



**HELLENIC
PETROLEUM**



2018 2Q Results Presentation

Athens, 30 August 2018



- **Executive Summary**
 - Industry Environment
 - Group Results Overview
 - Business Units Performance
 - Financial Results
 - Q&A

2Q18 KEY HIGHLIGHTS: Strong results despite weaker refining macro; record high reported profitability on increasing prices

- **Adj. EBITDA at €187m (-18%), Adj. Net Income at €66m (-33%)**
 - Weaker USD vs EUR, lower benchmark refining margins on account of higher oil prices
 - Scheduled maintenance at Elefsina and Thessaloniki affected production
- **IFRS Reported EBITDA €307m (+102%), IFRS Reported Net Income at €151m vs €44m in 2Q17**
 - Crude oil price increase results to significant inventory gains (€131m), with Reported results at record high and increased sales Revenue (€2.5bln, +25%)
 - Further reduction of financial expenses y-o-y by 10%
 - Increased provisions for CO2 emission rights
- **Cashflow & Balance sheet**
 - 2Q18 operating cashflow (Adj. EBITDA – Capex) at €152m; Net Debt at €1.9bn
 - Refinancing of 2018 facilities completed, with full effect on interest cost from 3Q18 onwards; 2019 Eurobond refinancing under consideration subject to market conditions

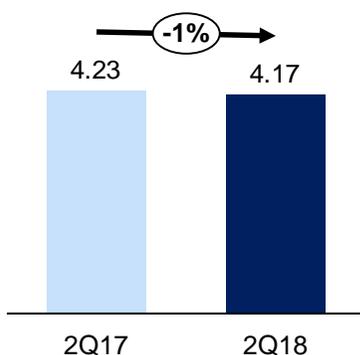
2Q18 KEY HIGHLIGHTS

Key recent developments

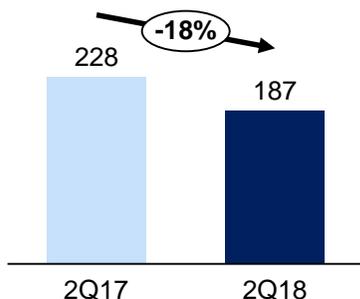
- On 18 July 2018, HRADF announced that two bidders qualified to participate in the second phase of the process for the acquisition of the 50.1% stake in the share capital (jointly by POIH and HRADF) of ELPE
- On 20 July 2018, the agreement for the sale of DESFA's 66% stake was signed between HRADF, ELPE and a consortium comprising of Snam S.p.A., Enagás Internacional S.L.U. και Fluxys S.A., for a total cash consideration of €535m
- On 13 July 2018, DEPA agreed to acquire the remaining 49% of EPA and EDA Attikis from Attiki Gas BV (subsidiary of Shell Gas BV); transaction is pending customary approvals
- On 3 July 2018, a JV of Total (40% - operator), ExxonMobil (40%) and ELPE (20%) was announced as Selected Applicant for two offshore areas West and SW of Crete

2Q18 GROUP KEY FINANCIALS

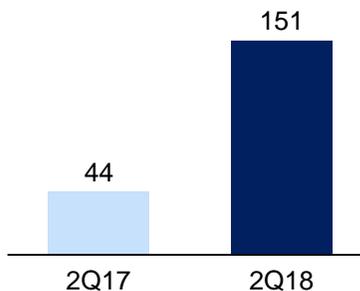
Refining sales volumes (m MT)



Adj. EBITDA (€m)



IFRS Net Income (€m)



FY	LTM	€ million, IFRS	2Q			1H		
			2017	2018	Δ%	2017	2018	Δ%
2017	2Q18		2017	2018	Δ%	2017	2018	Δ%
Income Statement								
16,069	16,132	Sales Volume (MT'000) - Refining	4,227	4,165	-1%	8,204	8,267	1%
5,165	4,956	Sales Volume (MT'000) - Marketing	1,244	1,190	-4%	2,445	2,236	-9%
7,995	8,596	Net Sales	2,000	2,499	25%	4,066	4,667	15%
Segmental EBITDA								
639	519	- Refining, Supply & Trading	180	137	-24%	371	250	-32%
95	97	- Petrochemicals	24	27	15%	51	53	4%
107	106	- Marketing	26	25	-6%	40	38	-3%
-7	-8	- Other	-2	-2	-6%	-4	-6	-29%
834	713	Adjusted EBITDA *	228	187	-18%	457	336	-26%
31	16	Share of operating profit of associates **	0	1	-	31	15	-51%
-165	-153	Finance costs - net	-42	-37	10%	-88	-76	14%
372	276	Adjusted Net Income *	98	66	-33%	224	128	-43%
851	946	IFRS Reported EBITDA	152	307	-	378	473	25%
384	441	IFRS Reported Net Income	44	151	-	168	225	34%
Balance Sheet / Cash Flow								
4,173		Capital Employed				4,024	4,431	10%
1,800		Net Debt				1,799	1,916	6%
43%		Net Debt / Capital Employed				45%	43%	-
209	195	Capital Expenditure	57	35	-39%	75	62	-18%

(*) Calculated as Reported less the Inventory effects and other non-operating items

(**) Includes 35% share of operating profit of DEPA Group adjusted for one-off items

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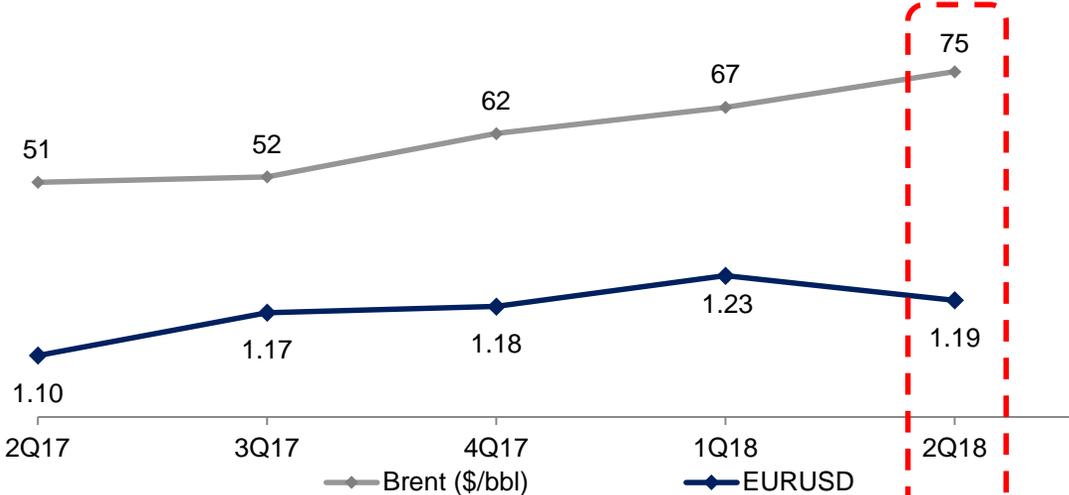


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INDUSTRY ENVIRONMENT

Crude oil prices increased further in 2Q18, +47% yoy; Stronger EUR vs USD y-o-y

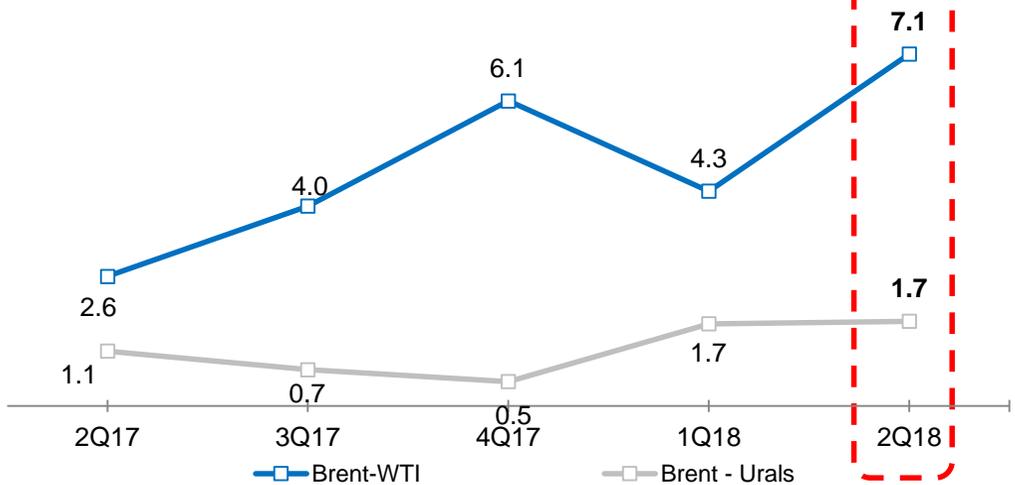
ICE Brent (\$/bbl) and EUR/USD*



- Crude oil prices averaged \$75/bbl, reflecting supply/demand balances and geopolitical developments

