HELLENIC PETROLEUM S.A.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED

30 SEPTEMBER 2018

HELLENIC
PETROLEUM

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(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
	Georgios Papakonstantinou - Member (From 06/06/2018)
	Theodoros Pantalakis - Member
	Spiridon Pantelias - Member
	Konstantinos Papagiannopoulos - Member
	Dimitrios Kontofakas - Member
	Vasileios Kounelis - Member
	Loudovikos Kotsonopoulos - Member (From 17/04/2018)
Other Board Members during the year	Grigorios Stergioulis - Chief Executive Officer (Until 17/04/2018)
	Panagiotis Ofthalmides - Member (Until 06/06/2018)
Registered Office	8A Chimarras Str
	GR 151 25 - Marousi
General Commercial Registry	000296601000

(All amounts in Euro thousands unless otherwise stated)

II. Interim Condensed Consolidated Statement of Financial Position

	Note	As at 30 September 2018	As at 31 December 2017
ASSETS			
Non-current assets			
Property, plant and equipment	**10**	3.261.709	3.311.893
Intangible assets	**11**	106.354	105.684
Investments in associates and joint ventures		704.346	701.635
Deferred income tax assets		67.260	71.355
Investment in equity instruments	**2,3**	839	1.857
Loans, advances and long term assets		84.380	89.626
		4.224.888	**4.282.050**
Current assets			
Inventories	**12**	1.211.620	1.056.393
Trade and other receivables	**2,13**	938.400	791.205
Assets held for sale	**10**	3.600	-
Derivative financial instruments	**3**	21.925	11.514
Cash, cash equivalents and restricted cash	**14**	1.053.450	1.018.913
		3.228.995	**2.878.025**
Total assets		**7.453.883**	**7.160.075**
EQUITY			
Share capital and share premium	**15**	1.020.081	1.020.081
Reserves	**16**	268.407	358.056
Retained Earnings		1.294.875	930.522
Capital and reserves attributable to owners of the parent		**2.583.363**	**2.308.659**
Non-controlling interests		63.864	62.915
Total equity		**2.647.227**	**2.371.574**
LIABILITIES			
Non-current liabilities			
Borrowings	**17**	1.424.034	920.234
Deferred income tax liabilities		169.592	131.611
Retirement benefit obligations		149.404	133.256
Provisions for other liabilities and charges		4.344	6.371
Trade and other payables		26.446	28.700
		1.773.820	**1.220.172**
Current liabilities			
Trade and other payables	**18**	1.523.280	1.661.457
Income tax payable		105.539	5.883
Borrowings	**17**	1.403.323	1.900.269
Dividends payable		694	720
		3.032.836	**3.568.329**
Total liabilities		**4.806.656**	**4.788.501**
Total equity and liabilities		**7.453.883**	**7.160.075**

The notes on pages 8 to 37 are an integral part of these interim condensed consolidated 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. Interim Condensed Consolidated Statement of Comprehensive Income

	Note	For the nine month period ended 30 September 2018	For the nine month period ended 30 September 2017	For the three month period ended 30 September 2018	For the three month period ended 30 September 2017
Sales	**4**	**7.341.129**	**5.888.487**	**2.674.220**	**1.822.785**
Cost of sales		(6.420.913)	(5.109.442)	(2.349.606)	(1.546.631)
Gross profit		**920.216**	**779.045**	**324.614**	**276.154**
Selling and distribution expenses		(234.407)	(198.401)	(79.945)	(64.914)
Administrative expenses		(104.294)	(93.852)	(37.899)	(30.807)
Exploration and development expenses		(660)	(249)	(631)	(40)
Other operating income/(expenses) and other gains/(losses)-net	**5**	7.176	(17.540)	2.529	(2.842)
Operating profit		**588.031**	**469.003**	**208.668**	**177.551**
Finance income		2.783	3.020	1.034	582
Finance expense		(114.569)	(131.413)	(36.804)	(40.875)
Currency exchange gains/ (losses)	**6**	2.540	(8.317)	(1.988)	(1.468)
Share of profit of investments in associates and joint ventures	**7**	28.484	34.956	13.402	4.297
Profit before income tax		**507.269**	**367.249**	**184.312**	**140.087**
Income tax expense	**8**	(147.341)	(94.043)	(49.556)	(34.525)
Profit for the period		**359.928**	**273.206**	**134.756**	**105.562**
Other comprehensive income/ (loss) :					
Items that will not be reclassified to profit or loss:					
Actuarial losses on defined benefit pension plans	**16**	(7.579)	(2.219)	(7.579)	-
Changes in the fair value of equity instruments	**2, 16**	(524)	849	(82)	(1.276)
Reduction in value of land		-	(1.669)	-	-
		(8.103)	(3.039)	(7.661)	(1.276)
Items that may be reclassified subsequently to profit or loss:					
Derecognition of (losses) / gains on hedges through comprehensive income	**16**	(14.920)	1.979	-	-
Fair value gains /(losses) on cash flow hedges	**16**	21.537	(13.014)	5.281	8.416
Currency translation differences and other movements	**16**	(481)	577	(355)	412
		6.136	(10.458)	4.926	8.828
Other comprehensive income/(loss) for the period, net of tax		**(1.967)**	**(13.497)**	**(2.735)**	**7.552**
Total comprehensive income for the period		**357.961**	**259.709**	**132.021**	**113.114**
Profit attributable to:					
Owners of the parent		356.936	270.905	133.325	103.454
Non-controlling interests		2.992	2.301	1.431	2.108
		359.928	273.206	134.756	105.562
Total comprehensive income attributable to:					
Owners of the parent		354.967	258.101	130.650	110.885
Non-controlling interests		2.994	1.608	1.371	2.229
		357.961	**259.709**	**132.021**	**113.114**
Basic and diluted earnings per share (expressed in Euro per share)	**9**	**1,17**	**0,89**	**0,44**	**0,34**

The notes on pages 8 to 37 are an integral part of these interim condensed consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

