HELLENIC PETROLEUM SA

Companies Registration Number 296601000

HALF-YEARLY FINANCIAL REPORT

FIRST HALF 2019

THIS HALF-YEARLY REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 5, LAW 3556/2007 AND THE CAPITAL MARKET COMMISSION'S DECISION AS REFERRED TO BY THE RELEVANT LAW

MAROUSSI, AUGUST 2019

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1. Statements of the Chairman, Chief Executive Officer and Member of the Board of Directors on the true representation of the data contained within this report

Pursuant to the provisions of article 5, par. 2c, Law No. 3556/2007, we state that to the best of our knowledge:

The half-yearly interim condensed financial statements which has been prepared in accordance with International Financial Reporting Standards, as they have been endorsed by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"), accurately reflects the assets and liabilities, equity and financial results of HELLENIC PETROLEUM S.A. and of the subsidiaries that are included in the interim consolidated financial information of the HELLENIC PETROLEUM Group.

The Board of Directors' half-yearly report accurately represents the information required under paragraph 6, article 5, Law No. 3556/2007.

Athens, 29 August 2019

The Chairman of the Board of Directors	The Chief Executive Officer	The General Manager Group Strategic Planning & New Activities, Executive Board Member
Ioannis Papathanassiou	Andreas Shiamishis	Georgios Alexopoulos

2. Board of Directors Half-Yearly Report for the Six Month Period ended 30th of June 2019 (Article 5, Law No. 3556/2007)

2.1. Introduction

Dear Shareholders,

This Board of Directors' report covers the six-month period ending 30.06.2019. The report has been prepared in accordance with the relevant provisions of Codified Law 4548/2018, Law 3556/2007, article 5 and decision 7/448/11.10.2007 of the Hellenic Capital Markets Commission. The Consolidated and Company Interim Condensed Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as they have been endorsed by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34").

This report includes selected financial information and results of the Group (HELLENIC PETROLEUM) and the parent company HELLENIC PETROLEUM SA, description of significant events that took place during the first half of the financial year, a description of anticipated significant risks and uncertainties for the second half of the financial year, a disclosure of material transactions that took place between the Company and the Group and their related parties as well as a presentation of qualitative information and estimates relating to the development of operations of the Company and the Group for the second half of the financial year.

2.2. Information required as per par. 6, Article 5 of Law No. 3556/2007

2.2.1. Significant Events during the 1st half of 2019 and their impact on the Interim Financial Statements

a) The Business Environment

Economic Environment[1][2][3][4]

The global economy slowed down to 3.6% in 2018 from 3.8% in 2017, while further decline is projected for 2019. Global growth according to IMF forecasts (April 2019), is expected to continue decelerate in 2019 but to stabilise in the medium term with global GDP anticipated to reach 3.2% in 2019, reflecting developments in both advanced and emerging economies. Significant risks to the economic outlook are the high and growing political uncertainty which affects investments and capital markets, international trade tensions and the effects of the announced measures (US tariffs on imports from China), geopolitical risks, a potential UK withdrawal from the EU without agreement (no-deal Brexit) and the economic crisis in Turkey. In this context, Central Banks' monetary policy tools are expected to play a key role, with a possible new monetary easing policy cycle.

[1] Bank of Greece, Monetary Policy 2018-2019, July 2019
[2] IMF, World Economic Outlook, April 2019
[3] ECB, Economic Bulletin, Issue 4 / 2019
4 IOBE, Greek Economy, Issue 1/19

In the euro area, GDP growth slowed notably in 2018 to 1.9% (2.4% in 2017) and the ECB expects to reach 1.1% in 2019, the lowest level over the last five years due to a decline of international trade, uncertainty over Brexit, additional trade protection measures, high public debt and non-performing loans. Employment growth is expected to slow down, however, unemployment rates in the euro area according to ECB forecasts, are projected to reach 7.9% in 2019 from 8.2% in 2018. In the context of monetary policy, ECB continues to maintain very low interest rates while it has announced that it will not increase them until the end of the year.

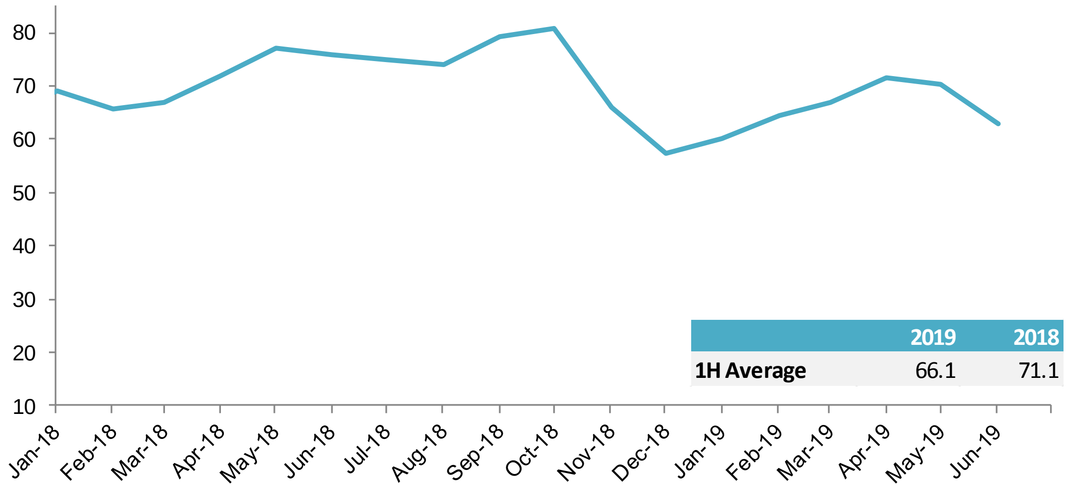
The improvement of the Greek economy continued, with positive economic climate and improvement of the banking system's liquidity. Nevertheless, growth rates remain low and the economy continues to face major challenges such as global economy slow down and geopolitical tensions. Specifically, GDP grew by 1.7% in 1Q19, with growth in economic activity mainly attributable to services exports, investment and private consumption. In 1Q19, the rise in deposits, the discontinuation of the funding of the Greek banking system via the Emergency Liquidity Assistance (ELA) and the relaxation of banking system constrains contributed to the increased bank financing and the improvement of the financial environment.

According to estimates of the Bank of Greece, economic activity is projected to increase by 1.9% in 2019 with GDP growth relying on private consumption, business investment and exports, while delays in implementing reforms will have a negative impact on the investment climate and the economic activity. The adoption of expansionary fiscal measures creates additional risks for the achievement of the agreed primary surplus targets. Also, the high portfolio of the non-performing loans, unemployment, the weak foreign investments and the geopolitical developments, remain the biggest challenges for the Greek economy.

Crude Oil Prices

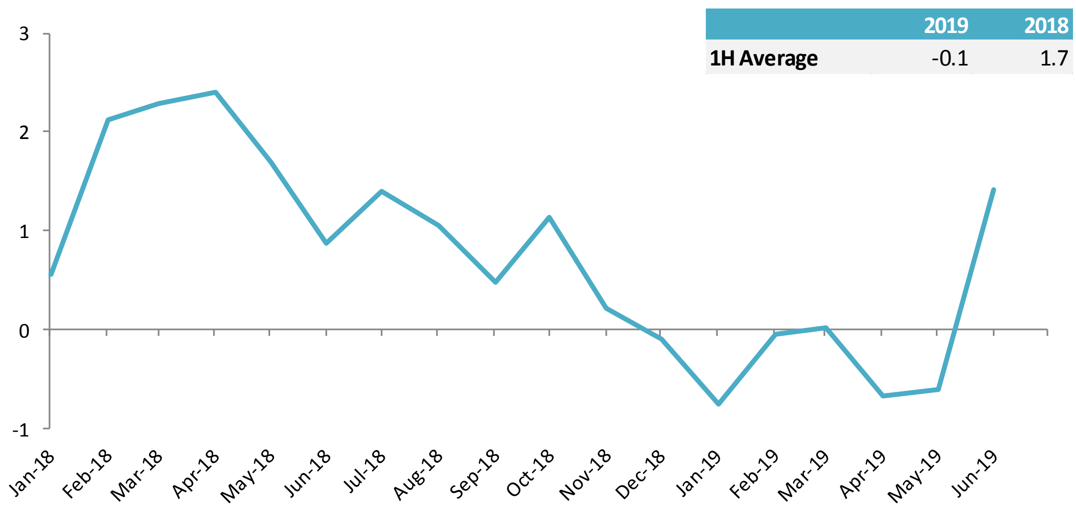
The Brent price (Platt's Dated) for the first half of 2019 averaged at $66/bbl against $71/bbl in the comparative period of 2018, recording a 7% decline. Following the sharp drop in prices in 2H18, factors such as the agreement between OPEC and Russia for the reduction of their daily oil production in 1H19 as well as unplanned production cuts, supported crude oil prices.

Crude oil price - Brent ($/bbl)



Brent-Urals spread in the first half of 2019 reached historical low levels, mainly due to weather conditions that affected logistics infrastructure in 1Q19 as well as the contamination of a significant quantity of crude oil in the Druzhba pipeline with a substantial impact on the availability of Urals in 2Q19. Brent-Urals spread averaged $-0.1/bbl in 1H19 vs $1.7/bbl in 1H18.

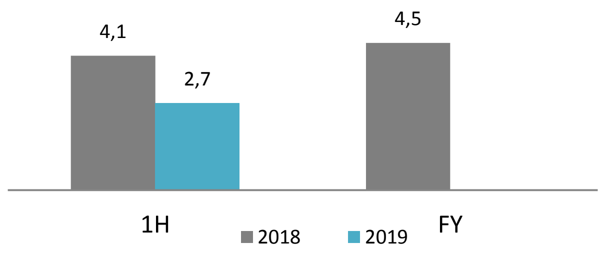
Brent Differential – Urals ($/bbl)



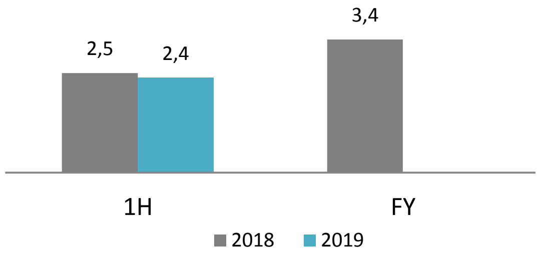
Refining Margins

The decline in light distillate cracks (gasoline, naphtha) which reached the lowest level in the last few years and the Brent-Urals differential, were the key factors in shaping the benchmark margins for Med refineries. Based on Reuters, FCC margin averaged $2.7/bbl in the first half of 2019 vs $4.1/bbl in the first half of 2018, while Hydroskimmimg amounted to $2.4/bbl, same levels of last year, supported by higher FO margins.

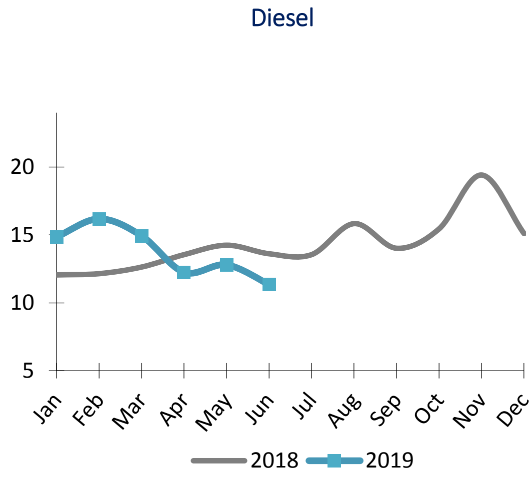
Med FCC benchmark margins ($/bbl)

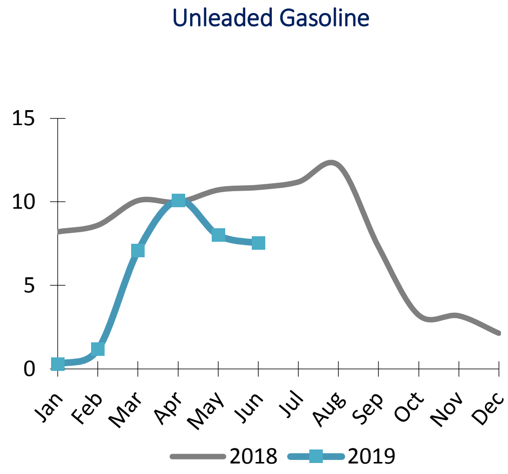


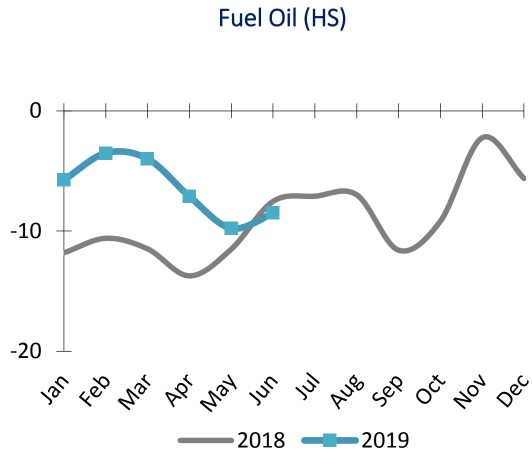
Med Hydrocracking benchmark margins ($/bbl)

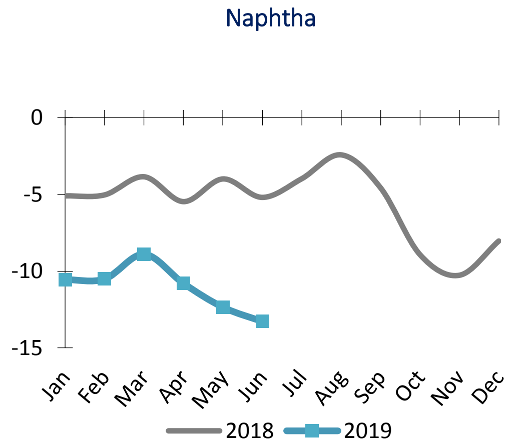


International Product Cracks ($/bbl)[5]







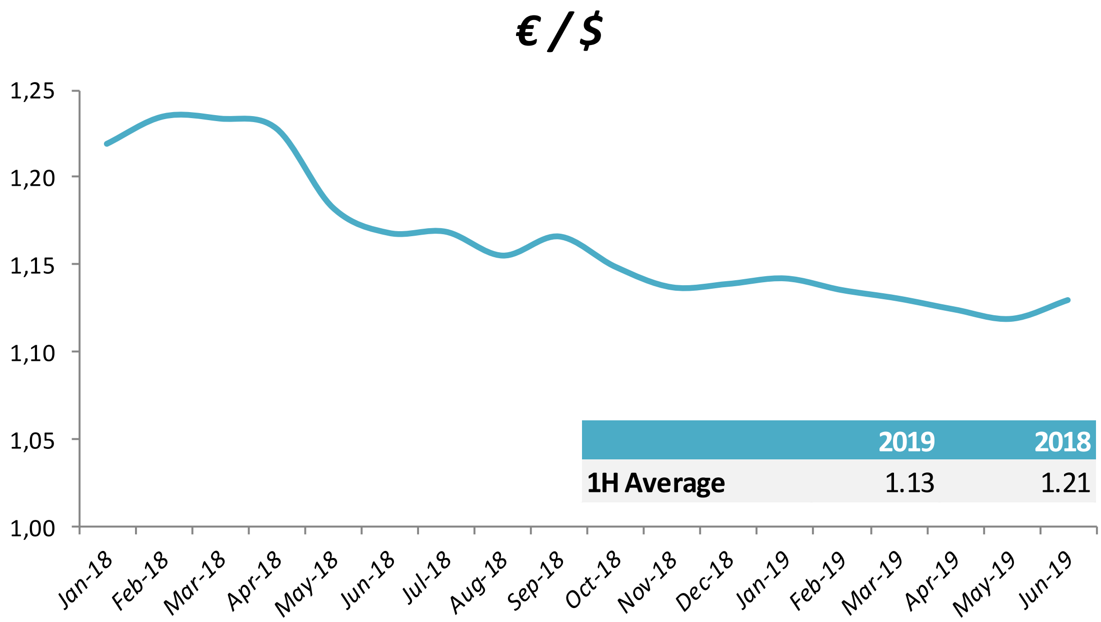


Exchange Rates

In the first half of 2019, the Euro continued to weaken against USD, with the average price at $1.13, 7% lower vs last year with the main factors being the political and trade developments in both US and EU. The further USD strengthening was also favored by the relative over-performance of the American economy in comparison to lower expectations in the Eurozone and also from the monetary policy directions of the two central banks.

[5] Based on Brent price

EUR/USD



Developments in the Oil Market[6]

Global oil demand is expected to grow by 1.14 mb/d in 2019 compared to 2018, with global consumption projected at 99.87 mb/d in the 1H19 and exceed 100 md/d in 2H19. Demand in OECD member countries is projected to stay flat and in North American countries to increase by 0.23%.

In 2019, the oil supply outside OPEC countries is estimated to increase, at a slower rate compared to 2018, by 2.5 mb/d, reaching on average in 2019 64.43 mb/d. The oil supply from OPEC countries is projected at 30.2 mb/d for 1H19 vs 31.9 mb/d (-5.6%) at the same period last year.

Domestic Energy Market

The domestic ground fuels demand amounted to 3.4m MT, higher by 4.5% vs 1H18, based on official market data, due to colder weather conditions which led to an increase in heating oil consumption. Demand for aviation and shipping fuels also increased.

[6] OPEC, Oil Market Report, July 2019

b) Financial highlights

Tables below present the main financial and operational Group indicators for 1H 2019:

Operational Data	1H19	1H18
Refinery sales (in million metric tons)	7.69	8.27
Marketing sales (in million metric tons)	2.3	2.24
Refinery production (in million metric tons)	7.27	7.65
Group employees (FTEs)	3,652	3,483

Financial Data (in million €)[7]	1H19	1H18
Net sales	4,457	4,667
Reported EBITDA[8]	323	473
Inventory effect – Loss (gain)	-78	-150
One offs	7	13
Adjusted EBITDA[8]	252	336
Reported net income (attributable to the owners of the Parent Company)[9]	121	225
Adjusted net income[9]	70	128

In the first half of 2019, adjusted EBITDA amounted to €252m (2018: €336m) and adjusted Net Income to €70m (2018: €128m). The weak refining margins was the key driver of results.

The above, combined with reduced inventory valuation gains (€78m versus €150m in 1H18) due to crude price developments, led Reported EBITDA at €323m (-32%) and Reported Net Income at €121m (-46%).

The Group continued to implement its financial plan aiming on improving its balance sheet and reducing its financial cost. It is worth noting that the Net Finance Costs (excl. IFRS 16 lease interest expenses) were reduced by 16% compared to the first half of 2018, while the gearing ratio is at its lowest level in the last 10 years.

[7] *The selected alternative performance measure indicators are listed in Chapter 2.3.2*

[8] *Reported and Adjusted EBITDA for 2019 is affected positively by an amount of €19m from the implementation of IFRS 16 Leases, comparing to 2018.*

[9] *Reported and Adjusted Net Income for 2019 is affected negatively by an amount of €4m from the implementation of IFRS 16 Leases, comparing to 2018.*

Balance Sheet / Cash Flow (in million €)	2019	2018
Total Assets	7,296	7,115
Total Equity	2,368	2,515
Capital Employed	3,766	4,431
Net Debt	1,398	1,916
Net Cash Flows (operating & investing cash flows)	146	(42)
Capital Investments (Cash Flow)	(78)	(61)
Gearing ratio – Net Debt / Capital Employed	37%	43%

At the Annual General Meeting of the Shareholders of the Company, that took place on 07.06.2019, HELLENIC PETROLEUM S.A. approved a total dividend of 2018 of €0.75 per share of which €0.25 per share relates to a December 2018 interim dividend and another €0.25 per share to DESFA sale.

Also, on 07 August 7 2019, the new Board of Directors of HELLENIC PETROLEUM SA was formed, whose term of office is set until 17 April 2023, electing Mr. Ioanni Papathanassiou as Non-Executive Chairman and Mr. Andrea Shiamishi as CEO.

2.2.2. Review per Segment – Performance and Financial Position for the 1st Half of 2019 – Major Risks and Uncertainties in the 2nd Half of 2019 – Prospects for the 2nd half of 2019

a) Business Activities Review

HELLENIC PETROLEUM Group's main segments of business activity include:

a) Supply, Refining and Trading of oil products
b) Fuels Marketing (Domestic and International)
c) Petrochemicals/Chemicals Production and Trading
d) Oil & Gas Exploration and Production
e) Power Generation & Trading
f) Supply, Distribution and Trading of Natural Gas

The Group's activities during the first half of 2019 and the outlook for the second half are analysed below:

Refining, Supply and Trading

Refining, Supply and Trading of petroleum products constitute the core activity of the HELLENIC PETROLEUM Group. The Group operates in the refining sector through the parent company, HELLENIC PETROLEUM S.A. In Greece, the company operates three refineries: an FCC refinery in Aspropyrgos, a Hydrocracking refinery in Elefsina, both in Attica and a Hydroskimming refinery in Thessaloniki.

During the 1st half of 2019, the Group's refining activity is summarized below:

Refinery	Annual Nominal Capacity (Kbpd)	Crude & Intermediate products processed (MT'000	Final & Intermediate Products output (MT'000)
Aspropyrgos	148	4,208	3,948
Thessaloniki	90	1,610	1,558
Elefsina	106	2,868	2,569
Inter-refinery		(810)	(809)
Total		**7,876**	**7,266**

For the first half of 2019, production amounted to 7.27m MT, down 5%, due to partial maintenance shutdowns at certain refinery units, with sales volumes at 7.62m MT compared to 8.27m MT in 2018 (-8%), with exports mainly lower in 1Q19. HELPE benchmark margin stood at $2.7/bbl, $1.8 lower than last year, reaching the lowest levels in the last few years, with the differential between the Realised and the Benchmark margin remaining at high levels ($5.6/bbl).

	1st Half of 2019 (MT'000)	1st Half of 2018 (MT'000)
Domestic Market	2,176	2,117
International Sales	1,227	1,177
Exports	4,253	4,972
Total	**7,656**	**8,266**

Refining, supply and trading results are affected by external factors such as:

- The evolution of crude oil and product prices during the specific period and the corresponding development of refining margins
- EUR/USD exchange rate since refining margins are quoted in USD

With regard to the international environment, both demand and oil production are expected to increase in the second half. In the coming months, the main risk factors likely to affect the benchmark margins are developments in the supply of crude oil, the increase in global refinery capacity due to the operation of new refineries, the level of refinery utilization both globally and regionally, as well as the market developments in preparation for the new bunkering fuel specifications (IMO) from January 2020. The Group's refineries are expected to continue their positive contribution, based on market conditions.

HELLENIC PETROLEUM is conducting studies and implements investments with the objective of safety improvement, energy efficiency and optimisation of its refinery units. In addition, particular attention is paid to the use of all the benefits that could potentially arise from synergies between the Group's refineries, especially with the operation of Elefsina refinery. Therefore, HELLENIC PETROLEUM is constantly seeking to improve safety and the operational performance of its refineries.

Petrochemicals / Chemicals Production and Trading

The HELLENIC PETROLEUM Group operates in the Petrochemicals sector through a Propylene production unit in the Aspropyrgos refinery, as well as through its Polypropylene (PP) and Solvents production plants in Thessaloniki.

Furthermore, the Group owns a BOPP film production unit (through its subsidiary "DIAXON" located in Komotini) as well as a 2,800 MT capacity vessel for the transportation of propylene from the Aspropyrgos refinery to Northern Greece.

In the first half of 2019, total Petrochemical sales volumes amounted to 142 thousand tones increased by 4% versus the corresponding period in 2018.

Petrochemical sales per product are as follows:

Product	1st half of 2019 (MT'000)	1st Half of 2018 (MT'000)
Polypropylene	111.5	107.3
Solvents	13.7	14.5
BOPP film	13.9	12.9
Traded goods/Others	2.7	1.9
Total Sales	**141.8**	**136.5**

International Petrochemicals is a cyclical, capital intensive industry with capacity surplus. Petrochemicals' margins which affect the profitability of the industry are highly volatile and driven by supply/demand conditions as well as the macro environment.

During the first half of 2019, the key performance drivers were as follows:

- Polypropylene demand at similar levels vs 2018.
- PP margins unchanged vs 2018.
- Strong export orientation with 74% of sales of polypropylene being directed to selected Mediterranean markets as well as gradually in Northern Europe markets with high added value products.
- BOPP film margins at same levels as 2018.

During the 2nd half of 2019, sales volumes and margins are anticipated to remain within the business plan estimates range.