- EU and US monetary policies led EUR/USD at 1.19

Crude differentials (\$/bbl)



- Brent – WTI spread at \$7.1/bbl on increasing US crude production

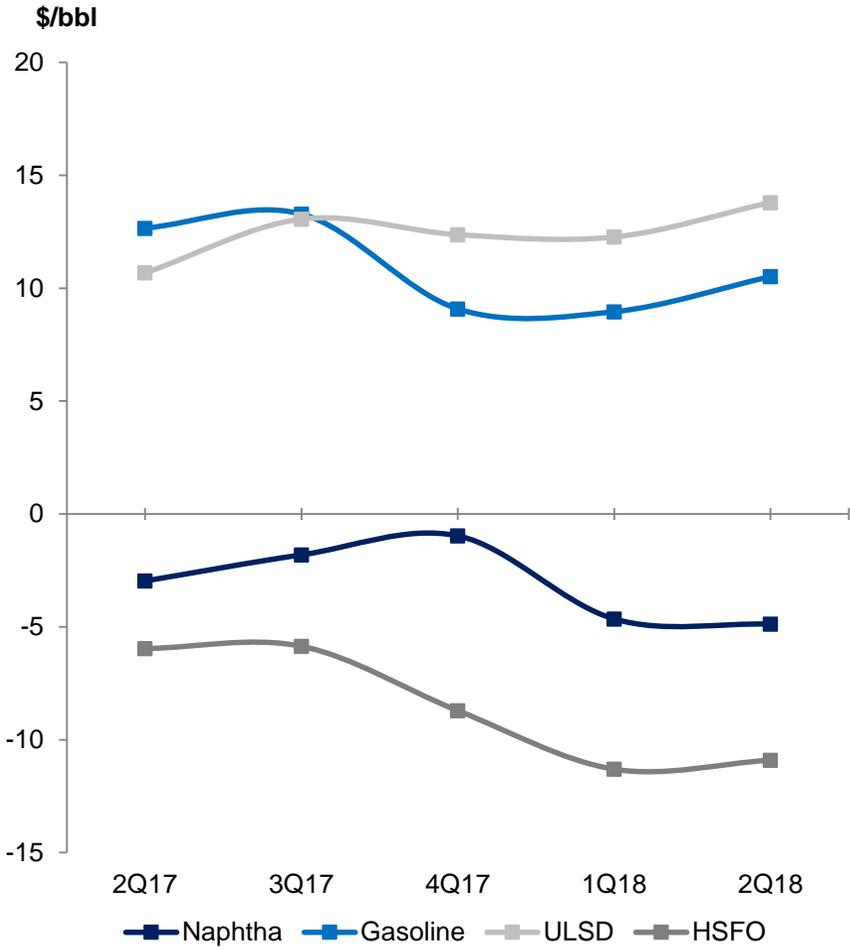
- B-U spread flat at \$1.7/bbl, on regional supply/demand balances and US sanctions on Iran

(* Quarterly averages

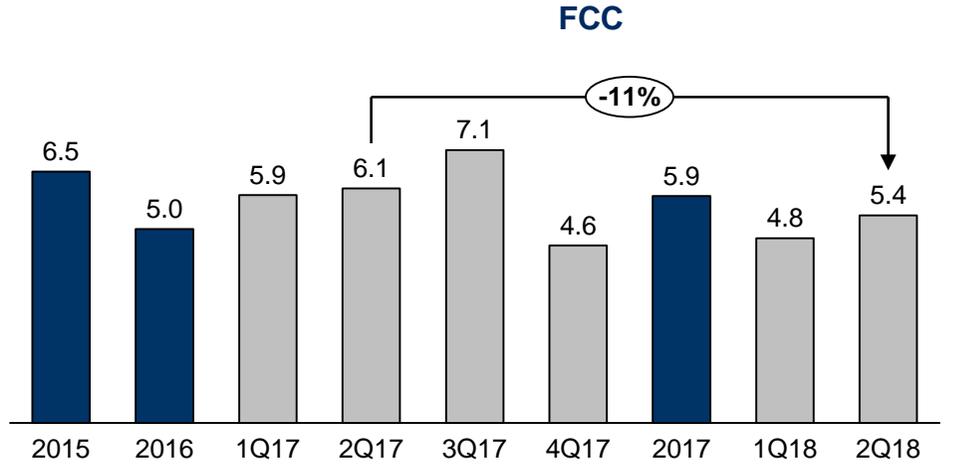
INDUSTRY ENVIRONMENT

Strong diesel cracks and normalization of FO spreads vs LY drive refining margins, with Hydrocracking benchmarks higher

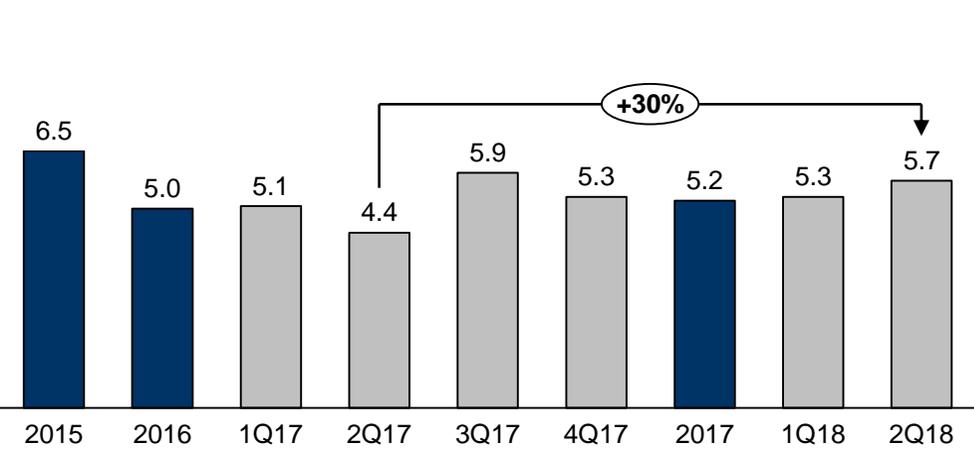
Product Cracks* (\$/bbl)



Med benchmark margins** (\$/bbl)



Hydrocracking & FXK



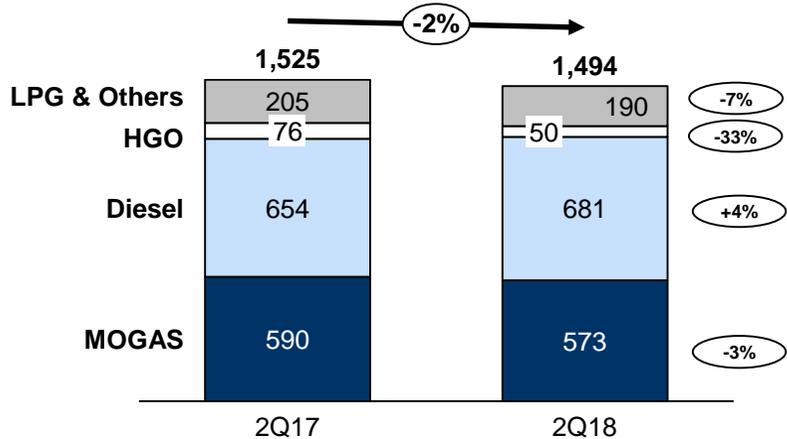
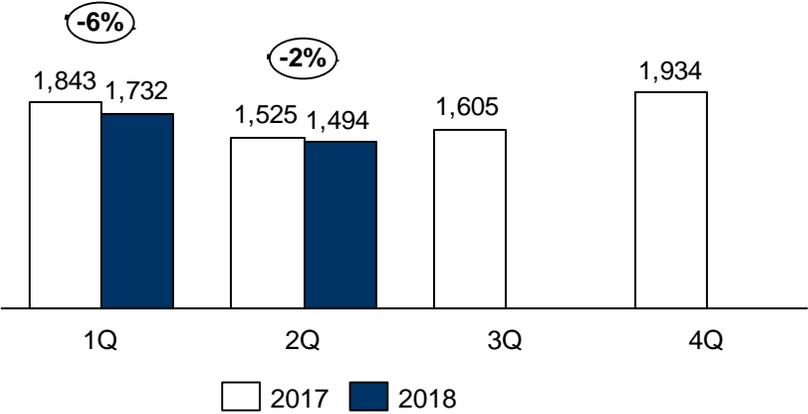
(*) Brent based.

