ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR 2013

(As per Article 4, L. 3556/2007)

TABLE OF CONTENTS

1. Audited Annual Financial Statements

1.1 Group Consolidated Financial Statements

HELLENIC PETROLEUM S.A.

Consolidated Financial Statements
in accordance with IFRS for the
year ended 31 December 2013

GENERAL COMMERCIAL REGISTRY: 000269901000
COMPANY REGISTRATION NUMBER: 2443/06/B/86/23
REGISTERED OFFICE: 8[A] CHIMARRAS STR, 15125 MAROUSSI, GREECE

Index to the consolidated financial statements

(All amounts in Euro thousands unless otherwise stated)

Company Information

Directors	Ioannis Papathanasiou – Chairman of the Board (since 27/2/2014) John Costopoulos – Chief Executive Officer Theodoros-Achilleas Vardas – Member Andreas Shiamishis – Member (since 30/05/2013) Vassilios Nikoletopoulos – Member (since 30/05/2013) Panagiotis Ofthalmides – Member Theodoros Pantalakis – Member Spyridon Pantelias – Member Konstantinos Papagiannopoulos – Member (since 27/06/2013) Christos Razelos, - Member (since 30/05/2013) Ioannis Raptis,- Member (since 27/06/2013) Ioannis Sergopoulos – Member (since 27/06/2013) Aggelos Chatzidimitriou - Member (since 30/05/2013)

John Costopoulos, Theodoros-Achilleas Vardas and Andreas Shiamishis are executive members of the board.

Other Board Members during the previous period:	Christos-Alexis Komninos – Chairman of the Board (23/12/2011 – 23/02/2014) Dimokritos Amallos – Member (28/12/2009 – 14/05/2013) Alexios Athanasopoulos – Member (14/05/2008 – 26/06/2013) Georgios Kallimopoulos – Member (11/12/2007 – 14/05/2013) Alexandros Katsiotis – Member (28/12/2009 – 14/05/2013) Gerassimos Lachanas – Member (28/12/2009 – 14/05/2013) Dimitrios Lalas – Member (28/12/2009 – 26/06/2013)
Registered Office:	8A Chimarras Str. 15125 Maroussi, Greece
Registration number:	2443/06/B/86/23
General Commercial Registry:	000269901000
Auditors:	PricewaterhouseCoopers S.A. 268 Kifissias Ave. 152 32 Halandri Greece

Independent Auditor's Report

To the Shareholders of Hellenic Petroleum S.A.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Hellenic Petroleum S.A. (the "Company") and its subsidiaries (together, the Group) set out on pages 7 to 68 which comprise the consolidated statement of financial position as of 31 December 2013 and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers SA, 268 Kifissias Avenue, 15232 Halandri, Greece
T: +30 210 6874400, F: +30 210 6874444, www.pwc.gr

260 Kifissias Avenue & Kodrou Str., 15232 Halandri, T: +30 210 6874400, F:+30 210 6874444
17 Ethnikis Antistassis Str., 55134 Thessaloniki, T: +30 2310 488880, F: +30 2310 459487

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal and Regulatory Matters

a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.

b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying consolidated financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 27 February 2014
The Certified Auditor Accountant

PricewaterhouseCoopers S.A.

SOEL Reg. No. 113

Marios Psaltis
SOEL Reg.No. 38081

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of financial position

	Note	As at 31 December 2013	31 December 2012 [1]
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	3.463.119	3.569.557
Intangible assets	**7**	143.841	157.704
Investments in associates and joint ventures	**8**	691.501	645.756
Deferred income tax assets	**17**	63.664	20.437
Available-for-sale financial assets	**3**	1.163	1.891
Loans, advances and long term assets	**9**	106.735	115.055
		4.470.023	**4.510.400**
Current assets			
Inventories	**10**	1.005.264	1.200.647
Trade and other receivables	**11**	737.250	790.460
Derivative financial instruments	**21**	5.263	840
Cash, cash equivalents and restricted cash	**12**	959.602	901.061
		2.707.379	**2.893.008**
Total assets		**7.177.402**	**7.403.408**
EQUITY			
Share capital	**13**	1.020.081	1.020.081
Reserves	**14**	566.103	527.298
Retained Earnings		512.771	827.368
Capital and reserves attributable to owners of the parent		**2.098.955**	**2.374.747**
Non-controlling interests		115.511	121.484
Total equity		**2.214.466**	**2.496.231**
LIABILITIES			
Non- current liabilities			
Borrowings	**16**	1.311.804	383.274
Deferred income tax liabilities	**17**	45.405	84.599
Retirement benefit obligations	**18**	87.429	102.330
Provisions for other liabilities and charges	**19**	6.184	8.332
Other long term liabilities	**20**	24.584	27.142
		1.475.406	**605.677**
Current liabilities			
Trade and other payables	**15**	2.125.435	1.872.626
Derivative financial instruments	**21**	-	47.055
Current income tax liabilities		22.404	5.046
Borrowings	**16**	1.338.384	2.375.097
Dividends payable		1.307	1.676
		3.487.530	**4.301.500**
Total liabilities		**4.962.936**	**4.907.177**
Total equity and liabilities		**7.177.402**	**7.403.408**

The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

[1]: Comparative amounts have been adjusted where necessary to reflect the adoption of revised IAS 19. The Group has disclosed the effect of the change on its 31 December 2011 balance sheet in Note 2, and does not consider it material to present the restated 31 December 2011 balance sheet as required by IAS 8.

These consolidated financial statements were approved by the board on 27 February 2014.

J. Costopoulos	A. Shiamishis	S. Papadimitriou
Chief Executive Officer	Chief Financial Officer	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of comprehensive income

	Note	For the year ended 31 December 2013	31 December 2012 [1]
Sales		**9.674.324**	**10.468.870**
Cost of sales		(9.369.172)	(9.901.754)
Gross profit		**305.152**	**567.116**
Selling and distribution expenses		(324.007)	(322.660)
Administrative expenses		(123.596)	(114.986)
Exploration and development expenses	**23**	(2.992)	(3.543)
Other operating (expenses) / income- net	**24**	(49.869)	(4.374)
Operating profit / (loss)		**(195.312)**	**121.553**
Finance (expenses) / income- net	**25**	(209.287)	(54.201)
Currency exchange gains / (losses)	**26**	9.082	10.775
Share of profit of investments in associates and joint ventures	**8**	57.391	38.221
Profit / (loss) before income tax		**(338.126)**	**116.348**
Income tax (expense) / credit	**27**	65.661	(33.766)
Profit / (loss) for the year		**(272.465)**	**82.582**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit pension plans		(679)	14.753
		(679)	14.753
Items that may be reclassified subsequently to profit or loss:			
Fair value gains / (losses) on available-for-sale financial assets		(105)	(100)
Fair value gains / (losses) on cash flow hedges	**14**	9.402	3.151
Derecognition of gains/(losses) on hedges through comprehensive income	**14**	31.465	27.025
Currency translation differences and other movements		(1.051)	(1.168)
		39.711	28.908
Other Comprehensive (loss) / income for the year, net of tax		**39.032**	**43.661**
Total comprehensive (loss) / income for the year		**(233.433)**	**126.243**
Profit / (loss) attributable to:			
Owners of the parent		(269.229)	85.547
Non-controlling interests		(3.236)	(2.965)
		(272.465)	**82.582**
Total comprehensive income attributable to:			
Owners of the parent		(230.199)	129.328
Non-controlling interests		(3.234)	(3.085)
		(233.433)	**126.243**
Basic and diluted earnings per share (expressed in Euro per share)	**28**	**(0,88)**	**0,28**

The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

[1]: Comparative amounts have been adjusted where necessary to reflect the adoption of revised IAS 19, as detailed in Note 2.

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of changes in equity

		Attributable to owners of the Parent					
	Note	Share Capital	Reserves	Retained [1] Earnings	Total	Non-controlling Interest	Total [1] Equity
Balance at 1 January 2012 (as previously reported)		**1.020.081**	**493.142**	**883.758**	**2.396.981**	**132.393**	**2.529.374**
Effect of changes in accounting policy	**2**	-	-	(14.278)	(14.278)	-	(14.278)
Balance at 1 January 2012		**1.020.081**	**493.142**	**869.480**	**2.382.703**	**132.393**	**2.515.096**
Fair value gains / (losses) on available-for-sale financial assets	**14**	-	(100)	-	(100)	-	(100)
Currency translation differences and other movements	**14**	-	(1.048)	-	(1.048)	(120)	(1.168)
Actuarial gains/(losses) on defined benefit pension plans		-	-	14.753	14.753		14.753
Fair value gains / (losses) on cash flow hedges	**14**	-	3.151	-	3.151	-	3.151
Derecognition of gains/(losses) on hedges through comprehensive income	**14**	-	27.025	-	27.025	-	27.025
Other comprehensive income / (loss)		**-**	**29.028**	**14.753**	**43.781**	**(120)**	**43.661**
Profit/(loss) for the year		-	-	85.547	85.547	(2.965)	82.582
Total comprehensive income for the year		**-**	**29.028**	**100.300**	**129.328**	**(3.085)**	**126.243**
Share based payments	**13**	-	252	-	252	-	252
Transfers to statutory and tax reserves	**14**	-	4.876	(4.876)	-	-	-
Participation of non-controlling interests holding in share capital decrease of subsidiary		-	-	-	-	(6.455)	(6.455)
Dividends to non-controlling interests		-	-	-	-	(1.369)	(1.369)
Dividends relating to 2011		-	-	(137.536)	(137.536)	-	(137.536)
Balance at 31 December 2012		**1.020.081**	**527.298**	**827.368**	**2.374.747**	**121.484**	**2.496.231**
Fair value gains / (losses) on available-for-sale financial assets	**14**	-	(107)	-	(107)	2	(105)
Currency translation differences and other movements	**14**	-	(1.051)	-	(1.051)	-	(1.051)
Actuarial gains/(losses) on defined benefit pension plans	**14**	-	(679)	-	(679)	-	(679)
Fair value gains / (losses) on cash flow hedges	**14**	-	9.402	-	9.402	-	9.402
Derecognition of gains/(losses) on hedges through comprehensive income	**14**	-	31.465	-	31.465	-	31.465
Other comprehensive income / (loss)		**-**	**39.030**	**-**	**39.030**	**2**	**39.032**
Profit/(loss) for the year		-	-	(269.229)	(269.229)	(3.236)	(272.465)
Total comprehensive income for the year		**-**	**39.030**	**(269.229)**	**(230.199)**	**(3.234)**	**(233.433)**
Share based payments	**13**	-	(225)	477	252	-	252
Dividends to non-controlling interests		-	-	-	-	(2.739)	(2.739)
Dividends relating to 2012	**29**	-	-	(45.845)	(45.845)	-	(45.845)
Balance at 31 December 2013		**1.020.081**	**566.103**	**512.771**	**2.098.955**	**115.511**	**2.214.466**

The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

[1]: Comparative amounts have been adjusted where necessary to reflect the adoption of revised IAS 19, as detailed in Note 2.

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of cash flows

	Note	For the year ended 31 December 2013	31 December 2012
Cash flows from operating activities			
Cash generated from operations	**30**	501.406	557.742
Income tax paid		(8.808)	(33.826)
Net cash generated from / (used in) used in operating activities		**492.598**	**523.916**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets		(105.149)	(518.095)
Acquisition of subsidiary, net of cash acquired	**34**	(6.631)	-
Proceeds from disposal of property, plant and equipment & intangible assets		4.097	4.057
Proceeds from the sale of subsidiary, net of cash owned		-	1.900
Interest received		8.050	12.692
Dividends received		12.802	8.873
Payments from share capital decrease to non-controlling interests		-	(6.455)
Participation in share capital (increase)/ decrease of associates		(2.504)	(640)
Net cash generated from / (used in) investing activities		**(89.335)**	**(497.668)**
Cash flows from financing activities			
Interest paid		(184.305)	(66.585)
Dividends paid to shareholders of the Company		(43.706)	(138.264)
Dividends paid to non-controlling interests		(2.739)	(1.389)
Proceeds from borrowings		1.276.000	682.722
Repayments of borrowings		(1.384.182)	(590.857)
Net cash generated from / (used in) financing activities		**(338.932)**	**(114.373)**
Net (decrease) / increase in cash, cash equivalents and restricted cash		**64.331**	**(88.125)**
Cash,cash equivalents and restricted cash at the beginning of the year	**12**	**901.061**	**985.486**
Exchange gains / (losses) on cash, cash equivalents and restricted cash		(5.790)	3.700
Net (decrease) / increase in cash, cash equivalents and restricted cash		64.331	(88.125)
Cash, cash equivalents and restricted cash at end of the year	**12**	**959.602**	**901.061**

The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 General information

Hellenic Petroleum and its subsidiaries (together "Hellenic Petroleum" or the "Group") operate in the energy sector predominantly in Greece, South Eastern Europe and the East Mediterranean. The Group's activities include refining and marketing of oil products, production and marketing of petrochemical products and exploration for hydrocarbons. The Group also provides engineering services. Through its investments in DEPA and Elpedison, the Group also operates in the sector of natural gas and in the production and trading of electricity power.

The parent Company is incorporated in Greece and the address of its registered office is 8^A Chimarras street, Marousi. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDRs.

The financial statements and the consolidated financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2013 were authorised for issue by the Board of Directors on 27 February 2014. The shareholders of the Company have the power to amend the financial statements after issue.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union ("EU"), and present the financial position, results of operations and cash flows of the Group on a going concern basis which assumes that the Group has plans in place to avoid material disruptions to its operations. In this respect Management has concluded that (a) the going concern basis of preparation of the accounts is appropriate, and (b) all assets and liabilities of the Group are appropriately presented in accordance with the Group's accounting policies.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 "Critical accounting estimates and judgements". These estimates are based on management's best knowledge of current events and actions; actual results ultimately may differ from those estimates.

2.1.1 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is set out below.

a) The following standards, amendments to standards and interpretations to existing standards are applicable to the Group for periods on or after 1 January 2013:

- *IAS 1 (Amendment) "Presentation of Financial Statements"* The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The Group has applied the amendments from 1 January 2013.

- *IAS 19 (Amendment) "Employee Benefits"*. This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits. The Group has applied the changes from 1 January 2013, and has also restated the comparative figures for 2012.

- *IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 January 2014).* This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Group is currently evaluating the impact the amendment will have on its consolidated financial statements.

- *IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets" (effective for annual periods beginning on or after 1 January 2014)*. This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment. The Group is currently evaluating the impact the amendment will have on its consolidated financial statements.

- *IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" (effective for annual periods beginning on or after 1 January 2014).* This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met. The Group is currently evaluating the impact the amendment will have on its consolidated financial statements.

- *IFRS 7 (Amendment) "Financial Instruments: Disclosures".* The IASB has published this amendment to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This amendment is not expected to have an impact on the Group's financial statements.

- *IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual periods beginning on or after 1 January 2015)*: The amendment requires additional disclosures on transition from IAS 39 to IFRS 9. The amendment has not yet been endorsed by the EU.

- *IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015).* IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2015.

- *IFRS 9 "Financial Instruments: Hedge accounting and amendments to IFRS 9, IFRS7 and IAS 39" (effective for annual periods beginning on or after 1 January 2015)*. The IASB has published IFRS 9 Hedge Accounting, the third phase of its replacement of IAS 39 which establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The second amendment requires changes in the fair value of an entity's debt attributable to changes in an entity's own credit risk to be recognised in other comprehensive income and the third amendment is the removal of the mandatory effective date of IFRS 9. These amendments have not yet been endorsed by the EU.

- *IFRS 13 "Fair value measurement"*. IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This amendment is not expected to have an impact on the Group's financial statements.

- *IFRIC 21 "Levies" (effective for annual periods beginning on or after 1 January 2014)*. This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date. This interpretation has not yet been endorsed by the EU.

- *IAS 19R (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 July 2014)*. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments have not yet been endorsed by the EU.

- Group of standards on consolidation and joint arrangements *(effective for annual periods beginning on or after 1 January 2014)*:

  The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

  – *IFRS 10 "Consolidated Financial Statements"*. IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

  – *IFRS 11 "Joint Arrangements"*. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

– *IFRS 12 "Disclosure of Interests in Other Entities"*. IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

– *IAS 27 (Amendment) "Separate Financial Statements"*. This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" regarding separate financial statements.

– *IAS 28 (Amendment) "Investments in Associates and Joint Ventures"*. IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

– *IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance"*. *(effective for annual periods beginning on or after 1 January 2014).* The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

– *IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities" (effective for annual periods beginning on or after 1 January 2014)*. The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

- Amendments to standards that form part of the IASB's 2011 annual improvements project. The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB's annual improvements project. These amendments are effective for annual periods beginning on or after 1 January 2013.

– *IAS 1 "Presentation of financial statements"*. The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 "Accounting policies, changes in accounting estimates and errors" or (b) voluntarily.

– *IAS 16 "Property, plant and equipment"*. The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

- *IAS 32 "Financial instruments: Presentation"*. The amendment clarifies that income tax related to distributions is recognised in the income statement and income tax related to the costs of equity transactions is recognised in equity, in accordance with IAS 12.

- *IAS 34, "Interim financial reporting"*. The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 "Operating segments".

• Annual Improvements to IFRSs 2012 *(effective for annual periods beginning on or after 1 July 2014).* The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

- *IFRS 2 "Share-based payment"*. The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

- *IFRS 3 "Business combinations"*. The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

- *IFRS 8 "Operating segments"*. The amendment requires disclosure of the judgements made by management in aggregating operating segments.

- *IFRS 13 "Fair value measurement"*. The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

- *IAS 16 "Property, plant and equipment"* and *IAS 38 "Intangible assets"*. Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

- *IAS 24 "Related party disclosures"*. The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

• Annual Improvements to IFRSs 2013 *(effective for annual periods beginning on or after 1 July 2014)*. The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

- *IFRS 3 "Business combinations"*. This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

- *IFRS 13 "Fair value measurement"*. The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

- *IAS 40 "Investment property"*. The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

- *IFRS 1 "First-time adoption of International Financial Reporting Standards"*. The amendment clarifies that a first-time adopter can use either the old or the new version of a revised standard when early adoption is permitted.

b) The following amendments to standards and interpretations to existing standards are mandatory for the Group's accounting periods beginning on or after 1 January 2013 or later periods but are not applicable to the Group:

- IAS 12 (Amendment) "Income Taxes" with regard to Investment Property using the fair value model.

- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine", applicable only to costs incurred in surface mining activity.

- IFRS 1 (Amendment) "Government Loans". The amendment sets out how a first-time adopter would account for a government loan with a below-market rate of interest when they transition to IFRSs.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss (see Note 2.7).

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition (see Note 2.7).

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit (loss) of an associate" in the income statement.

Profits and losses resulting from upstream and downstream transactions between the group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

(e) Joint ventures and jointly controlled operations

Joint ventures

Joint ventures are accounted for using the equity method. The Group's share of its joint ventures' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Jointly controlled operations

A jointly controlled operation arises where the Group has rights to the assets and obligations of the operation. The Group recognizes its share of the assets, obligations, revenue and expenses of the jointly controlled operation, including its share of those held or incurred jointly, in each respective line of its' financial statements.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

2.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Euro, which is the Group's functional and presentation currency. Given that the Group's primary activities are in oil refining and trading, in line with industry practices, most crude oil and oil product trading transactions are based on the international reference prices of crude oil and oil products in US Dollars. Depending on the country of operation, the Group translates this value to the local currency (Euro in most cases) at the time of any transaction.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income in the financial statement line that is relevant to the specific transaction, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognized in profit or loss separately, and other changes in carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(c) *Group companies*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
(iii) all resulting exchange differences are recognized as a separate component of equity.

(All amounts in Euro thousands unless otherwise stated)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

Property, plant and equipment comprise mainly land, buildings (plant, the owned retail network and offices), oil refineries, vessels and equipment. Property, plant and equipment is shown at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income statement as incurred. Refinery turnaround costs that take place periodically are capitalised and charged against income on a straight line basis until the next scheduled turnaround to the extent that such costs improve either the useful economic life of the equipment or its production capacity.

Assets under construction are assets (mainly related to the refinery units) that are in the process of construction or development, and are carried at cost. Cost includes cost of construction, professional fees and other direct costs. Assets under construction are not depreciated, as the corresponding assets are not yet available for use.

Land is also not depreciated. Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful economic life, as shown on the table below for the main classes of assets:

– Buildings	13 – 40 years
– Plant & Machinery	
▪ Specialised industrial installations and Machinery	10 – 35 years
▪ Other equipment	5 – 10 years
– Motor Vehicles	
▪ LPG and white products carrier vessels	8 – 25 years
▪ Other Motor Vehicles	5 – 10 years
– Furniture and fixtures	
▪ Computer hardware	3 – 5 years
▪ Other furniture and fixtures	4 – 10 years

Included in specialised industrial installations are refinery units, petrochemical plants, tank facilities and petrol stations. Based on technical studies performed, the expected useful life of the new refinery units (Elefsina refinery) has been estimated to be up to 35 years. The remaining useful economic life of other refining units has been reviewed and adjusted from 1 July 2013 and in general does not exceed 25 years.

Depreciation on refinery components (included within specialised industrial installations) is charged after the commissioning phase is completed and the new refinery units are ready for start-up and commercial operation. In case of more complex projects such as the upgraded refinery the commissioning process is a lengthier one with a number of activities for each unit separately and then for combination of units as systems. Once all units achieve start-up status with oil-in (i.e. operations with feed stocks) temperature, pressure and catalysts are applied which over a period of time bring the units to their normal state of operation and as intended to be used. After that, units need to be tested for proper capacity and yield performance at which stage the unit is made available for proper commercial operation.

The assets residual values and estimated useful economic lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

If the asset's carrying amount is greater than its estimated recoverable amount then it is written down immediately to its recoverable amount (see Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement within 'Other income / (expenses) – net'.

2.6 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are added to the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use.

Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. All other borrowing costs are expensed as incurred.

2.7 Intangible assets

(a) Goodwill

Goodwill represents the excess of the consideration transferred over the Company's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. In the event that the fair value of the Company's share of the identifiable assets of the acquired subsidiary at the date of acquisition is higher than the cost, the excess remaining is recognised immediately in the statement of comprehensive income.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment. Goodwill impairment reviews are undertaken annually or more frequently, if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and fair value less costs to sell.

(b) Retail Service Stations Usage rights

Retail Service Stations Usage rights, represent upfront lump-sum amounts paid upon the signing to owners of such retail sites for the use and control of the service stations. Such payments are made to secure branding and future revenues for the Group that were not available in the past and are therefore capitalised in accordance with IAS 38, Intangible Assets. They are amortised over the life of the acquired right.

(c) Licences and rights

License fees for the use of know-how relating to the polypropylene plant have been capitalised in accordance with IAS 38, Intangible Assets. They have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is being calculated using the straight-line method to allocate the cost of licences and rights over their estimated useful lives (15 years).

Licenses and rights also include Upstream Exploration rights which are amortised over the period of the exploration period as per the terms of the relevant licences.

(d) Computer software

These include primarily the costs of implementing the (ERP) computer software program. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over their estimated useful lives (3 to 5 years).

2.8 Exploration for and Evaluation of Mineral Resources

(a) Exploration and evaluation assets

During the exploration period and before a commercial viable discovery, oil and natural gas exploration and evaluation expenditures are expensed. Geological and geophysical costs as well as costs directly associated with an exploration are expensed as incurred. Exploration property leasehold acquisition costs are capitalized within intangible assets and amortised over the period of the licence or in relation to the progress of the activities if there is a substantial difference.

(b) Development of tangible and intangible assets

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells is capitalized within tangible and intangible assets according to their nature. When development is completed on a specific field, it is transferred to production assets. No depreciation and/or amortization is charged during development.

(c) Oil and gas production assets

Oil and gas properties are aggregated exploration and evaluation tangible assets and development expenditures associated with the production of proved reserves.

(d) Depreciation/amortization

Oil and gas properties/intangible assets are depreciated/amortized using the unit-of-production method. Unit-of-production rates are based on proved developed reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing facilities using current operating methods. Oil and gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the field storage tank.

(e) Impairment – exploration and evaluation assets

The exploration property leasehold acquisition costs are tested for impairment whenever facts and circumstances indicate impairment. For the purposes of assessing impairment, the exploration property leasehold acquisition costs subject to testing are grouped with existing cash-generating units (CGUs) of production fields that are located in the same geographical region corresponding to each licence.

(f) Impairment – proved oil and gas properties and intangible assets

Proven oil and gas properties and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and, are tested annually for impairment. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (discounted cash flows an asset is expected to generate based upon management's expectations of future economic and operating conditions). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Financial assets

2.10.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, held-to-maturity, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables include "Trade and other receivables" and "Cash and cash equivalents" in the statement of financial position.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

2.10.2 Recognition and measurement

Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

Purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they have arisen. Changes in the fair value of monetary and non-monetary financial assets classified as available for sale are recognized in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as "gains or loss from investment securities".

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

2.10.3 Impairment of financial assets

The Group assesses at each end of the reporting period whether there is objective evidence that a financial asset or a Group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

Impairment testing for receivables is described in note 2.14.

2.10.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.11 Derivative financial instruments and hedging activities

As part of its risk management policy, the Group utilizes currency and commodity derivatives to mitigate the impact of volatility in commodity prices and foreign exchange rates. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in fair values of the derivative financial instruments are recognised at each reporting date either in the statement of comprehensive income or in equity, depending on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

(a) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(b) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The instruments used for this risk management include commodity exchange traded contracts (ICE futures), full refinery margin forwards, product price forward contracts or options.

Cash flow hedges

In 2006, the Group entered into certain derivative contracts that were designated as cash flow hedges. The effective portion of changes in the fair value of these derivatives is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the statement of comprehensive income within "Other operating (expenses)/ income. Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item affects profit or loss (i.e. when the forecast transaction being hedged takes place) within Cost of sales.

When a hedging instrument expires or is sold, or a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the derivative is de-designated and the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income within "Other operating (expenses)/ income".

Derivatives held for trading

The derivatives that do not qualify for hedge accounting are classified as held-for-trading and accounted for at fair value through profit or loss. Changes in the fair value of the derivative instruments that do not qualify for hedge accounting are recognized immediately in the statement of comprehensive income.

2.12 Government grants

Government grants related to Property, Plant and Equipment received by the Group are initially recorded as deferred government grants and included in "Other long term liabilities". Subsequently, they are credited to the statement of comprehensive income over the useful lives of the related assets in direct relationship to the depreciation charged on such assets.

2.13 Inventories

Inventories comprise crude oil and other raw materials, refined and semi-finished products, petrochemicals, merchandise, consumables and other spare parts.

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is determined using the monthly weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. It does not include borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Spare parts consumed within a year are carried as inventory and recognized in profit or loss when consumed.

Under IEA and EU regulations, Greece has a policy of maintaining 90 days of strategic stock reserves (Compulsory Stock Obligations). This responsibility is passed on to all companies who import and sell in the domestic market who have the responsibility to maintain and finance the appropriate stock levels. Such stocks are part of the operating stocks and are valued on the same basis.

2.14 Trade receivables

Trade receivables, which generally have 20-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is clear evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Trade receivables include bills of exchange and promissory notes from customers.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the statement of comprehensive income and is included in "Selling, Distribution and Administrative expenses".

2.15 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments such as marketable securities and time deposits with original maturities of three months or less.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. At the end of the reporting period payable amounts of bank overdrafts are included within borrowings in current liabilities on the statement of financial position. In the statement of cash flows bank overdrafts are shown within financing activities.

2.18 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction does not affect either accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

(a) *Pension obligations*

The Group participates in various pension schemes. The payments are determined by the local legislation and the funds' regulations. The Group has both defined benefit and defined contribution plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly administered Social Security funds on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Share-based compensation

The Group operates a shares option plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, at the date of granting. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting period end, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.20 Trade and other payables

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.21 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

2.22 Environmental liabilities

Environmental expenditure that relates to current or future revenues is expensed or capitalised as appropriate. Expenditure that relates to an existing condition caused by past operations and that does not contribute to current or future earnings is expensed.

The Group has an environmental policy which complies with existing legislation and any obligations resulting from its environmental and operational licences. In order to comply with all rules and regulations, the Group has set up a monitoring mechanism in accordance with the requirements of the relevant authorities. Furthermore, investment plans are adjusted to reflect any known future environmental requirements. The above mentioned expenses are estimated based on the relevant environmental studies.

Liabilities for environmental remediation costs are recognised when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

2.23 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised as follows:

(a) Sales of goods – wholesale

Revenue on sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales of goods are recognised when the Group has delivered the products to the customer; the customer has accepted the products; and collectability of the related receivables is reasonably assured.

(b) Sales of goods – retail

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

(c) Sales of services

For sales of services, revenue is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(d) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.24 Leases

Leases of property plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in "Borrowings". The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

2.25 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's Shareholders' General Meeting.

2.26 Changes in accounting policies

The Group adopted the amendment in IAS 16 "Property, plant and equipment, amendments to IAS 1 "Presentation of Items of Other Comprehensive income" and IAS 19 (revised 2011), "Employee Benefits".

(All amounts in Euro thousands unless otherwise stated)

The new accounting policies have had the following impact on the financial statements.

(a) IAS 16 Amendment "Property, plant and equipment".

According to the amendment, spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The Group has increased its plant and machinery 2012 figure by €19,5m, by transferring from inventory the value of the relevant spare parts and servicing equipment. The respective increase in 2013 figures is €8m. These transfers from inventory, are presented in the line "Transfers and other movements" in Note 6.

(b) IAS 1 "Presentation of Items of Other Comprehensive income"

The amendment changes the grouping of items presented in other comprehensive income between items that may be reclassified to the income statement at a future point in time and those that will not be reclassified.

(c) IAS 19 (revised 2011), "Employee Benefits"

Due to the amendment of IAS19 relating to the recognition and measurement of defined benefit pension expense and termination benefits the Group has restated total comprehensive income, total equity, retirement benefit obligation and deferred tax of prior years as follows:

Other comprehensive income	**As at 31 December 2012**
Total comprehensive income before the application of the amended IAS 19	28.908
Impact due to IAS 19 amendment	19.603
Deferred tax adjustment	(4.850)
Total comprehensive income after the application of the amended IAS 19	**43.661**

Total equity	**As at 31 December 2012**	**As at 1 January 2012**
Total equity before the application of the amended IAS 19	2.494.400	2.529.374
Impact due to IAS 19 amendment	2.756	(18.697)
Deferred Tax adjustment	(925)	4.419
Total equity after the application of the amended IAS 19	**2.496.231**	**2.515.096**

Retirement benefit obligations	**As at 31 December 2012**
Retirement benefit obligations before the application of the amended IAS 19	105.086
Impact due to IAS 19 amendment	(2.756)
Retirement benefit obligations after the application of the amended IAS 19	**102.330**

2.27 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

3 Financial risk management

3.1 Financial risk factors

The Group's activities are primarily centred around its Downstream Oil & Gas assets; with secondary or new activities relating to Petrochemicals, exploration of hydrocarbons and power generation and trading. As such, the Group is exposed to a variety of financial and commodity markets risks including foreign exchange and commodity price risk, credit risk, liquidity risk and interest-rate risk. In line with international best practices and within the context of local markets and legislative framework, the Group's overall risk management policies aim at reducing possible exposure to market volatility and / or mitigating its adverse effects on the financial position of the Group to the extent possible. In general, the matters that impact the Group's operations are summarised as follows:

Greek Macros: During the previous year the Group faced exceptional challenges and increased cost of doing business (higher cost of funding, increased supply costs) mainly as a result of the economic crisis in Greece and the political uncertainty. In the second half of 2013 GDP decline slowed significantly compared to the previous 4 years whilst at the same time, transport and heating fuels consumption stabilised after 18 consecutive quarters of decline. While the economic situation in Greece remains challenging sentiment about political and economic developments has notably improved in 2013. Furthermore the ability of certain Greek corporates including Hellenic Petroleum to raise financing in the capital markets as well as the recapitalization of the Greek banking system, are expected to contribute towards alleviating the liquidity conditions as well as the risk profile of the Greek economy.

Currency: In terms of currency, the Group's business is naturally hedged against the risk of having a different functional currency. All petroleum industry transactions are referenced to international benchmark quotes for crude oil and oil products in USD. All international purchases and sales of crude oil and products are done in USD and all sales into local markets are either in USD prices or converted to local currency for accounting and settlement reasons using the USD reference on the date of the transaction.

Prices: Commodity price risk management is supervised by a Risk Management Committee which includes Finance and Trading departments' Senior Management. Non-commodity price risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Finance Department identifies and evaluates financial risks in close co-operation with the Group's operating units.

Securing continuous crude oil supplies: Financial results for the year ended 31 December 2013, were impacted by a combination of exceptional circumstances affecting the Group's trading and working capital credit capacity and consequently its cost of supply. These factors related to the political developments in the Middle East region which continue to temporarily restrict access to some of the traditional crude oil suppliers of the European market, particularly for Mediterranean refiners. In addition to the EU/US sanctions on Iranian crude imposed in 2012, the Med was also faced with the irregularity of Iraqi crude supplies due to disruptions on the pipeline network throughout the year, as well as the reduced supply of Urals (Russian export crude) to the Med. The combination of these events drove the discount of Urals versus Brent to historical lows, significantly increasing the cost of supply for heavy/sour crudes. These types of crudes typically represent 80%-90% of the crude feed for complex refiners such as Hellenic Petroleum. Furthermore, political tension in Libya resulted to a decline of more than 50% of the country's crude exports with a negative effect on light-sweet grades pricing. Adjusting to these challenges, the Group changed its working capital supply chain allowing uninterrupted operations and supply of the Greek market, albeit with an increase in the cost of supply.

Debt and Refinancing: Given market developments since 2011, the key priority of the Group has been the management of Asset and Liabilities maturity profile and funding with respect to the completion of its strategic investment plan and liquidity risk for operations. As a result of this key priority initiative and in line with its medium term financing plan, the Group has maintained a mix of long term and short term credit facilities by taking into consideration bank and debt capital markets' credit capacity as well as cash flow programming and commercial considerations. As a result, approximately 49% of total debt is financed by medium to long term committed credit lines while the rest is financed by short term working capital credit facilities. As part of the refinancing plan, the, Group has successfully refinanced borrowings of €1,2 billion, which matured in December 2012 and January 2013 with the repayment of the maturing facilities partly out of operating cash flows and available cash reserves and partly through new loans. Furthermore on 10 May 2013 Hellenic Petroleum issued a 4-year €500 million Eurobond that completed the refinancing process extending the Group's maturity profile and de-risking its liquidity and funding profile. Additional information of the actions during 2013 are described in c) Liquidity risk as well as in Note 16 of these consolidated financial statements.

Capital management: The second key priority of the Group has been the management of Asset, where overall the Group has around €3,9 billion of capital employed which is driven from working capital and investment in fixed assets and its investment in DEPA Group. Current assets have been reduced mainly as a result of the decrease of business in the domestic market which is the key driver for working capital requirements and the collection of long overdue receivables from the state. These are mainly funded with current liabilities (excl. bank debt) and short term bank debt which is used to finance working capital (inventories and receivables). As a result of the investment plan, during the last few years, debt level has increased to 40-45% of total capital employed while the rest is financed through shareholders equity. The Group has started reducing its debt levels through utilization of the incremental operating cashflows, post completion and operation of the new Elefsina refinery, and plans to reduce these even further with the expected sale proceeds of its stake in DESFA and DEPA, which is expected to lead to lower Debt to Equity ratio, better matched Asset and Liability maturity profile as well as lower financing costs.

(a) Market risk

(i) Foreign exchange risk

As explained in note 2.4 “Foreign currency translation”, the functional and presentation currency of the Group is the Euro. However, in line with industry practice in all international crude oil and oil trading transactions, underlying commodity prices are based on international reference prices quoted in US dollars.

Foreign currency exchange risk arises on three types of exposure:

- **Financial position translation risk:** Most of the inventory held by the Group is reported in Euro while its underlying value is determined in USD. Thus, a possible devaluation of the USD against the Euro leads to a reduction in the realisable value of inventory included in the statement of financial position. In order to manage this risk, a significant part of the Group’s payables (sourcing of crude oil on credit) is denominated in USD providing an opposite effect to the one described above. It should be noted however, that while in the case of USD devaluation the impact on the statement of financial position is mitigated, in cases of USD appreciation the mark-to-market valuation of such payables leads to a reported loss under foreign exchange differences with no compensating benefit as stocks continue to be included in the statement of financial position at cost. It is estimated, that at 31 December 2013 if the Euro had weakened against the US dollar by 5% with all other variables held constant, pre-tax profits would have been approximately €40 million lower, as a result of foreign exchange losses on translation of US dollar-denominated receivables, payables, cash and borrowings.

- **Gross Margin transactions and translation risk:** The fact that most of the transactions in crude oil and oil products are based on international Platt’s USD prices leads to exposure in terms of the Gross Margin translated in Euro. Recent market volatility has impacted adversely on the cost of mitigating this exposure; as a result the Group did not actively hedge material amounts of the Gross margin exposure. This exposure is linearly related to the Gross margin of the Group in that the appreciation of Euro vs. USD leads to a respective translation loss on the period results.

- **Local subsidiaries exposure:** Where the Group operates in non-Euro markets there is an additional exposure in terms of cross currency translation between USD (price base), Euro reporting currency and local currency. Where possible the Group seeks to manage this exposure by transferring the exposure for pooling at Group levels. Although material for local subsidiaries’ operations, the overall exposure is not considered material for the Group.

(ii) Commodity price risk

The Group’s primary activity as a refiner involves exposure to commodity prices. Changes in current or forward absolute price levels vs acquisition costs affect the value of inventory while exposure to refining margins (combination of crude oil and product prices) affect the future cash flows of the business.

In the case of price risk, the level of exposure is determined by the amount of priced inventory carried at the end of the reporting period. In periods of sharp price decline, as Group policy is to report its inventory at the lower of historical cost and net realisable value, results are affected by the reduction in the carrying value of the inventory. The extent of the exposure relates directly to the level of stocks and rate of price decrease. This exposure is partly hedged with paper derivatives to the extent that the cost of such instruments is considered positive from a risk-return point of view and subject to the structure of the market (contango vs. backwardation) as well as credit capacity for long dated transactions.

Refining margin exposure relates to the absolute level of margin generated by the operation of the refineries. This is determined by Platt's prices and varies on a daily basis; as an indication of the impact to the Group financial results, a change in the refinery margins has a proportionate impact on the Group's profitability. Where possible, the Group aims to hedge the part of its production which will be sold in the future and hence will be exposed to forward pricing, thus generating higher price risk upon completion of the sale. This, however, is not possible to do in all market conditions, such as a backwardated market structure, where future prices are below their spot levels, or when there is no credit capacity for derivatives transactions. There were no such derivative contracts open as at 31 December 2013.

(iii) Cash flow and fair value interest rate risk

The Group's operating income and cash flows are not materially affected by changes in market interest rates, given the low level of prevailing reference rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Group to fair value interest rate risk. The majority of the Group's borrowings are at variable rates of interest. Depending on the levels of net debt at any given period of time, any change in the base interest rates (EURIBOR or LIBOR), has a proportionate impact on the Groups results. At 31 December 2013, if interest rates on Euro denominated borrowings had been 0,5% higher with all other variables held constant, pre-tax profit for the year would have been Euro €12 million lower.

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

Due to market conditions, the approval of credit risk is subject to a more strict process involving all levels of senior management. A Group credit committee monitors material credit exposures on a Group wide basis. See note 11 "Trade and other receivables" for further disclosure on credit risk.

(c) Liquidity risk

Prudent liquidity risk management entails maintaining sufficient cash and financial headroom, through committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in its funding through the use of committed credit facilities.

Given market developments since 2011, the Group has placed even higher priority on liquidity risk and cash flow management. Due to the material amounts of debt that matured in January 2013, the Group worked on an overall refinancing plan to ensure that the required amounts were available to ensure uninterrupted operations. This included inter alia the following:

(a) All short term committed or uncommitted facilities that matured in 2013 were renewed or replaced by similar credit facilities. Most of these credit facilities are provided by Greek systemic banks.
(b) A term loan of $1.160 million which matured in January 2013, was refinanced by new committed credit facilities totaling €605 million. The balance of c. €300 million was repaid using existing Group cash reserves leading to a reduction of Group gross debt in January 2013.
(c) An unrated Eurobond for €500 million with annual coupon of 8% and maturity of four years was issued in May 2013.

