HELLENIC PETROLEUM S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED

31 MARCH 2018

CONTENTS

(All amounts in Euro thousands unless otherwise stated)

I. Company Information

Directors	Efstathios Tsotsoros – Chairman of the Board & Chief Executive Officer (from 17/04/2018) Andreas Shiamishis – Deputy Chief Executive Officer Ioannis Psichogios – Member Georgios Alexopoulos – Member Theodoros–Achilleas Vardas – Member Georgios Grigoriou – Member Dimitrios Kontofakas – Member Vasileios Kounelis – Member Panagiotis Ofthalmides – Member Loudovikos Kotsonopoulos – Member (from 17/04/2018) Theodoros Pantalakis – Member Spiridon Pantelias – Member Constantinos Papagiannopoulos – Member
Other Board Members during the year	Grigorios Stergioulis – Chief Executive Officer (until 17/04/2018)
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	**31 March 2018**	**31 December 2017**
ASSETS			
Non-current assets			
Property, plant and equipment	**9**	2.701.763	2.719.172
Intangible assets	**10**	8.725	7.042
Investments in subsidiaries, associates and joint ventures		672.472	671.622
Investment in equity instruments	**3**	1.079	1.252
Loans, advances and long-term assets		20.170	19.686
		3.404.209	**3.418.774**
Current assets			
Inventories	**11**	948.317	963.746
Trade and other receivables	**12**	1.039.840	989.901
Derivative financial instruments	**3**	15.847	11.514
Cash, cash equivalents and restricted cash	**13**	519.476	813.251
		2.523.480	**2.778.412**
Total assets		**5.927.689**	**6.197.186**
EQUITY			
Share capital	**14**	1.020.081	1.020.081
Reserves	**15**	362.732	360.694
Retained Earnings		486.830	428.448
Total equity		**1.869.643**	**1.809.223**
LIABILITIES			
Non-current liabilities			
Borrowings	**16**	1.113.878	909.579
Deferred income tax liabilities		114.659	89.959
Retirement benefit obligations		106.487	104.331
Provisions for other liabilities and charges		3.814	6.058
Trade and other payables		14.919	15.569
		1.353.757	**1.125.496**
Current liabilities			
Trade and other payables	**17**	1.355.203	1.554.027
Current income tax liabilities		1.584	2.769
Borrowings	**16**	1.346.785	1.704.951
Dividends payable		717	720
		2.704.289	**3.262.467**
Total liabilities		**4.058.046**	**4.387.963**
Total equity and liabilities		**5.927.689**	**6.197.186**

The notes on pages 8 to 31 are an integral part of these condensed interim financial statements.

E. Tsotsoros	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

	Note	For the three-month period ended 31 March 2018	31 March 2017
Sales	4	**2.010.635**	**1.904.474**
Cost of sales		(1.855.792)	(1.684.076)
Gross profit		**154.843**	**220.398**
Selling and distribution expenses		(22.238)	(15.568)
Administrative expenses		(19.557)	(17.817)
Exploration and development expenses		(21)	(38)
Other operating income/(expenses) & other gains/(losses)-net	5	619	(9.167)
Operating profit		**113.646**	**177.808**
Finance income		2.487	3.108
Finance expense		(36.419)	(42.814)
Currency exchange losses	6	(2.501)	(721)
Profit before income tax		**77.213**	**137.381**
Income tax expense	7	(17.398)	(41.414)
Profit for the period		**59.815**	**95.967**
Other comprehensive income / (loss):			
Items that will not be reclassified to profit or loss:			
Changes in the fair value of equity instruments	15	(123)	-
Items that may be reclassified subsequently to profit or loss:			
Fair value gains / (losses) on cash flow hedges	15	1.884	(9.421)
		1.884	**(9.421)**
Other Comprehensive income / (loss) for the period, net of tax		**1.761**	**(9.421)**
Total comprehensive income for the period		**61.576**	**86.546**
Basic and diluted earnings per share (expressed in Euro per share)	8	**0,20**	**0,31**

The notes on pages 8 to 31 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 2017		**1.020.081**	**469.754**	**100.315**	**1.590.150**
Fair value gains / (losses) on cash flow hedges	15	-	(9.421)	-	(9.421)
Other comprehensive income		**-**	**(9.421)**	**-**	**(9.421)**
Profit for the period		-	-	95.967	95.967
Total comprehensive income for the period		**-**	**(9.421)**	**95.967**	**86.546**
Balance at 31 March 2017		**1.020.081**	**460.333**	**196.282**	**1.676.696**
Balance at 1 January 2018 (as originally presented)		**1.020.081**	**360.694**	**428.448**	**1.809.223**
Effect of changes in accounting policy	2	-	166	(1.072)	(906)
Balance at 1 January 2018		**1.020.081**	**360.860**	**427.376**	**1.808.317**
Movement - 1 January 2018 to 31 March 2018					
Changes in the fair value of equity instruments	15	-	(123)	-	(123)
Fair value gains / (losses) on cash flow hedges	15	-	1.884	-	1.884
Other comprehensive income		**-**	**1.761**	**-**	**1.761**
Profit for the period		-	-	59.815	59.815
Total comprehensive income for the period		**-**	**1.761**	**59.815**	**61.576**
Share based payments	15	-	(29)	(361)	(390)
Acquisition of Treasury Shares	15	-	(249)	-	(249)
Issue of Treasury shares to employees	15	-	389	-	389
Balance at 31 March 2018		**1.020.081**	**362.732**	**486.830**	**1.869.643**

