HELLENIC PETROLEUM S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED

30 SEPTEMBER 2017

HELLENIC PETROLEUM

CONTENTS

(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 – Deputy Chief Executive Officer Ioannis Psichogios – Member Georgios Alexopoulos – Member (from 22/6/2017) Theodoros–Achilleas Vardas – Member Georgios Grigoriou – Member Dimitrios Kontofakas – Member Vasileios Kounelis – Member Panagiotis Ofthalmides – Member Theodoros Pantalakis – Member Spiridon Pantelias – Member Constantinos Papagiannopoulos – Member
Other Board Members during the year	Stratis Zafiris – Member (until 22/6/2017)
Registered Office:	8A Chimarras Str. GR 15125 Maroussi, Greece
Registration number:	2443/06/B/86/23
General Commercial Registry:	000296601000

(All amounts in Euro thousands unless otherwise stated)

II. Condensed Interim Statement of Financial Position

		As at	
	Note	**30 September 2017**	**31 December 2016**
ASSETS			
Non-current assets			
Property, plant and equipment	**10**	2.726.209	2.718.798
Intangible assets	**11**	6.897	6.490
Investments in subsidiaries, associates and joint ventures		657.577	655.265
Deferred income tax assets		-	38.839
Available-for-sale financial assets	**3**	2.152	1.017
Loans, advances and long-term assets		18.571	35.109
		3.411.406	**3.455.518**
Current assets			
Inventories	**12**	831.975	839.306
Trade and other receivables	**13**	963.817	1.036.420
Derivative financial instruments	**3**	-	15.192
Cash, cash equivalents and restricted cash	**14**	685.978	888.783
		2.481.770	**2.779.701**
Total assets		**5.893.176**	**6.235.219**
EQUITY			
Share capital	**15**	1.020.081	1.020.081
Reserves	**16**	393.129	469.754
Retained Earnings		328.700	100.315
Total equity		**1.741.910**	**1.590.150**
LIABILITIES			
Non-current liabilities			
Borrowings	**17**	931.801	1.460.281
Deferred income tax liabilities		39.796	-
Retirement benefit obligations		99.090	88.521
Provisions for other liabilities and charges		7.133	6.829
Trade and other payables		108.732	246.405
		1.186.552	**1.802.036**
Current liabilities			
Trade and other payables	**18**	1.427.052	1.691.973
Derivative financial instruments	**3**	352	-
Current income tax liabilities		1.584	-
Borrowings	**17**	1.535.118	1.150.418
Dividends payable		608	642
		2.964.714	**2.843.033**
Total liabilities		**4.151.266**	**4.645.069**
Total equity and liabilities		**5.893.176**	**6.235.219**

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

E. Tsotsoros	G. Stergioulis	A. Shiamishis	S. Papadimitriou
Chairman of the Board	Chief Executive Officer	Deputy Chief Executive Officer & Chief Financial Officer	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

III. Condensed Interim Statement of Comprehensive Income

		For the nine-month period ended		For the three month period ended	
	Note	**30 September 2017**	**30 September 2016**	**30 September 2017**	**30 September 2016**
Sales		**5.376.078**	**4.296.275**	**1.622.422**	**1.654.875**
Cost of sales		(4.848.417)	(3.858.659)	(1.448.885)	(1.510.126)
Gross profit		**527.661**	**437.616**	**173.537**	**144.749**
Selling and distribution expenses		(44.123)	(59.780)	(12.352)	(18.488)
Administrative expenses		(56.249)	(54.972)	(19.101)	(15.319)
Exploration and development expenses		(95)	(214)	(29)	(63)
Other operating income / (expenses) - net	**5**	(24.571)	5.518	(3.502)	(3.182)
Operating profit		**402.623**	**328.168**	**138.553**	**107.697**
Finance (expenses) / income - net	**6**	(109.025)	(124.827)	(33.759)	(43.591)
Dividend income		33.724	38.348	-	-
Currency exchange (losses) / gains	**7**	(8.625)	13.377	(1.601)	2.072
Profit before income tax		**318.697**	**255.066**	**103.193**	**66.178**
Income tax expense	**8**	(83.559)	(64.990)	(29.156)	(21.307)
Profit for the period		**235.138**	**190.076**	**74.037**	**44.871**
Other comprehensive income / (loss):					
Items that will not be reclassified to profit or loss:					
Acruarial losses on defined benefit pension plans	**16**	(1.775)	(3.914)	-	-
		(1.775)	**(3.914)**	**-**	**-**
Items that may be reclassified subsequently to profit or loss:					
Changes in the fair value on available-for-sale financial assets	**16**	804	(6.035)	(1.325)	(1.042)
Fair value (losses) / gains on cash flow hedges	**16**	(13.014)	11.160	8.416	(2.109)
Derecognition of gains/(losses) on hedges through comprehensive income	**16**	1.979	19.642	-	-
		(10.231)	**24.767**	**7.091**	**(3.151)**
Other Comprehensive (loss) / income for the period, net of tax		**(12.006)**	**20.853**	**7.091**	**(3.151)**
Total comprehensive income for the period		**223.132**	**210.929**	**81.128**	**41.720**
Basic and diluted earnings per share (expressed in Euro per share)	**9**	**0,77**	**0,62**	**0,24**	**0,15**

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

(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 2016		**1.020.081**	**438.818**	**(234.008)**	**1.224.891**
Actuarial losses on defined benefit pension plans	**16**	-	(3.914)	-	(3.914)
Changes in the fair value on available-for-sale financial assets	**16**	-	(6.035)	-	(6.035)
Fair value gains / (losses) on cash flow hedges	**16**	-	11.160	-	11.160
Derecognition of gains/(losses) on hedges through comprehensive income	**16**	-	19.642	-	19.642
Other comprehensive income		**-**	**20.853**	**-**	**20.853**
Profit for the period		-	-	190.076	190.076
Total comprehensive income for the period		**-**	**20.853**	**190.076**	**210.929**
Balance at 30 September 2016		**1.020.081**	**459.671**	**(43.932)**	**1.435.820**
Balance at 1 January 2017		**1.020.081**	**469.754**	**100.315**	**1.590.150**
Movement - 1 January 2017 to 30 September 2017					
Actuarial losses on defined benefit pension plans	**16**	-	(1.775)	-	(1.775)
Changes in the fair value on available-for-sale financial assets	**16**	-	804	-	804
Fair value gains / (losses) on cash flow hedges	**16**	-	(13.014)	-	(13.014)
Derecognition of gains/(losses) on hedges through comprehensive income	**16**	-	1.979	-	1.979
Other comprehensive income / (loss)		**-**	**(12.006)**	**-**	**(12.006)**
Profit for the period		-	-	235.138	235.138
Total comprehensive income / (loss) for the period		**-**	**(12.006)**	**235.138**	**223.132**
Share based payments	**16**	-	(457)	(6.753)	(7.210)
Acquisition of Treasury Shares	**16**	-	(10.245)	-	(10.245)
Issue of Treasury shares to employees	**16**	-	7.210	-	7.210
Dividends	**23**	-	(61.127)	-	(61.127)
Balance at 30 September 2017		**1.020.081**	**393.129**	**328.700**	**1.741.910**

