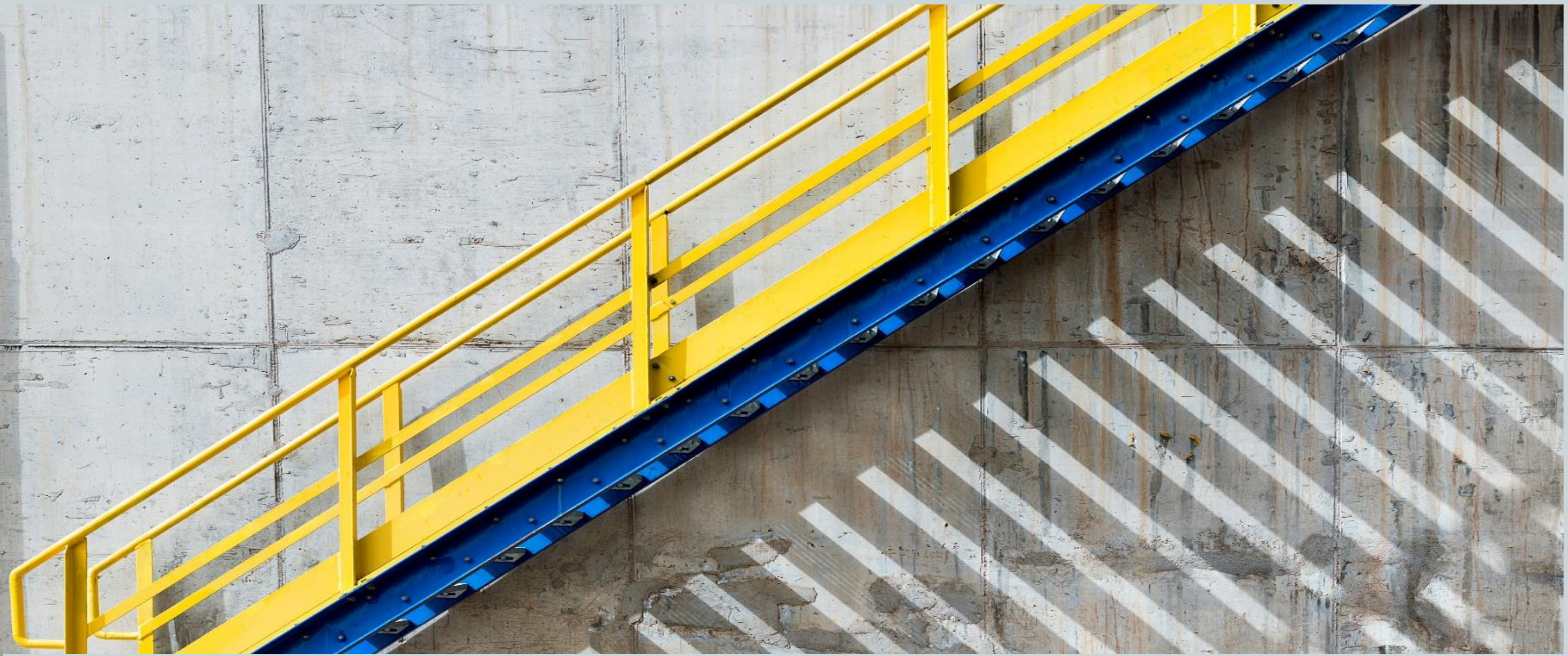
HELLENIC PETROLEUM

HELLENIC PETROLEUM S.A.

Companies Registration Number 2443/06/B/86/23



HALF-YEARLY FINANCIAL REPORT

FIRST HALF 2018

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, 2018

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1. Statements of the Chairman, Managing Director and Member of the Board of Directors on the true and fair 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 information which has been prepared in accordance with applicable accounting standards (International Financial Reporting Standards), 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, 30 August 2018

The Chairman of the Board of Directors & CEO	The Deputy Chief Executive Officer & Chief Financial Officer	The General Manager Group Strategic Planning & New Activities, Executive Board Member
Efstathios Tsotsoros	Andreas Shiamishis	Georgios Alexopoulos

2. Board of Directors Half-Yearly Report for the Six Month Period ended 30th of June 2017 (Article 5, Law No. 3556/2007)

2.1. Introduction

Dear Shareholders,

This Board of Directors' report covers the six-month period ending 30.06.2018. The report has been prepared in accordance with the relevant provisions of Codified Law 2190/1920, Law 3556/2007, article 5, and decision 7/448/11.10.2007 of the Hellenic Capital Markets Commission. The Consolidated and Company Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

This report includes 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 financial year, a description of anticipated significant risks and uncertainties for the second half 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 2018 and their impact on the Financial Statements

a) The Business Environment

Financial Environment[1]

The global economy continued on a positive trend in the first half of 2018, mainly due to investments, industrial production and international trade. The economy is expected to maintain its growth momentum in 2018, with as global GDP growth estimated to reach 3.9%, the highest since 2011, reflecting developments in both advanced and emerging economies. Significant risks to the economic outlook are the trade protectionism through the effects of the announced measures (US tariffs on imports and retaliation from China, EU, Canada and Mexico), geopolitical risks, US sanctions against Iran and the economic crisis in Turkey with potential impact on emerging economies.

In the euro area, GDP growth increased in the first quarter of the year to 2.5% and is projected to reach 2.1% in 2018, lower than last year due to trade measures and their impact on international trade as well as Brexit negotiations evolution. Employment growth is expected to remain high, leading the

[1] Bank of Greece, Monetary Policy 2017-2018, July 2018

unemployment rate to the lowest level in the last decade and demand is projected to remain the key driver of growth, mainly through an increase in the contribution of the private investments.

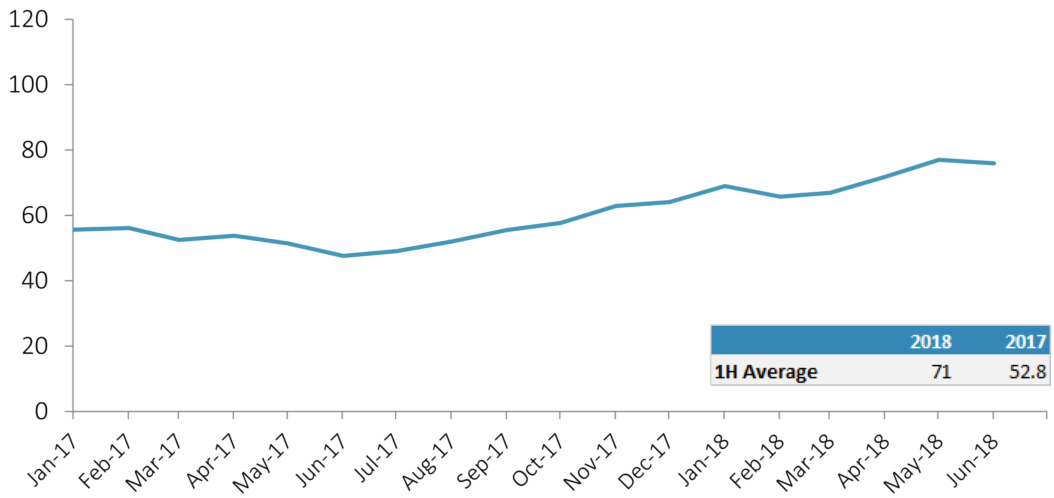
The improvement of the Greek economy continued for the fifth consecutive quarter. More precisely, in the first quarter of 2018, real GDP grew 2.3%, the largest annual growth since 2008, with economic activity being mainly attributable to exports. In the first half of 2018, Greek banks successfully passed the stress tests, private sector deposits grew and the credit availability stabilised, while the funding of the Greek banking system via ELA was significantly reduced.

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. According to the Bank of Greece estimates, economic activity in Greece is expected to accelerate in the medium term with GDP growth rates of 2.0% and 2.3% for the years 2018 and 2019 respectively.

Crude Oil Prices

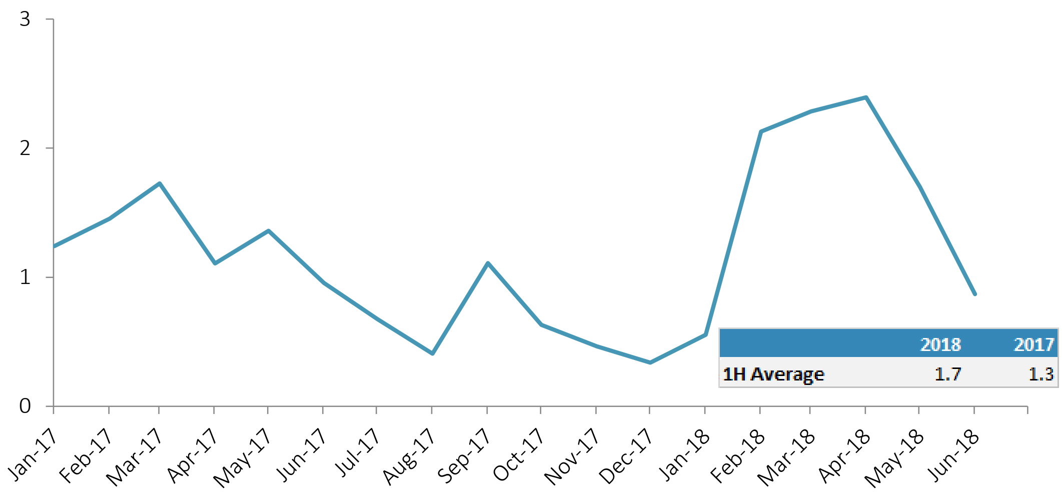
The Brent price (Platt's Dated) for the first half of 2018 averaged at $71/bbl against $53/bbl in the comparative period of 2017, reflecting a significant increase of 34%, which was mainly attributable to the extension of the agreement between OPEC, Russia and other countries in the direction to reduce their daily oil production, as well as US inventories and the US unilateral resumption of sanctions against Iran, while the global oil demand continued to increase.

Crude oil price - Brent ($/bbl)



Brent Urals spread in the first half of 2018 averaged $1.7/bbl, 27% higher vs last year.

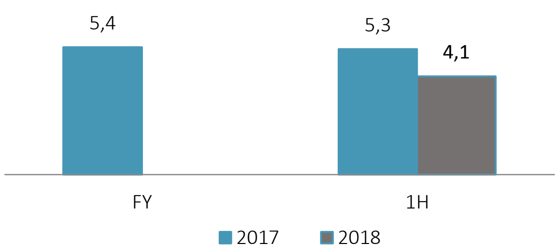
Brent Differential – Urals ($/bbl)



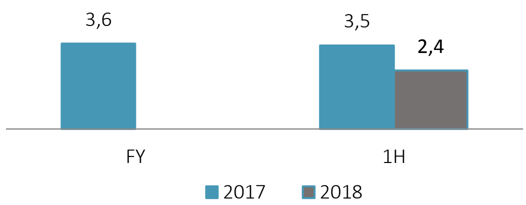
Refining Margins

The decline in the product cracks, with the exception of diesel that reached the highest level in the last two and a half years, was the key factor in shaping the benchmark margins for Med refineries. Based on Reuters, FCC margin averaged $4.1/bbl in the first half of 2018 vs $5.3/bbl in the first half of 2017, while Hydroskimmimg amounted to $2.4/bbl vs $3.5/bbl.

Med FCC benchmark margins ($/bbl)

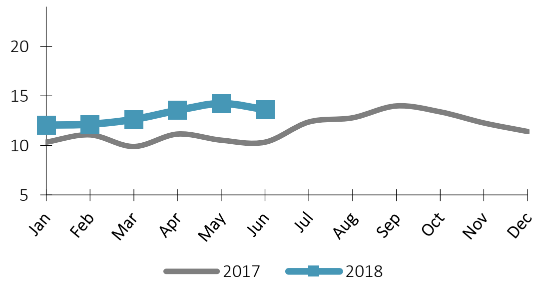


Med Hydrocracking benchmark margins ($/bbl)

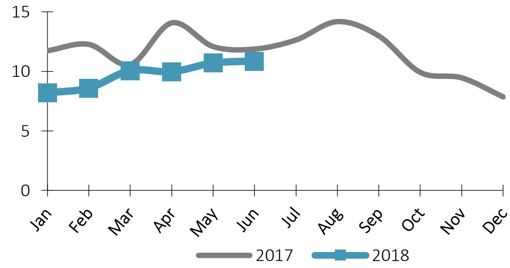


International Product Cracks ($/bbl)[2]

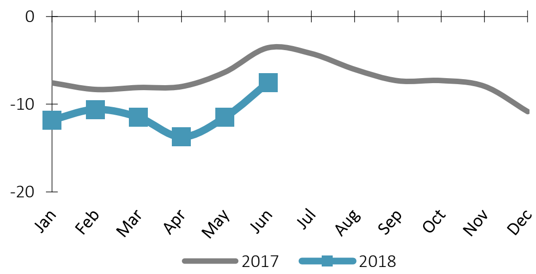
Diesel



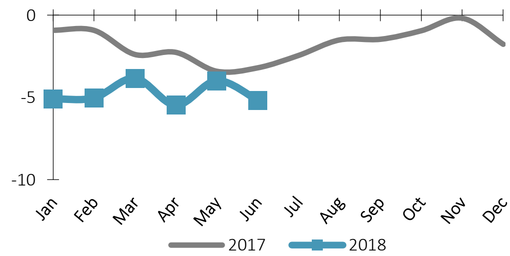
Unleaded Gasoline



Fuel Oil (HS)



Naphtha

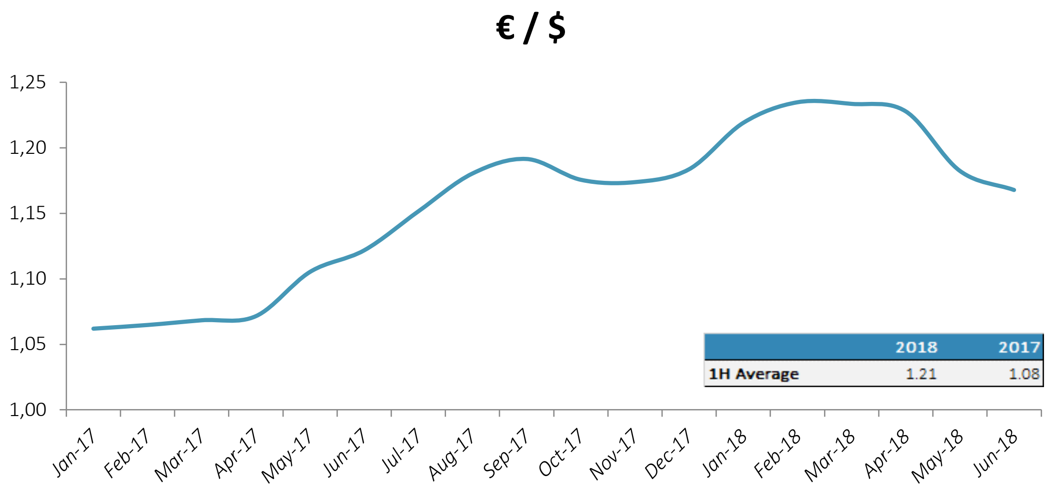


Currency Exchange Rates

In 2018, the EUR was stronger against USD, with the average price at $1.21, 12% higher vs last year, led by the political and trade developments in both US and EU, as well as the monetary policy direction, with the US Central Bank proceeding to interest rate increases.

[2] Based on Brent price

EUR/USD



Developments in the Oil Market[3]

Global oil demand is expected to grow by 1.65 mb/d in 2018 compared to 2017, with global consumption expectations at 98.85 mb/d. Demand in both OECD member countries and North American countries is projected to increase by 0.7% and 1.2% respectively. In 2019, an additional increase in global demand is estimated at around 1.45 mb/d, exceeding 100 mb/d.

In 2018, the oil supply outside OPEC countries is estimated to increase by 2.0 mb/d vs 2017, reaching 59.54 mb/d on average in 2018. The oil supply from OPEC countries is projected at 32.2 mb/d for 2018, -1.2% vs last year.

Domestic Energy Market

The domestic taxed fuels demand amounted to 3.2m MT, lower by 4.2% vs last year, based on official market data, due to the milder weather conditions that affected the heating oil consumption. On the other side, transport fuels demand increased by 2%.

b) Financial highlights

Tables below present the main financial and operational Group indicators for 1H 2018:

Operational Data	2018	2017
Refinery sales (in million metric tons)	8.27	8.20
Marketing sales (in million metric tons)	2.24	2.45
Refinery production (in million metric tons)	7.65	7.78
Group employees	3,483	3,519

[3] OPEC, Oil Market Report, July 2018

Financial Data (in million €)[4]	2018	2017
Net sales	4,667	4,066
Reported EBITDA	473	378
Inventory effect – Loss (gain)	-150	57
One offs	13	22
Adjusted EBITDA	336	457
Reported net income (attributable to the owners of the Parent Company)	225	168
Adjusted net income	128	224

In the first half of 2018, adjusted EBITDA amounted to €336m (2017: €457m) and adjusted Net Income to €128m (2017: €224m). The weaker refining margins and stronger euro were the key drivers of adjusted results.

The rise in crude oil prices (+ 47% vs 1Q 2017) led to significant inventory valuation gains (€150m), as well as higher sales revenue (€4.67bn, + 15%), with Reported EBITDA at €473m. (+25%) and Reported Net Income at €225m (+34%).

The refinancing of the Group's bank loans was successfully completed, with a positive impact on the interest cost and the extension of the average maturity profile. It is worth noting that the Net Finance Costs reduced by 14% compared to the first half of 2017, on a lower gearing ratio vs last year.

Balance Sheet / Cash Flow (in million €)	2018	2017
Total Assets	7,115	6,882
Total Equity	2,515	2,224
Capital Employed	4,431	4,028
Net Debt	1,916	1,799
Net Cash Flows (operating & investing cash flows)	(41)	64
Capital Investments	(62)	(75)
Gearing ratio – Net Debt / Capital Employed	43%	45%

At the Annual General Meeting of the Shareholders of the Company, that took place on 06.06.2018, HELLENIC PETROLEUM S.A. approved a total dividend of 2017 of € 0.40 per share. Given that an interim dividend of 0.15 per share has already been paid, the final dividend amounted to 0.25 per share. Also, on Friday, 20 July 2018, sellers ELPE and TAIPED proceeded to the signing of the agreement for sale of the 66% of the share capital of the Hellenic Gas Transmission System Operator S.A. (DESFA), (31% stake owned by HRADF and 35% stake owned by HELPE) to the Preferred Investor consortium comprising of

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

the Snam S.p.A., Enagás Internacional S.L.U. και Fluxys S.A., for a total consideration of €535 million (HELPE share: €284 m.).

2.2.2. Review per Segment – Performance and Financial Position for the 1st Half of 2018 – Major Risks and Uncertainties in the 2nd Half of 2018 – Prospects for the 2nd half of 2018

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, Transportation and Trading of Natural Gas

The Group's activities during the first half of 2018 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 2018, 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	4,462	4,198
Thessaloniki	93	1,814	1,762
Elefsina	105	3,018	2,717
Inter-refinery		(1,030)	(1,031)
Total		**8,264**	**7,646**

For the first half of 2018, production amounted to 7.65m MT, down 2%, and sales volumes reached 8.27m MT compared to 8.20m MT in 2017 (+ 1%) due to higher exports. HELPE benchmark margin stood at $4.5/bbl, $0.5 lower than last year, with the differential between the Realised and the Benchmark margin remaining at high levels ($5.7/bbl).

	1st Half of 2018 (MT'000)	1st Half of 2017 (MT'000)
Domestic Market	2,117	2,414
International Sales	1,177	1,280

Exports	4,972	4,505
Total	**8,264**	**8,200**

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, and the level of refinery utilization both globally and regionally. 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.

Domestic and International Marketing

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

During the 1st half of 2018, marketing sales were as follows:

	1st Half of 2018 (MT' 000)	1st Half of 2017 (MT' 000)
Domestic Market	1,153	1,249
Bunkering and Aviation, Exports	605	671
Domestic Marketing Sales	**1,758**	**1,920**
International Marketing Sales	**478**	**526**
Total	**2,236**	**2,446**

Domestic Marketing

In Greece, EKO total sales of oil products amounted to 1,758 thousand MT, in the 1st half of 2018, decreased by -8% compared to the same period last year. The number of petrol stations amounted to 1,752 versus 1,738 last year.

The decrease in sales was mainly driven by the drop in consumption of Heating Gasoil -due to the mild weather conditions compared to last year-, as well as the reduced Industrial and bunkering fuels sales. Sales of motor and aviation fuels increased while differentiated fuels sales were significantly higher.

During 1H18, the Group's domestic marketing company managed to improve its competitive position, by increasing market shares in key products (+0.6% in auto fuels) 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 fuels by developing the network of petrol stations, as well as in aviation and bunkering fuels sales as a consequence of growing tourism.

