



**HELLENIC**  
**PETROLEUM**



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# I. THE GROUP



E.N. Christodoulou  
Chairman of BoD



J.A. Costopoulos  
Chief Executive Officer

The Group

## Message to Shareholders

Dear Shareholder,

During 2007 HELLENIC PETROLEUM delivered sustained progress, benefiting from a relatively positive, though highly volatile, market environment. Crude oil prices resumed their ascent, increasing by some 50% over 2006 levels and, thus, boosting reported profitability through positive inventory effects. In addition, Mediterranean complex refining margins, although flat on a y-o-y basis, stood well above mid-cycle levels, driven by the strength in middle distillates cracks. Hydroskimming and topping margins also fared well, despite the year-end pressure from a sharp retraction in fuel oil cracks and the persistence of high oil prices.

Furthermore, the weakening of the US dollar versus the euro obviously led to an adverse translation effect; however, this was mitigated by the revaluation of our USD-denominated loans.



In 2007, net earnings per share rose by 35% and, reflecting the quality of the portfolio of activities, our capital discipline and tight grip on costs, the Group's return on capital employed improved from 9% to 11%. This performance has enabled HELLENIC PETROLEUM to increase its total annual dividend per share to €0.50, an 8.4% increase over 2006. Total shareholder return, including dividends and share price performance, amounted to 12.2% in 2007.

At the same time, we continued to operate in a socially and environmentally responsible way. In 2007, the Lost Workday Injury Frequency (LWIF) index continued its downward trend, thus further converging to European best-in-class refineries. We place relentless focus on safety and strive for continuous improvements in this area. In addition, SO<sub>2</sub> emissions were reduced by almost a third in 2007, while our refineries account for just 2% of Greece's total CO<sub>2</sub> emissions. During the past five years, we have spent close to €200m in environmental projects, and fully comply with the latest EU-oil products specifications. HELLENIC PETROLEUM is a fully committed partner of societies in which it operates in addressing sustainability challenges.

Present in 11 countries and spanning across 8 activities, HELLENIC PETROLEUM aims to transform into a major regional, internationally competitive energy Group. Building on our key competitive advantages, namely a leading domestic position in refining, marketing and petrochemicals, the strategic location and close integration of facilities, the superior complexity of our flagship refinery at

Aspropyrgos and a strong balance sheet, our strategy evolves along six main axes with some €2.5bn earmarked as capital expenditure over the next five years:

- **Upgrade domestic refineries.**

Refining remains the core of our business, contributing close to 80% to Group profitability. We are on track to upgrade our Southern refining hub via a new hydrocracker and flexicoker, which will add conversion capacity and increase production of white products at the expense of fuel oil. This €1.1 bn project, a prime example of sustainable development, is supported by diverging consumption trends for diesel and fuel oil, has strong projected returns, while at the same time will produce zero-sulphur diesel and significantly reduce all emissions.

- **Restructure and improve efficiency.**

Thanks to our cost discipline, we achieved flat operating expenses at the parent company level for a fourth consecutive year in 2007, delivering c€100m in cost savings over the past four years. We also launched the "BEST50" procurement project, which targets to reduce opex and capex by €50m over the next three years. In 2007, we realised about €10m in savings, and have budgeted a further €20m for 2008. We continue to strive for continued improvements in this area and plan to launch two more operational efficiency initiatives in 2008. First, our goal is to transform our refineries into top-2 quartile performers across all performance indices, operating in a consistent way and with a reinforced results-oriented culture. Second, we aim for corporate services optimisation, via centralisation of accounting and transactional functions, establishment of Group-wide systems, platforms and service centres, as well as alignment of business processes.

- **Increase profitability of domestic marketing operations.**

EKO, Greece's fuels marketing leader, is proceeding with a format optimisation programme, aiming to create a network of over 400 flagship, company-owned or -controlled retail stations by 2012. At the same time, our marketing subsidiary is rationalising its network of 1,300 petrol stations and its logistics footprint, while right-sizing its operational costs too. Increasing non-fuel sales and further strengthening of the brand image and marketing position are also among key priorities for EKO.





- **Further grow the international downstream portfolio.**

SE Europe is a growth engine for the Group, with the strategic focus centred on leveraging our supply and logistical advantages, as well as building critical mass. Currently being the market leader in Cyprus, FYROM and Montenegro, we are also expanding our activities in the larger and more attractive markets of the region, namely Serbia and Bulgaria. We are continuously rolling out our retail network, aiming to almost double our number of petrol stations by 2012.

- **Create one of Greece's leading power producers.**

Being the first independent power producer in Greece, with the 390MW capacity combined cycle gas turbine plant in Thessaloniki operational since end-2005, together with the positive near- and long-term market trends, our stated goal was to further expand in power generation. In 2007, we signed a Memorandum Of Agreement with Edison, Italy's second largest electricity producer and gas distributor, to form a 50/50 joint venture, aiming to create one of Greece's largest electricity operators, with a power generation portfolio of 1,500-2,000MW.

- **Evaluate potential of participations in E&P and natural gas.**

Our drilling campaign in Libya is well under way, with commerciality decisions expected by end-2008, while exploration activities have already started in Egypt. Apart from our positions in E&P, we are also evaluating our long-term strategic options in the natural gas market, so as to maximise the value of our 35% stake in DEPA, Greece's natural gas company.



Over the past few years, the trading environment has been extremely volatile, a characteristic of an industry that is not only cyclical but also affected by trends such as rising concerns over energy security and climate change. There remain significant challenges for the Group in transforming and growing the business into the medium and long term. In view of the executive team's and board's clear strategy, the quality and commitment of the employees, our broad portfolio of activities, our solid financial position and the full backing of our shareholders, we have every confidence in the future of HELLENIC PETROLEUM. Equally im-

portant, the Group is poised to continue supporting economic growth and energy security in Greece in an environmentally-responsible way.

Finally, we are grateful to and wish to thank all our employees for their commitment and contribution to our Group's success. On behalf of the Board, we would also like to thank, once again, our shareholders for their support.

E.N. Christodoulou  
Chairman of BoD

J.A. Costopoulos  
Chief Executive Officer



## The Group in brief



### Analysis per activity sector

(amounts in millions €)			
	2006	2007	% (ch)
Refining	7,692.6	8,034.7	4.4
Retailing	2,363.4	2,631.1	11.3
Exploration & Production of H/Cs	1.1	1.1	0.0
Petrochemicals	354.7	380.2	7.2
Power	146.0	148.3	1.6
Others	13.6	12.8	-5.6
Within the Group	(2,449.8)	(2,670.3)	----
<b>Group's turnover</b>	<b>8,121.5</b>	<b>8,538.0</b>	<b>5.1</b>
Refining	371.8	481.4	29.5
Retail	74.6	76.3	2.3
Exploration & Production of H/Cs	(24.0)	(27.7)	----
Petrochemicals	39.0	55.1	41.2
Gas & Power	30.4	37.6	23.7
Others	(1.6)	(7.6)	----
Within the Group	11.2	1.9	-82.8
<b>Group's EBITDA</b>	<b>501.5</b>	<b>617.1</b>	<b>23.0</b>



11 countries, 8 activities



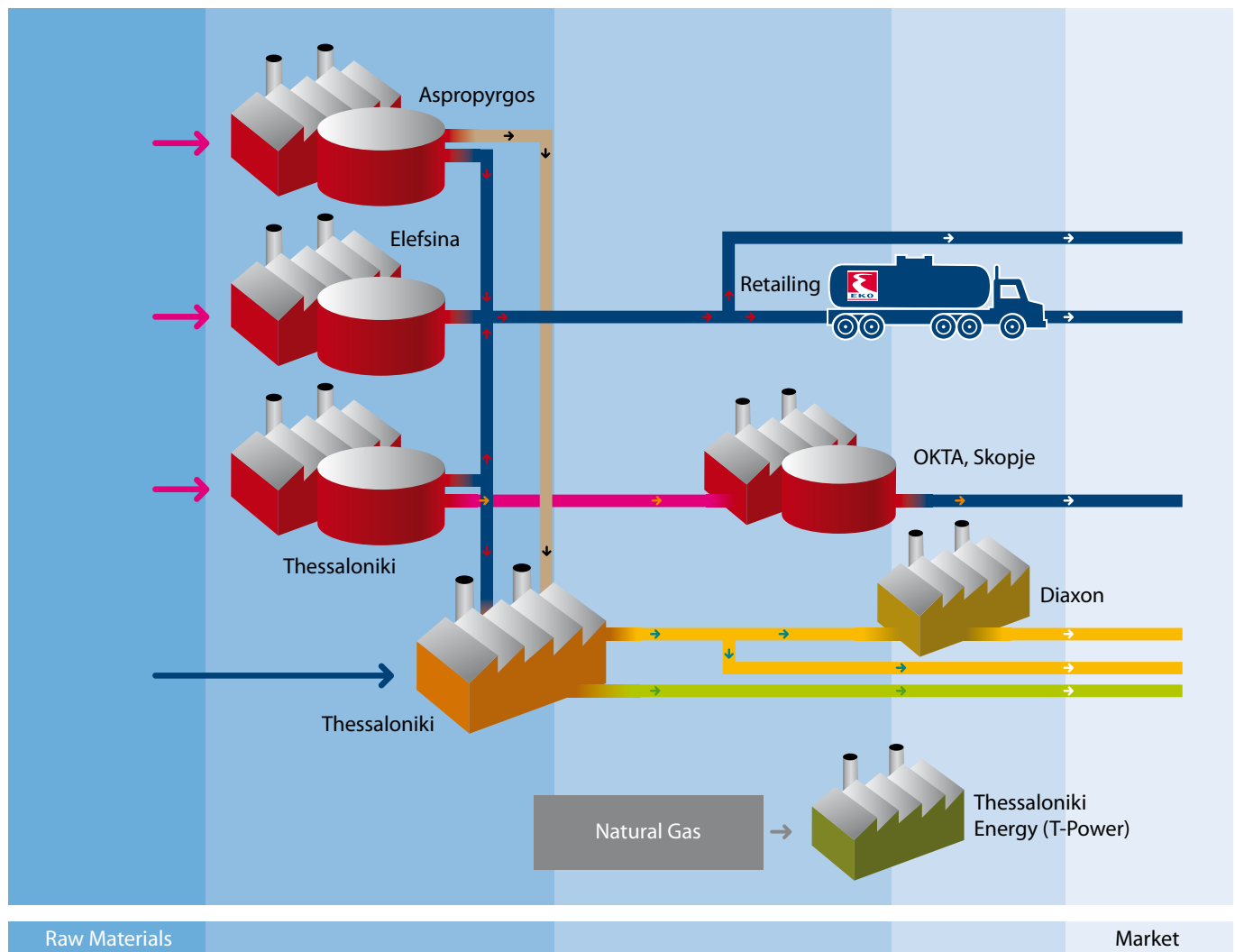


## Group's Companies & Participations per Activity Sector

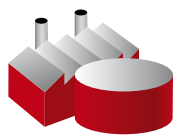
<b>REFINING</b>	HELLENIC PETROLEUM SA
<b>FUELS MARKETING</b>	EKO A.B.E.E. CALYPSO LTD
<b>CHEMICALS</b>	DIAXON A.B.E.E. ARTENIUS HELLAS SA
<b>INTERNATIONAL ACTIVITIES (Refining &amp; Retailing)</b>	OKTA AD SKOPJE HELLENIC PETROLEUM CYPRUS LTD EKO BULGARIA EAD S.A. EKO YU AD BEOGRAD S.A. EKO GEORGIA LTD JUGOPETROL AD KOTOR S.A. GLOBAL S.A. ELDA PETROLEUM ALBANIA SH.P.K

<b>OIL &amp; GAS EXPLORATION AND PRODUCTION</b>	CALFRAC WELL SERVICES LTD WOODSIDE ENERGY NORTH AFRICA/REPSOL MELROSE EGYPT
<b>POWER GENERATION PRODUCTION &amp; TRADING</b>	THESSALONIKI ENERGY SA
<b>ENGINEERING</b>	ASPROFOS SA
<b>TRANSPORTATION OF CRUDE / PRODUCTS &amp; PIPELINE NETWORKS</b>	E.A.K.A.A. SA. VARDAX S.A. HELPE SA – THRAKI SA HELPE POSEIDON M.C. HELPE APOLLON M.C.
<b>NATURAL GAS</b>	DEPA SA

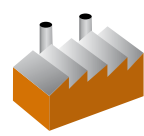
## Integrated Group's Operation



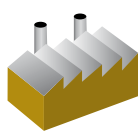
█ Petroleum products  
 █ Crude Oil  
 █ Propylene  
 █ Polypropylene  
 █ BOPP Film  
 █ PVC, Solvents, Caustic Soda, Chlorine



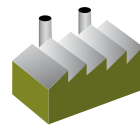
Refineries



Petrochemicals



Komotini  
Plant



Power Generation Unit



## The Group in 2007



2007 was a particularly good year for the largest industrial and commercial Group of the country.

The very satisfactory financial results were also due to exogenous factors, with main characteristic the price rise, globally, of the crude oil and its products.

At the same time emphasis was given in the planning of the Group's five years investment programme, which includes, among other things, the upgrading and the modernization of the HELLENIC PETROLEUM's SA industrial installations, especially the Elefsina and Thessaloniki refineries.

The following sectors and branches are included among the Group's spectrum of activities:

- Refining of crude oil and fuel supply.
- Marketing of oil products, including sales abroad.
- Oil & Gas Exploration and Production.
- Production and trading of petrochemicals and chemicals.
- Power Generation Production and trading.
- Participation in natural gas projects, through DEPA SA.
- Participation in the transportation of crude oil and products (fuel pipe-lines, sea transportation).



The Group employs 5,194 people in Greece and abroad.

At the end of 2007, total assets amounted to € 5,059 million; shareholders' equity to € 2,580 million and the annual turnover totalled € 8,538 million.

The Group's entrepreneurial programme includes investments mainly in the refining sector, in power generation, in hydrocarbons' exploration, as well as investments concerning the expansion of its

international activities, with priority set in S. E. Europe and particularly in the Balkan region. During the last five years, the investment programme includes projects of € 184 m, concerning the environmental protection in the refining sector. It is mentioned, indicatively, that in the frame of the continuous energy saving attempts, during 2006\*, the Group's refineries participated with only 2% in the country's total CO<sub>2</sub> emissions.

\* Source: National Inventory; Green House Gas Emissions in Greece - 2006

## Our Business Principles and Values:

- Priority to Safety
- Protection and respect of the environment
- Transparency in all areas
- Predominant emphasis on human factor
- Respect for the client
- Constant development of know-how in the sectors of our activity
- Continuous improvement of competitiveness
- Focusing on results
- Emphasis on social responsibility

## Brief Financial Data 2006 - 2007

(amounts in million €)	2006	2007	% (ch)
Turnover	8,122	8,538	5
EBITDA	502	617	23
Profit before tax	358	489	36
Net profit	260	351	35
Capital employed	2,398	2,580	
Net borrowing	1,048	981	





## HELLENIC PETROLEUM SA in Stock Markets



The positive climate that prevailed in the stock market during 2006, continued in 2007. On 31.12.07 the General Index of the Athens Stock Exchange reached 5,178.83 units, showing an increase of 17.9% compared to 31.12.06.

The company's share price showed also a significant rise. At the end of 2007 the closing share price was set up at € 11.28 showing an increase of 8% compared to the share price on 29.12.06. It is mentioned that the average closing share price, during the year was set up at € 11.02, showing a rise of 1.3% on annual basis.

The average annually traded volume of company shares was reduced by 23%, set up at 212,000 pcs daily, while the average daily traded value fell respectively by 22% reaching € 2,330,000.

During 2007 the highest share price was € 12.20, on 12.12.07, and the lowest share price was € 9.90, on 06.03.07.

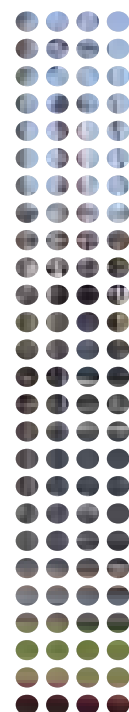
The total number of shareholders, on 31.12.2007, that held less than 5% of the share ownership was 102,673 whereas 785 of them were institutional investors.

On 31.12.2007 the members of the BoD held a total of 8,538 shares.

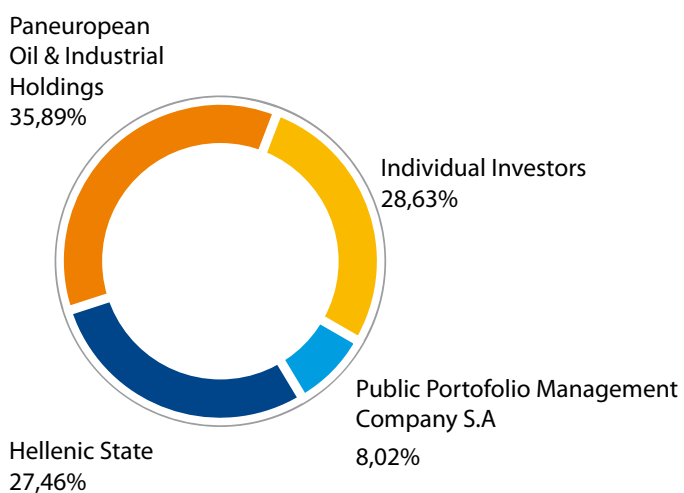
## HELLENIC PETROLEUM S.A. Share Ownership

The composition of the company's share ownership (holders more than 5%), on 31.12.2007, was as follows:

HELLENIC PETROLEUM SA share ownership (31.12.2007)			
shareholder	No of shares	Holding %	Rights to vote
Hellenic State	83,931,553	27.46	83,931,553
Public Portfolio Management Company SA	24,498,751	8.02	24,498,751
PanEuropean Oil & Industrial Holdings SA	109,698,188	35.89	109,698,188
Individual investors	87,506,693	28.63	87,506,693
Total	305,635,185	100.00	305,635,185



The following pie chart presents the company's share ownership:



## Performance of HELLENIC PETROLEUM's SA share

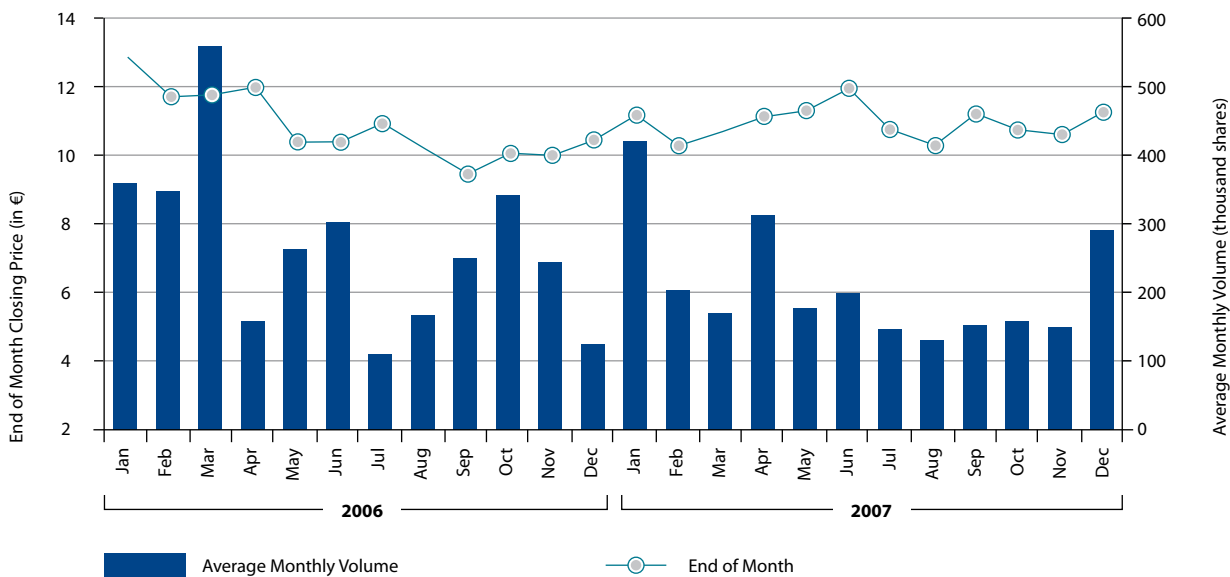
	closing price at the month end (€)		average daily traded volume (pcs)	
	2006	2007	2006	2007
January	12.86	11.18	351,812	409,096
February	11.70	10.28	338,960	196,703
March	11.78	10.68	545,645	165,233
April	11.98	11.12	157,438	306,994
May	10.34	11.32	258,545	171,537
June	10.40	11.92	295,176	192,651
July	10.94	10.78	108,076	144,374
August	10.18	10.34	166,528	128,266
September	9.46	11.20	244,114	148,493
October	10.06	10.76	334,708	156,528
November	10.00	10.60	237,654	149,123
December	10.44	11.28	122,928	282,504

The above table presents the closing share price, at the end of each month, and the average volume of company shares traded per month, in 2007 and 2006.



