



**HELLENIC  
PETROLEUM**

# 2014 1Q Results Presentation

Athens, 27 May 2014

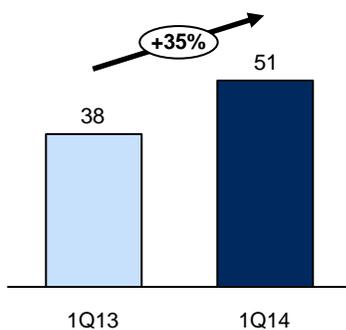




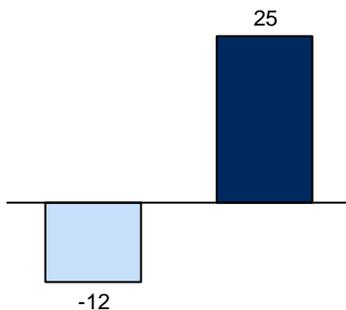
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  - Industry Environment
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# 1Q 2014 GROUP KEY FINANCIALS

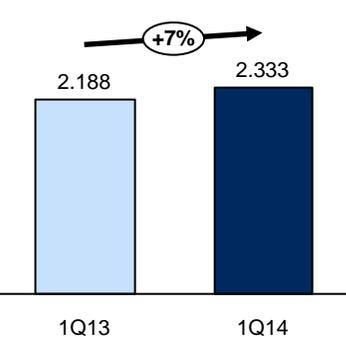
## Adj. EBITDA (€m)



## Reported EBITDA (€m)



## Net Debt (€m)



FY 2013	€ million, IFRS	2013	1Q 2014	Δ%
	<b>Income Statement</b>			
12,696	Sales Volume (MT) - Refining	2,872	2,790	-3%
4,043	Sales Volume (MT) - Marketing	862	807	-6%
9,674	Net Sales	2,241	2,077	-7%
	<b>Segmental EBITDA</b>			
57	- Refining, Supply & Trading	21	24	16%
68	- Marketing	4	11	-
57	- Petrochemicals	14	17	19%
-5	- Other	-1	-1	46%
178	<b>Adjusted EBITDA *</b>	38	51	35%
11	<b>Adjusted EBIT * (including Associates)</b>	10	17	78%
-209	Finance costs - net	-47	-53	-12%
-117	<b>Adjusted Net Income *</b>	-21	-19	9%
29	IFRS Reported EBITDA	-12	25	-
-269	<b>IFRS Reported Net Income</b>	-78	-38	51%
	<b>Balance Sheet / Cash Flow</b>			
3,905	Capital Employed	4,623	4,505	-3%
1,689	Net Debt	2,188	2,333	7%

(\*) Calculated as Reported less the Inventory effects and other non-operating items

# 1Q14 HIGHLIGHTS

## Improved results across all our businesses, as Elefsina contribution and enhanced operational performance offset weak margins and USD

### Industry and Market

- Med benchmark refining margins significantly lower y-o-y (especially for FCC), with further negative impact due to weaker \$; small improvement vs 4Q13 partly due to Brent-Urals spread widening to \$0.5-1/bbl area
- Uncertainty in Med crude market remains with due to Libya and Iraq exports
- Positive signs for domestic fuels demand as auto-fuel remain stable for a 3<sup>rd</sup> consecutive quarter; 1Q14 GDP estimate at -1.1%, lowest decline in 4 years

### Financials

- 1Q14 Adjusted EBITDA at €51m (+35%), reflecting improved operational performance in all business units, despite weak refining environment and Elefsina 4-week shut-down
- Competitiveness projects deliver additional €18m contribution, in line with plan; opex 13% lower y-o-y
- Associates contribution at €15m affected by lower gas demand due to mild weather conditions
- Net Debt at €2.3bn, driven by operating conditions and seasonality

### Business developments

- DESFA transaction regulatory approval in process; closing expected in 2014
- New CLA with ELPE refining union agreed for 3 years; annual benefits of c.€10m
- Lease agreement for West Patraikos concession signed on 14 May 2014; field studies to commence in 2H14

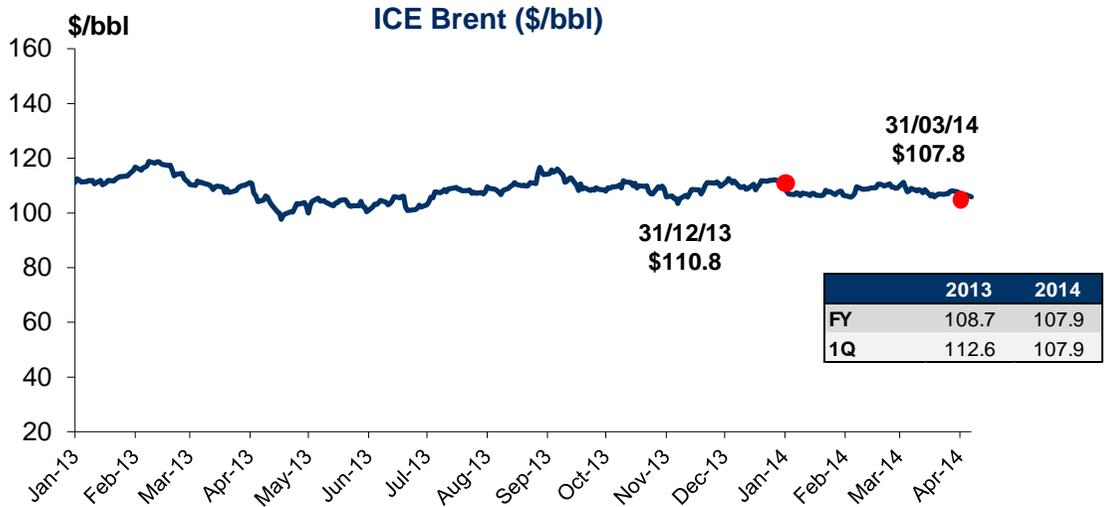
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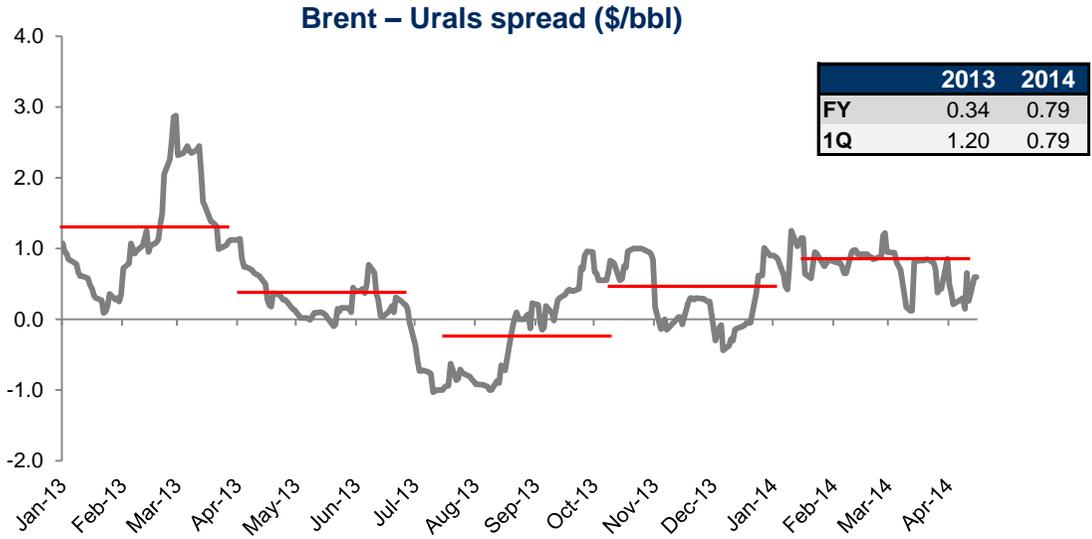
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# INDUSTRY ENVIRONMENT

## Challenging supply environment remains as Libya and Iraq flows remain uncertain



- Uncertainty in crude markets continued, with supply availability and Ukrainian crisis affecting Brent price

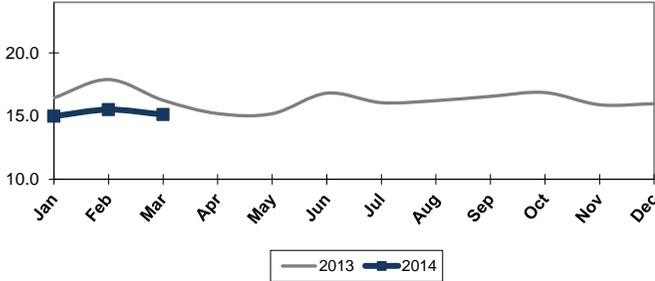


- Improved sweet-sour spreads in 1Q14 q-o-q
- Urals increased to c.55% of ELPE crude slate in 1Q14