Despite the difficult conditions of the domestic fuel market, EKO will continue implementing its business plan which focuses on increasing market share while further improving operational profitability, 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 278 (against a total of 273 in 1H17). In 1H18, total sales volumes of International Marketing activities amounted to 478 thousand tones versus 526 thousand tones due to reduced wholesale volumes in Bulgaria.

For the first half of 2018, the International Trade sector maintained its profitability at the same levels. For the second half of the year, positive performance is expected to remain subject to market conditions.

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 M/T capacity vessel for the transportation of propylene from the Aspropyrgos refinery to Northern Greece.

In the first half of 2018, total Petrochemical sales volumes amounted to 136.5 thousand tones increased by 14% versus the corresponding period in 2017.

Petrochemical sales per product are as follows:

Product	1st half of 2018 (MT'000)	1st Half of 2017 (MT'000)
Polypropylene	107.3	99
Solvents	14.5	5
BOPP film	12.9	14
Traded goods/Others	1.9	2
Total Sales	**136.5**	**120**

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 2018, the key performance drivers were as follows:

- Polypropylene demand at similar levels vs 2017.
- PP margins unchanged vs 2017.

- Strong export orientation with 71% of sales of polypropylene being directed to selected Mediterranean markets.
- Over-supply led to the compression of BOPP film margins.

During the 2nd half of 2018, sales volumes and margins are anticipated to remain within the business plan estimates range.

Oil & Gas Exploration and Production

HELLENIC PETROLEUM Group is also engaged in the exploration and production of Hydrocarbons 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, entered the 2nd Exploration Phase with the commitment of drilling of one (1) exploration well. 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. Environmental studies and drilling preparations are ongoing.

• HELLENIC PETROLEUM S.A. was granted rights of hydrocarbons exploration and production for the two (2) onshore blocks of 'Arta-Preveza' and 'NW Peloponnese', as Operator with 100% working interest. The final Lease Agreements texts 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 is in progress.

• 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 first half of 2018.

For the offshore 'Block 10', in Kyparissiakos Gulf, where HELPE S.A. has been declared as Selected Applicant, the finalization of the Lease Agreement text is expected, as well as its pre-contractual audit by the Court of Audit prior to its ratification 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 of blocks in Crete, West Crete (20,058.40 sq. km2) and Southwest Crete (19,868.37 sq. km2) and on 3 July 2018, by Ministerial Decision, it was declared as Selected Applicant for the two areas. 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. The evaluation procedure of the offers is ongoing and it is expected to be concluded in the next months.

In Patraikos Gulf (West) Lease, environmental studies and pre-drilling operations for the first exploration commitment well are ongoing.

In the onshore blocks of Western Greece, "Arta-Preveza", geological, geophysical and environmental studies are expected to be conducted. In 2019 a seismic acquisition programme is expected to commence, which is part of the contractual commitments of the Lessee. In the onshore block of 'NW Peloponnese', where HELLENIC PETROLEUM S.A. is the Operator (100%), in the second half of 2018, environmental and geological studies are expected to be carried out.

In the offshore 'Block 2', west of Corfu island, environmental and geological studies are planned to be carried out.

Relating to the offshore 'Block 10', in Kyparissiakos Gulf, the Lease Agreement is expected to be finalized and signed within the second half of 2018.

For the two (2) offshore blocks of Crete 'Southwest Crete' and 'West Crete', the Lease Agreements are expected to be finalized and signed. Respectively, the evaluation procedure for the offshore block 'Ionian' is expected to be completed with the consortium of Repsol Exploracion S.A. (50%, Operator) – HELLENIC PETROLEUM S.A. (50%) to be declared as Selected Applicant and proceed with the finalization and signing of the Lease Agreement.

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 2018, were decreased compared to the same period in 2017, as margins were weak, both in the production and supply of electricity.

The main drivers of the electricity market in 1H18 were: mild winter temperatures, increased use of hydroelectric plants, higher natural gas prices and a significant increase in CO_2 emission rights. Also, the significant delay in the implementation of a new "Transitional Flexibility Compensation Mechanism", following the previous Mechanism, whose operation was completed in April 2017, affected negatively.

In the retail electricity market, the Company's market share slightly decreased (June 2018: 3.18% versus June 2017: 3.38%, OOEM), despite the expansion of its customer portfolio in Low and Medium Voltage (domestic and industrial customers) mainly due to the ever-increasing competition from alternative electricity suppliers. In 1H18, Elpedison entered the liberalized market of Natural Gas supply, expanding its customer base, mainly in the regions of Attica, Thessaloniki and Thessaly.

Elpedison BV's profitability is expected to increase in the second half of 2018. In the electricity production sector, significant role will have the implementation of the Transitional Flexibility Compensation Facility, which is expected to become operational soon. 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.

Supply, Transportation and Trading of Natural Gas

In the first half of 2018, domestic Natural Gas consumption declined by 7.2% compared to the same period of 2017, mainly due to higher gas prices (mainly in the second quarter of 2018), but also due to reduced demand from electricity producers and domestic consumers. Thus, the contribution of DEPA Group to HELLENIC PETROLEUM Group's profits declined compared to the first half of 2017, mainly due to the reduced profits of DEPA Group companies (DEPA parent, DESFA, DEDA, EPA / EDA).

Process of Reorganization of Distribution and Retail Activities of DEPA Group

In the context of the process of DEPA's transformation and reformation of its position in the retail market, during the first half of 2018, DEPA reached an agreement for the sale of 51% of ZENITH's share capital to Italian Eni Gas e Luce and, at the same time, proceeded to the purchase of 49% of Attica's EPA and EDA from Attiki Gas BV (Shell). Agreements are subject to obtain approvals from the competent authorities.

During the second half of 2018, the first stage of the reorganization of DEPA's Distribution and Retail activities is expected to be completed, with the closing of the aforementioned transactions with ENI and Shell, as well as the sale of 66% of DESFA to a consortium of the European Snam SpA, Enagas and Fluxys.

b) Major Risks and Uncertainties of 2H18

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 2H18 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.

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 2018	30 June 2017
Sales of goods and services to related parties		
Associates	360.696	418.467
Joint ventures	340	191
Total	**361.036**	**418.658**
Purchases of goods and services from related parties		
Associates	418.412	436.817
Joint ventures	9.650	3.646
Total	**428.061**	**440.463**

	As at	
	30 June 2018	31 December 2017
Balances due to related parties		
Associates	20.199	3.182
Joint ventures	934	1.886
Total	**21.133**	**5.068**
Balances due from related parties		
Associates	47.230	37.133
Joint ventures	189	101
Total	**47.419**	**37.234**

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 2018 was €84 million (31 December 2017: €88 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 2018, transactions and balances with the above government related entities are as follows:

- Sales of goods and services amounted to €156 million (30 June 2017: €195 million)
- Purchases of goods and services amounted to €21 million (30 June 2017: €26 million)
- Receivable balances of €68 million (31 December 2017: €61 million)
- Payable balances of nil (31 December 2017: €5 million).

c) Key management personnel 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 2018 to the aforementioned key management amounted as follows:

	For the six month period ended	
	30 June 2018	30 June 2017
Short-term employee benefits	2.698	2.285
Post-employment benefits	552	585
Termination benefits	522	-
Total	**3.772**	**2.870**

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

- 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).

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 the 29th of June 2018, the Company's share price closed at €7.17, 6.9% lower vs the 31st of December 2017. The average price for the 1st half of 2018 amounted to €7.92, a 44.9% increase compared to the same period in 2017. The highest was €8.79 on 31.01.2018 whilst the lowest was €7.10 on 31.05.2018.

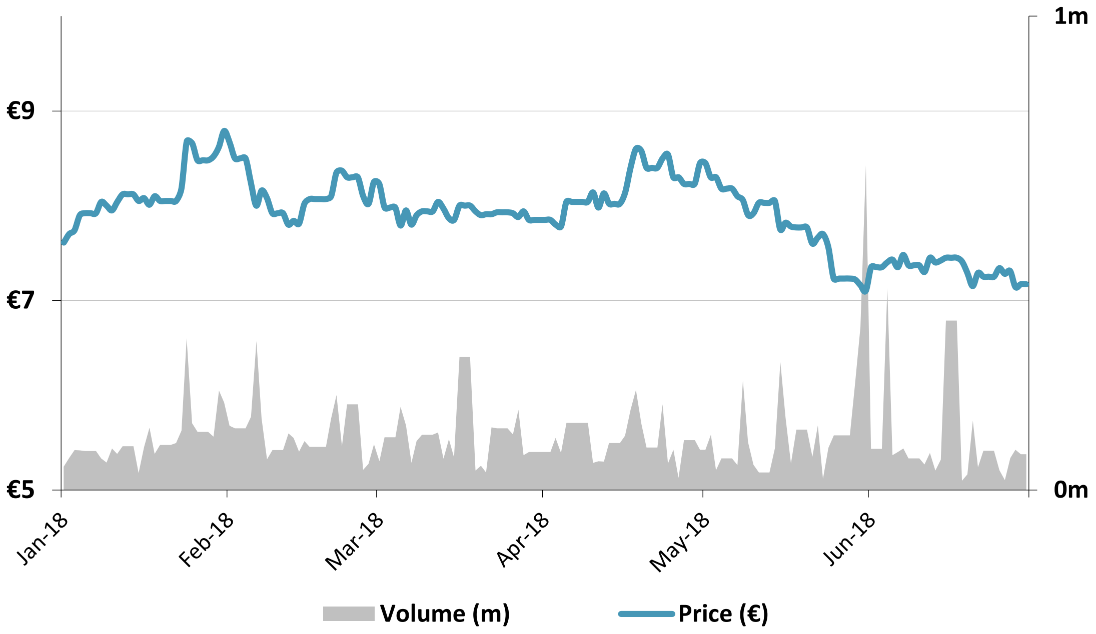
The average trading volume in the 1st half reached 114,824 shares a day, a decrease of 20.70% from the respective volume of 2017, while the average daily turnover increased by 5.66% to €908,092.

The table below shows the average of the Company's share closing price and the average daily trading volume per month in the 1st half of 2018 compared to the same period in 2017.

	Average Closing Price (€)		Average Trading Volumes (# shares)	
	2018	2017	2018	2018
January	8.17	4.45	110,960	71,312
February	8.14	4.41	123,997	89,999
March	7.93	4.86	106,418	133,108
April	8.24	5.23	103,642	90,907
May	7.77	6.15	146,587	230,241
June	7.33	7.58	96,800	237,317

Share price evolution chart for HELLENIC PETROLEUM S.A.

The following chart shows the share price evolution at the daily closing and the average trading volume in the Company's shares from 01.01.2018 up until 30.06.2018:



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 Inventory Effect (defined as the effect of the price fluctuation of crude oil and oil product inventories on gross margin) and non-recurring items, which may include but are not limited to write-downs of non-core assets and other one-off expenses, in line with the refining industry practice ("**Adjusted EBITDA**"). 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 this information as a significant factor 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 HELLENIC PETROLEUM'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 a 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 relevant financial statements and excluding debt from associates) less "Cash & cash equivalents and restricted cash" and "Available-for-Sale financial assets", as shown in the relevant 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 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 financial statements for the corresponding period.

Calculation of EBITDA, Adjusted EBITDA, Adjusted Profit after tax		
million €	**1H 2018**	**1H 2017**
Operating Profit	**379.3**	**291.5**
Depreciation & Amortization	**93.7**	**88.0**
IFRS Reported EBITDA	**473.0**	**377.6**
Inventory effect	-149.7	57.0
Other One-off expenses*	13.0	22.3
Adjusted EBITDA	**336.3**	**456.9**
Profit After Tax	225.2	167.6
Taxed Inventory effect	-106.3	40.4
Taxed other one-off expenses**	9.2	15.9
Adjusted Net Income	**128.1**	**223.9**

Calculation of Net Debt, Capital Employed and Gearing ratio		
million €	**1H 2018**	**1H 2017**
Borrowings LT	1,739.0	1,238.1
Borrowings ST	1,087.2	1,400.9
Cash & Cash equivalents and Restricted Cash	909.3	835.1
Available for sale financial assets	1.0	4.6
Net Debt	**1.,15.9**	**1,799.4**
Equity	2,515.0	2,224.4
Capital Employed	**4,430.9**	**4,023.8**
Gearing ratio (Net Debt / Capital Employed)	**43%**	**45%**

* Main items include, a) for 1H18 €10m regarding the amended prices on the CO_2 emission allowances and €3m for other non-recurring items, b) for 1H17, €14m for expenses related to legal cases, €5m for valuation adjustments on balance sheet items 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

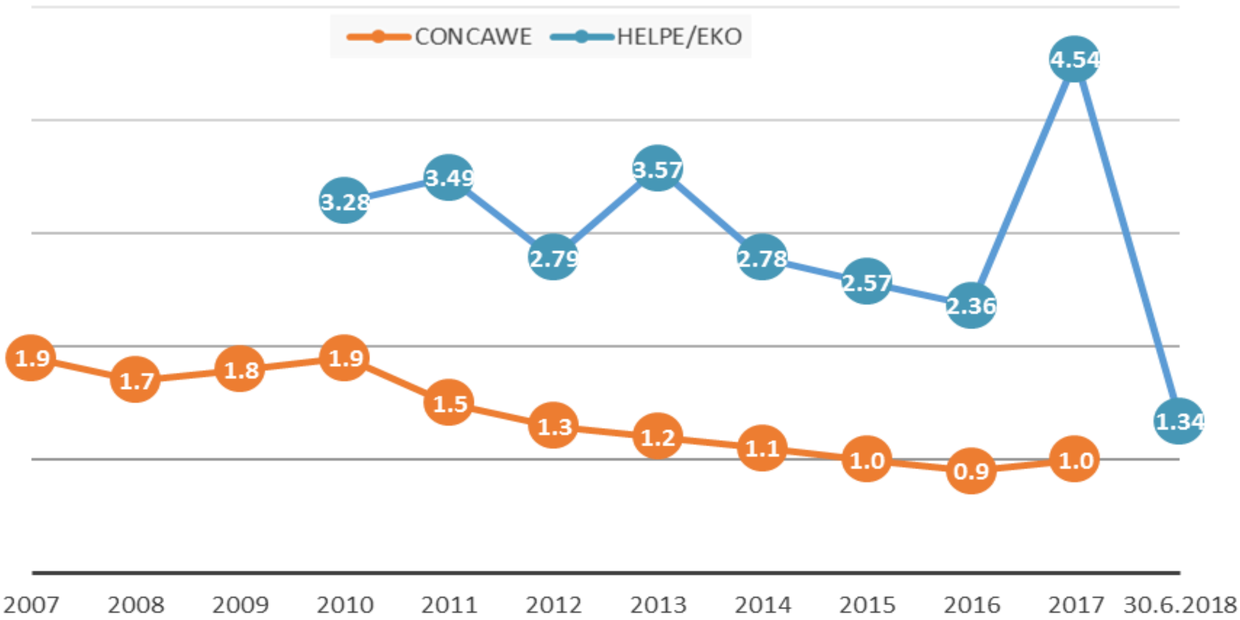
Health and safety across its activities is the most important priority of the HELLENIC PETROLEUM Group. Therefore, we take all necessary safety and security measures for our employees, partners and visitors in all facilities.

The Group continuously invests in health and safety to ensure compliance with the highest standards at a national and European level. All of the Group's facilities set targets to control, measure and improve the performance in Health and Safety, with regular periodic assessments against the targets set.

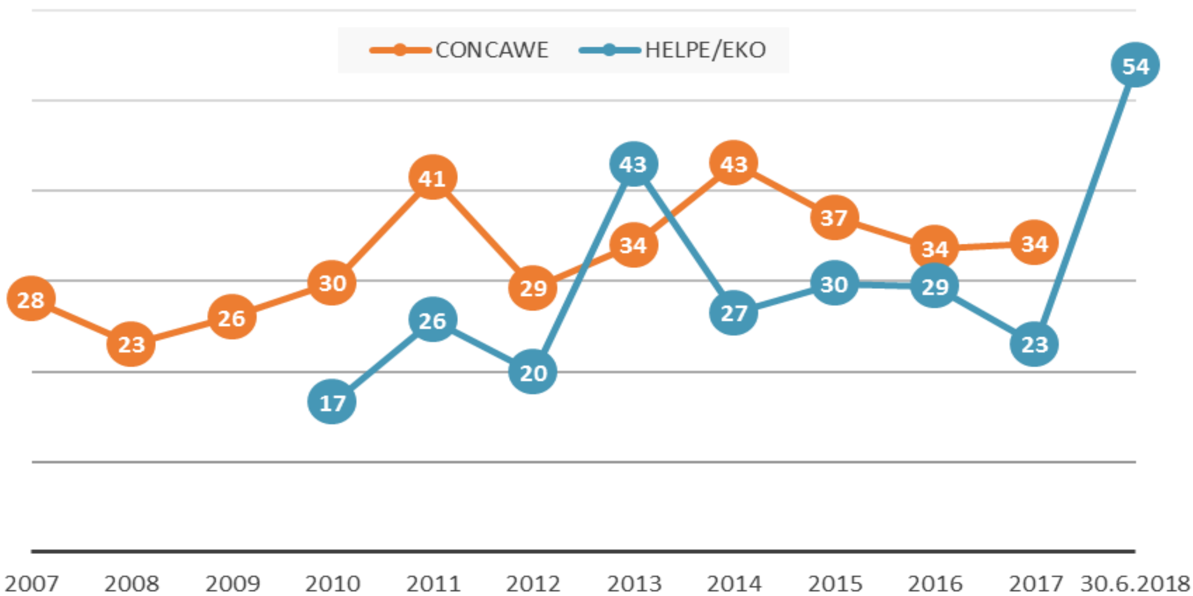
During 1H18, in the framework of the Health, Safety, Environment & Sustainable Development Policy, the security inspections of all sites as well as training of personnel in fire drills, remedial measures to prevent accidents and unsafe conditions, improving instructions and safety procedures and other activities were carried out.

The diagram below shows the evolution of AIF (All Injures Frequency) and PSER (Process Safety Event Rate) indices in recent years compared to the European average (CONCAWE) as well as LWIF (Lost Workday Injury Frequency) και LWIS (Lost Workday Injury Severity).

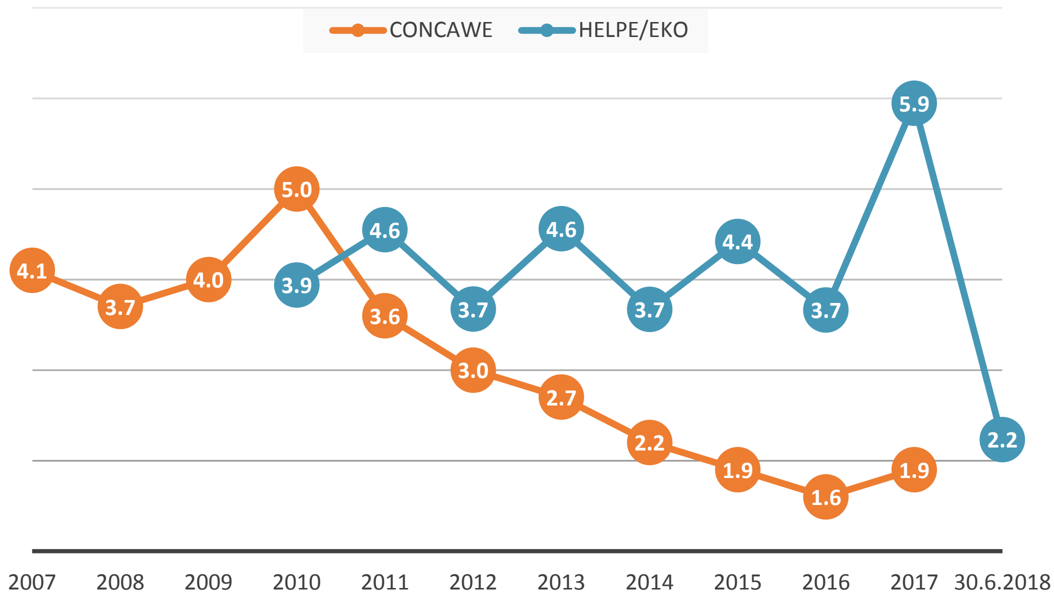
LWIF index



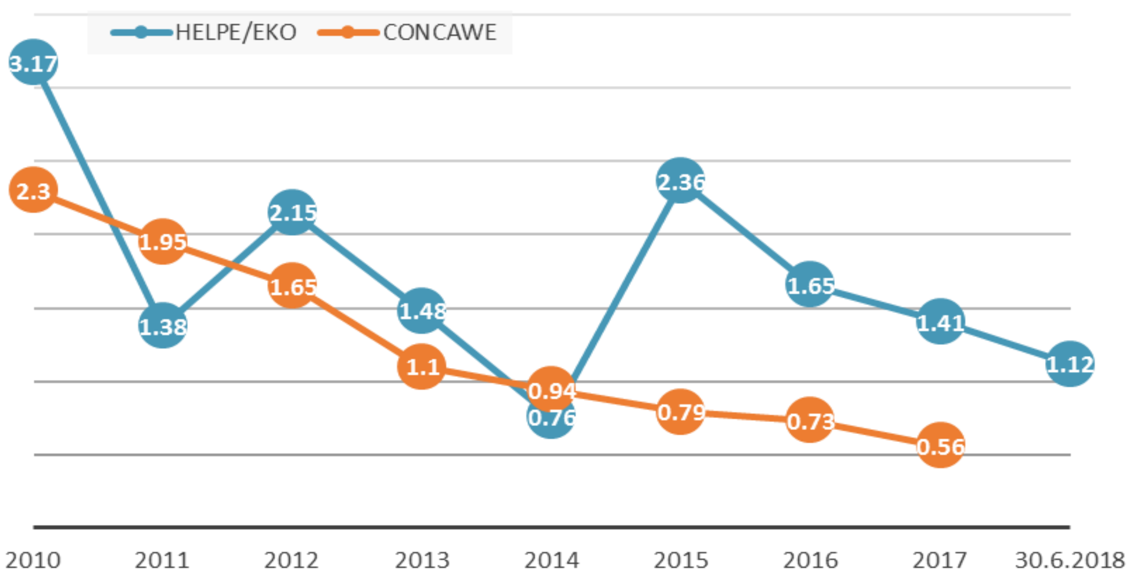
LWIS index



AIF index



PSER index



Regarding the management of environmental issues (air emissions, liquid and solid waste), the process of reviewing the Environmental Terms of Operation of the three refineries is under way (the file for the amendment / renewal of the Environmental Terms Approval Decisions has been submitted to the relative ministry of Environment and Energy), while the implementation of interventions to comply with the new Emissions Constraints of the 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 2018 successfully completed all the procedures for participation (emission verification and delivery of emissions permits for the year 2017) of the refineries, while the submission of the Improvement Reports of the monitoring plan has been launched and is expected to be completed by 30/09 according to the latest guidelines of ministry of Environment and Energy.

