

**HELLENIC PETROLEUM S.A.**

**CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED**

**31 MARCH 2006**



**HELLENIC  
PETROLEUM**

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CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006  
*(All amounts in Euro thousands unless otherwise stated)*

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**CONTENTS**

I.	Condensed Interim Balance Sheet (Unaudited)	3
II.	Condensed Interim Income Statement (Unaudited)	4
III.	Condensed Interim Statement of Changes in Equity (Unaudited)	5
IV.	Condensed Interim Cash Flow Statement (Unaudited)	6
V.	Notes to the Condensed Interim Financial Statements (Unaudited)	7

**HELLENIC PETROLEUM S.A.**  
CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006  
*(All amounts in Euro thousands unless otherwise stated)*

**I. Condensed Interim Balance Sheet (Unaudited)**

	Note	As at	
		31 March 2006	31 December 2005
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	643.011	657.028
Intangible assets	7	25.808	26.602
Investments in affiliated companies		685.164	685.145
Deferred income tax assets		27.561	27.606
Available-for-sale financial assets		5	5
Loans, advances and other receivables		87	79
		<b>1.381.636</b>	<b>1.396.465</b>
<b>Current assets</b>			
Inventories	8	1.231.207	1.071.322
Trade and other receivables	9	740.679	726.743
Cash and cash equivalents	10	65.116	75.956
		<b>2.037.002</b>	<b>1.874.021</b>
<b>Total assets</b>		<b>3.418.638</b>	<b>3.270.486</b>
<b>EQUITY</b>			
Share capital	11	1.019.963	1.019.963
Reserves		543.643	543.643
Retained Earnings		445.302	384.709
<b>Total equity</b>		<b>2.008.908</b>	<b>1.948.315</b>
<b>LIABILITIES</b>			
<b>Non- current liabilities</b>			
Borrowings	12	327.662	335.187
Retirement benefit obligations		111.141	108.711
Provisions and other long term liabilities	13	46.902	46.435
		<b>485.705</b>	<b>490.333</b>
<b>Current liabilities</b>			
Trade and other payables	14	469.679	552.055
Current income tax liabilities		162.334	135.247
Borrowings	12	283.724	116.870
Dividends payable		8.288	27.666
		<b>924.025</b>	<b>831.838</b>
<b>Total liabilities</b>		<b>1.409.730</b>	<b>1.322.171</b>
<b>Total equity and liabilities</b>		<b>3.418.638</b>	<b>3.270.486</b>

The notes on pages 7 to 16 are an integral part of these interim financial statements

Chief Executive Officer

Chief Financial Officer

Finance Manager

Panagiotis Cavoulacos

Andreas Shiamishis

Athanasios Solomos

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 CONDENSED INTERIM FINANCIAL STATEMENTS  
 FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006  
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**II. Condensed Interim Income Statement (Unaudited)**

	Note	For the three month period ended	
		31 March 2006	31 March 2005
<b>Sales</b>		<b>1.963.436</b>	<b>1.365.563</b>
Cost of sales		(1.835.264)	(1.238.338)
<b>Gross profit</b>		<b>128.172</b>	<b>127.225</b>
Selling, distribution and administrative expenses	4	(45.662)	(50.224)
Exploration and development expenses		(1.193)	(3.416)
Other operating (expenses) / income - net		(3.087)	931
<b>Operating profit</b>		<b>78.230</b>	<b>74.516</b>
Finance costs -net	5	(2.467)	(1.349)
Currency exchange gains /(losses)		11.104	(4.754)
Dividend income		-	4.710
<b>Profit before income tax</b>		<b>86.867</b>	<b>73.123</b>
Income tax expense		(26.274)	(21.900)
<b>Profit for the period</b>		<b>60.593</b>	<b>51.223</b>
<b>Earnings per share attributable to the Company</b>			
<b>Shareholders (expressed in Euro per share):</b>		0,20	0,17
Net income attributable to ordinary shares (Euro in thousands)		60.593	51.223
Average number of ordinary shares outstanding		305.622.245	305.513.425

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

Basic earnings per share is 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.

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## HELLENIC PETROLEUM S.A.

### CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006

(All amounts in Euro thousands unless otherwise stated)

### III. Condensed Interim Statement of Changes in Equity (Unaudited)

	Share Capital	Reserves	Retained Earnings	Total Equity
<b>Balance at 31 December 2004</b>	<b>1.019.157</b>	<b>510.360</b>	<b>200.807</b>	<b>1.730.324</b>
Effect of adopting IFRS 3 (Negative Goodwill Restatement)	-	-	19.874	19.874
<b>Balance at 1 January 2005</b>	<b>1.019.157</b>	<b>510.360</b>	<b>220.681</b>	<b>1.750.198</b>
Profit for the period	-	-	51.223	51.223
<b>Balance at 31 March 2005</b>	<b>1.019.157</b>	<b>510.360</b>	<b>271.904</b>	<b>1.801.421</b>
<b>Balance at 1 April 2005</b>	<b>1.019.157</b>	<b>510.360</b>	<b>271.904</b>	<b>1.801.421</b>
Profit for the period 1/4/05 to 31/12/05	-	-	271.350	271.350
Transfers to statutory and tax reserves	-	33.283	(33.283)	-
Exercise of share options	806	-	-	806
Dividends relating to 2004	-	-	(79.435)	(79.435)
Dividends relating to 2005	-	-	(45.827)	(45.827)
<b>Balance at 31 December 2005</b>	<b>1.019.963</b>	<b>543.643</b>	<b>384.709</b>	<b>1.948.315</b>
<b>Balance at 1 January 2006</b>	<b>1.019.963</b>	<b>543.643</b>	<b>384.709</b>	<b>1.948.315</b>
Profit for the period	-	-	60.593	60.593
<b>Balance at 31 March 2006</b>	<b>1.019.963</b>	<b>543.643</b>	<b>445.302</b>	<b>2.008.908</b>

The notes on pages 7 to 16 are an integral part of these interim financial statements.

# HELLENIC PETROLEUM S.A.

## CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006

(All amounts in Euro thousands unless otherwise stated)

### IV. Condensed Interim Cash Flow Statement (Unaudited)

		For the three month period ended	
	Note	31 March 2006	31 March 2005
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	15	(144.813)	61.487
<b>Net cash (used in) / generated from operating activities</b>		<b>(144.813)</b>	<b>61.487</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment & intangible assets	6,7	(9.301)	(6.655)
Interest received	5	2.167	1.701
(Increase) in share capital of subsidiaries		(19)	-
<b>Net cash used in investing activities</b>		<b>(7.153)</b>	<b>(4.954)</b>
<b>Cash flows from financing activities</b>			
Interest paid	5	(4.634)	(3.050)
Dividends paid		(19.378)	-
Net movement in long term borrowings		-	(4.465)
Net movement in short term borrowings		166.854	(79.026)
<b>Net cash (used in) / generated from financing activities</b>		<b>142.842</b>	<b>(86.541)</b>
<b>Net decrease in cash &amp; cash equivalents</b>		<b>(9.124)</b>	<b>(30.008)</b>
<b>Cash &amp; cash equivalents at beginning of the period</b>	10	75.956	89.083
Exchange gains on cash & cash equivalents		(1.716)	(1.349)
Net decrease in cash & cash equivalents		(9.124)	(30.008)
<b>Cash &amp; cash equivalents at end of the period</b>	10	<b>65.116</b>	<b>57.726</b>

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CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006  
(All amounts in Euro thousands unless otherwise stated)

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## V. Notes to the Condensed Interim Financial Statements (Unaudited)

### 1. ACCOUNTING POLICIES

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

The interim financial statements of Hellenic Petroleum S.A are prepared in accordance with International Accounting Standard 34 (IAS 34) – *Interim Financial Reporting*.

The accounting policies used in the preparation of the condensed interim financial statements for the three month period ended 31 March 2006 are consistent with those applied for the preparation of published accounts of the company for the year ended 31 December 2005. Where necessary comparative figures have been reclassified to conform with changes in the presentation of the current year.

These interim financial statements should be read in conjunction with the December 2005 financial statements. These can be found on the Company's website [www.hellenic-petroleum.gr](http://www.hellenic-petroleum.gr).

The interim financial statements of the Company for the three month period ended 31 March 2006 were authorised for issue by the Board of Directors on 17 May 2006.

