HELLENIC PETROLEUM S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTH PERIOD ENDED

30 JUNE 2016

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(All amounts in Euro thousands unless otherwise stated)

I. Company Information

Directors	Efstathios Tsotsoros - Chairman of the Board Grigorios Stergioulis - Chief Executive Officer Andreas Shiamishis - Member Ioannis Psichogios - Member Georgios Grigoriou - Member Georgios Stampoulis - Member Dimitrios Kontofakas - Member Theodoros-Achilleas Vardas - Member Theodoros Pantalakis - Member Constantinos Papagiannopoulos - Member Panagiotis Ofthalmides - Member Spiridon Pantelias - Member Stratis Zafiris - Member
Other Board Members during the year	Georgios Maloglou (Until 27/04/2016)
Registered Office	8A Chimarras Str GR 151 25 - Marousi
Registration number	2443/06/B/86/23
General Commercial Registry	000296601000
Auditors	PricewaterhouseCoopers S.A. 268 Kifissias Ave. 152 32 Halandri Greece

Report on Review of Interim Financial Information

To the Shareholders of Hellenic Petroleum S.A.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Hellenic Petroleum S.A. (the "Company") and its subsidiaries ("the Group") as of 30 June 2016 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Athens, 25 August 2016

PricewaterhouseCoopers S.A.
Certified Auditors - Accountants
268, Kifissias Avenue
152 32 Halandri
SOEL Reg. No 113

Konstantinos Michalatos
Certified Auditor – Accountant
SOEL Reg. No 17701

(All amounts in Euro thousands unless otherwise stated)

II. Condensed Interim Consolidated Statement of Financial Position

	Note	As at 30 June 2016	31 December 2015
ASSETS			
Non-current assets			
Property, plant and equipment	**11**	3.327.125	3.385.270
Intangible assets	**12**	112.620	117.062
Investments in associates and joint ventures		674.377	678.637
Deferred income tax assets		191.734	239.538
Available-for-sale financial assets		3.493	523
Loans, advances and other receivables		59.308	85.022
		4.368.657	**4.506.052**
Current assets			
Inventories	**13**	748.794	662.025
Trade and other receivables	**14**	785.352	752.142
Derivative financial instruments		11.540	-
Cash, cash equivalents and restricted cash	**15**	1.412.704	2.108.364
		2.958.390	**3.522.531**
Total assets		**7.327.047**	**8.028.583**
EQUITY			
Share capital	**16**	1.020.081	1.020.081
Reserves	**17**	465.178	443.729
Retained Earnings		327.371	220.506
Capital and reserves attributable to owners of the parent		**1.812.630**	**1.684.316**
Non-controlling interests		102.686	105.954
Total equity		**1.915.316**	**1.790.270**
LIABILITIES			
Non-current liabilities			
Borrowings	**18**	1.287.643	1.597.954
Deferred income tax liabilities		43.167	45.287
Retirement benefit obligations		105.786	95.362
Provisions for other liabilities and charges		6.869	6.405
Other long term liabilities		256.740	22.674
		1.700.205	**1.767.682**
Current liabilities			
Trade and other payables	**19**	1.885.488	2.795.378
Derivative financial instruments		-	34.814
Current income tax liabilities		8.777	6.290
Borrowings	**18**	1.816.596	1.633.033
Dividends payable		665	1.116
		3.711.526	**4.470.631**
Total liabilities		**5.411.731**	**6.238.313**
Total equity and liabilities		**7.327.047**	**8.028.583**

The notes on pages 9 to 30 are an integral part of this condensed interim consolidated financial information.

E. Tsotsoros	G.Stergioulis	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 Consolidated Statement of Comprehensive Income

	Note	For the six month period ended 30 June 2016	30 June 2015	For the three month period ended 30 June 2016 (not reviewed)	30 June 2015 (not reviewed)
Sales		**2.939.810**	**3.664.022**	**1.692.809**	**1.784.524**
Cost of sales		(2.517.486)	(3.250.207)	(1.444.397)	(1.579.993)
Gross profit		**422.324**	**413.815**	**248.412**	**204.531**
Selling and distribution expenses		(143.996)	(161.405)	(74.594)	(85.050)
Administrative expenses		(62.751)	(54.516)	(35.589)	(26.175)
Exploration and development expenses		(2.185)	(674)	(113)	(319)
Other operating income / (expenses) - net	**5**	17.079	8.190	12.875	3.875
Operating profit / (loss)		**230.471**	**205.410**	**150.991**	**96.862**
Finance (expenses) / income - net	**6**	(98.251)	(100.440)	(49.822)	(50.570)
Currency exchange gains / (losses)	**7**	10.871	(20.682)	(585)	18.252
Share of net result of associates	**8**	2.360	10.962	3.078	2.861
Profit / (loss) before income tax		**145.451**	**95.250**	**103.662**	**67.405**
Income tax (expense) / credit	**9**	(41.753)	(29.017)	(31.561)	(18.335)
Profit / (loss) for the period		**103.698**	**66.233**	**72.101**	**49.070**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Actuarial gains / (losses) on defined benefit pension plans	**17**	(5.300)	-	(5.300)	-
		(5.300)	-	(5.300)	-
Items that may be reclassified subsequently to profit or loss:					
Fair value gains / (losses) on available-for-sale financial assets		(4.990)	(174)	(60)	(159)
Fair value gains / (losses) on cash flow hedges	**17**	13.269	8.074	16.425	3.950
Derecognition of gains / (losses) on hedges through comprehensive income	**17**	19.642	28.609	19.642	28.609
Other movements and currency translation gains / (losses)		(1.273)	(479)	(545)	(476)
		26.648	36.030	35.462	31.924
Other comprehensive (loss) / income for the period, net of tax		**21.348**	**36.030**	**30.162**	**31.924**
Total comprehensive (loss) / income for the period		**125.046**	**102.263**	**102.263**	**80.994**
<u>Profit attributable to:</u>					
Owners of the parent		106.865	66.274	74.457	47.985
Non-controlling interests		(3.167)	(41)	(2.356)	1.085
		103.698	66.233	72.101	49.070
<u>Total comprehensive income attributable to:</u>					
Owners of the parent		128.314	102.500	104.589	79.952
Non-controlling interests		(3.268)	(237)	(2.326)	1.042
		125.046	**102.263**	**102.263**	**80.994**
Basic and diluted earnings per share (expressed in Euro per share)	**10**	**0,35**	**0,22**	**0,24**	**0,16**

The notes on pages 9 to 30 are an integral part of this condensed interim consolidated financial information.