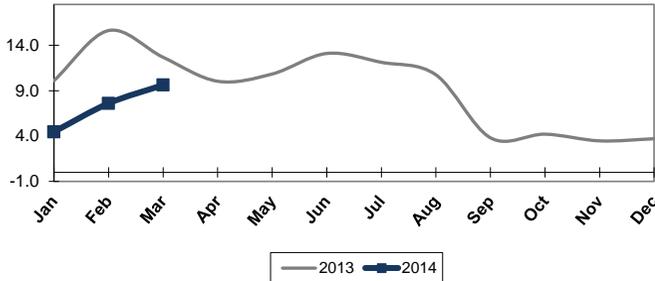
# INDUSTRY ENVIRONMENT

Weakness in product cracks affects FCC margins; Elefsina benchmark margin more resilient

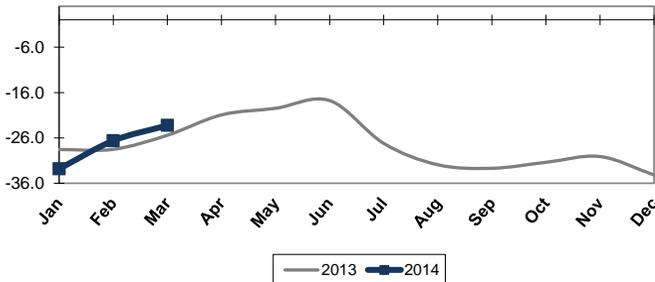
ULSD cracks (\$/bbl)



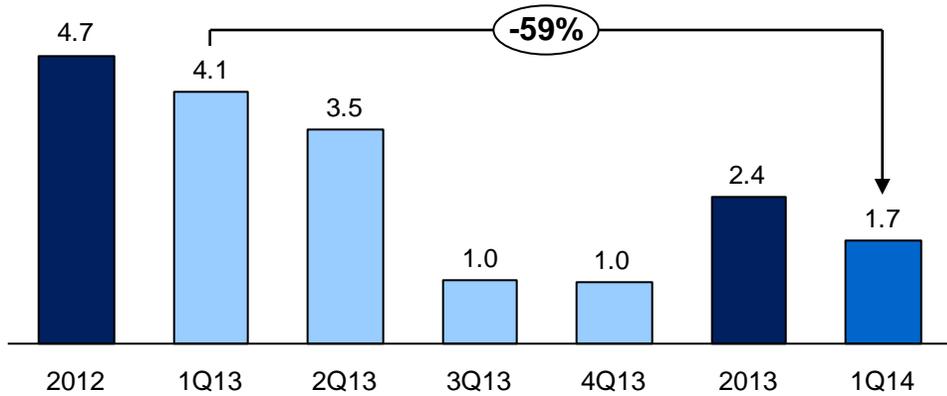
MOGAS cracks (\$/bbl)



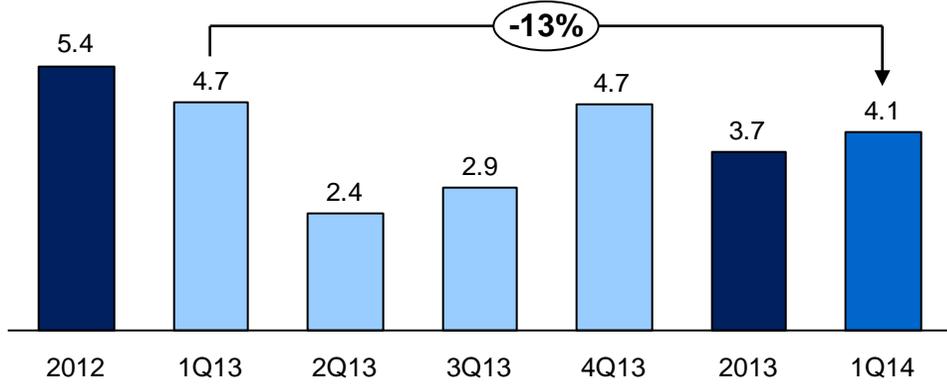
HSFO cracks (\$/bbl)



Med FCC benchmark margins (\$/bbl)

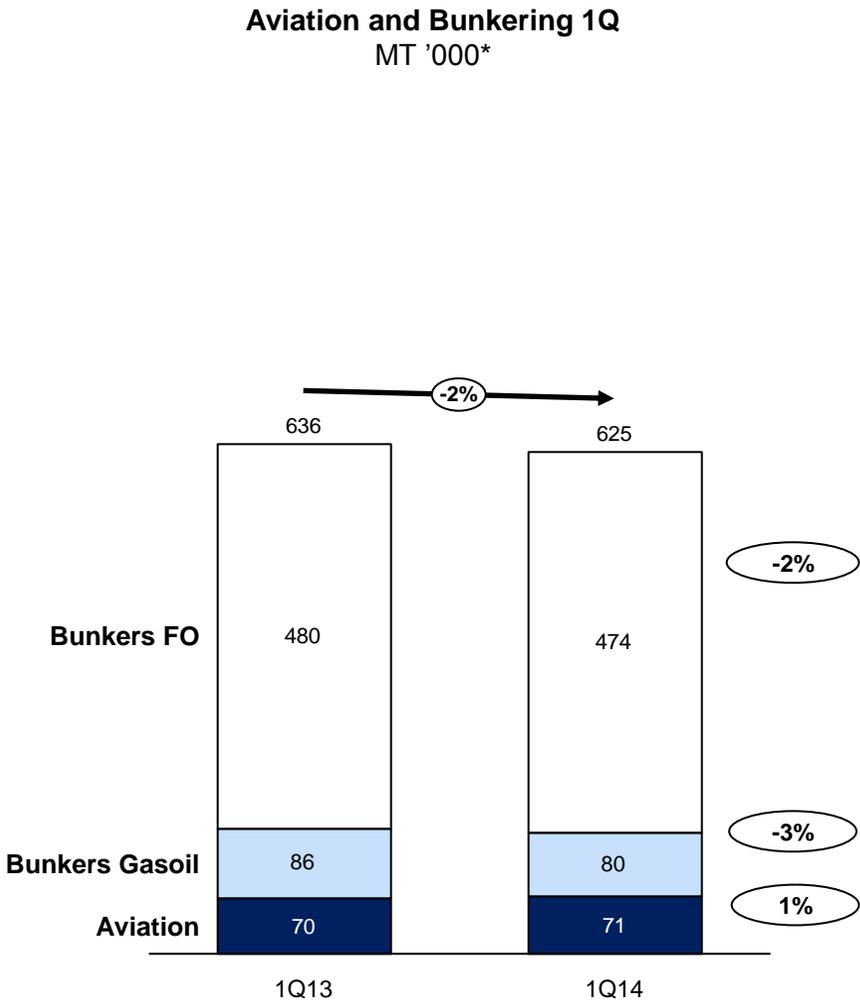
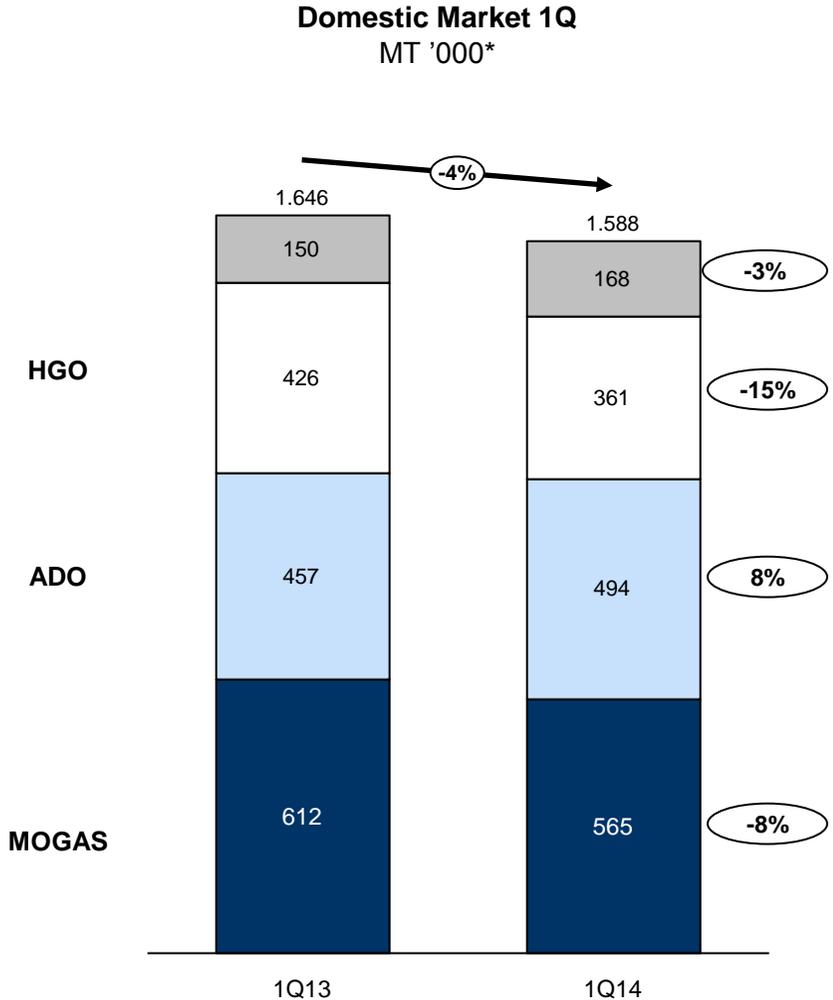