## HELLENIC PETROLEUM's S.A. SHARE PERFORMANCE ON A.S.E.

The following chart shows the closing prices, at the end of each month, and the average monthly volume of shares traded in the period 2006-2007:



## Comparative performance of HELLENIC PETROLEUM's share and ASE's General Index, during the period 2006-2007

The following chart shows the percentage change of the HELLENIC PETROLEUM's SA share price and of the General Index of the Athens Stock Exchange, for the period January 2006 – December 2007:



## Dividend per share

	Dividend payment	Ex-dividend shares	Dividend per share	Average capitalisation	Average share price readjustment	Average equity	Average dividend	Capitalization to equity ratio
	(€ million)	(Units)	(€)	(€ million)	(€)	(€ million)	(%)	Book Value
2007	153	305,635,185	0.50	3,367	11.02	2,489	4.54	1.35
2006	131	305,635,185	0.43	3,326	10.88	2,327	3.95	1.43
2005	131	305,622,245	0.43	3,004	9.83	2,103	4.37	1.43
2004	79	305,513,425	0.26	2,209	7.23	1,869	3.60	1.18
2003	61	305,463,934	0.20	1,851	6.06	1,663	3.30	1.11
2002	39	261,193,799	0.15	1,870	6.12	1,428	2.10	1.31
2001	31	261,193,799	0.12	2,418	7.92	1,363	1.30	1.77
Note	(1)	(2)		(3)		(4)	(5)	(6)

(1) Total dividend payable to the HELLENIC PETROLEUM's shareholders.

(2) Number of shares entitled to a dividend for the respective year (ex-dividend date). For 2007, the number of shareholders entitled to the interim dividend of €0.15 and the final divi-

dend of €0.35 were 305,635,185.

(3) Number of shares at year's end, adjusted average share closing price for the year.

(4) Average equity at beginning and end of fiscal year based on the Consolidated Balance Sheet (book value).

(5) Calculated as: Total Payable Dividend

/ Average Capitalization for the year.

(6) Calculated as: Average Capitalization for the year / Average (Consolidated) Equity.

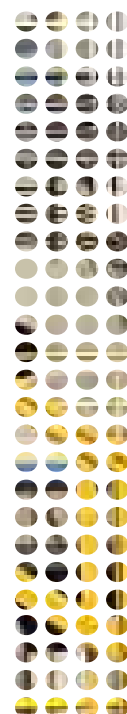
Based on the price of 31.12.2007, the dividend payable per share was 4.4%.

For 2006, the General Shareholders Assembly, on May 17, 2007, approved a dividend of € 0.28 per share (an amount of € 85,577,851.80). Moreover, an interim dividend of € 0.15 per share (an amount of 45,843,441.75) was payable to the entitled shareholders after the 10th October 2006. Therefore, the total dividend for 2006 was set up to the amount of € 131,421,293.55 or € 0.43/share.

For 2007, the BoD proposed to the General Shareholders Assembly the approval of a dividend of € 0.35 per share (an amount of € 106,972,314.75). Moreover, an interim dividend of € 0.15 per share (an amount of 45,845,177.75) was payable to the entitled shareholders after the 20th September 2007. Therefore, the total dividend for 2007 amounted to € 152,817,592.50 or € 0.50/share.

## KEY FINANCIAL INDICATORS (in million euro)

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Sales turnover	4,907.3	6,653.0	8,121.5	8,538.0
Operating profit	210.7	526.3	355.3	477.3
Profit before tax	239.6	494.8	358.5	488.6
Operating cash flow	147.2	(11.2)	(60.8)	372.1
Investment in fixed assets & acquisitions	296.8	185.0	144.8	195.0
Shareholders equity	1,949.3	2,256.4	2,397.6	2,580.5
Average capital employed	2,103.6	2,647.9	3,200.0	3,499.3
Total assets	3,281.7	4,193.7	4,363.5	5,058.9



The Group

25.

## KEY OPERATING INDICES (in thousand tones)

<b>Group, in Greece</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Refinery output	14,013	14,402	14,233	14,463
Refinery sales	16,603	16,481	16,977	17,130
Retails volume	4,783	4,713	4,788	5,236
Petrochemicals sales	393	383	419	430
No of employees	3,664	3,578	3,529	3,427





## From Past to Present



In 1998, the PUBLIC PETROLEUM CORPORATION SA is renamed HELLENIC PETROLEUM S.A. and is listed in the Athens and London Stock Exchanges. During the next years the company both founds and buys out subsidiaries. Such examples are the ELPET BALKANIKI S.A., through which the company becomes major shareholder in OKTA AD SKOPJE (a FYROM refinery), the HELLENIC PETROLEUM – POSEIDON MARITIME COMPANY and the HELLENIC PETROLEUM CYPRUS, for the expansion of the Group's retailing activities.

In 2003 PETROLA HELLAS A.E.B.E. was merged by absorption and various subsidiaries are founded like the THESSALONIKI POWER, a company with objective the development, construction and operation of an electric power plant, the HELLENIC PETROLEUM – APOLLON MARITIME COMPANY and EKO NATURAL GAS S.A. Also, HELLENIC PETROLEUM participates, with 20%, in a consortium formed by the Australian WOODSIDE ENERGY (45%) and the Spanish REPSOL (35%) for the hydrocarbon exploration and production in six on-shore areas in North –West Libya.

In 2004, through its subsidiary EL.PE.T.–BALKANIKI S.A. the Group raises its stake in the OKTA AD SKOPJE refinery in the Former Yugoslav Republic of Macedonia (FYROM) from 69.5% to 81.5%, through an equity increase of the latter, during which the remaining shareholders relinquished rights.

In 2005, the 390 MW Power Plant in Thessaloniki is completed and in operation. THESSALONIKI ENERGY (T-Power) is the first, independent, electric energy producer in Greece.



The same year, the HELLENIC PETROLEUM INTERNATIONAL CONSULTING SA and the HELLENIC PETROLEUM FINANCE PLC were established. The objective of the latter is to provide financial services.

In 2006 the HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES S.A. is founded, aiming at the production, distribution and retailing of energy produced from one or more renewable energy sources.

Through this new subsidiary, HELLENIC PETROLEUM participates with a 25% interest in BIODIESEL S.A. The latter is going to implement a bio-diesel production facility. In this scheme participate VIOCHALKO S.A., HELLENIC FABRICS S.A. and PRIMA HOLDINGS, with a 25% interest each.

In 2007, in the sector of Power Generation & Trade, a Memorandum of Agreement was signed, among the parent company HELLENIC PETROLEUM SA and the Italian company EDISON SpA. This MoA provides for the establishment of a joint venture, by the two Groups, aiming at the creation of a complex energy portfolio with a capacity of 1,500-2,000 MW.



## Industry Overview



In 2007, the global economy, following the high development rate of 2006, appeared to slow down due to economic and financial uncertainties. The real growth rate of the global GDP, in 2007, is estimated to 4.9%, compared with 5.4% in 2006. In comparison, growth rates in the USA and Japan were 2,6% and 1,9% respectively. The estimated increase of the GDP, in the euro zone, is 2.6%, which is decreased by 0.2% compared to 2006 . For 2007, the GDP in Greece is increased by 3.6%.

During 2007, the average euro/US dollar exchange rate fluctuated around \$1.3706, showing a small rise compared to the average 2006 level (\$1.2556).

The average price of Brent crude oil (Platt's Dated), in 2007, was 72.52 USD/Bbl, compared to 65.12 USD/Bbl in 2006, a rise of 11.4%. The increased global oil demand, the limited capability to increase production, the ongoing uncertainty and insecurity in the Middle East and in the countries of the former Soviet Union and in Latin America were the most significant factors for the continuing high levels of crude oil prices around the world.

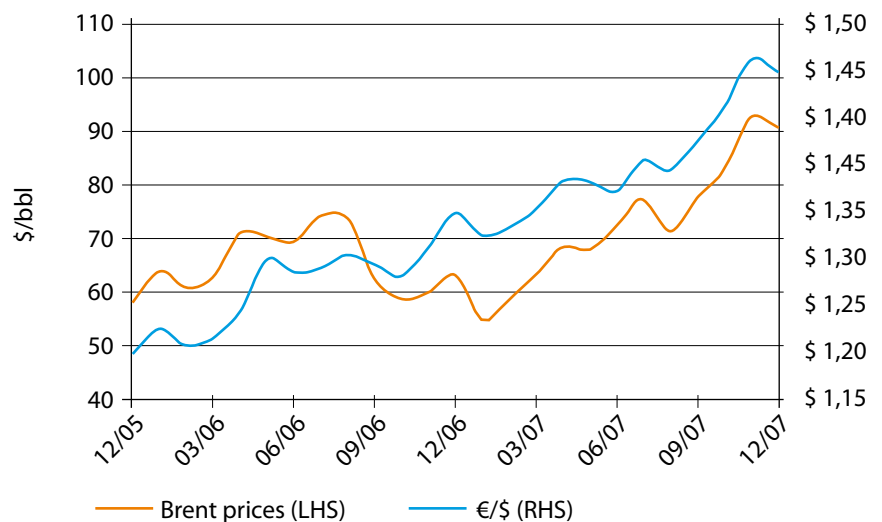
Moreover, the international refining margins for complex refineries, in the

Mediterranean area, even that they were unchanged compared with 2006, were stood at higher level than the last years average; because of the robust margins for products like heating oil, diesel for cars or jet fuel. The margins for simple and atmospheric refining were satisfactory despite the pressure, towards the end of the year, because of the sharp cutting down of the mazut margins and the persistently high prices of crude oil.

More specifically, the indicative refin-

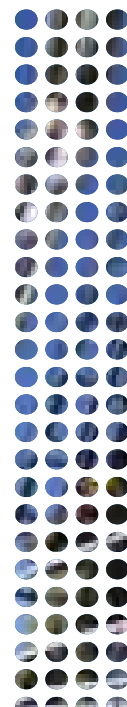
ing margin of a complex refinery in the Mediterranean region, in 2007, stood at \$5.83/bbl, compared with \$5.73/bbl in 2006, whereas the average margin of hydroskimming refineries, in 2007, was -\$1.10/bbl, compared to -\$0.96/bbl in 2006. Finally, the 2007 topping margin was improved to -\$2.57/bbl, compared with -\$3.02/bbl in 2006.

Info : IMF, World Economic Outlook, January 2008.





## Corporate Management

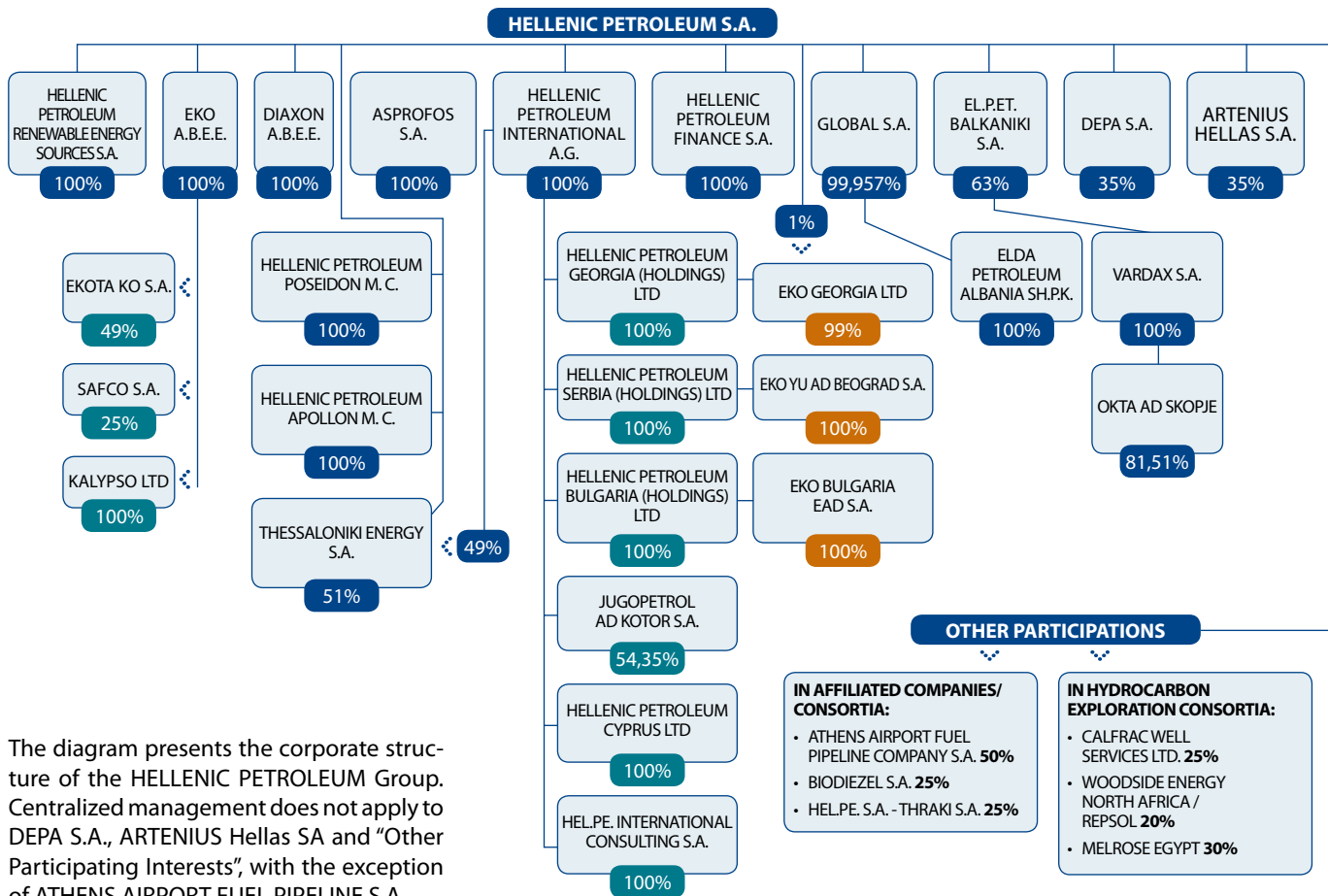


HELLENIC PETROLEUM S.A. is managed by a 13 - member Board of Directors. The BoD composition is the following:

<b>Chairman</b>	Efthymios N. Christodoulou, Executive Member of the BoD
<b>Chief Executive Officer:</b>	John Costopoulos, Executive Member of the BoD
<b>Executive Members</b>	Nikolaos Lerios, Theodoros - Achilleas Vardas
<b>Non-Executive Members</b>	Georgios Kallimopoulos, Panagiotis Pavlopoulos, Vassilios Bayiokos, Marios Tsakas, Elisabeth Tipaldou-Loverdou
<b>Non-Executive Members (employees' representatives)</b>	Alexios Athanasopoulos Panagiotis Ofthalmidis
<b>Non-Executive Members (minority shareholders' representatives)</b>	Dimitrios Miliakos, Iason Stratos

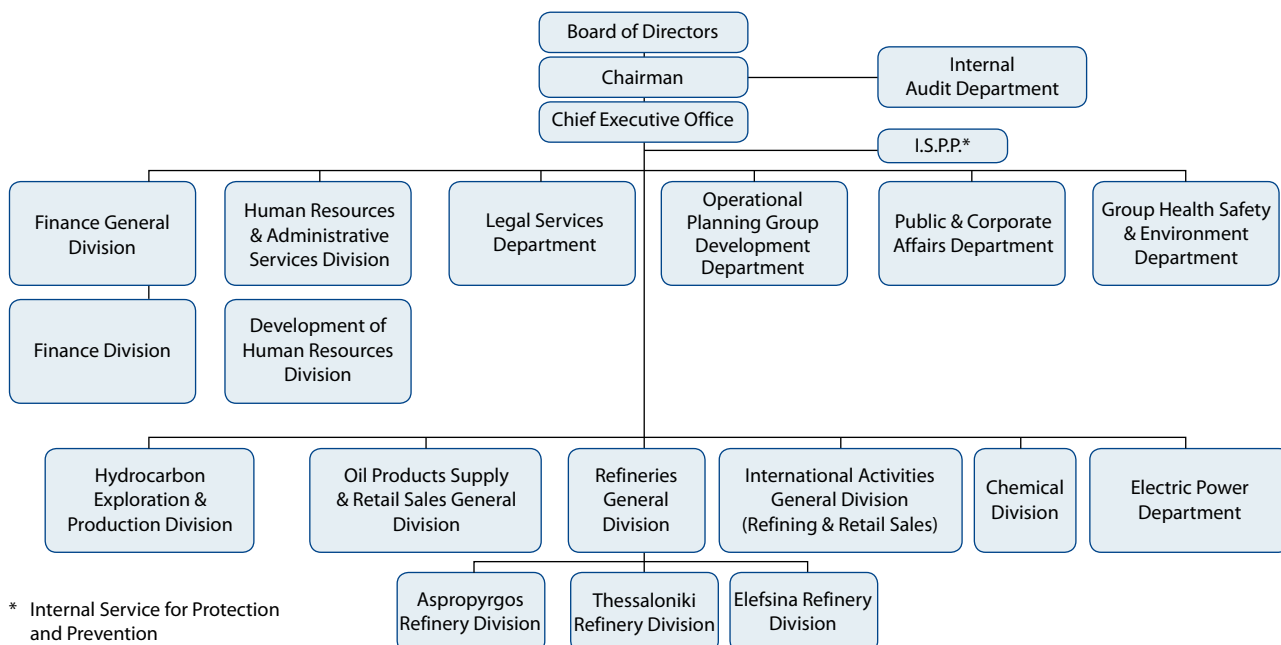
## Group's Corporate Structure

The parent company, HELLENIC PETROLEUM S.A., is, either directly or indirectly, the sole or majority shareholder of the subsidiaries and associated companies, with management control. Each company of the Group has its own Board of Directors and management structure, however investment plans, financial management and annual budgets are all controlled centrally by the parent company.



