

HELLENIC PETROLEUM S.A.

**CONDENSED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2007**



**HELLENIC
PETROLEUM**

HELLENIC PETROLEUM S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2007

(All amounts in Euro thousands unless otherwise stated)

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2007

(All amounts in Euro thousands unless otherwise stated)

I. Company Information

Directors

Efthimios Christodoulou – Chairman of the Board
Panagiotis Kavoulakos – Chief Executive Officer

Dimitrios Mathaiou – Executive Member
John Kostopoulos – Executive Member

Theodoros-Achilleas Vardas – Non executive Member
Andreas Vranas – Non executive member
Dimitrios Deligiannis - Non executive Member
Panagiotis Pavlopoulos – Non executive Member
Vasilios Nikitas – Non executive Member
Iason Stratos – Non executive Member
John Tsoukalas – Non executive Member
Vasilios Bagiokos – Non executive Member
Andreas Palevratzhs – Non executive Member

Registered Office:

54 Amalias Avenue
10558 Athens, Greece

Registration number:

2443/06/86/23 / Ministry of Development

Auditors:

Pricewaterhouse Coopers S.A.
152 32 Halandri
Athens, Greece

HELLENIC PETROLEUM S.A.

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(All amounts in Euro thousands unless otherwise stated)

II. Condensed Interim Consolidated Balance Sheet (Unaudited)

		As at	
	Note	31 March 2007	31 December 2006
ASSETS			
Non-current assets			
Property, plant and equipment	9	1.373.413	1.380.334
Intangible assets	10	123.245	117.270
Investments in affiliated companies		375.930	366.165
Deferred income tax assets		9.734	10.293
Available-for-sale financial assets		3.717	3.813
Loans, advances and other receivables	11	62.105	58.674
		1.948.144	1.936.549
Current assets			
Inventories	12	1.124.243	1.206.683
Trade and other receivables	13	1.042.619	1.049.763
Cash and cash equivalents	14	154.791	170.490
		2.321.653	2.426.936
Total assets		4.269.797	4.363.485
EQUITY			
Share capital	15	1.020.081	1.020.081
Reserves		548.648	571.312
Retained Earnings		747.182	693.517
Capital and reserves attributable to Company Shareholders		2.315.911	2.284.910
Minority interest		114.081	112.700
Total equity		2.429.992	2.397.610
LIABILITIES			
Non-current liabilities			
Borrowings	16	802.042	322.695
Deferred income tax liabilities		21.907	21.492
Retirement benefit obligations		143.455	140.956
Provisions and other long term liabilities	17	96.998	77.043
		1.064.402	562.186
Current liabilities			
Trade and other payables	18	399.907	494.963
Current income tax liabilities		21.543	10.304
Borrowings	16	351.341	895.661
Dividends payable		2.612	2.761
		775.403	1.403.689
Total liabilities		1.839.805	1.965.875
Total equity and liabilities		4.269.797	4.363.485

The notes on pages 8 to 23 are an integral part of these condensed interim consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Accounting Manager

Panagiotis Cavoulacos

Andreas Shiamishis

Athanasios Solomos

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III. Condensed Interim Consolidated Income Statement (Unaudited)

	Note	For the three month period ended	
		31 March 2007	31 March 2006
Sales		1.884.730	2.061.409
Cost of sales		(1.730.805)	(1.875.121)
Gross profit		153.925	186.288
Selling, distribution and administrative expenses	4	(87.271)	(89.080)
Exploration and development expenses		(2.327)	(1.194)
Other operating (expenses) / income - net	5	9.692	(498)
Operating profit		74.019	95.516
Finance costs -net	6	(10.149)	(6.237)
Currency exchange gains /(losses)		(3.544)	12.296
Share of operating profit of associates	7	9.765	5.684
Profit before income tax		70.091	107.259
Income tax expense		(14.396)	(32.472)
Profit for the period		55.695	74.787
(Less) / Add Minority Interest		(1.187)	(2.584)
Net Income attributable to Equity holders of the Company		54.508	72.203
Basic and diluted earnings per share (expressed in Euro per share)	8	0,18	0,24

The notes on pages 8 to 23 are an integral part of these condensed interim consolidated financial statements.