Further details of the relevant loans and refinancing plans are provided in note 16 "Borrowings".

(All amounts in Euro thousands unless otherwise stated)

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity Groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 December 2013				
Borrowings	1.453.339	227.404	1.080.939	168.897
Finance lease liabilities	1.069	1.010	2.686	3.056
Derivative financial instruments	-	-	-	-
Trade and other payables	2.076.816	-	-	-
Financial guarantee contracts	13.423	109.937	-	-
31 December 2012				
Borrowings	2.457.509	198.261	667.863	238.678
Finance lease liabilities	1.069	1.069	2.813	3.939
Derivative financial instruments	47.055	-	-	-
Trade and other payables	1.843.903	-	-	-
Financial guarantee contracts	122.874	-	-	-

The amounts included in the table are the contractual undiscounted cash flows. The financial guarantee contract relates to guarantees in favour of banks as security for loans granted by them to Elpedison Power (see Note 8).

3.2 Capital risk management

The Group's objective with respect to capital structure, which includes both equity and debt funding, is to safeguard its ability to continue as a going concern and to have in place an optimal capital structure from a cost perspective.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position) less "Cash & cash equivalents" and, "Available for Sale financial assets". Total capital employed is calculated as "Total Equity" as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2013 and 2012 were as follows:

	As at 31 December 2013	31 December 2012
Total Borrowings (Note 16)	2.650.188	2.758.371
Less: Cash, Cash Equivalents and restricted cash (Note 12)	(959.602)	(901.061)
Less: Available for sale financial assets (Note 3)	(1.163)	(1.891)
Net debt	**1.689.423**	**1.855.419**
Total Equity	2.214.466	2.496.231
Total Capital Employed	**3.903.888**	**4.351.650**
Gearing ratio	**43%**	**43%**

(All amounts in Euro thousands unless otherwise stated)

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2013:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	5.263	-	5.263
Available for sale financial assets	1.163	-	-	1.163
	1.163	**5.263**	**-**	**6.426**
Liabilities				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	-	-	-
	-	**-**	**-**	**-**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2012:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	840	-	840
Available for sale financial assets	1.891	-	-	1.891
	1.891	**840**	**-**	**2.731**
Liabilities				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	47.055	-	47.055
	-	**47.055**	**-**	**47.055**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- The fair value of commodity swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

For the years ended 31 December 2013 and 31 December 2012, there were no transfers between levels.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Income taxes

Estimates are required in determining the provision for income taxes that the Group is subjected to in different jurisdictions. This requires significant judgement. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Provision for environmental restoration

The Group operates in the oil industry with its principal activities being that of exploration and production of hydrocarbons, refining of crude oil and sale of oil products, and the production and trading of petrochemical products. Environmental damage caused by such substances may require the Group to incur restoration costs to comply with the regulations in the various jurisdictions in which the Group operates, and to settle any legal or constructive obligation. Analysis and estimates are performed by the Group together with its technical and legal advisers, in order to determine the probability, timing and amount involved with probable required outflow of resources. Estimated restoration costs, for which disbursements are determined to be probable, are recognised as a provision in the Group's financial statements. When the final determination of such obligation amounts differs from the recognised provisions, the Group's statement of comprehensive income is impacted.

(All amounts in Euro thousands unless otherwise stated)

(c) Estimated impairment of goodwill and non-financial assets

The Group tests annually whether goodwill and non-financial assets have suffered any impairment, in accordance with its accounting policies (see Note 2.9). The recoverable amounts of cash generating units are determined based on value-in-use calculations. Significant judgement is involved in management's determination of these estimates.

(d) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(e) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency and jurisdiction in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 18.

(f) Provisions for legal claims

The Group has a number of legal claims pending against it. Management uses its judgement to assess the likely outcome of these claims and if it is more likely than not that the Group will lose a claim, then a provision is made. Provisions for legal claims, if required, are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(g) Change in accounting estimates

Due to the start-up of the upgraded Elefsina refinery, the Group conducted a review of the useful lives of its refining units (included in specialised industrial installations). Based on technical specifications for the new units, maintenance schedules and appraisals performed and experience since the beginning of the refineries start up (1970s) for older units, the expected useful life of the refining units of the upgraded Elefsina refinery is estimated up to 35 years. Also based on these technical appraisals the remaining useful lives of other refining units of the Group have been adjusted from 1 July 2013 and in general do not exceed 25 years. The Group will conduct such reviews on periodic basis in line with industry practices.

The change in accounting estimate is accounted for prospectively from 1 July 2013. The effect of this change in the estimated remaining useful life of the refining units of the Group is estimated to be around €13 million for the reporting period ended 31 December 2013. An equivalent effect is anticipated for future reporting periods.

	Years of Useful life	
	Prior to change in estimate	After change in estimate
Specialised industrial installations	10 – 25	10 -35

(All amounts in Euro thousands unless otherwise stated)

5 Segment information

All critical operating decisions are made by the Group's Executive Committee, which reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The committee considers the business from a number of measures which may vary depending on the nature and evolution of a business segment by taking into account the risk profile, cash flow, product and market considerations.

Information on the revenue and profit regarding the Group's operating segments is presented below:

	Note	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
Year ended 31 December 2013									
Sales		9.077.705	3.344.999	848	326.823	905	16.600	(3.093.556)	9.674.324
Other operating income / (expense) - net	24	(58.268)	13.683	(483)	(3.268)	659	(2.192)	-	(49.869)
Operating profit / (loss)		**(237.986)**	**1.502**	**(5.058)**	**39.144**	**513**	**6.573**	**-**	**(195.312)**
Currency exchange gains/ (losses)	26	2.846	180	-	15	-	6.041	-	9.082
Profit / (loss) before tax, share of profit of investments in associates and joint ventures & finance costs		**(235.140)**	**1.682**	**(5.058)**	**39.159**	**513**	**12.614**	**-**	**(186.230)**
Share of profit of investments in associates and joint ventures	8	376	382	-	-	56.633	-	-	57.391
Profit / (loss) after associates		**(234.764)**	**2.064**	**(5.058)**	**39.159**	**57.146**	**12.614**	**-**	**(128.839)**
Finance (expense)/income - net	25								(209.287)
Profit / (loss) before income tax									**(338.126)**
Income tax (expense) / credit	27								65.661
(Income) / loss applicable to non-controlling interests									3.236
Profit / (loss) for the year attributable to the owners of the parent									**(269.229)**

(All amounts in Euro thousands unless otherwise stated)

	Note	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
Year ended 31 December 2012									
Sales		10.154.445	3.867.557	-	370.511	318	18.391	(3.942.352)	10.468.870
Other operating income / (expense) - net	**24**	(14.310)	12.237	(82)	3.913	(320)	(5.812)	-	(4.374)
Operating profit / (loss)		**108.345**	**(12.453)**	**(6.291)**	**29.214**	**(146)**	**2.884**	**-**	**121.553**
Currency exchange gains/ (losses)		7.882	549	-	(4)	-	2.348	-	10.775
Profit / (loss) before tax, share of profit of investments in associates and joint ventures & finance costs		**116.227**	**(11.904)**	**(6.291)**	**29.210**	**(146)**	**5.232**	**-**	**132.328**
Share of profit of investments in associates and joint ventures	**8**	4.326	115	-	(2.357)	36.137	-	-	38.221
Profit / (loss) after associates		**120.553**	**(11.789)**	**(6.291)**	**26.853**	**35.991**	**5.232**	**-**	**170.549**
Finance (expense)/income - net	**25**								(54.201)
Profit / (loss) before income tax									**116.348**
Income tax (expense) / credit	**27**								(33.766)
(Income) / loss applicable to non-controlling interests									2.965
Profit / (loss) for the year attributable to the owners of the parent									**85.547**

Inter-segment sales primarily relate to sales from the refining segment to the other operating segments.

(All amounts in Euro thousands unless otherwise stated)

The segment assets and liabilities at 31 December 2013 and 2012 are as follows:

Year ended 31 December 2013	**Note**	**Refining**	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**Gas & Power**	**Other**	**Inter-Segment**	**Total**
Total assets		5.504.222	1.311.492	7.361	259.605	694.544	1.040.692	(1.640.514)	7.177.402
Investments in associates		9.976	1.751	-	-	679.774	-	-	691.501
Total liabilities		3.796.350	778.728	6.158	110.344	9.350	648.061	(386.055)	4.962.936
Net assets		1.707.872	532.764	1.203	149.261	685.194	392.631	(1.254.459)	2.214.466
Capital expenditure (for the year ended)		86.063	16.946	9	249	10.093	(1.516)	(64)	111.780
Depreciation & Amortisation (charge for the year)	**6,7**	154.586	55.209	848	12.804	222	404	-	224.073

Year ended 31 December 2012		**Refining**	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**Gas & Power**	**Other**	**Inter-Segment**	**Total**
Total assets		5.341.011	1.443.158	12.559	245.059	640.845	1.234.260	(1.513.484)	7.403.408
Investments in associates		9.736	759	-	(451)	635.712	-	-	645.756
Total liabilities		3.310.512	854.034	7.613	118.136	2.383	900.076	(285.577)	4.907.177
Net assets		2.030.499	589.124	4.946	126.923	638.462	334.184	(1.227.907)	2.496.231
Capital expenditure (for the year ended)		493.876	20.655	-	712	2.838	14	-	518.095
Depreciation & Amortisation (charge for the year)	**6,7**	101.138	58.733	932	17.384	54	420	-	178.661

(All amounts in Euro thousands unless otherwise stated)

6 Property, plant and equipment

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Construction	Total
Cost							
As at 1 January 2012	**290.253**	**579.804**	**2.430.937**	**82.556**	**136.090**	**1.633.065**	**5.152.705**
Additions	1.980	2.284	7.713	859	3.720	499.820	516.376
Capitalised projects	177	271.974	1.695.343	4.638	701	(1.972.833)	-
Disposals	(451)	(1.043)	(7.205)	(691)	(872)	(1.062)	(11.324)
Currency translation differences	(1.911)	(2.918)	(635)	1	(4)	(130)	(5.597)
Transfers and other movements	(1.657)	(2.289)	18.798	(42)	(244)	(2.542)	12.024
As at 31 December 2012	**288.391**	**847.812**	**4.144.951**	**87.321**	**139.391**	**156.318**	**5.664.184**
Accumulated Depreciation							
As at 1 January 2012	**-**	**301.029**	**1.497.533**	**41.643**	**108.404**	**-**	**1.948.609**
Charge for the year	-	25.012	116.055	5.050	10.008	-	156.125
Disposals	-	(515)	(5.894)	(629)	(849)	-	(7.887)
Currency translation differences	-	(578)	(456)	-	(17)	-	(1.051)
Transfers and other movements	-	(643)	(326)	(48)	(152)	-	(1.169)
As at 31 December 2012	**-**	**324.305**	**1.606.912**	**46.016**	**117.394**	**-**	**2.094.627**
Net Book Value at 31 December 2012	**288.391**	**523.507**	**2.538.039**	**41.305**	**21.997**	**156.318**	**3.569.557**
Cost							
As at 1 January 2013	**288.391**	**847.812**	**4.144.951**	**87.321**	**139.391**	**156.318**	**5.664.184**
Additions	9	3.766	15.966	865	4.454	84.866	109.926
Capitalised projects	2	20.711	76.004	158	870	(97.745)	-
Disposals	(1.101)	(4.247)	(16.662)	(1.158)	(1.142)	(148)	(24.458)
Currency translation differences	(179)	(294)	(82)	(3)	(39)	(12)	(609)
Transfers and other movements	124	(614)	7.567	(25)	(193)	(14.671)	(7.812)
As at 31 December 2013	**287.246**	**867.134**	**4.227.744**	**87.158**	**143.341**	**128.608**	**5.741.231**
Accumulated Depreciation							
As at 1 January 2013	**-**	**324.305**	**1.606.912**	**46.016**	**117.394**	**-**	**2.094.627**
Charge for the year	-	31.616	162.006	4.597	8.327	-	206.546
Disposals	-	(3.465)	(16.363)	(1.073)	(1.124)	-	(22.025)
Currency translation differences	-	(83)	(75)	(2)	(6)	-	(166)
Transfers and other movements	-	(1.462)	1.164	(68)	(504)	-	(870)
As at 31 December 2013	**-**	**350.911**	**1.753.644**	**49.470**	**124.087**	**-**	**2.278.112**
Net Book Value at 31 December 2013	**287.246**	**516.223**	**2.474.100**	**37.688**	**19.254**	**128.608**	**3.463.119**

(1) The Group has not pledged any property, plant and equipment as security for borrowings.

(2) Capitalised projects in 2012 mainly include amounts relating to the upgraded Elefsina refinery, reclassified from asset under construction as the refinery progressed from commissioning and start up to commercial operation.

(3) During 2013 an amount of €3 million (2012: €83 million) in respect of interest has been capitalised in relation to Assets Under Construction relating to the refining segment, at an average borrowing rate of 7,25% (2012: 5,1%).

(4) 'Transfers and other movements' in Plant & Machinery relate to the transfer of spare parts, from inventories to fixed assets, in accordance with the amended IAS 16, which requires spare parts to be classified as plant & equipment when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period. 'Transfers and other movements' in assets under construction mainly relate to the transfer of spare parts for the upgraded Elefsina units within inventories, in line with the Group's accounting policies, as they concern consumables. An amount of €3,4m relates to transfers from under construction fixed assets to intangible assets.

(All amounts in Euro thousands unless otherwise stated)

7 Intangible assets

	Goodwill	Retail Service Stations Usage Rights	Computer software	Licences & Rights	Other	Total
Cost						
As at 1 January 2012	**133.526**	**53.904**	**79.182**	**33.768**	**80.020**	**380.400**
Additions	500	9	947	87	176	1.719
Disposals	-	(2.207)	(52)	-	-	(2.259)
Currency translation differences and other movements	(112)	-	2.372	-	(336)	1.924
As at 31 December 2012	**133.914**	**51.706**	**82.449**	**33.855**	**79.860**	**381.784**
Accumulated Amortisation						
As at 1 January 2012	**71.829**	**15.114**	**69.369**	**19.571**	**27.177**	**203.060**
Charge for the year	-	4.669	4.840	1.664	11.363	22.536
Disposals	-	(1.489)	(2)	-	-	(1.491)
Currency translation differences and other movements	-	-	(13)	-	(12)	(25)
As at 31 December 2012	**71.829**	**18.294**	**74.194**	**21.235**	**38.528**	**224.080**
Net Book Value at 31 December 2012	**62.085**	**33.412**	**8.255**	**12.620**	**41.332**	**157.704**
Cost						
As at 1 January 2013	**133.914**	**51.706**	**82.449**	**33.855**	**79.860**	**381.784**
Additions	-	822	844	55	133	1.854
Disposals	-	-	(3)	-	-	(3)
Currency translation differences and other movements	-	(2.421)	3.587	262	(260)	1.168
As at 31 December 2013	**133.914**	**50.107**	**86.877**	**34.172**	**79.733**	**384.803**
Accumulated Amortisation						
As at 1 January 2013	**71.829**	**18.294**	**74.194**	**21.235**	**38.528**	**224.080**
Charge for the year	-	3.822	3.772	1.714	8.219	17.527
Disposals	-	-	(1)	-	-	(1)
Currency translation differences and other movements	-	(637)	(7)	205	(205)	(644)
As at 31 December 2013	**71.829**	**21.479**	**77.958**	**23.154**	**46.542**	**240.962**
Net Book Value at 31 December 2013	**62.085**	**28.628**	**8.919**	**11.018**	**33.191**	**143.841**

(1) The remaining amount of goodwill as at 31 December 2013 relates to the unamortised goodwill arising on the acquisition of Hellenic Petroleum Cyprus Ltd in 2003 and of Jugopetrol Kotor AD in 2002, which are treated in line with the accounting policy in note 2.7. Goodwill has been tested for impairment as at 31 December 2013 using the value-in-use model. This calculation uses cash flow projections based on financial budgets approved by management covering a five year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate that reflects the forecasts in line with management beliefs, based on GDP growth projections. Management determines annual volume growth rate and gross margins based on past performance and expectations for the market development. The discount rates used are pre-tax and reflect specific risks relating to operations.

The results of the model show that the valuation covers the carrying amount of the goodwill, which amounts to €70 million as of 31 December 2013. A sensitivity analysis was performed to the key assumptions used in the model (discount rates and perpetuity growth rates), in order to stress test the adequacy of the valuation headroom. The sensitivity analysis resulted in recoverable values well in excess of the carrying value.

(2) Other intangible assets category primarily includes the fair value of the contractual customer relationships from the subsidiary acquired in December 2009 (ex BP Hellas) which is amortized over the life of the contracts. Furthermore, it includes rights of use of land in Serbia and Montenegro in cases where local legal framework does not allow outright ownership of real estate property.

(All amounts in Euro thousands unless otherwise stated)

8 Investments in associates and joint ventures

	As at	
	31 December 2013	**31 December 2012**
Beginning of the Year	**645.756**	**616.095**
Dividend income	(12.802)	(11.657)
Share of profit of investments in associates & joint ventures	57.391	38.221
Share capital increase / (decrease)	-	640
Unrealised profit in stock	95	2.457
Transfers from investments available for sale	610	-
Other movements	451	-
End of the year	**691.501**	**645.756**

Unrealised profit in stock arises from the sale of goods to an associate of the Group which is not consolidated, to the extent that such stock is still held at year end.

a) Joint Ventures

The Group is active in power generation and trading in Greece through its 50% shareholding in Elpedison B.V., a jointly controlled entity with EDISON International. The Group consolidates ELPEDISON BV using the equity method, and as such ELPEDISON B.V. group of companies consolidated results, appear under "Share of profit of investments in associates and joint ventures" and its Net assets under the "Investment in Associates".

Given the materiality of this activity for the Group, the table below summarises the key financials of Elpedison B.V. group which includes Elpedison Power (75,78%) and Elpedison Energy (formerly Elpedison Trading - 100%):

	As at	
Elpedison B.V Group	**31 December 2013**	**31 December 2012**
Statement of Financial Position		
Non-Current Assets	402.442	417.033
Cash and Cash Equivalents	19.819	20.983
Other Current Assets	179.990	244.047
Total Assets	**602.251**	**682.062**
Equity	**154.124**	**160.676**
Long Term Borrowings	275.371	-
Other Non-Current Liabilities	19.066	10.553
Short Term Borrowings	14.704	309.523
Other Current Liabilities	138.986	201.310
Total Liabilities	**448.127**	**521.386**
Total Liabilities and Equity	**602.251**	**682.062**

(All amounts in Euro thousands unless otherwise stated)

	As at	
	31 December 2013	**31 December 2012**
Statement of Comprehensive Income		
Revenue	385.568	499.578
EBITDA	**57.328**	**57.030**
Depreciation & Amortisation	29.364	29.952
EBIT	**27.964**	**27.078**
Interest Income/(Expense) - net	(25.594)	(24.741)
Income Tax	(8.922)	(5.853)
Profit / (Loss) after Tax	**(6.552)**	**(3.516)**
Profit / (Loss) After Tax and Minorities	**(5.026)**	**(2.783)**
Income / (Loss) accounted in Helpe Group	**(2.513)**	**(1.392)**

Elpedison Power was formed through a merger of T-Power SA (HELPE 100% subsidiary) and Thisvi SA, an EDISON/HED joint venture in 2009. In October 2013, Elpedison Power refinanced its €345 million loan (outstanding amount as of October 2013 €296 million), through the issuance of a new loan of €296 million, maturing on September 2015 and bearing an one-year extension option that is subject to each lender's consent. The loan is fully guaranteed on a pro rata basis by all the shareholders of Elpedison Power SA.

The parent Company has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to Elpedison B.V., the outstanding amount of which as at 31 December 2013 was the equivalent of €116 million (31 December 2012: €119 million).

b) Associates

The Group exercises significant influence in a number of other entities, also accounted for by the equity method.

The table below summarises the share of income / (loss) from the principal investments in associates:

	For the year ended	
	31 December 2013	**31 December 2012**
Public Natural Gas Corporation of Greece (DEPA)	59.510	37.205
Other associates	766	2.036
Total	**60.276**	**39.241**

The main financial information of DEPA Group is presented below:

	For the year ended	
	31 December 2013	**31 December 2012**
EBITDA	208.904	201.214
Income before Tax	173.436	162.796
Income Tax	(30.700)	(29.396)
Net income	**142.736**	**133.400**
Income accounted in Helpe Group	**59.510**	**37.205**

(All amounts in Euro thousands unless otherwise stated)

An alternative analysis of the Group's share in major associates' financial position and results is set below:

	% interest held	As at 31 December 2013			
		Assets	Liabilities	Revenues	Profit after tax
DEPA	35%	3.254.042	1.536.924	1.616.612	142.736
DMEP Holdco (ultimate parent of OTSM)	48%	228.423	226.659	545.267	378
		As at 31 December 2012			
		Assets	Liabilities	Revenues	Profit after tax
DEPA	35%	3.476.270	1.866.051	1.881.504	133.400
DMEP Holdco (ultimate parent of OTSM)	48%	222.557	221.464	558.974	3.841

Sale of DESFA

On the 16 February 2012, HELPE and the Hellenic Republic Asset Development Fund (HRADF) (jointly the "Sellers") agreed to launch a joint sale process of their shareholding in DEPA Group aiming to sell in total 100% of the supply and trading activities and the shareholding of regional supply companies (DEPA SA and EPAs which are 51% subsidiaries of DEPA SA) and 66% of the high pressure transmission network (DESFA - 100% subsidiary of DEPA SA). This agreement was approved by HELPE's EGM, dated on the 30 January 2012 and the decision specifically requires that any such transaction will be subject to the approval of a new EGM.

The sales process resulted in three non-binding offers received on 5 November 2012 and at the final stage, one binding offer for the purchase of 66% of DESFA shares by SOCAR (Azerbaijan's Oil and Gas National Company). The offer which was improved following negotiations between the Sellers and the prospective buyer, is for €400 million for 66% of DESFA; i.e. €212,1 million for HELPE's 35% effective shareholding. Given that at present DESFA SA is a 100% subsidiary of DEPA, in order to complete the transaction, DESFA will be "unbundled" through a share distribution (treated as capital reduction of DEPA SA), to the two existing shareholders/sellers (i.e. HELPE 35% and HRADF 65%). Thus, once all approvals from the competent authorities are received, SOCAR will buy 35% directly from HELPE and 31% from HRADF.

On 2 August 2013 the Board of Directors of HELPE considered the offer for the sale of its 35% effective interest in DESFA as acceptable, and called for an Extraordinary General Meeting of the shareholders of the Company to approve the transaction. The EGM of the shareholders of the Company held on 2 September 2013 approved the transaction.

Prior to the Board of Director's meeting, the previous day, on 1 August 2013 the board of directors of HRADF had unanimously accepted the improved offer of SOCAR.

The Share Purchase Agreement for the sale of 66% of DESFA's share capital was signed by HRADF, HELPE and SOCAR on 21 December 2013. According to this SPA the rights and obligations of the parties are conditional upon the occurrence of certain events (Conditions) such as the merger clearance of the transaction by the EU or national competition authorities (as applicable) and the certification of DESFA by the Regulatory Authority for Energy of the Hellenic Republic ("RAE") in accordance with article 65 of L. 4001/2011 ("Energy Law"). It should be noted that as there is no precedent with respect to the certification of a gas transmission system operator, which is owned/controlled by a non-EU undertaking the process is not pre-defined. Consequently, the parameters and criteria for the assessment to be made by the authorities or the extent of commitments which may be requested by the European Commission to be undertaken by SOCAR cannot be anticipated or, moreover controlled by the parties.

Although the parties undertake valid commitments upon signing of the SPA, the effectiveness of the totality of the provisions of the SPA (including the transfer of shares and the payment of the consideration) remains subject to conditions, some of which lie beyond the control or diligent behavior of the parties and, consequently, the completion of the transaction remains suspended and depends on the satisfaction of such conditions.

The Group consolidates DEPA on an equity basis and the carrying value of the investment in the consolidated financial statements reflect HELPE's 35% share of the net asset value of the DEPA group which as at 31

(All amounts in Euro thousands unless otherwise stated)

December 2013 is €598 million. Furthermore the carrying value in HELPE SA financial statements for the DEPA group is €237 million. These amounts were assessed for impairment, at 31 December 2013, based on the requirements of IAS 36 and no indication of impairment was identified.

Given that the transaction can only be completed upon receiving the approval of the relevant competent authorities, and given the timing of such approvals and the unbundling process that is still to be concluded, management considers it appropriate to maintain the policy of including DEPA Group as an associate at the date of this financial statements.

DMEP HoldCo Ltd

In 2011, the Group participated with 48% holding through its subsidiary company Hellenic Petroleum International A.G. in the setting-up of a new company DMEP HoldCo Ltd, a company incorporated in UK, which in turn owns 100% of "OTSM S.A. of Maintenance Compulsory Stocks and Trading of Crude Oil and Petroleum Products" (OTSM). OTSM is established under Greek law and is fully permitted to provide crude oil and petroleum products stock keeping and management services. The Group has delegated part of its compulsory stock keeping obligations to OTSM, reducing its stock holding by approximately 340.000 MT, at a fee calculated in line with the legal framework (see Note 10).

c) Jointly controlled operations

The Group participates in the following jointly controlled operations with other third parties relating to exploration and production of hydrocarbons in Greece and abroad:

- Petroceltic International Plc (former Melrose) – Kuwait Energy – Beach Petroleum (Egypt, Mesaha)
- VEGAS Oil & Gas (Egypt, West Obayed)
- Edison (Montenegro, Ulcinj)
- Edison International SpA - Petroceltic (Patraikos Gulf and Ioannina area)

9 Loans, Advances & Long Term assets

	As at	
	31 December 2013	**31 December 2012**
Loans and advances	39.051	42.954
Other long term assets	67.684	72.101
Total	**106.735**	**115.055**

Loans and advances relate primarily to merchandise credit extended to third parties as part of the retail network expansion and is non-interest bearing. This also includes trade receivables due in more than one year as a result of settlement arrangements.

Other long term assets include non-interest bearing payments made to secure long term retail network and are amortised over the remaining life of the relating contracts of the petrol stations locations. In addition they include other non-interest bearing prepayments of long term nature.

The balances included in the above categories as of 31 December 2013 are discounted at a rate of 5% (2012: 5%).

(All amounts in Euro thousands unless otherwise stated)

10 Inventories

	As at	
	31 December 2013	**31 December 2012**
Crude oil	228.261	349.802
Refined products and semi-finished products	690.719	757.803
Petrochemicals	25.500	31.799
Consumable materials and other spare parts	69.128	67.059
- Less: Provision for consumables and spare parts	(8.344)	(5.816)
Total	**1.005.264**	**1.200.647**

The cost of goods sold included in "Cost of sales" for 2013 is equal to €7,3 billion (2012: €7,7 billion).

Hellenic Petroleum SA is obliged to keep crude oil and refined products stocks in order to fulfil the EU requirement for compulsory Stock obligations (90 days stock directive), as legislated by Greek Law 3054/2002.

In accordance with the amended IAS 16, spare parts that meet the definition of property, plant and equipment, have been reclassified as plant & equipment (Notes 2.26 & 6).

11 Trade and other receivables

	As at	
	31 December 2013	**31 December 2012**
Trade receivables	576.376	670.765
- Less: Provision for impairment of receivables	(170.346)	(162.374)
Trade receivables net	**406.030**	**508.391**
Other receivables	337.670	281.772
- Less: Provision for impairment of receivables	(32.591)	(28.230)
Other receivables net	**305.079**	**253.542**
Deferred charges and prepayments	26.141	28.527
Total	**737.250**	**790.460**

As part of its working capital management the Group utilises factoring facilities to accelerate the collection of cash from its customers in Greece. Non-recourse factoring, is excluded from balances shown above.

Other receivables include balances in respect of VAT, income tax prepayment, advances to suppliers and advances to personnel. This balance includes an amount of €54m (31 December 2012: €54m) of VAT approved refunds which has been withheld by the customs office in respect of a dispute about stock shortages. Against this action the Group has filed a specific legal objection and claim and expects to fully recover this amount following the conclusion of the relevant legal proceedings (see note 31 "Contingencies and litigation").

The fair values of trade and other receivables approximate their carrying amount.

(All amounts in Euro thousands unless otherwise stated)

The table below shows the segregation of trade receivables:

	As at 31 December 2013	As at 31 December 2012
Total trade receivables	576.376	670.765
Amounts included above which are past due, doubtful and impaired:		
Gross amount	174.583	171.932
Less: Allowance for Bad Debts	(170.346)	(162.374)
Net amount included in Receivables	**4.237**	**9.558**

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. Provision is made for receivables that are doubtful of collection and have been assessed that they will result in a loss, net of any respective securities or collaterals obtained.

Trade receivables also include past due but not impaired balances of €224 million as at 31 December 2013 (31 December 2012 €176 million) relating to a number of independent customers from whom there is no recent history of default. Out of these balances €129 million were past due up to 30 days (2012: €102 million), €23 million were past due up to 90 days (2012: €21 million) and €72 million were past due over 90 days (2012: €53 million). As part of the active management of trade receivables the Group has negotiated new credit terms for the majority of these balances, thus does not consider them as impaired on the basis of the aforementioned terms.

The doubtful receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situation. As of 31 December 2013, the overdue days of trade receivables that were doubtful and impaired are as follows:

	As at 31 December 2013	As at 31 December 2012
Up to 30 days	4.324	5.504
30 - 90 days	147	240
Over 90 days	170.112	166.188
Total	**174.583**	**171.932**

It was assessed that a portion of the doubtful receivables is expected to be recovered through settlements, legal actions and securing of additional collaterals.

The movement in the provision for impairment of trade receivables is set out below.

	As at 31 December 2013	As at 31 December 2012
Balance at 1 January	162.374	153.664
Charged / (credited) to the income statement:		
- Additional provisions	10.370	22.603
- Unused amounts reversed	(1.334)	(3.325)
- Receivables written off during the year as uncollectible	(1.471)	(10.736)
Other movements	407	168
Balance at 31 December	**170.346**	**162.374**

The movement in the provision for impairment has been included in Selling & Distribution costs in the statement of comprehensive income.

(All amounts in Euro thousands unless otherwise stated)

12 Cash, cash equivalents and restricted cash

	As at	
	31 December 2013	**31 December 2012**
Cash at Bank and in Hand	426.674	679.519
Short term bank deposits	332.928	21.542
Cash and Cash Equivalents	**759.602**	**701.061**
Restricted Cash	200.000	200.000
Total Cash, Cash Equivalents and Restricted Cash	**959.602**	**901.061**

Restricted cash pertained to a cash collateral arrangement to secure a €200 million loan concluded with Hellenic Petroleum S.A and Piraeus Bank, in relation to the Company's €200 million Facility Agreement with the European Investment Bank for which Piraeus Bank has provided a guarantee maturing on 15 June 2014 (Note 16).

The effect of the loan and the deposit is a grossing up of the Statement of Financial Position but with no effect to the Net Debt position of the Group.

The weighted average effective interest rate as at the reporting date on cash and cash equivalents was:

	As at	
	31 December 2013	**31 December 2012**
Euro	0,65%	0,75%
USD	0,50%	0,61%

13 Share capital

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January & 31 December 2012	305.635.185	666.285	353.796	1.020.081
As at 31 December 2013	305.635.185	666.285	353.796	1.020.081

All ordinary shares were authorised, issued and fully paid. The nominal value of each ordinary share is €2,18 (31 December 2012: €2,18).

Share options

During the Annual General Meeting (AGM) of Hellenic Petroleum S.A. held on 25 May 2005, a share option scheme was approved, with the intention to link the number of share options granted to employees with the results and performance of the Company and its management. Subsequent AGMs have approved and granted the stock options.

(All amounts in Euro thousands unless otherwise stated)

Share options outstanding at the year-end have the following expiry date and exercise prices:

Grant Date	**Vesting Date**	**Expiry Date 5 December**	**Exercise Price in € per share**	**No. of share options as at 31 December 2013**	**31 December 2012**
2007	2009-13	2013	10,88	-	397.815
2008	2010-14	2014	11,01	339.561	349.761
2009	2011-15	2015	7,62	1.616.054	1.704.716
2012	2014-18	2018	4,52	1.479.933	1.479.933
			Total	**3.435.548**	**3.932.225**

No stock options have been exercised during 2013 or during the previous year, due to the negative relationship between the exercise price and the share market price during the respective vesting periods.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	As at			
	31 December 2013		**31 December 2012**	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
At 1 January	**7,08**	**3.932.225**	**8,74**	**2.720.950**
Granted	-	-	4,52	1.479.933
Exercised	-	-	-	-
Lapsed	10,30	(496.677)	9,69	(268.658)
At 31 December	**6,62**	**3.435.548**	**7,08**	**3.932.225**

The value of lapsed stock options that were transferred to retained earnings in 2013 is €0,5 million. The total expense recognised in the statement of comprehensive income for the year ended 31 December 2013 for share based compensation is €0,3 million (2012: €0,3 million).

(All amounts in Euro thousands unless otherwise stated)

14 Reserves

	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax free reserves	Other reserves	Total
Balance at 1 January 2012	**113.792**	**98.420**	**(67.150)**	**3.637**	**351.322**	**(6.879)**	**493.142**
Cash flow hedges (Note 21):							
- Fair value gains / (losses) on cash flow hedges	-	-	3.151	-	-	-	3.151
- Derecognition of gains/(losses) on hedges through comprehensive income	-	-	27.025	-	-	-	27.025
Share-based payments (Note 13)	-	-	-	252	-	-	252
Transfer to statutory reserves	4.876	-	-	-	-	-	4.876
Fair value gains / (losses) on available-for-sale financial assets	-	-	-	-	-	(100)	(100)
Currency translation differences and other movements	-	-	-	-	-	(1.048)	(1.048)
Balance at 31 December 2012	**118.668**	**98.420**	**(36.974)**	**3.889**	**351.322**	**(8.027)**	**527.298**
Cash flow hedges (Note 21):							
- Fair value gains / (losses) on cash flow hedges	-	-	9.402	-	-	-	9.402
- Derecognition of gains/(losses) on hedges through comprehensive income	-	-	31.465	-	-	-	31.465
Share-based payments (Note 13)	-	-	-	(225)	-	-	(225)
Fair value gains / (losses) on available-for-sale financial assets	-	-	-	-	-	(107)	(107)
Actuarial gains/(losses) on defined benefit pension plans	-	-	-	-	-	(679)	(679)
Currency translation differences and other movements	-	-	-	-	-	(1.051)	(1.051)
Balance at 31 December 2013	**118.668**	**98.420**	**3.893**	**3.664**	**351.322**	**(9.864)**	**566.103**

The movement in the hedging reserve is shown net of tax of € 10.611 (2012: €7.544) – refer to Note 27.

Statutory reserves

Under Greek law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until such reserve equals one third of outstanding share capital. This reserve cannot be distributed during the existence of the corporation, but can be used to offset accumulated losses.

Special reserves

Special reserves primarily relate to reserves arising from tax revaluations which have been included in the holding company accounts in accordance with the relevant legislation in prior years. Where considered appropriate deferred tax provisions are booked in respect of these reserves.

Tax free reserves

Tax free reserves include:

(i) Tax deferred reserves are retained earnings which have not been taxed with the prevailing corporate income tax rate as allowed by Greek law under various statutes. Certain of these retained earnings will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital. Distributions to shareholders and conversions to share capital are not normally anticipated to be made through these reserves.

(ii) Partially taxed reserves are retained earnings, which have been taxed at a rate less than the corporate tax rate as allowed by Greek law. Certain of these retained earnings will be subject to the remaining tax up to the corporate tax rate prevailing at the time of distribution to shareholders or conversion to share capital.

(All amounts in Euro thousands unless otherwise stated)

15 Trade and other payables

	As at 31 December 2013	31 December 2012
Trade payables	1.967.963	1.769.908
Accrued Expenses & Deferred Income	45.460	36.283
Other payables	112.012	66.435
Total	**2.125.435**	**1.872.626**

Trade creditors include overdue amounts in respect of crude oil imports from Iran which were received during the period between December 2011 and March 2012 as part of a long term contract with NIOC. Despite repeated attempts to settle the payment for these cargoes during the early part of 2012, through the international banking system, it was not possible to do so. This is due to the fact that payments to Iranian banks and state entities are not accepted for processing by the International banking system due to EU sanctions (Council Regulation (EU) No. 267/2012 of 23 March 2012). The Company has dully notified its supplier of this restriction on payments and the inability to accept further crude oil cargoes under the contract, which is due to the EU sanctions posing legal constraints outside of its control. As a result no deliveries of Iranian crude oil or payments have taken place post June 30th 2012, which was the EU imposed deadline.

Other payables include amounts in respect of payroll and other staff related costs, social security obligations and sundry taxes.

Accrued expenses and deferred income include the estimated cost of the CO2 emission rights required under the corresponding environmental legislation amounting to €4 million. In 2012 the respective amount had been classified under Provisions for other liabilities and charges (Note 19).

16 Borrowings

	As at 31 December 2013	31 December 2012
Non-current borrowings		
Bank borrowings	816.899	377.778
Eurobond	490.000	-
Finance leases	4.905	5.496
Total non-current borrowings	**1.311.804**	**383.274**
Current borrowings		
Short term bank borrowings	1.190.481	2.352.051
Current portion of long-term bank borrowings	147.339	22.529
Finance leases - current portion	564	517
Total current borrowings	**1.338.384**	**2.375.097**
Total borrowings	**2.650.188**	**2.758.371**

(All amounts in Euro thousands unless otherwise stated)

The maturity of non-current borrowings is the following:

	As at 31 December 2013	As at 31 December 2012
Between 1 and 2 years	147.019	44.444
Between 2 and 5 years	964.784	133.332
Over 5 years	200.001	205.498
	1.311.804	**383.274**

The weighted average effective interest margins as at the reporting date were as follows:

As at 31 December 2013	€	US$	RSD
Bank Borrowings (short-term)			
- Floating Euribor + margin	6,66%	-	-
- Floating Libor + margin	-	0,71%	14,37%
Bank Borrowings (long-term)			
- Floating Euribor + margin	5,13%	-	-

As at 31 December 2012	€	US$	RSD
Bank Borrowings (short-term)			
- Floating Euribor + margin	5,21%	-	-
- Floating Libor + margin	-	0,60%	14,42%
Bank Borrowings (long-term)			
- Floating Euribor + margin	1,79%	-	-

The carrying amounts of the Group’s borrowings are denominated in the following currencies:

	As at 31 December 2013	As at 31 December 2012
Euro	2.566.412	2.142.449
US dollar	2.177	543.212
RSD	54.981	64.255
Other	26.618	8.455
Total borrowings	**2.650.188**	**2.758.371**

The Group manages its treasury functions in a centralised manner with coordination and control of all subsidiaries’ funding and cash management activities by a central Treasury. To this extent, Hellenic Petroleum Finance plc (HPF) was established in November 2005 in the U.K. as a wholly-owned subsidiary of Hellenic Petroleum S.A. to act as the central treasury vehicle of the Hellenic Petroleum Group.