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

(All amounts in Euro thousands unless otherwise stated)

V. Condensed Interim Statement of Cash Flows

	Note	For the nine-month period ended 30 September 2017	30 September 2016
Cash flows from operating activities			
Cash generated from / (used in) operations	**19**	219.205	(502.693)
Income tax paid		(20)	(1.279)
Net cash generated from / (used in) operations		**219.185**	**(503.972)**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**10,11**	(110.018)	(60.445)
Dividends received		33.724	37.684
Interest received	**6**	9.278	10.138
Participation in share capital increase of affiliated companies		(3.917)	(2.408)
Net cash used in investing activities		**(70.933)**	**(15.031)**
Cash flows from financing activities			
Interest paid		(128.829)	(135.877)
Dividends paid		(59.578)	(473)
Movement in restricted cash	**14**	11.873	(1.969)
Acquisition of treasury stock	**16**	(10.245)	-
Proceeds from borrowings		303.157	275.500
Repayments of borrowings		(446.937)	(547.711)
Net cash used in financing activities		**(330.559)**	**(410.530)**
Net decrease in cash and cash equivalents		**(182.307)**	**(929.533)**
Cash and cash equivalents at the beginning of the period	**14**	**731.258**	**1.683.600**
Exchange losses on cash and cash equivalents		(8.625)	1.796
Net decrease in cash and cash equivalents		(182.307)	(929.533)
Cash and cash equivalents at end of the period	**14**	**540.326**	**755.863**

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

VI. Notes to the Condensed Interim Financial Statements

1. GENERAL INFORMATION

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

2. BASIS OF PREPARATION, ACCOUNTING POLICIES AND ESTIMATES

Basis of preparation of the condensed interim financial statements

The condensed interim financial statements of Hellenic Petroleum S.A. is prepared in accordance with International Accounting Standard 34 (IAS 34) – *Interim Financial Reporting*, and present the financial position, results of operations and cash flows of the Company on a going concern basis.

The condensed interim financial statements have been prepared in accordance with the historical cost basis, apart from financial instruments which are stated at fair value Where necessary, comparative figures have been reclassified to conform to changes in the presentation of the current year.

These condensed interim financial statements do not include all information and disclosures required for the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which can be found on the Company's website **www.helpe.gr**.

The condensed interim financial statements for the nine-month period ended 30 September 2017 have been authorised for issue by the Board of Directors on 9 November 2017.

Accounting policies and the use of estimates

The preparation of the condensed interim financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed where considered necessary. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events as assessed to be reasonable under the present circumstances.

The accounting principles and calculations used in the preparation of the condensed interim financial statements are consistent with those applied in the preparation of the financial statements for the year ended 31 December 2016 and have been consistently applied in all periods presented in this report, except for the following amended IFRS's, which have been adopted by the Company as of 1 January 2017. The below amendments did not have a significant impact on the condensed interim financial statements for the nine-month period ended 30 September 2017.

- *IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses"*. The objective of the Amendments is to clarify the requirements of deferred tax assets for unrealized losses in order to address diversity in practice in the application of IAS 12 Income Taxes. The specific issues where diversity in practice existed relate to the existence of a deductible temporary difference upon a decrease in fair value, to recovering an asset for more than its carrying amount, to probable future taxable profit and to combined-versus-separate assessment. These amendments have not yet been endorsed by the EU.

- *IAS 7 (Amendments) "Disclosure initiative"*. The objective of the Amendments is to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Amendments specify that one way to fulfil the disclosure requirement is by providing a tabular reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes. These amendments have not yet been endorsed by the EU.

- The IASB has issued the *Annual Improvements to IFRSs (2014 – 2016 Cycle),* which is a collection of amendments to IFRSs. The following annual improvement has not yet been endorsed by the EU. The improvement did not have an effect on the Company's condensed interim financial statements for the nine-month period ended 30 September 2017.

  - *IFRS 12 "Disclosures of Interests in Other Entities*". The amendments clarify that the disclosure requirements in IFRS 12, other than those of summarized financial statements for subsidiaries, joint ventures and associates, apply to an entity's interest in a subsidiary, a joint venture or an associate, that is classified as held for sale, as held for distribution, or as discontinued operations in accordance with IFRS 5.

Standards issued but not yet effective and not early adopted:

- *IFRS 9 "Financial Instruments – Classification and Measurement".* The standard is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 "Financial Instruments: Recognition and Measurement" and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

  While the Company has yet to undertake a detailed assessment of the classification and measurement of financial assets, it would appear that financial assets currently held would likely continue to be measured on the same basis under IFRS 9, and accordingly, the Company does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

  There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities.

  The new hedge accounting rules will align the accounting for hedging instruments more closely with the Company's risk management practices. While the Company is yet to undertake a detailed assessment, it would appear that the Company's current hedge relationships would qualify as continuing hedges upon the adoption of IFRS 9. Accordingly, the Company does not expect a significant impact on the accounting for its hedging relationships.

  The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses, as is the case under IAS 39. While the Company has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

  The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Company's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

- *IFRS 15 "Revenue from Contracts with Customers".* The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates.

  Management has made a preliminary assessment of the impact on potential areas that may be affected by the application of this standard. The Company considers that the application of the new rules will not impact the financial statements.

- *IFRS 15 (Clarifications) "Revenue from Contracts with Customers"* The Clarifications apply for annual periods beginning on or after 1 January 2018 with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 *Revenue from Contracts with Customers*, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. These Clarifications have not yet been endorsed by the EU.

- *IFRS 16 "Leases"* The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The standard has not been yet endorsed by the EU.