Domestic and International Marketing

The Group is active in the marketing of oil products through its subsidiary company EKO in Greece and its subsidiary companies in the Balkans and Cyprus.

During the 1st half of 2019, marketing sales were as follows:

	1st Half of 2019 (MT' 000)	1st Half of 2018 (MT' 000)
Domestic Market	1,227	1,153
Bunkering and Aviation, Exports	571	605
Domestic Marketing Sales	**1,798**	**1,758**
International Marketing Sales	**502**	**478**
Total	**2,300**	**2,236**

Domestic Marketing

In Greece, EKO total sales of petroleum products amounted to 1,798 thousand MT, in the 1st half of 2019, increased by +2% compared to the same period last year. The number of petrol stations amounted to 1,724 vs 1,752 in 1H18.

The increase in sales stems mainly from the significant increase in consumption of Heating Gasoil -due to the colder weather conditions compared to last year-, the increased industrial and LPG fuels sales as well as the increased sales in aviation fuels. Auto fuels sales also increased as a result of the increased Auto Gasoil and differentiated auto fuels sales in the retail network.

During the first half of the year, the Group's domestic marketing company managed to improve its competitive position, by increasing market shares in key products and by offering high-quality products and services to the final consumer.

In the second half of the year, Group's domestic marketing aims to further increase sales in retail, by developing the COMO network of petrol stations, as well as Aviation and Marine. EKO will continue implementing its business plan which focuses on increasing market share while further improving operational profitability and liquidity, as well as the value offered to the consumer through innovative products & high quality services at competitive prices.

International Marketing

The number of petrol stations in Cyprus, Montenegro, Serbia and Bulgaria amounted to 281 (against a total of 278 in 1H18). In 1H19, total sales volumes of International Marketing activities amounted to 502 thousand tones vs 478 thousand tones (+5%), mainly due to the recovery of demand for oil products in most of the countries in which the Group operates, with Serbia and Bulgaria recording the most significant sales volumes growth (+14% and +12% respectively).

For the first half of 2019, the International Marketing sector recorded a slight decline in operating profitability due to reduced contribution from Montenegro, with the rest of the countries where the Group operates reporting an increased profitability.

For the second half of the year, a positive performance is expected subject to market conditions.

Oil & Gas Exploration and Production

HELLENIC PETROLEUM Group is also engaged in the exploration and production of Hydrocarbons (upstream) sector. Its main activities are focused in Greece:

- 25% participation in a consortium with Calfrac Well Services Ltd (75%) in the Sea of Thrace Concession, North Aegean Sea, covering a total area of approximately 1,600 sq. km.

- Participation as Operator, through its 100% subsidiary company, HELPE Patraikos (50%), in an international Joint Venture, with EDISON International (50%) to the Lease Agreement with Hellenic Republic in the offshore block of Patraikos Gulf (West), covering an area of 1,892 sq. km. The Lease Agreement was ratified by the Greek parliament and has been published in the Greek Government Gazette, as Law 4299 (Official Gazette Issue A, 221/03-10-14). On 3rd April 2018 the Lessee, has given notice to the Lessor, of entering to the 2nd Exploration Phase of two (2) years, with the commitment of drilling of one (1) exploration well. A portion of 25% of the initial Contract Area has been relinquished to the Lessor.

Following the completion of a 2D and 3D seismic survey and the seismic interpretation during the First Exploration Phase, numerous prospects and leads have been identified. Offshore works related to the assessment of possible geo-hazards, as well as extensive environmental sampling has been completed. Following completion of geo-hazards assessment an environmental baseline survey, the environmental impact and social assessment for the exploration well accompanied, as well as safety and emergency plans according to Greek and EU legislation, shall be prepared and submitted. Environmental studies and drilling preparations are ongoing for the first exploration well (commitment).

- The Group also has been awarded exploration and production rights for two (2) onshore blocks 'Arta-Preveza' and 'NW Peloponnese', as Operator with 100% working interest. The Lease Agreements for the two (2) blocks were signed by the Minister of Environment & Energy and the Lessee and were ratified by the Greek Parliament, as Laws (Official Gazette Issue A', 4526/16-03-2018 & Official Gazette Issue A', 4527/16-03-2018). For the two onshore blocks, environmental and geological studies are ongoing, whilst for 'Arta-Preveza' the preparation for the seismic acquisition programme which is planned for 1st H 2020, is in progress. Open informative meetings related to the exploration activities that will take place in the area and the environmental protection measures that will be adopted, were organized with local municipalities. In the onshore area Arta Preveza geological, geophysical and environmental studies and permitting are ongoing also for the 2nd half 2019. In the NW Peloponnese it is expected that in the 2nd half 2019 geological, environmental and geophysical studies will continue.

- In 2017, the Lease Agreement for Block 2, West of Corfu island, was signed by the Minister of Environment & Energy and the consortium of Total E&P Greece B.V. (50%, Operator) – Edison International SpA (25%) – HELPE S.A. (25%). Also, the pre-contractual audit procedure was completed by the Court of Audit and the Lease Agreement was ratified by the Greek Parliament on 15 March 2018, as Law (Official Gazette Issue A', 4525/15.03.2018). Geological and environmental studies were in progress during the second half of 2019.

- On 9th April 2019, the Lease Agreement for the offshore 'Block 10', in Kyparissiakos Gulf, was officially signed by the Lessor and the Lessee. HELPE S.A. holds 100% interest as Operator. It is expected that in the 2nd half 2019 the Lease Agreement will be ratified by the Greek Parliament.

- For the offshore 'Block 1' of the Ionian Sea, north of Corfu, where HELPE S.A. has submitted an offer (100%, Operator), it is expected that HELPE S.A. will be declared as Selected Applicant.

- On 5th March 2018, the consortium of TOTAL E&P Greece B.V. (40%, operator), ExxonMobil Exploration & Production Greece (Crete) B.V. (40%) and HELLENIC PETROLEUM S.A. (20%) has submitted an offer for granting rights of hydrocarbons exploration and production for two (2) offshore blocks in Crete, 'West Crete' (20.058,40 sq. km2) and 'Southwest Crete' (19.868,37 sq. km2).

- On 27th June 2019, the Lease Agreements of the two offshore blocks 'West Crete' (20,058.40 sq. km) and 'Southwest Crete' (19.868.37 sq. km) were officially signed by the Minister of Environment & Energy and the consortium of Total E&P Greece B.V. (40%, Operator) –

ExxonMobil Exploration & Production Greece (Crete) B.V. (40%) – HELLENIC PETROLEUM SA (20%) and is expected their ratification by the Greek parliament for the commencement of research work.

- Additionally, the consortium of Repsol Exploracion S.A. (50%, Operator) – HELLENIC PETROLEUM S.A. (50%) has submitted an offer for the offshore block 'Ionian', Western Greece. On 9th April 2019, the Lease Agreement was officially signed by the Lessor and the Lessee with the ratification by the Greek Parliament is expected for the commencement of research work.

Power Generation & Natural Gas

The Group's power and natural gas activities relate to the Group's participations to ELPEDISSON BV (50% HELLENIC PETROLEUM S.A., 50% EDISON) and DEPA S.A. (35% HELLENIC PETROLEUM S.A., 65% Greek State) respectively.

Power Generation & Trading

The results of ELPEDISON BV during the first half of 2019, were increased compared to the same period in 2018, as margins were higher, mainly in the electricity generation sector.

The main drivers of the electricity market in 1H19 were: increased production of natural gas, lower costs of natural gas due to cheaper LNG imports and a significant increase in CO_2 emission rights. Also the implementation of a new 'Transitional Flexibility Compensation Mechanism' in 1Q19 had a positive effect, following the previous mechanism, whose operation was completed in April 2017. The new mechanism has been suspended since April 2019, as its operation is linked to the implementation of the Target Model, which has been significantly delayed.

In the first half of 2019, Elpedison submitted to the Energy Regulatory Authority an application for a Power Generation License for a combined cycle unit with natural gas capacity of up to 826 MW.

In the retail electricity market, the Company's market share increased to 4% (June 2018: 3.18%, OOEM), with the expansion of its customer portfolio in Low and Medium Voltage (domestic and industrial customers) despite ever-increasing competition from alternative electricity suppliers. In 1H19, Elpedison strengthened its position in the liberalized market of Natural Gas supply, expanding its customer base, mainly in the regions of Attica, Thessaloniki and Thessaly.

In the second half of 2019 is expected to continue pendency for the Transitional and Permanent Compensation Mechanism, affecting negatively Elpedison's profitability in the electricity supply sector, new actions are in place and / or planned to further expand the customer base and market share, both in electricity and in the supply of Natural Gas.

Acquisition of minority interest in Elpedison SA

During the 1H19, ELPEDISON BV, in which HELLENIC PETROLEUM Group holds 50%, agreed to acquire a 24.22% stake in ELPEDISON SA. from the ELLAKTOR and ELVAL-HALCOR groups for €20m in cash. Following the completion of the transaction in July 2019, ELPEDISON BV holds 100% of ELPEDISON SA's share capital. The acquisition strengthens the position of HELLENIC PETROLEUM Group in ELPEDISON SA. and enables the implementation of its strategy in the Electricity Production and Supply sector.

Supply, Transportation and Trading of Natural Gas

In the first half of 2019, domestic Natural Gas consumption increased by 18.6% compared to the same period of 2018. The low cost of Liquefied Natural Gas (LNG), combined with the upgrading of the capacity of the Revithoussa station, has enabled alternative supply to large DEPA customers, such as electricity producers, leading to a reduction in DEPA's sales and market share. Despite the intense competition, DEPA Group's contribution to the profits of HELLENIC PETROLEUM Group increased compared to the first half of 2018, mainly due to the management activities of the Supply / Trading portfolio.

Corporate Transformation of DEPA Group

In the context of the process of DEPA's transformation process, under the provisions of no. 53 of Law 4602/2019 (9.3.2019) introduced the separation of the natural gas distribution networks from the activities of supply and marketing of gas and electricity. At the same time, the draft law provides how DEPA will be split into DEPA Retail and DEPA Infrastructure, in the context of the privatization of the company, as well as the announcement of a tender for the sale of 50% of HRADF plus one share in DEPA Retail.

During the second half of 2019, the clarification of the procedure of DEPA Group is expected.

Major Risks and Uncertainties of 2H19

The activities of the Group are focused on oil refining, as well as petrochemicals, fuels marketing and Exploration & Production, with participation in electricity generation and trading and natural gas. Therefore, the most significant risks that could affect the Group's operations in 2H19 are the developments that shape the supply of crude oil, fluctuations in crude oil prices, oil products demand, EUR/USD exchange rate volatility, risks of fair value fluctuations due to interest rates variations, changes in refining margins as well as the changes and utilization levels of refining capacity both globally and regionally as well as the developments in the overall macroeconomic environment, not only globally and regionally, but also domestically.

2.2.3. Significant Related Party Transactions (Decision No. 1/434/3.7.2007 Article 3)

The interim condensed consolidated statement of comprehensive income includes transactions between the Group and related parties. Such transactions mainly comprise sales and purchases of goods and services in the ordinary course of business.

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.
- D.M.E.P. HOLDCO

	For the six month period ended	
	30 June 2019	**30 June 2018**
Sales of goods and services to related parties		
Associates	177.128	360.696
Joint ventures	583	340
Total	**177.711**	**361.036**
Purchases of goods and services from related parties		
Associates	217.659	418.412
Joint ventures	16.017	9.650
Total	**233.676**	**428.062**

	As at	
	30 June 2019	**31 December 2018**
Balances due to related parties		
Associates	8.202	11.912
Joint ventures	294	1.387
Total	**8.496**	**13.299**
Balances due from related parties		
Associates	26.798	36.041
Joint ventures	3.195	150
Total	**29.993**	**36.191**

HELLENIC PETROLEUM S.A. 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 these as at 30 June 2019 was €83 million (31 December 2018: €83 million).

b) Government related entities which are under common control with the Group due to the shareholding and control rights of the Hellenic State and with which the Group has material transactions or balances are:

- Public Power Corporation Hellas S.A.
- Hellenic Armed Forces
- Road Transport S.A.

During the six-month period ended 30 June 2019, transactions and balances with the above government related entities are as follows:

- Sales of goods and services amounted to €156 million (30 June 2018: €156 million)
- Purchases of goods and services amounted to €33 million (30 June 2018: €21 million)
- Receivable balances of €65 million (31 December 2018: €41 million)
- Payable balances of €5 million (31 December 2018: €11 million).

c) Key management includes directors (Executive and Non-Executive Members of the board of Hellenic Petroleum S.A.) and General Managers. The compensation paid or payable for the six-month period ended 30 June 2019 to the aforementioned key management amounted as follows:

	For the six month period ended	
	30 June 2019	30 June 2018
Short-term employee benefits	2.608	2.698
Post-employment benefits	72	70
Termination benefits	-	522
Total	**2.680**	**3.290**

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

- Edison International SpA (Greece, Patraikos Gulf)
- Calfrac Well Services Ltd (Greece, Sea of Thrace concession)
- Total E&P Greece B.V and Edison International SpA (Greece, Block 2- West of Corfu Island).

Borrowings

The Group has centralized treasury operations which coordinate and control the funding and cash management activities of all group companies. Within this framework, 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.

Borrowings of the Group by maturity as at 30 June 2019 and 31 December 2018 are summarised in the table below (amounts in € million):

	Company	Maturity	Balance as at 30 June 2019	Balance as at 31 December 2018
1. Bond loan € 400 million	HP SA	Jun 2023	393	392
2. Bond loan € 400 million	HP SA	Nov 2020	223	223
3. Bond loan € 300 million	HP SA	Feb 2021	298	297
4. Bond loan $ 250 million	HP SA	Jun 2021	156	155
5. European Investment Bank ("EIB") Term loan	HP SA	Jun 2022	133	156
6. Eurobond €325m	HPF Plc	Jul 2019	320	318
7. Eurobond €450m	HPF Plc	Oct 2021	447	447
8. Bilateral lines	Various	Various	749	745
9. Finance leases	Various	Various	-	3
Total			**2.719**	**2.736**

As 30 June 2019, the Group was in compliance with its loan covenants.

Significant movements in borrowings for the six-month period ended 30 June 2019 are as follows:

Eurobond €325m

In July 2014 the Group issued a €325 million five-year Eurobond, with a 5.25% annual coupon, maturing in July 2019. The Notes, which were issued by Hellenic Petroleum Finance Plc and are guaranteed by HELLENIC PETROLEUM S.A., are listed on the Luxembourg Stock Exchange. In early July 2019 Hellenic Petroleum Finance repaid the outstanding amount €319.8 million of the €325 Eurobond upon maturity.

Bilateral lines

The Group companies have credit facilities with various banks to finance general corporate purposes which are being renewed in accordance with the Group’s finance needs. The facilities mainly comprise of short-term loans of the parent company Hellenic Petroleum S.A. Commencing from the 1st quarter of 2019, the Group achieved significant improvements in cost, which were further improved in the second quarter of 2019.

Finance leases

From 1 January 2019, following the adoption of IFRS 16, liabilities relating to finance leases, previously included within borrowings, are now presented within lease liabilities.

No other significant movements occurred in borrowings during the six-month period ended 30 June 2019.

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

2.3. Additional Information of the Board of Directors' Half Yearly Financial Report (article 4 of Decision No.7/448/2007)

2.3.1. Other Financial Information

Share Price Evolution

On June 28, 2019, the Company's share price closed at €9.25, a 25.3% increase compared with December 31, 2018. The average price for the 1st half of 2019 amounted to €8.15, a 2.9% increase compared to the same period in 2018. The highest was €9.25 on 28.06.2019 whilst the lowest was €7.30 on 2.01.2019.

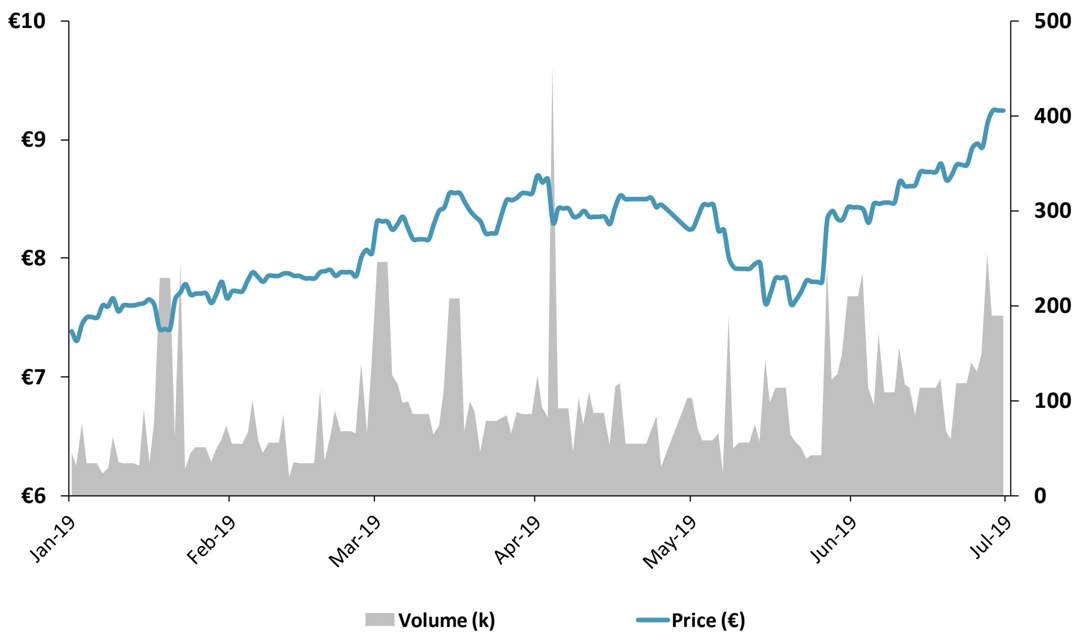
The average trading volume in the 1st half reached 93,668 shares a day, a decrease of 18.42% from the respective volume of 2018, while the average daily turnover decreased by 15.02% to €771.729.

The table below shows Company's average share closing price and the average daily trading volume per month in the 1st half of 2019, compared to the same period in 2018.

	Average Closing Price (€)		Average Trading Volumes (# shares)	
	2019	2018	2019	2018
January	7.61	8.17	64,966	110,960
February	7.88	8.14	67,938	123,997
March	8.37	7.93	101,439	106,418
April	8.44	8.24	104,966	103,642
May	8.03	7.77	95,323	146,587
June	8.71	7.33	133,595	96,800

Share price evolution chart for HELLENIC PETROLEUM S.A.

The following chart shows the share price evolution at the closing of each month and the average trading volume in the Company's shares from 01.01.2019 up until 28.06.2019:



2.3.2. Selected Alternative Performance Measures

This Report includes certain financial measures of historical financial performance, financial position, or cash flows, which are not defined or specified under IFRS **("Alternative Performance Measures").** The Group considers that these measures are relevant and reliable in assessing the Group's financial performance and position, however such measures are not a substitute for financial measures under IFRS and should be read in conjunction with IFRS financial statements.

Presentation and Explanation of Use of Alternative Performance Measures

IFRS Reported EBITDA

IFRS Reported EBITDA is defined as earnings/(loss) before interest, taxes, depreciation and amortisation, as presented in the company's reported financial statements under IFRS, which is calculated by adding back depreciation and amortization to operating profit.

Adjusted EBITDA

Adjusted EBITDA is defined as IFRS Reported EBITDA adjusted for: a) Inventory Effect (defined as the effect of the price fluctuation of crude oil and oil product inventories on gross margin) in the Refining, Supply & Trading segment and b) non-recurring items, which may include but are not limited to cost of early retirement schemes, write-downs of non-core assets and other one-off and non-operating expenses, in line with the refining industry practice. Adjusted EBITDA is intended to provide a proxy of the operating cash flow projection (before any Capex) in an environment with stable oil and products prices.

IFRS Reported EBITDA and Adjusted EBITDA are indicators of the Group's underlying cash flow generation capability. The Group's management uses the above alternative performance measures as a significant indicator in determining the Group's earnings performance and operational cash flow generation both for planning purposes as well as past performance appraisal.

Adjusted Net Income

Adjusted Net Income is defined as the IFRS Reported Net Income as derived from the Group's reported financial statements under IFRS, adjusted for post-tax inventory effect (calculated as Inventory Effect times (1- statutory tax rate in Greece) and other post-tax non-recurring items at the consolidated Group financial statements.

Adjusted Net Income is presented in this report because it is considered by the Group and the Group's industry as one of the key measure of its financial performance.

Net Debt

Net Debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position of the Group financial statements less "Cash & cash equivalents" and "Investment in Equity Instruments", as reflected in the Group's financial statements.

Capital Employed

Capital Employed is calculated as "Total Equity" as shown in the statement of financial position of the relevant financial statements plus Net Debt.

Reconciliation of Alternative Performance Measures to the Group's Interim Financial Statements

The tables below illustrate how the selected alternative performance measures presented in this financial report are reconciled to their most directly reconcilable line item in the interim financial statements for the corresponding period.

Calculation of EBITDA, Adjusted EBITDA, Adjusted Profit after tax		
million €	**1H19**	**1H18**
Operating Profit	**207,6**	**379,3**
Depreciation & Amortization	115,2	93,7
Reported EBITDA	**322,8**	**473,0**
Inventory effect	-77,7	-149,7
Other One-off expenses*	7,0	13,0
Adjusted EBITDA	**252,1**	**336,3**
Profit After Tax	121,4	225,2
Taxed Inventory effect	-56,0	-106,3
Taxed other one-off expenses**	5,0	9,2
Adjusted Profit After Tax	**70,5**	**128,1**

Calculation of Net Debt, Capital Employed and Gearing ratio		
million €	**1H19**	**1H18**
Borrowings LT	1.606,6	1.739,0
Borrowings ST	1.112,8	1.087,2
Cash & Cash equivalents	1.319,7	909,3
Investment in equity instruments	1,6	1,0
Net Debt	**1.398,2**	**1.915,9**
Equity	2.367,9	2.515,0
Capital Employed	**3.766,1**	**4.430,9**
Gearing ratio (Net Debt / Capital Employed)	**37%**	**43%**

** Main items include, a) for 1H19 €3m regarding the impact of pricing change on the existing CO_2 emission allowances deficit as at 31/12/2018 and €4m for other non-recurring items, b) for 1H18, €10m for the impact of pricing change on the existing CO_2 emission allowances deficit as at 31/12/2017 and €3m for other non-recurring items*

*** Includes all one-offs post effect of applicable tax rate*

2.3.3. Non-Financial Information

HELLENIC PETROLEUM Group has adopted a Sustainable Development strategy in all of its activities and expressed its commitment through related policies. The key themes of this strategic decision are safety without accidents, financially sustainable operation, respect for the environment and society. The Group promotes the awareness of social stakeholders by publishing an annual Sustainable Development & Corporate Social Responsibility report, which refers to the performance in the areas of sustainable development and social responsibility.

Health, Safety and Environment

Health and Safety

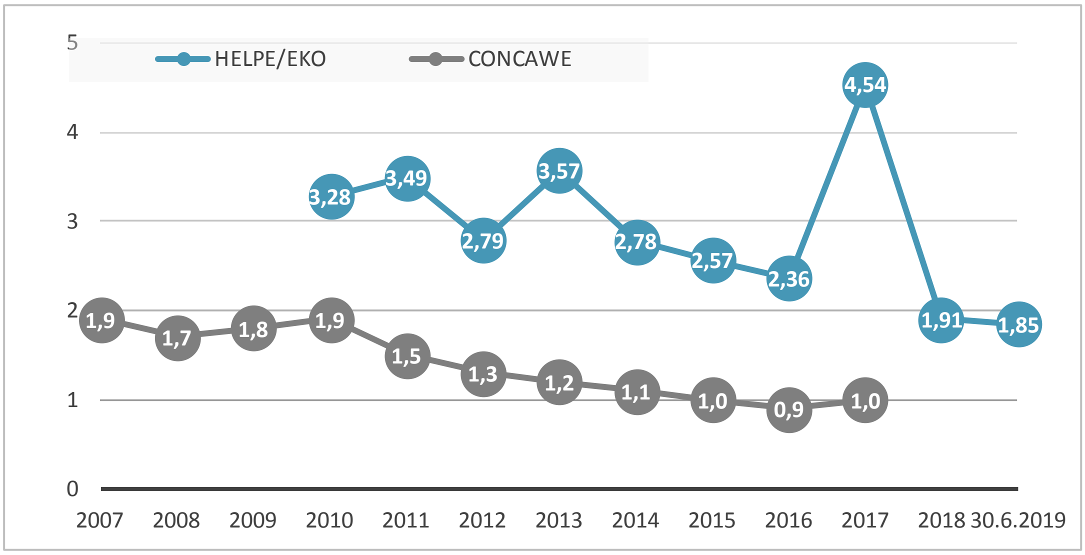
Health and safety across its activities is the most important priority of the HELLENIC PETROLEUM Group. Therefore, we take all necessary safety and security measures for our employees, partners and visitors in all facilities in line with the International Sustainable Development Goal (SDG 3) for Good Health.

