, Greece's incumbent natural gas company, more than doubled y-o-y, due to increased demand and higher prices for natural gas.

In addition, in 2008 we delivered on a number of value-adding strategic initiatives. We restructured our E&P asset portfolio, with the sale of our Libyan concession that added around €125m to Group profits, and finalised the strategic alliance agreement with Italy's Edison in Power Generation and Trading. In addition, we advanced our wide-ranging performance improvement programme, particularly in Refining, in our domestic marketing subsidiary, EKO and in supplies, which also positively affected Group profitability.

The Group operates according to the principles of Sustainable Development and of Corporate Social Responsibility.

It is our priority to provide a safe workplace for all employees and for the communities around our facilities, as well to protect the environment.

In the area of occupational health and safety, during the 2003-2008 period the LWIF index converged even further to the average of the best European refineries.

All emissions of pollutant gasses, liquid and solid wastes were further reduced and we operated well within the approved environmental limits, which are implemented and monitored strictly and consistently. During the last five years, we have invested over €200m in environmental projects, and we comply with the strictest Greek and European specifications, standards and regulations. The investments which we carry out every year for the environment, contribute decisively to the improvement of the quality of life of the people in the local communities where we operate, but also more generally to the country, as well as produce cleaner fuels for the end-consumers.

For HELLENIC PETROLEUM, social work but also continuous support of the local communities in which we operate in various



ways, constitute a priority and an obligation. In the wider area of the Thriasian plain and Western Thessaloniki, a complete program of Corporate Social Responsibility is implemented, which is enriched every year with new and broader activities, concentrated on the most vulnerable social groups, on youth, sports and the cultural events in progress, in the specific areas. Our goal is to evolve into a model corporate social partner.

The global recession and volatility will continue in 2009, creating significant challenges. We at HELLENIC PETROLEUM Group believe that by exploiting our basic competitive advantages we will cope with the difficulties and strengthen our position in the markets where we are active.

In 2008, in collaboration with our executives and taking into account the developments in the business areas where we are active, the competitive position of our Group, our strong financial position, the expertise and experience of our people as well as our vision of being a leading, competitive and profitable energy group in Southeast Europe, we have redefined our goals and strategy.

Our strategy over the next three years to enhance competitiveness and profitability is defined along three core business streams, supported by two enabling streams, and entails an investment plan of more than €2bn.

The 3 core business streams are the following:

### **1. Upgrade & Strengthen Domestic R&M**

Refining remains our core activity. We are on track to upgrade our Southern refining hub via a new hydrocracker and flexicoker, which will add conversion capacity and increase production of higher-value white products at the expense of fuel oil. This

€1.1bn project, a prime example of sustainable development, is supported by diverging consumption trends for diesel and fuel oil, has strong projected returns, while at the same time will produce zero-sulphur diesel and significantly reduce all emissions. This upgrading project is important for the whole of the Greek economy, since it reduces dependence on imports, strengthens direct and indirect employment in the local economy and allows the development of additional Corporate Social Responsibility projects.

At the same time, we aim to strengthen the position and increase profitability of our domestic marketing operations. EKO, Greece's fuels marketing leader, is proceeding with a format optimisation programme, rationalising its network of approximately 1,200 petrol stations and its logistics footprint, while right-sizing its operational costs too. Increasing non-fuel sales and further strengthening of the brand image and marketing position are also among key priorities for EKO.

### **2. Expand International R&M**

SE Europe is a growth engine for the Group, with the strategic focus centered on leveraging our supply and logistical advantages, as well as building critical mass. Currently being the market leader in Cyprus, FYROM and Montenegro, we are also expanding our activities in the larger markets of the region, namely Serbia and Bulgaria. We are continuously rolling out our retail network, aiming to almost double our number of petrol stations to 500 by 2012.

### **3. Manage Business Portfolio for Value and Growth**

In Petrochemicals, aiming to maintain cash flow generation and returns, we are strengthening our market position along



the propylene value chain and leveraging our regional market access through trading. In Power generation, following the strategic alliance with Italy's Edison via a 50/50 joint venture, we aim to create one of Greece's leading electricity operators, with a power generation portfolio of 1,500-2,000MW, and also aim to develop a renewables portfolio. In addition, we are re-organising our E&P in order to create value for the Group as a whole. Finally, we are evaluating our strategic options to crystallize the value of our 35% stake in DEPA, Greece's fast growing natural gas operator.

Parallel to the 3 business streams, the 2 supporting streams are the following:

### 1. Create best practice organizational structures

We are redesigning the organization and functioning of our Group structure, centralizing and standardizing provision of support services. The new structures will be implemented in 2009 and 2010, with the purpose of improving the quality and cost structures in providing support services

### 2. Motivate and empower people

We are reinforcing all human resources systems, with the purpose of creating an integrated and high performance group

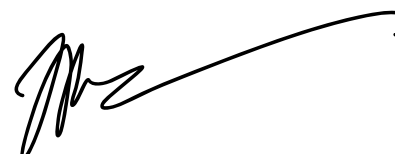
culture, which will focus on performance and competitiveness and will be based on merit and responsibility.

HELLENIC PETROLEUM remains focused on driving through further operational efficiency gains and on its investment programme to upgrade the refineries at Elefsina and Thessaloniki. Both these projects, which are prime examples of corporate sustainability as they focus on improving our environmental footprint via the implied reduction in emissions, are proceeding within the planned time-frame and budget. At the same time, we are tightening cost controls and working capital management, and are applying more stringent discipline on risk management and capital expenditures.

With the support of our employees and shareholders, which we thank for their on-going support, coupled with the Group's solid financial health, we are strengthening the Group for the new era in which our industry has begun to operate – and most importantly, we are building solid foundations for its long-term success. As the business environment grows tougher, we remain focused on our strategy and goals, for profitable growth and increased competitiveness.

E.N. Christodoulou  
Chairman of BoD

J.A. Costopoulos  
Chief Executive Officer

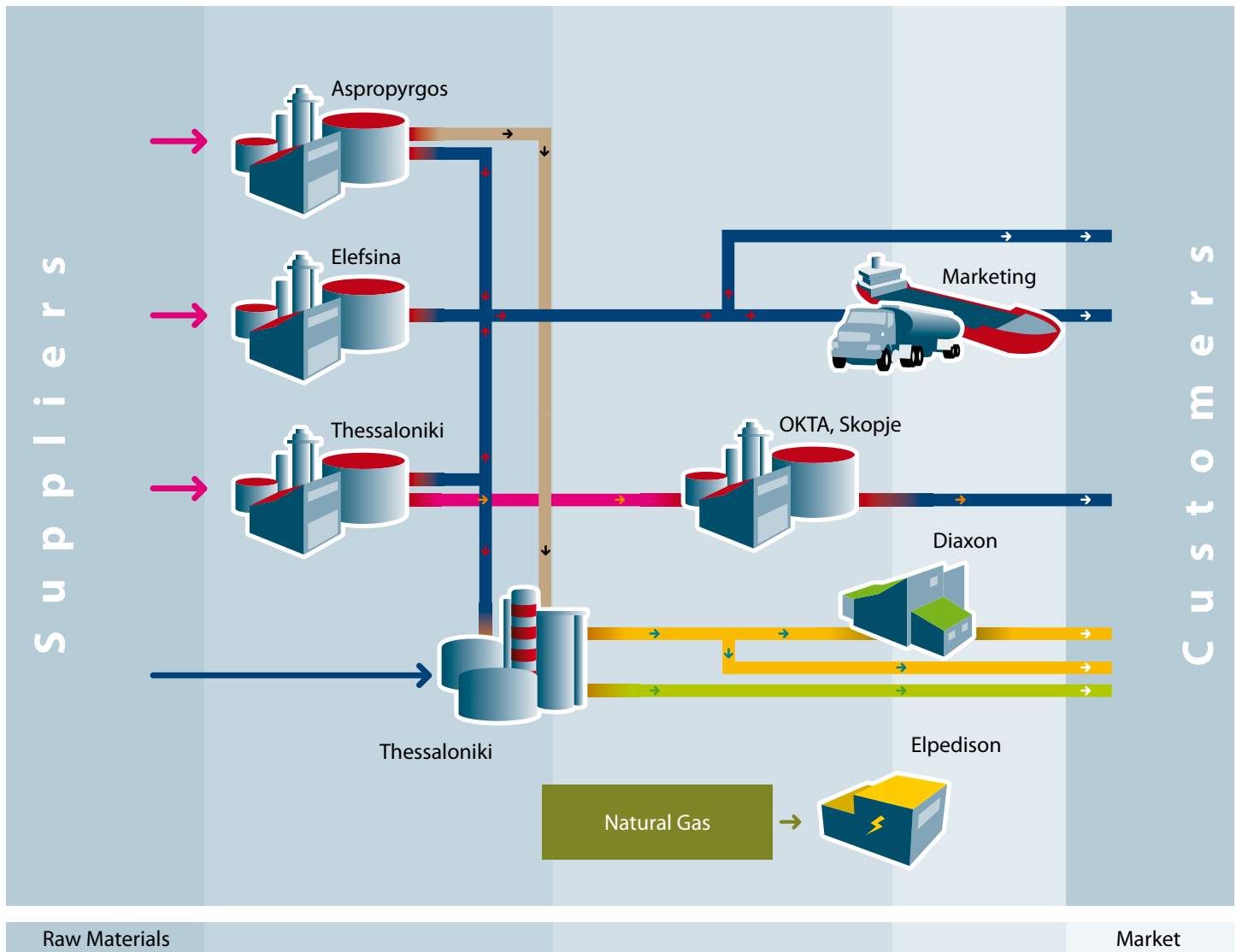
# The Group in brief

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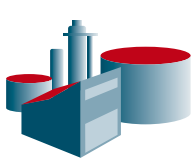
## Group's Companies & Participations per Activity Sector

<b>REFINING</b>	HELLENIC PETROLEUM SA
<b>FUELS MARKETING</b>	EKO A.B.E.E. CALYPSO LTD
<b>CHEMICALS</b>	HELLENIC PETROLEUM SA DIAXON A.B.E.E. ARTENIUS HELLAS SA
<b>INTERNATIONAL ACTIVITIES (Refining &amp; Retailing)</b>	OKTA AD SKOPJE HELLENIC PETROLEUM CYPRUS LTD JUGOPETROL AD KOTOR EKO BULGARIA EAD EKO YU AD BEOGRAD EKO GEORGIA LTD GLOBAL S.A. ELDA PETROLEUM ALBANIA SH.P.K
<b>OIL &amp; GAS EXPLORATION AND PRODUCTION</b>	HELLENIC PETROLEUM SA CALFRAC WELL SERVICES LTD MELROSE & OIL SEARCH EGYPT - W. OBAYED
<b>POWER GENERATION PRODUCTION &amp; TRADING</b>	ELPEDISON
<b>ENGINEERING</b>	ASPROFOS SA
<b>TRANSPORTATION OF CRUDE/ PRODUCTS &amp; PIPELINE NETWORKS</b>	E.A.K.A.A. SA. VARDAX S.A. HELPE SA - THRAKI SA HELLENIC PETROLEUM - APOLLON M.C. HELLENIC PETROLEUM - POSEIDON M.C.
<b>NATURAL GAS</b>	DEPA SA

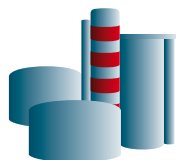
# Integrated Group's Operation



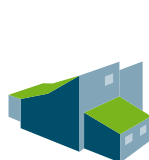
█ Petroleum products  
 █ Crude Oil  
 █ Propylene  
 █ Polypropylene  
 █ BOPP Film  
 █ PVC, Solvents, Caustic Soda, Chlorine



Refineries



Petrochemicals



Komotini Plant



Power Generation Unit

# The Group in 2008

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**H**ELLENIC PETROLEUM Group is the largest industrial and commercial group in Greece. At the end of 2008, its total assets amounted to € 5.2 billion, shareholders' equity to € 2.5 billion and the annual turnover totaled €10.1 billion. The Group employs 5,184 people in Greece and abroad and constitutes an integrated oil company with a wide range of activities, such as:

- Refining of crude oil and fuel supply.
- Marketing of oil products, including sales abroad.
- Power generation Production and Trading.
- Oil & Gas Exploration and Production.
- Production & Trading of Petrochemicals/Chemicals.
- Participation in the natural gas sector, through DEPA SA.
- Participation in transportation of crude and oil products (pipeline networks, marine transportations).

## Adjusted EBITDA\* split

€ million	2007	2008	% (ch)
Refining	322	374	16
Marketing	76	70	-9
Petrochemicals	55	26	-53
Power Generation	38	54	44
Other	-33	-9	-
<b>Total Group</b>	<b>458</b>	<b>514</b>	<b>12</b>

\* adjusted for inventory effects and non-operating items

## Brief Financial Data 2007 – 2008

€ million	2007	2008	% (ch)
Sales	8,538	10,131	19
EBITDA	617	249	-60
Adjusted EBITDA*	458	514	12
Net Income	351	24	-93
Adjusted Net Income*	232	216	-7
EPS (€)	1.15	0.08	-93
Adjusted EPS (€)*	0.76	0.71	-7
DPS (€)	0.50	0.45	-10
Capital Employed	3,557	3,153	-11
Net debt	981	682	-30
Gearing	28%	22%	
Free cash flow	240	499	108

\* adjusted for inventory effects and non-operating items

# HELLENIC PETROLEUM SA in Stock Markets

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The global recession hit global and Greek equities, with the ATHEX General index falling 65.5% y-o-y in 2008, ending the year at 1,786.51 points.

HELLENIC PETROLEUM's share price was also affected by the financial crisis, falling by 52.1% to €5.40, thus outperforming the local stock market. Note that the share price in 2008 averaged at €8.43, 23.5% lower on y-o-y basis.

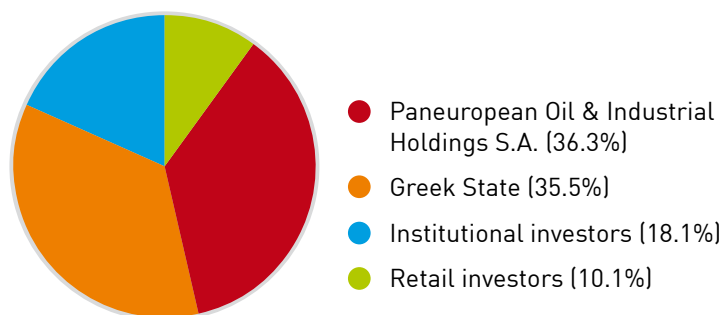
The average daily trading volumes increased by 12% to 240k shares, but the average daily trading value was lower by 15% to €2m.

In 2008, the share price reached a high of €11.96 on 08.01.2008, with a low of €5.08 on 27.10.2008.

On 31.12.2008, the members of the Board of Directors held 5,742 shares in total.

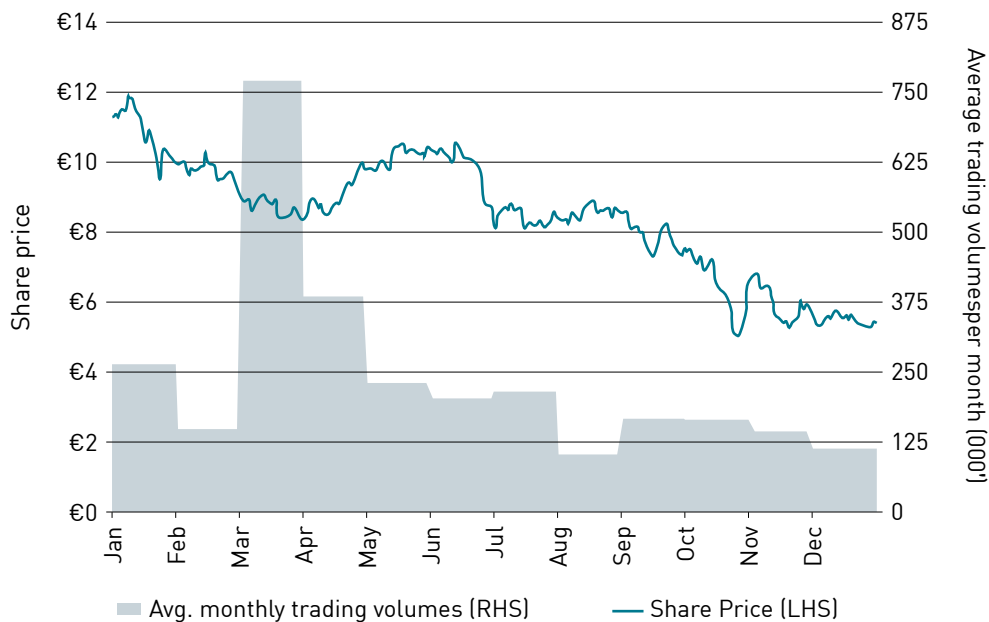
## Composition of the company's share ownership

The composition of the company's share ownership (holders more than 5%) is illustrated below:



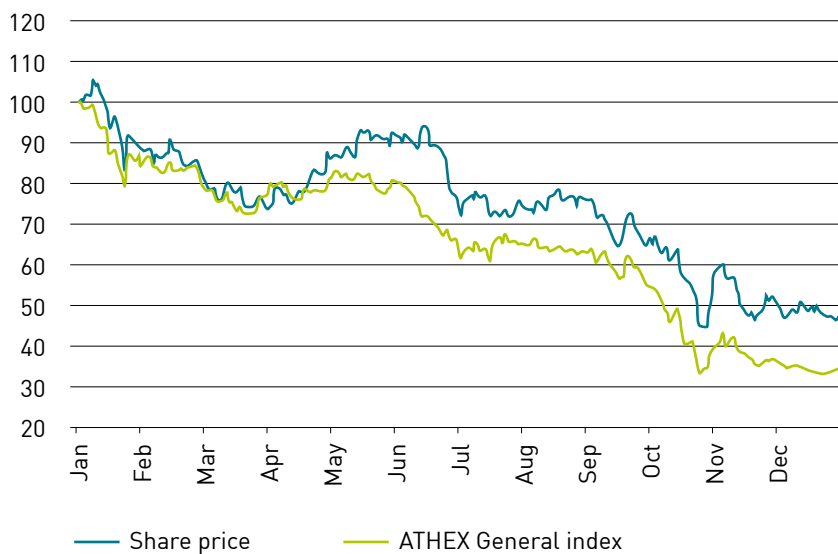
### Share price evolution

The following chart depicts the evolution of the share price in 2008, together with the monthly average trading volumes.



### Comparative performance of the share price versus the ATHEX General index

The following chart compares the stock's performance in 2008 with the ATHEX General index (base is 100 on 01.01.2008):



## **Dividend policy**

The BoD, taking into account the Group's future capital expenditure plans and cash flow position, decided on 26.02.2009 to recommend to the AGM a final dividend of €0.30 per share (€91.7m in total). Given that an interim dividend of €0.15 per share (€45.8m in total) has already been paid out in 4Q08, the total dividend for fiscal year 2008 amounts to €0.45 per share (€137.5m in total), compared to €0.50 paid out for fiscal year 2007. Based on the closing share price of 25.02.2009, the implied dividend yield stood at 8.3%.



## Key Financial Indicators (€ million)

	<b>2006</b>	<b>2007</b>	<b>2008</b>
Sales Turnover	8,121.5	8,538.0	10,131.0
Operating profit	355.3	477.3	113.1
Profit before tax	358.5	488.6	16.9
Operating cash flow	(60.8)	372.1	700.6
Investments in fixed assets & acquisitions	144.8	195.0	337.6
Shareholders equity	2,397.6	2,580.5	2,473.7
Average capital employed	3,200.0	3,499.3	3,354.4
Total assets	4,363.5	5,058.9	5,146.0



### Key Operating Indices

<b>In Greece</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Refinery output (in thousand tones)	14,233	14,463	14,897
Refinery sales (in thousand tones)	16,977	17,130	16,997
Retails volume (in thousand tones)	4,788	5,236	4,911
Petrochemicals sales (in thousand tones)	419	430	388
Number of Group's employees	3,529	3,427	3,477

## From past to present

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### 1998

The Public Petroleum Corporation (DEP) is renamed HELLENIC PETROLEUM S.A. and is merged with DEP-EKY, ELDA and EKO (Refineries and Chemicals). EKO marketing company is merged with ELDA-E and is renamed EKO-ELDA. HELLENIC PETROLEUM S.A. transfers to the Greek State 85% of the shares of DEPA, and is listed in the Athens and London Stock Exchanges by offering 23% of its shares for sale. DIAXON is established, a Komotini-based industry for plastic packaging materials. EKO-ELDA acquires PETROLINA, a liquefied petroleum gas company, and G. MAMIDAKIS, an oil marketing company.

### 1999

ELPET - BALKANIKI S.A. is established, with HELLENIC PETROLEUM S.A. as its majority shareholder. ELPET acquires a 54% majority stake in the OKTA AD SKOPJE refinery. Also, 75% of GLOBAL S.A., a marketing company in Albania, is acquired, which then establishes ELDA PETROLEUM ALBANIA SH.P.K.

### 2000

The Greek State offers to the public a second package of HELLENIC PETROLEUM S.A. shares, with a parallel equity increase of the company. HELLENIC PETROLEUM S.A. increases its interests in DEPA to 35%, in GLOBAL to 86.4% and in OKTA, through ELPET, to 69.5%. It holds an interest of 34% in the ATHENS INTERNATIONAL AIRPORT FUEL PIPELINE COMPANY and 25% (through EKO-ELDA) in SAFCO S.A.

### 2001

HELLENIC PETROLEUM INTERNATIONAL A.G. is set up as a 100% subsidiary of HELLENIC PETROLEUM S.A., based in Vienna, Austria, with a share capital of €70,000.

### 2002

The Company increases its holding in GLOBAL to 99.96%. HELLENIC PETROLEUM - POSEIDON MARITIME COMPANY is established as a 100% subsidiary of HELLENIC PETROLEUM S.A. Also, 54.35% of the shares of JUGOPETROL AD KOTOR and 100% of BP CYPRUS, which is renamed HELLENIC PETROLEUM CYPRUS, are acquired. The subsidiary EKO-ELDA establishes EKO-YU-AD-BEOGRAD and EKO ELDA BULGARIA EAD, in order to expand its commercial activities to Serbia and Bulgaria respectively.