Gross borrowings of the Group by maturity as at 31 December 2013 and 31 December 2012 are summarised on the table below (amounts in € million):

	Company	Maturity	Balance as at 31 December 2013	Balance as at 31 December 2012
1. Syndicated Loan $1.180 million (drawn partly in US$ and partly in Euro)	HPF plc	Jan 2013	-	884
2a. Syndicated bond loan €140 million	HPF plc	Jan 2016	135	-
2b. Syndicated bond loan €465 million	HP SA	Jan 2016	451	-
3. Bond loan €400 million	HP SA	Jun 2014	225	225
4. European Investment Bank ("EIB")Term loan	HP SA	Jun 2022	378	400
5. Bond loan €225 million	HP SA	Dec 2013	-	222
6. Eurobond	HPF plc	May 2017	490	-
7. Bilateral lines	Various	Various	966	1.021
8. Finance leases	Various	Various	5	6
Total			**2.650**	**2.758**

1. *Syndicated Loan $1.180 million*

On 2 February 2007 HPF signed a syndicated credit facility agreement of US$ 1,18 billion with a maturity of five years and two extension options exercisable prior to the first and the second anniversary of the facility. A total of fifteen Greek and international financial institutions participated in the facility. The facility was guaranteed by the Parent Company and comprised of fixed term borrowings and revolving credit. In 2007 the Company exercised the first extension option of the facility to mature on 31 January 2013 to which all participating financial institutions consented, except for one bank whose participation amounted to US$ 20 million hence reducing the facility to US$ 1,16 billion. The facility could be drawn partly in US$ and partly in Euro. The facility was repaid on maturity, (31 January 2013), by using own cash reserves and the proceeds of facilities, as detailed under 2a and 2b below.

2. *Term loans of €605 million*

As part of the refinancing plan, two credit facilities with identical terms and conditions were concluded with a Group of Greek and international banks:

(a) A €465 million syndicated bond loan issued by Hellenic Petroleum S.A. with the guarantee of Hellenic Petroleum Finance plc and a maturity of three years with gradual amortisation. The outstanding balance of the bond loan at 31 December 2013 was €451 million.

(b) A €140 million syndicated credit facility concluded by Hellenic Petroleum Finance plc with the guarantee of Hellenic Petroleum S.A. and a maturity of three years with gradual amortization. The outstanding balance of the credit facility at 31 December 2013 was €135 million.

3. *Bond Loan €400 million*

On 18 April 2006 HPF concluded a €300 million syndicated 364-day multi-currency revolving credit facility agreement with the guarantee of Hellenic Petroleum S.A. The facility was subsequently increased to €400 million and renewed until 10 April 2012 when it was repaid and a bond loan facility of an equal amount was issued by Hellenic Petroleum S.A and subscribed to by the participating banks with maturity 30th June 2013. The facility was renewed at maturity for an additional year (until 30th June 2014) and has a six-month extension option. The total amount outstanding under the facility at 31 December 2013 was €225 million (31 December 2012: €225 million).

4. *EIB Term loans*

On 26 May 2010, Hellenic Petroleum S.A. signed two loan agreements (Facilities A and B) with the European Investment Bank for a total amount of €400 million (€200 million each). The purpose of the loans was to finance part of the investment programme relating to the upgrade of the Elefsina Refinery. Both loans have a maturity of 12 years with amortization beginning in December 2013 and similar terms and conditions. Facility B is credit enhanced by a commercial bank guarantee. This is normal practice for EIB lending particularly during the construction phase of large projects. As at 31 December 2013, the outstanding loan balance amounted to €378 million (31 December 2012: €400 million) as an amount of € 22 million was repaid during December 2013.

(All amounts in Euro thousands unless otherwise stated)

5. Bond Loan €225 million

As part of its refinancing plans at the end of 2012, Hellenic Petroleum S.A issued a one year bond loan facility which was subscribed to by Greek relationship banks. The facility was prepaid in May 2013 out of the proceeds of the new Eurobond.

6. Eurobond

During the first half of 2013, the Group proceeded with the issuance of a Eurobond of €500 million, with an annual coupon of 8% and maturity of four years. The notes are redeemable at maturity (May 2017) and are listed in the Luxembourg Stock Exchange. The proceeds of the Eurobond were used to prepay existing indebtedness of €225 million (see loan facility 5 above) and for general corporate purposes.

7. Bilateral lines

The Group companies also have loans with various banks to cover predominantly their working capital financing needs. As at 31 December 2013, the outstanding balance of such loans amounted to approximately €1 billion (31 December 2012: approximately €1 billion). Out of these approximately €0,9 billion relate to short-term loans of the parent company Hellenic Petroleum S.A.

The fair value of the Eurobond as at 31 December 2013 was €521,5 million, compared to its book value of €490 million. The fair value of the remaining borrowings, including their carrying portion, approximates their carrying value, as the effect of discounting is insignificant. The fair values of borrowings are within level 2 of the fair value hierarchy.

Certain medium term credit agreements that the Group has concluded, include financial covenants, mainly for the maintenance of certain ratios such as : "Net Debt/EBITDA", "EBITDA/Net Interest" and "Net Debt/Net Worth". Management monitors the performance of the Group to ensure compliance with the above covenants.

The loan analysis is as follows:

	As at	
	31 December 2013	**31 December 2012**
Revolving credit facilities	966.125	1.530.460
Term loans	1.678.595	1.221.898
Finance lease	5.469	6.013
Total borrowings	**2.650.188**	**2.758.371**

Finance leases are analysed as follows:

	As at	
	31 December 2013	**31 December 2012**
Obligations under finance leases		
Within 1 year	564	517
Between 1 and 2 years	566	569
Between 2 and 5 years	1.712	1.652
After 5 years	2.627	3.275
Total lease payments	**5.469**	**6.013**

(All amounts in Euro thousands unless otherwise stated)

17 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	As at	
	31 December 2013	**31 December 2012**
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	63.664	20.437
	63.664	**20.437**
Deferred tax liabilities:		
Deferred tax liabilities to be incurred after more than 12 months	(45.405)	(84.599)
	(45.405)	**(84.599)**
	18.261	**(64.162)**

The gross movement on the deferred income tax asset / (liability) is as follows:

	As at	
	31 December 2013	**31 December 2012**
Beginning of the year	(64.162)	(29.165)
Income statement recovery / (charge)	92.975	(26.887)
Charged / (released) to equity	(11.027)	(6.438)
Other movements	475	(1.672)
End of year	**18.261**	**(64.162)**

Deferred tax relates to the following types of net temporary differences:

Intangible and tangible fixed assets	(135.270)	(102.308)
Inventory valuation	2.158	(1.467)
Unrealised exchange gains	(1.426)	(1.094)
Employee benefits provision	19.460	17.673
Derivative financial instruments at fair value	(474)	10.210
Tax free reserves (Law 4172/2013)	(20.949)	-
Net tax losses carried forward	157.907	20.598
Environmental provisions (Note 19)	1.086	700
Other temporary differences	(4.231)	(8.474)
End of year	**18.261**	**(64.162)**

Other temporary differences include mostly temporary differences on various receivables provisions as well as the provisions for unaudited tax years.

Deferred tax in relation to special or tax free reserves is calculated to the extent that the Group believes it is more likely than not to be incurred and is entered in the related accounts.

In December 2013 Hellenic Law 4172/2013 was enacted that imposed a tax of 15% upon the distribution or capitalization of specific tax free reserves until 31.12.2013. Distribution or capitalization of these reserves in 2014 would result in a tax of 19% and if not distributed or capitalised in 2014, these specific tax free reserves would have to be set off against accumulated tax losses. From 1st January 2015, the ability to maintain an account of tax-free reserves is abolished. In this respect as at 31 December 2013, the Group has raised a deferred tax liability provision of €20,9m via a charge to the income statement. Management will determine the treatment of such reserves during 2014.

(All amounts in Euro thousands unless otherwise stated)

A change in corporate income tax rates was applied for the years ending 31 December 2013 onwards in accordance with legislation enacted in January 2013. Accordingly, deferred tax assets / liabilities were realised at a tax rate of 26% vs 20% which was the applicable rate for 2012. The impact from the difference in tax rates for 2013 increased the net deferred tax liability by approximately €11 million.

18 Retirement benefit obligations

The table below outlines where the group's retirement benefit amounts and activity are included in the financial statements.

	As at	
	31 December 2013	**31 December 2012**
Statement of Financial Position obligations for:		**Restated**
Pension benefits	87.429	102.330
Liability in the Statement of Financial Position	**87.429**	**102.330**
Statement of Comprehensive Income charge for:		
Pension benefits	40.628	23.699
Total as per Statement of Comprehensive Income	**40.628**	**23.699**
Remeasurements for:		
Pension benefits	1.164	(19.604)
Total as per Statement of Other Comprehensive Income	**1.164**	**(19.604)**

The amounts recognised in the Statement of Financial Position are as follows:

	As at	
	31 December 2013	**31 December 2012**
		Restated
Present value of funded obligations	16.519	16.176
Fair value of plan assets	(6.899)	(7.667)
Deficit of funded plans	**9.620**	**8.509**
Present value of unfunded obligations	77.809	93.821
Liability in the Statement of Financial Position	**87.429**	**102.330**

The Group operates defined benefit pension plans in Greece, Bulgaria, FYROM, Montenegro and Cyprus. All of the plans are final salary pension plans. The level of benefits provided depends on members' length of service and remuneration. The majority of the plans are unfunded, however there are certain plans in Greece and Cyprus that have plan assets.

(All amounts in Euro thousands unless otherwise stated)

The movement in the defined benefit obligation over 2012 and 2013 is as follows:

	Present Value of Obligation	Fair Value of Plan Assets	Total
As at 1 January 2012 (Restated)	**140.214**	**(8.046)**	**132.168**
Current service cost	7.166	-	7.166
Interest expense/(income)	5.839	(371)	5.468
Past service costs and (gains)/losses on settlements	11.065	-	11.065
Statement of comprehensive income charge	**24.070**	**(371)**	**23.699**
Remeasurements:			
- Return on plan assets, excluding amounts included in Interest expense/(income)	-	171	171
- (Gain)/loss from change in demographic assumptions	(8.399)	-	(8.399)
- (Gain)/loss from change in financial assumptions	(10.996)	-	(10.996)
- Experience (gains)/losses	(380)	-	(380)
	(19.775)	**171**	**(19.604)**
Benefits paid directly by the group/Contributions paid by the group	(30.204)	(3.729)	(33.933)
Benefit payments from the plan	(4.308)	4.308	-
As at 31 December 2012 (Restated)	**109.997**	**(7.667)**	**102.330**
Current service cost	6.571	-	6.571
Interest expense/(income)	4.295	(261)	4.034
Past service costs and (gains)/losses on settlements	30.023	-	30.023
Statement of comprehensive income charge	**40.889**	**(261)**	**40.628**
Remeasurements:			
- Return on plan assets, excluding amounts included in Interest expense/(income)	-	191	191
- (Gain)/loss from change in demographic assumptions	660	-	660
- (Gain)/loss from change in financial assumptions	190	-	190
- Experience (gains)/losses	123	-	123
	973	**191**	**1.164**
Benefits paid directly by the group/Contributions paid by the group	(55.272)	(1.421)	(56.693)
Benefit payments from the plan	(2.259)	2.259	-
As at 31 December 2013	**94.328**	**(6.899)**	**87.429**

The expected maturity analysis of undiscounted pension benefits is as follows:

Balance at 31 December 2013	**Less than a year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
Pension Benefits	3.506	2.949	13.160	129.501	**149.116**

(All amounts in Euro thousands unless otherwise stated)

Plan assets are comprised as follows:

	2013				2012			
	Quoted	**Unquoted**	**Total**	**%**	**Quoted**	**Unquoted**	**Total**	**%**
Equity Instruments	1.383	40	1.423	21%	597	-	597	8%
Debt Instruments								
- Government bonds	359	-	359	5%	594	-	594	8%
- Corporate bonds	2.426	-	2.426	35%	1.285	-	1.285	17%
Investment funds	116	-	116	0	310	-	310	4%
Real Estate/ Property	1.664	-	1.664	24%	1.665	-	1.665	21%
Qualifying Insurance Policies	-	-	-	-	-	-	-	-
Warrants	-	-	-	-	1	-	1	0%
Cash and cash equivalents	-	911	911	13%	-	3.215	3.215	42%
Other	-	-	-	-	-	-	-	-
Total	**5.948**	**951**	**6.899**	**100%**	**4.452**	**3.215**	**7.667**	**100%**

The principal actuarial assumptions used were as follows:

	As at	
	31 December 2013	**31 December 2012**
Discount Rate	3,75%	4,00%
Future Salary Increases	0,50%	0,50%
Inflation	0,50%	0,50%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on Defined Benefit Obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount Rate	0,5%	-5,29%	5,73%
Future Salary Increases	0,5%	5,80%	-5,40%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

Expected contributions to defined benefit plans for the year ending 31 December 2014 are €3 million. The weighted average duration of the defined benefit obligation is 11,3 years.

(All amounts in Euro thousands unless otherwise stated)

19 Provisions for other liabilities and charges

The movement for provisions for 2013 is as follows:

	Litigation & tax povisions	Provisions for environmental costs	Other Provisions	Total
At 1 January 2012	**11.135**	**16.100**	**78**	**27.313**
Charged / (credited) to the income statement:				
- Additional provisions	-	-	179	179
- Unused amounts reversed	(2.177)	(12.600)	-	(14.777)
- Utilized during year	(885)	-	-	(885)
Charged to Equity	-	(3.500)	-	(3.500)
Other movements / Reclassifications	-	-	2	2
At 31 December 2012	**8.073**	**-**	**259**	**8.332**
Charged / (credited) to the income statement:				
- Additional provisions	1.450	-	33	1.483
- Utilized during year	-	-	(198)	(198)
Other movements / Reclassifications	(3.433)	-	-	(3.433)
At 31 December 2013	**6.090**	**-**	**94**	**6.184**

Provision for environmental costs

The respective provision relates to the estimated cost of the CO2 emission rights required under the corresponding environmental legislation. The relevant provision, amounting to €4 million as at 31 December 2013 (2012: €3,5 million) is shown in short-term payables, since the Group's obligation to deliver the relevant emission rights falls due in 2014 (Note 15).

Other provisions

Other provisions relate to sundry operating items and risks arising from the Group's ordinary activities.

20 Other long term liabilities

Other long term liabilities	**As at 31 December 2013**	**31 December 2012**
Government grants	14.669	16.758
Other Long Term Liabilities	9.915	10.384
Total	**24.584**	**27.142**

Government grants

Advances by the Government to the Group's entities relate to property plant and equipment. Amortization for 2013 amounted to €2,1 million (2012: €3,6 million).

Other long term liabilities

Other long term liabilities relate to sundry operating items and risks arising from the Group's ordinary activities.

21 Derivative financial instruments

Derivatives designated as Cash Flow Hedges

	31 December 2013				31 December 2012			
Commodity Derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT'000	**Bbls'000**	**€**	**€**	**MT'000**	**Bbls'000**	**€**	**€**
Commodity Swaps	-	2.521	5.263	-	600	2.377	840	47.055
	-	**2.521**	**5.263**	**-**	**600**	**2.377**	**840**	**47.055**
Total			**5.263**	**-**			**840**	**47.055**

	31 December 2013		31 December 2012	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Non-current portion				
Commodity swaps	-	-	-	-
	-	-	-	-
Current portion				
Commodity swaps	5.263	-	840	47.055
	5.263	**-**	**840**	**47.055**
Total	**5.263**	**-**	**840**	**47.055**

Derivatives designated as cash flow hedges

During the year ended 31 December 2013 amounts transferred to the statement of comprehensive income for de-designated hedges were gains of €31.465, net of tax (31 December 2012: gains of €27.025) which relate to commodity price swaps for the Elefsina refinery upgrade that were settled during the period. The remaining cash flow hedges are highly effective and the movement in the fair value of these derivatives, amounting to a gain of €9.402 net of tax (31 December 2012: €3.151 gains, net of tax), was transferred to the "Hedging Reserve" (see Note 14).

Amounts transferred to the statement of comprehensive income, relating to contracts that were settled during the year, amounted to €2.441 loss (2012: €6.080 gain).

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the statement of financial position.

22 Employee costs

	For the year ended	
	31 December 2013	**31 December 2012**
Wages and salaries	177.491	189.966
Social security costs	49.967	39.242
Pension costs	12.747	12.922
Other employment benefits	53.865	36.974
Total	**294.070**	**279.104**

Other employment benefits include medical insurance, catering and transportation expenses. They also include expenses paid to employees as part of the voluntary retirement scheme (VRS) which are approximately €32 million (2012: €15 million), included in "Other operating income/(expenses)" (see Note 24). The value of shared – based compensation of €251 (2012: €252) is also included therein (see Note 13).

(All amounts in Euro thousands unless otherwise stated)

23 Exploration and Development expenses

Capital expenditures on exploration and development activities are expensed as incurred (2013: €2.992 and 2012: €3.543) and relate mainly to the following Concessions in Egypt:

(i) Exploration operations for the West Obayed Block under a Concession agreement with EGPC in a jointly controlled operation between Hellenic Petroleum (30%) and Vegas West Obayed Limited (70%, operator) in W. Desert

(ii) Exploration operations for the Mesaha Block under a Concession agreement with Ganope in a jointly controlled operation between Hellenic Petroleum (30%) with Petroceltic Resources (40%, operator), Kuwait Energy Company (15%) and Beach Petroleum (15%).

The related exploration costs are written off and exploration costs associated with drilling exploration well which were unsuccessful are written off.

Exploration and development expenses also include expenditures incurred prior to obtaining legal rights to explore the area of Gulf of Patraikos, offshore Greece.

These expenditures are related to the offer which is submitted by the jointly controlled operation comprised from Hellenic Petroleum (33,3%, operator), Edison International SpA (33,3%) and Petroceltic Resources Plc (33,3%). The JV is announced by the Greek State to be the “preferred bidder” and the relevant negotiations between the JV and the Greek State to execute the Lease Agreement for the Gulf of Patraikos are still ongoing.

24 Other operating income / (expenses) and other gains / (losses)

Other operating income/(expenses) – net is analysed as follows:

	For the year ended	
	31 December 2013	**31 December 2012**
Income from Grants	2.128	3.609
Services to 3rd Parties	1.761	935
Rental income	13.432	18.784
Profit / (loss) from the sale of PPE - net	1.374	213
Indemnification receipts	9.048	-
Insurance compensation	-	3.867
Reversal of provisions for CO2 emission rights	-	12.600
Voluntary retirement scheme cost	(31.905)	(15.027)
Cyprus bank accounts levy	(3.970)	-
(Loss) / Gain from the sale of subsidiary	-	(1.166)
Impairment	(2.992)	-
Other operating income / (expenses)	1.335	7.571
Total other operating income / (expenses)	**(9.789)**	**31.386**
Other operating gains / (losses)	(40.080)	(35.760)
Total other operating income / (expenses) - net	**(49.869)**	**(4.374)**

Other operating income / (expenses) – net include income or expenses which do not relate to the trading activities of the Group. Indemnification receipts of €9 million relate to an indemnity payable by BP Greece Limited to the Group. This indemnity is to compensate for additional income tax liabilities of Hellenic Fuels S.A. relating to periods prior to its acquisition by the Group that were imposed following the completion of a tax audit in 2013. Also included in Other operating income/(expenses) is the impact of the Cyprus bank deposits levy (€4 million). Other operating gains / (losses) include losses from reclassification of cash flow hedges (see Note 21).

(All amounts in Euro thousands unless otherwise stated)

25 Finance (Expenses) / Income - Net

	For the year ended	
	31 December 2013	**31 December 2012**
Interest income	8.050	12.692
Interest expense and similar charges	(217.337)	(66.893)
Finance costs -net	**(209.287)**	**(54.201)**

In addition to the finance cost shown above, an amount of €3,0 million of finance costs (2012: €83,4 million) have been capitalised for the year ended 31 December 2013, as explained in Note 6.

The increase in Interest charges is affected by the following items:

- Comparatives in 2012, until the completion of the Elefsina refinery, include only part of interest payments as construction period interest is included within total investment costs of the new Elefsina refinery (See also note 6 – Fixed Assets, in 2012 Full Year financial statements).

- Following the refinancing of the 2007 RCF facility of $ 1.160 million, average interest costs for the total borrowings of the Group have risen by c. 2,0%.

- Maintenance of excess cash balances in line with risk management policy adopted by the Group during the last year with a negative carry cost in excess of 5% p.a. Part of this cash is temporarily used as cash collateral in respect of EIB loan facility (see Note 12).

26 Currency exchange gains / (losses)

Foreign currency exchange gains of €9 million during the year ended 31 December 2013 are driven by (a) realized gains on settlement of USD denominated loans, due to the weakening of the USD against Euro at 31 January 2013 (repayment of term loan of $1.160 million) compared to the beginning of the year and (b) realized gains on settlement of transactions denominated in USD.

27 Income tax expense

	For the year ended	
	31 December 2013	**31 December 2012**
Current tax	27.314	6.879
Deferred tax (Note 17)	(92.975)	26.887
Total	**(65.661)**	**33.766**

The basic tax rate used for Hellenic Petroleum S.A. was 26% for the year ended 31 December 2013 (31 December 2012: 20%). No provision for special contribution has been included in the results for the year ended 31 December 2013, as a relevant tax law has not been enacted.

Since the year end 31 December 2011, all Greek companies have to be audited on an annual basis by their statutory auditor in respect of compliance with tax law, correct submission of tax returns and identification of any unrecorded tax liabilities in the accounts. This audit leads to the issuance of a Tax Certificate which under certain conditions, substitutes the full tax audit by the tax authorities and allows the Group to treat its tax position as fully compliant and final. All of the Group's Greek subsidiaries falling under this law have undergone this tax audit for the year 2011 and 2012, obtaining an unqualified Tax Certificate.

The parent Company has not undergone a full tax audit for the financial year ended 31 December 2010.

In February 2013 the tax audits for the financial years 2006 to 2009 of Hellenic Petroleum S.A. were finalized, the outcome of which resulted in disallowable expenses of €29 million, against which €14,5 million approximately of additional taxes and surcharges were assessed. Moreover the aforementioned tax audits also resulted in additional property taxes of a total amount of €4 million. The Company has accepted and settled part of the assessed amounts resulting in a payment of €8,5 million. Amounts which are not accepted will be challenged through legal channels.

A full tax audit was also completed for Hellenic Fuels S.A. for the years 2005-2009 (years prior to the acquisition of Hellenic Fuels S.A. by the Group from BP Greece Ltd) which resulted in total additional taxes of €31 million which were accepted and payments of the relevant instalments have already begun. The whole of this amount will be covered by BP Greece Ltd (Seller) in accordance with the indemnification provisions of the relevant Sales and Purchase Agreement and there is no net impact for the Group.

Furthermore provisional VAT audits have been completed for

- Hellenic Petroleum S.A. for the period up to and including December 2012,
- EKO S.A. for the years 2008-2012.

In total, amounts of €49 million were audited and confirmed, which were netted off against each Company's tax liabilities.

Management believes that no additional material liability will arise as a result of open tax years over and above the tax liabilities and provisions recognised in the consolidated financial statements for the year ended 31 December 2013.

The tax (charge) / credit relating to components of other comprehensive income, is as follows:

	For the year ended					
	31 December 2013			31 December 2012 Restated		
	Before tax	**Tax (charge)/ credit**	**After tax**	**Before tax**	**Tax (charge)/ credit**	**After tax**
Available-for-sale financial assets	(105)	-	(105)	(100)	-	(100)
Cash flow hedges	51.478	(10.611)	40.867	37.720	(7.544)	30.176
Currency translation differences	(1.051)	-	(1.051)	(1.168)	-	(1.168)
Actuarial gains/ (losses) on defined benefit pension plans	(1.164)	486	(679)	19.604	(4.851)	14.753
Other comprehensive income	**49.158**	**(10.125)**	**39.032**	**56.056**	**(12.395)**	**43.661**

28 Earnings per share

Basic and diluted earnings per ordinary share are equal, as the effect of dilution is not material. Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period.

	For the year ended	
	31 December 2013	**31 December 2012**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**(0,88)**	**0,28**
Net income attributable to ordinary shares (Euro in thousands)	(269.229)	85.547
Average number of ordinary shares outstanding	305.635.185	305.635.185

(All amounts in Euro thousands unless otherwise stated)

29 Dividends per share

A proposal to the AGM for €0,15 per share as dividend for 2012 was approved by the Board of Directors on 28 February 2013 and the final approval was given by the shareholders at the AGM held on 27 June 2013.

The BOD approved a proposal to the AGM for the distribution of no dividend out of 2013 results. The Board did not approve a change in dividend policy overall and will re-evaluate the payment of special dividends or interim dividends for 2014 during 2014.

30 Cash generated from operations

		For the year ended	
	Note	**31 December 2013**	**31 December 2012**
Profit before tax		**(338.126)**	**116.348**
Adjustments for:			
Depreciation and amortisation of property, plant & equipment and intangible assets	**6,7**	224.073	178.661
Amortisation of grants		(2.128)	(3.609)
Finance costs - net	**25**	209.287	54.201
Share of operating profit of associates	**8**	(57.391)	(38.221)
(Gain)/Loss from disposal subsidiary		-	1.166
Provisions for expenses & valuation charges		31.903	2.772
Foreign exchange (gains) / losses	**26**	(9.082)	(10.775)
Loss / (gain) on sale of property, plant and equipment		(1.002)	48
		57.534	**300.591**
Changes in working capital			
Decrease / (increase) in inventories		194.666	(78.751)
(Increase) / decrease in trade and other receivables		38.267	130.949
Increase / (decrease) in payables		210.939	204.953
		443.872	**257.151**
Net cash generated from operating activities		**501.406**	**557.742**

31 Contingencies and litigation

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. Provisions are set up by the Group against such matters whenever deemed necessary, in accordance with its accounting policies and included in other provisions (Note 19). They are as follows:

(a) Business issues

(i) Unresolved legal claims

The Group 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 and the opinion of legal counsel, management believes the final outcome will not have a significant effect on the Group's operating results or financial position, over and above provision already reflected in the consolidated financial statements (Note 19).

(ii) Guarantees

The parent Company has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to subsidiaries and associates of the Group, the outstanding amount of which as at 31 December 2013 was the equivalent of €885 million (31 December 2012: €1.152 million). Out of these, €769 million (31 December 2012: €1.033 million) are included in consolidated borrowings of the Group and presented as such in these financial statements.

(iii) International operations

Even-though not material to have an impact, the Group's international operations face a number of legal issues related to changes in local permitting and tax regulations. Such cases include a dispute in connection with the local tank depots of Jugopetrol AD Kotor in Montenegro. Specifically, following the completion of the international tender process and the resulting Share Purchase Agreement for the acquisition of Jugopetrol AD Kotor shares in 2002, ownership and use of a part of the company's tank assets came under legal dispute as ex-federation strategic stock terminals. The Group is contesting this case in local courts, while also evaluating appealing to international courts and management believes that no additional material liabilities will arise as a result of this dispute for its local subsidiary over and above those recognised in the consolidated financial statements.

(b) Taxation and customs

(iv) Open tax years

Tax audits for the Group's most important Greek legal entities have been completed up to and including 2009 with the exception of EKO where tax audits have been concluded up to and including 2007. In addition to these tax audits, for these legal entities, temporary tax audits mainly for the return of VAT have been concluded up to more recent dates. Management estimates that no additional material liability will arise as a result of open tax years over and above the tax liabilities and provisions recognised in the consolidated financial statements.

It is noted that from 2011 onwards under certain provisions, Greek legal entities are subject to annual tax audit from their statutory auditors. All the relevant Group companies were audited for years 2011 and 2012 obtaining unqualified tax audit certificates.

In June 2011 the tax audits for the financial years 2002 - 2005 of Hellenic Petroleum S.A. were finalized with disallowable expenses of €64 million in total for four years. The Company agreed to disallowable expenses of €32 million, resulting in €18 million of additional taxes and surcharges, all of which were included in Income Tax for the year ended 31 December 2011. The remaining €32 million of disallowable expenses assessed includes, amongst others, the assessment by a customs audit for alleged inventory "shortages" (see note v below) despite the fact that their tax audit did not reveal such stock differences. The Company has appealed against this assessment on the ground that it has evidence to demonstrate the lack of merit and the inaccuracy of the calculations. The appeal was heard before the Administrative Appellate Court of Athens in January 2013. The decision rendered has sustained the appeal with respect to the issues of "shortages" and "loss from the production of BOPP film" (disallowable expenses of €28 million) and rejected the part of the appeal concerning the issue of "amortization of Mining Rights" (disallowable expenses of €4 million). The Company has appealed against the latter part of the above decision before the Supreme Administrative Court (Conseil d'Etat). Moreover, the aforementioned tax audit also resulted in additional property taxes of a total amount of €2,2 million, against which the Company has appealed before the Administrative Courts. The hearing of the appeal has been, after postponement, set for April 2014. No provision has been made in the consolidated financial statements as of 31 December 2013 with respect to the above, as the Company believes that the case will be finally assessed in its favour.

(v) Assessments of customs and fines

In 2008, Customs authorities issued customs and fines assessments amounting at approximately €40 million for alleged "stock shortages" in the bonded warehouses of Aspropyrgos and Elefsina refineries for certain periods during 2001-2005. The report has been challenged by the Company as the alleged "stock shortages" relate to accounting reconciliation differences caused as a result of early problems during the implementation of the new customs authorities' electronic monitoring system (ICIS) in 2001, and not because of physical shortage of products. Both through the Company's workings, as well as by the work performed by independent auditors, it is confirmed beyond any reasonable doubt that there are no stock shortages and the books of the Company are in complete agreement with official stock counts. Furthermore, all tax audits relating to the same periods come to the same conclusion that no stock deficits were identified. In relation with the above, the Company has dully filed contestations before the Administrative Court of First Instance of Piraeus, for which no dates of hearing have been assigned to date. Given that the management and the legal advisors position is that the case will have a positive outcome when the court hearings take place, no provisions are made for such liabilities.

(All amounts in Euro thousands unless otherwise stated)

However, contrary to a specific temporary court order, the Customs office withheld an amount of €54 million (full payment plus surcharges) from VAT that was due for refund to the Company, an action against which has also been contested through the filing of two Contestations before the Administrative Courts of Athens and Piraeus, challenging the acts of the Tax Office and Customs Authority respectively. The former Contestation has been heard on May 22nd 2013 and Decision No. 3833/2013 has been rendered by the Administrative Court of Athens, sustaining the Company's Opposition and ruling that the withholding effected by the Tax Office was done improperly and against the law.

The Company considers that the latter contestation will be sustained by the Piraeus court in light of the pertinent substantial reasons including amongst others, the fact that the subsequent customs audits for the same installations have concluded that no stock shortages exist, as well as serious procedural arguments in the second case where Customs abused their authority to withhold refunds to the Group.

32 Commitments

(a) Capital commitments

Significant contractual commitments of the Group amount to €64 million (31 December 2012: €78 million), which mainly relate to improvements in refining assets.

(b) Operating lease commitments

The Group leases offices and petrol stations (buildings and plant) under non-cancellable operating lease agreements.

The future aggregate minimum lease payments under these non-cancellable operating leases are as follows:

	For the year ended	
	31 December 2013	**31 December 2012**
No later than 1 year	19.403	20.240
Later than 1 year and no later than 5 years	66.676	70.368
Later than 5 years	60.006	70.354
Total	**146.085**	**160.962**

33 Related-party transactions

Included in the statement of comprehensive income are proceeds, costs and expenses, which arise from transactions between the Group and related parties. Such transactions mainly comprise of sales and purchases of goods and services in the ordinary course of business and are conducted under normal trading and commercial terms on an arm's length basis:

Transactions have been carried out with the following related parties:

a) Associates and joint ventures of the Group which are consolidated under the equity method:
- Athens Airport Fuel Pipeline Company S.A. (EAKAA)
- Public Gas Corporation of Greece S.A. (DEPA)
- Elpedison B.V.
- Spata Aviation Fuel Company S.A. (SAFCO)
- HELPE Thraki S.A.

(All amounts in Euro thousands unless otherwise stated)

- Biodiesel S.A.
- Superlube
- D.M.E.P. / OTSM

	For the year ended 31 December 2013	31 December 2012
Sales of goods and services to related parties		
Associates	526.830	526.531
Joint ventures	265	595
Total	**527.095**	**527.126**
Purchases of goods and services from related parties		
Associates	558.491	590.056
Joint ventures	1.717	1.702
Total	**560.208**	**591.758**
Balances due to related parties		
Associates	21.026	21.633
Joint ventures	369	365
Total	**21.395**	**21.998**
Balances due from related parties		
Associates	38.810	40.538
Joint ventures	21	88
Total	**38.831**	**40.626**

b) Parties which are under common control with the Group due to the shareholding and control rights of the Hellenic State:
- Public Power Corporation Hellas S.A.
- Hellenic Armed Forces
- Road Transport S.A.

During 2013, Group's sales of goods and services to government related entities amounted to €356 million (2012: €373 million) and Group's purchases of goods and services to €56 million (2012: €39 million). As at 31 December 2013, the Group had a total amount due from government related entities of €49 million (2012: €22 million) and a total amount due to government related entities of €11 million (2012: €6 million)

c) Financial institutions which are under common control with the Group due to the shareholding and control rights of the Hellenic State
- National Bank of Greece S.A.
- Eurobank S.A. (for part of the period – controlled by HFSF since June 2013

d) Key management includes directors (executive and non- executive members of the board of Hellenic Petroleum S.A.) and members of the Executive Committee. The compensation paid or payable to key management for 2013 amounted to €3,1 million (2012: €2,8 million)

(All amounts in Euro thousands unless otherwise stated)

34 Principal subsidiaries, associates and joint ventures included in the consolidated financial statements

COMPANY NAME	ACTIVITY	COUNTRY OF REGISTRATION	EFFECTIVE PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
EKO S.A	Marketing	GREECE	100,00%	FULL
HELLENIC FUELS S.A.	Marketing	GREECE	100,00%	FULL
EKOTA KO S.A.	Marketing	GREECE	49,00%	FULL
EKO KALYPSO M.E.P.E.	Marketing	GREECE	100,00%	FULL
EKO ATHINA MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO ARTEMIS MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO DIMITRA MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO IRA MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO AFRODITI MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO BULGARIA EAD	Marketing	BULGARIA	100,00%	FULL
EKO SERBIA AD	Marketing	SERBIA	100,00%	FULL
HELPE INT'L	Holding	AUSTRIA	100,00%	FULL
HELPE CYPRUS LTD	Marketing	U.K	100,00%	FULL
RAMOIL LTD	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA PROPERTIES LTD	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM SERBIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
JUGOPETROL AD KOTOR	Marketing	MONTENEGRO	54,35%	FULL
GLOBAL ALBANIA S.A	Marketing	ALBANIA	99,96%	FULL
ELPET BALKANIKI S.A.	Holding	GREECE	63,00%	FULL
VARDAX S.A	Pipeline	GREECE	50,40%	FULL
OKTA CRUDE OIL REFINERY A.D	Refining	FYROM	51,35%	FULL
ASPROFOS S.A	Engineering	GREECE	100,00%	FULL
DIAXON S.A.	Petrochemicals	GREECE	100,00%	FULL
POSEIDON MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
APOLLON MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
HELLENIC PETROLEUM FINANCE PLC	Treasury services	U.K	100,00%	FULL
HELLENIC PETROLEUM CONSULTING	Consulting services	GREECE	100,00%	FULL
HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES	Energy	GREECE	100,00%	FULL
HELPE-LARCO ENERGIAKI SERVION S.A.	Energy	GREECE	51,00%	FULL
HELPE-LARCO ENERGIAKI KOKKINOU S.A.	Energy	GREECE	51,00%	FULL
ENERGIAKI PYLOY METHONIS S.A.	Energy	GREECE	100,00%	FULL
ELPEDISON B.V.	Power Generation	NETHERLANDS	50,00%	EQUITY
SAFCO S.A.	Airplane Fuelling	GREECE	50,00%	EQUITY
DEPA S.A.	Natural Gas	GREECE	35,00%	EQUITY
E.A.K.A.A	Pipeline	GREECE	50,00%	EQUITY
HELPE THRAKI S.A	Pipeline	GREECE	25,00%	EQUITY
BIODIESEL S.A.	Energy	GREECE	25,00%	EQUITY
SUPERLUBE LTD	Lubricants	CYPRUS	65,00%	EQUITY
DMEP HOLDCO	Holding	U.K	48,00%	EQUITY
DMEP (UK) LTD	Trade of crude/products	U.K	48,00%	EQUITY
OTSM	Trade of crude/products	GREECE	48,00%	EQUITY

On 15 November 2013 the Group acquired 100% of the share capital of ENERGIAKI PYLOU-METHONIS S.A. from GAMESA ENERGIA S.A. SOCIEDAD UNIPERSONAL. ENERGIAKI PYLOU-METHONIS S.A. owns a wind farm of 6,8 MW in the region of Messinia. The group company which acquired the shares is HELPE PETROLEUM RENEWABLE ENERGY SOURCES S.A. The consideration for the acquisition of the shares was €8 million, €6,6 of which was paid in cash whilst the remainder €1,4 million will also be paid in cash upon the receipt by ENERGIAKI PYLOU-METHONIS S.A. of the final installment of a government grant, which has been approved, for the construction of the wind farm. The receipt of the grant and consequent payment of the remaining consideration is anticipated for 2014. The wind farm was completed in 2013 and became fully operational in August 2013. Since the acquisition date ENERGIAKI PYLOU-METHONIS S.A. contributed approximately €0,1 million to the revenue of the Group. As a result of this acquisition the Group is expected to increase its presence in the electricity production market and is moving towards its goal of developing a significant renewable energy portfolio.

35 Events after the end of the reporting period

There were no material events after the end of the reporting period and up to the date of publication of the financial statements.

1.2 Parent Company Financial Statements

HELLENIC PETROLEUM S.A.

Financial Statements

in accordance with IFRS for the

year ended 31 December 2013

GENERAL COMMERCIAL REGISTRY: 000269901000
COMPANY REGISTRATION NUMBER: 2443/06/B/86/23
REGISTERED OFFICE: 8^{A} CHIMARRAS STR, 15125 MAROUSSI, GREECE

Index to the financial statements

(All amounts in Euro thousands unless otherwise stated)

Company Information

Directors	Ioannis Papathanasiou – Chairman of the Board (since 27/2/2014) John Costopoulos – Chief Executive Officer, Member Theodoros-Achilleas Vardas –Member Andreas Shiamishis –Member (since 30/5/2013) Vassilios Nikoletopoulos –Member (since 30/5/2013) Panagiotis Ofthalmides –Member Theodoros Pantalakis –Member Spyridon Pantelias –Member Konstantinos Papagiannopoulos –Member (since 27/6/2013) Christos Razelos, Member (since 30/5/2013) Ioannis Raptis, Member (since 27/6/2013) Ioannis Sergopoulos –Member (since 27/6/2013) Aggelos Chatzidimitriou, Member (since 30/5/2013)

John Costopoulos, Theodoros-Achilleas Vardas and Andreas Shiamishis are executive members of the board

Other Board Members during the previous year	Christos-Alexis Komninos – Chairman of the Board (23/12/2011 - 23/2/2014) Dimokritos Amallos –Member (28/12/2009 – 14/5/2013) Alexios Athanasopoulos –Member (14/5/2008 – 26/6/2013) Georgios Kallimopoulos –Member (11/12/2007 – 14/5/2013) Alexandros Katsiotis –Member (28/12/2009 – 14/5/2013) Gerassimos Lachanas –Member (28/12/2009 – 14/5/2013) Dimitrios Lalas –Member (28/12/2009 – 26/6/2013)
Registered Office:	8A Chimarras Str. 15125 Maroussi, Greece
Registration number:	2443/06/B/86/23
General Commercial Registry	000269901000
Auditors:	PricewaterhouseCoopers S.A. 268 Kifissias Ave. 152 32 Halandri Athens, Greece

Independent auditor's report

To the Shareholders of Hellenic Petroleum S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of Hellenic Petroleum S.A. (the "Company") set out on pages 7 to 61 which comprise the statement of financial position as of 31 December 2013 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers S.A., 268 Kifissias Ave., 152 32 Halandri, Athens, Greece
T: +30 210 6874700, F: +30 210 6874444, www.pwc.gr

260 Kifissias Avenue & Kodrou Str., 15232 Halandri, T: +30 210 6874400, F:+30 210 6874444
17 Ethnikis Antistassis Str., 55134 Thessaloniki, T: +30 2310 488880, F: +30 2310 459487

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Hellenic Petroleum S.A. as at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal and Regulatory Matters

a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.

b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying financial statements in accordance with the requirements of articles 43a and 37 of Codified Law 2190/1920.

Athens, 27 February 2014

The Certified Auditor Accountant

PricewaterhouseCoopers S.A.

