

**HELLENIC PETROLEUM S.A.**

**CONDENSED INTERIM  
CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED**

**30 JUNE 2006**



**HELLENIC  
PETROLEUM**

# HELLENIC PETROLEUM S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006  
*(All amounts in Euro thousands unless otherwise stated)*

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## REVIEW REPORT OF THE CERTIFIED AUDITORS ACCOUNTANTS

### To the Shareholders of the Hellenic Petroleum Company

We have reviewed the accompanying condensed interim consolidated balance sheet of the Hellenic Petroleum Company (the "Company") and its subsidiaries (the "Group") as of 30 June 2006 and the related condensed interim consolidated statements of income, cash flows and changes in shareholders' equity for the six months ended 30 June 2006. Our review was restricted to financial information for the six months period ended 30 June 2006 and did not encompass a review of financial information relating to the Group's performance for the three months period ended 30 June 2006 as a separate quarter which is presented in the income statement of the accompanying condensed interim financial statements. These condensed interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these condensed interim financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400, as required by the Greek Standards on Auditing. This Standard requires that we plan and perform the review to obtain moderate assurance about whether the condensed consolidated interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements for the six monthly period ended 30 June 2006 have not been properly prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Athens, August 30, 2006

PricewaterhouseCoopers

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# HELLENIC PETROLEUM S.A.

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 *(All amounts in Euro thousands unless otherwise stated)*

### I. Condensed Interim Consolidated Balance Sheet (Reviewed)

|  | Note | As at            |                  |
|--|------|------------------|------------------|
|  |      | 30 June 2006     | 31 December 2005 |
| <b>ASSETS</b>  |      |                  |                  |
| <b>Non-current assets</b>  |      |                  |                  |
| Property, plant and equipment                                    | 8    | 1.380.102        | 1.405.940        |
| Intangible assets  | 9    | 92.001           | 94.859           |
| Investments in affiliated companies                              |      | 358.453          | 357.858          |
| Deferred income tax assets                                       |      | 40.774           | 42.255           |
| Available-for-sale financial assets                              |      | 2.856            | 2.092            |
| Loans, advances and other receivables                            |      | 43.651           | 36.078           |
|  |      | <b>1.917.837</b> | <b>1.939.082</b> |
| <b>Current assets</b>  |      |                  |                  |
| Inventories  | 10   | 1.376.558        | 1.169.098        |
| Trade and other receivables                                      | 11   | 991.980          | 888.079          |
| Cash and cash equivalents  | 12   | 209.853          | 193.630          |
|  |      | <b>2.578.391</b> | <b>2.250.807</b> |
| <b>Total assets</b>  |      | <b>4.496.228</b> | <b>4.189.889</b> |
| <b>EQUITY</b>  |      |                  |                  |
| Share capital  | 13   | 1.019.963        | 1.019.963        |
| Reserves   |      | 536.669          | 543.642          |
| Retained Earnings  |      | 678.891          | 590.933          |
| <b>Capital and reserves attributable to Company Shareholders</b> |      | <b>2.235.523</b> | <b>2.154.538</b> |
| <b>Minority interest</b>   |      | 107.421          | 101.924          |
| <b>Total equity</b>  |      | <b>2.342.944</b> | <b>2.256.462</b> |
| <b>LIABILITIES</b>   |      |                  |                  |
| <b>Non-current liabilities</b>                                   |      |                  |                  |
| Borrowings   | 14   | 514.624          | 539.573          |
| Deferred income tax liabilities                                  |      | 20.701           | 18.645           |
| Retirement benefit obligations                                   |      | 139.534          | 133.747          |
| Provisions and other long term liabilities                       | 15   | 75.179           | 67.348           |
|  |      | <b>750.038</b>   | <b>759.313</b>   |
| <b>Current liabilities</b>                                       |      |                  |                  |
| Trade and other payables   | 17   | 574.222          | 637.043          |
| Current income tax liabilities                                   |      | 122.935          | 153.045          |
| Borrowings   | 14   | 697.149          | 356.360          |
| Dividends payable  |      | 8.940            | 27.666           |
|  |      | <b>1.403.246</b> | <b>1.174.114</b> |
| <b>Total liabilities</b>   |      | <b>2.153.284</b> | <b>1.933.427</b> |
| <b>Total equity and liabilities</b>                              |      | <b>4.496.228</b> | <b>4.189.889</b> |

The notes on pages 7 to 19 are an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Finance Manager

Panagiotis Cavoulacos

Andreas Shiamishis

Athanasios Solomos

## HELLENIC PETROLEUM S.A.

### CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 (All amounts in Euro thousands unless otherwise stated)

## II. Condensed Interim Consolidated Income Statement (Reviewed)

|   | Note | For the six month period ended |                | 1 April 2006 to | 1 April 2005 to |
|---|------|--------------------------------|----------------|-----------------|-----------------|
|   |      | 30 June 2006                   | 30 June 2005   | 30 June 2006    | 30 June 2005    |
| Sales   |      | 4.104.006                      | 2.863.026      | 2.045.813       | 1.402.755       |
| Cost of sales   |      | (3.678.485)                    | (2.464.840)    | (1.799.864)     | (1.185.269)     |
| <b>Gross profit</b>   |      | <b>425.521</b>                 | <b>398.186</b> | <b>245.949</b>  | <b>217.486</b>  |
| Selling, distribution and administrative expenses                         | 4    | (176.300)                      | (166.616)      | (87.220)        | (76.814)        |
| Exploration and development expenses                                      |      | (4.638)                        | (6.572)        | (3.446)         | (3.156)         |
| Other operating (expenses) / income - net                                 |      | 8.723                          | 6.206          | 2.505           | 3.279           |
| <b>Operating profit</b>   |      | <b>253.306</b>                 | <b>231.204</b> | <b>157.788</b>  | <b>140.795</b>  |
| Finance costs -net  | 5    | (14.315)                       | (8.393)        | (8.403)         | (4.458)         |
| Currency exchange gains /(losses)   |      | 12.848                         | (15.918)       | 879             | (9.916)         |
| Share of operating profit of associates                                   | 6    | 3.174                          | 4.280          | (2.510)         | 2.506           |
| <b>Profit before income tax</b>   |      | <b>255.013</b>                 | <b>211.173</b> | <b>147.754</b>  | <b>128.927</b>  |
| Income tax expense  |      | (74.371)                       | (68.978)       | (41.901)        | (41.991)        |
| <b>Profit for the period</b>  |      | <b>180.642</b>                 | <b>142.195</b> | <b>105.853</b>  | <b>86.936</b>   |
| (Less) / Add Minority Interest  |      | (6.034)                        | (888)          | (3.450)         | (265)           |
| <b>Net Income attributable to Equity holders of the Company</b>           |      | <b>174.608</b>                 | <b>141.307</b> | <b>102.403</b>  | <b>86.671</b>   |
| <b>Basic and diluted earnings per share (expressed in Euro per share)</b> | 7    | <b>0,57</b>                    | <b>0,46</b>    | <b>0,34</b>     | <b>0,28</b>     |

The notes on pages 7 to 19 are an integral part of these condensed interim consolidated financial statements.