(All amounts in Euro thousands unless otherwise stated)

IV. Condensed Interim Consolidated Statement of Changes in Equity

		Attributable to owners of the Parent					
	Note	**Share Capital**	**Reserves**	**Retained Earnings**	**Total**	**Non-Controling interests**	**Total Equity**
Balance at 1 January 2015		**1.020.081**	**435.013**	**163.048**	**1.618.142**	**110.404**	**1.728.546**
Fair value gains/ (losses) on available-for-sale financial assets	**17**	-	(95)	-	(95)	(79)	(174)
Currency translation gains / (losses) and other movements	**17**	-	(362)	-	(362)	(117)	(479)
Fair value gains / (losses) on cash flow hedges	**17**	-	8.074	-	8.074	-	8.074
Derecognition of (gains) / losses on hedges through comprehensive income	**17**	-	28.609	-	28.609	-	28.609
Other comprehensive income/ (loss)		**-**	**36.226**	**-**	**36.226**	**(196)**	**36.030**
Profit/ (loss) for the period		-	-	66.274	66.274	(41)	66.233
Total comprehensive income/ (loss) for the period		**-**	**36.226**	**66.274**	**102.500**	**(237)**	**102.263**
Balance at 30 June 2015		**1.020.081**	**471.239**	**229.322**	**1.720.642**	**110.167**	**1.830.809**
Balance at 31 December 2015 and 1 January 2016		**1.020.081**	**443.729**	**220.506**	**1.684.316**	**105.954**	**1.790.270**
Fair value gains/ (losses) on available-for-sale financial assets	**17**	-	(4.991)	-	(4.991)	1	(4.990)
Currency translation gains / (losses) and other movements	**17**	-	(1.171)	-	(1.171)	(102)	(1.273)
Actuarial gains/(losses) on defined benefit pension plans	**17**	-	(5.300)	-	(5.300)	-	(5.300)
Fair value gains / (losses) on cash flow hedges	**17**	-	13.269	-	13.269	-	13.269
Derecognition of (gains) / losses on hedges through comprehensive income	**17**	-	19.642	-	19.642	-	19.642
Other comprehensive income/ (loss)		**-**	**21.449**	**-**	**21.449**	**(101)**	**21.348**
Profit / (loss) for the period		-	-	106.865	106.865	(3.167)	103.698
Total comprehensive income/ (loss) for the period		**-**	**21.449**	**106.865**	**128.314**	**(3.268)**	**125.046**
Balance at 30 June 2016		**1.020.081**	**465.178**	**327.371**	**1.812.630**	**102.686**	**1.915.316**

The notes on pages 9 to 30 are an integral part of this condensed interim consolidated financial information.

(All amounts in Euro thousands unless otherwise stated)

V. Condensed Interim Consolidated Statement of Cash Flows

	Note	For the six month period ended 30 June 2016	30 June 2015
Cash flows from operating activities			
Cash generated from operations	**20**	(419.209)	299.511
Income and other taxes paid		(1.964)	(25.410)
Net cash generated (outflow)/inflow operating activities		**(421.173)**	**274.101**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets		(48.986)	(78.856)
Proceeds from disposal of property, plant and equipment & intangible assets		354	198
Interest received		2.411	4.387
Dividends received		1.119	18.277
Proceeds from disposal of available for sale financial assets		-	771
Net cash generated (outflow)/inflow investing activities		**(45.102)**	**(55.223)**
Cash flows from financing activities			
Interest paid		(95.766)	(103.461)
Dividends paid to shareholders of the Company		(473)	(64.004)
Proceeds from borrowings		272.800	396.023
Repayments of borrowings		(405.658)	(95.151)
Net cash generated (outflow)/inflow financing activities		**(229.097)**	**133.407**
Net (decrease) / increase in cash, cash equivalents and restricted cash		**(695.372)**	**352.285**
Cash,cash equivalents and restricted cash at the beginning of the period	**15**	**2.108.364**	**1.847.842**
Exchange gains / (losses) on cash, cash equivalents and restricted cash		(288)	9.612
Net (decrease) / increase in cash, cash equivalents and restricted cash		(695.372)	352.285
Cash, cash equivalents and restricted cash at end of the period	**15**	**1.412.704**	**2.209.739**

The notes on pages 9 to 30 are an integral part of this condensed interim consolidated financial information.

VI. Notes to the Condensed Interim Consolidated Financial Information

1. GENERAL INFORMATION

Hellenic Petroleum S.A. and its subsidiaries (together "Hellenic Petroleum" or the "Group") operate in the energy sector predominantly in Greece, South Eastern Europe and the East Mediterranean. The Group's activities include refining and marketing of oil products, production and marketing of petrochemical products and exploration for hydrocarbons. The Group also provides engineering services. Through its investments in DEPA and Elpedison B.V. , the Group also operates in the sector of natural gas and in the production and trading of electricity power.

2. BASIS OF PREPARATION, ACCOUNTING POLICIES AND ESTIMATES

Basis of preparation

The interim consolidated financial information of Hellenic Petroleum and its subsidiaries 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 Group 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 of the Group are appropriately presented in accordance with the Group's accounting policies.

This interim consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. These can be found on the Group's website **www.helpe.gr**.

The condensed interim consolidated financial information of the Group for the six month period ended 30 June 2016 has been authorised for issue by the Board of Directors on 25 August 2016.

Accounting policies and the use of estimates

The accounting policies used in the preparation of the condensed interim consolidated financial information for the six month period ended 30 June 2016 are consistent with those applied for the preparation of the consolidated financial statements for the year ended 31 December 2015, except as described below. Where necessary, comparative figures have been reclassified to conform to changes in the presentation of the current year.

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 Group's evaluation of the effect of these new standards, amendments to standards and interpretations is set out below.

Standards and Interpretations effective for the current financial year:

- *Annual Improvements to IFRSs 2012:*

  The amendments set out below describe the key changes to certain IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. The adoption of these amendments did not have significant impact for the Group.

  – *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 judgments 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 not 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.

- *IAS 19R (Amendment) "Employee Benefits"*. 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. The adoption of the amendment did not have significant impact for the Group.

- *Annual Improvements to IFRSs 2014:*

  The amendments set out below describe the key changes to four IFRSs. Their adoption did not have significant impact for the Group.

– *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"*. 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'. The adoption of the amendment did not have significant impact for the Group.

- *IAS 16 and IAS 38 (Amendments) "Clarification of Acceptable Methods of Depreciation and Amortisation"*. 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. The adoption of the amendment did not have significant impact for the Group.

- *IAS 27 (Amendment) "Separate financial statements"*. 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. The adoption of the amendment did not have significant impact for the Group.

- *IAS 1 (Amendment)" Disclosure Initiative"*. These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The adoption of the amendment did not have significant impact for the Group.

Standards and Interpretations effective for subsequent periods:

- *IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)*. 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 Group is currently assessing the impact of the specific standard on its financial statements. The standard has not yet been endorsed by the EU.

- *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 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model of IAS 39. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU.

- *IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)*. IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is currently investigating the impact of IFRS 16 on its financial statements. The standard has not yet been endorsed by the EU.

- *IFRS 10, IFRS 12 and IAS 28 (Amendments) "Investment Entities: Applying the Consolidation Exception" (effective for annual periods beginning on or after 1 January 2016)*. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The amendments have not yet been endorsed by the EU.