### 2003

PETROLAHELLASA.E.B.E. is merged by absorption to HELLENIC PETROLEUM S.A. The subsidiary companies THESSALONIKI ENERGY, for the construction of a power generation plant, HELLENIC PETROLEUM - APOLLO MARITIME COMPANY and EKO NATURAL GAS S.A. are established. Also, a consortium is formed with WOODSIDE ENERGY of Australia (45%) and REPSOL of Spain (35%) for the exploration and production of hydrocarbon in regions of Libya.



## 2004

The Group, through its subsidiary ELPET BALKANIKI increases its stake in OKTA AD SKOPJE of FYROM from 69.5% to 81.51% through an equity increase of the latter, during which the remaining shareholders relinquished their related rights.

## 2005

The power generation plant at the Industrial Complex of Thessaloniki is completed and put into commercial operation. During the same year HELLENIC PETROLEUM FINANCE PLC, with the purpose of providing financial services, and HELLENIC PETROLEUM INTERNATIONAL CONSULTING S.A. are established.

## 2006

The establishment of subsidiary HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES S.A., with the purpose of producing, distributing and trading renewable sources of energy, is approved.

Through this new subsidiary, HELLENIC PETROLEUM S.A. participates with a 25% interest in BIODIESEL S.A., which is going to found a biodiesel production plant in Greece, together with the companies: VIOCHALKO S.A., HELLENIC FABRICS S.A. AND PRIMA HOLDINGS S.A., with a 25% interest each.

## 2007

In the power generation sector, a Memorandum of Cooperation is signed, between parent company HELLENIC PETROLEUM S.A. and Italian EDISON SpA. This memorandum provides for the establishment of a joint venture between the two Groups, aiming at the creation of a complex energy portfolio with a capacity of 1,500MW-2,000MW.

In the sector of Exploration and Production of hydrocarbons two concession agreements are signed, in Egypt, for the regions of West Obayed and Mesaha.

## 2008

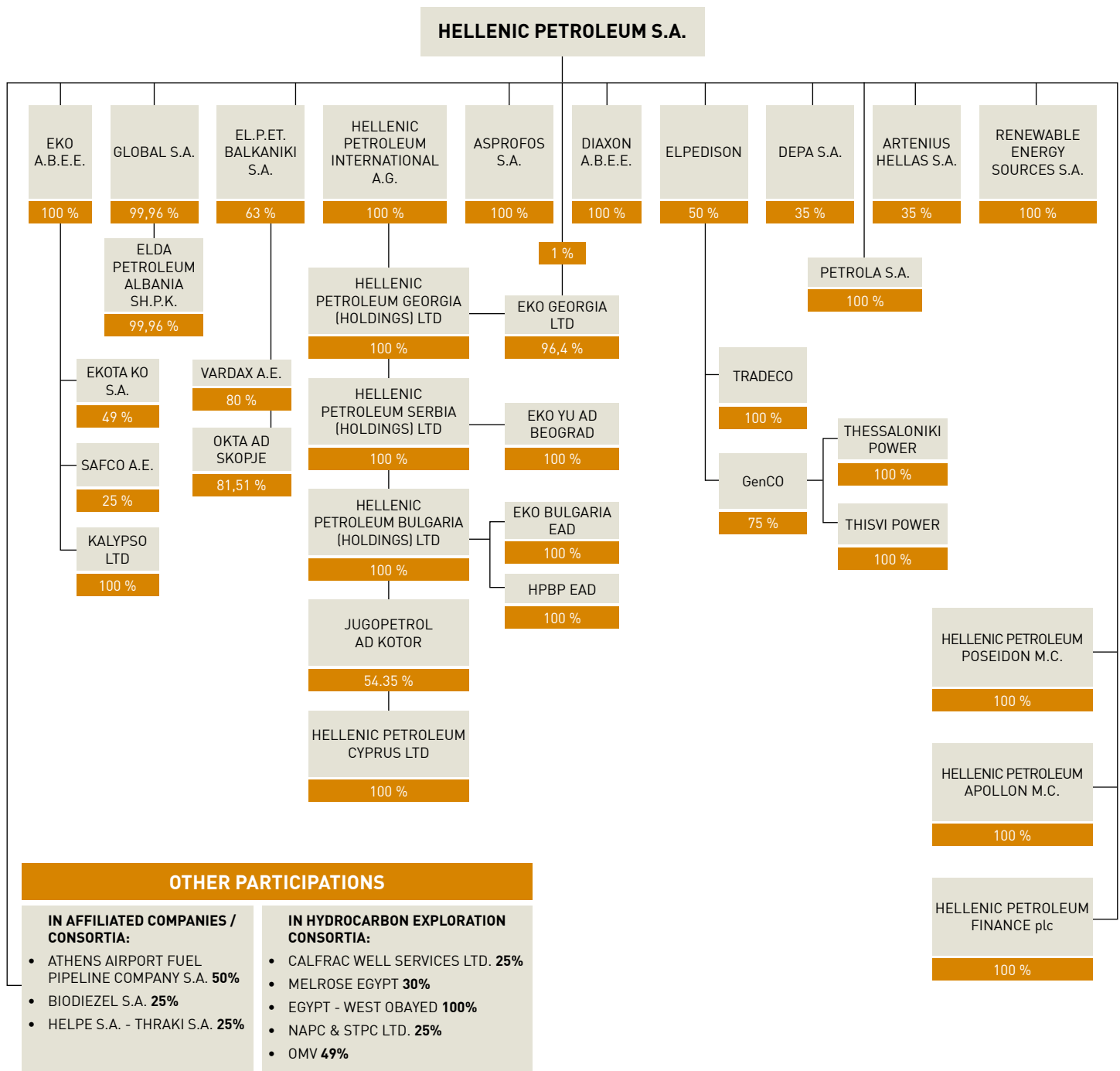
In the Chemicals Trading sector, a significant agreement is concluded between HELLENIC PETROLEUM S.A. and INEOS CHLORVINYLS, one of the largest companies for the production of chlor-alkaline products, for distributing resins in Greece. The agreement between HELLENIC PETROLEUM S.A. and EDISON SpA is concluded. Furthermore, the rights for the exploration and production of hydrocarbons in Libya are transferred to the French-Belgian energy group GDF Suez. In the sector of fuels marketing abroad, 100% of Opet Aygaz Bulgaria EAD in Bulgaria is acquired, thus enhancing the development of the Group's marketing portfolio in south-eastern Europe.

# Group's Management

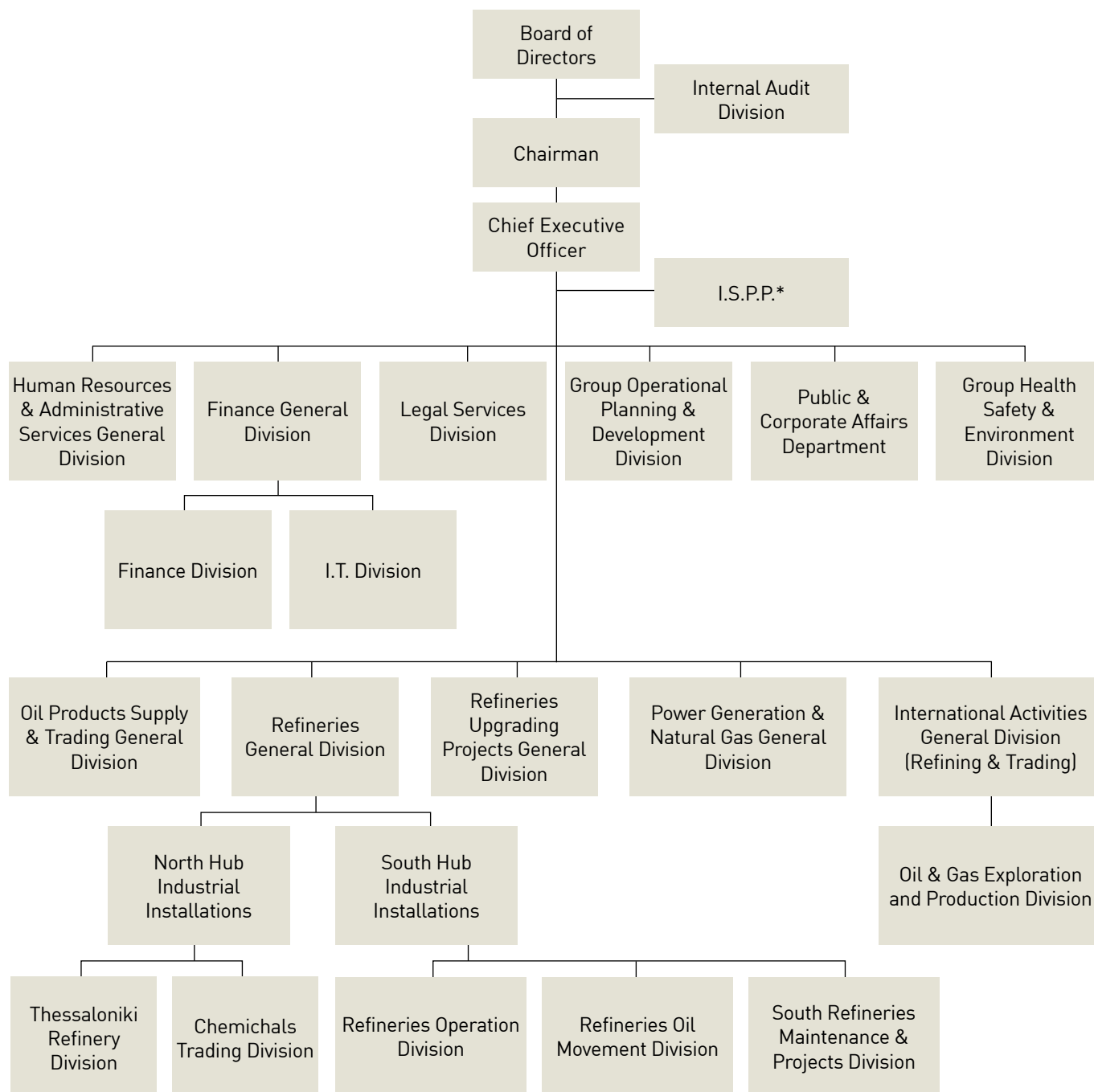
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HELLENIC PETROLEUM's Board of Directors has 13 members.  
Its composition is the following:

<b>Efthymios N. Christodoulou</b>	Chairman-Executive Member of BoD
<b>John Costopoulos</b>	Chief Executive Officer- Executive Member of BoD
<b>Theodoros-Achilleas Vardas</b>	Executive Member of BoD
<b>Georgios kallimopoulos</b>	Non-Executive Member of BoD
<b>Panagiotis Pavlopoulos</b>	Non-Executive Member of BoD
<b>Vassilios Bayiokos</b>	Non-Executive Member of BoD
<b>Ioulia Armagou</b>	Non-Executive Member of BoD
<b>Elisabeth Tipaldou-Loverdou</b>	Non-Executive Member of BoD
<b>Nikolaos Pefkianakis</b>	Non-Executive Member of BoD
<b>Alexios Athanasopoulos</b>	Non-Executive Member of BoD (employees' representative)
<b>Panagiotis Ophthalmidis</b>	Non-Executive Member of BoD (employees' representative)
<b>Dimitrios Miliakos</b>	Non-Executive Member of BoD (minority shareholders' representative)
<b>Iason Stratos</b>	Non-Executive Member of BoD (minority shareholders' representative)



## Management structure of HELLENIC PETROLEUM S.A.



\* Internal Service for Protection and Prevention

# Corporate Governance

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The Board of Directors is the supreme administrative body of the Company and is elected by its Shareholders' Meeting.

It consists of thirteen (13) members and its term of office is five years:

- Seven (7) members are appointed by the State.
- Two (2) members are appointed by the corporate shareholder under the name "Paneuropean Oil and Industrial Holdings S.A." or its associated companies.
- Two (2) members – minority shareholder representatives are appointed by the Special General Meeting of the remaining minority shareholders.
- Two (2) members – representatives of the Company's employees are elected by direct and universal voting and through the simple proportional representation system by the employees.

The Board of Directors, in its formation into body, defines the status and responsibility of its members as executive or non-executive. The number of non-executive members of the Board of Directors cannot be lower than the 1/3 of its total number of members.

The Board of Directors elects among its members the Chairman and the Managing Director and, following the Managing Director's proposal, appoints the General Directors and the Directors I of the Company.

The Group Internal Audit Division I, which is supervised by non-executive members of the Board of Directors, directly reports to the Board of Directors.

Its main mission is to schedule, coordinate and apply an optimum and effective internal audit on the systems and procedures of the Company and its subsidiaries, through ordinary, extraordinary and special audits, of which conclusions are utilized by the Management in order to ensure the lawful, normal and efficient operation of the Group.

## Board of Directors Committees:

They consist of the Board of Directors members (executive or non-executive) and they are appointed by the decision of the Board of Directors to which they report, and are as follows:

### **Internal Audit Committee (consisting of 3 non-executive members).**

This committee's role is to supervise the Group Internal Audit Division I, pursuant to the provisions of Law no. 3016/02 and those resulting from the execution of its work.

### **Oil Products Procurement Committee (consisting of the Board of Director's Chairman, the Managing Director and 1 non-executive member).**

This committee's role is to award tenders and approve oil products procurements, following a unanimous decision of the committee's members, between two Board of Director's meetings regarding purchasing, selling and transporting crude oil and products thereof, worth over 100 million Euro.

### **Financial and Financial Planning Committee (consisting of 1 executive member and 2 non-executive members).**

The main duties of this committee are:

- To examine, in co-operation with the General Financial Services Division and the Chartered Auditors, the annual audit plans.
- To examine matters regarding the Chartered Auditors of the Company, their appointment, their term of office or their retirement
- To be informed by the Managing Director, the General Financial Services Division and the Chartered Auditors regarding important risks or business exposures and to decide upon all necessary measures in order to minimize the risk for the Company.



- To examine, in co-operation with the Managing Director and the Chartered Auditors, all corporate and consolidated financial statements and their related annexes, as well as the quarterly and semi-annual statements, when necessary, before their submission to the Board of Directors and to ascertain
  - All changes in the drawing method.
  - Aspects requiring special crisis decisions.
  - Important readjustments occurring from the audit.
  - Keeping of accounting principles and records.
  - Compliance with the laws and the Stock Market regulations.
- To examine the financial planning of the company.

#### **Compensation and Succession Planning Committee (consisting of 3 non-executive members and 1 executive member).**

This committee suggests and proposes to the Board of Directors the compensation, benefit and economic incentive policy for the chief executives of the company. More specifically:

- It proposes the Company's policy on compensation and benefits to chief executives, which the Managing Director's decisions shall be based on.
- It proposes the policy on compensation and benefits to chief executives, which the decisions of the Board of Directors will be based on.
- It proposes to the Managing Director, the total compensations (fixed and variable, including all stock option rights) to the Board of Directors's executive members and the chief executives of the company as well.
- It introduces to the Board of Directors and, through it, to the Shareholders Meeting the total amount of compensation to be paid to the Board of Directors's chairman and the Managing Director.
- It provides for the immediate and appropriate succession of the General Managers and the chief executives of the Company and submits all related suggestions to the Managing Director.

#### **Major Infrastructure Procurement Regulations Committee (consisting of the Chairman of the Board of Directors, the Managing Director and 1 executive member).**

This committee's role is to approve orders of 10-40 million Euro, regarding the enhancement work in the Elefsina and Thessaloniki Industrial Facilities.

#### **Labour Issues Committee (consisting of 1 executive member and 1 non-executive member).**

The aforementioned members, together with the President of the most representative employees' union or his deputy, constitute the Labour Issues Committee, pursuant to the Internal Employment Regulation of the Company.

### Other committees:

These indicatively include:

#### **Strategic Planning and Development Council.**

This Council, which is supervised by the Board of Directors Chairman, discusses and processes issues of strategic planning and development of the Company, and periodically monitors the implementation of the business and investment plan.

#### **Group Executive Committee.**

This committee decides upon strategic matters regarding business actions

of the Company subsidiaries within the country and abroad, as well as the General Divisions, Divisions I and Divisions, directly reporting to the Managing Director of HELLENIC PETROLEUM S.A.

More specifically, it approves the business plan of each business unit, monitors its implementation, any variations in the progress of the work and the total economic and operational results of the Group's activities. Furthermore, it prioritises operations, decides on issue management policies and coordinates action plans of the individual business units of the Group. The Executive Committee decides on – or, when required, forms proposals, which shall be submitted by the Managing Director to the Board of Directors of HELLENIC PETROLEUM S.A.

#### **Investment Committee.**

This committee, which is supervised by the Oil Product Supply & Trade Managing Director, discusses and processes issues regarding the approval and implementation of investments on industrial facilities of the Company, on Electricity Production and on hydrocarbon Research and Production and periodically monitors the implementation of these investments.

Moreover:

- It performs an audit (post investment audit) promptly after the investment and then again, after 1 and 3 years from its conclusion.
- It approves, before the Executive Committee, the 5-year and the annual investment plan of the Group.



### **Group Human Resources Committee**

This committee, supervised by the Chief Executive Officer of HELLENIC PETROLEUM S.A., decides or advises the Administration on strategic matters in the area of Human Resources. It oversees the correct configuration and implementation of these decisions, so as to achieve the smooth and effective functioning of the companies in the Group and to ensure a competitive advantage for the Group, through an optimal system of attraction, evaluation, rewards, incentives, development and advancement of the employees, and to create a common group culture, strengthening constructive internal communication.

The basic competences of the commission are:

- Adoption and revision of systems, political and procedural, which relate to Human Resources.
  - Specification of basic principles and guidelines for a five year business program on matters of Human Resources.
  - Determination and programming of needs coverage for senior and executive managerial positions.
  - Determination and programming of the required qualifications for the employment of new personnel.
  - Biannual configuration of the Organizational Structure.
  - Development and managerial staff development program, as well as training of personnel.
  - Program for the configuration of a unified group culture.
  - Drafting framework for Business Collective Labour Agreements, Internal Labour Regulations and guidelines for Safety Personnel for each company in the Group.
- Guidelines for strategic internal communication.
  - Action guidelines for the alignment of managerial staff and personnel with the business targets of the Group.
  - Investigation of employment satisfaction of personnel.

Further, it advises the Compensation and Succession Planning Committee on the policies of remunerations and benefits for senior and executive managers, as well as providing suggestions for the succession program at senior and executive hierarchy levels of the Group.

# 2.

## Corporate Activities

### **Business Principles and Values**

- Priority to Safety
- Protection and respect of the Environment
- Respect for the client
- Predominant emphasis on human factor
- Focusing on results
- Continuous improvement of competitiveness
- Constant development of know-how in the sectors of our activity
- Emphasis on social responsibility (CSR)
- Transparency in all areas



## Group's Strategic Goals

The Group's strategy is defined along three core business streams and supported by two enabling streams, as follows:

### 3 core business streams:

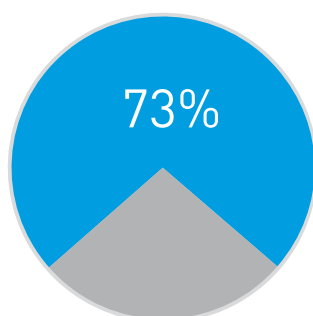
- 1) Upgrade & Strengthen Domestic Refining & Marketing:
  - Upgrade Refining assets
  - Improve Refining operating efficiency
  - Increase Marketing competitiveness
- 2) Manage Business Portfolio for Value and Growth:
  - Leverage position in Petrochemicals
  - Grow Gas & Power businesses
  - Manage Exploration & Production portfolio for value
- 3) Expand International Refining & Marketing
  - Secure Balkans expansion
  - Consider acquisition options
  - Investigate east-Mediterranean opportunities

### 2 enabling streams:

- 1) Create best practice organisational structures:
  - Align corporate structure to strategic vision
  - Provide competitive support services for enhanced business unit performance
- 2) Motivate & empower people:
  - Build an integrated and high performance culture
  - Set up world class human resource systems and capabilities

## Oil Refining

Contribution to 2008  
operating results



The refining sector is the core of the Group's business, accounting for the greatest part of assets and investments.

In Greece, the Group owns and operates three refineries, in Aspropyrgos, Elefsina and Thessaloniki, with nominal annual refining capacity of 7.5 million, 5 million and 3.4 million tons of crude oil respectively. The three refineries, combined, cover 76% of the country's total refining capacity.

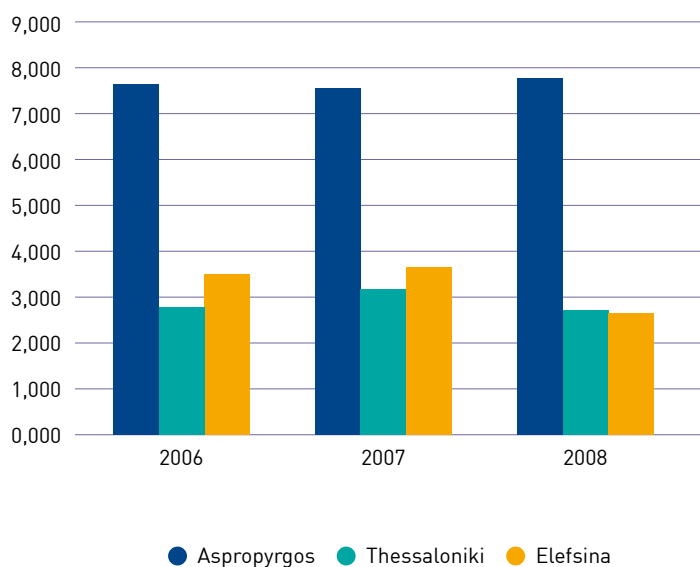
Since 1999 the Group, via its subsidiary company EL.P.ET. BALKANIKI, holds and operates the OKTA refinery in Skopje -FYROM, with nominal annual capacity of 2.5 million tons.