The notes on pages 8 to 31 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

		For the three-month period ended	
	Note	**31 March 2018**	**31 March 2017**
Cash flows from operating activities			
Cash (used in) / generated from operations	**18**	(81.202)	95.323
Income tax received		5.768	-
Net cash (used in) / generated from operations		**(75.434)**	**95.323**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**9,10**	(17.401)	(14.663)
Interest received		2.487	3.108
Acquisition of further equity interest in subsidiary		(16.000)	-
Participation in share capital increase of affiliated companies		(850)	-
Net cash used in investing activities		**(31.764)**	**(11.555)**
Cash flows from financing activities			
Interest paid		(29.957)	(31.450)
Dividends paid		(3)	(187)
Movement in restricted cash	**13**	144.445	11.873
Acquisition of treasury stock	**15**	(249)	-
Proceeds from borrowings		7.700	34.000
Repayments of borrowings		(161.567)	(43.494)
Net cash used in financing activities		**(39.631)**	**(29.258)**
Net (decrease) / increase in cash and cash equivalents		**(146.829)**	**54.510**
Cash and cash equivalents at the beginning of the period	**13**	**667.599**	**731.258**
Exchange losses on cash and cash equivalents		(2.501)	(721)
Net (decrease) / increase in cash and cash equivalents		(146.829)	54.510
Cash and cash equivalents at end of the period	**13**	**518.269**	**785.047**

The notes on pages 8 to 31 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 are 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. Management has concluded that the going concern basis of preparation of the accounts is appropriate.

The condensed interim financial statements have been prepared in accordance with the historical cost basis, except for the following:

- financial instruments – measured at fair value;
- defined benefit pension plans – plan assets measured 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 2017, which can be found on the Company's website www.helpe.gr.

The condensed interim financial statements for the three-month period ended 31 March 2018 have been authorised for issue by the Board of Directors on 31 May 2018.

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 2017 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 2018. The below amendments did not have a significant impact on the condensed interim financial statements for the three-month period ended 31 March 2018.

New and amended standards adopted by the Company:

- *IFRS 9 "Financial Instruments – Classification and Measurement"*. 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.

(All amounts in Euro thousands unless otherwise stated)

The Company adopted the new standard as of 1 January 2018 without restating comparative information. The reclassifications and the adjustments arising from the new requirements are, therefore recognised on 1 January 2018 in the statement of financial position.

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. The adjustments are explained in more detail below.

Impact on the statement of financial position as of 31 December 2017 – increase / (decrease):

Statement of financial position extract	**Adj.**	**31 December 2017** *As originally presented*	**IFRS 9**	**31 December 2017** *Restated*
ASSETS				
Current assets				
Trade and other receivables	(b)	989.901	(1.277)	988.624
EQUITY				
Reserves	(a)	360.694	166	360.860
Retained Earnings	(a),(b)	428.448	(1.072)	427.376
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	(b)	89.959	371	90.330

(a) Classification and measurement

Under IFRS 9, financial assets are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The financial assets that were classified as available-for-sale (AFS) under IAS 39, will be now classified as 'Investments in equity instruments' and measured at fair value through other comprehensive income. IFRS 9 permits an entity to make an irrevocable election to present in other comprehensive income changes in the value of any investment in equity instruments that is not held for trading.

As a result of the new guidance of IFRS 9, the Company reclassified an amount of € 0,2 million from retained earnings to reserves.

(b) Impairment

The adoption of IFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach.

For Trade and other receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The effect of the above change on the statement of financial position as at 1 January 2018 resulted in a decrease of retained earnings of € 0,9 million, a decrease of € 1,3 million in trade and other receivables and the increase of € 0,4 million in Deferred income tax assets.

(c) Hedge accounting

At the date of the initial application, all of the Company's existing hedging relationships were eligible to be treated as continuing hedging relationships and, as such, the adoption of the hedge accounting requirements of IFRS 9 had no significant impact on the Company's financial statements.

- *IFRS 15 "Revenue from Contracts with Customers".* 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 new standard is based on the principal that revenue is recognised when control of a good or service is transferred to a customer.

  The Company adopted the new standard on the required effective date using the modified retrospective method. The new standard did not have any significant impact on the Company's financial statements, upon adoption since no material differences from the current accounting policies were identified.

- *IFRS 15 (Clarifications) "Revenue from Contracts with Customers".* 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.

  However, under the new IFRS 15, volume related rebates constitute a material right which should be recognized over time up to the point it crystalizes. The Company provides volumes rebates to customers based on thresholds specified in contracts. All such rebates are settled within the financial year and therefore the application of the new standard would have a nil effect in the annual Financial Statements. However, for the purposes of the condensed interim financial statements the Company has estimated the portion of volumes rebates which corresponds to the build-up of the material right based on volumes sold to each client. The total debit to revenue for the three-month period ended 31 March 2018 is €3,5 million.