The diagram presents the corporate structure of the HELLENIC PETROLEUM Group. Centralized management does not apply to DEPA S.A., ARTENIUS Hellas SA and "Other Participating Interests", with the exception of ATHENS AIRPORT FUEL PIPELINE S.A.

## Management Structure of HELLENIC PETROLEUM SA



\* Internal Service for Protection and Prevention



## Corporate Governance



According to the rules on corporate governance, the primary obligation and duty of the members of the Company's Board of Directors is to constantly pursue the strengthening of the company's long-term economic value and efficiency, and the promotion of its general interests.

The Board of Directors protects the interests of shareholders and makes decisions in the context of the applicable legislation and bylaws, taking into account the greater public interest.

The Board of Directors is the company's primary administrative body and is elected by the General Meeting of shareholders.

The Board of Directors comprises thirteen (13) members with a five-year term of office:

- Seven (7) members are appointed by the State.
- The shareholding company «Paneuro-

pean Oil and Industrial Holdings S.A.» or its affiliates appoint two (2) members.

- Employees, by means of a direct and universal voting procedure, using the simple quota system, elect two (2) members representing the employees in the company.
- The Special General Meeting, of the remaining minority shareholders, appoints two (2) members representing the minority shareholders.

The Board of Directors, upon setting up, determines the capacities and competences of its members as executive and non-executive. The number of non-executive members of the Board of Directors may not be less than 1/3 of the total number of its members.



The Board of Directors (BoD) elects the Chairman and the Managing Director, capacities which may be concentrated in one person and, following the Managing Director's proposal, appoints the General Directors and Directors I of the company.

The Internal Audit Division is supervised by non-executive BoD members and reports directly to the BoD.

The Board of Directors may assign the exercise of part of its powers or competences, apart from those requiring collective action, and the management, administration or direction of the company's affairs or representation, to the Chairman, the Managing Director, one or more members, Directors or company employees, and set up relevant committees comprising BoD members.

The Chairman of the Board of Directors represents the company before the Courts and any Authority, chairs and directs the meetings of the Board of Directors and takes all actions for which he is competent, as provided for by Law, the Articles of Association and Bylaws.

Where the Chairman is an executive BoD member, as is currently the case, the BoD Chairman and the Managing Director are the company's primary executive agents.

The Managing Director supervises all company services and manages their operations. In the context of Operational Planning, Regulations and Decisions of

the BoD which regulate the company's operation, he makes all necessary decisions and submits to the company's BoD the proposals and motions required for the achievement of the company's objectives.

Certain Staff, Supporting and Operating Divisions, Divisions I and General Divisions of the company directly report to the Managing Director.

Moreover, upon authorization of the Board of Directors, the Managing Director undertakes the supervision of Group subsidiaries and coordinates their operations.



The Group

**BoD committees**

These committees comprised of members of the Board of Directors (executive and non-executive), are set up by means of decision of the Board of Directors and directly report to the Board of Directors. The committees are:

- Internal Audit Committee (consists of non-executive BoD members).
- Oil products Supply Committee.
- Financial and Economic Planning Committee.
- Compensations and Succession Planning Committee.

**Other committees**

These indicatively include:

- Strategic Planning and Development Board, supervised by the BoD Chairman.
- Executive Committee, supervised by the Managing Director.
- Investments Committee, supervised by the Managing Director.



## Risk Management



The Group's activities expose it to a variety of risks: market risk, credit risk, liquidity risk, cash flow risk, etc. The Group's overall risk management programme focuses on the unpredictability of commodity and financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Detailed presentation of the financial risks can be found in the edition "HELLENIC PETROLEUM S.A., Consolidated Financial Statements in accordance with IFRS, for the year ended 31 December 2007".

Commodity price risk management is supervised by a Risk Management Committee, which includes Finance and Trading departments Senior Management. Non-commodity price risk management is carried out by the Finance Department under policies approved by the Board of Directors. Other committees or departments monitor the non-financial risks.

### **(I) Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. In addition as is the case for all companies operating in the industry, an important part of their commercial transactions (purchases and sales) are concluded with reference to daily prices in US dollars, making the Group's results directly dependant on the € / \$ exchange rate. As part of its risk management process the Group enters into hedging derivatives if market conditions are appropriate with a view to minimise the net impact of such transactions. In addition, part of the funding strategy addresses the issue by selecting to borrow in US dollar denomi-

nated loans to partially offset the impact of movements in foreign exchange rates on inventory.

Due to the use of Platts prices in US dollars for the purchases and sales of oil products, the exchange rate of €/\$ constitutes one of the most important parameters in profitability. For this reason, the strengthening of the € in relation to the USD by 1%, results in a decrease in gross margin by about 2%.

### **(II) Price risk**

As is common practice in the refining industry the largest part of purchases and sales of crude oil and byproducts thereafter, are invoiced based on daily prices relating to that region (Platts Med). As a result, to the extent that the Group maintains substantial amounts of inventory, it is exposed to commodity price risk resulting from the daily volatility in the Platts reference prices, as the resulting inventory value is based on such. Protection against this volatility is achieved where possible through derivative contracts. The price risk management involves forward price protection where possible for forecasted sales and



inventory. This, however, is not possible to do in all market conditions and as a result only a small part of the price risk is effectively hedged.

Due to the high inventory stocks that the Group is required to maintain in the markets it operates (primarily Greece), the intense volatility in the price of crude oil affect profitability. In this respect, a change of \$1/barrel has an equal effect in the profitability and/or net Equity of the Group.

### (iii) Interest rate risk

Depending on the levels of net debt at any given period of time, any change in the base interest rates (EURIBOR or LIBOR), has a proportionate impact on the Groups results.

### (iv) Refinery margins

Any change in the refinery margins has a proportionate impact on the Groups profitability. In particular, a \$1/barrel increase in the refinery margin impacts operating profits by about \$100 million.

### (v) Credit risk

Credit risk is managed on group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

### (vi) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability

to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

### (vii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's cash flow interest rate risk, as far as borrowings issued at variable rates are concerned, expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Group to fair value interest rate risk.



### (viii) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for share holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the balance sheet) less "Cash & cash equivalents" less "Available for Sale financial assets". Total capital employed is calculated as "Capital and reserves attributable to the Company's shareholders" as shown in the balance sheet plus net debt.

During 2007 the Group strategy, which

was unchanged from 2006, was to maintain the gearing ratio between 20% - 40%. The gearing ratios at 31 December 2007 and 2006 were 28% and 31% respectively.

### (ix) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date.

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. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for valuation purposes where applicable. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated fu-

ture cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

### (x) I.T. threats

Potential threats, both internal and external, towards the company's I.T. infrastructure are centrally administered. Risk minimization is assured by means of guidelines, procedures and policies followed by the divisions and the business units.



### (xi) Knowledge management

The Compensations and Succession Planning Committee and the HR Department identify critical competences, institutional knowledge or skills that could be lost because of retirement or resignation or layoff.

The knowledge retention process includes steps like:

- Identify critical skills and knowledge at risk
- Assess consequences of losing that knowledge
- Prioritize and plan for capturing knowledge
- Evaluate strategies to keep or transfer critical knowledge



## II. CORPORATE ACTIVITIES

### Group's Strategic Goals

Today, the HELLENIC PETROLEUM Group holds a leading position in Greece and has wide recognition in the broader region. Aiming to become a strong, international, energy Group, the strategy of both, the Group and the Company, focuses attention on the transformation of HELLENIC PETROLEUM into an internationally competitive energy company.

At the same time, development strategies, of the entrepreneurial activities portfolio, are implemented, making the most of our comparative advantages and the energy market opportunities. These are aiming at the maximisation of the profitability and the value added creation, for the company and its stakeholders.

The followings are among the main strategic goals of the Group:

- ❖ Technological upgrade of the Group's refineries, in Greece.
- ❖ Improvement of the efficiency and competitiveness.
- ❖ Maintaining EKO's leading position and increase its profitability.
- ❖ Market share growth and profitability improvement in the sectors of Refining and Trade internationally.
- ❖ Expansion, through strategic cooperation, of the Power Generation & Trade Sector.
- ❖ Improvement of the participation in the Oil & Gas Exploration and Production activities.



## Oil Refining



### CONTRIBUTION TO 2007 OPERATING RESULTS



Refining **78,2%**

The refining sector is the core of the HELLENIC PETROLEUM Group's business, accounting for the greatest part of assets and investments and generating most of its profit.

In Greece, the Group owns and operates three refineries, in Aspropyrgos, Elefsina and Thessaloniki, with nominal annual refining capacity of 7.5 million tons, 5 million tons and 3.4 million tons crude oil respectively. The three refineries, combined, cover 73% of the country's total refining capacity.

Since 1999, the Group, via its associated company EL.PET. BALKANIKI, holds the majority shares in OKTA AD SKOPJE, which operates the only refinery in FYROM. The capacity of the OKTA refinery is 2.5 million tons, which exceed the demand of the local market, allowing for the export of extra capacity.

## REFINERIES IN GREECE

COMPANY	HELLENIC PETROLEUM SA			MOTOR OIL HELLAS
Location	Aspropyrgos	Thessaloniki	Elefsina	Agioi Theodoroi
Established in	1958	1966	1972	1972
Refinery type	Complex	Simple, with gasoline production	Simple, no gasoline production	Complex
Nominal capacity (000tones /year)	7,500	3,450	5,000	4,500

## Aspropyrgos Refinery

The Aspropyrgos refinery is of a complex type and one of the most modern refineries in Europe. It has a large number of refining units and capability to convert heavy oil products to white products of a higher added value. These conversion units, with a very high complexity index, constitute the refinery's main advantage. The fluid catalytic cracker (FCC) is the main conversion unit, with a nominal capacity of 45,000 barrels per day. The unit processes atmospheric residue and desulphurized vacuum gas oil (VGO) to produce white products.

The additional refinery needs in semi-processed products are covered, to a large extent, from the production of the Thessaloniki and Elefsina refineries.

After significant projects, which were implemented in 2004, related to the units' revamp and the upgrade of the distribution network, the Aspropyrgos refinery has been operating in full compliance with the new environmental regulations and the up to date safety requirements. In this manner, improving, at the same

time, its efficiency and its contribution to the Group's results.

The refinery is in a position to produce and supply high octane gasoline, with strict environmental specifications (10 ppm S), while is in a position to produce Auto Diesel, of 10 ppm S. It covers the 80% of the total Group's production in gasoline products.

Furthermore, with the completion of the works at the distribution networks, and the modified operational plan, the refinery has the capacity to produce low sulphur diesel (1% S), which is available in the domestic market since 1/10/2007.

The Aspropyrgos refinery owns a large private harbour, has modern tanker and rail terminals, an extensive crude oil distribution pipeline network from Pachi – Megara, and a distribution pipeline for finished and semi-finished products from and to the Elefsina refinery. It is also connected, through a fuel pipeline, to the "Eleftherios Venizelos" Athens International Airport, having the main re-

sponsibility for fuel supply.

The Aspropyrgos refinery is very flexible as far as the production, storage and distribution, of all types of finished products, are concerned.

Taking into account the future strict environmental requirements, that are binding from the years 2008-2009, the Aspropyrgos refinery implements and plans new projects to secure its strong participation in covering the market needs.





## Elefsina Refinery

The Elefsina refinery is a topping refinery (atmospheric distillation). It has a complex of desulphurization units, sulphur recovery units and hydro-desulphurization unit, with an annual capacity of 800,000 tons of diesel. Of major importance are the large storage areas of 3.35 million tons of crude oil and oil products, the large private port with facilities for loading and unloading petroleum products, simultaneously, up to 15 large vessels, as well as the modern station, with 18 berths, for the loading of tankers. The Elefsina refinery is connected, via a fuel pipeline, with installations in Pachi - Megara, as well as, with the Aspropyrgos refinery.

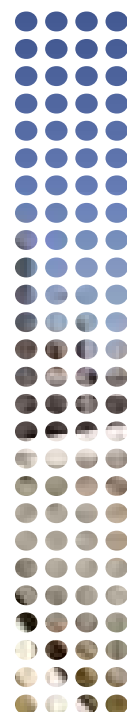
The protection of the environment is of particular importance to HELLENIC PETROLEUM. In this framework, the project of dangerous waste management has been completed and the diesel desulphurization unit is upgraded for the production of low sulphur (10ppm) products.

## Thessaloniki Refinery

The Thessaloniki refinery is a hydroskimming refinery (atmospheric distillation). It has a vacuum distillation unit, desulphurization units, naphtha reforming units and hydro-desulphurization units. The refinery has a complex for the production and distribution of auxiliary supplies of water, steam, electricity and a unit for both solid and fluid wastes processing. It also has two tanker loading stations, with 41 berths, and rail terminals with 5 berths. Moreover, the refinery has storage areas, of 1.161 million m<sup>3</sup>, for oil products. It is the only refinery operating in northern Greece, and has the capacity of supplying both the domestic market and the neighboring Balkan countries, with all types of fuel. The refinery's environmental performance is continuously improved through changes and investments in desulphurization units, aiming at, in parallel, in product quality improvement.

The refinery operates in conjunction with the Aspropyrgos and Elefsina refin-

eries as an integrated production unit. The moorings, the large storage areas, the loading and unloading facilities and the existing linking up pipeline network, allows the products transport and exchange among the three refineries. The pipeline network between the Thessaloniki refinery and the OKTA refinery (in FYROM) facilitates the crude oil supply of the latter. Also, petrochemical production units are in operation in the refinery complex.



## OKTA Refinery

The OKTA refinery, in FYROM, is of a hydroskimming type, with a storage facility of 250,000 m<sup>3</sup> and annual capacity of 2.5 million tones of oil products. The refinery supplies the local market (FYROM) as well as the regions of Kosovo and S. Serbia. It is supplied, with crude oil, through a pipeline from the Thessaloniki refinery. Its production consists mainly of gasoline, diesel, fuel oil and small quantities of liquefied petroleum gas (LPG).

Significant steps towards the reduction of the emission of air pollutants have been taken. A major investment concerns the sulphur recovery unit, in order to reduce the emission of sulphur dioxide.

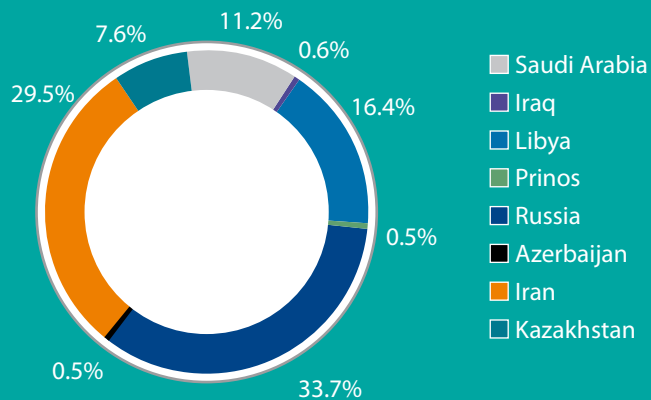
## 2007 highlights

- The rising trend of the crude oil price and the high refining margins of the complex Mediterranean refineries characterized the international business environment, in 2007.
- The average price of Brent crude oil, in 2007, was 72.52 USD/Bbl, compared to 65.12 USD/Bbl in 2006, a rise of 11.4%.
- The international refining margin, of a complex refinery in the Mediterranean region, in 2007, was increased and, indicatively, stood at 5.83 USD/Bbl, whereas the refining margins for simple refineries were decreased and set up at -1.10 USD/bbl.
- The sales volume, for the Group's refineries in Greece, rose to 15.9 million tons (an increase of 1% compared to 2006). Respectively, the OKTA refinery total sales volume was 1.1 million tons (-1% compared to 2006).
- The occupational health, safety and environmental conditions were improved.

## CRUDE OIL IMPORTS in 2007

During 2007 crude oil was imported from the following countries / regions:

Saudi Arabia 11,2%, Iran 29,5%, Libya 16,4%, Prinos 0,5%, Russia (URALS) 33,7%, Azerbaijan 0,5%, Iraq 0,6%, Kazakhstan 7,6%.



The crude oil supplies, for both the refineries in Greece and the OKTA refinery, are centrally coordinated.

## Business Objectives and Perspectives

The global oil demand, in 2008, is anticipated to rise by 1.5 million barrels per day resulting in a further reduction of the global output surplus and retaining the oil prices at high levels. The sector's profitability depends on global refining margins and the euro – USD parity development. The cracking refining margins, which were increased in 2007, compared to 2006, are expected to be kept at the same level during 2008, as well as the simple refinery margins.

The forecasted minor strengthening of euro, against the US dollar, would have a negative impact on the sector's profitability.

HELLENIC PETROLEUM's production, in 2008 is expected to be slightly increased, compared to 2007. In addition, the refining margins of the Aspropyrgos refinery are expected to improve, against the international benchmarks, following the completion of a series of investments on power savings and on the improvement of the environmental efficiency of the refineries.

The improved efficiency of the Aspropyrgos refinery will have a positive impact on the sector's profitability. In this framework, all three refineries are implementing new projects concerning the production of environmentally friendly products and the adaptation to the specifications, which shall be in effect on 01.01.2009, as well as infrastructure projects in order to improve the facilities operability.

In engineering level the technological upgrade of the refineries is materialised,

with investments in the hydrocracker and coker units of the Elefsina refinery, as well as the increase of capacity, with the new CCR platform, in the Thessaloniki refinery. The Elefsina's refinery upgrade - update project has an estimated cost that exceeds € 1.1 billion, in order to produce fuel of zero sulphur concentration covering the market needs.