  The standard will affect primarily the accounting for operating leases. As at the reporting date, the Company has non-cancellable operating lease commitments of € 16 million. However, the Company has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's profit and classification of cash flows. This is due to the fact that, some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16. The Company expects to complete the assessment of the impact from the implementation of the new standard by the end of the year.

- *IFRS 10 (Amendment) "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture".* The amendments address an acknowledged 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 recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

- *IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions".* The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. These Amendments have not yet been endorsed by the EU.

- *IAS 40 (Amendments) "Transfers of Investment Property".* The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These Amendments have not yet been endorsed by the EU.

- *IFRS 9 (Amendment) "Prepayment features with negative compensation*". The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. These amendments have not yet been endorsed by the EU.

- *IAS 28 (Amendments) "Long-term Interests in Associates and Joint Ventures"*. The amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. These amendments have not yet been endorsed by the EU.

- *IFRIC Interpretation 22 "Foreign currency transactions and advance consideration"*. The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation has not yet been endorsed by the EU.

- *IFRIC Interpretation 23 "Uncertainty over income tax treatments"*. The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU.

- The IASB has issued the *Annual Improvements to IFRSs (2014 – 2016 Cycle),* which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2018 for IAS 28 "Investments in Associates and Joint Ventures". Earlier application is permitted for IAS 28 "Investments in Associates and Joint Ventures". This annual improvement has not yet been endorsed by the EU.

  - *IAS 28 "Investments in associates and Joint ventures"*. The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

3. FINANCIAL RISK MANAGEMENT

The Company's activities are primarily centred on Downstream Refining (incl. Petrochemicals) & Marketing of petroleum products, with secondary activities relating to 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 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. In general, the key factors that impact the Company's operations are summarised as follows:

Greek Macros: During the previous years, the Company faced exceptional challenges and increased cost of doing business mainly as a result of the economic crisis in Greece and the political uncertainty. These challenges remain, albeit with a less profound impact, as signs of improvement have appeared.

The approval of the €86 billion bailout programme in August 2015 and the recapitalisation of the four systemic banks during December 2015 were key steps towards the stabilisation of the macroeconomic and financial environment in Greece. As stipulated in the bailout programme, in order to achieve the fiscal targets agreed, the fiscal position requires additional austerity measures to deliver medium-term sustainability, in order to reach primary fiscal surplus of 3,5% of GDP by 2018.

The bailout program was approved to be dispensed in allotments/tranches following the assessment by the lenders of the successful adoption of the agreed upon austerity measures. To date two tranches have been approved, while the assessment for the third tranche is underway.

While the bailout program and its progress to date have reduced the risk of economic instability in Greece, concerns around its implementation remain, as 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 Company'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 Company's 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 Company and increased optionality. International crude oil reference prices dropped by more than 50% 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, improving the competitive position of Med refiners vs. their global peers. The Company was able to take advantage of this development and diversify its crude basket compared to previous years.

Financing of operations: Given financial market developments since 2011, the key priorities of the Company have been the management of the 'Assets and Liabilities' maturity profile, funding in accordance with its strategic investment plan and liquidity risk for operations. As a result of these key priority initiatives and in line with its medium term financing plan, Hellenic Petroleum has maintained 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 40% of total debt is financed by medium to long-term committed credit lines while the remaining debt is being financed by short-term working capital credit facilities. Further details of the relevant loans and refinancing are provided in note 17.

Capital management: The second key priority of the Company has been the management of its Assets. Overall, the Company has around €3,5 billion of capital employed, which is driven from working capital, investment in fixed assets and its investment in DEPA Group. Current assets are mainly funded with current liabilities (incl. short-term bank debt) which are used to finance working capital (inventories and receivables). As a result of the Company's investment plan, during the period 2007-2012, net debt level has increased to approximately 50% of total capital employed with the remaining being financed through shareholders' equity. The Company has started reducing its net debt levels through utilization of the incremental operating cashflows, post completion and operation of the new Elefsina refinery. This is expected to lead to lower Debt to Equity ratio, better-matched Asset and Liability maturity profiles as well as lower financing costs.

The condensed interim financial statements do not include all financial risk management information and disclosures that are required in the annual financial statements and should be read in conjunction with the annual financial statements as at 31 December 2016.

There have been no changes in the risk management or in any risk management policies since 31 December 2016.

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).

(All amounts in Euro thousands unless otherwise stated)

The following table presents the Company's assets and liabilities that are measured at fair value at 30 September 2017:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging	-	-	-	-
Available for sale financial assets	2.152	-	-	2.152
	2.152	**-**	**-**	**2.152**
Liabilities				
Derivatives used for hedging	-	352	-	352
	-	**352**	**-**	**352**

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2016:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging	-	15.192	-	15.192
Available for sale financial assets	1.017	-	-	1.017
	1.017	**15.192**	**-**	**16.209**
Liabilities				
Derivatives used for hedging	-	-	-	-
	-	**-**	**-**	**-**

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. 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

(All amounts in Euro thousands unless otherwise stated)

- Trade and other payables
- Borrowings

4. ANALYSIS BY OPERATING 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 considers the business from a number of measures which may vary depending on the nature and evolution of a business segment by taking into account the risk profile, cash flow, product and market considerations. Information provided to the committee is measured in a manner consistent with that of the financial statements.

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

For the nine-month period ended 30 September 2017

	Note	Refining	Petro-chemicals	Exploration & Production	Other	Total
Sales		5.174.527	201.551	-	-	5.376.078
Operating profit / (loss)		**343.784**	**65.523**	**(2.914)**	**(3.770)**	**402.623**
Finance income/(expense) - net	6					(109.025)
Dividend income						33.724
Currency exchange gains / (losses)	7					(8.625)
Profit before income tax						**318.697**
Income tax expense	8					(83.559)
Profit for the period						**235.138**

For the nine-month period ended 30 September 2016

	Note	Refining	Petro-chemicals	Exploration & Production	Other	Total
Sales		4.108.065	188.210	-	-	4.296.275
Operating profit / (loss)		**275.980**	**62.423**	**(2.132)**	**(8.103)**	**328.168**
Finance income/(expense) - net	6					(124.827)
Dividend income						38.348
Currency exchange gains / (losses)	7					13.377
Profit before income tax						**255.066**
Income tax expense	8					(64.990)
Profit for the period						**190.076**

There were no changes in the basis of segmentation or in the basis of measurement of segment profit or loss, as compared to the annual financial statements for the year ended 31 December 2016.