(**) Revised benchmark margins set post-upgrades and secondary feedstock pricing adjustment

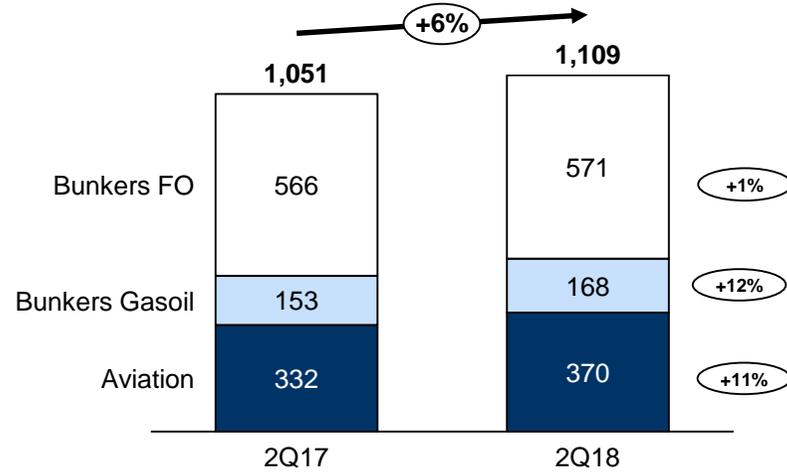
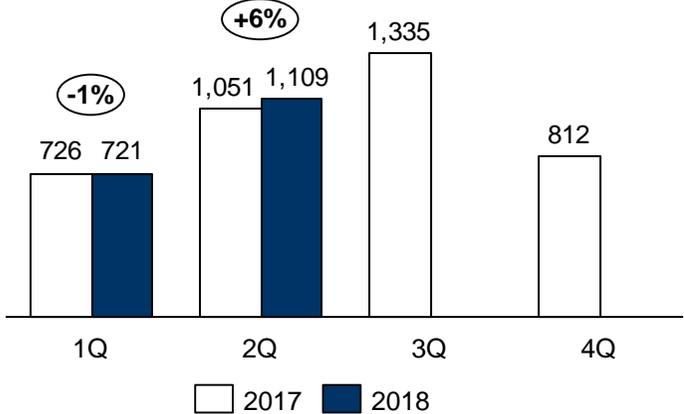
DOMESTIC MARKET ENVIRONMENT

Increased transport fuels demand driven by tourism activity and domestic macro environment

Domestic Market demand* (MT '000)



Aviation & Bunkers demand (MT '000)



(*) Does not include PPC and armed forces

Source: Ministry of Production Restructuring, Environment and Energy

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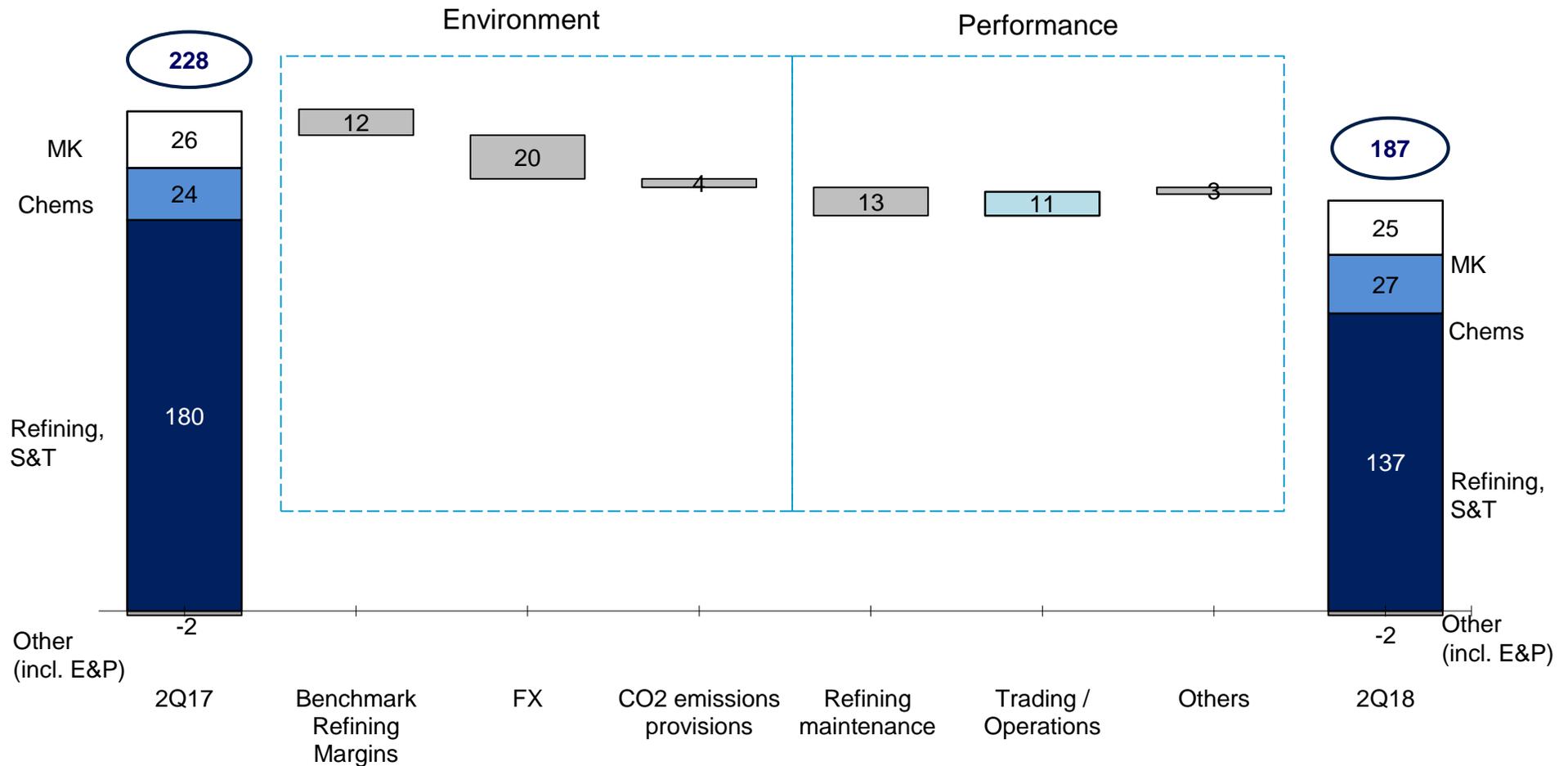


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CAUSAL TRACK & SEGMENTAL RESULTS OVERVIEW 2Q 2018

Weaker refining economics (benchmark margins, FX), increased cost of CO2 rights and scheduled maintenance affected profitability

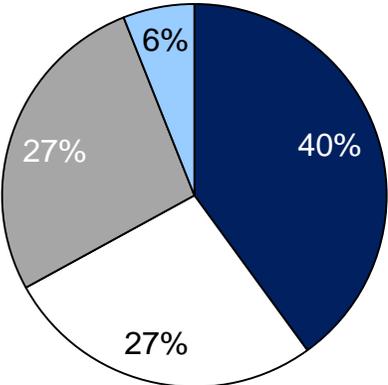
Adjusted EBITDA causal track 2Q18 vs 2Q17 (€m)