Med Hydrocracking benchmark margins (\$/bbl)



# DOMESTIC MARKET ENVIRONMENT

Mild weather conditions account for lower heating gasoil demand; transport fuels flat with new car registrations +19% y-o-y



(\* ) Does not include PPC and armed forces

- Executive Summary
- Industry Environment



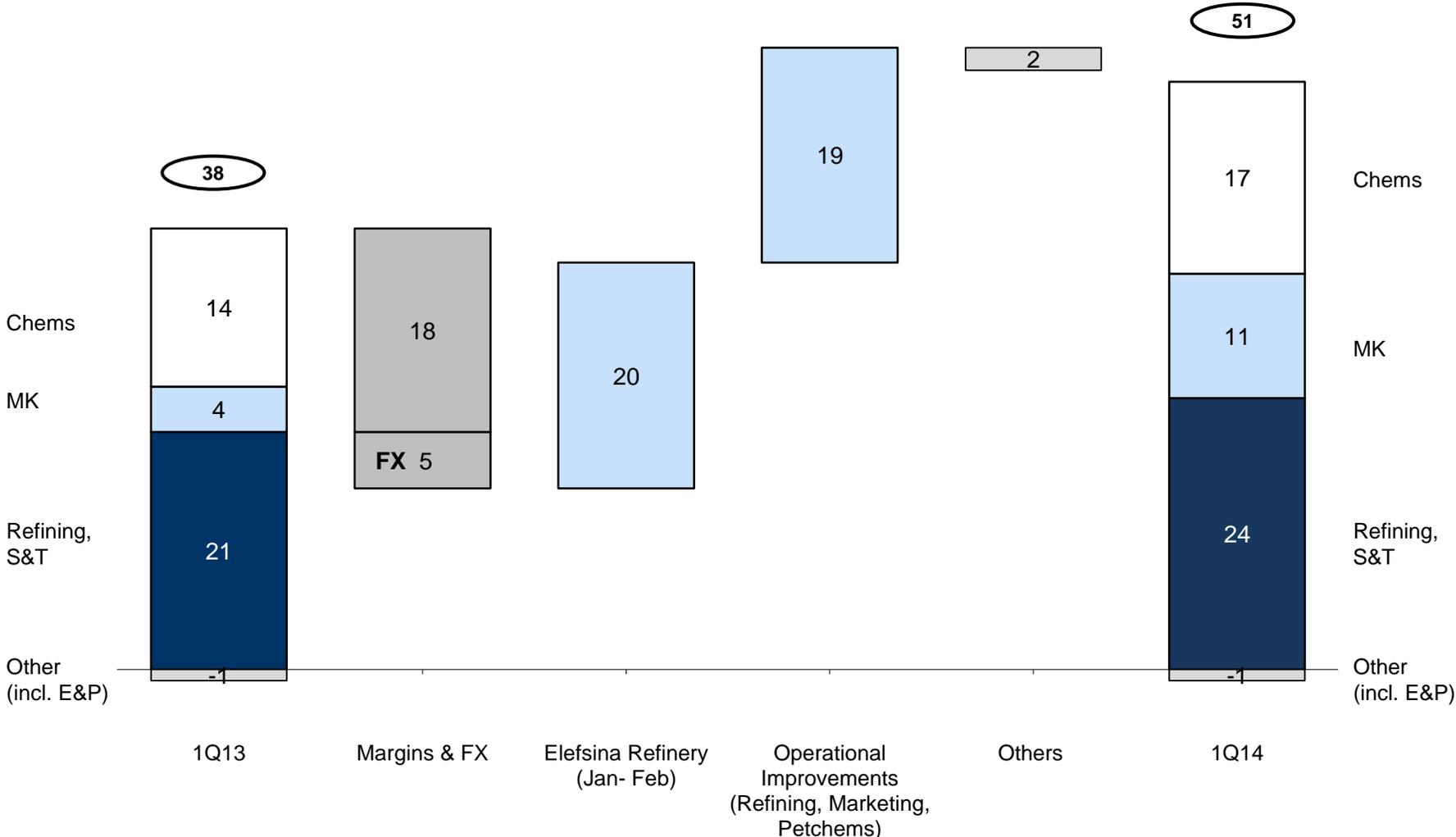
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# CAUSAL TRACK & SEGMENTAL RESULTS OVERVIEW 1Q 2014

Improved operational performance offset weaker margins and USD with Adjusted EBITDA +35%

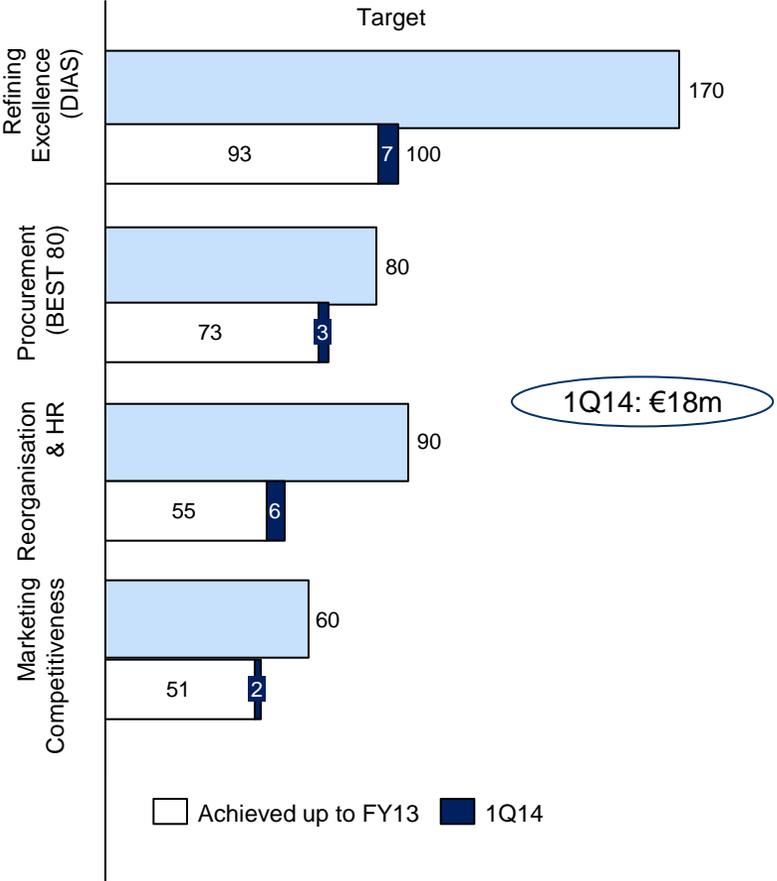
Adjusted EBITDA causal track 1Q13 – 1Q14 (€m)