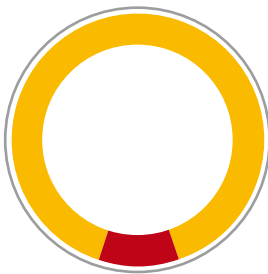


## Fuels Marketing



### 2007 highlights

#### CONTRIBUTION TO 2007 OPERATING RESULTS



9,4% Fuels Marketing

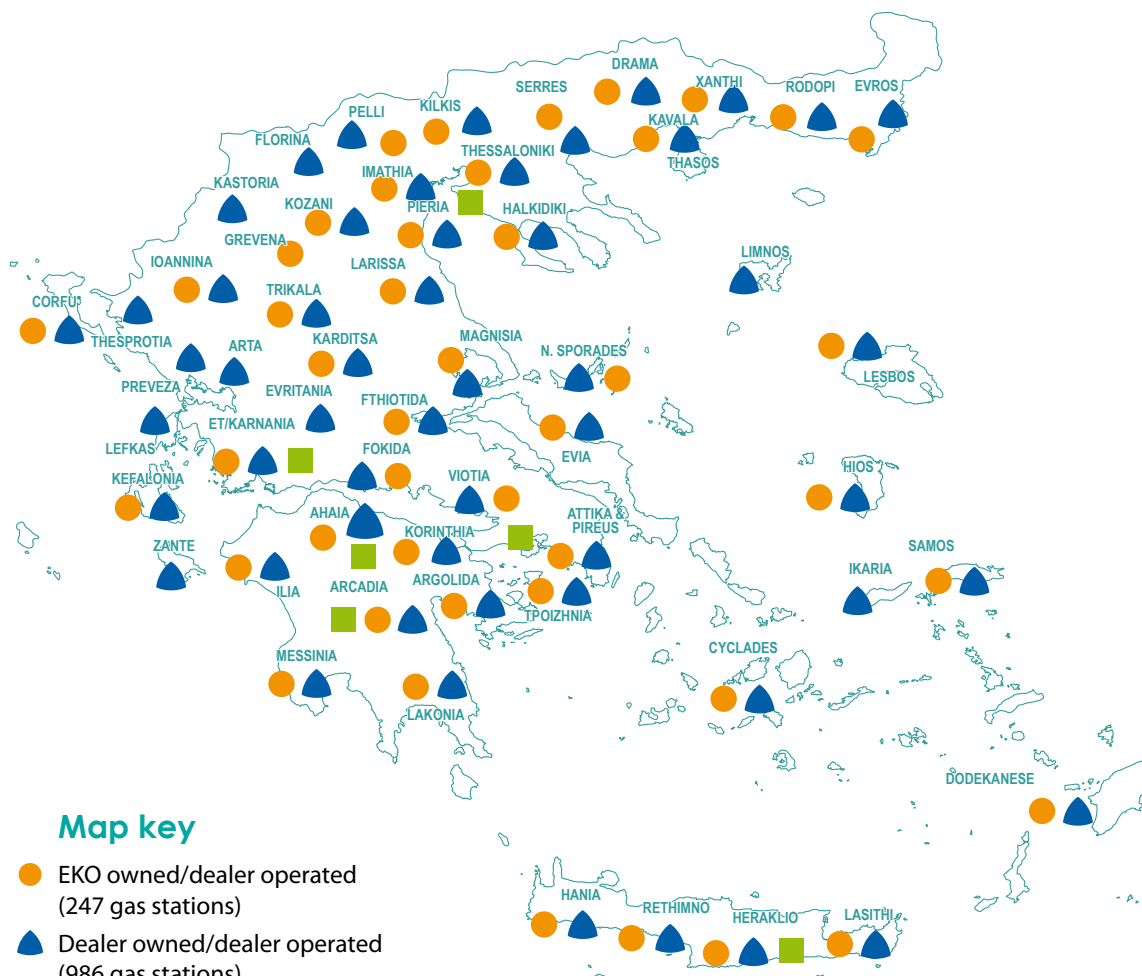
In addition to ex-refinery sales to retail companies, the HELLENIC PETROLEUM Group is also active in downstream retailing of petroleum products (wholesale and retail), both, in Greece and abroad, through its subsidiary EKO A.B.E.E., having an extensive network of 1,524 fuel stations.

In 2007, the main parameters, which have been shaped during 2006, in the international and the domestic level, seem to be unchanged. Such, indicatively parameters are:

- The international Brent and Platts prices were trending up with rapid and sharp fluctuations. That had a negative impact on the demand rate and the extend of controlling the fuel pricing and costing.
- The drastic increase of the elasticity of demand versus the price, because of the continuous increase of the fuel cost, the special consumer taxes and the maximization of the media promotion campaign.

- Aggressive pricing policy from the large competing companies. Strategy applications in order to keep the market share or/and penetrate in 'traditional competitors' areas' of a high profitability.
- Reduced sector's profitability, due to reduced gross sales margin, high operating cost and the increased capital intensive. Accelerated shift of the business value, from the wholesale to retail.

## Distribution of EKO's Fuel Stations, in Greece

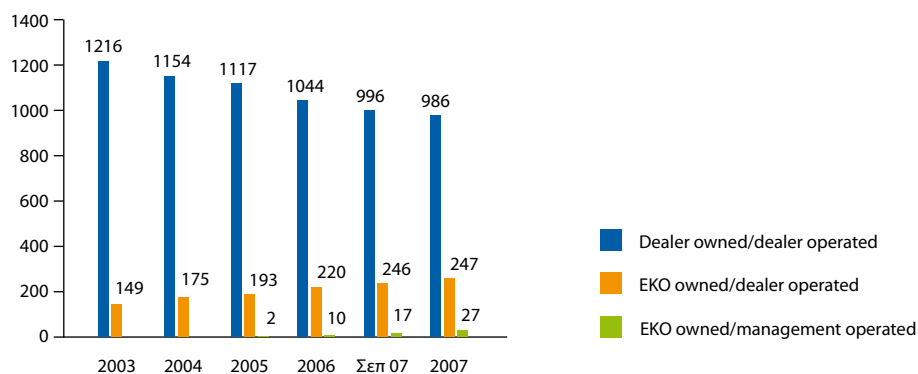


### Map key

- EKO owned/dealer operated (247 gas stations)
- ▲ Dealer owned/dealer operated (986 gas stations)
- CALYPSO (EKO owned)/management operated (27 gas stations)

Total N° of fuel stations in December 2007 (1260)

The evolution of the Fuel Stations Network, in Greece (DODO dealer owned/dealer operated, CODO company owned/dealer operated and COXO company owned/management operated), is presented in the following chart:



## The number of Group's Fuel Stations abroad, per country

Country	Dec. 2006	Dec. 2007
EKO-Bulgaria	41	49
EKO-Serbia	19	37
EKO-Georgia	17	17
JPK (Montenegro)	39	39
Global (Albania)	8	10
OKTA (FYROM)	23	27
HPC (Cyprus)	72	73
<b>TOTAL</b>	<b>219</b>	<b>252</b>

## EKO SALES: DOMESTIC MARKET (in 000 MT)

DOMESTIC MARKET	2005	2006	2007
GASOLINE (LEAD - FREE)	508.5	517.7	560.5
GASOLINE LEAD - FREE PREMIUM	46.7	42.2	47.7
GASOLINE LPR	95.7	72.3	56.6
<b>SUB TOTAL</b>	<b>650.9</b>	<b>632.2</b>	<b>664.7</b>
HEATING OIL	706.7	718.1	610.3
DIESE AUTO	528.3	572.0	591.4
<b>SUB TOTAL</b>	<b>1235.0</b>	<b>1290.1</b>	<b>1201.7</b>
FUEL OIL 1500	96.6	109.7	99.1
FUEL OIL 3500	101.6	79.5	73.8
<b>SUB TOTAL</b>	<b>198.1</b>	<b>189.2</b>	<b>172.9</b>
LPG (BULK)	44.8	49.6	48.6
LPG (BOTTLED)	18.7	19.2	18.7
<b>SUB TOTAL</b>	<b>63.5</b>	<b>68.9</b>	<b>67.3</b>
LUBRICANTS	5.0	5.6	4.4
KEROSENE	9.0	8.8	6.5
ASPHALT	18.7	44.4	52.8
<b>TOTAL DOMESTIC MARKET</b>	<b>2180.3</b>	<b>2239.1</b>	<b>2170.4</b>



## EKO SALES: INTERNATIONAL MARKET (in 000 MT)

INTERNATIONAL MARKET	2005	2006	2007
JET FUEL (OLYMPIC AIRLINES)	167.9	179.3	176.7
JET FUEL (OTHER AIRLINES)	311.8	344.7	364.2
<b>SUB TOTAL</b>	<b>479.7</b>	<b>523.9</b>	<b>540.9</b>
MARINE FUEL (COASTAL)	168.5	121.4	138.3
MARINE FUEL (SEA - GOING)	40.1	21.4	45.5
<b>M.G.O.</b>	<b>208.6</b>	<b>142.8</b>	<b>183.8</b>
BANKER FUEL OIL (COASTAL)	784.6	822.7	869.7
BUNKER FUEL OIL (SEA - GOING)	254.5	194.4	454.1
<b>SUB TOTAL</b>	<b>1039.1</b>	<b>1017.1</b>	<b>1323.9</b>
LUBRICANTS	7.3	8.9	9.9
OTHER	0.1	0.1	0.1
INTERNATIONAL MARKET TOTAL	1734.7	1692.8	2058.5
MARKET TOTAL	3915.0	3931.9	4228.9
EXPORTS	48.2	49.6	25.2
LUBRICANTS SECTOR SALES	4.6	3.9	4.0
<b>TOTAL</b>	<b>3967.8</b>	<b>3985.4</b>	<b>4258.1</b>



## Business Objectives and Perspectives

The EKO's gross profitability, in the domestic fuels and lubricants retailing, during 2008, compared to 2007, is expected to rise. The increased number of COXO<sup>1</sup> gas stations, under the trade name CALYPSO, offering a broad spectrum of services, will contribute to the improved profitability and will improve the management of the network.

The scheduled and programmed activities have as main objectives to:

- improve the corporate competitiveness and to point out the corporate social capital, such as the product differentiation, the infrastructure and the commercial schemes, as well as the development of customer driven culture, in parallel with the increased productivity.
- optimise the supply chain and logistics (sea and land transport).
- further development of the CALYPSO & CODO<sup>2</sup> gas stations network and rationalization of the DODO<sup>3</sup> network.
- assure a critical mass and increase of market share at high profitability products.

- expand the base of loyal EKO's customers applying the communication strategy "value for money" and using long term promotional activities to improve the company's image.
- optimize the facilities' performance.
- assure and upgrade the services provided to the Aegean Sea customers and their supply through new technology RO-RO TANKER, as well as the operational upgrading of the facilities.

The HELLENIC PETROLEUM Group is commercially active, in 8 countries of the S.E. Europe, through the corresponding commercial companies. Gas stations networks, with the Group's insignia, operate in Albania, Bosnia – Herzegovina, Bulgaria, Georgia, Cyprus, Montenegro, FYROM and Serbia. Moreover, as the case may be, there are further related exports, retail and sales activities for lubricants, marine and industrial fuels. The privately owned gas stations promote complementary products and services, like lubricants with the Group's brand name, accessories, magazines, goods of primary necessity, car washing, etc. Sub-

sidiaries' objective is their development and expansion in accordance with the corresponding business plans and the recognition of the Group's insignia and trademarks in the domestic markets. The trademarks and brand names, under which these subsidiaries already operate, are synonymous with reliability, high quality, friendly service and modern perception in the fuel and lubricants market. By the end of 2007, the Group's subsidiaries, abroad, had 252 gas stations, most of them privately owned. Based on the business plan, continuous increase of the gas stations number and continuous improvement of their operation are anticipated.

<sup>1</sup> **COXO** Company Owned / Management Operated

<sup>2</sup> **CODO** Company Owned / Dealer

<sup>3</sup> **DODO** Dealer Owned/ Dealer Operated

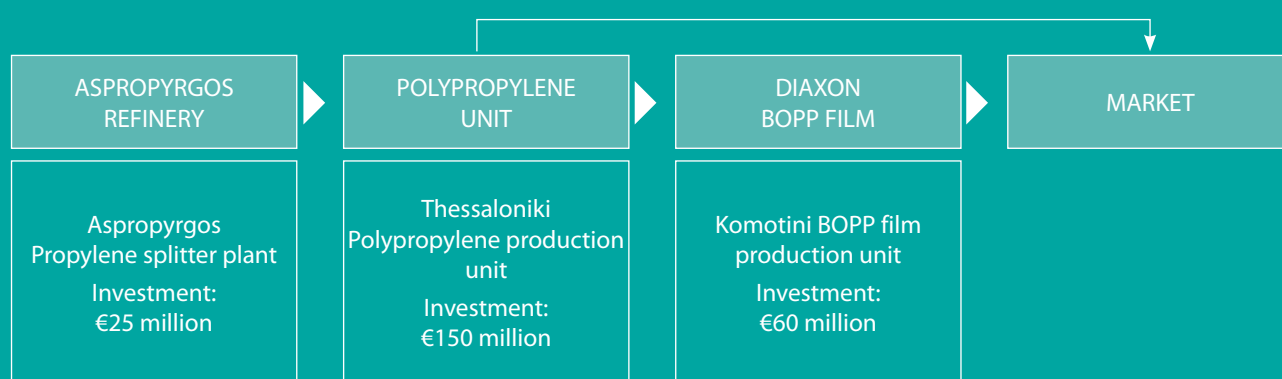




## Production & Trading of Petrochemicals / Chemicals

### Vertical integration of activities

#### PRODUCTION OF PROPYLENE, POLYPROPYLENE AND BOPP FILM



Total investment: € 235 million

The Group owns and operates the largest petrochemicals / chemicals complex in Greece. The complex is located at Thessaloniki, has 168 employees and produces polypropylene, PVC, industrial aliphatic solvents (white spirit, hexane, etc.) and caustic soda/chlorine.

The petrochemical units are integrated with the Thessaloniki refinery and use pentane, naphtha and light kerosene as raw materials for the industrial solvents production units. The petrochemical units are using the refinery's common infrastructure, including auxiliary supplies and maintenance.

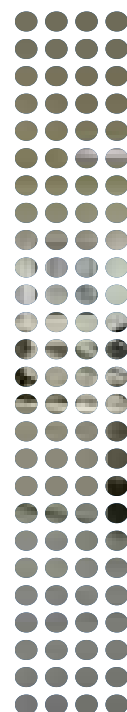
The sector's infrastructure includes storage and distribution installations for petrochemical products as well as an extensive sales network.

The Group, as the sole producer of petrochemicals in Greece, is the dominant player, enjoying large domestic market shares. In parallel, it holds a 35% interest in ARTENIUS Hellas SA, located in Volos, a company that produces the PET resin used in food packaging and beverage bottling. Part of the PET production is sold in Greek market through the Group's chemical sales network.

In the framework of the petrochemicals sector restructuring, the development of new, technologically advanced and high value-added products, the Group has further advanced the vertical integration of production with the construction of the propylene production unit in

Aspropyrgos, the polypropylene unit in Thessaloniki and the BOPP film unit in Komotini.

The polypropylene unit is the most important project with an investment of approximately €150 m. The unit has an annual capacity of 215 thousand tons, sufficient to meet domestic processing requirements and to enable exports to neighbouring countries. Propylene is used as a raw material and is transported with special tankers mainly from Aspropyrgos. A part of the unit's production is used as raw material, by the DIAXON plant in Komotini, for the production of the BOPP film.



## 2007 highlights

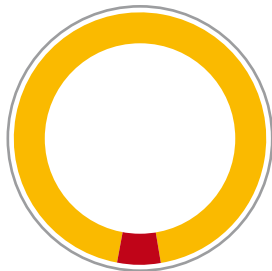
- ❖ Significant improvement of the operating results, due to sales increase, cost cutting and the absence of financial charges because of bad-debts.
- ❖ Make the most of the vertically integrated production line for polypropylene.
- ❖ Margins maximisation in relation to the market conditions.
- ❖ BASELL, following a worldwide survey among factories of similar type, ranked HELLENIC PETROLEUM to one of the highest places.

## Petrochemicals Production (in 000 tons)



## Business Objectives and Perspectives

### CONTRIBUTION TO 2007 OPERATING RESULTS



7,9% Petrochemicals

The international chemicals industry is a capital-intensive, cyclical industry, characterized by production surpluses.

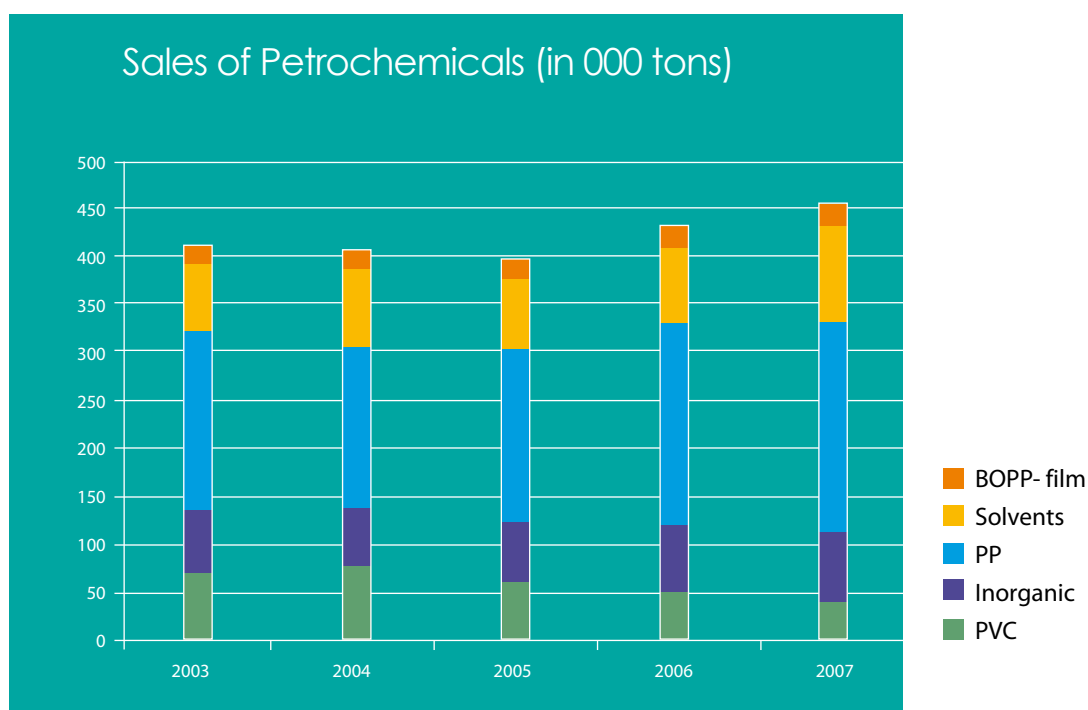
Margins in chemicals, affecting the sector's overall profitability, show high fluctuations and are difficult to predict over long periods of time.

Parameters that are expected to further strengthen the petrochemicals sector's market position are:

- the maximization of the production units operation,
- the maximization of the polypropylene production capability and
- the increased output capacity in metal plated BOPP film.

The increase of the EBITDA, the PE trade and the investment decisions are among the main the strategic objectives.

The above charts present the production and sales of the Petrochemical sector.



## Diaxon Plastic Packaging Materials ABEE

The subsidiary DIAXON PLASTIC PACKAGING MATERIALS A.B.E.E. started producing BOPP (Biaxially Oriented Polypropylene) film, as a sub-contractor of HELLENIC PETROLEUM S.A., in 2000. The total investment reached €60 m. The annual capacity of the two production lines is 26 thousand tons.

As mentioned, BOPP film production is the final stage of a vertically integrated production chain, which begins from the Aspropyrgos refinery, with the production of propylene, continues with its conversion into polypropylene in Thessaloniki and ends with the production of BOPP film in Komotini.

The Komotini plant is of state-of-the-art technology and produces all types / quality levels of BOPP film, which the market requires as packaging material. The product has excellent prospects, with a large number of applications (food packaging, adhesive tapes, etc.), which are rapidly increasing due to its outstanding quality characteristics.

BOPP film is distributed through the retail networks of the chemicals sector, while part of the production is exported.



## Power Generation Production and Trading

2007 was the second year of commercial operation, for the electric power generation unit. The unit, with a capacity of 390MW, is in the Thessaloniki complex and it is a combined cycle type using natural gas. The productivity as well as the unit's operations were significantly increased, compared with 2006, especially during the last six month period.