IV. Interim Condensed Consolidated Statement of Changes in Equity

		Attributable to owners of the Parent					
	Note	Share Capital	Reserves	Retained Earnings	Total	Non-Controling interests	Total Equity
Balance at 1 January 2017		**1.020.081**	**469.788**	**549.891**	**2.039.760**	**101.875**	**2.141.635**
Changes of the fair value of equity investments	**16**	-	840	-	840	9	849
Currency translation gains/(losses) and other movements	**16**	-	517	-	517	60	577
Reduction in value of land	**16**	-	(907)	-	(907)	(762)	(1.669)
Actuarial losses on defined benefit pension plans	**16**	-	(2.219)	-	(2.219)	-	(2.219)
Fair value losses on cash flow hedges	**16**	-	(13.014)	-	(13.014)	-	(13.014)
Derecognition of gains on hedges through comprehensive income	**16**	-	1.979		1.979	-	1.979
Other comprehensive losses		-	**(12.804)**	-	**(12.804)**	**(693)**	**(13.497)**
Profit for the period		-	-	270.905	270.905	2.301	273.206
Total comprehensive (loss)/ income for the period		-	**(12.804)**	**270.905**	**258.101**	**1.608**	**259.709**
Share based payments	**16**	-	(457)	(6.753)	(7.210)	-	(7.210)
Acquisition of treasury shares	**16**	-	(10.245)	-	(10.245)	-	(10.245)
Issue of treasury shares to employees	**16**	-	7.210	-	7.210	-	7.210
Participation of minority holding in share capital decrease of subsidiary		-	-	-	-	76	76
Tax on intra-group dividends		-	-	(136)	(136)	-	(136)
Dividends to non-controlling interests		-	-	-	-	(2.561)	(2.561)
Dividends	**16**	-	(61.127)	-	(61.127)	-	(61.127)
Balance at 30 September 2017		**1.020.081**	**392.365**	**813.907**	**2.226.353**	**100.998**	**2.327.351**
Balance at 31 December 2017 as originally presented		1.020.081	358.056	930.522	2.308.659	62.915	2.371.574
Change in accounting policy	**2**	-	166	(3.418)	(3.252)	-	(3.252)
Restated total equity as at 1 January 2018		**1.020.081**	**358.222**	**927.104**	**2.305.407**	**62.915**	**2.368.322**
Changes of the fair value of equity investments	**16**	-	(533)	-	(533)	9	(524)
Derecognition of losses on hedges through comprehensive income	**16**	-	(14.920)	-	(14.920)	-	(14.920)
Fair value gains on cash flow hedges	**16**	-	21.537	-	21.537	-	21.537
Currency translation losses and other movements	**16**	-	(473)	-	(473)	(8)	(481)
Actuarial gains/(losses) on defined benefit pension plans		-	(7.579)	-	(7.579)	-	(7.579)
Other comprehensive income/(loss)		-	**(1.968)**	-	**(1.968)**	**1**	**(1.967)**
Profit for the period		-	-	356.936	356.936	2.992	359.928
Total comprehensive income for the period		-	**(1.968)**	**356.936**	**354.968**	**2.993**	**357.961**
Share based payments	**16**	-	(73)	(969)	(1.042)	-	(1.042)
Acquisition of treasury shares	**16**	-	(561)	-	(561)	-	(561)
Issue of treasury shares to employees	**16**	-	1.042	-	1.042	-	1.042
Participation of minority shareholders in share capital increase of subsidiary		-	-		-	17	17
Tax on intra-group dividends		-	-	(123)	(123)	-	(123)
Dividends to non-controlling interests		-	-	-	-	(2.061)	(2.061)
Dividends	**16**	-	(88.335)	11.927	(76.408)	-	(76.408)
Transfer of grant received to tax free reserves	**16**	-	80	-	80	-	80
Balance at 30 September 2018		**1.020.081**	**268.407**	**1.294.875**	**2.583.363**	**63.864**	**2.647.227**

The notes on pages 8 to 37 are an integral part of these interim condensed consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

V. Interim Condensed Consolidated Statement of Cash Flows

		For the nine month period ended	
	Note	**30 September 2018**	**30 September 2017**
Cash flows from operating activities			
Cash generated from operations	**19**	296.902	284.711
Income tax received/(paid)		(2.571)	(5.626)
Net cash generated from operating activities		**294.331**	**279.085**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**10,11**	(94.985)	(137.539)
Proceeds from disposal of property, plant and equipment & intangible assets		227	401
Settlement of consideration of acquisition of further equity interest in subsidiary	**24**	(16.000)	-
Purchase of subsidiary, net of cash acquired	**24**	(1.298)	-
Grants received		80	-
Interest received		2.783	3.020
Dividends received		24.023	19.346
Investments in associates - net		-	(147)
Proceeds from disposal of investments in equity instruments		263	-
Net cash used in investing activities		**(84.907)**	**(114.919)**
Cash flows from financing activities			
Interest paid		(99.981)	(126.677)
Dividends paid to shareholders of the Company		(74.480)	(59.578)
Dividends paid to non-controlling interests		(2.061)	(2.561)
Movement in restricted cash	**14**	144.445	11.873
Acquisition of treasury shares	**16**	(561)	(10.245)
Participation of minority shareholders in share capital increase of subsidiary		17	76
Proceeds from borrowings		408.089	285.800
Repayments of borrowings		(409.724)	(473.400)
Net cash generated from/ (used in) financing activities		**(34.256)**	**(374.712)**
Net increase/(decrease) in cash and cash equivalents		**175.168**	**(210.546)**
Cash and cash equivalents at the beginning of the period	**14**	**873.261**	**924.055**
Exchange gains/(losses) on cash and cash equivalents		3.813	(9.464)
Net increase/(decrease) in cash and cash equivalents		175.168	(210.546)
Cash and cash equivalents at end of the period	**14**	**1.052.242**	**704.045**

The notes on pages 8 to 37 are an integral part of these interim condensed consolidated financial statements.

VI. Notes to the Interim Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

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

2. BASIS OF PREPARATION, ACCOUNTING POLICIES AND ESTIMATES

Basis of preparation of the interim condensed consolidated financial statements

The interim condensed consolidated 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 Group on a going concern basis. Management has concluded that the going concern basis of preparation of the accounts is appropriate.

The interim condensed consolidated 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 period.

These interim condensed consolidated financial statements do not include all information and disclosures required for the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2017, which can be found on the Group's website **www.helpe.gr**.

The interim condensed consolidated financial statements for the nine month period ended 30 September 2018 have been authorised for issue by the Board of Directors on 8 November 2018.

Accounting policies and the use of estimates

The preparation of the interim condensed consolidated 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 Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim condensed consolidated financial statements are disclosed where considered necessary. Estimates and judgements are discussed in detail in the annual consolidated financial statements for the year ended 31 December 2017, 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 interim condensed consolidated financial statements are consistent with those applied in the preparation of the consolidated 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 IFRS's which have been adopted by the Group as of 1 January 2018. The Group applies for the first time, IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments. As required by IAS 34, the nature and effect of these changes are disclosed below. Several other amendments and interpretations apply for the first time in 2018 but do not have a significant impact on the interim condensed consolidated financial statements of the Group for the nine month period ended 30 September 2018.

(All amounts in Euro thousands unless otherwise stated)

- *IFRS 9 Financial Instruments:* The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

  The Group adopted the new standard as of 1 January 2018 without restating comparative information. The cumulative effect of the adjustments arising from the new requirements are therefore recognized in the opening balance of retained earnings on 1 January 2018.

  The following table shows the adjustments recognized 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 (increase/(decrease)) as at 31 December 2017 as published:

Balance sheet extract	Adjustments	31 December 2017 As published	IFRS 9	1 January 2018 after effect of IFRS 9
Non-current assets				
Investments in associates and joint ventures	(b)	701.635	(1.750)	699.885
Deferred income tax assets	(b)	71.355	582	71.937
Available for sale financial assets	(a)	1.857	(1.857)	-
Investment in equity instruments	(a)	-	1.857	1.857
Current assets				
Trade and other receivables	(b)	791.205	(2.084)	789.121
Equity				
Reserves	(a)	358.056	166	358.222
Retained earnings	(a), (b)	930.522	(3.418)	927.104

(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 Group'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 (equity investments) that were classified by the Group as available-for-sale (AFS) under IAS 39, are now classified as 'Investments in equity instruments' and measured at fair value through other comprehensive income. Any changes in the fair value of such equity instruments are included in "items that will not be reclassified to profit or loss". IFRS 9 permits an entity to make an irrevocable election to designate an investment in equity instruments that is not held for trading as at fair value through other comprehensive income.

As a result of applying the classification retrospectively, the Group reclassified an amount of € 0,2 million from retained earnings to reserves.

Derivative instruments, to the extent they are not designated as effective hedges, continue to be classified as financial assets at FVPL.

The accounting for the Group's financial liabilities remain largely the same as under IAS 39.

(b) Impairment

The adoption of IFRS 9 has changed the Group'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 receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.
For other financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been as significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

Financial assets with contractual payments over 90 days past due constitute default events. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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 €3,4 million, a decrease of €2,1 million in trade receivables, an increase of 0,6 million in deferred income tax assets and a decrease of €1,8 million in investment in associates and joint ventures.

(c) Hedge accounting

At the date of the initial application, all of the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships under IFRS 9 and, as such, the adoption of the hedge accounting requirements of the new standard had no significant impact on the Group's financial statements. The Group's risk management policies and hedge documentation are aligned with the requirement of the new standard and hedge accounting continues to apply.

- *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 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 in the Group's ordinary activities (e.g. sales of property, plant and equipment or intangible).