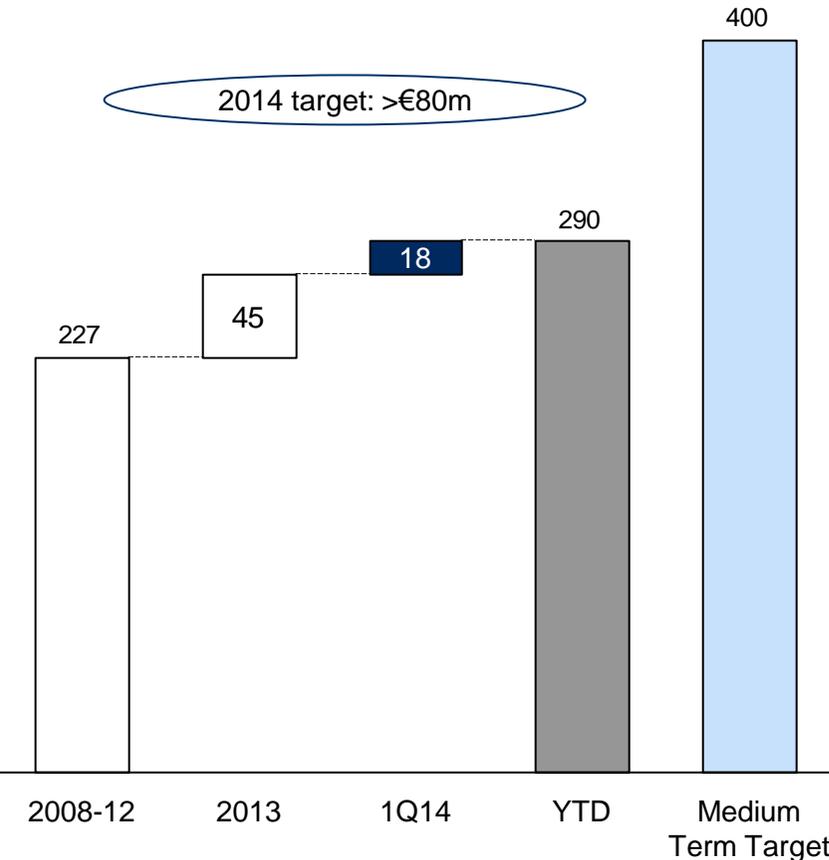
# COMPETITIVENESS IMPROVEMENTS

Low margin environment highlight importance of competitiveness improvement initiatives; 1Q14 benefits at €18m, with FY14 target exceeding €80m

Overview of transformation initiatives (€m)



Evolution of transformation initiatives (€m)



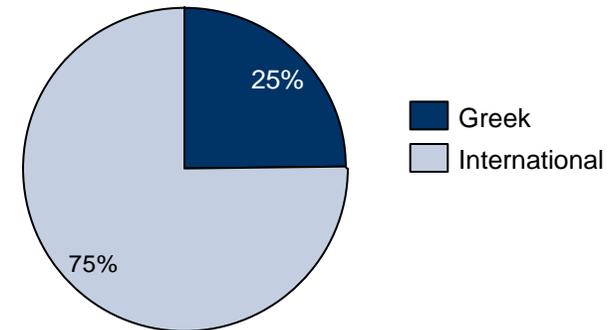
Benefits reported under Opex, Gross margin and capex

# NEW USD EUROBOND ISSUANCE

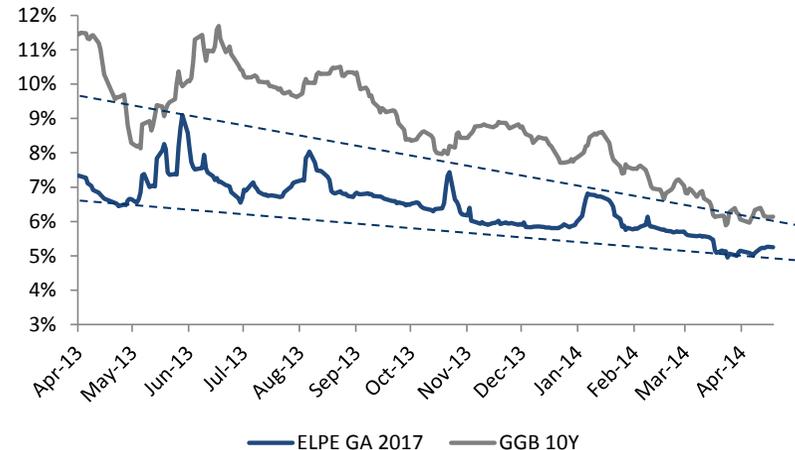
Successful execution of \$400m, 4.625% issue confirms increased funding source optionality and de-escalating costs

- Unrated, 2-year \$400m issue priced on 9 May 2014 at 4.625%
- Securities listed in Luxemburg stock exchange
- Strong demand from all investor classes at \$1.4bn; issue significantly oversubscribed in a few hours
- High quality institutional investor demand
- The new transaction was arranged by BNP Paribas, Credit Suisse, Eurobank and HSBC
- 2017 8% Eurobond trades at significantly tighter yields

Demand by Geography for new \$Eurobond



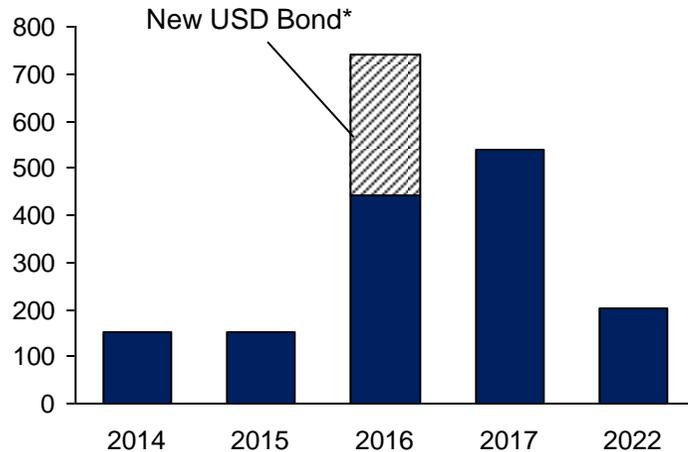
ELPE GA 8% 10/05/17 mid YTM (%)



# DEBT STRUCTURE AND FUNDING STRATEGY

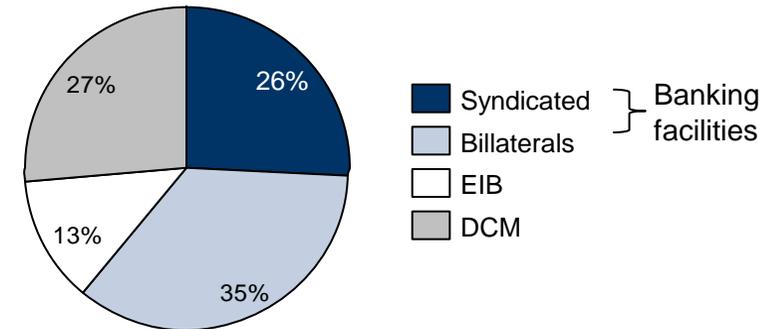
## DCM issuance increased capacity at competitive costs

Term lines maturity overview\* (€m)



(\*) Matched by equal cash balance increase

Gross debt by source



- New \$ Eurobond adds benefit of balance sheet currency hedging at low cost
- Utilisation of new issuance proceeds for further trading capacity improvement and repayment of higher cost debt
- Further market transactions under consideration to improve maturity profile and further reduce funding cost

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# DOMESTIC REFINING, SUPPLY & TRADING – OVERVIEW

Elefsina performance (Jan-Feb) and improved operations offset weak benchmark margins and USD

FY	IFRS FINANCIAL STATEMENTS		1Q	
2013	€ MILLION	2013	2014	Δ%
	<b>KEY FINANCIALS - GREECE</b>			
<b>12,664</b>	Sales Volume (MT '000)	2,848	<b>2,795</b>	-2%
<b>11,776</b>	Production (MT '000)	2,923	<b>2,709</b>	-7%
<b>8,656</b>	Net Sales	1,995	<b>1,858</b>	-7%
<b>51</b>	<b>Adjusted EBITDA *</b>	<b>23</b>	<b>25</b>	<b>7%</b>
<b>86</b>	Capex	9	<b>24</b>	-
	<b>KPIs</b>			
<b>108.7</b>	Average Brent Price (\$/bbl)	112.6	<b>107.9</b>	-4%
<b>1.33</b>	Average €/ \$ Rate (€1 =)	1.32	<b>1.37</b>	4%
<b>2.1</b>	HP system benchmark margin \$/bbl (**)	3.7	<b>2.4</b>	-36%
<b>6.9</b>	Realised margin \$/bbl	7.4	<b>6.7</b>	-9%

