HELLENIC PETROLEUM S.A.

CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED

30 SEPTEMBER 2014

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(All amounts in Euro thousands unless otherwise stated)

I. Company Information

Directors	Ioannis Papathanasiou – Chairman of the Board John Costopoulos – Chief Executive Officer, Member Theodoros-Achilleas Vardas –Member Andreas Shiamishis –Member Vassilios Nikoletopoulos –Member Panagiotis Ofthalmides –Member Theodoros Pantalakis –Member Spyridon Pantelias –Member Konstantinos Papagiannopoulos –Member Christos Razelos Member Ioannis Raptis Member Ioannis Sergopoulos –Member Aggelos Chatzidimitriou, Member

John Costopoulos, Theodoros-Achilleas Vardas and Andreas Shiamishis are executive members of the board

Other Board Members during the year	Christos-Alexis Komninos – Chairman of the Board (23/12/2011 - 23/2/2014)
Registered Office:	8A Chimarras Str. 15125 Maroussi, Greece
Registration number:	2443/06/B/86/23
General Commercial Registry	000269901000

(All amounts in Euro thousands unless otherwise stated)

II. Condensed Interim Statement of Financial Position

	Note	As at 30 September 2014	As at 31 December 2013
ASSETS			
Non-current assets			
Property, plant and equipment	**10**	2.776.050	2.804.714
Intangible assets	**11**	9.492	10.776
Investments in subsidiaries, associates and joint ventures		659.826	654.068
Deferred income tax assets		66.848	25.056
Available-for-sale financial assets		50	45
Loans, advances and long-term assets		142.795	142.742
		3.655.061	**3.637.401**
Current assets			
Inventories	**12**	954.254	882.040
Trade and other receivables	**13**	863.418	865.560
Derivative financial instruments		-	5.263
Cash, cash equivalents and restricted cash	**14**	1.064.427	739.311
		2.882.099	**2.492.174**
Total assets		**6.537.160**	**6.129.575**
EQUITY			
Share capital	**15**	1.020.081	1.020.081
Reserves	**16**	556.718	561.694
Retained Earnings		(85.910)	24.594
Total equity		**1.490.889**	**1.606.369**
LIABILITIES			
Non- current liabilities			
Borrowings	**17**	1.802.128	1.226.430
Retirement benefit obligations		67.464	72.527
Provisions for other liabilities and charges		3.000	3.000
Other long term liabilities		12.878	13.895
		1.885.470	**1.315.852**
Current liabilities			
Trade and other payables	**18**	2.108.182	2.053.275
Derivative financial instruments		1.460	-
Current income tax liabilities	**8**	-	6.952
Borrowings	**17**	1.050.211	1.145.820
Dividends payable		948	1.307
		3.160.801	**3.207.354**
Total liabilities		**5.046.271**	**4.523.206**
Total equity and liabilities		**6.537.160**	**6.129.575**

The notes on pages 8 to 29 are an integral part of this condensed interim financial information.

I. Papathanasiou	J. Costopoulos	A. Shiamishis	S. Papadimitriou
Chairman of the Board	Chief Executive Officer	Chief Financial Officer	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

III. Condensed Interim Statement of Comprehensive Income

	Note	For the nine month period ended 30 September 2014	30 September 2013	For the three month period ended 30 September 2014	30 September 2013
Sales		**6.542.111**	**6.906.069**	**2.414.230**	**2.442.930**
Cost of sales		(6.463.460)	(6.888.853)	(2.405.125)	(2.382.459)
Gross profit		**78.651**	**17.216**	**9.105**	**60.471**
Selling and distribution expenses		(82.982)	(82.559)	(28.707)	(28.482)
Administrative expenses		(52.222)	(57.127)	(17.944)	(18.899)
Exploration and development expenses		(2.310)	(2.117)	(993)	(269)
Other operating income / (expenses) - net	5	(2.021)	(31.941)	(18)	(5.894)
Dividend income		47.545	17.122	-	-
Operating profit / (loss)		**(13.339)**	**(139.406)**	**(38.557)**	**6.927**
Finance (expenses) / income -net	6	(132.162)	(124.186)	(46.717)	(43.182)
Currency exchange gains / (losses)	7	(5.047)	2.925	(4.538)	(269)
Profit / (loss) before income tax		**(150.548)**	**(260.667)**	**(89.812)**	**(36.524)**
Income tax expense	8	40.044	57.199	32.015	13.336
Profit / (Loss) for the period		**(110.504)**	**(203.468)**	**(57.797)**	**(23.188)**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Acruarial gains / (losses) on defined benefit pension plans		-	-	-	-
		-	-	-	-
Items that may be reclassified subsequently to profit or loss:					
Fair value gains/(losses) on cash flow hedges		(4.976)	7.276	(10.146)	(112)
Derecognition of gains/(losses) on hedges through comprehensive income		-	29.638	-	10.406
		(4.976)	**36.914**	**(10.146)**	**10.294**
Other Comprehensive income/(loss) for the period, net of tax		**(4.976)**	**36.914**	**(10.146)**	**10.294**
Total comprehensive income/(loss) for the period		**(115.480)**	**(166.554)**	**(67.943)**	**(12.894)**
Basic and diluted earnings per share (expressed in Euro per share)	9	**(0,36)**	**(0,67)**	**(0,19)**	**(0,08)**

The notes on pages 8 to 29 are an integral part of this condensed interim financial information.

(All amounts in Euro thousands unless otherwise stated)

IV. Condensed Interim Statement of Changes in Equity

	Note	Share Capital	Reserves	Retained Earnings	Total Equity
Balance at 1 January 2013		**1.020.081**	**523.400**	**363.592**	**1.907.073**
Fair value gains / (losses) on cash flow hedges		-	7.276	-	7.276
Derecognition of gains/(losses) on hedges through comprehensive income		-	29.638	-	29.638
Other comprehensive income		**-**	**36.914**	**-**	**36.914**
Profit / (Loss) for the period		-	-	(203.468)	(203.468)
Total comprehensive income / (loss) for the period		**-**	**36.914**	**(203.468)**	**(166.554)**
Dividends	**23**	-	-	(45.845)	(45.845)
Balance at 30 September 2013		**1.020.081**	**560.314**	**114.279**	**1.694.674**
Movement - 1 October 2013 to 31 December 2013					
Actuarial gains / (losses) on defined benefit pension plans		-	(2.349)	-	(2.349)
Fair value gains / (losses) on cash flow hedges		-	2.128	-	2.128
Derecognition of gains/(losses) on hedges through comprehensive income		-	1.827	-	1.827
Other comprehensive income		**-**	**1.606**	**-**	**1.606**
Profit / (Loss) for the period		-	-	(90.162)	(90.162)
Total comprehensive income / (loss) for the period		**-**	**1.606**	**(90.162)**	**(88.556)**
Share based payments		-	(226)	477	251
Balance at 31 December 2013		**1.020.081**	**561.694**	**24.594**	**1.606.369**
Movement - 1 January 2014 to 30 September 2014					
Fair value gains / (losses) on cash flow hedges		-	(4.976)	-	(4.976)
Other comprehensive income		**-**	**(4.976)**	**-**	**(4.976)**
Profit / (Loss) for the period		-	-	(110.504)	(110.504)
Total comprehensive income / (loss) for the period		**-**	**(4.976)**	**(110.504)**	**(115.480)**
Balance at 30 September 2014		**1.020.081**	**556.718**	**(85.910)**	**1.490.889**

The notes on pages 8 to 29 are an integral part of this condensed interim financial information.