SOEL Reg. No. 113

Marios Psaltis

SOEL Reg.No. 38081

(All amounts in Euro thousands unless otherwise stated)

Statement of Financial Position

	Note	As at 31 December 2013	31 December 2012 [1]
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	2.804.714	2.878.851
Intangible assets	**7**	10.776	11.113
Investments in subsidiaries, associates and joint ventures	**8**	654.068	660.389
Deferred income tax assets	**17**	25.056	-
Available-for-sale financial assets		45	41
Loans, advances and long-term assets	**9**	142.742	5.384
		3.637.401	**3.555.778**
Current assets			
Inventories	**10**	882.040	1.019.289
Trade and other receivables	**11**	865.560	651.557
Derivative financial instruments	**21**	5.263	840
Cash, cash equivalents and restricted cash	**12**	739.311	627.738
		2.492.174	**2.299.424**
Total assets		**6.129.575**	**5.855.202**
EQUITY			
Share capital	**13**	1.020.081	1.020.081
Reserves	**14**	561.694	523.400
Retained Earnings		24.594	363.592
Total equity		**1.606.369**	**1.907.073**
LIABILITIES			
Non-current liabilities			
Borrowings	**16**	1.226.430	410.778
Deferred income tax liabilities	**17**	-	40.872
Retirement benefit obligations	**18**	72.527	81.123
Provisions for other liabilities and charges	**19**	3.000	3.000
Other long term liabilities	**20**	13.895	15.248
		1.315.852	**551.021**
Current liabilities			
Trade and other payables	**15**	2.053.275	1.811.750
Derivative financial instruments	**21**	-	47.055
Current income tax liabilities		6.952	-
Borrowings	**16**	1.145.820	1.536.627
Dividends payable		1.307	1.676
		3.207.354	**3.397.108**
Total liabilities		**4.523.206**	**3.948.129**
Total equity and liabilities		**6.129.575**	**5.855.202**

The Notes on pages 11 to 61 are an integral part of these financial statements.
[1] Comparative amounts have been adjusted where necessary to reflect the adoption of revised IAS 19. The Group has disclosed the effect of the change on its 31 December 2011 balance sheet in Note 2, and does not consider it material to present the restated 31 December 2011 balance sheet as required by IAS 8.

These financial statements were approved by the Board of Directors on 27 February 2014.

J. Costopoulos	A. Shiamishis	S. Papadimitriou
Chief Executive Officer	Chief Financial Officer	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

Statement of Comprehensive Income

	Note	For the year ended 31 December 2013	31 December 2012 [1]
Sales		**8.946.258**	**9.900.533**
Cost of sales		(8.890.437)	(9.576.112)
Gross profit		**55.821**	**324.421**
Selling and distribution expenses		(122.552)	(112.440)
Administrative expenses		(75.886)	(66.666)
Exploration and development expenses	**23**	(2.992)	(3.543)
Other operating income/(expenses) - net	**24**	(68.233)	(11.678)
Dividend income		17.122	15.818
Operating profit / (loss)		**(196.720)**	**145.912**
Finance (expenses)/income -net	**25**	(164.692)	(20.515)
Currency exchange gains/(losses)	**26**	1.871	8.067
Profit / (loss) before income tax		**(359.541)**	**133.464**
Income tax expense	**27**	65.911	(35.959)
Profit / (Loss) for the year		**(293.630)**	**97.505**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gains / (losses) on defined benefit pension plans	**18**	(2.349)	13.365
		(2.349)	**13.365**
Items that may be reclassified subsequently to profit or loss:			
Fair value gains / (losses) on cash flow hedges	**14**	9.404	3.151
Derecognition of gains/(losses) on hedges through comprehensive income	**14**	31.465	27.025
Other Comprehensive income / (loss) for the year, net of tax		**38.520**	**43.541**
Total comprehensive (loss)/income for the period		**(255.110)**	**141.046**
Basic and diluted earnings per share (expressed in Euro per share)	**28**	**(0,96)**	**0,32**

The Notes on pages 11 to 61 are an integral part of these financial statements.

[1] Comparative amounts have been adjusted where necessary to reflect the adoption of revised IAS 19, as detailed in Note 2.

(All amounts in Euro thousands unless otherwise stated)

Statement of Changes in Equity

	Note	Share Capital	Reserves	Retained Earnings	Total Equity
Balance at 1 January 2012 (as previously reported)		**1.020.081**	**488.096**	**408.648**	**1.916.825**
Effect of changes in accounting policy	**2**	-	-	(13.514)	(13.514)
Balance at 1 January 2012		**1.020.081**	**488.096**	**395.134**	**1.903.311**
Actuarial gains/(losses) on defined benefit pension plans		-	-	13.365	13.365
Fair value gains / (losses) on cash flow hedges	**14**	-	3.151	-	3.151
Derecognition of gains/(losses) on hedges through comprehensive income	**14**	-	27.025	-	27.025
Other comprehensive income		**-**	**30.176**	**13.365**	**43.541**
Profit / (Loss) for the year		-	-	97.505	97.505
Total comprehensive income for the year		**-**	**30.176**	**110.870**	**141.046**
Share based payments	**13**	-	252	-	252
Transfers to statutory and tax reserves	**14**		4.876	(4.876)	-
Dividends relating to 2011		-	-	(137.536)	(137.536)
Balance at 31 December 2012		**1.020.081**	**523.400**	**363.592**	**1.907.073**
Actuarial gains/(losses) on defined benefit pension plans	**18**	-	(2.349)	-	(2.349)
Fair value gains / (losses) on cash flow hedges	**14**	-	9.404	-	9.404
Derecognition of gains/(losses) on hedges through comprehensive income	**14**	-	31.465	-	31.465
Other comprehensive income / (loss)		**-**	**38.520**	**-**	**38.520**
Profit / (Loss) for the year		-	-	(293.630)	(293.630)
Total comprehensive income for the year		**-**	**38.520**	**(293.630)**	**(255.110)**
Share based payments	**13**	-	(226)	477	251
Dividends relating to 2012	**29**	-	-	(45.845)	(45.845)
Balance at 31 December 2013		**1.020.081**	**561.694**	**24.594**	**1.606.369**

The Notes on pages 11 to 61 are an integral part of these financial statements.

[1] Comparative amounts have been adjusted where necessary to reflect the adoption of revised IAS 19, as detailed in Note 2.

(All amounts in Euro thousands unless otherwise stated)

Statement of Cash flows

	Note	For the year ended 31 December 2013	31 December 2012
Cash flows from operating activities			
Cash generated from operations	**30**	83.803	662.918
Income tax paid		-	(25.746)
Net cash generated from operating activities		**83.803**	**637.172**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets		(85.101)	(493.543)
Proceeds from disposal of property, plant and equipment & intangible assets		2	761
Dividends received		13.748	12.799
Interest received	**25**	16.116	4.685
Participation in share capital (increase) / decrease of affilated companies		(3.504)	5.015
Net cash used in investing activities		**(58.739)**	**(470.283)**
Cash flows from financing activities			
Interest paid		(151.517)	(25.329)
Dividends paid		(43.706)	(130.747)
Loans to affiliated companies		(137.900)	-
Repayments of borrowings		(729.854)	(871.459)
Proceeds from borrowings		1.154.700	921.321
Net cash generated from / (used in) financing activities		**91.723**	**(106.214)**
Net increase in cash, cash equivalents and restricted cash		**116.787**	**60.675**
Cash, cash equivalents and restricted cash at beginning of the year	**12**	**627.738**	**563.282**
Exchange gains / (losses) on cash, cash equivalents and restricted cash		(5.214)	3.781
Net increase in cash, cash equivalents and restricted cash		116.787	60.675
Cash, cash equivalents and restricted cash at end of the year	**12**	**739.311**	**627.738**

The Notes on pages 11 to 61 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Hellenic Petroleum S.A. (the "Company") operates mainly in the oil industry with its principal activities being those of refining of crude oil and sale of oil products and the production and trading of petrochemical products. The Company is also engaged in exploration and production of hydrocarbons.

The Company is incorporated in Greece and the address of its registered office is 8^{A} Chimarras Str. Maroussi, Greece. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDRs.

The same accounting policies and recognition and measurement principles are followed in these financial statements as compared with the annual consolidated financial statements of the Group for the year ended 31 December 2013. The Company's functional and presentation currency is the Euro, and the financial information in these financial statements is expressed in thousands of Euro (unless otherwise stated).

The financial statements of Hellenic Petroleum S.A. for year ended 31 December 2013 were approved for issue by the Board of Directors on 27 February 2014. The shareholders of the Company have the power to amend the financial statements after issue.

Users of these stand-alone financial statements should read them together with the Group's consolidated financial statements for the year ended 31 December 2013 in order to obtain full information on the financial position, results of operations and changes in financial position of the Group as a whole. These are located on the Group's website: www.helpe.gr.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

The financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union ("EU") and present the financial position, results of operations and cash flows on a going concern basis which assumes that the Company has plans in place to avoid material disruptions to its operations. In this respect Management has concluded that (a) the going concern basis of preparation of the accounts is appropriate, and (b) all assets and liabilities are appropriately presented in accordance with the Company's accounting policies.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements, in accordance with IFRS, requires the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 "Critical accounting estimates and judgments". These estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2.1.1 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods. The Company's evaluation of the effect of new standards, amendments to standards and interpretations that are relevant to its operations is set out below.

a) The following standards, amendments to standards and interpretations to existing standards are applicable to the Company for periods on or after 1 January 2013:

- *IAS 1 (Amendment) 'Presentation of Financial Statements'* The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The Company has applied the amendments from 1 January 2013.

- *IAS 19 (Amendment) 'Employee Benefits'* This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits. The Company has applied the changes from 1 January 2013, and has also restated the comparative figures for 2012 (see Note 2.26).

- *IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 January 2014).* This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Company is currently evaluating the impact the amendment will have on its financial statements.

- *IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets" (effective for annual periods beginning on or after 1 January 2014).* This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment. The Company is currently evaluating the impact the amendment will have on its financial statements.

- *IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" (effective for annual periods beginning on or after 1 January 2014).* This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met. The Company is currently evaluating the impact the amendment will have on its financial statements.

- *IFRS 7 (Amendment) "Financial Instruments: Disclosures"* The IASB has published this amendment to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This amendment not expected to have an impact on the financial statements of the Company.

- *IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual periods beginning on or after 1 January 2015):* The amendment requires additional disclosures on transition from IAS 39 to IFRS 9. The amendment has not yet been endorsed by the EU.

- *IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2015).* IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment. The Company is currently investigating the impact of IFRS 9 on its financial statements. The Company cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Company decide if IFRS 9 will be adopted prior to 1 January 2015.

- *IFRS 9 "Financial Instruments: Hedge accounting and amendments to IFRS 9, IFRS7 and IAS 39" (effective for annual periods beginning on or after 1 January 2015).* The IASB has published IFRS 9 Hedge Accounting, the third phase of its replacement of IAS 39 which establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The second amendment requires changes in the fair value of an entity's debt attributable to changes in an entity's own credit risk to be recognised in other comprehensive income and the third amendment is the removal of the mandatory effective date of IFRS 9. These amendments have not yet been endorsed by the EU.

- *IFRS 13 'Fair value measurement'* IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This amendment does not impact significantly on the financial statements of the Company.

- *IFRIC 21 "Levies" (effective for annual periods beginning on or after 1 January 2014).* This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date. This interpretation has not yet been endorsed by the EU.

- *IAS 19R (Amendment) "Employee Benefits"* *effective for annual periods beginning on or after 1 July 2014)*. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments have not yet been endorsed by the EU.

- Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2014):

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. The Company is in the process of assessing the impact of the new standards on its financial statements. The main provisions are as follows:

- *IFRS 10 "Consolidated Financial Statements"*. IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

- *IFRS 11 "Joint Arrangements"*. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

- *IFRS 12 "Disclosure of Interests in Other Entities"*. IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

- *IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance". (effective for annual periods beginning on or after 1 January 2014).* The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

- *IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities" (effective for annual periods beginning on or after 1 January 2014)"*. The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

- *IAS 27 (Amendment) "Separate Financial Statements".* This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" regarding separate financial statements.

- *IAS 28 (Amendment) "Investments in Associates and Joint Ventures".* IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

• Amendments to standards that form part of the IASB's 2011 annual improvements project. The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB's annual improvements project. These amendments are effective for annual periods beginning on or after 1 January 2013.

- *IAS 1 "Presentation of financial statements"*. The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 "Accounting policies, changes in accounting estimates and errors" or (b) voluntarily.

- *IAS 16 "Property, plant and equipment"*. The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

- *IAS 32 "Financial instruments: Presentation"*. The amendment clarifies that income tax related to distributions is recognised in the income statement and income tax related to the costs of equity transactions is recognised in equity, in accordance with IAS 12.

- *IAS 34, 'Interim financial reporting'*. The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 "Operating segments".

• Annual Improvements to IFRSs 2012 *(effective for annual periods beginning on or after 1 July 2014).* The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

- *IFRS 2 "Share-based payment"*. The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

- *IFRS 3 "Business combinations"*. The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

- *IFRS 8 "Operating segments"*. The amendment requires disclosure of the judgements made by management in aggregating operating segments.

- *IFRS 13 "Fair value measurement"*. The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

- *IAS 16 "Property, plant and equipment"* and *IAS 38 "Intangible assets"*. Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

- *IAS 24 "Related party disclosures"*. The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

- Annual Improvements to IFRSs 2013 *(effective for annual periods beginning on or after 1 July 2014)*. The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

  - *IFRS 1 "First-time adoption of International Financial Reporting Standards"*. The amendment clarifies that a first-time adopter can use either the old or the new version of a revised standard when early adoption is permitted.

  - *IFRS 3 "Business combinations"*. This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

  - *IFRS 13 "Fair value measurement"*. The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

  - *IAS 40 "Investment property"*. The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

b) The following amendments to standards and interpretations to existing standards are mandatory for the Company's accounting periods beginning on or after 1 January 2013 or later periods but are not applicable to the Company:

- IAS 12 (Amendment) 'Income Taxes' with regard to Investment Property using the fair value model.
- IFRIC 20 'Stripping Costs in the Production Phase of a Surface Mine', applicable only to costs incurred in surface mining activity.
- IFRS 1 (Amendment) 'Government Loans'. The amendment sets out how a first-time adopter would account for a government loan with a below-market rate of interest during the transition to IFRSs.

2.2 Investments in affiliated companies

Investments in affiliated companies are presented at the cost of the interest acquired in the subsidiaries, associates, and joint ventures less any provisions for impairment.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Euro, which is the Company's functional and presentation currency. Given that the Company's primary activities are in oil refining and trading, in line with industry practices, most crude oil and oil product trading transactions are based on the international reference prices of crude oil and oil products in US Dollars. The Company translates this value to Euro at the time of any transaction.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement in the financial statements' line that is relevant to the specific transaction, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognized in profit or loss, and other changes in carrying amounts are recognized in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2.5 Property, plant and equipment

Property, plant and equipment comprise mainly land, buildings, oil refineries and equipment. Property, plant and equipment is shown at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income statement as incurred. Refinery turnaround costs are capitalised and charged against income on a straight line basis until the next scheduled turnaround period (usually every four to five years), to the extent that such costs improve either the useful economic life of the equipment or its production capacity.

Assets under construction are assets (mainly related to the refinery units) that are in the process of construction or development, and are carried at cost. Cost includes cost of construction, professional fees and other direct costs. Assets under construction are not depreciated, as the corresponding assets are not yet available for use.

Land is also not depreciated. Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as shown on the table below for the main classes of assets:

– Buildings	13 – 40 years
– Plant & Machinery	
▪ Specialised industrial installations and Machinery	10 – 35 years
▪ Other equipment	5 – 10 years
– Motor Vehicles	5 – 10 years

– Furniture and fixtures

▪ Computer hardware	3 – 5 years
▪ Other furniture and fixtures	4 – 10 years

Included in specialised industrial installations are refinery units, petrochemical plants and tank facilities. Based on technical studies performed, the expected useful life of the new refinery units (Elefsina refinery) has been estimated to be up to 35 years. The remaining useful economic life of other refining units has been reviewed and adjusted from 1 July 2013 and in general does not exceed 25 years.

Depreciation on refinery components (included within specialised industrial installations) is charged after the commissioning phase is completed and the upgraded refinery units are ready for start-up and commercial operation. In case of more complex projects such as a new refinery the commissioning process is a lengthier one with a number of activities for each unit separately and then for combination of units as systems. Once all units achieve start-up status with oil-in (i.e. operations with feed stocks) temperature, pressure and catalysts are applied which over a period of time bring the units to their normal state of operation and as intended to be used. After that, units need to be tested for proper capacity and yield performance at which stage the unit is made available for proper commercial operation.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement within 'Other income / (expenses) – net'.

2.6 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are added to the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use.

Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. All other borrowing costs are expensed as incurred.

2.7 Intangible assets

(a) Licences and rights

License fees for the use of know-how relating to the polypropylene plant have been capitalised in accordance with IAS 38, Intangible Assets. They have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is being calculated using the straight-line method to allocate the cost of licences and rights over their estimated useful lives (15 years).

Licenses and rights include Upstream Exploration rights which are amortised over the exploration period as per the terms of the relevant licenses.

(b) Computer software

These include primarily the costs of implementing the (ERP) computer software program. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over their estimated useful lives (3 to 5 years).

2.8 Exploration for and Evaluation of Mineral Resources

(a) Exploration and evaluation assets

During the exploration period and before a commercial viable discovery, oil and natural gas exploration and evaluation expenditures are expensed. Geological and geophysical costs as well as costs directly associated with an exploration are expensed as incurred. Exploration property leasehold acquisition costs are capitalized within intangible assets and amortised over the period of the licence or in relation to the progress of the activities if there is a substantial difference.

(b) Development of tangible and intangible assets

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells is capitalized within tangible and intangible assets according to their nature. When development is completed on a specific field, it is transferred to production assets. No depreciation and/or amortization is charged during the development phase.

(c) Oil and gas production assets

Oil and gas properties are aggregated exploration and evaluation tangible assets and development expenditures associated with the production of proved reserves.

(d) Depreciation/amortization

Oil and gas properties/intangible assets are depreciated/amortized using the unit-of-production method. Unit-of-production rates are based on proved developed reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing facilities using current operating methods. Oil and gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the field storage tank.

(e) Impairment – exploration and evaluation assets

The exploration property leasehold acquisition costs are tested for impairment whenever facts and circumstances indicate impairment. For the purposes of assessing impairment, the exploration property leasehold acquisition costs subject to testing are grouped with existing cash-generating units (CGUs) of production fields that are located in the same geographical region corresponding to each licence.

(f) Impairment – proved oil and gas properties and intangible assets

Proved oil and gas properties and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and, are tested annually for impairment. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (discounted cash flows an asset is expected to generate based upon management's expectations of future economic and operating conditions). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Financial assets

2.10.1 Classification

The Company classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables and financial assets available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised in this category, as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables include "Trade and other receivables" and "Cash and cash equivalents" in the statement of financial position.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

2.10.2 Recognition and measurement

Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

Purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they have arisen. Changes in the fair value of monetary and non-monetary financial assets classified as available for sale are recognized in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as "gains or loss from investment securities".

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

2.10.3 Impairment of financial assets

The Company assesses at each end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

Impairment testing for loans and receivables is described in Note 2.14.

2.10.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.11 Derivative financial instruments and hedging activities

As part of its risk management policy, the Company utilizes currency and commodity derivatives to mitigate the impact of volatility in commodity prices and foreign exchange rates. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in fair values of the derivative financial instruments are recognised at each reporting date either in the statement of comprehensive income or in equity, depending on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

(a) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(b) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The instruments used for this risk management include commodity exchange traded contracts (ICE futures), full refinery margin forwards, product price forward contracts or options.

Cash flow hedges

In 2006, the Company entered into certain derivative contracts that were designated as cash flow hedges. The effective portion of changes in the fair value of these derivatives is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the statement of comprehensive income within "Other operating (expenses)/ income. Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item affects profit or loss (i.e. when the forecast transaction being hedged takes place) within Cost of sales.

When a hedging instrument expires or is sold, or a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the derivative is de-designated and the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income within "Other operating (expenses)/ income".

Derivatives held for trading

The derivatives that do not qualify for hedge accounting are classified as held-for-trading and accounted for at fair value through profit or loss. Changes in the fair value of the derivative instruments that do not qualify for hedge accounting are recognized immediately in the statement of comprehensive income.

2.12 Government grants

Government grants received by the Company relating to Property, Plant and Equipment are initially recorded as deferred government grants and included in "Other long term liabilities". Subsequently, they are credited to the statement of comprehensive income over the useful lives of the related assets in direct relationship to the depreciation charged on such assets.

2.13 Inventories

Inventories comprise crude oil and other raw materials, refined and semi-finished products, petrochemicals, merchandise, consumables and other spare parts.

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is determined using the monthly weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. It does not include borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Spare parts consumed within a year are carried as inventory and recognized in profit or loss when consumed.

Under IEA and EU regulations, Greece has a policy of maintaining 90 days of strategic stock reserves (Compulsory Stock Obligations). This responsibility is passed on to all companies who import and sell in the domestic market who have the responsibility to maintain and finance the appropriate stock levels. Such stocks are part of the operating stocks and are valued on the same basis.

2.14 Trade receivables

Trade receivables, which generally have 20-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade receivables include bills of exchange and promissory notes from customers.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the statement of comprehensive income and is included in "Selling and Distribution expenses".

2.15 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments such as marketable securities and time deposits with original maturities of three months or less.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. At the end of the reporting period payable amounts of bank overdrafts are included within borrowings in current liabilities on the statement of financial position. In the statement of cash flows, bank overdrafts are shown within financing activities.

2.18 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

(a) Pension obligations

The Company has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Company pays contributions to publicly administered Social Security funds on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Share-based compensation

The Company operates a share options plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, at the date of granting. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting period end, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.20 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost and using the effective interest method. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.21 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

2.22 Environmental liabilities

Environmental expenditure that relates to current or future revenues is expensed or capitalised as appropriate. Expenditure that relates to an existing condition caused by past operations and that does not contribute to current or future earnings is expensed.

The Company has an environmental policy which complies with existing legislation and all obligations resulting from its environmental and operational licences. In order to comply with all rules and regulations, the Company has set up a monitoring mechanism in accordance with the requirements of the relevant authorities. Furthermore, investment plans are adjusted to reflect any known future environmental requirements. The above mentioned expenses are estimated based on the relevant environmental studies.

Liabilities for environmental remediation costs are recognised when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

2.23 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised as follows:

(a) Sales of goods – wholesale

Revenue on sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales of goods are recognised when the Company has delivered the products to the customer; the customer has accepted the products; and collectability of the related receivables is reasonably assured.

(b) Sales of services

For sales of services, revenue is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.24 Leases

Leases of property, plant and equipment, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in "Borrowings". The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

The Company does not presently have any leases that are classified as finance leases.

Leases where the lessors retain substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved, by the Company's Shareholders' General Meeting.

2.26 Changes in accounting policies

The Company adopted the amendment in IAS 16 "Property, plant and equipment, amendments to IAS 1 "Presentation of Items of Other Comprehensive income" and IAS 19 (revised 2011), "Employee Benefits".

The new accounting policies have had the following impact on the financial statements.

(a) IAS 16 Amendment "Property, plant and equipment".

According to the amendment, spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The Company has increased its plant and machinery 2012 figure by €19,5m, by transferring from inventory the value of the relevant spare parts and servicing equipment. The respective increase in 2013 figures is €8m. These transfers from inventory, are presented in the line "Transfers and other movements" in Note 6.

(b) IAS 1 "Presentation of Items of Other Comprehensive income"

The amendment changes the grouping of items presented in other comprehensive income between items that may be reclassified to the income statement at a future point in time and those that will not be reclassified.

(All amounts in Euro thousands unless otherwise stated)

(c) IAS 19 (revised 2011), "Employee Benefits"

Due to the amendment of IAS19 relating to the recognition and measurement of defined benefit pension expense and termination benefits the Group has restated total comprehensive income, total equity, deferred tax and retirement benefit obligation of prior years as follows:

Other comprehensive income	**As at 31 December 2012**
Total comprehensive income before the application of the amended IAS 19	30.176
Impact due to IAS 19 amendment	18.061
Deferred tax adjustment	(4.696)
Total comprehensive income after the application of the amended IAS 19	**43.541**

Total equity	**As at 31 December 2012**	**As at 1 January 2012**
Total eqity before the application of the amended IAS 19	1.907.222	1.916.825
Impact due to IAS 19 amendment	(201)	(18.262)
Deferred Tax liability adjustment	52	4.748
Total equity after the application of the amended IAS 19	**1.907.073**	**1.903.311**

Retirement benefit obligations	**As at 31 December 2012**
Retirement benefit obligations before the application of the amended IAS 19	80.922
Impact due to IAS 19 amendment	201
Retirement benefit obligations after the application of the amended IAS 19	**81.123**

2.27 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year

3 Financial risk management

3.1 Financial risk factors

The Company's activities are primarily centred around its Downstream Oil & Gas assets; with secondary or new activities relating to Petrochemicals and Exploration of hydrocarbons. As such, the Company is exposed to a variety of financial and commodity markets risks including foreign exchange and commodity price risk, credit risk, liquidity risk and interest-rate risk. In line with international best practices and within the context of local markets and legislative framework, the Company's overall risk management policies aim at reducing possible exposure to market volatility and / or mitigating its adverse effects on the financial position of the Company to the extent possible. In general, the matters that impact the Company's operations are summarized as follows:

Greek Macros: During the previous year the Company faced exceptional challenges and increased cost of doing business (higher cost of funding, increased supply costs) mainly as a result of the economic crisis in Greece and the political uncertainty. In the second half of 2013 GDP decline slowed significantly compared to the previous 4 years whilst at the same time transport and heating fuels consumption stabilised after 18 consecutive quarters of decline. While the economic situation in Greece remains challenging sentiment about political and economic developments has notably improved in 2013. Furthermore the ability of certain Greek corporates including Hellenic Petroleum to raise financing in the capital markets as well as the recapitalization of the Greek banking system, are expected to contribute towards alleviating the liquidity conditions as well as the risk profile of the Greek economy.

Currency: In terms of currency, the Company's business is naturally hedged against the risk of having a different functional currency. All petroleum industry transactions are referenced to international benchmark quotes for crude oil and oil products in USD. All international purchases and sales of crude oil and products are done in USD and all sales into local markets are either in USD prices or converted to local currency for accounting and settlement reasons using the USD reference on the date of the transaction.

Prices: Commodity price risk management is supervised by a Risk Management Committee which includes Finance and Trading departments' Senior Management. Non-commodity price risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Finance Department identifies and evaluates financial risks in close co-operation with the Company's operating units.

Securing continuous crude oil supplies: Financial results for the year ended 31 December 2013 were impacted by a combination of exceptional circumstances affecting the Company's trading and working capital credit capacity and consequently its cost of supply. These factors related to the political developments in the Middle East region which continue to temporarily restrict access to some of the traditional crude oil suppliers of the European market, particularly for Mediterranean refiners. In addition to the EU/US sanctions on Iranian crude imposed in 2012, the Med was also faced with the irregularity of Iraqi crude supplies due to disruptions on the pipeline network throughout the year, as well as the reduced supply of Urals (Russian export crude) to the Med. The combination of these events drove the discount of Urals versus Brent to historical lows, significantly increasing the cost of supply for heavy/sour crudes. These types of crudes typically represent 80%-90% of the crude feed for complex refiners such as Hellenic Petroleum. Furthermore, political tension in Libya resulted to a decline of more than 50% of the country's crude exports with a negative effect on light-sweet grades pricing. Adjusting to these challenges, the Company changed its working capital supply chain allowing uninterrupted operations and supply of the Greek market, albeit with an increase in the cost of supply.

Debt and Refinancing: Given market developments since 2011, the key priority of the Company has been the management of Asset and Liabilities maturity profile and funding with respect to the completion of its strategic investment plan and liquidity risk for operations. As a result of this key priority and in line with its medium term financing plan, Hellenic Petroleum S.A. and its subsidiaries (together the "Group") have maintained a mix of long term and short term credit facilities by taking into consideration bank and debt capital markets' credit capacity as well as cash flow programming and commercial considerations. As a result, approximately 49% of total debt is financed by medium to long term committed credit lines while the rest is financed by short term working capital credit facilities. As part of the refinancing plan, during 2013 the Group successfully refinanced borrowings of €1,2 billion, which matured in December 2012 and January 2013 with the repayment of the maturing facilities partly out of operating cash flows and available cash reserves and partly through new loans. Furthermore on 10 May 2013 the Group issued a 4-year €500 million Eurobond that completed the refinancing process extending the Group's maturity profile and de-risking its liquidity and funding profile. Additional information of the actions during 2013 are described in c) Liquidity risk as well as in Note 16 of these financial statements.

Capital management: The second key priority of the Group has been the management of Assets, where overall the Group has around €3,9 billion of capital employed which is driven from working capital and investment in fixed assets and the Group's investment in DEPA Group. Current assets have been reduced mainly as a result of the decrease of business in the domestic market which is the key driver for working capital requirements and the collection of long overdue receivables from the state. These are mainly funded with current liabilities (excl. bank debt) and short term bank debt which is used to finance working capital (inventories and receivables). As a result of the investment plan, during the last few years, debt level has increased to 45-50% of total capital employed while the rest is financed through shareholders equity. The Group has started reducing its debt levels through utilization of the incremental operating cashflows, post completion and operation of the new Elefsina refinery, and plans to reduce these even further with the expected sale proceeds of its stake in DESFA and DEPA, which is expected to lead to lower Debt to Equity ratio, better matched Asset and Liability maturity profile as well as lower financing costs.

(a) Market risk

(i) Foreign exchange risk

As explained in note 2.4 "Foreign currency translation", the functional and presentation currency of the Company is the Euro. However, in line with industry practice in all international crude oil and oil trading transactions, underlying commodity prices are based on international reference prices quoted in US dollars.

Foreign currency exchange risk arises on three types of exposure:

- **Financial position translation risk:** Most of the inventory held by the Company is reported in Euro while its underlying value is determined in USD. Thus, a possible devaluation of the USD against the Euro leads to a reduction in the realisable value of inventory included in the statement of financial position. In order to manage this risk, significant part of the Company's payables (sourcing of crude oil on credit) is denominated in USD providing an opposite effect to the one described above. It should be noted however, that while in the case of USD devaluation the impact on the statement of financial position is mitigated, in cases of USD appreciation the mark to market valuation of such payables leads to a reported loss under foreign exchange differences with no compensating benefit as stocks continue to be included in the balance sheet at cost. It is estimated, that at 31 December 2013 if the Euro had weakened against the US dollar by 5% with all other variables held constant, pre-tax profits would have been €42 million lower, as a result of foreign exchange losses on translation of US-denominated receivables, payables and cash.

- **Gross Margin transactions and translation risk:** The fact that most of the transactions in crude oil and oil products are based on international Platt's USD prices leads to exposure in terms of the Gross Margin translated in Euro. Recent market volatility has impacted adversely on the cost of mitigating this exposure; as a result the Company did not actively hedge material amounts of the Gross margin exposure. This exposure is linearly related to the Gross margin of the Company in that the appreciation of Euro vs. USD leads to a respective translation loss on the period results.

- **Local subsidiaries exposure:** Where the Company operates in non-Euro markets there is an additional exposure in terms of cross currency translation between USD (price base), Euro reporting currency and local currency. Where possible the Company seeks to manage this exposure by either transferring the exposure for pooling at Group levels. Although material for local subsidiaries' operations, the overall exposure is not considered material for the Company.

(ii) Commodity price risk

The Company's primary activity as a refiner involves exposure to commodity prices. Changes in current or forward absolute price levels vs acquisition costs affect the value of inventory while exposure to refining margins (combination of crude oil and product prices) affect the future cash flows of the business.

In the case of price risk, the level of exposure is determined by the amount of priced inventory carried at the end of the reporting period. In periods of sharp price decline, as Company policy is to report its inventory at the lower of historical cost and net realisable value, results are affected by the reduction in the carrying value of the inventory. The extent of the exposure relates directly to the level of stocks and rate of price decrease. This exposure is partly hedged with paper derivatives to the extent that the cost of such instruments is considered positive, from a risk –return point of view and subject to the structure of the market (contango vs. backwardation) as well as credit capacity for long dated transactions.

Refining margin exposure relates to the absolute level of margin generated by the operation of the refineries. This is determined by Platt's prices and varies on a daily basis; as an indication of the impact to the Company financial results, a change in the refinery margins has a proportionate impact on the Company's profitability. Where possible, the Company aims to hedge the part of its production which will be sold in the future and hence will be exposed to forward pricing, thus generating higher price risk upon completion of the sale. This, however, is not possible to do in all market conditions, such as a backwardated market structure, where future prices are below their spot levels, or when there is no credit capacity for derivatives transactions. There were no such derivative contracts open as at 31 December 2013.

iii) Cash flow and fair value interest rate risk

The Company's income and operating cash flows are not materially affected by changes in market interest rates, given the low level of prevailing reference rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk, while borrowings issued at fixed rates expose the Company to fair value interest rate risk. The majority of the Company's borrowings are at variable rates of interest. Depending on the levels of net debt at any given period of time, any change in the base interest rates (EURIBOR or LIBOR), has a proportionate impact on the Company results. At 31 December 2013, if interest rates on Euro denominated borrowings had been 0,5% higher with all other variables held constant, pre-tax profit for the year would have been Euro €10 million lower.

(b) Credit risk

Credit risk is managed on Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Due to market conditions, the approval of credit risk is subject to a more strict process involving all levels of senior management. A Group credit committee has been formed which meets and discusses material credit exposures on a Group wide basis. See note 11 "Trade and other receivables" for further disclosure on credit risk.

(c) Liquidity risk

Prudent liquidity risk management entails maintaining sufficient cash and financial headroom, through committed credit facilities. Due to the dynamic nature of the underlying businesses, the Company aims to maintain flexibility in its funding through the use of committed credit facilities.

Given market developments since 2011, the Company has placed even higher priority on liquidity risk and cash flow management. Due to the material amounts of debt that matured in January 2013, the Company and its subsidiaries (together the "Group") worked on an overall refinancing plan to ensure that the required amounts were available to ensure uninterrupted operations. This included inter alia the following:

(a) All short term committed or uncommitted facilities that matured in 2013 were renewed or replaced by similar credit facilities. Most of these credit facilities are provided by Greek systemic banks.
(b) A term loan of $1,160 million which matured in January 2013,was refinanced by new committed credit facilities totaling €605 million. The balance of c. €300 million was repaid using existing Group cash reserves leading to a reduction of Group gross debt in January 2013.
(c) An unrated Eurobond for €500 million with annual coupon of 8% and maturity of four years was issued in May 2013.

Further details of the relevant loans and refinancing plans are provided in note 16.

The table below analyses the Company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(All amounts in Euro thousands unless otherwise stated)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 December 2013				
Borrowings	1.227.376	204.538	1.000.086	168.897
Derivative financial instruments	-	-	-	-
Trade and other payables	2.053.275	-	-	-
31 December 2012				
Borrowings	1.611.443	161.797	581.544	220.624
Derivative financial instruments	47.055	-	-	-
Trade and other payables	1.811.750	-	-	-

The amounts included in the table are the contractual undiscounted cash flows.

3.2 Capital risk management

The Company's objective with respect to capital structure, which includes both equity and debt funding, is to safeguard its ability to continue as a going concern and to have in place an optimal capital structure from a cost perspective.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position) less "Cash & Cash equivalents" and "Available for Sale Financial Assets". Total capital employed is calculated as "Total Equity" as shown in the statement of financial position plus net debt.

During 2013 the Company managed its gearing ratio as planned.

The gearing ratios at 31 December 2013 and 2012 were as follows:

	As at 31 December 2013	31 December 2012
Total Borrowings (Note 16)	2.372.250	1.947.405
Less: Cash, Cash Equivalents and restricted cash (Note 12)	(739.311)	(627.738)
Less: Available for sale financial assets	(45)	(41)
Net debt	**1.632.894**	**1.319.626**
Total Equity	1.606.369	1.907.073
Total Capital Employed	**3.239.263**	**3.226.699**
Gearing ratio	50%	41%

The gearing ratio was higher than in the previous year, due to higher borrowings that resulted from refinancing and due to lower equity, which resulted from dividends distribution and losses in the financial period. Debt levels and gearing ratio are expected to decline in the following years as cash generated is expected to be used primarily for deleveraging.

(All amounts in Euro thousands unless otherwise stated)

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2013:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	5.263	-	5.263
Available for sale financial assets	45	-	-	45
	45	**5.263**	**-**	**5.308**
Liabilities				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	-	-	-
	-	**-**	**-**	**-**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2012:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	840	-	840
Available for sale financial assets	41	-	-	41
	41	**840**	**-**	**881**
Liabilities				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	47.055	-	47.055
	-	**47.055**	**-**	**47.055**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- The fair value of commodity swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

For the years ended 31 December 2013 and 31 December 2012, there were no transfers between levels.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Income taxes

Estimates are required in determining the provision for income taxes that the Company is subjected to in different jurisdictions. This requires significant judgement. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Provision for environmental restoration

The Company operates in the oil industry with its principal activities being that of exploration and production of hydrocarbons, refining of crude oil and sale of oil products, and the production and trading of petrochemical products. Environmental damage caused by such substances may require the Company to incur restoration costs to comply with the regulations in the various jurisdictions in which the Company operates, and to settle any legal or constructive obligation. Analysis and estimates are performed by the Company together with its technical and legal advisers, in order to determine the probability, timing and amount involved with probable required outflow of resources. Estimated restoration costs, for which disbursements are determined to be probable, are recognised as a provision in the Company's financial statements. When the final determination of such obligation amounts differs from the recognised provisions, the Company's statement of comprehensive income is impacted.

(All amounts in Euro thousands unless otherwise stated)

(c) Estimated impairment of investments and other non-financial assets

The Company tests annually whether investments and non-financial assets have suffered any impairment in accordance with its accounting policies (See Note 2.9). Significant judgement is involved in management's determination of these estimates.

(d) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(e) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 0.

(f) Provisions for legal claims

The Company has a number of legal claims pending against it. Management assesses the likely outcome of these claims and if it is more likely than not that the Company will lose a claim, then a provision is made. Provisions for legal claims, if required, are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(g) Change in accounting estimates

Due to the start-up of the upgraded Elefsina refinery, the Company conducted a review of the useful lives of its refining units (included in specialised industrial installations). Based on technical specifications for the new units, maintenance schedules and appraisals performed and experience since the beginning of the refineries start up (1970s) for older units, the estimated useful life of the refining units of the upgraded Elefsina refinery is estimated up to 35 years. Also based on these technical appraisals the remaining useful lives of other refining units of the Company have been adjusted from 1 July 2013 and in general do not exceed 25 years. The Company will conduct such reviews on periodic basis in line with industry practice.

The change in accounting estimate is accounted for prospectively from 1 July 2013. The effect of this change in the estimated remaining useful life of the refining units of the Company is estimated to be around €13 million for the reporting period ended 31 December 2013. An equivalent effect is anticipated for future reporting periods.

	Years of Useful life	
	Prior to change in estimate	After change in estimate
Specialised industrial installations	10 – 25	10 – 35

(All amounts in Euro thousands unless otherwise stated)

5 Segment information

All critical operating decisions are made by the Executive Committee, which reviews the Company's internal reporting in order to assess performance and allocate resources. The committee considers the business from a number of measures which may vary depending on the nature and evolution of a business segment by taking into account the risk profile, cash flow, product and market considerations.