CREDIT FACILITIES - LIQUIDITY

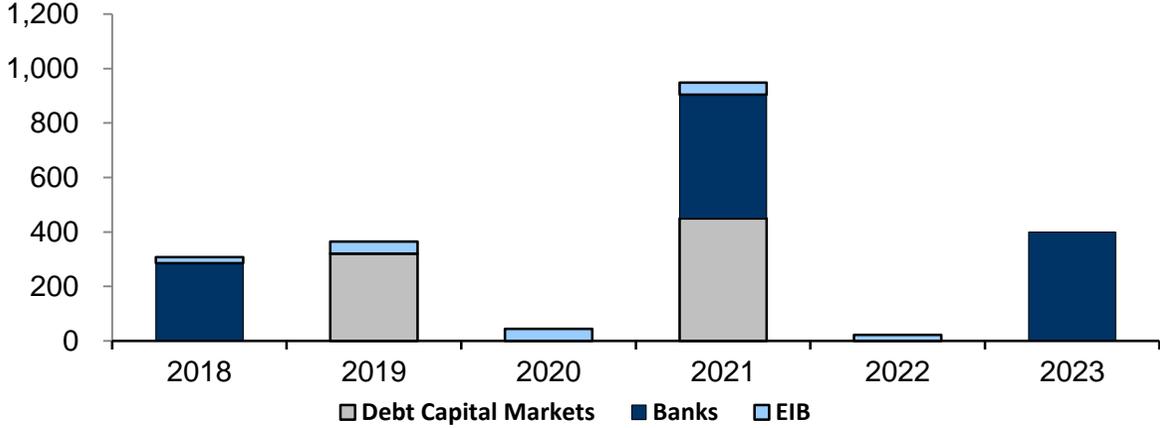
2018 refinancing completed with positive impact on funding costs and maturity profile optimization; interest costs down 20% in the last 18 months

Gross Debt Sourcing (%)

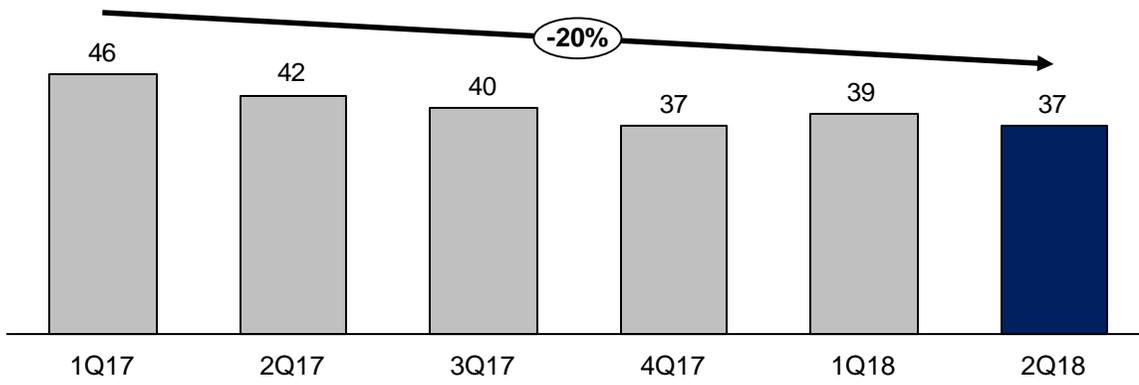


- Banks (committed)
- Banks (bilaterals)
- Debt Capital Markets
- EIB

Committed Facilities Maturity Profile (€m)



Finance Costs (€m)



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- **Refining, Supply & Trading**

- Petrochemicals
- Fuels Marketing
- Power & Gas

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DOMESTIC REFINING, SUPPLY & TRADING – OVERVIEW

R,S & T results reflect weaker USD and benchmark margins; operating results also affected by scheduled maintenance

FY 2017	IFRS FINANCIAL STATEMENTS € MILLION	2Q			1H		
		2017	2018	Δ%	2017	2018	Δ%
	KEY FINANCIALS - GREECE						
16,056	Sales Volume (MT '000)	4,224	4,158	-2%	8,200	8,266	1%
15,040	Net Production (MT '000)	3,936	3,729	-5%	7,779	7,646	-2%
6,967	Net Sales	1,758	2,236	27%	3,589	4,170	16%
632	Adjusted EBITDA *	178	136	-24%	367	248	-32%
150	Capex	48	24	-49%	62	42	-33%
	<u>KPIs</u>						
55	Average Brent Price (\$/bbl)	51	75	47%	53	71	35%
1.13	Average €/ \$ Rate (€1 =)	1.10	1.19	8%	1.08	1.21	12%
5.0	HP system benchmark margin \$/bbl (**)	5.0	4.8	-5%	5.0	4.5	-11%
10.5	Realised margin \$/bbl (***)	10.6	10.6	0%	10.7	10.2	-4%

(*) Calculated as Reported less the Inventory effects and other non-operating items

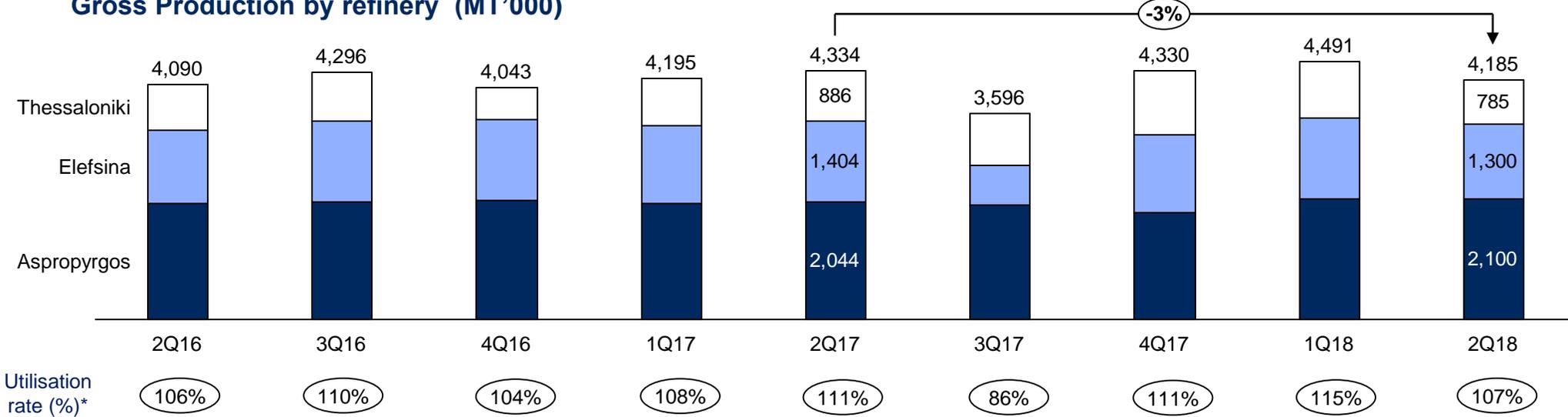
(**) System benchmark weighted on feed

(***) Includes PP contribution which is reported under Petchems

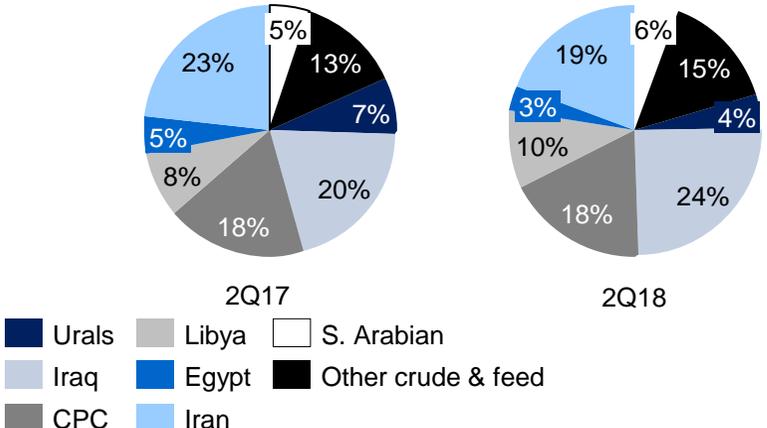
DOMESTIC REFINING, SUPPLY & TRADING – OPERATIONS