### 2. CHANGES IN ACCOUNTING POLICY

The following standards, amendments and interpretations to existing standards have been applied from 1 January 2006:

The Company has adopted IFRS 6 (*Amendment*); *Exploration for and Evaluation of Mineral Resources*, as of 1 January 2006. This standard allows companies to retain existing practices in accounting for exploration and evaluation expenditures. Accordingly adoption of this amendment did not have any significant impact on the Company's condensed financial statements.

Finally the Company has adopted IFRIC 4, *Determining whether an Arrangement contains a Lease*. IFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. Following a review of the relevant contracts, the adoption of IFRIC 4 did not have any significant impact on the Company's condensed financial statements.

## HELLENIC PETROLEUM S.A.

### CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006

*(All amounts in Euro thousands unless otherwise stated)*

#### 3. ANALYSIS BY INDUSTRY SEGMENT

Three month period ended 31 March 2006	Refining	Petro-chemicals	E & P	Gas & Power	Total
<b>Sales</b>	<b>1.879.264</b>	<b>77.673</b>	<b>282</b>	<b>6.217</b>	<b>1.963.436</b>
Operating profit	82.839	(585)	(5.424)	1.400	78.230
Foreign exchange gains / (losses)	11.104	-	-	-	11.104
<b>Profit before tax, dividend income &amp; finance costs</b>	<b>93.943</b>	<b>(585)</b>	<b>(5.424)</b>	<b>1.400</b>	<b>89.334</b>
Finance costs - net					(2.467)
Dividend income					-
<b>Profit before income tax</b>					<b>86.867</b>
Income tax expense					(26.274)
<b>Profit for the period</b>					<b>60.593</b>
Three month period ended 31 March 2005	Refining	Petro-chemicals	E & P	Gas & Power	Total
<b>Sales</b>	<b>1.301.760</b>	<b>63.800</b>	<b>3</b>	<b>-</b>	<b>1.365.563</b>
Operating profit	83.200	(2.300)	(6.384)	-	74.516
Foreign exchange gains / (losses)	(4.900)	100	46	-	(4.754)
<b>Profit before tax, dividend income &amp; finance costs</b>	<b>78.300</b>	<b>(2.200)</b>	<b>(6.338)</b>	<b>-</b>	<b>69.762</b>
Finance costs - net					(1.349)
Dividend income					4.710
<b>Profit before income tax</b>					<b>73.123</b>
Income tax expense					(21.900)
<b>Profit for the period</b>					<b>51.223</b>

#### 4. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

	For the three month period ended	
	31 March 2006	31 March 2005
Selling and distribution expenses	26.797	30.134
Administrative expenses	18.865	20.090
	<b>45.662</b>	<b>50.224</b>

#### 5. FINANCE COSTS - NET

	For the three month period ended	
	31 March 2006	31 March 2005
Interest expense	(4.634)	(3.050)
Interest income	2.167	1.701
<b>Finance costs -net</b>	<b>(2.467)</b>	<b>(1.349)</b>