- *"IFRS 2 (Amendments) Classification and Measurement of Share based Payment Transactions".* 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.

- *"IAS 40 (Amendments) Transfers to Investment Property"*. 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.

- *"IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration"*. 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.

- The IASB has issued the *Annual Improvements to IFRSs (2014 – 2016 Cycle),* which is a collection of amendments to IFRSs.

  – *"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.

Standards issued but not yet effective and not early adopted:

- *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 recognise 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 will affect primarily the accounting for operating leases. As at the reporting date, the Company has non-cancellable operating lease commitments of € 15 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 during the year ending 31 December 2018.

- *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 recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. 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 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 amortised cost or at fair value through other comprehensive income. The 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. The Amendments have 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.

- *IAS 19 (Amendments) "Plan Amendment, Curtailment or Settlement"*. The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These Amendments have not yet been endorsed by the EU.

- *"Conceptual Framework in IFRS standards"*. The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, *"Amendments to References to the Conceptual Framework in IFRS Standards"*, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

- The IASB has issued the *Annual Improvements to IFRSs (2015 – 2017 Cycle)*, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU.

  – *IFRS 3 "Business Combinations and IFRS 11 Joint Arrangements"*. The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

  – *IAS 12 "Income Taxes"*. The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits has been recognised.

  - *IAS 23 "Borrowing Costs"*. The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

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: Following a period of economic recession between 2009-2016, during which real GDP fell by 26%, the Greek economy begun recovering during 2016 and continued growing in 2017 (+1,4%), marking the first time that, real GDP growth has exceeded 1% since 2007. Economic recovery, improved banking system stability, completion of the second and third EU bailout programme reviews, as well as improved confidence reflected in the Greek government bond yields and the new 7-year government bond issue, contributed to an enhanced macroeconomic backdrop in the country. Employment growth (+2,1% in 2017) had a positive impact on income and private consumption; however, inflation and wage growth are still weak.

Total domestic fuels consumption reduced by 6,1% during the first quarter of 2018, mainly due to the reduction in demand for heating gasoil, which is attributed to mild weather conditions and higher oil product prices during the first three months of the year. Motor fuels demand, however, increased by 4% comparing to the first quarter of 2017, as gasoline and auto diesel consumption was higher.

Despite the significant progress in economic recovery recorded in 2017, concerns around the banking system sustainability and government funding after the bailout programme termination remain, as reflected in debt capital and equity markets risk assessment and pricing. Economic developments in the country are beyond the Company's control; however, 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 3,5 years have reduced the cost of raw material for the Company and increased optionality. International crude oil reference prices in March 2018 decreased by more than 40% compared to the 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. During this period, the Company has been able to take advantage of these developments and to diversify its crude basket.

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 46% 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 16.

Capital management: The second key priority of the Company has been the management of its Assets. Overall the Company has around €3,8 billion of capital employed which is driven from working capital, investment in fixed assets and its investment in the 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 implementation of the Company's investment plan, during the period 2007-2012, net debt level has increased to approximately 50% of total capital employed while the remaining is financed through shareholders equity. The Company has started reducing its net debt levels through utilisation 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 2017.

There have been no changes in the risk management or in any risk management policies since 31 December 2017.

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 31 March 2018:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivative financial instruments held for trading	-	1.680	-	1.680
Derivatives used for hedging	-	14.167	-	14.167
Investment in equity instruments	1.079	-	-	1.079
	1.079	**15.847**	**-**	**16.926**
Liabilities				
Derivatives used for hedging	-	-	-	-
	-	**-**	**-**	**-**

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2017:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging	-	11.514	-	11.514
Investment in equity instruments	1.252	-	-	1.252
	1.252	**11.514**	**-**	**12.766**
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.

Financial information regarding the Company's operating segments for the three-month periods ended 31 March 2018 and 2017 is presented below:

For the three-month period ended 31 March 2018

	Note	Refining	Petro-chemicals	Exploration & Production	Other	Total
Sales		1.934.011	76.624	-	-	2.010.635
EBITDA (*)		**127.111**	**22.899**	**(1.877)**	**(315)**	**147.818**
Depreciation and amortisation	**9,10**	(33.223)	(884)	(51)	(14)	(34.172)
Operating profit / (loss)		**93.888**	**22.015**	**(1.928)**	**(329)**	**113.646**
Finance (expenses)/income - net		(25.351)	(454)	-	(8.127)	(33.932)
Currency exchange gains/(losses)	**6**	(2.501)	-	-	-	(2.501)
Profit / (Loss) before income tax		**66.036**	**21.561**	**(1.928)**	**(8.456)**	**77.213**
Income tax expense	**7**					(17.398)
Profit for the year						**59.815**

For the three-month period ended 31 March 2017

	Note	Refining	Petro-chemicals	Exploration & Production	Other	Total
Sales		1.830.370	74.104	-	-	1.904.474
EBITDA (*)		**185.417**	**24.898**	**(718)**	**(233)**	**209.364**
Depreciation and amortisation	**9,10**	(30.548)	(946)	(47)	(15)	(31.556)
Operating profit / (loss)		**154.869**	**23.952**	**(765)**	**(248)**	**177.808**
Finance (expenses)/income - net		(29.767)	(454)	-	(9.485)	(39.706)
Currency exchange gains/(losses)	**6**	(721)	-	-	-	(721)
Profit / (Loss) before income tax		**124.381**	**23.498**	**(765)**	**(9.733)**	**137.381**
Income tax expense	**7**					(41.414)
Profit for the year						**95.967**

(All amounts in Euro thousands unless otherwise stated)

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 2017. 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 2017.