Utilisation levels reflect planned maintenance at Elefsina and Thessaloniki; yield structure remains competitive with middle distillates yield at 50% and cracked FO at 12%

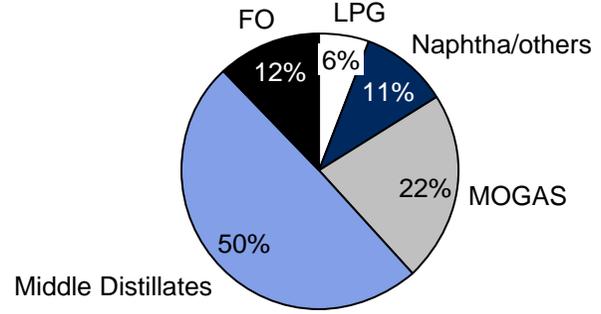
Gross Production by refinery (MT'000)



Crude & feedstock sourcing - (%)



2Q18 Refineries yield (%)

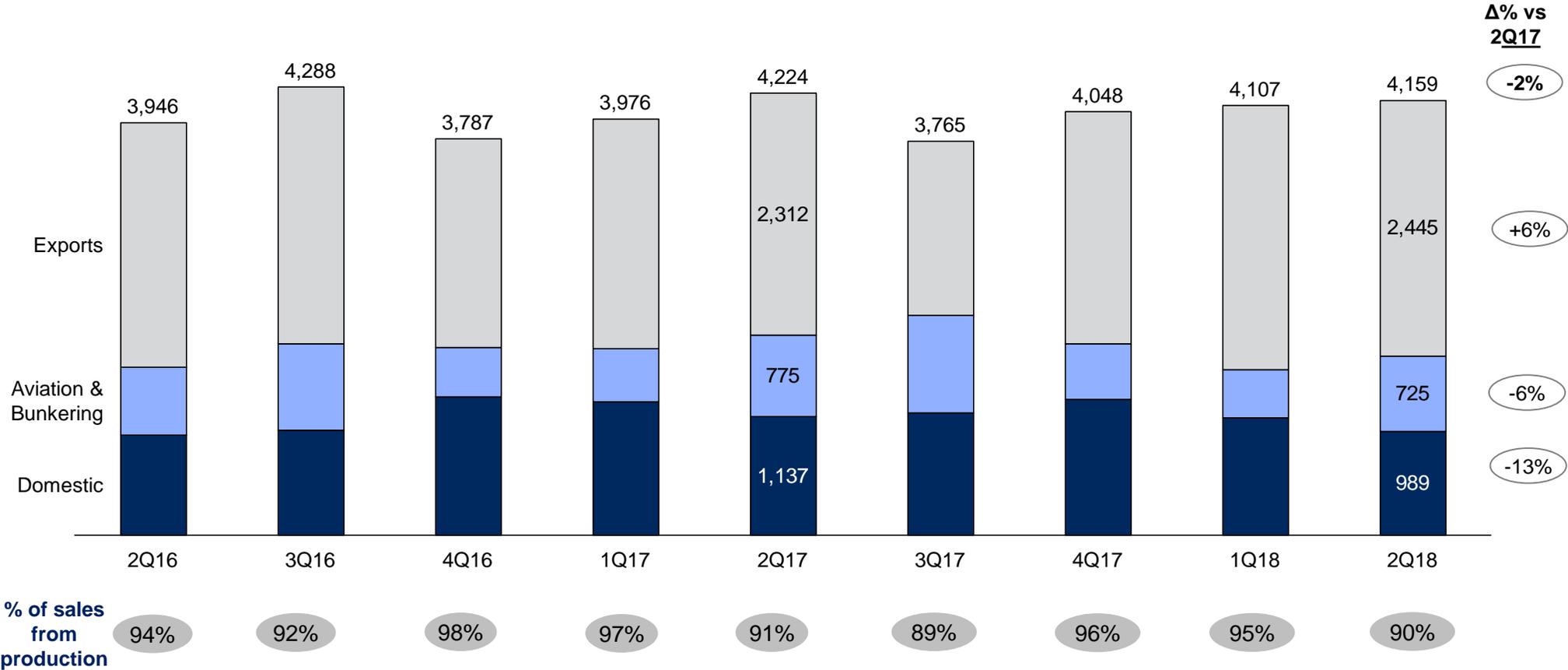


(*) Total input over nominal CDU capacity

DOMESTIC REFINING, SUPPLY & TRADING – SALES

Lower domestic market FO sales to PPC, offset by higher exports

Sales* by market (MT'000)

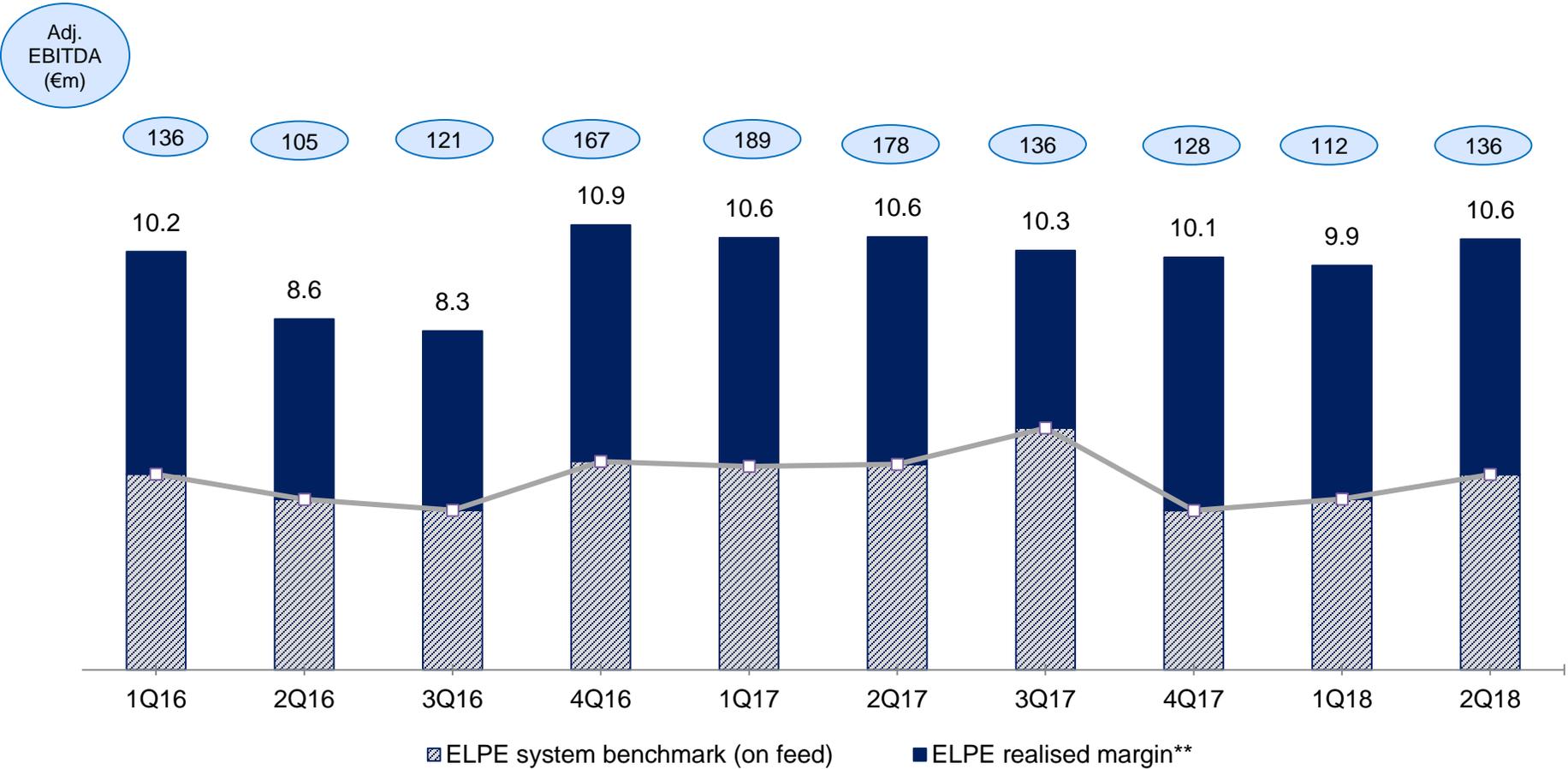


(* Ex-refinery sales to end customers or trading companies, excludes crude oil and sales to cross refinery transactions)