## HELLENIC PETROLEUM S.A.

### CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006

*(All amounts in Euro thousands unless otherwise stated)*

#### 6. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machi- nery	Motor vehicles	Furniture and fixtures	Assets Under Cons- truction	Total
<b>Cost</b>							
<b>As at 1 January 2005</b>	<b>115.536</b>	<b>139.113</b>	<b>1.079.741</b>	<b>8.170</b>	<b>33.464</b>	<b>96.829</b>	<b>1.472.853</b>
Additions	1	75	1.570	498	2.086	45.826	50.056
Capitalised projects	-	2.616	37.301	147	103	(40.167)	-
Disposals	-	-	(3.040)	-	(44)	-	(3.084)
Transfers & other movements	(8.500)	8.565	1.939	-	(455)	97	1.646
<b>As at 31 December 2005</b>	<b>107.037</b>	<b>150.369</b>	<b>1.117.511</b>	<b>8.815</b>	<b>35.154</b>	<b>102.585</b>	<b>1.521.471</b>
<b>Accumulated Depreciation</b>							
<b>As at 1 January 2005</b>	-	<b>78.661</b>	<b>662.860</b>	<b>6.961</b>	<b>23.575</b>	-	<b>772.057</b>
Charge for the year	-	7.589	83.193	476	3.240	-	94.498
Disposals	-	-	(2.911)	-	(44)	-	(2.955)
Transfers & other movements	-	-	1.069	-	(226)	-	843
<b>As at 31 December 2005</b>	<b>-</b>	<b>86.250</b>	<b>744.211</b>	<b>7.437</b>	<b>26.545</b>	<b>-</b>	<b>864.443</b>
<b>Net Book Value at 31 December 2005</b>	<b>107.037</b>	<b>64.119</b>	<b>373.300</b>	<b>1.378</b>	<b>8.609</b>	<b>102.585</b>	<b>657.028</b>
<b>Cost</b>							
<b>As at 1 January 2006</b>	<b>107.037</b>	<b>150.369</b>	<b>1.117.511</b>	<b>8.815</b>	<b>35.154</b>	<b>102.585</b>	<b>1.521.471</b>
Additions	-	20	340	47	279	7.772	8.458
Capitalised projects	-	151	270	-	804	(1.225)	-
Transfers & other movements	-	763	(949)	-	186	-	-
<b>As at 31 March 2006</b>	<b>107.037</b>	<b>151.303</b>	<b>1.117.172</b>	<b>8.862</b>	<b>36.423</b>	<b>109.132</b>	<b>1.529.929</b>
<b>Accumulated Depreciation</b>							
<b>As at 1 January 2006</b>	-	<b>86.250</b>	<b>744.211</b>	<b>7.437</b>	<b>26.545</b>	-	<b>864.443</b>
Charge for the period	-	1.797	19.758	126	794	-	22.475
Transfers & other movements	-	88	(121)	-	33	-	-
<b>As at 31 March 2006</b>	<b>-</b>	<b>88.135</b>	<b>763.848</b>	<b>7.563</b>	<b>27.372</b>	<b>-</b>	<b>886.918</b>
<b>Net Book Value at 31 March 2006</b>	<b>107.037</b>	<b>63.168</b>	<b>353.324</b>	<b>1.299</b>	<b>9.051</b>	<b>109.132</b>	<b>643.011</b>

# HELLENIC PETROLEUM S.A.

## CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006

(All amounts in Euro thousands unless otherwise stated)

### 7. INTANGIBLE ASSETS

	Goodwill	Computer software	Licences & Rights	Total
<b>Cost</b>				
<b>As at 31 December 2004</b>	<b>(22.713)</b>	<b>31.858</b>	<b>31.582</b>	<b>40.727</b>
Effect of adopting IFRS 3 (Negative Goodwill Restatement)	22.713	-	-	22.713
<b>As at 1 January 2005</b>	<b>-</b>	<b>31.858</b>	<b>31.582</b>	<b>63.440</b>
Additions	-	1.813	-	1.813
Disposals	-	(225)	-	(225)
Transfers, acquisitions & other movements	-	(1.550)	-	(1.550)
<b>As at 31 December 2005</b>	<b>-</b>	<b>31.896</b>	<b>31.582</b>	<b>63.478</b>
<b>Accumulated Amortisation</b>				
<b>As at 31 December 2004</b>	<b>(2.839)</b>	<b>24.953</b>	<b>3.607</b>	<b>25.721</b>
Effect of adopting IFRS 3 (Negative Goodwill Restatement)	2.839	-	-	2.839
<b>As at 1 January 2005</b>	<b>-</b>	<b>24.953</b>	<b>3.607</b>	<b>28.560</b>
Charge for the year	-	5.742	3.486	9.228
Disposals	-	(69)	-	(69)
Transfers, acquisitions & other movements	-	(843)	-	(843)
<b>As at 31 December 2005</b>	<b>-</b>	<b>29.783</b>	<b>7.093</b>	<b>36.876</b>
<b>Net Book Value 31 December 2005</b>	<b>-</b>	<b>2.113</b>	<b>24.489</b>	<b>26.602</b>
<b>Cost</b>				
<b>As at 1 January 2006</b>	<b>-</b>	<b>31.896</b>	<b>31.582</b>	<b>63.478</b>
Additions	-	843	-	843
<b>As at 31 March 2006</b>	<b>-</b>	<b>32.739</b>	<b>31.582</b>	<b>64.321</b>
<b>Accumulated Amortisation</b>				
<b>As at 1 January 2006</b>	<b>-</b>	<b>29.783</b>	<b>7.093</b>	<b>36.876</b>
Charge for the period	-	771	866	1.637
<b>As at 31 March 2006</b>	<b>-</b>	<b>30.554</b>	<b>7.959</b>	<b>38.513</b>
<b>Net Book Value 31 March 2006</b>	<b>-</b>	<b>2.185</b>	<b>23.623</b>	<b>25.808</b>

