HELLENIC PETROLEUM S.A.

Consolidated Financial Statements
in accordance with IFRS for the
year ended 31 December 2013

GENERAL COMMERCIAL REGISTRY: 000269901000
COMPANY REGISTRATION NUMBER: 2443/06/B/86/23
REGISTERED OFFICE: 8[A] CHIMARRAS STR, 15125 MAROUSSI, GREECE

Index to the consolidated financial statements

(All amounts in Euro thousands unless otherwise stated)

Company Information

Directors	Ioannis Papathanasiou – Chairman of the Board (since 27/2/2014) John Costopoulos – Chief Executive Officer Theodoros-Achilleas Vardas – Member Andreas Shiamishis – Member (since 30/05/2013) Vassilios Nikoletopoulos – Member (since 30/05/2013) Panagiotis Ofthalmides – Member Theodoros Pantalakis – Member Spyridon Pantelias – Member Konstantinos Papagiannopoulos – Member (since 27/06/2013) Christos Razelos, - Member (since 30/05/2013) Ioannis Raptis,- Member (since 27/06/2013) Ioannis Sergopoulos – Member (since 27/06/2013) Aggelos Chatzidimitriou - Member (since 30/05/2013)

John Costopoulos, Theodoros-Achilleas Vardas and Andreas Shiamishis are executive members of the board.

Other Board Members during the previous period:	Christos-Alexis Komninos – Chairman of the Board (23/12/2011 – 23/02/2014) Dimokritos Amallos – Member (28/12/2009 – 14/05/2013) Alexios Athanasopoulos – Member (14/05/2008 – 26/06/2013) Georgios Kallimopoulos – Member (11/12/2007 – 14/05/2013) Alexandros Katsiotis – Member (28/12/2009 – 14/05/2013) Gerassimos Lachanas – Member (28/12/2009 – 14/05/2013) Dimitrios Lalas – Member (28/12/2009 – 26/06/2013)
Registered Office:	8A Chimarras Str. 15125 Maroussi, Greece
Registration number:	2443/06/B/86/23
General Commercial Registry:	000269901000
Auditors:	PricewaterhouseCoopers S.A. 268 Kifissias Ave. 152 32 Halandri Greece

Independent Auditor's Report

To the Shareholders of Hellenic Petroleum S.A.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Hellenic Petroleum S.A. (the "Company") and its subsidiaries (together, the Group) set out on pages 7 to 68 which comprise the consolidated statement of financial position as of 31 December 2013 and the consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal and Regulatory Matters

a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.

b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying consolidated financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 27 February 2014
The Certified Auditor Accountant

PricewaterhouseCoopers S.A.

SOEL Reg. No. 113

Marios Psaltis
SOEL Reg.No. 38081

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of financial position

	Note	As at 31 December 2013	31 December 2012 [1]
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	3.463.119	3.569.557
Intangible assets	**7**	143.841	157.704
Investments in associates and joint ventures	**8**	691.501	645.756
Deferred income tax assets	**17**	63.664	20.437
Available-for-sale financial assets	**3**	1.163	1.891
Loans, advances and long term assets	**9**	106.735	115.055
		4.470.023	**4.510.400**
Current assets			
Inventories	**10**	1.005.264	1.200.647
Trade and other receivables	**11**	737.250	790.460
Derivative financial instruments	**21**	5.263	840
Cash, cash equivalents and restricted cash	**12**	959.602	901.061
		2.707.379	**2.893.008**
Total assets		**7.177.402**	**7.403.408**
EQUITY			
Share capital	**13**	1.020.081	1.020.081
Reserves	**14**	566.103	527.298
Retained Earnings		512.771	827.368
Capital and reserves attributable to owners of the parent		**2.098.955**	**2.374.747**
Non-controlling interests		115.511	121.484
Total equity		**2.214.466**	**2.496.231**
LIABILITIES			
Non- current liabilities			
Borrowings	**16**	1.311.804	383.274
Deferred income tax liabilities	**17**	45.405	84.599
Retirement benefit obligations	**18**	87.429	102.330
Provisions for other liabilities and charges	**19**	6.184	8.332
Other long term liabilities	**20**	24.584	27.142
		1.475.406	**605.677**
Current liabilities			
Trade and other payables	**15**	2.125.435	1.872.626
Derivative financial instruments	**21**	-	47.055
Current income tax liabilities		22.404	5.046
Borrowings	**16**	1.338.384	2.375.097
Dividends payable		1.307	1.676
		3.487.530	**4.301.500**
Total liabilities		**4.962.936**	**4.907.177**
Total equity and liabilities		**7.177.402**	**7.403.408**

The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

[1]: Comparative amounts have been adjusted where necessary to reflect the adoption of revised IAS 19. The Group has disclosed the effect of the change on its 31 December 2011 balance sheet in Note 2, and does not consider it material to present the restated 31 December 2011 balance sheet as required by IAS 8.