- *IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses" (effective for annual periods beginning on or after 1 January 2017)*. These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments have not yet been endorsed by the EU.

- *IAS 7 (Amendments) "Disclosure initiative" (effective for annual periods beginning on or after 1 January 2017)*. These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments have not yet been endorsed by the EU.

- *IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions" (effective for annual periods beginning on or after 1 January 2018)*. The amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendments have not yet been endorsed by the EU.

3. FINANCIAL RISK MANAGEMENT

The Group's activities are primarily centred on Downstream Refining (incl. Petrochemicals) & Marketing of petroleum products; with secondary activities relating to exploration of hydrocarbons and power generation and trading. As such, the Group is exposed to a variety of financial and commodity markets risks including foreign exchange and commodity price risk, credit risk, liquidity risk, cash flow risk and interest-rate risk. In line with international best practices and within the context of local markets and legislative framework, the Group's overall risk management policies aim at reducing possible exposure to market volatility and / or mitigating its adverse effects on the financial position of the Group to the extent possible. In general, the key factors that impact the Group's operations are summarised as follows:

Macroeconomic Environment*:* Following seven years of economic depression and instability up to 2015, the economic and business environment in Greece remains challenging. The Greek economy returned to recession in 2015, following a mild recovery in 2014, mainly due to political and economic uncertainty. The implementation of capital controls on 28 June 2015 led to liquidity shortages while the agreement on a new programme for financial support in August 2015 introduced new fiscal adjustment measures.

The approval of the €86 billion bailout programme in August 2015 and the recapitalisation of the 4 systemic banks during December 2015 were key steps towards the stabilisation of the macroeconomic and financial environment in Greece. Official projections suggest growth in the second half of 2016, as consumer confidence is expected to strengthen and as structural reforms are projected to have a positive effect on investments. Inflation is expected to remain low due to the very depressed state of the economy while unemployment is expected to gradually decline.

While the bailout program has reduced the risk of economic instability in Greece, concerns around its implementation remain, a factor reflected in debt capital and equity markets risk assessment and pricing. The implementation of the program and its effects on the economy are beyond the Group's control. Management continually assesses the situation and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize the impact on the Group's Greek operations.

Securing continuous crude oil supplies*:* Developments in the global and regional crude oil markets in the last 2 years have reduced the cost of raw material for the Group and increased optionality. International crude oil reference prices dropped by more than 70% compared to June 2014 peak. These developments led to lower cost of crude, for both sweet and especially sour grades, which represent the key source of feedstock for complex refiners like Hellenic Petroleum thus, improving the competitive position of Med refiners vs. their global peers. The Group was able to take advantage of this development and diversify its crude basket compared to previous years. On the other hand, the maintenance of high, relative to its monthly throughput, Compulsory Stock Obligation led to inventory losses been recorded during the last two years.

Financing of operations*:* In line with its medium term financing plan, the Group maintains a mix of long term, medium term and short term credit facilities by taking into consideration bank and debt capital markets' credit capacity, as well as cash flow planning and commercial requirements. Approximately 70% of total net borrowings are financed by medium to long term committed credit lines while the rest is financed by short term working capital credit facilities. Further details of the relevant loans and refinancing are provided in note 18, "Borrowings".

(All amounts in Euro thousands unless otherwise stated)

Capital management: Overall the Group has around €3,6 billion of capital employed which is driven by its high capital investment in fixed assets, its 35% holding in DEPA Group as well as working capital. As a result of the Group's investment plan, during the period 2007-2012, net debt level has reached almost 50% of total capital employed while the remaining amount is financed through shareholders equity. The Group has started reducing its net debt levels through utilization of the incremental operating cashflows, from the operation of the new Elefsina refinery, and plans to reduce these even further with the expected sale proceeds of its stake in DESFA. This is expected to lead to lower Debt to Equity ratio, better matched Asset and Liability maturity profiles as well as lower financing costs.

Fair value estimation

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

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

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2016:

	Level 1	**Level 2**	**Level 3**	**Total balance**
Assets				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	11.540	-	11.540
Available for sale financial assets	3.493	-	-	3.493
	3.493	**11.540**	**-**	**15.033**
Liabilities				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	-	-	-
	-	**-**	**-**	**-**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2015:

	Level 1	**Level 2**	**Level 3**	**Total balance**
Assets				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	-	-	-
Available for sale financial assets	523	-	-	523
	523	**-**	**-**	**523**
Liabilities				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	34.814	-	34.814
	-	**34.814**	**-**	**34.814**

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 Euro denominated Eurobonds as at 30 June 2016 was €800 million, compared to its book value of €796 million. The fair value of the remaining borrowings approximates their carrying value, as the effect of discounting is insignificant.

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

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

(All amounts in Euro thousands unless otherwise stated)

4. ANALYSIS BY SEGMENT

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

	For the period ended					
	30 June 2016			30 June 2015		
Sales	**Gross**	**Inter-segment**	**Net**	**Gross**	**Inter-segment**	**Net**
Refining	2.528.689	692.160	1.836.529	3.412.017	1.184.084	2.227.933
Marketing	978.661	3.838	974.823	1.304.860	3.558	1.301.302
Petro-chemicals	126.042	-	126.042	130.517	-	130.517
Gas & Power	901	-	901	941	-	941
Other	6.874	5.359	1.515	7.182	3.853	3.329
Total	**3.641.167**	**701.357**	**2.939.810**	**4.855.517**	**1.191.495**	**3.664.022**

		For the period ended	
	Note	**30 June 2016**	**30 June 2015**
Operating profit / (loss)			
Refining		180.264	153.127
Marketing		14.189	17.123
Exploration & Production		(4.071)	(1.611)
Petro-chemicals		46.530	36.392
Gas & Power		(5.111)	551
Other		(1.330)	(172)
Total		**230.471**	**205.410**
Currency exchange gains/ (losses)	**7**	10.871	(20.682)
Share of profit of investments in associates and joint ventures	**8**	2.360	10.962
Finance (expense)/income - net	**6**	(98.251)	(100.440)
Profit / (loss) before income tax		**145.451**	**95.250**
Income tax (expense) / credit		(41.753)	(29.017)
Profit / (loss) for the period		**103.698**	**66.233**
(Income) / loss applicable to non-controlling interests		3.167	41
Profit / (loss) for the period attributable to the owners of the parent		**106.865**	**66.274**

There were no changes in the basis of segmentation or in the basis of measurement of segment profit or loss, comparing to the consolidated financial statements published at 31 December 2015.

Inter-segment sales primarily relate to sales from the refining segment to other operating segments and are carried out at arm's length.

There has been no material change in the definition of segments or the segmental analysis of total assets or total liabilities from the amounts disclosed in the financial statements published at 31 December 2015.