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IV. Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to Company Shareholders			Minority Interest	Total Equity	
	Share Capital	Reserves	Retained Earnings			
Balance at 1 January 2006	1.019.963	543.642	590.933	2.154.538	101.924	2.256.462
Profit for the period	-	-	72.203	72.203	2.584	74.787
Translation exchange differences	-	-	(378)	(378)	212	(166)
Balance at 31 March 2006	1.019.963	543.642	662.758	2.226.363	104.720	2.331.083
Movement - 1 April 2006 to 31 December 2006						
Profit for the period	-	-	187.989	187.989	8.141	196.130
Transfers between reserves	-	26.169	(26.169)	-	-	0
Translation exchange differences	-	-	356	356	(161)	195
Dividends relating to 2005	-	-	(85.574)	(85.574)	-	(85.574)
Dividends relating to 2006	-	-	(45.843)	(45.843)	-	(45.843)
Exercise of employee share options	118	-	-	118	-	118
Unrealised gains / (losses) on revaluation of hedges (Note 19)	-	1.501	-	1.501	-	1.501
Balance at 31 December 2006	1.020.081	571.312	693.517	2.284.910	112.700	2.397.610
Movement - 1 January 2007 to 31 March 2007						
Profit for the period	-	-	54.508	54.508	1.187	55.695
Translation exchange differences	-	-	(843)	(843)	194	(649)
Unrealised gains / (losses) on revaluation of hedges (Note 19)	-	(22.664)	-	(22.664)	-	(22.664)
Balance at 31 March 2007	1.020.081	548.648	747.182	2.315.911	114.081	2.429.992

The notes on pages 8 to 23 are an integral part of these condensed interim consolidated financial statements.

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(All amounts in Euro thousands unless otherwise stated)

V. Condensed Interim Consolidated Cash Flow Statement (Unaudited)

		For the three month period ended	
	Note	31 March 2007	31 March 2006
Cash flows from operating activities			
Cash generated from operations	20	86.570	(184.278)
Income tax paid		(1.446)	(4.029)
Net cash (used in) / generated from operating activities		85.124	(188.307)
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	9,10	(32.613)	(17.390)
Interest received	6	4.433	3.278
Investments in associates		-	(19)
Net cash used in investing activities		(28.180)	(14.131)
Cash flows from financing activities			
Interest paid	6	(14.582)	(9.515)
Dividends paid		(149)	(19.378)
Net movement in short term borrowings		(536.407)	191.897
Net movement in long term borrowings		479.065	0
Net cash generated from / (used in) financing activities		(72.073)	163.004
Net increase decrease in cash & cash equivalents		(15.129)	(39.434)
Cash & cash equivalents at the beginning of the period	14	170.490	193.630
Exchange losses on cash & cash equivalents		(570)	(1.716)
Net increase decrease in cash & cash equivalents		(15.129)	(39.434)
Cash & cash equivalents at end of the period	14	154.791	152.480

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VI. Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

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 annual consolidated financial statements for the year ended 31 December 2006. These can be found on the Group’s website www.hellenic-petroleum.gr.

The condensed interim consolidated financial statements of the Group for the three month period ended 31 March 2007 were authorised for issue by the Board of Directors on 9 May 2007.

Accounting policies

The accounting policies used in the preparation of the condensed interim consolidated financial statements for the three month period ended 31 March 2007 are consistent with those applied for the preparation of the consolidated published accounts for the year ended 31 December 2006. Where necessary comparative figures have been reclassified to conform with changes in the presentation of the current year.