These consolidated financial statements were approved by the board on 27 February 2014.

J. Costopoulos	A. Shiamishis	S. Papadimitriou
Chief Executive Officer	Chief Financial Officer	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of comprehensive income

	Note	For the year ended 31 December 2013	31 December 2012 [1]
Sales		**9.674.324**	**10.468.870**
Cost of sales		(9.369.172)	(9.901.754)
Gross profit		**305.152**	**567.116**
Selling and distribution expenses		(324.007)	(322.660)
Administrative expenses		(123.596)	(114.986)
Exploration and development expenses	**23**	(2.992)	(3.543)
Other operating (expenses) / income- net	**24**	(49.869)	(4.374)
Operating profit / (loss)		**(195.312)**	**121.553**
Finance (expenses) / income- net	**25**	(209.287)	(54.201)
Currency exchange gains / (losses)	**26**	9.082	10.775
Share of profit of investments in associates and joint ventures	**8**	57.391	38.221
Profit / (loss) before income tax		**(338.126)**	**116.348**
Income tax (expense) / credit	**27**	65.661	(33.766)
Profit / (loss) for the year		**(272.465)**	**82.582**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit pension plans		(679)	14.753
		(679)	14.753
Items that may be reclassified subsequently to profit or loss:			
Fair value gains / (losses) on available-for-sale financial assets		(105)	(100)
Fair value gains / (losses) on cash flow hedges	**14**	9.402	3.151
Derecognition of gains/(losses) on hedges through comprehensive income	**14**	31.465	27.025
Currency translation differences and other movements		(1.051)	(1.168)
		39.711	28.908
Other Comprehensive (loss) / income for the year, net of tax		**39.032**	**43.661**
Total comprehensive (loss) / income for the year		**(233.433)**	**126.243**
Profit / (loss) attributable to:			
Owners of the parent		(269.229)	85.547
Non-controlling interests		(3.236)	(2.965)
		(272.465)	**82.582**
Total comprehensive income attributable to:			
Owners of the parent		(230.199)	129.328
Non-controlling interests		(3.234)	(3.085)
		(233.433)	**126.243**
Basic and diluted earnings per share (expressed in Euro per share)	**28**	**(0,88)**	**0,28**

The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

[1]: Comparative amounts have been adjusted where necessary to reflect the adoption of revised IAS 19, as detailed in Note 2.