DOMESTIC REFINING, SUPPLY & TRADING – REALISED REFINING MARGIN

Realised margins remain strong despite refining maintenance

ELPE realised vs benchmark* margin (\$/bbl)



(*) System benchmark calculated using actual crude feed weights

(**) Includes PP contribution which is reported under Petchems

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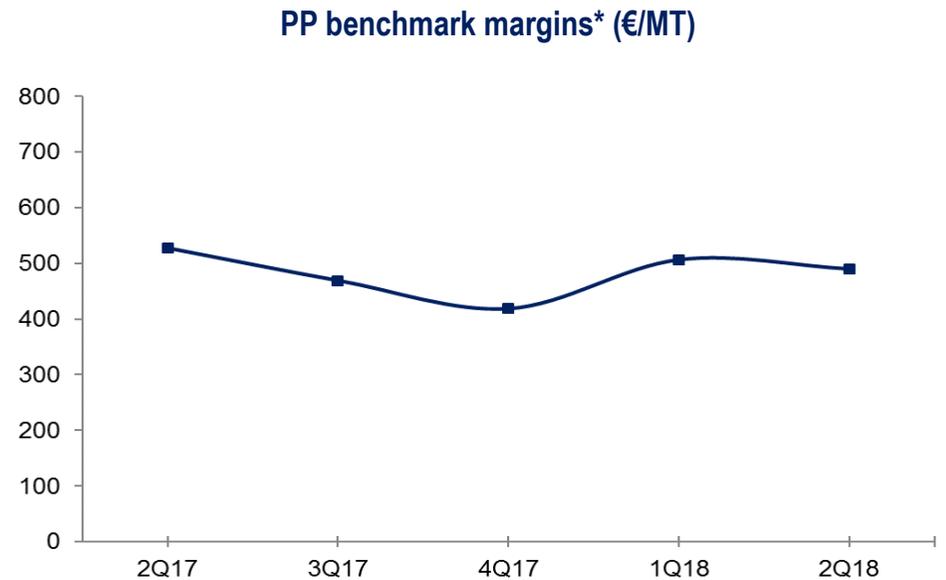
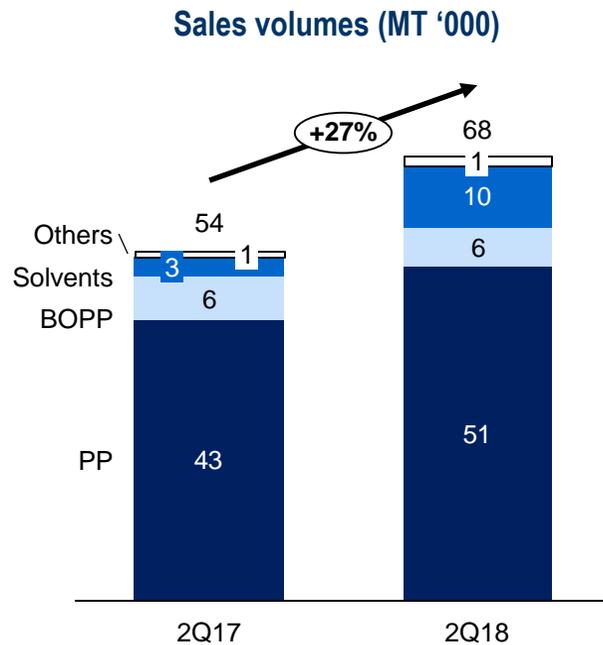


PETROCHEMICALS

Higher sales, on improved PP plant utilization, led to improved EBITDA contribution vs 2Q17

FY 2017	IFRS FINANCIAL STATEMENTS € MILLION	2Q			1H		
		2017	2018	Δ%	2017	2018	Δ%
	KEY FINANCIALS*						
243	Volume (MT '000)	54	68	27%	120	137	14%
267	Net Sales	61	76	24%	135	153	13%
95	Adjusted EBITDA**	24	27	15%	51	53	4%
	KEY INDICATORS						
392	EBITDA (€/MT)	439	397	-10%	427	388	-9%
36	EBITDA margin (%)	38	36	-7%	38	35	-8%

(*) FCC Propane-propylene spread reported under petchems (**) Calculated as Reported less non-operating items



(*) New PP benchmark since 1Q16 to better reflect regional markets

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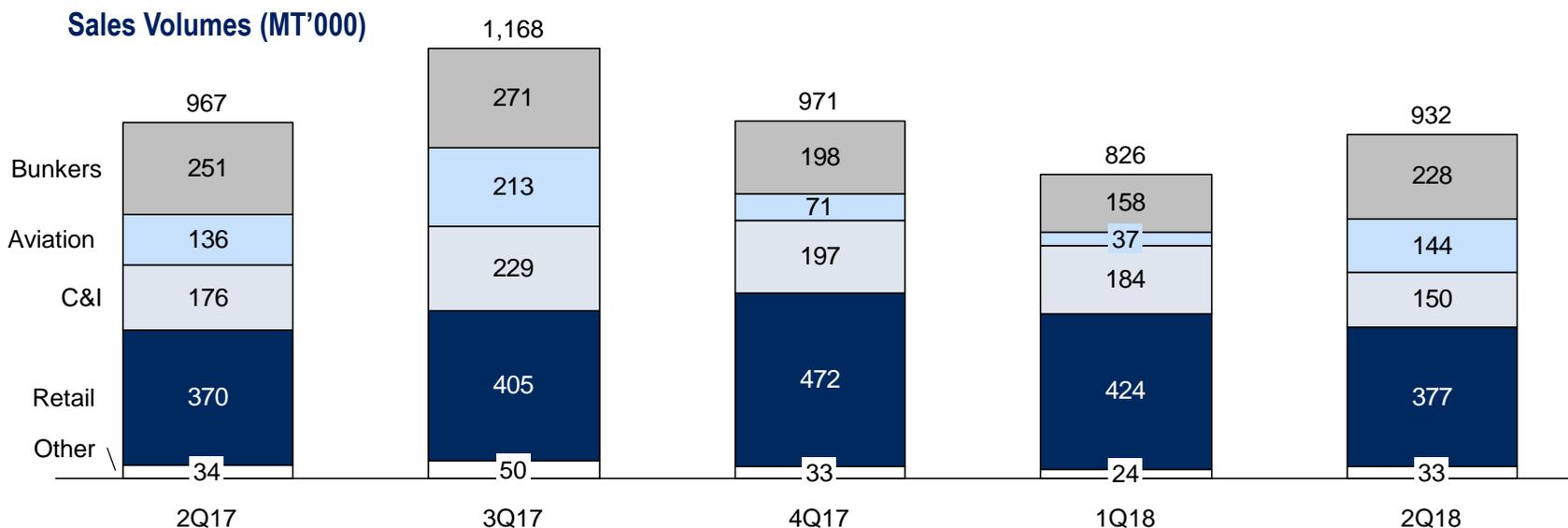
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DOMESTIC MARKETING

Improved retail and aviation performance offset lower PPC and bunkering sales

FY 2017	IFRS FINANCIAL STATEMENTS € MILLION	2Q			1H		
		2017	2018	Δ%	2017	2018	Δ%
	KEY FINANCIALS - GREECE						
4,058	Volume (MT '000)	967	932	-4%	1,920	1,758	-8%
2,093	Net Sales	483	592	22%	981	1,054	7%
51	Adjusted EBITDA*	12	12	-6%	16	14	-7%
	KEY INDICATORS						
1,760	Petrol Stations				1,738	1,752	1%
13	EBITDA (€/MT)	13	12	-3%	8.1	8.2	2%
2.4	EBITDA margin (%)	2.5	1.9	-24%	1.6	1.4	-13%