(All amounts in Euro thousands unless otherwise stated)

V. Condensed Interim Statement of Cash Flows

		For the nine month period ended	
	Note	**30 September 2014**	**30 September 2013**
Cash flows from operating activities			
Cash used in operations	**19**	32	(441.070)
Income tax paid		(13.376)	-
Net cash generated from / (used in) operating activities		**(13.344)**	**(441.070)**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**10,11**	(72.147)	(46.757)
Dividends received		47.545	13.748
Interest received	**6**	14.193	10.904
Participation in share capital increase of affiliated companies		(13)	(2.504)
Net cash used in investing activities		**(10.422)**	**(24.609)**
Cash flows from financing activities			
Interest paid		(120.540)	(102.105)
Dividends paid		(359)	(43.703)
Loans to affiliated companies		-	(137.900)
Proceeds from borrowings		1.041.015	1.151.170
Repayments of borrowings		(593.137)	(632.374)
Net cash generated from financing activities		**326.979**	**235.088**
Net increase in cash, cash equivalents and restricted cash		**303.213**	**(230.591)**
Cash, cash equivalents and restricted cash at beginning of the period	**14**	**739.311**	**627.738**
Exchange gains / (losses) on cash, cash equivalents and restricted cash		21.903	(1.989)
Net increase in cash, cash equivalents and restricted cash		303.213	(230.591)
Cash, cash equivalents and restricted cash at end of the period	**14**	**1.064.427**	**395.158**

The notes on pages 8 to 29 are an integral part of this condensed interim financial information.

VI. Notes to the Condensed Interim Financial Information

1. GENERAL INFORMATION

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

2. BASIS OF PREPARATION, ACCOUNTING POLICIES AND ESTIMATES

Basis of preparation

The interim financial information of Hellenic Petroleum S.A is prepared in accordance with International Accounting Standard 34 (IAS 34) – *Interim Financial Reporting*, and presents the financial position, results of operations and cash flows of the Company on a going concern basis. In this respect Management has concluded that (a) the going concern basis of preparation of the accounts is appropriate, and (b) all assets and liabilities are appropriately presented in accordance with the Company's accounting policies.

This interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. These can be found on the Company's website **www.helpe.gr**.

The condensed interim financial information of the Company for the nine month period ended 30 September 2014 was authorised for issue by the Board of Directors on 10 November 2014.

Accounting policies and the use of estimates

The accounting policies used in the preparation of the condensed interim financial information for the nine month period ended 30 September 2014 are consistent with those applied for the preparation of the financial statements for the year ended 31 December 2013, except as described below. Where necessary, comparative figures have been reclassified to conform to changes in the presentation of the current year. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Company's evaluation of the effect of these new standards, amendments to standards and interpretations is set out below.

The following standards, amendments to standards and interpretations to existing standards may be applicable to the Company for periods on or after 1 January 2014:

- *IAS 32 (Amendment) "Financial Instruments: Presentation"* (<u>effective for annual periods beginning on or after 1 January 2014</u>). This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The adoption of the amendment does not have a significant impact for the Company.

- *IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets" (<u>effective for annual periods beginning on or after 1 January 2014</u>)*. This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed. Also, it removes the requirement to disclose the recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment. The Company is currently evaluating the impact the amendment will have on its financial statements.

- *IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" (<u>effective for annual periods beginning on or after 1 January 2014</u>)*. This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met. The adoption of the amendment does not have a significant impact for the Company.

- *IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018).* IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 Hedge Accounting establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model of IAS 39. The Company is currently investigating the impact of IFRS 9 on its financial statements. The Company cannot currently early adopt IFRS 9 as it has not been endorsed by the EU.

- *IFRIC 21 "Levies" (effective for annual periods beginning on or after 17 June 2014)*. This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date. The Company is currently evaluating the impact the amendment will have on its financial statements.

- Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2014):

  The International Accounting Standards Board ("IASB") has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These amendments do not have a significant impact for the Company. The main provisions are as follows:

  - *IFRS 10 "Consolidated Financial Statements"*. IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

  - *IFRS 11 "Joint Arrangements"*. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

  - *IFRS 12 "Disclosure of Interests in Other Entities"*. IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

  - *IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance"*. The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

- *IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities"*. The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

- *IAS 27 (Amendment) "Separate Financial Statements"*. This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" regarding separate financial statements.

- *IAS 28 (Amendment) "Investments in Associates and Joint Ventures"*. IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

- *IAS 19R (Amendment) "Employee Benefits"* *<u>(effective for annual periods beginning on or after 1 July 2014)</u>*. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments have not yet been endorsed by the EU.

- Annual Improvements to IFRSs 2012 <u>(effective for annual periods beginning on or after 1 July 2014):</u>

  The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

  - *IFRS 2 "Share-based payment"*. The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

  - *IFRS 3 "Business combinations"*. The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

  - *IFRS 8 "Operating segments"*. The amendment requires disclosure of the judgements made by management in aggregating operating segments.

  - *IFRS 13 "Fair value measurement"*. The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of non-discounting is immaterial.

  - *IAS 16 "Property, plant and equipment"* and *IAS 38 "Intangible assets"*. Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

  - *IAS 24 "Related party disclosures".* The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

- Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after 1 July 2014):

  The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

  - *IFRS 3 "Business combinations".* This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

  - *IFRS 13 "Fair value measurement".* The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

  - *IAS 40 "Investment property".* The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

- Annual Improvements to IFRSs 2014 (effective for annual periods beginning on or after 1 January 2016):

  The amendments set out below describe the key changes to four IFRSs. The improvements have not yet been endorsed by the EU.

  - *IFRS 5 "Non-current assets held for sale and discontinued operations".* The amendment clarifies that, when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution', or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

  - *IFRS 7 "Financial instruments: Disclosures".* The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, "Disclosure – Offsetting financial assets and financial liabilities" is not specifically required for all interim periods, unless required by IAS 34.

  - *IAS 19 "Employee benefits".* The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

  - *IAS 34 "Interim financial reporting".* The amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'.

- *IFRS 11 (*Amendment) "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2016). This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business'. This amendment has not yet been endorsed by the EU.

- *IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortisation"* (effective for annual periods beginning on or after 1 January 2016)**.** This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. These amendments have not yet been endorsed by the EU.

- *IFRS 10 and IAS 28 (Amendments) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"* <u>(effective for annual periods beginning on or after 1 January 2016)</u>. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments have not yet been endorsed by the EU.

- *IAS 27 (Amendment) "Separate financial statements"* (<u>effective for annual periods beginning on or after 1 January 2016</u>). This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements. This amendment has not yet been endorsed by the EU

- *IFRS 15 "Revenue from Contracts with Customers"* <u>(effective for annual periods beginning on or after 1 January 2017).</u> IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The standard has not yet been endorsed by the EU.