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 annual financial statements for the year ended 31 December 2016.

(All amounts in Euro thousands unless otherwise stated)

An analysis of the Company's net sales by type of market (domestic, aviation & bunkering, exports) is presented below:

	For the nine-month period ended	
	30 September 2017	30 September 2016
Net Sales		
Domestic	1.833.494	1.336.285
Aviation & Bunkering	1.122.917	1.017.247
Exports	2.419.667	1.942.743
Total	**5.376.078**	**4.296.275**

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

	For the nine-month period ended		For the three month period ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Income from grants	523	940	174	306
Services to third parties	3.072	2.398	1.013	762
Rental income	917	1.001	246	330
Losses on disposal of fixed assets	(279)	(52)	-	-
Amortization of long-term contracts costs	(7.302)	13.500	(2.456)	-
Legal costs relating to arbitration proceedings ruling	(13.661)	-	19	-
Other operating expenses	(4.841)	(4.769)	(2.498)	(4.580)
Other operating income / (expenses)	**(21.571)**	**13.018**	**(3.502)**	**(3.182)**
Impairment of investments in associates	(3.000)	(7.500)	-	-
Other operating income / (expenses) - net	**(24.571)**	**5.518**	**(3.502)**	**(3.182)**

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

6. FINANCE (EXPENSES) / INCOME – NET

	For the nine-month period ended		For the three month period ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Interest income	9.278	10.138	2.983	3.355
Interest expense and similar charges	(118.303)	(134.965)	(36.742)	(46.946)
Finance (expenses) / income -net	**(109.025)**	**(124.827)**	**(33.759)**	**(43.591)**

7. CURRENCY EXCHANGE GAINS / (LOSSES)

Foreign currency exchange losses of €9 million reported for the nine-month period ended 30 September 2017, mainly relate to unrealized losses arising from the valuation of bank accounts denominated in foreign currency (mostly US$). Foreign currency exchange gains of €13 million reported for the nine-month period to 30 September 2016, mainly relate to realized gains from the repayment of US$ denominated borrowings.

8. INCOME TAX

	For the nine-month period ended		For the three month period ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Current tax	(20)	(1.279)	(5)	(1.279)
Deferred tax	(83.539)	(63.711)	(29.151)	(20.028)
Income tax expense	**(83.559)**	**(64.990)**	**(29.156)**	**(21.307)**

The corporate income tax rate for the period ending 30 September 2017 is 29% (2016: 29%).

Effective for fiscal years ending 31 December 2011 onward, Greek companies meeting certain criteria have to be audited on an annual basis by their statutory auditor in respect of compliance with tax law. This audit leads to the issuance of a Tax Compliance Report, which, under certain conditions, substitutes the full tax audit by the tax authorities; however, the tax authorities reserve the right of future tax audit. The Company has been audited by the statutory auditor and has received unqualified Tax Compliance Reports, for fiscal years up to 2016 (inclusive).

Unaudited income tax years

The Company has not undergone a full tax audit for the financial year ended 31 December 2010. As a result, income tax obligations are not considered final. As mentioned above from 2011 onwards, the Company has been audited by the statutory auditor and has obtained unqualified Tax Compliance Reports up to the fiscal year ended 31 December 2016, therefore these fiscal years are considered audited.

Management believes that no additional material liability will arise as a result of unaudited tax years over and above the tax liabilities and provisions recognised in the condensed interim financial statements for the nine-month period ended 30 September 2017.

Other Taxes

Provisional VAT audits have been completed up to and including December 2016. Relevant audits for subsequent periods are in progress.

9. 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, excluding the weighted average number of treasury shares (Note 16). Diluted earnings per ordinary share are not materially different from basic earnings per share.

	For the nine-month period ended		For the three month period ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**0,77**	**0,62**	**0,24**	**0,15**
Net income attributable to ordinary shares (Euro in thousands)	235.138	190.076	74.037	44.871
Weighted average number of ordinary shares	305.562.019	305.635.185	305.418.073	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 2016	**115.396**	**527.747**	**3.748.398**	**14.283**	**84.649**	**52.813**	**4.543.286**
Additions	-	6	408	120	1.208	57.696	59.438
Capitalised projects	-	1.474	29.887	-	16	(31.377)	-
Disposals	-	-	(5)	-	(253)	(52)	(310)
Transfers and other movements	-	-	1.390	-	-	(1.560)	(170)
As at 30 September 2016	**115.396**	**529.227**	**3.780.078**	**14.403**	**85.620**	**77.520**	**4.602.244**
Accumulated Depreciation							
As at 1 January 2016	**-**	**182.950**	**1.501.991**	**10.148**	**74.171**	**-**	**1.769.260**
Charge for the period	-	13.122	95.213	278	1.848	-	110.461
Disposals	-	-	(5)	-	(253)	-	(258)
As at 30 September 2016	**-**	**196.072**	**1.597.199**	**10.426**	**75.766**	**-**	**1.879.463**
Net Book Value at 30 September 2016	**115.396**	**333.155**	**2.182.879**	**3.977**	**9.854**	**77.520**	**2.722.781**
Cost							
As at 1 January 2017	**115.396**	**530.850**	**3.802.432**	**15.054**	**85.947**	**80.659**	**4.630.338**
Additions	20.775	5.328	1.605	58	2.703	78.286	108.755
Capitalised projects	-	868	17.168	81	229	(18.346)	-
Disposals	-	-	-	(45)	(96)	(280)	(421)
Transfers and other movements	-	-	2.448	-	-	(2.107)	341
As at 30 September 2017	**136.171**	**537.046**	**3.823.653**	**15.148**	**88.783**	**138.212**	**4.739.013**
Accumulated Depreciation							
As at 1 January 2017	**-**	**200.440**	**1.624.451**	**10.470**	**76.179**	**-**	**1.911.540**
Charge for the period	-	12.122	87.304	289	1.690	-	101.405
Disposals	-	-	-	(45)	(96)	-	(141)
As at 30 September 2017	**-**	**212.562**	**1.711.755**	**10.714**	**77.773**	**-**	**2.012.804**
Net Book Value at 30 September 2017	**136.171**	**324.484**	**2.111.898**	**4.434**	**11.010**	**138.212**	**2.726.209**

'Transfers and other movements' include the transfer of spare parts for the refinery units from inventories to fixed assets and the transfer of computer software development costs to intangible assets.