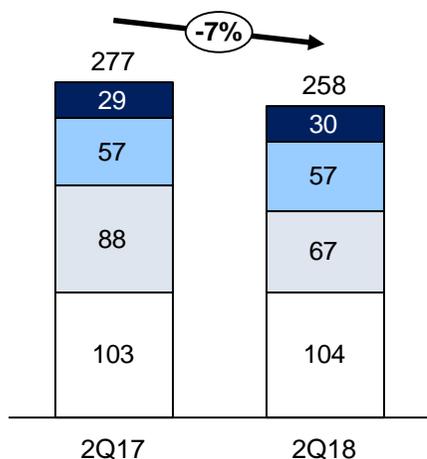
(*) Calculated as Reported less non-operating items and valuation / impairment

INTERNATIONAL MARKETING

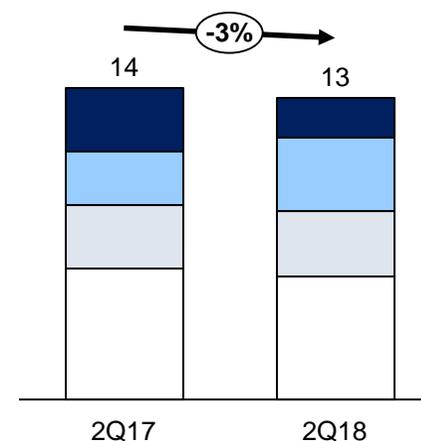
Performance sustained at International Marketing, despite lower wholesale volumes in Bulgaria

FY	IFRS FINANCIAL STATEMENTS	2Q			1H		
		2017	2018	Δ%	2017	2018	Δ%
2017	€ MILLION						
KEY FINANCIALS - INTERNATIONAL							
1,106	Volume (MT '000)	277	258	-7%	526	478	-9%
821	Net Sales	202	223	10%	391	404	3%
56	Adjusted EBITDA*	14	13	-5%	24	24	0%
KEY INDICATORS							
277	Petrol Stations				273	281	3%
50	EBITDA (€/MT)	50	51	3%	46	50	10%
6.8	EBITDA margin (%)	6.8	5.9	-14%	6.2	6.0	-3%

Sales Volumes per country (MT '000)



EBITDA per country (€m)



■ Serbia ■ Montenegro ■ Bulgaria ■ Cyprus

(*) Calculated as Reported less non-operating items

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– **Power & Gas**

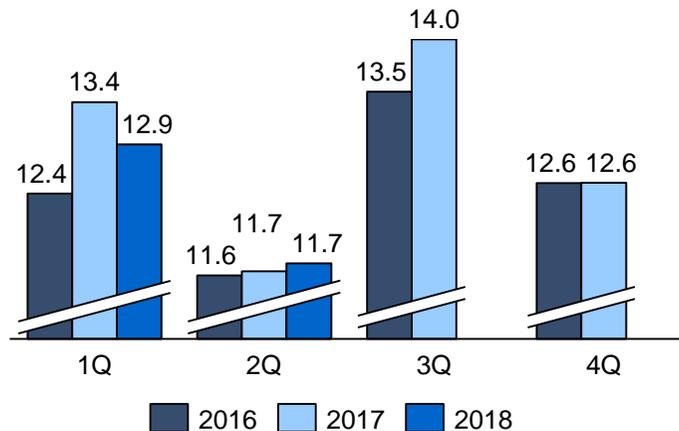
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POWER GENERATION: 50% stake in Elpedison

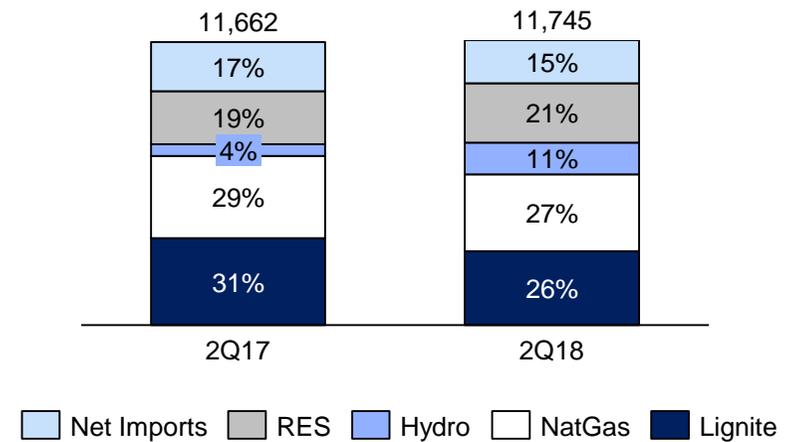
Higher Retail contribution outweighed by weak production volumes due to maintenance and increased CO2 costs

FY	FINANCIAL STATEMENTS	2Q			1H		
		2017	2018	Δ%	2017	2018	Δ%
2017	€ MILLION						
	KEY FINANCIALS						
2,731	Net production (MWh '000)	464	441	-5%	1,196	1,149	-4%
409	Sales	81	80	-1%	188	180	-4%
31	EBITDA	1	(2)	-	15	3	-79%
3	EBIT	-6	(8)	>100%	1	(11)	-

Power consumption (TWh)



System energy mix (TWh)



GAS: 35% stake in DEPA

Lower sales volumes affected profitability; DESFA privatization process at final stage; DEPA restructuring of distribution and retail activities in process

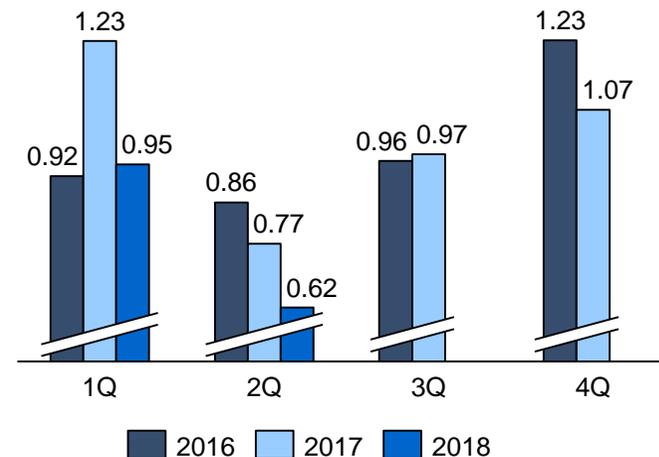
FY 2017	FINANCIAL STATEMENTS € MILLION	2Q			1H		
		2017	2018	Δ%	2017	2018	Δ%
	KEY FINANCIALS						
4,040	Sales Volume (million NM ³)	765	618	-19%	1,996	1,564	-22%
237	EBITDA	39	38	-4%	156	112	-28%
133	Profit after tax	24	12	-48%	101	59	-41%
46	Included in ELPE Group results (35% Stake)	8	4	-48%	35	21	-41%

- Lower volumes in 2Q18 on increased competition in PowerGen (-31%) and weaker EPAs demand

DESFA Privatisation and DEPA portfolio restructuring process

- SPA for the sale of 66% of DESFA to SNAM, FLUXYS & Enagas signed on 20 July
- DEPA sold 51% of EPA Thessaloniki to ENI for €57m and agreed to acquire 49% of EPA and EDA Attiki from Shell for €151m

Volumes (billions of NM³)



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2Q 2018 FINANCIAL RESULTS

GROUP PROFIT & LOSS ACCOUNT

FY	IFRS FINANCIAL STATEMENTS	2Q			1H		
		2017	2018	Δ %	2017	2018	Δ %
7,995	Sales	2,000	2,499	25%	4,066	4,667	15%
(6,907)	Cost of sales	(1,782)	(2,127)	(19%)	(3,563)	(4,071)	(14%)
1,087	Gross profit	218	372	70%	503	596	18%
(410)	Selling, distribution, administrative & exploration expenses	(100)	(114)	(14%)	(197)	(221)	(12%)
(2)	Exploration expenses	2	0	(95%)	(0)	(0)	86%
(16)	Other operating (expenses) / income - net	(7)	3	-	(15)	5	-
662	Operating profit (loss)	110	260	-	291	379	30%
5	Finance Income	1	1	(34%)	2	2	(28%)
(170)	Finance Expense	(43)	(38)	11%	(91)	(78)	14%
(8)	Currency exchange gains /(losses)	(6)	7	-	(7)	5	-
31	Share of operating profit of associates*	0	1	-	31	15	(51%)
520	Profit before income tax	63	231	-	227	323	42%
(136)	Income tax expense / (credit)	(19)	(80)	-	(60)	(98)	(64%)
384	Profit for the period	44	151	-	168	225	34%
(3)	Minority Interest	(0)	(2)	-	(0)	(2)	-
381	Net Income (Loss)	44	149	-	167	224	34%
1.25	Basic and diluted EPS (in €)	0.14	0.49	-	0.55	0.73	-
851	Reported EBITDA	152	307	-	378	473	25%