3. FINANCIAL RISK MANAGEMENT

The Company's activities are primarily centred on its Downstream Oil & Gas assets, with secondary or new activities relating to Petrochemicals and exploration of hydrocarbons. As such, the Company is exposed to a variety of financial and commodity markets risks, including foreign exchange and commodity price risk, credit risk, liquidity risk, cash flow risk and fair value interest-rate risk. In line with international best practices and within the context of local markets and legislative framework, the Company's overall risk management policies aim at reducing possible exposure to market volatility and / or mitigating its adverse effects on the financial position of the Company to the extent possible.

Details of the Company's risk management policies and assessment of the risks assumed in its business are disclosed in the notes to the annual financial statements for the year ended 31 December 2013. Given market developments since 2011, the key priority of the Company has been the management of Asset and Liabilities maturity profile and funding with respect to the completion of its strategic investment plan and liquidity risk for operations.

During the previous years the Company faced exceptional challenges and increased cost of doing business (higher cost of funding, increased supply costs) mainly as a result of the economic crisis in Greece and the political uncertainty. In the second half of 2013 GDP decline slowed significantly compared to the previous 4 years whilst at the same time, transport and heating fuels consumption stabilised after 18 consecutive quarters of decline, a trend that continues through 2014. While the economic situation in Greece remains challenging sentiment about political and economic developments has notably improved in 2013, and 2014 is expected to be the first year of GDP growth, according to consensus, after 6 years of recession. Furthermore the ability of certain Greek corporates, including Hellenic Petroleum, to raise financing in the capital markets as well as the recapitalization of the Greek banking system, are expected to contribute towards alleviating the liquidity conditions as well as the risk profile of the Greek economy.

Financial results for the nine month period ended 30 September 2014 have been affected by a number of factors that impacted the Company's trading, working capital requirements, cost of supply and in turn funding and liquidity requirements. In the first months of 2014 political developments in Iraq, Libya and Ukraine kept global benchmark prices at high levels ($105-115/bbl) and the availability of certain types of crude curtailed in the European and, more particularly, the Mediterranean market. These developments were added to the EU/US sanctions on Iranian crude imposed in 2012, as well as the reduced supply of Urals (Russian export crude) to Europe and especially the Med. The combination of these events drove the discount of Urals versus Brent (a proxy for sweet-sour differentials) to historical lows, significantly increasing the cost of supply for sour crudes. These types of crudes typically represent a significant part of the crude feed for complex refiners such as Hellenic Petroleum. Adjusting to these challenges, the Company changed its working capital supply chain allowing uninterrupted operations and supply of the Greek market, albeit with an increase in the cost of supply. During the third quarter crude prices globally recorded a significant decline (Brent from $112/bbl to $95/bbl), on the back of increased crude production in the US (shale/tight oil), Libya and Iraq, which were also supported by the weakening of the Euro. The developments of this quarter led to lower cost of crude and higher refining margins for Med refiners.

(All amounts in Euro thousands unless otherwise stated)

Overall the Company and its' subsidiaries (the "Group"), have c. €3,8 billion of capital employed which is driven from working capital, and investment in fixed assets and the Group's investment in DEPA Group. Current assets are mainly funded with current liabilities (excl. bank debt) and short term bank debt which is used to finance working capital (inventories and receivables). As a result of the investment plan, during the last few years, debt level has increased to 40-50% of total capital employed, while the rest is financed through shareholders equity. The Group plans to reduce its debt levels through utilization of the incremental operating cashflows, post completion and operation of the new Elefsina refinery, along with the expected sale proceeds of its stake in DESFA, which will to lead to lower Debt to Equity ratio, as well as lower financing costs.

In line with its medium term financing plan, the Group has maintained a mix of long term and short term facilities by taking into consideration bank and debt capital markets' credit capacity and cost as well as cash flow planning and commercial considerations. As a result, approximately 60% of total debt is financed by medium to long term committed credit lines and notes issued in the international debt capital markets, while the rest is financed by short term working capital type revolving facilities. Further details of the relevant loans and refinancing are provided in note 17, "Borrowings".

Fair value estimation

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

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

The following table presents the Company's assets and liabilities that are measured at fair value at 30 September 2014:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging	-	-	-	-
Available for sale financial assets	50	-	-	50
	50	**-**	**-**	**50**
Liabilities				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	1.460	-	1.460
	-	**1.460**	**-**	**1.460**

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2013:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging	-	5.263	-	5.263
Available for sale financial assets	45	-	-	45
	45	**5.263**	**-**	**5.308**
Liabilities				
Derivatives held for trading	-	-	-	-
	-	**-**	**-**	**-**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These financial instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of commodity swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

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

The fair value of the following financial assets and liabilities approximate their carrying amount:

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

4. ANALYSIS BY SEGMENT

All critical operating decisions are made by the Executive Committee, which reviews the Company's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The committee evaluates the business performance of each business segment, using a number of parameters, which may vary depending on its nature and maturity and by taking into account the prevailing business risks, cash flow needs, as well as product and market considerations.

(All amounts in Euro thousands unless otherwise stated)

Information on revenue and profit regarding the Company's operating segments is presented below:

For the nine month period ended 30 September 2014	Note	Refining	Petro-chemicals	Exploration & Production	Other	Total
Sales		6.323.829	218.142	213	(73)	6.542.111
Operating profit / (loss)		**(95.489)**	**39.345**	**(3.811)**	**46.616**	**(13.339)**
Currency exchange gains / (losses)	7					(5.047)
Finance income/(expense) - net	6					(132.162)
Profit/ (Loss) before income tax						**(150.548)**
Income tax credit / (expense)	8					40.044
Profit/ (Loss) for the period						**(110.504)**

For the nine month period ended 30 September 2013	Note	Refining	Petro-chemicals	Exploration & Production	Other	Total
Sales		6.681.991	223.080	873	125	6.906.069
Operating profit / (loss)		**(170.720)**	**18.092**	**(2.980)**	**16.202**	**(139.406)**
Currency exchange gains / (losses)	7					2.925
Finance income/(expense) - net	6					(124.186)
Profit/ (Loss) before income tax						**(260.667)**
Income tax expense	8					57.199
Profit/ (Loss) for the period						**(203.468)**

There has been no material change in the segmental analysis of total assets or total liabilities from the amounts disclosed in the 2013 annual financial statements of the Company.

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

	For the nine month period ended		For the three month period ended	
	30 September 2014	**30 September 2013**	**30 September 2014**	**30 September 2013**
Income from grants' amortisation	1.017	2.113	339	704
Services to third parties	1.083	1.027	506	400
Rental income	1.800	1.948	462	645
Voluntary retirement scheme cost	(5.354)	-	-	-
Impairment losses from associates	-	(10.985)	-	-
Other income / (expense)	(567)	952	(1.325)	(43)
Other operating income / (expenses)	**(2.021)**	**(4.945)**	**(18)**	**1.706**
Other operating gains/(losses)	-	(26.996)	-	(7.600)
Other operating income / (expenses) - net	**(2.021)**	**(31.941)**	**(18)**	**(5.894)**

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

Other operating gains/(losses) in 2013 included losses on derivative financial instruments reclassified from cash flow hedges. Also included in 2013 were impairment losses of €11 million relating to the write down of the Company's investment in Artenius Hellas S.A. which started liquidation proceedings.