As from 1 January 2018, the Group applies the new standard using the modified retrospective method, therefore the initial application did not result in any restatement of comparative data. The new standard did not have any significant impact on the Group's interim condensed consolidated financial statements, upon adoption since, no material differences from the current accounting policies were identified. Therefore it did not have any impact on retained earnings and no transition adjustments were required as a result of its application. Although the implementation of IFRS 15 does not generally represent a material change from the Group's current practices the Group revised its respective accounting policy as follows:

The Group recognizes revenue when (or as) a contractual promise to a customer (performance obligation) is fulfilled by transferring a promised good or service (which is when the customer obtains control over the promised goods or services). If a contract contains more than one performance obligation, the total transaction price of the contract is allocated among the individual, separate performance obligations based on their relative standalone selling prices. The amount of revenue recognized is the amount allocated to the satisfied performance obligation based on the consideration that the Group expects to receive in accordance with the terms of the contracts with the customers. Variable considerations are included in the amount of revenue recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur in the future.

Options for volume related rebates are assessed by the Group to determine whether they constitute a material right that the customer would not receive without entering into that contract. For all such options that are considered as material rights, the Group assesses the likelihood of its exercise and then the portion of the transaction price allocated to the option is deferred and recognized when it is either exercised or lapsed.

Under the new requirements, the Group concluded that volume rebates constitute a material right which should be recognized over time up to the point it crystalizes. The Group provides volume 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 interim condensed financial statements the Group has estimated the portion of volume rebates which corresponds to the build-up of the material right based on volumes sold to each client. The total charge to revenue for the nine month period ended 30 September 2018 is €1,6m.

Revenue from contracts with customers in accordance with the Group's commercial policy is disaggregated by operating segment and distribution channel in Note 4.

- *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.

- *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

The Group has not early adopted any other of the following standard, interpretation or amendment that has been issued but is not yet effective.

- *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 will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of € 253 million. However, the Group 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 Group'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 Group expects to complete the assessment of the impact from the implementation of the new standard by 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 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 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.

- *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 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. It's 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.

- *IFRS 3 Business Combinations (Amendments):* The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU.

- 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 recognized according to where the past transactions or events that generated distributable profits has been recognized.

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

Greek Macros: Following a period of economic recession between 2009-2016, during which real GDP fell by 26%, the Greek economy returned to positive growth rates in 2017, with GDP rising by 1,4%, supported mainly by exports of goods and services, as well as investments. The upward trend of the economy continued for a 6th consecutive quarter (for the first time since the period 2005-2006), with real GDP in the second quarter of 2018 increasing by 1,8% compared to the second quarter of 2017 and by 0,2% compared to the first quarter of 2018. On the other hand, a decline in investment by 5,4% and an increase in imports by 4,3%, limit upward performance. In addition, imports of goods increased by 7,2% and imports of services by 16,2%.

Total domestic fuels consumption reduced by 3,2% during the first nine months of 2018 compared to the respective period in 2017, mainly due to the reduction in demand for heating gasoil which is mainly attributed to mild weather conditions and higher oil product prices. Demand for Motor fuels increased by 0,9%, driven by higher auto diesel consumption.

Despite the significant progress in economic recovery recorded in 2017 and the first half of 2018, the Greek economy faces a number of significant challenges, such as high public debt, large non-performing loans, high unemployment and failure to extend its investment base, which should be addressed in the medium-term, as they affect the country's future growth prospects. Management continually assesses the situation and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize the impact on the Group's Greek operations.

Securing continuous crude oil supplies: During the last 15 months crude oil reference prices started recovering, following a 3-year period of contraction (June 2014 – June 2017), averaging \$76/bbl in the third quarter of 2018 and \$73/bbl in the nine month period to September 2018. Nonetheless, the cost of crude, for both sweet and especially sour grades, which represent the key source of feedstock for complex refiners like Hellenic Petroleum, remains at reasonable levels, maintaining the competitive position of Med refiners vs. their global peers. Concerning the USA's decision for the re-imposition of the nuclear-related sanctions against Iran, Hellenic Petroleum has successfully managed to replace the Iranian oil supply with other alternatives in the region, without any significant effect in the continuity and cost of its operations (Note 18).

Financing of operations: Given financial market developments since 2011, the key priorities of the Group 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, the Group 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 73% 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, "Borrowings".

(All amounts in Euro thousands unless otherwise stated)

Capital management: Another key priority of the Group has been the management of its Assets. Overall the Group has around €4,4 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). Following the implementation of the Group's investment plan during the period 2007-2012, net debt amounts to 40% of capital employed while the remaining 60% is comprised of shareholders equity. The Group has started reducing its net debt levels through utilization of the incremental operating cash flows, following 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 interim condensed consolidated financial statements do not include all financial risk management information and disclosures that are required in the annual consolidated financial statements and should be read in conjunction with the group's annual consolidated 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).

The following table presents the Group's assets and liabilities that are measured at fair value at 30 September 2018:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives used for hedging	-	21.925	-	21.925
Investment in equity instruments	839	-	-	839
	839	**21.925**	**-**	**22.764**
Liabilities				
Derivatives used for hedging	-		-	-
	-	**-**	**-**	**-**

The following table presents the Group'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	1.857	-	-	1.857
	1.857	**11.514**	**-**	**13.371**
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 Euro denominated Eurobonds as at 30 September 2018 was €764 million (31 December 2017: €796 million), compared to its book value of €805 million (31 December 2017: €762 million). The fair value of the remaining borrowings approximates their carrying value, as the effect of discounting is insignificant.

The fair value of the following financial assets and liabilities approximate their carrying amount due to their short term nature:

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

(All amounts in Euro thousands unless otherwise stated)

4. ANALYSIS BY OPERATING SEGMENT

All critical operating decisions, are made by the Group's Executive Committee, which reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The committee assesses performance taking into account 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 Group's operating segments for the period ended 30 September 2018 is presented below:

	For the nine month period ended 30 September 2018						
	Refining	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**Gas & Power**	**Other**	**Total**
Gross Sales	6.522.633	2.498.455	-	231.039	2.106	9.555	9.263.788
Inter-segmental Sales	(1.909.197)	(5.624)	(0)	(0)	(8)	(7.830)	(1.922.659)
Net Sales	**4.613.436**	**2.492.831**	**(0)**	**231.039**	**2.098**	**1.725**	**7.341.129**
EBITDA	**581.099**	**79.489**	**(5.748)**	**77.645**	**1.593**	**(3.417)**	**730.661**
Depreciation & Amortisation	(106.682)	(30.772)	(729)	(3.288)	(567)	(592)	**(142.630)**
Operating profit / (loss)	**474.417**	**48.717**	**(6.477)**	**74.357**	**1.026**	**(4.009)**	**588.031**
Currency exchange gains/ (losses)	2.653	(110)	(3)	-	-	-	2.540
Share of profit/(loss) of investments in associates & joint ventures	(1.632)	809	-	-	29.310	(3)	28.484
Finance (expense)/income - net	(72.182)	(13.429)	-	9	(87)	(26.097)	(111.786)
Profit / (loss) before income tax	**403.256**	**35.987**	**(6.480)**	**74.366**	**30.249**	**(30.109)**	**507.269**
Income tax expense							(147.341)
Profit for the period							**359.928**
(Profit) attributable to non-controlling interests							(2.992)
Profit for the period attributable to the owners of the parent							**356.936**

(All amounts in Euro thousands unless otherwise stated)

Financial information regarding the Group's operating segments for the period ended 30 September 2017 is presented below:

	For the nine month period ended 30 September 2017						
	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Total
Gross Sales	5.120.807	2.179.016	-	201.551	1.231	7.271	7.509.876
Inter-segmental Sales	(1.609.774)	(5.137)	-	(0)	(10)	(6.468)	(1.621.389)
Net Sales	**3.511.033**	**2.173.879**	**-**	**201.551**	**1.221**	**803**	**5.888.487**
EBITDA	**453.571**	**85.894**	**(3.300)**	**74.886**	**665**	**(2.126)**	**609.590**
Depreciation & Amortisation	(107.171)	(29.378)	(216)	(3.120)	(330)	(372)	(140.587)
Operating profit / (loss)	**346.400**	**56.516**	**(3.516)**	**71.766**	**335**	**(2.498)**	**469.003**
Currency exchange gains/ (losses)	(8.315)	(3)	12	-	-	(11)	(8.317)
Share of profit of investments in associates & joint ventures	(6.230)	(451)	-	-	41.641	(4)	34.956
Finance (expense)/income - net	(80.282)	(16.733)	-	10	1	(31.389)	(128.393)
Profit / (loss) before income tax	**251.573**	**39.329**	**(3.504)**	**71.776**	**41.977**	**(33.902)**	**367.249**
Income tax expense							(94.043)
Profit for the period							**273.206**
(Profit) attributable to non-controlling interests							(2.301)
Profit for the period attributable to the owners of the parent							**270.905**

Inter-segment sales primarily relate to sales from the refining segment to other operating segments.

"Other Segments" include Group entities which provide treasury, consulting and engineering services.

During 2017, management reconsidered the accounting treatment of oil products exchanged or swapped for oil products of a similar nature and value. Previously, sales and purchases arising from such transactions were recognised at their gross sales value within "Sales" and "Cost of sales" respectively. Following the reconsideration, the above transactions are no longer regarded as sales and to this effect comparative figures for the period ended 30 September 2017 were restated by reclassifying an amount of € 53,3 million from "Sales" to "Cost of Sales" so as to conform to the change in presentation.

There were no changes in the basis of segmentation or in the basis of measurement of segment profit or loss, as compared to the consolidated 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 consolidated annual financial statements for the year ended 31 December 2017.

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

	For the nine month period ended	
	30 September 2018	**30 September 2017**
Net Sales		
Domestic	2.135.080	1.989.995
Aviation & Bunkering	1.088.086	879.160
Exports	3.183.110	2.184.817
International activities	934.853	834.515
Total	**7.341.129**	**5.888.487**

(All amounts in Euro thousands unless otherwise stated)

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

	For the nine month period ended		For the three month period ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
Other operating income				
Income from Grants	605	645	213	221
Services to 3rd Parties	2.911	3.047	923	1.318
Rental income	5.835	5.943	2.035	1.341
Insurance compensation	1.349	581	204	56
Total other operating income	**10.700**	**10.216**	**3.375**	**2.936**
Other gains/(losses)				
Profit/(loss) from the sale of PPE, net	65	(225)	(15)	(124)
Amortisation of long-term contracts costs	(1.970)	(7.128)	814	(2.500)
Voluntary retirement scheme cost	(364)	(532)	(41)	(143)
Legal costs relating to Arbitration proceedings ruling	-	(13.661)	-	20
Other operating income/(expenses)	(1.255)	(6.210)	(1.604)	(3.031)
Total other losses	**(3.524)**	**(27.756)**	**(846)**	**(5.778)**
Total other operating income / (expenses) and other gains/(losses)	**7.176**	**(17.540)**	**2.529**	**(2.842)**

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

6. CURRENCY EXCHANGE LOSSES

Foreign currency exchange gains of €2,5 million reported for the nine month period ended 30 September 2018, mainly relate to unrealized gains arising from the valuation of bank accounts denominated in foreign currency (mostly USD). Foreign currency exchange losses of €8,3 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 USD).

7. SHARE OF NET RESULTS OF ASSOCIATES & JOINT VENTURES

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

	For the nine month period ended		For the three month period ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
Public Natural Gas Corporation of Greece (DEPA)	37.437	47.090	16.460	11.832
ELPEDISON B.V.	(8.127)	(5.449)	(2.078)	(3.350)
DMEP	(2.286)	(6.769)	(1.861)	(4.149)
Other associates	1.460	84	881	(36)
Total	**28.484**	**34.956**	**13.402**	**4.297**

The balance of Investments in associates and joint ventures has been also reduced by an amount of €23.0 million which relates to the dividends received by the Company from DEPA during the first nine month period of 2018 and by an amount of €1.8 million which relates to the effect from the implementation of IFRS 9 by DEPA.

Sale of DESFA

On 16 February 2012, HELPE 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 HELPE's 35% effective shareholding was €212 million.

On 21 December 2013, the Share Purchase Agreement (SPA) for the above sale was signed by HRADF, HELPE 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 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. By virtue of decision No. 235 of 25/6/2018, the Court of Audit has cleared the transaction and on 13/7/2018, the European Commission has provided its approval under the EU Merger Regulation.

On 20/7/2018 a Share Sale & Purchase Agreement (SPA) has been executed by HRADF and HELPE as Sellers and "SENFLUGA Energy Infrastructure Holdings S.A." (SNAM-Enagas-Fluxys Consortium SPV) as Purchaser. On the same date a Shareholders' Agreement for DESFA has been executed between SENFLUGA S.A. and the Hellenic Republic.

Although the parties undertake valid commitments upon signing of the SPA, the effectiveness of the totality of the provisions of the SPA (including the transfer of shares and the payment of the consideration) remains subject to approvals, some of which lie beyond the control or diligent behaviour of the parties.

The Group consolidates the DEPA Group using the equity method of accounting and the carrying value of the investment in the consolidated financial statements reflects HELPE's 35% share of the net asset value of the DEPA group which as at 30 September 2018 amounts to €671 million. The Group's share of the net assets of DESFA, which amounts to €326 million at 30 September 2018, is included in the carrying value of €671 million and will be sold for €284 million, on the basis of the above mentioned SPA. Following completion of the SPA, HELPE Group will recognise an impairment loss of €42m. The cost of investment of the DEPA group in the financial statements of HELPE

S.A is €237 million. DEPA Group, as it currently stands, continues to be accounted for and included in HELPE Group's consolidated financial statements as an associate.

8. INCOME TAXES

	For the nine month period ended		For the three month period ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017
Current Year tax	(96.513)	(6.041)	(53.525)	(2.535)
Prior year tax	4.644	117	(463)	9
Tax on reserves	(11.927)	0	0	0
Deferred tax	(43.545)	(88.119)	4.432	(31.999)
Total expense	**(147.341)**	**(94.043)**	**(49.556)**	**(34.525)**

The corporate income tax rate of legal entities in Greece is 29% for 2018 (2017: 29%). In accordance with the applicable tax provisions, tax audits in Group companies are conducted as follows:

a. Audits by Certified Auditors - Tax Compliance Report

Effective for fiscal years ending 31 December 2011 onwards, Greek companies meeting certain criteria can obtain an "Annual Tax Certificate" as provided for by par. 5, article 82 of L.2238/1994 and article 65A of L. 4174/2013, as of 2014, 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.

All Group companies based in Greece have received unqualified Tax Compliance Reports by their respective statutory auditor for fiscal years up to 2016 (inclusive). The tax audit for the financial year 2017 has been finalized within the respective deadline and the Tax Compliance Report is also unqualified for this year.

b. Audits by Tax Authorities

Income tax years of the parent company and its most significant subsidiaries audited by the tax authorities are set out below:

Company name	**Financial years ended (up to & including)**
HELLENIC PETROLEUM SA	2011
EKO SA	2010
HELLENIC FUELS & LUBRICANTS SA (former HELLENIC FUELS SA)	2011

As explained also in Note 22, and notwithstanding the possibility of future tax audits, the Group's 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 consolidated financial statements for the nine month period ended 30 September 2018.