The main reasons that led to the above-mentioned recovery were, on the one hand, the increased demand for electric power in the domestic market in parallel with an increase of the peak loads and, on the other hand, the settlement of the technical problems during the start up period.

The inter-border electric energy trading continued during 2007, including both energy imports from the northern border and energy exports towards Italy.

During 2007, the unit's operation period was 6,800 hours and the corresponding output was approximately 1,875,000 MWhs, thus positively contributing to the smooth and efficient system operation, especially during periods of increased demand and peak load.

The care for the environment is part of the company's business policy and an integral part of the financial and operation framework. The company applies, in its facilities, state of the art environmental management systems and effectively controls any environmental impacts. Since its establishment, THESSALONIKI

ENERGY (T-power), has been recognised, in the sector, for the combination of its technological and business capacities with its sensitivity and persistence for the protection restoration of the environment. Towards these goals, T-power:

- uses natural gas as an environmentally friendly fuel,
- applies environmental management systems in its facilities,
- in decision making, at all levels, the environmental factor is taken into consideration, and
- has open communication and cooperation in environmental issues.

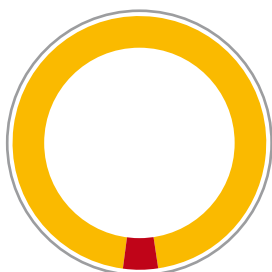


## Business Objectives and Perspectives

In 2007, an MoU was signed between the parent company, HELLENIC PETROLEUM, and the Italian EDISON SpA, concerning electric energy. This MoU provides for the establishment of a Joint Venture aiming at:

- the creation of an energy portfolio of a 1,500MW – 2,000MW capacity, in Greece, based on a diversity of energy sources.
- the trading of power.
- the probable expansion of the cooperation in the sector of co production in the Balkan countries, as well as in the sector of production and supply of natural gas.

### CONTRIBUTION TO 2007 OPERATING RESULTS



4,5% Power Generation

The HELLENIC PETROLEUM's contribution includes its current activities in the area of electric energy and the THESSALONIKI ENERGY SA.

EDISON contributes its participation by 65% in Thisvi power unit of 420MW, as well as the development project of a coal unit with a capacity of 600MW, located at Astakos – Etoloakarnania.

The two Groups are in the final stage of the process, finalizing their agreement for strategic cooperation.



## Oil & Gas Exploration and Production



### Main developments in 2007 In EGYPT

The increasing global and domestic demand for crude oil products has created the need for expansion of the HELLENIC PETROLEUM's operations into countries in the wider area of SE Europe and SE Mediterranean, like Egypt, Libya, Montenegro. Our main goal is the future secure of hydrocarbon reserves to cover part of the refining capacity of the Group.

In June 2007, HELLENIC PETROLEUM signed the Concession Contract, for hydrocarbon exploration and production in the area of W. Obayed in the Western Desert, with the Egyptian Authorities. The area covers 1,841 km<sup>2</sup> in total.

To implement this project in W. Obayed, HELLENIC PETROLEUM established a branch in Egypt, which undertakes exploration operations under the Concession. The first stage of exploration including geological surveys, 3D seismic surveys and at least three deep exploration drills will be completed by June 2010, when the first exploration period ends. The re-processing of previous seismic data has been completed.

On 9 October 2007, a second Concession Contract was signed among the Egyptian Authorities and the consortium of the companies Melrose (40%), the consortium administrator, Oil Search (30%) and HELLENIC PETROLEUM (30%). This concession pertains to the exploration and production of hydrocarbons in the area of Mesaha in the Western Desert, U. Egypt, covering a total area of 57,000 km<sup>2</sup>. The first exploration period in Mesaha extends over four years, with an obligation of implementing a number of geological and geophysical surveys, and an exploration drill.



## In LIBYA

In November 2003, a contract was signed between the Joint Venture of the companies Woodside Energy (45%), the Joint Venture manager, Repsol Murzuq (35%), HELLENIC PETROLEUM (20%) and the National Oil Corporation of Libya (NOC), for hydrocarbon exploration and production in six terrestrial areas located at the Surt Basin and the Murzuq basin, in Libya.

The minimum mandatory works of USD 102 million pertain to a six-year exploration period and include the performance of 2D seismic (6,500 km) and 3D seismic surveys (400 km<sup>2</sup>), as well as 13 exploration drills in both basins.

In 2007, eight drills led to the discovery of two deposits, one oil and one gas/concentrate deposit. In parallel to drilling works, 2D and 3D geophysical mapping surveys were completed.

Since last October, a company's branch has been established in Tripoli in order to directly keep up with the project progress.



## In MONTENEGRO

The Group started operating in Montenegro in 2002, when it acquired 54.35% of the State-owned oil company JUGOPETROL A.D. KOTOR (JPK). JPK holds the hydrocarbon exploration and operation rights, over three offshore areas in Montenegro, by participations in foreign joint ventures.

The shareholders' composition of the joint venture members was as follows:

- Blocks 1 & 2 (1,130 km<sup>2</sup> & 3,710 km<sup>2</sup> respectively): MEDUSA (Montenegro) 40%, HELLENIC PETROLEUM INTERNATIONAL AG 11% and JPK 49%.

- Block 3 (3,930 km<sup>2</sup>): MEDUSA OIL & GAS 40% and JPK 60%.

The Government of Montenegro unilaterally decided to terminate the Block 3 Concession Contract with JPK in August 2006. Neither JPK nor the companies participating in the Joint Venture have accepted this decision.

JPK is currently at the stage of negotiations with the Government of Montenegro to achieve an extension of the completion period for the exploration project on Blocks 1 & 2.

## In ALBANIA

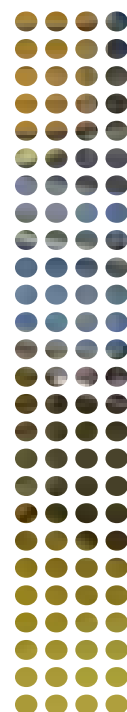
Since 2000 the Group had been participating with 49% in a joint venture scheme with the Austrian OMV (51%, administrator), in the exploration of three areas in Albania (Block 1: 2,600 km<sup>2</sup> and Blocks 4&5: 4,370 km<sup>2</sup>).

In 2005 Block 1 was abandoned on 23/01/2007, the Joint Venture notified the competent authority of Albania (N.A.N.R.) of its withdrawal from Blocks 4 & 5.

## In GREECE

HELLENIC PETROLEUM SA was the manager of the Greek State rights as these derive from contracts with third parties for hydrocarbon exploration and production under Law 2289/95. According to Law 3587/2007, all areas over which HELLENIC PETROLEUM had the exclusive right of exploration and production in Greece were returned to the Greek State.

HELLENIC PETROLEUM participates with 25% in the exploration areas of the Concession in the Thracian Sea, in the Northern Aegean Sea, covering approximately 1,600 km<sup>2</sup>. Furthermore, it has undertaken, under a non-commercial contract with the Ministry of Development, the control and supervision of the hydrocarbon operation works performed on the "Prinos" / "North Prinos" oil deposits and at "South Kavala" natural gas deposits, by "Kavala Oil" since 1999.



## Business Objectives and Prospects

The strategic goal of HELLENIC PETROLEUM SA is the expansion of the hydrocarbons exploration and production activities, through the participation in joint ventures, at selected areas of neighbouring countries (such as areas at Northern and Western Africa, Middle East and Mediterranean Sea). Exploration activities in Egypt, as well as exploration and development activities on oil deposits in Libya will be continued.

The main strategic priorities of this sector are:

- Focus into the optimum financial utilisation of the company's position in Libya.
- Opening exploration works in the region of West Obayed in Egypt.
- Strategy definition in relation to exploration and production rights in Greece.

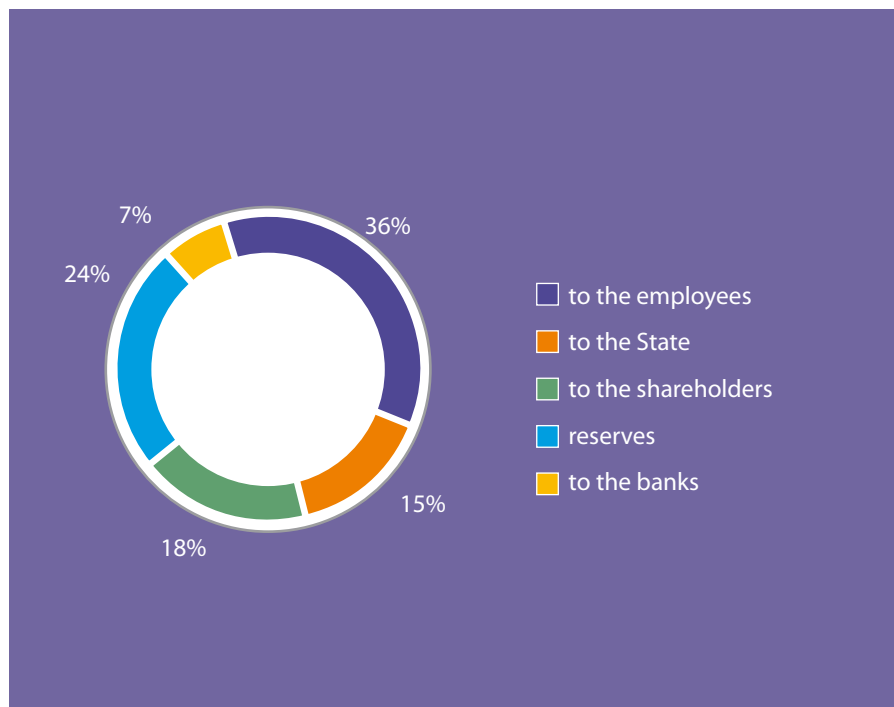




## ADDITIONAL INFORMATION



### Social Product



HELLENIC PETROLEUM has recognised and defined its stakeholders. Stakeholders are the interesting parties with whom the company communicates, converses or cooperates. Such stakeholders are the:

- employees
- customers
- suppliers / subcontractors
- shareholders / investors
- local communities / society
- media
- trade unions / professional associations

The Group's policy and all of its activities aiming at the establishment of two-way relations with the above mentioned parties, in order to assure, on the one hand, that the Group shall be proactive to their needs and expectations and, on the other hand, in order to minimize the risks associated with the company's image and operation. Moreover, HELLENIC PETROLEUM can make the most of the competitive advantages that these synergies are generating.

As social product is defined the HELLENIC PETROLEUM's financial contribution to the broader society, namely the stakeholders. In the frame of our strategy and operation, significant investments are carried out and contributing in the county's economic development, creating, furthermore, secondary revenues; through the development of new activities in parallel with the main investments. Consequently, job opportunities are created – through the significant investments in new products and technologies, the employees' competencies and skills are improved, the human resources expertise is developed and cash flow to the national social security deficit

is secured. Moreover, income is created – through the taxation and the savings – contributing to an income increase of the public sector.

In 2007, the company's turn over was € 8,538 million and the associated social product was 834,000€. This financial contribution to the society is distributed as follows:

- 36%** to employees for salaries, pensions and social benefits
- 15%** to the State in the form of taxes and social security contributions
- 18%** for dividends to shareholders
- 24%** reserves for new investments
- 7%** to creditors (bank loans interest payment)

## Human Resources



**H**ELLENIC PETROLEUM recognises that the investment in the human capital is a critical factor for its competitiveness. In this framework we make the most of all the available means – performance evaluation, motivation, continuous training and education – in order to attract, retain and motivate the human resources. In this way the company gradually transforms to a knowledge company and to the best place to work.

Therefore the company pays special attention to the formation of a flexible policy, for the personnel management, in order to assure the highest possible employees' job satisfaction.

The employee retention rate is clearly linked to job satisfaction. More specifically, records show that 90% of employees stay with HELLENIC PETROLEUM for more than 5 years whereas 80% of employees stay with HELLENIC PETROLEUM for more than 10 years.

HELLENIC PETROLEUM provides opportunities for personal and professional development, with no discrimination. The equal opportunity policy is a meaningful prerequisite for a fair, prosperous and efficient work environment. All employees have the chance to move up through, both, quantitative evaluation (performance, objectives, goals) and qualitative evaluation (skills, competencies, talents). HELLENIC PETROLEUM's basic objective is to promote its own people, wherever and whenever it is possible.

Each facility has its own infirmary, operating 24 hours a day, staffed with physicians and nurses and adequately equipped to handle emergency cases and provide immediate medical assistance to employees. Vaccinations (e.g. against tetanus) are also provided. Company owned ambulances are also available in case an immediate transfer to hospital is necessary.

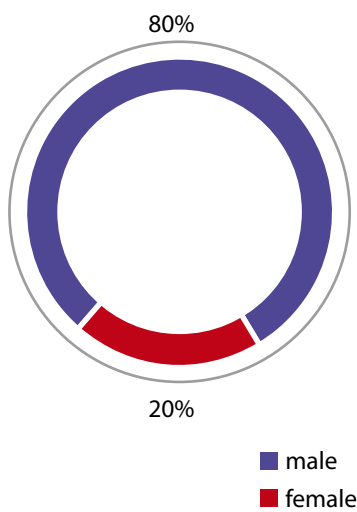
As part of the company's preventive medicine program, employees are encouraged to participate in annual check-ups free of charge. The examination results are confidential and evaluated only towards protecting the employees' health.

In the following table the Group's employees' distribution is presented:

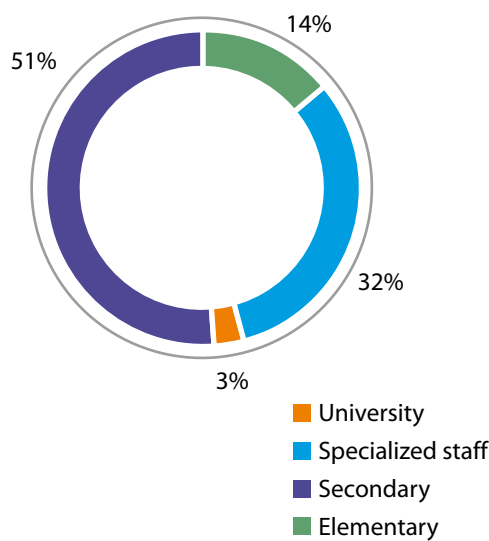
Company	No of employees
HELLENIC PETROLEUM S.A.	2,445
EKO ABEE	680
THESSALONIKI ENERGY S.A.	7
ASPROFOS ENGINEERING	155
DIAXON ABEE	96
POSEIDON MARITIME COMPANY	20
APPOLON MARITIME COMPANY	24
GROUP, in Greece	3,427
EKO - GEORGIA LTD	150
JUGOPETROL AD KOTOR	535
OKTA CRUDE OIL REFINERY	921
EKO YU AD BEOGRAD	38
GLOBAL PETROLEUM ALBANIA	23
EKO BULGARIA EAD	41
HEL.PE. CYPRUS LTD	59
GROUP, abroad	1,767
GROUP, total	5,194

Additional Information

### Personnel distribution by gender



### Personnel distribution by educational level



The 2007, HELLENIC PETROLEUM's and EKO's, investments, in education and training were €1,243,326 and €148,000 correspondingly.

Indicatively, the investments, in continu-

ous education and training, in two members of the Group, the EKO Bulgaria and the EKO YU, were €20,000 and €18,000 respectively.



## Health & Safety



**H**ELLENIC PETROLEUM's first priority is the health and safety of the employees and the communities in the vicinity of its facilities. Therefore, it provides a safe workplace to all employees, colleagues, visitors and trainees.

HELLENIC PETROLEUM, further to its certification in accordance with the international quality standard ISO 9001, is certified, for the occupational health and safety, in accordance with the internationally recognized standard OHSAS 18001 (greek version ELOT 1801).

In parallel, EKO ABEE is certified in accordance with ISO 9001 and OHSAS 18001 / ELOT 1801, for the fuel and lubricants retailing activities in its facilities at Skaramagas, Elefsina, Aspropyrgos and Heraklion airport.

Health and safety issues are identified, managed and controlled according to the criteria of relevant national legislation (presidential decree 17/1996), European and international regulations and "good practices". Each facility regularly carries out studies concerning the evaluation of occupational hazards. As a result, a study report details the measures in order to prevent and control identified hazards and to minimize related risks. These studies take employees' opinions and views into consideration, by use of special questionnaires considering the nature of their work and workplace environment.



The legislation and other broadly recognised regulations and practices are strictly followed in order to enable us to identify and control Occupational Health and Safety hazards, prepare emergency response plans and improve our performance.

Among the recent activities, concerning OHS, two indicative examples are mentioned:

- In order to prevent and control any possible major accident hazard, in compliance with the SEVESO II directive, safety studies for all facilities, have been conducted investigating the most probable accident scenarios, as well as the respective prevention measures and controlling procedures.
- Fire drills in order to assess the preparedness of the personnel.
- The preparation and the compliance

of all facilities to REACH (the European Regulation concerning the Registration, Evaluation & Authorization of Chemicals), for the protection of the society from the repercussions of the use of chemical substances.

In order to establish Health and Safety conditions at our facilities, we go a step further than regulations and legislation require. In this sense, a Hazard and Operability Study (HAZOP) is a prerequisite for any new unit or major revamps of existing units.

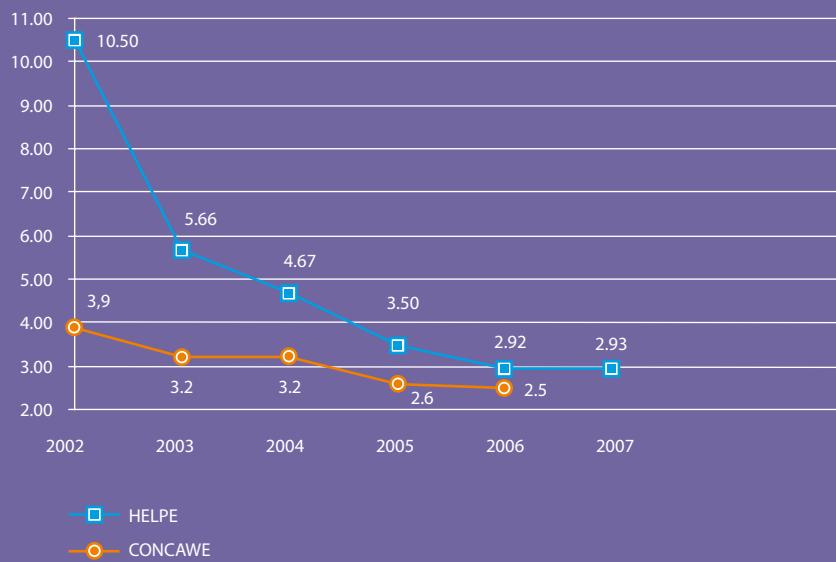
Furthermore, HELLENIC PETROLEUM participates in CONCAWE's<sup>1</sup> annual survey and benchmarking, concerning accidents in the oil sector, and cooperates with this organization, keeping up with international practices in the area of additional indices monitoring safety performance.

<sup>1</sup> **CONCAWE:** European Oil Company Organisation for Environment, Health & Safety.