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of changes in equity

	Note	Share Capital	Reserves	Retained [1] Earnings	Total	Non-controlling Interest	Total [1] Equity
		Attributable to owners of the Parent					
Balance at 1 January 2012 (as previously reported)		**1.020.081**	**493.142**	**883.758**	**2.396.981**	**132.393**	**2.529.374**
Effect of changes in accounting policy	**2**	-	-	(14.278)	(14.278)	-	(14.278)
Balance at 1 January 2012		**1.020.081**	**493.142**	**869.480**	**2.382.703**	**132.393**	**2.515.096**
Fair value gains / (losses) on available-for-sale financial assets	**14**	-	(100)	-	(100)	-	(100)
Currency translation differences and other movements	**14**	-	(1.048)	-	(1.048)	(120)	(1.168)
Actuarial gains/(losses) on defined benefit pension plans		-	-	14.753	14.753		14.753
Fair value gains / (losses) on cash flow hedges	**14**	-	3.151	-	3.151	-	3.151
Derecognition of gains/(losses) on hedges through comprehensive income	**14**	-	27.025	-	27.025	-	27.025
Other comprehensive income / (loss)		**-**	**29.028**	**14.753**	**43.781**	**(120)**	**43.661**
Profit/(loss) for the year		-	-	85.547	85.547	(2.965)	82.582
Total comprehensive income for the year		**-**	**29.028**	**100.300**	**129.328**	**(3.085)**	**126.243**
Share based payments	**13**	-	252	-	252	-	252
Transfers to statutory and tax reserves	**14**	-	4.876	(4.876)	-	-	-
Participation of non-controlling interests holding in share capital decrease of subsidiary		-	-	-	-	(6.455)	(6.455)
Dividends to non-controlling interests		-	-	-	-	(1.369)	(1.369)
Dividends relating to 2011		-	-	(137.536)	(137.536)	-	(137.536)
Balance at 31 December 2012		**1.020.081**	**527.298**	**827.368**	**2.374.747**	**121.484**	**2.496.231**
Fair value gains / (losses) on available-for-sale financial assets	**14**	-	(107)	-	(107)	2	(105)
Currency translation differences and other movements	**14**	-	(1.051)	-	(1.051)	-	(1.051)
Actuarial gains/(losses) on defined benefit pension plans	**14**	-	(679)	-	(679)	-	(679)
Fair value gains / (losses) on cash flow hedges	**14**	-	9.402	-	9.402	-	9.402
Derecognition of gains/(losses) on hedges through comprehensive income	**14**	-	31.465	-	31.465	-	31.465
Other comprehensive income / (loss)		**-**	**39.030**	**-**	**39.030**	**2**	**39.032**
Profit/(loss) for the year		-	-	(269.229)	(269.229)	(3.236)	(272.465)
Total comprehensive income for the year		**-**	**39.030**	**(269.229)**	**(230.199)**	**(3.234)**	**(233.433)**
Share based payments	**13**	-	(225)	477	252	-	252
Dividends to non-controlling interests		-	-	-	-	(2.739)	(2.739)
Dividends relating to 2012	**29**	-	-	(45.845)	(45.845)	-	(45.845)
Balance at 31 December 2013		**1.020.081**	**566.103**	**512.771**	**2.098.955**	**115.511**	**2.214.466**

The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

[1]: Comparative amounts have been adjusted where necessary to reflect the adoption of revised IAS 19, as detailed in Note 2.

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of cash flows

	Note	For the year ended 31 December 2013	31 December 2012
Cash flows from operating activities			
Cash generated from operations	**30**	501.406	557.742
Income tax paid		(8.808)	(33.826)
Net cash generated from / (used in) used in operating activities		**492.598**	**523.916**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets		(105.149)	(518.095)
Acquisition of subsidiary, net of cash acquired	**34**	(6.631)	-
Proceeds from disposal of property, plant and equipment & intangible assets		4.097	4.057
Proceeds from the sale of subsidiary, net of cash owned		-	1.900
Interest received		8.050	12.692
Dividends received		12.802	8.873
Payments from share capital decrease to non-controlling interests		-	(6.455)
Participation in share capital (increase)/ decrease of associates		(2.504)	(640)
Net cash generated from / (used in) investing activities		**(89.335)**	**(497.668)**
Cash flows from financing activities			
Interest paid		(184.305)	(66.585)
Dividends paid to shareholders of the Company		(43.706)	(138.264)
Dividends paid to non-controlling interests		(2.739)	(1.389)
Proceeds from borrowings		1.276.000	682.722
Repayments of borrowings		(1.384.182)	(590.857)
Net cash generated from / (used in) financing activities		**(338.932)**	**(114.373)**
Net (decrease) / increase in cash, cash equivalents and restricted cash		**64.331**	**(88.125)**
Cash,cash equivalents and restricted cash at the beginning of the year	**12**	**901.061**	**985.486**
Exchange gains / (losses) on cash, cash equivalents and restricted cash		(5.790)	3.700
Net (decrease) / increase in cash, cash equivalents and restricted cash		64.331	(88.125)
Cash, cash equivalents and restricted cash at end of the year	**12**	**959.602**	**901.061**

The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 General information

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

The parent Company is incorporated in Greece and the address of its registered office is 8^A Chimarras street, Marousi. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDRs.

The financial statements and the consolidated financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2013 were authorised for issue by the Board of Directors on 27 February 2014. The shareholders of the Company have the power to amend the financial statements after issue.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union ("EU"), and present the financial position, results of operations and cash flows of the Group on a going concern basis which assumes that the Group has plans in place to avoid material disruptions to its operations. In this respect Management has concluded that (a) the going concern basis of preparation of the accounts is appropriate, and (b) all assets and liabilities of the Group are appropriately presented in accordance with the Group's accounting policies.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 "Critical accounting estimates and judgements". These estimates are based on management's best knowledge of current events and actions; actual results ultimately may differ from those estimates.