6. FINANCE (EXPENSES)/INCOME – NET

	For the nine month period ended		For the three month period ended	
	30 September 2014	**30 September 2013**	**30 September 2014**	**30 September 2013**
Interest income	14.193	10.904	4.837	4.157
Interest expense and similar charges	(146.355)	(135.090)	(51.554)	(47.339)
Finance (expenses)/income -net	**(132.162)**	**(124.186)**	**(46.717)**	**(43.182)**

7. CURRENCY EXCHANGE GAINS / (LOSSES)

Foreign currency exchange losses of €5 million relate to marked-to-market losses on US$ denominated loans due to the US$ strengthening against the Euro as of 30 September 2014, compared to the beginning of the year.

8. INCOME TAXES

The basic tax rate used for Hellenic Petroleum S.A. was 26% during 2014 and 2013. No provision for special contribution has been included in the results for the nine month period to 30 September 2014, as a relevant tax law has not been enacted.

The Company's full tax audits for the financial years 2002 – 2009 have been finalised, nevertheless the Company has appealed for part of the additional taxes charged. For further information see Note 22.

The Company has not undergone a full tax audit for the financial year ended 31 December 2010.

Since the year ended 31 December 2011, all Greek companies have to be audited on an annual basis by their statutory auditor in respect of compliance with tax law, correct submission of tax returns and identification of any unrecorded tax liabilities in the accounts. This audit leads to the issuance of a Tax Certificate which, under certain conditions, substitutes the full tax audit by the tax authorities and allows the company to treat its tax position as fully compliant and final. The Company has undergone this tax audit for 2011, 2012 and 2013 obtaining unqualified Tax Certificates.

Management believes that no additional material tax liability will arise as a result of open tax years over and above the tax liabilities and provisions recognised in the interim financial information for the nine month period ended 30 September 2014.

9. EARNINGS PER SHARE

Diluted earnings per ordinary share 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 nine month period ended		**For the three month period ended**	
	30 September 2014	**30 September 2013**	**30 September 2014**	**30 September 2013**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**(0,36)**	**(0,67)**	**(0,19)**	**(0,08)**
Net income attributable to ordinary shares (Euro in thousands)	(110.504)	(203.468)	(57.797)	(23.188)
Average number of ordinary shares	305.635.185	305.635.185	305.635.185	305.635.185

(All amounts in Euro thousands unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machi-nery	Motor vehicles	Furniture and fixtures	Assets Under Cons-truction	Total
Cost							
As at 1 January 2013	**115.396**	**492.721**	**3.399.176**	**14.628**	**77.344**	**147.286**	**4.246.551**
Additions	-	20	336	2	1.036	44.860	46.254
Capitalised projects	-	3.834	17.595	-	761	(22.190)	-
Disposals	-	(121)	(11.520)	(397)	(209)	(41)	(12.288)
Transfers & other movements	-	-	-	-	-	(9.664)	(9.664)
As at 30 September 2013	**115.396**	**496.454**	**3.405.587**	**14.233**	**78.932**	**160.251**	**4.270.853**
Accumulated Depreciation							
As at 1 January 2013	**-**	**128.828**	**1.169.185**	**9.332**	**60.355**	**-**	**1.367.700**
Charge for the period	-	14.877	87.724	356	4.452	-	107.409
Disposals	-	(5)	(10.514)	(380)	(193)	-	(11.092)
As at 30 September 2013	**-**	**143.700**	**1.246.395**	**9.308**	**64.614**	**-**	**1.464.017**
Net Book Value at 30 September 2013	**115.396**	**352.754**	**2.159.192**	**4.925**	**14.318**	**160.251**	**2.806.836**
Cost							
As at 1 October 2013	**115.396**	**496.454**	**3.405.587**	**14.233**	**78.932**	**160.251**	**4.270.853**
Additions	-	-	389	17	993	36.797	38.196
Capitalised projects	-	15.832	53.788	39	54	(69.713)	-
Disposals	-	-	(452)	1	(51)	1	(501)
Transfers & other movements	-	-	7.008	-	-	(3.516)	3.492
As at 31 December 2013	**115.396**	**512.286**	**3.466.320**	**14.290**	**79.928**	**123.820**	**4.312.040**
Accumulated Depreciation							
As at 1 October 2013	**-**	**143.700**	**1.246.395**	**9.308**	**64.614**	**-**	**1.464.017**
Charge for the period	-	3.526	38.756	117	1.401	-	43.800
Disposals	-	-	(442)	-	(49)	-	(491)
As at 31 December 2013	**-**	**147.226**	**1.284.709**	**9.425**	**65.966**	**-**	**1.507.326**
Net Book Value at 31 December 2013	**115.396**	**365.060**	**2.181.611**	**4.865**	**13.962**	**123.820**	**2.804.714**
Cost							
As at 1 January 2014	**115.396**	**512.286**	**3.466.320**	**14.290**	**79.928**	**123.820**	**4.312.040**
Additions	-	-	1.021	8	1.198	69.730	71.957
Capitalised projects	-	3.371	56.212		164	(59.747)	-
Disposals	-	-	-	-	(40)	(17)	(57)
Transfers and other movements	-	-	1.369	-	-	(6.544)	(5.175)
As at 30 September 2014	**115.396**	**515.657**	**3.524.922**	**14.298**	**81.250**	**127.242**	**4.378.765**
Accumulated Depreciation							
As at 1 January 2014	**-**	**147.226**	**1.284.709**	**9.425**	**65.966**	**-**	**1.507.326**
Charge for the period	-	13.392	77.949	331	3.757	-	95.429
Disposals	-	-	-	-	(40)	-	(40)
As at 30 September 2014	**-**	**160.618**	**1.362.658**	**9.756**	**69.683**	**-**	**1.602.715**
Net Book Value at 30 September 2014	**115.396**	**355.039**	**2.162.264**	**4.542**	**11.567**	**127.242**	**2.776.050**

'Transfers and other movements' in assets under construction mainly relate to the transfer of spare parts for the upgraded Elefsina units to inventories and the transfer of computer software development costs to intangible assets, in line with the Company's accounting policies.