The following standards, amendments and interpretations to existing standards are applicable to the Group for periods on or after 1 January 2007:

- *IFRS 7, Financial instruments: Disclosures and a complementary amendment to IAS1, Presentation of Financial Statements – Capital Disclosures*. IFRS 7 introduces a number of new disclosures to improve the information about financial instruments including qualitative and quantitative information about exposure to risks arising from financial instruments, specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to IAS 1 introduces disclosures about the level of an entity’s capital and how it manages capital. The Group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1. The Group has applied IFRS 7 and the amendment to IAS 1 from annual periods beginning 1 January 2007, but this will only have an impact on the annual financial statements and not the interim financial statements.
- *IFRS 8, Operating Segments (effective for annual periods beginning on or after 1 January 2009)*. IFRS 8 replaces *IAS 14* requiring companies to report financial and descriptive information about its reportable segments and extends the reporting requirements already in place. The Group will not early adopt the standard and is currently assessing the impact this standard will have on the financial statements.
- *IFRIC 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006)*. IFRIC 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group has applied IFRIC 10 from 1 January 2007 without any significant impact on the Group’s condensed financial statements.

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3. ANALYSIS BY INDUSTRY SEGMENT

	Refining	Marketing	Exploration & Production	Petro- chemicals	Gas & Power	Other	Inter- Segment	Total
For the three month period ended 31 March 2007								
Sales	1.770.845	508.258	282	101.668	37.972	2.756	(537.051)	1.884.730
Other operating income / (expense) - net	1.369	2.599	-	843	4.902	(21)	-	9.692
Operating profit (loss)	58.408	4.609	(7.317)	10.019	9.447	(928)	(219)	74.019
Foreign exchange gains/ (losses)	(3.388)	(175)	-	-	-	19	-	(3.544)
Profit before tax, share of net result of associates & finance costs	55.020	4.434	(7.317)	10.019	9.447	(909)	(219)	70.475
Share of net result of associates	-	-	-	186	9.450	-	129	9.765
Profit after associates	55.020	4.434	(7.317)	10.205	9.447	(909)	9.360	80.240
Finance costs - net								(10.149)
Profit before income tax								70.091
Income tax expense								(14.396)
Income applicable to minority interest								(1.187)
Profit for the period attributable to the shareholders of the company								54.508

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	Refining	Marketing	Exploration & Production	Petro- chemicals	Gas & Power	Other	Inter- Segment	Total
For the three month period ended 31 March 2006								
Sales	1.992.295	586.675	282	83.239	25.860	3.294	(630.236)	2.061.409
Other operating income / (expense) - net	4.216	2.426	-	(173)	-	33	(7.000)	(498)
Operating profit (loss)	92.075	9.526	(5.424)	980	1.009	(456)	(2.194)	95.516
Foreign exchange gains/ (losses)	12.244	52	-	-	-	-	-	12.296
Profit before tax, share of net result of associates & finance costs	104.319	9.578	(5.424)	980	1.009	(456)	(2.194)	107.812
Share of net result of associates	-	-	-	210	5.474	-	-	5.684
Profit after associates	104.319	9.578	(5.424)	1.190	1.009	(456)	(2.194)	113.496
Finance costs - net								(6.237)
Profit before income tax								107.259
Income tax expense								(32.472)
Income applicable to minority interest								(2.584)
Profit for the period attributable to the shareholders of the company								72.203

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The segment assets and liabilities at 31 March 2007 are as follows:

	Refining	Marketing	Exploration & Production	Petro- chemicals	Gas & Power	Other	Inter- Segment	Total
Total assets	3.209.049	777.984	13.624	285.263	277.854	876.275	(1.170.252)	4.269.797
Net assets	2.095.613	331.377	13.624	124.138	47.332	2.670	(184.762)	2.429.992
Capital expenditure	19.391	9.970	3.058	65	95	34	-	32.613
Depreciation & Amortisation	15.799	7.085	608	4.310	4.272	114	-	32.188

The segment assets and liabilities at 31 December 2006 are as follows:

	Refining	Marketing	Exploration & Production	Petro- chemicals	Gas & Power	Other	Inter- Segment	Total
Total assets	3.394.692	794.782	12.212	290.629	281.969	484.666	(895.465)	4.363.485
Net assets	2.144.985	332.685	12.212	127.571	42.331	3.552	(265.726)	2.397.610
Capital expenditure (Full year)	80.997	61.595	-	1.157	1.044	17	-	144.810
Depreciation & Amortisation (Full year)	80.717	28.972	2.407	17.488	16.168	468	-	146.220

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4. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

	For the three month period ended	
	31 March 2007	31 March 2006
Selling and distribution expenses	54.242	58.994
Administrative expenses	33.029	30.086
	87.271	89.080

5. OTHER OPERATING (EXPENSES) / INCOME – NET

Other operating (expenses) / income – net include amongst other items income or expenses which do not represent trading activities of the Group.