Information on the revenue and profit regarding the Company's operating segments is as follows:

Year ended 31 December 2013	**Note**	**Refining**	**Petro-chemicals**	**Exploration & Production**	**Other**	**Total**
Sales		8.645.788	299.497	848	125	8.946.258
Other operating income / (expense) - net	**24**	(55.233)	(12.539)	(483)	22	(68.233)
Operating profit / (loss)		**(230.563)**	**23.016**	**(5.058)**	**15.885**	**(196.720)**
Currency exchange gains / (losses)	**26**	1.871	-	-	-	1.871
Profit / (loss) before tax & finance costs		**(228.692)**	**23.016**	**(5.058)**	**15.885**	**(194.849)**
Finance costs - net	**25**					(164.692)
Profit before income tax						**(359.541)**
Income tax (expense)/credit	**27**					65.911
Profit for the year						**(293.630)**

Year ended 31 December 2012		**Refining**	**Petro-chemicals**	**Exploration & Production**	**Other**	**Total**
Sales		9.556.629	343.665	-	239	9.900.533
Other operating income / (expense) - net	**24**	(14.196)	2.600	(82)	-	(11.678)
Operating profit / (loss)		**115.302**	**21.887**	**(6.291)**	**15.014**	**145.912**
Currency exchange gains / (losses)	**26**	8.067	-	-	-	8.067
Profit / (loss) before tax & finance costs		**123.369**	**21.887**	**(6.291)**	**15.014**	**153.979**
Finance costs - net	**25**					(20.515)
Loss before income tax						**133.464**
Income tax credit/(expense)	**27**					(35.959)
Profit for the year						**97.505**

(All amounts in Euro thousands unless otherwise stated)

The segment assets and liabilities at 31 December 2013 and 2012 are as follows:

		Refining	Petro-chemicals	Exploration & Production	Other	Total
Total Assets		5.955.880	166.278	7.361	56	**6.129.575**
Total Liabilities		4.415.993	99.747	6.158	1.308	**4.523.206**
Net Assets		1.539.887	66.531	1.203	(1.252)	**1.606.369**
Capital Expenditure		85.087	5	9	-	**85.101**
Depreciation & Amortisation	**6,7**	146.347	8.400	848	19	**155.614**

		Refining	Petro-chemicals	Exploration & Production	Other	Total
Total Assets		5.682.346	158.727	12.559	1.570	**5.855.202**
Total Liabilities		3.828.129	109.227	7.613	3.160	**3.948.129**
Net Assets		1.854.217	49.500	4.946	(1.590)	**1.907.073**
Capital Expenditure		492.165	147	-	1.231	**493.543**
Depreciation & Amortisation	**6,7**	93.106	12.580	932	42	**106.660**

6 Property, plant and equipment

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Cons-truction	Total
Cost							
As at 1 January 2012	**115.396**	**222.532**	**1.692.743**	**10.681**	**74.628**	**1.625.544**	**3.741.524**
Additions	-	200	282	7	2.164	490.153	492.806
Capitalised projects	-	270.117	1.690.188	4.121	621	(1.965.047)	-
Disposals	-	(185)	(3.455)	(181)	(69)	(972)	(4.862)
Transfers & other movements	-	57	19.418	-	-	(2.392)	17.083
As at 31 December 2012	**115.396**	**492.721**	**3.399.176**	**14.628**	**77.344**	**147.286**	**4.246.551**
Accumulated Depreciation							
As at 1 January 2012	**-**	**116.923**	**1.090.268**	**9.109**	**53.303**	**-**	**1.269.603**
Charge for the year	-	12.090	81.619	403	7.120	-	101.232
Disposals	-	(185)	(2.702)	(180)	(68)	-	(3.135)
As at 31 December 2012	**-**	**128.828**	**1.169.185**	**9.332**	**60.355**	**-**	**1.367.700**
Net Book Value at 31 December 2012	**115.396**	**363.893**	**2.229.991**	**5.296**	**16.989**	**147.286**	**2.878.851**
Cost							
As at 1 January 2013	**115.396**	**492.721**	**3.399.176**	**14.628**	**77.344**	**147.286**	**4.246.551**
Additions	-	20	725	19	2.029	81.657	84.450
Capitalised projects	-	19.666	71.383	39	815	(91.903)	-
Disposals	-	(121)	(11.972)	(396)	(260)	(40)	(12.789)
Transfers & other movements	-	-	7.008			(13.180)	(6.172)
As at 31 December 2013	**115.396**	**512.286**	**3.466.320**	**14.290**	**79.928**	**123.820**	**4.312.040**
Accumulated Depreciation							
As at 1 January 2013	**-**	**128.828**	**1.169.185**	**9.332**	**60.355**	**-**	**1.367.700**
Charge for the period	-	18.403	126.480	473	5.853	-	151.209
Disposals	-	(5)	(10.956)	(380)	(242)	-	(11.583)
As at 31 December 2013	**-**	**147.226**	**1.284.709**	**9.425**	**65.966**	**-**	**1.507.326**
Net Book Value at 31 December 2013	**115.396**	**365.060**	**2.181.611**	**4.865**	**13.962**	**123.820**	**2.804.714**

(1) The Company has not pledged any property, plant and equipment as security for borrowings.

(All amounts in Euro thousands unless otherwise stated)

(2) Capitalised projects in 2012 mainly include amounts relating to the cost of the upgraded Elefsina refinery, moved from commissioning and start-up to commercial operation.

(3) During 2013 an amount of €3 million (2012: €83 million) in respect of interest has been capitalized in relation to Assets under construction relating to the refining segment, at an average borrowing rate of 7,25% (2012: 5,1%).

(4) 'Transfers and other movements' in Plant & Machinery relate to the transfer of spare parts, from inventories to fixed assets, in accordance with the amended IAS 16, which requires spare parts to be classified as plant & equipment when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

(5) 'Transfers and other movements' in assets under construction mainly relate to the transfer of spare parts for the upgraded Elefsina units within inventories, in line with the Company's accounting policies, as they concern consumables. Transfers of completed IT projects of €3 million to intangible assets are also included therein.

7 Intangible assets

	Computer software	Licences & Rights	Total
Cost			
As at 1 January 2012	**66.261**	**23.909**	**90.170**
Additions	737	-	737
Transfers, acquisitions & other movements	2.391	-	2.391
As at 31 December 2012	**69.389**	**23.909**	**93.298**
Accumulated Amortisation			
As at 1 January 2012	**58.849**	**17.908**	**76.757**
Charge for the year	4.225	1.203	5.428
As at 31 December 2012	**63.074**	**19.111**	**82.185**
Net Book Value 31 December 2012	**6.315**	**4.798**	**11.113**
Cost			
As at 1 January 2013	**69.389**	**23.909**	**93.298**
Additions	642	9	651
Transfers, acquisitions & other movements	3.417	-	3.417
As at 31 December 2013	**73.448**	**23.918**	**97.366**
Accumulated Amortisation			
As at 1 January 2013	**63.074**	**19.111**	**82.185**
Charge for the year	3.202	1.203	4.405
As at 31 December 2013	**66.276**	**20.314**	**86.590**
Net Book Value 31 December 2013	**7.172**	**3.604**	**10.776**

(1) 'Transfers and other movements' relate to completed IT software projects capitalised during 2013 and 2012 and thus transferred from in assets under construction.

(All amounts in Euro thousands unless otherwise stated)

8 Investment in subsidiaries, associates and joint ventures

	As at 31 December 2013	31 December 2012
Beginning of the year	**660.389**	**665.404**
(Decrease) / Increase in share capital of subsidiaries	4.664	(5.015)
Impairment of investments	(10.985)	-
End of the year	**654.068**	**660.389**

Name	**Participating interest**	**Country of Incorporation**
Asprofos SA	100,0%	Greece
Diaxon ABEE	100,0%	Greece
EKO ABEE	100,0%	Greece
ELPET Valkaniki SA	63,0%	Greece
HELPE - Apollon Shipping Co	100,0%	Greece
HELPE International AG	100,0%	Austria
HELPE - Poseidon Shipping Co	100,0%	Greece
HELPE Finance Plc	100,0%	United Kingdom
Helpe Renewable Energy Sources S.A.	100,0%	Greece
Global Albania SA	99,9%	Albania
Public Gas Corporation of Greece S.A. (DEPA)	35,0%	Greece
ARTENIUS S.A.	35,0%	Greece
Athens Airport Fuel Pipeline Company S.A. (EAKAA)	50,0%	Greece
ELPEDISON B.V.	5,0%	Netherlands
Thraki SA	25,0%	Greece
VANCO	100,0%	Greece
EANT	9,0%	Greece
STPC	16,7%	Greece
NAPC	16,7%	Greece
Greek Association of Independent Energy Producers	16,7%	Greece

a) Decrease in share capital of subsidiaries during 2012 related to ELPET Valkaniki.

b) During 2013 the shareholders of Artenius Hellas S.A., a 35% associate of the Company, approved the liquidation plan of the company's net assets. As a result the Company has written off its investment of €11 million in other operating expenses (see note 24).

c) The Company participates in the following jointly controlled operations with other third parties relating to exploration and production of hydrocarbons in Greece and abroad:

- Petroceltic International Plc (former Melrose) – Kuwait Energy Company Ltd – Beach Enerty Ltd (Egypt, Mesaha)
- VEGAS Oil & Gas (Egypt, West Obayed)
- Edison (Montenegro, Ulcinj)
- Edison International SpA – Petroceltic International Plc (Patraikos Gulf and Ioannina area)

d) Sale of DESFA

On 16 February 2012, HELPE and the Hellenic Republic Asset Development Fund (HRADF) (jointly the "Sellers") agreed to launch a joint sale process of their shareholding in DEPA Group aiming to sell in total 100% of the supply and trading activities and the shareholding of regional supply companies (DEPA SA and EPAs which are 51% subsidiaries of DEPA SA) and 66% of the high pressure transmission network (DESFA - 100% subsidiary of DEPA SA). This agreement was approved by HELPE's EGM, dated 30 January 2012 and the decision specifically requires that any such transaction will be subject to the approval of a new EGM.

(All amounts in Euro thousands unless otherwise stated)

The sales process resulted in three non-binding offers received on 5 November 2012 and at the final stage, one binding offer for the purchase of 66% of DESFA shares by SOCAR (Azerbaijan's Oil and Gas National Company). The offer which was improved following negotiations between the Sellers and the prospective buyer, is for €400 million for 66% of DESFA; i.e. €212,1 million for HELPE's 35% effective shareholding. Given that at present DESFA SA is a 100% subsidiary of DEPA, in order to complete the transaction, DESFA will be "unbundled" through a share distribution (treated as capital reduction of DEPA SA), to the two existing shareholders/sellers (i.e. HELPE 35% and HRADF 65%). Thus, once all approvals from the competent authorities are received, SOCAR will buy 35% directly from HELPE and 31% from HRADF.

On 2 August 2013 the Board of Directors of HELPE considered the offer for the sale of its 35% effective interest in DESFA as acceptable, and called for an Extraordinary General Meeting of the shareholders of the Company to approve the transaction. The EGM of the shareholders of the Company held on 2 September 2013 approved the transaction.

Prior to the Board of Director's meeting, the previous day, on 1 August 2013 the board of directors of HRADF had unanimously accepted the improved offer of SOCAR.

The Share Purchase Agreement for the sale of 66% of DESFA's share capital was signed by HRADF, HELPE and SOCAR on 21 December 2013. According to this SPA the rights and obligations of the parties are conditional upon the occurrence of certain events (Conditions) such as the merger clearance of the transaction by the EU or national competition authorities (as applicable) and the certification of DESFA by the Regulatory Authority for Energy of the Hellenic Republic ("RAE") in accordance with article 65 of L. 4001/2011 ("Energy Law"). It should be noted that, as there is no precedent with respect to the certification of a gas transmission system operator, which is owned/controlled by a non-EU undertaking, the process is not pre-defined. Consequently, the parameters and criteria for the assessment to be made by the authorities or the extent of commitments which may be requested by the European Commission to be undertaken by SOCAR cannot be anticipated or, moreover controlled by the parties.

Although the parties undertake valid commitments upon signing of the SPA, the effectiveness of the totality of the provisions of the SPA (including the transfer of shares and the payment of the consideration) remains subject to conditions, some of which lie beyond the control or diligent behavior of the parties and, consequently, the completion of the transaction remains suspended and depends on the satisfaction of such conditions.

The Group consolidates DEPA on an equity basis and the carrying value of the investment in the consolidated financial statements reflect HELPE's 35% share of the net asset value of the DEPA group which as at 31 December 2013 is €598 million. Furthermore the carrying value in HELPE SA financial statements for the DEPA group is €237 million. These amounts were assessed for impairment, at 31 December 2013, based on the requirements of IAS 36 and no indication of impairment was identified.

Given that the transaction can only be completed upon receiving the approval of the relevant competent authorities, and given the timing of such approvals and the unbundling process that is still to be concluded, management considers it appropriate to maintain the policy of including DEPA Group as an associate at the date of these financial statements.

9 Loans, Advances and Long-term assets

	As at	
	31 December 2013	**31 December 2012**
Loans and advances	137.900	-
Other long term assets	4.842	5.384
Total	**142.742**	**5.384**

(All amounts in Euro thousands unless otherwise stated)

Loans and advances relate to a three-year bond loan of €138 million extended to EKO S.A., a Group company.

10 Inventories

	As at	
	31 December 2013	**31 December 2012**
Crude oil	223.571	339.241
Refined products and semi-finished products	578.310	596.468
Petrochemicals	25.500	31.799
Consumable materials and other	62.959	57.519
- Less: Provision for Consumables and spare parts	(8.300)	(5.738)
Total	**882.040**	**1.019.289**

The cost of goods sold included in "Cost of sales" for 2013 is equal to €8 billion (2012: €9 billion).

The Company keeps crude oil and refined products stocks in excess of its normal operating stock levels in order to fulfill the EU requirement for compulsory Stock obligations (90 days stock directive), as legislated by Greek Law 3054/2002.

Spare parts amounting to €27 million (31 December 2012: €19 million), were transferred from inventories to fixed assets, in accordance with the amended IAS 16, which requires spare parts that are used for more than one period to be classified as plant & equipment (see also Note 6).

11 Trade and other receivables

	As at	
	31 December 2013	**31 December 2012**
Trade receivables	461.082	589.393
- Less: Provision for impairment of receivables	(93.926)	(92.515)
Trade receivables net	**367.156**	**496.878**
Other receivables	496.041	152.582
- Less: Provision for impairment of receivables	(10.283)	(10.283)
Other receivables net	**485.758**	**142.299**
Deferred charges and prepayments	12.646	12.380
Total	**865.560**	**651.557**

As part of its working capital management the Company utilises factoring facilities to accelerate the collection of cash from its customers in Greece. Non-recourse factoring, is excluded from balances shown above.

Other receivables include balances in respect of VAT, income tax prepayment, advances to suppliers and advances to personnel. This balance includes advances of €327 million extended to Hellenic Petroleum International A.G. (a Group company) for the transfer of 100% of the share capital of Hellenic Fuels S.A. (currently a direct subsidiary of Hellenic Petroleum International A.G.) at book value. The conclusion of the transfer is subject to final contract signing.

Other receivables also include an amount of €54 million (31 December 2012: €54 million) of VAT approved refunds, which has been withheld by the customs office in respect of a dispute about stock shortages (see note 31 on litigation). Against this action the Company has filed a specific legal objection claim and expects to fully recover this amount following the conclusion of the relevant legal proceedings (see Note 31).

(All amounts in Euro thousands unless otherwise stated)

The fair values of trade and other receivables approximate their carrying amount.

The table below shows the segregation of trade receivables:

	As at 31 December 2013	As at 31 December 2012
Total trade receivables	461.082	589.393
of which:		
Past due, not impaired receivables balance	124.761	104.776
Past due, doubtful & impaired receivables balance	87.149	87.976
	211.910	**192.752**
Allowance for bad debts	**93.926**	**92.515**

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. Allowance is made for receivables that are doubtful of collection and have been assessed that they will result in a loss, net of any respective securities or collaterals obtained.

Trade receivables include past due, but not impaired balances of €125 million as at 31 December 2013 (31 December 2012: €105 million) relating to a number of independent customers from whom there is no recent history of default. Out of these balances €90 million were past due up to 30 days (2012:€77 million), €6 million were past due up to 90 days (2012: €7 million) and €29 million were past due over 90 days (2012: €21 million). As part of the active management of trade receivables the Group has negotiated new credit terms for the majority of these balances, thus does not consider them as past due on the basis of the aforementioned terms.

The doubtful receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. As of 31 December 2013 and 2012, the overdue days of doubtful receivables are as follows:

	As at 31 December 2013	As at 31 December 2012
Up to 30 days	-	-
30 - 90 days	-	-
Over 90 days	87.149	87.976
Total	**87.149**	**87.976**

It was assessed that a portion of the receivables is expected to be recovered, through settlements, legal actions and securing of additional collaterals.

The movement in the provision for impairment of trade receivables is set out below:

	As at 31 December 2013	As at 31 December 2012
Balance at 1 January	92.515	84.907
Charged / (credited) to the income statement:		
- Additional provisions	1.411	7.608
Balance at 31 December	**93.926**	**92.515**

(All amounts in Euro thousands unless otherwise stated)

The movement in the provision for impairment has been included in selling and distribution expenses in the statement of comprehensive income.

12 Cash, cash equivalents and restricted cash

	As at	
	31 December 2013	**31 December 2012**
Cash at Bank and in Hand	217.849	412.638
Short term bank deposits	321.462	15.100
Cash and cash equivalents	**539.311**	**427.738**
Restricted Cash	200.000	200.000
Total cash, cash equivalents and restricted cash	**739.311**	**627.738**

Restricted cash pertained to the renewal of a cash collateral arrangement to secure a €200 million loan between the Company and Pireaus Bank, in relation to the Company's €200 million Facility Agreement with the European Investment Bank (see Note 16) for which Pireaus Bank has provided a guarantee maturing on 15 June 2014. The effect of the loan and the deposit is a grossing up of the statement of financial position but with no effect to the Company's Net Debt position.

The weighted average effective interest rate as at the reporting date on cash and cash equivalents was:

	As at	
	31 December 2013	**31 December 2012**
Euro	0,51%	1,24%
USD	0,50%	0,68%

13 Share capital

	Number of Shares (authorised and issued)	**Share Capital**	**Share premium**	**Total**
As at 1 January & 31 December 2012	**305.635.185**	**666.285**	**353.796**	**1.020.081**
As at 31 December 2013	**305.635.185**	**666.285**	**353.796**	**1.020.081**

All ordinary shares were authorised, issued and fully paid. The nominal value of each ordinary share is €2.18 (31 December 2012: €2.18).

Share options

During the Annual General Meeting (AGM) of Hellenic Petroleum S.A. held on 25 May 2005, a share option scheme was approved, with the intention to link the number of share options granted to employees with the results and performance of the Company and its management. Subsequent AGMs have approved and granted the stock options.

(All amounts in Euro thousands unless otherwise stated)

Share options outstanding at the year-end have the following expiry date and exercise prices:

Grant Date	Vesting Date	Expiry Date 5 December	Exercise Price in € per share	No. of share options as at 31 December 2013	31 December 2012
2007	2009-13	2013	10,88	-	397.815
2008	2010-14	2014	11,01	339.561	349.761
2009	2011-15	2015	7,62	1.616.054	1.704.716
2012	2014-18	2018	4,52	1.479.933	1.479.933
			Total	**3.435.548**	**3.932.225**

No stock options have been exercised during 2013 or during the previous year, due to the negative relationship between the exercise price and the share market price during the respective vesting periods.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	As at 31 December 2013		31 December 2012	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
At 1 January	**7,08**	**3.932.225**	**8,74**	**2.720.950**
Granted	-	-	4,52	1.479.933
Exercised	-	-	-	-
Lapsed	10,30	(496.677)	9,69	(268.658)
At 31 December	**6,62**	**3.435.548**	**7,08**	**3.932.225**

The value of lapsed stock options that were transferred to retained earnings in 2013 is €0,5 million. The total expense recognised during 2013 in the statement of comprehensive income for share based compensation is €0,3 million (2012: €0,3 million).

14 Reserves

	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax reserves	Other reserves	Total
Balance at 1 January 2012	**113.792**	**86.495**	**(67.150)**	**3.637**	**351.322**	**-**	**488.096**
Cash flow hedges (Note 21):							
- Fair value gains/(losses) on cash flow hedges	-	-	3.151	-	-	-	3.151
- De-recognition of gains/(losses) on hedges through comprehensive income	-	-	27.025	-	-	-	27.025
Actuarial gains/(losses) on defined benefit pension plans							
Share-based payments (Note 13)	-	-	-	252	-	-	252
Transfer to statutory reserves	4.876	-	-	-	-	-	4.876
Balance at 31 December 2012	**118.668**	**86.495**	**(36.974)**	**3.889**	**351.322**	**-**	**523.400**
Cash flow hedges (Note 21):							
- Fair value gains/(losses) on cash flow hedges	-	-	9.404	-	-	-	9.404
- De-recognition of gains/(losses) on hedges through comprehensive income	-	-	31.465	-	-	-	31.465
Actuarial gains/(losses) on defined benefit pension plans	-	-	-	-	-	(2.349)	(2.349)
Share-based payments (Note 13)	-	-	-	(226)	-	-	(226)
Balance at 31 December 2013	**118.668**	**86.495**	**3.895**	**3.663**	**351.322**	**(2.349)**	**561.694**

The movement in the year-end hedging reserve is shown net of tax of €10.611 (2012: €7.544) – refer to Note 27.

(All amounts in Euro thousands unless otherwise stated)

Statutory reserves

Under Greek law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until such reserve equals one third of outstanding share capital. This reserve cannot be distributed during the existence of the corporation, but can be used to offset accumulated losses.

Special reserves

Special reserves primarily relate to reserves arising from tax revaluations which have been included in the holding company accounts in accordance with the relevant legislation in prior years. Where considered appropriate deferred tax provisions are booked in respect of these reserves.

Tax free reserves

Tax free reserves include:

(i) Tax deferred reserves are retained earnings which have not been taxed with the prevailing corporate income tax rate as allowed by Greek law under various statutes. Certain of these retained earnings will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital. Distributions to shareholders and conversions to share capital are not normally anticipated to be made through these reserves.

(ii) Partially taxed reserves are retained earnings, which have been taxed at a rate less than the corporate tax rate as allowed by Greek law. Certain of these retained earnings will be subject to the remaining tax up to the corporate tax rate prevailing at the time of distribution to shareholders or conversion to share capital.

15 Trade and other payables

	As at	
	31 December 2013	**31 December 2012**
Trade payables	1.978.166	1.751.006
Accrued Expenses	39.831	30.316
Other payables	35.278	30.428
Total	**2.053.275**	**1.811.750**

Trade creditors include overdue amounts in respect of crude oil imports from Iran which were received during the period between December 2011 and March 2012 as part of a long term contract with NIOC. Despite repeated attempts to settle the payment for these cargoes during the early part of the year, through the international banking system, it was not possible to do so. This is due to the fact that payments to Iranian banks and state entities are not accepted for processing by the International banking system due to EU sanctions (Council Regulation (EU) No. 267/2012 of 23 March 2012). The Company has dully notified its supplier of this restriction on payments and the inability to accept further crude oil cargoes under the contract, which is due to the EU sanctions posing legal constraints outside of its control. As a result no deliveries of Iranian crude oil or payments have taken place post June 30th which was the EU imposed deadline.

Other payables include amounts in respect of payroll and other staff related costs, social security obligations and sundry taxes.

Accrued expenses and deferred income include the estimated cost of the CO2 emission rights required under the corresponding environmental legislation amounting to €4m. In 2012 the respective amount had been classified under Provisions for other liabilities and charges (Note 19).

16 Borrowings

	As at	
	31 December 2013	**31 December 2012**
Non-current borrowings		
Bank borrowings	366.334	410.778
Bond loan	860.096	-
Non-current borrowings	**1.226.430**	**410.778**
Current borrowings		
Short term bank borrowings	1.022.446	1.514.405
Current portion of long-term bank borrowings	123.374	22.222
Total current borrowings	**1.145.820**	**1.536.627**
Total borrowings	**2.372.250**	**1.947.405**

The maturity of non-current borrowings is as follows:

	As at	
	31 December 2013	**31 December 2012**
Between 1 and 2 years	123.374	44.444
Between 2 and 5 years	870.056	133.332
Over 5 years	233.000	233.002
	1.226.430	**410.778**

Gross borrowings of the Company by maturity as at 31 December 2013 and 31 December 2012 are summarised on the table below:

		Balance as at	
		31 December 2013	**31 December 2012**
	Maturity	**(€ million)**	**(€ million)**
HPF Syndicated Loan $1.180 million (drawn partly in US$ and partly in Euro)	Jan 2013	-	276
HPF Syndicated Bond Loan $140 million	Jan 2016	-	-
Syndicated Bond loan €465 million	Jan 2016	451	-
Bond loan €400 million	Jun 2014	225	225
European Investment Bank ("EIB") Term loan	Jun 2022	378	400
Bond loan €225 million	Dec 2013	-	222
HPF Bond Loan	May 2017	488	-
Bilateral lines	Various	830	824
Total		**2.372**	**1.947**

Hellenic Petroleum and its subsidiaries (the "Group") manages its treasury functions in a centralised manner with coordination and control of all subsidiaries' funding and cash management activities by a central Treasury. To this extent, Hellenic Petroleum Finance plc ("HPF") was established in November 2005 in the U.K. as a wholly-owned subsidiary of Hellenic Petroleum S.A. to act as the central treasury vehicle of the Hellenic Petroleum Group.

1. *HPF Syndicated Loan $1.180 million*

In April 2006, the Company concluded a €400 million multi-currency loan agreement with HPF in order to refinance existing financial indebtedness and for general corporate purposes, which increased to €600 million on 18 October 2006. This was refinanced through a syndicated credit facility agreement of US$1,18 billion signed on 2 February 2007 by HPF, with the guarantee of Hellenic Petroleum SA and comprised of fixed term borrowings and revolving credit. On 18 October 2007 the loan facility amount increased to €1 billion and in

April 2010 to €1.5 billion. As at 31 December 2012, the outstanding loan balance with HPF amounted to the equivalent of €276 million (US$ 364 million). The facility was repaid on maturity (31 January 2013), by using own cash reserves and the proceeds of facilities, as detailed under 2a and 2b below.

2. *Term Loans of €605 million (HPF €140 million and Hellenic Petroleum SA €465 million)*

As part of the refinancing plan, two credit facilities with identical terms and conditions were concluded with a Group of Greek and international banks:

a) A €465 million syndicated bond loan concluded by Hellenic Petroleum S.A. with the guarantee of Hellenic Petroleum Finance plc and a maturity of three years with gradual amortisation. The outstanding balance of the bond loan at 31 December 2013 was €451 million.

b) A €140 million syndicated credit facility concluded by Hellenic Petroleum Finance plc with the guarantee of Hellenic Petroleum S.A. and a maturity of three years with gradual amortization.

3. *Bond Loan of €400 million*

In April 2012, Hellenic Petroleum S.A. concluded a €400 million syndicated bond loan agreement maturing on 30 June 2013, with the aim to finance general corporate purposes. The facility was renewed at maturity for an additional year (until 30 June 2014) and has a six-month extension option. The total amount outstanding under the facility at 31 December 2013 was €225 million (31 December 2012: €225 million).

4. *EIB Term Loans*

On 26 May 2010, Hellenic Petroleum S.A. signed two loan agreements (Facilities A and B) with the European Investment Bank for a total amount of €400 million (€200 million each). The purpose of the loans was to finance part of the investment programme relating to the upgrade of the Elefsina Refinery. Both loans have a maturity of 12 years with amortization beginning in December 2013 and similar terms and conditions. Facility B is credit enhanced by a commercial bank guarantee. This is normal practice for EIB lending particularly during the construction phase of large projects. As at 31 December 2013, the outstanding loan balance amounted to €378 million, as an amount of €22 million was repaid during December 2013 (31 December 2012: €400 million).

5. *Bond Loan of €225 million*

As part of it refinancing plans, Hellenic Petroleum S.A concluded a one year bond loan facility with Greek relationship banks in December 2012. The facility was repaid before maturity in May 2013, out of the proceeds of the new Eurobond.

6. *Eurobond*

During the first half of 2013, HPF proceeded with the issuance of a Eurobond of €500 million with an annual coupon of 8% and a maturity of four years. The notes are redeemable at maturity (May 2017) and are listed in the Luxembourg Stock Exchange. Subsequently the Company concluded a €488 million syndicated bond loan agreement with HPF, which matures on the same date and the proceeds were used to prepay existing indebtedness of €225 million (see loan facility 5 above) and for general corporate purposes. As at 31 December 2013 the outstanding loan balance amounted to €488 million.

7. *Bilateral lines*

Loans with various banks are also utilised to cover the Company's working capital financing needs. As at 31 December 2013, the outstanding balance of such loans amounted to €830 million (31 December 2012: €824 million).

Certain debt agreements that the Company enters into, include financial covenants, the most significant of which are the maintenance of certain ratios at Group level as follows: "Net Debt/EBITDA", "EBITDA/Net Interest" and "Net Debt/Net Worth". Management monitors the performance of the Group to ensure compliance with the above covenants.

(All amounts in Euro thousands unless otherwise stated)

The loan analysis is as follows:

	As at 31 December 2013	31 December 2012
Revolving Credit Facilities	1.574.481	836.629
Term loans	797.769	1.110.776
Total borrowings	**2.372.250**	**1.947.405**

The weighted average effective interest margins as at the reporting date were as follows:

	As at 31 December 2013 €	US$
Bank Borrowings (short-term)		
- Floating Euribor + margin	6,77%	-
- Floating Libor + margin	-	-
Bank Borrowings (long-term)		
- Floating Euribor + margin	4,46%	-
- Floating Libor + margin	-	-

	As at 31 December 2012 €	US$
Bank Borrowings (short-term)		
- Floating Euribor + margin	6,76%	-
- Floating Libor + margin	-	1,74%
Bank Borrowings (long-term)		
- Floating Euribor + margin	1,79%	-
- Floating Libor + margin	-	-

The carrying amounts of the Company's borrowings which approximate their fair value are denominated in the following currencies:

	As at 31 December 2013	31 December 2012
Euro	2.372.250	1.671.598
US dollar	-	275.807
Total borrowings	**2.372.250**	**1.947.405**

17 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

(All amounts in Euro thousands unless otherwise stated)

The gross movement on the deferred income tax asset / (liability) is as follows:

	As at	
	31 December 2013	**31 December 2012**
Beginning of the year	(40.872)	(509)
Income statement recovery / (charge)	75.712	(32.871)
Charged / (released) to equity & other movements	(9.784)	(7.492)
End of year	**25.056**	**(40.872)**

Deferred tax relates to the following types of deductable / (taxable) temporary differences:

	As at	
	31 December 2013	**31 December 2012**
Intangible and tangible fixed assets	(107.748)	(74.796)
Inventory valuation	2.158	1.148
Environmental provision	1.086	700
Unrealised exchange gains	(1.426)	(1.094)
Employee benefits provision	19.449	16.248
Derivative financial instruments at fair value	(474)	10.210
Net operating losses carried forward	125.622	15.362
Other temporary differences	(13.611)	(8.650)
Net deferred income tax asset/(liability)	**25.056**	**(40.872)**
Deferred income tax liabilities	**(138.184)**	**(93.414)**
Deferred income tax assets	**163.240**	**52.542**

Other temporary differences include mostly temporary differences on various receivables provisions as well as the provisions for unaudited tax years.

Deferred tax in relation to special or tax free reserves is calculated to the extent that the Company believes it is more likely than not to be incurred and is entered in the related accounts.

In December 2013 Law 4172/2013 was enacted that imposed a tax of 15% upon the distribution or capitalization of specific tax free reserves until 31.12.2013. Distribution or capitalization of these reserves in 2014 would result in a tax of 19% and if not distributed or capitalised in 2014, these specific tax free reserves would have to be set off against accumulated tax losses. From 1st January 2015, the ability to maintain an account of tax-free reserves is abolished. In this respect as at 31 December 2013, the Company has raised a possible deferred tax liability provision of €15m via a charge to the income statement. Management will determine the treatment of such reserves during 2014.

A change in corporate income tax rates will be applied for the years ending 31 December 2013 and onwards, in accordance with legislation enacted in January 2013. Accordingly deferred tax assets / liabilities will be realised at a tax rate of 26% vs 20% which is the applicable rate for 2012. The difference in tax rates for 2013 increased the net deferred tax liability by approximately €11 million.

(All amounts in Euro thousands unless otherwise stated)

18 Retirement benefit obligations

The table below outlines where the Company's retirement benefit amounts and activity are included in the financial statements.

	As at	
	31 December 2013	**31 December 2012** *Restated*
Statement of Financial Position obligations for:		
Pension benefits	72.527	81.123
Total as per Statement of Financial Position	**72.527**	**81.123**

	For the year ended	
	31 December 2013	**31 December 2012** *Restated*
Statement of Comprehensive Income charge for:		
Pension benefits	27.390	14.722
Total as per Statement of Comprehensive Income	**27.390**	**14.722**

	For the year ended	
	31 December 2013	**31 December 2012** *Restated*
Remeasurements for:		
Pension benefits	3.175	(15.835)
Total as per Statement of Other Comprehensive Income	**3.175**	**(15.835)**

The amounts recognised in the statement of financial position are as follows:

	As at	
	31 December 2013	**31 December 2012** *Restated*
Present value of funded obligations	6.402	5.998
Fair value of plan assets	(180)	(660)
Deficit of funded plans	**6.222**	**5.338**
Present value of unfunded obligations	66.305	75.785
Liability in the Statement of Financial Position	**72.527**	**81.123**

The plans are final salary pension plans. The level of benefits provided depends on members' length of service and remuneration.

(All amounts in Euro thousands unless otherwise stated)

The movement in the defined benefit obligation over 2012 and 2013 is as follows:

	Present Value of Obligation	Fair Value of Plan Assets	Total
As at 1 January 2012 (Restated)	**105.047**	**(758)**	**104.289**
Current service cost	5.292	-	5.292
Interest expense/(income)	4.315	(30)	4.285
Past service costs and (gains)/losses on settlements	5.145	-	5.145
Statement of comprehensive income charge	**14.752**	**(30)**	**14.722**
Remeasurements:			
- Return on plan assets, excluding amounts included in Interest expense/(income)	-	27	27
- (Gain)/loss from change in demographic assumptions	(7.098)	-	(7.098)
- (Gain)/loss from change in financial assumptions	(8.701)	-	(8.701)
- Experience (gains)/losses	(63)	-	(63)
	(15.862)	**27**	**(15.835)**
Benefits paid directly by the Company/Contributions paid by the Company	(18.915)	(3.138)	(22.053)
Benefit payments from the plan	(3.239)	3.239	-
As at 31 December 2012 (Restated)	**81.783**	**(660)**	**81.123**
Current service cost	4.151	-	4.151
Interest expense/(income)	3.136	(19)	3.117
Past service costs and (gains)/losses on settlements	20.122	-	20.122
Statement of comprehensive income charge	**27.409**	**(19)**	**27.390**
Remeasurements:			
- Return on plan assets, excluding amounts included in Interest expense/(income)	-	14	14
- (Gain)/loss from change in financial assumptions	1.821	-	1.821
- Experience (gains)/losses	1.340	-	1.340
	3.161	**14**	**3.175**
Benefits paid directly by the Company/Contributions paid by the Company	(38.840)	(321)	(39.161)
Benefit payments from the plan	(806)	806	-
As at 31 December 2013	**72.707**	**(180)**	**72.527**

(All amounts in Euro thousands unless otherwise stated)

The expected maturity analysis of undiscounted pension benefits is as follows:

Balance at 31 December 2013	**Less than a year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
Pension Benefits	2.988	2.484	11.082	92.757	**109.311**

Plan assets comprise the following:

	31 December 2013				**31 December 2012**			
	Quoted	**Unquoted**	**Total**	**%**	**Quoted**	**Unquoted**	**Total**	**%**
Equity Instruments	7	0	7	4%	1	0	1	0%
Debt Instruments:								
- Government bonds	79	-	79	44%	289	-	289	44%
- Corporate bonds	16	-	16	9%	59	-	59	9%
Investment funds	78	-	78	43%	310	-	310	47%
Warrants	-	-	-	-	1	-	1	0%
Total	**180**	**-**	**180**		**660**	**-**	**660**	

The principal actuarial assumptions used were:

	As at 31 December 2013	**31 December 2012**
Discount Rate	3,75%	4,00%
Future Salary Increases	0,50%	0,50%
Inflation	0,50%	0,50%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on Defined Benefit Obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount Rate	0,5%	-5,04%	5,44%
Future Salary Increases	0,5%	5,56%	-5,19%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

Expected contributions to defined benefit plans for the year ending 31 December 2014 are €2.7 mil. The weighted average duration of the defined benefit obligation is 11 years.

(All amounts in Euro thousands unless otherwise stated)

19 Provisions for other liabilities and charges

The movement for provisions for 2012 and 2013 is as follows:

	Litigation & tax povisions	Provisions for environmental costs	Total
At 1 January 2012	**5.000**	**16.100**	**21.100**
Charged / (credited) to the income statement:			
- Unused amounts reversed	(2.000)	(12.600)	(14.600)
Reclassifications	-	(3.500)	(3.500)
At 31 December 2012	**3.000**	**-**	**3.000**
At 31 December 2013	**3.000**	**-**	**3.000**

Provisions for environmental costs

The respective provision relates to the estimated cost of the CO2 emission rights required under the corresponding environmental legislation. The relevant provision, amounting to €4 million as of 31 December 2013 (31 December 2012: €3,5 million), is shown in short-term payables, since the Company's obligation to deliver the relevant emission rights falls due in less than 12 months from the statement of financial position date (Note 15).

Other provisions

Other provisions relate to sundry operating items and risks arising from the Company's ordinary activities.

20 Other long term liabilities

	As at	
	31 December 2013	**31 December 2012**
Government grants	13.367	14.727
Other long term liabilities	528	521
Total	**13.895**	**15.248**

Government grants

Advances by the Government to the Company's entities relate to property, plant and equipment. Amortization for 2013 amounted to €1.4 million (2012: €2.9 million).

Other long term liabilities

Other long term liabilities relate to sundry operating items and risks arising from the Company's ordinary activities.

21 Derivative financial instruments

Derivatives designated as Cash Flow Hedges

	31 December 2013				31 December 2012			
Commodity Derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT'000	**Bbls'000**	**€**	**€**	**MT'000**	**Bbls'000**	**€**	**€**
Commodity Swaps	-	2.521	5.263	-	600	2.377	840	47.055
	-	**2.521**	**5.263**	**-**	**600**	**2.377**	**840**	**47.055**
Total			**5.263**	**-**			**840**	**47.055**

	31 December 2013		31 December 2012	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Non-current portion				
Commodity swaps	-	-	-	-
	-	-	-	-
Current portion				
Commodity swaps	5.263	-	840	47.055
	5.263	**-**	**840**	**47.055**
Total	**5.263**	**-**	**840**	**47.055**

Derivatives designated as cash flow hedges

During the year ended 31 December 2013 amounts transferred to the statement of comprehensive income for de-designated hedges were gains of €31.465, net of tax (31 December 2012: gains of €27,025) which relate to commodity price swaps for the Elefsina refinery upgrade that were settled during the period. The remaining cash flow hedges are highly effective and the movement in the fair value of these derivatives, amounting to a gain of €9.402 net of tax (31 December 2012: €3.151 gains, net of tax), was transferred to the 'Hedging Reserve' (see Note 14).

Amounts transferred to the statement of comprehensive income, relating to contracts that were settled during the year, amounted to €2.441 loss (2012: €6.080 gain).

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the statement of financial position.

22 Employee Costs

	For the year ended	
	31 December 2013	**31 December 2012**
Wages and salaries	130.379	136.318
Social security costs	36.018	25.620
Pension costs	7.880	7.435
Other employment benefits	36.990	24.821
Total	**211.267**	**194.194**

Other employment benefits include medical insurance, catering and transportation expenses. They also include expenses paid to employees as part of the voluntary retirement scheme (VRS) which are approximately €20 million (2012: €7 million), included in 'Other operating income/(expenses)' (see Note 24). The value of shared – based compensation of €251 (2012: €252) is also included therein (see Note13).