(All amounts in Euro thousands unless otherwise stated)

11. INTANGIBLE ASSETS

	Computer software	Licences & Rights	Total
Cost			
As at 1 January 2016	**86.445**	**24.299**	**110.744**
Additions	1.007	-	1.007
Transfers & other movements	1.314	-	1.314
As at 30 September 2016	**88.766**	**24.299**	**113.065**
Accumulated Amortisation			
As at 1 January 2016	**79.271**	**23.102**	**102.373**
Charge for the period	3.234	903	4.137
As at 30 September 2016	**82.505**	**24.005**	**106.510**
Net Book Value at 30 September 2016	**6.261**	**294**	**6.555**
Cost			
As at 1 January 2017	**90.340**	**24.299**	**114.639**
Additions	1.263	-	1.263
Transfers & other movements	2.107	-	2.107
As at 30 September 2017	**93.710**	**24.299**	**118.009**
Accumulated Amortisation			
As at 1 January 2017	**83.862**	**24.287**	**108.149**
Charge for the period	2.963	-	2.963
As at 30 September 2017	**86.825**	**24.287**	**111.112**
Net Book Value at 30 September 2017	**6.885**	**12**	**6.897**

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

12. INVENTORIES

	As at	
	30 September 2017	**31 December 2016**
Crude oil	355.623	371.829
Refined products and semi-finished products	419.750	410.560
Petrochemicals	18.397	20.387
Consumable materials, spare parts and other	77.424	75.254
- Less: Impairment provision for Consumables and spare parts	(39.219)	(38.724)
Total	**831.975**	**839.306**

The cost of inventories recognized as an expense and included in cost of sales amounted to €4,5 billion (30 September 2016: €3,5 billion). As at 30 September 2017 the Company recorted a loss of €4,2 million arising from inventory valuation (30 September 2016: €0,3 million). This loss is included in cost of sales, in the statement of comprehensive income.

Under IEA and EU regulations Greece is obliged to hold crude oil and refined product stocks in order to fulfil the EU requirement for compulsory Stock obligations (90 days stock directive), as legislated by Greek Law 3054/2002. This responsibility is passed on to all companies, including Hellenic Petroleum S.A., who import and sell in the domestic market and who have the responsibility to maintain and finance the appropriate stock levels. Such stocks are part of the operating stocks and are valued on the same basis.

(All amounts in Euro thousands unless otherwise stated)

13. TRADE AND OTHER RECEIVABLES

	As at	
	30 September 2017	**31 December 2016**
Trade receivables	444.059	444.395
- Less: Provision for impairment of receivables	(120.886)	(118.186)
Trade receivables net	**323.173**	**326.209**
Other receivables	650.397	679.848
- Less: Provision for impairment of receivables	(17.481)	(17.481)
Other receivables net	**632.916**	**662.367**
Deferred charges and prepayments	7.728	47.844
Total	**963.817**	**1.036.420**

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, since all risks and rewards of the relevant invoices have been transferred to the factoring institution.

'Other receivables' include balances in respect of VAT, income tax prepayments, advances to suppliers and advances to personnel. This balance as at 30 September 2017 also includes the following:

a) Advances of €327 million (31 December 2016: €327 million) extended to Hellenic Petroleum International A.G. (a Group company) for the transfer of its shareholding in Hellenic Fuels and Lubricants Industrial S.A. The conclusion of the transfer is subject to final contract signing.
b) €54m of VAT approved refunds (31 December 2016: €54 million), which has been withheld by the customs office due to a dispute relating to stock shortages. The Company has filed a specific legal objection and claim against this action and expects to fully recover this amount, following the conclusion of the relevant legal proceedings (see Note 22).
c) One-year bond loans of €153 million (31 December 2016: €138 million) to subsidiaries.

Deferred charges and prepayments is reduced during the nine-month period ended 30 September 2017, due to the settlement of an insurance claim, amounting to €42 million, which relates to the property damage and business interruption of the Elefsina refinery during 2013 – 2015.

The fair values of trade and other receivables approximate their carrying amount.

14. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	As at	
	30 September 2017	**31 December 2016**
Cash at Bank and in Hand	540.326	731.258
Cash and cash equivalents	**540.326**	**731.258**
Restricted cash	145.652	157.525
Total cash, cash equivalents and restricted cash	**685.978**	**888.783**

Restricted cash mainly relates to a deposit amounting to €144 million, placed as security for a loan agreement of an equal amount with Piraeus Bank, in relation to the Company's Facility Agreement B with the European Investment Bank (Note 17). The outstanding balance under the EIB Facility Agreement B as at 30 September 2017 was €111 million, whilst the outstanding balance of the Piraeus loan as at 30 September 2017 was €144 million. This is expected to be reduced to €111 million in the following months. The guarantee matured on 15 June 2017 and was renewed for an additional year. The effect of the loan and the deposit with Piraeus Bank is a grossing up of the Statement of Financial Position, with no effect to the Net Debt position and Net Equity.

(All amounts in Euro thousands unless otherwise stated)

The balance of US Dollars included in Cash at bank as at 30 September 2017 was US$409 million (Euro equivalent €346 million). The respective amount for the year ended 31 December 2016 was US$ 503 million (Euro equivalent €477 million).

15. SHARE CAPITAL

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January 2016 & 31 December 2016	305.635.185	666.285	353.796	1.020.081
As at 30 September 2017	**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 2016: €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. At the 2014 and 2015 AGM's, the shareholders approved several changes to the share option program incorporating recent tax changes, without altering the net effect in terms of benefit to the participants.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	As at			
	30 September 2017		**31 December 2016**	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
Balance at beginning of period (1 January)	**4,52**	**1.479.933**	**4,52**	**1.479.933**
Exercised	4,52	(906.930)	-	-
Balance at end of period	**4,52**	**573.003**	**4,52**	**1.479.933**

During the nine-month period ended 30 September 2017 share options were exercised via the acquisition and subsequent issue of treasury shares to employees, of a total value of €7,2 million (Note 16).