The Group continuously invests in prevention, staff and partners' training and infrastructure in health and safety to ensure that it complies with the strictest criteria at both national and European level. All Group facilities set targets to control and improve their Health and Safety performance, with a regular periodic review of the targets.

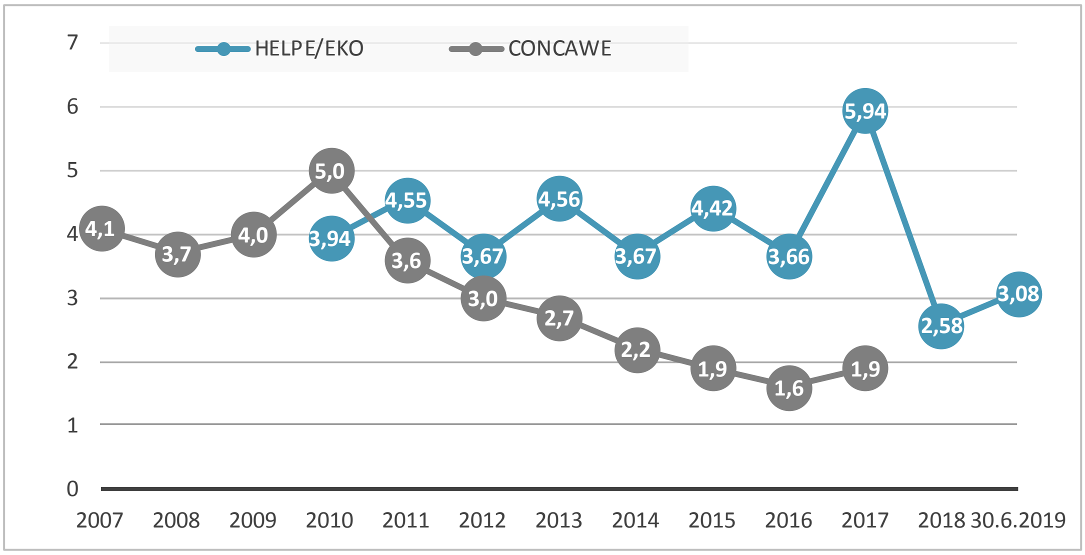
During 1H19, Health, Safety, Environment & Sustainable Development Policy (HSE & SD) was revised based on international best practices and new standards requirements for the certification of Health, Safety and Environment management systems. In line with the policy guidelines, a series of actions and programs continued, such as safety audits of all facilities, training of personnel, conducting fire and emergency drills, corrective measures to prevent accidents and unforeseen occurrences, safety instructions & procedures. At the same time, reporting and investigating near incidents has been enhanced and important lessons have been learned from the site security visits.

The diagrams below show the evolution of LWIF (Lost Workday Injury Frequency), AIF (All Injures Frequency) and PSER (Process Safety Event Rate) indices in recent years compared to the European average (CONCAWE).

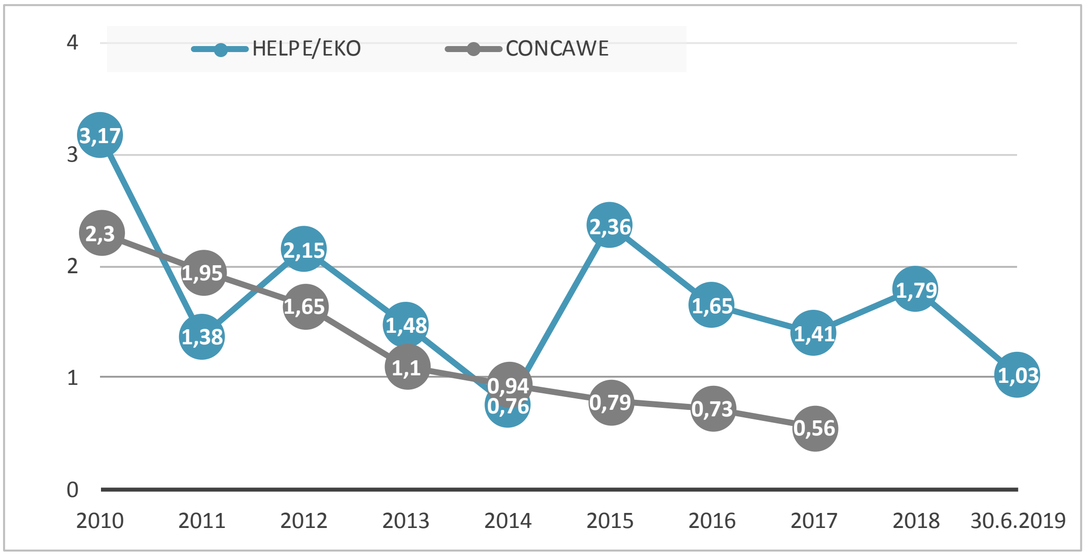
LWIF index



AIF index



PSER index



Environment

Regarding the management of environmental issues (air emissions, liquid and solid waste), the process of reviewing the Environmental Terms of Operation (ETO) of the three refineries is under way in cooperation with the competent authority as well as the evaluation of future (ETOs). At the same time, the implementation of interventions to comply with the new emission constrains of the European Best Available Techniques (REF BAT Conclusions) is continued.

HELLENIC PETROLEUM, steadily oriented towards circular economy, the primary objective is to reduce the production of liquid and solid waste at source, to maximize recycling and the re-use in the production process for waste streams and then to manage them in the best possible way for the environment and public health.

Regarding the participation of the refineries in the Emissions Trading System (ETS) (Phase 3, 2013-2020), the first half of 2019 successfully completed all the procedures for participation (emission verification and delivery of emissions permits for the year 2018) of the refineries and submitted the Monitoring Plan Improvement Reports. The carbon dioxide (CO_2) emissions from the three refineries (Aspropyrgos, Elefsina and Thessaloniki), for the first half of 2019, amounted to 1.77 million tons reporting a decline compared to 1H18.

Also, in the context of application for allocation of free allowance trading system of phase 4, 2021-2030 (sub-period 2021-2025) and following the verification inspections, the verified data (benchmarking) and the monitoring plan methodology for the three refineries were submitted to the relevant Ministry.

At the beginning of 2019, the results of the Group's first entry in the CDP (Carbon Disclosure Project), -which is the largest collection and evaluation program of greenhouse gas emission data, energy consumption and evaluation of companies respond to the challenges and opportunities of climate change-, were announced. HELLENIC PETROLEUM (one of the 5 companies in Greece that participated in the evaluation for 2018) was rated B-, exceeding the average in the Oil & Gas Industry category (Category average: C).

Labour and Social Issues

The industry in which the Group operates, requires specialized skills, training and experience. As a result, the ability to attract and retain the right human resources is an important factor in the Group’s normal operation.

Any inability to find and employ competent personnel, especially highly skilled and in middle and senior management, can adversely affect the Group's operations and financial position.

The provision of a safe working environment, which in addition motivates employees and treats them with respect, giving equal opportunities to all, is a Group priority.

Relations with the employees are based on the equal treatment principle. Both the integration and the progress of each employee within the Group are judged on the basis of an employee’s qualifications, performance and ambitions, without any distinction.

The internal operation of the Group's business units is based on specific principles and rules, so that there is consistency and continuity, key building blocks that guarantee successful and developmental progress. In this context, the Code of Conduct summarizes the principles governing the internal operation of the Group's Companies and determines how it operates, while the Internal Labour Regulation defines the rules governing the relationships between the Company and its staff.

As mentioned, the safety of the Group's facilities is one of the most important priorities. In occupational risk management, emphasis is placed on prevention in order to anticipate and control all possible health and safety risks in accordance with the criteria of Greek law (Law 3850/2010), European and international codes and best practices.

In addition, safeguarding the health of our employees and ensuring for a safe working environment are core values which are crystallized through the Health Surveillance Process. Periodic medical examinations of workers take place taking into account work descriptions, age group and gender.

Employee training is another important area in a way that each employee understands the Group’s strategic goals. Employee training also enables employees to define their role more effectively and develops their skills.

The Group monitors all relevant labor law (national, European, ILO), including reports on child labor, respect for human rights and working conditions, and is in full compliance with all collective and relevant international conventions.

The Group is committed to implementing the 17 Sustainable Development Goals and conforms to the international standards on Sustainability Reporting, the CoP requirements of the UN Global Compact, the GRI Standards of Global Reporting Initiative, including the Oil and Gas Sector supplement. The credibility of the information provided is ensured by an independent body. Furthermore, the Group conducts a materiality assessment in order to evaluate the most essential aspects of sustainable development associated with its activities. Both internal and external stakeholders participate in this assessment.

More specifically, our cooperation with social partners representing the broader society as well as local communities, is constant, multidimensional and material. Initiatives undertaken by the Group are closely linked to the needs of each area and relate to the society, the environment and local economy. Such initiatives are shaped through the open dialogue with stakeholders, through studies and the identification of material aspects, opinion polls, public debates and consultations. Subsequently, the Group evaluates the results of such practices and redefines actions in order to fully take into account and to meet the needs of all stakeholders.

The Group's contribution and responsible attitude towards the community as a whole, in collaboration with bodies, institutions, voluntary organizations and NGOs, are directed to 5 priority axes: Vulnerable Social Groups & Health, Youth and Education, Sustainable Cities and Environment, Culture, Sports.

Ethics and Transparency - Code of Conduct

The Code of Conduct summarizes the principles governing the internal operation of the Group in Greece and abroad, which specify the way it operates to achieve its business goals. This serves the best interests of the stakeholders, minimizing additional risks regarding compliance and reputation of the Group. The Code summarizes the principles, according to which each individual employee who participates in the production process of the companies of the Group and all collective bodies must act within the scope of their duties, constituting a guide for everyone, and third parties cooperating with HELPE.

The procedure of accepting and reaffirming the commitment by employees is made periodically by the Human Resources and Administrative Services of the Group and the Code is translated into all the languages of the countries where the Group operates, as well as in English.

Since the implementing of the Code of Conduct in 2011, systematic education and training of executives and employees of companies of the Group has taken place, in the content of the Code and its applications.

3. Certified Auditor – Accountant's Review Report regarding the Half-Yearly Report

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras str., Maroussi
151 25 Athens, Greece

Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

Independent auditor's review report

To the Board of Directors of "Hellenic Petroleum S.A."

<u>Report on review of interim condensed financial information</u>

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Hellenic Petroleum S.A. and its subsidiaries, as at 30 June 2019 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report required by Law 3556/2007.

Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards, as they have been endorsed by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as incorporated in Greek Law and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Building a better
working world

Report on other legal and regulatory matters

Our review has not identified any material inconsistency or error in the declarations of the members of Board of Directors and the information contained in the six-month financial report prepared in accordance with article 5 and 5a of Law 3556/2007 and the accompanying interim condensed financial information.

Athens, 29 August 2019

The Certified Auditor Accountant

Christiana Panayidou
S.O.E.L. R.N. 62141

ERNST & YOUNG (HELLAS)
Certified Auditors Accountants S.A.
Chimarras 8B
151 25 Maroussi, Greece
COMPANY S.O.E.L. R.N. 107

ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
8B Chimarras str., Maroussi
151 25 Athens, Greece

Tel: +30 210 2886 000
Fax:+30 210 2886 905
ey.com

Independent auditor's review report

To the Board of Directors of "Hellenic Petroleum S.A."

Report on review of interim condensed financial information

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Hellenic Petroleum S.A. as at 30 June 2019, and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report required by Law 3556/2007.

Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards, as they have been endorsed by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

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Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Building a better working world

Report on other legal and regulatory matters

Our review has not identified any material inconsistency or error in the declarations of the members of Board of Directors and the information contained in the six-month financial report prepared in accordance with article 5 and 5a of Law 3556/2007 and the accompanying interim condensed financial information.

Athens, 29 August 2019

The Certified Auditor Accountant

Christiana Panayidou
S.O.E.L. R.N. 62141

ERNST & YOUNG (HELLAS)
Certified Auditors Accountants S.A.
Chimarras 8B
151 25 Maroussi, Greece
COMPANY S.O.E.L. R.N. 107

4. Half-Yearly Financial Statements

4.1. Condensed Interim Consolidated Financial Statements

HELLENIC PETROLEUM S.A.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED

30 JUNE 2019

CONTENTS

(All amounts in Euro thousands unless otherwise stated)

I. Company Information

Directors	Ioannis Papathanasiou - Chairman of the Board (From 7/8/2019)
	Andreas Shiamishis - Chief Executive Officer (From 7/8/2019)
	Georgios Alexopoulos - Member
	Theodoros-Achilleas Vardas - Member
	Michail Kefalogiannis - Member (From 7/8/2019)
	Alexandros Metaxas - Member (From 7/8/2019)
	Iordanis Aivazis - Member (From 7/8/2019)
	Loukas Papazoglou - Member (From 7/8/2019)
	Alkiviadis-Konstantinos Psarras - Member (From 7/8/2019)
	Theodoros Pantalakis - Member
	Spiridon Pantelias - Member
	Georgios Papakonstantinou - Member
	Konstantinos Papagiannopoulos - Member
Other Board Members during the year	Efstathios Tsotsoros - Chairman of the Board & Chief Executive Officer (Until 7/8/2019)
	Georgios Grigoriou - Member (Until 7/8/2019)
	Dimitrios Kontofakas - Member (Until 7/8/2019)
	Vasileios Kounelis - Member (Until 7/8/2019)
	Loudovikos Kotsonopoulos - Member (Until 7/8/2019)
	Christos Tsitsikas - Member (Until 7/8/2019)
Registered Office	8A Chimarras Str
	GR 151 25 - Marousi
General Commercial Registry	000296601000

These consolidated financial statements constitute an integral part of the Annual Financial Report, which can be Found at https://www.helpe.gr/investor-relations/quarterly-results/httpannualreport2017helpegrhomedefaultaspx/ and which incorporates the Independent Auditor's Report.

(All amounts in Euro thousands unless otherwise stated)

II. Interim Condensed Consolidated Statement of Financial Position

		As at	
	Note	**30 June 2019**	**31 December 2018**
ASSETS			
Non-current assets			
Property, plant and equipment	**10**	3.243.091	3.268.928
Right-of-use assets	**2,11**	220.447	-
Intangible assets	**12**	109.813	105.617
Investments in associates and joint ventures		403.098	390.091
Deferred income tax assets		61.382	64.109
Investment in equity instruments	**3**	1.566	634
Loans, advances and long term assets	**2**	54.250	73.922
		4.093.647	**3.903.301**
Current assets			
Inventories	**13**	1.025.159	993.031
Trade and other receivables	**2,14**	852.226	822.805
Assets held for sale		3.361	3.133
Derivative financial instruments	**3**	2.107	-
Cash and cash equivalents	**15**	1.319.688	1.275.159
		3.202.541	**3.094.128**
Total assets		**7.296.188**	**6.997.429**
EQUITY			
Share capital and share premium	**16**	1.020.081	1.020.081
Reserves	**17**	265.889	258.527
Retained Earnings		1.020.202	1.052.164
Equity attributable to equity holders of the parent		**2.306.172**	**2.330.772**
Non-controlling interests		61.747	63.959
Total equity		**2.367.919**	**2.394.731**
LIABILITIES			
Non-current liabilities			
Interest bearing loans & borrowings	**18**	1.606.607	1.627.171
Lease liabilities	**2**	154.464	-
Deferred income tax liabilities		204.397	185.744
Retirement benefit obligations		167.566	163.514
Provisions		29.994	42.038
Other non-current liabilities		28.911	28.852
		2.191.939	**2.047.319**
Current liabilities			
Trade and other payables	**19**	1.330.527	1.349.153
Derivative financial instruments		7.034	16.387
Income tax payable		106.591	80.171
Interest bearing loans & borrowings	**18**	1.112.819	1.108.785
Lease liabilities	**2**	28.313	-
Dividends payable		151.046	883
		2.736.330	**2.555.379**
Total liabilities		**4.928.269**	**4.602.698**
Total equity and liabilities		**7.296.188**	**6.997.429**

The notes on pages 8 to 32 are an integral part of these interim condensed consolidated financial statements.

A. Shiamishis	E. Poulitsis	S. Papadimitriou
Chief Executive Officer	Group Financial Controller	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

III. Interim Condensed Consolidated Statement of Comprehensive Income

	Note	For the six month period ended 30 June 2019	For the six month period ended 30 June 2018	For the three month period ended 30 June 2019	For the three month period ended 30 June 2018
Revenue from contracts with customers	**4**	**4.456.629**	**4.666.909**	**2.465.413**	**2.498.523**
Cost of sales		(4.037.224)	(4.071.307)	(2.232.323)	(2.126.620)
Gross profit		**419.405**	**595.602**	**233.090**	**371.903**
Selling and distribution expenses		(157.434)	(154.463)	(81.887)	(79.988)
Administrative expenses		(65.660)	(66.393)	(31.696)	(34.264)
Exploration and development expenses		(1.712)	(29)	(1.262)	97
Other operating income/(expenses) and other gains/(losses)-net	5	13.080	4.646	10.164	2.623
Operating profit		**207.679**	**379.363**	**128.409**	**260.371**
Finance income		2.956	1.750	1.956	775
Finance expense		(66.444)	(77.766)	(33.149)	(38.258)
Fiunance expense - lease finance cost		(4.705)	-	(2.432)	-
Currency exchange gain/(loss)	6	743	4.528	(512)	6.646
Share of profit/(loss) of investments in associates and joint ventures	7	14.445	15.083	(3.646)	1.188
Profit before income tax		**154.674**	**322.958**	**90.626**	**230.722**
Income tax expense	8	(33.313)	(97.785)	(15.881)	(79.769)
Profit for the period		**121.361**	**225.173**	**74.745**	**150.953**
Profit attributable to:					
Equity holders of the parent		121.321	223.613	74.205	149.341
Non-controlling interests		40	1.560	540	1.612
		121.361	225.173	74.745	150.953
Other comprehensive income:					
Other comprehensive income that will not be reclassified to profit or loss (net of tax):					
Actuarial losses on defined benefit pension plans	17	(56)	-	-	-
Share of other comprehensive income of associates	17	(41)	-	(41)	-
Changes in the fair value of equity instruments	17	700	(442)	704	(324)
Net other comprehensive income that will not be reclassified to profit or loss (net of tax):		**603**	**(442)**	**663**	**(324)**
Other comprehensive income that may be reclassified subsequently to profit or loss (net of tax):					
Recycling of (gains)/losses on hedges through comprehensive income	17	1.501	(14.920)	-	-
Fair value gains/(losses) on cash flow hedges	17	5.186	16.256	(1.202)	(548)
Currency translation differences and other movements	17	66	(357)	36	(232)
Net other comprehensive income that may be reclassified subsequently to profit or loss (net of tax):		**6.753**	**979**	**(1.166)**	**(780)**
Other comprehensive income for the period, net of tax		**7.356**	**537**	**(503)**	**(1.104)**
Total comprehensive income for the period		**128.717**	**225.710**	**74.242**	**149.849**
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		128.683	224.152	73.695	148.299
Non-controlling interests		34	1.558	547	1.551
		128.717	**225.710**	**74.242**	**149.849**
Basic and diluted earnings per share (expressed in Euro per share)	**9**	**0,40**	**0,73**	**0,24**	**0,49**

The notes on pages 8 to 32 are an integral part of these interim condensed consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

IV. Interim Condensed Consolidated Statement of Changes in Equity

		Attributable to owners of the Parent					
	Note	Share Capital	Reserves	Retained Earnings	Total	Non-Controling interests	Total Equity
Balance at 31 December 2017 as originally presented		1.020.081	358.056	930.522	2.308.659	62.915	2.371.574
Change in accounting policy (IFRS 9)		-	166	(3.469)	(3.303)	-	(3.303)
Restated total equity as at 1 January 2018		**1.020.081**	**358.222**	**927.053**	**2.305.356**	**62.915**	**2.368.271**
Changes in the fair value of equity instruments	**17**	-	(444)	-	(444)	2	(442)
Currency translation differences and other movements	**17**	-	(353)	-	(353)	(4)	(357)
Fair value gains on cash flow hedges	**17**	-	16.256	-	16.256	-	16.256
Recycling of losses on hedges through comprehensive income	**17**	-	(14.920)		(14.920)	-	(14.920)
Other comprehensive income/ (loss)		**-**	**539**	**-**	**539**	**(2)**	**537**
Profit for the period		-	-	223.613	223.613	1.560	225.173
Total comprehensive income for the period		**-**	**539**	**223.613**	**224.152**	**1.558**	**225.710**
Share based payments		-	(73)	(970)	(1.043)	-	(1.043)
Acquisition of treasury shares	**17**	-	(511)	-	(511)	-	(511)
Issue of treasury shares to employees	**17**	-	1.042	-	1.042	-	1.042
Transfer of grant received to tax free reserves		-	80	-	80	-	80
Tax on intra-group dividends		-	-	(123)	(123)	-	(123)
Dividends to non-controlling interests		-	-	-	-	(2.061)	(2.061)
Dividends		-	(88.335)	11.927	(76.408)	-	(76.408)
Balance at 30 June 2018		**1.020.081**	**270.964**	**1.161.500**	**2.452.545**	**62.412**	**2.514.957**
Balance at 1 January 2019		**1.020.081**	**258.527**	**1.052.164**	**2.330.772**	**63.959**	**2.394.731**
Changes of the fair value of equity investments	**17**	-	691	-	691	9	700
Recycling of loss on hedges through comprehensive income	**17**	-	1.501	-	1.501		1.501
Fair value gains on cash flow hedges	**17**	-	5.186	-	5.186	-	5.186
Share of other comprehensive income of associates			(41)		(41)		(41)
Currency translation differences and other movements	**17**	-	81	-	81	(15)	66
Actuarial gains/(losses) on defined benefit pension plans		-	(56)	-	(56)	-	(56)
Other comprehensive income/(loss)		**-**	**7.362**	**-**	**7.362**	**(6)**	**7.356**
Profit for the period		-	-	121.321	121.321	40	121.361
Total comprehensive income for the period		**-**	**7.362**	**121.321**	**128.683**	**34**	**128.717**
Share capital issue expenses		-	-	(342)	(342)	-	(342)
Tax on intra-group dividends		-	-	(122)	(122)	-	(122)
Dividends to non-controlling interests		-	-	-	-	(2.246)	(2.246)
Dividends		-	-	(152.818)	(152.818)	-	(152.818)
Balance at 30 June 2019		**1.020.081**	**265.889**	**1.020.203**	**2.306.173**	**61.747**	**2.367.920**

The notes on pages 8 to 32 are an integral part of these interim condensed consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

V. Interim Condensed Consolidated Statement of Cash Flows

		For the six month period ended	
	Note	**30 June 2019**	**30 June 2018**
Cash flows from operating activities			
Cash generated from operations	**20**	228.949	31.448
Income tax (paid)/received		(3.052)	2.572
Net cash generated from / (used in) operating activities		**225.897**	**34.020**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**10,12**	(78.262)	(60.531)
Proceeds from disposal of property, plant and equipment & intangible assets		363	40
Participation in share capital increase of associates		(342)	-
Purchase of subsidiary, net of cash acquired	**25**	(5.341)	(1.298)
Settlement of consideration of acquisition of further equity interest in subsidiary		-	(16.000)
Grants received		199	80
Interest received		2.956	1.750
Prepayments for right-of-use assets		(463)	-
Dividends received		1.347	-
Proceeds from disposal of investments in equity instruments		21	266
Net cash used in investing activities		**(79.522)**	**(75.693)**
Cash flows from financing activities			
Interest paid		(63.127)	(69.941)
Dividends paid to shareholders of the Company		(122)	(214)
Dividends paid to non-controlling interests		(2.246)	(2.061)
Movement in restricted cash	**15**	-	144.445
Acquisition of treasury shares	**17**	-	(511)
Proceeds from borrowings		10.000	407.810
Repayments of borrowings		(27.671)	(407.272)
Payment of lease liabilities		(19.729)	-
Net cash (used in) / generated from financing activities		**(102.895)**	**72.256**
Net increase in cash and cash equivalents		**43.480**	**30.583**
Cash and cash equivalents at the beginning of the period	**15**	**1.275.159**	**873.261**
Exchange gain on cash and cash equivalents		1.049	4.272
Net increase in cash and cash equivalents		43.480	30.583
Cash and cash equivalents at end of the period	**15**	**1.319.688**	**908.116**

The notes on pages 8 to 32 are an integral part of these interim condensed consolidated financial statements.