## HELLENIC PETROLEUM S.A.

### CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 *(All amounts in Euro thousands unless otherwise stated)*

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

|   | Attributable to Company Shareholders |                |                      | Total            | Minority<br>Interest | Total Equity     |
|---|--------------------------------------|----------------|----------------------|------------------|----------------------|------------------|
|   | Share Capital                        | Reserves       | Retained<br>Earnings |                  |                      |                  |
| <b>Balance at 31 December 2004</b>                                | <b>1.019.157</b>                     | <b>329.023</b> | <b>505.919</b>       | <b>1.854.099</b> | <b>95.395</b>        | <b>1.949.494</b> |
| Adoption of IFRS 3  | -                                    | -              | 87.474               | 87.474           | -                    | 87.474           |
| <b>Balance at 1 January 2005</b>                                  | <b>1.019.157</b>                     | <b>329.023</b> | <b>593.393</b>       | <b>1.941.573</b> | <b>95.395</b>        | <b>2.036.968</b> |
| Profit for the period 1/1/05 - 30/6/05                            | -                                    | -              | 141.307              | 141.307          | 888                  | <b>142.195</b>   |
| Translation exchange differences                                  | -                                    | -              | 2.641                | 2.641            | (155)                | <b>2.486</b>     |
| Dividends relating to 2004  | -                                    | -              | (79.434)             | (79.434)         | -                    | <b>(79.434)</b>  |
| <b>Balance at 30 June 2005</b>                                    | <b>1.019.157</b>                     | <b>329.023</b> | <b>657.907</b>       | <b>2.006.087</b> | <b>96.128</b>        | <b>2.102.215</b> |
| <b>Movement - 1 July 2005 to 31 December 2005</b>                 |                                      |                |                      |                  |                      |                  |
| Reclassification of statutory reserves                            | -                                    | 181.337        | (181.337)            | -                | -                    | -                |
| Profit for the period 1/4/05 - 31/12/05                           | -                                    | -              | 192.915              | 192.915          | 5.774                | 198.689          |
| Translation exchange differences                                  | -                                    | -              | 557                  | 557              | 22                   | 579              |
| Transfers between reserves  | -                                    | 33.282         | (33.282)             | -                | -                    | -                |
| Dividends relating to 2005  | -                                    | -              | (45.827)             | (45.827)         | -                    | (45.827)         |
| Exercise of employee share options                                | 806                                  | -              | -                    | 806              | -                    | 806              |
| <b>Balance at 31 December 2005</b>                                | <b>1.019.963</b>                     | <b>543.642</b> | <b>590.933</b>       | <b>2.154.538</b> | <b>101.924</b>       | <b>2.256.462</b> |
| <b>Movement - 1 January 2006 to 30 June 2006</b>                  |                                      |                |                      |                  |                      |                  |
| Profit for the period   | -                                    | -              | 174.608              | 174.608          | 6.034                | 180.642          |
| Translation exchange differences                                  | -                                    | -              | (1.076)              | (1.076)          | (537)                | (1.613)          |
| Dividends relating to 2005  | -                                    | -              | (85.574)             | (85.574)         | -                    | (85.574)         |
| Unrealised gains / (losses) on revaluation of hedges<br>(Note 16) | -                                    | (6.973)        | -                    | (6.973)          | -                    | (6.973)          |
| <b>Balance at 30 June 2006</b>                                    | <b>1.019.963</b>                     | <b>536.669</b> | <b>678.891</b>       | <b>2.235.523</b> | <b>107.421</b>       | <b>2.342.944</b> |

The notes on pages 7 to 19 are an integral part of these condensed interim consolidated financial statements.

# HELLENIC PETROLEUM S.A.

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 (All amounts in Euro thousands unless otherwise stated)

### IV. Condensed Interim Consolidated Cash Flow Statement (Reviewed)

|   |      | For the six month period ended |                  |
|---|------|--------------------------------|------------------|
|   | Note | 30 June 2006                   | 30 June 2005     |
| <b>Cash flows from operating activities</b>                       |      |                                |                  |
| Cash generated from operations                                    | 18   | (49.460)                       | (159.602)        |
| Income tax paid   |      | (101.614)                      | (27.646)         |
| <b>Net cash (used in) / generated from operating activities</b>   |      | <b>(151.074)</b>               | <b>(187.248)</b> |
| <b>Cash flows from investing activities</b>                       |      |                                |                  |
| Purchase of property, plant and equipment & intangible assets     | 8,9  | (49.017)                       | (100.989)        |
| Interest received   | 5    | 7.607                          | 9.889            |
| Investments in associates   |      | (519)                          | -                |
| <b>Net cash used in investing activities</b>                      |      | <b>(41.929)</b>                | <b>(91.100)</b>  |
| <b>Cash flows from financing activities</b>                       |      |                                |                  |
| Interest paid   | 5    | (21.922)                       | (18.282)         |
| Dividends paid  |      | (104.300)                      | (48.027)         |
| Net movement in short term borrowings                             |      | 342.874                        | 200.096          |
| Proceeds / (payments) from long term borrowings                   |      | (3.572)                        | 110.418          |
| <b>Net cash generated from / (used in ) financing activities</b>  |      | <b>213.080</b>                 | <b>244.205</b>   |
| <b>Net increase / (decrease) in cash &amp; cash equivalents</b>   |      | <b>20.077</b>                  | <b>(34.143)</b>  |
| <b>Cash &amp; cash equivalents at the beginning of the period</b> |      | <b>193.630</b>                 | <b>181.178</b>   |
| Exchange gains / (losses) on cash & cash equivalents              |      | (3.854)                        | 3.585            |
| Net increase / (decrease) in cash & cash equivalents              |      | 20.077                         | (34.143)         |
| <b>Cash &amp; cash equivalents at end of the period</b>           |      | <b>209.853</b>                 | <b>150.620</b>   |

The notes on pages 7 to 19 are an integral part of these condensed interim consolidated financial statements.