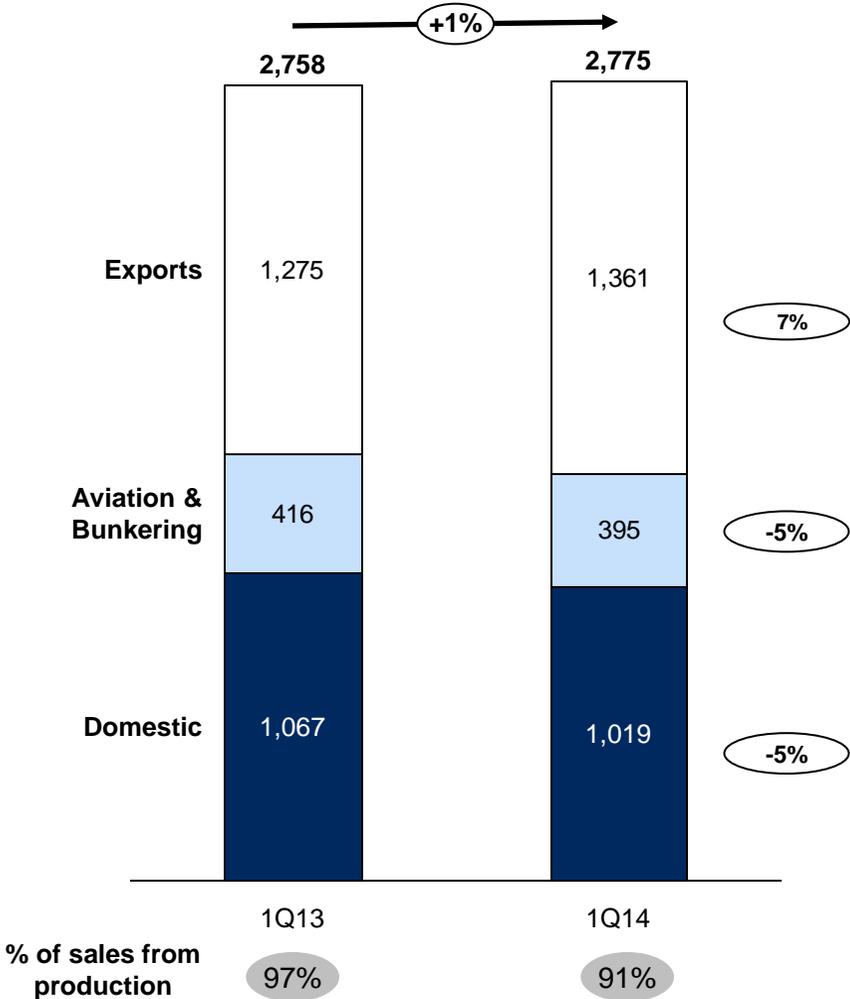
(\*) Calculated as Reported less the Inventory effects and other non-operating items

(\*\*) System benchmark weighted on actual refineries production

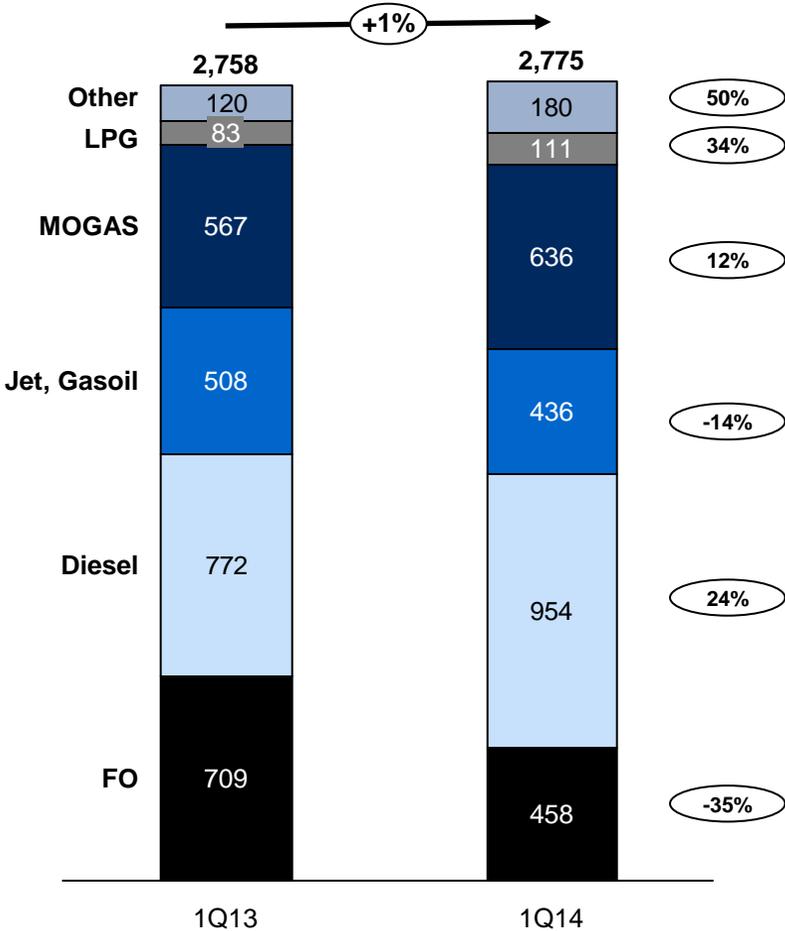
# DOMESTIC REFINING, SUPPLY & TRADING – SALES VOLUMES\*

Increased exports compensate for weak heating gasoil demand in domestic market

1Q Sales by market (MT'000)



1Q Sales by product (MT'000)

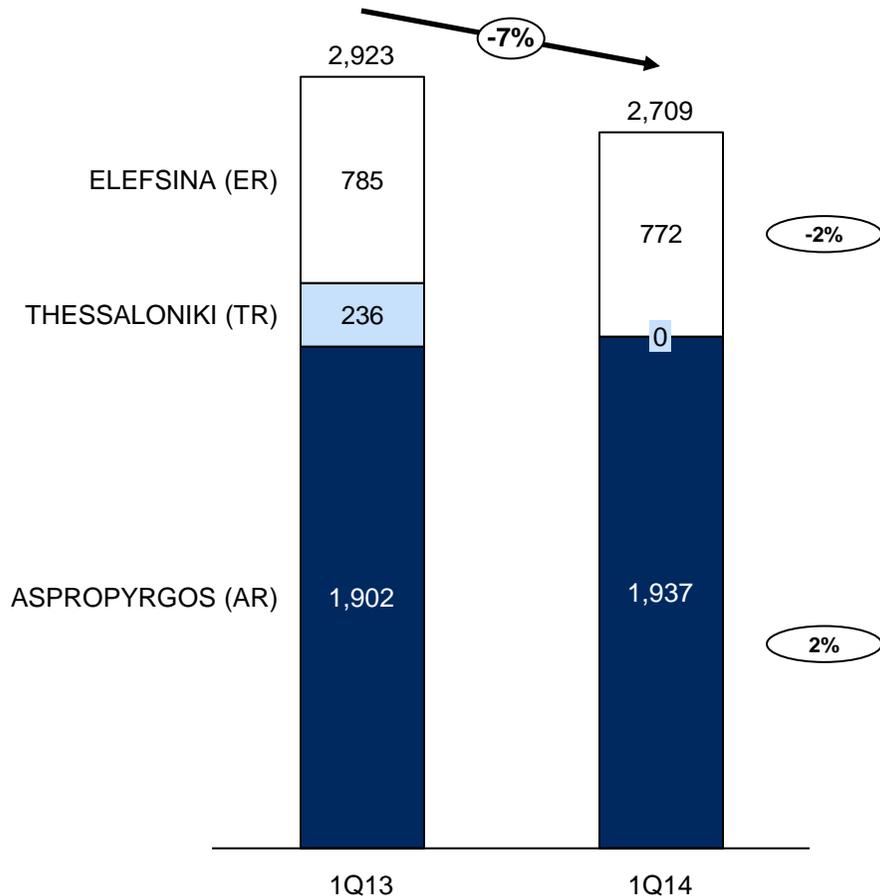


(\* Ex-refinery sales to end customers or trading companies, excludes crude oil and sales to competitors)

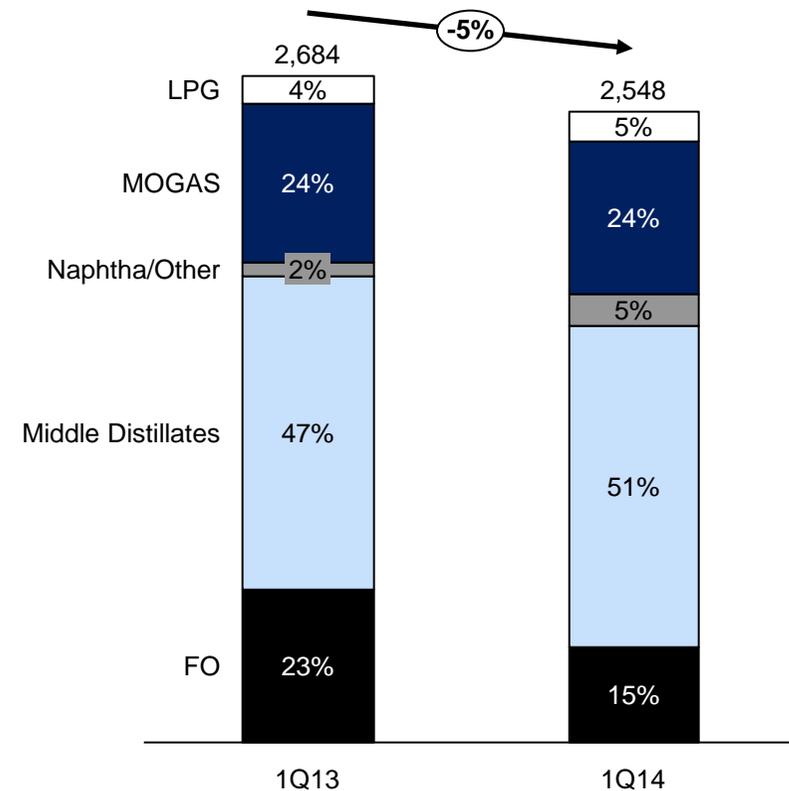
# DOMESTIC REFINING, SUPPLY & TRADING – REFINERY PRODUCTION

Elefsina maintenance in March and Thessaloniki shut-down drive production and yields; all three refineries operating in 2Q14