The carbon dioxide (CO_2) emissions from the three refineries (Aspropyrgos, Elefsina and Thessaloniki), for the first half of 2018, amounted to 1.82 million tons.

The liquid waste index "gr of hydrocarbons per tn of throughput" for January - June 2018 for the Group's refineries was 3.22 gr / tn throughput, which is 13% lower than the corresponding index associated with the applicable regulatory limit (Saronic Gulf and Thermaikos Gulf). It is noted that the increase of the index (+ 35%) compared to the first half of 2017 is mainly due to the Thessaloniki refinery values, which is related to the investment project of upgrading and further improvement of the wastewater treatment plant.

The Company continued to monitor all critical developments with reference to the new European environmental legislation and to formulate new regulatory documentation and directives through its active participation in technical working groups of CONCAWE (European Union for the Environment, Health and Safety of petroleum companies) and Fuels Europe (European Oil Association).

At the national level, the Company is actively involved in the work of the SEV's Sustainable Development Council with the aim of effectively consulting the state on matters of law, as well as other relevant activities of the Association related to the Environment and Sustainable Development.

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, an 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 has an understanding of the impact of its activity on society, especially in areas that are adjacent to its facilities. Consequently, our communication and co-operation with the wider community and especially neighboring local communities is multidimensional, including actions concerning infrastructure projects and supporting local economic activity (with a more specific emphasis on vulnerable social groups and the younger generation). This is supported by continuous dialogue with all social partners and surveys used to identify the key issues associated with the Group's activities, as well as periodic customer satisfaction surveys, annual public opinion surveys, public debates and other forms of communication.

The results of these actions are evaluated and redefined in order to take into account and to meet the needs and expectations of stakeholders.

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 ELPE.

The procedure of accepting and reaffirming the commitment by employees is made periodically by the General Directorate of 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

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Shareholders of "Hellenic Petroleum S.A."

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of "Hellenic Petroleum S.A." and its subsidiaries ("the Group") as of 30 June 2018, and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed consolidated 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 consolidated 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 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 consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

<u>Report on other legal and regulatory matters</u>

Our review has not identified any inconsistency between the other information contained in the six-month financial report prepared in accordance with article 5 of Law 3556/2007 and the accompanying interim condensed consolidated financial information.

Athens, 30 August 2018
THE CERTIFIED AUDITOR ACCOUNTANT

CHRISTIANA PANAYIDOU
S.O.E.L. R.N. 62141
ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
Chimarras 8B Maroussi,
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COMPANY S.O.E.L. R.N. 107

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REPORT ON REVIEW OF
INTERIM CONDENSED FINANCIAL INFORMATION

To the Shareholders of "Hellenic Petroleum S.A."

Introduction

We have reviewed the accompanying interim condensed statement of financial position of "Hellenic Petroleum S.A."("the Company") as of 30 June 2018, and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and 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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Chimarras 8B Maroussi,
151 25, 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 2018

CONTENTS

(All amounts in Euro thousands unless otherwise stated)

I. Company Information

Directors	Efstathios Tsotsoros - Chairman of the Board & Chief Executive Officer (From 17/04/2018) Andreas Shiamishis - Deputy Chief Executive Officer Ioannis Psichogios - Member Georgios Alexopoulos - Member Theodoros-Achilleas Vardas - Member Georgios Grigoriou - Member Georgios Papakonstantinou - Member (From 06/06/2018) Theodoros Pantalakis - Member Spiridon Pantelias - Member Konstantinos Papagiannopoulos - Member Dimitrios Kontofakas - Member Vasileios Kounelis - Member Loudovikos Kotsonopoulos - Member (From 17/04/2018)
Other Board Members during the year	Grigorios Stergioulis - Chief Executive Officer (Until 17/04/2018) Panagiotis Ofthalmides - Member (Until 06/06/2018)
Registered Office	8A Chimarras Str GR 151 25 - Marousi
Registration number	2443/06/B/86/23
General Commercial Registry	000296601000
Audit Company	ERNST & YOUNG (HELLAS) Certified Auditors - Accountants S.A. 8B Chimarras Str 151 25 Marousi Greece

(All amounts in Euro thousands unless otherwise stated)

II. Interim Condensed Consolidated Statement of Financial Position

		As at	
	Note	**30 June 2018**	**31 December 2017**
ASSETS			
Non-current assets			
Property, plant and equipment	**10**	3.281.051	3.311.893
Intangible assets	**11**	106.135	105.684
Investments in associates and joint ventures		691.632	701.635
Deferred income tax assets		70.773	71.355
Investment in equity instruments	**2,3**	957	1.857
Loans, advances and long term assets		88.493	89.626
		4.239.041	**4.282.050**
Current assets			
Inventories	**12**	1.049.322	1.056.393
Trade and other receivables	**2,13**	904.069	791.205
Derivative financial instruments	**3**	13.396	11.514
Cash, cash equivalents and restricted cash	**14**	909.323	1.018.913
		2.876.110	**2.878.025**
Total assets		**7.115.151**	**7.160.075**
EQUITY			
Share capital and share premium	**15**	1.020.081	1.020.081
Reserves	**16**	270.964	358.056
Retained Earnings		1.161.551	930.522
Capital and reserves attributable to owners of the parent		**2.452.596**	**2.308.659**
Non-controlling interests		62.412	62.915
Total equity		**2.515.008**	**2.371.574**
LIABILITIES			
Non-current liabilities			
Borrowings	**17**	1.738.995	920.234
Deferred income tax liabilities		174.232	131.611
Retirement benefit obligations		137.942	133.256
Provisions for other liabilities and charges		5.694	6.371
Trade and other payables		26.218	28.700
		2.083.081	**1.220.172**
Current liabilities			
Trade and other payables	**18**	1.293.905	1.661.457
Income tax payable		60.979	5.883
Borrowings	**17**	1.087.218	1.900.269
Dividends payable		74.960	720
		2.517.062	**3.568.329**
Total liabilities		**4.600.143**	**4.788.501**
Total equity and liabilities		**7.115.151**	**7.160.075**

The notes on pages 8 to 36 are an integral part of these interim condensed consolidated financial statements.

E. Tsotsoros	A. Shiamishis	S. Papadimitriou
Chairman of the Board & Chief Executive Officer	Deputy Chief Executive Officer & Chief Financial Officer	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 2018	30 June 2017	For the three month period ended 30 June 2018	30 June 2017
Sales	**4**	**4.666.909**	**4.065.702**	**2.498.523**	**1.999.949**
Cost of sales		(4.071.307)	(3.562.812)	(2.126.620)	(1.781.723)
Gross profit		**595.602**	**502.890**	**371.903**	**218.226**
Selling and distribution expenses		(154.463)	(133.488)	(79.988)	(67.254)
Administrative expenses		(66.393)	(63.044)	(34.264)	(33.150)
Exploration and development expenses		(29)	(208)	97	(79)
Other operating income/(expenses) and other gains/(losses)-net	5	4.646	(14.698)	2.623	(7.366)
Operating profit		**379.363**	**291.452**	**260.371**	**110.377**
Finance income		1.750	2.438	775	1.174
Finance expense		(77.766)	(90.538)	(38.258)	(42.887)
Currency exchange gains/ (losses)	6	4.528	(6.848)	6.646	(5.994)
Share of profit of investments in associates and joint ventures	7	15.083	30.659	1.188	42
Profit before income tax		**322.958**	**227.163**	**230.722**	**62.712**
Income tax expense	8	(97.785)	(59.518)	(79.769)	(18.891)
Profit for the period		**225.173**	**167.645**	**150.953**	**43.821**
Other comprehensive income/ (loss) :					
Items that will not be reclassified to profit or loss:					
Actuarial losses on defined benefit pension plans	16	-	(2.219)	-	(2.219)
Changes in the fair value of equity instruments	2, 16	(442)	2.125	(324)	2.111
Reduction in value of land		-	(1.669)	-	-
		(442)	(1.763)	(324)	(108)
Items that may be reclassified subsequently to profit or loss:					
Derecognition of (losses) / gains on hedges through comprehensive income	16	(14.920)	1.979	-	-
Fair value gains /(losses) on cash flow hedges	16	16.256	(21.431)	(548)	(10.031)
Currency translation differences and other movements	16	(357)	167	(232)	227
		979	(19.285)	(780)	(9.804)
Other comprehensive income/(loss) for the period, net of tax		**537**	**(21.048)**	**(1.104)**	**(9.912)**
Total comprehensive income for the period		**225.710**	**146.597**	**149.849**	**33.909**
Profit attributable to:					
Owners of the parent		223.613	167.452	149.341	43.631
Non-controlling interests		1.560	193	1.612	190
		225.173	167.645	150.953	43.821
Total comprehensive income attributable to:					
Owners of the parent		224.152	147.178	148.298	33.798
Non-controlling interests		1.558	(581)	1.551	111
		225.710	**146.597**	**149.849**	**33.909**
Basic and diluted earnings per share (expressed in Euro per share)	**9**	**0,73**	**0,55**	**0,49**	**0,14**

The notes on pages 8 to 36 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 1 January 2017		**1.020.081**	**469.788**	**549.891**	**2.039.760**	**101.875**	**2.141.635**
Changes of the fair value of equity investments	**16**	-	2.127	-	2.127	(2)	2.125
Currency translation gains/(losses) and other movements	**16**	-	177	-	177	(10)	167
Reduction in value of land	**16**	-	(907)	-	(907)	(762)	(1.669)
Actuarial losses on defined benefit pension plans	**16**	-	(2.219)	-	(2.219)	-	(2.219)
Fair value losses on cash flow hedges	**16**	-	(21.431)	-	(21.431)	-	(21.431)
Derecognition of gains on hedges through comprehensive income	**16**	-	1.979		1.979	-	1.979
Other comprehensive losses		**-**	**(20.274)**	**-**	**(20.274)**	**(774)**	**(21.048)**
Profit for the period		-	-	167.452	167.452	193	167.645
Total comprehensive (loss)/ income for the period		**-**	**(20.274)**	**167.452**	**147.178**	**(581)**	**146.597**
Tax on intra-group dividends		-		(136)	(136)	-	(136)
Dividends to non-controlling interests		-	-	-	-	(2.561)	(2.561)
Dividends		-	(61.127)	-	(61.127)	-	(61.127)
Balance at 30 June 2017		**1.020.081**	**388.387**	**717.207**	**2.125.675**	**98.733**	**2.224.408**
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	**2**	-	166	(3.418)	(3.252)	-	(3.252)
Restated total equity as at 1 January 2018		**1.020.081**	**358.222**	**927.104**	**2.305.407**	**62.915**	**2.368.322**
Changes of the fair value of equity investments	**16**	-	(444)	-	(444)	2	(442)
Derecognition of losses on hedges through comprehensive income	**16**	-	(14.920)	-	(14.920)	-	(14.920)
Fair value gains on cash flow hedges	**16**	-	16.256	-	16.256	-	16.256
Currency translation losses and other movements	**16**	-	(353)	-	(353)	(4)	(357)
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	**16**	-	(73)	(970)	(1.043)	-	(1.043)
Acquisition of treasury shares	**16**	-	(511)	-	(511)	-	(511)
Issue of treasury shares to employees	**16**	-	1.042	-	1.042	-	1.042
Tax on intra-group dividends		-	-	(123)	(123)	-	(123)
Dividends to non-controlling interests		-	-	-	-	(2.061)	(2.061)
Dividends	**16**	-	(88.335)	11.927	(76.408)	-	(76.408)
Transfer of grant received to tax free reserves	**16**	-	80	-	80	-	80
Balance at 30 June 2018		**1.020.081**	**270.964**	**1.161.551**	**2.452.596**	**62.412**	**2.515.008**

The notes on pages 8 to 36 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 2018**	**30 June 2017**
Cash flows from operating activities			
Cash generated from operations	**19**	31.448	138.257
Income tax received/(paid)		2.572	(2.021)
Net cash generated from operating activities		**34.020**	**136.236**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**10,11**	(60.531)	(75.355)
Proceeds from disposal of property, plant and equipment & intangible assets		40	303
Settlement of consideration of acquisition of further equity interest in subsidiary	**24**	(16.000)	-
Purchase of subsidiary, net of cash acquired	**24**	(1.298)	-
Grants received		80	-
Interest received		1.750	2.438
Dividends received		-	318
Investments in associates - net		-	(147)
Proceeds from disposal of investments in equity instruments		266	-
Net cash used in investing activities		**(75.693)**	**(72.443)**
Cash flows from financing activities			
Interest paid		(69.941)	(89.891)
Dividends paid to shareholders of the Company		(214)	(187)
Dividends paid to non-controlling interests		(2.061)	(2.561)
Movement in restricted cash	**14**	144.445	11.873
Acquisition of treasury shares	**16**	(511)	-
Proceeds from borrowings		407.810	207.530
Repayments of borrowings		(407.272)	(417.406)
Net cash generated from/ (used in) financing activities		**72.256**	**(290.642)**
Net increase/(decrease) in cash and cash equivalents		**30.583**	**(226.849)**
Cash and cash equivalents at the beginning of the period	**14**	**873.261**	**924.055**
Exchange gains/(losses) on cash and cash equivalents		4.272	(7.762)
Net increase/(decrease) in cash and cash equivalents		30.583	(226.849)
Cash and cash equivalents at end of the period	**14**	**908.116**	**689.444**

The notes on pages 8 to 36 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 the 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 B.V. the Group also operates in the natural gas sector and in the production and trading of electricity power.

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 accounts 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.

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 2017, 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 2018 have been authorised for issue by the Board of Directors on 30 August 2018.

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 are discussed in detail in the annual consolidated financial statements for the year ended 31 December 2017, 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.

The accounting principles and calculations 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 2017 and have been consistently applied in all periods presented in this report except for the following IFRS's which have been adopted by the Group as of 1 January 2018. The Group applies for the first time, IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments. As required by IAS 34, the nature and effect of these changes are disclosed below. Several other amendments and interpretations apply for the first time in 2018 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 2018.

(All amounts in Euro thousands unless otherwise stated)

- *IFRS 9 Financial Instruments:* The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

  The Group adopted the new standard as of 1 January 2018 without restating comparative information. The cumulative effect of the adjustments arising from the new requirements are therefore recognized in the opening balance of retained earnings on 1 January 2018.

  The following table shows the adjustments recognized for each individual line item. Line items that were not affected by the changes have not been included. The adjustments are explained in more detail below.

  Impact on the statement of financial position (increase/(decrease)) as at 31 December 2017 as published:

Balance sheet extract	Adjustments	31 December 2017 As published	IFRS 9	1 January 2018 after effect of IFRS 9
Non-current assets				
Investments in associates and joint ventures	(b)	701.635	(1.750)	699.885
Deferred income tax assets	(b)	71.355	582	71.937
Available for sale financial assets	(a)	1.857	(1.857)	-
Investment in equity instruments	(a)	-	1.857	1.857
Current assets				
Trade and other receivables	(b)	791.205	(2.084)	789.121
Equity				
Reserves	(a)	358.056	166	358.222
Retained earnings	(a), (b)	930.522	(3.418)	927.104

(a) Classification and measurement

Under IFRS 9, financial assets are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The financial assets (equity investments) that were classified by the Group as available-for-sale (AFS) under IAS 39, are now classified as 'Investments in equity instruments' and measured at fair value through other comprehensive income. Any changes in the fair value of such equity instruments are included in "items that will not be reclassified to profit or loss". IFRS 9 permits an entity to make an irrevocable election to designate an investment in equity instruments that is not held for trading as at fair value through other comprehensive income.

As a result of applying the classification retrospectively, the Group reclassified an amount of € 0,2 million from retained earnings to reserves.

Derivative instruments, to the extent they are not designated as effective hedges, continue to be classified as financial assets at FVPL.

The accounting for the Group's financial liabilities remain largely the same as under IAS 39.

(b) Impairment

The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.
For trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.
For other financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been as significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

Financial assets with contractual payments over 90 days past due constitute default events. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by Group.

The effect of the above change on the statement of financial position as at 1 January 2018 resulted in a decrease of retained earnings of €3,4 million, a decrease of €2,1 million in trade receivables, an increase of 0,6 million in deferred income tax assets and a decrease of €1,8 million in investment in associates and joint ventures.

(c) Hedge accounting

At the date of the initial application, all of the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships under IFRS 9 and, as such, the adoption of the hedge accounting requirements of the new standard had no significant impact on the Group's financial statements. The Group's risk management policies and hedge documentation are aligned with the requirement of the new standard and hedge accounting continues to apply.

- *IFRS 15 Revenue from Contracts with Customers:* IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not in the Group's ordinary activities (e.g. sales of property, plant and equipment or intangible).

As from 1 January 2018, the Group applies the new standard using the modified retrospective method, therefore the initial application did not result in any restatement of comparative data. The new standard did not have any significant impact on the Group's interim condensed consolidated financial statements, upon adoption since, no material differences from the current accounting policies were identified. Therefore it did not have any impact on retained earnings and no transition adjustments were required as a result of its application. Although the implementation of IFRS 15 does not generally represent a material change from the Group's current practices the Group revised its respective accounting policy as follows:

The Group recognizes revenue when (or as) a contractual promise to a customer (performance obligation) is fulfilled by transferring a promised good or service (which is when the customer obtains control over the promised goods or services). If a contract contains more than one performance obligation, the total transaction price of the contract is allocated among the individual, separate performance obligations based on their relative standalone selling prices. The amount of revenue recognized is the amount allocated to the satisfied performance obligation based on the consideration that the Group expects to receive in accordance with the terms of the contracts with the customers. Variable considerations are included in the amount of revenue recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur in the future.

Options for volume related rebates are assessed by the Group to determine whether they constitute a material right that the customer would not receive without entering into that contract. For all such options that are considered as material rights, the Group assesses the likelihood of its exercise and then the portion of the transaction price allocated to the option is deferred and recognized when it is either exercised or lapsed.

Under the new requirements, the Group concluded that volume rebates constitute a material right which should be recognized over time up to the point it crystalizes. The Group provides volume rebates to customers based on thresholds specified in contracts. All such rebates are settled within the financial year and therefore the application of the new standard would have a nil effect in the annual Financial Statements. However, for the purposes of the interim condensed financial statements the Group has estimated the portion of volume rebates which corresponds to the build-up of the material right based on volumes sold to each client. The total charge to revenue for the six month period ended 30 June 2018 is €1,6m.

Revenue from contracts with customers in accordance with the Group's commercial policy is disaggregated by operating segment and distribution channel in Note 4.

- *IFRS 15 (Clarifications) Revenue from Contracts with Customers:* The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.

- *IFRS 2 (Amendments) Classification and Measurement of Share based Payment Transactions:* The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

- *IAS 40 (Amendments) Transfers to Investment Property:* The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

- *IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration*: The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

- The IASB has issued the *Annual Improvements to IFRSs (2014 – 2016 Cycle)*, which is a collection of amendments to IFRSs.

    - *IAS 28 Investments in Associates and Joint Ventures:* The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

Standards issued but not yet effective and not early adopted

The Group has not early adopted any other of the following standard, interpretation or amendment that has been issued but is not yet effective.