# HELLENIC PETROLEUM S.A.

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 (All amounts in Euro thousands unless otherwise stated)

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

#### 1. GENERAL INFORMATION

Hellenic Petroleum and its subsidiaries (“Hellenic Petroleum” or “the Group”) operate in the energy sector predominantly in Greece and the Balkans. The Group’s activities include exploration and production of hydrocarbons, refining and marketing of oil products, and the production and marketing of petrochemical products. The Group also provides engineering services, and it has recently completed the construction of an electricity power generation plant, which is currently in operation.

#### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

##### **Basis of preparation**

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

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

The condensed interim consolidated financial statements of the Group for the six month period ended 30 June 2006 were authorised for issue by the Board of Directors on 30 August 2006.

##### **Accounting policies**

The accounting policies used in the preparation of the condensed interim consolidated financial statements for the six month period ended 30 June 2006 are consistent with those applied for the preparation of the consolidated published accounts 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.

As part of its risk management policy, the Group utilizes financial and commodity derivatives to mitigate the impact of future price volatility. In the past all of these transactions have been treated as fair value transactions and their impact recorded in the period’s results (Profit & Loss account). As of June 30, 2006, some of these transactions have been treated under Hedge Accounting in accordance with International Accounting Standard 39 (IAS 39) – *Financial Instruments: recognition and measurement*. The impact of this is to record the changes in the fair value of these derivatives through a special reserve account in equity to the extent that they are designated and qualify as effective hedges. The gain or loss relating to the ineffective portion is recognised immediately to the income statement.

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

The Group 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 Group’s condensed financial statements.

Finally the Group 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 Group’s condensed financial statements.

## HELLENIC PETROLEUM S.A.

### CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 *(All amounts in Euro thousands unless otherwise stated)*

#### 3. ANALYSIS BY INDUSTRY SEGMENT

|   | Refining       | Marketing     | Exploration<br>&<br>production | Petro-<br>chemicals | Gas &<br>Power | Other          | Inter-<br>Segment | Total          |
|---|----------------|---------------|--------------------------------|---------------------|----------------|----------------|-------------------|----------------|
| <b>For the six month period ended 30 June 2006</b>                                  |                |               |                                |                     |                |                |                   |                |
| Sales   | 3.914.824      | 1.151.847     | 564                            | 174.274             | 51.846         | 6.663          | (1.196.012)       | 4.104.006      |
| Other operating income / (expense) - net  | (440)          | 4.461         | 20                             | 1.350               | 3.295          | 37             | (0)               | 8.723          |
| Operating profit (loss)   | 235.009        | 19.903        | (10.769)                       | 9.775               | 1.663          | (1.335)        | (940)             | 253.306        |
| Foreign exchange gains/ (losses)  | 11.365         | 1.483         | 0                              | 0                   | 0              | 0              | (0)               | 12.848         |
| <b>Profit before tax, share of net result of associates<br/>&amp; finance costs</b> | <b>246.374</b> | <b>21.386</b> | <b>(10.769)</b>                | <b>9.775</b>        | <b>1.663</b>   | <b>(1.335)</b> | <b>(940)</b>      | <b>266.154</b> |
| Share of net result of associates   | 0              | 306           | 0                              | (178)               | 3.046          | 0              | 0                 | 3.174          |
| <b>Profit after associates</b>  | <b>246.374</b> | <b>21.692</b> | <b>(10.769)</b>                | <b>9.597</b>        | <b>4.709</b>   | <b>(1.335)</b> | <b>(940)</b>      | <b>269.328</b> |
| Finance costs - net   |                |               |                                |                     |                |                |                   | (14.315)       |
| <b>Profit before income tax</b>   |                |               |                                |                     |                |                |                   | <b>255.013</b> |
| Income tax expense  |                |               |                                |                     |                |                |                   | (74.371)       |
| Income applicable to minority interest  |                |               |                                |                     |                |                |                   | (6.034)        |
| <b>Profit for the period attributable to the shareholders of the company</b>        |                |               |                                |                     |                |                |                   | <b>174.608</b> |

|   | Refining       | Marketing     | Exploration<br>&<br>production | Petro-<br>chemicals | Gas &<br>Power | Other          | Inter-<br>Segment | Total          |
|---|----------------|---------------|--------------------------------|---------------------|----------------|----------------|-------------------|----------------|
| <b>For the six month period ended 30 June 2005</b>                                  |                |               |                                |                     |                |                |                   |                |
| Sales   | 2.726.990      | 858.313       | 600                            | 142.853             | 591            | 8.379          | (874.699)         | 2.863.026      |
| Other operating income / (expense) - net  | 1.267          | 4.530         | 131                            | 191                 | 26             | 44             | 17                | 6.206          |
| Operating profit (loss)   | 218.412        | 23.761        | (10.400)                       | 5.673               | (404)          | (2.612)        | (3.226)           | 231.204        |
| Foreign exchange gains/ (losses)  | (18.362)       | (1.630)       | 0                              | 200                 | 0              | 0              | 0                 | (19.792)       |
| <b>Profit before tax, share of net result of associates<br/>&amp; finance costs</b> | <b>200.050</b> | <b>22.131</b> | <b>(10.400)</b>                | <b>5.873</b>        | <b>(404)</b>   | <b>(2.612)</b> | <b>(3.226)</b>    | <b>211.412</b> |
| Share of net result of associates   | -              | -             | -                              | 125                 | 4.155          | 0              | 0                 | 4.280          |
| <b>Profit after associates</b>  | <b>200.050</b> | <b>22.131</b> | <b>(10.400)</b>                | <b>5.998</b>        | <b>3.751</b>   | <b>(2.612)</b> | <b>(3.226)</b>    | <b>215.692</b> |
| Finance costs - net   |                |               |                                |                     |                |                |                   | (4.519)        |
| <b>Profit before income tax</b>   |                |               |                                |                     |                |                |                   | <b>211.173</b> |
| Income tax expense  |                |               |                                |                     |                |                |                   | (68.978)       |
| Income applicable to minority interest  |                |               |                                |                     |                |                |                   | (888)          |
| <b>Profit for the period attributable to the shareholders of the company</b>        |                |               |                                |                     |                |                |                   | <b>141.307</b> |