(All amounts in Euro thousands unless otherwise stated)

23 Exploration and development expenses

Capital expenditures on exploration and development activities are expensed as incurred (2013: €2.992 and 2012: €3.543) and relate mainly to the following Concessions in Egypt:

(i) Exploration operations for the West Obayed Block under a Concession agreement with EGPC in a jointly controlled operation between Hellenic Petroleum (30%) and Vegas West Obayed Limited (70%, operator) in W. Desert

(ii) Exploration operations for the Mesaha Block under a Concession agreement with Ganope in a jointly controlled operation between Hellenic Petroleum (30%) with Petroceltic Resources (40%, operator), Kuwait Energy Company (15%) and Beach Petroleum (15%).

The related exploration costs are written off and exploration costs associated with drilling exploration well which were unsuccessful are written off.

Exploration and development expenses also include expenditures incurred prior to obtaining legal rights to explore the area of Gulf of Patraikos, offshore Greece.

These expenditures are related to the offer which is submitted by the jointly controlled operation comprised from Hellenic Petroleum (33,3%, operator), Edison International SpA (33,3%) and Petroceltic Resources Plc (33,3%). The JV is announced by the Greek State to be the “preferred bidder” and the relevant negotiations between the JV and the Greek State to execute the Lease Agreement for the Gulf of Patraikos are still ongoing.

24 Other operating income / (expenses) and other operating gains / (losses)

Other operating income/(expenses) – net is analysed as follows:

	For the year ended	
	31 December 2013	**31 December 2012**
Income from grants' amortisation	1.360	2.880
Services to third parties	1.452	1.600
Rental income	2.608	2.559
Voluntary retirement scheme cost	(20.225)	(6.730)
Reversal of unused provisions	1.302	18.934
To write-off unmoved creditors' balances	-	3.576
Impairment losses from associates	(10.985)	-
Other income / (expense)	(3.665)	1.263
Other operating income / (expenses) - net	**(28.153)**	**24.082**

Other operating income / (expenses) – net, include items which do not arise as a result of the trading activities of the Company (e.g. rental income and sales of personnel services to subsidiaries), as well as additional costs incurred in respect of the voluntary retirement schemes (VRS) effected during 2013 and 2012. Herein are also included impairment losses of €11 million relating to the write down of the Company’s investment in Artenius Hellas S.A which started liquidation proceedings (see note 8).

(All amounts in Euro thousands unless otherwise stated)

Other operating gains/(losses) – net is analysed as follows:

	For the year ended	
	31 December 2013	**31 December 2012**
Losses on derivative financial instruments reclassified from cash flow hedges	(40.080)	(35.760)
Other operating (losses) / gains - net	**(40.080)**	**(35.760)**

25 Finance (Expenses)/ Income-Net

	For the year ended	
	31 December 2013	**31 December 2012**
Interest income	16.116	4.685
Interest expense and similar charges	(180.808)	(25.200)
Finance costs - net	**(164.692)**	**(20.515)**

In addition to the finance cost shown above, an amount of €3 million of finance costs (2012: €83 million) have been capitalised for the year ended 31 December 2013, as explained in Note 6.

The increase in interest charges is affected by the following items:

- Comparatives in 2012, until the completion of the Elefsina refinery, include only part of interest payments, as construction period interest is included as part of the total investment costs of the new Elefsina refinery (See also Note 6 'Fixed Assets' in 2012 full year financial statements).
- Following the refinancing of the Group's 2007 RCF facility of $ 1.160 million, average interest costs for the total borrowings of the Company has risen by c. 2.0%.
- Maintenance of excess cash balances in line with risk management policy adopted by the Company during the last year carry cost in excess of 5% p.a. Part of this cash is temporarily used as cash collateral in respect of EIB loan facility (see note 12).

26 Currency exchange gains / (losses)

Foreign currency exchange gains of €2 million during 2013 are driven by realized gains on settlement of US$ denominated loans, due to the weakening of the US$ against Euro at 31 January 2013 (repayment of HPF term loan of US$364 million, as mentioned in note 16) compared to the beginning of the year.

27 Income tax expense

	For the year ended	
	31 December 2013	**31 December 2012**
Current tax	9.801	3.088
Deferred tax (Note 17)	(75.712)	32.871
Total	**(65.911)**	**35.959**

The basic tax rate used for Hellenic Petroleum S.A. was 26% for the year ended 31 December 2013 (31 December 2012: 20%). No provision for special contribution has been included in the results for 2013, as a relevant tax law has not been enacted.

Since the year ended 31 December 2011, all Greek companies have to be audited on an annual basis by their statutory auditor in respect of compliance with tax law, correct submission of tax returns and identification of any unrecorded tax liabilities in the accounts. This audit leads to the issuance of a Tax Certificate which under certain conditions, substitutes the full tax audit by the tax authorities and allows the company to treat its tax position as fully compliant and final. The Company has undergone this tax audit for the year ended 31 December 2012 and the auditors issued an unqualified Tax Certificate.

The Company has not undergone a full tax audit for the financial year ended 31 December 2010.

In February 2013 the tax audits for the financial years 2006 to 2009 of Hellenic Petroleum S.A. were finalized, the outcome of which resulted in disallowable expenses of €29 million, against which €14,5 million approximately of additional taxes and surcharges were assessed. Moreover the aforementioned tax audits also resulted in additional property taxes of a total amount of €4 million. The Company has accepted and settled part of the assessed amounts resulting in a payment of € 8,5 million. Amounts which are not accepted will be challenged through legal channels.

Provisional VAT audits have been concluded up until December 2012, resulting in the recovery of VAT receivable of €17 million, during the year, which the Company utilizes to net off current tax liabilities.

Management believes that no additional material liability will arise as a result of open tax years over and above the tax liabilities and provisions recognised in the financial statements for the period ended 31 December 2013.

The tax (charge) / credit relating to components of other comprehensive income, is as follows:

	For the year ended					
	31 December 2013			31 December 2012 *restated*		
	Before tax	Tax (charge)/ credit	After tax	Before tax	Tax (charge)/ credit	After tax
Cash flow hedges	51.480	(10.611)	40.869	37.720	(7.544)	30.176
Actuarial gains/ (losses) on defined benefit pension plans	(3.175)	826	(2.349)	18.061	(4.696)	13.365
Other comprehensive income	48.305	(9.785)	38.520	55.781	(12.240)	43.541

28 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	For the year ended	
	31 December 2013	**31 December 2012**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**(0,96)**	**0,32**
Net income attributable to ordinary shares (Euro in thousands)	(293.630)	97.505
Average number of ordinary shares outstanding	305.635.185	305.635.185

Diluted earnings per share were not materially different from basic earnings per share.

29 Dividends per share

A proposal to the AGM for €0,15 per share as dividend for 2012 was approved by the Board of Directors on 28 February 2013 and the final approval was given by the shareholders at the AGM held on 27 June 2013.

(All amounts in Euro thousands unless otherwise stated)

The BOD approved a proposal to the AGM for the distribution of no dividend out of 2013 results. The Board did not approve a change in dividend policy overall and will re-evaluate the payment of special dividends or interim dividends for 2014 during 2014.

30 Cash generated from operations

		For the year ended	
	Note	**31 December 2013**	**31 December 2012**
Profit before tax		**(359.541)**	**133.464**
Adjustments for:			
Depreciation and amortisation of property, plant & equipment and intangible assets	**6,7**	155.614	106.660
Grants amortisation	**19**	(1.360)	(2.880)
Finance costs - net	**25**	164.692	20.515
Provisions for expenses and valuation charges		27.296	1.644
Losses from disposal of PPE		1	979
Foreign exchange (gains) / losses	**26**	(1.871)	(8.067)
Dividend income		(17.122)	(15.818)
		(32.291)	**236.497**
Changes in working capital			
(Increase) / decrease in inventories		143.329	(43.871)
(Increase) / decrease in trade and other receivables		(226.861)	213.864
Increase in payables		199.626	256.428
		116.094	**426.421**
Net cash generated from operating activities		**83.803**	**662.918**

Provisions for expenses and valuation changes include impairment losses of €11 million relating to the write down of the Company's investment in Artenius Hellas S.A which started liquidation proceedings (see note 8).

31 Contingencies and litigation

The Company has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. Provisions are set up by the Company against such matters whenever deemed necessary, in accordance with its accounting policies and included in provisions (Note 19). These are as follows:

Business Issues

(i) *Unresolved legal claims:* 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 and the opinion of legal counsel, management believes the final outcome will not have a significant effect on the company's operating results or financial position, over and above provisions already reflected in the financial statements (Note 19).

(ii) *Guarantees:* The Company has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to subsidiaries and associates of the Group, the outstanding amount of which as at 31 December 2013 was the equivalent of €885 million (31 December 2012: €1.152 million).

Taxation and Customs

(iii) *Tax matters:* In June 2011 the tax audits for the financial years 2002 - 2005 of Hellenic Petroleum S.A. were finalized with disallowable expenses of €64 million in total for four years. The Company agreed to disallowable expenses of €32 million, resulting in €18 million of additional taxes and surcharges, all of which were included in Income Tax for the year ended 31 December 2011. The remaining €32 million of disallowable expenses assessed includes, amongst others, the assessment by a customs audit for alleged inventory "shortages" (see note iv below) despite the fact that their tax audit did not reveal such stock differences. The Company has appealed against this assessment on the ground that it has evidence to demonstrate the lack of merit and the inaccuracy of the calculations. The appeal was heard before the Administrative Appellate Court of Athens in January 2013. The decision rendered has sustained the appeal with respect to the issues of "shortages" and "loss from the production of BOPP film" (disallowable expenses of €28 million) and rejected the part of the appeal concerning the issue of "amortization of Mining Rights" (disallowable expenses of €4 million). The Company has appealed against the latter part of the above decision before the Supreme Administrative Court (Conseil d'Etat). Moreover the aforementioned tax audit also resulted in additional property taxes of a total amount of €2,2 million, against which the Company has appealed before the Administrative Courts. The hearing of the appeal has been, after postponements, set for April 2014. No provision has been made in the financial statements as of 31 December 2013 with respect to the above, as the Company believes that the case will be finally assessed in its favour.

The Company has not undergone a tax audit for the financial year 2010. In addition temporary tax audits mainly for the return of VAT have been concluded up to December 2012, as described in Note 27. Management estimates that no additional material liability will arise as a result of open tax years over and above the tax liabilities and provisions recognized in the financial statements.

It is noted, that from 2011 onwards, under certain provisions, all Greek companies are subject to annual tax audit by their statutory auditors. The Company was audited for financial years 2011 and 2012, obtaining unqualified tax audit certificates.

(iv) *Assessment of customs and fines:* In 2008, Customs authorities issued customs and fines assessments amounting at approximately €40 million for alleged "stock shortages" in the bonded warehouses of Aspropyrgos and Elefsina refineries for certain periods during 2001-2005. The report has been challenged by the Company as the alleged "stock shortages" relate to accounting reconciliation differences caused as a result of early problems during the implementation of the new customs authorities' electronic- monitoring system (ICIS) in 2001, and not because of physical shortage of products. Both through the Company's workings, as well as by the work performed by independent auditors, it is confirmed beyond any reasonable doubt that there are no stock shortages and the books of the Company are in complete agreement with official stock counts. Furthermore, all tax audits relating to the same periods come to the same conclusion that no stock deficits were identified. In relation with the above, the Company has dully filed contestations before the Administrative Court of First Instance of Piraeus, for which no dates of hearing have been assigned to date. Given that the management and the legal advisors position is that the case will have a positive outcome when the court hearings take place, no provisions are made for such liabilities.

However, contrary to a specific temporary court order, the Customs office withheld an amount of €54 million (full payment plus surcharges) from VAT that was due for refund to the Company, an action against which has also been contested through the filing of two Contestations before the Administrative Courts of Athens and Piraeus, challenging the acts of the Tax Office and Customs Authority respectively. The former Contestation has been heard on 22 May 2013 and Decision No. 3833/2013 has been rendered by the Administrative Court of Athens, sustaining the Company's opposition by ruling that the withholding effected by the Tax Office was done improperly and against the law.

The Company considers that the latter contestation will be sustained by the Pireaus Court in light of the pertinent substantial reasons including amongst others, the fact that that subsequent customs audits for the same installations have concluded that no stock shortages exist, as well as serious procedural arguments in the second case where Customs abused their authority to withhold refunds to the Company.

(All amounts in Euro thousands unless otherwise stated)

32 Commitments

(a) Capital commitments

Capital expenditure contracted for as of 31 December 2013 amounts to €64 million (31 December 2012: €70 million).

(b) Operating lease commitments – Company as a lessee

The Company leases offices under non-cancellable operating lease agreements.

The future aggregate minimum lease payments under these non-cancellable operating leases are as follows:

	For the year ended	
	31 December 2013	**31 December 2012**
No later than 1 year	4.156	4.523
Later than 1 year and no later than 5 years	18.131	19.621
Later than 5 years	10.475	17.813
Total	**32.762**	**41.957**

33 Related-party transactions

Included in the statement of comprehensive income are proceeds, costs and expenses, which arise from transactions between the Company and related parties. Such transactions mainly comprise of sales and purchases of goods and services in the ordinary course of business and are conducted under normal trading and commercial terms on an arm's length basis.

	For the year ended	
	31 December 2013	**31 December 2012**
Sales of goods and services to related parties		
Group entities	3.036.227	3.873.619
Associates	524.731	524.728
Joint ventures	238	335
Total	**3.561.196**	**4.398.682**
Purchases of goods and services from related parties		
Group entities	53.614	65.129
Associates	556.370	587.420
Joint ventures	509	940
Total	**610.493**	**653.489**

Included in the statement of financial position are balances which derive from sales/purchases of goods and services in the ordinary course of business.

(All amounts in Euro thousands unless otherwise stated)

	As at	
	31 December 2013	**31 December 2012**
Balances due to related parties		
Group entities	79.049	53.913
Associates	20.608	21.234
Joint ventures	203	276
Total	**99.860**	**75.423**
Balances due from related parties		
Group entities	495.443	268.119
Associates	38.079	37.319
Joint ventures	21	35
Total	**533.543**	**305.473**

Group Entities include all companies consolidated under the full method of consolidation. Also included are Group companies consolidated with the equity method of consolidation.

Transactions and balances with related parties are in respect of the following:

a) Hellenic Petroleum Group companies.

b) Associates and joint ventures of the Hellenic Petroleum Group:

- Athens Airport Fuel Pipeline Company S.A. (EAKAA)
- Public Gas Corporation of Greece S.A. (DEPA)
- Elpedison B.V.
- Spata Aviation Fuel Company S.A. (SAFCO)
- HELPE Thraki S.A.
- Biodiesel S.A.
- Superlube S.A.
- D.M.E.P. / OTSM

c) Parties which are under common control with the Company due to the shareholding and control rights of the Hellenic State:

- Public Power Corporation Hellas S.A.
- Hellenic Armed Forces

During 2013, Company's sales of goods and services to government related entities amounted to €172 million (2012: €184 million) and Company's purchases of goods and services to €55 million (2012: €38 million). As at 31 December 2013, the Company had a total amount due from government related entities of €30 million (2012: €10 million) and a total amount due to government related entities of €11 million (2012: €5 million).

d) Financial institutions (including their subsidiaries) which are under common control with the Company due to the shareholding and control rights of the Hellenic State.

- National Bank of Greece S.A.
- Eurobank S.A (for part of the period – controlled by HFSF since June 2013)

e) Key management includes directors (executive and non- executive members of the board of Hellenic Petroleum S.A.) and members of the Executive Committee. The compensation paid or payable to key management for 2013 amounted to €3,0 million (2012: €2,7 million).

34 Events after the end of the reporting period

There were no material events after the end of the reporting period and up to the date of publication of the financial statements.

2. Annual Report of the Board of Directors

Index

Annual Report of the Board of Directors of Hellenic Petroleum SA on the Consolidated and Company Financial Statements for the Financial Year from January 1st to December 31st, 2013

Introduction

Dear Shareholders,

This Board of Directors' report covers the twelve-month period ending 31.12.2013. The report has been prepared in accordance with the relevant provisions of Codified Law 2190/1920, Law 3556/2007, article 4, and decision 7/448/11.10.2007 of the Hellenic Capital Markets Commission. The Consolidated and Company Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

This report includes summary financial information and commentary on the financial position and results of the Group (Hellenic Petroleum) and the parent company Hellenic Petroleum SA, description of significant events that took place during the current financial year, description of anticipated significant risks and uncertainties for the following financial year, disclosure of material transactions that took place between the Company and Group and their related parties as well as presentation of data and estimates of qualitative nature for the development of operations of the Company and the Group for the following financial year.

A. The Company and the Group

The Group comprises of 50 companies, including the Parent Company, which is listed on the Athens Exchange (ATHEX). The list of subsidiaries, the nature of their business, the percentage of ownership and consolidation method for each one of them, are included in an Appendix to this report. The present legal form of the Group is the result of the initial merger that took place during the 1998 privatisation, as well as subsequent corporate transactions (acquisitions).

Of particular importance for the management of the Group and for the better monitoring of its activities is the business structure applied to it which also defines the organizational structure. Specifically, all Group activities are categorized in the main segments (Strategic Business Units) as below:

- Refining, Supply and Trading (Domestic and International)
- Marketing (Domestic and International)
- Petrochemicals
- Exploration and Production of Hydrocarbons
- Electricity Generation and Trading and Natural Gas

The Group is also active in additional segments, which, despite their strategic importance (Engineering Services, Renewable Energy Sources), do not yet form a significant part of the Group's financial position.

A.1 Hellenic Petroleum SA (Parent Company)

The Parent Company is listed on the Athens Exchange, while its shares are also traded in the form of GDRs (Global Depository Receipts) on the London Stock Exchange. Its shareholder structure on 31.12.2012 was:

- Greek State 35,48%
- Paneuropean Oil and Industrial Holdings SA 42,57%
- Institutional and private investors 21,95%

A.2 Main Group Activities

The main activities of the Group cover a wide spectrum of the energy sector, making Hellenic Petroleum one of the most important energy groups in South-Eastern Europe.

Key points per activity are summarized below:

a) Refining, Supply and Trading segment

Refining

The refining, supply and trading segment is the Group's core business and main source of income and profitability.

Activities in Greece

Activities in Greece revolve around the operation of the Group's three refineries located in Aspropyrgos, Elefsina and Thessaloniki, which account for approximately 65% of the country's total refining capacity. The three refineries combine a storage capacity of 6.65 million m³ of crude oil and petroleum products.

Each refinery has distinct technical characteristics which are described in the table below and determine its financial performance and profitability.

Refinery	Daily Refining Capacity (Kbpd)	Annual Refining Capacity (mil. MT)	Configuration Type	Nelson Complexity Index
Aspropyrgos	**148**	**7.5**	**Cracking (FCC)**	**11.0**
Elefsina	**100**	**5.0**	**Hydrocracking**	**8.1**
Thessaloniki	**93**	**4.5**	**Hydroskimming**	**7.3**

2013 was the first full year of commercial operation of the upgraded refinery of Elefsina. While during the first quarter, the contribution of Elefsina was lower than expected due to the optimization process that involved temporary shut-downs of the new units, in the second half of 2013 the refinery operated at close to 100% utilisation, while many units exceeded their original design specifications.

Middle distillates' (diesel, jet) yield exceeded the specifications and reached 75%, resulting in a corresponding figure of approximately 52% for the whole Group. This had a particular positive effect on the performance of the Group's refineries, with the rate of production of high value added products standing among the highest of the European refining industry, highlighting the competitiveness of our asset base after the significant investments of the five year period 2007-2012.

In addition, the international sales of HELLENIC PETROLEUM S.A. continued to increase accounting for 44% of the total sales, strengthening Group's export orientation.

Crude Oil Supplies

Crude oil supplies are centrally coordinated and carried out through both term contracts and spot transactions. The conditions of crude oil market in 2013 were challenging, mainly due to the ongoing EU sanctions on Iranian crude exports from 2012 and the political turmoil in Libya and Iraq which affected the smooth supply of feedstock for refineries. HELLENIC PETROLEUM S.A. adjusted accordingly its crude slate by increasing the share of supply from Russia (54%) and Kazakhstan (15%) in its supply basket. Despite the political developments and the reduced exports in the abovementioned countries, HELLENIC PETROLEUM S.A. managed to procure crude oil from Iraq and Libya, accounting for 12% and 9% of the total respectively.

The ability to access, as well as the flexibility of the Group's refineries to process, a wide range of crude oil types constitute one of the main competitive advantages of the Group, which is particularly important, both for the profitability of the company and its ability to respond to a sharp decline of specific types of crude oil availability, thus ensuring the smooth supply of the markets in which the Group operates.

Refinery Sales (Wholesale Trading)

HELLENIC PETROLEUM S.A. is engaged in ex-refinery sales of petroleum products to marketing companies in Greece, including its two subsidiaries, EKO and Hellenic Fuels, as well as to other specialty customers, such as the country's armed forces, while a significant percentage of the production is exported. All of the Group's refinery products comply with the European standards (Euro V).

International Activities

Group's international refining activities refer to the OKTA hydroskimming refinery which is located in Skopje and has a nominal capacity of 2.5 million tons per annum. The OKTA refinery is connected to Thessaloniki refinery through a pipeline in order to ease the transportation of high value-added products (e.g. diesel).The location of the OKTA refinery is one of its significant competitive advantages for the domestic distribution of products through marketing companies as well as for the exports to neighbouring Balkan markets.

b) Marketing

Marketing activities are split into Domestic, through Greek subsidiaries EKO and Hellenic Fuels, and International.

Domestic Activities

EKO has a network of 982 fuel stations, while Hellenic Fuels operates 949 fuel stations under the BP brand (the total Greek market amounts to approximately 6,000 stations). The two companies combine 15 bulk storage and supply terminals, 22 aircraft refuelling stations in the country's main airports, 2 LPG bottling plants and one lubricant production and packaging unit. The market share of the two subsidiaries, including industrial clients, amounts to around 30%.

Hellenic Fuels, under licence from BP Plc, maintains the right to use the BP brand in Greece for ground fuels, for a period of 2 years until the end of 2015, with an extension option for 2 additional years.

International Activities

Internationally, the Group is active through subsidiary companies in Cyprus, Bulgaria, Serbia, Montenegro and F.Y.R.O.M.. The international network comprises of 279 fuel stations, while the market position varies from country to country. The local subsidiaries of the Group in Cyprus and Montenegro resulted from the acquisition of an existing marketing company and maintain a leading position in their respective markets. The ones in Bulgaria and Serbia are greenfield developments that recorded rapid growth since 2005, and now they rank among the top five companies in the sector. In F.Y.R.O.M., the network of 26 fuel stations is operating under the local refining subsidiary brand. In line with the Group's withdrawal from non-strategic investments, the Group exited the Bosnian market, in the beginning of 2013.

c) Petrochemicals

Petrochemical activities focus mainly on further processing of refinery products, such as propylene, polypropylene solvents and inorganics, as well as trading in the regional market. Part of the production takes place at Aspropyrgos, where propylene is produced, while the majority of chemical facilities are located at the Thessaloniki refinery. Basel Technology, considered globally as a leading technology is used for the production of polypropylene.

Based on their contribution to the financial results, propylene and polypropylene supply chain comprise the major part of petrochemicals activities. Petrochemicals activities are particularly export oriented as 55% of sales are directed to the markets of Turkey, Italy and the Iberian peninsula, where they are used as raw materials in manufacturing.

d) Exploration and Production of Hydrocarbons

The Group is also engaged in the section of exploration and production of hydrocarbons in Greece and internationally via the Hydrocarbon Exploration and Production business unit. The main activities of E&P are:

Greece

- 25% participation to a joint venture with Calfrac Well Services Ltd (75%) in the exploration of the Thrace Sea Concession in the Northern Aegean, covering an area of approximately 1,600 sq. km.
- The company participates (33.3%) to an international consortium of oil companies together with Edison International SpA (33.3%) and Petroceltic Resources Plc (33.3%), acting as operator

and submitted bids for the offshore block of Patraikos gulf and the onshore block of Ioannina in the context of the international "open door" auction process launched by the Ministry of Environment Energy and Climate Change in 2012. The consortium was chosen as the preferred bidder for the region of Patraikos (July 2013) and since then it is in negotiations with the corresponding committee of the ministry on the lease contract for the relative E&P rights acquisition.
- The company monitors the developments in exploration and production in Greece. As the operator of an international consortium, it reviews data of the broader sea area of Western Greece considering its participation in future licensing rounds

Egypt

The Group is active in exploration and production in Egypt through two Concession Agreements:

- Concession Agreement in the West Obayed area of the Western Desert, totalling 1.380 sq. km. The contract was signed on June 5, 2007 with the Company as exclusive concessionaire and operator. On October 12, 2011 the local authorities approved the farm-out of 70% of the concession to Vegas Oil and Gas, following agreement by both parties in December 2010. The Company will continue exploration activities in the area through this consortium
- Concession Agreement in the Mesaha area of the Western Desert in Upper Egypt, totalling 43,000 sq. km. The contract was signed on October the 9th, 2007 and the companies participating in the consortium are Petroceltic Resources at 40% (Consortium operator), HELLENIC PETROLEUM at 30% and Kuwait Energy Company Ltd at 15% and Beach Petroleum (Egypt) Ltd at 15%

Montenegro

The Group has been present in Montenegro since 2002, when it acquired 54.35% of the state oil company, JUGOPETROL A.D. KOTOR (JPK). JPK owned the hydrocarbon exploration and production rights in two offshore areas in Prevlaka, Montenegro.

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

- Blocks 1&2 (1.130 sq. km & 3.710 sq. km respectively): Gasmonte Limited 40%, HELLENIC PETROLEUM INTERNATIONAL AG 11% and JPK 49%.

The government of Montenegro announced its intention to proceed with the next rounds of concessions and asked from petroleum companies to express their interest. Hellenic Petroleum participated in the procedure and has been pre-qualified by the government. The submission date for the tenders is due on the 15th of May 2014.

e) Electric Power and Natural Gas

Electric Power

The Group's power activities focus mainly on electricity generation through ELPEDISON POWER and trading both cross-border, as well as in the Greek market through ELPEDISON ENERGY. Both companies are controlled by ELPEDISON BV, which holds 75.8% of the former's and 100% of the latter's share capital. The Group owns 50% of the share capital of ELPEDISON BV, the other 50% being held by Italy's EDISON.

ELPEDISON Power is the second largest independent power producer in Greece, with its combined cycle natural gas technology (CCGT) plants accounting for a total installed capacity of 810 MW, through a 390MW plant in Thessaloniki since 2005 and a 420MW in Thisvi since 2010.

Natural Gas

The Group is active in the natural gas sector through its 35% participation in its associate company DEPA SA, while the remaining 65% is owned by the Greek State. DEPA is active in the supply of natural gas in Greece through pipelines and the facility of Revithoussa LNG terminal as well as in the trading of natural gas to selected end-users (annual consumption >100GWh). Through its wholly-owned subsidiary DESFA, DEPA manages and develops the National System of Transmission for Natural Gas. DEPA also holds a 51% share in local supply companies (EPAs), which distribute Natural Gas to clients with average annual consumption <100GWh through the low pressure gas network. Finally, DEPA also participates in trans-national natural gas transportation projects.

On February the 16th, 2012, Hellenic Petroleum SA and the Hellenic Republic Asset Development Fund ("HRADF") have agreed to launch a joint procedure for the sale of their share in DEPA Group, with a view to sell in total the 100% of the supply, marketing and distribution activities, as well as the 66% participation share in the transport network of high pressure (DESFA SA - 100% subsidiary of DEPA SA).

The sales process has resulted in a binding bid for the purchase of 66% of DESFA, from the company SOCAR (National oil and gas company of Azerbaijan), which amounted to €400m for the 66% of DESFA, while the amount corresponding to 35%, which is part of the Hellenic Petroleum SA amounts to €212m.

On 21 December 2013, the Share Purchase Agreement was signed, and the closing of the transaction is subject to the approval of the competent energy regulators and competition in Greece and the European Union.

B. Financial Year 2013 Major Events

Greek economy and the Eurozone in general remained in recession, albeit more shallow, as GDP contraction declined in 2013. The key points are outlinedbelow.

B.1 Business Environment

a) Global Economy

In 2013 the global economy continued to recover, albeit at a slower pace, with the latest estimates showing that global GDP grew by 3.0% in 2013, against 3.1% in 2012, reflecting the slowdown of economic activity in both developed and emerging economies.

The rate of growth varied significantly across regions, as the GDP of developing countries grew by 4.7%, with China's growth rate reaching 7.7%, while amongst the developed countries, the USA recorded a growth rate of 1.9%.

The Eurozone was in recession for the second consecutive year, although on a smaller scale relative to the previous year (-0.4% against -0.6% in 2012), with 7 countries being in recession in 2013 against 10 countries in 2012. (IMF, World Economic Outlook Update, January 2013).

b) Petroleum Industry

Global crude oil demand in 2013 amounted to 91.2 m bpd, against 90.0 m bpd in 2012, increased by 1.3%. In China, crude oil consumption rose by 3.8% reaching 10.2 m bpd. In the Middle East, consumption rose by 1.9% reaching 7.8m bpd. Demand amongst the European OECD member countries decreased by 0.5% reaching 13.7m bpd, whereas in North America it increased by 0.9% reaching 23.8m bpd.

Global production of crude oil in 2013 increased by 0.7% to 91.6m bpd, against 90.9m bbl in 2012. OPEC reduced its production by 2.0%, due to political developments in certain petroleum producing countries, reaching 36.8m bpd, non OECD member countries remained constant at 29.6m bpd, while OECD member countries raised production by 5.8% reaching 21.0m bpd. It is worth noting that countries in North America significantly increased production by 8.7% to 17.2m bpd, offsetting the reduced quantity supplied by OPEC.

Global crude oil prices remained at high levels in 2013, with an average price of $109bbl (2012: $112bbl). Despite apparent stability, monthly price fluctuations as well as the readjustment of oil trade flows in the global map have been significant. The most important development was the sharp increase in shale oil production in the USA which significantly reduced imports of light crude grades (Nigeria, Algeria), which as a result migrated to Europe and Asia, offsetting the significantly reduced production of Libya. Moreover, fears of a possible military intervention in Syria along with the political turmoil in the Middle East exerted an upward price pressure in the global market.

The demand for light and middle distillates slightly increased in 2013, relatively to 2012. However, 2013 was characterized by the most challenging environment for European refiners in the last years.

In the first quarter, the ongoing Eurozone crisis and low demand led to volatility in crude oil markets and exchanges. Indicative Med FCC refining benchmark margins remained at low levels, as a rebound in gasoline margins, mainly driven by temporary shutdowns of refineries and reductions in fuel supply, was offset by reduced performance in other products.

In the second quarter, the refining environment deteriorated significantly, affecting in particular the Eastern Mediterranean region. The EU and US sanctions on Iranian oil exports and the political developments in the Middle East, combined with the reduced supply of Russian crude oil in Europe, resulted in an increase in the cost of feedstock for refineries in the Mediterranean. In addition, the macroeconomic conditions in Europe, and especially the economic crisis in the South, continued to adversely affect fuel demand.

The international and, especially, the European refining environment deteriorated further in the second half of 2013, as the reduced crude oil exports from Iraq and Libya, due to political developments in these countries led to a further deterioration of crude oil supply issues, caused by the sanctions on Iranian oil exports. In addition, the supply of Russian crude oil in Europe remained at low levels, driving the price to a historical high compared to the reference value of Brent, maintaining the high cost of supply of raw materials in the Mediterranean.

Throughout 2013, high crude prices and high energy costs constituted a major competitive disadvantage for European refineries compared to American and Asian refineries and, in combination with the reduced demand for final products, dragged the refining margins to historical lows. This was further elaborated by the start-up of new refineries in the Middle East and Asia, as well as the significantly increased diesel exports from the USA and Russia to Europe.

More specifically, refining margins in the Mediterranean for cracking (FCC) refineries averaged in 2013 to $2.4 per barrel, significantly lower than in 2012 ($4.7 per barrel), the lowest in the last decade. In the second half, margins reached particularly low values ($1.0 per barrel), turning negative for prolonged periods. This led many refineries to reduce utilisation or even to temporary shutdowns. Hydrocracking refineries followed a similar trend, whose indicative margins were $3.7 per barrel against $5.4 per barrel in 2012.

c) Financial indicators

The Euro/USD exchange rate continued to experience significant volatility in 2013, reaching a high of €1=$1.38 and a low of €1=$1.28. The average exchange rate was €1=$1.33 (2012: €1=$1.29), with a corresponding negative effect on the Group's financial results.

d) Greek Market

The Greek economy remained in recession throughout 2013, with GDP contracting for the sixth consecutive year, albeit at a slower rate relative to the previous three years, whilst 2013 was characterized by an improvement in the overall economic climate and political stability. The GDP contraction reached 3.7% against 6.4% in 2012, while unemployment maintained its upward trend by recording a new historical high: from 7.6% in 2008 and 23.5% in 2012 to 28% in 2013.

Despite the recession, the fiscal policy, that has been applied for the fourth year, made substantial progress in 2013 and achieved for the first time since 2002 a small primary surplus. The deficit in the current account balance turned into a €1.2bn surplus, for the first time in the last decades while the general price level fell for the first time since 1962.

Finally, for the first time in over 45 years, 2013 recorded negative inflation.

The Bank of Greece projects, based on plausible assumptions about the implementation of the adjustment program, that 2014 will be the first year of positive GDP growth, after a six-year recession. In 2014 it is expected that GDP will grow by 0.5%, unemployment will fall by one percentage point and a primary surplus will be recorded again on a general government level and on the current account balance. (Source: Bank of Greece report "Monetary Policy Interim Report"; December 2013).

The recession in Greece had an adverse impact on Group results, as the decrease of economic activity, the increase in excise duties and VAT, austerity measures and the rise in unemployment maintained the highly adverse market conditions. Oil products demand recorded further decline, estimated at 15% compared to the previous year, having recorded a 50% aggregate decline vs pre-crisis levels. The main drivers were the significant reduction in demand for heating oil (-54% compared to 2012), following the 5-fold increase in excise duties and the continued decline in gasoline demand (-8%). On the positive side, demand recovered in the second half of 2013 by 4%.

B.2 Business Review

a) Financial highlights

Tables below present the main financial and operational Group indicators for 2013:

Operational Data	2013	2012
Refinery sales (in million metric tons)	**12.70**	12.80
Marketing sales (in million metric tons)	**4.04**	4.43
Refinery production (in million metric tons)	**11.8**	11.1
Employees in Greece	**2,661**	2,970
Group employees	**3,680**	4,075

Financial Data (in million €)	2013	2012
Net sales	**9,674**	10,469
Reported EBITDA	**29**	298
Adjusted EBITDA[1]	**178**	444
Reported net income (attributable to the owners of the Parent Company)	**(269)**	86
Adjusted net income[1]	**(117)**	232

External factors, such as the crude oil price changes and the weak refinery margins that recorded historical lows, especially for FCC refineries that recorded the lowest margins since the earliest available data, had a negative impact on the financial results. In addition, the drop in demand for heating oil in the first half of the year, after the 5-fold increase of the excise tax in 2012, had a negative effect too, despite a slight recovery in the fourth quarter of 2013

Transformation projects and improving competitiveness (e.g. procurement – BEST 80, refinery competitiveness – DIAS), as well as cost control, contributed to the reduction of Group operating expenses, recording an additional benefit of €45 million in 2013.

[1] *Adjusted for the impact of crude oil prices and other non-operating items (e.g. special taxation)*

Balance Sheet / Cash Flow	2013	2012[2]
Total Assets	**7,177**	7,403
Total Equity	**2,214**	2,496
Capital Employed	**3,905**	4,350
Net Debt	**1,690**	1,855
Net Cash Flows	**403**	26
Capital Investments	**105**	518
% of debt on capital employed - Debt Gearing	**43%**	43%

The working capital management and the significant reduction in capital expenditure after the completion of the refineries' upgrade contributed to the reduction of the Net Debt and the stabilization of the financial gearing ratio despite the deterioration of the financial results.

b) Share performance

The Athens Stock Exchange followed an overall upward trend during 2013, especially after the first 6months, mainly due to the improved macroeconomic environment, recording for the second consecutive year in a row, the best performance among the leading European markets. ASE was higher by 28% and the FTSE/ASE Large Cap recorded a gain of 24%. The share of HELLENIC PETROLEUM maintained its upward momentum, closing on 31.12.2013 at €7.58, increased by 2.43% compared with the last price of 2012. Both the positive developments in the selling process of DESFA shares and the issuance of the €500m Eurobond contributed to the good performance of the share, which recorded a 5-year historical high of €9.60 on 31.10.2013.

The BOD approved a proposal to the AGM for the distribution of no dividend out of 2013 results. The Board did not approve a change in dividend policy overall and will re-evaluate the payment of special dividends or interim dividends for 2014 during 2014.

c) Key Developments

The key business developments during the year were:

- Stabilization of the operation of the upgraded Elefsina refinery with significant impact on the financial results of the Group especially during the second half
- Significant strengthening of the Group's export orientation, with international refining sales amounting to 44% of the total refinery sales
- Successful refinancing of €900m facilities maturing in January 2013 with over €600m of new credit lines, supported by Greek and International banks despite the Greek crisis and the adverse liquidity conditions and issuance of the first in Group's history €500m Eurobond in May 2013

[2] *The comparative amounts have been adjusted, where necessary, after the update of the IAS 19*

- Emphasis on the programs of performance improvement and restructuring of the domestic marketing business with additional cash benefits of €45 m for 2013.

C. Review per Segment – Performance and Financial Position

The key developments and financial indicators for each of the Group main activities are:

a) Refining, Supply and Trading

Financial results and operational indicators:

	2013	2012
Financial Results (€ million)		
Sales	**9,078**	10,154
Adjusted EBITDA	**57**	345
Operational Indicators		
Sales Volume (000s of MT) – Total	**12,696**	12,796
Sales Volume (000s of MT) – Domestic refineries	**12,664**	12,060
FCC refining margin	**$2.4/bbl**	$4.7/bbl
Refinery utilisation (% of nominal capacity)	**63.8%**	66.7%
Safety Index – AIF	**4.5**	3.8

Key points for Refining, Supply and Trading in 2013:

- The high crude prices and high energy costs have constituted a major competitive disadvantage for European refineries against the American and the Asian and, in combination with the reduced demand for final products, led refining margins significantly lower versus last year.
- The European refining environment has further deteriorated in 2013 leading the relevant (versus Brent crude) price of heavy/sour grades at record highs, resulting to the maintenance of high cost supply of the raw material in the Mediterranean.
- The optimization process of Elefsina refinery was completed resulting in an overall increase of the Group's production thus covering more than 90% of sales through own production as well as achieving an increase in Group's exports, reaching 5.5m tonnes, 44% of total sales tones
- In the context of improving the competitiveness, the acceleration of transformation programs aimed at improving the performance of the refining industry and the cost control continued during 2013, while significant synergies between the 3 refineries were realized, with a positive impact on profit margins.

b) Marketing

	2013	2012
Financial Results (€ million)		
Sales	**3,345**	3,868
EBITDA	**63**	44
Adjusted EBITDA	**68**	53
Operational Indicators		
Sales Volume (000s of metric tons) – Total	**4,043**	4,434
Sales Volume (000s of metric tons) – Greece	**2,971**	3,361
Fuel stations – Greece	**1,816**	1,931
Fuel stations – International	**279**	283

Key points for the Domestic Marketing Business in 2013:

- Restructuring of the operational model with the implementation of the program "KORYFI", with significant cost savings, resulting in doubling profitability (adjusted EBITDA) despite the adverse environment.
- Reduction of the domestic fuel demand as well as the number of active fuel stations. Indicatively, approximately 2,400 fuel stations and 4 marketing companies exited the retail market over the last four years.
- Increase of the company controlled fuel stations with a substantial improvement in their profitability, credit management and working capital.
- Reduction in the operating cost of the supply chain, implementation of synergies between the two marketing networks EKO-Hellenic Fuels, new commercial policy of customer portfolio management, maintenance of the market share (about 30%), strict application of the credit policy .
- Maintenance of market share and increase of the profitability as a result of compliance with rational credit policy in Aviation and Marine.