1Q Production by refinery – gross\* (MT '000)



1Q System Net Production - (MT '000)

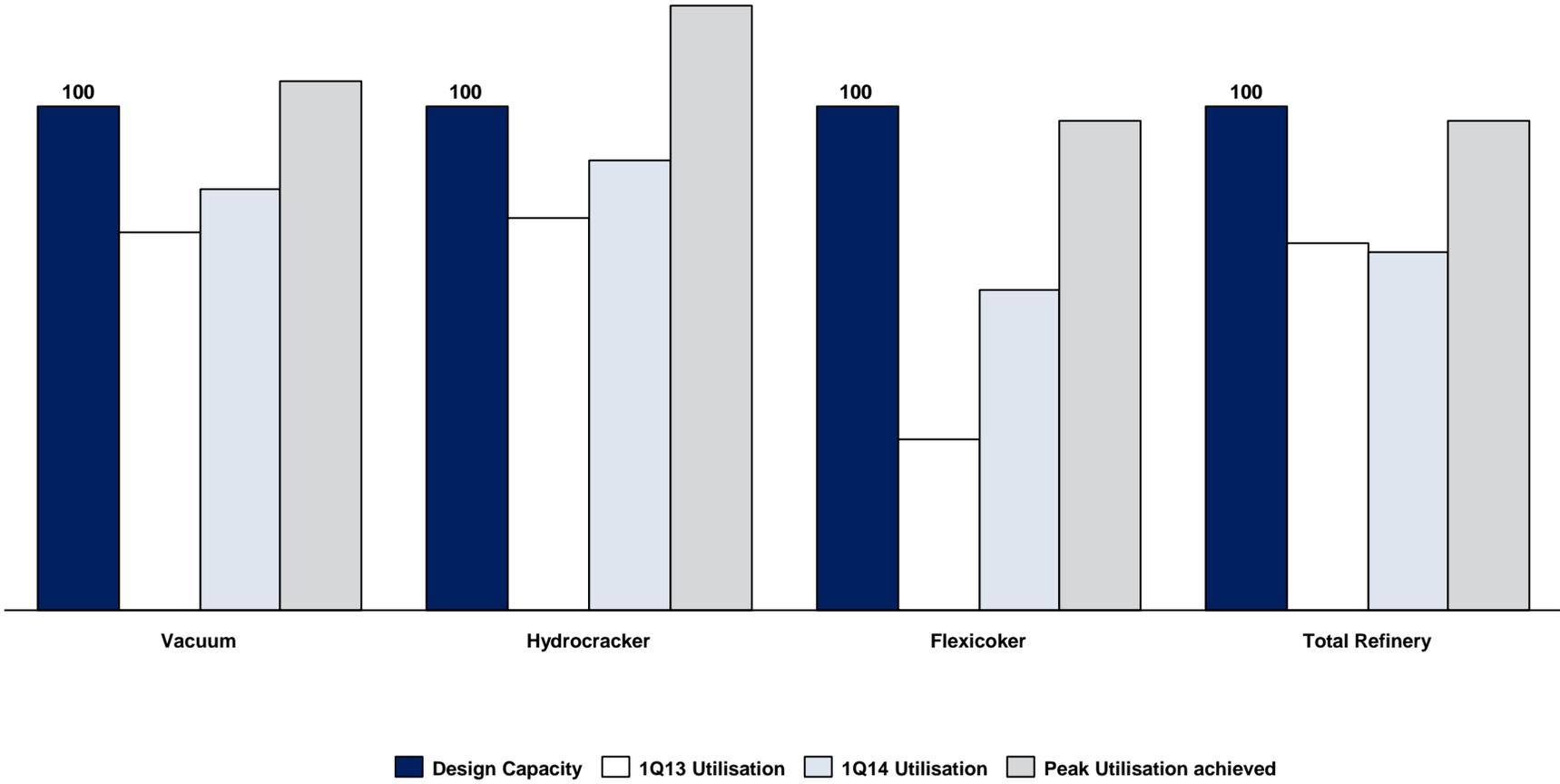


(\* ) Gross of inter-refinery transfers

# DOMESTIC REFINING, SUPPLY & TRADING – ELEFSINA PERFORMANCE

Elefsina utilisation affected by March maintenance shut-down; refinery operating at planned utilisation in 2Q14

Elefsina conversion units and total refinery 1Q14 utilisation vs design rates – (%)

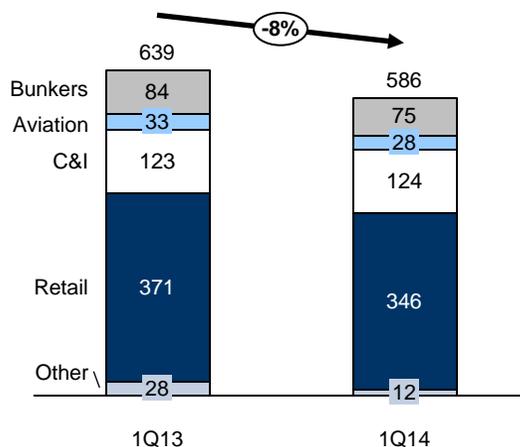


# DOMESTIC MARKETING

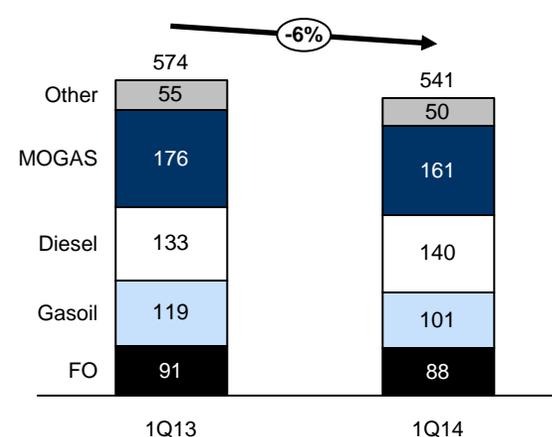
Restructuring, improved commercial policy and network management led to increased contribution from retail despite softer heating gasoil market

FY	IFRS FINANCIAL STATEMENTS		1Q	
2013	€ MILLION	2013	2014	Δ%
	<b>KEY FINANCIALS - GREECE</b>			
<b>2,971</b>	Volume (MT '000)	639	<b>586</b>	-8%
<b>2,311</b>	Net Sales	520	<b>444</b>	-15%
<b>25</b>	Adjusted EBITDA*	<b>-3</b>	<b>2</b>	-
	<b>KEY INDICATORS</b>			
<b>1,816</b>	Petrol Stations	1,898	<b>1,794</b>	-5%

Volumes – market breakdown (MT'000)



Volumes per product (MT'000)\*\*



(\*) Calculated as Reported less non-operating items

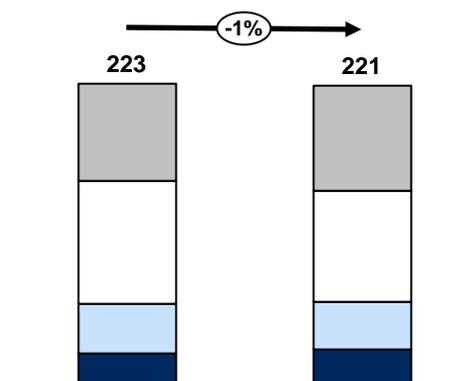
(\*\*) Excluding sales to PPC and other marketing companies

# INTERNATIONAL MARKETING

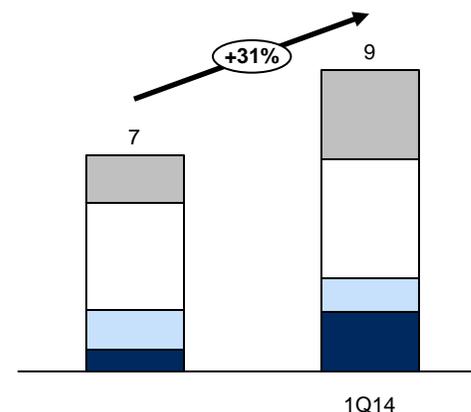
Cost control and improved product supply chain led to record results for 1Q from International Marketing