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 2018	30 September 2017	30 September 2018	30 September 2017
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**1,17**	**0,89**	**0,44**	**0,34**
Net income attributable to ordinary shares (Euro in thousands)	356.936	270.905	133.325	103.454
Weighted average number of ordinary shares	305.626.333	305.562.019	305.635.030	305.418.073

(All amounts in Euro thousands unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Construction	Total
Cost							
As at 1 January 2017	**288.126**	**897.678**	**4.578.708**	**92.769**	**168.215**	**88.609**	**6.114.105**
Additions	20.879	7.520	8.510	3.236	8.821	85.825	134.791
Capitalised projects	-	1.138	17.767	119	253	(19.277)	-
Disposals	(1.669)	(513)	(836)	(370)	(542)	(283)	(4.213)
Currency translation effects	720	1.155	325	-	3	44	2.247
Transfers and other movements	(177)	1.042	5.649	112	675	(4.500)	2.801
As at 30 September 2017	**307.879**	**908.020**	**4.610.123**	**95.866**	**177.425**	**150.418**	**6.249.731**
Accumulated Depreciation							
As at 1 January 2017	**-**	**439.270**	**2.179.967**	**60.625**	**143.437**	**-**	**2.823.299**
Charge for the period	-	21.244	104.873	2.667	5.466	-	134.250
Disposals	-	(487)	(724)	(370)	(542)	-	(2.123)
Currency translation effects	-	764	289	-	3	-	1.056
Transfers and other movements	-	-	1.331	(1.713)	876	-	494
As at 30 September 2017	**-**	**460.791**	**2.285.736**	**61.209**	**149.240**	**-**	**2.956.976**
Net Book Value at 30 September 2017	**307.879**	**447.229**	**2.324.387**	**34.657**	**28.185**	**150.418**	**3.292.755**
Cost							
As at 1 January 2018	**315.557**	**909.409**	**4.708.733**	**96.556**	**181.388**	**102.131**	**6.313.774**
Additions	2.166	3.455	8.843	1.974	6.041	67.312	89.791
Capitalised projects	1.231	8.292	66.666	64	624	(76.877)	-
Disposals	(71)	(3.214)	(4.547)	(144)	(307)	-	(8.283)
Impairment	(18)	(1.789)	(1.038)	(65)	(111)	(918)	(3.939)
Currency translation effects	22	195	201	-	12	(4)	426
Transfers and other movements	(231)	(4.519)	2.681	123	1.051	(1.595)	(2.490)
As at 30 September 2018	**318.656**	**911.829**	**4.781.539**	**98.508**	**188.698**	**90.049**	**6.389.279**
Accumulated Depreciation							
As at 1 January 2018	**2.689**	**467.548**	**2.319.571**	**61.948**	**150.125**	**-**	**3.001.881**
Charge for the period	-	20.850	105.714	3.194	6.558	-	136.316
Disposals	-	(3.191)	(4.504)	(142)	(284)	-	(8.121)
Impairment	-	(1.620)	(954)	(63)	(118)	-	(2.755)
Currency translation effects	-	142	230	(1)	13	-	384
Transfers and other movements	-	(939)	1.943	123	(1.262)	-	(135)
As at 30 September 2018	**2.689**	**482.790**	**2.422.000**	**65.059**	**155.032**	**-**	**3.127.570**
Net Book Value at 30 September 2018	**315.967**	**429.039**	**2.359.539**	**33.449**	**33.666**	**90.049**	**3.261.709**

'Transfers and other movements' include the transfer of spare parts for the refinery units from inventories to fixed assets (Note 12), the transfer of computer software development costs to intangible assets, as well as the transfer of catalysts previously used for the refining of crude oil to assets held for sale. During 2017, the Group proceeded with changes in the allocation of the provision for consumables and spare parts. As a result the comparative figure of Plant and Machinery – Transfers and other movements (cost) was reduced by € 0,4 million.

(All amounts in Euro thousands unless otherwise stated)

11. INTANGIBLE ASSETS

	Goodwill	Retail Service Station Usage Rights	Computer software	Licences & Rights	Other	Total
Cost						
As at 1 January 2017	**133.914**	**49.915**	**106.036**	**40.683**	**74.426**	**404.974**
Additions	-	1.234	1.459	55	-	2.748
Disposals	-	(52)	-	-	-	(52)
Currency translation effects	-	-	26	1	144	171
Other movements	-	-	2.116	(90)	(137)	1.889
As at 30 September 2017	**133.914**	**51.097**	**109.637**	**40.649**	**74.433**	**409.730**
Accumulated Amortisation						
As at 1 January 2017	**71.829**	**32.022**	**96.559**	**32.106**	**64.164**	**296.680**
Charge for the period	-	2.201	3.385	534	218	6.338
Disposals	-	(37)	-	-	-	(37)
Currency translation effects	-	-	8	210	-	218
Other movements	-	-	(44)	(72)	(71)	(187)
As at 30 September 2017	**71.829**	**34.186**	**99.908**	**32.778**	**64.311**	**303.012**
Net Book Value at 30 September 2017	**62.085**	**16.911**	**9.729**	**7.871**	**10.122**	**106.718**
Cost						
As at 1 January 2018	**133.914**	**51.241**	**111.527**	**38.075**	**74.603**	**409.360**
Additions	-	993	1.693	3.616	37	6.339
Impairment	-	(106)	-	(1.654)	-	(1.760)
Currency translation effects	-	-	1	-	2	3
Other movements	-	-	755	(1.064)	-	(309)
As at 30 September 2018	**133.914**	**52.128**	**113.976**	**38.973**	**74.642**	**413.633**
Accumulated Amortisation						
As at 1 January 2018	**71.829**	**34.834**	**101.407**	**31.224**	**64.382**	**303.676**
Charge for the period	-	1.832	3.463	1.011	9	6.315
Impairment	-	(106)	-	(1.359)	-	(1.465)
Currency translation effects	-	-	-	-	-	-
Other movements	-	-	(14)	(1.187)	(46)	(1.247)
As at 30 September 2018	**71.829**	**36.560**	**104.856**	**29.689**	**64.345**	**307.279**
Net Book Value at 30 September 2018	**62.085**	**15.568**	**9.120**	**9.284**	**10.297**	**106.354**

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

(All amounts in Euro thousands unless otherwise stated)

12. INVENTORIES

	As at	
	30 September 2018	**31 December 2017**
Crude oil	430.941	331.353
Refined products and semi-finished products	686.775	640.142
Petrochemicals	26.721	21.670
Consumable materials and other spare parts	96.968	91.277
- Less: Provision for consumables and spare parts	(29.785)	(28.049)
Total	**1.211.620**	**1.056.393**

The cost of inventories recognised as an expense and included in Cost of sales amounted to €5,7 billion (30 September 2017: €4,5 billion). As at 30 September 2018, the Group recorded a loss of €32 thousand arising from inventory valuation (30 September 2017: loss of €4,2 million included in Cost of Sales in the statement of comprehensive income). In addition, as at 30 September 2018 an amount of €3,8 million (December 2017: €3,0 million) relating to spare parts for the refinery units, has been transferred from inventories to fixed assets (Note 10).

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., which 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.

13. TRADE AND OTHER RECEIVABLES

	As at	
	30 September 2018	**31 December 2017**
Trade receivables	913.503	734.038
- Less: Provision for impairment of receivables	(252.679)	(248.008)
Trade receivables net	**660.824**	**486.030**
Other receivables	298.187	327.203
- Less: Provision for impairment of receivables	(52.901)	(47.566)
Other receivables net	**245.285**	**279.637**
Deferred charges and prepayments	32.291	25.538
Total	**938.400**	**791.205**

As part of its working capital management the Group utilises factoring facilities to accelerate the collection of cash from its customers in Greece. Non-recourse factoring, is excluded from balances shown above, since all risks and rewards of the relevant invoices have been transferred to the factoring institution.