## HELLENIC PETROLEUM S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006  
*(All amounts in Euro thousands unless otherwise stated)*

**The segment assets and liabilities at 30 June 2006 are as follows:**

|                             | <b>Refining</b> | <b>Marketing</b> | <b>Exploration<br/>&amp;<br/>production</b> | <b>Petro-<br/>chemicals</b> | <b>Gas &amp;<br/>Power</b> | <b>Other</b> | <b>Inter-<br/>Segment</b> | <b>Total</b> |
|-----------------------------|-----------------|------------------|---|-----------------------------|----------------------------|--------------|---------------------------|--------------|
| Total assets                | 3.565.077       | 800.355          | 10.100                                      | 282.948                     | 287.372                    | 309.972      | (759.597)                 | 4.496.228    |
| Net assets                  | 2.216.672       | 313.394          | 0   | 54.994                      | 36.095                     | 215          | (278.427)                 | 2.342.944    |
| Capital expenditure         | (25.050)        | (22.573)         | 0   | (448)                       | (938)                      | (8)          | 0                         | (49.017)     |
| Depreciation & Amortisation | 43.714          | 14.125           | 1.199                                       | 8.753                       | 8.268                      | 236          | (0)                       | 76.295       |

**The segment assets and liabilities at 31 December 2005 are as follows:**

|   | <b>Refining</b> | <b>Marketing</b> | <b>Exploration<br/>&amp;<br/>production</b> | <b>Petro-<br/>chemicals</b> | <b>Gas &amp;<br/>Power</b> | <b>Other</b> | <b>Inter-<br/>Segment</b> | <b>Total</b> |
|---|-----------------|------------------|---|-----------------------------|----------------------------|--------------|---------------------------|--------------|
| Total assets                            | 3.097.792       | 977.232          | 13.100                                      | 296.160                     | 628.199                    | 12.333       | (834.927)                 | 4.189.889    |
| Net assets                              | 2.128.125       | 580.153          | 13.100                                      | 150.324                     | 40.534                     | 0            | (655.774)                 | 2.256.462    |
| Capital expenditure (Full year)         | (54.646)        | (41.110)         | 0   | (1.320)                     | (87.912)                   | (88)         | 0                         | (185.076)    |
| Depreciation & Amortisation (Full year) | 97.659          | 27.441           | 2.398                                       | 15.905                      | 191                        | 562          | 0                         | 144.156      |

# HELLENIC PETROLEUM S.A.

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 (All amounts in Euro thousands unless otherwise stated)

### 4. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

|                                   | For the six month period ended |                | 1 April 2006 to | 1 April 2005 to |
|-----------------------------------|--------------------------------|----------------|-----------------|-----------------|
|                                   | 30 June 2006                   | 30 June 2005   | 30 June 2006    | 30 June 2005    |
| Selling and distribution expenses | 110.810                        | 106.732        | 51.817          | 46.916          |
| Administrative expenses           | 65.490                         | 59.884         | 35.403          | 29.898          |
|                                   | <b>176.300</b>                 | <b>166.616</b> | <b>87.220</b>   | <b>76.814</b>   |

### 5. FINANCE COSTS – NET

|                           | For the six month period ended |                | 1 April 2006 to | 1 April 2005 to |
|---------------------------|--------------------------------|----------------|-----------------|-----------------|
|                           | 30 June 2006                   | 30 June 2005   | 30 June 2006    | 30 June 2005    |
| Interest income           | 7.607                          | 9.889          | 4.363           | 5.806           |
| Interest expense          | (21.922)                       | (18.282)       | (12.766)        | (10.264)        |
| <b>Finance costs -net</b> | <b>(14.315)</b>                | <b>(8.393)</b> | <b>(8.403)</b>  | <b>(4.458)</b>  |

### 6. SHARE OF NET RESULT OF ASSOCIATED COMPANIES

The amounts represent the net result from associated companies accounted for on an equity basis.

|   | For the six month period ended |              | 1 April 2006 to | 1 April 2005 to |
|---|--------------------------------|--------------|-----------------|-----------------|
|   | 30 June 2006                   | 30 June 2005 | 30 June 2006    | 30 June 2005    |
| Public Natural Gas Corporation of Greece (DEPA) | 3.046                          | 4.155        | (2.428)         | 2.455           |
| Volos Pet Industries A.E.                       | (178)                          | 125          | (388)           | 51              |
| Other   | 306                            | -            | 306             | -               |
| <b>Total</b>                                    | <b>3.174</b>                   | <b>4.280</b> | <b>(2.510)</b>  | <b>2.506</b>    |

### 7. EARNINGS PER SHARE

Diluted earnings per ordinary share are not presented, as they are not materially different from basic 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.

|   | For the six month period ended |              | 1 April 2006 to | 1 April 2005 to |
|---|--------------------------------|--------------|-----------------|-----------------|
|   | 30 June 2006                   | 30 June 2005 | 30 June 2006    | 30 June 2005    |
| <b>Earnings per share attributable to the Company</b>             |                                |              |                 |                 |
| <b>Shareholders (expressed in Euro per share):</b>                |                                |              |                 |                 |
| Net income attributable to ordinary shares<br>(Euro in thousands) | 174.608                        | 141.307      | 102.403         | 86.671          |
| Average number of ordinary shares outstanding                     | 305.622.245                    | 305.513.425  | 305.622.245     | 305.513.425     |

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### CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 *(All amounts in Euro thousands unless otherwise stated)*