### Key Indicators

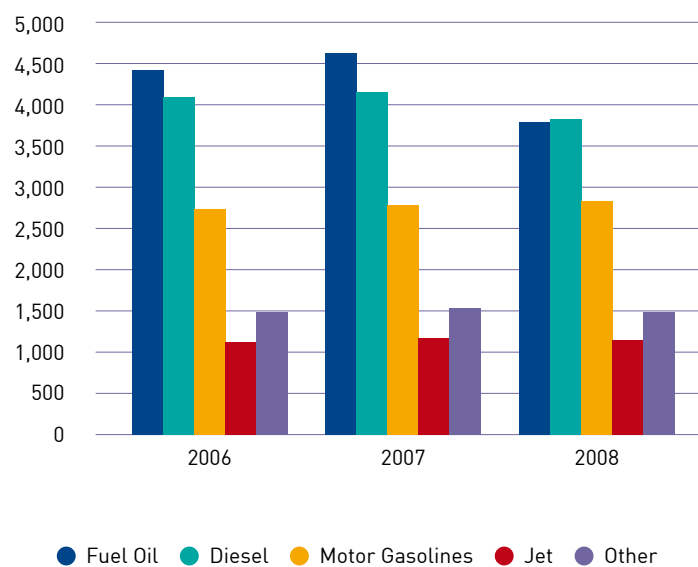
	2007	2008
Sales volumes (million tones)	17,130	16,997
Adjusted EBITDA* (€ m)	322	374

\* adjusted for inventory effects and non-operating items

Total production of the Group's refineries in Greece



Total production, per product, of the Group's domestic refineries



## Aspropyrgos Refinery

The Aspropyrgos refinery is of a complex type and one of the most modern refineries in Europe. It has a large number of refining units and capability to convert heavy oil products to white products of a higher added value. These conversion units, with a very high complexity index, constitute the refinery's main advantage. The fluid catalytic cracker (FCC) is the main conversion unit, with a nominal capacity of 45,000 barrels per day. The unit processes atmospheric residue and desulphurized vacuum gas oil (VGO) to produce white products.

After significant projects, related to the units' revamp and the upgrade of the distribution network, the Aspropyrgos refinery has been operating in full compliance with the new environmental regulations and the up to date safety requirements, improving at the same time its efficiency and its contribution to the Group's results.

The refinery supplies the Group with high octane gasoline (100 RON), with strict environmental specifications (10 ppm S) and covers the 80% of the total Group's production in gasoline products. It also produces and distributes Auto Diesel of 10 ppm S.

The Aspropyrgos refinery is very flexible as far as the production, storage and distribution, of all types of finished products, are concerned.

It owns a large private harbour, has modern tanker and rail terminals, an extensive crude oil distribution pipeline network from Pachi - Megara, and a distribution pipeline for finished and semi-finished products from and to the Elefsina refinery. It is also connected, through a fuel pipeline, to the "Eleftherios Venizelos" Athens International Airport, having the main responsibility for fuel supply.

## Elefsina Refinery

The Elefsina refinery is of a topping type (atmospheric distillation). It has a hydro-desulphurization unit, with an annual capacity of 800,000 tons of diesel. Of major importance are the large storage areas of 3.35 million tons of crude oil and oil products, the large private port with facilities for loading and unloading petroleum products, simultaneously, up to 17 large vessels, as well as the modern station, with 18 berths, for the loading of tankers.

The Elefsina refinery is connected, via a fuel pipeline, with installations in Pachi - Megara, as well as with the Aspropyrgos refinery.

A full conversion upgrade of the Elefsina refinery is currently underway, a project budgeted at €1.2bn and with strong projected returns. The refinery upgrade, which start-up is planned for 1011, will significantly enhance the group's competitiveness, as it increases production of white products at the expense of fuel oil and raises the nelson complexity from 1.5 to 7.2. At the same time, the project will reduce significantly all emissions and contribute to the country's security of supply by allowing the processing of high sulphur crude.



## Thessaloniki Refinery

The Thessaloniki refinery is of a hydroskimming type. It has a vacuum distillation unit, desulphurization units, naphtha reforming units and hydro-desulphurization units.

It has two tanker loading stations, with 41 berths, and rail terminals with 5 berths. Moreover, the refinery has storage areas, of 1,161 million m<sup>3</sup>, for oil products.

It is the only refinery operating in northern Greece, and has the capacity of supplying both the domestic market and the neighboring Balkan countries, with all types of fuel.

The refinery's environmental performance is continuously improved through upgrades and investments in desulphurization units, which will improve the products quality.

Note that the Thessaloniki refinery is being upgraded, by debottlenecking distillation capacity and adding a 15kbpd continuous catalytic reformer. This €200m project, which is expected to be completed in 2010, will support regional gasoline and diesel consumption and further enhance Group profitability via increased margins.

The refinery operates in conjunction with the Aspropyrgos and Elefsina refineries as an integrated production unit. The moorings, the large storage areas, the loading and unloading facilities and the existing linking up pipeline network, allows the products transport and exchange among the three refineries. The pipeline network between the Thessaloniki refinery and the OKTA refinery (in FYROM) facilitates the crude oil supply of the latter.

Also, petrochemical production units are in operation in the refinery complex.

The three domestic refineries of the Group together have storage tanks of 6.65 million m<sup>3</sup>. In this way, the Group's dominant position in the Greek market is further strengthened.

## OKTA Refinery

The OKTA refinery, in Skopje-FYROM, is of a hydroskimming type, with a storage facility of 250,000 m<sup>3</sup>. It is supplied, with crude oil, through a pipeline from the Thessaloniki refinery. Its production consists mainly of gasoline, diesel, fuel oil and small quantities of jet fuel and liquefied petroleum gas (LPG).

Over the last few years important steps have been taken towards the reduction in the emission of air pollutants at the OKTA refinery, with the main investment being in the unit for sulphur recovery, with the aim of reducing the emission of sulphur dioxide into the atmosphere.



## 2008 highlights

In 2008 the refineries of Aspropyrgos, Elefsina and Thessaloniki processed 7.29, 2.71 and 2.75 million tones of crude oil, respectively, and produced 12.2 million tones of products in total.

The total sales of products and goods of the domestic refineries of the Group amounted to 15.9 million tones, of which 9.6 million tones were directed to the domestic market and 4.3 million tones to the international sales market (transit), whereas exports amounted to 2.0 million tones.

The OKTA refinery processed 1,076 thousand tones of crude oil (1,063 thousand tones in 2007), produced 1,037 thousand tones of products (1,042 thousand tones in 2007), and distributed 1,113 thousand tones, of which 739 thousand were absorbed by the local market.

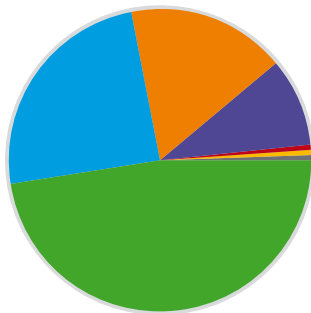
New projects were completed in the three domestic refineries of the Group, for the production of environmentally friendly products according to the new specification demands, which have applied since 01.01.2009, as well as infrastructure projects, with the aim of improving the functionality of the plants.

In the Elefsina and Thessaloniki refineries there was progress in the implementation of important investments for the installations development, which are aimed at the improvement of products, making them friendlier towards the environment, with a simultaneous important reduction of emissions. These investments have all the characteristics of sustainable development and will contribute to the improvement of competitiveness of the refineries.

- Negative influence on the results due to a large drop in the price of crude oil. Excluding however the negative influence of the evaluation of the oil reserves, profitability was reinforced due to an improvement of the refining margins during the second semester of the year and the continuous functionality improvements.
- Increase in market share and improvement of the products sales mix.



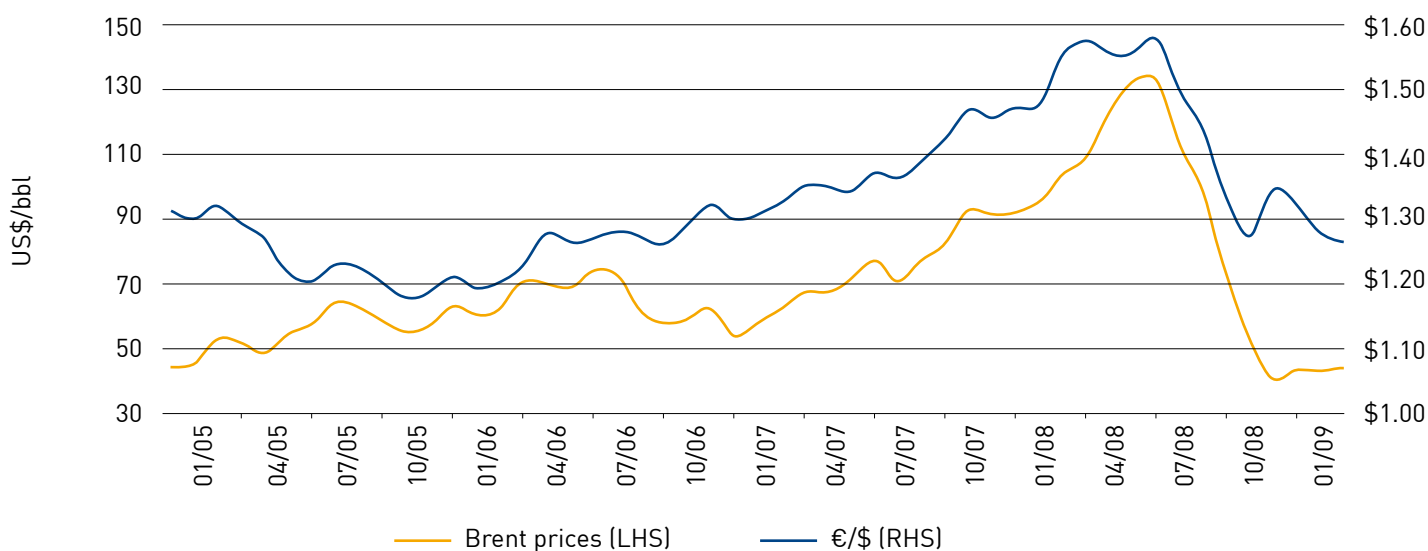
## Crude oil imports in 2008



- Russia (47.5%)
- Iran (24.5%)
- Libya (17.0%)
- Saudi Arabia (9.4)
- Azerbaijan (0.5%)
- Kazakhstan (0.6%)
- Prinos (0.5%)

The crude oil supplies, for the refineries in Greece and the OKTA refinery, are centrally coordinated. Crude oil was sourced from: Saudi Arabia, Iran, Libya, Azerbaijan, Prinos, Kazakhstan and Russia.

## Crude Oil prices vs €/€



## Industry Overview

During 2008, the global economic growth rate slowed down significantly compared to 2007, due mainly to the global financial crisis. Global GDP growth, according to the IMF, is estimated at 3.7% for 2008, compared to 5% the year before.

In the US, GDP growth was 1.4% and in Japan 0.5%, while in the Eurozone the equivalent growth rate was lower by 1.4% compared to 2007, at 1.2%. The equivalent GDP growth in Greece was 3.1%.

During 2008 the average exchange rate between the Euro and the US Dollar was around \$1.47, higher in comparison to the average level of 2007 (\$1.37). The average price of Brent crude oil (Platt's Dated) for 2008 was \$96.99/bbl versus \$72.52/bbl in 2007. Despite the 33.7% increase on a y-o-y basis, the average Brent price in the 4th quarter of 2008 fell to \$54.91/Bbl, due to the global economic crisis.

Complex refining margins fell in 2008, with benchmark cracking margin in the Mediterranean dropping to \$6.76/bbl from \$7.07/Bbl in 2007. Simple refining margins followed a similar trend in 2008.

## Business Objectives and Perspectives

Oil demand is expected to decline on a global level in 2009, due to the global recession, resulting in the global surplus production capacity keeping prices at low levels.

The sector's profitability depends on the evolution of international refining margins, as well as movements in the euro - dollar exchange rate. Cracking refining margins that were slightly higher in 2008 compared to 2007 are expected to decline slightly in 2009, due to the global economic crisis. It is estimated that the same will happen to the simple refineries' margins. The average euro - dollar exchange rate in 2009 is not expected to be significantly different to the average exchange rate of 2008 and is therefore not expected to affect the sector's profitability.

HELLENIC PETROLEUM refining production will be maintained at high levels in 2009. However, it will be slightly lower compared to 2008, due to the scheduled, every five years shutdown of the Aspropyrgos refinery for general maintenance, which will last for one month.

The Aspropyrgos refinery profitability, which continued to be better than the international benchmarks in 2008, will be further enhanced due to the implementation of a targeted action schedule to increase refining margins. Similar actions have been scheduled for 2009 at the Thessaloniki and Elefsina refineries.

The implementation of investments will continue concurrently in 2009; they aim at economizing in energy at existing facilities and the improvement of environmental performance of the refineries.

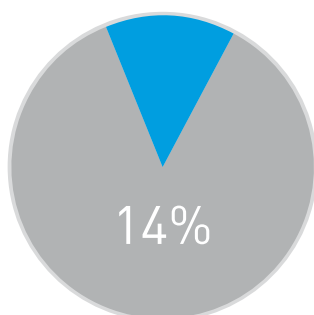
In this context, new projects have been completed in 2008 at all three refineries, to produce products friendly to the environment and to adapt to the new specification requirements that apply from 01.01.2009, as well as the infrastructure projects, aiming at the functionality improvement of the facilities.

The implementation of significant upgrade investments have been started at the Elefsina and Thessaloniki refineries, aiming at producing improved products, friendlier to the environment, and providing highly significant emission reduction. These investments have all the characteristics of the sustainable development projects and will contribute to the improvement of the refineries' competitiveness.

## Fuels Marketing

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Contribution to 2008  
operating results



In addition to ex-refinery sales to retail companies, the HELLENIC PETROLEUM Group is also active in downstream retailing of petroleum products, both in Greece, through its subsidiary EKO A.B.E.E. and abroad, through subsidiary companies in Cyprus, FYROM, Georgia, Bulgaria, Serbia, Montenegro and Albania.

In Greece, the Group has an extensive network of 1,245 fuel stations (out of a total of 8,000), 13 bulk storage and supply terminals, 23 aircraft refuelling stations in the country's main airports, 3 LPG bottling plants and 1 lubricant production and packaging unit.

The Group's retail companies in Greece and abroad are mainly supplied by the Aspropyrgos, Elefsina and Thessaloniki refineries.

Fuels Marketing in Greece and abroad.

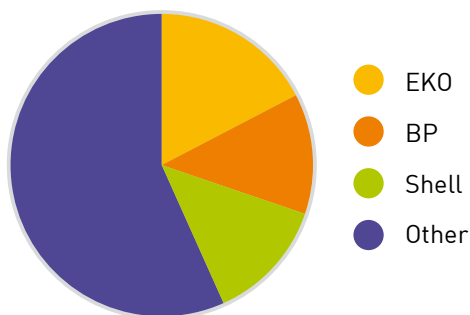


## 2008 highlights

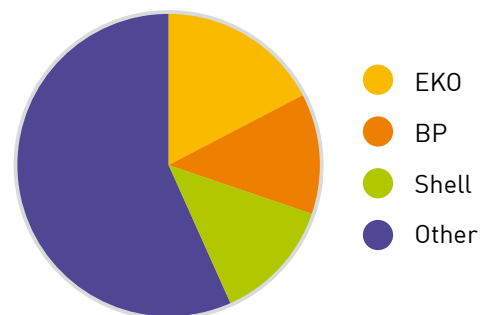
The total sales volume of EKO reached almost 3.85 million MT (-9.6% compared to 2007), with a 4.2% drop in inland market sales and a 15.2% drop in aviation and marine fuel sales. EBITDA reached €31.4m, a 34.7% fall compared to the previous year.

As part of the restructuring of the retail footprint, in 2008, 34 company-controlled petrol stations were added to the retail network, while dealer-owned sites decline by 49. As a result, company-controlled stations account for 25% of the total network, versus 22% in 2007.

Inland market sales



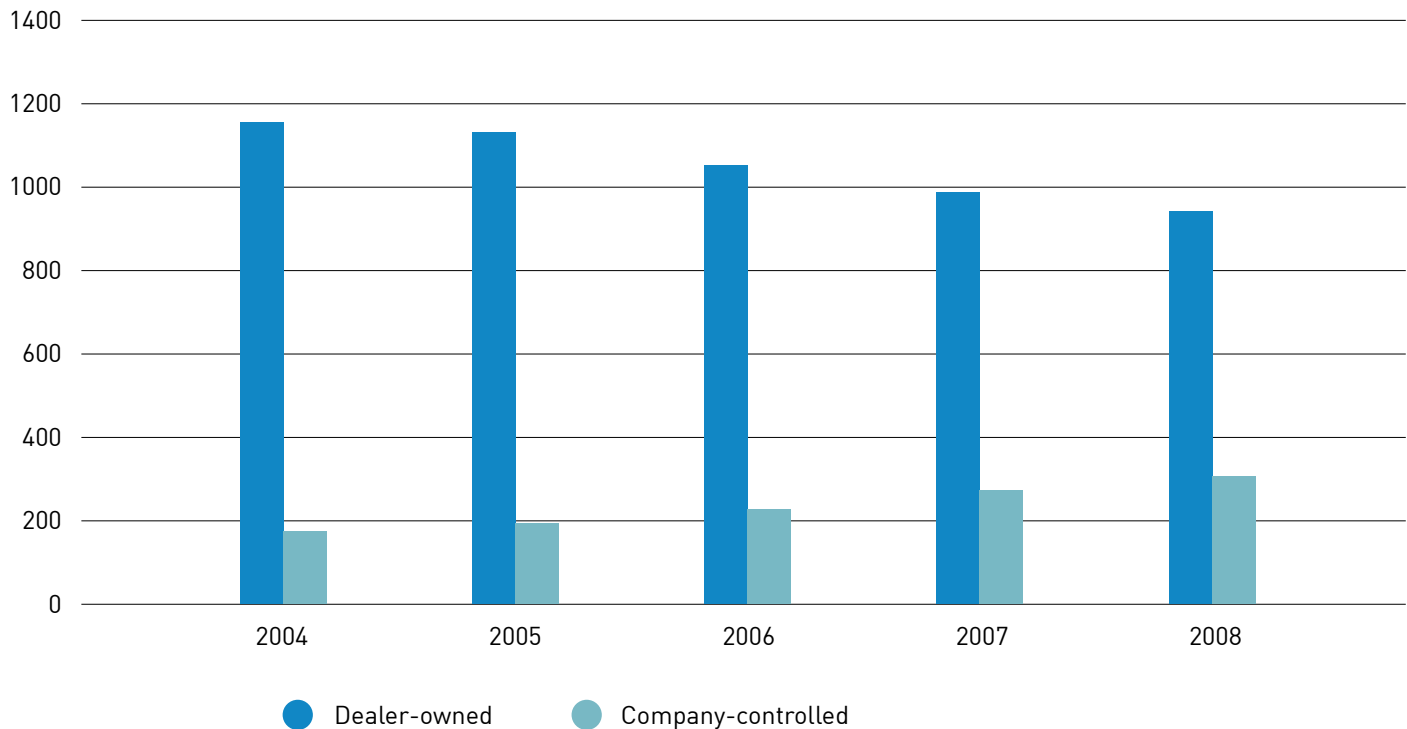
Aviation and marine fuels market shares







## Development of EKO's fuel stations network in Greece

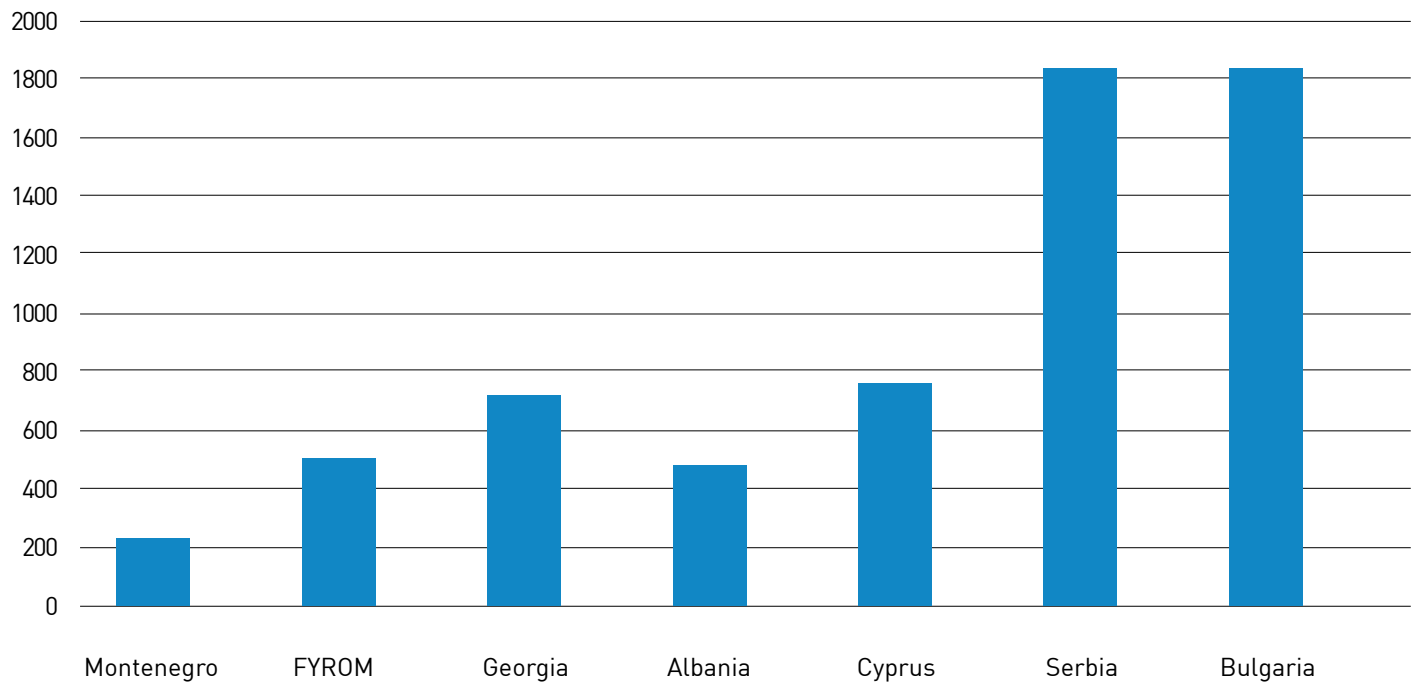


With regards to international marketing, HELLENIC PETROLEUM Cyprus maintained its leading position in the domestic market and its high profitability in 2008. It is estimated that continuous action will contribute to the maintenance and further development of the company's activities in the Cypriot market during this negative juncture for the global economy.