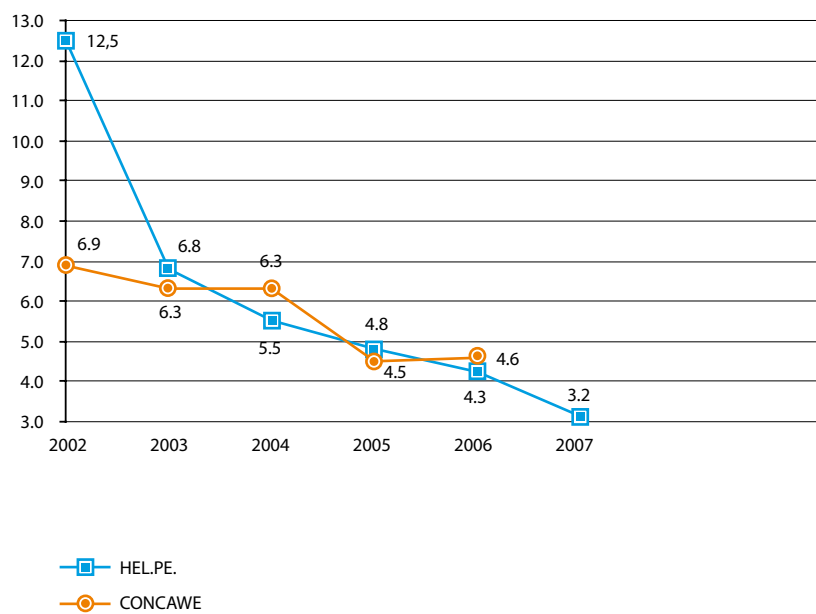


The following charts show the continuous reduction of accident indices LWIF<sup>1</sup> and AIF<sup>2</sup>, for HELLENIC PETROLEUM's SA facilities, from 2002 to 2007, compared also to the corresponding CONCAWE indices.

### Accident Index - LWIF



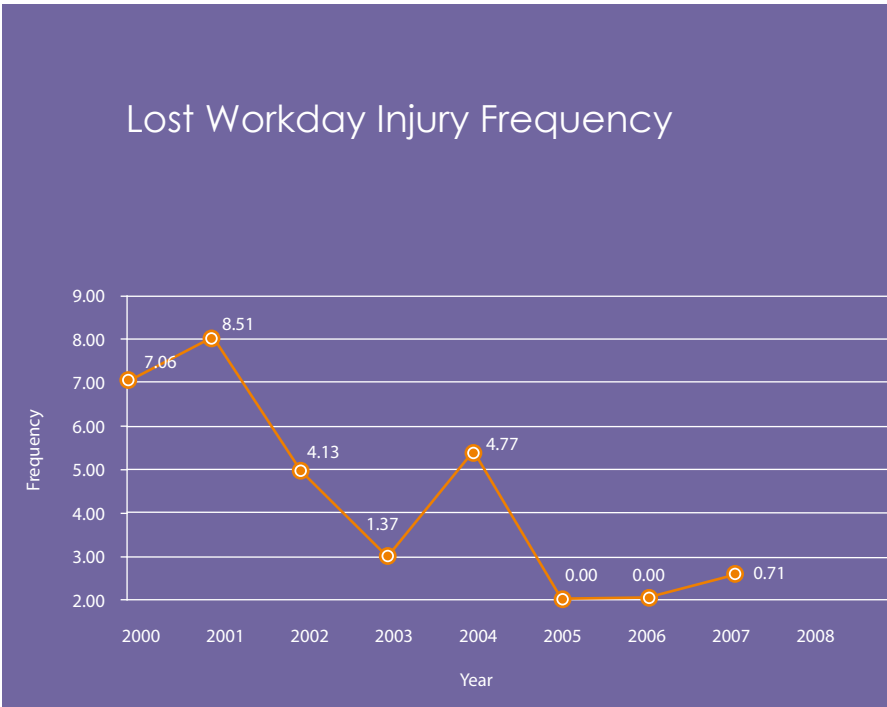
### Accident Index - AIF



<sup>1</sup> LWIF: Lost Workday Injury Frequency.

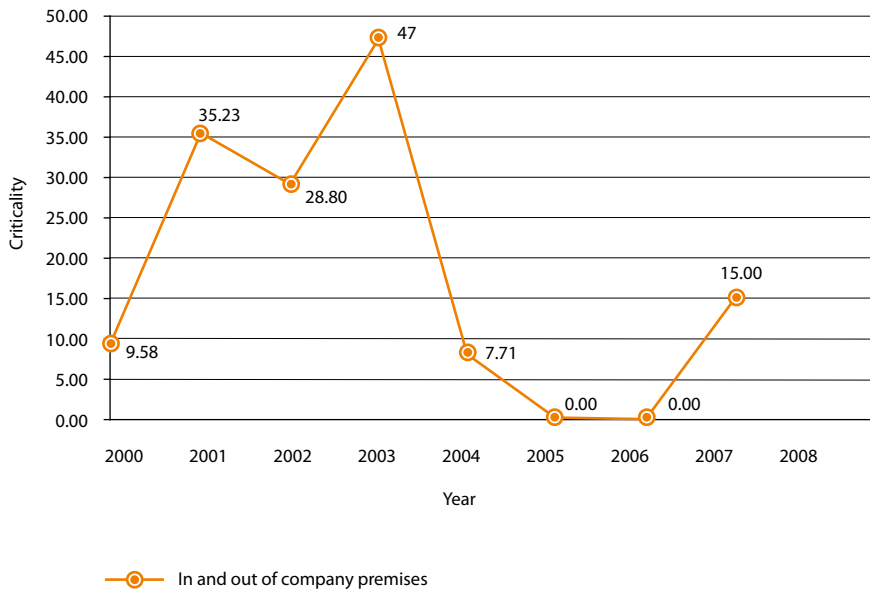
<sup>2</sup> AIF: All Injury Frequency.

The relevant indices for EKO ABEE are as follows:



Additional Information

### Lost Workday Injury Criticality Index





## Environment



Protecting the environment, while pursuing its business objectives, is of particular importance to the HELLENIC PETROLEUM Group. This is evident from the fact that Elefsina refinery was the first Greek refinery certified according to the Eco Management & Audit Scheme (EMAS). Following this, the Aspropyrgos refinery, which is the largest Greek refinery, is in the certification process while, in the retail sector, the EKO's storing facilities are already certified in accordance with the environmental management standard ISO 14001.

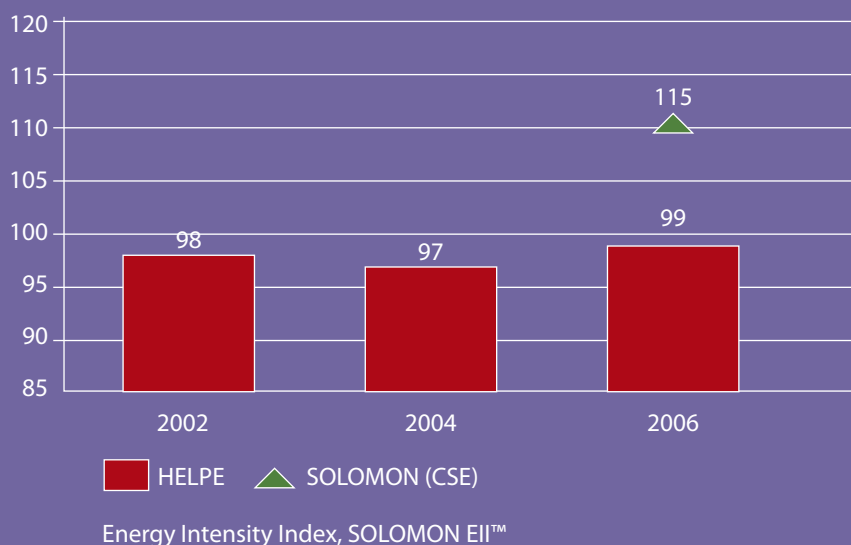
The IPCC\* believes man-made emissions of greenhouse gases (GHGs) – mainly carbon dioxide (CO<sub>2</sub>) – are influencing our global climate. Through the Kyoto Protocol, many industrialized countries have agreed to cut their greenhouse gas emissions. HELLENIC PETROLEUM contributing to the national and global efforts has materialized energy saving investments to reduce emissions of GHGS. We regard the Kyoto Protocol, and other national and international efforts, as important initial steps to lowering GHG emissions and stabilizing. As a consequence of our efforts, over the past years, our global energy efficiency has considerably improved by introducing energy efficiency measures in energy intensive processes.

### Energy Efficiency

An index, globally used to reflect the energy efficiency level of refineries, is the Solomon's Energy Intensity Index (EIITM<sup>™</sup>). The index value is set for each refinery, by means of specialized software, taking into account various operational parameters, types of crude oil processed and process technologies utilized. Basis value is 100, which for 2006 corresponds to the 2004 average value of Central and Southern Europe refineries. The lower the index value, the better the energy efficiency is. The EIITM is internationally recognized, as refineries from all over the world participate in Solomon's benchmarking survey.

\* IPCC: Intergovernmental Panel on Climate Change

HELLENIC PETROLEUM regularly participates in this survey and the company's performance, regarding energy efficiency, is considered very satisfactory (better than the average performance in S.E. Europe), as illustrated in the following chart.



**N.B.**

The index average displayed in the chart above concerns Central and South-Eastern Europe (CSE). All values have been updated, according to 2006 calculation basis (100 is equivalent to the overall average of the 2004 survey).

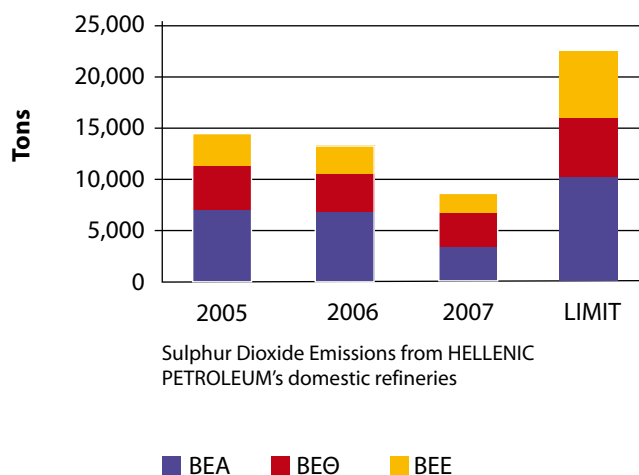
Additional Information

## Gases Emissions

The following three charts illustrate the continuous reduction of air pollutants emissions at the three Group's refineries (BEΘ at Thessaloniki, BEA at Aspropyrgos, BEE at Elefsina). The actual emissions of air pollutants are well below the regulatory imposed limits. The methodologies used to calculate and measure these emissions are in accordance with international and european standards. More analytically, the Sulphur Dioxide Emissions are gradually reduced due to projects and activities implemented towards this direction.

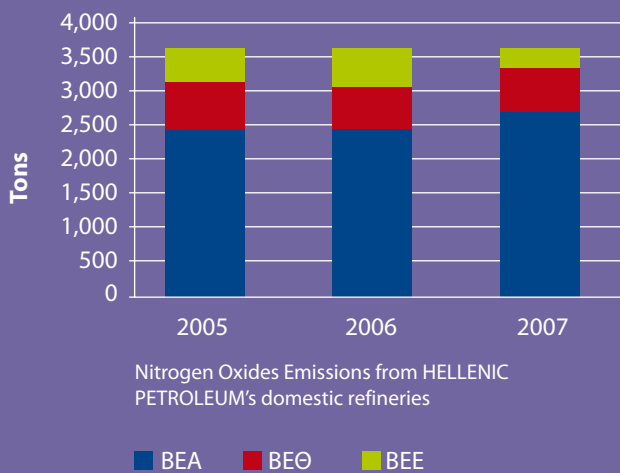
It is indicatively mentioned that the implementation of the desulphurization of the vacuum distillation unit off-gases project at the Aspropyrgos refinery contributed by 40% to the reduction of emissions. A similar project has been implemented at the Thessaloniki refinery, to allow for use of desulphurized fuel gas. The total Sulphur Dioxide Emissions, from the domestic Group's refineries, are 60% lower than the quantitative limits imposed by the State.

## Sulphur Dioxide Emissions (SO<sub>2</sub>)

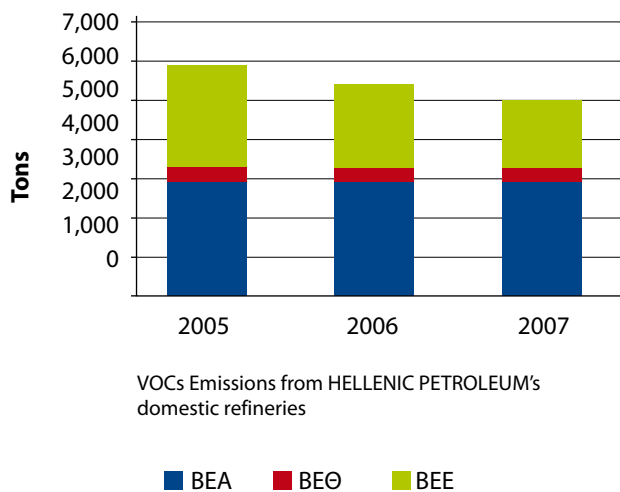


(BEA, BEΘ and BEE stand for the Industrial Installations at Aspropyrgos, Thessaloniki and Elefsina respectively)

## Nitrogen Oxides Emissions (NOx)



## VOCs Emissions



## Air pollutants emissions during loading

Both environmental protection and personnel and installations safety are safeguarded by use of the "bottom loading" approach for the tankers (in order to reduce hydrocarbons emissions during the fuel loading process of the tank trucks), at all facilities of the Group.

Moreover, vapor recovery units have been installed at all facilities in order to minimize air pollutants emissions during the fuel loading procedure. Similar vapor recovery units are installed at EKO's gas stations, to recover emissions from the tanks (stage I) during the fuel loading procedure. The company is going to gradually install vapor recovery units at the gas stations (owned and controlled gas stations which are renovated) in order to minimize air pollutants emissions during refueling of vehicles (stage II).



## Wastes Management

The most modern technologies have been adopted for the treatment of the liquid wastes. The processed effluents are continuously monitored, from the specialized laboratories of the industrial complexes, and the measured concentrations are well below the regulatory imposed limits. It is worth mentioning that the effluent's hydrocarbons concentration is 50% less of the regulatory imposed limit.

Emergency plans, approved by the relevant port authorities for every industrial complex, face incidents concerning sea pollution. Drills concerning the handling of sea pollution incidents are annually scheduled, often with the relevant authorities' participation. The last years there were no oil spills incidents.

One of the main priorities is the recycling of the recovered hydrocarbons. The dangerous wastes that cannot be treated in house are disposed to specialized licensed companies for further treatment abroad.

Used and exhausted catalysts, that cannot be regenerated, are disposed to licensed companies, either for recovery of precious and useful metals or proper destruction. Dangerous wastes are not stored in the refineries' areas; they are temporarily held until they are properly disposed in accordance with the relevant legislation and the best environmental practices.

Used and scrap metal, plastics, wood, used tires and oils are segregated and disposed for reusing or recycling. At both offices and production facilities are special containers for the collection and the disposal, for recycling, of batteries and paper.



## Biodiversity

HELLENIC PETROLEUM recognises the importance of conserving biodiversity, within the framework of increased energy demand, the sustainable development and the improvement of citizens' standard of living, in the communities where it operates.

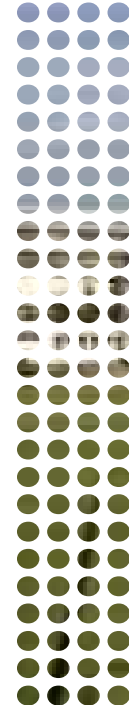
None of the HELLENIC PETROLEUM's facilities is located close to a protected area, like NATURA. On the contrary all facilities are in industrial zones, no important ecosystems are close to these zones, we approach systematically the environmental management and we are committed to understanding the human and natural environments in which we work.

HELLENIC PETROLEUM protects nature, uses natural resources sustainably, cares for the environment and contributes to land restoration in all areas it operates, planning and implementing biodiversity action initiatives or participating in efforts such as:

- Extensive tree planting aiming at the creation of zones serving as partition between the different use of land and at the land restoration around the refineries.
- Measures to avoid the pollution of the water level.
- Avoidance of the use of processing materials that are characterized as ecotoxic.



## Social Responsibility



Since its establishment, the HELLENIC PETROLEUM Group, has supported initiatives and actions that promote the concept of Corporate Social Responsibility (CSR). In 2005 HELLENIC PETROLEUM and EKO became active members of the Hellenic Network for CSR, (a member of CSR Europe), participating in various activities. Relevant EKO's CSR approach was included in the book "Guide 50+ Good Practices" published by the Hellenic Network for CSR.

CSR is an integral part of the Group's development strategy. Special emphasis is given to the development of the local communities, the improvement of the citizens' standard of living and the smooth and safe operation of our facilities; bearing in mind, always, the human factor and the culture diversity of the places where the Group operates.

The Group pays particular attention to the many-sided support of the local communities. Significant amounts are spent every year for the procurement for goods and services from the "local market". At the same time the new technology investments, at the Elefsina refinery, create 120 new job opportunities and 1,500 job

places during the implementation period of the investment programme; besides the main environmental benefits.

In this framework, the Group, either supported or took on a number of activities (apart from the activities concerning directly the environment, the health and safety) in Greece and abroad, in sectors as:

- projects and activities for/to the local communities.
- provision of humanitarian or charitable assistance.
- support of educational programmes.
- donations to public organizations and services.
- support and donations to educational institutions.
- support of youth activities, sponsoring of athletic clubs & events.
- support of population groups with special needs.
- support of cultural events.

For activities like the ones mentioned above, both HELLENIC PETROLEUM and EKO invested, in Greece, € 1.2 million. Furthermore, the Group invested the amount of € 461,000 in similar activities abroad.

Especially for the victims of the devastating fires in Peloponnesus, in August and September, the Group decided to allocate the amount of €5 million, besides the support in material and goods, means of transport and fire fighting equipment.

In the first quarter of 2007, the Group financed an opinion survey to municipalities close to its industrial facilities. The survey was part of a systematic approach to identify and list the citizens' needs, their everyday problems, their attitude towards the industrial facility and citizens' opinions and views. Relevant actions turned up from this survey; moreover it has been decided to repeat the survey in early 2008.

The above mentioned activities are analytically presented, together with the full CSR programme of the Group, in a special edition titled "Sustainability Report 2007".