(All amounts in Euro thousands unless otherwise stated)

16. RESERVES

	Statutory reserve	Special reserves	Tax free & Incentive law reserves	Hedging reserve	Share-based payment reserve	Actuarial gains/ (losses)	Available-for-sale gains/ (losses)	Treasury shares	Total
Balance at 1 January 2016	**118.668**	**86.495**	**263.146**	**(24.718)**	**746**	**(5.519)**	**-**	**-**	**438.818**
Cash flow hedges:									
- Fair value gains / (losses) on cash flow hedges	-	-	-	11.160	-	-	-	-	11.160
- Derecognition of gains/(losses) on hedges through comprehensive income	-	-	-	19.642	-	-	-	-	19.642
Actuarial losses on defined benefit pension plans	-	-	-	-	-	(3.914)	-	-	(3.914)
Changes in the fair value on available-for-sale financial assets	-	-	-	-	-	-	(6.035)	-	(6.035)
Balance at 30 September 2016	**118.668**	**86.495**	**263.146**	**6.084**	**746**	**(9.433)**	**(6.035)**	**-**	**459.671**
Balance at 1 January 2017	**118.668**	**86.495**	**263.146**	**10.786**	**746**	**(10.087)**	**-**	**-**	**469.754**
Cash flow hedges:									
- Fair value gains / (losses) on cash flow hedges	-	-	-	(13.014)	-	-	-	-	(13.014)
- Derecognition of gains/(losses) on hedges through comprehensive income	-	-	-	1.979	-	-	-	-	1.979
Actuarial losses on defined benefit pension plans	-	-	-	-	-	(1.775)	-	-	(1.775)
Changes in the fair value on available-for-sale financial assets	-	-	-	-	-	-	804	-	804
Share-based payments (Note 15)	-	-	-	-	(457)	-	-	-	(457)
Acquisition of Treasury Shares (Note 15)	-	-	-	-	-	-	-	(10.245)	(10.245)
Issue of Treasury shares to employees (Note 15)	-	-	-	-	-	-	-	7.210	7.210
Dividends (Note 23)	-	-	(61.127)	-	-	-	-	-	(61.127)
Balance at 30 September 2017	**118.668**	**86.495**	**202.019**	**(249)**	**289**	**(11.862)**	**804**	**(3.035)**	**393.129**

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 in accordance with the relevant legislation in prior years.

Tax-free and incentive law reserves

These 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.

(iii) Taxed reserves relating to investments under incentive laws. These are available for distribution under certain conditions.

Hedging reserve

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognized in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Actuarial gains / (losses)

These include actuarial gains / (losses) on defined benefit plans resulting from a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.

Treasury Shares

Treasury shares are held with regard to the share option benefit plan (Note 15). Shares issued to employees are recognised on a first-in-first out basis.

17. BORROWINGS

	As at	
	30 September 2017	**31 December 2016**
Non-current borrowings		
Bank borrowings	210.778	233.000
Bond loans	721.023	1.227.281
Non-current borrowings	**931.801**	**1.460.281**
Current borrowings		
Short-term bank borrowings	1.490.674	1.105.974
Current portion of long-term bank borrowings	44.444	44.444
Total current borrowings	**1.535.118**	**1.150.418**
Total borrowings	**2.466.919**	**2.610.699**

Hellenic Petroleum and its subsidiaries (the "Group") has centralised 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 of the Company by maturity as at 30 September 2017 and 31 December 2016 are summarised in the table below (amounts in € million):

		Balance as at	
	Maturity	**30 September 2017 (millions)**	**31 December 2016 (millions)**
Syndicated bond loan €350 million	Jul 2018	347	344
Bond loan €400 million	Oct 2017	284	284
Bond loan €200 million	Jan 2018	200	199
Bond loan SBF €400 million	Nov 2017	240	72
European Investment Bank ("EIB") Term loan	Jun 2022	222	244
HPF Loan €488m	May 2017	-	170
HPF Loan €317,6m	Jul 2019	274	318
HPF Loan €367m	Oct 2021	447	367
Bilateral lines	Various	453	613
Total		**2.467**	**2.611**

Significant movement in borrowings for the nine-month period ended 30 September 2017 are as follows:

<u>Bond loan €400 million</u>

In September 2015, Hellenic Petroleum S.A. extended the maturity date of a €400 million syndicated bond loan agreement from December 2015 to June 2016 and subsequently to October 2017 with two six-month extension options. In October 2017, Hellenic Petroleum S.A. extended the facility maturity date to April 2018.

Bond loans stand-by facility €400 million

In May 2016, Hellenic Petroleum S.A. concluded a € 400 million bond-loan stand-by facility with a tenor of 18 months and an extension option for a further 6 months. The bond loan facility has two Tranches, a committed Tranche of €240 million and an uncommitted Tranche of €160 million. In May 2017, Hellenic Petroleum S.A. made an additional drawdown of €167 million under the committed Tranche of the facility. In October 2017 Hellenic Petroleum S.A. extended the facility maturity date to May 2018.

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 programme relating to the upgrade of the Elefsina Refinery. Both loans had 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 14). This is normal practice for EIB lending particularly during the construction phase of large projects. Total repayments on both loans up to 30 September 2017 amounted to €178 million (€22 million paid during 2017). Facility B includes financial covenant ratios which are comprised of leverage, interest cover and gearing ratios. During 2016 the Group successfully completed a covenants harmonisation process for all its commercial bank loans and Eurobonds. Following the completion of the harmonisation process the Company entered into discussions with EIB in order to bring the loan covenants' definitions and ratios in line with those used for all its commercial bank loans and Eurobonds. In case a common position with EIB is not reached, the Company will evaluate all options, including, if deemed appropriate, a possible refinancing or repayment of the facility out of existing credit lines.

HPF Loan €488m (Eurobond €500m)

In May 2013, HPF issued a €500 million four-year Eurobond, with an 8% annual coupon, maturing in May 2017. The notes were guaranteed by Hellenic Petroleum S.A. Subsequently the Company concluded a €488 million loan agreement with HPF, which was partially prepaid, in October 2016. Hellenic Petroleum SA repaid the outstanding balance in April 2017.

HPF Loan €317,6m (Eurobond €325m)

In July 2014, HPF issued a €325 million five-year Eurobond, with a 5,25% annual coupon, maturing in July 2019. The Notes are guaranteed by Hellenic Petroleum S.A., are redeemable at the option of the Issuer in July 2017 and are listed on the Luxembourg Stock Exchange. Subsequently the Company concluded a €317,6 million loan agreement with HPF and the proceeds were used for general corporate purposes. Total repayments up to 30 September 2017 amounted to €44 million.