6. FINANCE COSTS – NET

	For the three month period ended	
	31 March 2007	31 March 2006
Interest income	4.433	3.278
Interest expense and similar charges	(14.582)	(9.515)
Finance costs -net	(10.149)	(6.237)

7. SHARE OF NET RESULT OF ASSOCIATED COMPANIES

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

	For the three month period ended	
	31 March 2007	31 March 2006
Public Natural Gas Corporation of Greece (DEPA)	9.450	5.474
Volos Pet Industries A.E.	186	210
Other	129	-
Total	9.765	5.684

8. 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 three month period ended	
	31 March 2007	31 March 2006
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	0,18	0,24
Net income attributable to ordinary shares (Euro in thousands)	54.508	72.203
Average number of ordinary shares outstanding	305.622.635	305.622.245

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(All amounts in Euro thousands unless otherwise stated)

9. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Con- struction	Total
Cost							
As at 1 January 2006	200.363	398.747	1.784.298	40.149	65.820	122.716	2.612.093
Additions	11.769	13.839	13.438	596	4.923	89.901	134.466
Capitalised projects	-	1.906	31.715	-	1.728	(35.349)	-
Disposals	(1.351)	(4.560)	(9.759)	(1.189)	(576)	(48)	(17.483)
Transfers and other movements	(5.574)	(25.761)	16.841	301	(181)	(18.941)	(33.315)
As at 31 December 2006	205.207	384.171	1.836.533	39.857	71.714	158.279	2.695.761
Accumulated Depreciation							
As at 1 January 2006	1.305	195.578	936.019	21.136	52.310	(195)	1.206.153
Charge for the year	-	15.000	113.171	2.992	5.820	-	136.983
Disposals	-	(581)	(11.387)	(908)	(459)	-	(13.335)
Transfers and other movements	(1.305)	(19.117)	6.855	28	(1.030)	195	(14.374)
As at 31 December 2006	-	190.880	1.044.658	23.248	56.641	-	1.315.427
Net Book Value at 31 December 2006	205.207	193.291	791.875	16.609	15.073	158.279	1.380.334
Cost							
As at 1 January 2007	205.207	384.171	1.836.533	39.857	71.714	158.279	2.695.761
Additions	1.060	1.773	1.665	34	813	21.271	26.616
Capitalised projects	-	472	989	-	8	(1.469)	-
Disposals	-	-	(51)	(37)	(280)	-	(368)
Transfers and other movements	1.738	(7.280)	6.344	(5)	320	(5.573)	(4.456)
As at 31 March 2007	208.005	379.136	1.845.480	39.849	72.575	172.508	2.717.553
Accumulated Depreciation							
As at 1 January 2007	-	190.880	1.044.658	23.248	56.641	-	1.315.427
Charge for the period	-	3.922	24.227	711	1.365	-	30.225
Disposals	-	-	(42)	(20)	(279)	-	(341)
Transfers and other movements	-	(2.519)	1.283	(3)	68	-	(1.171)
As at 31 March 2007	-	192.283	1.070.126	23.936	57.795	-	1.344.140
Net Book Value at 31 March 2007	208.005	186.853	775.354	15.913	14.780	172.508	1.373.413