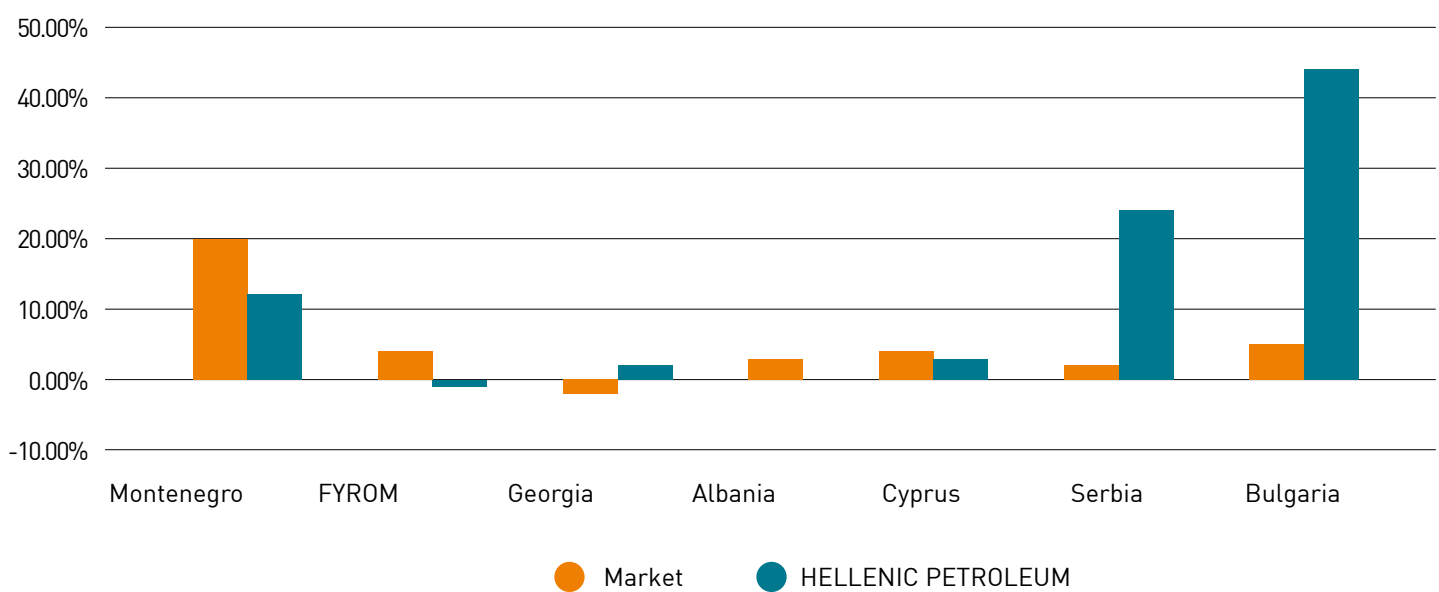
The development of the company-owned service station network in Serbia and Bulgaria continued at a fast pace. In 2008, Bulgaria's Opet Aygaz was acquired, which operates a network of 17 service stations, and owns storage areas. The extension of activities of our subsidiaries abroad ensures the continuation of their dynamic presence in local markets, improves network performance and response to challenges expected to present themselves.

Sales abroad increased in 2008 by 8.5% compared to 2007. The main markets of Serbia and Bulgaria saw an increase in volume of about 30%, with a significant expansion of the fully-owned service station network. The total size of our international retail network rose to 303 petrol stations, up by 19% since the end of 2007.

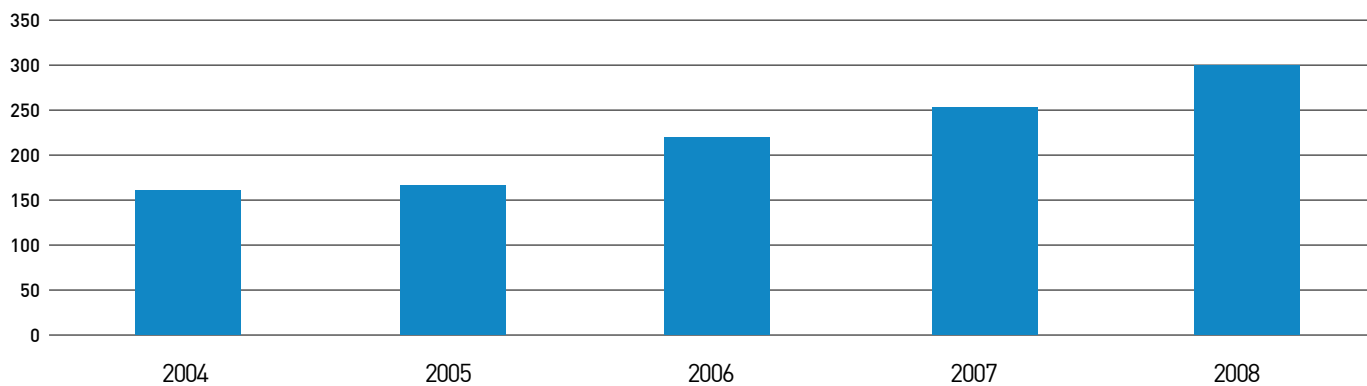
## Market sizes in S.E. Europe (in thousand tones of fuel oil and diesel)



## Growth: S.E. Europe vs HELLENIC PETROLEUM in 2008



## Evolution of fuels stations network in S.E. Europe



## The number of Group's fuel stations abroad, per country



Country	2007	2008
EKO-Bulgaria	49	74
EKO-Serbia	37	46
EKO-Georgia	17	17
JPK (Montenegro)	39	42
Global (Albania)	10	10
OKTA (FYROM)	27	36
HPC (Cyprus)	73	78
<b>Total</b>	<b>252</b>	<b>303</b>

## Key Indicators

<b>Domestic marketing</b>	<b>2007</b>	<b>2008</b>	<b>International Marketing</b>	<b>2007</b>	<b>2008</b>
No. of petrol stations	1,260	1,245	No. of petrol stations	252	303
Sales volumes (000's tones)	4,258	3,850	Sales volumes (000's tones)	978	1,051
Sales (€m)	2.022	2.365	Sales (€m)	647	856
EBITDA (€m)	41	32	EBITDA (€m)	33	38

## Business Objectives and Perspectives

As far as the Greek fuels and lubricant market is concerned, 2009 is expected to be characterized by a decrease in demand due to the internationally high oil prices and the high intensity in competition for market share. The continued expansion of the company-controlled network of petrol stations and the systematic restructuring of the remaining network for the purpose of improving the services offered to consumers as well as the improvement of the company's competitiveness will be the main strategy and activity focus.

Internationally, it is expected that Jugopetrol Kotor, our marketing subsidiary in Montenegro, will further strengthen its leading position in the local market by applying a functional transformation plan and will therefore respond more effectively to the intensifying difficulties in the global economic environment.

## Production & Trading of Petrochemicals/Chemicals

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The Group owns and operates the largest petrochemicals / chemicals complex in Greece. The complex is located at Thessaloniki and produces polypropylene, industrial aliphatic solvents (white spirit, hexane, etc.) and caustic soda/chlorine.

The petrochemical units are integrated with the Thessaloniki refinery and use pentane, naphtha and light kerosene as raw materials for the industrial solvents production units. The petrochemical units are using the refinery's common infrastructure, including auxiliary supplies and maintenance.

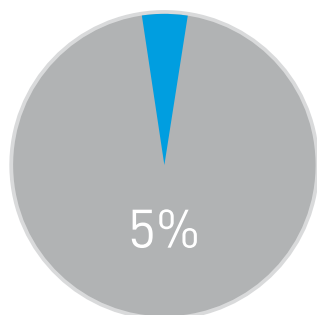
The sector's infrastructure includes storage and distribution

installations for petrochemical products as well as an extensive sales network.

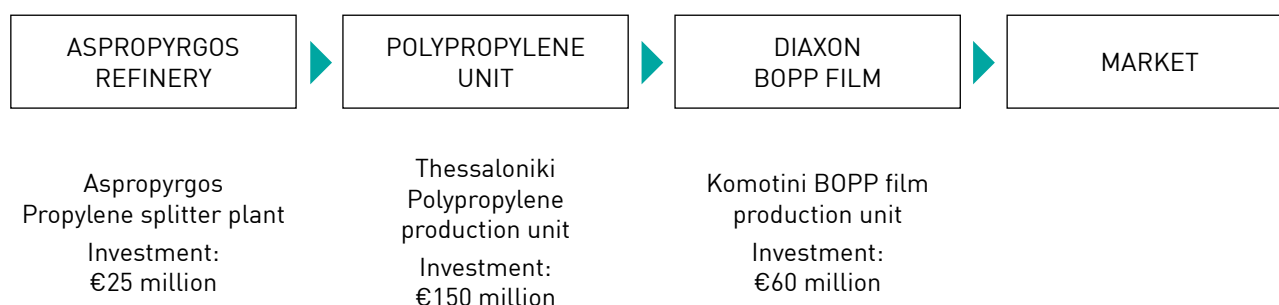
The Group, as the sole producer of petrochemicals in Greece, has a dominant position, with large domestic market shares. In parallel, it holds a 35% interest in ARTENIUS HELLAS S.A., located at Volos, a company that produces the PET resin used in food packaging and beverage bottling. Part of the PET production is sold in Greek market through the Group's chemical sales network.

In the framework of the petrochemicals sector restructuring, the development of new, technologically advanced and high value-added products, the Group has further advanced the vertical integration of production with the construction of the propylene production unit in Aspropyrgos, the polypropylene unit in Thessaloniki and the BOPP film unit in Komotini.

Contribution to 2008  
operating results



## Vertical Integration of Activities



Production of Propylene, Polypropylene and BOPP Film.

## 2008 highlights

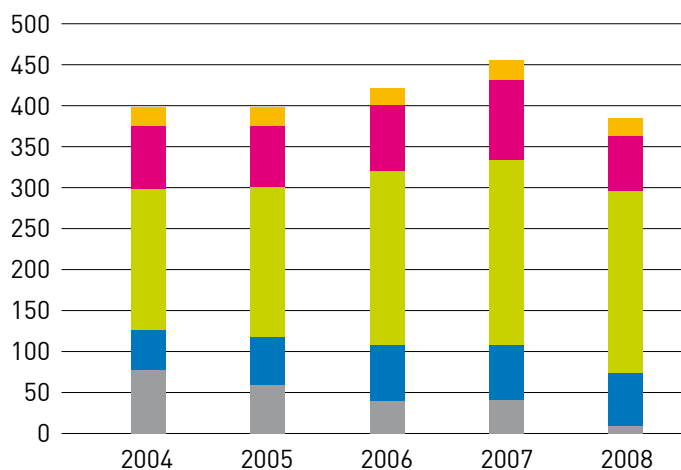
The polypropylene unit is the most important project with an investment of approximately €150 million. The unit has an annual capacity of 220 thousand tons, sufficient to meet domestic processing requirements and to enable exports to neighbouring countries. Propylene is used as a raw material and is transported with special tankers mainly from Aspropyrgos. A part of the unit's production is used as raw material, by the DIAXON plant in Komotini, for the production of the BOPP film.

- Tightening of cost controls and raw material procurement to optimize results
- Exploitation of the fully vertically integrated polypropylene production chain
- Maintained a satisfactory level of sales, despite the negative economic conditions and the declining demand for chemicals globally
- Margin improvement relative to market conditions
- Beginning of PVC commercial activity with INEOS and development of new polypropylene products.
- Our placement in one of the highest positions after assessment from the global research conducted by BASELL among facilities of similar type.

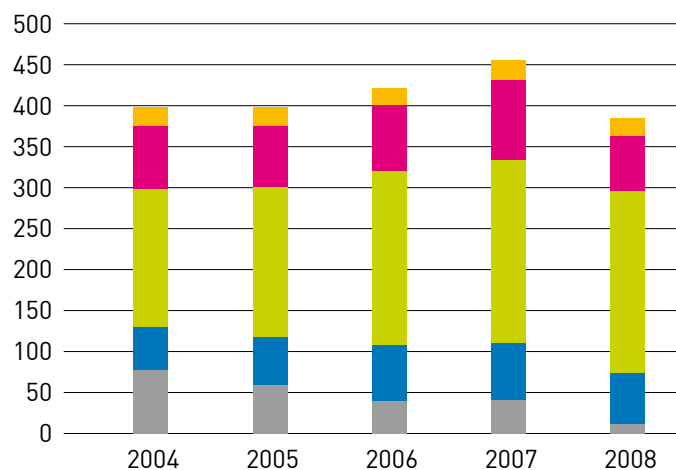
## Key Indicators

	2007	2008
Sales volumes (000's tones)	430	388
Sales (€m)	380	368
EBITDA (€m)	55	26

Production Split (in 000 tones)



Sales Mix (in 000 tones)



● Bopp-Film ● Solvents ● Polypropylene ● Inorganics ● PVC

## Diaxon Plastic Packaging Materials ABEE

The subsidiary DIAXON PLASTIC PACKAGING MATERIALS A.B.E.E. started producing BOPP (Biaxially Oriented Polypropylene) film, as a sub-contractor of HELLENIC PETROLEUM S.A., in 2000. The total investment reached €60 m. The annual capacity of the two production lines is 26 thousand tons.

As mentioned, BOPP film production is the final stage of a vertically integrated production chain, which begins from the Aspropyrgos refinery, with the production of propylene, continues with its conversion into polypropylene in Thessaloniki and ends with the production of BOPP film in Komotini.

The Komotini plant is of state-of-the-art technology and produces all types / quality levels of BOPP film, which the market requires as packaging material. The product has excellent prospects, with a large number of applications (food packaging, adhesive tapes, etc.), which are rapidly increasing due to its outstanding quality characteristics.

BOPP film is distributed through the retail networks of the chemicals sector, while part of the production is exported.



## Business Objectives and Perspectives

The chemical industry internationally is a cyclical, capital intensive industry, with a capacity surplus. Chemical margins present intense fluctuations and are very hard to forecast for a great length of time. 2009 is expected to be a particularly difficult year from the point of view of product demand and competition, due to the global recession.

Based on the expected business environment for 2009, our strategy focuses on maximising the polypropylene and BOPP film operation and maximise financial results depending on market conditions.



## Power Generation Production & Trading

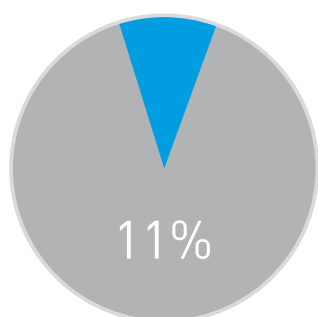
The Group's power activities focus mainly on the production and cross-border trading of electricity.

Since 2005, T-Power has been the first, independent power producer in Greece with a total established capacity of 395MW, using combined cycle natural gas technology and with a maximum production capacity of 3,300,000MWh. The total investment to build this unit amounted to about €250m.

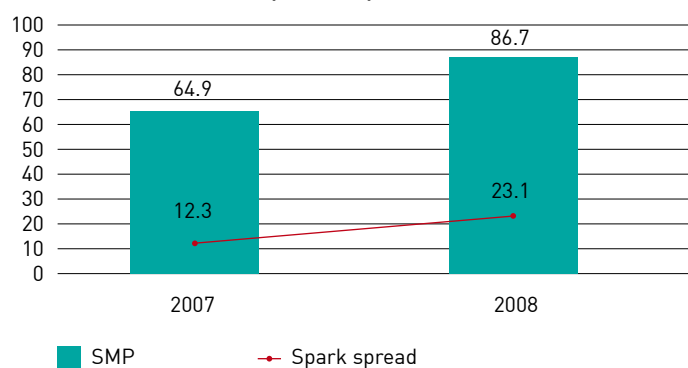
The facility operated for 6,230 hours in 2008, producing approximately 1,837 GWh and consumed 3,800 GWh of natural gas.

Note that, aside from power generation, in 2008 T-Power also engaged in cross-border electricity trading, selling in total approximately 38,000MWh (import-export).

Contribution to 2008  
operating results



SMP and Spark Spread (€/MWh)





## 2008 highlights

Key feature of 2008 was the signing of the strategic alliance agreement between HELLENIC PETROLEUM and Italy's EDISON for the production and trading of electricity. This alliance will take the form of a joint holding company, the aim of which is to become a leading energy company in the Greek market, with a power production portfolio of 1,500 - 2,000 MW.

The Joint Venture started operating in January 2009, therefore T-Power's results were fully consolidated in the Group's 2008 results, however the company's balance sheet has been consolidated in Group accounts via the equity method through the ELPEDISON BV joint venture, in which the Group holds 50%. As a result of the above transaction, the Group's profitability in 2008 was aided by €52.9m.

## Business Objectives and Perspectives

The joint venture with Edison is expected to positively contribute to the Group's profitability in 2009, mainly through development and improvement of the appropriate legal framework that governs the local electricity market and the satisfactory performance of the T-Power producing plant.

### Key Indicators

	2007	2008
Volumes (GWh)	1,878	1,823
Sales volumes (€m)	148	181
EBITDA (€m)	38	54

## Oil & Gas Exploration and Production

Through the Hydrocarbon Exploration and Production Division, the HELLENIC PETROLEUM Group also engages in the exploration and production of hydrocarbons in Greece and abroad. The basic areas of activity are:

### EGYPT

HELLENIC PETROLEUM is active in Egypt in the field of Hydrocarbon Exploration and Production through two Concession Contracts:

1. Concession Contract in the West Obayed area of the Western Desert or a total area of 1,841km<sup>2</sup>. The contract was signed on 05.06.07 with HELLENIC PETROLEUM as exclusive concessionaire and administrator.
2. Concession Contract in the Mesaha area of the Western Desert or a total area of 57,000 km<sup>2</sup>. The contract was signed on 09.10.07 and the companies participating in the consortium are Melrose at 40% (Consortium administrator), HELLENIC PETROLEUM at 30% and Kuwait Energy at 30%.

In order to implement the project at W. Obayed, HELLENIC PETROLEUM established a branch in Egypt, which is conducting the Concession's exploration work. The initial phase of the exploration with geological surveys, 3D seismic records and at least three deep exploratory drillings, will be completed by June 2010, when the first exploration period ends.

The re-processing and interpretation of 3,000 kilometres 2D seismic records and 1,000 km<sup>2</sup> 3D seismic records has

already been completed. In 2008, the recording, processing and interpretation of new 3D seismic records have been conducted also over an area of 1,000 km<sup>2</sup>. The first exploratory drilling is expected to start in the middle of 2009.

The first concession period in the Mesaha area is four years, with the obligation of geological and geophysical work implementation as well as exploration drilling. In 2008, the Consortium implemented geological and geophysical works in accordance with its schedule. The exploration drilling is forecast to be carried out in the later part of the 4-year period year.

The above projects constitute Egypt as the core of HELLENIC PETROLEUM's activities in the field of hydrocarbon exploration and production.

### LIBYA

HELLENIC PETROLEUM, together with Woodside (45%) and Repsol (35%), participated with a 20% stake in a consortium that was awarded an oil and gas licence that allowed for the exploration of 5 onshore blocks located in the Sirte basin and one block in the Murzuq basin. Under the terms of the exploration and production sharing agreement, signed by the consortium and Libya's National Oil Corporation (NOC), the joint venture had also the option to negotiate the terms of the appraisal and development of an additional block, also situated in the Murzuq basin.

As part of the Group's restructuring of its Exploration and Production assets, HELLENIC PETROLEUM evaluated all strategic options regarding its concessions in Libya. Following an international tender, and after obtaining all regulatory approvals, it reached an agreement with the Franco-Belgian GDF Suez to sell its 20% participating interest in the consortium.

The transaction was concluded on 12 November 2008, with the consideration amounting to \$154 million, exceeding our past exploration expenses in the area. Note that, the effective date of the agreement being 1/1/2008, the exploration expenses incurred by HELLENIC PETROLEUM during 2008 (approximately \$20m) were ultimately borne by the purchaser GDF Suez. In addition, the agreement provides for contingent payments in the event of further discoveries.

## MONTENEGRO

The group has been active in Montenegro since 2002, when it acquired 54.35% of the state-owned company, JUGOPETROL A.D. KOTOR (JPK). JPK owns the hydrocarbon exploration and exploitation rights in three offshore areas in Montenegro.

In accordance with the Concession Contract, the exploration and exploitation activities in these areas are conducted through JPK's consortia with foreign companies. The Consortium company shareholding was as follows:

- Blocks 1&2 (1,130km<sup>2</sup> and 3,710 km<sup>2</sup> respectively): MEDUSA (Montenegro) 40%, HELLENIC PETROLEUM INTERNATIONAL AG 11%, JPK 49%.
- Blocks 3 (3,930 km<sup>2</sup>): MEDUSA OIL & GAS 40%, JPK 60%.

The Montenegro Government unilaterally decided to terminate the Concession Contracts of Block 3 to JPK in August 2006. Both JPK and the companies participating in the Consortium have not accepted this decision. Furthermore, the above Government decided to call the Consortium of companies active in Blocks 1&2 to complete their exploration schedule by 31.03.07.

JPK is in negotiations with the Montenegro Government to extend the time for completion of the exploration schedule in these Blocks.