#### 8. PROPERTY, PLANT AND EQUIPMENT

|   | Land           | Buildings      | Plant &<br>Machinery | Motor<br>vehicles | Furniture<br>and<br>fixtures | Assets<br>Under<br>Con-<br>struction | Total            |
|---|----------------|----------------|----------------------|-------------------|------------------------------|--------------------------------------|------------------|
| <b>Cost</b>                               |                |                |                      |                   |                              |                                      |                  |
| <b>As at 1 January 2005</b>               | <b>191.787</b> | <b>365.080</b> | <b>1.493.342</b>     | <b>38.747</b>     | <b>61.913</b>                | <b>285.533</b>                       | <b>2.436.402</b> |
| Additions                                 | 7.104          | 7.917          | 16.564               | 1.795             | 3.685                        | 146.256                              | 183.321          |
| Capitalised projects                      | 1.489          | 25.831         | 279.090              | 171               | 527                          | (307.108)                            | -                |
| Disposals                                 | (17)           | (81)           | (5.335)              | (564)             | (305)                        | (1.128)                              | (7.430)          |
| Other movements                           | -              | -              | 637                  | -                 | -                            | (837)                                | (200)            |
| <b>As at 31 December 2005</b>             | <b>200.363</b> | <b>398.747</b> | <b>1.784.298</b>     | <b>40.149</b>     | <b>65.820</b>                | <b>122.716</b>                       | <b>2.612.093</b> |
| <b>Accumulated Depreciation</b>           |                |                |                      |                   |                              |                                      |                  |
| <b>As at 1 January 2005</b>               | <b>870</b>     | <b>178.139</b> | <b>836.862</b>       | <b>18.638</b>     | <b>46.190</b>                | <b>-</b>                             | <b>1.080.699</b> |
| Charge for the year                       | 435            | 16.025         | 106.977              | 3.023             | 6.416                        | -                                    | 132.876          |
| Disposals                                 | -              | (77)           | (4.566)              | (525)             | (296)                        | -                                    | (5.464)          |
| Other movements                           | -              | 1.491          | (3.254)              | -                 | -                            | (195)                                | (1.958)          |
| <b>As at 31 December 2005</b>             | <b>1.305</b>   | <b>195.578</b> | <b>936.019</b>       | <b>21.136</b>     | <b>52.310</b>                | <b>(195)</b>                         | <b>1.206.153</b> |
| <b>Net Book Value at 31 December 2005</b> | <b>199.058</b> | <b>203.169</b> | <b>848.279</b>       | <b>19.013</b>     | <b>13.510</b>                | <b>122.911</b>                       | <b>1.405.940</b> |
| <b>Cost</b>                               |                |                |                      |                   |                              |                                      |                  |
| <b>As at 1 January 2006</b>               | <b>200.363</b> | <b>398.747</b> | <b>1.784.298</b>     | <b>40.149</b>     | <b>65.820</b>                | <b>122.716</b>                       | <b>2.612.093</b> |
| Additions                                 | 5.543          | 7.554          | 5.652                | 68                | 1.923                        | 26.848                               | 47.588           |
| Capitalised projects                      | -              | 693            | 9.791                | -                 | 1.614                        | (12.098)                             | 0                |
| Disposals                                 | -              | (6.204)        | (7.295)              | (799)             | 158                          | (1.885)                              | (16.025)         |
| Other movements                           | (142)          | 695            | 1.880                | 219               | 126                          | (3.995)                              | (1.217)          |
| <b>As at 30 June 2006</b>                 | <b>205.764</b> | <b>401.485</b> | <b>1.794.326</b>     | <b>39.637</b>     | <b>69.641</b>                | <b>131.586</b>                       | <b>2.642.439</b> |
| <b>Accumulated Depreciation</b>           |                |                |                      |                   |                              |                                      |                  |
| <b>As at 1 January 2006</b>               | <b>1.305</b>   | <b>195.578</b> | <b>936.019</b>       | <b>21.136</b>     | <b>52.310</b>                | <b>(195)</b>                         | <b>1.206.153</b> |
| Charge for the period                     | 217            | 8.089          | 59.062               | 1.528             | 3.043                        | -                                    | 71.939           |
| Disposals                                 | -              | (11.756)       | (2.581)              | (510)             | (755)                        | -                                    | (15.602)         |
| Other movements                           | -              | 174            | (89)                 | (4)               | (39)                         | (195)                                | (153)            |
| <b>As at 30 June 2006</b>                 | <b>1.522</b>   | <b>192.085</b> | <b>992.411</b>       | <b>22.150</b>     | <b>54.559</b>                | <b>(390)</b>                         | <b>1.262.337</b> |
| <b>Net Book Value at 30 June 2006</b>     | <b>204.242</b> | <b>209.400</b> | <b>801.915</b>       | <b>17.487</b>     | <b>15.082</b>                | <b>131.976</b>                       | <b>1.380.102</b> |