HELLENIC PETROLEUM S.A.**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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	Goodwill	Computer software	Licences & Rights	Other	Total
<u>Cost</u>					
As at 1 January 2006	134.739	39.003	31.582	1.786	207.110
Additions	2.680	2.709	-	4.955	10.344
Disposals	-	(204)	-	-	(204)
Other movements	(153)	1.284	-	21.369	22.500
As at 31 December 2006	137.266	42.792	31.582	28.110	239.750
<u>Accumulated Amortisation</u>					
As at 1 January 2006	71.829	31.681	7.093	1.648	112.251
Charge for the year	-	5.159	3.463	615	9.237
Disposals	-	(204)	-	-	(204)
Other movements	-	926	1	269	1.196
As at 31 December 2006	71.829	37.562	10.557	2.532	122.480
Net Book Value at 31 December 2006	65.437	5.230	21.025	25.578	117.270
<u>Cost</u>					
As at 1 January 2007	137.266	42.792	31.582	28.110	239.750
Additions	523	1.103	3.058	1.313	5.997
Other movements	(7)	(10)	-	1.913	1.896
As at 31 March 2007	137.782	43.885	34.640	31.336	247.643
<u>Accumulated Amortisation</u>					
As at 1 January 2007	71.829	37.562	10.557	2.532	122.480
Charge for the period	-	949	866	148	1.963
Other movements	-	19	-	(64)	(45)
As at 31 March 2007	71.829	38.530	11.423	2.616	124.398
Net Book Value at 31 March 2007	65.953	5.355	23.217	28.720	123.245

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(All amounts in Euro thousands unless otherwise stated)

11. LOANS ADVANCES AND OTHER RECEIVABLES

	As at	
	31 March 2007	31 December 2006
Loans and advances	21.936	21.485
Other long term assets	40.169	33.592
Derivatives designed as cash flow hedges (Note 19)	-	3.597
Total	62.105	58.674

12. INVENTORIES

	As at	
	31 March 2007	31 December 2006
Crude oil	357.869	343.669
Refined products and semi-finished products	665.769	759.920
Petrochemicals	30.243	31.970
Consumable materials and other	70.362	71.124
Total	1.124.243	1.206.683

13. TRADE AND OTHER RECEIVABLES

	As at	
	31 March 2007	31 December 2006
Trade receivables	835.601	860.955
Other receivables	178.137	164.774
Derivatives held for trading (Note 19)	7.357	7.605
Deferred charges and prepayments	21.524	16.429
Total	1.042.619	1.049.763

14. CASH AND CASH EQUIVALENTS

	As at	
	31 March 2007	31 December 2006
Cash at Bank and in Hand	102.941	136.281
Short term bank deposits	51.850	34.209
Total cash and cash equivalents	154.791	170.490

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

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15. SHARE CAPITAL

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January 2006	305.622.245	666.256	353.707	1.019.963
Exercise of employee share options	12.940	29	89	118
As at 31 December 2006	305.635.185	666.285	353.796	1.020.081
As at 31 March 2007	305.635.185	666.285	353.796	1.020.081

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

16. BORROWINGS

	As at	
	31 March 2007	31 December 2006
Non-current borrowings		
Bank borrowings	802.042	56.939
Bond loan	-	265.756
Total non-current borrowings	802.042	322.695
Current borrowings		
Short term loans	330.618	873.823
Current portion of long term debt	20.723	21.838
Total current borrowings	351.341	895.661
Total borrowings	1.153.383	1.218.356

Hellenic Petroleum Finance plc (HPF plc) was established in November 2005 in the U.K. as a 100% subsidiary of Hellenic Petroleum S.A. The company acts as the central treasury vehicle of the Hellenic Petroleum Group and its activities include the financing of the Group companies. The total outstanding loan balance of HPF plc as of 31 March 2007 was €861 million.

On 2 February 2007, HPF plc signed a five year syndicated credit facility agreement of US \$1,18 billion with two one-year extension options and with the guarantee of Hellenic Petroleum S.A. A total of fifteen Greek and International financial institutions participated in the facility. The facility will be used to refinance existing financial indebtedness of the Hellenic Petroleum Group including the \$350 million bond loan issued by the parent company in February 2005 and for general corporate purposes.

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Bond Loan

On 14 February 2007, the bond loan of US\$ 350 million issued by the parent Company in February 2005 was repaid using part of the proceeds of HPF's US\$ 1,18 billion facility, as mentioned above.