VI. Notes to the Interim Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

Hellenic Petroleum S.A. ("the Company or "Hellenic Petroleum") is the parent company of Hellenic Petroleum Group (the "Group"). The Group operates 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 natural gas sector and in the production and trading of electricity power.

The parent company is incorporated in Greece and the address of its registered office is 8A Chimarras Str., Marousi, 151 25. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDRs.

2. BASIS OF PREPARATION, ACCOUNTING POLICIES AND ESTIMATES

Basis of preparation of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard 34 (IAS 34) – *Interim Financial Reporting*, and present the financial position, results of operations and cash flows of the Group on a going concern basis. Management has concluded that the going concern basis of preparation of the condensed consolidated financial statements is appropriate.

The interim condensed consolidated financial statements have been prepared in accordance with the historical cost basis, except for the following:

- financial instruments - measured at fair value
- defined benefit pension plans – plan assets measured at fair value
- assets held for sale – measured at the lower of carrying value and fair value less cost to sell.

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

These interim condensed consolidated financial statements do not include all information and disclosures required for the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2018, which can be found on the Group's website **www.helpe.gr**.

The interim condensed consolidated financial statements for the six-month period ended 30 June 2019 have been authorised for issue by the Board of Directors on 29 August 2019.

Accounting policies and the use of estimates

The preparation of the interim condensed consolidated financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates and assumptions. 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 interim condensed consolidated financial statements are disclosed where considered necessary. Estimates and judgements, that are discussed in detail in the annual consolidated financial statements for the year ended 31 December 2018, are continuously evaluated and are based on historical experience and other factors, including expectations of future events as assessed to be reasonable under the present circumstances.

New standards, interpretations and amendments adopted by the Group

The accounting policies and methods of computation used in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended 31 December 2018 and have been consistently applied in all periods presented in this report except for the following IFRSs which have been adopted by the Group as of 1 January 2019. The Group applied IFRS 16 (Leases) for the first time as of 1 January 2019, and as required by IAS 34 the nature and effect of the changes are disclosed below. Several other amendments and interpretations apply for the first time in 2019 but do not have a significant impact on the interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2019. These are also disclosed below.

(All amounts in Euro thousands unless otherwise stated)

- *IFRS 16 Leases:* IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

  Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

  The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The comparative figures have not been restated. The Group applied the practical expedient to grandfather the definition of a lease on transition. This means that it applied IFRS 16 to all contracts entered into before 1 January 2019 that were identified as leases in accordance with IAS 17 and IFRIC 4. Furthermore, the Group elected to use the recognition exemptions proposed by the standard for lease contracts that, at the commencement date have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which, the underlying asset is of low value ("low-value assets"). Finally, the Group decided to apply a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with similar remaining lease term for similar class of underlying assets in a similar economic environment).

  The effect of adoption IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

Assets	
Right-of-use assets	220.875
Property, plant and equipment	(6.259)
Trade and other receivables - prepayments	(37.476)
Total assets	**177.140**
Liabilities	
Lease liabilities	180.198
Borrowings	(3.058)
Total liabilities	**177.140**

  a) <u>Nature of the effect of adoption of IFRS 16</u>

  The Group has lease contracts for various items of petrol station properties, commercial properties, plant & machinery and motor vehicles. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognized as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under Trade and other receivables and Trade and other payables, respectively.

  Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

  - Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognized assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognized under IAS 17 under property plant and equipment and borrowings respectively). The requirements of IFRS 16 were applied to these leases from 1 January 2019.

- Leases previously accounted for as operating leases

The Group recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for leases of low-value assets. The right-of-use assets were recognized as equal to the lease liability, adjusted by the amount of any prepaid lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients whereby it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

For the six-month period ended 30 June 2019 the effect of the application of IFRS 16 is a €19 million positive impact on the operating results and €4 million negative impact on the net income before tax after taking into account charges for depreciation of right- of – use – assets and interest expense arising from the associated liabilities.

b) Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

- Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The result of this re-measurement is disclosed in a line of the right-of-use assets note as modifications.

- Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below five thousand Euros). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

- Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (as a change in business strategy).

- *IFRS 9 (Amendment) Prepayment features with negative compensation:* The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be ‘negative compensation’), to be measured at amortized cost or at fair value through other comprehensive income.

- *IAS 28 (Amendments) Long-term Interests in Associates and Joint Ventures:* The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the ‘net investment’ in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28.

- *IFRIC Interpretation 23: Uncertainty over Income Tax Treatments:* The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances.

- *IAS 19 (Amendments) Plan Amendment, Curtailment or Settlement*: The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements.

- The IASB has issued the *Annual Improvements to IFRSs 2015 – 2017 Cycle,* which is a collection of amendments to IFRSs.

  - *IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:* The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- *IAS 12 Income Taxes:* The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.

- *IAS 23 Borrowing Costs*: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

Standards issued but not yet effective and not early adopted

The Group has not early adopted any of the following standards, interpretations or amendments that have been issued but are not yet effective. Management is currently assessing the impact of these standards to the consolidated financial statements.

- *IFRS 10 (Amendment) Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture:* The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

- *Conceptual Framework in IFRS standards:* The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

- *IFRS 3 Business Combinations (Amendments):* The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU.

- *IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)* The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. These Amendments have not yet been endorsed by the EU.

3. FINANCIAL RISK MANAGEMENT

The Group's activities are primarily centred on Downstream Refining (incl. Petrochemicals) & Marketing of petroleum products; with secondary activities relating to 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, cash flow 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 key factors that impact the Group's operations are summarised as follows:

Greek Macros: The upward trend of the Greek economy continued in the first quarter of 2019, with GDP growing by 1,3% compared to the corresponding period of 2018, mainly driven by higher exports of services, private sector investments, as well as increased private consumption. On the other hand, an increase in imports and a decrease in exports of goods, limited a further upward performance.

Total domestic fuels consumption in the first six months of 2019 increased by 4,5% compared to the previous year, mainly supported by significantly higher demand for heating gasoil, which is attributed to lower temperatures during the first quarter of the year. Net demand for Motor fuels decreased by 1%, driven by lower gasoline demand (-1,9%) and marginally lower auto diesel consumption (-0,3%).

However, the Greek economy still faces a number of significant challenges, such as the relatively low growth rates and the lower than the investment class Greek government's credit rating. At the same time, there are significant risks and uncertainties coming from the external environment, such as slowdown in global economic activity due to growing trade protectionism and geopolitical tensions. Management continually assesses the situation and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize the impact on the Group's Greek operations.

United Kingdom's exit from the European Union: The Group is sourcing funds from international debt capital markets, through Eurobonds, issued by its London based subsidiary, Hellenic Petroleum Finance plc, listed in the Luxembourg stock exchange, for the optimal management of its debt liabilities. It is uncertain, how a potential exit of the UK from the EU, especially if that happens without an agreement (no deal Brexit), will affect existing HPF Eurobonds, as well as the Group's funding from international debt capital markets. The Group is closely following relevant developments and assessing alternatives in order to maintain its ability to source funding through the international debt capital markets.

Currency: The Group's business is naturally hedged against a functional currency risk. 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 conducted 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: During the last 2 years crude oil reference prices started recovering, following a 3-year period of contraction (June 2014 – June 2017), averaging $66/bbl in the first six months of 2019. Nonetheless, the cost of crude, for both sweet and especially sour grades, which represent the key source of feedstock for complex refiners like Hellenic Petroleum, remains at reasonable levels, maintaining the competitive position of Med refiners vs. their global peers. Concerning the USA's decision for the re-imposition of the nuclear-related sanctions against Iran, Hellenic Petroleum has successfully managed to replace the Iranian oil supply with other alternatives in the region, without any significant effect in the continuity and cost of its operations (Note 19).

Financing of operations: Given financial market developments since 2011, the key priorities of the Group have been the management of the 'Assets and Liabilities' maturity profile, funding in accordance with its strategic investment plan and liquidity risk for operations. As a result of these key priority initiatives and in line with its medium-term financing plan, the Group has maintained a mix of long term, medium term and short term credit facilities by taking into consideration bank and debt capital markets' credit capacity as well as cash flow planning and commercial requirements. Approximately 72% of total debt is financed by medium to long term committed credit lines while the remaining debt is being financed by short term working capital credit facilities. Further details of the relevant loans and refinancing are provided in Note 18, "Interest bearing loans and borrowings".

(All amounts in Euro thousands unless otherwise stated)

Capital management: Another key priority of the Group has been the management of its Assets. Overall the Group has around €4,0 billion of capital employed which is driven from working capital, investment in fixed assets and its investment in the DEPA Group. Current assets are mainly funded with current liabilities (incl. short term bank debt) which are used to finance working capital (inventories and receivables). As a result of the implementation of the Group's investment plan during the period 2007-2012 and the introduction of IFRS 16 from 1 January 2019, net debt level has increased as of 30 June 2019 to 40% of total capital employed while the remaining 60% is financed through shareholders equity. The Group has started reducing its net debt levels through utilization of the incremental operating cash flows, post completion and operation of the new Elefsina refinery. This has led to lower Debt to Equity ratio, better matched Asset and Liability maturity profiles as well as lower financing costs (Note 18).

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures that are required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2018.

There have been no changes in the risk management or in any risk management policies since 31 December 2018.

Fair value estimation

The table below analyses financial instruments carried at fair value, categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. 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 Group's assets and liabilities that are measured at fair value at 30 June 2019:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging- ST	-	2.107	-	2.107
Investment in equity instruments	1.566	-	-	1.566
	1.566	**2.107**	**-**	**3.673**
Liabilities				
Derivatives used for hedging	-	7.034	-	7.034
	-	**7.034**	**-**	**7.034**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2018:

(All amounts in Euro thousands unless otherwise stated)

	Level 1	**Level 2**	**Level 3**	**Total balance**
Assets				
Investment in equity instruments	634	-	-	634
	634	**-**	**-**	**634**
Liabilities				
Derivatives used for hedging	-	16.387	-	16.387
	-	**16.387**	**-**	**16.387**

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. These financial 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 are 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 commodity swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

There were no changes in valuation techniques during the period. There were no transfers between levels during the period.

The fair value of Euro denominated Eurobonds as at 30 June 2019 was €803 million (31 December 2018: €797 million), compared to its book value of €767 million (31 December 2018: €765 million). The fair value of the remaining borrowings approximates their carrying value.

The fair value of the following financial assets and liabilities approximate their carrying amount due to their short-term nature:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables

4. ANALYSIS BY OPERATING SEGMENT

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 assesses performance taking into account 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 provided to the committee is measured in a manner consistent with that of the financial statements.

(All amounts in Euro thousands unless otherwise stated)

Financial information regarding the Group's operating segments for the six-month period ended 30 June 2019 is presented below:

For the six month period ended 30 June 2019

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Total
Gross Sales	3.940.101	1.521.272	-	158.657	1.809	6.908	5.628.746
Inter-segmental Sales	(1.162.303)	(3.916)	-	-	(11)	(5.887)	(1.172.117)
Revenue from contracts with customers	**2.777.798**	**1.517.356**	**-**	**158.657**	**1.798**	**1.021**	**4.456.629**
EBITDA	**215.714**	**54.565**	**(2.776)**	**52.906**	**1.249**	**1.244**	**322.902**
Depreciation & Amortisation (PPE & Intangibles)	(73.464)	(19.856)	(250)	(2.270)	(549)	(317)	**(96.706)**
Depreciation of Right-of-Use assets (*)	(3.306)	(15.598)	(16)	(54)	(5)	461	(18.517)
Operating profit / (loss)	**138.944**	**19.111**	**(3.042)**	**50.582**	**695**	**1.388**	**207.679**
Currency exchange gains/ (losses)	1.025	(281)	(1)	-	-	-	743
Share of profit/(loss) of investments in associates & joint ventures	1.012	195	-	-	13.233	5	14.445
Finance (expense)/income - net	(27.502)	(7.513)	-	25	(175)	(28.324)	(63.489)
Lease finance cost (*)	(464)	(4.284)	(2)	(4)	(2)	50	(4.705)
Profit / (loss) before income tax	**113.016**	**7.228**	**(3.045)**	**50.604**	**13.751**	**(26.881)**	**154.674**
Income tax expense							(33.313)
Profit for the period							**121.361**
Loss attributable to non-controlling interests							(40)
Profit for the period attributable to the owners of the parent							**121.321**

(*) Comparability to figures as of 30 June 2018 is affected due to the adoption of IFRS 16 as of 1 January 2019 (Note 2).

Financial information regarding the Group's operating segments for the six-month period ended 30 June 2018 is presented below:

For the six month period ended 30 June 2018

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Total
Gross Sales	4.181.290	1.456.377	-	152.678	1.309	6.222	5.797.876
Inter-segmental Sales	(1.121.995)	(3.893)	-	-	(4)	(5.075)	(1.130.967)
Revenue from contracts with customers	**3.059.295**	**1.452.484**	**-**	**152.678**	**1.305**	**1.147**	**4.666.909**
EBITDA	**387.796**	**37.626**	**(3.637)**	**52.840**	**977**	**(2.589)**	**473.013**
Depreciation & Amortisation (PPE & Intangibles)	(69.859)	(20.537)	(343)	(2.155)	(353)	(403)	(93.650)
Operating profit / (loss)	**317.937**	**17.089**	**(3.980)**	**50.685**	**624**	**(2.992)**	**379.363**
Currency exchange gains/ (losses)	4.229	300	(1)	-	-	-	4.528
Share of profit of investments in associates & joint ventures	(133)	289	-	-	14.928	(1)	15.083
Finance (expense)/income - net	(49.714)	(8.805)	-	3	(31)	(17.469)	(76.016)
Profit / (loss) before income tax	**272.319**	**8.873**	**(3.981)**	**50.688**	**15.521**	**(20.462)**	**322.958**
Income tax expense							(97.785)
Profit for the period							**225.173**
Profit attributable to non-controlling interests							(1.560)
Profit for the period attributable to the owners of the parent							**223.613**

(All amounts in Euro thousands unless otherwise stated)

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

“Other Segments” include Group entities which provide treasury, consulting and engineering services.

There were no changes in the basis of segmentation or in the basis of measurement of segment profit or loss, as compared to the consolidated annual financial statements for the year ended 31 December 2018.

There has been no material change in the definition of segments or the segmental analysis of total assets or total liabilities from the amounts disclosed in the consolidated annual financial statements for the year ended 31 December 2018.

An analysis of the Group’s revenue from contracts with customers by type of market (domestic, aviation & bunkering, exports and international activities) and business unit is presented below:

	For the six month period ended 30 June 2019						
Revenue from contracts with customers	**Refining**	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**Gas & Power**	**Other**	**Total**
Domestic	558.868	808.219	-	56.640	1.798	435	1.425.959
Aviation & Bunkering	287.174	301.690	-	-	-	-	588.865
Exports	1.726.296	10.410	-	102.017	-	223	1.838.946
International activities	205.459	397.037	-	-	-	363	602.859
Total	**2.777.797**	**1.517.356**	**-**	**158.657**	**1.798**	**1.021**	**4.456.629**

	For the six month period ended 30 June 2018						
Revenue from contracts with customers	**Refining**	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**Gas & Power**	**Other**	**Total**
Domestic	544.956	753.493	-	58.874	1.305	1.040	1.359.668
Aviation & Bunkering	241.396	312.604	-	-	-	-	553.999
Exports	2.076.052	12.603	-	93.804	-	107	2.182.566
International activities	196.891	373.784	-	-	-	-	570.675
Total	**3.059.295**	**1.452.484**	**-**	**152.678**	**1.305**	**1.147**	**4.666.909**

5. OTHER OPERATING INCOME / (EXPENSES) AND OTHER GAINS / (LOSSES)

	For the six month period ended		For the three month period ended	
	30 June 2019	**30 June 2018**	**30 June 2019**	**30 June 2018**
Other operating income				
Income from Grants	589	392	394	196
Services to 3rd Parties - net	2.335	1.988	1.533	927
Rental income - net	4.208	3.800	2.035	1.799
Insurance compensation	269	1.145	4	886
Total other operating income -net	**7.401**	**7.325**	**3.966**	**3.808**
Other gains/(losses)				
Profit from the sale of PPE - net	(19)	80	(141)	(5)
Amortisation of long-term contracts costs	8	(2.784)	(236)	(1.807)
Voluntary retirement scheme cost	-	(323)	-	(152)
Impairment of assets (Notes 10 & 12)	(745)	-	(5)	-
Other operating expenses - net	6.435	348	6.580	779
Total other gains/(losses)	**5.679**	**(2.679)**	**6.198**	**(1.185)**
Total other operating income / (expenses) and other gains/(losses) - net	**13.080**	**4.646**	**10.164**	**2.623**

Other operating income / (expenses), include income or expenses which do not relate to the trading activities of the Group.

(All amounts in Euro thousands unless otherwise stated)

6. CURRENCY EXCHANGE GAINS / (LOSSES)

Foreign currency exchange gains of €0,7 million reported for the six-month period ended 30 June 2019 , mainly relate to unrealized gains arising from the valuation of bank accounts denominated in foreign currency (mostly USD) as well as unrealized exchange gains arising from the valuation of borrowings denominated in foreign currency. The corresponding amount for the for the six-month period ended 30 June 2018 was a gain of €4,5 million.

7. SHARE OF NET RESULTS OF ASSOCIATES & JOINT VENTURES

The amounts represent the Group's share of the net profit / (losses) from associated companies and joint ventures accounted for on an equity accounting basis, which are analysed as follows:

	For the six month period ended		For the three month period ended	
	30 June 2019	**30 June 2018**	**30 June 2019**	**30 June 2018**
Public Natural Gas Corporation of Greece (DEPA)	16.856	20.977	245	4.325
ELPEDISON B.V.	(3.623)	(6.049)	(4.285)	(4.181)
DMEP	719	(425)	(11)	553
Other associates	493	580	405	491
Total	**14.445**	**15.083**	**(3.646)**	**1.188**

The Group consolidates the DEPA Group using the equity method of accounting and the carrying value of the investment in the consolidated financial statements reflects HELPE's 35% share of the net asset value of the DEPA group which as at 30 June 2019 amounts to €365 million (31 December 2018: €348 million). The cost of investment in DEPA in the separate financial statements of HELPE S.A is €237 million.

8. INCOME TAXES

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

	For the six month period		For the three month period ended	
	30 June 2019	**30 June 2018**	**30 June 2019**	**30 June 2018**
Current tax	(19.861)	(42.987)	(6.848)	(41.683)
Prior year tax	5.183	5.107	4.873	(1.175)
Tax on reserves	0	(11.927)	0	(11.927)
Deferred tax	(18.635)	(47.978)	(13.906)	(24.984)
Total expense	**(33.313)**	**(97.785)**	**(15.881)**	**(79.769)**

The corporate income tax rate of legal entities in Greece is 28% for 2019 (2018: 29%). According to article 23 of Law 4579/2018, the corporate income tax rate in Greece, currently 28%, is to be reduced as follows: 27% in FY 2020, 26% in FY 2021 and 25% in FY 2022 onwards.

In accordance with the applicable tax provisions, tax audits in Group companies are conducted as follows:

a. Audits by Certified Auditors - Tax Compliance Report

Effective for fiscal years ending 31 December 2011 onwards, Greek companies meeting certain criteria can obtain an "Annual Tax Compliance Report" as provided for by par. 5, article 82 of L.2238/1994 and article 65A of L. 4174/2013, as of 2014, from their statutory auditor in respect of compliance with tax law. The issuance of a Tax Compliance Report under certain conditions, substitutes the full tax audit by the tax authorities, however the tax authorities reserve the right of future tax audit.

All Group companies based in Greece have received unqualified Tax Compliance Reports by their respective statutory auditor for fiscal years up to 2017 (inclusive). The tax audit for the financial year 2018 is in progress, the issuance of Tax Compliance Reports is expected to be finalized within the fourth quarter of 2019 and management expects them to be unqualified for all respective Group companies.

b. Audits by Tax Authorities

Income tax years of the parent company and its most significant subsidiaries audited by the tax authorities are set out below:

Company name	**Financial years ended (up to & including)**
HELLENIC PETROLEUM SA	2011
EKO SA	2010
HELLENIC FUELS & LUBRICANTS SA (former HELLENIC FUELS SA)	2011

As explained also in Note 23 and notwithstanding the possibility of future tax audits, the Group's management believes that no additional material liability will arise as a result of unaudited tax years over and above the tax liabilities and provisions recognised in the condensed consolidated financial statements as of 30 June 2019 (Note 23).

9. EARNINGS PER SHARE

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, excluding the weighted average number of treasury shares (Note 16). As of 31 December 2018 and 30 June 2019, all share options had either been exercised or lapsed and there were no treasury shares. Diluted earnings per share equal basic earnings per share.

	For the six month period ended		**For the three month period ended**	
	30 June 2019	**30 June 2018**	**30 June 2019**	**30 June 2018**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**0,40**	**0,73**	**0,24**	**0,49**
Net income attributable to ordinary shares (Euro in thousands)	121.321	223.613	74.205	149.341
Weighted average number of ordinary shares	305.635.185	305.621.912	305.635.185	305.632.718

(All amounts in Euro thousands unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machinery	Transportation means	Furniture and fixtures	Assets Under Con-struction	Total
Cost							
As at 1 January 2018	**312.868**	**909.409**	**4.708.733**	**96.556**	**181.388**	**102.131**	**6.311.085**
Additions	1.915	3.504	6.282	1.551	3.539	40.817	57.608
Capitalised projects	1.231	5.034	38.704	54	356	(45.379)	-
Disposals	(71)	(14)	(121)	(144)	(41)	-	(391)
Impairment/write off	(18)	(167)	(84)	(2)	(15)	(916)	(1.202)
Currency translation effects	89	305	235	-	14	2	645
Transfers and other movements	-	(68)	2.927	-	-	(572)	2.287
As at 30 June 2018	**316.014**	**918.003**	**4.756.676**	**98.015**	**185.241**	**96.083**	**6.370.032**
Accumulated Depreciation							
As at 1 January 2018	**-**	**467.548**	**2.319.571**	**61.948**	**150.125**	**-**	**2.999.192**
Charge for the period	-	14.319	69.044	2.091	4.156	-	89.610
Disposals	-	(7)	(116)	(142)	(41)	-	(306)
Currency translation effects	-	201	270	(1)	15	-	485
Transfers and other movements	-	(68)	68	-	-	-	-
As at 30 June 2018	**-**	**481.993**	**2.388.837**	**63.896**	**154.255**	**-**	**3.088.981**
Net Book Value at 30 June 2018	**316.014**	**436.010**	**2.367.839**	**34.119**	**30.986**	**96.083**	**3.281.051**
Cost							
As at 1 January 2019	**314.960**	**918.298**	**4.820.343**	**92.319**	**193.750**	**92.143**	**6.431.813**
Additions	1.227	908	7.851	49	3.617	62.960	76.612
Capitalised projects	-	3.511	23.905	65	467	(27.948)	-
Disposals	(12)	(15)	(7.895)	(75)	(1.198)	-	(9.195)
Impairment/write off	-	(1.056)	(666)	(1)	(198)	(678)	(2.599)
Currency translation effects	49	(2)	(136)	(1)	(6)	(36)	(132)
Transfers and other movements	(4.943)	(2.801)	(839)	2.524	(866)	(4.168)	(11.093)
As at 30 June 2019	**311.281**	**918.843**	**4.842.563**	**94.880**	**195.566**	**122.273**	**6.485.406**
Accumulated Depreciation							
As at 1 January 2019	**-**	**489.551**	**2.452.564**	**63.222**	**157.548**	**-**	**3.162.885**
Charge for the period	-	13.894	72.570	1.637	4.559	-	92.660
Disposals	-	(12)	(7.599)	(75)	(1.145)	-	(8.831)
Impairment/write off	-	(1.013)	(658)	-	(198)	-	(1.869)
Currency translation effects	-	(40)	(116)	(2)	(6)	-	(164)
Transfers and other movements	-	(1.809)	(734)	886	(709)	-	(2.366)
As at 30 June 2019	**-**	**500.571**	**2.516.027**	**65.668**	**160.049**	**-**	**3.242.315**
Net Book Value at 30 June 2019	**311.281**	**418.272**	**2.326.536**	**29.212**	**35.517**	**122.273**	**3.243.091**

'Transfers and other movements' primarily comprise the transfer of finance leases balances (Cost of € 10.4 million and Accumulated Depreciation of € 4.1 million) to right-of-use assets based on the implementation of the IFRS 16 as from 1 January 2019. Furthermore, 'Transfers and other movements' also include the transfer of computer software development costs (Cost of € 2.6 million) to intangible assets (Note 12) and the transfer of spare parts for the refinery units between inventories and fixed assets.