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### 9. INTANGIBLE ASSETS

|   | Goodwill       | Computer<br>software | Licences &<br>Rights | Other        | Total          |
|---|----------------|----------------------|----------------------|--------------|----------------|
| <b><u>Cost</u></b>                        |                |                      |                      |              |                |
| <b>As at 31 December 2004</b>             | <b>112.026</b> | <b>38.398</b>        | <b>31.582</b>        | <b>1.712</b> | <b>183.718</b> |
| Effect of adopting IFRS 3                 | 22.713         | -                    | -                    | -            | 22.713         |
| <b>As at 1 January 2005</b>               | <b>134.739</b> | <b>38.398</b>        | <b>31.582</b>        | <b>1.712</b> | <b>206.431</b> |
| Additions                                 | -              | 1.694                | -                    | 60           | 1.754          |
| Disposals                                 | -              | (225)                | -                    | (34)         | (259)          |
| Other movements                           | -              | (864)                | -                    | 48           | (816)          |
| <b>As at 31 December 2005</b>             | <b>134.739</b> | <b>39.003</b>        | <b>31.582</b>        | <b>1.786</b> | <b>207.110</b> |
| <b><u>Accumulated Amortisation</u></b>    |                |                      |                      |              |                |
| <b>Balance at 31 December 2004</b>        | <b>69.202</b>  | <b>26.032</b>        | <b>3.607</b>         | <b>1.524</b> | <b>100.365</b> |
| Effect of adopting IFRS 3                 | 2.839          | -                    | -                    | -            | 2.839          |
| <b>Balance as at 1 January 2005</b>       | <b>72.041</b>  | <b>26.032</b>        | <b>3.607</b>         | <b>1.524</b> | <b>103.204</b> |
| Charge for the year                       | (212)          | 7.893                | 3.486                | 113          | 11.280         |
| Disposals                                 | -              | -                    | -                    | (34)         | (34)           |
| Other movements                           | -              | (2.244)              | -                    | 45           | (2.199)        |
| <b>Balance as at 31 December 2005</b>     | <b>71.829</b>  | <b>31.681</b>        | <b>7.093</b>         | <b>1.648</b> | <b>112.251</b> |
| <b>Net Book Value at 31 December 2005</b> | <b>62.910</b>  | <b>7.322</b>         | <b>24.489</b>        | <b>138</b>   | <b>94.859</b>  |
| <b><u>Cost</u></b>                        |                |                      |                      |              |                |
| <b>As at 1 January 2006</b>               | <b>134.739</b> | <b>39.003</b>        | <b>31.582</b>        | <b>1.786</b> | <b>207.110</b> |
| Additions                                 | -              | 374                  | -                    | 1.055        | 1.429          |
| Disposals                                 | -              | (204)                | -                    | -            | (204)          |
| Other movements                           | -              | (119)                | -                    | (1.077)      | (1.196)        |
| <b>As at 30 June 2006</b>                 | <b>134.739</b> | <b>39.054</b>        | <b>31.582</b>        | <b>1.764</b> | <b>207.139</b> |
| <b><u>Accumulated Amortisation</u></b>    |                |                      |                      |              |                |
| <b>As at 1 January 2006</b>               | <b>71.829</b>  | <b>31.681</b>        | <b>7.093</b>         | <b>1.648</b> | <b>112.251</b> |
| Charge for the period                     | -              | 1.085                | 1.731                | 1.540        | 4.356          |
| Disposals                                 | -              | (204)                | -                    | -            | (204)          |
| Other movements                           | -              | (265)                | -                    | (1.000)      | (1.265)        |
| <b>As at 30 June 2006</b>                 | <b>71.829</b>  | <b>32.297</b>        | <b>8.824</b>         | <b>2.188</b> | <b>115.138</b> |
| <b>Net Book Value at 30 June 2006</b>     | <b>62.910</b>  | <b>6.757</b>         | <b>22.758</b>        | <b>(424)</b> | <b>92.001</b>  |

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## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 (All amounts in Euro thousands unless otherwise stated)

### 10. INVENTORIES

|   | As at            |                  |
|---|------------------|------------------|
|   | 30 June 2006     | 31 December 2005 |
| Crude oil                                   | 381.536          | 368.343          |
| Refined products and semi-finished products | 890.932          | 695.567          |
| Petrochemicals                              | 30.966           | 32.313           |
| Consumable materials and other              | 73.124           | 72.875           |
|   | <b>1.376.558</b> | <b>1.169.098</b> |

### 11. TRADE AND OTHER RECEIVABLES

|                                  | As at          |                  |
|----------------------------------|----------------|------------------|
|                                  | 30 June 2006   | 31 December 2005 |
| Trade receivables                | 868.397        | 784.021          |
| Other receivables                | 107.848        | 88.807           |
| Deferred charges and prepayments | 15.735         | 15.251           |
| <b>Total</b>                     | <b>991.980</b> | <b>888.079</b>   |

### 12. CASH AND CASH EQUIVALENTS

|  | As at          |                  |
|--|----------------|------------------|
|  | 30 June 2006   | 31 December 2005 |
| Cash at Bank and in Hand               | 139.549        | 126.044          |
| Short term bank deposits               | 70.304         | 67.586           |
| <b>Total cash and cash equivalents</b> | <b>209.853</b> | <b>193.630</b>   |

Cash equivalents comprise of short-term deposits (made for varying periods, of less than three months).

### 13. SHARE CAPITAL

|                                    | Number of<br>Shares<br>(authorised<br>and issued) | Share<br>Capital | Share<br>premium | Total            |
|------------------------------------|---|------------------|------------------|------------------|
| <b>As at 1 January 2005</b>        | <b>305.513.425</b>                                | <b>666.019</b>   | <b>353.138</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>353.707</b>   | <b>1.019.963</b> |
| Exercise of employee share options | -   | -                | -                | -                |
| <b>As at 30 June 2006</b>          | <b>305.622.245</b>                                | <b>666.256</b>   | <b>353.707</b>   | <b>1.019.963</b> |

Up to the end of 2004, Hellenic Petroleum S.A offered a share option scheme to its management executives: The exercise price was determined based on the Company's share performance compared to the market and the options were fully vested at the grant date and 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. 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

# HELLENIC PETROLEUM S.A.

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and performance of the Company and its management. The AGM of Hellenic Petroleum S.A of 31 May 2006, has approved and granted a stock options plan for a total of 272.100 shares.

### 14. BORROWINGS

|                                     | As at            |                  |
|-------------------------------------|------------------|------------------|
|                                     | 30 June 2006     | 31 December 2005 |
| <b>Non-current borrowings</b>       |                  |                  |
| Bank borrowings                     | 239.315          | 242.887          |
| Bond loan                           | 275.309          | 296.686          |
| <b>Total non-current borrowings</b> | <b>514.624</b>   | <b>539.573</b>   |
| <b>Current borrowings</b>           |                  |                  |
| Short term loans                    | 666.271          | 317.444          |
| Current portion of long term debt   | 30.878           | 38.916           |
| <b>Total current borrowings</b>     | <b>697.149</b>   | <b>356.360</b>   |
| <b>Total borrowings</b>             | <b>1.211.773</b> | <b>895.933</b>   |

#### *Bond Loan*

In February 2005, the Parent 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 30 June 2006 was US \$ 350 million.

Hellenic Petroleum Finance Plc (HPF Plc) was established in November 2005 in the U.K. as a 100% of Hellenic Petroleum S.A. The company acts as the central financing vehicle of the Hellenic Petroleum Group and its activities include the borrowing and lending of funds to the Group companies.

In April 2006 HPF Plc concluded a Euro 300 million multi-currency syndicated loan with National Bank of Greece S.A. (London Branch), Alpha Bank A.E. (London Branch) and EFG Eurobank Ergasias S.A. (London Branch). As at June 30th 2006 the loan was fully drawn.