- *IFRS 16 Leases:* The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

  The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.

  The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of € 244 million. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

  This is due to the fact that some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

  The Group expects to complete the assessment of the impact from the implementation of the new standard by 31 December 2018.

- *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.

- *IFRS 9 (Amendment) Prepayment features with negative compensation:* The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. 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 are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. 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. These Amendments have not yet been endorsed by the EU.

- *IFRIC Interpretation 23: Uncertainty over Income Tax Treatments:* The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. 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. This Interpretation has not yet been endorsed by the EU.

- *IAS 19 (Amendments) Plan Amendment, Curtailment or Settlement*: The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. 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. These 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. It's 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.

- The IASB has issued the *Annual Improvements to IFRSs 2015 – 2017 Cycle*, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU.

  - *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.

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: Following a period of economic recession between 2009-2016, during which real GDP fell by 26%, the Greek economy returned to positive growth rates in 2017, with GDP rising by 1,4%, supported mainly by exports of goods and services, as well as investments. The upward trend of the economy continued for a fifth consecutive quarter, with real GDP in the first quarter of 2018 increasing by 0,8% compared to the fourth quarter of 2017 and 2,3% compared to the first quarter of 2017 (the highest annual growth since 2008). Economic recovery, improved banking system stability, completion of the second and third EU bailout programme reviews, as well as improved confidence reflected in the Greek government bond yields and the recent 7-year government bond issue, contributed to an enhanced macroeconomic backdrop in the country. Employment growth (+2,2% in 2017, +0,3% in the first quarter of 2018) had a positive impact on income and private consumption; however, inflation and wage growth are still weak.

Total domestic fuels consumption reduced by 4,2% during the first half of 2018, mainly due to the reduction in demand for heating gasoil which is mainly attributed to mild weather conditions and higher oil product prices during the first three months of the year. Motor fuels demand, however, increased by 2,2% comparing to the first half of 2017, driven by the higher auto diesel consumption.

Despite the significant progress in economic recovery recorded in 2017 and the first quarter of 2018, the Greek economy faces a number of significant challenges, such as the high public debt, large non-performing loans, high unemployment, low structural competitiveness and the collapse of investment, which should be addressed in the medium-term and will affect the country's future growth prospects. 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.

Securing continuous crude oil supplies: During the last 12 months crude oil reference prices started recovering, following a 3-year period of contraction (June 2014 – June 2017), averaging $75/bbl in the second quarter of 2018. Nonetheless, oil prices are still 35% below June 2014 peak, therefore 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 decision of the US President for re-imposition of the nuclear-related sanctions against Iran, Hellenic Petroleum, which is currently being supplied with Iranian oil, is closely monitoring developments and will assess its position accordingly (Note 18).

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 73% 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, "Borrowings".

Capital management: Another key priority of the Group has been the management of its Assets. Overall the Group has around €4,4 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, net debt level has increased to 43% of total capital employed while the remaining 57% is financed through shareholders equity. The Group has started reducing its net debt levels through utilization of the incremental operating cashflows, post completion and operation of the new Elefsina refinery. This is expected to lead 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 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 2017.

There have been no changes in the risk management or in any risk management policies since 31 December 2017.

Fair value estimation

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

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

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2018:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging	-	13.396	-	13.396
Investment in equity instruments	957	-	-	957
	957	**13.396**	**-**	**14.353**
Liabilities				
Derivatives used for hedging	-		-	-
	-	**-**	**-**	**-**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2017:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging	-	11.514	-	11.514
Investment in equity instruments	1.857	-	-	1.857
	1.857	**11.514**	**-**	**13.371**
Liabilities				
Derivatives used for hedging	-	-	-	-
	-	**-**	**-**	**-**

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 2018 was €795 million (31 December 2017: €796 million), compared to its book value of €763 million (31 December 2017: €762 million). The fair value of the remaining borrowings approximates their carrying value, as the effect of discounting is insignificant.

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

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

(All amounts in Euro thousands unless otherwise stated)

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.

Financial information regarding the Group's operating segments for the 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	(0)	152.678	1.309	6.222	5.797.876
Inter-segmental Sales		(1.121.995)	(3.893)	(0)	(0)	(4)	(5.075)	(1.130.967)
Net Sales		**3.059.295**	**1.452.484**	**(0)**	**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	**10,11**	(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/(loss) 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)

Financial information regarding the Group's operating segments for the period ended 30 June 2017 is presented below:

		For the six month period ended 30 June 2017						
		Refining	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**Gas & Power**	**Other**	**Total**
Gross Sales		3.603.743	1.371.288	-	135.417	783	4.789	5.116.020
Inter-segmental Sales		(1.042.789)	(3.271)	-	(0)	(5)	(4.253)	(1.050.318)
Net Sales		**2.560.954**	**1.368.017**	**-**	**135.417**	**778**	**536**	**4.065.702**
EBITDA		**292.396**	**40.288**	**(2.249)**	**51.147**	**352**	**(2.528)**	**379.406**
Depreciation & Amortisation	**10,11**	(64.756)	(20.453)	(133)	(2.145)	(219)	(248)	(87.954)
Operating profit / (loss)		**227.640**	**19.835**	**(2.382)**	**49.002**	**133**	**(2.776)**	**291.452**
Currency exchange gains/ (losses)		(6.812)	(31)	5	-	-	(10)	(6.848)
Share of profit of investments in associates & joint ventures		(2.373)	(125)	-	-	33.159	(2)	30.659
Finance (expense)/income - net		(56.124)	(11.084)	(2)	6	1	(20.897)	(88.100)
Profit / (loss) before income tax		**162.331**	**8.595**	**(2.379)**	**49.008**	**33.293**	**(23.685)**	**227.163**
Income tax expense								(59.518)
Profit for the period								**167.645**
(Profit) attributable to non-controlling interests								(193)
Profit for the period attributable to the owners of the parent								**167.452**

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.

During the year 2017, management reconsidered the treatment of oil products exchanged or swapped for oil products of a similar nature and value. Previously, sales and purchases arising from such transactions were recognised at their gross sales value within "Sales" and "Cost of sales" respectively. Following the reconsideration, the above transactions are no longer regarded as sales and to this effect comparative figures for the period ended 30 June 2017 were restated by reclassifying an amount of € 29,6 million from "Sales" to "Cost of Sales" so as to conform to the change in presentation.

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 2017.

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 2017.

An analysis of the Group's net sales by type of market (domestic, aviation & bunkering, exports and international activities) is presented below:

	For the six month period ended	
	30 June 2018	**30 June 2017**
Net Sales		
Domestic	1.356.039	1.487.693
Aviation & Bunkering	557.627	486.560
Exports	2.182.566	1.691.891
International activities	570.677	399.558
Total	**4.666.909**	**4.065.702**

(All amounts in Euro thousands unless otherwise stated)

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

	For the six month period ended		For the three month period ended	
	30 June 2018	**30 June 2017**	**30 June 2018**	**30 June 2017**
Other operating income				
Income from Grants	392	424	196	210
Services to 3rd Parties	1.988	1.729	927	675
Rental income	3.800	4.602	1.799	2.318
Insurance compensation	1.145	525	886	313
Total other operating income	**7.325**	**7.280**	**3.808**	**3.516**
Other gains/(losses)				
Profit from the sale of PPE	80	(101)	(5)	(245)
Amortisation of long-term contracts costs	(2.784)	(4.628)	(1.807)	(2.347)
Voluntary retirement scheme cost	(323)	(389)	(152)	(344)
Legal costs relating to Arbitration proceedings ruling	-	(13.681)	-	(5.681)
Other operating income/(expenses)	348	(3.179)	779	(2.265)
Total other losses	**(2.679)**	**(21.978)**	**(1.185)**	**(10.882)**
Total other operating income / (expenses) and other gains/(losses)	**4.646**	**(14.698)**	**2.623**	**(7.366)**

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

6. CURRENCY EXCHANGE LOSSES

Foreign currency exchange gains of €4,5 million reported for the six month period ended 30 June 2018, mainly relate to unrealized gains arising from the valuation of bank accounts denominated in foreign currency (mostly USD). Foreign currency exchange losses of €6,8 million reported for the six month period ended 30 June 2017, mainly relate to unrealized losses arising from the valuation of bank accounts denominated in foreign currency (mostly USD).

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 2018	**30 June 2017**	**30 June 2018**	**30 June 2017**
Public Natural Gas Corporation of Greece (DEPA)	20.977	35.258	4.325	8.247
ELPEDISON B.V.	(6.049)	(2.099)	(4.181)	(3.331)
DMEP	(425)	(2.620)	553	(4.973)
Other associates	580	120	491	99
Total	**15.083**	**30.659**	**1.188**	**42**

The balance of Investments in associates and joint ventures has been also reduced by an amount of €23.0 million which relates to the dividends received by the Company from DEPA during the first six month period of 2018 and by an amount of €1.8 million which relates to the effect from the implementation of IFRS 9 by DEPA.

Sale of DESFA

On 16 February 2012, HELPE and HRADF (jointly the "Sellers") agreed to launch a joint sale process of their shareholding in DEPA Group aiming to dispose 100% of the supply, trading and distribution activities, as well as 66% of their shareholding in the high pressure transmission network (DESFA S.A., a 100% subsidiary of DEPA S.A.).

The sale process resulted in the submission of a binding offer of €400 million by SOCAR (Azerbaijan's Oil and Gas National Company) for the purchase of the 66% of DESFA. The amount corresponding to HELPE's 35% effective shareholding was €212 million.

On 21 December 2013, the Share Purchase Agreement (SPA) for the above sale was signed by HRADF, HELPE and SOCAR, while the completion of the transaction was agreed to be subject to the clearance of EU's responsible competition authorities.

On 30 November 2016, the deadline for the fulfilment of all prerequisites for the finalisation of the transaction expired without the desired outcome.

By decision of the Governmental Economic Policy Council (ΚΥΣΟΙΠ) on 1 March 2017, the Greek State decided, inter alia, to launch a new tender procedure for the disposal of the 66% of the shares of DESFA, i.e. the 31% of the 65% of the shares held by HRADF combined with the 35% of the shares owned by HELPE, as well as the termination of the respective selling process which was launched in 2012. In addition, article 103 of the most recent law 4472/2017 provides that by 31 December 2017, the participation of DEPA in DESFA (66%) will be sold and transferred through an international tender process, which will be carried out by HRADF, while the remaining balance of 34% will be transferred to the Greek State. Furthermore, the above law provides that at the end of the tender process, DESFA should constitute an Unbundled Natural Gas Transmission System Operator, in accordance with the provisions of articles 62 & 63 of Law 4001/2011 as in force, and be certified as such, in accordance with Articles 9 & 10 of the 2009/73/EC (Full Ownership Unbundled System Operator - FOU).

The Board of Directors of HELPE, at its meeting on 12 June 2017, evaluated the strategic choices of HELPE regarding its minority participation in DESFA and considered that the disposal (jointly with HRADF) of the 66% of DESFA's shares is in the interest of the Company. For this purpose, a draft Memorandum of Understanding (MOU) between the Greek State, HRADF and HELPE was drawn up, based on the corresponding text of 2012. At the abovementioned meeting, the Board of Directors also convened the Extraordinary General Assembly of the Company's shareholders in order to obtain a special permit, in accordance with the provisions of article 23a of the Codified Law 2190/1920, for the conclusion of the MOU between the Greek State, HRADF and HELPE. The MOU was signed by the three parties on 26 June 2017 and the special permit of the General Assembly was provided retrospectively on 6 July 2017, pursuant to the provision of article 23a par.4 2190/1920. On 26 June 2017, the Invitation for the Non-Binding Expression of Interest was published. Four parties expressed interest, two of which were notified on 22 September 2017 by the Sellers that they qualified to participate in the next phase of the Tender Process (Binding Offers Phase), and were considered as Shortlisted Parties. The two Shortlisted Parties were on the one hand, a consortium formed by SNAM S.p.A., FLUXYS S.A., Enagas Internacional S.L.U. and N.V. Nederlandse Gasunies and on the other hand Regasificadora del Noroeste S.A..

The Shortlisted Parties submitted their binding offers on 16 February 2018, pursuant to the Sellers' Request on 10 October 2017 for the Submission of Binding Offers.

Best and final offers were submitted by the two Shortlisted Parties on 29 March 2018. The consortium formed by SNAM S.p.A., FLUXYS S.A. and Enagas Internacional S.L.U. confirmed its best and final offer on 19 April 2018, offering an amount of €535 million for the purchase of the 66% of DESFA. The above binding offer has been accepted by virtue of resolution no. 1319 of 19 April 2018 of the Board of Directors and the resolution of 14 May 2018 of the Extraordinary General Meeting of Shareholders of Hellenic Petroleum. By virtue of decision No. 235 of 25/6/2018, the Court of Audit has cleared the transaction and on 13/7/2018, the European Commission has provided its approval under the EU Merger Regulation.

On 20/7/2018 a Share Sale & Purchase Agreement (SPA) has been executed by HRADF and HELPE as Sellers and "SENFLUGA Energy Infrastructure Holdings S.A." (SNAM-Enagas-Fluxys Consortium SPV) as Purchaser. On the same date a Shareholders' Agreement for DESFA has been executed between SENFLUGA S.A. and the Hellenic Republic.

Although the parties undertake valid commitments upon signing of the SPA, the effectiveness of the totality of the provisions of the SPA (including the transfer of shares and the payment of the consideration) remains subject to approvals, some of which lie beyond the control or diligent behavior of the parties.

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 2018 amounts to €655 million. The net assets of DESFA, which amount to €320 million at 30 June 2018, are included in the value of €655 million and will be sold for €284 million on the basis of the above mentioned SPA. Following completion of the SPA, HELPE Group will recognise an impairment loss of € 36m. The cost of investment of the DEPA group in the financial statements of HELPE S.A is €237 million. DEPA Group, as it currently stands, continues to be accounted for and included in HELPE Group's consolidated financial statements as an associate.

8. INCOME TAXES

	For the six month period		For the three month period ended	
	30 June 2018	**30 June 2017**	**30 June 2018**	**30 June 2017**
Current Year tax	(42.987)	(3.506)	(41.683)	(1.863)
Prior year tax	5.107	108	(1.175)	108
Tax on reserves	(11.927)	-	(11.927)	-
Deferred tax	(47.978)	(56.120)	(24.984)	(17.136)
Total expense	**(97.785)**	**(59.518)**	**(79.769)**	**(18.891)**

The corporate income tax rate of legal entities in Greece is 29% for 2018 (2017: 29%). 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 Certificate” 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 2016 (inclusive). The tax audit for the financial year 2017 is in progress, the issuance of Tax Compliance Report is expected to be issued within the fourth quarter of 2018 and based on the current status it is expected to be unqualified.

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 22, 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 consolidated financial statements for the six month period ended 30 June 2018.

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). Diluted earnings per ordinary share are not materially different from basic earnings per share.

	For the six month period ended		For the three month period ended	
	30 June 2018	**30 June 2017**	**30 June 2018**	**30 June 2017**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**0,73**	**0,55**	**0,49**	**0,14**
Net income attributable to ordinary shares (Euro in thousands)	223.613	167.452	149.341	43.631
Weighted average number of ordinary shares	305.621.912	305.635.185	305.632.718	305.635.185

(All amounts in Euro thousands unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Construction	Total
Cost							
As at 1 January 2017	**288.126**	**897.678**	**4.578.708**	**92.769**	**168.215**	**88.609**	**6.114.105**
Additions	20.878	6.052	6.136	1.685	4.952	33.752	73.455
Capitalised projects	-	909	5.793	106	88	(6.896)	-
Disposals	(1.669)	(284)	(581)	(255)	(117)	(280)	(3.186)
Currency translation effects	442	578	3.061	(5)	(16)	21	4.081
Transfers and other movements	-	767	2.527	123	1.041	(4.004)	454
As at 30 June 2017	**307.777**	**905.700**	**4.595.644**	**94.423**	**174.163**	**111.202**	**6.188.909**
Accumulated Depreciation							
As at 1 January 2017	**-**	**439.270**	**2.179.967**	**60.625**	**143.437**	**-**	**2.823.299**
Charge for the period	-	14.366	64.250	1.738	3.485	-	83.839
Disposals	-	(265)	(475)	(255)	(117)	-	(1.112)
Currency translation effects	-	342	(33)	(4)	(15)	-	290
Transfers and other movements	-	-	1.441	(1.703)	987	-	725
As at 30 June 2017	**-**	**453.713**	**2.245.150**	**60.401**	**147.777**	**-**	**2.907.041**
Net Book Value at 30 June 2017	**307.777**	**451.987**	**2.350.494**	**34.022**	**26.386**	**111.202**	**3.281.868**
Cost							
As at 1 January 2018	**315.557**	**909.409**	**4.708.733**	**96.556**	**181.388**	**102.131**	**6.313.774**
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)
Currency translation effects	89	305	235	-	14	2	645
Transfers and other movements	-	(68)	2.927	-	-	(572)	2.287
As at 30 June 2018	**318.721**	**918.170**	**4.756.760**	**98.017**	**185.256**	**96.999**	**6.373.923**
Accumulated Depreciation							
As at 1 January 2018	**2.689**	**467.548**	**2.319.571**	**61.948**	**150.125**	**-**	**3.001.881**
Charge for the period	-	14.319	69.044	2.091	4.156	-	89.610
Disposals	-	(7)	(116)	(142)	(41)	-	(306)
Impairment	18	167	84	2	15	916	1.202
Currency translation effects	-	201	270	(1)	15	-	485
Transfers and other movements	-	(68)	68	-	-	-	-
As at 30 June 2018	**2.707**	**482.160**	**2.388.921**	**63.898**	**154.270**	**916**	**3.092.872**
Net Book Value at 30 June 2018	**316.014**	**436.010**	**2.367.839**	**34.119**	**30.986**	**96.083**	**3.281.051**

'Transfers and other movements' include the transfer of spare parts for the refinery units from inventories to fixed assets (Note 12), as well as the transfer of computer software development costs to intangible assets. During 2017, the Group proceeded with changes in the allocation of the provision for consumables and spare parts. As a result the comparative figure of Plant and Machinery – Transfers and other movements (cost) was reduced by € 0,8 million.

(All amounts in Euro thousands unless otherwise stated)

11. INTANGIBLE ASSETS

	Goodwill	Retail Service Station Usage Rights	Computer software	Licences & Rights	Other	Total
Cost						
As at 1 January 2017	**133.914**	**49.915**	**106.036**	**40.683**	**74.426**	**404.974**
Additions	-	593	1.252	55	-	1.900
Disposals	-	(52)	-	-	-	(52)
Currency translation effects	-	-	15	(2)	92	105
Other movements	-	-	1.632	(90)	(142)	1.400
As at 30 June 2017	**133.914**	**50.456**	**108.935**	**40.646**	**74.376**	**408.327**
Accumulated Amortisation						
As at 1 January 2017	**71.829**	**32.022**	**96.559**	**32.106**	**64.164**	**296.680**
Charge for the period	-	1.498	2.079	369	169	4.115
Disposals	-	(37)	-	-	-	(37)
Currency translation effects	-	-	4	130	-	134
Other movements	-	-	(52)	(72)	(81)	(205)
As at 30 June 2017	**71.829**	**33.483**	**98.590**	**32.533**	**64.252**	**300.687**
Net Book Value at 30 June 2017	**62.085**	**16.973**	**10.345**	**8.113**	**10.124**	**107.640**
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	-	-	-	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**

‘Licenses and Rights’ include net exploration license costs relating to the two new exploration & production hydrocarbons’ concessions in Western Greece. ‘Other movements’ in computer software include the transfer of computer software development costs from assets under construction to intangible assets.

(All amounts in Euro thousands unless otherwise stated)

12. INVENTORIES

	As at	
	30 June 2018	**31 December 2017**
Crude oil	367.095	331.353
Refined products and semi-finished products	598.034	640.142
Petrochemicals	18.971	21.670
Consumable materials and other spare parts	94.170	91.277
- Less: Provision for consumables and spare parts	(28.948)	(28.049)
Total	**1.049.322**	**1.056.393**

The cost of inventories recognised as an expense and included in Cost of sales amounted to €3,7 billion (30 June 2017: €3,2 billion). As at 30 June 2018, the Group recorded a loss of €1,1 million arising from inventory valuation (30 June 2017: loss of €0,3 million included in Cost of Sales in the statement of comprehensive income). In addition, as at 30 June 2018 an amount of €2,9 million (December 2017: €3,0 million) relating to spare parts for the refinery units, has been transferred from inventories to fixed assets (Note 10).

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 2018	**31 December 2017**
Trade receivables	846.053	734.038
- Less: Provision for impairment of receivables	(250.407)	(248.008)
Trade receivables net	**595.646**	**486.030**
Other receivables	323.849	327.203
- Less: Provision for impairment of receivables	(52.843)	(47.566)
Other receivables net	**271.006**	**279.637**
Deferred charges and prepayments	37.417	25.538
Total	**904.069**	**791.205**

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, claimed VAT, income tax prepayment and taxes paid, as a result of tax audit assessments during previous years, from the tax authorities, where the Company has started legal proceedings and disputed the relevant amounts. The time 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 2018 also includes an amount of €54 million (31 December 2017: €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 22).