(All amounts in Euro thousands unless otherwise stated)

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

	For the six month period ended		For the three month period ended	
	30 June 2016	30 June 2015	30 June 2016 (not reviewed)	30 June 2015 (not reviewed)
Income from Grants	703	1.032	350	511
Services to 3rd Parties	2.497	1.385	1.732	714
Rental income	6.588	5.534	3.271	2.629
Profit / (loss) from the sale of PPE - net	75	3	26	39
Insurance compensation	286	705	230	705
Voluntary retirement scheme cost	(309)	(965)	(187)	(965)
Discounting effect of long-term liabilities	13.500	-	13.500	-
Other operating income / (expenses)	(761)	(768)	(547)	(464)
Total other operating income / (expenses)	**22.579**	**6.926**	**18.375**	**3.169**
Impairment of investment in associates	(5.500)	-	(5.500)	
Other operating gains / (losses)	-	1.264	-	706
Total other operating income / (expenses) - net	**17.079**	**8.190**	**12.875**	**3.875**

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

6. FINANCE (EXPENSES) / INCOME – NET

	For the six month period ended		For the three month period ended	
	30 June 2016	30 June 2015	30 June 2016 (not reviewed)	30 June 2015 (not reviewed)
Interest income	2.411	4.817	423	2.382
Interest expense and similar charges	(100.662)	(105.257)	(50.245)	(52.952)
Finance (expenses)/income -net	**(98.251)**	**(100.440)**	**(49.822)**	**(50.570)**

7. CURRENCY EXCHANGE GAINS / (LOSSES)

Foreign currency exchange gains of €11 million reported in this period relate mainly to realized gains from the repayment of US$ denominated borrowings. Operating foreign currency exchange gains and losses on transactions which do not relate to financing are reported under operating results.

8. SHARE OF NET RESULTS OF ASSOCIATES

The amounts represent the Group's share of the net profit / (losses) from associated companies accounted for on an equity accounting basis, which are broken down as follows:

	For the six month period ended		For the three month period ended	
	30 June 2016	30 June 2015	30 June 2016 (not reviewed)	30 June 2015 (not reviewed)
Public Natural Gas Corporation of Greece (DEPA)	11.698	12.509	7.230	2.709
ELPEDISON B.V.	(4.841)	(11.711)	(1.872)	(4.369)
Other associates	(4.497)	10.164	(2.280)	4.521
Total	**2.360**	**10.962**	**3.078**	**2.861**

The main financial information of DEPA Group based on not reviewed interim consolidated accounts is presented below:

	For the six month period ended		For the three month period ended	
	30 June 2016	30 June 2015	30 June 2016 (not reviewed)	30 June 2015 (not reviewed)
EBITDA	121.132	71.591	45.772	26.231
Income before Tax	87.200	39.894	28.782	8.876
Income Tax	(20.627)	(4.154)	(8.125)	(1.135)
Net income	**66.573**	**35.740**	**20.657**	**7.741**
Income accounted in Group	**11.698**	**12.509**	**7.230**	**2.709**

The Group’s share of profit / (loss) arising from its investment in DEPA Group is accounted for based on management accounts which have not been reviewed or audited by an external auditor. Differences which may arise between audited and unaudited results are incorporated in the following year’s results.

Sale of DESFA

On the 16 February 2012, HELPE and the 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 S.A. and EPAs) and 66% of the high pressure transmission network (DESFA). This agreement was approved by HELPE’s EGM, dated 30 January 2012.

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). SOCAR's final offer is for €400 million for 66% of DESFA; i.e. €212,1 million for HELPE’s 35% effective shareholding. Given that at present DESFA S.A. is a 100% subsidiary of DEPA, in order to complete the transaction, DESFA will be “unbundled” through a share distribution (treated as capital reduction of DEPA S.A.), to the two existing shareholders/sellers (i.e. HELPE 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 final offer of SOCAR.

The Share Purchase Agreement (SPA) for the sale of 66% of DESFA’s share capital was signed by HRADF, HELPE and SOCAR (Parties to the SPA) on 21st 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 1st October 2014 and on 5th November 2014, the European Commission opened an in depth investigation. The extent of commitments which may be required to be undertaken by SOCAR and the exact time required for the European Commission to issue a clearance decision cannot be controlled by the parties. On 27th July 2015, the Parties to the SPA executed Addendum No 2, by virtue of which the long stop date of the SPA has been further extended to 21st December 2015; while on 16th December 2015 Addendum No 3 was executed providing for an additional long stop date extension to 30th September 2016. Further to such agreement, the validity of the SOCAR performance guarantee has been extended accordingly.

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 consolidated financial statements reflects HELPE’s 35% share of the net asset value of the DEPA group which as at 30th June 2016 is €607 million. The cost of investment of the DEPA group in the financial statements of HELPE S.A is €237 million. The impact of the above transaction on the Group financial statements will be determined on the basis of the structure of the transaction (at present a spin-off process is provided for in the SPA) and timing of implementation.

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, DEPA Group, as it currently stands, continues to be accounted for and included in these consolidated financial statements as an associate.

9. INCOME TAXES

	For the six month period ended		For the three month period ended	
	30 June 2016	30 June 2015	30 June 2016 (not reviewed)	30 June 2015 (not reviewed)
Current tax	(5.287)	(3.133)	(4.311)	(1.942)
Deferred tax	(36.466)	(25.884)	(27.249)	(16.393)
Total (Expense) / Credit	**(41.753)**	**(29.017)**	**(31.560)**	**(18.335)**

The corporate income tax rate of legal entities in Greece for the period ending 30 June 2016 is 29% (31 December 2015: 29%).

Effective for fiscal years ending 31st December 2011 up to 31st December 2015, Greek companies meeting certain criteria have to be audited on an annual basis by their statutory auditor in respect of compliance with tax law (Tax Certificate Audit). This audit leads to the issuance of a Tax Certificate which under certain conditions, substitutes the full tax audit by the tax authorities, who however retain the right of performing subsequent audit, without finalizing its tax obligations for the respective fiscal year. All relevant Group companies based in Greece have been audited by their respective statutory auditor and have obtained an unqualified Tax Compliance Certificate up to the fiscal year ended 31st December 2014.

Unaudited income tax years

The unaudited income tax years of the parent company and its most significant subsidiaries are set out below. As a result their income tax obligations are not considered final.

Company Name	Financial years ended
HELLENIC PETROLEUM S.A.	2010
EKO S.A	2008-2010
HELLENIC FUELS S.A.	2010

The Tax Certificate Audits for the financial year 2015 are expected to be completed by September 2016. Management does not expect that significant additional tax liabilities, over and above those provided for and disclosed in the financial information will arise.

Other Taxes

Provisional VAT audits have been completed for:

- Hellenic Petroleum S.A. for the period up to and including December 2014,
- EKO S.A. up to and including July 2014.

Relevant audits, for subsequent periods and for other Group companies are in progress.

10. EARNINGS PER SHARE

Diluted earnings per ordinary share are not presented because they are not materially different from basic earnings per share. Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period.