(All amounts in Euro thousands unless otherwise stated)

11. INTANGIBLE ASSETS

	Computer software	Licences & Rights	Total
Cost			
As at 1 January 2013	**69.389**	**23.909**	**93.298**
Additions	494	9	503
Transfers & other movements	1.558	-	1.558
As at 30 September 2013	**71.441**	**23.918**	**95.359**
Accumulated Amortisation			
As at 1 January 2013	**63.074**	**19.111**	**82.185**
Charge for the period	1.831	903	2.734
As at 30 September 2013	**64.905**	**20.014**	**84.919**
Net Book Value at 30 September 2013	**6.536**	**3.904**	**10.440**
Cost			
As at 1 October 2013	**71.441**	**23.918**	**95.359**
Additions	148	-	148
Transfers & other movements	1.859	-	1.859
As at 31 December 2013	**73.448**	**23.918**	**97.366**
Accumulated Amortisation			
As at 1 October 2013	**64.905**	**20.014**	**84.919**
Charge for the period	1.371	300	1.671
As at 31 December 2013	**66.276**	**20.314**	**86.590**
Net Book Value at 31 December 2013	**7.172**	**3.604**	**10.776**
Cost			
As at 1 January 2014	**73.448**	**23.918**	**97.366**
Additions	190	-	190
Transfers & other movements	3.174	358	3.532
As at 30 September 2014	**76.812**	**24.276**	**101.088**
Accumulated Amortisation			
As at 1 January 2014	**66.276**	**20.314**	**86.590**
Charge for the period	3.746	1.260	5.006
As at 30 September 2014	**70.022**	**21.574**	**91.596**
Net Book Value at 30 September 2014	**6.790**	**2.702**	**9.492**

'Other movements' in computer software include the transfer of computer software development costs from assets under construction to intangible assets.

(All amounts in Euro thousands unless otherwise stated)

12. INVENTORIES

	As at	
	30 September 2014	**31 December 2013**
Crude oil	343.969	223.571
Refined products and semi-finished products	533.595	578.310
Petrochemicals	20.809	25.500
Consumable materials, spare parts and other	65.511	62.959
- Less: Provision for Consumables and spare parts	(9.630)	(8.300)
Total	**954.254**	**882.040**

The cost of goods sold included in "Cost of sales" for the nine month period to 30 September 2014 is equal to €6,1 billion (30 September 2013: €6,5 billion).

The Company is obliged to keep crude oil and refined products stocks in order to fulfill the EU requirement for compulsory Stock obligations (90 days stock directive), as legislated by Greek Law 3054/2002. Part of this obligation is delegated to OTSM which is majority owned by third parties.

13. TRADE AND OTHER RECEIVABLES

	As at	
	30 September 2014	**31 December 2013**
Trade receivables	454.973	461.082
- Less: Provision for impairment of receivables	(94.526)	(93.926)
Trade receivables net	**360.447**	**367.156**
Other receivables	507.675	496.041
- Less: Provision for impairment of receivables	(10.283)	(10.283)
Other receivables net	**497.392**	**485.758**
Deferred charges and prepayments	5.579	12.646
Total	**863.418**	**865.560**

As part of its working capital management the Company utilises factoring facilities to accelerate the collection of cash from its customers in Greece. Non-recourse factoring is excluded from balances shown above.

Other receivables include balances in respect of VAT, income tax prepayment, advances to suppliers and advances to personnel. This balance includes advances of €327 million extended to Hellenic Petroleum International A.G. (a Group company) for the transfer of 100% of the share capital of Hellenic Fuels S.A. (currently a direct subsidiary of Hellenic Petroleum International A.G.) at book value. The conclusion of the transfer is subject to final contract signing.

Other receivables also include an amount of €54 million (31 December 2013: €54 million) of VAT approved refunds, which has been withheld by the customs office in respect of a dispute about stock shortages (see note 22). Against this action the Company has filed a specific legal objection claim and expects to fully recover this amount following the conclusion of the relevant legal proceedings.

(All amounts in Euro thousands unless otherwise stated)

14. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	As at	
	30 September 2014	**31 December 2013**
Cash at Bank and in Hand	528.386	217.849
Short term bank deposits	336.041	321.462
Cash and cash equivalents	**864.427**	**539.311**
Restricted cash	200.000	200.000
Total cash, cash equivalents and restricted cash	**1.064.427**	**739.311**

Restricted cash pertains to a cash collateral arrangement to secure a €200 million loan concluded with Pireaus Bank, in relation to the Company's €200 million Facility Agreement with the European Investment Bank, for which Pireaus Bank has provided a guarantee. This guarantee matured on 15 June 2014 and has been renewed for one additional year (note 17). The effect of the loan and the deposit is a grossing up of the statement of financial position but with no effect to the Net Debt position.

15. SHARE CAPITAL

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January 2013 & 31 December 2013	305.635.185	666.285	353.796	1.020.081
As at 30 September 2014	**305.635.185**	**666.285**	**353.796**	**1.020.081**

All ordinary shares were authorised, issued and fully paid. The nominal value of each ordinary share is €2,18 (31 December 2013: €2,18).

Share options

During the Annual General Meeting (AGM) of Hellenic Petroleum S.A. held on 25 May 2005, a share option scheme was approved, with the intention to link the number of share options granted to management with the results and performance of the Company. Subsequent AGMs have approved and granted the share options. The vesting period is 1 November to 5 December of the years 2014 – 2018. At the 2014 AGM, the shareholders approved several changes to the share option program which incorporated more recent legal and tax changes without altering the net effect in terms of impact on results or the benefit to the participants.

Since the vesting period is 1 November to 5 December of each respective year, no share options were exercised during the nine month period ended 30 September 2014, or the comparative period of the previous year. Share based compensation expense was immaterial for the nine month periods ended 30 September 2014 and 30 September 2013.

(All amounts in Euro thousands unless otherwise stated)

16. RESERVES

	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax free reserves	Other reserves	Total
Balance at 1 January 2013	**118.668**	**86.495**	**(36.974)**	**3.889**	**351.322**	**-**	**523.400**
Cash flow hedges							
- Fair value gains / (losses) on cash flow hedges	-	-	7.276	-	-	-	7.276
- Derecognition of gains/(losses) on hedges through comprehensive income	-	-	29.638	-	-	-	29.638
Balance at 30 September 2013	**118.668**	**86.495**	**(60)**	**3.889**	**351.322**	**-**	**560.314**
Cash flow hedges							
- Fair value gains / (losses) on cash flow hedges	-	-	2.128	-	-	-	2.128
- Derecognition of gains/(losses) on hedges through comprehensive income	-	-	1.827	-	-	-	1.827
Actuarial gains/(losses) on defined benefit pension plans	-	-	-	-	-	(2.349)	(2.349)
Share-based payments	-	-	-	(226)	-	-	(226)
Balance at 31 December 2013 and 1 January 2014	**118.668**	**86.495**	**3.895**	**3.663**	**351.322**	**(2.349)**	**561.694**
Cash flow hedges							
- Fair value gains / (losses) on cash flow hedges	-	-	(4.976)	-	-	-	(4.976)
Balance at 30 September 2014	**118.668**	**86.495**	**(1.081)**	**3.663**	**351.322**	**(2.349)**	**556.718**

Statutory reserves

Under Greek law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until such reserve equals one third of outstanding share capital. This reserve cannot be distributed, but can be used to offset accumulated losses.

Special reserves

Special reserves primarily relate to reserves arising from tax revaluations which have been included in the company accounts in accordance with the relevant legislation in prior years. Where considered appropriate deferred tax provisions are booked in respect of these reserves.

Tax-free reserves

Tax-free reserves include:

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

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

(iii) Following the change of tax law in 2013, certain of these reserves are subject to a mandatory one-off tax irrespective of distribution or capitalisation. As a result, a provision of €15 million was booked against the results of the year ended 2013. During 2014, the Company will formally elect and apply the relevant provisions of the respective legislation.