(All amounts in Euro thousands unless otherwise stated)

14. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	As at	
	30 June 2018	**31 December 2017**
Cash at Bank and in Hand	908.116	873.261
Cash and Cash Equivalents	**908.116**	**873.261**
Restricted Cash	1.207	145.652
Total Cash, Cash Equivalents and Restricted Cash	**909.323**	**1.018.913**

Restricted cash in 2017 mainly relates to a deposit amounting to €144 million, placed as security for a loan agreement of an equal amount with Piraeus Bank in relation to the Company's Facility Agreement B with the European Investment Bank (Note 17). The outstanding balance under the EIB Facility Agreement B as at 31 December 2017 was €100 million, whilst the outstanding balance of the Piraeus loan as at 31 December 2017 was €144 million. In February 2018, the Company amended the EIB Facility Agreement B which no longer has security requirements. As a result, the loan with Piraeus was repaid, the security deposit was released and the bank guarantee agreement has been cancelled.

The balance of US Dollars included in Cash at bank as at 30 June 2018 was $ 652 million (euro equivalent €559 million). The respective amount for the period ended 31 December 2017 was $ 555 million (euro equivalent €463 million).

15. SHARE CAPITAL

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January & 31 December 2017	305.635.185	666.285	353.796	1.020.081
As at 30 June 2018	**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 2017: €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.

(All amounts in Euro thousands unless otherwise stated)

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

	As at			
	30 June 2018		**31 December 2017**	
	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**	**4,52**	**1.479.933**
Exercised	4,52	(145.561)	4,52	(1.294.300)
Balance at the end of the period	**4,52**	**40.072**	**4,52**	**185.633**

During the six month period ended 30 June 2018, share options were exercised via the acquisition and subsequent issue of treasury shares to employees with a total value of €1,0 million (see Note 16).

16. RESERVES

	Note	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax-free & Incentive Law reserves	Other Reserves	Treasury Shares	Total
Balance at 1 January 2017		**118.668**	**98.420**	**13.268**	**747**	**263.047**	**(24.362)**	**-**	**469.788**
Fair value losses on cash flow hedges		-	-	(21.431)	-	-	-	-	(21.431)
Derecognition of gains on hedges through comprehensive income		-	-	1.979	-	-	-	-	1.979
Actuarial losses on defined benefit pension plans		-	-	-	-	-	(2.219)	-	(2.219)
Reduction in value of land		-	-	-	-	-	(907)	-	(907)
Changes of the fair value of equity investments		-	-	-	-	-	2.127	-	2.127
Currency translation differences and other movements		-	-	-	-	-	177	-	177
Dividends		-	-	-	-	(61.127)	-	-	(61.127)
Balance at 30 June 2017		**118.668**	**98.420**	**(6.184)**	**747**	**201.920**	**(25.184)**	**-**	**388.387**
Balance at 31 December 2017 as originally presented		**118.668**	**98.420**	**10.657**	**94**	**164.882**	**(34.134)**	**(531)**	**358.056**
Change in accounting policy	2	-	-	-	-	-	166	-	166
Restated total equity as at 1 January 2018		**118.668**	**98.420**	**10.657**	**94**	**164.882**	**(33.968)**	**(531)**	**358.222**
Changes of the fair value of equity investments		-	-	-	-	-	(444)	-	(444)
Derecognition of losses on hedges through comprehensive income		-	-	(14.920)	-	-	-	-	(14.920)
Fair value gains on cash flow hedges		-	-	16.256	-	-	-	-	16.256
Currency translation differences and other movements		-	-	-	-	-	(353)	-	(353)
Share-based payments		-	-	-	(73)	-	-	-	(73)
Acquisition of treasury shares		-	-	-	-	-	-	(511)	(511)
Issue of treasury shares to employees		-	-	-	-	-	-	1.042	1.042
Transfers of tax on reserves distributed to retained earnings		-	-	-	-	(11.927)	-	-	(11.927)
Dividends		-	-	-	-	(76.408)	-		(76.408)
Transfer of grant received to tax free reserves		-	-	-	-	80	-	-	80
As at 30 June 2018		**118.668**	**98.420**	**11.993**	**21**	**76.627**	**(34.765)**	**-**	**270.964**

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-free and Incentive Law reserves
These reserves include:

(i) Retained earnings which have not been taxed with the prevailing corporate income tax rate as allowed by Greek law under various statutes. Certain of these retained earnings will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital.

(All amounts in Euro thousands unless otherwise stated)

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

(iii) Taxed reserves relating to investments under incentive laws. These are available for distribution 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

These 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 are held regarding the Share Option Plan. During the six month period ended 30 June 2018, 64.548 shares were acquired at a cost of €0,5 million, while 134.706 shares were issued to employees following the exercise of share options held. Treasury shares are recognised on a first-in-first out method.

17. BORROWINGS

	As at	
	30 June 2018	**31 December 2017**
Non-current borrowings		
Bank borrowings	972.959	155.556
Eurobonds	763.330	761.607
Finance leases	2.706	3.071
Total non-current borrowings	**1.738.995**	**920.234**
Current borrowings		
Short term bank borrowings	1.042.074	1.855.170
Current portion of long-term bank borrowings	44.444	44.444
Finance leases - current portion	700	655
Total current borrowings	**1.087.218**	**1.900.269**
Total borrowings	**2.826.213**	**2.820.503**

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 2018 and 31 December 2017 are summarised in the table below (amounts in € million):

	Company	Maturity	Balance as at 30 June 2018	Balance as at 31 December 2017
1a. Syndicated credit facility € 20 million	HPF Plc	Jul 2018	-	20
1b. Syndicated credit facility € 10 million	HPF Plc	Jul 2018	-	10
1c. Syndicated bond loan € 350 million	HP SA	Jul 2018	-	348
1d. Bond loan € 400 million	HP SA	Jun 2023	391	-
2. Bond loan € 400 million	HP SA	Oct 2018	284	284
3. Bond loan € 300 million	HP SA	Feb 2021	297	200
4. Bond loan SBF € 400 million	HP SA	May 2018	-	239
5. Bond loan $ 250 million	HP SA	Jun 2021	152	-
6. European Investment Bank ("EIB") Term loan	HP SA	Jun 2022	178	200
7. Eurobond €325m	HPF Plc	Jul 2019	317	316
8. Eurobond €450m	HPF Plc	Oct 2021	446	446
9. Bilateral lines	Various	Various	758	754
10. Finance leases	Various	Various	3	4
Total			**2.826**	**2.821**

No loans were in default as at 30 June 2018 (none as at 31 December 2017).

Significant movements in borrowings for the six-month period ended 30 June 2018 are as follows:

1. *Term loans*

In July 2014, the Group concluded two new credit facilities with a syndicate of Greek and international banks as follows:

(1a-1b) HPF concluded a €50 million syndicated credit facility guaranteed by Hellenic Petroleum S.A. The facility had a €40 million tranche which matured in July 2016 and a €10 million tranche maturing in July 2018. In July 2016, upon maturity of the € 40 million tranche, the Group proceeded with a partial repayment of € 20 million and extended the maturity of the remaining € 20 million to July 2018.

(1c) Hellenic Petroleum S.A. concluded a €350 million syndicated bond loan credit facility guaranteed by HPF maturing in July 2018.

(1d) In June 2018 the Group prepaid both facilities which had a total outstanding balance of €380 million. The facilities were refinanced with a 5 year syndicated revolving bond loan facility issued by Hellenic Petroleum S.A. and subscribed to by Greek and international banks for an increased amount of €400 million.

2. *Bond Loan €400 million*

In September 2015 Hellenic Petroleum S.A. extended the maturity date of a €400 million syndicated bond loan agreement from December 2015 to June 2016 and subsequently to October 2017 with two six-month extension options. In April 2018, Hellenic Petroleum S.A. extended the facility maturity date to October 2018 and is in the process of refinancing it.

3. *Bond loan €300 million*

In January 2015 Hellenic Petroleum S.A. concluded a €200 million revolving bond loan facility, with a tenor of 3 years. The facility was refinanced in February 2018 for an increased amount of €300 million and a tenor of 3 years.

4. *Bond loans SBF €400 million*

In May 2016 Hellenic Petroleum S.A. concluded a € 400 million bond loan stand-by facility with a tenor of 18 months and an extension option for a further 6 months. The bond loan facility has two Tranches, a committed Tranche of €240 million and an uncommitted Tranche of €160 million. In May 2017, Hellenic Petroleum S.A. made an additional drawdown of €167 million under the committed Tranche of the facility. In October 2017 Hellenic Petroleum S.A. extended the facility maturity date to May 2018. In May 2018 Hellenic Petroleum S.A. fully repaid the outstanding balance of €240 million upon maturity.

5. *Bond Loan $250 million*

In June 2018 Hellenic Petroleum S.A. concluded a new $250 million revolving bond loan facility with a tenor of 3 years to finance general working capital needs.

6. *EIB Term loans*

On 26 May 2010, Hellenic Petroleum S.A. signed two loan agreements (Facilities A and B) with the European Investment Bank for a total amount of €400 million (€200 million each). The purpose of the loans was to finance part of the investment program relating to the upgrade of the Elefsina Refinery. Both loans had a maturity of twelve years with amortization beginning in December 2013 and similar terms and conditions. Facility B was credit enhanced by a commercial bank guarantee. This is normal practice for EIB lending particularly during the construction phase of large projects. Total repayments on both loans up to 30 June 2018 amounted to € 222 million. Up to February 2018, Facility B included financial covenant ratios which were comprised of leverage, interest cover and gearing ratios. In February 2018, Hellenic Petroleum S.A. amended the terms of this facility in order to align the loan covenants' definitions and ratios with those used for all its commercial bank loans and Eurobonds (see also Note 14).

7. *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 guaranteed by Hellenic Petroleum S.A., are listed on the Luxembourg Stock Exchange.

8. *Eurobond €450m*

In October 2016 HPF issued a €375 million five-year 4.875% Eurobond guaranteed by Hellenic Petroleum S.A. with the issue price being 99.453 per cent. of the principal amount. The notes mature in October 2021. The proceeds of the issue were used to repay existing financial indebtedness, including the partial prepayment of the €500 million Eurobond maturing in May 2017 through a tender offer process which was completed in October 2016 during which notes of nominal value of €225 million were accepted. In July 2017, HPF issued €74.53 million guaranteed notes due 14 October 2021, which were consolidated and form a single series with the €375 million 4.875% guaranteed notes.

9. *Bilateral lines*

The Group companies have credit facilities with various banks to finance general corporate needs which are being renewed according with the Group's finance needs. The facilities mainly comprise of short-term loans of the parent company Hellenic Petroleum S.A.

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)

18. TRADE AND OTHER PAYABLES

	As at	
	30 June 2018	**31 December 2017**
Trade payables	1.089.456	1.474.336
Accrued expenses	152.464	100.810
Other payables	51.985	86.311
Total	**1.293.905**	**1.661.457**

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

Trade payables, as at 30 June 2018 and 31 December 2017, 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. This was due to the fact that payments to Iranian banks and state entities were not accepted for processing by the International banking system, as a result of explicit or implicit US and International sanctions. After 30 June 2012, Hellenic Petroleum was prohibited to effect payments to NIOC by virtue of EU sanctions (Council Regulation (EU) No. 267/2012 of 23 March 2012). The Group duly notified its supplier of this restriction on payments and the inability to accept further crude oil cargoes under the contract, as a result of the aforementioned international sanctions.

On 18 October 2015, by Decision (CFSP) 2015/1863, the Council of the European Union (EU) decided to terminate implementation of most of EU restrictions against Iran, taking into account UNSCR 2231 (2015) and Annex B to UNSCR 2231 (2015), simultaneously with the IAEA-verified implementation by Iran of agreed nuclear-related measures. On 16 January 2016 ("Implementation Day"), by Decision (CFSP) 2016/37, the Council decided that Decision (CFSP) 2015/1863 shall apply from that date. On the same date, U.S and other International Restrictive Measures were also partially lifted. In light of the above developments, Hellenic Petroleum and NIOC executed Heads of Terms to a cooperation-agreement on 22 January 2016 for the recommencement of their commercial relationship for the supply of crude and for the settlement of the due trade payables.

On May 8, 2018, the President of the U.S. (the President) announced his decision to cease the United States' participation in the Joint Comprehensive Plan of Action (JCPOA), and to begin re-imposing, following a wind-down period, the U.S. nuclear-related sanctions that were lifted to effectuate the JCPOA sanctions relief. In conjunction with this announcement, the President issued a National Security Presidential Memorandum (NSPM) directing the Secretary of State and the Secretary of the Treasury to prepare immediately for the re-imposition of all of the U.S. sanctions lifted or waived in connection with the JCPOA, to be accomplished as expeditiously as possible and in no case later than 180 days from the date of the NSPM. Hellenic Petroleum is closely monitoring developments following the US administration decision on JCPOA and will assess its position accordingly. Implementation of the cooperation-agreement, according to the Heads of Terms signed between Hellenic Petroleum and NIOC on 22 January 2016 (as abovementioned), will be in full compliance with prevailing EU and international framework, as well as surviving restrictions.

Where deemed beneficial to the Group, in order to achieve better terms (such as better pricing, higher credit limits, longer payment terms), the Group provides short term letters of credit or guarantee for the payment of liabilities arising from trade creditors, making use of its existing credit lines with its banks. To the extent these liabilities materialise before the balance sheet date, they are included in the balance under trade creditors.

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 2018**	**30 June 2017**
Profit before tax		**322.958**	**227.163**
Adjustments for:			
Depreciation and amortisation of property, plant and equipment and intangible assets	**10,11**	93.650	87.954
Impairment of fixed and intangible assets	**10,11**	1.497	-
Amortisation of grants	**5**	(392)	(424)
Finance costs - net		76.016	88.100
Share of operating profit of associates	**7**	(15.083)	(30.659)
Provisions for expenses and valuation charges		28.322	17.610
Foreign exchange losses	**6**	(4.528)	6.848
Amortisation of long-term contracts costs	**5**	2.784	4.628
(Gain) / loss on sales of property, plant and equipment	**5**	(80)	101
		505.144	**401.321**
Changes in working capital			
Decrease in inventories		6.172	41.332
Increase in trade and other receivables		(100.018)	(19.859)
Decrease in payables		(379.850)	(284.537)
		(473.696)	**(263.064)**
Net cash inflow from operating activities		**31.448**	**138.257**

20. 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

(All amounts in Euro thousands unless otherwise stated)

	For the six month period ended	
	30 June 2018	**30 June 2017**
Sales of goods and services to related parties		
Associates	360.696	418.467
Joint ventures	340	191
Total	**361.036**	**418.658**
Purchases of goods and services from related parties		
Associates	418.412	436.817
Joint ventures	9.650	3.646
Total	**428.062**	**440.463**

	As at	
	30 June 2018	**31 December 2017**
Balances due to related parties		
Associates	20.199	3.182
Joint ventures	934	1.886
Total	**21.133**	**5.068**
Balances due from related parties		
Associates	47.230	37.133
Joint ventures	189	101
Total	**47.419**	**37.234**

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 2018 was €84 million (31 December 2017: €88 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 2018, transactions and balances with the above government related entities are as follows:

- Sales of goods and services amounted to €156 million (30 June 2017: €195 million)
- Purchases of goods and services amounted to €21 million (30 June 2017: €26 million)
- Receivable balances of €68 million (31 December 2017: €61 million)
- Payable balances of nil (31 December 2017: €5 million).

c) Key management personnel 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 2018 to the aforementioned key management amounted as follows:

	For the six month period ended	
	30 June 2018	**30 June 2017**
Short-term employee benefits	2.698	2.285
Post-employment benefits	552	585
Termination benefits	522	-
Total	**3.772**	**2.870**

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

- 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).

21. COMMITMENTS

Significant contractual commitments of the Group, other than future operating lease payments that are disclosed in the annual consolidated financial statements as at 31 December 2017, mainly relate to improvements in refining assets and amount to €30 million as at 30 June 2018 (31 December 2017: €20 million).

22. 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. They are as follows:

(a) Business issues

(i) Unresolved legal claims

The Group is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information and the opinion of legal counsel, management believes the final outcome will not have a significant effect on the Group's operating results or financial position, over and above provisions already reflected in the interim condensed consolidated financial statements.

(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 2018 was the equivalent of €978 million (31 December 2017: €1.016 million). Out of these, €894 million (31 December 2017: €928 million) are included in consolidated borrowings of the Group in the interim condensed 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, while, recently, the 5 year statute of limitation period seems to be taken into consideration. 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 penalties 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:

For Hellenic Petroleum S.A.: 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 penalties.

Even though the Company disputes the additional taxes and penalties imposed, it is obliged to pay 50% of the assessed amounts (taxes and penalties) to the Tax Authorities in order to appeal the results of the tax audits. This was paid within the applicable deadline in January 2018, while the remaining 50% has been fully offset, with tax and other State receivables, by 30th of June 2018. The amounts are included in Other Receivables (Note 13).

As far as penalties are concerned, the report has assessed penalties 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.

Likewise, the two main retail subsidiaries in Greece, which merged into one during 2016, Hellenic Fuels and Lubricants S.A (EKO) have been audited as follows:

(a) Former Hellenic Fuels S.A.: 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 penalties 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.

(b) EKO S.A.: up to and including 31 December 2010 with ongoing audit for the year ended 31 December 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 penalties 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 Subsidiary (after the merger) disputes the additional taxes and penalties imposed, it is obliged to pay 50% of the assessed amounts (taxes and penalties) to the Tax Authorities in order to appeal the results of the tax audits. Those amounts were paid within the applicable deadlines, while the remaining 50% has been fully offset, with tax and other State receivables, by 30th of June 2018. The amounts are included in the Other Receivables (Note 13).

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 2018. The Group has recorded any 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 Group 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 2016, the Group's Greek legal entities obtained unqualified "Annual Tax Certificates" from their Statutory Auditors, as provided for by par. 5, article 82 of L.2238/1994. The tax audit for the financial year 2017 is in progress and the issuance of Tax Compliance Report is expected to be issued within the fourth quarter of 2018 and based on the current status is expected to be unqualified.

(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

A proposal to the AGM for a final dividend €0,25 per share (excluding treasury shares – Note 16) for the year ended 2017 was approved by the Board of Directors on 22 February 2018 and the final approval was given by the shareholders at the AGM held on 6 June 2018. This amounts to €76.408 million and is included in the Consolidated Financial Statements for the period ended 30 June 2018.

The Board did not approve a change in dividend policy overall and will re-evaluate the payment of an additional dividend, special dividend or interim dividend during 2018.

(All amounts in Euro thousands unless otherwise stated)

24. 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
HELPE CYPRUS LTD	Marketing	U.K	100,00%	FULL
RAMOIL S.A.	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 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
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 24 November 2017, HELPE S.A. acquired the remaining 37% minority shareholding of ELPET BALKANIKI S.A., which is now a wholly owned subsidiary (100%). The total aggregate consideration for the ordinary share capital acquired is comprised of an upfront amount of €16 million which was paid during the six month period ended 30 June 2018 and of a deferred consideration of €5 million payable within a period of up to five years from the date of acquisition of the shares.

- On 28 March 2018, HELLENIC PETROLEUM RES S.A. acquired the 100% of the total issued share capital of ATEN ENERGY S.A. The total aggregate consideration for the ordinary share capital acquired is €1,3 million.

- On 24 May 2018, HELLENIC PETROLEUM SA established HELPE E&P Holding S.A. (100% subsidiary). The share capital to be injected to the new company amounts to €20 million, of which €15 million was paid as of 30 June 2018.

25. EVENTS OCCURING AFTER THE REPORTING PERIOD

Details of significant post balance sheet events are provided in the following notes:

- Note 7 – Latest developments in DESFA's selling process.

4.2. Condensed Interim Financial Statements

HELLENIC PETROLEUM S.A.

INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED

30 JUNE 2018

CONTENTS

(All amounts in Euro thousands unless otherwise stated)

I. Company Information

Directors	Efstathios Tsotsoros – Chairman of the Board & Chief Executive Officer (from 17/04/2018) Andreas Shiamishis – Deputy Chief Executive Officer Ioannis Psichogios – Member Georgios Alexopoulos – Member Theodoros–Achilleas Vardas – Member Georgios Grigoriou – Member Dimitrios Kontofakas – Member Vasileios Kounelis – Member Loudovikos Kotsonopoulos – Member (from 17/04/2018) Theodoros Pantalakis – Member Spiridon Pantelias – Member Constantinos Papagiannopoulos – Member Georgios Papakonstantinou – Member (from 06/06/2018)
Other Board Members during the year	Grigorios Stergioulis – Chief Executive Officer (until 17/04/2018) Panagiotis Ofthalmides – Member (until 06/06/2018)
Registered Office:	8A Chimarras Str. GR 15125 Maroussi, Greece
Registration number:	2443/06/B/86/23
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 2018	31 December 2017
ASSETS			
Non-current assets			
Property, plant and equipment	**9**	2.693.831	2.719.172
Intangible assets	**10**	8.226	7.042
Investments in subsidiaries, associates and joint ventures		689.172	671.622
Investment in equity instruments	**3**	595	1.252
Loans, advances and long-term assets		18.926	19.686
		3.410.750	**3.418.774**
Current assets			
Inventories	**11**	931.465	963.746
Trade and other receivables	**12**	1.106.951	989.901
Derivative financial instruments	**3**	13.396	11.514
Cash, cash equivalents and restricted cash	**13**	736.250	813.251
		2.788.062	**2.778.412**
Total assets		**6.198.812**	**6.197.186**
EQUITY			
Share capital	**14**	1.020.081	1.020.081
Reserves	**15**	273.851	360.694
Retained Earnings		672.060	428.448
Total equity		**1.965.992**	**1.809.223**
LIABILITIES			
Non-current liabilities			
Borrowings	**16**	1.732.683	909.579
Deferred income tax liabilities		136.189	89.959
Retirement benefit obligations		108.133	104.331
Provisions for other liabilities and charges		2.291	6.058
Trade and other payables		15.061	15.569
		1.994.357	**1.125.496**
Current liabilities			
Trade and other payables	**17**	1.186.635	1.554.027
Current income tax liabilities		55.385	2.769
Borrowings	**16**	921.483	1.704.951
Dividends payable		74.960	720
		2.238.463	**3.262.467**
Total liabilities		**4.232.820**	**4.387.963**
Total equity and liabilities		**6.198.812**	**6.197.186**

The notes on pages 8 to 33 are an integral part of these interim condensed financial statements.

E. Tsotsoros	A. Shiamishis	S. Papadimitriou
Chairman of the Board & Chief Executive Officer	Deputy Chief Executive Officer & Chief Financial Officer	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 2018	30 June 2017	For the three-month period ended 30 June 2018	30 June 2017
Sales	**4**	**4.322.650**	**3.724.054**	**2.312.015**	**1.819.580**
Cost of sales		(3.877.253)	(3.369.930)	(2.021.461)	(1.685.854)
Gross profit		**445.397**	**354.124**	**290.554**	**133.726**
Selling and distribution expenses		(48.132)	(31.771)	(25.894)	(16.203)
Administrative expenses		(40.142)	(37.148)	(20.585)	(19.331)
Exploration and development expenses		(162)	(66)	(141)	(28)
Other operating income/(expenses) & other gains/(losses)-net	5	1.044	(21.069)	425	(11.902)
Operating profit		**358.005**	**264.070**	**244.359**	**86.262**
Finance income		4.614	6.295	2.127	3.187
Finance expense		(71.584)	(81.561)	(35.165)	(38.747)
Dividend income		35.083	33.724	35.083	33.724
Currency exchange losses	6	4.243	(7.024)	6.744	(6.303)
Profit before income tax		**330.361**	**215.504**	**253.148**	**78.123**
Income tax expense	7	(96.634)	(54.403)	(79.236)	(12.989)
Profit for the period		**233.727**	**161.101**	**173.912**	**65.134**
Other comprehensive income / (loss):					
Items that will not be reclassified to profit or loss:					
Acruarial losses on defined benefit pension plans	15	-	(1.775)	-	(1.775)
Changes in the fair value of equity instruments	15	(468)	2.130	(345)	2.130
		(468)	**355**	**(345)**	**355**
Items that may be reclassified subsequently to profit or loss:					
Fair value gains / (losses) on cash flow hedges	15	16.256	(21.431)	14.372	(12.010)
Derecognition of gains/(losses) on hedges through comprehensive income	15	(14.920)	1.979	(14.920)	1.979
		1.336	**(19.452)**	**(548)**	**(10.031)**
Other Comprehensive income / (loss) for the period, net of tax		**868**	**(19.097)**	**(893)**	**(9.676)**
Total comprehensive income for the period		**234.595**	**142.004**	**173.019**	**55.458**
Basic and diluted earnings per share (expressed in Euro per share)	**8**	**0,76**	**0,53**	**0,57**	**0,21**

The notes on pages 8 to 33 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 2017		**1.020.081**	**469.754**	**100.315**	**1.590.150**
Actuarial losses on defined benefit pension plans	**15**	-	(1.775)	-	(1.775)
Changes in the fair value of equity instruments	**15**	-	2.130	-	2.130
Fair value gains / (losses) on cash flow hedges	**15**	-	(21.431)	-	(21.431)
Derecognition of gains/(losses) on hedges through comprehensive income	**15**	-	1.979	-	1.979
Other comprehensive income		**-**	**(19.097)**	**-**	**(19.097)**
Profit for the period		-	-	161.101	161.101
Total comprehensive income for the period		**-**	**(19.097)**	**161.101**	**142.004**
Dividends	**22**	-	(61.127)	-	(61.127)
Balance at 30 June 2017		**1.020.081**	**389.530**	**261.416**	**1.671.027**
Balance at 1 January 2018 (as originally presented)		**1.020.081**	**360.694**	**428.448**	**1.809.223**
Effect of changes in accounting policy	**2**	-	166	(1.072)	(906)
Balance at 1 January 2018		**1.020.081**	**360.860**	**427.376**	**1.808.317**
Movement - 1 January 2018 to 30 June 2018					
Changes in the fair value of equity instruments	**15**	-	(468)	-	(468)
Fair value gains / (losses) on cash flow hedges	**15**	-	16.256	-	16.256
Derecognition of gains/(losses) on hedges through comprehensive income	**15**	-	(14.920)	-	(14.920)
Other comprehensive income		**-**	**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	**15**	-	(511)	-	(511)
Issue of Treasury shares to employees	**15**	-	1.042	-	1.042
Dividends	**15,22**	-	(88.335)	11.927	(76.408)
Balance at 30 June 2018		**1.020.081**	**273.851**	**672.060**	**1.965.992**

The notes on pages 8 to 33 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 2018	30 June 2017
Cash flows from operating activities			
Cash generated from operations	**18**	13.860	143.812
Income tax received / (paid)		4.184	(15)
Net cash generated from operations		**18.044**	**143.797**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**9,10**	(41.992)	(62.446)
Dividends received		-	318
Interest received		4.614	6.295
Settlement of consideration of acquisition of further equity interest in subsidiary	**23**	(16.000)	-
Participation in share capital increase of subsidiaries & associates	**23**	(15.853)	(415)
Net cash used in investing activities		**(69.231)**	**(56.248)**
Cash flows from financing activities			
Interest paid		(65.164)	(100.811)
Dividends paid		(214)	(187)
Movement in restricted cash	**13**	144.445	11.873
Acquisition of treasury stock	**15**	(511)	-
Proceeds from borrowings		442.698	229.634
Repayments of borrowings		(406.866)	(406.038)
Net cash generated from / (used in) financing activities		**114.388**	**(265.529)**
Net decrease in cash and cash equivalents		**63.201**	**(177.980)**
Cash and cash equivalents at the beginning of the period	**13**	**667.599**	**731.258**
Exchange losses on cash and cash equivalents		4.243	(7.024)
Net decrease in cash and cash equivalents		63.201	(177.980)
Cash and cash equivalents at end of the period	**13**	**735.043**	**546.254**

The notes on pages 8 to 33 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.

2. BASIS OF PREPARATION, ACCOUNTING POLICIES AND ESTIMATES

Basis of preparation of the interim condensed financial statements

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 accounts 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.

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 2017, 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 2018 have been authorised for issue by the Board of Directors on 30 August 2018.

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 2017, 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.

The accounting principles and calculations 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 2017 and have been consistently applied in all periods presented in this report, except for the following IFRS's, which have been adopted by the Company as of 1 January 2018. The Company applies for the first time, IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments. As required by IAS 34, the nature and effect of these changes are disclosed below. Several other amendments and interpretations apply for the first time in 2018 but do not have a significant impact on the interim condensed financial statements of the Company for the six-month period ended 30 June 2018.

New and amended standards adopted by the Company:

- *IFRS 9 "Financial Instruments*. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

(All amounts in Euro thousands unless otherwise stated)

The Company adopted the new standard as of 1 January 2018 without restating comparative information. The cumulative effect of the adjustments arising from the new requirements are, therefore recognised in the opening balance of retained earnings on 1 January 2018.

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. The adjustments are explained in more detail below.

Impact on the statement of financial position (increase / (decrease)) as at 31 December 2017, as published:

Statement of financial position extract	Adjustments	31 December 2017	IFRS 9	1 January 2018
		As published		*after effect of IFRS9*
ASSETS				
Non-current assets				
Available for sale financial assets	(a)	1.252	(1.252)	-
Investment in equity instruments	(a)	-	1.252	1.252
Current assets				
Trade and other receivables	(b)	989.901	(1.277)	988.624
EQUITY				
Reserves	(a)	360.694	166	360.860
Retained Earnings	(a),(b)	428.448	(1.072)	427.376
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	(b)	89.959	(371)	89.588

(a) Classification and measurement

Under IFRS 9, financial assets are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The financial assets (equity investments) that were classified as available-for-sale (AFS) under IAS 39, are now classified as 'Investments in equity instruments' and measured at fair value through other comprehensive income. Any changes in the fair value of such equity instruments are included in "items that will not be reclassified to profit or loss". IFRS 9 permits an entity to make an irrevocable election to designate an investment in equity instruments that is not held for trading as at fair value through other comprehensive income.

As a result of applying the classification retrospectively, the Company reclassified an amount of € 0,2 million from retained earnings to reserves.

Derivative instruments, to the extent they are not designated as effective hedges, continue to be classified as financial assets at FVPL.

The accounting for the Company's financial liabilities remain largely the same as under IAS 39

(b) Impairment

The adoption of IFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach.

For trade receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets (including intra-group loans to subsidiaries), the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been as significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

Financial assets with contractual payments over 90 days past due constitute default events. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

The effect of the above change on the statement of financial position as at 1 January 2018 resulted in a decrease of equity of €0,9 million, a decrease of € 1,3 million in trade receivables and the increase of € 0,4 million in deferred income tax assets.

(c) Hedge accounting

At the date of the initial application, all of the Company's existing hedging relationships were eligible to be treated as continuing hedging relationships under IFRS 9 and, as such, the adoption of the hedge accounting requirements of the new standard had no significant impact on the Company's financial statements. The Company's risk management policies and hedge documentation are aligned with the requirement of the new standard and hedge accounting continues to apply.

- *IFRS 15 "Revenue from Contracts with Customers"*. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not in the Company's ordinary activities (e.g. sales of property, plant and equipment or intangible).

  As from 1 January 2018, the Company applies the new standard using the modified retrospective method, therefore the initial application did not result in any restatement of comparative data. The new standard did not have any significant impact on the Company's interim condensed financial statements, upon adoption since no material differences from the current accounting policies were identified. Therefore it did not have any impact on retained earnings and no transition adjustments were required as a result of its application. Although the implementation of IFRS 15 does not generally represent a material change from the Company's current practices the Company revised its respective accounting policy as follows.

  The Company recognizes revenue when (or as) a contractual promise to a customer (performance obligation) is fulfilled by transferring a promised good or service (which is when the customer obtains control over the promised goods or services). If a contract contains more than one performance obligation, the total transaction price of the contract is allocated among the individual, separate performance obligations based on their relative standalone selling prices. The amount of revenue recognized is the amount allocated to the satisfied performance obligation based on the consideration that the Company expects to receive in accordance with the terms of the contracts with the customers. Variable considerations are included in the amount of revenue recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur in the future.

  Options for volume related rebates are assessed by the Company to determine whether they constitute a material right that the customer would not receive without entering into that contract. For all such options that are considered as material rights, the Company assesses the likelihood of its exercise and then the portion of the transaction price allocated to the option is deferred and recognized when it is either exercised or lapsed.

  Under the new requirements, the Company concluded that volume related rebates constitute a material right which should be recognized over time up to the point it crystalizes. The Company provides volume rebates to customers based on thresholds specified in contracts. All such rebates are settled within the financial year and therefore the application of the new standard would have a nil effect in the annual Financial Statements. However, for the purposes of the interim condensed financial statements the Company has estimated the portion of volume rebates which corresponds to the build-up of the material right based on volumes sold to each client. The total charge to revenue for the six-month period ended 30 June 2018 is €4,1 million.

Revenue from contracts with customers in accordance with the Group's commercial policy is disaggregated by operating segment and distribution channel in Note 4.

- *IFRS 15 (Clarifications) "Revenue from Contracts with Customers".* The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 *Revenue from Contracts with Customers*, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.

- *"IFRS 2 (Amendments) Classification and Measurement of Share based Payment Transactions".* The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

- *"IAS 40 (Amendments) Transfers to Investment Property"*. The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

- *"IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration"*. The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

- The IASB has issued the *Annual Improvements to IFRSs (2014 – 2016 Cycle),* which is a collection of amendments to IFRSs.

  – *"IAS 28 Investments in Associates and Joint Ventures"*. The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

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.

- *IFRS 16 "Leases".* The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognise most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.

The standard will affect primarily the accounting for operating leases. As at the reporting date, the Company has non-cancellable operating lease commitments of € 12,5 million. However, the Company has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's profit and classification of cash flows. This is due to the fact that, some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16. The Company expects to complete the assessment of the impact from the implementation of the new standard by 31 December 2018.

- *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.

- *IFRS 9 (Amendment) "Prepayment features with negative compensation*". The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. 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 are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. 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. These Amendments have not yet been endorsed by the EU.

- *IFRIC Interpretation 23 "Uncertainty over Income Tax Treatments"*. The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. 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. This Interpretation has not yet been endorsed by the EU.

- *IAS 19 (Amendments) "Plan Amendment, Curtailment or Settlement"*. The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. 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. These 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.

- The IASB has issued the *Annual Improvements to IFRSs (2015 – 2017 Cycle)*, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU.

  – *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.

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: Following a period of economic recession between 2009-2016, during which real GDP fell by 26%, the Greek economy returned to positive growth rates in 2017, with GDP rising by 1,4%, supported mainly by exports of goods and services, as well as investments. The upward trend of the economy continued for a fifth consecutive quarter, with real GDP in the first quarter of 2018 increasing by 0,8% compared to the fourth quarter of 2017 and 2,3% compared to the first quarter of 2017 (the highest annual growth since 2008). Economic recovery, improved banking system stability, completion of the second and third EU bailout programme reviews, as well as improved confidence reflected in the Greek government bond yields and the recent 7-year government bond issue, contributed to an enhanced macroeconomic backdrop in the country. Employment growth (+2,2% in 2017, +0,3% in the first quarter of 2018) had a positive impact on income and private consumption; however, inflation and wage growth are still weak.

Total domestic fuels consumption reduced by 4,2% during the first half of 2018, mainly due to the reduction in demand for heating gasoil, which is mainly attributed to mild weather conditions and higher oil product prices during the first three months of the year. Motor fuels demand, however, increased by 2,2% comparing to the first half of 2017, driven by the higher auto diesel consumption.

Despite the significant progress in economic recovery recorded in 2017, and the first quarter of 2018, the Greek economy faces a number of significant challenges, such as the high public debt, large non-performing loans, high unemployment, low structural competitiveness and the collapse of investment, which should be addressed in the medium-term and will affect the country's future growth prospects. 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.

Securing continuous crude oil supplies: During the last 12 months crude oil reference prices started recovering, following a 3-year period of contraction (June 2014 – June 2017), averaging $75/bbl in the second quarter of 2018. Nonetheless, oil prices are still 35% below June 2014 peak, therefore 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 decision of the US President for re-imposition of the nuclear-related sanctions against Iran, Hellenic Petroleum, which is currently being supplied with Iranian oil, is closely monitoring developments and will assess its position accordingly (Note 17).

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 67% 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 16.

Capital management: Another key priority of the Company has been the management of its Assets. Overall the Company has around €3,9 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 has increased to approximately 49% of total 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 cashflows, post completion and operation of the new Elefsina refinery. This is expected to lead to lower Debt to Equity ratio, better matched Asset and Liability maturity profiles as well as lower financing costs.

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 2017.

There have been no changes in the risk management or in any risk management policies since 31 December 2017.

Fair value estimation

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

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

(All amounts in Euro thousands unless otherwise stated)

The following table presents the Company's assets and liabilities that are measured at fair value at 30 June 2018:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging	-	13.396	-	13.396
Investment in equity instruments	595	-	-	595
	595	**13.396**	**-**	**13.991**
Liabilities				
Derivatives used for hedging	-	-	-	-
	-	**-**	**-**	**-**

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2017:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging	-	11.514	-	11.514
Investment in equity instruments	1.252	-	-	1.252
	1.252	**11.514**	**-**	**12.766**
Liabilities				
Derivatives used for hedging	-	-	-	-
	-	**-**	**-**	**-**

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

(All amounts in Euro thousands unless otherwise stated)

- 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.

Financial information regarding the Company's operating segments for the six-month periods ended 30 June 2018 and 2017 is presented below:

For the six-month period ended 30 June 2018

	Note	Refining	Petro-chemicals	Exploration & Production	Other	Total
Sales		4.169.972	152.678	-	-	4.322.650
EBITDA		**385.771**	**47.679**	**(3.379)**	**(3.898)**	**426.173**
Depreciation and amortisation	9,10	(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**

For the six-month period ended 30 June 2017

	Note	Refining	Petro-chemicals	Exploration & Production	Other	Total
Sales		3.588.637	135.417	-	-	3.724.054
EBITDA		**285.790**	**46.538**	**(1.849)**	**(3.473)**	**327.006**
Depreciation and amortisation	9,10	(61.067)	(1.743)	(97)	(29)	(62.936)
Operating profit / (loss)		**224.723**	**44.795**	**(1.946)**	**(3.502)**	**264.070**
Finance (expenses)/income - net		(55.383)	(913)	-	(18.970)	(75.266)
Dividend income		-	-	-	33.724	33.724
Currency exchange gains/(losses)	6	(7.024)	-	-	-	(7.024)
Profit / (Loss) before income tax		**162.316**	**43.882**	**(1.946)**	**11.252**	**215.504**
Income tax expense	7					(54.403)
Profit for the year						**161.101**

(All amounts in Euro thousands unless otherwise stated)

During the year 2017, management reconsidered the treatment of oil products exchanged or swapped for oil products of a similar nature and value. Previously, sales and purchases arising from such transactions were recognised at their gross sales value within "Sales" and "Cost of sales" respectively. Following the reconsideration, the above transactions are no longer regarded as sales and to this effect comparative figures for the period ended 30 June 2017 were restated by reclassifying an amount of € 29,6 million from "Sales" to "Cost of Sales" so as to conform to the change in presentation.

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 2017. 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 2017.

An analysis of the Company's net sales by type of market (domestic, aviation & bunkering, exports) is presented below:

	For the six-month period ended	
	30 June 2018	**30 June 2017**
Net Sales		
Domestic	1.259.193	1.252.494
Aviation & Bunkering	512.375	441.194
Exports	2.551.082	2.030.366
Total	**4.322.650**	**3.724.054**

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

	For the six-month period ended		For the three-month period ended	
	30 June 2018	**30 June 2017**	**30 June 2018**	**30 June 2017**
Income from grants	315	349	157	175
Services to third parties	2.245	2.058	1.050	939
Rental income	715	671	356	336
Insurance compensation	1.149	-	1.370	-
Total other operating income	**4.424**	**3.078**	**2.933**	**1.450**
Amortization of long-term contracts costs	(2.763)	(6.846)	(1.763)	(3.565)
Legal costs relating to arbitration proceedings ruling	-	(13.680)	-	(5.680)
Other operating income / (expenses)	2.683	(621)	2.555	(1.107)
Total other gains / (losses)	**4.344**	**(18.069)**	**3.725**	**(8.902)**
Impairment of investments in associates	(3.300)	(3.000)	(3.300)	(3.000)
Other operating income / (expenses) and other gains / (losses)	**1.044**	**(21.069)**	**425**	**(11.902)**

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

6. CURRENCY EXCHANGE GAINS / (LOSSES)

Foreign currency exchange gains of €4,2 million, reported for the six-month period ended 30 June 2018, mainly relate to unrealized gains arising from the valuation of bank accounts denominated in foreign currency (mostly US$). Foreign currency exchange losses of €7,0 million, reported for the six-month period ended 30 June 2017, mainly relate to unrealized losses arising from the valuation of bank accounts denominated in foreign currency (mostly US$).