11. RIGHT-OF-USE ASSETS

	Petrol station properties	Commercial Properties	Plant & Machinery	Motor Vehicles	Total
Cost					
As at 1 January 2019	**189.950**	**22.419**	**6.325**	**6.275**	**224.969**
Additions	8.007	73	144	1.695	9.920
Derecognition	(6)	-	-	(18)	(24)
Modification	6.955	46	10	1.177	8.188
Currency translation effects	12	-	-	(5)	7
As at 30 June 2019	**204.919**	**22.538**	**6.479**	**9.124**	**243.060**
Accumulated Depreciation					
As at 1 January 2019	**4.094**	**-**	**-**	**-**	**4.094**
Charge for the period	13.225	2.950	564	1.781	18.519
As at 30 June 2019	**17.319**	**2.950**	**564**	**1.781**	**22.613**
Net Book Value at 30 June 2019	**187.600**	**19.588**	**5.915**	**7.343**	**220.447**

(All amounts in Euro thousands unless otherwise stated)

12. INTANGIBLE ASSETS

	Goodwill	Retail Service Station Usage Rights	Computer software	Licences & Rights	Other	Total
Cost						
As at 1 January 2018	**133.914**	**51.241**	**111.527**	**38.075**	**74.603**	**409.360**
Additions	-	310	335	3.551	-	4.196
Currency translation effects	-	-	4	-	15	19
Other movements	-	-	572	-	-	572
As at 30 June 2018	**133.914**	**51.551**	**112.438**	**41.626**	**74.618**	**414.147**
Accumulated Amortisation						
As at 1 January 2018	**71.829**	**34.834**	**101.407**	**31.224**	**64.382**	**303.676**
Charge for the period	-	1.236	2.283	521	-	4.040
Impairment/ write offs	-	-	-	295	-	295
Currency translation effects	-	-	1	-	-	1
Other movements	-	-	72	(72)	-	-
As at 30 June 2018	**71.829**	**36.070**	**103.763**	**31.968**	**64.382**	**308.012**
Net Book Value at 30 June 2018	**62.085**	**15.481**	**8.675**	**9.658**	**10.236**	**106.135**
Cost						
As at 1 January 2019	**133.914**	**53.858**	**114.992**	**38.807**	**74.806**	**416.377**
Additions	4.674	320	576	26	52	5.648
Disposals	-	(39)	(51)	-	-	(90)
Currency translation effects	-	-	1	(2)	10	9
Other movements	-	-	2.615	5	-	2.620
As at 30 June 2019	**138.588**	**54.139**	**118.133**	**38.836**	**74.868**	**424.564**
Accumulated Amortisation						
As at 1 January 2019	**71.829**	**37.701**	**107.180**	**29.689**	**64.361**	**310.760**
Charge for the period	-	1.091	2.432	299	223	4.046
Impairment	-	-	-	15	-	15
Disposals	-	(20)	(51)	-	-	(71)
Currency translation effects	-	-	(1)	(1)	-	(2)
Other movements	-	-	-	3	-	3
As at 30 June 2019	**71.829**	**38.772**	**109.561**	**30.006**	**64.584**	**314.751**
Net Book Value at 30 June 2019	**66.759**	**15.367**	**8.573**	**8.830**	**10.284**	**109.813**

'Licenses and Rights' include net exploration license costs relating to the exploration & production hydrocarbons' concessions in Greece. 'Other movements' in computer software include the transfer of computer software development costs from assets under construction to intangible assets (Note 10).

13. INVENTORIES

	As at 30 June 2019	31 December 2018
Crude oil	327.415	328.482
Refined products and semi-finished products	608.313	572.461
Petrochemicals	21.292	24.400
Consumable materials and other spare parts	99.168	97.518
- Less: Provision for consumables and spare parts	(31.029)	(29.830)
Total	**1.025.159**	**993.031**

(All amounts in Euro thousands unless otherwise stated)

The cost of inventories recognised as an expense and included in Cost of sales amounted to €3,6 billion (30 June 2018: €3,7 billion). As at 30 June 2019, the Group wrote down inventories to their net realisable value, recording a loss of € 4,7 million (30 June 2018: loss of €1,1 million included in Cost of Sales in the statement of comprehensive income).

Under IEA and EU regulations, Greece is obliged to hold crude oil and refined product stocks in order to fulfil the EU requirement for compulsory Stock obligations (90 days stock directive), as legislated by Greek Law 3054/2002. This responsibility is passed on to all companies, including Hellenic Petroleum S.A., which import and sell in the domestic market and 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.

14. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2019	**31 December 2018**
Trade receivables	750.733	756.135
- Less: Provision for impairment of receivables	(244.351)	(258.333)
Trade receivables net	**506.382**	**497.802**
Other receivables	364.323	338.857
- Less: Provision for impairment of receivables	(43.058)	(42.304)
Other receivables net	**321.265**	**296.553**
Deferred charges and prepayments	24.579	28.450
Total	**852.226**	**822.805**

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, since all risks and rewards of the relevant invoices have been transferred to the factoring institution.

Other receivables include balances in respect of advances to suppliers, advances to personnel, VAT claimed, income taxes withheld, and taxes paid as a result of taxes assessed by the tax authorities following tax audits of previous years and for which the Company has started legal proceedings and disputed the relevant amounts. The Group expects to recover these amounts but the the timing of the finalization of these disputes cannot be estimated and the Group has classified the amounts as current assets. This balance as at 30 June 2019 also includes an amount of €54 million (31 December 2018: €54 million) of VAT approved refunds which has been withheld by the customs office due to a dispute relating to stock shortages. The Group has filed a specific legal objection and claim against this action and expects to fully recover this amount following the conclusion of the relevant legal proceedings (Note 23). The Group recognized impairment losses on trade and other receivables, included in the statement of comprehensive income, amounting to € 4,1 million and € 5,3 million for the six months ended 30 June 2019 and 2018, respectively.

15. CASH, CASH EQUIVALENTS

	As at	
	30 June 2019	**31 December 2018**
Cash at Bank and in Hand	1.319.688	1.275.159
Cash and Cash Equivalents	**1.319.688**	**1.275.159** (*)

(*) Restated balance. In current period the Group reclassified an amount of 1,2 million from restricted cash to trade and other receivables. The same reclassification for the same amount was performed for the comparative figure.

The balance of US Dollars included in Cash at bank as at 30 June 2019 was $ 653 million (euro equivalent €574 million). The respective amount for the period ended 31 December 2018 was $ 891 million (euro equivalent €779 million).

(All amounts in Euro thousands unless otherwise stated)

16. SHARE CAPITAL AND SHARE PREMIUM

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January & 31 December 2018	305.635.185	666.285	353.796	1.020.081
As at 30 June 2019	**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 2018: €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 of linking the number of share options granted to Management with the results and performance of the Company. Subsequent AGMs have approved and granted the share options. At the 2014 and 2015 AGM's, the shareholders approved several changes to the share option program incorporating recent tax changes, without altering the net effect in terms of benefit to the participants.

As of 31 December 2018, all share options were either exercised or lapsed.

	As at			
	30 June 2019		**31 December 2018**	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
Balance at the beginning of the period (1 January)	**-**	**-**	**4,52**	**185.633**
Exercised	-	-	4,52	(172.383)
Lapsed	-	-	4,52	(13.250)
Balance at the end of the period	**-**	**-**	**-**	**-**

17. RESERVES

	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax-free & Incentive Law reserves	Other Reserves	Treasury Shares	Total
Balance at 31 December 2017 as originally presented	**118.668**	**86.495**	**8.175**	**94**	**164.982**	**(19.827)**	**(531)**	**358.056**
Change in accounting policy (IFRS 9)	-	-	-	-	-	166	-	166
Restated total equity as at 1 January 2018	**118.668**	**86.495**	**8.175**	**94**	**164.982**	**(19.661)**	**(531)**	**358.222**
Changes in the fair value of equity instruments	-	-	-	-	-	(444)	-	(444)
Fair value gains on cash flow hedges	-	-	16.256	-	-	-	-	16.256
Currency translation differences and other movements	-	-	-	-	-	(353)	-	(353)
Recycling of losses on hedges through comprehensive income	-	-	(14.920)	-	-	-	-	(14.920)
Share-based payments	-	-	-	(73)	-	-	-	(73)
Acquisition of treasury shares	-	-	-	-	-	-	(511)	(511)
Issue of treasury shares to employees	-	-	-	-	-	-	1.042	1.042
Transfer of grant received to tax free reserves	-	-	-	-	80	-	-	80
Transfers of tax on reserves distributed to retained earnings	-	-	-	-	(11.927)	-	-	(11.927)
Dividends	-	-	-	-	(76.408)	-	-	(76.408)
Balance at 30 June 2018	**118.668**	**86.495**	**9.511**	**21**	**76.727**	**(20.458)**	**-**	**270.964**
Balance at 1 January 2019	**144.838**	**86.495**	**(11.751)**	**1**	**71.335**	**(32.391)**	**-**	**258.527**
Changes in the fair value of equity instruments	-	-	-	-	-	691	-	691
Recycling of loss on hedges through comprehensive income	-	-	1.501	-	-	-	-	1.501
Actuarial losses on defined benefit pension plans	-	-	-	-	-	(56)	-	(56)
Fair value gains on cash flow hedges	-	-	5.186	-	-	-	-	5.186
Currency translation differences and other movements	-	-	-	-	-	81	-	81
Share of other comprehensive loss of associates	-	-	-	-	-	(41)		(41)
As at 30 June 2019	**144.838**	**86.495**	**(5.064)**	**1**	**71.335**	**(31.716)**	**-**	**265.889**

(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.

Tax and Incentive Law reserves

These reserves relate to retained earnings that have not been taxed with the prevailing corporate income tax rate as allowed by Greek law under various statutes and include reserves relating to investments under incentive laws. These reserves will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital under certain conditions.

Hedging reserve

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Other reserves

Other reserves are almost entirely comprised of actuarial losses.

Other reserves include:

(i) Actuarial gains / (losses) on defined benefit plans resulting from a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.

(ii) Changes in the fair value of investments that are classified as investments in equity instruments.

(iii) Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in other reserves. The cumulative amount is reclassified to the profit or loss when the net investment is disposed of.

Treasury Shares

Treasury shares were held regarding the Share Option Plan. Treasury shares are recognised on a first-in-first out method.

18. INTEREST BEARING LOANS AND BORROWINGS

	As at	
	30 June 2019	**31 December 2018**
Non-current interest bearing loans and borrowings		
Bank borrowings	1.159.415	1.178.075
Eurobonds	447.192	446.715
Finance leases	-	2.381
Total non-current interest bearing loans and borrowings	**1.606.607**	**1.627.171**
Current interest bearing loans and borrowings		
Short term bank borrowings	748.659	745.278
Eurobonds	319.716	318.386
Current portion of long-term bank borrowings	44.444	44.444
Finance leases - current portion	-	677
Total current interest bearing loans and borrowings	**1.112.819**	**1.108.785**
Total interest bearing loans and borrowings	**2.719.426**	**2.735.956**

The Group has centralized treasury operations which coordinate and control the funding and cash management activities of all group companies. Within this framework, 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.

Borrowings of the Group by maturity as at 30 June 2019 and 31 December 2018 are summarised in the table below (amounts in € million):

	Company	Maturity	Balance as at 30 June 2019	Balance as at 31 December 2018
1. Bond loan € 400 million	HP SA	Jun 2023	393	392
2. Bond loan € 400 million	HP SA	Nov 2020	223	223
3. Bond loan € 300 million	HP SA	Feb 2021	298	297
4. Bond loan $ 250 million	HP SA	Jun 2021	156	155
5. European Investment Bank ("EIB") Term loan	HP SA	Jun 2022	133	156
6. Eurobond €325m	HPF Plc	Jul 2019	320	318
7. Eurobond €450m	HPF Plc	Oct 2021	447	447
8. Bilateral lines	Various	Various	749	745
9. Finance leases	Various	Various	-	3
Total			**2.719**	**2.736**

No loans were in default as at 30 June 2019 (none as at 31 December 2018).

Significant movements in borrowings for the six-month period ended 30 June 2019 are as follows:

EIB Term loans

Total repayments on both loans up to 30 June 2019 amounted to € 267 million (€22 million paid during 2019).

Eurobond €325m

In July 2014 the Group issued a €325 million five-year Eurobond, with a 5,25% annual coupon, maturing in July 2019. The Notes, which were issued by Hellenic Petroleum Finance Plc and are guaranteed by Hellenic Petroleum S.A., are listed on the Luxembourg Stock Exchange. In early July 2019 Hellenic Petroleum Finance repaid the outstanding amount €319.8 million of the €325 Eurobond upon maturity.

Bilateral lines

The Group companies have credit facilities with various banks to finance general corporate needs which are being renewed in accordance with the Group's finance needs. The facilities are mainly comprised of short-term loans of the parent company. During the first quarter of 2019, the Group achieved significant improvements in cost, which were further improved in the second quarter of 2019.

Finance leases

From 1 January 2019, following the adoption of IFRS 16, liabilities relating to finance leases, previously included within borrowings, are now presented within lease liabilities.

No other significant movements occurred in borrowings during the six-month period ended 30 June 2019.

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

(All amounts in Euro thousands unless otherwise stated)

19. TRADE AND OTHER PAYABLES

	As at	
	30 June 2019	**31 December 2018**
Trade payables	1.131.134	1.137.603
Accrued expenses	146.759	138.022
Other payables	52.634	73.528
Total	**1.330.527**	**1.349.153**

Trade payables comprise amounts payable or accrued in respect of supplies of crude oil, products, and services.

Trade payables, as at 30 June 2019 and 31 December 2018, include amounts in respect of crude oil imports from Iran, which were received 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 through the international banking system between January and June 2012, it was not possible to do so. In the period from 16 January 2016 up to 8 May 2018, when sanctions were suspended, the Group successfully made several payments against part of these amounts.

Following the re-imposition of relevant sanctions by the United States, no deliveries of Iranian crude oil or payments have taken place since 8 May 2018.

Accrued expenses mainly relate to accrued interest, payroll related accruals and accruals for operating expenses not yet invoiced.

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

20. CASH GENERATED FROM OPERATIONS

		For the six month period ended	
	Note	**30 June 2019**	**30 June 2018**
Profit before tax		**154.674**	**322.958**
Adjustments for:			
Depreciation and impairment of property, plant and equipment, intangible assets and right-of-use assets	**10,11**	111.922	93.650
Amortisation of intangible assets	**12**	4.045	1.497
Amortisation of grants	**5**	(589)	(392)
Finance costs - net		68.193	76.016
Share of operating profit of associates	**7**	(14.445)	(15.083)
Provisions for expenses and valuation charges		5.441	28.322
Foreign exchange gains/(losses)	**6**	(743)	(4.528)
Amortisation of long-term contracts costs	**5**	(1.379)	2.784
Gain on assets held for sale		(228)	-
Loss / (gain) on sales of property, plant and equipment	**5**	19	(80)
		326.911	**505.144**
Changes in working capital			
(Increase) / Decrease in inventories		(33.153)	6.172
Increase in trade and other receivables		(33.358)	(100.018)
Decrease in trade and other payables		(31.451)	(379.850)
		(97.962)	**(473.696)**
Net cash generated from operating activities		**228.949**	**31.448**

(All amounts in Euro thousands unless otherwise stated)

21. RELATED PARTY TRANSACTIONS

The interim condensed consolidated statement of comprehensive income includes transactions between the Group and related parties. Such transactions mainly comprise sales and purchases of goods and services in the ordinary course of business.

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.
- D.M.E.P. HOLDCO

	For the six month period ended	
	30 June 2019	**30 June 2018**
Sales of goods and services to related parties		
Associates	177.128	360.696
Joint ventures	583	340
Total	**177.711**	**361.036**
Purchases of goods and services from related parties		
Associates	217.659	418.412
Joint ventures	16.017	9.650
Total	**233.676**	**428.062**

	As at	
	30 June 2019	**31 December 2018**
Balances due to related parties		
Associates	8.202	11.912
Joint ventures	294	1.387
Total	**8.496**	**13.299**
Balances due from related parties		
Associates	26.798	36.041
Joint ventures	3.195	150
Total	**29.993**	**36.191**

Hellenic Petroleum S.A. 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 these as at 30 June 2019 was €83 million (31 December 2018: €83 million).

b) Government related entities which are under common control with the Group due to the shareholding and control rights of the Hellenic State and with which the Group has material transactions or balances are:

- Public Power Corporation Hellas S.A.
- Hellenic Armed Forces
- Road Transport S.A.

During the six-month period ended 30 June 2019, transactions and balances with the above government related entities are as follows:

- Sales of goods and services amounted to €156 million (30 June 2018: €156 million)
- Purchases of goods and services amounted to €33 million (30 June 2018: €21 million)
- Receivable balances of €65 million (31 December 2018: €41 million)
- Payable balances of €5 million (31 December 2018: €11 million).

c) Key management includes directors (Executive and Non-Executive Members of the board of Hellenic Petroleum S.A.) and General Managers. The compensation paid or payable for the six-month period ended 30 June 2019 to the aforementioned key management amounted as follows:

	For the six month period ended	
	30 June 2019	**30 June 2018**
Short-term employee benefits	2.608	2.698
Post-employment benefits	72	70
Termination benefits	-	522
Total	**2.680**	**3.290**

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

- Edison International SpA (Greece, Patraikos Gulf)
- Calfrac Well Services Ltd (Greece, Sea of Thrace concession)
- Total E&P Greece B.V and Edison International SpA (Greece, Block 2- West of Corfu Island).

22. COMMITMENTS

Significant contractual commitments of the Group mainly relate to improvements in refining assets and amount to €26,7 million as at 30 June 2019 (31 December 2018: €21,7 million).

23. 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, the most significant of which are disclosed below:

(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 provisions already reflected in the consolidated financial statements.

As at 30 June 2019 there are pending litigation claims that have been filed against the Group by the State, concerning customs violations that have been carried out by petrol stations dealers and whereby the Group is considered to be jointly liable. Furthermore, a number of decisions have been issued by the Supreme Administrative Court in similar cases, which either reject the Group's appeals, or accept the State's appeals and redirect them to the Administrative Appeals Court. The total amounts imposed amount to € 13,9 million of which € 11,7 million have been paid and recognized in Other Receivables in the Financial Statements (31 December 2018: € 11,7 million).

With regards to EKO S.A.'s cases, the Group has filed an appeal to the European Court of Human Rights as it assesses that the above Court decisions contradict the provisions of the European Convention on Human Rights.

In this context, Group Management assesses that the probability of a favourable outcome from the European Courts is likely, which may as a result change the Supreme Administrative Court's position, which will subsequently result in a favourable outcome for the Group. For the reasons mentioned above, the Group has not raised a provision with regards to these cases.

During the two preceding years, a number of Municipalities proceeded with the imposition of duties and fines relating to the rights of way occupied by underground pipelines operated by the Group within the boundaries of each respective municipality. As at 30 June 2019, the total amounts imposed amount to € 26,5 million. In order to appeal against these, and in accordance with legislation, the Group has paid an amount of € 14 million which is included in Other Receivables in the Financial Statements (31 December 2018: € 6,4 million).

The Group has exercised all available legal recourse relating to these cases and Group Management have assessed that it is most probable that the outcome of all appeals will be favourable. Therefore, the Group has not raised a provision with regards to these cases.

(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 30 June 2019 was the equivalent of €959 million (31 December 2018: €969 million). Out of these, €876 million (31 December 2018: €886 million) are included in consolidated borrowings of the Group and are presented as such in the consolidated financial statements.

(iii) International operations

The Group's international operations face a number of legal issues related to changes in local permits and tax regulations, however it is considered that they do not present any material impact on the consolidated financial statements. Such cases include a dispute in connection with the local tank depots of Jugopetrol AD in Montenegro, as well as the re-opening of the Commission for the Protection of Competition in Cyprus' investigation against the Petroleum companies operating there (wholesale), for the period from 1 October 2004 to 22 December 2006. On 15 November 2017 the Commission for the Protection of Competition in Cyprus imposed a fine amounting to €5 million against Hellenic Petroleum Cyprus Ltd. Pertinent legal actions, have commenced on 30 December 2017 and are in progress. The likelihood for an outflow of resources is assessed as remote. Management believes that no additional material liabilities will arise as a result of these cases over and above those recognised in the consolidated financial statements.

(b) Taxation and customs

The tax framework and practices in Greece, which determine the tax base for the transactions of the Group's main entities, may result in inherent uncertainties, due to its complexity and it being subject to changes and alternative interpretation by relevant authorities at different points in time and across different entities. As a result, there may be types of expenses or treatments for which a company may be assessed on a different basis than the one adopted during preparation of its tax return and the financial statements. Based on past experience tax audits were carried out by tax authorities on average 5-7 years after the filing of the tax return. In addition, where a tax audit results in a different assessment to the one adopted by the Group entity, and for which the Group after consideration, disagrees with, the process for resolving the issue is usually through a court of law proceeding, which has many stages and can take a considerable number of years to reach its final and irrevocable ruling. For an entity to engage in this process, a minimum down payment of 50% of the total tax and surcharges assessed is required.

All of the above result in inherent difficulties in the determination and accounting of tax liabilities. As a result, management aims to determine its policy based on specific legislation available at the time of accounting for a transaction, obtain specialist legal and tax advice on individual cases and utilise prior tax audits experience and rulings, including relevant court decisions. This process should ensure that the financial statements reflect any material tax and customs liabilities as accurately and completely as possible.

(i) Open tax years – Litigation tax cases

As disclosed in Note 8, tax audits for the Group's most important Greek legal entities have been completed by the Tax Authorities as follows:

- Hellenic Petroleum S.A. has been audited up to and including the financial year ended 31 December 2011. The Tax audit reports for years ended 31 December 2010 and 31 December 2011 were received in December 2017 and they are subject to legal dispute by the Company. In summary, the reports assess additional taxes of € 22,5 million and penalties of €23,5 million, for items relating to stamp duty, various non-deductible expenses and other income tax adjustments. Following a detailed review of the Tax Audit Report, the Company disputes the additional taxes imposed (which are over and above the amounts already included in the Companies' normal tax returns) and has proceeded with all possible legal means and actions to appeal against these additional taxes and surcharges imposed.

  Even though the Company disputed the additional taxes and surcharges imposed, it was obliged to pay 50% of the assessed amounts (taxes and surcharges) to the Tax Authorities in order to appeal the results of the tax audits. This was paid within the applicable deadline, while the remaining amounts have been fully offset by the Authorities, with tax and other State receivables of the Company, within 2018. The amounts are included in the Trade and Other Receivables, as the Company assesses that it will succeed in its appeals. As far as surcharges are concerned, the report has assessed amounts at 120% of the original tax instead of the applicable 50%; this is also legally challenged by the Company.

  At present, an audit for the year ended 31 December 2012 is in progress.

The two main retail subsidiaries in Greece, which merged during 2016, have been audited as follows:

- Former Hellenic Fuels S.A. has been audited up to and including the financial year ended 31 December 2011, with ongoing audits for subsequent years up to and including 31 December 2013. The most recent Tax audit reports for 2010 and 2011 were delivered in December 2017, and assess additional taxes of € 1,6 million and surcharges of € 1,9 million for similar reasons as Hellenic Petroleum. The process followed is identical to the one described above for Hellenic Petroleum and the subsidiary has already proceeded with the relevant legal actions.

- EKO S.A. has been audited up to and including 31 December 2010 with ongoing audit for the fiscal year 2012. The most recent Tax audit reports for 2008, 2009 and 2010 were delivered in February 2018 and assess additional stamp duty of € 4,1 million and surcharges of € 3,5 million. The process followed is identical to the one described above for Hellenic Petroleum and the subsidiary has already proceeded with the relevant legal actions.

  Even though the Companies dispute the additional taxes and surcharges imposed, they were obliged to pay 50% of the assessed amounts (taxes and surcharges) to the Tax Authorities in order to appeal the results of the tax audits. These were paid within the applicable deadlines, while the remaining amounts have been fully offset by the Authorities, with tax and other State receivables of the Companies, within 2018. The amounts paid and/or offset are included in the Trade and Other Receivables, as the Group assesses that it will succeed in its appeals.
  Management believes that no additional material liability will arise either as a result of open tax years or from the outcome of current litigation cases over and above the tax liabilities and provisions already recognized in the consolidated financial statements as at 30 June 2019. The Company has recorded down payments made for taxes and penalties assessed in previous disputes with the tax authorities in other receivables (Note 14), to the extent that the Company has assessed that the amounts will be ultimately recoverable.