2.1.1 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is set out below.

a) The following standards, amendments to standards and interpretations to existing standards are applicable to the Group for periods on or after 1 January 2013:

- *IAS 1 (Amendment) "Presentation of Financial Statements"* The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. The Group has applied the amendments from 1 January 2013.

- *IAS 19 (Amendment) "Employee Benefits".*This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits. The Group has applied the changes from 1 January 2013, and has also restated the comparative figures for 2012.

- *IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 January 2014).* This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. The Group is currently evaluating the impact the amendment will have on its consolidated financial statements.

- *IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets" (effective for annual periods beginning on or after 1 January 2014).* This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment. The Group is currently evaluating the impact the amendment will have on its consolidated financial statements.

- *IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" (effective for annual periods beginning on or after 1 January 2014).* This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met. The Group is currently evaluating the impact the amendment will have on its consolidated financial statements.

- *IFRS 7 (Amendment) "Financial Instruments: Disclosures".* The IASB has published this amendment to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This amendment is not expected to have an impact on the Group's financial statements.

- *IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual periods beginning on or after 1 January 2015)*: The amendment requires additional disclosures on transition from IAS 39 to IFRS 9. The amendment has not yet been endorsed by the EU.

- *IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015).* IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2015.

- *IFRS 9 "Financial Instruments: Hedge accounting and amendments to IFRS 9, IFRS7 and IAS 39" (effective for annual periods beginning on or after 1 January 2015)*. The IASB has published IFRS 9 Hedge Accounting, the third phase of its replacement of IAS 39 which establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The second amendment requires changes in the fair value of an entity's debt attributable to changes in an entity's own credit risk to be recognised in other comprehensive income and the third amendment is the removal of the mandatory effective date of IFRS 9. These amendments have not yet been endorsed by the EU.

- *IFRS 13 "Fair value measurement"*. IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This amendment is not expected to have an impact on the Group's financial statements.

- *IFRIC 21 "Levies" (effective for annual periods beginning on or after 1 January 2014)*. This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date. This interpretation has not yet been endorsed by the EU.

- *IAS 19R (Amendment) "Employee Benefits" (effective for annual periods beginning on or after 1 July 2014)*. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments have not yet been endorsed by the EU.

- Group of standards on consolidation and joint arrangements *(effective for annual periods beginning on or after 1 January 2014)*:

  The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

  – *IFRS 10 "Consolidated Financial Statements"*. IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

  – *IFRS 11 "Joint Arrangements"*. IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

– *IFRS 12 "Disclosure of Interests in Other Entities"*. IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

– *IAS 27 (Amendment) "Separate Financial Statements"*. This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "Investments in Associates" and IAS 31 "Interests in Joint Ventures" regarding separate financial statements.

– *IAS 28 (Amendment) "Investments in Associates and Joint Ventures"*. IAS 28 "Investments in Associates and Joint Ventures" replaces IAS 28 "Investments in Associates". The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

– *IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance"*. *(effective for annual periods beginning on or after 1 January 2014).* The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

– *IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities" (effective for annual periods beginning on or after 1 January 2014)*. The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

- Amendments to standards that form part of the IASB's 2011 annual improvements project. The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB's annual improvements project. These amendments are effective for annual periods beginning on or after 1 January 2013.

– *IAS 1 "Presentation of financial statements"*. The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 "Accounting policies, changes in accounting estimates and errors" or (b) voluntarily.

– *IAS 16 "Property, plant and equipment"*. The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

- *IAS 32 "Financial instruments: Presentation"*. The amendment clarifies that income tax related to distributions is recognised in the income statement and income tax related to the costs of equity transactions is recognised in equity, in accordance with IAS 12.

- *IAS 34, "Interim financial reporting"*. The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 "Operating segments".

• Annual Improvements to IFRSs 2012 *(effective for annual periods beginning on or after 1 July 2014).* The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

- *IFRS 2 "Share-based payment"*. The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

- *IFRS 3 "Business combinations"*. The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 "Financial instruments: Presentation". It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

- *IFRS 8 "Operating segments"*. The amendment requires disclosure of the judgements made by management in aggregating operating segments.