### 15. PROVISIONS AND OTHER LIABILITIES

|  | As at         |                  |
|--|---------------|------------------|
|  | 30 June 2006  | 31 December 2005 |
| Government grants                        | 25.614        | 25.614           |
| Commodity Cash Flow hedges (see note 16) | 6.973         | -                |
| Environmental provision                  | 5.192         | 5.192            |
| Other provisions                         | 37.400        | 36.542           |
| <b>Total</b>                             | <b>75.179</b> | <b>67.348</b>    |

#### **Government grants**

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

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## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 (All amounts in Euro thousands unless otherwise stated)

### 16. DERIVATIVE FINANCIAL INSTRUMENTS

#### Fair Values of Derivative Financial Instruments

|  | As at 30 June 2006 |              | As at 31 December 2005 |              |
|--|--------------------|--------------|------------------------|--------------|
|  | Assets             | Liabilities  | Assets                 | Liabilities  |
| <b>Derivatives designated as fair value hedges</b> |                    |              |                        |              |
| <b>Commodity derivatives:</b>                      |                    |              |                        |              |
| Commodity swaps                                    | 0                  | 2.028        | 3.781                  | 0            |
| Commodity options                                  | 0                  | 285          | 0                      | 6.982        |
|  | <b>0</b>           | <b>2.313</b> | <b>3.781</b>           | <b>6.982</b> |
| <b>Total fair value hedges</b>                     | <b>0</b>           | <b>2.313</b> | <b>3.781</b>           | <b>6.982</b> |
| <b>Derivatives designated as cash flow hedges</b>  |                    |              |                        |              |
| Commodity swaps                                    | 0                  | 6.973        | 0                      | 0            |
| <b>Total cash flow hedges</b>                      | <b>0</b>           | <b>6.973</b> | <b>0</b>               | <b>0</b>     |
| <b>Total</b>                                       | <b>0</b>           | <b>9.286</b> | <b>3.781</b>           | <b>6.982</b> |
| Non-current portion                                |                    |              |                        |              |
| Commodity swaps                                    | 0                  | 6.973        | 0                      | 0            |
|  | 0                  | 6.973        | 0                      | 0            |
| Current portion                                    | 0                  | 2.313        | 3.781                  | 6.982        |
|  | 0                  | 9.286        | 3.781                  | 6.982        |

#### Derivatives designated as fair value hedges

##### (a) Commodity swaps

The changes in the fair value of the Commodity swaps at the balance sheet date were recognised in Trade and Other Payables.

##### (b) Commodity options

The changes in the fair value of the Commodity swaps at the balance sheet date were recognised in Trade and Other Payables.

#### Derivatives designated as cash flow hedges

##### (a) Commodity swaps

The company uses derivative financial instruments to manage certain exposures to fluctuations in commodity prices. In this framework, the company has entered into a number of Commodity price swaps which have been designated by the company as cash flow hedges, have been evaluated and proven to be highly effective, and in this respect, any changes in their fair value are recorded within Equity in accordance with IAS 39. The changes in the fair value of the Commodity swaps at the balance sheet date were recognised in Long term liabilities and in shareholders' equity.

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## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 (All amounts in Euro thousands unless otherwise stated)

### 17. TRADE AND OTHER PAYABLES

|                                    | As at          |                  |
|------------------------------------|----------------|------------------|
|                                    | 30 June 2006   | 31 December 2005 |
| Trade payables                     | 429.719        | 518.904          |
| Accrued Expenses & Deferred Income | 73.365         | 60.557           |
| Other payables                     | 71.138         | 57.582           |
| <b>Total</b>                       | <b>574.222</b> | <b>637.043</b>   |

### 18. CASH GENERATED FROM OPERATIONS

|   |      | For the six months period ended |                  |
|---|------|---------------------------------|------------------|
|   | Note | 30 June 2006                    | 30 June 2005     |
| <b>Profit before tax</b>  |      | <b>255.013</b>                  | <b>211.173</b>   |
| Adjustments for:  |      |                                 |                  |
| Depreciation and amortisation of tangible and intangible assets | 8,9  | 76.295                          | 80.283           |
| Amortisation of government grants                               |      | (3.333)                         | (3.302)          |
| Financial (income)/ expenses                                    | 5    | 14.315                          | 8.393            |
| Provisions  |      | 10.722                          | 18.428           |
| Foreign exchange (gains) / losses                               |      | (8.902)                         | 11.591           |
| Loss on sale of fixed assets                                    |      | 421                             | 169              |
| Dividend income   |      | (3.174)                         | (4.280)          |
|   |      | <b>341.357</b>                  | <b>322.455</b>   |
| <b>Changes in working capital</b>                               |      |                                 |                  |
| (Increase) / decrease in inventories                            |      | (207.460)                       | (337.960)        |
| (Increase) / decrease in trade and other receivables            |      | (101.702)                       | (142.175)        |
| Increase / (decrease) in payables                               |      | (81.655)                        | (1.922)          |
|   |      | <b>(390.817)</b>                | <b>(482.057)</b> |
| <b>Net cash (used in) / generated from operating activities</b> |      | <b>(49.460)</b>                 | <b>(159.602)</b> |

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## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 (All amounts in Euro thousands unless otherwise stated)

### 19. RELATED PARTY TRANSACTIONS

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

|  | For the six month period ended |                |
|--|--------------------------------|----------------|
|  | 30 June 2006                   | 30 June 2005   |
| Sales of goods and services to related parties       | 491.108                        | 316.287        |
| Purchases of goods and services from related parties | 35.912                         | 11.112         |
|  | <b>527.020</b>                 | <b>327.399</b> |
|  | As at                          |                |
|  | 30 June 2006                   | 30 June 2005   |
| Balances due to related parties                      | 4.921                          | 7.119          |
| Balances due from related parties                    | 142.994                        | 87.750         |
|  | <b>147.915</b>                 | <b>94.869</b>  |
|  | For the six month period ended |                |
|  | 30 June 2006                   | 30 June 2005   |
| Charges for directors remuneration                   | 2.274                          | 2.201          |

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

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

- a) Parties which are under common control with the Group due to the shareholding and control rights of the Hellenic State:
  - Public Power Corporation Hellas
  - Hellenic Armed Forces
  - Olympic Airways/Airlines
- b) Financial institutions (including subsidiaries) which are under common control with the Group due to the shareholding and control rights of the Hellenic State. The group has loans amounting to €313.762 as at 30 June 2006 (31 December 2005: €155.067) which represent loan balances due to following related financial institutions:
  - National Bank of Greece
  - Agricultural Bank of Greece
  - Commercial Bank of Greece
- c) Joint ventures with other third parties:
  - OMV Aktiengesellschaft
  - Sipetrol
  - Woodside – Repsol – Helpe
- d) Associates 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)
  - Volos Pet Industries A.E.
  - Spata Aviation Fuel Company S.A. (SAFCO)