# IV. Selected Financial Statements



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## Selected Financial Data

### SELECTED FINANCIAL DATA (amounts in m€)

	2007	2006	2005
<b>INCOME STATEMENT</b>			
Total Revenue	8,538.0	8,121.5	6,653.0
Operating Profits	477.3	355.3	526.3
Income before Tax	488.6	358.5	494.8
Minority Shareholders Rights	13.6	10.7	6.6
Net Income of parent company's shares	351.0	260.2	334.2
Dividend per share	<b>0.50</b>	<b>0.43</b>	<b>0.43</b>
<b>CASH FLOW STATEMENT</b>			
Cash inflow/outflow from operating activities	372.1	(60.8)	(11.2)
Cash outflow fro investments	(167.8)	(116.1)	(170.4)
Cash inflow/outflow from financial activities	(162.0)	156.9	188.0
Net increase/decrease in cash at bank & in hand	42.2	(20.0)	6.4
<b>BALANCE SHEET</b>			
Total Assets	5,058.9	4,363.5	4,193.7
Fixed Assets	2,040.0	1,936.5	1,939.0
Securities and cash at bank & in hand	208.5	170.5	193.6
Long term liabilities	718.5	562.2	759.3
Long term borrowing	402.6	322.7	539.6
Short term borrowing	786.5	895.7	356.3
Minority Shareholders Rights	126.6	112.7	101.9
EQUITY	2,580.5	2,397.6	2,256.4



## Analysis per Activity Sector

REFINING - SUPPLY			
Amounts in m€	2007	2006	2005
Financial Data			
Total Revenue	8,034.7	7,692.6	6,426.0
Operating Income	408.2	291.1	506.7
Capital Expenditure	119.0	81.0	55.0
Depreciation	73.1	80.7	97.0
Production (million tons)	14.5	14.2	14.4
Sales (million tons)	17.1	17.0	16.5
Refining margin (USD/Bbl)	5.83	5.73	6.83
Average price of Brent crude (USD/Bbl)	72.69	66.10	55.10
Average €/USD parity	1.37	1.26	1.25

PETROLEUM PRODUCTS RETAILING			
Amounts in m€	2007	2006	2005
Financial Data			
Total Revenue	2,631.1	2,363.4	2,019.0
Operating Income	46.4	45.6	46.0
Capital Expenditure	71.4	61.6	41.0
Depreciation	29.9	29.0	27.0
Sales (thousand tons)	5,236.0	4,788.0	4,713.0
Domestic market share (%)	23.7 (*)	21.8	23.0
Gas stations network (end of year)	1,512	1,493	1,481
(*) estimation			

PETROCHEMICALS			
Amounts in m€	2007	2006	2005
Financial Data			
Total Revenue	380.2	354.7	301.0
Operating Income	37.8	21.6	10.0
Capital Expenditure	0.8	1.2	1.0
Depreciation	17.4	17.5	16.0
Production (thousand tons)	447.0	428.0	396.0
Sales (thousand tons)	430.0	418.6	383.0

<b>HYDROCARBON EXPLORATION &amp; PRODUCTION</b>			
<b>Amounts in m€</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Financial Data</b>			
Total Revenue	1.1	1.1	1.2
Operating Income/Loss	(30.7)	(26.4)	(20.2)
Capital Expenditure	3.1	2.4	2.3
<b>POWER GENERATION AND TRADE</b>			
<b>Amounts in m€</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Financial Data</b>			
Total Revenue	148.3	146.0	1.1
Income before tax	43.9	24.1	(1.9)

Selected  
Financial Data



## Group's Consolidated Financial Statements

INCOME STATEMENT	GROUP, CONSOLIDATED	
(Amounts in 000€ )	1/01/2007- 31/12/2007	1/01/2006-31/12/2006
Total Revenue	8,537,951	8,121,490
Gross Income	871,958	691,359
EBITDA	617,050	501,512
EBIT	477,272	355,292
Income before tax	488,627	358,476
Less tax	(124,012)	(87,559)
<b>Income after tax</b>	<b>364,615</b>	<b>270,917</b>
<b>Distributed to:</b>		
Shareholders	351,004	260,192
Minority Interest	13,611	10,725
	<b>364,615</b>	<b>270,917</b>

BALANCE SHEET	GROUP, CONSOLIDATED	
(Amounts in 000€ )	31/12/2007	31/12/2006
<b>ASSETS</b>		
Long term assets	1,546,260	1,497,604
Participations	386,847	366,165
Inventories	1,531,161	1,206,683
Accounts receivable	1,279,244	1,049,763
Cash on hand & in bank	208,450	170,490
Other assets	106,902	72,780
<b>TOTAL ASSETS</b>	<b>5,058,864</b>	<b>4,363,485</b>
<b>LIABILITIES</b>		
Long term liabilities	718,456	562,186
Short term bank loans	786,510	895,661
Other short term obligations	973,425	508,028
<b>Total liabilities (α)</b>	<b>2,478,391</b>	<b>1,965,875</b>
Share capital	666,285	666,285
Share capital – above par	353,796	353,796
Other items of net shareholders	1,433,814	1,264,829
Net shareholders	2,453,895	2,284,910
Minority interest	126,578	112,700
Total on net shareholder (β)	2,580,473	2,397,610
<b>TOTAL LIABILITIES (α) + (β)</b>	<b>5,058,864</b>	<b>4,363,485</b>

CASH FLOW STATEMENT	GROUP, CONSOLIDATED	
	(amounts in 000€)	1/01/2007- 31/12/2007
<b>Operating activities</b>		
Income before tax	488,627	358,476
<b>Adjusted for:</b>		
Depreciation of intangible & fixed assets	139,778	146,220
Depreciation of donated fixed assets	(4,278)	(5,969)
Financial results	41,772	35,294
Profits from participations	(23,457)	(15,848)
Shareholders dividends	(2,582)	(471)
Provisions	36,972	28,081
(Profits)/Losses from sales of assets	(3,767)	2,872
Exchange differences (credit/debit)	(29,531)	(27,159)
	<b>643,534</b>	<b>521,496</b>
<b>Differences in operating capital</b>		
(Increase) / Decrease in inventories	(324,479)	(37,654)
(Increase) / Decrease in receivables	(256,876)	(176,175)
(Increase) / Decrease in liabilities	324,213	(107,650)
Tax paid	(14,327)	(260,780)
<b>Cash flows generated from operating activities (α)</b>	<b>372,065</b>	<b>(60,763)</b>
<b>Investing activities</b>		
Purchase of intangible and fixed assets	(194,955)	(144,811)
Subsidies received	390	2,445
Proceeds from the sale of assets	5,342	4,551
Dividends received	2,582	1,819
Interests received	18,995	15,868
Participations in the (increase)/decrease of capital of assoc. companies	(199)	4,040
<b>Cash flow in investing activities (β)</b>	<b>(167,845)</b>	<b>(116,088)</b>
<b>Financing activities</b>		
Inflow / (outflow) from short term loans	(81,166)	549,290
Increase of share capital	-	118
Interests paid	(60,767)	(51,162)
Dividends paid	(130,966)	(156,325)
Inflow / (outflow) from long term loans	110,905	(185,064)
<b>Cash flow from financing activities (c)</b>	<b>(161,994)</b>	<b>156,857</b>
<b>Consolidated cash flows (α)+(β)+(c)</b>	<b>42,226</b>	<b>(19,994)</b>
<b>Cash at hand &amp; in bank at beginning of year</b>	<b>170,490</b>	<b>193,630</b>
Exchange differences at cash at hand	(4,266)	(3,146)
Increase / (decrease) of cash at hand & in bank	42,226	(19,994)
<b>Cash at hand &amp; in bank at end of year</b>	<b>208,450</b>	<b>170,490</b>



## Subsidiaries, Associated Companies and Participations

COMPANY/CONSORTIUM	Method of Consolidation	Share (%)	Value of Interest (000€)
<b>I. SUBSIDIARIES:</b>			
<b>of HELLENIC PETROLEUM S.A.</b>			
EKO A.B.E.E.	Full	100	101,971
ASPROFOS S.A.	Full	100	7,212
HELLENIC PETROLEUM INTERNATIONAL A.G.	Full	100	196,238
DIAXON A.B.E.E.	Full	100	23,084
HELLENIC PETROLEUM – POSEIDON MARITIME COMPANY	Full	100	5,300
HELLENIC PETROLEUM – APOLLON MARITIME COMPANY	Full	100	10,000
EL.PE.T. BALKANIKI S.A.	Full	63	73,285
GLOBAL PETROLEUM ALBANIA ShA	Full	99.96	20,498
EKO GEORGIA LTD	Full	1	34
THESSALONIKI ENERGY	Full	51	25,398
HELLENIC PETROLEUM FINANCE PLC	Full	100	10,000
HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES	Full	100	60
<b>of HELLENIC PETROLEUM INTERNATIONAL AG</b>			
YUGOPETROL AD KOTOR	Full	54.35	65,000
HELLENIC PETROLEUM CYPRUS	Full	100	112,015
HELPE SERVICES	Full	100	2
THESSALONIKI ENERGY	Full	49%	24,402
HEL.PE. – INTERNATIONAL CONSULTING S.A.	Full	100	60
<b>of HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD</b>			
EKO BULGARIA E.A.D.	Full	100	26,600
<b>of HELLENIC PETROLEUM SERBIA (HOLDINGS) LTD</b>			
EKO-YU A.D. BEOGRAD	Full	100	30,150
<b>of HELLENIC PETROLEUM GEORGIA (HOLDINGS) LTD</b>			
EKO GEORGIA LTD	Full	100	3,450
<b>of EKO A.B.E.E.</b>			
LOCAL AUTHORITY ORGANISATION FUEL INSTALLATIONS KQ SA (EKOTA KQ SA)	Full	49	81
EKO CALYPSO sole partner Ltd	Full	100	1,098
<b>of EL.PE.T. BALKANIKI S.A.</b>			
OKTA CRUDE OIL REFINERY A.D./OKTA TRADE Company	Full	81.51	55,648
VARDAX S.A.	Full	100	88,090
<b>of GLOBAL</b>			
ELDA PETROLEUM ALBANIA S.H.P.K.	Full	100	5,068

COMPANY/CONSORTIUM	Method of Con- solidation	Share (%)	Value of Interest (000€)
<b>II. HELLENIC PETROLEUM PARTICIPATIONS IN COMPANIES</b>			
PUBLIC GUS SUPPLY CORPORATION S.A. (DEPA S.A.)	Net worth	35	237,201
ARTENIUS HELLAS S.A.	Net worth	35	8,485
ATHENS INTERNATIONAL AIRPORT FUEL PIPELINE S.A.	Historical cost	50	2,895
THRAKI S.A.	Historical cost	25	3,313
EANT S.A.	Historical cost	9.01	17
NAPC	Historical cost	16.67	7
STPC	Historical cost	16.67	7
<b>III. PARTICIPATIONS OF EKO A.B.E.E. IN COMPANIES</b>			
SAFCO A.E.	Net worth	25	240
<b>IIII. PARTICIPATIONS OF HELLENIC PETROLEUM S.A. IN HYDROCARBON EXPLORATION CONSORTIA WITH:</b>			
CALFRAC WELL SERVICES LTD	-	25	-
MELROSE	-	30	-
WOODSIDE ENERGY REPSOL	-	20	-

Selected  
Financial Data



## Additional information per activity sector on 31.12.07

	Refining	Retail	Exploration & Production	Chemicals	Gas & Power	Others	Inter – Group transactions	Total
Total Assets	3,837,262	993,964	11,770	316,674	252,309	1,051,413	(1,404,528)	5,058,864
Net assets	2,294,667	347,690	11,770	142,448	51,995	(104,159)	(163,938)	2,580,473
Capital expenditure	118,951	71,417	3,509	772	242	59	-	194,950
Depreciation & Amortisation	73,126	29,890	3,081	17,365	15,877	439	-	139,778

Selected  
Financial Data

## Additional information per activity sector on 31.12.06

	Refining	Retail	Exploration & Production	Chemicals	Gas & Power	Others	Inter – Group transactions	Total
Total Assets	3,394,692	794,782	12,212	290,629	281,969	484,666	(895,465)	4,363,485
Net assets	2,144,985	332,685	12,212	127,571	42,331	3,552	(265,726)	2,397,610
Capital expenditure	80,997	61,595	-	1,157	1,044	17	-	144,810
Depreciation & Amortisation	80,717	28,972	2,407	17,488	16,168	468	-	146,220

**HELLENIC PETROLEUM S.A.**

FINANCIAL DATA AND INFORMATION FOR THE YEAR 1 JANUARY TO 31 DECEMBER 2007

The financial data and information contained below is only for general information purposes regarding the financial position and results of HELLENIC PETROLEUM S.A. and the Group. The user who wishes to have a view of the financial position and the results should visit the company's web site, the annual financial statements, prepared in accordance with International Financial Reporting Standards, and auditor's report, are presented.

**INFORMATION ABOUT THE COMPANY**

**Head office Address:**  
A.R.M.A.E  
Authority  
54 AMALIAS AVE - 10558 ATHENS  
2443/06/08/86/23  
MINISTRY OF DEVELOPMENT

**Board of Directors :**  
EFTHIMIOS CHRISTODOULOU – Chairman of Board  
JOHN KOSTOPOULOS Chief Executive Officer  
PANAGIOTIS CAVOULACOS - Chief Executive Officer (until 11/12/2007)  
THEODOROS - ACHILLEAS VARDAS - Executive Member  
NIKOLAOS LERIOS - Executive Member (from 11/12/2007)  
DEMETRIOS MATHAIIOU - Executive Member (until 11/12/2007)

**Date of approval of the financial statements:**

**The Certified Auditor:**  
Auditing Company:  
Type of Auditor's Review Opinion:  
Website:  
14 February 2008  
Michailatos J. Konstantinos, AM ΣΟΕΑ 17701  
PricewaterhouseCoopers S.A  
Unqualified  
http://www.hellenic-petroleum.gr

**Non executive Members**

VASILIOS BAGIOKOS  
PANAGIOTIS PAVLOPOULOS  
MARIOS TSAKAS (from 1/12/2007)  
ELISAVET TIPALDOY-LOVERDOU (from 11/12/2007)  
GEORGE KALLIMOPOULOS (from 11/12/2007)  
ANDREAS VRANAS  
ANDREAS VRANAS  
IASON STRATOS  
DIMITRIOS DELIGIANNIS  
VASILIOS NIKITAS  
ANDREAS PALEVRATZIS (until 11/12/2007)  
IOANNIS TSOUKALAS (until 11/12/2007)

1.1 BALANCE SHEETS (Amounts in thousands of €)	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
<b>ASSETS</b>				
Tangible and intangible assets	1,546,260	1,497,604	702,863	668,418
Investments in affiliated companies	386,847	366,165	694,660	692,054
Inventories	1,531,161	1,206,683	1,409,638	1,107,490
Trade and other receivables	1,279,244	1,049,763	994,107	828,103
Cash and cash equivalents	208,450	170,490	26,815	37,878
Other assets	106,902	72,780	23,532	3,839
<b>TOTAL ASSETS</b>	<b>5,058,864</b>	<b>4,363,485</b>	<b>3,851,615</b>	<b>3,337,782</b>
<b>EQUITY AND LIABILITIES</b>				
Long term liabilities	718,456	562,186	491,300	458,793
Short term borrowings	786,510	895,661	377,291	426,511
Other current liabilities	973,425	508,028	851,429	422,571
<b>Total liabilities (a)</b>	<b>2,478,391</b>	<b>1,965,875</b>	<b>1,720,020</b>	<b>1,307,875</b>
Share capital	666,285	666,285	666,285	666,285
Μετοχικό Κεφάλαιο - Υπό το άρτιο	353,796	353,796	353,796	353,796
Other equity	1,433,814	1,264,829	1,111,514	1,009,826
<b>Capital and reserves attributable to Company</b>	<b>2,453,895</b>	<b>2,284,910</b>	<b>2,131,595</b>	<b>2,029,907</b>
<b>Shareholders</b>				
Minority interest	126,578	112,700	-	-
<b>Total equity (b)</b>	<b>2,580,473</b>	<b>2,397,610</b>	<b>2,131,595</b>	<b>2,029,907</b>
<b>TOTAL EQUITY AND LIABILITIES (a) + (b)</b>	<b>5,058,864</b>	<b>4,363,485</b>	<b>3,851,615</b>	<b>3,337,782</b>

1.2 INCOME STATEMENTS (Amounts in thousands of €)	GROUP 1/01/2007- 31/12/2007	GROUP 1/01/2006- 31/12/2006	COMPANY 1/01/2007- 31/12/2007	COMPANY 1/01/2006- 31/12/2006
Sales	8,537,951	8,121,490	7,899,981	7,549,893
Gross profit / (losses)	871,958	691,359	598,770	436,430
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	617,050	501,512	466,121	367,369
Earnings Before Interest Taxes (EBIT)	477,272	355,292	383,478	277,837
Profit before income tax	488,627	358,476	388,730	281,532
Income tax expense	(124,012)	(87,559)	(106,738)	(70,142)
<b>Profit for the period</b>	<b>364,615</b>	<b>270,917</b>	<b>281,992</b>	<b>211,390</b>
<b>Attributable to:</b>				
Equity holders of the Company	351,004	260,192	-	-
Minority Interest	13,611	10,725	0.92	0.69
	364,615	270,917		
Basic and diluted earnings per share after M.I. (expressed in Euro per share)	1.15	0.85		

1.4 CASH FLOW STATEMENTS (Amounts in thousands of €)	GROUP 1/01/2007- 31/12/2007	GROUP 1/01/2006- 31/12/2006	COMPANY 1/01/2007- 31/12/2007	COMPANY 1/01/2006- 31/12/2006
<b>Cash flows from operating activities</b>				
Profit before tax	488,627	358,476	388,730	281,532
<b>Adjustments for:</b>				
Depreciation and amortisation of tangible and intangible assets	139,778	146,220	82,643	89,532
Amortisation of government grants	(4,278)	(5,969)	(3,325)	(5,213)
Financial (income)/ expenses	41,772	35,294	23,772	18,378
Share of operating profits of associates	(23,457)	(15,848)	(8,662)	(18,164)
Dividends	(2,582)	(471)	-	-
Provisions	36,972	28,081	55,334	19,985
Profit / Loss on sale of fixed assets	(3,767)	2,872	-	(1,262)
Foreign exchange (gains) / losses	(29,531)	(27,159)	(29,024)	(30,792)
	<b>643,534</b>	<b>521,496</b>	<b>509,468</b>	<b>353,996</b>
<b>Changes in working capital</b>				
(Increase) / decrease in Inventories	(324,479)	(37,654)	(302,148)	(36,168)
(Increase) / decrease in trade and other receivables	(256,876)	(176,175)	(234,231)	(20,783)
Increase / (decrease) in payables	324,213	(107,650)	316,687	(164,348)
Income tax paid	(14,327)	(260,780)	-	(243,685)
	<b>372,065</b>	<b>(60,763)</b>	<b>289,776</b>	<b>(110,988)</b>
<b>Net cash (used in) / generated from operating activities (a)</b>	<b>(167,845)</b>	<b>(116,088)</b>	<b>(103,416)</b>	<b>(49,979)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment & intangible assets	(194,955)	(144,811)	(117,111)	(75,263)
Grants received	390	2,445	200	2,414
Cash from sale of plant and equipment & tangible assets	5,342	4,551	-	4,091
Dividends received	2,582	1,819	13,383	13,443
Investments in associates	(199)	15,868	9,900	9,913
	<b>(167,845)</b>	<b>(116,088)</b>	<b>(103,416)</b>	<b>(49,979)</b>
<b>Net cash used in investing activities (b)</b>				
Cash flows from financing activities	(81,166)	549,290	(21,414)	319,447
Net movement in short term borrowings	(60,767)	(51,162)	(33,672)	(28,291)
Share capital increase	(130,966)	(156,325)	(130,963)	(156,324)
Interest paid	110,905	(185,064)	(7,134)	(8,922)
Proceeds / (payments) from long term borrowings	<b>(161,994)</b>	<b>156,857</b>	<b>(193,183)</b>	<b>126,028</b>
<b>Net cash generated from / (used in) financing activities (c)</b>				
(a)-(b)-(c)	42,226	(19,994)	(6,823)	(34,939)
Cash & cash equivalents at the beginning of the period	170,490	193,630	37,878	75,956
Exchange gains / (losses) on cash & cash equivalents	(4,266)	(3,146)	(4,240)	(3,139)
Net increase / (decrease) in cash & cash equivalents	42,226	(19,994)	(6,823)	(34,939)
<b>Cash &amp; cash equivalents at end of the period</b>	<b>208,450</b>	<b>170,490</b>	<b>26,815</b>	<b>37,878</b>