17. PROVISIONS AND OTHER LIABILITIES

	As at	
	31 March 2007	31 December 2006
Government grants	25.614	25.614
Derivatives designed as cash flow hedges (Note 19)	21.163	2.097
Other provisions	50.221	49.332
Total	96.998	77.043

Government grants

Grants by the Government (Hellenic State) to the Parent Company for the purposes of upstream 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.

18. TRADE AND OTHER PAYABLES

	As at	
	31 March 2007	31 December 2006
Trade payables	285.805	381.067
Accrued Expenses & Deferred Income	34.004	21.372
Government grants	33.655	34.780
Derivatives held for trading (Note 19)	12.983	1.307
Other payables	33.460	56.437
Total	399.907	494.963

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19. DERIVATIVE FINANCIAL INSTRUMENTS

	31 March 2007		31 December 2006	
	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading				
Commodity derivatives:				
Commodity swaps	7.357	12.983	7.605	1.307
	<u>7.357</u>	<u>12.983</u>	<u>7.605</u>	<u>1.307</u>
Total held for trading	<u>7.357</u>	<u>12.983</u>	<u>7.605</u>	<u>1.307</u>
Derivatives designated as cash flow hedges				
Commodity swaps	-	21.163	3.597	2.097
Total cash flow hedges	<u>-</u>	<u>21.163</u>	<u>3.597</u>	<u>2.097</u>
Total	<u>7.357</u>	<u>34.146</u>	<u>11.202</u>	<u>3.404</u>
Non-current portion				
Commodity swaps (Notes 11, 17)	-	21.163	3.597	2.097
	<u>-</u>	<u>21.163</u>	<u>3.597</u>	<u>2.097</u>
Current portion				
Commodity swaps (Notes 13, 18)	7.357	12.983	7.605	1.307
	<u>7.357</u>	<u>12.983</u>	<u>7.605</u>	<u>1.307</u>
Total	<u>7.357</u>	<u>34.146</u>	<u>11.202</u>	<u>3.404</u>

Derivatives held for trading

(a) Commodity swaps

The Group enters in to commodity swap derivative contracts in order to manage its exposures to price risk. To the extent that these contracts are not designated as hedges, they are categorized as derivatives held-for-trading. The fair value of derivatives held-for-trading is recognized on the balance sheet in Trade and other debtors and Trade and other payables. Changes in the fair value of these derivatives are charged to the Income Statement within Other (expenses)/income – net.

Derivatives designated as cash flow hedges

(a) Commodity swaps

The Group 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 the IAS 39 treatment for hedge accounting. The changes in the fair value of the Commodity swaps at the balance sheet date were recognised in Loans, advances and Other Receivables, Other long term liabilities and the net gains and losses in shareholders' equity.

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20. CASH GENERATED FROM OPERATIONS

		For the three month period ended	
	Note	31 March 2007	31 March 2006
Profit before tax		70.091	107.259
Adjustments for:			
Depreciation and amortisation of tangible and intangible assets	8,9	32.188	38.130
Amortisation of government grants		(1.125)	(1.619)
Financial (income)/ expenses	5	10.149	6.237
Share of operating profit of associates		(9.765)	(5.684)
Provisions		1.971	5.442
Foreign exchange (gains) / losses		3.544	(12.296)
(Gain) / loss on sales of fixed assets		-	235
		107.053	137.704
Changes in working capital			
(Increase) / decrease in inventories		82.586	(184.575)
(Increase) / decrease in trade and other receivables		14.034	(28.994)
Increase / (decrease) in payables		(117.103)	(108.413)
		(20.483)	(321.982)
Net cash (used in) / generated from operating activities		86.570	(184.278)

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21. 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 three month period ended	
	31 March 2007	31 March 2006
Sales of goods and services to related parties	226.127	225.482
Purchases of goods and services from related parties	6.805	6.348
	232.932	231.830
	As at	
	31 March 2007	31 December 2006
Balances due to related parties	3.527	4.323
Balances due from related parties	144.036	156.782
	147.563	161.105
	For the three month period ended	
	31 March 2007	31 March 2006
Charges for directors remuneration	864	770

All transactions with related parties are conducted under normal trading and commercial terms on an arm's length basis

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 €289.404 as at 31 March 2007 (31 December 2006: €418.481) which represent loan balances due to the following related financial institutions:
 - National Bank of Greece
 - Agricultural Bank of Greece
 - Commercial Bank of Greece ceased to be a related party since the takeover by Calyon in June 2006
- 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.