Other receivables include balances in respect of advances to suppliers, advances to personnel, claimed VAT, income tax prepayment and taxes paid, as a result of tax audit assessments during previous years, from the tax authorities, where the Company has started legal proceedings and disputed the relevant amounts. The timing of the finalization of these disputes cannot be estimated and the Group has classified the amounts as current assets. This balance as at 30 September 2018 also includes an amount of €54 million (31 December 2017: €54 million) of VAT approved refunds which has been withheld by the customs office due to a dispute relating to stock shortages. The Group has filed a specific legal objection and claim against this action and expects to fully recover this amount following the conclusion of the relevant legal proceedings (Note 22).

(All amounts in Euro thousands unless otherwise stated)

14. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	As at	
	30 September 2018	**31 December 2017**
Cash at Bank and in Hand	1.052.243	873.261
Cash and Cash Equivalents	**1.052.243**	**873.261**
Restricted Cash	1.207	145.652
Total Cash, Cash Equivalents and Restricted Cash	**1.053.450**	**1.018.913**

Restricted cash in 2017 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 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 which no longer has security requirements. As a result, the loan with Piraeus was repaid, the security deposit was released and the bank guarantee agreement has been cancelled.

The balance of US Dollars included in Cash at bank as at 30 September 2018 was $ 691 million (euro equivalent €597 million). The respective amount for the period ended 31 December 2017 was $ 555 million (euro equivalent €463 million).

15. SHARE CAPITAL

	Number of Shares (authorised and issued)	**Share Capital**	**Share premium**	**Total**
As at 1 January & 31 December 2017	305.635.185	666.285	353.796	1.020.081
As at 30 September 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.

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

	As at			
	30 September 2018		**31 December 2017**	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
Balance at the beginning of the period (1 January)	**4,52**	**185.633**	**4,52**	**1.479.933**
Exercised	4,52	(153.870)	4,52	(1.294.300)
Balance at the end of the period	**4,52**	**31.763**	**4,52**	**185.633**

(All amounts in Euro thousands unless otherwise stated)

During the nine month period ended 30 September 2018, share options were exercised via the acquisition and subsequent issue of treasury shares to employees with a total value of €1,0 million (see Note 16).

16. RESERVES

	Note	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax-free & Incentive Law reserves	Other Reserves	Treasury Shares	Total
Balance at 1 January 2017		**118.668**	**98.420**	**13.268**	**747**	**263.047**	**(24.362)**	**-**	**469.788**
Fair value losses on cash flow hedges		-	-	(13.014)	-	-	-	-	(13.014)
Derecognition of gains on hedges through comprehensive income		-	-	1.979	-	-	-	-	1.979
Actuarial losses on defined benefit pension plans		-	-	-	-	-	(2.219)	-	(2.219)
Share-based payments		-	-	-	(457)	-	-	-	(457)
Reduction in value of land		-	-	-	-	-	(907)	-	(907)
Changes of the fair value of equity investments		-	-	-	-	-	840	-	840
Currency translation differences and other movements		-	-	-	-	-	517	-	517
Acquisition of Treasury Shares		-	-	-	-	-	-	(10.245)	(10.245)
Issue of treasury shares to employees		-	-	-	-	-	-	7.210	7.210
Dividends		-	-	-	-	(61.127)	-	-	(61.127)
Balance at 30 September 2017		**118.668**	**98.420**	**2.233**	**290**	**201.920**	**(26.131)**	**(3.035)**	**392.365**
Balance at 31 December 2017 as originally presented		**118.668**	**98.420**	**10.657**	**94**	**164.882**	**(34.134)**	**(531)**	**358.056**
Change in accounting policy	**2**	-	-	-	-	-	166	-	166
Restated total equity as at 1 January 2018		**118.668**	**98.420**	**10.657**	**94**	**164.882**	**(33.968)**	**(531)**	**358.222**
Changes of the fair value of equity investments		-	-	-	-	-	(533)	-	(533)
Derecognition of losses on hedges through comprehensive income		-	-	(14.920)	-	-	-	-	(14.920)
Fair value gains on cash flow hedges		-	-	21.537	-	-	-	-	21.537
Currency translation differences and other movements		-	-	-	-	-	(473)	-	(473)
Actuarial losses on defined benefit pension plans		-	-	-	-	-	(7.579)		(7.579)
Share-based payments		-	-	-	(73)	-	-	-	(73)
Acquisition of treasury shares		-	-	-	-	-	-	(561)	(561)
Issue of treasury shares to employees		-	-	-	-	-	-	1.042	1.042
Transfers of tax on reserves distributed to retained earnings		-	-	-	-	(11.927)	-	-	(11.927)
Dividends		-	-	-	-	(76.408)	-		(76.408)
Transfer of grant received to tax free reserves		-	-	-	-	80	-	-	80
As at 30 September 2018		**118.668**	**98.420**	**17.274**	**21**	**76.627**	**(42.553)**	**(50)**	**268.407**

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 which have been included in the holding company accounts in accordance with the relevant legislation in prior years.

Tax and Incentive Law reserves

These reserves relate to retained earnings that have not been taxed with the prevailing corporate income tax rate as allowed by Greek law under various statutes and include reserves relating to investments under incentive laws. These reserves will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital 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 that are classified as investments in equity instruments.

(iii) Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in other reserves. The cumulative amount is reclassified to the profit or loss when the net investment is disposed of.

Treasury Shares

Treasury shares are held regarding the Share Option Plan. During the nine month period ended 30 September 2018, 71.594 shares were acquired at a cost of €0,6 million, while 141.752 shares were issued to employees following the exercise of share options held. Treasury shares are recognised on a first-in-first out method.

17. BORROWINGS

	As at	
	30 September 2018	**31 December 2017**
Non-current borrowings		
Bank borrowings	975.024	155.556
Eurobonds	446.480	761.607
Finance leases	2.530	3.071
Total non-current borrowings	**1.424.034**	**920.234**
Current borrowings		
Short term bank borrowings	1.040.445	1.855.170
Eurobonds	317.733	-
Current portion of long-term bank borrowings	44.444	44.444
Finance leases - current portion	701	655
Total current borrowings	**1.403.323**	**1.900.269**
Total borrowings	**2.827.357**	**2.820.503**

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

Borrowings of the Group by maturity as at 30 September 2018 and 31 December 2017 are summarised in the table below (amounts in € million):

(All amounts in Euro thousands unless otherwise stated)

	Company	Maturity	Balance as at 30 September 2018	Balance as at 31 December 2017
1a. Syndicated credit facility € 20 million	HPF Plc	Jul 2018	-	20
1b. Syndicated credit facility € 10 million	HPF Plc	Jul 2018	-	10
1c. Syndicated bond loan € 350 million	HP SA	Jul 2018	-	348
1d. Bond loan € 400 million	HP SA	Jun 2023	391	-
2. Bond loan € 400 million	HP SA	Oct 2018	284	284
3. Bond loan € 300 million	HP SA	Feb 2021	297	200
4. Bond loan SBF € 400 million	HP SA	May 2018	-	239
5. Bond loan $ 250 million	HP SA	Jun 2021	153	-
6. European Investment Bank ("EIB") Term loan	HP SA	Jun 2022	178	200
7. Eurobond €325m	HPF Plc	Jul 2019	318	316
8. Eurobond €450m	HPF Plc	Oct 2021	446	446
9. Bilateral lines	Various	Various	757	754
10. Finance leases	Various	Various	3	4
Total			**2.827**	**2.821**

No loans were in default as at 30 September 2018 (none as at 31 December 2017).

Significant movements in borrowings for the nine-month period ended 30 September 2018 are as follows:

1. *Term loans*

In July 2014, the Group concluded two new credit facilities with a syndicate of Greek and international banks as follows:

(1a-1b) HPF concluded a €50 million syndicated credit facility guaranteed by Hellenic Petroleum S.A. The facility had a €40 million tranche, which matured in July 2016 and a €10 million tranche maturing in July 2018. In July 2016, upon maturity of the € 40 million tranche, the Group proceeded with a partial repayment of € 20 million and extended the maturity of the remaining € 20 million to July 2018.