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

	For the three-month period ended	
	31 March 2018	**31 March 2017**
Net Sales		
Domestic	629.928	691.194
Aviation & Bunkering	166.077	173.923
Exports	1.214.630	1.039.357
Total	**2.010.635**	**1.904.474**

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

	For the three-month period ended	
	31 March 2018	**31 March 2017**
Income from grants	158	174
Services to third parties	1.195	1.119
Rental income	359	335
Total other operating income	**1.712**	**1.628**
Amortization of long-term contracts costs	(1.000)	(3.281)
Legal costs relating to arbitration proceedings ruling	-	(8.000)
Other income / (expenses)	(93)	486
Other operating income / (expenses) - net	**619**	**(9.167)**

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

6. CURRENCY EXCHANGE GAINS / (LOSSES)

Foreign currency exchange losses of €2,5 million, reported for the three-month period ended 31 March 2018, mainly relate to unrealized losses arising from the valuation of bank accounts denominated in foreign currency (mostly US$).

7. INCOME TAX

	For the three-month period ended	
	31 March 2018	**31 March 2017**
Current tax	(213)	-
Recovery of prior years' disputed taxes	7.166	-
Deferred tax	(24.351)	(41.414)
Income tax expense	**(17.398)**	**(41.414)**

The corporate income tax rate is 29% for 2018 and 2017. In accordance with the applicable tax provisions, tax audits are conducted as follows:

Audits by Certified Auditors – Tax Compliance Report

Effective for fiscal years ending 31 December 2011 onward, Greek companies meeting certain criteria can obtain an "Annual Tax Certificate" as provided for by par.5, article 82 of L.2238/1994 from their statutory auditor in respect of compliance with tax law. The issuance of a Tax Compliance Report, 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 received unqualified Tax Compliance Reports, for fiscal years up to 2016 (inclusive).

Audits by Tax Authorities

The Company has undergone full tax audits for the financial years ended 31 December 2011.

As explained also in Note 21 and notwithstanding the possibility of future tax audits, 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 interim financial statements for the three-month period ended 31 March 2018.

8. 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 15). Diluted earnings per ordinary share are not materially different from basic earnings per share.

	For the three-month period ended	
	31 March 2018	**31 March 2017**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**0,20**	**0,31**
Net income attributable to ordinary shares (Euro in thousands)	59.815	95.967
Weighted average number of ordinary shares	305.609.957	305.635.185

(All amounts in Euro thousands unless otherwise stated)

9. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machi-nery	Motor vehicles	Furniture and fixtures	Assets Under Cons-truction	Total
Cost							
As at 1 January 2017	**115.396**	**530.850**	**3.790.315**	**15.054**	**85.947**	**80.659**	**4.618.221**
Additions	-	9	535	-	1.677	12.420	14.641
Capitalised projects	-	119	1.492	-	36	(1.647)	-
Transfers and other movements	-	-	1.448	-	-	(1.654)	(206)
As at 31 March 2017	**115.396**	**530.978**	**3.793.790**	**15.054**	**87.660**	**89.778**	**4.632.656**
Accumulated Depreciation							
As at 1 January 2017	**-**	**200.440**	**1.624.451**	**10.470**	**76.179**	**-**	**1.911.540**
Charge for the period	-	4.193	25.777	94	563	-	30.627
As at 31 March 2017	**-**	**204.633**	**1.650.228**	**10.564**	**76.742**	**-**	**1.942.167**
Net Book Value at 31 March 2017	**115.396**	**326.345**	**2.143.562**	**4.490**	**10.918**	**89.778**	**2.690.489**
Cost							
As at 1 January 2018	**142.850**	**534.559**	**3.900.635**	**15.453**	**89.474**	**83.287**	**4.766.258**
Additions	-	29	1.943	8	178	12.800	14.958
Capitalised projects	-	455	7.491	-	46	(7.992)	-
Disposals	-	-	-	-	(6)	-	(6)
Transfers and other movements	-	-	1.895	-	-	(231)	1.664
As at 31 March 2018	**142.850**	**535.043**	**3.911.964**	**15.461**	**89.692**	**87.864**	**4.782.874**
Accumulated Depreciation							
As at 1 January 2018	**-**	**216.487**	**1.741.434**	**10.814**	**78.351**	**-**	**2.047.086**
Charge for the period	-	3.898	28.602	104	577	-	33.181
Disposals	-	-	-	-	(6)	-	(6)
Impairment	-	-	-	-	-	850	850
As at 31 March 2018	**-**	**220.385**	**1.770.036**	**10.918**	**78.922**	**850**	**2.081.111**
Net Book Value at 31 March 2018	**142.850**	**314.658**	**2.141.928**	**4.543**	**10.770**	**87.014**	**2.701.763**