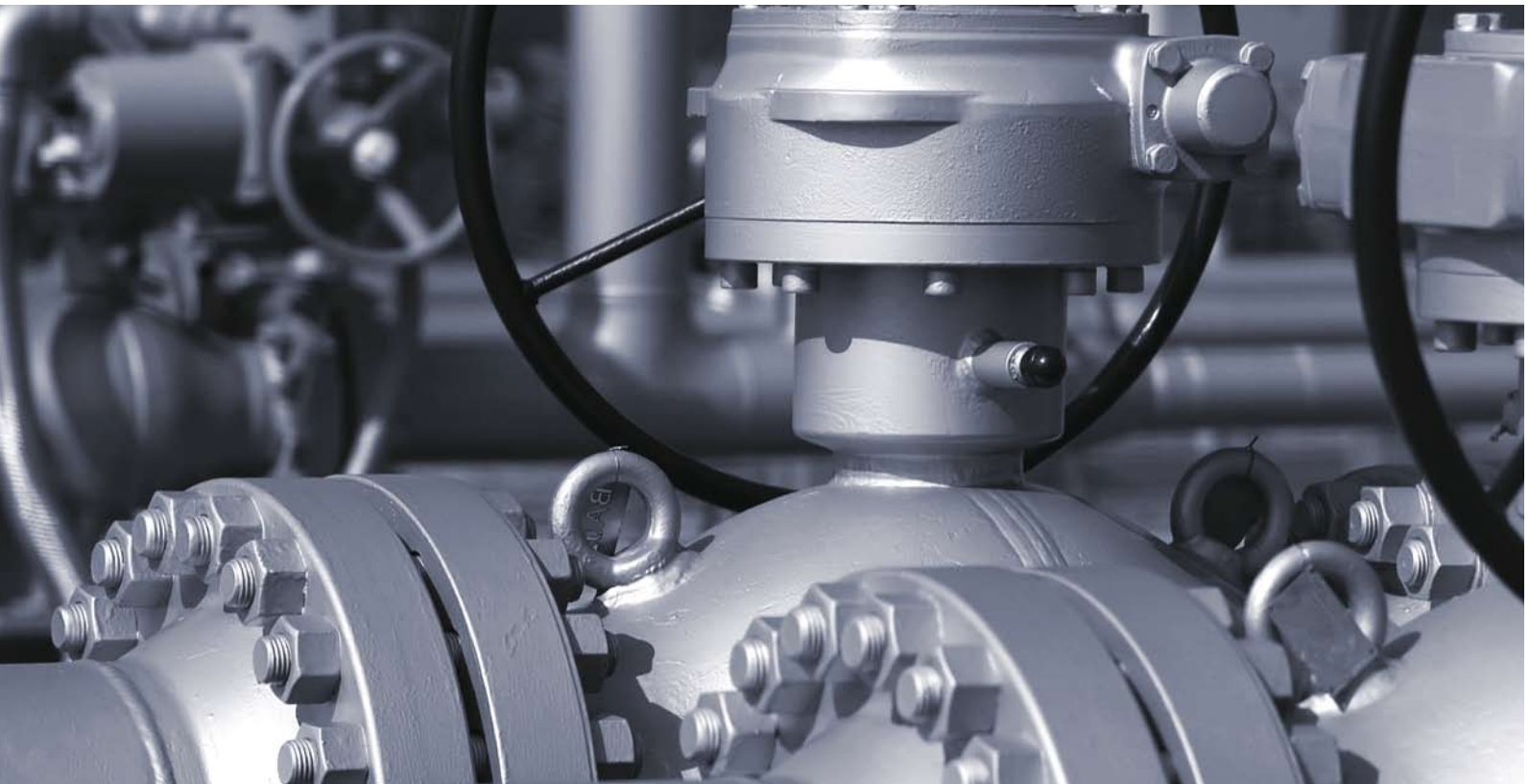
## GREECE

- Participation by 25% in the exploration sites of the Thrace Sea Concession in the Northern Aegean, covering an area of approximately 1,600 km<sup>2</sup>.
- In 2007, the Greek Government revoked the concession licenses that had been given to HELLENIC PETROLEUM for the exploration and exploitation of hydrocarbons in the Greek subsoil. The Company's Management is examining the impact and the Company's next actions with regard to this issue.
- Since 1999, the Group has undertaken the control and supervision of the project for the exploitation of hydrocarbons in progress at the 'Prinos' / 'N. Prinos' oil fields and 'N. Kavala' natural gas field, for the Ministry of Development.

Note that during 2008, proposals were evaluated for the Company's participation in hydrocarbon exploration and production in various countries in North and West Africa as well as the Middle East, which are the areas of first priority for the Group.

## Business Objectives and Perspectives

Exploration works will continue in 2009 at the West Obayed and Mesaha areas in Egypt. Strategic choices for portfolio restructuring in this field will also be examined, to create added value for the Group.



## Main Participations

### DEPA SA (Public Gas Corporation S.A.)

HELLENIC PETROLEUM owns a 35% stake in Greece's incumbent gas company, DEPA, which is consolidated in Group accounts via the equity method. In 2008, DEPA is carried at a book value of approximately €425m.

DEPA's contribution to Group Net income in 2008 amounted to €56m, an increase of 153% on a y-o-y basis. Note that in 2008 consumption of natural gas in Greece increased by 5.5% to 4bcm, due to increasing natural gas-fired power generation and penetration at the commercial, industrial and domestic consumption levels.

We are currently evaluating our strategic options to crystallise the value of our 35% stake in DEPA, which:

- owns 100% of DESFA, Greece's natgas grid owner and operator
- owns 51% of the local supply companies (EPAs), which have a monopoly until 2036 to sell natgas to small industrial, commercial and residential customers
- is still the only natgas importer and wholesale supplier, and has long-term contracts with PPC (Greece's incumbent electricity operator) and existing EPAs
- owns 100% of the onshore and 50% of the offshore part of the planned Italy-Greece Interconnector (IGI)

#### DEPA's contribution to Group Net Income

€ million	2005	2006	2007	2008
Associate income (35% of DEPA's net income)	4	10	22	56
As a % of Group Adjusted Net Income*	2%	4%	10%	26%

\* adjusted for inventory effects and non-operating items

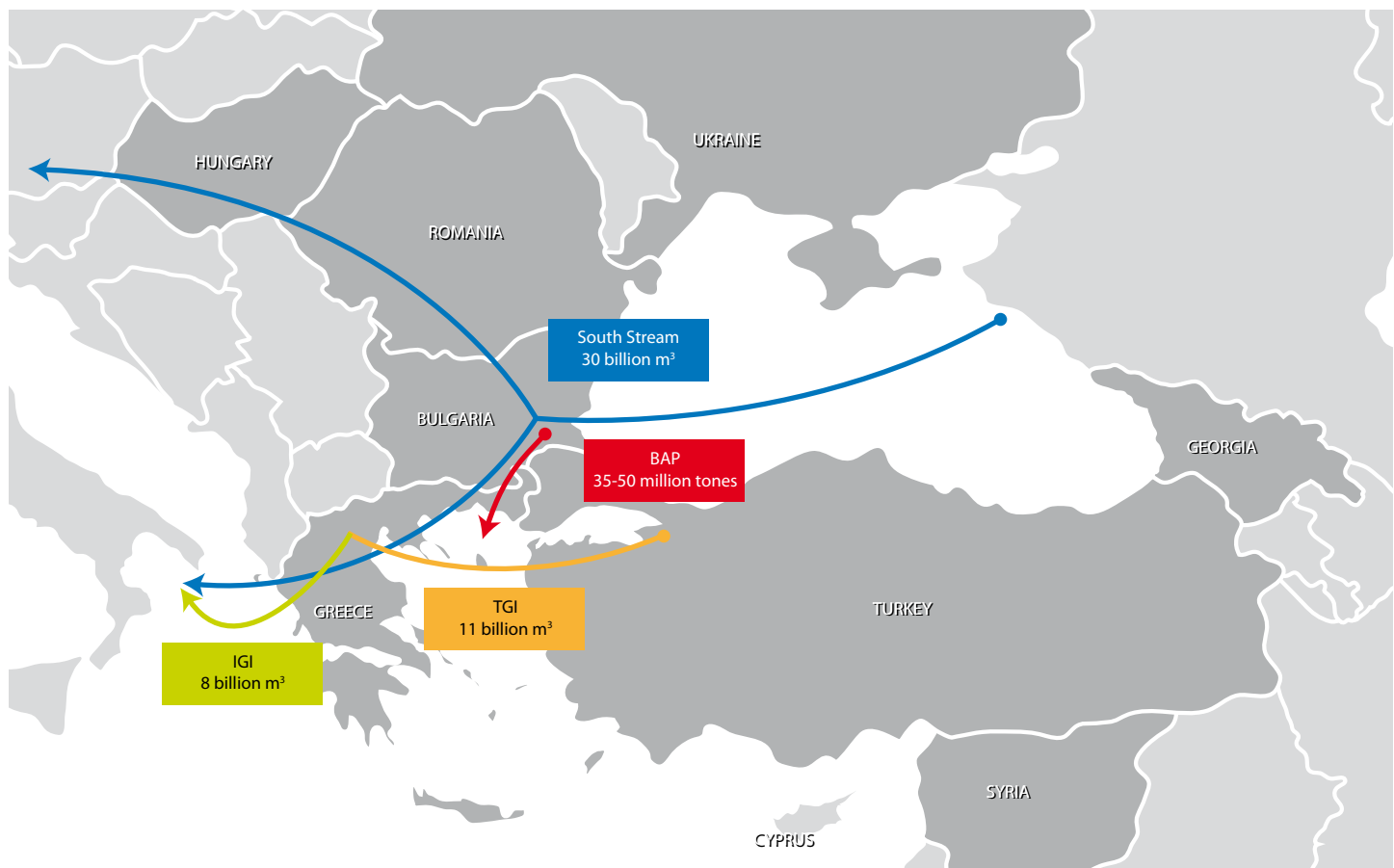
# Natural Gas Transmission Network



## Participation in the development of key oil & gas transit pipelines

HELLENIC PETROLEUM actively participates in the development of key oil & gas transit pipelines. The group, via a 25% stake in the "Greek participant", is part of the consortium that will develop and operate the Burgas-Alexandroupolis oil pipeline. In addition, through its 35% stake in DEPA, it participates in the development of the IGI, TGI and South Stream natural gas pipelines.

### Participations in Oil and Gas Transit Pipelines





# 3.

## Additional Information

### **Social Product**

HELLENIC PETROLEUM has recognised and defined its stakeholders. Stakeholders are the interesting parties with whom the company communicates, converses or cooperates.

Such stakeholders are the:

- shareholders / investors
- customers
- employees
- suppliers
- society

The Group's policy and all of its activities aiming at the establishment of two-way relations with the above mentioned parties, in order to assure, on the one hand, that the Group shall be proactive to their needs and expectations and, on the other hand, in order to minimize the risks associated with the company's image and operation. Moreover, HELLENIC PETROLEUM can make the most of the competitive advantages that these synergies are generating.

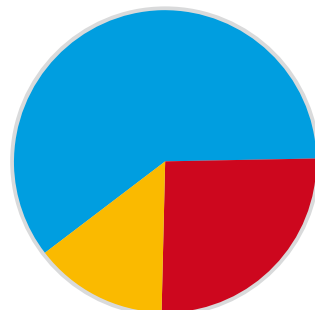


As social product is defined the HELLENIC PETROLEUM's financial contribution to the broader society. In the frame of our strategy and operation, significant investments are carried out, which contribute to the country's economic development, creating, furthermore, secondary revenues; through the development of new activities in parallel with the main investments. Consequently, job opportunities are created – through the significant investments in new products and technologies, the employees' competencies and skills are improved, the human resources expertise is developed and cash flow to the national social security deficit is secured. Moreover, income is created – through the taxation and the savings – contributing to an income increase of the public sector.

In 2008, the company's turn over was € 10,131 million (compare to € 8,538 million in 2007) and the amount of € 529 million was the associated social product, distributed as follows:

60%	was distributed to employees (for salaries and social benefits)
26%	was distributed for dividends to shareholders
14%	was distributed to creditors (bank loans interest payment)

- Salaries and social benefits (60%) ●
- dividend distribution (26%) ●
- to creditors (14%) ●



## Human Resources

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HELLENIC PETROLEUM recognizes that the investment in human capital and its outmost development is a critical factor for its competitiveness. In this framework it makes the most of all the available means – performance evaluation, motivation, continuous training and education – in order to attract, retain and motivate the human resources. In this way the company gradually becomes a knowledge company and the best place to work.

Therefore, the company pays special attention to the formation of a flexible policy, for the personnel management, in order to assure the highest possible employees' job satisfaction.

HELLENIC PETROLEUM provides opportunities for personal and professional development, with no discrimination. The equal opportunity policy is a meaningful prerequisite for a fair, pleasant and efficient work environment. All employees have the chance to move up through, both, quantitative evaluation (performance, objectives, goals) and qualitative evaluation (skills, competencies, talents). One of the main objectives is the fulfillment of job vacancies by promoting or rotating the staff within the company.

Each facility has its own infirmary, operating 24 hours a day, staffed with physicians and nurses and adequate equipment to handle emergency cases and provide immediate medical assistance to employees. Vaccinations (e.g. against tetanus) are also provided. Company owned ambulances are also available in case an immediate transfer to hospital is necessary.

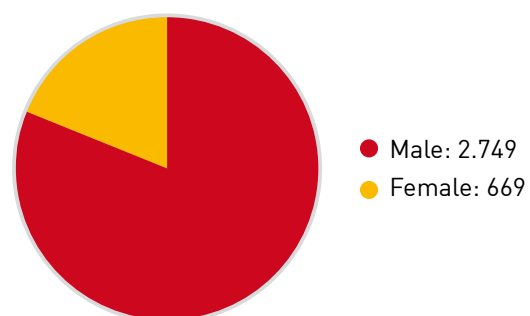
As part of the company's preventive medicine program, employees are encouraged to participate in annual check-ups free of charge. The examination results are confidential and evaluated only towards protecting the employees' health.

In 2008, the total number of Group's employees was 5,184.

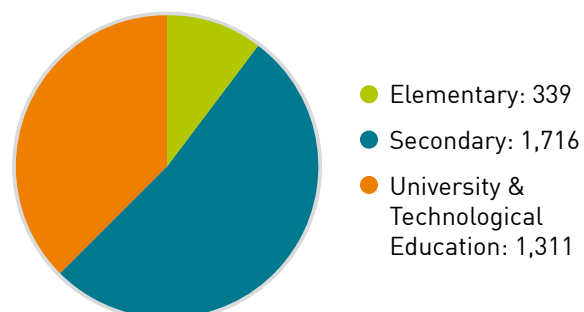
The following table presents the Group's employees' distribution per company.

Company	No of employees
HELLENIC PETROLEUM S.A.	2.506
EKO A.B.E.E.	668
THESSALONIKI POWER S.A.	2
VARDAX S.A.	1
HELPE CONSULTING	9
ASPROFOS ENGINEERING	149
DIAXON ABEE	95
ELPET BALKANIKI	2
POSEIDON M.C./ APPOLON M. C.	45
<b>GROUP, in Greece</b>	<b>3.477</b>
OKTA CRUDE OIL REFINERY A.D.	860
EKO - GEORGIA LTD	151
GLOBAL PETROLEUM ALBANIA Sh.A/ELDA PETROLEUM ALBANIA	24
JUGOPETROL AD KOTOR	530
HELLENIC PETROLEUM CYPRUS LTD	60
EKO BULGARIA EAD	41
EKO YU AD BEOGRAD	41
<b>GROUP, abroad</b>	<b>1.707</b>
<b>GROUP, total</b>	<b>5.184</b>

Personnel distribution by gender  
(in Greece)



Personnel distribution by educational level  
(in Greece)



## Health & Safety

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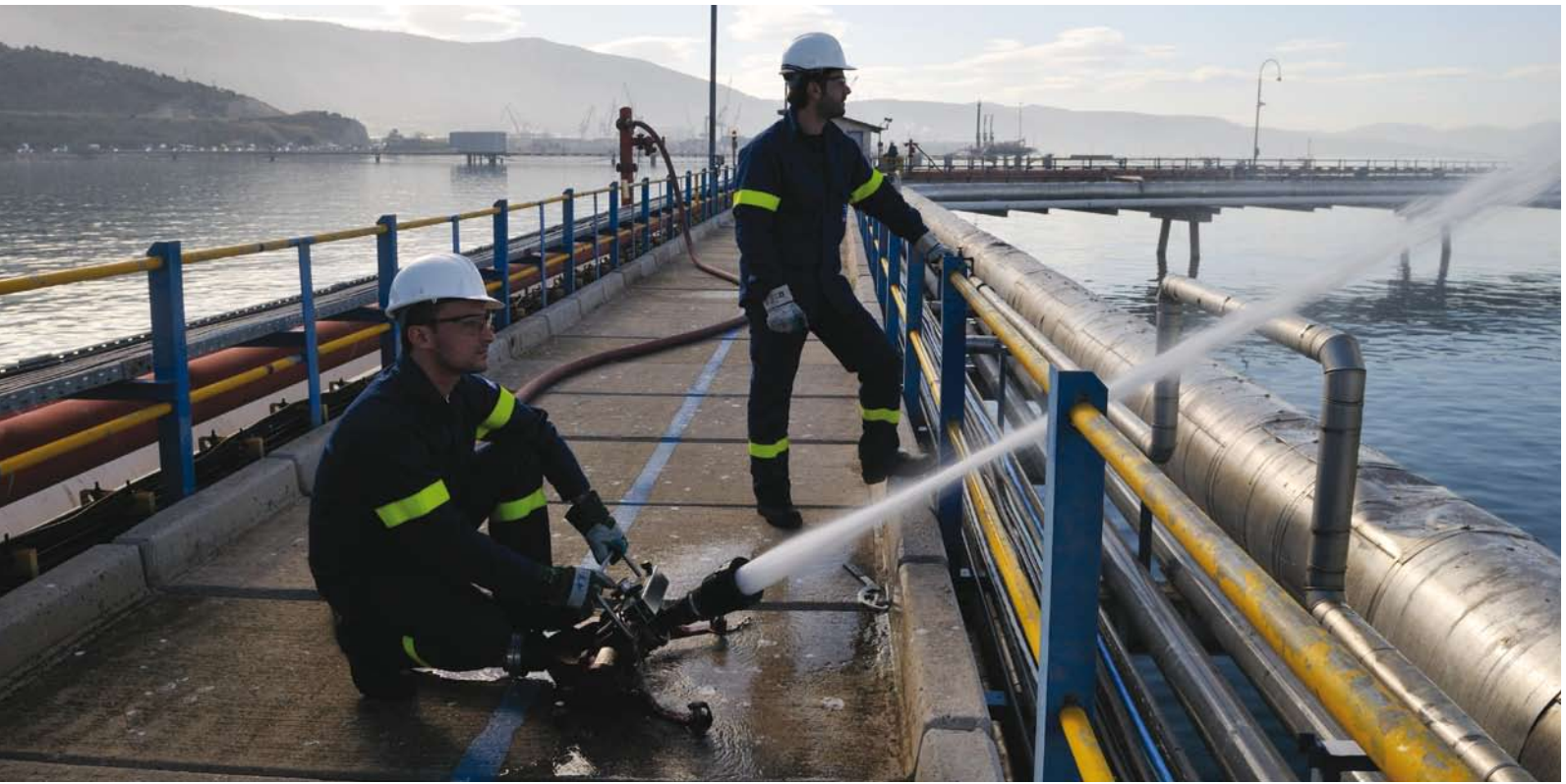
At HELLENIC PETROLEUM our first priority is the health and safety of both our employees and the communities in the vicinity of our facilities. Therefore, we provide a safe workplace to all employees, contractors, visitors and trainees.

Further to its certification in accordance with the international quality standard ISO 9001, HELLENIC PETROLEUM aims at receiving certification for the Occupational Health and Safety System, in accordance with the internationally recognized OHSAS 18001 Standard (Greek version ELOT 1801). The initial Occupational Health and Safety Management certification for the Elefsina Refinery was completed within 2006, in accordance with the aforementioned standard, while the remaining facilities are also heading towards certification.

EKO A.B.E.E. is also certified in accordance to the ELOT EN ISO 9001 standards (for trading lubricants and aviation fuel, with 18 refuelling stations), EKO 1801/IOSAS 18001 and ELOT EN ISO 14001 (for trading lubricants, fuel and chemicals at the Skaramanga, Elefsina, Aspropyrgos facilities and aviation fuel at the Heraklion airport).

Employees' health is monitored in accordance with the criteria of Greek law (Presidential Decree 17/1996), European and international codes and good practices. All facilities hold studies concerning the evaluation of occupational hazards; which detail the measures taken in order to prevent and control identified hazards and to minimize related risks. These studies take employees' opinions and views into consideration, by using special questionnaires considering the nature of their work and workplace environment.

The Group's personnel training in Health and Safety issues is comprehensive and ongoing and is provided not only to employees, but also to contractors, customers, fuel tank drivers, fuel station managers, and students. Especially with regard to the training of contractors working at the Aspropyrgos, Elefsina and Thessaloniki facilities, a common safety training system was initiated in 2008.



In addition, the application of the internationally acknowledged program "Winning Hearts and Minds" by Shell has begun with presentations to executives in the facilities, with a view to improving the safety culture of industrial facilities. The program is ongoing.

The preparation of HELLENIC PETROLEUM and its subsidiaries for the implementation of European regulation REACH (Registration, Evaluation & Authorization of Chemicals) continued in 2008, while the timely pre-registration of 152 substances was also achieved.

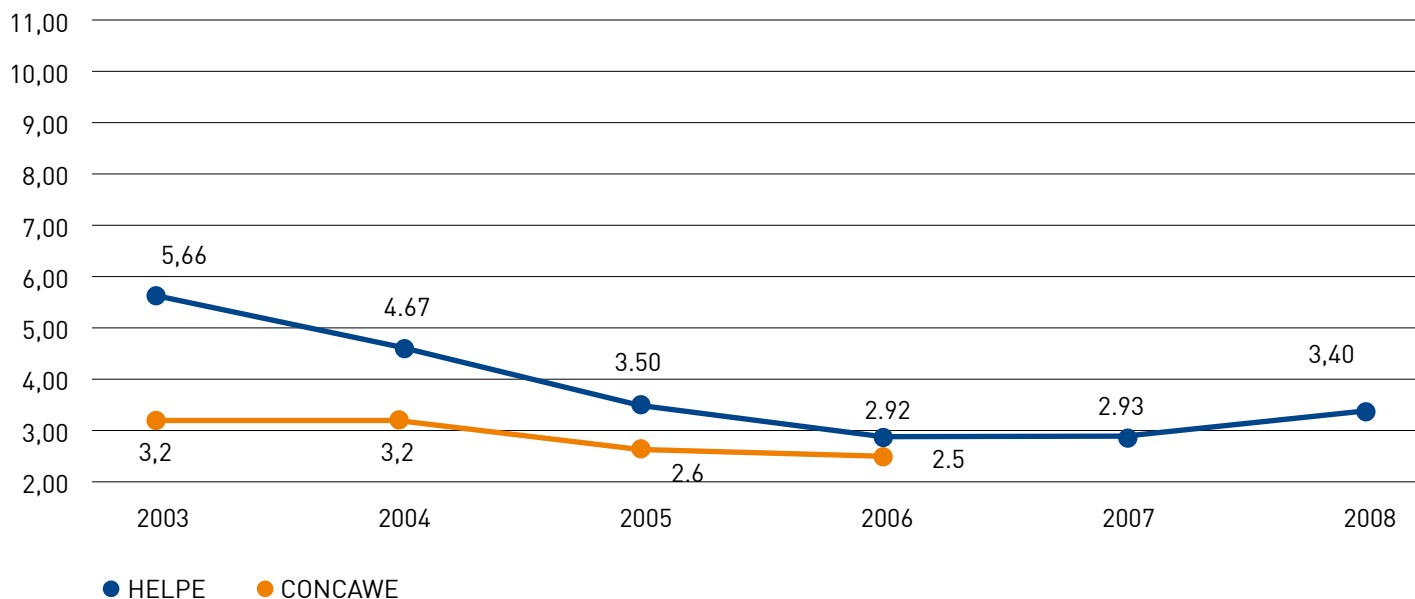
Fire safety drills were also conducted to maintain employee readiness.