17. BORROWINGS

	As at	
	30 September 2014	**31 December 2013**
Non-current borrowings		
Bank borrowings	344.111	366.334
Bond loans	1.458.017	860.096
Non-current borrowings	**1.802.128**	**1.226.430**
Current borrowings		
Short term bank borrowings	1.005.767	1.022.446
Current portion of long term bank borrowings	44.444	123.374
Total current borrowings	**1.050.211**	**1.145.820**
Total borrowings	**2.852.339**	**2.372.250**

Gross borrowings of the Company by maturity as at 30 September 2014 and 31 December 2013 are summarised on the table below (amounts in € million):

			Balance as at	
		Maturity	**30 September 2014 (millions)**	**31 December 2013 (millions)**
1a.	HPF Syndicated Bond Loan €140 million	Jan 2016	-	-
1b.	Syndicated Bond loan €465 million	Jan 2016	-	451
2a.	HPF Syndicated Bond Loan €40 million	Jul 2016	-	-
2b.	HPF Syndicated Bond Loan €10 million	Jul 2018	-	-
2c.	Syndicated Bond loan €350 million	Jul 2018	336	-
3.	Bond loan €400 million	Dec 2014	225	225
4.	European Investment Bank ("EIB") Term loan	Jun 2022	356	378
5.	HPF Bond Loan €488m	May 2017	488	488
6.	HPF Bond Loan US$ 397,6m	May 2016	316	-
7.	HPF Bond Loan €317,6m	Jul 2019	318	-
8.	Bilateral lines	Various	813	830
	Total		**2.852**	**2.372**

Hellenic Petroleum and its subsidiaries (the "Group") maintains a central treasury which coordinates and controls all subsidiaries' funding and cash management activities. To this extent, Hellenic Petroleum Finance plc ("HPF") was established in November 2005 in the U.K. as a wholly-owned subsidiary of Hellenic Petroleum S.A. to act as the central treasury vehicle of the Hellenic Petroleum Group.

1. & 2. Term Loans

In January 2013, the Group concluded two 3-year credit facilities with identical terms and conditions with a Group of Greek and international banks for a total amount of €605 million (HPF €140 million and Hellenic Petroleum SA €465 million) with gradual amortization. In July 2014 the Group offered to voluntary prepay the balance of this facility (€552 million) giving participating banks the right to participate in a new transaction, with similar type facilities, which were more reflective of recent market and Group financial conditions. As a result, the Group proceeded with the voluntary prepayment and concluded 2 new facilities as follows:

a) and b) A €50 million syndicated credit facility concluded by Hellenic Petroleum Finance plc with the guarantee of Hellenic Petroleum S.A., which is comprised of two tranches, one of €40 million maturing in July 2016 and one of €10 million maturing in July 2018. Both tranches are redeemable at maturity.

c) A €350 million syndicated bond loan concluded by Hellenic Petroleum S.A. with the guarantee of Hellenic Petroleum Finance plc maturing in July 2018. The outstanding balance of the bond loan at 30 September 2014 was €336 million.

3. *Bond Loan of €400 million*

In April 2012, Hellenic Petroleum S.A. concluded a €400 million syndicated bond loan agreement maturing on 30 June 2013, with the aim to finance general corporate purposes. The facility was renewed at maturity for an additional year (until 30 June 2014) and had a six-month extension option, which was exercised and consequently the maturity date was extended to 30 December 2014. The total amount outstanding under the facility at 30 September 2014 was €225 million (31 December 2013: €225 million).

4. *EIB Term Loans*

On 26 May 2010, Hellenic Petroleum S.A. signed two loan agreements (Facilities A and B) with the European Investment Bank for a total amount of €400 million (€200 million each). The purpose of the loans was to finance part of the investment program relating to the upgrade of the Elefsina Refinery. Both loans have a maturity of 12 years with amortization beginning in December 2013 and similar terms and conditions. Facility B is credit enhanced by a commercial bank guarantee (see note 14). This is normal practice for EIB lending particularly during the construction phase of large projects. A total amount of €44 million was repaid during December 2013 and June 2014. As at 30 September 2014, the outstanding loan balance amounted to €356 million. (31 December 2013: €378 million).

5. *HPF Bond Loan €488m (Eurobond €500m)*

During the first half of 2013, HPF proceeded with the issuance of a Eurobond of €500 million with an annual coupon of 8% and a maturity of four years. The notes are redeemable at maturity (May 2017) and are listed on the Luxembourg Stock Exchange. Subsequently the Company concluded a €488 million syndicated bond loan agreement with HPF, which matures on the same date and the proceeds were used to prepay existing indebtedness of €225 million and for general corporate purposes. As at 30 September 2014 the outstanding loan balance amounted to €488 million (31 December 2013: €488 million).

6. *HPF Bond Loan $397,6m (Eurobond $400m)*

During the first half of 2014, HPF proceeded with the issuance of a Eurobond of $400 million with an annual coupon of 4,625% and a maturity of two years. The notes are redeemable at maturity (May 2016) and are listed on the Luxembourg Stock Exchange. Subsequently the Company concluded a $396,7 million syndicated bond loan agreement with HPF, which matures on the same date and the proceeds were used for general corporate purposes. As at 30 September 2014 the euro equivalent outstanding loan balance amounted to €316 million.

7. *HPF Bond Loan €317,6 m (Eurobond €325 m)*

In July 2014 the Group successfully completed the issue of a 5-year, €325 million Eurobond, with an annual fixed coupon of 5,25% and a maturity of five years. The notes, issued by Hellenic Petroleum Finance Plc, are redeemable at maturity (July 2019) and are listed on the Luxembourg Stock Exchange. Subsequently the Company concluded a €317,6 million syndicated bond loan agreement with HPF, which matures on the same date and the proceeds were used to prepay existing indebtedness and for general corporate purposes. As at 30 September 2014 the outstanding loan balance amounted to €318 million.

8. *Bilateral lines*

Loans with various banks are also utilised to cover the Company’s working capital financing needs. As at 30 September 2014, the outstanding balance of such loans amounted to €813 million (31 December 2013: €830 million).

The fair value of borrowings approximates their carrying value, as the effect of discounting is insignificant. The fair values of borrowings are within level 2 of the fair value hierarchy.

(All amounts in Euro thousands unless otherwise stated)

18. TRADE AND OTHER PAYABLES

	As at	
	30 September 2014	**31 December 2013**
Trade payables	2.008.349	1.978.166
Accrued Expenses & Deferred Income	88.155	39.831
Other payables	11.678	35.278
Total	**2.108.182**	**2.053.275**

Trade creditors, as at 30 September 2014 and 31 December 2013 include overdue amounts in respect of crude oil imports from Iran which were received during the period between December 2011 and March 2012 as part of a long term contract with NIOC. Despite repeated attempts to settle the payment for these cargoes during the early part of the year, through the international banking system, it was not possible to do so. This is due to the fact that payments to Iranian banks and state entities are not accepted for processing by the International banking system due to EU sanctions (Council Regulation (EU) No. 267/2012 of 23 March 2012). The Company has duly notified its supplier of this restriction on payments and the inability to accept further crude oil cargoes under the contract, which is due to the EU sanctions posing legal constraints outside its control. As a result no deliveries of Iranian crude oil or payments have taken place post 30 June 2012, which was the EU imposed deadline.