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

(All amounts in Euro thousands unless otherwise stated)

10. INTANGIBLE ASSETS

	Computer software	Licences & Rights	Total
Cost			
As at 1 January 2017	**90.340**	**24.299**	**114.639**
Additions	22	-	22
Transfers & other movements	1.655	-	1.655
As at 31 March 2017	**92.017**	**24.299**	**116.316**
Accumulated Amortisation			
As at 1 January 2017	**83.862**	**24.287**	**108.149**
Charge for the period	929	-	929
As at 31 March 2017	**84.791**	**24.287**	**109.078**
Net Book Value at 31 March 2017	**7.226**	**12**	**7.238**
Cost			
As at 1 January 2018	**95.205**	**24.299**	**119.504**
Additions	53	2.390	2.443
Transfers & other movements	231	-	231
As at 31 March 2018	**95.489**	**26.689**	**122.178**
Accumulated Amortisation			
As at 1 January 2018	**88.175**	**24.287**	**112.462**
Charge for the period	989	2	991
As at 31 March 2018	**89.164**	**24.289**	**113.453**
Net Book Value at 31 March 2018	**6.325**	**2.400**	**8.725**

'Licenses and Rights' include net exploration license costs relating to the two new exploration & production of hydrocarbons' concessions in Western Greece. 'Transfers and other movements' in computer software include the transfer of computer software development costs from assets under construction to intangible assets.

11. INVENTORIES

	As at	
	31 March 2018	**31 December 2017**
Crude oil	336.855	330.840
Refined products and semi-finished products	537.161	559.312
Petrochemicals	21.379	21.670
Consumable materials, spare parts and other	80.837	79.454
- Less: Impairment provision for Consumables and spare parts	(27.915)	(27.530)
Total	**948.317**	**963.746**

The cost of inventories recognised as an expense and included in 'Cost of sales' amounted to €1,7 billion (31 March 2017: €1,6 billion). As at 31 March 2018, the Company recorded a loss of €0,4 million arising from inventory valuation (31 March 2017: €0,1 million). This loss is included in 'Cost of sales' in the statement of comprehensive income.

(All amounts in Euro thousands unless otherwise stated)

Furthermore, as at 31 March 2018 an amount of €2 million relating to spare parts for the refinery units, has been transferred from inventories to fixed assets (Note 9).

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., that 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.

12. TRADE AND OTHER RECEIVABLES

	As at	
	31 March 2018	**31 December 2017**
Trade receivables	452.210	450.922
- Less: Provision for impairment of receivables	(118.707)	(117.305)
Trade receivables net	**333.503**	**333.617**
Other receivables	708.192	670.606
- Less: Provision for impairment of receivables	(20.060)	(20.060)
Other receivables net	**688.132**	**650.546**
Deferred charges and prepayments	18.205	5.738
Total	**1.039.840**	**989.901**

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 prepayment, advances to suppliers and advances to personnel. This balance as at 31 March 2018 also includes the following:

a) Advances of €327 million extended to Hellenic Petroleum International A.G. (a Group company) for the transfer of 100% of the share capital of Hellenic Fuels S.A. (currently a direct subsidiary of Hellenic Petroleum International A.G.) (31 December 2017: €327 million). On 25 January 2018, the Board of Directors approved the acquisition of the remaining 64,41% of Hellenic Fuels S.A.'s shares by Hellenic Petroleum S.A., for a total consideration of €350 million.
b) €54m of VAT approved refunds (31 December 2017: €54 million), which had 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 21).
c) A one-year bond loan of €138 million (31 December 2017: €138 million) to EKO ABEE, a Group company (Note 19).

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

(All amounts in Euro thousands unless otherwise stated)

13. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	As at	
	31 March 2018	**31 December 2017**
Cash at Bank and in Hand	518.269	667.599
Cash and cash equivalents	**518.269**	**667.599**
Restricted cash	1.207	145.652
Total cash, cash equivalents and restricted cash	**519.476**	**813.251**

Restricted cash as at 31 December 2017 mainly related 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 16). The outstanding balance under the EIB Facility Agreement B as at 31 December 2017 was €100 million, whilst the outstanding balance of the Piraeus loan as at 31 December 2017 was €144 million. In February 2018, the Company amended the EIB Facility Agreement B in such a way that the facility has no security requirements. Consequently, the loan with Piraeus Bank and the relevant deposit were repaid and the guarantee was cancelled.

The balance of US Dollars included in Cash at bank as at 31 March 2018 was US$409 million (Euro equivalent €332 million). The respective amount for the year ended 31 December 2017 was US$ 549 million (Euro equivalent €458 million).

14. SHARE CAPITAL

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January 2017 & 31 December 2017	305.635.185	666.285	353.796	1.020.081
As at 31 March 2018	**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 2017: €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 of linking 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.

(All amounts in Euro thousands unless otherwise stated)

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

	As at			
	31 March 2018		31 December 2017	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
Balance at beginning of period (1 January)	**4,52**	**185.633**	**4,52**	**1.479.933**
Exercised	4,52	(57.539)	4,52	(1.294.300)
Balance at end of period	**4,52**	**128.094**	**4,52**	**185.633**

During the three-month period ended 31 March 2018 share options were exercised via the acquisition and subsequent issue of treasury shares to employees, with a total value of €0,4 million (Note 15).