It is noted that for financial years ending 31 December 2011 up to and including 31 December 2017, the Group's Greek legal entities obtained unqualified "Annual Tax Compliance Reports" from their Statutory Auditors, as provided for by par. 5, article 82 of L.2238/1994 and article 65A of L. 4174/2013.

(ii) Assessments of customs and fines

In 2008, Customs authorities assessed additional customs duties and penalties amounting to approximately €40 million for alleged "stock shortages" during the years 2001-2005. The Company has duly filed contestations before the Administrative Court of First Instance, and Management believes that this case will have a positive outcome when the court hearings take place.
Notwithstanding the filing of the above contestations, the Customs office withheld an amount of €54 million (full payment plus surcharges) of established VAT refunds (Note 14), an action against which the Company filed two Contestations before the Administrative Courts of Athens and Piraeus. The Administrative Court of Athens ruled that the withholding effected by the Tax Office was unlawful.

(All amounts in Euro thousands unless otherwise stated)

The Company considers that the above amounts will be recovered.

24. DIVIDENDS

On 28 February 2019, the BoD proposed to the AGM the distribution of a final dividend of €0,50 per share for the year ended 2018, which was approved by the AGM on 7 June 2019. The above dividend includes a special dividend of €0,25 per share relating to distribution of part of the proceeds from the sale of the Group's share in DESFA. The total final dividend for 2018, amounts to €152,814 million and is included in the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2019. The whole amount was paid in July 2019.

The Board did not approve a change in dividend policy overall and will re-evaluate the payment of an additional dividend or an additional special dividend during 2019.

25. LIST OF PRINCIPAL CONSOLIDATED SUBSIDIARIES AND ASSOCIATES INCLUDED IN THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

COMPANY NAME	ACTIVITY	COUNTRY OF REGISTRATION	EFFECTIVE PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
HELLENIC FUELS AND LUBRICANTS INDUSTRIAL AND COMMERCIAL 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 / Marketing	GREECE	100,00%	FULL
EKO ARTEMIS MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO DIMITRA MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO IRA MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO AFRODITI MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO BULGARIA EAD	Marketing	BULGARIA	100,00%	FULL
EKO SERBIA AD	Marketing	SERBIA	100,00%	FULL
HELLENIC PETROLEUM INTERNATIONAL S.A.	Holding	AUSTRIA	100,00%	FULL
HELLENIC PETROLEUM CYPRUS LTD	Marketing	U.K	100,00%	FULL
R.A.M.OIL Cyprus LTD	Marketing	CYPRUS	100,00%	FULL
YUGEN LTD	Marketing	CYPRUS	100,00%	FULL
HELPE COMPANY HOLDING LTD	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM SERBIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
JUGOPETROL AD	Marketing	MONTENEGRO	54,35%	FULL
GLOBAL ALBANIA S.A	Marketing	ALBANIA	99,96%	FULL
ELPET BALKANIKI S.A.	Holding	GREECE	100,00%	FULL
VARDAX S.A	Pipeline	GREECE	80,00%	FULL
OKTA CRUDE OIL REFINERY A.D	Refining	FYROM	81,51%	FULL
ASPROFOS S.A	Engineering	GREECE	100,00%	FULL
DIAXON S.A.	Petrochemicals	GREECE	100,00%	FULL
POSEIDON MARITIME COMPANY	Vessel owning / Petrochemicals	GREECE	100,00%	FULL
APOLLON MARITIME COMPANY	Vessel owning / Refining	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 R.E.S S.A.	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
ATEN ENERGY S.A.	Energy	GREECE	100,00%	FULL
HELPE E&P HOLDINGS S.A	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE ARTA PREVEZA SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE NW PELOPONISSOS SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE WEST KERKYRA SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE SEA OF THRACE SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE PATRAIKOS S.A.	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE UPSTREAM S.A	E&P of hydrocarbons	GREECE	100,00%	FULL
SUPERLUBE LTD	Lubricants	CYPRUS	100,00%	FULL
BLUE CIRCLE ENGINEERING LIMITED	Marketing	CYPRUS	100,00%	FULL
ELPEDISON B.V.	Power Generation	NETHERLANDS	50,00%	EQUITY
SAFCO S.A.	Airplane Fuelling	GREECE	33,33%	EQUITY
DEPA S.A.	Natural Gas	GREECE	35,00%	EQUITY
E.A.K.A.A S.A.	Pipeline	GREECE	50,00%	EQUITY
HELPE THRAKI S.A	Pipeline	GREECE	25,00%	EQUITY
DMEP HOLDCO LTD	Trade of crude/products	U.K	48,00%	EQUITY

On 15 January 2019, HELLENIC PETROLEUM CYPRUS HOLDING LTD signed the share purchase agreement for the acquisition of the 100% of the total issued share capital of BLUE CIRCLE ENGINEERING LIMITED, a company that specializes on the use of LPG as a source of energy, as well as distributing of LPG throughout Cyprus. Transaction was completed on 31 May 2019 and the total aggregate consideration for the ordinary share capital acquired was €6,9 million, comprising an immediate cash consideration of €5,7 million (€5,3 million net of cash acquired), an amount of €0,55 million to be settled within the third quarter of 2019 and a contingent consideration of €0,65 million subject to the satisfaction of specific terms of the agreement. Provisional goodwill of €4,7 million was recognised in the transaction (Note 12).

26. EVENTS OCCURING AFTER THE REPORTING PERIOD

Other than the events already disclosed in Notes 18 and 24, in July 2019, the non-controlling interest in ELPEDISON SA of 24,22% was acquired by ELPEDISON BV. As a result, ELPEDISON BV, where the Group holds 50%, now owns the entire share capital of ELPEDISON SA. There were no other material events after the end of the reporting period and up to the date of publication of the financial statements.

4.2. Condensed Interim Financial Statements

HELLENIC PETROLEUM S.A.

INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED

30 JUNE 2019

CONTENTS

(All amounts in Euro thousands unless otherwise stated)

I. Company Information

Directors	Ioannis Papathanasiou – Chairman of the Board (from 7/8/2019) Andreas Shiamishis – Chief Executive Officer (from 7/8/2019) Georgios Alexopoulos – Member Theodoros–Achilleas Vardas – Member Michail Kefalogiannis – Member (from 7/8/2019) Alexandros Metaxas – Member (from 7/8/2019) Iordanis Aivazis– Member (from 7/8/2019) Loukas Papazoglou – Member (from 7/8/2019) Alkiviades-Konstantinos Psarras – Member (from 7/8/2019) Theodoros Pantalakis – Member Spiridon Pantelias – Member Georgios Papakonstantinou – Member Konstantinos Papagiannopoulos – Member
Other Board Members during the year	Efstathios Tsotsoros – Chairman of the Board & Chief Executive Officer (until 07/08/2019) Georgios Grigoriou – Member (until 7/8/2019) Dimitrios Kontofakas – Member (until 7/8/2019) Vasileios Kounelis – Member (until 7/8/2019) Christos Tsitsikas – Member (until 7/8/2019) Loudovikos Kotsonopoulos – Member (until 7/8/2019)
Registered Office:	8^{A} Chimarras Str. GR 15125 Maroussi, Greece
General Commercial Registry:	000296601000
Auditors:	ERNST & YOUNG (HELLAS) Certified Auditors – Accountants 8B Chimarras str 15125 Maroussi Greece

These financial statements constitute an integral part of the Group Half-Yearly Financial Report, which can be found at https://www.helpe.gr/ and which incorporate the Independent Auditor's Report

(All amounts in Euro thousands unless otherwise stated)

II. Interim Condensed Statement of Financial Position

	Note	As at 30 June 2019	31 December 2018
ASSETS			
Non-current assets			
Property, plant and equipment	**9**	2.666.689	2.684.237
Right of use assets	**2,10**	23.165	-
Intangible assets	**11**	5.637	4.799
Investments in subsidiaries, associates and joint ventures		1.040.473	1.032.372
Investment in equity instruments	**3**	1.203	318
Loans, advances and long-term assets		19.974	8.887
		3.757.141	**3.730.613**
Current assets			
Inventories	**12**	905.543	893.859
Trade and other receivables	**13**	718.215	681.555
Derivative financial instruments	**3**	2.107	-
Cash and cash equivalents	**14**	827.875	1.070.377
		2.453.740	**2.645.791**
Total assets		**6.210.881**	**6.376.404**
EQUITY			
Share capital and share premium	**15**	1.020.081	1.020.081
Reserves	**16**	269.601	262.263
Retained Earnings		807.464	864.333
Total equity		**2.097.146**	**2.146.677**
LIABILITIES			
Non-current liabilities			
Interest bearing loans and borrowings	**17**	1.641.415	1.657.598
Lease liabilities	**2**	16.761	-
Deferred income tax liabilities		171.510	151.873
Retirement benefit obligations		136.074	132.539
Provisions		24.179	37.858
Other non-current liabilities		14.497	14.810
		2.004.436	**1.994.678**
Current liabilities			
Trade and other payables	**18**	1.200.868	1.226.107
Derivative financial instruments	**3**	7.034	16.387
Income tax payable		100.971	76.322
Interest bearing loans and borrowings	**17**	642.740	915.350
Lease liabilities	**2**	6.640	-
Dividends payable		151.046	883
		2.109.299	**2.235.049**
Total liabilities		**4.113.735**	**4.229.727**
Total equity and liabilities		**6.210.881**	**6.376.404**

The notes on pages 8 to 30 are an integral part of these interim condensed financial statements.

A. Shiamishis	E. Poulitsis	S. Papadimitriou
Chief Executive Officer	Group Financial Controller	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

III. Interim Condensed Statement of Comprehensive Income

	Note	For the six-month period ended 30 June 2019	30 June 2018	For the three-month period ended 30 June 2019	30 June 2018
Revenue from contracts with customers	**4**	**4.087.415**	**4.322.650**	**2.263.042**	**2.312.015**
Cost of sales		(3.826.905)	(3.877.253)	(2.123.081)	(2.021.461)
Gross profit		**260.510**	**445.397**	**139.961**	**290.554**
Selling and distribution expenses		(49.637)	(48.132)	(25.343)	(25.894)
Administrative expenses		(39.110)	(40.142)	(18.067)	(20.585)
Exploration and development expenses		(52)	(162)	(23)	(141)
Other operating income/(expenses) & other gains/(losses)-net	5	(485)	1.044	(3.336)	425
Operating profit		**171.226**	**358.005**	**93.192**	**244.359**
Finance income		5.509	4.614	3.121	2.127
Finance expense		(60.605)	(71.584)	(30.038)	(35.165)
Lease finance cost		(464)	-	(245)	-
Dividend income		7.917	35.083	7.917	35.083
Currency exchange gains/(losses)	6	1.032	4.243	(531)	6.744
Profit before income tax		**124.615**	**330.361**	**73.416**	**253.148**
Income tax expense	7	(28.666)	(96.634)	(13.522)	(79.236)
Profit for the period		**95.949**	**233.727**	**59.894**	**173.912**
Other comprehensive income/(loss):					
Other comprehensive income/(loss), that will not be reclassified to profit or loss (net of tax):					
Changes in the fair value of equity instruments	16	651	(468)	668	(345)
		651	**(468)**	**668**	**(345)**
Other comprehensive income/(loss), that may be reclassified subsequently to profit or loss (net of tax):					
Fair value gains / (losses) on cash flow hedges	16	5.186	16.256	(2.703)	14.372
Recycling of losses / (gains) on hedges through comprehensive income	16	1.501	(14.920)	1.501	(14.920)
		6.687	**1.336**	**(1.202)**	**(548)**
Other Comprehensive income/(loss) for the period, net of tax		**7.338**	**868**	**(534)**	**(893)**
Total comprehensive income for the period		**103.287**	**234.595**	**59.360**	**173.019**
Basic and diluted earnings per share (expressed in Euro per share)	**8**	**0,31**	**0,76**	**0,20**	**0,57**

The notes on pages 8 to 30 are an integral part of these interim condensed financial statements.

(All amounts in Euro thousands unless otherwise stated)

IV. Interim Condensed Statement of Changes in Equity

	Note	Share Capital	Reserves	Retained Earnings	Total Equity
Balance at 1 January 2018 (as originally presented)		**1.020.081**	**360.694**	**428.448**	**1.809.223**
Change in accounting policy (IFRS 9)		-	166	(1.124)	(958)
Restated total equity as at 1 January 2018		**1.020.081**	**360.860**	**427.324**	**1.808.265**
Changes in the fair value of equity instruments	**16**	-	(468)	-	(468)
Fair value gains/(losses) on cash flow hedges	**16**	-	16.256	-	16.256
Recycling of (gains)/losses on hedges through comprehensive income	**16**	-	(14.920)	-	(14.920)
Other comprehensive income/(loss)		**-**	**868**	**-**	**868**
Profit for the period		-	-	233.727	233.727
Total comprehensive income for the period		**-**	**868**	**233.727**	**234.595**
Share based payments	**15**	-	(73)	(970)	(1.043)
Acquisition of Treasury Shares	**16**	-	(511)	-	(511)
Issue of Treasury shares to employees	**16**	-	1.042	-	1.042
Dividends	**23**	-	(76.408)	-	(76.408)
Transfers from reserves to retained earnings	**16**	-	(11.927)	11.927	-
Balance at 30 June 2018		**1.020.081**	**273.851**	**672.008**	**1.965.940**
Balance at 1 January 2019		**1.020.081**	**262.263**	**864.333**	**2.146.677**
Movement - 1 January 2019 to 30 June 2019					
Changes in the fair value of equity instruments	**16**	-	651	-	651
Fair value gains/(losses) on cash flow hedges	**16**	-	5.186	-	5.186
Recycling of (gains)/losses on hedges through comprehensive income	**16**	-	1.501	-	1.501
Other comprehensive income/(loss)		**-**	**7.338**	**-**	**7.338**
Profit for the period		-	-	95.949	95.949
Total comprehensive income for the period		**-**	**7.338**	**95.949**	**103.287**
Dividends	**23**	-	-	(152.818)	(152.818)
Balance at 30 June 2019		**1.020.081**	**269.601**	**807.464**	**2.097.146**

The notes on pages 8 to 30 are an integral part of these interim condensed financial statements.

(All amounts in Euro thousands unless otherwise stated)

V. Interim Condensed Statement of Cash Flows

	Note	For the six-month period ended 30 June 2019	30 June 2018
Cash flows from operating activities			
Cash generated from operations	**19**	172.120	159.512
Income tax (paid)/received		(1.768)	4.184
Net cash generated from/(used in) operations		**170.352**	**163.696**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**9,11**	(55.856)	(41.992)
Proceeds from disposal of property, plant and equipment & intangible assets		1.074	-
Dividends received		6.571	-
Interest received		5.509	4.614
Settlement of consideration of acquisition of further equity interest in subsidiary		-	(16.000)
Participation in share capital increase of subsidiaries & associates		(10.014)	(15.853)
Net cash used in investing activities		**(52.716)**	**(69.231)**
Cash flows from financing activities			
Interest paid		(66.132)	(65.164)
Dividends paid		(122)	(214)
Acquisition of treasury stock		-	(511)
Proceeds from borrowings		10.067	442.698
Repayments of borrowings		(302.423)	(406.866)
Payment of lease liabilities		(3.527)	-
Net cash (used in)/generated from financing activities		**(362.137)**	**(30.057)**
Net (decrease)/increase in cash and cash equivalents		**(244.501)**	**64.408**
Cash and cash equivalents at the beginning of the period	**14**	**1.070.377**	**667.599**
Exchange losses on cash and cash equivalents		1.999	4.243
Net (decrease)/increase in cash and cash equivalents		(244.501)	64.408
Cash and cash equivalents at end of the period	**14**	**827.875**	**736.250**

The notes on pages 8 to 30 are an integral part of these interim condensed financial statements.

VI. Notes to the Interim Condensed Financial Statements

1. GENERAL INFORMATION

Hellenic Petroleum S.A. (the "Company" or "Hellenic Petroleum") operates in the energy sector in Greece. The Company's activities include refining and marketing of oil products, production and marketing of petrochemical products and exploration for hydrocarbons.

The Company is incorporated in Greece and the address of its registered office is 8A Chimarras str., Maroussi 15125. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDRs.

2. BASIS OF PREPARATION, ACCOUNTING POLICIES AND ESTIMATES

Basis of preparation of the interim condensed financial statements

These interim condensed financial statements are separate financial statements. The consolidated financial statements are available on the Company's website and also include a list of significant investments in subsidiaries, joint ventures and associates.

The interim condensed financial statements are prepared in accordance with International Accounting Standard 34 (IAS 34) – *Interim Financial Reporting*, and present the financial position, results of operations and cash flows of the Company on a going concern basis. Management has concluded that the going concern basis of preparation of the condensed financial statements is appropriate.

The interim condensed financial statements have been prepared in accordance with the historical cost basis, except for the following:

- financial instruments – measured at fair value;
- defined benefit pension plans – plan assets measured at fair value;
- assets held for sale – measured at the lower of carrying value and fair value, less cost to sell.

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

These interim condensed financial statements do not include all information and disclosures required for the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2018, which can be found on the Company's website www.helpe.gr.

The interim condensed financial statements for the six-month period ended 30 June 2019 have been authorised for issue by the Board of Directors on 29 August 2019.

Accounting policies and the use of estimates

The preparation of the interim condensed financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim condensed financial statements are disclosed where considered necessary. Estimates and judgements are discussed in detail in the annual financial statements for the year ended 31 December 2018, are continuously evaluated and are based on historical experience and other factors, including expectations of future events as assessed to be reasonable under the present circumstances.

New standards, interpretations and amendments adopted by the Company:

The accounting policies and methods of computation used in the preparation of the interim condensed financial statements are consistent with those applied in the preparation of the financial statements for the year ended 31 December 2018 and have been consistently applied in all periods presented in this report, except for the following IFRSs, which have been adopted by the Company as of 1 January 2019. The Company applied IFRS 16 (Leases) for the first time as of 1 January 2019, and, as required by IAS 34, the nature and effect of the changes are disclosed below. Several other amendments and interpretations apply for the first time in 2019 but do not have a significant impact on the interim condensed financial statements of the Company for the six-month period ended 30 June 2019. These are also disclosed below.

(All amounts in Euro thousands unless otherwise stated)

- *IFRS 16 "Leases"*: IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases- Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single, on-balance sheet model.

  Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

  The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The comparative figures have not been restated. The Company applied the practical expedient to grandfather the definition of a lease on transition. This means that it applied IFRS 16 to all contracts entered into before 1 January 2019 that were identified as leases in accordance with IAS 17 and IFRIC 4. Furthermore, the Company elected to use the recognition exemptions proposed by the standard for lease contracts that, at the commencement date have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value ('low-value assets'). Finally the Company decided to apply a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with similar remaining lease term for similar class of underlying assets in a similar economic environment).

  The effect of adoption of IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

	Note	**1 January 2019**
ASSETS		
Right of use assets	**10**	25.744
LIABILITIES		
Lease liabilities		25.744

a) <u>Nature of the effect of adoption of IFRS 16</u>

The Company has lease contracts for various items of commercial properties, plant & machinery and motor vehicles. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognized as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under Trade and other receivables and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases, except for leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

- Leases previously classified as finance leases

The Company did not have any finance leases as at 1 January 2019.

- Leases previously accounted for as operating leases:

The Company recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for leases of low-value assets. The right-of-use assets were recognized as equal to the lease liability, adjusted by the amount of any prepaid lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients whereby it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

For the six-month period ended 30 June 2019 the effect of the application of IFRS 16 is a €3,5 million positive impact on the operating results and €3,8 million negative impact on the net income before tax, after taking into account charges for depreciation of right-of-use assets and interest expense arising from the associated liabilities.

b) Summary of new accounting policies

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

- Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The result of this re-measurement is disclosed in a line of the right-of-use assets note as modifications.

- Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below five thousand Euros). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

- Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (as a change in business strategy).

- *IFRS 9 (Amendment) "Prepayment features with negative compensation*". The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortised cost or at fair value through other comprehensive income.

- *IAS 28 (Amendments) "Long-term Interests in Associates and Joint Ventures"*. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28.

- *IFRIC Interpretation 23 "Uncertainty over Income Tax Treatments"*. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances.

- *IAS 19 (Amendments) "Plan Amendment, Curtailment or Settlement"*. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements.

- The IASB has issued the *Annual Improvements to IFRSs (2015 – 2017 Cycle)*, which is a collection of amendments to IFRSs.

  – *IFRS 3 "Business Combinations and IFRS 11 Joint Arrangements"*. The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

  – *IAS 12 "Income Taxes"*. The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits has been recognised.

  – *IAS 23 "Borrowing Costs"*. The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

Standards issued but not yet effective and not early adopted:

The Company has not early adopted any other of the following standards, interpretations or amendments that have been issued, but are not yet effective. Management is currently assessing the impact of these standards to the financial statements.

- *IFRS 10 (Amendment) "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture".* The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

- *"Conceptual Framework in IFRS standards"*. The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, *"Amendments to References to the Conceptual Framework in IFRS Standards"*, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

- *IFRS 3 Business Combinations (Amendments):* The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU.

- *IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)* The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. These Amendments have not yet been endorsed by the EU.

3. FINANCIAL RISK MANAGEMENT

The Company's activities are primarily centred on Downstream Refining (incl. Petrochemicals) & Marketing of petroleum products; with secondary activities relating to 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, cash flow 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 key factors that impact the Company's operations are summarised as follows:

Greek Macros: The upward trend of the Greek economy continued in the first quarter of 2019, with GDP growing by a 1,3%, compared to the corresponding period of 2018, mainly driven by higher exports of services, private sector investments, as well as increased private consumption. On the other hand, an increase in imports and a decrease in exports of goods, limited a further upward performance.

Total domestic fuels consumption in the first six months of 2019 increased by 4,5% compared to the previous year, mainly supported by significantly higher demand for heating gasoil, which is attributed to lower temperatures during the first quarter of the year. Net demand for motor fuels decreased by 1%, driven by lower gasoline demand (-1,9%) and marginally lower auto diesel consumption (-0,3%).

However, the Greek economy still faces a number of significant challenges, such as the relatively low growth rates and the lower than the investment class Greek government's credit rating. At the same time, there are significant risks and uncertainties coming from the external environment, such as slowdown in global economic activity due to growing trade protectionism and geopolitical tensions. Management continually assesses the situation and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize the impact on the Company's operations.

United Kingdom's exit from the European Union: The Company is sourcing funds from international debt capital markets, through Eurobonds, issued by its London based subsidiary, Hellenic Petroleum Finance plc, listed in the Luxembourg stock exchange, for the optimal management of its debt liabilities. It is uncertain, how a potential exit of the UK from the EU, especially if that happens without an agreement (no deal Brexit), will affect existing HPF Eurobonds, as well as the Company's funding from international debt capital markets. The Company is closely following relevant developments and assessing alternatives in order to maintain its ability to source funding through the international debt capital markets.

Currency: The Company's business is naturally hedged against functional currency risk. 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 conducted 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: During the last 2 years crude oil reference prices started recovering, following a 3-year period of contraction (June 2014 – June 2017), averaging $66/bbl in the first six months of 2019. Nonetheless, the cost of crude, for both sweet and especially sour grades, which represent the key source of feedstock for complex refiners like Hellenic Petroleum, remains at reasonable levels, maintaining the competitive position of Med refiners vs. their global peers. Concerning the USA's decision for the re-imposition of the nuclear-related sanctions against Iran, Hellenic Petroleum has successfully managed to replace the Iranian oil supply with other alternatives in the region, without any significant effect in the continuity and cost of its operations (Note 18).

Financing of operations: Given financial market developments since 2011, the key priorities of the Company have been the management of the 'Assets and Liabilities' maturity profile, funding in accordance with its strategic investment plan and liquidity risk for operations. As a result of these key priority initiatives and in line with its medium term financing plan, Hellenic Petroleum has maintained a mix of long term, medium term and short term credit facilities by taking into consideration bank and debt capital markets' credit capacity as well as cash flow planning and commercial requirements. Approximately 74% of total debt is financed by medium to long-term committed credit lines while the remaining debt is being financed by short term working capital credit facilities. Further details of the relevant loans and refinancing are provided in Note 17 "Interest-bearing loans and borrowings".

Capital management: Another key priority of the Company has been the management of its Assets. Overall the Company has around €3,6 billion of capital employed which is driven from working capital, investment in fixed assets and its investment in the DEPA Group. Current assets are mainly funded with current liabilities (incl. short-term bank debt) which are used to finance working capital (inventories and receivables). As a result of the implementation of the Company's investment plan, during the period 2007-2012, net debt level as of 30 June 2019 has increased to 41% of capital employed while the remaining is financed through shareholders equity. The Company has started reducing its net debt levels through utilisation of the incremental operating cash flows, post completion and operation of the new Elefsina refinery. This has led to lower Debt to Equity ratio, better matched Asset and Liability maturity profiles as well as lower financing costs.