- *IFRS 13 "Fair value measurement"*. The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

- *IAS 16 "Property, plant and equipment"* and *IAS 38 "Intangible assets"*. Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

- *IAS 24 "Related party disclosures"*. The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

• Annual Improvements to IFRSs 2013 *(effective for annual periods beginning on or after 1 July 2014)*. The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

- *IFRS 3 "Business combinations"*. This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

- *IFRS 13 "Fair value measurement"*. The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

- *IAS 40 "Investment property"*. The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

- *IFRS 1 "First-time adoption of International Financial Reporting Standards"*. The amendment clarifies that a first-time adopter can use either the old or the new version of a revised standard when early adoption is permitted.

b) The following amendments to standards and interpretations to existing standards are mandatory for the Group's accounting periods beginning on or after 1 January 2013 or later periods but are not applicable to the Group:

- IAS 12 (Amendment) "Income Taxes" with regard to Investment Property using the fair value model.

- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine", applicable only to costs incurred in surface mining activity.

- IFRS 1 (Amendment) "Government Loans". The amendment sets out how a first-time adopter would account for a government loan with a below-market rate of interest when they transition to IFRSs.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss (see Note 2.7).

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition (see Note 2.7).

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit (loss) of an associate" in the income statement.

Profits and losses resulting from upstream and downstream transactions between the group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

(e) Joint ventures and jointly controlled operations

Joint ventures

Joint ventures are accounted for using the equity method. The Group's share of its joint ventures' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Jointly controlled operations

A jointly controlled operation arises where the Group has rights to the assets and obligations of the operation. The Group recognizes its share of the assets, obligations, revenue and expenses of the jointly controlled operation, including its share of those held or incurred jointly, in each respective line of its' financial statements.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

2.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Euro, which is the Group's functional and presentation currency. Given that the Group's primary activities are in oil refining and trading, in line with industry practices, most crude oil and oil product trading transactions are based on the international reference prices of crude oil and oil products in US Dollars. Depending on the country of operation, the Group translates this value to the local currency (Euro in most cases) at the time of any transaction.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income in the financial statement line that is relevant to the specific transaction, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognized in profit or loss separately, and other changes in carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(c) *Group companies*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
(iii) all resulting exchange differences are recognized as a separate component of equity.

(All amounts in Euro thousands unless otherwise stated)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

Property, plant and equipment comprise mainly land, buildings (plant, the owned retail network and offices), oil refineries, vessels and equipment. Property, plant and equipment is shown at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income statement as incurred. Refinery turnaround costs that take place periodically are capitalised and charged against income on a straight line basis until the next scheduled turnaround to the extent that such costs improve either the useful economic life of the equipment or its production capacity.

Assets under construction are assets (mainly related to the refinery units) that are in the process of construction or development, and are carried at cost. Cost includes cost of construction, professional fees and other direct costs. Assets under construction are not depreciated, as the corresponding assets are not yet available for use.

Land is also not depreciated. Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful economic life, as shown on the table below for the main classes of assets:

– Buildings	13 – 40 years
– Plant & Machinery	
▪ Specialised industrial installations and Machinery	10 – 35 years
▪ Other equipment	5 – 10 years
– Motor Vehicles	
▪ LPG and white products carrier vessels	8 – 25 years
▪ Other Motor Vehicles	5 – 10 years
– Furniture and fixtures	
▪ Computer hardware	3 – 5 years
▪ Other furniture and fixtures	4 – 10 years

Included in specialised industrial installations are refinery units, petrochemical plants, tank facilities and petrol stations. Based on technical studies performed, the expected useful life of the new refinery units (Elefsina refinery) has been estimated to be up to 35 years. The remaining useful economic life of other refining units has been reviewed and adjusted from 1 July 2013 and in general does not exceed 25 years.

Depreciation on refinery components (included within specialised industrial installations) is charged after the commissioning phase is completed and the new refinery units are ready for start-up and commercial operation. In case of more complex projects such as the upgraded refinery the commissioning process is a lengthier one with a number of activities for each unit separately and then for combination of units as systems. Once all units achieve start-up status with oil-in (i.e. operations with feed stocks) temperature, pressure and catalysts are applied which over a period of time bring the units to their normal state of operation and as intended to be used. After that, units need to be tested for proper capacity and yield performance at which stage the unit is made available for proper commercial operation.