FY	IFRS FINANCIAL STATEMENTS		1Q	
2013	€ MILLION	2013	2014	Δ%
<b>KEY FINANCIALS - INTERNATIONAL</b>				
1,072	Volume (MT '000)	223	221	-1%
1,034	Net Sales	222	214	-4%
44	Adjusted EBITDA*	7	9	31%
<b>KEY INDICATORS</b>				
256	Petrol Stations	255	256	0%

Volumes per country (MT '000)



Adj. EBITDA per country (€m)



■ BULGARIA ■ CYPRUS ■ MONTENEGRO ■ SERBIA

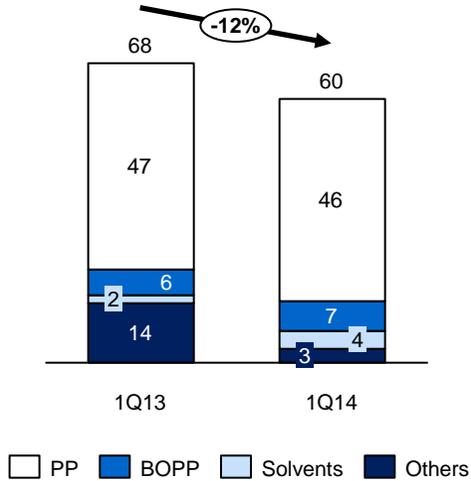
(\* ) Calculated as Reported less non-operating items

# PETROCHEMICALS

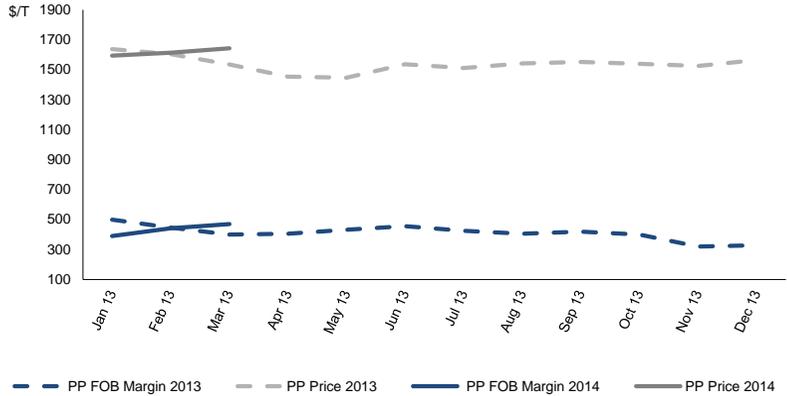
Despite flat PP benchmark margins, value chain integration and cost control led EBITDA to €17m

FY	IFRS FINANCIAL STATEMENTS		1Q	
2013	€ MILLION	2013	2014	Δ%
	<b>KEY FINANCIALS*</b>			
295	Volume (MT '000)	68	60	-12%
327	Net Sales	80	80	1%
57	Adjusted EBITDA**	14	17	19%

Volumes 4Q (MT '000)



PP price & margins (\$/T)



(\*) FCC Propane-propylene spread included in petchems results (\*\*) Calculated as Reported less non-operating items

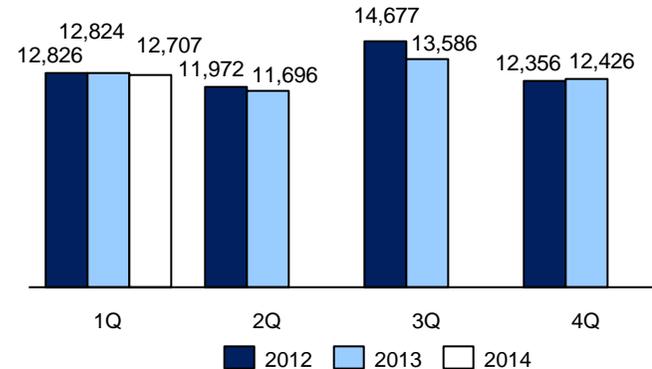
# POWER GENERATION: 50% stake in Elpedison

Improved contribution in 1Q14 with capacity remuneration partly offsetting adverse market and regulation impact

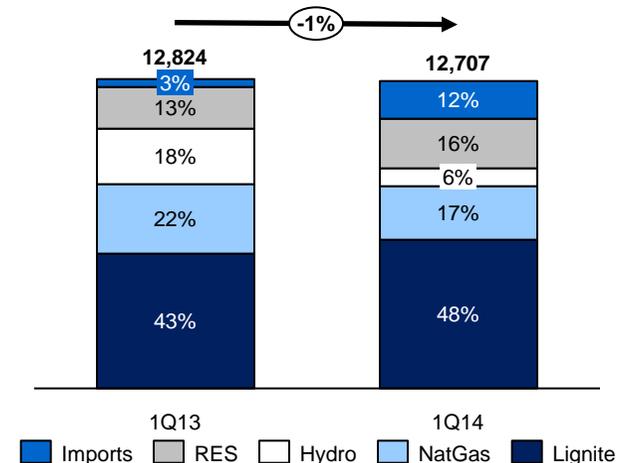
FY 2013	FINANCIAL STATEMENTS € MILLION	2013	1Q 2014	Δ%
<b>KEY FINANCIALS</b>				
2,676	Net production (MWh '000)	739	292	-60%
354	Sales	94	57	-39%
57	EBITDA	13	14	6%
29	EBIT	6	7	13%

- Consumption 0.9% lower on mild weather conditions
- Gas-fired plants participation in the energy mix reduced on new regulation

Power consumption (GWh)



System energy mix

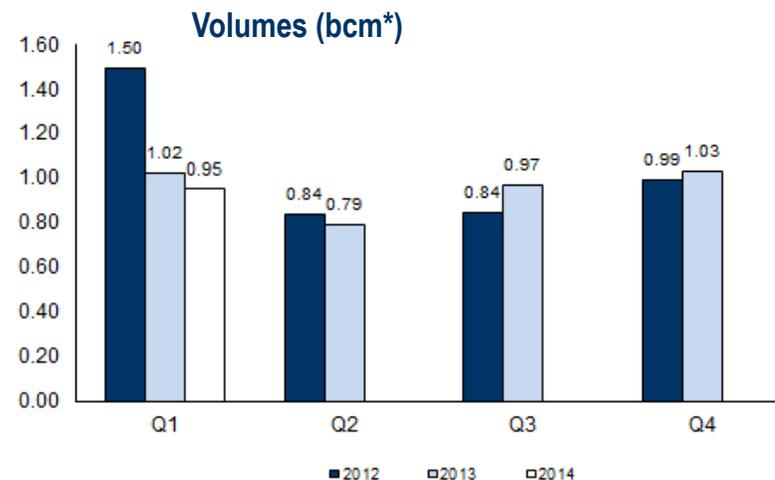


## GAS: 35% stake in DEPA

Weak gas demand drives lower Net Income contribution (€13m); 1Q13 included positive impact of retroactive discounts recorded post year-end

FY 2013	FINANCIAL STATEMENTS € MILLION	2013	1Q 2014	Δ%
<b>KEY FINANCIALS</b>				
3,818	Sales Volume (million NM <sup>3</sup> )	1,019	950	-7%
209	EBITDA	71	56	-20%
170	Profit after tax	88	38	-57%
60	Included in ELPE Group results (35% Stake)*	31	13	-57%

\*Interim results based on unaudited management accounts



- DEPA Group consolidated on an equity basis
- Mild weather conditions and reduced IPP offtakes led volumes lower

## DESFA Privatisation process

- Regulatory approval by Greek and EU authorities in process following SPA signing; closing expected in 2014
- ELPE share of transaction proceeds is €212m, earmarked for debt reduction