(*) Includes 35% share of operating profit of DEPA Group

2Q 2018 FINANCIAL RESULTS REPORTED VS ADJUSTED EBITDA

FY	(€ million)	2Q		1H	
		2017	2018	2017	2018
851	Reported EBITDA	152	307	378	473
(59)	Inventory effect - Loss/(Gain)	66	(131)	57	(150)
41	One-offs - Loss / (Gain)	10	11	22	13
834	Adjusted EBITDA	228	187	457	336

2Q 2018 FINANCIAL RESULTS

GROUP BALANCE SHEET

IFRS FINANCIAL STATEMENTS	FY	1H
€ MILLION	2017	2018
Non-current assets		
Tangible and Intangible assets	3,418	3,387
Investments in affiliated companies*	702	692
Other non-current assets	163	160
	4,282	4,239
Current assets		
Inventories	1,056	1,049
Trade and other receivables	791	904
Derivative financial instruments	12	13
Cash, cash equivalents and restricted cash	1,019	909
	2,878	2,876
Total assets	7,160	7,115
Shareholders equity	2,309	2,453
Minority interest	63	62
Total equity	2,372	2,515
Non-current liabilities		
Borrowings	920	1,739
Other non-current liabilities	300	344
	1,220	2,083
Current liabilities		
Trade and other payables	1,661	1,294
Borrowings	1,900	1,087
Other current liabilities	7	136
	3,568	2,517
Total liabilities	4,789	4,600
Total equity and liabilities	7,160	7,115

(*) 35% share of DEPA Group book value (consolidated as an associate)

2Q 2018 FINANCIAL RESULTS

GROUP CASH FLOW

FY 2017	IFRS FINANCIAL STATEMENTS € MILLION	1H	
		2017	2018
	Cash flows from operating activities		
453	Cash generated from operations	138	31
(10)	Income and other taxes paid	(2)	3
443	Net cash (used in) / generated from operating activities	136	34
	Cash flows from investing activities		
(209)	Purchase of property, plant and equipment & intangible assets	(75)	(61)
-	Acquisition of further equity interest in subsidiary	-	(16)
-	Purchase of subsidiary, net of cash acquired	-	(1)
5	Interest received	2	2
19	Dividends received	-	-
(185)	Net cash used in investing activities	(72)	(75)
	Cash flows from financing activities		
(161)	Interest paid	(90)	(70)
(107)	Dividends paid	(3)	(2)
-	Securities held to maturity	-	-
12	Movement of restricted cash	12	144
(10)	Acquisition of treasury shares	-	(1)
288	Proceeds from borrowings	208	408
(323)	Repayment of borrowings	(417)	(407)
(300)	Net cash generated from / (used in) financing activities	(291)	73
(42)	Net increase/(decrease) in cash & cash equivalents	(227)	32
924	Cash & cash equivalents at the beginning of the period	924	873
(9)	Exchange gains/(losses) on cash & cash equivalents	(8)	4
(42)	Net increase/(decrease) in cash & cash equivalents	(227)	31
873	Cash & cash equivalents at end of the period	689	908

2Q 2018 FINANCIAL RESULTS

SEGMENTAL ANALYSIS – I

FY 2017	€ million, IFRS	2Q			1H		
		2017	2018	Δ%	2017	2018	Δ%
	Reported EBITDA						
670	Refining, Supply & Trading	104	257	-	291	388	33%
95	Petrochemicals	24	27	15%	51	53	4%
95	Marketing	26	25	-6%	40	38	-5%
860	Core Business	154	309	-	382	478	25%
-9	Other (incl. E&P)	-2	-2	14%	-4	-5	-20%
851	Total	152	307	-	378	473	25%
95	Associates (Power & Gas) share attributable to Group	15	13	-19%	64	41	-36%
	Adjusted EBITDA (*)						
639	Refining, Supply & Trading	180	137	-24%	371	250	-32%
95	Petrochemicals	24	27	15%	51	53	4%
107	Marketing	26	25	-6%	40	38	-3%
841	Core Business	230	189	-18%	461	342	-26%
-7	Other (incl. E&P)	-2	-2	-6%	-4	-6	-29%
834	Total	228	187	-18%	457	336	-26%
95	Associates (Power & Gas) share attributable to Group	15	13	-19%	64	41	-36%
	Adjusted EBIT (*)						
496	Refining, Supply & Trading	149	103	-31%	307	180	-41%
91	Petrochemicals	23	26	15%	49	51	4%
68	Marketing	17	14	-15%	20	18	-10%
655	Core Business	189	143	-24%	376	249	-34%
-10	Other (incl. E&P)	-2	-3	-16%	-5	-7	-32%
644	Total	186	140	-25%	371	243	-35%
31	Associates (Power & Gas) share attributable to Group (adjusted)	0	1	-	31	15	-51%

(*) Calculated as Reported less the Inventory effects and other non-operating items

2Q 2018 FINANCIAL RESULTS

SEGMENTAL ANALYSIS – II

FY 2017	€ million, IFRS	2Q			1H		
		2017	2018	Δ%	2017	2018	Δ%
	Volumes (MT'000)						
16,069	Refining, Supply & Trading	4,227	4,165	-1%	8,204	8,267	1%
243	Petrochemicals	54	68	27%	120	137	14%
5,165	Marketing	1,244	1,190	-4%	2,445	2,236	-9%
21,477	Total - Core Business	5,525	5,423	-2%	10,769	10,640	-1%
	Sales						
7,001	Refining, Supply & Trading	1,767	2,245	27%	3,604	4,181	16%
267	Petrochemicals	61	76	24%	135	153	13%
2,912	Marketing	684	814	19%	1,371	1,456	6%
10,179	Core Business	2,512	3,135	25%	5,110	5,790	13%
-2,185	Intersegment & other	-512	-637	-24%	-1,045	-1,123	-8%
7,995	Total	1,988	2,499	26%	4,066	4,667	15%
	Capital Employed						
2,458	Refining, Supply & Trading				2,259	2,612	16%
905	Marketing				920	973	6%
75	Petrochemicals				74	71	-4%
3,438	Core Business				3,253	3,656	12%
702	Associates (Power & Gas)				702	692	-1%
33	Other (incl. E&P)				69	84	21%
4,173	Total				4,024	4,431	10%

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- Executive Summary
- Industry Environment
- Group Results Overview
- Business Units Performance
- Financial Results



- **Q&A**

DISCLAIMER

Forward looking statements

HELLENIC PETROLEUM do not in general publish forecasts regarding their future financial results. The financial forecasts contained in this document are based on a series of assumptions, which are subject to the occurrence of events that can neither be reasonably foreseen by HELLENIC PETROLEUM, nor are within HELLENIC PETROLEUM's control. The said forecasts represent management's estimates, and should be treated as mere estimates. There is no certainty that the actual financial results of HELLENIC PETROLEUM will be in line with the forecasted ones.

In particular, the actual results may differ (even materially) from the forecasted ones due to, among other reasons, changes in the financial conditions within Greece, fluctuations in the prices of crude oil and oil products in general, as well as fluctuations in foreign currencies rates, international petrochemicals prices, changes in supply and demand and changes of weather conditions. Consequently, it should be stressed that HELLENIC PETROLEUM do not and could not reasonably be expected to, provide any representation or guarantee, with respect to the creditworthiness of the forecasts.

This presentation also contains certain financial information and key performance indicators which are primarily focused at providing a “business” perspective and as a consequence may not be presented in accordance with International Financial Reporting Standards (IFRS).