The assets residual values and estimated useful economic lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

If the asset's carrying amount is greater than its estimated recoverable amount then it is written down immediately to its recoverable amount (see Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement within 'Other income / (expenses) – net'.

2.6 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are added to the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use.

Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. All other borrowing costs are expensed as incurred.

2.7 Intangible assets

(a) Goodwill

Goodwill represents the excess of the consideration transferred over the Company's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. In the event that the fair value of the Company's share of the identifiable assets of the acquired subsidiary at the date of acquisition is higher than the cost, the excess remaining is recognised immediately in the statement of comprehensive income.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment. Goodwill impairment reviews are undertaken annually or more frequently, if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and fair value less costs to sell.

(b) Retail Service Stations Usage rights

Retail Service Stations Usage rights, represent upfront lump-sum amounts paid upon the signing to owners of such retail sites for the use and control of the service stations. Such payments are made to secure branding and future revenues for the Group that were not available in the past and are therefore capitalised in accordance with IAS 38, Intangible Assets. They are amortised over the life of the acquired right.

(c) Licences and rights

License fees for the use of know-how relating to the polypropylene plant have been capitalised in accordance with IAS 38, Intangible Assets. They have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is being calculated using the straight-line method to allocate the cost of licences and rights over their estimated useful lives (15 years).

Licenses and rights also include Upstream Exploration rights which are amortised over the period of the exploration period as per the terms of the relevant licences.

(d) Computer software

These include primarily the costs of implementing the (ERP) computer software program. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over their estimated useful lives (3 to 5 years).

2.8 Exploration for and Evaluation of Mineral Resources

(a) Exploration and evaluation assets

During the exploration period and before a commercial viable discovery, oil and natural gas exploration and evaluation expenditures are expensed. Geological and geophysical costs as well as costs directly associated with an exploration are expensed as incurred. Exploration property leasehold acquisition costs are capitalized within intangible assets and amortised over the period of the licence or in relation to the progress of the activities if there is a substantial difference.

(b) Development of tangible and intangible assets

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells is capitalized within tangible and intangible assets according to their nature. When development is completed on a specific field, it is transferred to production assets. No depreciation and/or amortization is charged during development.

(c) Oil and gas production assets

Oil and gas properties are aggregated exploration and evaluation tangible assets and development expenditures associated with the production of proved reserves.

(d) Depreciation/amortization

Oil and gas properties/intangible assets are depreciated/amortized using the unit-of-production method. Unit-of-production rates are based on proved developed reserves, which are oil, gas and other mineral reserves estimated to be recovered from existing facilities using current operating methods. Oil and gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the field storage tank.

(e) Impairment – exploration and evaluation assets

The exploration property leasehold acquisition costs are tested for impairment whenever facts and circumstances indicate impairment. For the purposes of assessing impairment, the exploration property leasehold acquisition costs subject to testing are grouped with existing cash-generating units (CGUs) of production fields that are located in the same geographical region corresponding to each licence.

(f) Impairment – proved oil and gas properties and intangible assets

Proven oil and gas properties and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and, are tested annually for impairment. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (discounted cash flows an asset is expected to generate based upon management's expectations of future economic and operating conditions). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Financial assets

2.10.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, held-to-maturity, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables include "Trade and other receivables" and "Cash and cash equivalents" in the statement of financial position.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

2.10.2 Recognition and measurement

Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

Purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they have arisen. Changes in the fair value of monetary and non-monetary financial assets classified as available for sale are recognized in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as "gains or loss from investment securities".

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

2.10.3 Impairment of financial assets

The Group assesses at each end of the reporting period whether there is objective evidence that a financial asset or a Group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

Impairment testing for receivables is described in note 2.14.

2.10.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.11 Derivative financial instruments and hedging activities

As part of its risk management policy, the Group utilizes currency and commodity derivatives to mitigate the impact of volatility in commodity prices and foreign exchange rates. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in fair values of the derivative financial instruments are recognised at each reporting date either in the statement of comprehensive income or in equity, depending on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

(a) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);

(b) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The instruments used for this risk management include commodity exchange traded contracts (ICE futures), full refinery margin forwards, product price forward contracts or options.