(All amounts in Euro thousands unless otherwise stated)

The interim condensed financial statements do not include all financial risk management information and disclosures that are required in the annual financial statements and should be read in conjunction with the annual financial statements as at 31 December 2018.

There have been no changes in the risk management or in any risk management policies since 31 December 2018.

Fair value estimation

The table below analyses financial instruments carried at fair value, categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. 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 30 June 2019:

	Level 1	**Level 2**	**Level 3**	**Total balance**
Assets				
Derivatives used for trading	-	2.107	-	2.107
Investment in equity instruments	1.203	-	-	1.203
	1.203	**2.107**	**-**	**3.310**
Liabilities				
Derivatives used for hedging	-	7.034	-	7.034
	-	**7.034**	**-**	**7.034**

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2018:

	Level 1	**Level 2**	**Level 3**	**Total balance**
Assets				
Investment in equity instruments	318	-	-	318
	318	**-**	**-**	**318**
Liabilities				
Derivatives used for trading	-	66	-	66
Derivatives used for hedging	-	16.321	-	16.321
	-	**16.387**	**-**	**16.387**

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. These financial 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 are 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 commodity swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

There were no changes in valuation techniques during the period. There were no transfers between levels during the period.

The fair value of the following financial assets and liabilities approximate their carrying amount, due to their short-term nature:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables
- Borrowings

4. ANALYSIS BY OPERATING SEGMENT

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. Management has determined the operating segments based on these reports. The committee assesses performance taking into account 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 provided to the committee is measured in a manner consistent with that of the financial statements.

(All amounts in Euro thousands unless otherwise stated)

Financial information regarding the Company's operating segments for the six-month period ended 30 June 2019 is presented below:

For the six-month period ended 30 June 2019

	Note	Refining	Petro-chemicals	Exploration & Production	Other	Total
Revenue from contracts with customers		3.928.758	158.657	-	-	4.087.415
EBITDA		**205.552**	**46.919**	**967**	**(7.397)**	**246.041**
Depreciation and amortisation	**9,10,11**	(72.833)	(1.911)	(67)	(4)	(74.815)
Operating profit / (loss)		**132.719**	**45.008**	**900**	**(7.401)**	**171.226**
Finance (expenses)/income - net		(27.969)	(903)	(1)	(26.687)	(55.560)
Dividend income		-	-	-	7.917	7.917
Currency exchange gains/(losses)	**6**	1.032	-	-	-	1.032
Profit / (Loss) before income tax		**105.782**	**44.105**	**899**	**(26.171)**	**124.615**
Income tax expense	**7**					(28.666)
Profit for the year						**95.949**

EBITDA is calculated as Operating profit/(loss) per the statement of comprehensive income plus depreciation and amortisation

Financial information regarding the Company's operating segments for the six-month period ended 30 June 2018 is presented below:

For the six-month period ended 30 June 2018

	Note	Refining	Petro-chemicals	Exploration & Production	Other	Total
Revenue from contracts with customers		4.169.972	152.678	-	-	4.322.650
EBITDA		**385.771**	**47.679**	**(3.379)**	**(3.898)**	**426.173**
Depreciation and amortisation	**9,10,11**	(66.071)	(1.772)	(309)	(16)	(68.168)
Operating profit / (loss)		**319.700**	**45.907**	**(3.688)**	**(3.914)**	**358.005**
Finance (expenses)/income - net		(49.804)	(913)	-	(16.253)	(66.970)
Dividend income		-	-	-	35.083	35.083
Currency exchange gains/(losses)	**6**	4.243	-	-	-	4.243
Profit / (Loss) before income tax		**274.139**	**44.994**	**(3.688)**	**14.916**	**330.361**
Income tax expense	**7**					(96.634)
Profit for the year						**233.727**

EBITDA is calculated as Operating profit/(loss) per the statement of comprehensive income plus depreciation and amortisation

As mentioned in Note 2, comparability to figures as of 30 June 2018, is affected by the adoption of IFRS 16, as of 1 January 2019.

There were no changes in the basis of segmentation or in the basis of measurement of segment profit or loss, as compared to the annual financial statements for the year ended 31 December 2018. There has been no material change in the definition of segments or the segmental analysis of total assets or total liabilities from the amounts disclosed in the annual financial statements for the year ended 31 December 2018.

(All amounts in Euro thousands unless otherwise stated)

An analysis of the Company's revenue from contracts with customers by type of market (domestic, aviation & bunkering, exports) and business unit, is presented below:

For the six-month period ended 30 June 2019

	Refining	Petro-chemicals	Exploration & Production	Other	Total
Domestic	1.267.566	53.795	-	-	1.321.361
Aviation & Bunkering	544.059	-	-	-	544.059
Exports	2.117.133	104.862	-	-	2.221.995
Revenue from contracts with customers	**3.928.758**	**158.657**	**-**	**-**	**4.087.415**

For the six-month period ended 30 June 2018

	Refining	Petro-chemicals	Exploration & Production	Other	Total
Domestic	1.231.329	27.865	-	-	1.259.194
Aviation & Bunkering	512.375	-	-	-	512.375
Exports	2.426.268	124.813	-	-	2.551.081
Revenue from contracts with customers	**4.169.972**	**152.678**	**-**	**-**	**4.322.650**

5. OTHER OPERATING INCOME / (EXPENSES) AND OTHER GAINS / (LOSSES)

	For the six-month period ended		For the three-month period ended	
	30 June 2019	**30 June 2018**	**30 June 2019**	**30 June 2018**
Income from grants	313	315	157	157
Services to third parties	2.897	2.245	1.652	1.050
Rental income	739	715	385	356
Income from sale of exploration and production rights	1.070	-	-	-
Insurance compensation	269	1.149	4	1.370
Total other operating income	**5.288**	**4.424**	**2.198**	**2.933**
Amortization of long-term contracts costs	(1.407)	(2.763)	(1.468)	(1.763)
Other operating income/(expenses) - net	2.548	2.683	2.848	2.555
Other gains/(losses) - net	**6.429**	**4.344**	**3.578**	**3.725**
Impairment of investments in subsidiaries and associates	(6.914)	(3.300)	(6.914)	(3.300)
Total other operating income/(expenses) and other gains/(losses) - net	**(485)**	**1.044**	**(3.336)**	**425**

Other operating income / (expenses), include income or expenses, which do not relate to the trading activities of the Company.

As at June 30, 2019, Management re-assessed the recoverability of the Company's investment in Asprofos S.A., according to the requirements of IAS 36. Based on this assessment, the Company recorded an additional impairment loss of €6,9 million in the statement of comprehensive income, fully impairing its investment.

6. CURRENCY EXCHANGE GAINS / (LOSSES)

Foreign currency exchange gains of €1,0 million, reported for the six-month period ended 30 June 2019, mainly relate to unrealized gains arising from the valuation of bank accounts denominated in foreign currency (mostly US$), as well as unrealised exchange losses arising from the valuation of borrowings denominated in US$. The corresponding amount for the six-month period ended 30 June 2018 was a gain of €4,2 million.

7. INCOME TAX

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

	For the six-month period ended		For the three-month period ended	
	30 June 2019	**30 June 2018**	**30 June 2019**	**30 June 2018**
Current year tax	(16.796)	(39.519)	(5.202)	(39.306)
Prior year tax	4.913	5.426	4.913	5.426
Tax on Reserves	-	(11.927)	-	(11.927)
Deferred tax	(16.783)	(50.614)	(13.233)	(26.263)
Income tax expense	**(28.666)**	**(96.634)**	**(13.522)**	**(79.236)**

The corporate income tax rate is 28% for 2019 (2018: 29%). According to article 23 of Law 4579/2018, the corporate income tax rate, currently 28%, is to be reduced as follows: 27% in FY 2020, 26% in FY 2021 and 25% in FY 2022 onwards.

In accordance with the applicable tax provisions, tax audits are conducted as follows:

Audits by Certified Auditors – Tax Compliance Report

Effective for fiscal years ending 31 December 2011 onwards, Greek companies meeting certain criteria can obtain an "Annual Tax Compliance Report" as provided for by par.5, article 82 of L.2238/1994 and article 65A of L.4174/2013, as of 2014 from their statutory auditor in respect of compliance with tax law. The issuance of a Tax Compliance Report, under certain conditions, substitutes the full tax audit by the tax authorities; however the tax authorities reserve the right of future tax audit. The Company has received unqualified Tax Compliance Reports, for fiscal years up to 2017 (inclusive). The tax audit for the financial year 2018 is in progress, the issuance of Tax Compliance Report is expected to be finalised within the fourth quarter of 2019 and management expect it to be unqualified.

Audits by Tax Authorities

The Company has undergone full tax audits for the financial years ended up to and including 31 December 2011.

As explained in Note 22 and notwithstanding the possibility of future tax audits, Management believes that no additional material liability will arise as a result of unaudited tax years over and above the tax liabilities and provisions recognised in the condensed financial statements as of 30 June 2019.

8. EARNINGS PER SHARE

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, excluding the weighted average number of treasury shares (Note 16). As of 31 December 2018 and 30 June 2019, all share options had either been exercised or lapsed and there were no treasury shares. Diluted earnings per share equal basic earnings per share.

	For the six-month period ended		For the three-month period ended	
	30 June 2019	**30 June 2018**	**30 June 2019**	**30 June 2018**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**0,31**	**0,76**	**0,20**	**0,57**
Net income attributable to ordinary shares (Euro in thousands)	95.949	233.727	59.894	173.912
Weighted average number of ordinary shares	305.635.185	305.621.912	305.635.185	305.632.718

(All amounts in Euro thousands unless otherwise stated)

9. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machi-nery	Motor vehicles	Furniture and fixtures	Assets Under Cons-truction	Total
Cost							
As at 1 January 2018	**142.850**	**534.559**	**3.900.635**	**15.453**	**89.474**	**83.287**	**4.766.258**
Additions	-	48	2.090	10	470	36.644	39.262
Capitalised projects	-	1.077	32.857	54	115	(34.103)	-
Disposals	-	-	(28)	-	(38)	-	(66)
Impairment / Write-off	-	-	-	-	-	(840)	(840)
Transfers and other movements	-	-	2.859	-	-	(572)	2.287
As at 30 June 2018	**142.850**	**535.684**	**3.938.413**	**15.517**	**90.021**	**84.416**	**4.806.901**
Accumulated Depreciation							
As at 1 January 2018	**-**	**216.487**	**1.741.434**	**10.814**	**78.351**	**-**	**2.047.086**
Charge for the period	-	7.799	56.874	211	1.166	-	66.050
Disposals	-	-	(28)	-	(38)	-	(66)
As at 30 June 2018	**-**	**224.286**	**1.798.280**	**11.025**	**79.479**	**-**	**2.113.070**
Net Book Value at 30 June 2018	**142.850**	**311.398**	**2.140.133**	**4.492**	**10.542**	**84.416**	**2.693.831**
Cost							
As at 1 January 2019	**142.850**	**541.928**	**3.992.671**	**15.583**	**91.296**	**82.288**	**4.866.616**
Additions	-	17	528	12	784	54.259	55.600
Capitalised projects	-	2.473	22.453	56	383	(25.365)	-
Disposals	-	-	-	(20)	(5)	-	(25)
Impairment / Write-off	-	-	-	-	-	(678)	(678)
Transfers and other movements	-	-	(374)	-	-	(2.614)	(2.988)
As at 30 June 2019	**142.850**	**544.418**	**4.015.278**	**15.631**	**92.458**	**107.890**	**4.918.525**
Accumulated Depreciation							
As at 1 January 2019	**-**	**232.169**	**1.858.332**	**11.226**	**80.652**	**-**	**2.182.379**
Charge for the period	-	7.673	60.423	202	1.184	-	69.482
Disposals	-	-	-	(20)	(5)	-	(25)
As at 30 June 2019	**-**	**239.842**	**1.918.755**	**11.408**	**81.831**	**-**	**2.251.836**
Net Book Value at 30 June 2019	**142.850**	**304.576**	**2.096.523**	**4.223**	**10.627**	**107.890**	**2.666.689**

'Transfers and other movements' include the transfer of computer software development costs to intangible assets and the transfer of spare parts for the refinery units between inventories and fixed assets.

(All amounts in Euro thousands unless otherwise stated)

10. RIGHT OF USE ASSETS

	Commercial Properties	Plant & Machinery	Motor vehicles	Total
Cost				
As at 1 January 2019	**17.054**	**6.285**	**2.405**	**25.744**
Additions	24	144	546	714
Modification	(4)	10	-	6
As at 30 June 2019	**17.074**	**6.439**	**2.951**	**26.464**
Accumulated Depreciation				
As at 1 January 2019	**-**	**-**	**-**	**-**
Charge for the period	2.347	556	396	3.299
As at 30 June 2019	**2.347**	**556**	**396**	**3.299**
Net Book Value at 30 June 2019	**14.727**	**5.883**	**2.555**	**23.165**

11. INTANGIBLE ASSETS

	Computer software	Licences & Rights	Total
Cost			
As at 1 January 2018	**95.205**	**24.299**	**119.504**
Additions	190	2.540	2.730
Transfers & other movements	572	-	572
As at 30 June 2018	**95.967**	**26.839**	**122.806**
Accumulated Amortisation			
As at 1 January 2018	**88.175**	**24.287**	**112.462**
Charge for the period	1.908	210	2.118
As at 30 June 2018	**90.083**	**24.497**	**114.580**
Net Book Value at 30 June 2018	**5.884**	**2.342**	**8.226**
Cost			
As at 1 January 2019	**97.902**	**24.299**	**122.201**
Additions	256	-	256
Transfers & other movements	2.616	-	2.616
As at 30 June 2019	**100.774**	**24.299**	**125.073**
Accumulated Amortisation			
As at 1 January 2019	**93.107**	**24.295**	**117.402**
Charge for the period	2.034	-	2.034
As at 30 June 2019	**95.141**	**24.295**	**119.436**
Net Book Value at 30 June 2019	**5.633**	**4**	**5.637**

‘Licenses and Rights’ additions for the six-month period ended 30 June 2018 included net exploration license costs relating to exploration & production of hydrocarbons’ concessions in Western Greece, which were transferred to other group entities in September 2018. ‘Transfers and other movements’ in computer software include the transfer of computer software development costs from assets under construction to intangible assets (Note 9).

(All amounts in Euro thousands unless otherwise stated)

12. INVENTORIES

	As at	
	30 June 2019	**31 December 2018**
Crude oil	326.811	328.010
Refined products and semi-finished products	502.182	486.792
Petrochemicals	21.292	24.400
Consumable materials, spare parts and other	85.705	83.903
- Less: Impairment provision for consumables and spare parts	(30.447)	(29.246)
Total	**905.543**	**893.859**

The cost of inventories recognised as an expense and included in "Cost of sales" amounted to €3,6 billion (30 June 2018: €3,7 billion). As at 30 June 2019, the Company wrote down inventories to their net realisable value, recording a loss of €4,7 million arising from inventory valuation (30 June 2018: loss of €1,1 million), included in 'Cost of Sales' in the statement of comprehensive income.

Under IEA and EU regulations Greece is obliged to hold crude oil and refined product stocks in order to fulfil the EU requirement for compulsory Stock obligations (90 days stock directive), as legislated by Greek Law 3054/2002. This responsibility is passed on to all companies, including Hellenic Petroleum S.A., which import and sell in the domestic market and 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.

13. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2019	**31 December 2018**
Trade receivables	438.492	435.505
- Less: Provision for impairment of receivables	(100.405)	(103.080)
Trade receivables net	**338.087**	**332.425**
Other receivables	385.358	350.768
- Less: Provision for impairment of receivables	(14.126)	(14.272)
Other receivables net	**371.232**	**336.496**
Deferred charges and prepayments	8.896	12.633
Total	**718.215**	**681.555**

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, since all risks and rewards of the relevant invoices have been transferred to the factoring institution.

'Other receivables' include balances in respect of advances to suppliers, advances to personnel, VAT claimed, income taxes withheld and taxes paid as a result of taxes assessed by the tax authorities, following tax audits of previous years and for which the Company has started legal proceedings and disputed the relevant amounts. The Company expects to recover these amounts, but the timing of the finalisation of these disputes cannot be estimated and the Company has classified the amounts as current assets.

(All amounts in Euro thousands unless otherwise stated)

Other receivables as at 30 June 2019 also include the following:

a) €54m of VAT approved refunds (31 December 2018: €54 million), which has been withheld by the customs office due to a dispute relating to stock shortages. The Company has filed a specific legal objection and claim against this action and expects to fully recover this amount, following the conclusion of the relevant legal proceedings (see Note 22).
b) A one-year bond loan of €138 million (31 December 2018: €138 million) to EKO ABEE, a Group company (Note 20).

The Company recognised impairment losses on trade and other receivables, included in the statement of comprehensive income, amounting to €0,1 million and €1,4 million for the six months ended 30 June 2019 and 2018, respectively.

14. CASH AND CASH EQUIVALENTS

	As at	
	30 June 2019	**31 December 2018**
Cash at Bank and in Hand	827.875	1.070.377
Cash and cash equivalents	**827.875**	**1.070.377**

During the current period the Company reclassified an amount of €1,2 million from restricted cash to trade and other receivables. The same amount was also reclassified in the comparative period.

The balance of US Dollars included in Cash at bank as at 30 June 2019 was US$646 million (Euro equivalent €568 million). The respective amount for the year ended 31 December 2018 was US$ 889 million (Euro equivalent €777 million).

15. SHARE CAPITAL AND SHARE PREMIUM

	Number of Shares (authorised and issued)	**Share Capital**	**Share premium**	**Total**
As at 1 January 2018 & 31 December 2018	305.635.185	666.285	353.796	1.020.081
As at 30 June 2019	**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 2018: €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 of linking the number of share options granted to Management with the results and performance of the Company. Subsequent AGMs have approved and granted the share options. At the 2014 and 2015 AGM's, the shareholders approved several changes to the share option program incorporating recent tax changes, without altering the net effect in terms of benefit to the participants.

As of 31 December 2018, all share options were either exercised or lapsed.

(All amounts in Euro thousands unless otherwise stated)

	As at			
	30 June 2019		31 December 2018	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
Balance at beginning of period (1 January)	**-**	**-**	**4,52**	**185.633**
Exercised	-	-	4,52	(172.383)
Lapsed	-	-	4,52	(13.250)
Balance at end of period	**-**	**-**	**-**	**-**

16. RESERVES

	Note	Statutory reserve	Special reserves	Tax & Incentive law reserves	Hedging reserve	Actuarial gains/ (losses)	Equity instrum. FVOCI gains/ (losses)	Share-based payment reserve	Treasury shares	Total
Balance at 1 January 2018 (as originally presented)		**118.668**	**86.495**	**164.981**	**8.175**	**(17.187)**	**-**	**93**	**(531)**	**360.694**
Change in accounting policy (IFRS 9)		-	-	-	-	-	166	-	-	166
Restated total equity as at 1 January 2018		**118.668**	**86.495**	**164.981**	**8.175**	**(17.187)**	**166**	**93**	**(531)**	**360.860**
Cash flow hedges:										
- Fair value gains/(losses) on cash flow hedges		-	-	-	16.256	-	-	-	-	16.256
- Recycling of (gains)/losses on hedges through comprehensive income		-	-	-	(14.920)	-	-	-	-	(14.920)
Changes in the fair value of equity instruments		-	-	-	-	-	(468)	-	-	(468)
Share-based payments		-	-	-	-	-	-	(73)	-	(73)
Acquisition of Treasury Shares		-	-	-	-	-	-	-	(511)	(511)
Issue of Treasury shares to employees		-	-	-	-	-	-	-	1.042	1.042
Dividends	**23**	-	-	(76.408)	-	-	-	-	-	(76.408)
Transfers of tax on distributed reserves to retained earnings		-	-	(11.927)	-	-	-	-	-	(11.927)
Balance at 30 June 2018		**118.668**	**86.495**	**76.646**	**9.511**	**(17.187)**	**(302)**	**20**	**-**	**273.851**
Balance at 1 January 2019		**144.838**	**86.495**	**71.255**	**(11.751)**	**(28.065)**	**(509)**	**-**	**-**	**262.263**
Cash flow hedges:										
- Fair value gains/(losses) on cash flow hedges		-	-	-	5.186	-	-	-	-	5.186
- Recycling of (gains)/losses on hedges through comprehensive income		-	-	-	1.501	-	-	-	-	1.501
Changes in the fair value of equity instruments		-	-	-	-	-	651	-	-	651
Balance at 30 June 2019		**144.838**	**86.495**	**71.255**	**(5.064)**	**(28.065)**	**142**	**-**	**-**	**269.601**

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 entity, but can be used to offset accumulated losses.

Special reserves

Special reserves primarily relate to reserves arising from tax revaluations in accordance with the relevant legislation in prior years.

Tax and incentive law reserves

These reserves relate to retained earnings that have not been taxed with the prevailing corporate income tax rate as allowed by Greek law under various statutes and include reserves relating to investments under incentive laws. These reserves will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital under certain conditions.

Hedging reserve

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Other reserves

Other reserves include:

(i) Actuarial gains / (losses) on defined benefit plans resulting from a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.

(ii) Changes in the fair value of investments that are classified as investments in equity instruments.

Treasury Shares

Treasury shares were held regarding the Share Option Plan. Treasury shares are recognised on a first-in first-out method.

17. INTEREST-BEARING LOANS AND BORROWINGS

	As at	
	30 June 2019	**31 December 2018**
Non-current interest bearing loans and borrowings		
Bank borrowings	121.889	144.112
Bond loans	1.519.526	1.513.486
Non-current borrowings	**1.641.415**	**1.657.598**
Current interest bearing loans and borrowings		
Short-term bank borrowings	598.296	870.906
Current portion of long-term bank borrowings	44.444	44.444
Total current borrowings	**642.740**	**915.350**
Total borrowings	**2.284.155**	**2.572.948**

Hellenic Petroleum and its subsidiaries (the “Group”) has centralised treasury operations, which coordinate and control the funding and cash management activities of all group companies. Within this framework, 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.

Borrowings by maturity as at 30 June 2019 and 31 December 2018 are summarised in the table below (amounts in € million):

		As at	
	Maturity	**30 June 2019 (millions)**	**31 December 2018 (millions)**
Bond loan €400 million	Jun 2023	393	392
Bond loan €400 million	Nov 2020	223	223
Bond loan €300 million	Feb 2021	298	297
Bond loan $250 million	Jun 2021	156	155
European Investment Bank ("EIB") Term loan	Jun 2022	133	156
HPF Loan €317,6m	Jul 2019	-	280
HPF Loan €367m	Oct 2021	449	447
Bilateral lines	Various	632	623
Total		**2.284**	**2.573**

(All amounts in Euro thousands unless otherwise stated)

No loans were in default as at 30 June 2019 (none as at 31 December 2018).

Significant movements in borrowings for the six-month period ended 30 June 2019 are as follows:

EIB Term loans

Total repayments up to 30 June 2019 amounted to €267 million (€22 million paid during the year).

HPF Loan €317,6m (Eurobond €325m)

In July 2014, HPF issued a €325 million five-year Eurobond, with a 5,25% annual coupon, maturing in July 2019. The notes are guaranteed by Hellenic Petroleum S.A., and are listed on the Luxembourg Stock Exchange. Subsequently the Company concluded a €317,6 million loan agreement with HPF and the proceeds were used for general corporate purposes. During June 2019, the Company repaid the outstanding amount of €280 million.

Bilateral lines

The Company has credit facilities with various banks, to finance general corporate needs, which are being renewed in accordance with the Company's finance needs. The facilities are mainly comprised of short-term loans. During the first quarter of 2019, the Company achieved significant improvements in cost, which further improved in the second quarter of the year.

No other significant movements occurred in borrowings during the six-month period ended 30 June 2019.

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

18. TRADE AND OTHER PAYABLES

	As at	
	30 June 2019	**31 December 2018**
Trade payables	1.068.776	1.075.569
Accrued Expenses	113.275	114.656
Other payables	18.817	35.882
Total	**1.200.868**	**1.226.107**

Trade payables comprise amounts payable or accrued in respect of supplies of crude oil, products and services.

Trade payables, as at 30 June 2019 and 31 December 2018, include amounts in respect of crude oil imports from Iran, which were received 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 through the international banking system between January and June 2012, it was not possible to do so.

In the period from 16 January 2016 up to 8 May 2018, when sanctions were suspended, the Company successfully made several payments against part of these amounts. Following the re-imposition of relevant sanctions by the United States, no deliveries of Iranian crude oil or payments have taken place since 8 May 2018.