We go a step further than regulations and legislation require in order to establish Health and Safety conditions at our facilities. In this context, a Hazard and Operability Study (HAZOP) is a prerequisite for any new unit or major modifications of existing units.

HELLENIC PETROLEUM participates in CONCAWE's annual survey and benchmarking, concerning accidents in the oil sector, and cooperates with it, keeping up with international practices in the area of additional indices monitoring safety performance. In this context, the recording of primary leak incidents that was established in 2007 continued in 2008, in collaboration with CONCAWE, while a new procedure safety index was established (PSIF).

The following charts show the continuous development of LWIF and AIF safety performance indicators from 2003 to 2008, compared to the corresponding average CONCAWE values of the indicators, for the Group's domestic refineries.

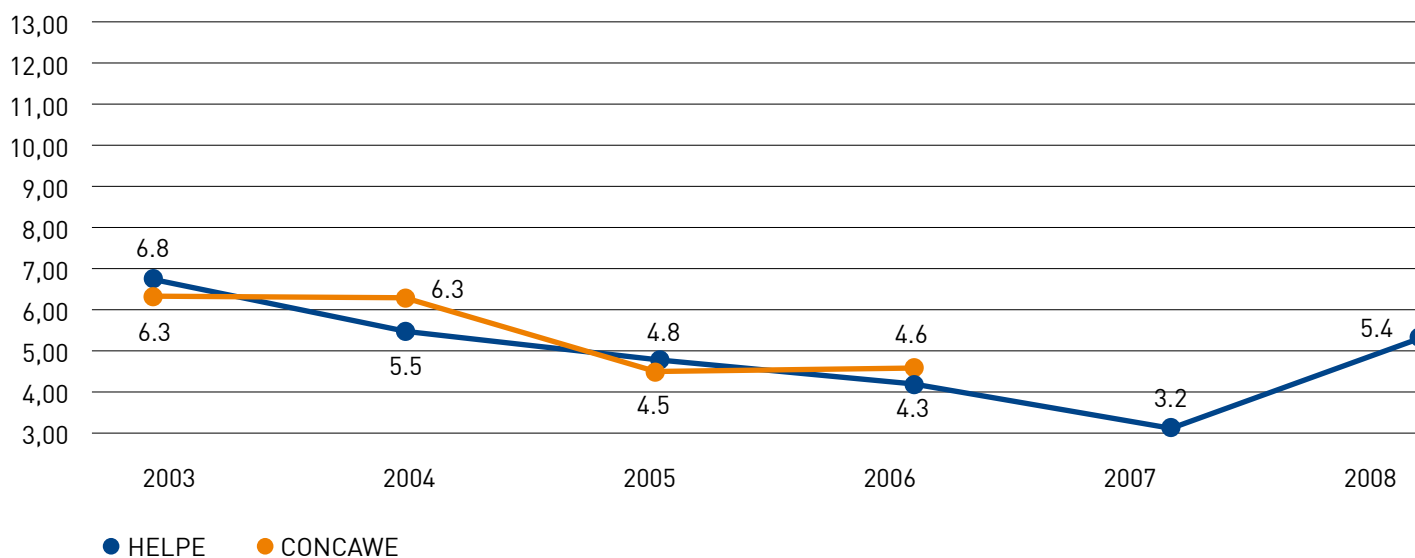
### LWIF accident index <sup>2</sup>



<sup>1</sup> CONCAWE: The oil companies' European association for Environment, Health and Safety in refining and distribution

<sup>2</sup> LWIF: Lost Workday Injury Frequency, includes all injuries leading to lost work time and is expressed in number of lost workdays per 1 million man-hours.

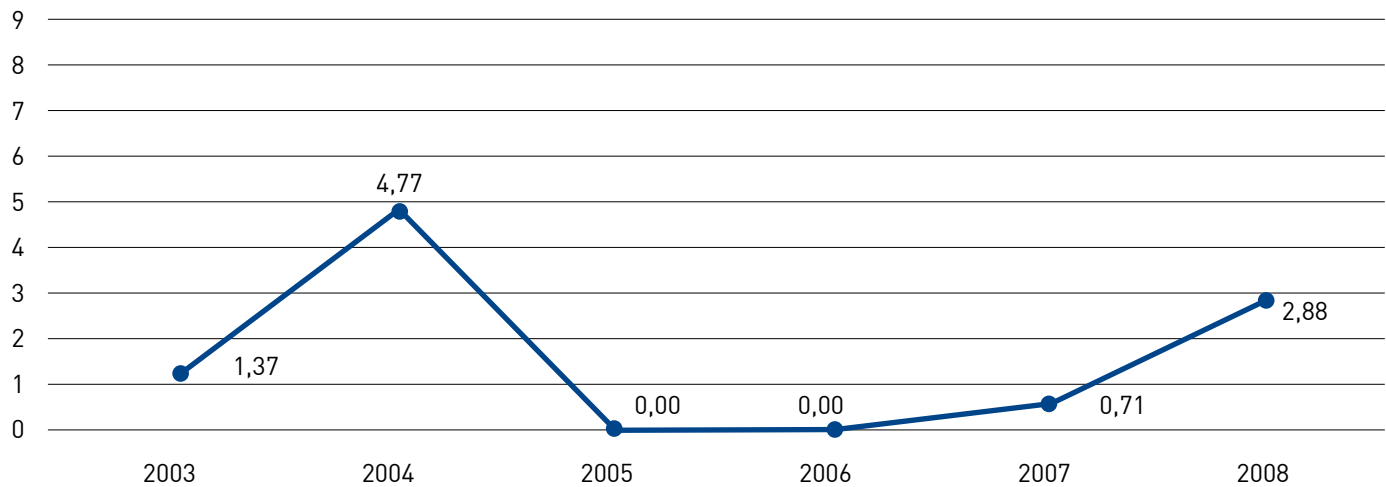
### AIF accident index <sup>3</sup>



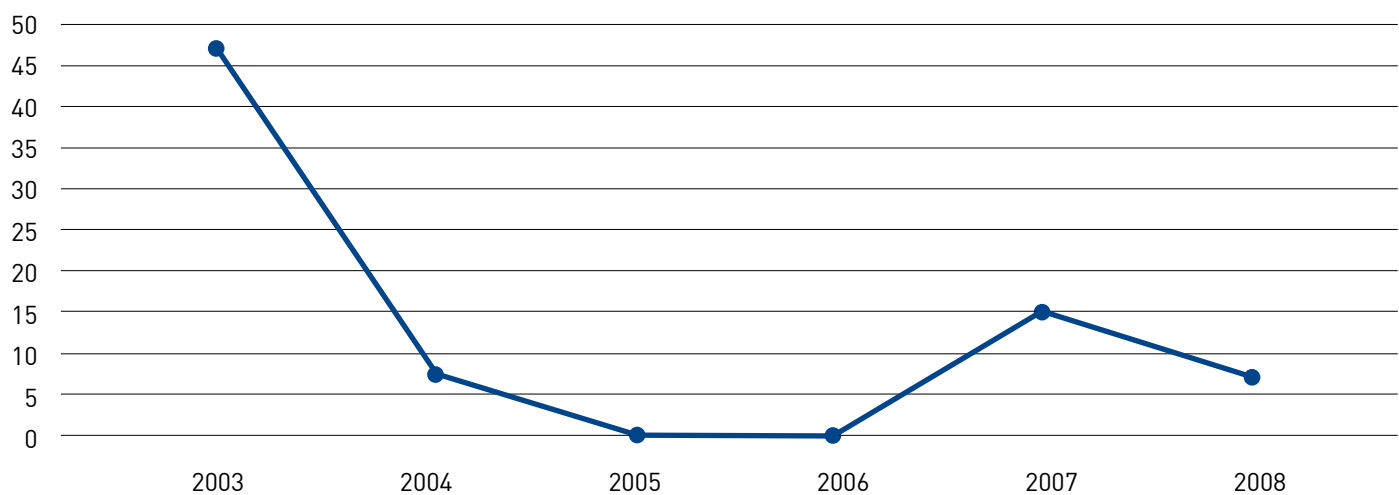
<sup>3</sup> AIF: All Injury Frequency includes all recordable injuries (fatal, absence, medical treatment and diminished capability) and is expressed in number of injuries per 1 million man-hours.

## EKO A.B.E.E. Indices

Absence Accident Frequency Index of EKO A.B.E.E.  
in and out of EKO's area of responsibility



Absence Accident Severity Index of EKO A.B.E.E.  
in and out of EKO's area of responsibility





## Environment

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For the last 20 years, environmental protection has been the main priority of HELLENIC PETROLEUM Group of Companies and an integral part of its activities.

Through the implementation of integrated policy and significant investments, the company pursues the continuous improvement of its environmental performance. At the same time, it strives to ensure the best health and safety conditions for its employees.

For HELLENIC PETROLEUM, the target of sustainable development is a main strategic option, not just as an expression of its corporate social responsibility, but also as a critical element of competitiveness in the area of energy production and supply.

In this context, the company:

- Systematically monitors all developments in its sector
- Renews and replaces equipment, adopting Best Available Techniques and systems
- Modernizes its production process, in order to supply products that meet the strictest European environmental specifications
- Renews and develops its human resources, applying up to date management and training methods
- Demonstrates in practice its interest for the environment and the local communities of the areas, in which it carries out its activities. Shares the residents' objectives and actively collaborates in the effort for development and a better quality of life.

Confirming its commitment to sustainable and environment-

friendly development, HELLENIC PETROLEUM has currently scheduled two important investment projects amounting to €1.5 billion, in order to modernize the Elefsina and Thessaloniki refineries.

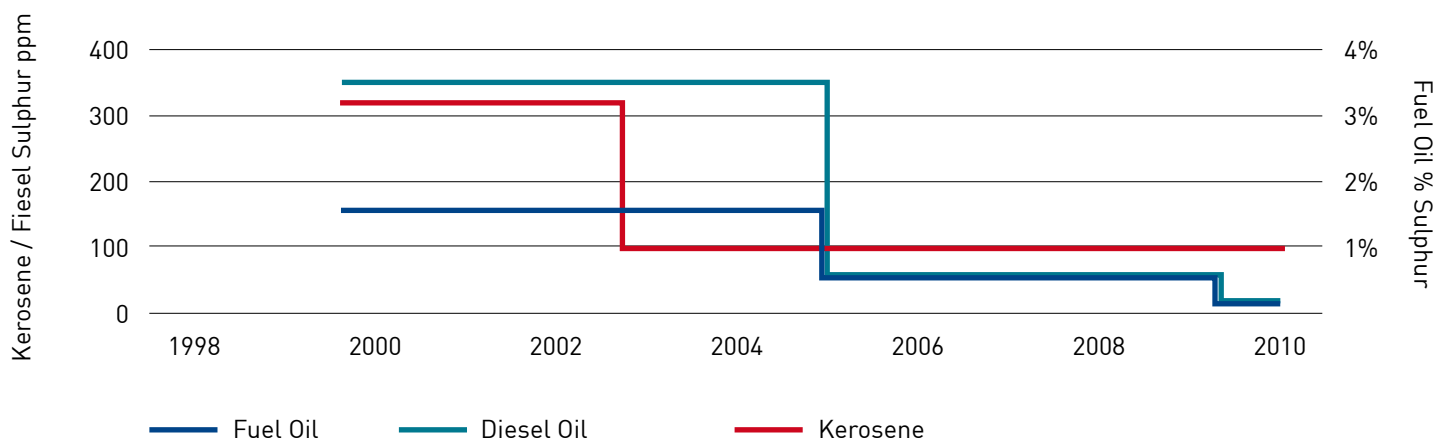
Following these investment projects, the refineries will be able to manufacture products in accordance with the new European and international specifications, while achieving environmental improvement by reducing local pollutants by up to 85% in Elefsina and 55% in Thessaloniki. Indicatively, 25% of the total cost of the Elefsina refinery modernization will be spent on environmental investment.

The Company's target is to make timely and ongoing investments in Best Available Techniques, in order to achieve the strictest national and European environmental specifications.

As shown in the following figure, the E.U. sets ever stricter specifications on fuel products, making the continuous modernization of refineries absolutely necessary. Indicatively, the current maximum sulphur content of diesel oil for vehicles has been reduced to 1/1000 relative to 1965.

In 2000, HELLENIC PETROLEUM stopped producing leaded gasoline, as all European countries did, despite the fact that Greece had been temporarily exempted from this obligation. LRP gasoline is now produced for use by old technology automobiles; which is unleaded gasoline with a special additive to protect old technology motors. Since 2003, EKO, the Group's retail company, had been selling fuel of 2005 specifications to consumers (early introduction of Diesel oil containing less than 50 ppm sulphur). HELLENIC PETROLEUM has been supplying

## Permitted sulphur content of fuel products (E.U.).



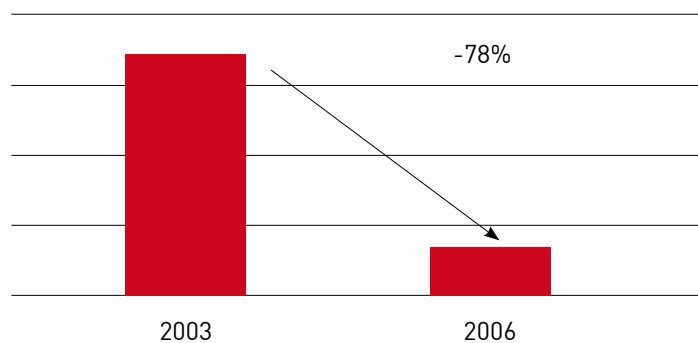
products to of E.U. 2009 specifications the Greek market since 2005 (Diesel oil containing less than 10 ppm sulphur).

Investments in order to achieve 2005 specifications amounted to €110 million, while investments in order to achieve 2009 specifications amounted to €130 million.

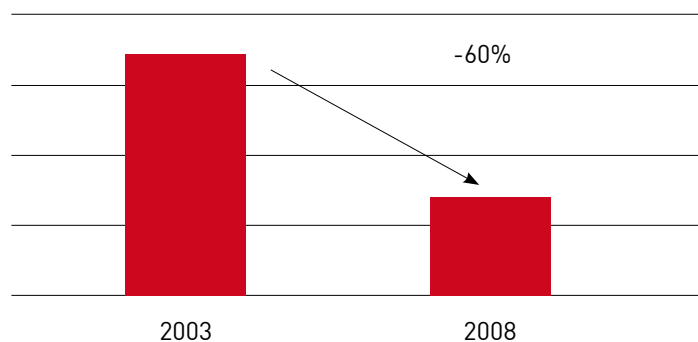
As a result of the improved fuel specifications mentioned above, there has been a significant decrease in sulphur emissions from automobiles in Greece. The next figure shows the reduction of sulphur emissions from automobiles from 2003 to 2006, which amounts to 78% (fuel includes gasoline and diesel oil for vehicles).

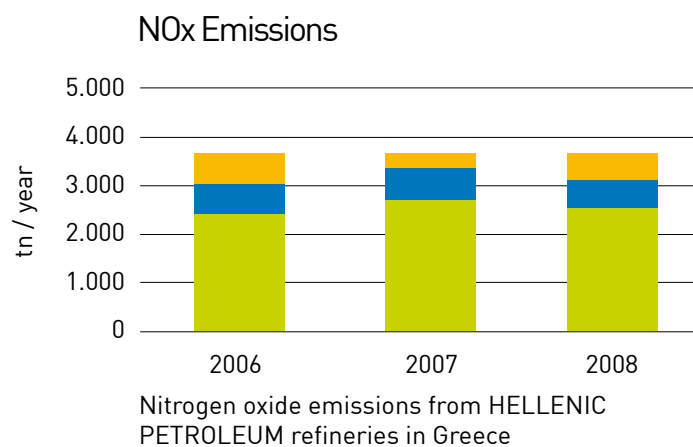
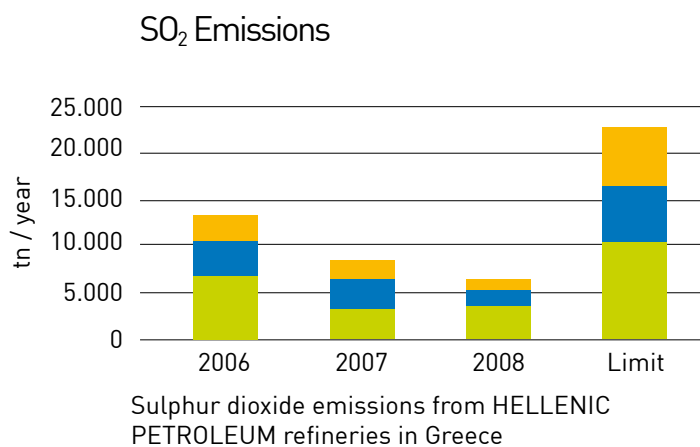
Besides supplying ultra-low sulphur fuel to the market, HELLENIC PETROLEUM uses low sulphur fuel for the production of energy it consumes at its facilities and applies pollution control technology to limit air emissions from its facilities. Indicatively, a project for the desulphurization of the vacuum unit off-gas was implemented at the Aspropyrgos refinery, which contributed to a 40% reduction of sulphur dioxide emissions. A similar project has been implemented at the Thessaloniki refinery for the desulphurization of fuel gas. Total sulphur dioxide emissions from the three refineries of HELLENIC PETROLEUM Group in Greece have been reduced by almost 60% within a period of five years, as it appears at the next figure.

### Sulphur emissions from automobiles in Greece (tons SO<sub>2</sub>)



### Sulphur dioxide emissions from the Group's domestic refineries (tons SO<sub>2</sub>).





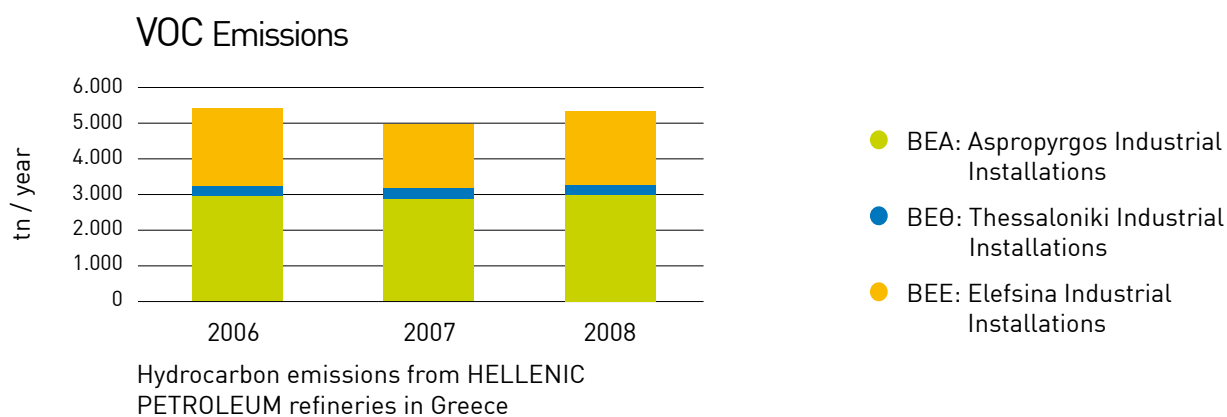
## Air emissions from the refineries

The above charts show the total air emissions from the refineries of HELLENIC PETROLEUM in Greece. These emissions are well below the limits imposed by regulations. The estimation methodologies and emission measurements follow international and European standards. Sulphur dioxide emissions in particular are gradually reducing, which is attributed to projects and actions that have been implemented to that end.

As mentioned before, a project for the desulphurization of the vacuum unit off-gas was implemented at the Aspropyrgos Refinery, which contributed to a 40% reduction of sulphur dioxide emissions. A similar project has been implemented at the Thessaloniki Refinery for the desulphurization of fuel gas. Total sulphur dioxide emissions from the three refineries of HELLENIC PETROLEUM Group in Greece are approximately 70% lower than the quantitative emission limits imposed by the State. The fuel gas desulphurization projects implemented at the facilities in conjunction with the improved specification of the fuel oil used for own-consumption have contributed to the remarkable reduction in sulphur dioxide emissions from the refineries. Nitrogen oxide (NO<sub>x</sub>) emissions also appear to be steady, as low-NO<sub>x</sub> burners are being used in the majority of furnaces.

Indicatively, it should be noted that, further to the above, the environmental investments of HELLENIC PETROLEUM in its three refineries in Greece have exceeded \$300 million. By 2011, further to the Elefsina refinery modernization project, more projects, budgeted at \$200 million dollars, are scheduled, in order to improve the refineries' environmental performance.

At the same time, the company continues its effort to improve energy efficiency, which has started in 1970, by planning investments, adopting technologies and systems in order to save energy. To that end, it is scheduling investments amounting to €60 million for the period between 2009 and 2011. These projects will contribute to environmental protection, as well as carbon dioxide reduction.