Key points for the International Marketing Business in 2013:

- Reduction in the overall demand in the international markets where the Group operates, due to the adverse economic conditions
- Maintenance of the sales volumes at the same level as in 2012 through increased wholesale sales, compensating for the demand drop in retail.
- Increase of the overall profitability of international marketing thanks to the improved operating performance and cost control.
- Capital expenditure maintained at low levels in all countries.
- Rapid profitability increase in Bulgaria as a result of the increase in profit margin of the retail.
- Limited drop of profitability in Cyprus thanks to cost control, despite the financial system crisis which has affected domestic demand (-7% compared with 2012).

- Increased competition in Montenegro, resulting to reduced retail profit margins. Market share was maintained.
- Gradual improvement of the results in Serbia.

c) Petrochemicals

Financial Data and basic operational indicators:

	2013	2012
Financial Results (€ million)		
Sales	**327**	371
Adjusted EBITDA	**57**	47
Operational Indicators		
Sales Volume (000s of metric tons) – Total	**295**	348
Polypropylene margin ($/ton)	**409**	413

Key points for 2013:

- Improved demand conditions and pricing environment on the global petrochemicals market for most of the year.
- Increased propylene production from the Aspropyrgos refinery, leading to maintaining a high level of vertical integration in the propane-propylene-polypropylene value chain with positive impact on the profitability
- Maintenance of the export orientation with more than 50% of sales directed to selected Mediterranean markets.
- Development of new products and markets in BOPP, combined with the cost control and improved commercial performance in the petrochemicals sector, led profitability to historic highs.

d) Exploration and Production of Hydrocarbons

In 2013, activities focused on Egypt via participations in international consortia for the concessions of West Obayed in Western Desert and Mesaha in Upper Egypt. The group also participated in the international open door tender for concessions launched by the Greek State for the exploration of hydrocarbons in certain areas in Western Greece.

In West Obayed, the joint venture (70% Vegas, 30% H.P.) carried out two exploration drillings in 2012 and in 2013 preceded with the exploration studies by assessing the seismic data, geological studies and re-evaluation of the exploration data in order to set the geological objectives that will determine the locations of subsequent drillings.

In Mesaha, exploration activities continued with the evaluation of the conducted geological surveys (namely magnetic, gravitational and seismic) while it was decided the implementation of the first drilling, Mesaha 1x, commenced in November 2012 and finished in February 2013 with final depth of 2130m. The results of the drilling are evaluated by the joint venture in order to proceed with the right subsequent business decisions.

The Greek State issued in 2012 an international tender for the acquisition of exploration and production rights of hydrocarbons for three blocks in Western Greece (Ioannina, West Patraikos Gulf and Katakolo). Hellenic Petroleum S.A. formed a joint venture with Edison International SpA and Petroceltic Resources Plc to evaluate a tender submission. Each company holds a 33.3% interest in the venture with H.P. acting as operator. The joint venture submitted bids for the Western Patraikos Gulf area as well as for the Ioannina region and in July 2013 the consortium was selected as the preferred bidder by the Ministry of Environment Energy and Climate Change for the former one. Since then, the consortium is in negotiations with the corresponding committee of the ministry on the lease contract for the relative E&P rights acquisition. The completion of the negotiation phase and the sign of the contract are expected to take place in the beginning of 2014, in order to commence the first studies.

e) Electric Power and Natural Gas operations

Activities in the sectors of electric power and natural gas are carried out through the Group's investments in ELPEDISON BV (ELPE S.A. 50%, Edison 50%) and DEPA SA (ELPE S.A. 35% Greek State 65%) respectively. The contribution of the Group in the results of the two abovementioned companies, according to their preliminary financial statements amounted in total to €57 million in 2013, increased by 50% compared to 2012.

The results of ELPEDISON BV were maintained in the same levels as in 2012, thanks to the recovery of the electricity demand at the end of the year.

The results of DEPA SA were improved, as 2012 results were negatively affected by the settlement of the dispute with PPC.

D. Corporate Governance Statement

General

Corporate Governance refers to a set of principles on the basis of which the proper organization, operation, management and control of a company is evaluated with the aim of maximizing value and safeguarding the legitimate interests of all those related with it.

In Greece, the Corporate Governance framework has been developed mainly through the adaptation of obligatory rules, such as Law 3016/2002. This law imposes the participation of non-executive and independent non-executive members on the Boards of Directors of Greek listed companies, the establishment and operation of internal audit units and the adoption of Internal Procedures Manual. Moreover, a significant number of other legislative acts incorporated in the Greek legal framework the EU directives concerning corporate law, thus creating a new set of rules regarding corporate governance, such as Law 3693/2008, requiring the creation of audit committees and incorporating significant disclosure obligations , concerning the ownership as well as the governance of a company, Law 3884/2010, dealing with the rights of shareholders and additional corporate disclosure obligations within the framework of preparation of the General Meeting of shareholders and Law 3873/2010, incorporating in the Greek legal framework the Directive 2006/46/EC of the European Union, concerning the annual and consolidated accounts of companies of a certain legal form. Finally, in Greece, as well as in most countries, the Company

Law (codified law 2190/1920, which is modified by numerous guidelines derived from many of the aforementioned EU Directives) includes the basic legal framework of company governance.

D.1 Corporate Governance Code

The Company has voluntarily decided to adopt the **Corporate Governance Code for listed companies of the Hellenic Federation of Enterprises** (or "Code"). The Code can be located on the website of the Hellenic Federation of Enterprises (or "SEV"), at the following address:

http://www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2011.pdf

Apart from SEV's website, the Code is also available to all the employees through the intranet as well as in hard copy through the Group's departments of Finance and Human Resources.

D.2 Deviations from the Corporate Governance Code

The Company, on occasion, deviates or does not apply in its entirety certain provisions of the Code (noted in *italics*).

- With regard to the size and composition of the Board of Directors (or "BoD"):
  - Certain rules of appointing and replacing members of the BoD exist, which are explicitly mentioned in the Company's Articles of Association in accordance with Law N.3429/2005. The shareholder "Greek State" appoints seven members out of a total of thirteen, as long as it holds at least 35% of the shares. The shareholder "Paneuropean Oil and Industrial Holdings SA" and its related companies appoint two members of the BoD, under the precondition that they hold at least 16,654% of the total voting shares of the Company. It is obligatory to have two members of the BoD that are representatives of the employees, elected by them, and two more that are representatives of the minority shareholders, elected by the Special General Meeting of minority shareholders (excluding the Greek State and Paneuropean Oil and Industrial Holdings SA and/or companies related to the latter) *A.II (2.4)*
- With regard to the role and attributes of the Chairman of the BoD:
  - The CEO and the Chairman of the BoD are both executive members. There is no provision in the Company's Articles of Association for the existence of a Vice-Chairman, as the BoD includes two more executive members. *A.III (3.1 & 3.3)*
- With regard to BoD member election:
  - All rules noted above on appointing and replacing board members apply. The BoD term is set at five years, extended until the end of the period, within which the Annual General Meeting of shareholders must be held. A.*V (5.1, 5.2, 5.4, 5.5, 5.6, 5.7, 5.8)*
- With regard to the functioning and evaluation of the BoD:
  - Apart from the evaluation of the BoD through the report submitted to the Annual General Meeting of shareholders, the BoD monitors and re-examines the implementation of its decisions annually. In addition to the above, the introduction of an evaluation system for the BoD and its committees is currently being examined. *A.VII (7.1 & 7.2)*

- With regard to the System of Internal Controls:

  - The Internal Audit Department reports to the Chairman of the BoD and to the Audit Committee of the Company which has been set by the General Meeting of company's shareholders. The law 3693/2008 and international best practices provide for the main duties of the Audit Committee . The BoD has approved the Rules of Procedure of the Audit Committee with its 1204/29.08.2013 decision. *B.I (1.7)*
  - According to the relevant provisions of law 3016/2002, as long as the minority shareholders are represented in the Company's BoD, the existence of independent members is not mandatory. According to the applied Rules of Procedures of the Audit Committee, in the composition of the Audit Committee of the BoD calls for the participation of one independent non-executive member of BoD. *B.I (1.4)*

- With regard to the level and structure of compensation:

  - The compensation of the Chairman of the BoD, the CEO, and all members of the BoD, for their participation in the meetings of the BoD and its committees, are approved by the General Meeting of Shareholders, following a relevant proposal by the Remuneration and Succession Planning Committee of the BoD. *C.I (1.4).*
  - The activities of the Remuneration and Succession Planning Committee are not governed by a specific charter, but rather by the operational rules of collective bodies (invitation of Chairman, Daily Agenda, Minutes, etc.). *C.I (1.6, 1.7, 1.8, 1.9)*

- With Regard to the General Meeting of shareholders:

  - Commencing with the convergence and conduct of the 2011 Annual General Meeting of shareholders, the Company will comply with all provisions of law 3884/2010 and thus to relevant provisions of the Code, with the reservation of the points regarding the election of BoD members, mentioned above. *D.II (1.1)*
  - With regard to the special practice of electronic voting or the voting via mail, its application is temporarily suspended, due to pending issuance of relevant ministerial decisions, as stipulated in Law 3884/2010. *D.II (1.2)*

D.3 Corporate Governance Practices Exceeding Legal Requirements

The Company, within the framework of implementing a satisfactory and well-structured system of corporate governance, has applied specific practices of good corporate governance, some of which exceed relevant legal requirements (Codified Law 2190/1920, law 3016/2002 and law 3693/2008).

Specifically, the Company has adopted the following additional corporate governance practices, all of which are related to the size, composition, responsibilities and overall operation of the BoD:

- Due to the nature and purpose of the Company, the complexity of matters and the necessary legal support of the Group, which includes a number of operations and subsidiaries in Greece and abroad, the BoD – numbering thirteen members, which is ten more than the minimum required by law – has established committees that comprise of its members, with advisory, supervisory and authorizing responsibilities, aiming to aid the BoD in its work. These committees are briefly stated below (they are analysed in detail at the end of this Statement, under the paragraph "Other Committees").

I. Crude oil and Petroleum products Supply Committee
II. Finance & Financial Planning Committee
III. Labour Issues Committee
IV. Remuneration and succession planning Committee

- In addition to the above committees of the BoD, executive and non-executive committees have been established in the Company, mainly with an advisory role. They comprise of senior executives of the Company and their goal is to support the work of Management. The most important such committees are:

I. Group Executive Committee
II. Strategic Planning and Development Committee
III. Group Credit Committee
IV. Investment Evaluation Committee
V. Human Resources Committee
VI. Executive Technical Committee
VII. Executive Commercial Committee

- The BoD has included specific provisions in the Company's Internal Procedures Manual, banning transactions of shares for the Chairman of the BoD, the CEO and for other members of the BoD, as long as they serve as either Chairman of the BoD or CEO of a related company. The BoD has also implemented a Procedure of Monitoring and Disclosure of Significant Participations and Transactions on the Company's shares, as well as a procedure of Disclosing and Monitoring Transactions and Financial Activity with the Company's major clients and suppliers.

D.4 Main Features of the System of Internal Controls and Risk Management in relation to the Financial Reporting Process

The System of Internal Controls and Risk Management of the Company in relation to the financial reporting process include controls and audit mechanisms at different levels within the Organization, that are described below:

a) Group Level Controls

Risk identification, assessment, measurement and management

The range, the size and the complexity of the activities of the Group requires a comprehensive system of methodical approach and risk management, which is applied by all the Group's companies.

The prevention and management of the risks is a core part of the Group's strategy.

The identification and assessment of risks takes place mainly during the strategic planning and the annual preparation of the business plan. The benefits and opportunities are examined not only within the context of the company's activities, but also in relation to the several and different stakeholders who may be affected.

The issues examined vary subject to market and industry conditions and include indicatively, political developments in the markets where the Group operates or procures significant quantities of crude oil, changes in technology, changes in the regulation, macro-economic indicators and the competitive environment.

Planning and Monitoring / Budget

Group performance is monitored through a detailed budget by operating sector and market. The budget shall be adjusted systematically to take into account the development of the Group's financials that depend greatly on external factors, such as the international refining environment, crude oil prices and the euro/dollar exchange rate. Management monitors the development of the Group's financial results through regularly issued reports, budget comparisons with the actual results, as well as through Management Team meetings.

Adequacy of the Internal Controls System

The Internal Control System consists of the policies, procedures and tasks which have been designed and implemented by the Management Team and the human resources of the Group for the purpose of the effective management of risks, the achievement of business objectives, the reliability of financial and administrative information and compliance with the laws and regulations.

The Independent Internal Audit Department, by means of periodic assessments, ensures that the identification procedures and risk management applied by the Management are sufficient, that the Internal Control System operates effectively and that information provided to the BoD relative to the Internal Control System, is reliable and of good quality.

The Internal Audit Department shall draw up short-term (annual) and long-term (three-year) Audit Plan based on ad-hoc risk assessment, as well as on other issues identified by the Audit Committee and the Management Team. The Audit Committee is the supervisory body of the Internal Audit Department. The overall Audit Plan is approved by the Audit Committee.

The Internal Audit Department submits quarterly reports to the Audit Committee, so that the monitoring of the adequacy of the Internal Control System is systematic.

The reports of the Management Team and the Internal Audit Department provide the assessment of significant risks and the effectiveness of the Internal Control System relative to their management. Through these reports the identified weaknesses together with their possible impact, as well as with the actions of the Management team to resolve them are being communicated. The results of the controls and the monitoring of the implementation of the agreed improvement actions are being implemented in the Risk Management System of the company.

To ensure the independence of the audit of the Group's annual financial statements , the BoD has a specific policy to form recommendations to the General Meeting of shareholders for the election of the External Auditor. Indicatively, this policy calls for the selection of the same auditing company for the whole Group, as well as the audit of the consolidated financial statements and local statutory financial statements. The selection of the independent External Auditor is made among leading internationally acclaimed firms.

Roles and Responsibilities of the BoD

The role and responsibilities of the BoD are described in the Internal Procedures Manual of the Company, which is approved by the BoD.

Fraud prevention and detection

In the context of risk management, the areas that are considered to be of high risk for financial fraud are monitored through appropriate internal controls and enhanced security measures. Examples include the existence of detailed organizational charts, process manuals on several areas (procurement, purchasing of petroleum products, credit, treasury management), as well as detailed procedures and approval authority levels. In addition to the internal controls applied by each department, all Company activities are subject to audits from the Internal Audit Department, the results of which are presented to the BoD.

Internal Procedures Manual

The Company has drafted an Internal Procedures Manual, which is approved by the BOD of the company. The Internal Procedures Manual includes definitions of the roles and responsibilities of each position emphasising the segregation of duties within the Company.

Group's Code of Conduct

The company in the context of the fundamental obligation of good corporate governance, it has drafted and adopted since 2011 the Code of Conduct, approved by the BoD of the company. The Code of Conduct summarizes the principles according to which any person, employee or third party involved in the operation of the Group, as well as collective body, should act within the framework of their duties. For this reason, the Code constitutes a practical guide of the day-to-day tasks of all employees of the Group, but also of third parties who cooperate with it.

b) Information Technology General Controls

The Group's IT Department is responsible for developing the IT strategy and for staff training to cover any arising needs. and the IT department is also responsible for the support of IT systems and applications through the drafting and updating of operation manuals, in cooperation with external consultant where this is necessary.

The Company has developed a sufficient framework to monitor and control its IT systems, which is defined by a set of internal controls, policies and procedures. Among these are documented job descriptions, roles and responsibilities of the Group IT Department as well as the development of an IT Strategic Plan. In addition, a specific procedure has been designed to ensure safe operation should problems arise to the Group's systems through the existence of alternative systems in case of disaster (Disaster Recovery Sites). Also, the approved Business Continuity Plan is under development. Finally, access rights have been set in several information systems for all employees, according to their position and role, while an entry log for all the Group's IT systems is also kept.

c) Internal Controls over Financial Reporting

As part of the process for the preparation of financial statements, specific controls are in place, utilising tools and methodologies in line with the best international practices. Some of the main areas of such controls, relevant to the preparation of the financial statements, are the following:

Organisation – Segregation of Duties

- The assignment of duties and authorities to senior Management of the Company, as well as middle and lower management levels, ensures the effectiveness of the Internal Control System and safeguards appropriate segregation of duties.
- Adequate staffing of financial services with individuals who possess the necessary technical skills and experience to carry out their duties.

Accounting monitoring and preparation of financial statements

- Existence of common policies and monitoring procedures of accounting departments of the Group's subsidiaries which include, amongst others, definitions, accounting principles adopted by the Company and its subsidiaries, guidelines for the preparation of financial statements and consolidation.
- Automatic checks and validations between different transactional and reporting systems. In cases of non-recurring transactions special approval is required.

Safeguarding of assets

- Existence of internal controls regarding fixed assets, inventories, cash and cash equivalents and other assets of the company, such as physical security of cash or warehouses, inventory counts and reconciliations of physically counted quantities with the recorded ones.
- Schedule of monthly inventory counts to confirm inventory levels of physical and accounting warehouses. Use of a detailed manual to conduct inventory counts.

Chart of Authorities

- Existence of a chart of authorities, which depicts assigned authorities to various Company executives, in order to complete certain transactions or actions (e.g. payments, receipts, contracts, etc.).

D.5 Information Required by Article 10, Paragraph 1 of the EU Directive 2004/25/EC on Public Takeover Bids

The required information is included in part J of this Report.

D.6 General Meeting of Shareholders and Shareholders' Rights

The roles, responsibilities, participation, the ordinary or extraordinary quorum of participants, the Presidency, Daily Agenda and the conduct of procedures of the General Meeting of the Company's Shareholders are described in its Articles of Association, as updated based on the provisions of Codified Law 2190/1920 (following integration of Law 3884/2010 on minority voting rights).

Shareholders are required to prove their shareholder status and the number of shares they possess at the exercise of their rights as shareholders. Usual forms of proof are custodian or Central Depository certificates or electronic communication though specialised secured electronic platforms.

D.7 Composition & Operation of the Board of Directors, Supervisory Bodies and Committees of the Company

Board of Directors (BoD)

General

The Company is managed by a BoD, comprising of 13 members, with a term of five years, which expires on 14.5.2013 and is extended until the end of the period provided for convening the next Ordinary General Assembly. In detail:

- Christos-Alexis Komninos, Chairman, Representative of the Greek State (until 23/2/2014)
- Ioannis Papathanasiou, Chairman, Representative of the Greek State (from 27/2/2014)
- Ioannis Costopoulos, CEO, Representative of the Greek State
- Theodoros-Achilleas Vardas, Representative of Paneuropean Oil and Industrial Holdings

- Andreas Shiamishis, Representative of Paneuropean Oil and Industrial Holdings
- Vasilios Nikoletopoulos, Representative of the Greek State
- Christos Razelos, Representative of the Greek State
- Ioannis Raptis, Representative of the Greek State
- Aggelos Chatzidimitriou, Representative of the Greek State
- Ioannis Sergopoulos, Representative of the Greek State
- Konstantinos Papagiannopoulos, Employees' representative
- Panagiotis Ofthalmidis, Employees' representative
- Theodoros Pantalakis, independent member – Elected by minority shareholders
- Spyridon Pantelias, independent member – Elected by minority shareholders

Messrs John Costopoulos, Theodoros-Achilleas Vardas and Andreas Shiamishis are executive members of the board.

The size and composition of the BoD is described in detail in section D.2 of this report.

The BoD convened fourteen (14) times in 2013 and all members were present either in person or by proxy.

<u>Roles and Responsibilities of the BoD</u>

The BoD is the supreme executive body of the Company and principally formulates its strategy, its development policy and supervises and controls the management of its assets. The composition and characteristics of the members of the BoD are determined by Law and the Company's Articles of Association. First and foremost among the duties of BoD is to constantly pursue the strengthening of the Company's long-term economic value and to protect its interests.

To achieve corporate goals and uninterrupted operation of the Company, the BoD may grant some of its authorities, except the ones that demand collective action, as well as the administration or management of the affairs or representation of the Company to the Chairman of the BoD, the CEO or to one or more BoD members (executive and non-executive), to the Heads of Company Departments or to employees. BoD members and any third party that has been granted authorities from the BoD is not permitted to pursue personal interests that conflict the interests of the Company. BoD members and any third party that has been granted authorities from the BoD must disclose in a timely manner to the rest of the BoD any personal interests that might arise as a result of transactions with the Company that fall under their duties as well as any other conflict of interest with the Company or with entities affiliated to it in accordance with Codified Law 2190/1920 art. 42. (e), par. 5.

- Indicatively, the BoD approves, after proposal of the CEO:

I. The Business Plan of the Company and the Group,
II. The Annual Business Plan and Budget of the Company and the Group,
III. Any necessary change to the above,
IV. The annual report of transactions between the Company and its related parties, according to Codified Law 2190/1920 art. 42. (e), par. 5,
V. The annual report of the Company and the Group,
VI. The establishment of / participation in companies or joint ventures, company acquisitions, installation or termination of facilities – in all cases of such transactions with minimum value of €1 million,
VII. The agreements of participation in consortia for the exploration and production of hydrocarbons,

VIII. The final termination of plant operations,
IX. The regulations that govern the operation of the Company and any amendments to them,
X. The basic organizational structure of the Company and any amendments to it,
XI. The appointment / dismissal of General Managers and of the Head of Group's Internal Audit Department,
XII. The Collective Labour Agreement,
XIII. The Internal Procedures Manual,
XIV. The determination of the Company's remuneration policy of the Management Team,
XV. The hiring processes for executives and the assessment of their performance,
XVI. Any other matter stipulated by the existing Company regulations.

Executive and non-executive members of the BoD

The BoD determines the responsibilities and status of its members as executive or non-executive. At any time, the number of non-executive members of the BoD cannot be less than one-third of the total number of its members.

Chairman of the BoD

The Chairman of the BoD represents the Company before the Courts and any other Authority; presides over and administers the meetings of the BoD, and performs all acts that fall under his responsibilities according to the existing regulatory framework, Company's Articles of Association and Internal Procedures Manual.

Chief Executive Officer

The Chief Executive Officer (CEO) is the most senior member of the Company's executive management. The CEO presides over all functions of the Company and manages its operations. In the context of the Business Plan, the Regulations and Decisions of the BoD that govern the operation of the Company, the CEO makes all necessary decisions and submits proposals and recommendations necessary to accomplish the aim of the Company to the BoD.

A short version of of the BoD members' CVs are included in the Appendix.

Audit Committee (law 3693/2008)

The Company has established an Audit Committee, appointed by the General Meeting of shareholders and made up of three members (Spyridon Pantelias, Chairman; Ioannis Sergopoulos, member and Vasilios Nikoletopoulos, member) which is the evolution of the pre-existing Committee of Finance and Financial Planning. It convened sixteen (16) times in 2013 and all members were present at all meetings.

The Audit Committee has the following responsibilities:

- To oversee the process of financial monitoring and the reliability of financial statements of the Company and to examine the fundamental parts of the financial statements which include vital judgments and assumptions of the Management.
- To monitor the effectiveness of the Company's Systems of Internal Controls and Risk Management.
- To ensure the proper functioning of the Company's Internal Audit Department.
- To oversee the process of the external audit of the Company's financial statements.
- To monitor issues concerning the existence and maintenance of the external auditors' independence, especially as far as the provision of additional non-audit services are concerned.

Please note that a reassessment of responsibilities of the Finance and Financial Planning Committee is scheduled to take place, in order to ensure that there are not any overlaps.

Remuneration and Succession Planning Committee

The Company has established a Compensation and Succession Planning Committee that comprises of one executive and two (2) non-executive members of the BoD (Theodoros Pantalakis, Chairman; Theodoros Vardas, member; Ioannis Sergopoulos, member). It convened four times in 2013 and all members were present at all meetings.

The Compensation and Succession Planning Committee has the following responsibilities:

- To propose the principles of the Company's remuneration and benefits policy for executives – relevant decisions by the CEO are based on these principles,
- To propose the remuneration and benefits policy for senior executives – relevant decisions of the CEO follow this policy,
- To propose to the CEO the overall compensation (fixed and variable – including stock options) for the executive members of the BoD and senior executives of the Company,
- To propose to the General Meeting of Shareholders, through the BoD, the total compensation of the Chairman of the BoD and the CEO,
- To plan for adequate and suitable succession of General Managers and executives, when needed, and submit relevant proposals to the BoD.

Other BoD Committees

Certain additional committees support the BoD's work and tasks in the previously described framework of strengthening corporate governance structures. Specifically, existing additional committees are:

- The Oil Products Procurement Committee, consisting of three executive of the BoD (Christos-Alexis Komninos, Ioannis Costopoulos, Andreas Shiamishis). The Committee did not convene in 2013. It was formed under BoD decision number 1059/2b/3.9.2004. The role of the Committee is to award tenders and approve oil products supplies, through a unanimous decision of its members, for the purchase, sale or transfer of crude oil and oil products (of over €100 million).

- The Finance and Financial Planning Committee, consisting of one (1) executive and two (2) non-executive members of the BoD (Theodoros Pantalakis, Chairman; Spyridon Pantelias, member; Andreas Shiamishis, member). The Committee convened seven (7) times in 2013 and all members were present at all meetings. It was formed under BoD decision number 1059/2c/3.9.2004. The role of the Committee is to review together with the Group CFO and external auditors the annual audit plans, to consider issues which relate to the appointment or dismissal of external auditors, to be informed by the CEO, the CFO and by the external auditors of significant risks or exposures and to judge the measures that have been taken or are to be taken in order to minimize the risk to the Company, to examine along with the CEO and external auditors the published annual and quarterly company and consolidated financial statements when this is deemed necessary prior to their submission to the BoD and find any changes in the accounting policies, areas where significant judgment is exercised, significant restatements as a result of the audit, the adherence to accounting principles and practices, the adherence to laws and regulations of the stock exchange and finally to examine the finance planning for the Group.

- The Labour Issues Committee, which comprises of two (2) non-executive members of the BoD, plus the president of the most representative labour union or his deputy. The Committee did not convene in 2013. It was formed in accordance with the Company's Internal Procedures Manual and is responsible to act as an appeal body on disciplinary penalties imposed by the relative Company disciplinary body.

- The Investment Committee and the Major Projects Procurement Committee were abolished by the BoD decision 1202/7.25.2013 given that the upgrade projects of Elefsina (ER) and Thessaloniki (TR) refineries have been completed.

E. Strategic Goals and Prospects

The Group's strategy revolving around sustainable growth is based on the following pillars:

- Safe and environmentally friendly operations of its plants and products specifications,
- corporate social responsibility
- Co-operation with local communities,
- Increasing value for its shareholders.

With respect to the above-mentioned priorities, each Group activity sets its main targets for 2014.

Refinery, Supply and Trading

In 2013 substantial economic benefits derived from the stabilization of the operation of the new modern refinery of Elefsina, as well as by the implementation of synergies between the two units of South Refinery Complex which partly offset the effect of an unfavourable international refinery environment:

For 2014, the strategy of ELPE for competitiveness, export orientation and excellence is aimed at strengthening the competitiveness of the refining sector, in particular through:

- Realising the full benefit of our asset base, strengthening of its competitive position in South Eastern Europe
- Optimising operational performance (DIAS, BEST80) through realising synergies between the refineries of the Group and improving the efficiency of conversion units and the energy performance of our refineries
- Providing high-quality services to customers
- Further enhancing of export orientation

Domestic Marketing

Under the current challenging conditions in Greece, maintenance of the market share in the marketing business as well as improvement of the operational profitability and liquidity are the key priorities. The competitiveness improvement will be realised through the optimization of operations and a further increase of the value offered to the consumers, with innovative products and high-quality services at competitive prices.

International Marketing Activities

Maintaining the growth momentum in Southeast European markets is a key priority due to the crisis in the Greek market as well as increased production following the completion of Elefsina refinery upgrade project. The main markets in which HELLENIC PETROLEUM operates are Cyprus, Montenegro, Serbia, Bulgaria and F.Y.R.O.M. The strategic priorities of the Group are the maintenance of its leading position in both Cyprus and Montenegro, the improvement of the profitability in FYROM as well as the continuous expansion in the markets of Bulgaria and Serbia through targeted network growth, supply chain optimization and development of the appropriate storage and transportation facilities.

Group Restructuring and Transformation

In recent years, the results of a series of transformation initiatives underline the importance of the Group's efforts to adapt its organizational structure and operation, rendering Hellenic Petroleum a modern and competitive Group at a regional level. In 2013 the target for cash benefits from the initiatives to enhance competitiveness increased substantially by approximately EUR 150 million. In particular:

- Refining excellence project (DIAS), currently in progress, with the full commitment of all staff aiming at improving the efficiency and competitiveness, as well as achieving synergies among the three refineries of the Group. The contribution of the project for 2013 amounted to EUR 18 million
- The BEST 80 procurement cost control initiative highlights the persistent effort of the Group for cost reduction opportunities. The contribution for 2013 amounted to EUR 9 million
- Reorganization of the domestic marketing operational model, with significant changes to the network, supply and distribution, with direct benefits of approximately EUR 7 million per year from the program "KORYFI" and significant increase of the profitability.

F. Main Risks and Uncertainties for the Next Financial year

The major financial risks for the next financial year are discussed below in relation to particular matters. The developments of the Greek economy as well as the developments in the European refining industry are the main sources of potential risks. It is not possible to predict all different scenarios and the ways of responding in each, however, the Group is closely monitoring developments, adapting its operation and planning accordingly.

F.1 Financial Risk Management

Financial Risk Factors

The activities of the group are concentrated in oil refining with petrochemicals, marketing of petroleum products, E&P of hydrocarbons as well as electricity production and marketing being also important Group's activities. Therefore, the group is exposed to various financial risks such as fluctuations in the oil prices in international markets, exchange rate volatility, cash flow risks and risks of fair value fluctuations due to interest rates variations. To keep pace with international practices and in the context of the local market and legal framework, the overall risk management programme focuses on reducing the Group's potential exposure to market volatility and mitigating any negative impact on the Group's financial position, to the extent possible.

Product price risk management is conducted by the commercial risk management service, which is comprised of senior executives of the trading and financial departments, while financial risks are managed by the financial services of the Group, within the authorisations framework approved by the BoD.

a) Market Risk

(i) Exchange Rate Risk

Refining industry, being a US dollar business, the Group's activities are mainly exposed to the volatility of the US Dollar against the Euro. The strengthening of the US Dollar against the Euro has a positive effect on the Group's financial results while in the opposite event, both the financial results and assets (inventory, investments) would be valued at lower levels.

(ii) Product Price Fluctuation Risk

The core activity of the Group, refining, supply & trading, creates two types of exposure: to changes in absolute prices of crude oil and oil products, which affect the inventory value; and to changes in refining margins, which affect future cash flows.

As far as the risk of absolute product price fluctuations is concerned, the level of the exposure refers to the decrease in product prices and is determined by the closing inventory, as the Group's policy is to present the closing stock at the lower between acquisition cost and net realizable value.

Exposure to risk associated with fluctuations in refining margins depends on the value of each refinery's margin. Refining margins are calculated using Platts prices of crude oil and petroleum products, which are determined on a daily basis and are affected by the development of supply and demand of crude oil and petroleum products. The fluctuations of refining margins impact the Group's profit margins accordingly.

The Group aims to hedge part of its exposure associated with price fluctuations of crude oil, products and refinery margins to a percentage varying from 10% to 50%, depending on the prevailing market conditions.

(iii) Cash Flow Risk and Risk of Fair Value Change due to Change in Interest Rates

The cash flow risk from changes in interest rates relates to the level of Group's borrowing with floating interest rates. Furthermore, due to the long-term investments in the sectors where the Group operates, significant increases in interest rates are likely to cause changes in fair values of such investments through the increase of the discount rate.

(b) Credit Risk

The credit risk management is co-ordinated centrally at Group level. Credit risk derives from cash and cash equivalents, bank deposits, derivative financial instruments, as well as exposure to credit appraisals from wholesale customers, including uncollected receivables and restricted transactions. Credit checks are performed for all customers by the Credit Control Department, in collaboration where necessary with external credit rating agencies.

(c) Liquidity Risk

Liquidity risk is managed by ensuring that efficient cash resources and adequate credit limits with banks are maintained. Due to the dynamic nature of its activities, the Group seeks to maintain flexibility in funding through credit lines.

F.2 Management of Capital Risk

The Group's objective in managing capital is to ensure the smooth operation of its activities and to maintain an optimum allocation of capital, in order to reduce the cost of capital and increase its overall value.

In order for the Group to maintain or adjust its capital structure, it can alter the dividend paid to shareholders, return capital to shareholders, issue new shares or dispose of assets to reduce its debt.

In line with the industry practice, the Group monitors its capital structure through the gearing ratio. This ratio is calculated by dividing the net debt by total capital employed.

The long-term objective is to maintain the gearing ratio between 30% and 40%, as significant fluctuations of crude oil prices may lead to fluctuations in total debt. The relatively high gearing ratio in recent years (40% to 45%) is primarily due to increased borrowing for the financing of the refineries' upgrading projects and also the increase in international crude oil and oil products prices which result in increased working capital needs.

G. Related Party Transactions

The companies that make up the Group have transacted during 2013 with the Parent Company, HELLENIC PETROLEUM SA and also between them both domestically and internationally. Related companies are considered those that fall under Article 42e, Paragraph 5 of Codified Law 2190/1920.

Commercial transactions of the Group and the Company with related parties during 2013 have taken place at an arm's length basis. Terms of trade were in line with applicable corporate regulations (supplies, assets under construction, etc.), as approved by the BoD. The Group did not participate in any transaction of an unusual nature or content and does not intend to participate in such transactions in the future.

The tables below present intercompany sales and other intercompany transactions between the Company and its related parties during the financial year 2012, as well as intercompany balances of receivables and payable as at 31.12.2013.

	Transactions			Balances	
	Sales of goods	Sales of services	Purchases of goods and services	Receivables	Payables
Subsidiaries					
VARDAX S.A.	-	157	-	33	-
OKTA S.A.	356,091	2	1	21,354	1
EKO BULGARIA	163,353	7	-	14,266	-
EKO SERBIA	2,668	-	-	18	-
EKO S.A.	1,540,399	4,172	6,214	37,880	5,061
ELPET BALKANIKI S.A.	-	-	-	24	-
HELLENIC FUELS S.A.	557,613	1,659	3,074	69,901	1,467
EKO ATHINA MARITIME CO.	-	75	875	11	1,125
EKO ARTEMIS MARITIME CO.	-	81	775	8	784
EKO DIMITRA MARITIME CO.	-	64	650	9	930
EKO IRA	-	3	-	2	-
EKO AFRODITI	-	3	-	1	-
EKO KALYPSO	-	-	7	-	78
HELPE INTERNATIONAL	-	-	-	327,000	-
HELPE CYPRUS LTD	261,012	-	-	10,150	-
JUGOPETROL AD KOTOR	148,626	-	-	240	18,389
GLOBAL S.A.	-	-	-	7,583	-
POSEIDON MARITIME CO.	-	95	12,334	24	14,080
APOLLON MARITIME CO.	-	146	9,832	3	10,232
ASPROFOS S.A.	-	-	4,238	1,130	-
DIAXON S.A.	-	-	15,191	45	26,401
HELPE RENEWABLE E.S. S.A.	-	-	-	5,761	-
HELPE-LARCO SERVION	-	-	-	2	-
HELPE-LARCO KOKKINOU	-	-	-	1	-
HELPE INT. CONSULTING S.A.	-	-	419	- 0	497
HELPE-ENERGIAKI METHONIS PYLOU	-	-	3	-	4
	3,029,762	**6,465**	**53,614**	**495,443**	**79,048**
Associates & other related parties					
PPC S.A.	147,871		55,538	14,884	10,783
ARMED FORCE	171,373		-	29,869	-
OTSM	524,621		545,267	38,059	17,792
DMEP	80		-	-	-
DEPA S.A.	1,493		10,085	640	2,138
ARTENIUS HELLAS S.A.	-		(63)	-	-
EAKAA	113		1,084	17	142
SUPERLUBE	517		1,037	89	275
ELPEDISON B.V.	265		1,717	21	369
HELPE THRAKI S.A.	6		-	- 0	-
OSY SA	36,961		-	3,825	-
OTHER	1		1,082	5	678
	883,300		**615,746**	**87,409**	**32,177**

H. Information about Financial Instruments

The nature of the Group's activities expose the Group to significant risks, which stem mainly from the volatile and unpredictable international refining environment, as well as from the growing volatility of international financial markets.

In the context of risk management, as described in detail in the published financial statements, the Group enters into hedging transactions using financial derivatives wherever possible, aiming to protect its interests. These transactions are split into two main categories.

Short-term Transactions

The first category involves short-term risk management and hedging transactions that affect short term profitability mainly of the next 6 to 12 months. The results of these transactions are evaluated on a quarterly basis and included in quarterly income or expenses.

Long-term Transactions

The second category involves longer-term transactions that provide cover for strategic issues, such as investments, and which are disclosed in the Group's financial statements in line with the provisions of IAS 32 and 39 on Hedge Accounting. Such transactions are included in the financial statements for the financial year 2013 and they hedge part of the production of the upgraded refinery at Elefsina, which is the Group's biggest investment in recent years. In particular, financial derivatives mitigate the risk of lower price differences between the products that will be replaced as a result of the new investment.

I. Significant Events after the end of the Reporting Period

There were no material events after the end of the reporting period and up to the date of publication of the financial statements.

J. Explanatory Report of the BoD required by par.7 art. 4 of Law 3556/2007 (As per par.8 art.4 of Law 3556/2007)

The BoD submits to the Annual General Meeting of Shareholders, an Explanatory Report on the information required by par.7 art. 4 of Law 3556/2007, pursuant to the provisions of par.8 art.4 of Law 3556/2007 as follows:

a) Limitations on transfer of Company Shares

In accordance with the legislative act of 07.09.2012, which amended paragraph 2 of the article of the L.2593/1998, as amended by Article 21 of L.2491/2001 the mandatory, minimum percentage participation of the public in the capital of the company (35 %) was abolished and now there are no restrictions on the transfer of the company's shares.

The BoD of the company, as it had the respective obligation under the provisions of the abovementioned legislative act, it has called an Extraordinary General Meeting which took place on 29.01.2013, and decided to repeal Article 8 of the Statute provided for the minimum public participation and, on the other hand, the amendment of Articles 9 paragraph 3 and 20 paragraph 8 of the Statute referring to in the repealed provision.

b) Significant direct / indirect holdings in the sense of articles 9 to 11 of Law 3556/2007

Shareholders (individuals or legal entities) holding more than 2%, either directly or indirectly, of the total number of the Company's shares as of 31.12.2013 are listed in the table below:

SHAREHOLDING (31.12.2013)			
Shareholder	**Number of Shares**	**Capital Held share (%)**	**Voting Rights**
Greek State	108,430,304	35.48	108,430,304
Paneuropean Oil & Industrial Holdings SA	130,122,305	42.57	130,122,305
Bank of Piraeus	6,607,417	2.16	6,607,417
Private & Institutional investors	60,475,159	19.79	60,475,159
TOTAL SHARES	**305,635,185**	**100**	**305,635,185**

c) Securities conferring special control rights

There are no Company securities (including shares) granting their owners special control rights.

d) Limitations on Voting Rights

According to article 21 of the Company's Articles of Association, only minority shareholders (i.e. excluding the Greek State, Paneuropean Oil and Industrial Holdings SA, as well as its associated enterprises) are entitled to vote at the Special General Meeting to elect the two BoD members that represent minority shareholders.

e) Agreements between shareholders known to the Company, involving restrictions in the transfer of securities or the exercising of voting rights

There is an agreement between Paneuropean Oil and Industrial Holdings SA and the Greek State for restrictions in the transfer of shares.

f) Rules for the appointment and substitution of Directors and for the amendment of the Articles of Association, which depart from the provisions of Codified Law 2190/1920

According to article 20, paragraph 2 (a) of the Articles of Association, the Greek State appoints 7 out of the total 13 BoD members, as long as it maintains at least 35% of the Company's total voting shares (article 8 of the Articles of Association). According to the Legislative Act dated 07/09/2012, which amended paragraph 2 of article 1 of L 2593/1998, as the latter was amended with the article 21 of Law 2491/2001, the clause on the minimum participation of the Hellenic Republic (at least 35%) in the share capital of the Company was removed and the HELLENIC PETROLEUM S.A. Articles of Association can be amended by resolution of the General Assembly, as a whole, without exceptions. The Board of Directors convened an Extraordinary General Assembly on 29.01.2013 which decided the modification of the removal of Article 8 of the Articles of Association, related to the minimum participation of the Hellenic Republic, as well as of the amendment of articles 9, par. 3 and 20 of the Articles of Association related to the removed provision.