	For the six month period ended		For the three month period ended	
	30 June 2016	30 June 2015	30 June 2016 (not reviewed)	30 June 2015 (not reviewed)
Earnings/ (losses) per share attributable to the Company Shareholders (expressed in Euro per share):	**0,35**	**0,22**	**0,24**	**0,16**
Net income/ (loss) attributable to ordinary shares (Euro in thousands)	106.865	66.274	74.457	47.985
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)

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Con-struction	Total
Cost							
As at 1 January 2015	**286.280**	**875.798**	**4.349.294**	**89.587**	**151.942**	**102.372**	**5.855.273**
Additions	10	1.103	4.787	140	3.265	68.860	78.165
Capitalised projects	-	2.937	14.309	2	474	(17.722)	-
Disposals	(1)	(1)	(684)	(582)	(119)	-	(1.387)
Currency translation effects	53	(163)	(179)	(5)	(19)	(1)	(314)
Transfers and other movements	-	-	632	(1)	(72)	(4.320)	(3.761)
As at 30 June 2015	**286.342**	**879.674**	**4.368.159**	**89.141**	**155.471**	**149.189**	**5.927.976**
Accumulated Depreciation							
As at 1 January 2015	**-**	**379.129**	**1.892.498**	**53.692**	**131.784**	**-**	**2.457.103**
Charge for the period	-	15.187	63.401	2.079	3.463	-	84.130
Disposals	-	-	(517)	(582)	(93)	-	(1.192)
Currency translation effects	-	(134)	(8)	(3)	(47)	-	(192)
Transfers and other movements	-	(19)	396	-	(113)	-	264
As at 30 June 2015	**-**	**394.163**	**1.955.770**	**55.186**	**134.994**	**-**	**2.540.113**
Net Book Value at 30 June 2015	**286.342**	**485.511**	**2.412.389**	**33.955**	**20.477**	**149.189**	**3.387.863**
Cost							
As at 1 January 2016	**286.567**	**889.226**	**4.526.737**	**90.720**	**160.162**	**63.738**	**6.017.150**
Additions	77	618	4.167	1.215	3.163	38.377	47.617
Capitalised projects	1.606	1.978	25.487	24	105	(29.200)	-
Disposals	-	(74)	(2.156)	(622)	(702)	(139)	(3.693)
Currency translation effects	(289)	(526)	(266)	(3)	(8)	(75)	(1.167)
Transfers and other movements	-	997	(6.471)	-	(20)	(3.294)	(8.788)
As at 30 June 2016	**287.961**	**892.219**	**4.547.498**	**91.334**	**162.700**	**69.407**	**6.051.119**
Accumulated Depreciation							
As at 1 January 2016	**-**	**408.915**	**2.027.382**	**57.042**	**138.541**	**-**	**2.631.880**
Charge for the period	-	14.767	75.939	2.154	3.118	-	95.978
Disposals	-	(12)	(2.092)	(622)	(687)	-	(3.413)
Currency translation effects	-	(232)	(206)	(2)	(7)	-	(447)
Transfers and other movements	-	-	-	-	(4)	-	(4)
As at 30 June 2016	**-**	**423.438**	**2.101.023**	**58.572**	**140.961**	**-**	**2.723.994**
Net Book Value at 30 June 2016	**287.961**	**468.781**	**2.446.475**	**32.762**	**21.739**	**69.407**	**3.327.125**

'Transfers and other movements' in assets under construction include the transfer of computer software development costs to intangible assets.

'Transfers and other movements' in plant and machinery include an impairment of €8,3m which relates to the pipeline between Thessaloniki and Skopje. The pipeline is an asset of the Group's subsidiary Vardax S.A. The impairment is included in the line "Cost of Sales" in the income statement.

(All amounts in Euro thousands unless otherwise stated)

12. INTANGIBLE ASSETS

	Goodwill	Retail Service Station Usage Rights	Computer software	Licences & Rights	Other	Total
Cost						
As at 1 January 2015	**133.914**	**51.365**	**96.582**	**38.769**	**74.260**	**394.890**
Additions	-	102	520	7	62	691
Currency translation effects and other movements	-	(1.382)	2.996	1.232	63	2.909
As at 30 June 2015	**133.914**	**50.085**	**100.098**	**40.008**	**74.385**	**398.490**
Accumulated Amortisation						
As at 1 January 2015	**71.829**	**26.138**	**85.717**	**27.260**	**51.968**	**262.912**
Charge for the period	-	1.851	2.391	1.005	3.903	9.150
Currency translation effects and other movements	-	(779)	(97)	779	97	-
As at 30 June 2015	**71.829**	**27.210**	**88.011**	**29.044**	**55.968**	**272.062**
Net Book Value at 30 June 2015	**62.085**	**22.875**	**12.087**	**10.964**	**18.417**	**126.428**
Cost						
As at 1 January 2016	**133.914**	**50.276**	**100.705**	**40.016**	**73.812**	**398.723**
Additions	-	70	1.120	167	12	1.369
Currency translation effects and other movements	-	(156)	1.409	349	(58)	1.544
As at 30 June 2016	**133.914**	**50.190**	**103.234**	**40.532**	**73.766**	**401.636**
Accumulated Amortisation						
As at 1 January 2016	**71.829**	**29.019**	**91.103**	**30.060**	**59.650**	**281.661**
Charge for the period		1.620	2.315	1.047	2.372	7.354
Currency translation effects and other movements	-	-	(51)	52	-	1
As at 30 June 2016	**71.829**	**30.639**	**93.367**	**31.159**	**62.022**	**289.016**
Net Book Value at 30 June 2016	**62.085**	**19.551**	**9.867**	**9.373**	**11.744**	**112.620**

'Currency translation effects and 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)

13. INVENTORIES

	As at 30 June 2016	31 December 2015
Crude oil	272.493	180.149
Refined products and semi-finished products	403.985	400.301
Petrochemicals	19.643	22.286
Consumable materials and other spare parts	83.500	83.705
- Less: Impairment provision for consumables and spare parts	(30.827)	(24.416)
Total	**748.794**	**662.025**

The cost of inventories included in "Cost of sales" amounts to €2,1 billion (30 June 2015: €2,9 billion). Cost of sales also include an amount €2,9 million relating to a write-down of inventories remaining unsold to their net realisable value, as at 30 June 2016 (€4,5 million as at 30 June 2015).

Hellenic Petroleum SA is obliged to keep crude oil and refined products stocks in order to fulfil 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 S.A, a subsidiary of an associate company, DMEP Holdco Ltd.

14. TRADE AND OTHER RECEIVABLES

	As at 30 June 2016	31 December 2015
Trade receivables	550.667	504.984
- Less: Provision for impairment of receivables	(227.870)	(211.349)
Trade receivables net	**322.797**	**293.635**
Other receivables	469.172	471.003
- Less: Provision for impairment of receivables	(29.667)	(34.005)
Other receivables net	**439.505**	**436.998**
Deferred charges and prepayments	23.050	21.509
Total	**785.352**	**752.142**

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

Other receivables include balances in respect of VAT, income tax prepayment, advances to suppliers and advances to personnel. This balance as at 30 June 2016 includes an amount of €54m (31 December 2015: €54m) of VAT approved refunds which has been withheld by the customs office due to a dispute relating to stock shortages. The Group has filed a specific legal objection and claims against this action and expects to fully recover this amount following the conclusion of the relevant legal proceedings (Note 23). The fair values of trade and other receivables approximate their carrying amount.