15. RESERVES

	Note	Statutory reserve	Special reserves	Tax free & Incentive law reserves	Hedging reserve	Actuarial gains/ (losses)	Equity instrum. FVOCI gains/ (losses)	Share-based payment reserve	Treasury shares	Total
Balance at 1 January 2017		**118.668**	**86.495**	**263.146**	**10.786**	**(10.087)**	**-**	**746**	**-**	**469.754**
- Fair value gains / (losses) on cash flow hedges		-	-	-	(9.421)	-	-	-	-	(9.421)
Balance at 31 March 2017		**118.668**	**86.495**	**263.146**	**1.365**	**(10.087)**	**-**	**746**	**-**	**460.333**
Balance at 1 January 2018 (as previously reported)		**118.668**	**86.495**	**164.981**	**8.175**	**(17.187)**	**-**	**93**	**(531)**	**360.694**
Effect of changes in accounting policy	**2**	-	-	-	-	-	166	-	-	166
Balance at 1 January 2018		**118.668**	**86.495**	**164.981**	**8.175**	**(17.187)**	**166**	**93**	**(531)**	**360.860**
- Fair value gains / (losses) on cash flow hedges		-	-	-	1.884	-	-	-	-	1.884
Changes in the fair value on available-for-sale financial assets		-	-	-	-	-	(123)	-	-	(123)
Share-based payments		-	-	-	-	-	-	(29)	-	(29)
Acquisition of Treasury Shares		-	-	-	-	-	-	-	(249)	(249)
Issue of Treasury shares to employees		-	-	-	-	-	-	-	389	389
Balance at 31 March 2018		**118.668**	**86.495**	**164.981**	**10.059**	**(17.187)**	**43**	**64**	**(391)**	**362.732**

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 during the existence of the corporation, 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.

(All amounts in Euro thousands unless otherwise stated)

(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 recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Other reserves

These include:

(i) 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.

(ii) Changes in the fair value of investments in equity instruments.

Treasury Shares

Treasury shares are held regarding the share option plan. During the three-month period ended 31 March 2018, 31.309 shares were acquired at a cost of €0,2 million, while 51.467 shares were issued to employees, following the exercise of share options held. Treasury shares are recognised on a first-in first-out method.

16. BORROWINGS

	As at	
	31 March 2018	**31 December 2017**
Non-current borrowings		
Bank borrowings	188.556	188.556
Bond loans	925.322	721.023
Non-current borrowings	**1.113.878**	**909.579**
Current borrowings		
Short-term bank borrowings	1.302.341	1.660.507
Current portion of long-term bank borrowings	44.444	44.444
Total current borrowings	**1.346.785**	**1.704.951**
Total borrowings	**2.460.663**	**2.614.530**

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 31 March 2018 and 31 December 2017 are summarised in the table below (amounts in € million):

		As at	
	Maturity	**31 March 2018 (millions)**	**31 December 2017 (millions)**
Syndicated bond loan €350 million	Jul 2018	349	348
Bond loan €400 million	Oct 2018	284	284
Bond loan €200 million	Feb 2021	197	200
Bond loan SBF €400 million	May 2018	240	239
European Investment Bank ("EIB") Term loan	Jun 2022	200	200
HPF Loan €317,6m	Jul 2019	282	274
HPF Loan €367m	Oct 2021	447	447
Bilateral lines	Various	462	623
Total		**2.461**	**2.615**

No loans were in default as at 31 March 2018 (none as at 31 December 2017).

Significant movements in borrowings for the three-month period ended 31 March 2018 are as follows:

Syndicated bond loan €350 million

In July 2014, the Company concluded a €350 million syndicated bond loan credit facility guaranteed by HPF, maturing in July 2018. The Company is in the process of refinancing the credit facility with a syndicate of Greek and international banks, which will mature in 5 years.

Bond loan €400 million

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 April 2018 the Company extended the facility maturity date to October 2018.

Bond Loan €200 million

In line with its risk management strategy to increase the percentage of committed term credit facilities, Hellenic Petroleum S.A. concluded a €200 million committed credit facility in January 2015, with a tenor of 3 years, with National Bank of Greece. In February 2018, the Company renewed the committed credit facility with a tenor of 3 years.

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 six months. The bond loan facility has two Tranches, a committed Tranche of €240 million and an uncommitted Tranche of €160 million. In October 2017, Hellenic Petroleum S.A. extended the facility maturity date to May 2018. The balance of the committed Tranche as at 31 March 2018 was €240 million (31 December 2017: €239 million). In May 2018, the Company repaid the outstanding balance of €240 million upon maturity.

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 amortisation beginning in December 2013 and similar terms and conditions. Facility B was credit enhanced by a commercial bank guarantee (see Note 13). This is normal practice for EIB lending particularly during the construction phase of large projects. Total repayments on both loans up to 31 March 2018 amounted to €200 million. Up to February 2018, Facility B included financial covenant ratios, which were comprised of leverage, interest cover and gearing ratios. In February 2018, Hellenic Petroleum S.A. amended the terms of this facility in order to bring the loan covenants definitions and ratios in line with those used for all its commercial bank loans and Eurobonds.