Cash flow hedges

In 2006, the Group entered into certain derivative contracts that were designated as cash flow hedges. The effective portion of changes in the fair value of these derivatives is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the statement of comprehensive income within "Other operating (expenses)/ income. Amounts accumulated in equity are recycled in the statement of comprehensive income in the periods when the hedged item affects profit or loss (i.e. when the forecast transaction being hedged takes place) within Cost of sales.

When a hedging instrument expires or is sold, or a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of comprehensive income. When a forecast transaction is no longer expected to occur, the derivative is de-designated and the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income within "Other operating (expenses)/ income".

Derivatives held for trading

The derivatives that do not qualify for hedge accounting are classified as held-for-trading and accounted for at fair value through profit or loss. Changes in the fair value of the derivative instruments that do not qualify for hedge accounting are recognized immediately in the statement of comprehensive income.

2.12 Government grants

Government grants related to Property, Plant and Equipment received by the Group are initially recorded as deferred government grants and included in "Other long term liabilities". Subsequently, they are credited to the statement of comprehensive income over the useful lives of the related assets in direct relationship to the depreciation charged on such assets.

2.13 Inventories

Inventories comprise crude oil and other raw materials, refined and semi-finished products, petrochemicals, merchandise, consumables and other spare parts.

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is determined using the monthly weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. It does not include borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Spare parts consumed within a year are carried as inventory and recognized in profit or loss when consumed.

Under IEA and EU regulations, Greece has a policy of maintaining 90 days of strategic stock reserves (Compulsory Stock Obligations). This responsibility is passed on to all companies who import and sell in the domestic market who have the responsibility to maintain and finance the appropriate stock levels. Such stocks are part of the operating stocks and are valued on the same basis.

2.14 Trade receivables

Trade receivables, which generally have 20-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is clear evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Trade receivables include bills of exchange and promissory notes from customers.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the statement of comprehensive income and is included in "Selling, Distribution and Administrative expenses".

2.15 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments such as marketable securities and time deposits with original maturities of three months or less.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. At the end of the reporting period payable amounts of bank overdrafts are included within borrowings in current liabilities on the statement of financial position. In the statement of cash flows bank overdrafts are shown within financing activities.

2.18 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction does not affect either accounting or taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

2.19 Employee benefits

(a) *Pension obligations*

The Group participates in various pension schemes. The payments are determined by the local legislation and the funds' regulations. The Group has both defined benefit and defined contribution plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly administered Social Security funds on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Share-based compensation

The Group operates a shares option plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, at the date of granting. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting period end, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.20 Trade and other payables

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.21 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

2.22 Environmental liabilities

Environmental expenditure that relates to current or future revenues is expensed or capitalised as appropriate. Expenditure that relates to an existing condition caused by past operations and that does not contribute to current or future earnings is expensed.

The Group has an environmental policy which complies with existing legislation and any obligations resulting from its environmental and operational licences. In order to comply with all rules and regulations, the Group has set up a monitoring mechanism in accordance with the requirements of the relevant authorities. Furthermore, investment plans are adjusted to reflect any known future environmental requirements. The above mentioned expenses are estimated based on the relevant environmental studies.

Liabilities for environmental remediation costs are recognised when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

2.23 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised as follows:

(a) Sales of goods – wholesale

Revenue on sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales of goods are recognised when the Group has delivered the products to the customer; the customer has accepted the products; and collectability of the related receivables is reasonably assured.

(b) Sales of goods – retail

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

(c) Sales of services

For sales of services, revenue is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(d) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.24 Leases

Leases of property plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in "Borrowings". The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

2.25 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's Shareholders' General Meeting.

2.26 Changes in accounting policies

The Group adopted the amendment in IAS 16 "Property, plant and equipment, amendments to IAS 1 "Presentation of Items of Other Comprehensive income" and IAS 19 (revised 2011), "Employee Benefits".

(All amounts in Euro thousands unless otherwise stated)

The new accounting policies have had the following impact on the financial statements.

(a) IAS 16 Amendment "Property, plant and equipment".

According to the amendment, spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The Group has increased its plant and machinery 2012 figure by €19,5m, by transferring from inventory the value of the relevant spare parts and servicing equipment. The respective increase in 2013 figures is €8m. These transfers from inventory, are presented in the line "Transfers and other movements" in Note 6.