# HELLENIC PETROLEUM S.A.

## CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006 (All amounts in Euro thousands unless otherwise stated)

### 8. INVENTORIES

	As at	
	31 March 2006	31 December 2005
Crude oil	387.146	359.821
Refined products and semi-finished products	757.497	622.382
Petrochemicals	29.677	30.983
Consumable materials and other	56.887	58.136
	<b>1.231.207</b>	<b>1.071.322</b>

### 9. TRADE AND OTHER RECEIVABLES

	As at	
	31 March 2006	31 December 2005
Trade receivables	675.149	657.719
Other receivables	55.603	60.378
Deferred charges and prepayments	9.927	8.646
<b>Total</b>	<b>740.679</b>	<b>726.743</b>

### 10. CASH AND CASH EQUIVALENTS

	As at	
	31 March 2006	31 December 2005
Cash at Bank and in Hand	65.006	59.850
Short term bank deposits	110	16.106
<b>Total cash and cash equivalents</b>	<b>65.116</b>	<b>75.956</b>

Cash equivalents comprise of short-term deposits (made for varying periods, of less than three months). Such deposits depend on the immediate cash requirements of the company.

### 11. SHARE CAPITAL

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
<b>As at 1 January 2005</b>	<b>305.513.425</b>	<b>666.019</b>	<b>353.139</b>	<b>1.019.157</b>
Exercise of employee share options	108.820	237	569	806
<b>As at 31 December 2005</b>	<b>305.622.245</b>	<b>666.256</b>	<b>353.708</b>	<b>1.019.963</b>
Exercise of employee share options	-	-	-	-
<b>As at 31 March 2006</b>	<b>305.622.245</b>	<b>666.256</b>	<b>353.708</b>	<b>1.019.963</b>

Hellenic Petroleum S.A. had up until the end of 2004 offered a share option scheme to management executives. The exercise price was determined based on the Company's share performance compared to the market and the options are exercisable within five years. Under that scheme, management had the option to acquire 47.660 shares at a price of € 9,68 each until 31 December 2006 and 3.440 shares at a price of € 6,97 each until 31 December 2007.

# HELLENIC PETROLEUM S.A.

## CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006

(All amounts in Euro thousands unless otherwise stated)

During the AGM of Hellenic Petroleum S.A. held on 25 May 2005 a revised share option scheme was approved with the intention to link the number of share options granted to employees with the results and performance of the company and its management. No options have been granted under this scheme as of 31 March 2006.

### 12. BORROWINGS

	As at	
	31 March 2006	31 December 2005
<b>Non-current borrowings</b>		
Bank borrowings	38.501	38.501
Bond loan	289.161	296.686
<b>Total non-current borrowings</b>	<b>327.662</b>	<b>335.187</b>
<b>Current borrowings</b>		
Short term loans	274.802	107.948
Current portion of long term debt	8.922	8.922
<b>Total current borrowings</b>	<b>283.724</b>	<b>116.870</b>
<b>Total borrowings</b>	<b>611.386</b>	<b>452.057</b>

#### *Bond Loan*

In February 2005, the Company issued a five year US \$ 350 million Bond Loan with Mandated Lead Arrangers The Bank of Tokyo – Mitsubishi Ltd, Citigroup Global Markets Ltd., EFG Telesis Finance S.A. and National Bank of Greece S.A. The Loan was signed with the participation of sixteen financial institutions and is part of the Company's refinancing arrangement of existing credit lines. The outstanding balance of the bond loan as of 31 March 2006 was US \$ 350 million.

### 13. PROVISIONS AND OTHER LONG TERM LIABILITIES

	As at	
	31 March 2006	31 December 2005
Government advances	25.614	25.614
Environmental provisions	5.192	5.192
Other provisions and long term liabilities	16.096	15.629
<b>Total</b>	<b>46.902</b>	<b>46.435</b>

#### **Government advances**

Advances by the Government (Hellenic Republic) to the company for the purposes of research and exploration amounting to € 25.614 have been recorded as a liability since such an amount may become payable if income is generated from upstream activity in the relevant areas. The terms of repayment will be determined by the Ministry of Development, if applicable.