# HELLENIC PETROLEUM S.A.

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- e) Financial institutions (including subsidiaries) in which substantial interest is owned by parties which hold significant participation in the share capital of the Group. The Group has loans amounting to €144.060 (31 December 2005: €50.360) with the following related financial institutions:
- EFG Eurobank Ergasias S.A.
- f) Enterprises in which substantial interest is owned by parties which hold significant participation in the share capital of the Group.
- Lamda Shipyards

### 20. COMMITMENTS

Significant contractual commitments of the Group are as follows:

- Capital investment in upgrading Hellenic Petroleum refinery installations of €41 million. (2005: €22 million)
- Upstream exploration and development costs of €10 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.

### 21. 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:

- 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 Group generates income from the discoveries resulting from its expenditure and therefore is included as part of long-term liabilities (see note 15). (The terms of repayment will be 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.
- 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, management believes the outcome will not have a significant effect on the Group's operating results or financial position. .
- Hellenic Petroleum S.A. has not undergone a tax audit for the years ended from 31 December 2002 to 31 December 2005. Management believes that no additional material liability will arise as a result of the aforementioned open tax years over and above the liabilities and provisions recognised in these financial statements.
- 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 Group. 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 Group's operating results or financial position.
- The Group has given letters of comfort and guarantees of €648 million to banks for loans undertaken by subsidiaries and associates of the Group, the outstanding amount of which as of 30 June 2006 was €579 million. The Group has also issued letters of credit and guarantees in favour of third parties amounting to € 514 million mainly for the completion of contracts entered into by the Group.
- In October 2002 the Group 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 30 June 2006, the Performance Bond had decreased to €17 million (31 December 2005: €24 million).
- Tax free reserves: The Group 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.

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No adjustment has been made to the financial statements as this issue is being investigated by the EU and the Greek state.

### 22. 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 and outstanding at that date. Additionally for the 2005 year an interim dividend of €0,15 per share (amounting to a total of € 45.843) was approved by an extraordinary shareholders general meeting held at 12 December 2005. The interim dividend is paid to all shareholders who are entitled to profits from 2005.

In addition the Board of Directors on the Annual Shareholders Meeting of 2005 held on 31 May 2006., has declared a final dividend of € 0,28 per share (amounting to a total of € 85.574). Therefore, the total approved dividend for 2005 was €0,43 per share (total of € 131.401).

At its meeting held on 30 August, 2006, during which the Board of Directors approved the Condensed Interim Consolidated Financial Statements of the Group for the six month period ended 30 June 2006, the Board proposed and approved an interim dividend for the 2006 financial year of €0,15 per share (amounting to a total of €45.843) The relevant amounts relating to the interim dividend will be included in the interim consolidated financial statements of the Group for the next period ending 30 September, 2006.

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

| COMPANY NAME                   | ACTIVITY            | COUNTRY OF REGISTRATION | PARTICIPATION PERCENTAGE | METHOD OF CONSOLIDATION |
|--------------------------------|---------------------|-------------------------|--------------------------|-------------------------|
| EKO S.A                        | Marketing           | GREECE                  | 100,00%                  | FULL                    |
| EKOTA KO                       | Marketing           | GREECE                  | 49,00%                   | FULL                    |
| EKO NATURAL GAS                | Natural gas         | GREECE                  | 100,00%                  | FULL                    |
| EKO KALIPSO                    | Marketing           | GREECE                  | 100,00%                  | FULL                    |
| EKO BULGARIA                   | Marketing           | BULGARIA                | 100,00%                  | FULL                    |
| EKO-YU AD BEOGRAD              | Marketing           | SERBIA                  | 100,00%                  | FULL                    |
| EKO GEORGIA LTD                | Marketing           | GEORGIA                 | 97,40%                   | FULL                    |
| HELPE INT'L                    | Holding             | AUSTRIA                 | 100,00%                  | FULL                    |
| HELPE CYPRUS                   | Marketing           | CYPRUS                  | 100,00%                  | FULL                    |
| HELPE SERVICES LTD             | Services            | CYPRUS                  | 100,00%                  | FULL                    |
| YUGOPETROL AD                  | Marketing           | MONTENEGRO              | 54,35%                   | FULL                    |
| GLOBAL ALBANIA S.A             | Marketing           | ALBANIA                 | 99,96%                   | FULL                    |
| ELDA PETROL ALBANIA            | Marketing           | ALBANIA                 | 99,96%                   | FULL                    |
| ELPET BALKANIKI S.A.           | Holding             | GREECE                  | 63,00%                   | FULL                    |
| VARDAX S.A                     | Pipeline            | GREECE                  | 63,00%                   | FULL                    |
| OKTA CRUDE OIL REFINERY A.D    | Refining            | FYROM                   | 51,35%                   | FULL                    |
| ASPROFOS S.A                   | Engineering         | GREECE                  | 100,00%                  | FULL                    |
| DIAXON S.A.                    | Petrochemicals      | GREECE                  | 100,00%                  | FULL                    |
| POSEIDON S.A.                  | Shipping            | GREECE                  | 100,00%                  | FULL                    |
| APOLLON S.A.                   | Shipping            | GREECE                  | 100,00%                  | FULL                    |
| ENERGIAKI THESSALONIKIS. S.A.  | Power generation    | GREECE                  | 100,00%                  | FULL                    |
| HELLENIC PETROLEUM FINANCE PLC | Treasury services   | U.K                     | 100,00%                  | FULL                    |
| HELLENIC PETROLEUM CONSULTING  | Consulting services | GREECE                  | 100,00%                  | FULL                    |
| DEPA S.A.                      | Natural Gas         | GREECE                  | 35,00%                   | EQUITY                  |
| V.P.I S.A.                     | Petrochemicals      | GREECE                  | 35,00%                   | EQUITY                  |
| E.A.K.A.A                      | Pipeline            | GREECE                  | 50,00%                   | EQUITY                  |