7. INCOME TAX

	For the six-month period ended		For the three-month period ended	
	30 June 2018	**30 June 2017**	**30 June 2018**	**30 June 2017**
Current year tax	(39.519)	(15)	(39.306)	(15)
Prior year tax	5.426	-	(1.740)	-
Tax on Reserves	(11.927)	-	(11.927)	-
Deferred tax	(50.614)	(54.388)	(26.263)	(12.974)
Income tax expense	**(96.634)**	**(54.403)**	**(79.236)**	**(12.989)**

The corporate income tax rate is 29% for 2018 and 2017. 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 Certificate" as provided for by par.5, article 82 of L.2238/1994 and article 65a of L.4174/2013 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 2016 (inclusive). The tax audit for the financial year 2017 is in progress, the Tax Compliance Report is expected to be issued within the fourth quarter of 2018 and, based on the current status it is expected to be unqualified.

Audits by Tax Authorities

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

As explained also in Note 21 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 interim financial statements for the six-month period ended 30 June 2018.

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 15). Diluted earnings per ordinary share are not materially different from basic earnings per share.

	For the six-month period ended		For the three-month period ended	
	30 June 2018	**30 June 2017**	**30 June 2018**	**30 June 2017**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**0,76**	**0,53**	**0,57**	**0,21**
Net income attributable to ordinary shares (Euro in thousands)	233.727	161.101	173.912	65.134
Weighted average number of ordinary shares	305.621.912	305.635.185	305.632.718	305.635.185

(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 2017	**115.396**	**530.850**	**3.790.315**	**15.054**	**85.947**	**80.659**	**4.618.221**
Additions	20.775	5.328	1.427	23	2.047	31.737	61.337
Capitalised projects	-	692	5.300	81	74	(6.147)	-
Disposals	-	-	-	(32)	(87)	(280)	(399)
Transfers and other movements	-	-	2.375	-	-	(1.735)	640
As at 30 June 2017	**136.171**	**536.870**	**3.799.417**	**15.126**	**87.981**	**104.234**	**4.679.799**
Accumulated Depreciation							
As at 1 January 2017	**-**	**200.440**	**1.624.451**	**10.470**	**76.179**	**-**	**1.911.540**
Charge for the period	-	8.246	51.557	194	1.121	-	61.118
Disposals	-	-	-	(32)	(87)	-	(119)
As at 30 June 2017	**-**	**208.686**	**1.676.008**	**10.632**	**77.213**	**-**	**1.972.539**
Net Book Value at 30 June 2017	**136.171**	**328.184**	**2.123.409**	**4.494**	**10.768**	**104.234**	**2.707.260**
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)
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**	**85.256**	**4.807.741**
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)
Impairment	-	-	-	-	-	840	840
As at 30 June 2018	**-**	**224.286**	**1.798.280**	**11.025**	**79.479**	**840**	**2.113.910**
Net Book Value at 30 June 2018	**142.850**	**311.398**	**2.140.133**	**4.492**	**10.542**	**84.416**	**2.693.831**

'Transfers and other movements' include the transfer of spare parts for the refinery units from inventories to fixed assets (Note 11), as well as the transfer of computer software development costs to intangible assets. During 2017, the Company proceeded with changes in the allocation of the provision for consumables and spare parts. As a result the comparative figure of Plant and Machinery, Transfers and other movements (cost) was reduced by €0,8 million.

(All amounts in Euro thousands unless otherwise stated)

10. INTANGIBLE ASSETS

	Computer software	Licences & Rights	Total
Cost			
As at 1 January 2017	**90.340**	**24.299**	**114.639**
Additions	1.109	-	1.109
Transfers & other movements	1.735	-	1.735
As at 30 June 2017	**93.184**	**24.299**	**117.483**
Accumulated Amortisation			
As at 1 January 2017	**83.862**	**24.287**	**108.149**
Charge for the period	1.818	-	1.818
As at 30 June 2017	**85.680**	**24.287**	**109.967**
Net Book Value at 30 June 2017	**7.504**	**12**	**7.516**
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**

'Licenses and Rights' include net exploration license costs relating to the two new exploration & production of hydrocarbons' concessions in Western Greece. 'Transfers and other movements' in computer software include the transfer of computer software development costs from assets under construction to intangible assets.

11. INVENTORIES

	As at	
	30 June 2018	**31 December 2017**
Crude oil	366.397	330.840
Refined products and semi-finished products	492.891	559.312
Petrochemicals	18.971	21.670
Consumable materials, spare parts and other	81.568	79.454
- Less: Impairment provision for Consumables and spare parts	(28.362)	(27.530)
Total	**931.465**	**963.746**

The cost of inventories recognised as an expense and included in 'Cost of sales' amounted to €3,7 billion (30 June 2017: €3,2 billion). As at 30 June 2018, the Company recorded a loss of €1,1 million arising from inventory valuation (30 June 2017: loss of €0,3 million). This is included in 'Cost of sales' in the statement of comprehensive income. In addition, as at 30 June 2018 an amount of €3 million (31 December 2017: €3 million) relating to spare parts for the refinery units, has been transferred from inventories to fixed assets (Note 9).

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.

(All amounts in Euro thousands unless otherwise stated)

12. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2018	**31 December 2017**
Trade receivables	539.532	450.922
- Less: Provision for impairment of receivables	(119.594)	(117.305)
Trade receivables net	**419.938**	**333.617**
Other receivables	695.295	670.606
- Less: Provision for impairment of receivables	(24.153)	(20.060)
Other receivables net	**671.142**	**650.546**
Deferred charges and prepayments	15.871	5.738
Total	**1.106.951**	**989.901**

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, claimed VAT, income tax prepayment and taxes paid as a result of tax audit assessments during previous years from the tax authorities, where the Company has started legal proceedings and disputes the relevant amounts. The time of the finalisation of these disputes cannot be estimated and the Company has classified the amounts as current assets. This balance as at 30 June 2018 also includes the following:

a) Advances of €327 million extended to Hellenic Petroleum International A.G. (a Group company) for the transfer of 100% of the share capital of Hellenic Fuels S.A. (currently a direct subsidiary of Hellenic Petroleum International A.G.) (31 December 2017: €327 million). On 25 January 2018, the Board of Directors approved the acquisition of the remaining 64,41% of Hellenic Fuels S.A.'s shares by Hellenic Petroleum S.A., for a total consideration of €350 million.
b) €54m of VAT approved refunds (31 December 2017: €54 million), which had 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 21).
c) A one-year bond loan of €138 million (31 December 2017: €138 million) to EKO ABEE, a Group company (Note 19).

13. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	As at	
	30 June 2018	**31 December 2017**
Cash at Bank and in Hand	735.043	667.599
Cash and cash equivalents	**735.043**	**667.599**
Restricted cash	1.207	145.652
Total cash, cash equivalents and restricted cash	**736.250**	**813.251**

(All amounts in Euro thousands unless otherwise stated)

Restricted cash as at 31 December 2017 mainly related to a deposit amounting to €144 million, placed as security for a loan agreement of an equal amount with Piraeus Bank, in relation to the Company's Facility Agreement B with the European Investment Bank (Note 16). The outstanding balance under the EIB Facility Agreement B as at 31 December 2017 was €100 million, whilst the outstanding balance of the Piraeus loan as at 31 December 2017 was €144 million. In February 2018, the Company amended the EIB Facility Agreement B, which no longer has security requirements. As a result, the loan with Piraeus Bank was repaid, the security deposit was released and the bank guarantee agreement has been cancelled.

The balance of US Dollars included in Cash at bank as at 30 June 2018 was US$648 million (Euro equivalent €555 million). The respective amount for the year ended 31 December 2017 was US$ 549 million (Euro equivalent €458 million).

14. SHARE CAPITAL

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January 2017 & 31 December 2017	305.635.185	666.285	353.796	1.020.081
As at 30 June 2018	**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 2017: €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.

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

	As at			
	30 June 2018		**31 December 2017**	
	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**	**4,52**	**1.479.933**
Exercised	4,52	(145.561)	4,52	(1.294.300)
Balance at end of period	**4,52**	**40.072**	**4,52**	**185.633**

During the six-month period ended 30 June 2018 share options were exercised via the acquisition and subsequent issue of treasury shares to employees, with a total value of €1,0 million (Note 15).

(All amounts in Euro thousands unless otherwise stated)

15. RESERVES

	Note	Statutory reserve	Special reserves	Tax free & Incentive law reserves	Hedging reserve	Actuarial gains/ (losses)	Equity instrum. FVOCI gains/ (losses)	Share-based payment reserve	Treasury shares	Total
Balance at 1 January 2017		**118.668**	**86.495**	**263.146**	**10.786**	**(10.087)**	**-**	**746**	**-**	**469.754**
- Fair value gains / (losses) on cash flow hedges		-	-	-	(21.431)	-	-	-	-	(21.431)
- Derecognition of gains/(losses) on hedges through comprehensive income		-	-	-	1.979	-	-	-	-	1.979
Actuarial losses on defined benefit pension plans		-	-	-	-	(1.775)	-	-	-	(1.775)
Changes in the fair value of equity instruments		-	-	-	-	-	2.130	-	-	2.130
Dividends	22	-	-	(61.127)	-	-	-	-	-	(61.127)
Balance at 30 June 2017		**118.668**	**86.495**	**202.019**	**(8.666)**	**(11.862)**	**2.130**	**746**	**-**	**389.530**
Balance at 1 January 2018 (as originally presented)		**118.668**	**86.495**	**164.981**	**8.175**	**(17.187)**	**-**	**93**	**(531)**	**360.694**
Effect of changes in accounting policy	2	-	-	-	-	-	166	-	-	166
Balance at 1 January 2018		**118.668**	**86.495**	**164.981**	**8.175**	**(17.187)**	**166**	**93**	**(531)**	**360.860**
- Fair value gains / (losses) on cash flow hedges		-	-	-	16.256	-	-	-	-	16.256
- Derecognition 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	22	-	-	(76.408)	-	-	-	-	-	(76.408)
Transfers of tax on 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**

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 in accordance with the relevant legislation in prior years.

Tax-free and incentive law reserves

These include:

(i) Retained earnings, which have not been taxed with the prevailing corporate income tax rate as allowed by Greek law under various statutes. Certain of these retained earnings will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital.

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

(iii) Taxed reserves relating to investments under incentive laws. These are available for distribution 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

These 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 are held regarding the Share Option Plan. During the six-month period ended 30 June 2018, 64.548 shares were acquired at a cost of €0,5 million, while 134.706 shares were issued to employees, following the exercise of share options held. Treasury shares are recognised on a first-in first-out method.

16. BORROWINGS

	As at	
	30 June 2018	**31 December 2017**
Non-current borrowings		
Bank borrowings	166.334	188.556
Bond loans	1.566.349	721.023
Non-current borrowings	**1.732.683**	**909.579**
Current borrowings		
Short-term bank borrowings	877.039	1.660.507
Current portion of long-term bank borrowings	44.444	44.444
Total current borrowings	**921.483**	**1.704.951**
Total borrowings	**2.654.166**	**2.614.530**

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 of the Company by maturity as at 30 June 2018 and 31 December 2017 are summarised in the table below (amounts in € million):

			As at	
		Maturity	**30 June 2018 (millions)**	**31 December 2017 (millions)**
1.	Syndicated bond loan €400 million	Jun 2023	389	348
2.	Bond loan €400 million	Oct 2018	284	284
3.	Bond loan €300 million	Feb 2021	297	200
4.	Bond loan SBF €400 million	May 2018	-	239
5.	Bond loan $250 million	Jun 2021	152	-
6.	European Investment Bank ("EIB") Term loan	Jun 2022	178	200
7.	HPF Loan €317,6m	Jul 2019	280	274
8.	HPF Loan €367m	Oct 2021	447	447
9.	Bilateral lines	Various	627	623
	Total		**2.654**	**2.615**

No loans were in default as at 30 June 2018 (none as at 31 December 2017).

Significant movements in borrowings for the six-month period ended 30 June 2018 are as follows:

Syndicated bond loan €400 million

In July 2014, the Company concluded a €350 million syndicated bond loan credit facility guaranteed by HPF, maturing in July 2018. In June 2018, the Company prepaid the facility and refinanced it with a 5 year syndicated revolving bond loan facility, which was subscribed to by Greek and international banks, for an increased amount of €400 million.

Bond loan €400 million

In September 2015, Hellenic Petroleum S.A. extended the maturity date of a €400 million syndicated bond loan agreement from December 2015 to June 2016 and subsequently to October 2017 with two six-month extension options. In April 2018 the Company extended the facility maturity date to October 2018 and is in the process of refinancing it.

Bond Loan €300 million

In January 2015, Hellenic Petroleum S.A. concluded a €200 million revolving bond loan facility, with a tenor of 3 years. The facility was refinanced in February 2018, for an increased amount of €300 million and a tenor of 3 years.

Bond loans stand-by facility €400 million

In May 2016, Hellenic Petroleum S.A. concluded a € 400 million bond-loan stand-by facility with a tenor of 18 months and an extension option for a further six months. The bond loan facility has two Tranches, a committed Tranche of €240 million and an uncommitted Tranche of €160 million. In October 2017, Hellenic Petroleum S.A. extended the facility maturity date to May 2018. In May 2018, the Company repaid the outstanding balance of €240 million upon maturity.

Bond Loan $ 250 million

In June 2018, Hellenic Petroleum S.A. concluded a new $250 million revolving bond loan facility, with a tenor of 3 years to finance general working capital needs.

EIB Term loans

On 26 May 2010, Hellenic Petroleum S.A. signed two loan agreements (Facilities A and B) with the European Investment Bank for a total amount of €400 million (€200 million each). The purpose of the loans was to finance part of the investment programme relating to the upgrade of the Elefsina Refinery. Both loans had a maturity of twelve years with amortisation beginning in December 2013 and similar terms and conditions. Facility B was credit enhanced by a commercial bank guarantee (see Note 13). This is normal practice for EIB lending particularly during the construction phase of large projects. Total repayments on both loans up to 30 June 2018 amounted to €222 million. Up to February 2018, Facility B included financial covenant ratios, which were comprised of leverage, interest cover and gearing ratios. In February 2018, Hellenic Petroleum S.A. amended the terms of this facility in order to align the loan covenants' definitions and ratios with those used for all its commercial bank loans and Eurobonds.

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.

HPF Loan €367m (Eurobond €450m)

In October 2016, HPF issued a €375 million five-year 4,875% Eurobond guaranteed by Hellenic Petroleum S.A., with the issue price being 99,453 per cent of the principal amount. The notes mature in October 2021. The proceeds of the new issue were used to repay existing financial indebtedness, including the partial prepayment of the €500 million Eurobond maturing in May 2017, through a tender offer process, which was completed in October 2016, during which notes of nominal value of €225 million were accepted. Subsequently the Company concluded a €367 million loan agreement with HPF and the proceeds were used to prepay existing indebtedness, including part of the €488 million maturing in May 2017 and for general corporate purposes.

(All amounts in Euro thousands unless otherwise stated)

In July 2017, HPF issued €74,5 million guaranteed notes, due in October 2021, which were consolidated to form a single series with HPF's €375 million 4,875% guaranteed notes. Subsequently the Company increased its existing loan agreement with HPF.

Bilateral lines

The Company has credit facilities with various banks to finance general corporate needs, which are being renewed according to the Company's finance needs. The facilities mainly comprise of short-term loans.

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 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.

17. TRADE AND OTHER PAYABLES

	As at	
	30 June 2018	**31 December 2017**
Trade payables	1.037.717	1.417.731
Accrued Expenses	129.854	84.535
Other payables	19.064	51.761
Total	**1.186.635**	**1.554.027**

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

Trade payables, as at 30 June 2018 and 31 December 2017, 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. This was due to the fact that payments to Iranian banks and state entities were not accepted for processing by the International banking system as a result of explicit or implicit US and International sanctions. After 30 June 2012, Hellenic Petroleum was prohibited to effect payments to NIOC by virtue of EU sanctions (Council Regulation (EU) No. 267/2012 of 23 March 2012). The Company duly notified its supplier of this restriction on payments and the inability to accept further crude oil cargoes under the contract, as a result of the aforementioned international sanctions.

On 18 October 2015, by Decision (CFSP) 2015/1863, the Council of the European Union (EU) decided to terminate implementation of most of EU restrictions against Iran, taking into account UNSCR 2231 (2015) and Annex B to UNSCR 2231 (2015), simultaneously with the IAEA-verified implementation by Iran of agreed nuclear-related measures. On 16 January 2016 ("Implementation Day"), by Decision (CFSP) 2016/37, the Council decided that Decision (CFSP) 2015/1863 shall apply from that date. On the same date, U.S and other International Restrictive Measures were also partially lifted. In light of the above developments, Hellenic Petroleum and NIOC executed Heads of Terms to a cooperation agreement on 22 January 2016 for the recommencement of their commercial relationship for the supply of crude and for the settlement of the due trade payables.

On May 8, 2018, the President of the U.S. (the President) announced his decision to cease the United States' participation in the Joint Comprehensive Plan of Action (JCPOA), and to begin re-imposing, following a wind-down period, the U.S. nuclear-related sanctions that were lifted to effectuate the JCPOA sanctions relief. In conjunction with this announcement, the President issued a National Security Presidential Memorandum (NSPM) directing the Secretary of State and the Secretary of the Treasury to prepare immediately for the re-imposition of all of the U.S. sanctions lifted or waived in connection with the JCPOA, to be accomplished as expeditiously as possible and in no case later than 180 days from the date of the NSPM. Hellenic Petroleum S.A. is closely monitoring developments, following the US administration decision on JCPOA and will assess its position accordingly. Implementation of the cooperation-agreement, according to the Heads of Terms signed between Hellenic Petroleum and NIOC on 22 January

(All amounts in Euro thousands unless otherwise stated)

2016 (as abovementioned), will be in full compliance with prevailing EU and international framework, as well as surviving restrictions.

Where deemed beneficial to the Company, in order to achieve better terms (such as better pricing, higher credit limits, longer payment terms), the Company provides short term letters of credit or guarantee for the payment of liabilities arising from trade creditors, making use of its existing credit lines with its banks. To the extent these liabilities materialise before the balance sheet date, they are included in the balance under trade creditors.

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.

18. CASH GENERATED FROM OPERATIONS

		For the six-month period ended	
	Note	**30 June 2018**	**30 June 2017**
Profit before tax		**330.361**	**215.504**
Adjustments for:			
Depreciation and amortisation of property, plant and equipment and intangible assets	**9,10**	68.168	62.936
Impairment of fixed assets	**9**	840	-
Amortisation of grants	**5**	(315)	(349)
Financial expenses / (income) - net		66.970	75.266
Provisions for expenses and valuation changes		29.341	18.381
Foreign exchange (gains) / losses	**6**	(4.243)	7.024
Dividend income		(35.083)	(33.724)
Amortization of long-term contracts costs	**5**	(2.763)	6.846
Loss on disposal of Non Current Assets		-	280
		453.276	**352.164**
Changes in working capital			
Decrease in inventories		30.959	44.203
(Increase) / Decrease in trade and other receivables		(90.737)	21.917
Decrease in trade and other payables		(379.638)	(274.472)
		(439.416)	**(208.352)**
Net cash generated from operating activities		**13.860**	**143.812**

19. RELATED PARTY TRANSACTIONS

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

(All amounts in Euro thousands unless otherwise stated)

	For the six-month period ended	
	30 June 2018	**30 June 2017**
Sales of goods and services to related parties		
Subsidiaries	1.307.568	1.201.653
Associates	360.391	418.104
Joint ventures	272	191
Total	**1.668.231**	**1.619.948**
Purchases of goods and services from related parties		
Subsidiaries	29.995	28.103
Associates	417.742	436.396
Joint ventures	9.013	3.219
Total	**456.750**	**467.718**

Other operating income/(expenses) & other gains/(losses)-net for the six-month period to 30 June 2018 include income from subsidiaries, amounting to €2,5 million (30 June 2017: €2,3 million).

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 2018	**31 December 2017**
Balances due to related parties (Trade and other creditors)		
Subsidiaries	25.198	37.726
Associates	19.984	3.094
Joint ventures	894	1.677
Total	**46.076**	**42.497**
Balances due from related parties (Trade and other debtors)		
Subsidiaries	488.915	458.313
Associates	44.183	34.144
Joint ventures	52	30
Total	**533.150**	**492.487**

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

(All amounts in Euro thousands unless otherwise stated)

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 2018 was €84 million (31 December 2017: €88 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 2018, transactions and balances with the above government related entities are as follows:
- Sales of goods and services amounted to €61 million (30 June 2017: €80 million);
- Purchases of goods and services amounted to €21 million (30 June 2017: €25 million);
- Receivable balances of €26 million (31 December 2017: €26 million);
- Payable balances of nil (31 December 2017: €5 million).

d) 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 (Greece, Patraikos Gulf).
- Calfrac Well Services Ltd – Hellenic Petroleum S.A. (Greece, Sea of Thrace concession)
- Total E&P Greece B.V., Edison International SpA and Hellenic Petroleum S.A. (Greece, Block 2)

e) 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 2018 to the aforementioned key management was as follows:

	For the six-month period ended	
	30 June 2018	**30 June 2017**
Short-term employee benefits	2.552	2.248
Post-employment benefits	552	585
Termination benefits	522	-
Total	**3.626**	**2.833**

f) The Company has extended loans to its subsidiaries. The outstanding balance of these loans as at 30 June 2018 was €138 million (31 December 2017: €138 million). Interest income for the six-month period ended 30 June 2018 was €4 million (30 June 2017: €5 million). All loans are at variable interest rates. The average interest rate on inter-company loans due was 5,31%.