(All amounts in Euro thousands unless otherwise stated)

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. 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.

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 in 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.

Certain medium term credit agreements that the Company has concluded, include financial covenants, mainly for the maintenance of certain ratios at Group level, such as: "Net Debt/ Adjusted EBITDA", "Adjusted EBITDA/Net Interest" and "Net Debt/Net Worth". Management monitors the performance of the Group to ensure compliance with the above covenants.

17. TRADE AND OTHER PAYABLES

	As at	
	31 March 2018	**31 December 2017**
Trade payables	1.220.836	1.417.731
Accrued Expenses	119.865	84.535
Other payables	14.502	51.761
Total	**1.355.203**	**1.554.027**

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

Trade payables, as at 31 March 2018 and 31 December 2017, 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

(All amounts in Euro thousands unless otherwise stated)

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.

On May 8, 2018, the President of the U.S. (the President) announced his decision to cease the United States' participation in the Joint Comprehensive Plan of Action (JCPOA), and to begin re-imposing, following a wind-down period, the U.S. nuclear-related sanctions that were lifted to effectuate the JCPOA sanctions relief. In conjunction with this announcement, the President issued a National Security Presidential Memorandum (NSPM) directing the Secretary of State and the Secretary of the Treasury to prepare immediately for the re-imposition of all of the U.S. sanctions lifted or waived in connection with the JCPOA, to be accomplished as expeditiously as possible and in no case later than 180 days from the date of the NSPM. Hellenic Petroleum S.A. is closely monitoring developments, following the US administration decision on JCPOA and will assess its position accordingly

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 amounts in respect of payroll-related liabilities, social security obligations and sundry taxes.

18. CASH GENERATED FROM OPERATIONS

		For the three-month period ended	
	Note	**31 March 2018**	**31 March 2017**
Profit before tax		**77.213**	**137.381**
Adjustments for:			
Depreciation and amortisation of property, plant and equipment and intangible assets	**9,10**	34.172	31.556
Impairment of fixed assets	**9**	850	-
Amortisation of grants	**5**	(158)	(174)
Financial expenses / (income) - net		33.932	39.706
Provisions for expenses and valuation changes		5.380	6.690
Foreign exchange (gains) / losses	**6**	2.501	721
Amortization of long-term contracts costs	**5**	-	2.281
		153.890	**218.161**
Changes in working capital			
Decrease / (Increase) in inventories		14.838	(59.709)
(Increase) / Decrease in trade and other receivables		(51.826)	39.274
Decrease in trade and other payables		(198.104)	(102.403)
		(235.092)	**(122.838)**
Net cash (used in) / generated from operating activities		**(81.202)**	**95.323**

(All amounts in Euro thousands unless otherwise stated)

19. RELATED PARTY TRANSACTIONS

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

	For the three-month period ended	
	31 March 2018	**31 March 2017**
Sales of goods and services to related parties		
Subsidiaries	568.341	608.050
Associates	172.285	172.120
Joint ventures	99	98
Total	**740.725**	**780.268**
Purchases of goods and services from related parties		
Subsidiaries	14.902	13.171
Associates	182.943	175.019
Joint ventures	5.494	1.535
Total	**203.339**	**189.725**

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

	As at	
	31 March 2018	**31 December 2017**
Balances due to related parties (Trade and other creditors)		
Subsidiaries	36.076	37.726
Associates	2.615	3.094
Joint ventures	1.535	1.677
Total	**40.226**	**42.497**
Balances due from related parties (Trade and other debtors)		
Subsidiaries	447.781	458.313
Associates	41.957	34.144
Joint ventures	72	30
Total	**489.810**	**492.487**

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 31 March 2018 was €85 million (31 December 2017: €88 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 three-month period ended 31 March 2018, transactions and balances with the above government related entities are as follows:
- Sales of goods and services amounted to €33 million (31 March 2017: €14 million);
- Purchases of goods and services amounted to €10 million (31 March 2017: €12 million);
- Receivable balances of €27 million (31 December 2017: €26 million);
- Payable balances of €3 million (31 December 2017: €5 million).

d) 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)
- Total E&P Greece B.V., Edison International SpA and Hellenic Petroleum S.A. (Greece, Block 2)

e) 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 management amounted to €1.632 for the three-month period to 31 March 2018 (31 March 2017: €1.428).

f) The Company has extended loans to its subsidiaries. The outstanding balance of these loans as at 31 March 2018 was €138 million (31 December 2017: €138 million). Interest income for the three-month period ended 31 March 2018 was €2 million (31 March 2017: €2 million). All loans are at variable interest rates. The average interest rate on inter-company loans due was 5,20%.

The Company has also received loans from its subsidiaries. The outstanding balance of these loans as at 31 March 2018 was €762 million (31 December 2017: €754 million). All loans are at variable interest rates. The average interest rate on inter-company loans during the three-month period ended 31 March 2018 was 5,55%.

20. 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 2017, mainly relate to improvements in refining assets and amount to €25 million as at 31 March 2018 (31 December 2017: €20 million).