#### **Environmental costs**

A provision of € 1.092 was established in prior years for the estimated cost of rectifying environmental damage, as required by regulatory authorities, at various Company facilities. Additionally, the Company has made a provision of €4.100 in 2005 for obligations in respect of CO<sub>2</sub> emissions which is charged to the cost of sales line.

# HELLENIC PETROLEUM S.A.

## CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006

(All amounts in Euro thousands unless otherwise stated)

### 14. TRADE AND OTHER PAYABLES

	As at	
	31 March 2006	31 December 2005
Trade payables	390.140	468.395
Accrued Expenses & Deferred Income	35.800	41.818
Other payables	43.739	41.842
<b>Total</b>	<b>469.679</b>	<b>552.055</b>

### 15. CASH GENERATED FROM OPERATIONS

	For the three month period ended	
Note	31 March 2006	31 March 2005
<b>Profit before tax</b>	<b>86.867</b>	<b>73.123</b>
Depreciation and amortisation of tangible and intangible assets (net of grants amortisation)	6,7 22.644	24.064
Financial (income)/ expenses	5 2.467	1.349
Provisions	4.044	12.421
Foreign exchange (gains) / losses	(11.104)	4.754
	<b>104.918</b>	<b>115.711</b>
<b>Changes in working capital</b>		
(Increase) / decrease in inventories	(159.885)	(161.772)
(Increase) / decrease in trade and other receivables	(15.660)	(32.341)
Increase / (decrease) in payables	(74.186)	139.889
	<b>(249.731)</b>	<b>(54.224)</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(144.813)</b>	<b>61.487</b>

# HELLENIC PETROLEUM S.A.

## CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006 (All amounts in Euro thousands unless otherwise stated)

### 16. RELATED PARTY TRANSACTIONS

Included in the Income Statement are proceeds, costs and expenses, which arise from transactions between the company and related parties. Such transactions mainly comprise of sales and purchases of goods and services in the ordinary course of business.

	For the three month period ended	
	31 March 2006	31 March 2005
<b>i) Sales of goods and services</b>		
<b>Sales of goods</b>		
Affiliated Companies	609.684	403.256
Non affiliated	202.565	135.844
<b>Sales of services</b>		
Affiliated Companies	2.866	2.531
	<b>815.115</b>	<b>541.631</b>
<b>ii) Purchases of goods and services</b>		
<b>Purchases of goods</b>		
Affiliated Companies	1.076	1.307
Non affiliated	5.558	6.059
<b>Purchases of services</b>		
Affiliated Companies	8.635	9.535
	<b>15.269</b>	<b>16.901</b>
<b>iii) Balances arising from sales / purchases of goods / services</b>		
	As at	
	31 March 2006	31 December 2005
<b>Receivables from related parties</b>		
<u>Affiliated Companies</u>		
- Receivables	177.775	163.789
<u>Non affiliated (outside the Group)</u>		
- Receivables	109.084	97.735
	<b>286.859</b>	<b>261.524</b>
<b>Payables to related parties</b>		
<u>Affiliated Companies</u>		
- Payables	10.295	8.622
<u>Non affiliated (outside the Group)</u>		
- Payables	4.076	4.602
	<b>14.371</b>	<b>13.224</b>
<b>Net balances from related parties</b>	<b>272.488</b>	<b>248.300</b>

The Company has loans amounting to €183.725 as at 31 March 2006 (31 December 2005: €111.052) which represent loan balances due to related financial institutions.

All transactions with related parties are done under normal trading and commercial terms

## HELLENIC PETROLEUM S.A.

### CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006

*(All amounts in Euro thousands unless otherwise stated)*

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Non affiliated or Governmental organisations include the Hellenic Armed Forces and the Public Power Corporation (Hellas). They are considered related parties due to the shareholding in the Company by the Hellenic State.