The Company has also received loans from its subsidiaries. The outstanding balance of these loans as at 30 June 2018 was €760 million (31 December 2017: €754 million). Interest expense for the six-month period ended 30 June 2018 was €21 million (30 June 2017: €27 million). All loans are at variable interest rates. The average interest rate on inter-company loans during the six-month period ended 30 June 2018 was 5,55%.

20. COMMITMENTS

Significant contractual commitments of the Company, other than future operating lease payments that are disclosed in the annual financial statements as at 31 December 2017, mainly relate to improvements in refining assets and amount to €30 million as at 30 June 2018 (31 December 2017: €20 million).

21. 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. They are as follows:

Business issues

(i) Unresolved legal claims:

The Company is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information and the opinion of legal counsel, management believes the final outcome will not have a significant effect on the Company's operating results or financial position, over and above provisions already reflected in the interim condensed financial statements.

(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 2018 was the equivalent of €978 million (31 December 2017: €1.016 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 of 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, while recently the 5 year statute of limitation period seems to be taken into consideration. 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 penalties 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 penalties. Even though the Company disputes the additional taxes and penalties imposed, it is obliged to pay 50% of the assessed amounts (taxes and penalties) to the Tax Authorities, in order to appeal the results of the tax audits. This was paid within the applicable deadline in January 2018, while the remaining 50% has been fully offset, with tax and other State receivables, by 30th of June 2018. The amounts are included in the other Receivables (Note 12).

As far as penalties are concerned, the report has assessed penalties 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 2018. The Company has recorded any down payments made for taxes and penalties assessed in previous disputes with the tax authorities in other receivables (Note 11), 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 2016, the Company obtained unqualified "Annual Tax Certificates" from their Statutory Auditors, as provided for by par. 5, article 82 of L.2238/1994. The tax audit for the financial year 2017 is in progress, the Tax Compliance Report is expected to be issued within the fourth quarter of 2018 and, based on the current status it is expected to be unqualified.

(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 12), 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.

22. DIVIDENDS

A proposal to the AGM for a final dividend of €0,25 per share (excluding treasury shares – Note 15) for the year ended 31 December 2017 was approved by the Board of Directors on 22 February 2018 and the final approval was given by the shareholders at the AGM held on 6 June 2018. This amounts to €76.408 and is included in the interim condensed financial statements for the six-month period ended 30 June 2018.

The Board did not approve a change in dividend policy overall and will re-evaluate the payment of an additional dividend, special dividend, or interim dividend during 2018.

23. OTHER SIGNIFICANT EVENTS

Sale of DESFA

DEPA Group operates in the wholesale, trading, transmission, distribution and supply of natural gas. It is currently owned 65% by HRADF ("Hellenic Republic Assets Development Fund") and 35% by Hellenic Petroleum SA.

On 16 February 2012, Hellenic Petroleum S.A. and HRADF (jointly the "Sellers") agreed to launch a joint sale process of their shareholding in DEPA Group aiming to dispose 100% of the supply, trading and distribution activities, as well as 66% of their shareholding in the high pressure transmission network (DESFA S.A., a 100% subsidiary of DEPA S.A.).

The sale process resulted in the submission of a binding offer of €400 million by SOCAR (Azerbaijan's Oil and Gas National Company) for the purchase of the 66% of DESFA. The amount corresponding to the Company's 35% effective shareholding was €212 million.

On 21 December 2013, the Share Purchase Agreement (SPA) for the above sale was signed by HRADF, Hellenic Petroleum S.A. and SOCAR, while the completion of the transaction was agreed to be subject to the clearance of EU's responsible competition authorities.

On 30 November 2016, the deadline for the fulfilment of all prerequisites for the finalisation of the transaction expired without the desired outcome.

By decision of the Governmental Economic Policy Council (ΚΥΣΟΙΠ) on 1 March 2017, the Greek State decided, inter alia, to launch a new tender procedure for the disposal of the 66% of the shares of DESFA, i.e. the 31% of the 65% of the shares held by HRADF combined with the 35% of the shares owned by HELPE, as well as the termination of the respective selling process which was launched in 2012. In addition, article 103 of the most recent law 4472/2017 provides that by 31 December 2017, the participation of DEPA in DESFA (66%) will be sold and transferred through an international tender process, which will be carried out by HRADF, while the remaining balance of 34% will be transferred to the Greek State. Furthermore, the above law provides that at the end of the tender process, DESFA should constitute an Unbundled Natural Gas Transmission System Operator, in accordance with the provisions of articles 62 & 63 of Law 4001/2011 as in force, and be certified as such, in accordance with Articles 9 & 10 of the 2009/73/EC (Full Ownership Unbundled System Operator - FOU).

The Board of Directors of HELPE, at its meeting on 12 June 2017, evaluated the strategic choices of HELPE regarding its minority participation in DESFA and considered that the disposal (jointly with HRADF) of the 66% of DESFA's shares is in the interest of the Company. For this purpose, a draft Memorandum of Understanding (MOU) between the Greek State, HRADF and HELPE was drawn up, based on the corresponding text of 2012. At the abovementioned meeting, the Board of Directors also convened the Extraordinary General Assembly of the Company's shareholders in order to obtain a special permit, in accordance with the provisions of article 23a of the Codified Law 2190/1920, for the conclusion of the MOU between the Greek State, HRADF and HELPE. The MOU was signed by the three parties on 26 June 2017 and the special permit of the General Assembly was provided retrospectively on 6 July 2017, pursuant to the provision of article 23a par.4 of L.2190/1920. On 26 June 2017, the Invitation for the Non-Binding Expression of Interest was published. Four parties expressed interest, two of which were notified on 22 September 2017 by the Sellers, that they qualified to participate in the next phase of the Tender Process (Binding Offers Phase), and were considered as Shortlisted Parties. The two Shortlisted Parties were on the one hand, a consortium formed by SNAM S.p.A., FLUXYS S.A., Enagas Internacional S.L.U. and N.V. Nederlandse Gasunies and on the other hand Regasificadora del Noroeste S.A..

The Shortlisted Parties submitted their binding offers on 16 February 2018, pursuant to the Sellers' Request on 10 October 2017 for the Submission of Binding Offers.

Best and final offers were submitted by the two Shortlisted Parties on 29 March 2018. The consortium formed by SNAM S.p.A., FLUXYS S.A. and Enagas Internacional S.L.U. confirmed its best and final offer on 19 April 2018, offering an amount of €535 million for the purchase of the 66% of DESFA. The above binding offer has been accepted by virtue of resolution no. 1319 of 19 April 2018 of the Board of Directors and the resolution of 14 May 2018 of the Extraordinary General Meeting of Shareholders of Hellenic Petroleum S.A. By virtue of decision No. 235 of 25 June 2018, the Court of Audit has cleared the transaction and on 13 July 2018, the European Commission has provided its approval under the EU Merger Regulation.

On 20 July 2018 a Share Sale & Purchase Agreement ("SPA") has been executed by HRADF and HELPE as Sellers and "SENFLUGA Energy Infrastructure Holdings S.A." (SNAM-Enagas-Fluxys Consortium SPV) as Purchaser. On the same date a Shareholders' Agreement for DESFA has been executed between SENFLUGA S.A. and the Hellenic Republic.

Although the parties undertake valid commitments upon signing of the SPA, the effectiveness of the totality of the provisions of the SPA (including the transfer of shares and the payment of the consideration) remains subject to approvals, some of which lie beyond the control or diligent behaviour of the parties.

The cost of investment of the DEPA group in the Company's interim financial statements is €237 million. DEPA Group, as it currently stands, continues to be accounted for and included in the interim condensed financial statements as an associate.

Investments in subsidiaries

On 24 November 2017, HELPE S.A. acquired the remaining 37% minority shareholding of ELPET BALKANIKI S.A., which is now a wholly owned subsidiary (100%). The total aggregate consideration for the ordinary share capital acquired is comprised of an upfront amount of €16 million, which was paid within 2018 and of a deferred consideration of €5 million payable within a period of up to five years from the date of acquisition of the shares.

On 24 May 2018, the Company established Hellenic Petroleum E&P Holding S.A. (100% subsidiary). The share capital to be injected to the new company amount to €20 million, of which €15 million were paid during the six-month period ended 30 June 2018.

24. EVENTS OCCURING AFTER THE REPORTING PERIOD

Details of significant post balance sheet events are provided in the following notes:

Note 23 – Latest developments in DESFA's selling process.

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)

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM **1 JANUARY 2018** TO **30 JUNE 2018**
(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	**30 AUGUST 2018**
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	
	30/6/2018	**31/12/2017**	**30/6/2018**	**31/12/2017**
ASSETS				
Property, plant and equipment	3.281.051	3.311.893	2.693.831	2.719.172
Intangible assets	106.135	105.684	8.226	7.042
Other non-current assets	850.898	862.616	708.098	691.308
Inventories	1.049.322	1.056.393	931.465	963.746
Trade and other receivables	904.069	791.205	1.106.951	989.901
Derivative financial instruments	13.396	11.514	13.396	11.514
Cash, cash equivalents and restricted cash	909.323	1.018.913	736.250	813.251
Investment in equity instruments	957	1.857	595	1.252
TOTAL ASSETS	**7.115.151**	**7.160.075**	**6.198.812**	**6.197.186**
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	1.432.515	1.288.578	945.911	789.142
Capital and reserves attributable to owners of the parent (a)	**2.452.596**	**2.308.659**	**1.965.992**	**1.809.223**
Non-controlling interests (b)	62.412	62.915	-	-
TOTAL EQUITY (c) = (a) + (b)	**2.515.008**	**2.371.574**	**1.965.992**	**1.809.223**
Long-term borrowings	1.738.995	920.234	1.732.683	909.579
Provisions and other long term liabilities	344.086	299.938	261.674	215.917
Short-term borrowings	1.087.218	1.900.269	921.483	1.704.951
Other short-term liabilities	1.429.844	1.668.060	1.316.980	1.557.516
Total liabilities (d)	**4.600.143**	**4.788.501**	**4.232.820**	**4.387.963**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**7.115.151**	**7.160.075**	**6.198.812**	**6.197.186**

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD

(Amounts in thousands €)	GROUP			
	1/1/2018 - 30/6/2018	**1/1/2017 - 30/6/2017**	**1/4/2018 - 30/6/2018**	**1/4/2017 - 30/6/2017**
Sales	4.666.909	4.065.702	2.498.523	1.999.949
Gross profit	595.602	502.890	371.903	218.226
Operating profit	379.363	291.452	260.371	110.377
Profit before income tax	322.958	227.163	230.722	62.712
Income tax expense	(97.785)	(59.518)	(79.769)	(18.891)
Profit for the period	**225.173**	**167.645**	**150.953**	**43.821**
Attributable to:				
Owners of the parent	223.613	167.452	149.341	43.631
Non-controlling interests	1.560	193	1.612	190
	225.173	**167.645**	**150.953**	**43.821**
Other comprehensive (loss)/income for the period, net of tax	537	(21.048)	(1.104)	(9.912)
Total comprehensive income for the period	**225.710**	**146.597**	**149.849**	**33.909**
Attributable to:				
Owners of the parent	224.152	147.178	148.298	33.798
Non-controlling interests	1.558	(581)	1.551	111
	225.710	**146.597**	**149.849**	**33.909**
Basic and diluted earnings per share (in Euro per share)	**0,73**	**0,55**	**0,49**	**0,14**
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	**472.621**	**378.982**	**247.202**	**250.075**

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD

(Amounts in thousands €)	COMPANY			
	1/1/2018 - 30/6/2018	**1/1/2017 - 30/6/2017**	**1/4/2018 - 30/6/2018**	**1/4/2017 - 30/6/2017**
Sales	4.322.650	3.724.054	2.312.015	1.819.580
Gross profit	445.397	354.124	290.554	133.726
Operating profit	358.005	264.070	244.359	86.262
Profit before income tax	330.361	215.504	253.148	78.123
Income tax expense	(96.634)	(54.403)	(79.236)	(12.989)
Profit for the period	**233.727**	**161.101**	**173.912**	**65.134**
Other comprehensive (loss)/income for the period, net of tax	868	(19.097)	(893)	(9.676)
Total comprehensive income for the period	**234.595**	**142.004**	**173.019**	**55.458**
Basic and diluted earnings per share (in Euro per share)	**0,76**	**0,53**	**0,57**	**0,21**
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	**425.858**	**326.657**	**216.668**	**210.783**

STATEMENT OF CHANGES IN EQUITY

(Amounts in thousands €)	GROUP		COMPANY	
	30/6/2018	**30/6/2017**	**30/6/2018**	**30/6/2017**
Total equity at beginning of the year 1/1/2018 (published) & 1/1/2017	2.371.574	2.141.635	1.809.223	1.590.150
Change in accounting policy	(3.252)	-	(906)	-
Total equity at beginning of the year 1/1/2018 (restated) & 1/1/2017	**2.368.322**	**2.141.635**	**1.808.317**	**1.590.150**
Total comprehensive income for the period	225.710	146.597	234.595	142.004
Dividends	(76.408)	(61.127)	(76.408)	(61.127)
Dividends to non-controlling interests	(2.061)	(2.561)	-	-
Tax on intra-group dividends	(123)	(136)	-	-
Share based payments	(1.043)	-	(1.043)	-
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	-	-	-
Total equity at the end of the period	**2.515.008**	**2.224.408**	**1.965.992**	**1.671.027**

STATEMENT OF CASH FLOW

(Amounts in thousands €)	GROUP		COMPANY	
	1/1/2018 - 30/6/2018	**1/1/2017 - 30/6/2017**	**1/1/2018 - 30/6/2018**	**1/1/2017 - 30/6/2017**
Cash flows from operating activities				
Profit before income tax	322.958	227.163	330.361	215.504
Adjustments for:				
Depreciation and amortisation of tangible and intangible assets	93.650	87.954	68.168	62.936
Impairment of fixed and intangible assets	1.497	-	840	-
Amortisation of grants	(392)	(424)	(315)	(349)
Interest expense and similar charges	77.766	90.538	71.584	81.561
Interest income	(1.750)	(2.438)	(4.614)	(6.295)
Share of operating profit of associates	(15.083)	(30.659)	-	-
Provisions for expenses and valuation charges	28.322	17.610	29.341	18.381
Foreign exchange (gains) / losses	(4.528)	6.848	(4.243)	7.024
Dividend income	-	-	(35.083)	(33.724)
Amortisation of long-term contracts costs	2.784	4.628	(2.763)	6.846
(Gain) / loss on sale of fixed assets	(80)	101	-	280
	505.144	**401.321**	**453.276**	**352.164**
Changes in working capital				
(Increase) / decrease in inventories	6.172	41.332	30.959	44.203
(Increase) / decrease in trade and other receivables	(100.018)	(19.859)	(90.737)	21.917
Decrease in payables	(379.850)	(284.537)	(379.638)	(274.472)
Less:				
Income tax received /paid	2.572	(2.021)	4.184	(15)
Net cash generated from / (used in) operating activities (a)	**34.020**	**136.236**	**18.044**	**143.797**
Cash flows from investing activities				
Purchase of property, plant and equipment & intangible assets	(60.531)	(75.355)	(41.992)	(62.446)
Proceeds from disposal of property, plant and equipment & intangible assets	40	303	-	-
Settlement of consideration of acquisition of further equity interest in subsidiary	(16.000)	-	(16.000)	-
Purchase of subsidiary, net of cash acquired	(1.298)	-	-	-
Grants received	80	-	-	-
Interest received	1.750	2.438	4.614	6.295
Dividends received	-	318	-	318
Investments in associates - net	-	(147)	(15.853)	(415)
Proceeds from disposal of investments in equity instruments	266	-	-	-
Net cash generated from / (used in) investing activities (b)	**(75.693)**	**(72.443)**	**(69.231)**	**(56.248)**
Cash flows from financing activities				
Interest paid	(69.941)	(89.891)	(65.164)	(100.811)
Dividends paid to shareholders of the Company	(214)	(187)	(214)	(187)
Dividends paid to non-controlling interests	(2.061)	(2.561)	-	-
Movement in restricted cash	144.445	11.873	144.445	11.873
Acquisition of treasury shares	(511)	-	(511)	-
Proceeds from borrowings	407.810	207.530	442.698	229.634
Repayments of borrowings	(407.272)	(417.406)	(406.866)	(406.038)
Net cash generated from / (used in) financing activities (c)	**72.256**	**(290.642)**	**114.388**	**(265.529)**
Net decrease in cash & cash equivalents (a)+(b)+(c)	**30.583**	**(226.849)**	**63.201**	**(177.980)**
Cash & cash equivalents at the beginning of the period	**873.261**	**924.055**	**667.599**	**731.258**
Exchange gains/(losses) on cash and cash equivalents	4.272	(7.762)	4.243	(7.024)
Net increase/(decrease) in cash & cash equivalents	30.583	(226.849)	63.201	(177.980)
Cash & cash equivalents at end of the period	**908.116**	**689.444**	**735.043**	**546.254**

ADDITIONAL INFORMATION

1.Note **No. 24** of the interim condensed consolidated financial statements includes all subsidiary and associated companies and their relate d information. 2. No company shares, other than those disclosed as treasury shares in **Note 16** of the interim condensed consolidated financial statements, are owned either by the parent company or any of the subsidiaries as at the end of the period. 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 2016 (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 recognised in the interim condensed consolidated financial statements for the period ended 30 June 2018 (**Note 22** 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 2018 are consistent with those applied for the preparation of the annual consolidated financial statements for the year ended 31 December 2017, except for the new or revised accounting standards and interpretations that have been implemented in 2018, as outlined in **Note 2** of the interim condensed consolidated financial statements of 30 June 2018. Where necessary, comparative figures have been reclassified to conform to changes in the presentation of the current financial period. 5. As mentioned in **Note 22** 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 information, management believes the outcome will not have a significant impact on the Group's operating results or financial position. **6.** During the six month period ended 30 June 2018 the following actions performed for the sale of DESFA: Best and final offers were submitted by the two Shortlisted Parties on 29 March 2018. The consortium formed by SNAM S.p.A., FLUXYS S.A. and Enagas Internacional S.L.U. confirmed its best and final offer on 19 April 2018, offering an amount of €535 million for the purchase of the 66% of DESFA. The above binding offer has been accepted by the Board of Directors and the Extraordinary General Meeting of Shar eholders of Hellenic Petroleum on 19 April 2018 and 14 May 2018 respectively, while on 13/7/2018, the European Commission provided its approval under the EU Merger Regulation. On 20/7/2018 a Share Sale & Purchase Agreement has been executed by HRADF & HELPE as Sellers and "SENFLUGA Energy Infrastructure Holdings S.A." (SNAM-Enagas-Fluxys Consortium SPV) as Purchaser and a Shareholders' Agreement for DESFA has been executed between SENFLUGA S.A. and the Hellenic Republic. Although the parties undertake valid commitments upon signing of the SPA, the effectiveness of the totality of the provisions of the SPA (including the transfer of shares and the payment of the consideration) remains subject to approvals, some of which lie beyond the control or diligent behavior of the parties (**Note 7)**. **7**. Number of employees at 30/06/2018 in Greece: **Company: 2,059, Group: 2,847** 30/06/2017: Company: 2,060, Group: 2,841).

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

	GROUP	COMPANY
a) for pending legal cases	5.600	2.291
b) for tax matters	2.403	0
c) for SLI	135.942	107.965
d) for other provisions relating to expenses	54.436	54.364

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

	GROUP		COMPANY	
	30/6/2018	**30/6/2017**	**30/6/2018**	**30/6/2017**
Changes in the fair value of equity instruments	(442)	2.125	(468)	2.130
Actuarial losses on defined benefit pension plans	-	(2.219)	-	(1.775)
Fair value gains/(losses) on cash flow hedges	16.256	(21.431)	16.256	(21.431)
Revaluation of land and buildings	-	(1.669)	-	-
Derecognition of (gains)/ losses on hedges through comprehensive income	(14.920)	1.979	(14.920)	1.979
Currency translation differences and other movements	(357)	167	-	-
Net income/(expense) recognised directly in equity	**537**	**(21.048)**	**868**	**(19.097)**

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	517.245	1.729.605
Purchases of goods and services	448.689	477.287
Receivables	115.896	559.303
Payables	21.217	46.076
Board members and senior management remuneration & other benefits	3.772	3.626

Athens, 30th of August 2018

CHAIRMAN OF THE BOARD & CHIEF EXECUTIVE OFFICER	DEPUTY CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER	ACCOUNTING DIRECTOR
EFSTATHIOS N. TSOTSOROS	**ANDREAS N. SHIAMISHIS**	**STEFANOS I. PAPADIMITRIOU**
ID. Number AE 075524	**ID. Number AA 010147**	**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.