(All amounts in Euro thousands unless otherwise stated)

15. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	As at	
	30 June 2016	**31 December 2015**
Cash at Bank and in Hand	1.244.066	1.952.808
Cash and Cash Equivalents	**1.244.066**	**1.952.808**
Restricted Cash	168.638	155.556
Total Cash, Cash Equivalents and Restricted Cash	**1.412.704**	**2.108.364**

Restricted cash mainly relates to a deposit with Piraeus Bank (€156 million), which is provided as a guarantee to the European Investment Bank in relation to the Company's €200 million Facility Agreement B with the latter. This is also matched by an equal loan facility from Piraeus Bank which is included in the Group's gross debt.

The outstanding balance under the EIB Facility Agreement B as at 30 June 2016 was €133 million, in accordance with the amortization schedule, whilst the outstanding balance of the Piraeus loan as at 30 June 2016 was €156 million. This is expected to be reduced to €133 million in the following months. The guarantee agreement between Piraeus Bank and the European Investment Bank matured on 15 June 2016 and has been renewed for an additional year.

The effect of the loan and the deposit is a grossing up of the Statement of Financial Position with no effect to the Net Debt position and Net Equity of the Group.

The balance of cash at bank denominated in US Dollars as at 30 June 2016 was $ 427.322 (euro equivalent €374.754). The respective amount as at 31 December 2015 was $ 920.895 (euro equivalent €845.866). A significant amount of cash held as at 31st December 2015, has been used to repay the $400 million Eurobond which matured in May 2016.

16. SHARE CAPITAL

	Number of Shares (authorised and issued)	**Share Capital**	**Share premium**	**Total**
As at 1 January & 31 December 2015	305.635.185	666.285	353.796	1.020.081
As at 30 June 2016	**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 2015: €2,18).

No vesting of share options took place during the six month period ended 30 June 2016.

(All amounts in Euro thousands unless otherwise stated)

17. RESERVES

	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax-free reserves	Other Reserves	Total
Balance at 1 January 2015	**118.668**	**98.420**	**(41.982)**	**3.640**	**271.845**	**(15.578)**	**435.013**
Cash flow hedges							
- Fair value gains / (losses) on cash flow hedges	-	-	8.074	-	-	-	8.074
Derecognition of (gains) / losses on hedges through comprehensive income	-	-	28.609	-	-	-	28.609
Fair value gains / (losses) on available-for-sale financial assets	-	-	-	-	-	(95)	(95)
Currency translation differences and other movements	-	-	-	-	-	(362)	(362)
Balance at 30 June 2015	**118.668**	**98.420**	**(5.299)**	**3.640**	**271.845**	**(16.035)**	**471.239**
Balance at 31 December 2015 and 1 January 2016	**118.668**	**98.420**	**(22.236)**	**747**	**263.047**	**(14.917)**	**443.729**
Fair value gains / (losses) on cash flow hedges	-	-	13.269	-	-	-	13.269
Derecognition of (gains) / losses on hedges through comprehensive income	-	-	19.642	-	-	-	19.642
Actuarial gains/(losses) on defined benefit pension plans	-	-	-	-	-	(5.300)	(5.300)
Fair value gains / (losses) on available-for-sale financial assets	-	-	-	-	-	(4.991)	(4.991)
Currency translation differences and other movements	-	-	-	-	-	(1.171)	(1.171)
As at 30 June 2016	**118.668**	**98.420**	**10.675**	**747**	**263.047**	**(26.379)**	**465.178**

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

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

18. BORROWINGS

	As at 30 June 2016	31 December 2015
Non-current borrowings		
Bank borrowings	971.260	794.634
Eurobonds	312.330	799.014
Finance leases	4.053	4.306
Total non-current borrowings	**1.287.643**	**1.597.954**
Current borrowings		
Short term bank borrowings	1.288.084	1.226.063
Eurobonds	483.174	361.641
Current portion of long-term bank borrowings	44.807	44.796
Finance leases - current portion	531	533
Total current borrowings	**1.816.596**	**1.633.033**
Total borrowings	**3.104.239**	**3.230.987**

Gross borrowings of the Group by maturity as at 30 June 2016 and 31 December 2015 are summarised in the table below (amounts in € million):

	Company	Maturity	Balance as at 30 June 2016	Balance as at 31 December 2015
1a. Syndicated credit facility €40 million	HPF plc	Jul 2016	40	40
1b. Syndicated credit facility €10 million	HPF plc	Jul 2018	10	10
1c. Syndicated bond loan €350 million	HP SA	Jul 2018	343	341
2. Bond loan €400 million	HP SA	Oct 2016	284	225
3. Bond loan €200 million	HP SA	Jan 2018	199	199
4. Bond loan SBF €400 million	HP SA	Nov 2017	198	-
5. European Investment Bank ("EIB")Term loan	HP SA	Jun 2022	267	289
6. Eurobond €500 million	HPF plc	May 2017	483	485
7. Eurobond $400 million	HPF plc	May 2016	-	362
8. Eurobond €325 million	HPF plc	Jul 2019	312	314
9. Bilateral lines	Various	Various	963	961
10. Finance leases	Various	Various	5	5
Total			**3.104**	**3.231**

The Group has centralized treasury operations which coordinate and control the funding and cash management activities of all group companies. Within this framework, Hellenic Petroleum Finance plc (HPF) was established in November 2005 in the U.K. as a wholly-owned subsidiary of Hellenic Petroleum S.A. to act as the central treasury vehicle of the Hellenic Petroleum Group.

Borrowings with significant movements during 2016 are described below:

Bond loan €400 million

In June 2014, Hellenic Petroleum S.A. extended the maturity date of a €400 million syndicated bond loan agreement from December 2014 to 30 December 2015 with a six month extension option, achieving at the same time improvements in cost and general terms and conditions. In September 2015 Hellenic Petroleum S.A. extended the maturity date to June 2016. In April 2016, Hellenic Petroleum S.A. made an additional drawdown of €60 million under the facility and the balance of the loan as at 30 June 2016 was € 284 million. In June 2016 Hellenic Petroleum S.A. extended the facility maturity date to October 2016.

Stand By Facility €400 million

In May 2016 Hellenic Petroleum S.A. concluded a € 400 million stand-by facility with a tenor of 18 months and an extension option for a further 6 months. The facility has two Tranches, a committed Tranche of €240 million and an uncommitted Tranche of €160 million.