Transactions and balances with related parties are in respect of the following:

- Hellenic Petroleum Group companies.
- Parties which are under common control with the Company due to the shareholding and control rights of the Hellenic State:
  - o Public Power Corporation Hellas
  - o Hellenic Armed Forces
  - o Olympic Airways/Airlines
- Financial institutions (including subsidiaries) which are under common control with the Company due to the shareholding and control rights of the Hellenic State:
  - o National Bank of Greece
  - o Agricultural Bank of Greece
  - o Commercial Bank of Greece
- Joint ventures with other third parties:
  - o OMV Aktiengesellschaft
  - o Sipetrol
  - o Woodside – Repsol – Helpe
- Associates of the Company:
  - o Athens Airport Fuel Pipeline Company S.A. (EAKAA)
  - o Public Gas Corporation of Greece S.A. (DEPA)
  - o Volos Pet Industries A.E.
  - o Spata Aviation Fuel Company S.A. (SAFCO)
- Financial institutions (including subsidiaries) in which substantial interest is owned by parties which hold significant participation in the share capital of the Company.
  - o EFG Eurobank Ergasias S.A.
- Enterprises in which substantial interest is owned by parties which hold significant participation in the share capital of the Company.
  - o Lamda Shipyards

## 17. COMMITMENTS

Significant contractual commitments of the Company are as follows:

- Capital investment in upgrading Hellenic Petroleum refinery installations of €29 million. (2005: €22 million)
- Upstream exploration and development costs of €17 million (2005: €19 million) have been committed as part of the Joint Operating Agreement (JOA) in place. These commitments will depend on the progress of exploration activities.

## 18. 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:

- (i) The Government has advanced Hellenic Petroleum S.A. an amount of € 43.434 to undertake research and exploration projects, as determined by Law 367/1976. A portion of the amount received, € 25.614, may become repayable once the Company generates income from the discoveries resulting from its expenditure and therefore is included as part of long-term liabilities (see note 13). (The terms of repayment will be

## HELLENIC PETROLEUM S.A.

### CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2006

*(All amounts in Euro thousands unless otherwise stated)*

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determined by the Ministry of Development, if applicable) The remaining € 17.902 has been written off as it is considered highly unlikely it will ever become repayable due to the nature of the expenditure.

- (ii) The Company is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information, management believes the outcome will not have a significant effect on the company's operating results or financial position.
- (iii) The Company has entered into a contract with the Hellenic State for the construction of sports facilities at the Thessaloniki refinery premises for the use by the general public and the employees of the Company until the year 2017. Management is not in a position to determine whether the terms of the contract will be extended indefinitely or whether the land will be repossessed by the Hellenic State.
- (iv) During 2004, Hellenic Petroleum S.A. was audited by the Greek tax authorities for the years ended 31 December 1997 to 2001. An amount of €11,9 million of additional taxes, plus fines was assessed by tax authorities for prior year tax audits and was recorded in the financial statements for the year ended 31 December 2004. The Company has not undergone a tax audit for the years ended 31 December 2002 to 31 December 2005. Management believes that no additional material liability will arise as a result of open tax years over and above the tax liabilities and provisions recognised in the financial statements.
- (v) Following an accident involving the motor tanker KRITI-GOLD on November 1998, at the Group's mooring installation in Thessaloniki, four seamen died. Claims have been lodged in connection with this accident against the ship owner and the Company. Of the four claims, three have already been settled with the involvement of the insurers. The last one is still pending but its outcome is not likely to have a material effect on the Company's operating results or financial position.
- (vi) The Company has given letters of comfort and guarantees of €346 million to banks for loans undertaken by subsidiaries and associates of the Company, the outstanding amount of which was €272 million as of 31 March 2006. The Company has also issued letters of credit and guarantees in favour of third parties amounting to € 495 million mainly for the completion of crude purchase contracts.
- (vii) In October 2002 the Company guaranteed its commitment to the Investment Programme under the share purchase agreement for the acquisition of Jugopetrol AD Kotor, through a performance bond issued by the National Bank of Greece for €45 million. As at 31 March 2006, the Performance Bond had decreased to €17 million (31 December, 2005: €24 million).
- (i) The Company has recorded an amount of € 81 million as tax free reserves under L.3220/2004. The EU is presently investigating the applicability of this law and its compliance with EU policies. No adjustment has been made to the financial statements as this issue is being investigated by the EU and the Greek state.

#### **19. DIVIDENDS PAID**

A dividend in respect of 2004 of €0.26 per share (amounting to a total of €79.433) was approved by the Annual Shareholders Meeting held on 25 May 2005 to all shares issued. At its meeting held on 12 December 2005, the Board agreed that an interim dividend distribution of €0,15 per share (amounting to a total of €45.843) be proposed at the Extraordinary General Meeting of the shareholder's for the 2005 period. The Board of Directors will propose a final dividend of €0,28 per share to the Annual General Meeting (amounting to a total of € 85.574).