According to article 20, paragraph 2 (b) of the company's Articles of Association, Paneuropean Oil and Industrial Holdings SA and its associated enterprises appoint two members of the BoD, on the condition that they hold at least 16.654 % of the total voting shares in the Company.

According to article 20, paragraph 2 (c) of the company's Articles of Association, it is obligatory that two members of the BoD are representatives of the Company's employees, elected by direct and universal voting and through the simple proportional representation system by the employees. According to the Legislative Act dated 07/09/2012, the article 20, paragraph 2 (c) of the company's Articles of Association can be amended by resolution of the General Assembly by simple quorum and majority.

According to article 20, paragraph 2 (d) of the company's Articles of Association, two members of the BoD representing minority shareholders are appointed by the Special General Meeting of minority shareholders (excluding the Greek State and Paneuropean Oil and Industrial Holdings SA and its associated enterprises).

g) Power of the BoD or any of its members for issuing of new shares or purchase of own shares

The General Meeting of shareholders may concede (article 6, paragraph 2 of the company's Articles of Association) to the BoD its power to increase the Company's Share Capital, pursuant to article 13, paragraph 1 (b) of Codified Law 2190/1920. However, such a decision has not been taken by the General Meeting.

The Annual General Meeting of shareholders approved a stock option plan for the years 2005 to 2007 (as years of reference). In 2008 and 2009 it approved the extension of the plan for one additional reference year. The period of exercising these stock options is from November 1 until December 5 each year, for the years 2008 to 2012, 2009 to 2013, 2010 to 2014 and 2011 to 2015 for the stock options of reference years 2005, 2006, 2007 and 2008, respectively. The 2010 Annual General Meeting of shareholders approved the non-issuance of stock options for the reference year 2009 due to the current economic situation, as well as the extension of the plan for one additional reference year i.e. for 2010, with first year of initiating the option's exercise period being 2012. Finally, the 2011 Annual General Meeting of shareholders approved the non-issuance of stock options for the reference year 2010 as well as the extension of the plan for 2011 (one year only). It is noted that all above extensions do not increase the initially approved total number of granted stock options. The Annual General Meeting of Hellenic Petroleum S.A. of 28 June 2012 approved the termination of the scheme and granted the remaining stock options for the year 2011.

The General Meeting of shareholders has not decided to grant the BoD or any BoD members the authority to purchase Company's own shares up to 10% of the paid-in capital (unless they are to be distributed to the Company's or Group's employees), under the conditions and requirements that such decision defines, in accordance with the special terms and proceedings of article 16 of Codified Law 2190/1920.

h) Significant agreements put in force, amended or terminated in the event of change of control following a public offer and results of these agreements

No agreements exist that are put in force, amended or terminated in the event of change of control following a public offer

i) Agreements of the issuer with members of the BoD or its employees that provide compensation in the event of resignation or dismissal without valid reason or end of term or employment, as a result of a public offer

No agreements of the Company with members of the BoD or its employees that provide compensation in the event of resignation or dismissal without valid reason or end of term or employment, as a result of a public offer exist.

Athens, February 28, 2014

By authority of the Board of Directors

Ioannis Costopoulos	Theodoros Vardas
Chief Executive Officer	Executive Member of the Board

HELLENIC PETROLEUM

Appendix

Group Structure

Company	Relation	%	Activities
EKO SA	Sole shareholder: HELLENIC PETROLEUM SA	100	Oil products trade
DIAXON SA	Sole shareholder: HELLENIC PETROLEUM SA	100	BOPP film production / trade
ASPROFOS SA	Sole shareholder: HELLENIC PETROLEUM SA	100	Energy sector engineering services
HELLENIC PETROLEUM INTERNATIONAL AG	Sole shareholder: HELLENIC PETROLEUM SA	100	Holding company for the Group's investments abroad
HELLENIC PETROLEUM - POSEIDON MARITIME	Sole shareholder: HELLENIC PETROLEUM SA	100	Vessel-owning company
HELLENIC PETROLEUM - APOLLO MARITIME	Sole shareholder: HELLENIC PETROLEUM SA	100	Vessel-owning company
GLOBAL PETROLEUM ALBANIA SA	Shareholder: HELLENIC PETROLEUM SA	99.957	Oil products import, purchase & trade in Albania
EL.PE.T BALKAN SA	Shareholder: HELLENIC PETROLEUM SA	63	Crude oil pipeline construction and operation
HELLENIC PETROLEUM - RENEWABLE ENERGY SOURCES SA	Sole shareholder: HELLENIC PETROLEUM SA	100	Production, distribution, trading of renewable energy sources
HELPE – LARCO ENERGIAKI KOKKINOU	Shareholder: HELLENIC PETROLEUM RES SA	51	Production, distribution, trading of renewable energy sources
HELPE – LARCO ENERGIAKI SERVION	Shareholder: HELLENIC PETROLEUM RES SA	51	Production, distribution, trading of renewable energy sources
ENERGIAKI PYLOU METHONIS	Shareholder: HELLENIC PETROLEUM RES SA	100	Production, distribution, trading of renewable energy sources
HELLENIC PETROLEUM FINANCE plc	Sole shareholder: HELLENIC PETROLEUM SA	100	Financing and other financial services
EKOTA KO SA	Shareholder: EKO SA	49	Construction, operation of fuel storage facilities
EKO CALYPSO LTD	Sole shareholder: EKO SA	100	Retail trade of liquid fuels & LPG in Greece
EKO DIMITRA MARITIME COMPANY	Sole shareholder: EKO SA	100	Tanker operation
EKO ARTEMIS MARITIME COMPANY	Sole shareholder: EKO SA	100	Tanker operation
EKO ATHENA MARITIME COMPANY	Sole shareholder: EKO SA	100	Tanker operation
EKO IRA MARITIME COMPANY	Sole shareholder: EKO SA	100	Tanker operation
EKO APHRODITE MARITIME COMPANY	Sole shareholder: EKO SA	100	Tanker operation

Company	Relation	%	Activities
HELLENIC PETROLEUM CYPRUS LTD	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Oil products trade, distribution and storage in Cyprus
RAM OIL LTD	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Oil products trade, distribution and storage in Cyprus
JUGOPETROL AD KOTOR	Shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	54.35	Oil products trade, distribution and storage in Montenegro
HELLENIC PETROLEUM BULGARIA (Holdings) LTD	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Oil products trade and distribution in Bulgaria
HELLENIC PETROLEUM SERBIA (Holdings) LTD	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Oil products trade and distribution in Serbia
EL.PE. INTERNATIONAL CONSULTANTS SA	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Provision of consulting services to the Group's companies abroad
HELLENIC FUELS SA (former BP Hellas)	Sole shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	100	Oil products trade, distribution and storage in Greece
EKO BULGARIA EAD	Sole shareholder: HELLENIC PETROLEUM BULGARIA (Holdings) LTD	100	Oil products trade in Bulgaria
HELLENIC PETROLEUM BULGARIA PROPERTIES EAD SA	Sole shareholder: HELLENIC PETROLEUM BULGARIA (Holdings) LTD	100	Oil products trade in Bulgaria
EKO-SERBIA AD	Sole shareholder: HELLENIC PETROLEUM SERBIA (Holdings) LTD	100	Oil products trade in Serbia
OKTA AD SKOPJE	Shareholder: EL.PE.T BALKAN SA	81.51	Crude oil refining, oil products import and trade in Skopje
VARDAX SA	Shareholder: EL.PE.T BALKAN SA	80	Crude oil pipeline operation Thessaloniki - Skopje (OKTA)

RELATED COMPANIES THAT ARE CONSOLIDATED THROUGH THE EQUITY METHOD AND OTHER INVESTMENTS

Company	Relation	%	Activities
DEPA SA	Shareholder: HELLENIC PETROLEUM SA	35	Natural gas Import & Distribution in Greece
ARTENIUS Hellas SA - UNDER LIQUIDATION	Shareholder: HELLENIC PETROLEUM SA	35	PET plastic producer
ATHENS AIRPORT FUEL PIPELINE COMPANY SA	Shareholder: HELLENIC PETROLEUM SA	50	Aspropyrgos – Spata airport pipeline
ELPE THRACE SA	Shareholder: HELLENIC PETROLEUM SA	25	Burgas - Alexandroupoli pipeline
TRANS BALKAN PIPELINE BV	Shareholder: THRACE SA	23.5	
ELPEDISON BV	Shareholder: HELLENIC PETROLEUM SA	5	Power generation and trading
	Shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	45	
ELPEDISON TRADING SA	Shareholder: ELPEDISON BV	100	Electricity
ELPEDISON ELECTRIC POWER PRODUCTION SA	Shareholder: ELPEDISON BV	75	Electricity
SAFCO	Shareholder: EKO SA	33.2	Aircraft refuelling
BIODIESEL SA	Shareholder: HELLENIC PETROLEUM-RENEWABLE ENERGY SOURCES SA	25	Aircraft refuelling
STPC LLC (ELPE Calfrac)	Participation: HELLENIC PETROLEUM SA	25	Research in the North Aegean
MELROSE, Kuwait Energy Company & ELPE	Participation: HELLENIC PETROLEUM SA	30	Research in the MESAHA region, Upper Egypt
EDAP-T.P.TH	Shareholder: HELLENIC PETROLEUM SA	6.67	Management and development of the technological park in Thessaloniki
NAPC UNDER LIQUIDATION	Participation: HELLENIC PETROLEUM SA	16.67	
DMEP HOLD CO	Shareholder: HPI SA	48	Provision of management and storage services of petroleum products
MONTENEGRO MEDUSA	Participation: JUGOPETROL AD KOTOR	49	Research and production of hydrocarbons in three sea regions of Montenegro
	Shareholder: HELLENIC PETROLEUM INTERNATIONAL AG	11	
EDISON	Participation: HELLENIC PETROLEUM SA		In consortium with Edison, participates in government tendering procedures for acquiring concession rights for the exploration and exploitation of hydrocarbons in Ulcinj area

BoD Members Biographies

Ioannis Papathanasiou: Chairman

Mr Ioannis Papathanasiou was born in Athens on 1954. He studied Electrical Engineering in NTUA. From 1988 until 1993 he served as General Secretary of the Athens Chamber of Commerce and Industry (ACCI), while during 1991- 1992 he served as advisor of the Ministry of Industry, specialising in the energy sector. In 1993, he served as vice president in Public Gas Corporation of Greece S.A. (DEPA) and on the same year he was elected in the position of President of ACCI and served until March 2000. From 2000 onwards, he is being elected as deputy. He has served as Minister of Finance (8/1/2009- 7/1/2009), Deputy Minister of Finance (19/9/2007-7/1/2009 and Deputy Minister of Development (13/3/2004- 16/9/2007). Until 31/12/2002, he served as Chairman and Chief Executive Officer of "I.D. Papathanasiou SA", Marketing of Technological Equipment for Buildings. On 27/02/2014 he was appointed Chairman of the Board of Directors of Hellenic Petroleum S.A. He is fluent in English, French and German languages.

Ioannis Costopoulos, Chief Executive Office

Holds a BSc degree in Economics from the University of Southampton, UK and an MBA from the University of Chicago, USA. From 1979 to 1982 he worked with Procter & Gamble in Geneva, Switzerland. From 1982 to 1986 he held VP and Director's positions in Corporate and Investment Banking at the Chase Manhattan Bank in New York and London. From 1986 to 1991 he was a Principal at Booz Allen & Hamilton based in London, working on strategy development and organisational change projects. Returning to Greece in 1991, he assumed a number of senior management positions: CEO of Metaxa SA (1991-1997), CEO of Johnson & Johnson Hellas SA and Regional Director of Johnson & Johnson Central and Eastern Europe (1998 – 2000). From 2001 to 2003 he was Vice-Chairman and CEO of Petrola Hellas SA, an ATHEX-listed oil refining and trading company. Since 2003, following the merger of Petrola Hellas SA with HELLENIC PETROLEUM SA, he joined the Company's Board of Directors. In June 2006 he became an Executive Board Member. He was appointed CEO of HELLENIC PETROLEUM SA in December 2007. He is a member of the BoD of the Hellenic Federation of Enterprises (SEV), of the Foundation for Economic & Industrial Research, of the Hellenic-American Chamber of Commerce, as well as of Fourlis Holdings SA.

Theodoros–Achilleas Vardas

PhD from the Systems Engineering Department of the Chemical Engineering School at the Swiss Federal Institute of Technology in Zurich, Switzerland and a Degree in Chemical Engineering from the same institute. Began his professional career in 1979 at the Latsis Group, where he worked in key positions and in 1981 as General Manager of Petroleum Products Trading. From 1988 to 2003 he was the Deputy CEO and member of the BoD of Petrola Hellas SA and from 1999 to 2003 a member of the BoD of Papastratos SA. Member of the BoD and Management Consultant of HELLENIC PETROLEUM SA since October 2003, member of the BoD of DEPA SA since May 2004, executive member of the BoD of HELLENIC PETROLEUM SA since December 2007.

Andreas Shiamishis

Holds an Economics degree specialising in Econometrics at University of Essex England and is a Fellow (FCA) member of the Institute of Chartered Accountants in England and Wales.

He began his career in 1989 in the Banking and Financial Services practice of KPMG in London. From 1993 to 1998 he worked initially as executive and subsequently as the Finance and Customer Services Director in METAXA, member of the Diageo International Group of food and beverages.

In 1998 it took over as the Regional Finance and Business Development Director, with the responsibility for the areas of the Middle East and North Africa, of Pillsbury (group Diageo). The period from 2000 to 2002 he worked as Chief Financial Officer in a listed company of LEVENTIS Group interests, while in 2003 he was hired as Chief Financial and IT Officer at Petrola Hellas.

After the merger of Petrola Hellas with Hellenic Petroleum, in 2004 he took over as Chief Financial Officer of the Group and member of the Group's Executive Committee. He participates in many BoDs of the Group's companies (EKO, Hellenic Fuells, DEPA S.A. etc) and since July 2010 he has the supervisory responsibility of Group's Marketing activities abroad. He is a member of the Hellenic Chamber and of the Corporate Finance Faculty of the ICAEW.

Vasilios Nikoletopoulos

He studied Mechanical-Electrical Engineering in NTUA and holds an M.Sc. in Engineering-Economic Systems of Stanford University, USA.

He has served as CEO of ERGOSE, vice president of Spanish companies Magnesitas Navarras (mining, industrial) and Magna Inversiones, vice president of Ellamag SA, a Franco-greek consortium of refractory production, designer engineer in INTASA INC, in California USA, researcher and teachers trustee at Stanford University, California, USA, president of the European Association of mining enterprises (Euromines) in Brussels, General Secretary of the Greek League mining enterprises, member of the Executive Committee of the European association of non-ferrous metals (Eurometaux) in Brussels, member of the Hellenic Competition Commission, BoD member of the Board of "Greek Leukolithoi", of Premier Magnesia, LLC in the United States, Vector SA, ACCI, KEDE KAPE and member of the General Consulate of SEV.

He is the owner of the "Natural Resources GP", a company providing services in energy, industrial and commercial development, of Greek and European industrial policy, energy and the environment in the areas of mining, metallurgy and energy. He is also the Director of International Development, Premier Magnesia LLC, USA, member of the commercial company Hellex S.A., Itamos Hydroelectric S.A. , and of Thrace Gold Mines SA, which belongs to the Canadian company of Eldorado Gold.

Christos Georgios Razelos

Graduate of the Political Science faculty of Pantios University.

He served at the Ministry of Defense in the Navy General Staff at the Public Nautical works. In 1988 he undertook the duties of the head of accounting department until 1996. From 1996 he supervised the Nautical works division of Salamina nautical station. In 2004 he became General Manager of the special secretariat of the Ministry of Defense, for all of the three general staffs of the Ministry of Defense. In this position he remained until the end of 2010, moving to the position of supervisor of the Accounting Office of the Navy Supply Center up to the month of November 2011.

He has served as an elected Member of the staff and Board of the Army Navy for five (5) terms. He has served as general secretary at the association of Navy Union employees, Secretary General in the Panhellenic Federation employees of the Ministry of Defense, as well as member of the General Council of the A. D. E. D. Y. (Tertiary Union body).

Ioannis Raptis

He holds a degree in Chemistry from the Department of Chemistry, from Aristotle University of Thessaloniki, Greece and a Master's degree in Business Administration (MBA), specialized in "Techno - Economic Systems" from the National Technical University of Athens, Greece. He has been Vice President of the Youth and Lifelong Learning Foundation, Vice President of the National Youth Foundation, and Member of the Board of Youth & Sports Organization, Municipality of Athens, Greece. He is member of the Senate of the Aristotle University of Thessaloniki, Greece. He is Project Manager since 2004, in consulting firms. He has led a significant number of important projects in the public and private sector and in a diverse range of industries including banking, education and public administration. He holds significant experience in the planning, implementation and audit of large scale projects. He is member of the Executive Committee of the Association of Greek Chemists (AGC) and Member of the Economic Chamber of Greece (ECG).

Aggelos Chatzidimitriou

He studied Chemical - Food Technologist. He has worked at the industries THE.C. P. I and EI.BIZ A. E as head of quality control and then as director.

He has served as deputy secretary and Director of the Regional Organization of Northern Greece.

Ioannis Sergopoulos

He is lawyer to the Supreme Court of Appeal and a member of the Lawyers' Association since 1977. He was a BoD member of AGET-Heracles, serving also as a legal advisor of the company (1982-1989), member of the BoD of E.R.T (1995-1996), Vice President and Deputy CEO of the National Theater (1996 - 2005) and Chairman of the Publishing Company “Artos Zois” and member of the BoD of O.A.S.A. (06/2010 – 12/2012)

Konstantinos Papagianopoulos, employee representative

Graduate of the Technical School of Electronics in 1984.

Since 1981 he has worked initially in Petrola Hellas plc and after the merger with Hellenic Petroleum he worked in the section of Electrical and Instrumentation to Elefsina Refinery. From 2004 he is a member of the Board of Directors of the Panhellenic Workers Association ELPE. In February of 2013 he has been elected as the representative of the workers in the BoD

Panagiotis Ofthalmidis, employee representative

Holds a degree in Electrical Engineering from the Technological Educational Institute of Kavala. He has been working for HELLENIC PETROLEUM SA since 1989, in the department of Electrical Maintenance of Refinery and Chemical Plants of Industrial Installations in Thessaloniki. He has been President of the Pan-Hellenic Labour Union of the Company. In March 2008 he was elected as employee representative in the Company’s BoD.

Theodoros Pantalakis, independent member, minority shareholders representative

Holds a degree in Business Administration from the Piraeus University. From 1980 to 1991 he worked at the National Bank of Investments & Industrial Development (ETEBA). Additionally, from 1983 to 1985 he was associate of the Deputy Minister of National Economy, Kostis Vaitsou and from 1985 to 1988 was the Office Director of the Deputy Minister of National Economy, Theodoros Karantzas. From 1991 to 1996 he was Assistant General Manager in the Interamerican group. From March 1996 to April 2004 he held the position of Deputy Governor of the National Bank of Greece, while at the same time he served as Chairman, Vice-Chairman or member of the BoD in several of the bank's subsidiaries. He was also Vice-Chairman of the Athens Stock Exchange, President of the Central Depository, and President of the Executive Committee of the Hellenic Bank Association et.al. On May 2004 he was appointed Vice-Chairman of the BoD of Piraeus Bank and from January 2009 to December 2009 he was the Vice-Chairman and Deputy-CEO of the Piraeus Bank Group. He was also Chairman of the BoD of Piraeus AEEAP (now Trastor AEEAP) and the Chairman of Europaiki Pisti AEGA insurance company. He served as Chairman of the BoD of ATE Bank between 2009 and 2012. He is a member of the BoD of Attiki Odos and serves in the Board of a number of other companies.

Spyridon Pantelias, independent member, minority shareholders representative

Holds a PhD and Master's Degree in Economics from the University of Washington, St. Louis, as well as a Degree in Economics from the University of Athens. He is a banker with significant experience in the financial services sector. He has been the General Manager of the Bank of Cyprus group – Head of investment banking, asset management and brokerage. From 2005 to 2007 he held the position of Deputy General Manager at Emporiki Bank, from 2002 to 2004 General Manager of EFG Telesis Finance and in 2000 to 2002 Deputy General Manager at Geniki Bank. He has also worked in the National Bank of Greece, the Hellenic Bank Association and the Reuters News Agency. He currently acts as a Consultant to the Administration of the BoG.

3. Statement of the Chairman, Chief Executive Officer and one Director on the true presentation of the Annual Financial Report

Statement of the Chairman, Chief Executive Officer and one Director on the true presentation of the Annual Financial Report

(Pursuant to article 4 par. 2 of Law no. 3556/2007)

Pursuant to provisions of article 4, par. 2(c) of Law 3556/2007, we state that, to our best knowledge:

a. The Annual Financial Statements, which were prepared in accordance with the applicable International Financial Reporting Standards, fairly represent the assets and liabilities, the equity and results of the parent company HELLENIC PETROLEUM S.A. for 2013, as well as of the companies that are included in the consolidation taken as a whole.

b. The Annual Report of the Board of Directors fairly represents the performance, results of operations and financial position of the parent company Hellenic Petroleum S.A. and of the companies included in the consolidation taken as a whole, as well as a description of the main risks and uncertainties they face.

Athens, 28 February 2014

Ioannis Costopoulos	Theodoros Vardas
Chief Executive Officer	Executive Member of the Board

4. Independent Auditor's Report on the Annual Financial Statements and the Annual Financial Report

Independent Auditor's Report

To the Shareholders of Hellenic Petroleum S.A.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Hellenic Petroleum S.A. (the "Company") and its subsidiaries (together, the Group) set out on pages 7 to 68 which comprise the consolidated statement of financial position as of 31 December 2013 and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers SA, 268 Kifissias Avenue, 15232 Halandri, Greece
T: +30 210 6874400, F: +30 210 6874444, www.pwc.gr

260 Kifissias Avenue & Kodrou Str., 15232 Halandri, T: +30 210 6874400, F:+30 210 6874444
17 Ethnikis Antistassis Str., 55134 Thessaloniki, T: +30 2310 488880, F: +30 2310 459487

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal and Regulatory Matters

a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.

b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying consolidated financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 27 February 2014
The Certified Auditor Accountant

PricewaterhouseCoopers S.A.

SOEL Reg. No. 113

Marios Psaltis
SOEL Reg.No. 38081

5. Complementary information and data pursuant to decision no. 7/448/11.10.07 of the Capital Market Commission

5.1 Information required as per article 10 of L. 3401/2005

Pursuant to decision 7/448/11.01.2007 article 1 of the Capital Market Commission's Board of Directors and the provision of article 10 of L. 3401/2005, the company informs investors of the following announcements issued to the Athens Stock Exchange and Capital Market Commission supervisory authorities, in accordance with applicable law during the financial year 2013.

The full text of these announcements can be found on the company's website at the following electronic address: www.helpe.gr.

A) INTERIM FINANCIAL STATEMENTS

04.03.13	HELLENIC PETROLEUM S.A. & GROUP 2012 Annual Financial Statements
30.05.13	HELLENIC PETROLEUM S.A. & GROUP 1st quarter 2013 Interim Financial Statements
29.08.12	HELLENIC PETROLEUM S.A. & GROUP 1st half /2nd quarter 2013 Interim Financial Statements
14.11.13	HELLENIC PETROLEUM S.A. & GROUP nine month /3rd quarter 2013 Interim Financial Statements

B) PRESS RELEASES REGARDING THE INTERIM FINANCIAL STATEMENTS

28.02.13	Press release for the annual results of financial year 2012
30.05.13	Press release for the 1st quarter results of financial year 2013
29.08.13	Press release for the 1st half/ 2nd quarter results of financial year 2013
14.11.13	Press release for the nine month/3rd quarter results of financial year 2013

C) GENERAL SHAREHOLDERS' MEETINGS / GENERAL MEETING RESOLUTIONS / DIVIDENDS

29.01.13	Invitation to the Extraordinary General Shareholders' Meeting
29.01.13	Resolutions of the Extraordinary General Meeting of Shareholders
27.06.13	Invitation to the Annual Ordinary General Shareholders' Meeting
28.06.13	Announcement of dividend payment for financial year 2012
28.06.13	Resolutions of the Meeting of non- controlling interest
28.06.13	Resolutions of the Annual Ordinary General Meeting of Shareholder

02.09.13 Invitation to the Extraordinary General Shareholders' Meeting

02.09.13 Resolutions of the Extraordinary General Meeting of Shareholders

D) CORPORATE ACTIVITY

11.06.13 Announcement of the submission of binding bids for the acquisition of DEPA

12.06.13 Announcement of binding bid of SOCAR

02.08.13 Announcement of launch of DESFA sale process

21.12.13 Announcement of DESFA sale

E) SENIOR EXECUTIVES AND ORGANISATIONAL CHANGES

31.05.13 Announcement of new composition of BOD

28.06.13 Announcement of new BOD composition

F) MISCELLANEOUS

08.01.13 Announcement of amendment plan of ELPE SA Articles of Association

25.01.13 Issue of €605 mil Eurobond

04.02.13 Financial calendar 2013

27.03.13 Announcement of Regulated Information, pursuant to Law 3556/0727.04.12

19.04.13 Initiation of meetings with fixed income investors

24.04.13 Financial calendar 2013 (update)

26.04.13 Announcement of Regulated Information, pursuant to Law 3556/07

30.04.13 Announcement of Regulated Information, pursuant to Law 3556/07

15.10.13 Financial calendar 2013 (update)

20.12.13 Announcement of initiation of stock option plan

31.12.13 Announcement of initiation of stock option plan (update)

HELLENIC
PETROLEUM

2 Published Summary Financial Statements

HELLENIC PETROLEUM S.A.

General Commercial Registry 000296601000 (A.R.M.A.E. 2443/06/B/86/23)

FINANCIAL DATA AND INFORMATION FOR THE YEAR FROM **1 JANUARY 2013** TO **31 DECEMBER 2013** (Published in compliance to L.2190/20, art. 135 for companies that prepare annual financial statements in accordance with IFRS)

The following financial data and information are only for general information purposes with regard to the financial position and results of HELLENIC PETROLEUM Group and the parent company. We, therefore, recommend to the reader, before making any investment decision, or proceeding to any transaction with the company, to refer to the company's internet address, where the annual financial statements in accordance with International Financial Reporting Standards are available, together with the auditors' report.

COMPANY

Head office Address:	8A, CHIMARRAS STR. - 15125 MAROUSI
Website :	http://www.helpe.gr
Approval date of the annual financial statements by the Board of Directors:	27 FEBRUARY 2014
The Certified Auditor:	MARIOS PSALTIS, (SOEL reg.no.38081)
Auditing Company:	PRICEWATERHOUSECOOPERS S.A, (SOEL reg.no.113)
Type of Auditor's Report:	UNQUALIFIED

Board of Directors :

IOANNIS PAPATHANASIOU - Chairman of the Board (since 27/02/2014)
CHRISTOS KOMNINOS - Chairman of the Board (up to 23/02/2014)
JOHN COSTOPOULOS - Chief Executive Officer
THEODOROS-ACHILLEAS VARDAS
ANDREAS SIAMISHIS (since 30/05/2013)
VASSILIOS NIKOLETOPOULOS (since 30/05/2013)
CHRISTOS RAZELOS (since 30/05/2013)
AGGELOS CHATZIDIMITRIOU (since 30/05/2013)
PANAGIOTIS OFTHALMIDES
THEODOROS PANTALAKIS
SPYRIDON PANTELIAS
IOANNIS SERGOPOULOS
IOANNIS RAPTIS (since 27/06/2013)
KONSTANTINOS PAPAGIANNOPOULOS (since 27/06/2013)
DIMOKRITOS AMALLOS (up to 14/05/2013)
ALEXIOS ATHANASOPOULOS (up to 26/06/2013)
GEORGIOS KALLIMOPOULOS (up to 14/05/2013)
ALEXANDROS KATSIOTIS (up to 14/05/2013)
GERASSIMOS LACHANAS (up to 14/05/2013)
DIMITRIOS LALAS (up to 26/06/2013)

STATEMENT OF FINANCIAL POSITION

(Amounts in thousands €)

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
ASSETS				
Property, plant and equipment	3.463.119	3.569.557	2.804.714	2.878.851
Intangible assets	143.841	157.704	10.776	11.113
Other non-current assets	861.900	781.248	821.866	665.773
Inventories	1.005.264	1.200.647	882.040	1.019.289
Trade and other receivables	742.513	791.300	870.823	652.397
Cash & cash equivalents	959.602	901.061	739.311	627.738
Available-for-sale non-current assets	1.163	1.891	45	41
TOTAL ASSETS	**7.177.402**	**7.403.408**	**6.129.575**	**5.855.202**
EQUITY AND LIABILITIES				
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	1.078.874	1.354.666	586.288	886.992
Capital and reserves attributable to Company Shareholders (a)	**2.098.955**	**2.374.747**	**1.606.369**	**1.907.073**
Non-controlling interests (b)	115.511	121.484		
TOTAL EQUITY (c) = (a) + (b)	**2.214.466**	**2.496.231**	**1.606.369**	**1.907.073**
Long-term borrowings	1.311.804	383.274	1.226.430	410.778
Provisions and other long term liabilities	163.602	222.403	89.422	140.243
Short-term borrowings	1.338.384	2.375.097	1.145.820	1.536.627
Other short-term liabilities	2.149.146	1.926.403	2.061.534	1.860.481
Total liabilities (d)	**4.962.936**	**4.907.177**	**4.523.206**	**3.948.129**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**7.177.402**	**7.403.408**	**6.129.575**	**5.855.202**

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD

(Amounts in thousands €)

	GROUP		COMPANY	
	1/1/2013-31/12/2013	1/1/2012-31/12/2012	1/1/2013-31/12/2013	1/1/2012-31/12/2012
Turnover	9.674.324	10.468.870	8.946.258	9.900.533
Gross profit	305.152	567.116	55.821	324.421
Earnings Before Interest & Tax	(195.312)	121.553	(196.720)	145.912
(Loss) / Profit before Tax	(338.126)	116.348	(359.541)	133.464
Less : Taxes	65.661	(33.766)	65.911	(35.959)
(Loss) / Profit for the year	**(272.465)**	**82.582**	**(293.630)**	**97.505**
Attributable to:				
Owners of the parent	(269.229)	85.547		
Non-controlling interests	(3.236)	(2.965)		
	(272.465)	**82.582**		
Other comprehensive (loss)/income for the year, net of tax	39.032	43.661	38.520	43.541
Total comprehensive (loss) / income for the year	**(233.433)**	**126.243**	**(255.110)**	**141.046**
Attributable to:				
Owners of the parent	(230.199)	129.328		
Non-controlling interests	(3.234)	(3.085)		
	(233.433)	**126.243**		
Basic and diluted earnings per share (in Euro per share)	**(0,88)**	**0,28**	**(0,96)**	**0,32**
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	**26.633**	**296.605**	**(42.466)**	**249.692**

STATEMENT OF CHANGES IN EQUITY

(Amounts in thousands €)

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Total equity at beginning of the year (1/1/2013 & 1/1/2012)	**2.496.231**	**2.515.096**	**1.907.073**	**1.903.311**
Total comprehensive (loss) / income for the year	(233.433)	126.243	(255.110)	141.046
Dividends to shareholders of the parent	(45.845)	(137.536)	(45.845)	(137.536)
Dividends to minority shareholders	(2.739)	(1.369)	-	-
Participation of minority holding to share capital decrease of subsidiary	0	(6.455)	-	-
Other transactions directly recorded in equity	252	252	251	252
Total equity at the end of the year	**2.214.466**	**2.496.231**	**1.606.369**	**1.907.073**

STATEMENT OF CASH FLOW

(Amounts in thousands €)

	GROUP		COMPANY	
	1/1/2013-31/12/2013	1/1/2012-31/12/2012	1/1/2013-31/12/2013	1/1/2012-31/12/2012
Cash flows from operating activities				
(Loss) / Profit before Tax	(338.126)	116.348	(359.541)	133.464
Adjustments for:				
Depreciation and amortisation of tangible and intangible assets	224.073	178.661	155.614	106.660
Amortisation of government grants	(2.128)	(3.609)	(1.360)	(2.880)
Interest expense	217.337	66.893	180.808	25.200
Interest income	(8.050)	(12.692)	(16.116)	(4.685)
Share of operating profit of associates and dividend income	(57.391)	(38.221)	(17.122)	(15.818)
Provisions for expenses and valuation charges	31.903	2.772	27.296	1.644
Foreign exchange (gains) / losses	(9.082)	(10.775)	(1.871)	(8.067)
Loss/(Gain) on sale of share of subsidiary	-	1.166	-	-
Gain on sale of fixed assets	(1.002)	48	1	979
	57.534	**300.591**	**(32.291)**	**236.497**
Changes in working capital				
(Increase) / decrease in inventories	194.666	(78.751)	143.329	(43.871)
(Increase) / decrease in trade and other receivables	38.267	130.949	(226.861)	213.864
Increase / (decrease) in payables	210.939	204.953	199.626	256.428
Less:				
Income tax paid	(8.808)	(33.826)	0	(25.746)
Net cash generated from / (used in) operating activities (a)	**492.598**	**523.916**	**83.803**	**637.172**
Cash flows from investing activities				
Purchase of tangible & intangible assets	(105.149)	(518.095)	(85.101)	(493.543)
Acquisition of subsidiary, net of cash acquired	(6.631)	-	0	-
Cash from sale of plant and equipment & tangible assets	4.097	4.057	2	761
Proceeds from the sale of subsidiary, net of cash owned	-	1.900	-	-
Interest received	8.050	12.692	16.116	4.685
Dividends received	12.802	8.873	13.748	12.799
Payments from share capital decrease to non-controlling interests	-	(6.455)	-	-
Participation in share capital (increase) / decrease of subsidiaries and associates	(2.504)	(640)	(3.504)	5.015
Net cash used in investing activities (b)	**(89.335)**	**(497.668)**	**(58.739)**	**(470.283)**
Cash flows from financing activities				
Interest paid	(184.305)	(66.585)	(151.517)	(25.329)
Dividends paid	(46.445)	(139.653)	(43.706)	(130.747)
Loans to affiliated companies	-	-	(137.900)	-
Proceeds from borrowings	1.276.000	682.722	1.154.700	921.321
Repayments of borrowings	(1.384.182)	(590.857)	(729.854)	(871.459)
Net cash generated from / (used in) financing activities (c)	**(338.932)**	**(114.373)**	**91.723**	**(106.214)**
Net (decrease) / increase in cash & cash equivalents (a)+(b)+(c)	**64.331**	**(88.125)**	**116.787**	**60.675**
Cash & cash equivalents at the beginning of the year	**901.061**	**985.486**	**627.738**	**563.282**
Exchange gains / (losses) on cash & cash equivalents	(5.790)	3.700	(5.214)	3.781
Cash & cash equivalents at end of the year	**959.602**	**901.061**	**739.311**	**627.738**

ADDITIONAL INFORMATION

1. Note **No. 34** of the annual consolidated financial information includes all subsidiary and associated companies and their related information. 2. No company shares are owned either by the parent company or any of the subsidiaries as at the end of the period. 3. The parent company HELLENIC PETROLEUM S.A. has not been subject to a tax audit for the fiscal year 2010, while the most material subsidiaries for the fiscal years 2008 – 2010 (**Note 31** of the annual consolidated financial information). In February 2013 the tax audits for the financial years 2006 to 2009 of Hellenic Petroleum S.A. were finalized, the outcome of which resulted in disallowable expenses of €29 million, upon which €14,5 million approximately of additional taxes and surcharges were assessed (**Note 27** of the annual consolidated financial information). The Company has been evaluated its further actions; however it believes that no additional liabilities will arise over and above the respective provisions recognized in its financial statements. 4. The accounting policies used in the preparation of the consolidated financial information for the period ended 31 December 2013 are consistent with those applied for the preparation of the annual consolidated financial statements for the year ended 31 December 2012, except for the new or revised accounting standards and interpretations that have been implemented in 2013, as outlined in **Note 2** of the annual consolidated financial information of 31 December 2013. Where necessary, comparative figures habe been reclassified to conform to changes in the presentation of the current financial year. 5. As mentioned in **Note 31** of the annual consolidated financial information, the Group's entities are involved in a number of legal proceedings and have 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 impact on the Group's operating results or financial position. 6. The EGM held on 30 January 2012 approved a Memorandum of Understanding with the Greek State (controlling shareholder of DEPA Group) agreeing to participate in a joint sales process for the Group's 35% shareholding in DEPA. At the final stage of the sales process one binding offer for the purchase of 66% of DESFA shares (100% subsidiary of DEPA SA) was received. The offer is for €400 million for 66% of DESFA, i.e. €212,1 million for HELPE's 35% effective shareholding. The EGM of 2 September 2013 approved the transaction. As at 31 December 2013, DEPA Group's carrying value in the Group's accounts is €598 million. Given that the transaction can only be completed upon receiving the approval of the relevant competent authorities, and given the timing of such approvals and the unbundling process that is still be concluded, management considers it appropriate to maintain the policy of including DEPA Group as an associate at the date of this, annual financial information (**Note 8**). 7. The Group has succesfully completed the refinancing of its loans (€ 1,2 billion), which matured in December 2012 and January 2013. Refinancing was achieved partly from Group's operating cash flows and available cash reserves and partly through new loans. The refinancing is detailed in **Notes 3 and 16** of the annual consolidated financial information. In addition, in May 2013, the Group issued a 4-year €500 million Eurobond with 8% coupon. 8. Number of employees at 31/12/2013 in Greece: **Company: 1.905**, **Group: 2.661** (31/12/2012: Company: 2.086, Group: 2.970). 9. Due to the amendment of IAS 19 relating to the recognition and measurement of defined benefit pension liability and termination benefits the Group has restated total comprehensive income, total equity, deferred income tax and retirement benefit obligations of prior years (**Notes 2 and 18** of the annual consolidated financial information).

10. The amount of provisions included in the Statement of Financial Position are as follows:

	GROUP	COMPANY
a) for pending legal cases	4.640	3.000
β) for tax matters	5.643	2.450
c) for SLI	87.429	72.527
d) for other provisions relating to expenses	10.671	10.577

11. Other comprehensive income for the period, net of tax, for the Group and the parent company are as follows:

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Fair value gains/(losses) on available-for-sale financial assets	(105)	(100)	-	-
Fair value gains/(losses) from cash flow hedges	40.867	30.176	40.869	30.176
Actuarial gains/(losses) on defined benefit pension plans	(679)	14.753	(2.349)	13.365
Other movements and currency translation differences	(1.051)	(1.168)	-	-
Net income/(expense) recognised directly in equity	**39.032**	**43.661**	**38.520**	**43.541**

12. Transactions and balances with related parties for the Group and the parent company (in thousands of €) are as follows:

	GROUP	COMPANY
Sales of goods and services	527.095	3.561.196
Purchases of goods and services	560.208	610.493
Receivables	38.831	533.543
Payables	21.394	99.860
Board members and senior management remuneration & other benefits	3.092	2.991
Amounts due to/(from) Board members and senior management	-	-

Athens, 27th of February 2014

CHIEF EXECUTIVE OFFICER	GROUP CHIEF FINANCIAL OFFICER	ACCOUNTING DIRECTOR
JOHN A. COSTOPOULOS	ANDREAS N. SIAMISHIS	STEFANOS I. PAPADIMITRIOU
ID. Number 702932584	ID. Number AA 010147	ID. Number AK 553436

5.3 Website

The annual financial statements of the Hellenic Petroleum Group and the parent company on a consolidated and non-consolidated basis, the Independent Auditors' Report and the Annual Report of the Board of Directors are available on the internet at www.helpe.gr.

The annual financial statements of the consolidated companies of EKO SA are available on the internet at www.eko.gr

The annual financial statements of the consolidated companies of Hellenic Fuels SA are available on the internet at www.hellenicfuels.gr