(All amounts in Euro thousands unless otherwise stated)

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 twelve years with amortization beginning in December 2013 and similar terms and conditions. Facility B is credit enhanced by a commercial bank guarantee (see note 15). This is normal practice for EIB lending particularly during the construction phase of large projects. Total repayments on both loans up to 30 June 2016 amounted to € 133 million (€22 million paid during 2016). See also note 15 - Cash and Cash Equivalents.

Eurobond $400m

In May 2014 the Group issued a $400 million two-year Eurobond, with a 4,625% annual coupon, maturing in May 2016. In May 2016 Hellenic Petroleum Finance repaid the $ 400 million Eurobond upon maturity.

19. TRADE AND OTHER PAYABLES

	As at	
	30 June 2016	**31 December 2015**
Trade payables	1.727.792	2.626.459
Accrued Expenses & Deferred Income	100.894	73.535
Other payables	56.802	95.384
Total	**1.885.488**	**2.795.378**

Trade payables comprise amounts payable or accrued in respect of supplies of crude oil, products, commodity derivative contracts and services. Following the Greek crisis and particularly the imposition of capital controls on 28 June 2015 in Greece, open credit from suppliers has reduced materially. This is gradually being changed as the performance of the Group is positive and its dependence on the Greek economy less profound. It should also be noted that the value of open credit and trade payables is driven by the level of prices and the exchange rate between US$ and Euro at the balance sheet date as most purchases take place on the basis of US$.

Trade payables, as at 30 June 2016 and 31 December 2015, include amounts in respect of crude oil imports from Iran which were received between December 2011 and March 2012 as part of a long term contract with NIOC. Despite repeated attempts to settle the payment for these cargoes through the international banking system between January and June 2012, it was not possible to do so. This was due to the fact that payments to Iranian banks and state entities were not accepted for processing by the International banking system due to US and International sanctions. After 30 June 2012, Hellenic Petroleum was prohibited to effect payments to NIOC by virtue of EU sanctions (Council Regulation (EU) No. 267/2012 of 23 March 2012). The Group duly notified its supplier of this restriction on payments and the inability to accept further crude oil cargoes under the contract, which is due to the EU sanctions posing legal constraints outside its control.

On 18 October 2015, by Decision (CFSP) 2015/1863, the Council of the European Union (EU) decided to terminate implementation of all Union economic and financial sanctions against Iran, taking into account UNSCR 2231 (2015) and Annex B to UNSCR 2231 (2015), simultaneously with the IAEA-verified implementation by Iran of agreed nuclear-related measures. On 16 January 2016 ("Implementation Day"), by Decision (CFSP) 2016/37, the Council decided that Decision (CFSP) 2015/1863 shall apply from that date. On the same date U.S and other International Restrictive Measures were also partially lifted. In light of the above developments, Hellenic Petroleum and NIOC executed a Heads of agreement on 22 January 2016 for the recommencement of their commercial relationship for the supply of crude and for the settlement of the overdue amounts. Implementation of the agreement, which commenced during April 2016, is in full compliance with the prevailing EU and international framework as well as applicable sanctions. In accordance with the Heads of agreement, the relevant amount which falls due after twelve months has been transferred from trade payables to other long-term liabilities as at 30 June 2016.

(All amounts in Euro thousands unless otherwise stated)

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

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

20. CASH GENERATED FROM OPERATIONS

		For the six month period ended	
	Note	**30 June 2016**	**30 June 2015**
Profit / (loss) before tax		**145.451**	**95.250**
Adjustments for:			
Depreciation and amortisation of property, plant and equipment and intangible assets	**11, 12**	103.332	93.280
Impairment of fixed assets	**11**	8.314	-
Amortisation of grants	**5**	(703)	(1.032)
Finance costs - net	**6**	98.251	100.440
Share of operating profit of associates	**8**	(2.360)	(10.962)
Provisions for expenses and valuation charges		30.349	21.322
Foreign exchange (gains) / losses	**7**	(10.871)	20.682
Discounting effect on long term payables	**5**	(13.500)	-
(Gain) / Loss on sales of property, plant and equipment	**5**	(75)	(3)
		358.188	**318.977**
Changes in working capital			
(Increase)/Decrease in inventories		(85.310)	(152.148)
(Increase)/Decrease in trade and other receivables		(55.392)	(68.487)
(Decrease)/Increase in payables		(636.695)	201.169
		(777.397)	**(19.466)**
Net cash (outflow)/inflow from operating activities		**(419.209)**	**299.511**

21. RELATED PARTY TRANSACTIONS

Included in the condensed interim consolidated statement of comprehensive income are proceeds, costs and expenses, which arise from transactions between the Group and related parties. Such transactions mainly comprise 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.

Transactions have been carried out with the following related parties:

a) Associates and joint ventures of the Group consolidated under the equity method.
- Athens Airport Fuel Pipeline Company S.A. (EAKAA)
- Public Gas Corporation of Greece S.A. (DEPA)
- Elpedison B.V.
- Spata Aviation Fuel Company S.A. (SAFCO)
- HELPE Thraki S.A.
- Biodiesel S.A.
- Superlube LTD
- D.M.E.P. HOLDCO

(All amounts in Euro thousands unless otherwise stated)

	For the six month period ended	
	30 June 2016	**30 June 2015**
Sales of goods and services to related parties		
Associates	340.256	432.304
Joint ventures	67	258
Total	**340.323**	**432.562**
Purchases of goods and services from related parties		
Associates	330.815	429.135
Joint ventures	1.547	963
Total	**332.362**	**430.098**

	As at	
	30 June 2016	**31 December 2015**
Balances due to related parties (Trade and other creditors)		
Associates	44.801	73.348
Joint ventures	574	294
Total	**45.375**	**73.642**
Balances due from related parties (Trade and other debtors)		
Associates	24.402	42.062
Joint ventures	9	101
Total	**24.411**	**42.163**

The parent company has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to Elpedison B.V. The outstanding amount of these as at 30 June 2016 was €99 million (31 December 2015: €105 million).

b) Government related entities which are under common control with the Group due to the shareholding and control rights of the Hellenic State and with which the Group has material transactions or balances:
- Public Power Corporation Hellas S.A.
- Hellenic Armed Forces
- Road Transport S.A.
- Trainose S.A.

During the six month period ended 30 June 2016, transactions and balances with the above government related entities are as follows:

Sales of goods and services amounted to €55 million (30 June 2015: €123 million);
Purchases of goods and services amounted to €25 million (30 June 2015: €24 million);
Receivable balances of €22 million (31 December 2015: €31 million);
Payable balances of €4 million (31 December 2015: €10 million).