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

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

19. CASH GENERATED FROM OPERATIONS

		For the nine month period ended	
	Note	**30 September 2014**	**30 September 2013**
(Loss) / Profit before tax		**(150.548)**	**(260.667)**
Adjustments for:			
Depreciation and amortisation of property, plant and equipment and intangible assets	**10,11**	100.435	110.143
Amortisation of grants		(1.017)	(2.113)
Financial expenses / (income) - net	**6**	132.162	124.186
Provisions for expenses and valuation changes		10.788	24.299
Foreign exchange (gains) / losses	**7**	5.047	(2.925)
Dividend income		(47.545)	(17.122)
(Gain)/Loss from Sale of Non Current Assets		-	-
		49.322	**(24.199)**
Changes in working capital			
Decrease in inventories		(77.925)	93.627
Increase in trade and other receivables		2.163	(365.644)
Decrease in trade and other payables		26.472	(144.854)
		(49.290)	**(416.871)**
Net cash generated from / (used in) operating activities		**32**	**(441.070)**

(All amounts in Euro thousands unless otherwise stated)

Provisions for expenses and valuation changes for the comparative period include impairment losses of €11 million relating to the write down of the Company's investment in Artenius Hellas S.A which started liquidation proceedings in 2013.

20. RELATED PARTY TRANSACTIONS

Included in the condensed interim statement of comprehensive income are proceeds, costs and expenses, which arise from transactions between the Company and related parties. Such transactions mainly comprise of sales and purchases of goods and services in the ordinary course of business and are conducted under normal trading and commercial terms on an arm's length basis.

	For the nine month period ended	
	30 September 2014	**30 September 2013**
Sales of goods and services to related parties		
Group entities	2.190.571	2.347.560
Associates	624.216	311.238
Joint ventures	97	203
Total	**2.814.884**	**2.659.001**
Purchases of goods and services from related parties		
Group entities	43.909	40.263
Associates	622.513	330.462
Joint ventures	386	382
Total	**666.808**	**371.107**

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

	As at	
	30 September 2014	**31 December 2013**
Balances due to related parties		
Group entities	78.289	79.049
Associates	30.375	20.608
Joint ventures	63	203
Total	**108.727**	**99.860**
Balances due from related parties		
Group entities	549.516	495.443
Associates	36.129	38.079
Joint ventures	62	21
Total	**585.707**	**533.543**

Group Entities include all companies consolidated under the full method of consolidation. Associates include Group companies consolidated with the equity method of consolidation.

The Company has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to subsidiaries and associates of the Group, the outstanding amount of which as at 30 September 2014 was the equivalent of €1.092 million (31 December 2013: €885 million)

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

a) Hellenic Petroleum Group companies.

b) Associates of the Hellenic Petroleum Group:

- Athens Airport Fuel Pipeline Company S.A. (EAKAA)
- Public Gas Corporation of Greece S.A. (DEPA)
- Elpedison B.V.
- Spata Aviation Fuel Company S.A. (SAFCO)
- HELPE Thraki S.A.
- Biodiesel S.A.
- Superlube S.A.
- D.M.E.P. / OTSM

c) Parties which are under common control with the Company due to the shareholding and control rights of the Hellenic State:

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

During the nine month period ended 30 September 2014, Company's sales of goods and services to government related entities amounted to €103 million (2013: €124 million) and Company's purchases of goods and services to €30 million (2013: €43 million). As at 30 September 2014, the Company had a total amount due from government related entities of €27 million (31 December 2013: €30 million) and a total amount due to government related entities of €5 million (31 December 2013: €11 million).

d) Financial institutions (including their subsidiaries) which are under common control with the Company due to the shareholding and control rights of the Hellenic State.

- National Bank of Greece S.A.

e) Joint ventures with other third parties relating to the exploration and production of hydrocarbons in Greece and abroad:

- VEGAS Oil & Gas (Egypt, West Obayed)
- Edison – Petroceltic Resources (Greece, Patraikos Gulf)
- Calfrac well services (Greece, Sea of Thrace concession)
- Gas Monte (Montenegro, Blocks 1 & 2)

f) Key management includes directors (executive and non-executive members of the board of directors) and members of the Executive Committee. The compensation paid or payable to key management for the nine month period ended 30 September 2014 amounted to €3,2 million (2013: €2,5 million).

21. COMMITMENTS

Capital expenditure contracted for as of 30 September 2014 amounts to €53 million (31 December 2013: €64 million).

22. CONTINGENCIES AND LITIGATION

The Company has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. Provisions are set up by the Company against such matters whenever deemed necessary, in accordance with its accounting policies and included in 'Provisions for other liabilities and charges'. These are as follows:

Business Issues

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

Taxation and Customs

(i) *Tax matters:* In June 2011 the tax audits for the financial years 2002 - 2005 of Hellenic Petroleum S.A. were finalized with disallowable expenses of €64 million in total for four years. The Company agreed to disallowable expenses of €32 million, resulting in €18 million of additional taxes and surcharges, all of which were included in Income Tax for the year ended 31 December 2011. The remaining €32 million of disallowable expenses assessed includes, amongst others, the assessment by a customs audit for alleged inventory "shortages" (see note ii below) despite the fact that their tax audit did not reveal such stock differences. The Company has appealed against this assessment on the ground that it has evidence to demonstrate the lack of merit and the inaccuracy of the calculations. The appeal was heard before the Administrative Appellate Court of Athens in January 2013. The decision rendered has sustained the appeal with respect to the issues of "shortages" and "loss from the production of BOPP film" (disallowable expenses of €28 million) and rejected the part of the appeal concerning the issue of "amortization of Mining Rights" (disallowable expenses of €4 million). The Company has appealed against the latter part of the above decision before the Supreme Administrative Court (Conseil d'Etat). Moreover the aforementioned tax audit also resulted in additional property taxes of a total amount of €2,2 million, against which the Company has appealed before the Administrative Courts. The hearing of the appeal took place in April 2014. The decision rendered has sustained the appeal with respect to the property of former PETROLA and the property in Kalochori, rejected the appeal with respect to the property in Kavala and has partially sustained the appeal with respect to the property in Aspropyrgos, by reducing the value of additional property taxes, which had been determined by the tax audit by approximately €1 million. The Company is considering the possibility of appeal before the Supreme Administrative Court (Conseil d' Etat) with respect to the value of the property in Aspropyrgos. The final Court decision on the issue of the special tax on "property used by its owner" (approximately €0,3 million), is still pending. No provision has been made in the interim financial information as of 30 September 2014 with respect to the above, as the Company believes that the case will be finally assessed in its favour.