HPF Loan €367m (Eurobond €450m)

In October 2016 HPF issued a €375 million five-year 4.875% Eurobond guaranteed by Hellenic Petroleum S.A., with the issue price being 99.453 per cent of the principal amount. The notes mature in October 2021. The proceeds of the new issue were used to repay existing financial indebtedness, including the partial prepayment of the €500 million Eurobond maturing in May 2017, through a tender offer process which was completed in October 2016, during which notes of nominal value of €225 million were accepted. Subsequently the Company concluded a €367 million loan agreement with HPF and the proceeds were used to prepay existing indebtedness, including part of the €488 million maturing in May 2017 and for general corporate purposes.

In July 2017, HPF issued €74,5 million guaranteed notes, due 14 October 2021, which were consolidated to form a single series with HPF's €375 million 4.875% guaranteed notes. Subsequently the Company increased its existing loan agreement with HPF.

Bilateral lines

The Company has credit facilities with various banks in place, for general corporate purposes. These mainly relate to short-term loans, which have been put in place and renewed as necessary over the past few years.

(All amounts in Euro thousands unless otherwise stated)

Certain debt agreements that the Company enters into, include financial covenants, the most significant of which are the maintenance of certain ratios at Group level as follows: "Net Debt/EBITDA", "EBITDA/Net Interest" and "Net Debt/Net Worth". Management monitors the performance of the Group to ensure compliance with the above covenants.

No loans were in default as at 30 September 2017 (none as at 31 December 2016).

18. TRADE AND OTHER PAYABLES

	As at	
	30 September 2017	**31 December 2016**
Trade payables	1.311.875	1.579.039
Accrued Expenses	99.758	81.590
Other payables	15.419	31.344
Total	**1.427.052**	**1.691.973**

Trade payables comprise amounts payable, or accrued in respect of supplies of crude oil, products and services.

Trade payables, as at 30 September 2017 and 31 December 2016, 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 as a result of explicit or implicit 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 Company duly notified its supplier of this restriction on payments and the inability to accept further crude oil cargoes under the contract, as a result of the aforementioned international sanctions.

On 18 October 2015, by Decision (CFSP) 2015/1863, the Council of the European Union (EU) decided to terminate implementation of most of EU restrictions 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 Heads of Terms to a cooperation agreement on 22 January 2016 for the recommencement of their commercial relationship for the supply of crude and for the settlement of the due trade payables. Implementation of the agreement will be in full compliance with prevailing EU and international framework as well as surviving restrictions. In accordance with the aforementioned Heads of Terms, the relevant amount, which falls due after twelve months, has been transferred from trade payables to trade and other payables in non-current liabilities as at 30 September 2017.

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.

Accrued expenses mainly relate to accrued interest, payroll-related accruals and accruals for operating expenses not yet invoiced.

Other payables include payroll-related liabilities, social security obligations and sundry taxes.

(All amounts in Euro thousands unless otherwise stated)

19. CASH GENERATED FROM OPERATIONS

	Note	For the nine-month period ended 30 September 2017	30 September 2016
Profit before tax		**318.697**	**255.066**
Adjustments for:			
Depreciation and amortisation of property, plant and equipment and intangible assets	**10,11**	104.368	114.598
Amortisation of grants	**5**	(523)	(940)
Financial expenses / (income) - net	**6**	109.025	124.827
Provisions for expenses and valuation changes		20.991	35.919
Foreign exchange (gains) / losses	**7**	8.625	(13.377)
Dividend income		(33.724)	(38.348)
Amortization of long-term contracts costs	**5**	7.302	(13.500)
Loss on disposal of Non Current Assets		280	52
		535.041	**464.297**
Changes in working capital			
Decrease / (Increase) in inventories		6.836	(67.384)
Decrease / (Increase) in trade and other receivables		87.424	(3.272)
Decrease in trade and other payables		(410.096)	(896.334)
		(315.836)	**(966.990)**
Net cash generated from / (used in) operating activities		**219.205**	**(502.693)**

20. RELATED PARTY TRANSACTIONS

The condensed interim statement of comprehensive income includes transactions between the Company and related parties. Such transactions mainly comprise sales and purchases of goods and services in the ordinary course of business.

	For the nine-month period ended 30 September 2017	30 September 2016
Sales of goods and services to related parties		
Subsidiaries	1.880.888	1.384.615
Associates	573.688	499.181
Joint ventures	283	92
Total	**2.454.859**	**1.883.888**
Purchases of goods and services from related parties		
Subsidiaries	41.660	40.782
Associates	593.061	489.496
Joint ventures	5.865	1.260
Total	**640.586**	**531.538**

(All amounts in Euro thousands unless otherwise stated)

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

	As at	
	30 September 2017	**31 December 2016**
Balances due to related parties		
(Trade and other creditors)		
Subsidiaries	34.520	42.292
Associates	22.223	34.750
Joint ventures	935	400
Total	**57.678**	**77.442**
Balances due from related parties		
(Trade and other debtors)		
Subsidiaries	443.662	462.804
Associates	40.773	20.938
Joint ventures	36	3
Total	**484.471**	**483.745**

Transactions have been carried out with the following related parties:

a) Hellenic Petroleum Group companies

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

The 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 September 2017 was €89 million (31 December 2016: €100 million).

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

During the nine-month period ended 30 September 2017, transactions and balances with the above government related entities are as follows:
- Sales of goods and services amounted to €131 million (30 September 2016: €50 million);
- Purchases of goods and services amounted to €33 million (30 September 2016: €38 million);
- Receivable balances of €33 million (31 December 2016: €8 million);
- Payable balances of nil (31 December 2016: €2 million).

d) 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:

(All amounts in Euro thousands unless otherwise stated)

	For the nine-month period ended 30 September 2017		For the nine-month period ended 30 September 2016	
	Short term employee benefits	**Termination benefits**	**Short term employee benefits**	**Termination benefits**
BOD Executive Members	1.227	-	864	-
BOD Non Executive Members	335	-	316	-
General Managers	1.516	-	1.213	524
Total	**3.078**	**-**	**2.393**	**524**

e) The Company participates in the following jointly controlled operations with other third parties relating to exploration and production of hydrocarbons in Greece, either directly or indirectly, through its subsidiaries:

- Edison International SpA – HELPE Patraikos, 100% subsidiary (Greece, Patraikos Gulf).
- Calfrac Well Services Ltd – Hellenic Petroleum S.A. (Greece, Sea of Thrace concession)

f) The Company has extended loans to its subsidiaries. The outstanding balance of these loans as at 30 September 2017 was €153 million (31 December 2016: €153 million). Interest income for the nine-month period ended 30 September 2017 was €7 million (30 September 2016: €8 million). All loans are at variable interest rates. The average interest rate on inter-company loans due was 6.33%.