(All amounts in Euro thousands unless otherwise stated)

c) Key management includes directors (Executive and Non-Executive Members of the board of Hellenic Petroleum S.A.) and General Managers. The compensation paid or payable to the aforementioned key management amounted as follows:

	For the six month period ended 30 June 2016			**For the six month period ended 30 June 2015**		
	Short term employee benefits	**Termination benefits**	**Number of Members/ Managers**	**Short term employee benefits**	**Termination benefits**	**Number of Members/ Managers**
BOD Executive Members	560	-	4	592	512	8
BOD Non Executive Members	229	-	10	267	-	14
General Managers	768	523	8	776	906	8
Total	**1.557**	**523**		**1.635**	**1.418**	

The above table includes benefits paid or payable to Members/Managers for the period during which they held the specific position. In cases where a General Manager is concurrently serving as a BOD Member as well, the respective benefits are included as Board Executive Members remuneration. The Number of Members/Managers refers to Members/Managers who were included in one of the above categories even for part of the period.

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

- Edison International SpA (Greece, Patraikos Gulf).
- Calfrac Well Services Ltd (Greece, Sea of Thrace concession).

22. COMMITMENTS

Capital expenditure contracted for as of 30 June 2016 amounts to €38 million (31 December 2015: €35 million).

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. They are as follows:

(a) Business issues

(i) Unresolved legal claims

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

(ii) Guarantees

The parent Company has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to subsidiaries and associates of the Group, the outstanding amount of which as at 30 June 2016 was the equivalent of €1.051 million (31 December 2015: €1.427 million). Out of these, €952 million (31 December 2015: €1.322 million) are included in consolidated borrowings of the Group and are presented as such in this financial information.

(iii) International operations

The Group's international operations face a number of legal issues related to changes in local permits and tax regulations, however it is considered that they do not present any material impact on the consolidated financial statements. Such cases include a dispute in connection with the local tank depots of Jugopetrol AD in Montenegro, as well as the re-opening of the Commission for the Protection of Competition in Cyprus' investigation against the

Petroleum companies operating there (wholesale), for the period from 1 October 2004 to 22 December 2006, according to which a fine of €14 million against the Company had been imposed in 2011. Management believes that no additional material liabilities will arise as a result of these cases over and above those recognised in the consolidated financial information.

(b) **Taxation and customs**

(i) Open tax years

Income tax audits for the Group's most important Greek legal entities have been completed up to and including the financial year ended 31 December 2009, with the exception of EKO where income tax audits have been concluded up to and including the financial year ended 31 December 2007, while ongoing audits are in place for financial years from 2008 up to and including the year ended 31 December 2010 for EKO, as well as for financial years from 2010 up to and including the years ended 31 December 2012 and 31 December 2014, for HELPE. Furthermore, for these legal entities, provisional tax audits mainly relating to VAT refunds have been concluded up to more recent dates for the same entities. Management believes that no additional material liability will arise as a result of open tax years over and above the tax liabilities and provisions recognised in the consolidated financial information.

It is noted that for financial years ending 31 December 2011 up to 31 December 2015, Greek legal entities are subject to annual tax audits from their statutory auditors. All the relevant Group companies were audited for the financial years ended 31 December 2011- 2014 obtaining unqualified tax audit certificates. It is expected that all relevant Group companies will also obtain unqualified tax certificates for the financial year 2015.

(ii) Assessments of customs and fines

In 2008, Customs authorities assessed additional customs duties and penalties amounting to approximately €40 million for alleged "stock shortages" during the years 2001-2005. The Company has duly filed contestations before the Administrative Court of First Instance, and Management believes that this case will have a positive outcome when the court hearings take place.

Notwithstanding the filing of the above contestations, the Customs office withheld an amount of €54 million (full payment plus surcharges) of established VAT refunds (Note 14), an action against which the Company filed two Contestations before the Administrative Courts of Athens and Piraeus. The Administrative Court of Athens ruled that the withholding effected by the Tax Office was done against the law.

The Company considers that it will be able to recover the above amounts.

24. DIVIDENDS

On 2 June 2016, the AGM approved the proposal of the BOD to not distribute a dividend for the year ended 31 December 2015. The Board will re-evaluate distribution and dividend payment during 2016.

(All amounts in Euro thousands unless otherwise stated)

25. LIST OF PRINCIPAL CONSOLIDATED SUBSIDIARIES AND ASSOCIATES INCLUDED IN THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

COMPANY NAME	ACTIVITY	COUNTRY OF REGISTRATION	EFFECTIVE PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
EKO S.A	Marketing	GREECE	100,00%	FULL
HELLENIC FUELS S.A.	Marketing	GREECE	100,00%	FULL
EKOTA KO S.A.	Marketing	GREECE	49,00%	FULL
EKO KALYPSO M.E.P.E.	Marketing	GREECE	100,00%	FULL
EKO ATHINA MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO ARTEMIS MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO DIMITRA MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO IRA MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO AFRODITI MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO BULGARIA EAD	Marketing	BULGARIA	100,00%	FULL
EKO SERBIA AD	Marketing	SERBIA	100,00%	FULL
HELLENIC PETROLEUM INTERNATIONAL S.A.	Holding	AUSTRIA	100,00%	FULL
HELPE CYPRUS LTD	Marketing	U.K	100,00%	FULL
RAMOIL S.A.	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA PROPERTIES LTD	Marketing	BULGARIA	100,00%	FULL
HELLENIC PETROLEUM SERBIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
JUGOPETROL AD	Marketing	MONTENEGRO	54,35%	FULL
GLOBAL ALBANIA S.A	Marketing	ALBANIA	99,96%	FULL
ELPET BALKANIKI S.A.	Holding	GREECE	63,00%	FULL
VARDAX S.A	Pipeline	GREECE	50,40%	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 MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
APOLLON MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
HELLENIC PETROLEUM FINANCE PLC	Treasury services	U.K	100,00%	FULL
HELLENIC PETROLEUM CONSULTING	Consulting services	GREECE	100,00%	FULL
HELLENIC PETROLEUM R.E.S S.A.	Energy	GREECE	100,00%	FULL
HELPE-LARCO ENERGIAKI SERVION S.A.	Energy	GREECE	51,00%	FULL
HELPE-LARCO ENERGIAKI KOKKINOU S.A.	Energy	GREECE	51,00%	FULL
ENERGIAKI PYLOY METHONIS S.A.	Energy	GREECE	100,00%	FULL
HELPE PATRAIKOS S.A.	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE UPSTREAM S.A	E&P of hydrocarbons	GREECE	100,00%	FULL
ELPEDISON B.V.	Power Generation	NETHERLANDS	50,00%	EQUITY
SAFCO S.A.	Airplane Fuelling	GREECE	33,33%	EQUITY
DEPA S.A.	Natural Gas	GREECE	35,00%	EQUITY
E.A.K.A.A S.A.	Pipeline	GREECE	50,00%	EQUITY
HELPE THRAKI S.A	Pipeline	GREECE	25,00%	EQUITY
BIODIESEL S.A.	Energy	GREECE	25,00%	EQUITY
SUPERLUBE LTD	Lubricants	CYPRUS	65,00%	EQUITY
DMEP HOLDCO LTD	Trade of crude/products	U.K	48,00%	EQUITY

26. EVENTS OCCURING AFTER THE REPORTING PERIOD

No material events took place after the end of the reporting period and up to the date of publication of the financial statements.