(1c) Hellenic Petroleum S.A. concluded a €350 million syndicated bond loan credit facility guaranteed by HPF maturing in July 2018.

(1d) In June 2018 the Group prepaid both facilities which had a total outstanding balance of €380 million. The facilities were refinanced with a 5 year syndicated revolving bond loan facility issued by Hellenic Petroleum S.A. and subscribed to by Greek and international banks for an amount of €400 million.

2. *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, Hellenic Petroleum S.A. extended the facility maturity date to October 2018, when it was fully repaid (the outstanding balance amounted to €284,5 million). The loan was refinanced in November 2018, with the issuance of a new syndicated bond loan of €400 million with a tenor of 2 years and a one-year extension option.

3. *Bond loan €300 million*

In January 2015 Hellenic Petroleum S.A. concluded a €200 million revolving bond loan facility, with a tenor of 3 years. The facility was refinanced in February 2018 for an increased amount of €300 million and a tenor of 3 years.

4. *Bond loans SBF €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

(All amounts in Euro thousands unless otherwise stated)

Petroleum S.A. extended the facility maturity date to May 2018. In May 2018 Hellenic Petroleum S.A. fully repaid the outstanding balance of €240 million upon maturity.

5. *Bond Loan $250 million*

In June 2018 Hellenic Petroleum S.A. concluded a new $250 million revolving bond loan facility with a tenor of 3 years to finance general working capital needs.

6. EIB Term loans

On 26 May 2010, Hellenic Petroleum S.A. signed two loan agreements (Facilities A and B) with the European Investment Bank for a total amount of €400 million (€200 million each). The purpose of the loans was to finance part of the investment program relating to the upgrade of the Elefsina Refinery. Both loans had a maturity of twelve years with amortization beginning in December 2013 and similar terms and conditions. Facility B was credit enhanced by a commercial bank guarantee. This is normal practice for EIB lending particularly during the construction phase of large projects. Total repayments on both loans up to 30 September 2018 amounted to € 222 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 align the loan covenants' definitions and ratios with those used for all its commercial bank loans and Eurobonds (see also Note 14).

7. Bilateral lines

The Group companies have credit facilities with various banks to finance general corporate needs which are being renewed according with the Group's finance needs. The facilities mainly comprise of short-term loans of the parent company Hellenic Petroleum S.A.

No further significant movements occurred in borrowings during the nine month period ended 30 September 2018.

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

18. TRADE AND OTHER PAYABLES

	As at	
	30 September 2018	**31 December 2017**
Trade payables	1.290.832	1.474.336
Accrued expenses	186.229	100.810
Other payables	46.219	86.311
Total	**1.523.280**	**1.661.457**

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

Trade payables, as at 30 September 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 Group 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.

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 is closely monitoring developments following the US administration decision on JCPOA and have assessed its position accordingly (Note 3).

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

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.

(All amounts in Euro thousands unless otherwise stated)

19. CASH GENERATED FROM OPERATIONS

		For the nine month period ended	
	Note	**30 September 2018**	**30 September 2017**
Profit before tax		**507.269**	**367.249**
Adjustments for:			
Depreciation and amortisation of property, plant and equipment and intangible assets	**10,11**	142.631	140.588
Impairment of fixed and intangible assets	**10,11**	3.112	-
Amortisation of grants	**5**	(605)	(645)
Finance costs - net		111.786	128.393
Share of operating profit of associates	**7**	(28.484)	(34.956)
Provisions for expenses and valuation charges		59.664	25.168
Foreign exchange losses	**6**	(2.540)	8.317
Amortisation of long-term contracts costs	**5**	1.970	7.128
(Gain) / loss on sales of property, plant and equipment	**5**	(65)	225
		794.738	**641.467**
Changes in working capital			
Decrease in inventories		(156.964)	7.969
Decrease/(Increase) in trade and other receivables		(156.804)	44.714
Decrease in payables		(184.068)	(409.439)
		(497.836)	**(356.756)**
Net cash inflow from operating activities		**296.902**	**284.711**

20. RELATED PARTY TRANSACTIONS

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

Transactions have been carried out with the following related parties:

a) 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

(All amounts in Euro thousands unless otherwise stated)

	For the nine month period ended	
	30 September 2018	**30 September 2017**
Sales of goods and services to related parties		
Associates	505.169	574.214
Joint ventures	522	284
Total	**505.691**	**574.498**
Purchases of goods and services from related parties		
Associates	591.100	593.611
Joint ventures	13.809	7.080
Total	**604.909**	**600.691**

	As at	
	30 September 2018	**31 December 2017**
Balances due to related parties		
Associates	12.362	3.182
Joint ventures	1.290	1.886
Total	**13.652**	**5.068**
Balances due from related parties		
Associates	37.509	37.133
Joint ventures	183	101
Total	**37.692**	**37.234**

Hellenic Petroleum S.A. 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 2018 was €84 million (31 December 2017: €88 million).

b) Government related entities which are under common control with the Group due to the shareholding and control rights of the Hellenic State and with which the Group has material transactions or balances are:

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

During the nine month period ended 30 September 2018, transactions and balances with the above government related entities are as follows:

- Sales of goods and services amounted to €268 million (30 September 2017: €314 million)
- Purchases of goods and services amounted to €38 million (30 September 2017: €33 million)
- Receivable balances of €81 million (31 December 2017: €61 million)
- Payable balances of €4 million (31 December 2017: €5 million).

c) Key management personnel includes directors (Executive and Non-Executive Members of the board of Hellenic Petroleum S.A.) and General Managers. The compensation paid or payable for the nine month period ended 30 September 2018 to the aforementioned key management amounted as follows:

(All amounts in Euro thousands unless otherwise stated)

	For the nine month period ended	
	30 September 2018	**30 September 2017**
Short-term employee benefits	3.575	3.087
Post-employment benefits	56	69
Termination benefits	920	-
Total	**4.551**	**3.156**

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

- Edison International SpA (Greece, Patraikos Gulf).
- Calfrac Well Services Ltd (Greece, Sea of Thrace concession)
- Total E&P Greece B.V and Edison International SpA (Greece, Block 2).

21. COMMITMENTS

Significant contractual commitments of the Group, other than future operating lease payments that are disclosed in the annual consolidated financial statements as at 31 December 2017, mainly relate to improvements in refining assets and amount to €23 million as at 30 September 2018 (31 December 2017: €20 million).

22. CONTINGENCIES AND LITIGATION

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. They are as follows:

(a) Business issues

(i) Unresolved legal claims

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

(ii) Guarantees

The parent company has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to subsidiaries and associates of the Group, the outstanding amount of which as at 30 September 2018 was the equivalent of €978 million (31 December 2017: €1.016 million). Out of these, €894 million (31 December 2017: €928 million) are included in consolidated borrowings of the Group in the interim condensed consolidated financial statements.

(iii) International operations

The Group’s international operations face a number of legal issues related to changes in local permits and tax regulations, however it is considered that they do not present any material impact on the consolidated financial statements. Such cases include a dispute in connection with the local tank depots of Jugopetrol AD in Montenegro, as well as the re-opening of the Commission for the Protection of Competition in Cyprus’ investigation against the Petroleum companies operating there (wholesale), for the period from 1 October 2004 to 22 December 2006. On 15 November 2017 the Commission for the Protection of Competition in Cyprus imposed a fine amounting to €5 million against Hellenic Petroleum Cyprus Ltd. Pertinent legal actions, have commenced on 30 December 2017 and are in progress. The likelihood for an outflow of resources is assessed as remote. Management believes that no additional material liabilities will arise as a result of these cases over and above those recognised in the consolidated financial statements.