The Company has also received loans from its subsidiaries. The outstanding balance of these loans as at 30 September 2017 was €754 million (31 December 2016: €888 million). All loans are at variable interest rates. The average interest rate on inter-company loans during the nine-month period ended 30 September 2017 was 6,32%.

21. COMMITMENTS

Significant contractual commitments of the Company, other than future operating lease payments that are disclosed in the annual financial statements as at 31 December 2016, mainly relate to improvements in refining assets and amount to amounts to €21 million as of 30 September 2017 (31 December 2016: €22 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. They are as follows:

(a) Business issues

(i) *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 condensed interim financial statements.

(ii) *Guarantees:* 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 2017 was the equivalent of €1.006 million (31 December 2016: €1.210 million).

(b) **Taxation and customs**

(iii) *Open tax years – Litigation tax cases:* Income tax audits have been completed up to and including the financial year ended 31 December 2009, while ongoing audits are in place for financial years from 2010 up to and including 2012. Furthermore, provisional tax audits, mainly relating to VAT refunds have been concluded up to December 2016. In cases where the audits have been finalized and any amounts charged are disputable, the Company has timely practiced all possible legal remedies. Management believes that no additional material liability will arise either as a result of open tax years or from the outcome of current litigation cases over and above the tax liabilities and provisions recognised in the condensed interim financial statements.

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. The Company was audited for the financial years ended 31 December 2011 – 2015 obtaining unqualified Tax Compliance Reports. According to recent legislation, the tax audit and the issuance of tax certificates is also valid from 2016 onwards but on an optional basis. The Company has obtained unqualified Tax Compliance Report for the financial year ended 31 December 2016.

(iv) *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 13), 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 unlawful. The Company considers that the above amounts will be recovered.

23. DIVIDENDS

The AGM held on 23 June 2017 approved the proposal for a €0,20 per share distribution out of prior-year taxed reserves, which was paid out on 10 July 2017.

At its meeting held on 9 November 2017, the Board of Directors decided to distribute interim dividend of €0,15 per share (excluding treasury shares – Note 15) for the financial year 2017. The dividend amounts to a total of €45,835 million.

The Board did not approve a change in dividend policy overall and will re-evaluate the payment of an additional dividend, or special dividend during 2017.

24. OTHER SIGNIFICANT EVENTS

Sale of DESFA

On 16 February 2012, Hellenic Petroleum S.A. and HRADF (jointly the "Sellers") agreed to launch a joint sale process of their shareholding in DEPA Group aiming to dispose 100% of the supply, trading and distribution activities, as well as 66% of their shareholding in the high-pressure transmission network (DESFA S.A., a 100% subsidiary of DEPA S.A.).

The sale process resulted in the submission of a binding offer of €400 million by SOCAR (Azerbaijan's Oil and Gas National Company) for the purchase of the 66% of DESFA. The amount corresponding to the Company's 35% effective shareholding was €212 million.

On 21 December 2013, the Share Purchase Agreement (SPA) for the above sale was signed by HRADF, Hellenic Petroleum S.A. and SOCAR, while the completion of the transaction was agreed to be subject to the clearance of EU's responsible competition authorities.

On 30 November 2016, the deadline for the fulfilment of all prerequisites for the finalisation of the transaction expired without the desired outcome.

By decision of the Governmental Economic Policy Council (ΚΥΣΟΙΠ) on 1 March 2017, the Greek State decided, inter alia, to launch a new tender procedure for the disposal of the 66% of the shares of DESFA, i.e. the 31% of the 65% of the shares held by HRADF combined with the 35% of the shares owned by HELPE, as well as the termination of the respective selling process which was launched in 2012. In addition, article 103 of the most recent law 4472/2017 provides that by 31 December 2017, the participation of DEPA in DESFA (66%) will be sold and transferred through an international tender process which will be carried out by HRADF, while the remaining balance of 34% will be transferred to the Greek State. Furthermore, the above law provides that at the end of the tender process, DESFA should constitute an Unbundled Natural Gas Transmission System Operator, in accordance with the provisions of articles 62 & 63 of Law 4001/2011 as in force, and be certified as such, in accordance with Articles 9 & 10 of the 2009/73/EC (Full Ownership Unbundled System Operator - FOU).

The Board of Directors, at its meeting on 12 June 2017, evaluated the strategic choices of the Company regarding its minority participation in DESFA and considered that the disposal (jointly with HRADF) of the 66% of DESFA's shares is in the interest of the Company. For this purpose, a draft Memorandum of Understanding (MOU) between the Greek State, HRADF and Hellenic Petroleum S.A. was drawn up, based on the corresponding text of 2012. At the abovementioned meeting, the Board of Directors also convened the Extraordinary General Assembly of the Company's shareholders in order to obtain a special permit, in accordance with the provisions of article 23a of the Codified Law 2190/1920, for the conclusion of the MOU between the Greek State, HRADF and Hellenic Petroleum S.A. The MOU was signed by the three parties on 26 June 2017 and the special permit of the General Assembly was provided retrospectively on 6 July 2017, pursuant to the provision of article 23a par. 2190/1920. On 26 June 2017, the Invitation for the Non-Binding Expression of Interest was published. Four parties expressed interest and two of them have been notified on 22 September 2017 by the Sellers that they have qualified to participate in the next phase of the Tender Process (Binding Offers Phase), and are now considered as Shortlisted Parties. The two Shortlisted Parties are on the one hand, a consortium formed by SNAM S.p.A., FLUXYS S.A., Enagas Internacional S.L.U. and N.V. Nederlandse Gasunies and on the other hand Regasificadora del Noroeste S.A..

The Shortlisted Parties are expected to receive before the end of 2017 an invitation by the Sellers to submit their binding offers.

The historical cost of investment of the DEPA group in the condensed interim financial statements is €237 million. DEPA Group, as it currently stands, continues to be accounted for and included in the condensed interim financial statements as an associate.

25. 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 these condensed interim financial statements.