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- Spata Aviation Fuel Company S.A. (SAFCO)
 - 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 €184.561 as at 31 March 2007 (31 December 2006: €266.133) 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.
 - Private Sea Marine Services (ex Lamda Shipyards)

22. COMMITMENTS

Significant contractual commitments of the Company are as follows:

- Total capital commitments for the Group amount to €117 million (31 December 2006: €63 million). Out of the €117 million, €48 million relate to the Hydrocracker project.
- Upstream exploration and development costs of €15 million (31 December 2006: €18 million) have been committed as part of the Joint Operating Agreements (JOA) in place. These commitments will depend on the progress of exploration activities.

23. CONTINGENCIES AND LITIGATION

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. Provisions are set up by the Group against such matters whenever deemed necessary and included in other provisions (note 17). 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 Group generates income from the discoveries resulting from its expenditure and therefore is included as part of long-term liabilities (see note 17). (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.
- (ii) 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.
- (iii) Hellenic Petroleum S.A. has not undergone a tax audit for the years ended from 31 December 2002 to 31 December 2006. 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.
- (iv) 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.
- (v) The Company has given letters of comfort and guarantees of €1.168 million to banks for loans undertaken by subsidiaries and associates of the Group, the outstanding amount of which as of 31 March 2007 was

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- €1.047 million. The Group has also issued letters of credit and guarantees in favour of third parties amounting to € 551 million mainly for the completion of contracts entered into by the Group.
- (vi) 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 31 March 2007, the Performance Bond had decreased to €12 million (31 December 2006: €17 million).
 - (vii) In prior years, the Group took advantage of the provisions of Law 3220/2004 of the Hellenic Republic and has set up tax free reserves to an amount of €81 million. The EU Commission has subsequently challenged this law as being a government subsidy that is not in accordance with EU policies and is in the process of investigating this matter with the Greek Government. In the event that the EU commission finally determines that Law 3220/2004 of the Hellenic Republic was a form of government subsidy that was contrary to EU policies, it may force the Greek government to withdraw this law and request the companies that took benefit of its provisions to pay the corresponding taxes, which in the case of the Group would amount to approximately €20 million. Group management monitors this matter and since the Group has lawfully operated within the provisions of the law, it does not believe that the final outcome of the case would materially impact the financial position of the Company or the Group.
 - (viii) Following complaints by IATA, the Greek Competition Committee initiated an investigation into the pricing of aviation jet fuel in the Greek market. The conclusion of the investigation was to assert a fine of €9.4m to all Greek refineries, Hellenic Petroleum share accounts for €7,3m and it is based on a percentage of the relevant sales revenues in the year preceding the complaint. The Group believes that the rationale of the conclusion has not taken into account critical evidence presented. To this effect an appeal has been filed with the Athens Administrative Court of Appeals, while in parallel a petition to suspend the decision has also been filed and partially accepted; the Court has suspended the corrective measures imposed by the Greek Competition Committee until 31 August 2007, but did not suspend the payment of the fine.

24. DIVIDENDS PAID

The AGM of 31 May 2006 approved a final dividend of €0,28 per share (€ 85.574) bringing the total dividend for 2005 to €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 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 for 2006, and the final dividend of 2005 (totalling € 131.417) are included in the interim consolidated financial statements of the Group for the year ended 31 December 2006.

A proposal to the AGM for an additional € 0,28 per share as final dividend was approved by the Board of Directors on 21 February 2007. This amounts to €85.578 and is not included in the Financial Statements of the Group, as it has not yet been approved by the Shareholders' AGM.

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25. 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 KALYPSO	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
HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES	Energy	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