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# 1Q 2014 FINANCIAL RESULTS

## GROUP PROFIT & LOSS ACCOUNT

FY 2013	IFRS FINANCIAL STATEMENTS € MILLION	2013	1Q 2014	Δ %
9,674	Sales	2,241	2,076	(7%)
(9,369)	Cost of sales	(2,210)	(1,997)	10%
<b>305</b>	<b>Gross profit</b>	<b>32</b>	<b>79</b>	-
(448)	Selling, distribution and administrative expenses	(108)	(104)	4%
(3)	Exploration expenses	(1)	(0)	38%
(50)	Other operating (expenses) / income - net*	5	2	(45%)
<b>(195)</b>	<b>Operating profit (loss)</b>	<b>(72)</b>	<b>(23)</b>	<b>69%</b>
(209)	Finance costs - net	(47)	(53)	(12%)
9	Currency exchange gains /(losses)	(1)	1	-
57	Share of operating profit of associates**	32	14	(56%)
<b>(338)</b>	<b>Profit before income tax</b>	<b>(89)</b>	<b>(60)</b>	<b>33%</b>
66	Income tax expense / (credit)	6	19	-
<b>(272)</b>	<b>Profit for the period</b>	<b>(83)</b>	<b>(41)</b>	<b>50%</b>
3	Minority Interest	5	3	(44%)
<b>(269)</b>	<b>Net Income (Loss)</b>	<b>(78)</b>	<b>(38)</b>	<b>51%</b>
<b>(0.88)</b>	<b>Basic and diluted EPS (in €)</b>	<b>(0.25)</b>	<b>(0.12)</b>	<b>51%</b>
<b>29</b>	<b>Reported EBITDA</b>	<b>(12)</b>	<b>25</b>	-

(\*) Includes derecognition of Elefsina project hedges (non-recurring)

(\*\*) Includes 35% share of operating profit of DEPA Group

# 1Q 2014 FINANCIAL RESULTS REPORTED VS ADJUSTED EBITDA

FY	(€ million)		1Q
2013		2013	2014
29	<b>Reported EBITDA</b>	-12	25
149	Inventory effect & one-offs	50	26
178	<b>Adjusted EBITDA</b>	38	51

# 1Q 2014 FINANCIAL RESULTS

## GROUP BALANCE SHEET

IFRS FINANCIAL STATEMENTS	FY	1Q
€ MILLION	2013	2014
<b>Non-current assets</b>		
Tangible and Intangible assets	3,607	3,582
Investments in affiliated companies*	692	708
Other non-current assets	172	187
	<b>4,470</b>	<b>4,477</b>
<b>Current assets</b>		
Inventories	1,005	875
Trade and other receivables	737	869
Derivative financial instruments	5	2
Cash and cash equivalents	960	344
	<b>2,707</b>	<b>2,090</b>
<b>Total assets</b>	<b>7,177</b>	<b>6,567</b>
Shareholders equity	2,099	2,059
Minority interest	116	113
<b>Total equity</b>	<b>2,214</b>	<b>2,172</b>
<b>Non- current liabilities</b>		
Borrowings	1,312	1,260
Other non-current liabilities	164	161
	<b>1,475</b>	<b>1,421</b>
<b>Current liabilities</b>		
Trade and other payables	2,125	1,532
Borrowings	1,338	1,417
Other current liabilities	24	26
	<b>3,488</b>	<b>2,975</b>
<b>Total liabilities</b>	<b>4,963</b>	<b>4,396</b>
<b>Total equity and liabilities</b>	<b>7,177</b>	<b>6,567</b>

(\*) 35% share of DEPA Group book value (consolidated as an associate)

# 1Q 2014 FINANCIAL RESULTS

## GROUP CASH FLOW

FY 2013	IFRS FINANCIAL STATEMENTS € MILLION	1Q 2013	1Q 2014
	<b>Cash flows from operating activities</b>		
502	Cash generated from operations	(276)	(586)
(9)	Income and other taxes paid	(1)	(2)
<b>493</b>	<b>Net cash (used in) / generated from operating activities</b>	<b>(277)</b>	<b>(588)</b>
	<b>Cash flows from investing activities</b>		
(105)	Purchase of property, plant and equipment & intangible assets	(10)	(25)
(7)	Acquisition of subsidiary	-	-
4	Sale of property, plant and equipment & intangible assets	1	-
8	Interest received	2	2
(3)	Investments in associates	-	-
13	Dividends received	-	-
<b>(90)</b>	<b>Net cash used in investing activities</b>	<b>(7)</b>	<b>(23)</b>
	<b>Cash flows from financing activities</b>		
(184)	Interest paid	(45)	(33)
(46)	Dividends paid	(2)	-
1,276	Proceeds from borrowings	776	81
(1,384)	Repayment of borrowings	(933)	(53)
<b>(338)</b>	<b>Net cash generated from / (used in ) financing activities</b>	<b>(204)</b>	<b>(5)</b>
<b>65</b>	<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(488)</b>	<b>(616)</b>
<b>901</b>	<b>Cash &amp; cash equivalents at the beginning of the period</b>	<b>901</b>	<b>960</b>
(6)	Exchange gains/(losses) on cash & cash equivalents	(2)	-
65	Net increase/(decrease) in cash & cash equivalents	(488)	(616)
<b>960</b>	<b>Cash &amp; cash equivalents at end of the period</b>	<b>411</b>	<b>344</b>

# 1Q 2014 FINANCIAL RESULTS

## SEGMENTAL ANALYSIS

FY			1Q	
2013	€ million, IFRS	2013	2014	Δ%
	<b>Reported EBITDA</b>			
-80	Refining, Supply & Trading	-34	-1	98%
63	Marketing	9	10	10%
53	Petrochemicals	14	17	19%
36	<b>Core Business</b>	-11	26	-
-8	Other (incl. E&P)	-1	-1	3%
29	<b>Total</b>	-12	25	-
102	<b>Associates (Power &amp; Gas) share attributable to Group</b>	31	27	-15%
	<b>Adjusted EBITDA (*)</b>			
57	Refining, Supply & Trading	21	24	16%
68	Marketing	4	11	-
57	Petrochemicals	14	17	19%
183	<b>Core Business</b>	39	52	32%
-5	Other (incl. E&P)	-1	-1	3%
178	<b>Total</b>	38	51	35%
102	<b>Associates (Power &amp; Gas) share attributable to Group</b>	31	27	-15%
	<b>Adjusted EBIT (*)</b>			
-97	Refining, Supply & Trading	-22	-7	68%
13	Marketing	-9	-2	79%
45	Petrochemicals	10	14	36%
-39	<b>Core Business</b>	-21	5	-
-7	Other (incl. E&P)	-1	-1	-10%
-46	<b>Total</b>	-22	3	-
57	<b>Associates (Power &amp; Gas) share attributable to Group</b>	32	14	-56%

(\*) Calculated as Reported less the Inventory effects and other non-operating items

# 1Q 2014 FINANCIAL RESULTS

## SEGMENTAL ANALYSIS – II

FY 2013	€ million, IFRS	2013	1Q 2014	Δ%
<b>Volumes (M/T'000)</b>				
<b>12,696</b>	Refining, Supply & Trading	2,872	<b>2,790</b>	-3%
<b>4,043</b>	Marketing	862	<b>807</b>	-6%
<b>295</b>	Petrochemicals	68	<b>60</b>	-12%
<b>17,035</b>	<b>Total - Core Business</b>	<b>3,802</b>	<b>3,657</b>	<b>-4%</b>
<b>Sales</b>				
<b>9,078</b>	Refining, Supply & Trading	2,097	<b>1,929</b>	-8%
<b>3,345</b>	Marketing	742	<b>658</b>	-11%
<b>327</b>	Petrochemicals	80	<b>80</b>	1%
<b>12,750</b>	<b>Core Business</b>	<b>2,918</b>	<b>2,667</b>	<b>-9%</b>
<b>-3,076</b>	Intersegment & other	-677	<b>-591</b>	13%
<b>9,674</b>	<b>Total</b>	<b>2,241</b>	<b>2,077</b>	<b>-7%</b>
<b>Capital Employed</b>				
<b>2,248</b>	Refining, Supply & Trading	2,869	<b>2,707</b>	-6%
<b>775</b>	Marketing	900	<b>886</b>	-2%
<b>129</b>	Petrochemicals	139	<b>138</b>	-1%
<b>3,152</b>	<b>Core Business</b>	<b>3,908</b>	<b>3,731</b>	<b>-5%</b>
<b>692</b>	Associates (Power & Gas)	677	<b>708</b>	5%
<b>62</b>	Other (incl. E&P)	37	<b>63</b>	69%
<b>3,905</b>	<b>Total</b>	<b>4,623</b>	<b>4,502</b>	<b>-3%</b>

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- Industry Environment
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- **Q&A**

# DISCLAIMER

## Forward looking statements

*Hellenic Petroleum do not in general publish forecasts regarding their future financial results. The financial forecasts contained in this document are based on a series of assumptions, which are subject to the occurrence of events that can neither be reasonably foreseen by Hellenic Petroleum, nor are within Hellenic Petroleum's control. The said forecasts represent management's estimates, and should be treated as mere estimates. There is no certainty that the actual financial results of Hellenic Petroleum will be in line with the forecasted ones.*

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*This presentation also contains certain financial information and key performance indicators which are primarily focused at providing a “business” perspective and as a consequence may not be presented in accordance with International Financial Reporting Standards (IFRS).*