## Wastewater & solid waste management

Best Available Techniques are applied to the refinery's wastewater treatment process. The effluent is monitored continuously by the facilities' specialized laboratories and all monitored parameters are within imposed limits. Recycling wastewater is the first priority, e.g. hydrocarbons reclaimed from the wastewater treatment are re-refined. Part of the refineries' production process is the pre-treatment of polluted water streams and their re-use at certain process units. The important effect of this practice is the reduction of both fresh water consumption and quantity of effluent. Planning and recycling programs have led to the reduction of effluent, while the relevant quality parameters are 50% below the corresponding legal limits, a fact that constitutes a corporate target.

All facilities have emergency plans for events of sea pollution, which have been approved by the port authorities. Drills are conducted on a regular (annual) basis, usually in collaboration with the competent authorities, in order to control sea pollution incidents.

In recent years there have been no oil spill incidents in the marine environment.

Significant steps have been taken for hazardous waste management, such as the oily sludge from wastewater treatment units or tank cleaning, by the integrated management within the facilities to make hazardous waste inert, by application of treatment technologies that are friendly to the environment. In case this is not applicable, hazardous waste is pre-treated and then disposed to specialized licensed companies. An indicative

example is that of spent catalysts that cannot be regenerated and are sent abroad to specialized and licensed waste management companies so that precious metals are recovered or thermal destruction is carried out. Hazardous waste is not stored within the refinery facilities. Until final disposal it is temporarily stored in accordance with provisions of the law and good environmental practice.

The effort to recycle old metal and plastic materials, as well as wood, tires and lubricants is ongoing; materials to be recycled are separated and suitably managed. All facilities are implementing paper and battery recycling programs, at both production units and offices. There are special recycling bins at various points in the work areas for all materials mentioned above.

Regarding personnel training and corporate culture improvement in safety issues, HELLENIC PETROLEUM is implementing a specific action plan.

HELLENIC PETROLEUM will continue to invest pursuing sustainable development, contributing to the economy and society, while always operating responsibly and respecting the environment.

# Corporate Social Responsibility

## Aiming higher

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The HELLENIC PETROLEUM Group has incorporated the principles of Corporate Social Responsibility and Sustainable Development in its business activities and operation; not only because it arises from some ethical obligation, but because they are indissolubly linked to contemporary business practice.

This commitment is implemented through a large number of actions, which are addressed both to local communities where the business activities are conducted but also in the broader society both in Greece and abroad.

In 2008, we planned and implemented an extended Corporate Social Responsibility program after setting the following targets:

Determine actions giving priority to local communities.

Preparation and implementation of long term Corporate Social Responsibility Programs

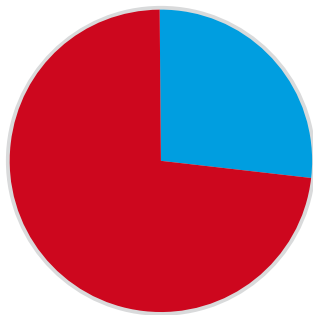
Encourage and empower human resources and improve workplace environment.

Based on the above, we paid special attention to sectors such as health, education, sports and culture and we supported vulnerable groups.

The total amount spent by the Group for Corporate Social Responsibility programs in Greece in 2008 was €2 million, while for similar activities of subsidiaries abroad, the amount was €460,000.



### Distribution of Group's CSR program in Greece



- Local community (71%)
- Broader society (29%)

The aim for the immediate future is to improve our performance and increase our contribution in Corporate Social Responsibility matters and contribute in sustainable development, improve relations with human resources, extend social solidarity and ensure relationships of trust with the local community and society in general.

We are planning an integrated Corporate Social Responsibility program, mainly through the Sustainability Report, extending the GRI indicator application.

We are examining the results of program implementation by conducting periodic research, in order to direct our actions towards the sectors where needs are imperative for society and its people.

# 4.

## Selected Financial Statements

### Contents

Selected Financial Data .....	72
Analysis per Activity Sector .....	73
Group's Consolidated Financial Statements .....	74
Subsidiaries, Associated Companies and Participations.....	76
Analysis by Industry Segment .....	78
Parent Company Financial Statements.....	82





## Selected Financial Data

amounts in m €

	2006	2007	2008
<b>INCOME STATEMENT</b>			
Total Revenue	8,121.5	8,538.0	10,131.0
Operating Profits	355.3	477.3	113.1
Income before Tax	358.5	488.6	16.9
Minority Shareholders Rights	10.7	13.6	5.4
Net Income of parent company's shares	260.2	351.0	23.6
Dividend per share	<b>0.43</b>	<b>0.50</b>	<b>0.50</b>
<b>CASH FLOW STATEMENT</b>			
Cash inflow/outflow from operating activities	(60.8)	372.1	700.6
Cash outflow fro investments	(116.1)	(167.8)	(188.8)
Cash inflow/outflow from financial activities	156.9	(162.0)	152.5
Net increase/decrease in cash at bank & in hand	(20.0)	42.2	664.2
<b>BALANCE SHEET</b>			
Total Assets	4,363.5	5,058.9	5,146.0
Fixed Assets	1,936.5	2,040.0	2,319.1
Securities and cash at bank & in hand	170.5	208.5	876.5
Long term liabilities	562.2	743.7	747.8
Long term borrowing	322.7	402.6	448.1
Short term borrowing	895.7	786.5	1,110.3
Minority Shareholders Rights	112.7	126.6	148.8
EQUITY	2,397.6	2,580.5	2,473.7

# Analysis per Activity Sector

<b>REFINING - SUPPLY</b>			
Amounts in m €	2006	2007	2008
<b>Financial Data</b>			
Total Revenue	7,692.6	8,034.7	9,627.5
Operating Income	291.1	408.2	(158.0)
Capital Expenditure	81.0	119.0	246.2
Depreciation	80.7	73.1	69.6
Production (million tons)	14.2	14.5	14.9
Sales (million tons)	17.0	17.1	17.0
Average price of Brent crude (USD/Bbl)	66.10	72.69	98.28
Average €/USD parity	1.26	1.37	1.47
<b>PETROLEUM PRODUCTS RETAILING</b>			
Amounts in m €	2006	2007	2008
<b>Financial Data</b>			
Total Revenue	2,363.4	2,631.1	3,144.8
Operating Income	45.6	46.4	36.7
Capital Expenditure	61.6	71.4	86.8
Depreciation	29.0	29.9	32.8
Sales (thousand tons)	4,788.0	5,236.0	4,911.0
Domestic market share (%)	21.8	24.1	22.3 (*)
Gas stations network (end of year)	1,493	1,512	1,545
(*) estimation			
<b>PETROCHEMICALS</b>			
Amounts in m €	2006	2007	2008
<b>ΣΤΟΙΧΕΙΑ ΔΡΑΣΤΗΡΙΟΤΗΤΑΣ</b>			
Total Revenue	354.7	380.2	368.4
Operating Income	21.6	37.8	8.4
Capital Expenditure	1.2	0.8	0.6
Depreciation	17.5	17.4	17.3
Production (thousand tons)	428.0	447.0	387.0
Sales (thousand tons)	418.6	430.0	388.4
<b>HYDROCARBON EXPLORATION &amp; PRODUCTION</b>			
Amounts in m €	2006	2007	2008
<b>Financial Data</b>			
Total Revenue	1.1	1.1	1.1
Operating Income/Loss	(26.4)	(30.7)	124.7
Capital Expenditure	2.4	3.1	-
<b>ENGINEERING</b>			
Amounts in m €	2006	2007	2008
<b>Financial Data</b>			
Total Revenue	13.2	12.8	17.9
Operating Income/Loss	(2.2)	(8.2)	10.4
<b>POWER GENERATION AND TRADE</b>			
Amounts in m €	2006	2007	2008
<b>Financial Data</b>			
Total Revenue	146.0	148.3	180.5
Income before tax	24.1	43.9	147.1

# Group's Consolidated Financial Statements

INCOME STATEMENT (Amounts in 000€)	GROUP, CONSOLIDATED	
	1/1/2007 - 31/12/2007	1/1/2008 - 31/12/2008
Total Revenue	8,537,951	10,130,983
Gross Income	871,958	258,601
EBITDA	612,772	245,589
EBIT	477,272	113,098
Income before tax	488,627	16,857
Less tax	(124,012)	12,176
Income after tax	<b>364,615</b>	<b>29,033</b>
Distributed to:		
Shareholders	351,004	23,643
Minority Interest	13,611	5,390
	<b>364,615</b>	<b>29,033</b>

BALANCE SHEET (Amounts in 000€ )	As at	
	31/12/2007	31/12/2008
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,416,340	1,439,919
Intangible assets	129,920	129,391
Investments in associates and joint ventures	386,847	508,219
Deferred income tax assets	30,275	69,619
Available-for-sale financial assets	4,012	2,879
Loans, advances and other receivables	72,615	169,043
	<b>2,040,009</b>	<b>2,319,070</b>
<b>Current assets</b>		
Inventories	1,531,161	1,020,780
Trade and other receivables	1,279,244	929,604
Cash and cash equivalents	208,450	876,536
	3,018,855	2,826,920
<b>Total assets</b>	<b>5,058,864</b>	<b>5,145,990</b>
<b>EQUITY</b>		
Share capital	1,020,081	1,020,081
Reserves	515,238	501,332
Retained Earnings	918,576	803,471
<b>Capital and reserves attributable to Company</b>	<b>2,453,895</b>	<b>2,324,884</b>
<b>Shareholders</b>		
<b>Minority interest</b>	126,578	148,782
<b>Total equity</b>	<b>2,580,473</b>	<b>2,473,666</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	402,585	448,084
Deferred income tax liabilities	23,648	22,104
Retirement benefit obligations	151,126	153,736
Long term derivatives	79,494	71,219
Provisions and other long term liabilities	86,824	52,706
	<b>743,677</b>	<b>747,849</b>
<b>Current liabilities</b>		
Trade and other payables	802,884	791,544
Current income tax liabilities	142,101	19,378
Borrowings	786,510	1,110,355
Dividends payable	3,219	3,198
	<b>1,734,714</b>	<b>1,924,475</b>
<b>Total liabilities</b>	<b>2,478,391</b>	<b>2,672,324</b>
<b>Total equity and liabilities</b>	<b>5,058,864</b>	<b>5,145,990</b>

<b>CASH FLOW STATEMENT</b> (Amounts in 000€)	<b>For the year ended</b>	
	<b>31 December 2007</b>	<b>31 December 2008</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations	386,392	874,121
Income tax paid	(14,327)	(173,570)
<b>Net cash generated from operating activities</b>	<b>372,065</b>	<b>700,551</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment & intangible assets	(194,955)	(344,372)
Proceeds from disposal of property, plant and equipment & intangible assets	5,342	2,844
Purchase of Hellenic Petroleum Bulgaria Properties - net of cash acquired	-	(4,098)
Proceeds from disposal of E&P licence	-	124,450
Grants received	390	4,002
Interest received	18,995	23,440
Dividend received	2,582	5,538
Investments in associates	(199)	(642)
<b>Net cash used in investing activities</b>	<b>(167,845)</b>	<b>(188,838)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(60,767)	(71,928)
Dividends paid	(130,966)	(152,838)
Proceeds from borrowings	944,204	1,339,940
Repayments of borrowings	(914,465)	(962,667)
<b>Net cash generated from / (used in ) financing activities</b>	<b>(161,994)</b>	<b>152,507</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>42,226</b>	<b>664,220</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>170,490</b>	<b>208,450</b>
Exchange losses on cash & cash equivalents	(4,266)	3,866
Net increase / (decrease) in cash & cash equivalents	42,226	664,220
Cash & cash equivalents at end of the year	208,450	876,536

## Subsidiaries, Associated Companies and Participations

### Subsidiaries of HELLENIC PETROLEUM SA

Company	Shareholder	%	Activities
EKO A.B.E.E.	HELLENIC PETROLEUM S.A. as the sole shareholder	100	Marketing of petroleum products
DIAXON A.B.E.E.	HELLENIC PETROLEUM S.A. as the sole shareholder	100	Production & Trading of BOPP film
ASPROFOS ENGINEERING	HELLENIC PETROLEUM S.A. as the sole shareholder	100	Engineering services
HELLENIC PETROLEUM INTERNATIONAL AG	HELLENIC PETROLEUM S.A. as the sole shareholder	100	Holding company for Group's investments abroad
HELLENIC PETROLEUM-POSEIDON MARITIME COMPANY	HELLENIC PETROLEUM S.A. as the sole shareholder	100	Maritime company
HELLENIC PETROLEUM-APOLLON MARITIME COMPANY	HELLENIC PETROLEUM S.A. as the sole shareholder	100	Maritime company
GLOBAL PETROLEUM ALBANIA S.A.	HELLENIC PETROLEUM S.A. as shareholder	99.96	Import, supply & trading of petroleum products in Albania
ELDA PETROLEUM ALBANIA SHPK	GLOBAL PETROLEUM ALBANIA S.A. as shareholder	99.96	Retail marketing of oil and products, petrol stations network in Albania
EL.PET. BALKANIKI S.A.	HELLENIC PETROLEUM S.A. as shareholder	63	Construction and Operation of crude pipeline.
PETROLA S.A.	HELLENIC PETROLEUM S.A. as the sole shareholder	100	Real Estate company
HELLENIC PETROLEUM-RENEWABLE ENERGY SOURCES S.A.	HELLENIC PETROLEUM S.A. as the sole shareholder	100	Production, supply & trading of renewable energy sources
HELLENIC PETROLEUM FINANCE plc	HELLENIC PETROLEUM S.A. as the sole shareholder	100	Financial services

### Subsidiaries of EKO ABEE

Company	Shareholder	%	Activities
EKO-NATURAL GAS S.A. Merged to EKO ABEE (October 8, 2007)	EKO ABEE as shareholder	99	Sales of connections for households and small business consumers to the natural gas network of Attica
	HELLENIC PETROLEUM S.A. as shareholder	1	
EKOTA KO S.A.	EKO ABEE as shareholder	49	Construction and operation of storage facilities for liquefied fuels
EKO CALYPSO LTD	EKO ABEE as the sole shareholder	100	Foundation and operation of fuel stations in Greece

### Subsidiaries of HELLENIC PETROLEUM INTERNATIONAL AG

Company	Shareholder	%	Activities
HELLENIC PETROLEUM CYPRUS LTD	HELLENIC PETROLEUM INTERNATIONAL AG as the sole shareholder	100	Marketing, distribution and storage of oil products in Cyprus
YUGOPETROL AD KOTOR	HELLENIC PETROLEUM INTERNATIONAL AG as shareholder	54.35	Marketing, distribution and storage of oil products in Montenegro
HELPE SERVICES LTD Liquidated on December 27, 2007	HELLENIC PETROLEUM INTERNATIONAL AG as the sole shareholder	100	
HELLENIC PETROLEUM BULGARIA (Holdings) LTD	HELLENIC PETROLEUM INTERNATIONAL AG as the sole shareholder	100	Marketing and distribution of oil products in Bulgaria
HELLENIC PETROLEUM SERBIA (Holdings) LTD	HELLENIC PETROLEUM INTERNATIONAL AG as the sole shareholder	100	Marketing and distribution of oil products in Serbia
HELLENIC PETROLEUM GEORGIA(Holdings) LTD	HELLENIC PETROLEUM INTERNATIONAL AG as the sole shareholder	100	Marketing and distribution of oil products in Georgia
HELPE INTERNATIONAL CONSULTING S.A.	HELLENIC PETROLEUM INTERNATIONAL AG as the sole shareholder	100	Provision of consulting services to Group's companies abroad

<b>Subsidiaries of Hellenic Petroleum Bulgaria (Holdings) LTD</b>			
EKO BULGARIA EAD	HELLENIC PETROLEUM BULGARIA (Holdings) LTD as the sole shareholder	100	Marketing of oil products in Bulgaria
<b>Subsidiaries of Hellenic Petroleum Serbia (Holdings) LTD</b>			
EKO-YU-AD-BEOGRAD	HELLENIC PETROLEUM SERBIA (Holdings) LTD as the sole shareholder	100	Marketing of oil products in Serbia
<b>Subsidiaries of Hellenic Petroleum Georgia (Holdings) LTD</b>			
EKO GEORGIA LTD	HELLENIC PETROLEUM GEORGIA (Holdings) LTD as shareholder	96.4	Supply, import, export, distribution and sale in Georgia
	HELLENIC PETROLEUM SA as shareholder	1	
<b>Subsidiaries of EL.PET. BALKANIKI</b>			
Company	Shareholder	%	Activities
OKTA AD SKOPJE	EL.PET. BALKANIKI as shareholder	81.51	Refining of crude, import and marketing of oil products in Skopje
VARDAX S.A.	EL.PET. BALKANIKI as the sole shareholder (20% was granted to FYROM in 2008 in the framework on an agreement, that was accomplished on December 31, 2007)	80	Operation and exploitation of Thessaloniki-Skopje pipeline for the transportation of crude oil
<b>Associated companies</b>			
Company	Shareholder	%	Activities
DEPA S.A.	HELLENIC PETROLEUM S.A. as shareholder	35	Import and distribution of natural gas in Greece
ARTENIUS HELLAS S.A.	HELLENIC PETROLEUM S.A. as shareholder	35	Producer of PET-plastic material
ATHENS AIRPORT FUEL PIPELINE COMPANY S.A.	HELLENIC PETROLEUM S.A. as shareholder	50	Aspropyrgos – Spata fuel pipeline
<b>CONSORTIA</b>			
Company	Shareholder	%	Activities
THRAKI S.A.	HELLENIC PETROLEUM S.A. as shareholder	25	Burgas – Alexandroupolis pipeline
ELPEDISON	HELLENIC PETROLEUM S.A. as shareholder	50	Operation of power generation unit
SAFCO	EKO ABEE as shareholder	25	Exploitation of aircraft refueling
BIODIESEL S.A.	HELLENIC PETROLEUM S.A. as shareholder	25	Production of biodiesel
<b>HYDROCARBON EXPLORATION &amp; PRODUCTION CONSORTIA</b>			
Company	Shareholder	%	Activities
NAPC & STPC LTD	Participation of HELLENIC PETROLEUM SA	25	Exploration in North Aegean
OMV	Participation of HELLENIC PETROLEUM SA	49	Exploration in Albania
WOODSIDE ENERGY & REPSOL Sold on November 11, 2008	Participation of HELLENIC PETROLEUM SA	20	Oil & Gas exploration and production in Libya
MELROSE & OIL SEARCH	Participation of HELLENIC PETROLEUM SA	30	Grand of Mesaha region in Egypt
EGYPT-W.OBAYED	Participation of HELLENIC PETROLEUM SA	100	Exploration in W. Obayed - Egypt
CALFRAC WELL SERVICES	Participation of HELLENIC PETROLEUM SA	25	Exploration in kavala

## Analysis by Industry Segment

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Eliminations	Total
For the year ended 31 December 2007								
Sales	8,034,684	2,631,055	1,129	380,210	148,347	12,810	(2,670,284)	8,537,951
Other operating income / (expense) - net	(17,738)	18,490	-	2,869	493	(132)	5,000	8,982
Operating profit / (loss)	<b>408,238</b>	<b>46,429</b>	<b>(30,747)</b>	<b>37,760</b>	<b>21,726</b>	<b>(8,060)</b>	<b>1,926</b>	<b>477,272</b>
Foreign exchange gains/ (losses)	26,975	2,660	-	-	-	(104)	-	29,531
<b>Profit / (loss) before tax, share of net result of associates &amp; finance costs</b>	435,213	49,089	(30,747)	37,760	21,726	(8,164)	1,926	506,803
Share of net result of associates and dividend income	860	139	-	397	22,200	-	-	23,596
Profit / (loss) before tax & finance costs	436,073	49,228	(30,747)	38,157	43,926	(8,164)	1,926	530,399
Finance costs - net								(41,772)
<b>Profit before income tax</b>								<b>488,627</b>
Income tax expense								(124,012)
Income applicable to minority interest								(13,611)
<b>Profit for the period attributable to the equity holders of the parent company</b>								<b>351,004</b>

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Eliminations	Total
<b>For the year ended 31 December 2008</b>								
Sales	9,627,470	3,144,817	1,129	368,423	180,549	17,903	(3,209,308)	10,130,983
Other operating income / (expense) - net	32,282	14,450	143,327	3,894	54,872	7,841		256,666
Operating profit / (loss)	<b>(158,024)</b>	<b>36,675</b>	<b>124,670</b>	<b>8,400</b>	<b>90,979</b>	<b>10,398</b>		<b>113,098</b>
Foreign exchange gains/ (losses)	(99,021)	(3,450)	-	-	(1)	(35)		(102,507)
Profit / (loss) before tax, share of net result of associates & finance costs	(257,045)	33,225	124,670	8,400	90,978	10,363		10,591
Share of net result of associates and dividend income	667	-	-	(2,074)	56,161	-		54,754
<b>Profit / (loss) before tax &amp; finance costs</b>	<b>(256,378)</b>	<b>33,225</b>	<b>124,670</b>	<b>6,326</b>	<b>147,139</b>	<b>10,363</b>		<b>65,345</b>
Finance costs - net								(48,488)
<b>Profit before income tax</b>								<b>16,857</b>
Income tax income								12,176
Income applicable to minority interest								(5,390)
<b>Profit for the period attributable to the equity holders of the parent company</b>								<b>23,643</b>

**The segment assets and liabilities at 31 December 2007 are as follows:**

Total assets	3,837,262	993,964	11,770	316,674	252,309	1,051,413	(1,404,528)	<b>5,058,864</b>
Total liabilities	1,542,595	646,274	-	174,226	200,314	1,155,572	(1,240,590)	<b>2,478,391</b>
Net assets	2,294,667	347,690	11,770	142,448	51,995	(104,159)	(163,938)	<b>2,580,473</b>
Capital expenditure	118,951	71,417	3,509	772	242	59	-	<b>194,950</b>
Depreciation & Amortisation	73,126	29,890	3,081	17,365	15,877	439	-	<b>139,778</b>

**The segment assets and liabilities at 31 December 2008 are as follows:**

Total assets	3,809,422	972,004	4,058	325,388	-	1,422,961	(1,387,843)	<b>5,145,990</b>
Total liabilities	1,796,845	629,234	-	202,855	183	1,090,784	(1,047,577)	<b>2,672,324</b>
Net assets	2,012,577	342,771	4,058	122,533	(183)	332,177	(340,267)	<b>2,473,666</b>
Capital expenditure	246,194	86,780	-	647	-	4,019	-	<b>337,640</b>
Depreciation & Amortisation	69,562	32,835	-	17,308	-	431	-	<b>120,136</b>



**HELLENIC PETROLEUM S.A.**

FINANCIAL DATA AND INFORMATION FOR THE YEAR 1 JANUARY TO 31 DECEMBER 2008

The financial data and information contained below is only for general information purposes regarding the financial position and results of HELLENIC PETROLEUM S.A. and the Group. The user who wishes to have a view of the financial position and the results should visit the company's web site, where the annual financial statements, prepared in accordance with International Financial Reporting Standards, and auditor's report, are presented.