## FURTHER INFORMATION

1. List of principal consolidated subsidiaries and associates included in the condensed interim consolidated financial statements:

COMPANY NAME	COUNTRY OF REGISTRATION	PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION	COMPANY NAME	COUNTRY OF REGISTRATION	PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
HELLENIC PETROLEUM SA	GREECE	PARENT	FULL	VARDAX S.A	GREECE	63.00%	FULL
EKO S.A	GREECE	100.00%	FULL	OKTA CRUDE OIL REFINERY A.D	FYROM	51.35%	FULL
EKOTA KO	GREECE	49.00%	FULL	ASPROFOS S.A	GREECE	100.00%	FULL
EKO NATURAL GAS	GREECE	100.00%	FULL	DIAXON A.B.E.E.	GREECE	100.00%	FULL
EKO KALIPSO	GREECE	100.00%	FULL	POSEIDON S.A.	GREECE	100.00%	FULL
EKO BULGARIA	BULGARIA	100.00%	FULL	APOLLON S.A.	GREECE	100.00%	FULL
EKO-YU AD BEOGRAD	SERBIA	100.00%	FULL	ENERGIAKITHESALONIKIS S.A	GREECE	100.00%	FULL
EKO GEORGIA LTD	GEORGIA	97.40%	FULL	HELLENIC PETROLEUM FINANCE PLC	U.K.	100.00%	FULL
HELPE. INTERNATIONAL	AUSTRIA	100.00%	FULL	HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES S.A	GREECE	100.00%	FULL
HELPE. CYPRUS	CYPRUS	100.00%	FULL	HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD	CYPRUS	100.00%	FULL
HELPE SERVICES LTD	CYPRUS	100.00%	FULL	HELLENIC PETROLEUM SERBIA (HOLDINGS) LTD	CYPRUS	100.00%	FULL
JUGOPETROL AD KOTOR	MONTENEGRO	54.35%	FULL	HELLENIC PETROLEUM GEORGIA (HOLDINGS) LTD	CYPRUS	100.00%	FULL
HELLENIC PETROLEUM CONSULTING	ΕΜΑΔΑ	100.00%	FULL	DEPA S.A.	GREECE	35.00%	EQUITY
GLOBAL ALBANIA S.A.	A/ABANIA	99.96%	FULL	ARTENIUS HELLAS S.A (EX V.P.I)	GREECE	35.00%	EQUITY
ELDA PETROL ALBANIA	A/ABANIA	99.96%	FULL	E.A.K.A.A	GREECE	50.00%	EQUITY
ELPET BALKANIKI S.A.	ΕΜΑΔΑ	63.00%	FULL				

1.3. STATEMENTS OF CHANGES IN EQUITY (Amounts in thousands of €)	31/12/2007	GROUP	31/12/2006	COMPANY	31/12/2007	31/12/2006
Total equity at beginning of the period (1.1.2007 and 1.1.2006)	<b>2,397,610</b>		<b>2,256,462</b>		<b>2,029,907</b>	<b>1,948,315</b>
Final dividend	(85,577)	118	(85,574)	118	(85,577)	(85,574)
Interim dividend	(45,846)	(45,843)	(45,846)	(45,843)	(45,846)	(45,843)
Cash flow Hedge reserve	(48,881)	1,501	(48,881)	1,501	(48,881)	1,501
Other equity movements	(1,448)	29	(1,448)	29	(1,448)	(1,448)
Retained Earnings	364,615	270,917	364,615	270,917	281,992	211,390
	<b>2,580,473</b>	<b>2,397,610</b>	<b>2,580,473</b>	<b>2,397,610</b>	<b>2,131,595</b>	<b>2,029,907</b>

2. The Parent company HELLENIC PETROLEUM has not been subject to a tax audit for the fiscal years 2002 up to 2007 and for the most important subsidiary companies from 2005 up to 2007. 3. The accounting policies used in the preparation of the condensed interim consolidated financial statements for the six month period ended 31 December 2007 are consistent with those applied for the preparation of the consolidated published accounts for the year ended 31 December 2006. Group applies THE IFRS STABLE PLATFORM 2005 from 1 January 2005. 4. There are no restrictions in title on property, plant and equipment. 5. The Company is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information, management believes the outcome will not have a significant effect on the company's operating results or financial position. 6. Number of employees at 31/12/2007 in Greece: Company :2,445; Group :3,432 (31/12/2006 Company :2,536; Group :3,529; 7. At its meeting held on 8 August, 2007 during which the Board of Directors approved the Condensed Interim Consolidated Financial Statements of the Group for the six month period ended 30 June 2007, the Board proposed and approved an interim dividend for the 2007 financial year of €0.15 per share, the relating amounts of which have been paid to the shareholders of the company on 20/9/2007. The Board of Directors on the meeting held on 14 Feb.2008 proposed a final dividend of 0.35€ /share, to be approved. Company's AGM. 8. The companies HELLENIC PETROLEUM BULGARIA (HOLDINGS)LTD, HELLENIC PETROLEUM SERBIA (HOLDINGS)LTD, HELLENIC PETROLEUM GEORGIA (HOLDINGS) LTD are consolidated for the first time in the Group. 9. EKO NATURAL GAS was merged with EKO S.A.on 8 October 2007 and on 27 December 2007 HELPE SERVICES LTD was liquidated. 10. Where necessary, comparative figures have been reclassified to conform with changes in the presentation in the current year. This year, in the parent company, income from dividends has been included as part of EBIT and EBITDA in accordance with IAS 1. Accordingly the 2006 comparative figures have been adjusted. 11. The related party transactions of the Group and the parent company with related companies (in thousands of €) are depicted in the following table below:

	GROUP	COMPANY
Sales of good and services	943,588	3,329,122
Purchases of good and services	169,030	109,842
Receivables	139,449	330,257
Payables	1,961	13,691
Board members and key management personell remuneration & other benefits	3,204	3,204
Amounts due/from Board members and key management personell	0	0

Athens, February 14 2008

CHAIRMAN OF BOARD  EFTHIMIOS N. CHRISTODOULOU ID Number AB. 049358	CHIEF EXECUTIVE OFFICER  JOHN COSTOPOULOS ID Number 702932584
CHIEF FINANCIAL OFFICER  ANDREAS N. SHIAMISHIS ID Number AA. 010147	FINANCIAL MANAGER  PANTELIS A. TIKKAS ID Number E. 056140

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## Parent Company Financial Statements

Income Statement	PARENT COMPANY	
	1/01/2007 - 31/12/2007	1/01/2006 - 31/12/2006
<b>Turnover</b>	7,899,981	7,549,893
<b>Gross profit</b>	598,770	436,430
<b>EBITDA</b>	466,121	367,369
<b>EBIT</b>	383,478	277,837
<b>Profit before tax</b>	388,730	281,532
Less tax	(106,738)	(70,142)
<b>Profit after tax</b>	<b>281,992</b>	<b>211,390</b>

Balance Sheet (amounts in 000€)	PARENT COMPANY	
	31/12/2007	31/12/2006
<b>ASSETS</b>		
Long term assets	702,863	668,418
Participations	694,660	692,054
Inventories	1,409,638	1,107,490
Accounts receivable	994,107	828,103
Cash on hand & in bank	26,815	37,878
Other assets	23,532	3,839
<b>TOTAL ASSETS</b>	<b>3,851,615</b>	<b>3,337,782</b>
<b>LIABILITIES</b>		
Long term liabilities	491,300	458,793
Short term bank loans	377,291	426,511
Other short term obligations	851,429	422,571
<b>Total liabilities (α)</b>	<b>1,720,020</b>	<b>1,307,875</b>
Share capital	666,285	666,285
Share capital – above par	353,796	353,796
Other items of net shareholders	1,111,514	1,009,826
<b>Net shareholders</b>	<b>2,131,595</b>	<b>2,029,907</b>
Minority interests	-	-
<b>Total of net shareholders (β)</b>	<b>2,131,595</b>	<b>2,029,907</b>
<b>TOTAL LIABILITIES (α) + (β)</b>	<b>3,851,615</b>	<b>3,337,782</b>

Cash Flow Statement (amounts in 000€)	PARENT COMPANY	
	1/01/2007-31/12/2007	1/01/2006-31/12/2006
<b>Operating activities</b>		
Income before tax	388,730	281,532
<b>Adjusted for:</b>		
Depreciation of intangible and fixed assets	82,643	89,532
Depreciation of donated fixed assets	(3,325)	(5,213)
Financial results	23,772	18,378
Income from associated companies	(8,662)	(18,164)
Dividends from participations	-	-
Forecasted expenses	55,334	19,985
(Profit)/Loss from asset sales	-	(1,262)
Exchange differences debits / (credits)	(29,024)	(30,792)
	<b>509,468</b>	<b>353,996</b>
<b>Differences in operating capital</b>		
(Increase) / Decrease in inventories	(302,148)	(36,168)
(Increase) / Decrease in receivables	(234,231)	(20,783)
(Increase) / Decrease in liabilities	316,687	(164,348)
Tax paid	-	(243,685)
<b>Cash flow generated from operating activities (α)</b>	<b>289,776</b>	<b>(110,988)</b>
<b>Investment activities</b>		
Purchase of intangible and fixed assets	(117,111)	(75,263)
Subsidies received	200	2,414
Receivables from fixed assets sales	-	4,091
Dividends from subsidiaries and participations	13,383	13,443
Interests received	9,900	9,913
Participation in capital (Increase)/Decrease of assoc. companies	(9,788)	(4,577)
<b>Cash flow generated from operating activities (β)</b>	<b>(103,416)</b>	<b>(49,979)</b>
<b>Financing activities</b>		
Inflow/(outflow) from short term loans	(21,414)	319,447
Increase of share capital	-	118
Interests paid	(33,672)	(28,291)
Dividends paid	(130,963)	(156,324)
Inflow/(outflow) from long term loans	(7,134)	(8,922)
<b>Cash flow from financing activities (c)</b>	<b>(193,183)</b>	<b>126,028</b>
<b>Consolidated cash flow (α)+(β)+(c)</b>	<b>(6,823)</b>	<b>(34,939)</b>
<b>Cash at hand &amp; in bank at beginning of year</b>	<b>37,878</b>	<b>75,956</b>
Exchange differences at cash at hand	(4,240)	(3,139)
(Increase) / Decrease of cash in bank and at hand	(6,823)	(34,939)
<b>Cash at hand &amp; in bank at end of year</b>	<b>26,815</b>	<b>37,878</b>





## General Information

### Chartered Accountants

Chartered Accountants / Auditors Information				
A/A	COMPANY NAME	AUDITING FIRM	ADDRESS	ACCOUNTANT/AUDITOR
1.	HELLENIC PETROLEUM S.A.	PriceWaterHouseCoopers	268 Kifissias st.,	Konstantinos Michalatos
2.	EKO A.B.E.E	PriceWaterHouseCoopers	268 Kifissias st.,	Konstantinos Michalatos
3.	ASPROFOS S.A.	PriceWaterHouseCoopers	268 Kifissias st.,	Konstantinos Michalatos
4.	DIAXON PLASTIC PACKAGING MATERIALS ABEE	PriceWaterHouseCoopers	268 Kifissias st.,	Konstantinos Michalatos

### Non tax-inspected Fiscal Years for Group's Companies

COMPANY NAME	FISCAL YEAR
EKO A.B.E.E.	2005 - 2007
EKO – NATURAL GAS SA	Since establishment
EKOTA KO	2006-2007
EKO - CALYPSO LTD	Since establishment
HELLENIC PETROLEUM INTERNATIONAL CONSULTING	Since establishment
EL.PET BALKANIKI S.A.	2005 - 2007
VARDAX S.A.	Since establishment
ASPROFOS	2003 - 2007
DIAXON A.B.E.E.	2003 - 2007
POSEIDON MC	Since establishment
APOLLON MC	Since establishment
THESSALONIKI ENERGY	Since establishment
HELPE RENEWABLE ENERGY SOURCES S.A.	Since establishment



## COMMUNICATION

Contact Information

Name: HELLENIC PETROLEUM SOCIETE ANONYME  
Commercial Name: HELLENIC PETROLEUM S.A.

### Registered Address:

City of Athens  
54, Amalias Ave., 105 58 Athens, Greece  
Tel.: (+30) 210 32.36.601, 210 32.53.992  
Fax: (+30)210 32.36.974

### Head Office and Aspropyrgos

#### Industrial Installations:

17th km. Athens-Corinth National Highway,  
GR-193 00 Aspropyrgos, Greece P.O. Box: 1085  
GR-101 10 Athens, Greece  
Tel.: (+30)210 55.33.000, 210 55.39.000,  
Fax: (+30)210 55.39.298, 210 55.39.299  
Telex: 210 897, 210316, 224679

#### Elefsina Industrial Installations:

Elefsinia, 192 00 Elefsina, Greece  
Tel.: (+30)210 55.36.000  
Fax: (+30)210 55.48.509

#### Thessaloniki Industrial Installations:

P.O. Box: 10044, GR-541 10 Thessaloniki, Greece  
Tel.: (+30)2310 750.000  
Fax: (+30)2310 750.001

#### Hydrocarbon Exploration and Production:

199, Kifissias Ave., GR-151 24, Maroussi, Athens, Greece  
Tel.: (+30)210 87.67.700  
Fax: (+30)210 87.67.999

#### Shareholder Services

199, Kifissias Ave., GR-151 24 Maroussi, Athens, Greece  
Tel.: (+30)210 87.67.860-5  
Fax: (+30)210 87.67.993-994

#### EKO A.B.E.E.:

2-4, Messogion & Vas. Sofias Ave.,  
Athens Tower, GR-115 27 Athens, Greece  
Tel.: (+30)210 77.05.401  
Fax: (+30)210 77.05.847

#### ASPROFOS ENGINEERING:

284, El. Venizelou Ave., GR-176 75, Kallithea, Greece  
Tel.: (+30)210 94.91.600  
Fax: (+30)210 94.91.610

#### DIAXON PLASTIC PACKAGING MATERIALS A.B.E.E.:

##### HEAD OFFICE:

2-4, Messogion & Vas. Sofias Ave., Athens Tower  
GR-115 27 Athens, Greece  
Tel.: (+30)210 77.16.355  
Fax: (+30)210 77.25.533

##### COMMERCIAL DIVISION:

17th km Athens-Corinth National Road, GR-193 00  
Aspropyrgos, Greece  
Tel.: (+30)210 55.33.000, (+30)210 55.39.000,  
(+30)210 55.39.061,  
Fax: (+30)210 55.39.298/9, (+30)210 55.39.060

##### KOMOTINI INDUSTRIAL INSTALLATIONS:

Tel.: (+30)25310 82360/70  
Fax: (+30)25310 82380

#### HELLENIC PETROLEUM POSEIDON MARITIME COMPANY

##### HEAD OFFICE:

17th km Athens-Corinth National Highway, GR-193 00  
Aspropyrgos, Greece  
Tel.: (+30)210 55.33.000,  
Fax: (+30)210 55.39.298  
Registration Number in Maritime Companies' Register: S276

#### HELLENIC PETROLEUM APOLLON MARITIME COMPANY

HEAD OFFICE: 17th km Athens-Corinth National Highway,  
GR-193 00 Aspropyrgos, Greece  
Tel.: (+30)210 55.33.000  
Fax: (+30)210 55.39.298  
Registration Number in Maritime Companies' Register: 3410

#### THESSALONIKI ENERGY S.A.

HEAD OFFICE: Echedoro Municipality  
Thessaloniki Prefecture, Greece

Tel.: (+30)2310 750.000  
Fax: (+30)2310 750.001

##### OFFICE IN ATHENS:

199 Kifissias Ave., GR - 151 24, Maroussi  
Tel.: (+30)210 87.67.900  
Fax: (+30)210 61.47.911

#### HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES S.A.

Registered Address: Maroussi Municipality

##### HEAD OFFICE:

17th km Athens-Corinth National Highway  
GR193 00 Aspropyrgos, Greece  
Tel.: (+30) 210 55.39.000  
Fax: (+30) 210 55.39.298



## Shareholders Information Desk

HELLENIC PETROLEUM aims to keep all of its shareholders, in Greece and abroad, fully informed through a range of information channels designed to meet the needs of the various shareholder groups.

The following sources of information are available to shareholders:

- The Group's website: [www.hellenic-petroleum.gr](http://www.hellenic-petroleum.gr).
- The Annual Company Operations Bulletin, published in Greek.
- The Annual Report, published in Greek and in English
- The Sustainability Report, published in Greek and in English.
- Quarterly financial statements, published on the Greek press.
- Regular press briefings, in Greece, combined with the release of financial results.
- Press releases with brief financial results, in accordance with the International Accounting Standards, published in the English language press abroad.
- Summary quarterly financial results, adjusted to the International Accounting Standards, are sent to the London Stock Exchange and are available, in more detail, from SHEARMAN & STERLING law firm in London.
- Periodic meetings with economic analysts and shareholders, held in Greece and in major cities in Europe and USA (road show). It is noted that, ten days before the Annual General Meeting each shareholder can obtain, from the Company, the annual financial statements as well as the relevant reports of the Board of Directors and of the Chartered Accountants / Auditors.

## Investor Relations Services

Shareholders, investors and financial analysts can contact us, for further information, at HELLENIC PETROLEUM's head offices address:

17th km Athens-Corinth National Highway

GR-193 00 Aspropyrgos, Greece

Tel.: (+30) 210 5539109

Fax: (+30) 210 5539100

## Shareholders' Services

The shareholders' register Services can be found at the following address:

199 Kifissias Ave., GR-151 24 Maroussi, Greece

Tel.: (+30) 210 8767860-5

Fax: (+30) 210 8767993-994

## Public and Corporate Affairs Department

The Public and Corporate Affairs Department is located at:

17th km Athens-Corinth National Highway

GR-193 00 Aspropyrgos, Greece

Tel.: (+30) 210 5539241, (+30) 210 5539293

Fax: (+30) 210 5539240

Company's web site: [www.hellenic-petroleum.gr](http://www.hellenic-petroleum.gr)

Company's e-mail: [info@hellenic-petroleum.gr](mailto:info@hellenic-petroleum.gr)



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## Annual Report Feedback

This report is addressed to our shareholders and stakeholders aiming at their information regarding our strategy, policy and business performance in 2007.

Any suggestion concerning further improvement of this report, as a tool for a two-way communication between the Group and its stakeholders, is more than welcome.

### Communication Info:

Public and Corporate Affairs Department

17th km Athens-Corinth National Highway

GR-193 00 Aspropyrgos, Greece

Tel.: (+30) 210 5539241, (+30) 210 5539293

Fax: (+30) 210 5539240





**HELLENIC**  
**PETROLEUM**