In February 2013 the tax audits for the financial years 2006 to 2009 of Hellenic Petroleum S.A. were finalized, the outcome of which resulted in disallowable expenses of €29 million in total for four years, against which €15,2 million approximately of additional taxes and surcharges were assessed. Moreover the aforementioned tax audits also resulted in additional property taxes of a total amount of €6,4 million. The Company has accepted and settled part of the assessed amounts resulting in a payment of € 8,7 million. The Company has appealed against the remaining cases which were not accepted, paying € 6,4 million (50% advance payment), as it believes that the cases will be finally assessed in its favour.

(ii) *Assessment of customs and fines:* In 2008, Customs authorities issued customs and fines assessments amounting at approximately €40 million for alleged "stock shortages" in the bonded warehouses of Aspropyrgos and Elefsina refineries for certain periods during 2001-2005. The report has been challenged by the Company as the alleged "stock shortages" relate to accounting reconciliation differences caused as a result of early problems during the implementation of the new customs authorities' electronic- monitoring system (ICIS) in 2001, and not because of physical shortage of products. Both through the Company's workings, as well as by the work performed by independent auditors, it is confirmed beyond any reasonable doubt that there are no stock shortages and the books of the Company are in complete agreement with official stock counts. Furthermore, all tax audits relating to the same periods come to the same conclusion that no stock deficits were identified. In relation with the above, the Company has dully filed contestations before the Administrative Court of First Instance of Piraeus, for which no dates of hearing have been assigned to date. Given that the management and the legal advisors' position is that the case will have a positive outcome when the court hearings take place, no provisions are made for such liabilities.

However, contrary to a specific temporary court order, the Customs office withheld an amount of €54 million (full payment plus surcharges), an action against which has also been contested through the filing of two Contestations before the Administrative Courts of Athens and Piraeus, challenging the acts of the Tax Office and Customs Authority respectively. The former Contestation has been heard on 22 May 2013 and Decision No. 3833/2013 has been rendered by the Administrative Court of Athens, sustaining the Company's opposition by ruling that the withholding effected by the Tax Office was done improperly and against the law.

The Company considers that the latter contestation will be sustained by the Pireaus Court in light of the pertinent substantial reasons including amongst others, the fact that that subsequent customs audits for the same installations have concluded that no stock shortages exist, as well as serious procedural arguments in the second case where Customs abused their authority to withhold refunds to the Company.

23. DIVIDENDS

A proposal to the AGM for €0,15 per share as dividend for 2012 was approved by the Board of Directors on 28 February 2013 and the final approval was given by the shareholders at the AGM held on 27 June 2013.

The BOD approved a proposal to the AGM for the distribution of no dividend out of 2013 results. The Board did not approve a change in dividend policy overall and will re-evaluate the payment of special dividends or interim dividends for 2014 during the year.

24. DISTRIBUTION OF RESERVES

In line with L 4172/013, all Greek companies are forced to either pay a lower one-off tax in respect of tax free or partially taxed reserves before 31 December 2014 or to have them taxed at the prevailing corporate income tax rate. As part of the financial statements for the year ended 31 December 2013, a provision for the full amount of taxes at 19% has been recorded and this was approved by the 2014 AGM. The board has called for an EGM for the 15th of December 2014 to approve the one off tax and to approve the distribution of the net amount of €0,21 per share (a total of €64m).

25. OTHER SIGNIFICANT EVENTS

Sale of DESFA

On the 16 February 2012, HELPE and the Hellenic Republic Asset Development Fund (HRADF) (jointly the "Sellers") agreed to launch a joint sale process of their shareholding in DEPA Group aiming to sell in total 100% of the supply and trading activities and the shareholding of regional supply companies (DEPA SA and EPAs which are 51% subsidiaries of DEPA SA) and 66% of the high pressure transmission network (DESFA - 100% subsidiary of DEPA SA). This agreement was approved by HELPE's EGM, dated on the 30 January 2012 and the decision specifically required that any such transaction would be subject to the approval of a new EGM.

The sales process resulted in three non-binding offers received on 5 November 2012 and at the final stage, one binding offer for the purchase of 66% of DESFA shares by SOCAR (Azerbaijan's Oil and Gas National Company). The offer which was improved following negotiations between the Sellers and the prospective buyer, is for €400 million for 66% of DESFA; i.e. €212,1 million for HELPE's 35% effective shareholding. Given that at present DESFA SA is a 100% subsidiary of DEPA SA, in order to complete the transaction, DESFA will be "unbundled" through a share distribution (treated as capital reduction of DEPA SA), to the two existing shareholders/sellers (i.e. HELPE SA 35% and HRADF 65%). Thus, once all approvals from the competent authorities are received, SOCAR will buy 35% directly from HELPE and 31% from HRADF.

On 2 August 2013 the Board of Directors of HELPE considered the offer for the sale of its 35% effective interest in DESFA as acceptable, and called for an Extraordinary General Meeting of the shareholders of the Company to approve the transaction. The EGM of the shareholders of the Company held on 2 September 2013 approved the transaction.

Prior to the Board of Director's meeting, the previous day, on 1 August 2013 the board of directors of HRADF had unanimously accepted the improved offer of SOCAR.

The Share Purchase Agreement for the sale of 66% of DESFA's share capital was signed by HRADF, HELPE and SOCAR on 21 December 2013. According to this SPA the rights and obligations of the parties are conditional upon the occurrence of certain events (Conditions) such as the merger clearance of the transaction by the EU or national competition authorities (as applicable) and the certification of DESFA by the Regulatory Authority for Energy of the Hellenic Republic ("RAE") in accordance with article 65 of L. 4001/2011 ("Energy Law"). RAE issued its final certification decision on 29 September 2014. Notification of the transaction to DG for Competition of the European Commission took place on 1 October 2014. The time required to receive merger clearance and the extent of commitments which may be requested by the European Commission to be undertaken by SOCAR cannot be anticipated or, moreover controlled by the parties.

Although the parties undertake valid commitments upon signing of the SPA, the effectiveness of the totality of the provisions of the SPA (including the transfer of shares and the payment of the consideration) remains subject to conditions, some of which lie beyond the control or diligent behaviour of the parties and, consequently, the completion of the transaction remains suspended and depends on the satisfaction of such conditions.

The Group consolidates DEPA on an equity basis and the carrying value of the investment in the interim consolidated financial statements reflects the Group's 35% share of the net asset value of the DEPA group which as at 30 September 2014 is €583 million. Furthermore the carrying value in the Company's interim financial statements for the DEPA group is €237 million.

Given that the transaction can only be completed upon receiving the approval of the relevant competent authorities, and given the timing of such approvals and the unbundling process that is still to be concluded, management considers it appropriate to maintain the policy of including DEPA Group as an associate at the date of this interim financial information.

26. EVENTS OCCURING AFTER THE END OF THE REPORTING PERIOD

The business scheme of Hellenic Petroleum SA as Operator, Edison International SpA and Petroceltic Resources Plc has been awarded the block of Patraikos Gulf (see Note 20). The Lease Agreement for the offshore area of the Gulf of Patraikos has been ratified by the Greek Parliament and has been published in the Greek Government Gazette as Law No. 4299 – Vol.A, 221-3/10/2014. Hellenic Petroleum has the obligation to commence exploration operations immediately after the effective date of the Agreement (3 October 2014).