21. 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:

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 31 March 2018 was the equivalent of €1.011 million (31 December 2017: €1.016 million).

Taxation and customs

The tax framework and practices in Greece, which determine the tax base for the Company's transactions, may result in inherent uncertainties, due to its complexity and it being subject to changes and alternative interpretation by relevant authorities at different points in time and across different entities. As a result, there may be types of expenses or treatments for which a company may be assessed on a different basis than the one adopted during the preparation of its tax return and of the financial statements. Based on past experience, tax audits are carried out by tax authorities on average 5-7 years after the filing of the tax return. In addition, where a tax audit results in a different assessment to the one adopted by the Company, and for which the Company after consideration, disagrees with, the process for resolving the issue is usually through a court of law proceeding, which has many stages and can take a considerable number of years to reach its final and irrevocable ruling. For an entity to engage in this process, a minimum down payment of 50% of the total tax and penalties assessed is required.

All of the above result in inherent difficulties in the determination and accounting of tax liabilities. As a result, management aims to determine its policy based on specific legislation available at the time of accounting for a transaction, obtain specialist legal and tax advice on individual cases and utilise prior tax audits experience and rulings, including relevant court decisions. This process should ensure that the financial statements reflect any material tax and customs liabilities as accurately and completely as possible.

(i) Open tax years – Litigation tax cases:

As disclosed in Note 7, income tax audits have been completed by the Tax Authorities up to and including the financial year ended 31 December 2011. The Tax audit reports for years ended 31 December 2010 and 2011 were received in December 2017, and they are subject to legal dispute by the Company. In summary, the reports assess additional taxes of €22,5 million and penalties of €23,5 million for items relating to stamp duty, various non-deductible expenses and other income tax adjustments. Following a detailed review of the Tax Audit Report, the Company disputes the additional taxes imposed (which are over and above the amounts already included in the Company's normal tax returns) and has proceeded with all possible legal means and actions to appeal against these additional taxes and penalties. Even though the Company disputes the additional taxes and penalties imposed, it is obliged to pay 50% of the assessed amounts (taxes and penalties) to the Tax Authorities, in order to appeal the results of the tax audits. This was paid within the applicable deadline in January 2018.

As far as penalties are concerned, the report has assessed penalties at 120% of the original tax instead of the applicable 50%; this is also legally challenged by the Company.

At present, an audit for the year ended 31 December 2012 is in progress.

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 already recognised in the financial statements as at 31 March 2018. The Company has recorded any down payments made for taxes and penalties assessed in previous disputes with the tax authorities in other receivables (Note 11), to the extent, that the Company has assessed that the amounts will be ultimately recoverable.

It is noted that for financial years ending 31 December 2011 up to and including 31 December 2016, the Company obtained unqualified "Annual Tax Certificates" from their Statutory Auditors, as provided for by par. 5, article 82 of L.2238/1994.

(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 12), 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.

22. DIVIDENDS

A proposal to the AGM for a final dividend of €0,25 per share (excluding treasury shares – Note 15) for the year ended 31 December 2017 was approved by the Board of Directors on 22 February 2018. This amounts to €76.404 and is not included in the condensed interim financial statements for the three-month period ended 31 March 2018, as it has not yet been approved by the shareholders' AGM.

The Board did not approve a change in dividend policy overall and will re-evaluate the payment of an additional dividend, special dividend, or interim dividend during 2018.

23. OTHER SIGNIFICANT EVENTS

Sale of DESFA

DEPA Group operates in the wholesale, trading, transmission, distribution and supply of natural gas. It is currently owned 65% by HRADF ("Hellenic Republic Assets Development Fund") and 35% by Hellenic Petroleum SA.

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 of HELPE, at its meeting on 12 June 2017, evaluated the strategic choices of HELPE 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 HELPE 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 HELPE. 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.4 of L.2190/1920. On 26 June 2017, the Invitation for the Non-Binding Expression of Interest was published. Four parties expressed interest, two of which were notified on 22 September

2017 by the Sellers, that they qualified to participate in the next phase of the Tender Process (Binding Offers Phase), and were considered as Shortlisted Parties. The two Shortlisted Parties were 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 submitted their binding offers on 16 February 2018, pursuant to the Sellers' Request on 10 October 2017 for the Submission of Binding Offers.

Best and final offers were submitted by the two Shortlisted Parties on 29 March 2018. The consortium formed by SNAM S.p.A., FLUXYS S.A. and Enagas Internacional S.L.U. confirmed its best and final offer on 19 April 2018, offering an amount of €535 million for the purchase of the 66% of DESFA. The above binding offer has been accepted by virtue of resolution no. 1319 of 19 April 2018 of the Board of Directors and the resolution of 14 May 2018 of the Extraordinary General Meeting of Shareholders of Hellenic Petroleum S.A. The closing of the transaction is conditional upon the obtaining of necessary approvals by the competent Greek and/or EU energy regulation and competition authorities.

The cost of investment of the DEPA group in the Company's 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.

24. EVENTS OCCURING AFTER THE REPORTING PERIOD

Details of significant post balance sheet events are provided in the following notes:

- Note 17– Sanctions re-imposed by the US to Iran
- Note 23 – Latest developments in DESFA's selling process