Accrued expenses mainly relate to accrued interest, payroll-related accruals and accruals for operating expenses not yet invoiced.

Other payables include amounts in respect of payroll-related liabilities, social security obligations and sundry taxes.

(All amounts in Euro thousands unless otherwise stated)

19. CASH GENERATED FROM OPERATIONS

		For the six-month period ended	
	Note	**30 June 2019**	**30 June 2018**
Profit before tax		**124.615**	**330.361**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right of use assets	**9,10**	73.459	66.890
Amortisation and impairment of intangible assets	**11**	2.034	2.118
Amortisation of grants	**5**	(313)	(315)
Finance costs - net		55.560	66.970
Provisions for expenses and valuation changes		7.555	29.341
Foreign exchange (gains) / losses	**6**	(1.032)	(4.243)
Dividend income		(7.917)	(35.083)
Amortization of long-term contracts costs	**5**	1.407	(2.763)
Gains on disposal of property, plant and equipment		(1.074)	-
		254.294	**453.276**
Changes in working capital			
(Increase) / Decrease in inventories		(14.842)	30.959
(Increase) / Decrease in trade and other receivables		(32.991)	54.915
Decrease in trade and other payables		(34.341)	(379.638)
		(82.174)	**(293.764)**
Net cash generated from operating activities		**172.120**	**159.512**

20. RELATED PARTY TRANSACTIONS

The interim condensed statement of comprehensive income includes transactions between the Company and related parties. Such transactions mainly comprise sales and purchases of goods and services in the ordinary course of business.

	For the six-month period ended	
	30 June 2019	**30 June 2018**
Sales of goods and services to related parties		
Group entities	1.356.419	1.307.568
Associates	177.031	360.391
Joint ventures	260	272
Total	**1.533.710**	**1.668.231**
Purchases of goods and services from related parties		
Group entities	27.688	29.995
Associates	215.396	417.742
Joint ventures	14.704	9.013
Total	**257.788**	**456.750**

Other operating income/(expenses) & other gains/(losses)-net for the six-month period to 30 June 2019 include income from subsidiaries, amounting to €4,0 million (30 June 2018: €2,5 million).

(All amounts in Euro thousands unless otherwise stated)

The statement of financial position includes balances, which derive from sales / purchases of goods and services in the ordinary course of business.

	As at	
	30 June 2019	**31 December 2018**
Balances due to related parties		
(Trade and other creditors)		
Group entities	23.417	27.107
Associates	7.463	11.797
Joint ventures	0	1.316
Total	**30.880**	**40.220**
Balances due from related parties		
(Trade and other debtors)		
Group entities	130.983	100.380
Associates	22.833	32.381
Joint ventures	3.183	141
Total	**156.999**	**132.902**

Transactions have been carried out with the following related parties:

a) Hellenic Petroleum Group companies

b) 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.
- D.M.E.P. HoldCo

The 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 these as at 30 June 2019 was €83 million (31 December 2018: €83 million).

c) Government related entities which are under common control with the Company due to the shareholding and control rights of the Hellenic State and with which the Company has material transactions or balances:
- Public Power Corporation Hellas S.A.
- Hellenic Armed Forces

During the six-month period ended 30 June 2019, transactions and balances with the above government related entities are as follows:
- Sales of goods and services amounted to €60 million (30 June 2018: €61 million);
- Purchases of goods and services amounted to €33 million (30 June 2018: €21 million);
- Receivable balances of €27 million (31 December 2018: €7 million);
- Payable balances of €5 million (31 December 2018: €10 million).

d) Key management includes directors (Executive and non-Executive Members of the Board of Hellenic Petroleum S.A.) and General Managers. The compensation paid or payable for the six-month period ended 30 June 2019 to the aforementioned key management was as follows:

(All amounts in Euro thousands unless otherwise stated)

	For the six-month period ended	
	30 June 2019	**30 June 2018**
Short-term employee benefits	2.492	2.552
Post-employment benefits	72	70
Termination benefits	-	522
Total	**2.564**	**3.144**

e) The Company participates in the following jointly controlled operations with other third parties relating to exploration and production of hydrocarbons in Greece, either directly or indirectly, through its subsidiaries:

- Edison International SpA – HELPE Patraikos, 100% subsidiary of the Group (Greece, Patraikos Gulf)
- Calfrac Well Services Ltd – HELPE Sea of Thrace, 100% subsidiary of the Group (Greece, Sea of Thrace concession)
- Total E&P Greece B.V., Edison International SpA – HELPE West Kerkyra, 100% subsidiary of the Group (Greece, Block 2 – West of Corfu island)

f) The Company has extended loans to its subsidiaries. The outstanding balance of these loans as at 30 June 2019 was €141 million (31 December 2018: €141 million). Interest income for the six-month period ended 30 June 2019 was €3 million (30 June 2018: €4 million). All loans are at variable interest rates. The average interest rate on inter-company loans due was 4,69%.

The Company has also received loans from its subsidiaries. The outstanding balance of these loans as at 30 June 2019 was €482 million (31 December 2018: €760 million). Interest expense for the six-month period ended 30 June 2019 was €20 million (30 June 2018: €21 million). All loans are at variable interest rates. The average interest rate on inter-company loans during the six-month period ended 30 June 2019 was 5,35%.

21. COMMITMENTS

Significant contractual commitments of the Company, mainly relate to improvements in refining assets and amount to €27 million as at 30 June 2019 (31 December 2018: €22 million).

22. 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, the most significant of which are disclosed below:

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 interim condensed financial statements.

During the two preceding years, a number of Municipalities proceeded with the imposition of duties and fines relating to the rights of way occupied by underground pipelines operated by the Company within the boundaries of each respective municipality. As at 30 June 2019, the total amounts imposed amount to €26,5 million. In order to appeal against these, and in accordance with legislation, the Company has paid an amount of €14 million which is included in "Trade and other receivables" (31 December 2018: €6,4 million).

The Company has exercised all available legal recourse relating to these cases and Management have assessed that it is most probable that the outcome of all appeals will be favourable. Therefore the Company has not raised a provision with regard to these cases.

(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 30 June 2019 was the equivalent of €959 million (31 December 2018: €969 million).

Taxation and customs

The tax framework and practices in Greece, which determine the tax base for the Company's transactions, may result in inherent uncertainties, due to its complexity and it being subject to changes and alternative interpretation by relevant authorities at different points in time and across different entities. As a result, there may be types of expenses or treatments for which a company may be assessed on a different basis than the one adopted during the preparation of its tax return and the financial statements. Based on past experience tax audits were carried out by tax authorities on average 5-7 years after the filing of the tax return. In addition, where a tax audit results in a different assessment to the one adopted by the Company, and for which the Company after consideration, disagrees with, the process for resolving the issue is usually through a court of law proceeding, which has many stages and can take a considerable number of years to reach its final and irrevocable ruling. For an entity to engage in this process, a minimum down payment of 50% of the total tax and surcharges assessed is required.

All of the above result in inherent difficulties in the determination and accounting of tax liabilities. As a result, management aims to determine its policy based on specific legislation available at the time of accounting for a transaction, obtain specialist legal and tax advice on individual cases and utilise prior tax audits experience and rulings, including relevant court decisions. This process should ensure that the financial statements reflect any material tax and customs liabilities as accurately and completely as possible.

(i) Open tax years – Litigation tax cases:

As disclosed in Note 7, tax audits have been completed by the Tax Authorities up to and including the financial year ended 31 December 2011. The Tax audit reports for years ended 31 December 2010 and 2011 were received in December 2017 and they are subject to legal dispute by the Company. In summary, the reports assess additional taxes of €22,5 million and penalties of €23,5 million for items relating to stamp duty, various non-deductible expenses and other income tax adjustments. Following a detailed review of the Tax Audit Report, the Company disputes the additional taxes imposed (which are over and above the amounts already included in the Company's normal tax returns) and has proceeded with all possible legal means and actions to appeal against these additional taxes and surcharges imposed. Even though the Company disputed the additional taxes and surcharges imposed, it was obliged to pay 50% of the assessed amounts (taxes and surcharges) to the Tax Authorities, in order to appeal the results of the tax audits. This was paid within the applicable deadline, while the remaining amounts have been fully offset by the Authorities, with tax and other State receivables of the Company, within 2018. The amounts are included in 'Trade and Other Receivables', as the Company assesses that it will succeed in its appeals (Note 13).

As far as surcharges are concerned, the report has assessed amounts at 120% of the original tax instead of the applicable 50%; this is also legally challenged by the Company.

At present, an audit for the year ended 31 December 2012 is in progress.

Management believes that no additional material liability will arise either as a result of open tax years or from the outcome of current litigation cases over and above the tax liabilities and provisions already recognised in the financial statements as at 30 June 2019. The Company has recorded down payments made for taxes and penalties assessed in previous disputes with the tax authorities in other receivables (Note 13), to the extent that the Company has assessed that the amounts will be ultimately recoverable.

It is noted that for financial years ending 31 December 2011 up to and including 31 December 2017, the Company obtained unqualified "Annual Tax Compliance Reports" from their Statutory Auditors, as provided for by par. 5, article 82 of L.2238/1994 and article 65A of L. 4174/2013.

(ii) Assessments of customs and fines:

In 2008, Customs authorities assessed additional customs duties and penalties amounting to approximately €40 million for alleged "stock shortages" during the years 2001-2005. The Company has duly filed contestations before the Administrative Court of First Instance and Management believes that this case will have a positive outcome when the court hearings take place.

Notwithstanding the filing of the above contestations, the Customs office withheld an amount of €54 million (full payment plus surcharges) of established VAT refunds (Note 13), an action against which the Company filed two Contestations before the Administrative Courts of Athens and Piraeus. The Administrative Court of Athens ruled that the withholding effected by the Tax Office was unlawful.

The Company considers that the above amounts will be recovered.

23. DIVIDENDS

On 28 February 2019, the BoD proposed to the AGM the distribution of a final dividend of €0,50 per share for the year 2018, which was approved by the AGM on 7 June 2019. The above dividend includes a special dividend of €0,25 per share relating to distribution of part of the proceeds from the sale of the Group's share in DESFA. The total final dividend for 2018 amounts to €152,8 million and is included in the interim condensed financial statements for the six-month period ended 30 June 2019. The whole amount was paid in July 2019.

The Board did not approve a change in dividend policy overall and will re-evaluate the payment of an additional dividend, or an additional special dividend during 2019.

24. EVENTS OCCURING AFTER THE REPORTING PERIOD

Other than the events already disclosed in Note 23, in July 2019, the non-controlling interest in Elpedison SA of 24,22% was acquired by Elpedison BV. As a result, Elpedison BV, where the Company holds 5%, now owns the entire share capital of Elpedison SA. There were no other material events after the end of the reporting period and up to the date of publication of the financial statements.

5. Complimentary Information and Data pursuant to the Capital Market Commission’s Decision (Government Gazette B/2092/29.10.2007)

5.1. Published Summary Financial Statements

HELLENIC PETROLEUM S.A.

General Commercial Registry 000296601000 (A.R.M.A.E. 2443/06/B/86/23)

HELLENIC PETROLEUM

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM **1 JANUARY 2019** TO **30 JUNE 2019**
(In accordance with decision of the Board of Directors of the Capital Market Commission 4/507/28.04.2009)

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 financial statements in accordance with International Financial Reporting Standards are available, together with the auditors' review report.

COMPANY

Head office Address:	8A, CHIMARRAS STR. - 15125 MAROUSI
Website :	http://www.helpe.gr
Approval date of the six month financial information by the Board of Directors	**29 AUGUST 2019**
The Certified Auditor:	Christiana Panayidou, SOEL reg.no.62141
Auditing Company:	ERNST & YOUNG (HELLAS), SOEL reg.no.107
Type of Auditor's Report	Unqualified

STATEMENT OF FINANCIAL POSITION

(Amounts in thousands €)	GROUP		COMPANY	
	30/6/2019	**31/12/2018**	**30/6/2019**	**31/12/2018**
ASSETS				
Property, plant and equipment	3.243.091	3.268.928	2.666.689	2.684.237
Right-of-use assets	220.447	-	23.165	-
Intangible assets	109.813	105.617	5.637	4.799
Other non-current assets	518.730	528.122	1.060.447	1.041.259
Inventories	1.025.159	993.031	905.543	893.859
Trade and other receivables	852.226	822.805	718.215	681.555
Assets held for sale	3.361	3.133	-	-
Derivative financial instruments	2.107	-	2.107	-
Cash and cash equivalents	1.319.688	1.275.159	827.875	1.070.377
Investment in equity instruments	1.566	634	1.203	318
TOTAL ASSETS	**7.296.188**	**6.997.429**	**6.210.881**	**6.376.404**
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	1.286.091	1.310.691	1.077.065	1.126.596
Equity attributable to equity holders of the parent	**2.306.172**	**2.330.772**	**2.097.146**	**2.146.677**
Non-controlling interests	61.747	63.959	-	-
TOTAL EQUITY	**2.367.919**	**2.394.731**	**2.097.146**	**2.146.677**
Interest bearing loans and borrowings	1.606.607	1.627.171	1.641.415	1.657.598
Lease liabilities	154.464	-	16.761	-
Provisions and other long term liabilities	430.868	420.148	346.260	337.080
Short-term Interest bearing loans and borrowings	1.112.819	1.108.785	642.740	915.350
Other short-term liabilities	1.623.511	1.446.594	1.466.559	1.319.699
Total liabilities	**4.928.269**	**4.602.698**	**4.113.735**	**4.229.727**
TOTAL EQUITY AND LIABILITIES	**7.296.188**	**6.997.429**	**6.210.881**	**6.376.404**

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD

(Amounts in thousands €)	GROUP			
	1/1/2019 - 30/6/2019	**1/1/2018 - 30/6/2018**	**1/4/2019 - 30/6/2019**	**1/4/2018 - 30/6/2018**
Revenue from contracts with customers	4.456.629	4.666.909	2.465.413	2.498.523
Gross profit	419.405	595.602	233.090	371.903
Operating profit	207.679	379.363	127.409	260.371
Profit before income tax	154.674	322.958	89.626	230.722
Less : Taxes	(33.313)	(97.785)	(15.601)	(79.769)
Profit for the period	**121.361**	**225.173**	**74.025**	**150.953**
Profit/(loss) attributable to:				
Owners of the parent	121.321	223.613	73.485	149.341
Non-controlling interests	40	1.560	540	1.612
	121.361	**225.173**	**74.025**	**150.953**
Other comprehensive (loss)/income for the period, net of tax	7.356	537	(503)	(1.104)
Total comprehensive income for the period	**128.717**	**225.710**	**73.522**	**149.849**
Total comprehensive income/(loss) attributable to:				
Owners of the parent	128.683	224.152	72.975	148.299
Non-controlling interests	34	1.558	547	1.551
	128.717	**225.710**	**73.522**	**149.849**
Basic and diluted earnings per share (in Euro per share)	**0,40**	**0,73**	**0,24**	**0,49**
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	**319.601**	**473.013**	**94.182**	**344.106**

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD

(Amounts in thousands €)	COMPANY			
	1/1/2019 - 30/6/2019	**1/1/2018 - 30/6/2018**	**1/4/2019 - 30/6/2019**	**1/4/2018 - 30/6/2018**
Revenue from contracts with customers	4.087.415	4.322.650	2.263.042	2.312.015
Gross profit	260.510	445.397	139.961	290.554
Operating profit	171.226	358.005	93.192	244.359
Profit before income tax	124.615	330.361	73.416	253.148
Less : Taxes	(28.666)	(96.634)	(13.522)	(79.236)
Profit for the period	**95.949**	**233.727**	**59.894**	**173.912**
Other comprehensive (loss)/income for the period, net of tax	7.338	868	(534)	(893)
Total comprehensive income for the period	**103.287**	**234.595**	**59.360**	**173.019**
Basic and diluted earnings per share (in Euro per share)	**0,31**	**0,76**	**0,20**	**0,57**
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	**244.372**	**424.580**	**35.495**	**309.021**

STATEMENT OF CHANGES IN EQUITY

(Amounts in thousands €)	GROUP		COMPANY	
	30/6/2019	**30/6/2018**	**30/6/2019**	**30/6/2018**
Total equity at beginning of the year 1/1/2018 (published) & 1/1/2017	2.394.731	2.371.574	2.146.677	1.809.223
Change in accounting policy (IFRS 9)	-	(3.303)	-	(958)
Total equity at beginning of the year 1/1/2018 (restated) & 1/1/2017	**2.394.731**	**2.368.271**	**2.146.677**	**1.808.265**
Total comprehensive income for the period	128.717	225.710	103.287	234.595
Dividends	(152.818)	(76.408)	(152.818)	(76.408)
Dividends to non-controlling interests	(2.246)	(2.061)	-	-
Tax on intra-group dividends	(122)	(123)	-	-
Share based payments	-	(1.043)	-	(1.043)
Acquisition of treasury shares	-	(511)	-	(511)
Issue of treasury shares to employees	(342)	1.042	-	1.042
Transfer of grant received to tax free reserves	80	80	-	-
Total equity at the end of the period	**2.367.920**	**2.514.957**	**2.097.146**	**1.965.940**

STATEMENT OF CASH FLOW

(Amounts in thousands €)	GROUP		COMPANY	
	1/1/2019 - 30/6/2019	**1/1/2018 - 30/6/2018**	**1/1/2019 - 30/6/2019**	**1/1/2018 - 30/6/2018**
Cash flows from operating activities				
Profit before income tax	154.674	322.958	124.615	330.361
Adjustments for:				
Depreciation and amortisation of tangible and intangible assets	111.922	93.650	73.459	66.890
Impairment of fixed and intangible assets	4.045	1.497	2.034	2.118
Amortisation of grants	(589)	(392)	(313)	(315)
Interest expense	66.444	77.766	60.605	71.584
Interest expense - lease finance cost	4.705	-	464	-
Interest income	(2.956)	(1.750)	(5.509)	(4.614)
Share of operating profit of associates	(14.445)	(15.083)	-	-
Provisions for expenses and valuation charges	5.441	28.322	7.555	29.341
Foreign exchange (gains) / losses	(743)	(4.528)	(1.032)	(4.243)
Dividend income	-	-	(7.917)	(35.083)
Amortisation of long-term contracts costs	(1.379)	2.784	1.407	(2.763)
(Gain) / loss on sale of fixed assets	19	(80)	(1.074)	-
	326.911	**505.144**	**254.294**	**453.276**
Changes in working capital				
(Increase) / decrease in inventories	(33.153)	6.172	(14.842)	30.959
(Increase) / decrease in trade and other receivables	(33.358)	(100.018)	(32.991)	54.914
Decrease in payables	(31.451)	(379.850)	(34.341)	(379.638)
Less:				
Income tax received /paid	(3.052)	2.572	(1.768)	4.184
Net cash generated from / (used in) operating activities (a)	**225.897**	**34.020**	**170.352**	**163.695**
Cash flows from investing activities				
Purchase of property, plant and equipment & intangible assets	(78.262)	(60.531)	(55.856)	(41.992)
Proceeds from disposal of property, plant and equipment & intangible assets	363	40	1.074	-
Participation in share capital increase of associates	(342)	-	-	-
Settlement of consideration of acquisition of further equity interest in subsidiary	-	-	-	(16.000)
Purchase of subsidiary, net of cash acquired	(5.341)	(1.298)	-	-
Grants received	199	-	-	-
Interest received	2.956	1.750	5.509	4.614
Prepayments for right-of-use assets	(463)	-	-	-
Dividends received	1.347	-	6.571	-
Investments in associates - net	-	-	(10.014)	(15.853)
Proceeds from disposal of investments in equity instruments	21	266	-	-
Net cash generated from / (used in) investing activities (b)	**(79.522)**	**(75.693)**	**(52.716)**	**(69.231)**
Cash flows from financing activities				
Interest paid	(63.127)	(69.941)	(66.132)	(65.164)
Dividends paid to shareholders of the Company	(122)	(214)	(122)	(214)
Dividends paid to non-controlling interests	(2.246)	(2.061)	-	-
Movement in restricted cash	-	144.445	-	-
Acquisition of treasury shares	-	(511)	-	(511)
Proceeds from borrowings	10.000	407.810	10.067	442.698
Payments of lease liabilities	(19.729)	-	(3.527)	-
Repayments of borrowings	(27.671)	(407.272)	(302.423)	(406.866)
Net cash generated from / (used in) financing activities (c)	**(102.895)**	**72.256**	**(362.137)**	**(30.057)**
Net decrease in cash & cash equivalents (a)+(b)+(c)	**43.480**	**30.583**	**(244.501)**	**64.407**
Cash & cash equivalents at the beginning of the period	**1.275.159**	**873.261**	**1.070.377**	**667.599**
Exchange gains/(losses) on cash and cash equivalents	1.049	4.272	1.999	4.243
Net increase/(decrease) in cash & cash equivalents	43.480	30.583	(244.501)	64.407
Cash & cash equivalents at end of the period	**1.319.688**	**908.116**	**827.875**	**736.249**

ADDITIONAL INFORMATION

1.Note **No. 25** of the interim condensed consolidated financial statements 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, as mentioned in the Note **No. 9**. 3. With regards to tax audits carried out by Certified Auditors, all Group companies based in Greece have received unqualified Tax Compliance Reports by their respective statutory auditor, for fiscal years up to 2017 (inclusive). With regards to tax audits carried out by the Tax Authorities, tax audits have been completed as follows: a) for Hellenic Petroleum S.A for years up to and including 2011, b) for former Hellenic Fuels SA for years up to and including 2011, with ongoing audits for subsequent years up to and including 2013, c) for EKO S.A for years up to and including 2010. Notwithstanding the possibility of future tax audits, the Group's management believes that no additional material liability will arise as a result of unaudited tax years over and above the tax liabilities and provisions recognized in the interim condensed consolidated fin ancial statements for the period ended 30 June 2019 (**Note 23** of the interim condensed consolidated financial statements). 4. The accounting policies used in the preparation of the interim condensed consolidated financial statements for the period ended 30 June 2019 are consistent with those applied for the preparation of the annual consolidated financial statements for the year ended 31 December 2018, except for the new or revised accounting standards and interpretations that have been implemented in 2019, as outlined in **Note 2** of the interim condensed consolidated financial statements of 30 June 2019. Where necessary, comparative figures have been reclassified to conform to changes in the presentation of the current financial period. 5. As mentioned in **Note 23** of the interim condensed consolidated financial statements, 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 informati on, management believes the outcome will not have a significant impact on the Group's operating results or financial position. **6.** Number of employees at 30 June 2019 in Greece: **Company: 2,207, Group: 2,974 (**30/06/2018: Company: 2,059, Group: 2,847).

8. The amount of provisions included in the Statement of Financial Position are as follows:

	GROUP	**COMPANY**
a) for pending legal cases	16.885	9.178
b) for tax matters	18.401	8.000
c) for SLI	167.566	136.074
d) for other provisions relating to expenses	126.360	63.180

9. Other comprehensive income for the period, net of tax, for the Group and the parent company are as follows:

	GROUP		COMPANY	
	30/6/2019	**30/6/2018**	**30/6/2019**	**30/6/2018**
Changes in the fair value of equity instruments	700	(442)	651	(468)
Actuarial losses on defined benefit pension plans	(56)	-	-	-
Share of other comprehensive income of associates	(41)	-	-	-
Fair value gains/(losses) on cash flow hedges	5.186	16.256	5.186	16.256
Derecognition of (gains)/ losses on hedges through comprehensive income	1.501	(14.920)	1.501	(14.920)
Currency translation differences and other movements	66	(357)	-	-
Net income/(expense) recognised directly in equity	**7.356**	**537**	**7.338**	**868**

10. 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	333.177	1.593.704
Purchases of goods and services	266.811	290.899
Receivables	94.575	183.536
Payables	13.594	35.920
Board members and senior management remuneration & other benefits	2.680	2.564

Athens, 29th of August 2019

CHIEF EXECUTIVE OFFICER	GROUP FINANCIAL CONTROLLER	ACCOUNTING DIRECTOR
ANDREAS N. SHIAMISHIS	**E. POULITSIS**	**STEFANOS I. PAPADIMITRIOU**
ID. Number AA 010147	**ID. Number AO 041698**	**ID. Number AK 553436**

5.2. Website

The annual and interim 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 financial statements of the consolidated companies under EKO S.A. are available online at www.eko.gr.

On HELLENIC PETROLEUM's website https://www.helpe.gr/investor-relations/quarterly-results/financial-statements/financial-statements-of-subsidiary-companies/, there is a list of subsidiaries that are fully consolidated in the Group's financial statements; these companies also have their own website through which their financial statements can be accessed. The financial statements of the other subsidiaries can be viewed at the above address.