**INFORMATION ABOUT THE COMPANY**

**Head office Address:**  
A.R.M.A.E  
Authority  
54 AMALIAS AVE - 10558 ATHENS  
2443/06/B/86/23  
MINISTRY OF DEVELOPMENT

**Executive Members**

EFTHIMIOS CHRISTODOULOU – Chairman of Board  
JOHN KOSTOPOULOS Chief Executive Officer  
PANAGIOTIS CAVOULACOS – Chief Executive Officer (until 11/12/2007)  
THEODOROS-ACHILLEAS VARDAS – Executive Member  
NIKOLAOS LERIOS – Executive Member (from 11/12/2007)  
DEMETRIOS MATHAIYOU – Executive Member (until 11/12/2007)

**Non Executive Members**

VASILIOS BAGIOKOS  
PANAGIOTIS PAVLOPOULOS  
MARIOS TSAKAS (until 14/5/2008)  
ELISAVET TYPALDOY-LOVERDOU (from 11/12/2007)  
GEORGIOS KALLIMPOPOULOS (from 11/12/2007)  
ANDREAS VRANAS (until 14/5/2008)  
PANAGIOTIS OFTHALIMIDIS (from 14/5/2008)  
IOULIA ARMAGOU (from 7/8/2008)

IASON STRATOS  
DIMITRIOS DELIGIANNIS (until 14/5/2008)  
VASILIOS NIKITAS (until 14/5/2008)  
ANDREAS PALEVRATZIS (until 11/12/2007)  
IOANNIS TSOUKALAS (until 11/12/2007)  
DIMITRIOS MILIAKOS (from 14/5/2008)  
ALEXIOS ATHANASOPOULOS (from 14/5/2008)

**Date of approval of the financial statements:**

26 February 2009

Michalatos J. Konstantinos, AM ΣΟΕΑ 17701

PricewaterhouseCoopers S.A

Unqualified

<http://www.help.e.gr>

**Auditing Company:**

**Type of Auditor's Review Opinion:**

**Website:**

1.1 BALANCE SHEET (ποσά σε χιλιάδες €)	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
<b>ASSETS</b>				
Property, plant and equipment	1,439,919	1,416,340	855,247	676,436
Intangible assets	129,391	129,920	17,446	26,427
Other non current assets	746,881	489,737	769,935	717,943
Inventories	1,020,780	1,531,161	940,722	1,409,638
Trade and other receivables	929,604	1,279,244	713,693	994,107
Other current assets	876,536	208,450	520,232	26,815
Available for sale non current assets	2,879	4,012	21	249
<b>TOTAL ASSETS</b>	<b>5,145,990</b>	<b>5,058,864</b>	<b>3,817,296</b>	<b>3,851,615</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	666,285	666,285	666,285	666,285
Share premium	353,796	353,796	353,796	353,796
Retained earnings and other reserves	1,304,803	1,433,814	861,308	1,111,514
<b>Capital and reserves attributable to Company Shareholders (a)</b>	<b>2,324,884</b>	<b>2,453,895</b>	<b>1,881,389</b>	<b>2,131,595</b>
Minority interest (b)	148,782	126,578		
<b>TOTAL EQUITY AND LIABILITIES (c) = (a) + (b)</b>	<b>2,473,666</b>	<b>2,580,473</b>	<b>1,881,389</b>	<b>2,131,595</b>
Long term borrowings	448,084	402,585	263,227	258,413
<b>Provisions and other long term liabilities</b>	<b>299,765</b>	<b>341,092</b>	<b>226,280</b>	<b>258,108</b>
Short term borrowings	1,110,355	786,510	760,798	377,291
<b>Other short term liabilities</b>	<b>814,120</b>	<b>948,204</b>	<b>685,602</b>	<b>826,208</b>
<b>Total liabilities (d)</b>	<b>2,672,324</b>	<b>2,478,391</b>	<b>1,935,907</b>	<b>1,720,020</b>
<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>	<b>5,145,990</b>	<b>5,058,864</b>	<b>3,817,296</b>	<b>3,851,615</b>

1.3 CHANGES IN EQUITY (Amounts in thousands €)	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Total equity at beginning of the period	2,580,473	2,397,610	2,131,595	2,029,907
Profit for the period net of taxes	29,033	364,615	(108,290)	281,992
Dividends relating to 2007	(152,817)	(131,423)	(152,817)	(131,423)
Other movements directly affecting equity				
Unrealised gains / losses on revaluation of hedges	10,901	(48,881)	10,901	(48,881)
Transfer of shares in subsidiary	9,696	-	-	-
Translation exchange differences	(3,620)	-	-	-
	-	(1,448)	-	-
Total equity at the end of the period	<b>2,473,666</b>	<b>2,580,473</b>	<b>1,881,389</b>	<b>2,131,595</b>

1.4 CASHFLOW STATEMENT (ποσά σε χιλιάδες €)	GROUP		COMPANY	
	1/01/2008-31/12/2008	1/01/2007-31/12/2007	1/01/2008-31/12/2008	1/01/2007-31/12/2007
<b>Cash flows from operating activities</b>				
Profit before tax	16,857	488,627	(142,082)	388,730
Adjustments for:				
Depreciation and amortisation of property, plant and equipment and intangible assets	136,042	139,778	75,773	82,643
Amortisation of government grants	(3,551)	(4,278)	(2,792)	(3,325)
Provisions	28,581	36,972	40,459	55,334
Foreign exchange (gains) / losses	102,507	(33,797)	96,192	(33,264)
Loss / (Profit) on sales of fixed assets	(223)	(3,767)	-	-
Income from participations and investments	(259,296)	(26,039)	(136,793)	(8,662)
Interest expense	<b>71,928</b>	<b>60,767</b>	<b>33,879</b>	<b>33,672</b>
Interest income	<b>(23,440)</b>	<b>(18,995)</b>	<b>(12,135)</b>	<b>(9,900)</b>
	<b>59,405</b>	<b>639,268</b>	<b>(47,499)</b>	<b>505,228</b>

1.2. PROFIT & LOSS FOR THE PERIOD (Amounts in thousands €)	GROUP		COMPANY	
	1/01/2008- 31/12/2008	1/01/2007- 31/12/2007	1/01/2008- 31/12/2008	1/01/2007- 31/12/2007
Turnover	10,130,983	8,537,951	9,319,595	7,899,981
Gross profit	258,601	871,958	(12,650)	598,770
Earnings Before Interest & Tax	113,098	477,272	(24,146)	383,478
Profit before Tax	16,857	488,627	(142,082)	388,730
Less: taxes	12,176	(124,012)	33,792	(106,738)
Profit for the period	<b>29,033</b>	<b>364,615</b>	<b>(108,290)</b>	<b>281,992</b>
<b>Attributable to:</b>				
Equity holders of the Company	23,643	351,004	(0.35)	0.92
Minority Interest	5,390	13,611		
	<b>29,033</b>	<b>364,615</b>		
Basic and diluted earnings per share (in Euro per share)	0.08	1.15		
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	245,589	612,772	48,835	462,796

## ADDITIONAL INFORMATION

1. Note 33 of the Group Financial Statements contains the names of all subsidiary companies and their related information. 2. Other movements directly attributed to equity contain an amount of €9.7 m. from transfer of 20% of Vardax S.A. shares to F'YROM (Notes 24(a) & 34(a) of the Group Financial Statements). 3. No shares are owned either by the statutory company or any subsidiary of the group at the end of the current reporting period. 4. The Parent company HELLENIC PETROLEUM has not been subject to a tax audit for the fiscal years 2002 up to 2007 and for the most material subsidiary companies from 2005 up to 2008 (Note 24(b) of the Group Financial Statements). 5. The accounting policies used in the preparation of the condensed interim consolidated financial statements for the three month period ended 30 September 2008 are consistent with those applied for the preparation of the consolidated published accounts for the year ended 31 December 2007. Group applies THE IFRS STABLE PLATFORM 2005 from 1 January 2005. 6. The Company is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information, management believes the outcome will not have a significant effect on the company's operating results or financial position. 7. At its meeting held on 7 August, 2008 during which the Board of Directors approved the Condensed Interim Consolidated Financial Statements of the Group for the six month period ended 30 June 2008, the Board proposed and approved an interim dividend for the 2008 financial year of €0.15 per share the relating amounts of which have been paid to the shareholders of the company on 21/10/2008. The Board of Directors on the meeting held on 26 Feb.2009 proposed a final dividend of 0.30€ /share, to be approved Company's AGM. 8. Where necessary, comparative figures have been reclassified to conform with changes in the presentation in the current year. Specifically, in comparative figures for 2007 for the Group and the Company, an amount of €25.221th. which related to grants received for fixed assets, has been reclassified from «Other Short Term Liabilities» to «Provisions/Other long term liabilities (see Note 2.25 of the Group Financial Statements). 9. After compliance with Capital Committee decision 34/24.1.2008 of the calculation of EBITDA includes the net depreciation after netting off amortisation of grants. As a result the comparative EBITDA for 2007 has been re-adjusted (reduced) by €3.3m and €4.3m for the Company and the Group respectively. 10. The number of employees at 31/12/2008 in Greece: Company: 2,505; Group: 3,485 (31/12/2008: Company:2,445; Group:3,432). 11. The companies Petrola S.A. and Hellenic Petroleum Bulgaria Properties Ltd are consolidated for the first time under full consolidation method. 12. On 31st December 2008, after the conclusion of the deal with Edison Group for the creation of a joint venture, the Balance Sheet of Energiaki Thessalonikis has been excluded from Group consolidation under the full consolidation method and is included under the net equity method through the joint venture Elpedison BV, under which the Group holds 50%, and which is consolidated for the first time in the Group.

13. The amount of provisions contained in the Balance Sheet are as follows:

	GROUP	COMPANY
a) for litigation cases	7,518	5,000
β) for tax matters	13,526	12,000
c) for SJJ	153,755	123,495
d) for other provisions relating to expenses	16,694	12,192

14. The related party transactions of the Group and the parent company with related companies (in thousands of €) are as follows:

	ΟΜΙΛΟΣ	ΕΤΑΙΡΕΙΑ
Sales of good and services	764,573	3,797,652
Purchases of good and services	41,877	87,559
Receivables	198,504	285,108
Payables	2,097	12,225
Board members and management personnel remuneration & other benefits	4,435	1,497
Amounts due to/from Board members and management personnel	0	0

## Changes in working capital (Increase) / decrease in Inventories (Αύξηση)/Μείωση ανατρησέων

	510,832	(324,479)	468,916	(302,148)
	517,164	(256,876)	268,606	(234,231)
<b>Increase / (decrease) in payables</b>	<b>(219,414)</b>	<b>324,213</b>	<b>(100,814)</b>	<b>316,687</b>

Less:  
Interest paid  
Income tax paid  
Net cash (used in) / generated from operating activities (a)

	(71,928)	(60,767)	(33,879)	(33,672)
	(173,570)	(14,327)	(165,609)	-
	632,489	307,032	389,721	251,864

## Cash flows from investing activities

Acquisitions of subsidiaries, related companies & associates  
Purchase of property, plant and equipment & intangible assets  
Grants received  
Cash from sale of plant and equipment & tangible assets  
**Interest received**  
Dividends received  
Net cash used in investing activities (b)

	(4,740)	(199)	(1,439)	(9,788)
	(337,640)	(194,955)	(241,738)	(117,111)
	4,002	390	925	200
	120,562	5,342	119,041	-
<b>Interest received</b>	<b>23,440</b>	<b>18,995</b>	<b>12,135</b>	<b>9,900</b>
	5,538	2,582	16,655	13,383
	(188,838)	(167,845)	(94,421)	(103,416)

## Cash flows from financing activities

**Proceeds from borrowings**  
**Loans repayments**  
**Dividends paid**  
**Net cash generated from / (used in ) financing activities (c)**  
**Net increase / (decrease) in cash & cash equivalents (a)+(b)+(c)**  
**Cash & cash equivalents at the beginning of the period**  
**Cash & cash equivalents at end of the period**

	1,339,940	944,204	778,239	487,458
	(962,667)	(914,465)	(427,285)	(516,006)
	(152,838)	(130,966)	(152,837)	(130,963)
	224,435	(101,227)	198,117	(159,511)
<b>Net increase / (decrease) in cash &amp; cash equivalents (a)+(b)+(c)</b>	<b>668,086</b>	<b>37,960</b>	<b>493,417</b>	<b>(11,063)</b>
<b>Cash &amp; cash equivalents at the beginning of the period</b>	<b>208,450</b>	<b>170,490</b>	<b>26,815</b>	<b>37,878</b>
<b>Cash &amp; cash equivalents at end of the period</b>	<b>876,536</b>	<b>208,450</b>	<b>520,232</b>	<b>26,815</b>

Athens, February 26 2009

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER GROUP

FINANCIAL MANAGER

EFTHIMIOS N. CHRISTODOULOU  
ID Number AB. 049358

JOHN COSTOPOULOS  
ID Number 702932384

ANDREAS N. SHIAMISHIS  
ID Number AA. 010147

PANTELOS A. TIKKAS  
ID Number E. 056140

# Parent Company Financial Statements

INCOME STATEMENT (amounts in 000€)	PARENT COMPANY	
	1/1/2007 - 31/12/2007	1/1/2008- 31/12/2008
Turnover	7,899,981	9,319,595
Gross profit	598,770	(12,650)
EBITDA	462,796	48,835
EBIT	383,478	(24,146)
Profit before tax	388,730	(142,082)
Less tax	(106,738)	33,792
Profit after tax	281,992	(108,290)
<b>BALANCE SHEET</b>	<b>31/12/2007</b>	<b>31/12/2008</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	676,436	855,247
Intangible assets	26,427	17,446
Investments in affiliated companies	694,660	707,838
Deferred income tax assets	22,785	61,465
Available-for-sale financial assets	249	21
Loans, advances and other receivables	498	632
	1,421,055	1,642,649
<b>Current assets</b>		
Inventories	1,409,638	940,722
Trade and other receivables	994,107	713,693
Cash and cash equivalents	26,815	520,232
	2,430,560	2,174,647
<b>Total assets</b>	<b>3,851,615</b>	<b>3,817,296</b>
<b>EQUITY</b>		
Share capital	1,020,081	1,020,081
Reserves	503,313	489,407
Retained Earnings	608,201	371,901
<b>Total equity</b>	<b>2,131,595</b>	<b>1,881,389</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	258,413	263,227
Retirement benefit obligations	122,650	123,496
Long term derivatives	79,494	71,219
Provisions and other long term liabilities	55,964	31,565
	516,521	489,507
Trade and other payables	694,231	682,404
Current income tax liabilities	128,758	-
Borrowings	377,291	760,798
Dividends payable	3,219	3,198
	1,203,499	1,446,400
<b>Total liabilities</b>	<b>1,720,020</b>	<b>1,935,907</b>
<b>Total equity and liabilities</b>	<b>3,851,615</b>	<b>3,817,296</b>

<b>CASH FLOW STATEMENT</b> (amounts in 000€)	<b>For the year ended</b>	
	<b>1/01/2007 - 1/12/2007</b>	<b>1/01/2008 - 31/12/2008</b>
<b>Cash flows from operating activities</b>		
Cash (used in) / generated from operations	289,776	585,317
Income tax paid	-	(165,609)
<b>Net cash generated from operating activities</b>	<b>289,776</b>	<b>419,708</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment & intangible assets	(117,111)	(248,470)
Proceeds from disposal of property, plant and equipment & intangible assets	-	1,323
Proceeds from disposal of E&P licence	-	124,450
Grants received	200	925
Dividends received	13,383	16,655
Interest received	9,900	12,135
Investments in affiliated companies	(9,788)	(1,439)
<b>Net cash used in investing activities</b>	<b>(103,416)</b>	<b>(94,421)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(33,672)	(33,879)
Dividends paid	(130,963)	(152,837)
Repayments of borrowings	(516,006)	(427,285)
Proceeds from borrowings	487,458	778,239
<b>Net cash (used in) / generated from financing activities</b>	<b>(193,183)</b>	<b>164,238</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>(6,823)</b>	<b>489,525</b>
Cash & cash equivalents at beginning of the year	37,878	26,815
Exchange gains on cash & cash equivalents	(4,240)	3,892
Net increase/(decrease) in cash & cash equivalents	(6,823)	489,525
<b>Cash &amp; cash equivalents at end of the year</b>	<b>26,815</b>	<b>520,232</b>

# General Information

## Chartered Accountants / Auditors Information

COMPANY NAME	AUDITING FIRM	ADDRESS	ACCOUNTANT/AUDITOR
1. HELLENIC PETROLEUM S.A.	PriceWaterHouseCoopers	268 Kifissias st., GR152 32 Halandri, Athens	Konstantinos Michalatos
2. EKO A.B.E.E	PriceWaterHouseCoopers	268 Kifissias st., GR152 32 Halandri, Athens	Konstantinos Michalatos
3. ASPROFOS S.A.	PriceWaterHouseCoopers	268 Kifissias st., GR152 32 Halandri, Athens	Konstantinos Michalatos
4. DIAXON A.B.E.E.	PriceWaterHouseCoopers	268 Kifissias st., GR152 32 Halandri, Athens	Konstantinos Michalatos

## Non tax-inspected Fiscal Years for Group Companies

COMPANY NAME	FISCAL YEAR
EKO A.B.E.E.	On 31/12/2008 the years 2005-2008. In February 2009 the inspection for the years 2005-2007 was completed. 2008 remains non-inspected.
EKO - NATURAL GAS SA	On 31/12/2008 from establishment since 2006. In February 2009 the inspection for the years up to 2006 was completed. The time period 1/1-31/5/2007 remains non-inspected.
EKOTA KO	2006 - 2008
EKO - CALYPSO	since establishment
HELLENIC PETROLEUM INTERNATIONAL CONSULTING	since establishment
EL.PET. BALKANIKI SA	2005 - 2008
VARDAX S.A.	2005 - 2008
ASPROFOS S A	2003 - 2008
DIAXON A.B.E.E.	2006 - 2008
POSEIDON MC	since establishment
APOLLON MC	since establishment
T-POWER	since establishment
HEL.PE. RENEWABLE ENERGY SOURCES	since establishment

# Communication

## Contact Information

**Name:** HELLENIC PETROLEUM SOCIETE ANONYME  
**Trade Name:** HELLENIC PETROLEUM S.A.

### Registered Address:

City of Athens  
54 Amalias Ave., 105 58 Athens, Greece  
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### Head Office and Aspropyrgos Industrial Installations:

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GR-193 00 Aspropyrgos, Greece P.O. Box: 1085  
GR-101 10 Athens, Greece  
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Fax: (+30)210 55.39.298, 210 55.39.299  
Telex: 210 897, 210316, 224679

### Elefsina Industrial Installations:

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### Thessaloniki Industrial Installations:

P.O. Box: 10044, GR-541 10 Thessaloniki, Greece  
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### Hydrocarbon Exploration and Production:

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### Shareholders' Services

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### DIAXON PLASTIC PACKAGING MATERIALS A.B.E.E.:

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Fax: (+30)210 87.67.999  
KOMOTINI INDUSTRIAL INSTALLATIONS:  
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Fax: (+30)25310 82380

### HELLENIC PETROLEUM POSEIDON MARITIME COMPANY

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Fax: (+30)210 55.39.298  
Registration Number in Maritime Companies' Register: S276

### HELLENIC PETROLEUM APOLLON MARITIME COMPANY

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Registration Number in Maritime Companies' Register: 3410

### THESSALONIKI POWER S.A.

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OFFICE IN ATHENS:  
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Tel.: (+30)210 87.67.900  
Fax: (+30)210 61.47.911

### HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES S.A.

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## Shareholders Information Desk

HELLENIC PETROLEUM aims to keep all of its shareholders, in Greece and abroad, fully informed through a range of information channels designed to meet the needs of the various shareholder groups.

The following sources of information are available to shareholders:

- The Group's websites: [www.hellenic-petroleum.gr](http://www.hellenic-petroleum.gr), [www.helpe.gr](http://www.helpe.gr)
- The Annual Company Operations Bulletin, published in Greek.
- The Annual Report, published in Greek and in English
- The Sustainability Report, published in Greek and in English.
- Quarterly financial statements, published on the Greek press.
- Regular press briefings, in Greece, combined with the release of financial results.
- Press releases with brief financial results, in accordance with the International Accounting Standards, published in the English language press abroad.
- Summary quarterly financial results, adjusted to the International Accounting Standards, are sent to the London Stock Exchange and are available, in more detail, from SHEARMAN & STERLING law firm in London.
- Periodic meetings with economic analysts and shareholders, held in Greece and in major cities in Europe and USA (road show). It is noted that, ten days before the Annual General Meeting each shareholder can obtain, from the Company, the annual financial statements as well as the relevant reports of the Board of Directors and of the Chartered Accountants / Auditors.

## Investor Relations Services

Shareholders, investors and financial analysts can contact us, for further information, at HELLENIC PETROLEUM's head office address:

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GR-193 00 Aspropyrgos, Greece

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## Shareholders' Services

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## Public and Corporate Affairs Department

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Company's web sites: [www.hellenic-petroleum.gr](http://www.hellenic-petroleum.gr)  
[www.helpe.gr](http://www.helpe.gr)

Company's e-mails: [info@hellenic-petroleum.gr](mailto:info@hellenic-petroleum.gr),  
[info@helpe.gr](mailto:info@helpe.gr)

# Annual Report Feedback

This report is addressed to our shareholders and stakeholders, aiming at their information regarding our strategy, policy and business performance in 2008.

Any suggestion concerning further improvement of this report, as a tool for a two-way communication between the Group and its stakeholders, is more than welcome.

## Communication Info:

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**HELLENIC**  
**PETROLEUM**