(b) Taxation and customs

The tax framework and practices in Greece, which determine the tax base for the transactions of the Group's main entities, 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 preparation of its tax return and the financial statements. Based on past experience tax audits were carried out by tax authorities on average 5-7 years after the filing of the tax return, while, recently, the 5 year statute of limitation period seems to be taken into consideration. In addition, where a tax audit results in a different assessment to the one adopted by the Group entity, and for which the Group 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 8, tax audits for the Group's most important Greek legal entities have been completed by the Tax Authorities as follows:

For Hellenic Petroleum S.A.: up to and including the financial year ended 31 December 2011. The Tax Audit Reports for years ended 31 December 2010 and 31 December 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 Companies' 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, while the remaining 50% has been fully offset, with tax and other State receivables, by 30th of September 2018. The amounts are included in Other Receivables (Note 13).

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.

Likewise, the two main retail subsidiaries in Greece, which merged into one during 2016, Hellenic Fuels and Lubricants S.A (EKO) have been audited as follows:

(a) Former Hellenic Fuels S.A.: up to and including the financial year ended 31 December 2011, with ongoing audits for subsequent years up to and including 31 December 2013. The most recent Tax Audit Reports for 2010 and 2011 were delivered in December 2017, and assess additional taxes of € 1,6 million and penalties of € 1,9 million for similar reasons as Hellenic Petroleum. The process followed is identical to the one described above for Hellenic Petroleum and the Subsidiary has already proceeded with the relevant legal actions.

(b) EKO S.A.: up to and including 31 December 2010 with ongoing audit for the year ended 31 December 2012. The most recent Tax Audit Reports for 2008, 2009 and 2010 were delivered in February 2018 and assess additional stamp duty of € 4,1 million and penalties of € 3,5 million. The process followed is identical to the one described above for Hellenic Petroleum and the Subsidiary has already proceeded with the relevant legal actions.

Even though the Subsidiary (after the merger) 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. Those amounts were paid within the applicable deadlines, while the remaining 50% has been fully offset, with tax and other State receivables, by 30th of September 2018. The amounts are included in the Other Receivables (Note 13).

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 recognized in the consolidated financial statements as at 30 September 2018. The Group has recorded any down payments made for taxes and penalties assessed in previous disputes with the tax authorities in other receivables (Note 13), to the extent that the Group 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 2017, the Group's Greek legal entities 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 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

A proposal to the AGM for a final dividend €0,25 per share (excluding treasury shares – Note 16) for the year ended 2017 was approved by the Board of Directors on 22 February 2018 and the final approval was given by the shareholders at the AGM held on 6 June 2018. This amounts to €76.408 million and is included in the Consolidated Financial Statements for the period ended 30 September 2018.

At its meeting held on 8 November 2018, the Board of Directors decided to distribute an interim dividend of €0,25 per share (excluding treasury shares – Note 16) for the financial year 2018. The dividend amounts to a total of €76.408 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 2018.

(All amounts in Euro thousands unless otherwise stated)

24. LIST OF PRINCIPAL CONSOLIDATED SUBSIDIARIES AND ASSOCIATES INCLUDED IN THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

COMPANY NAME	ACTIVITY	COUNTRY OF REGISTRATION	EFFECTIVE PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
HELLENIC FUELS AND LUBRICANTS INDUSTRIAL AND COMMERCIAL S.A	Marketing	GREECE	100,00%	FULL
EKOTA KO S.A.	Marketing	GREECE	49,00%	FULL
EKO KALYPSO M.E.P.E.	Marketing	GREECE	100,00%	FULL
EKO ATHINA MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO ARTEMIS MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO DIMITRA MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO IRA MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO AFRODITI MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO BULGARIA EAD	Marketing	BULGARIA	100,00%	FULL
EKO SERBIA AD	Marketing	SERBIA	100,00%	FULL
HELLENIC PETROLEUM INTERNATIONAL S.A.	Holding	AUSTRIA	100,00%	FULL
HELPE CYPRUS LTD	Marketing	U.K	100,00%	FULL
RAMOIL S.A.	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM SERBIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
JUGOPETROL AD	Marketing	MONTENEGRO	54,35%	FULL
GLOBAL ALBANIA S.A	Marketing	ALBANIA	99,96%	FULL
ELPET BALKANIKI S.A.	Holding	GREECE	100,00%	FULL
VARDAX S.A	Pipeline	GREECE	80,00%	FULL
OKTA CRUDE OIL REFINERY A.D	Refining	FYROM	81,51%	FULL
ASPROFOS S.A	Engineering	GREECE	100,00%	FULL
DIAXON S.A.	Petrochemicals	GREECE	100,00%	FULL
POSEIDON MARITIME COMPANY	Vessel owning / Petrochemicals	GREECE	100,00%	FULL
APOLLON MARITIME COMPANY	Vessel owning / Refining	GREECE	100,00%	FULL
HELLENIC PETROLEUM FINANCE PLC	Treasury services	U.K	100,00%	FULL
HELLENIC PETROLEUM CONSULTING	Consulting services	GREECE	100,00%	FULL
HELLENIC PETROLEUM R.E.S S.A.	Energy	GREECE	100,00%	FULL
HELPE-LARCO ENERGIAKI SERVION S.A.	Energy	GREECE	51,00%	FULL
HELPE-LARCO ENERGIAKI KOKKINOU S.A.	Energy	GREECE	51,00%	FULL
ENERGIAKI PYLOY METHONIS S.A.	Energy	GREECE	100,00%	FULL
ATEN ENERGY S.A.	Energy	GREECE	100,00%	FULL
HELPE E&P HOLDINGS S.A	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE ARTA PREVEZA SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE NW PELOPONISSOS SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE WEST KERKYRA SA	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE PATRAIKOS S.A.	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE UPSTREAM S.A	E&P of hydrocarbons	GREECE	100,00%	FULL
SUPERLUBE LTD	Lubricants	CYPRUS	100,00%	FULL
ELPEDISON B.V.	Power Generation	NETHERLANDS	50,00%	EQUITY
SAFCO S.A.	Airplane Fuelling	GREECE	33,33%	EQUITY
DEPA S.A.	Natural Gas	GREECE	35,00%	EQUITY
E.A.K.A.A S.A.	Pipeline	GREECE	50,00%	EQUITY
HELPE THRAKI S.A	Pipeline	GREECE	25,00%	EQUITY
DMEP HOLDCO LTD	Trade of crude/products	U.K	48,00%	EQUITY

- On 24 November 2017, HELPE S.A. acquired the remaining 37% minority shareholding of ELPET BALKANIKI S.A., which is now a wholly owned subsidiary (100%). The total aggregate consideration for the ordinary share capital acquired is comprised of an upfront amount of €16 million which was paid during the six month period ended 30 June 2018 and of a deferred consideration of €5 million payable within a period of up to five years from the date of acquisition of the shares.

- On 28 March 2018, HELLENIC PETROLEUM RES S.A. acquired the 100% of the total issued share capital of ATEN ENERGY S.A. The total aggregate consideration for the ordinary share capital acquired is €1,3 million.

- On 24 May 2018, HELLENIC PETROLEUM SA established HELPE E&P Holding S.A. (100% subsidiary). The share capital injected to the new company amounts to €20 million.

- On 2 July 2018, HELPE E&P Holding S.A. established Helpe Arta Preveza SA (100% subsidiary). The share capital injected to the new company amounts to €4 million.

- On 2 July 2018, HELPE E&P Holding S.A. established Helpe NW Peloponissos SA (100% subsidiary). The share capital injected to the new company amounts to €2 million.

- On 2 July 2018, HELPE E&P Holding S.A. established Helpe West Kerkyra SA (100% subsidiary). The share capital injected to the new company amounts to €3 million.

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 the publication of the financial statements.