(b) IAS 1 "Presentation of Items of Other Comprehensive income"

The amendment changes the grouping of items presented in other comprehensive income between items that may be reclassified to the income statement at a future point in time and those that will not be reclassified.

(c) IAS 19 (revised 2011), "Employee Benefits"

Due to the amendment of IAS19 relating to the recognition and measurement of defined benefit pension expense and termination benefits the Group has restated total comprehensive income, total equity, retirement benefit obligation and deferred tax of prior years as follows:

Other comprehensive income	**As at 31 December 2012**
Total comprehensive income before the application of the amended IAS 19	28.908
Impact due to IAS 19 amendment	19.603
Deferred tax adjustment	(4.850)
Total comprehensive income after the application of the amended IAS 19	**43.661**

Total equity	**As at 31 December 2012**	**As at 1 January 2012**
Total equity before the application of the amended IAS 19	2.494.400	2.529.374
Impact due to IAS 19 amendment	2.756	(18.697)
Deferred Tax adjustment	(925)	4.419
Total equity after the application of the amended IAS 19	**2.496.231**	**2.515.096**

Retirement benefit obligations	**As at 31 December 2012**
Retirement benefit obligations before the application of the amended IAS 19	105.086
Impact due to IAS 19 amendment	(2.756)
Retirement benefit obligations after the application of the amended IAS 19	**102.330**

2.27 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

3 Financial risk management

3.1 Financial risk factors

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

Greek Macros: During the previous year the Group faced exceptional challenges and increased cost of doing business (higher cost of funding, increased supply costs) mainly as a result of the economic crisis in Greece and the political uncertainty. In the second half of 2013 GDP decline slowed significantly compared to the previous 4 years whilst at the same time, transport and heating fuels consumption stabilised after 18 consecutive quarters of decline. While the economic situation in Greece remains challenging sentiment about political and economic developments has notably improved in 2013. Furthermore the ability of certain Greek corporates including Hellenic Petroleum to raise financing in the capital markets as well as the recapitalization of the Greek banking system, are expected to contribute towards alleviating the liquidity conditions as well as the risk profile of the Greek economy.

Currency: In terms of currency, the Group's business is naturally hedged against the risk of having a different functional currency. All petroleum industry transactions are referenced to international benchmark quotes for crude oil and oil products in USD. All international purchases and sales of crude oil and products are done in USD and all sales into local markets are either in USD prices or converted to local currency for accounting and settlement reasons using the USD reference on the date of the transaction.

Prices: 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. The Finance Department identifies and evaluates financial risks in close co-operation with the Group's operating units.

Securing continuous crude oil supplies: Financial results for the year ended 31 December 2013, were impacted by a combination of exceptional circumstances affecting the Group's trading and working capital credit capacity and consequently its cost of supply. These factors related to the political developments in the Middle East region which continue to temporarily restrict access to some of the traditional crude oil suppliers of the European market, particularly for Mediterranean refiners. In addition to the EU/US sanctions on Iranian crude imposed in 2012, the Med was also faced with the irregularity of Iraqi crude supplies due to disruptions on the pipeline network throughout the year, as well as the reduced supply of Urals (Russian export crude) to the Med. The combination of these events drove the discount of Urals versus Brent to historical lows, significantly increasing the cost of supply for heavy/sour crudes. These types of crudes typically represent 80%-90% of the crude feed for complex refiners such as Hellenic Petroleum. Furthermore, political tension in Libya resulted to a decline of more than 50% of the country's crude exports with a negative effect on light-sweet grades pricing. Adjusting to these challenges, the Group changed its working capital supply chain allowing uninterrupted operations and supply of the Greek market, albeit with an increase in the cost of supply.

Debt and Refinancing: Given market developments since 2011, the key priority of the Group has been the management of Asset and Liabilities maturity profile and funding with respect to the completion of its strategic investment plan and liquidity risk for operations. As a result of this key priority initiative and in line with its medium term financing plan, the Group has maintained a mix of long term and short term credit facilities by taking into consideration bank and debt capital markets' credit capacity as well as cash flow programming and commercial considerations. As a result, approximately 49% of total debt is financed by medium to long term committed credit lines while the rest is financed by short term working capital credit facilities. As part of the refinancing plan, the, Group has successfully refinanced borrowings of €1,2 billion, which matured in December 2012 and January 2013 with the repayment of the maturing facilities partly out of operating cash flows and available cash reserves and partly through new loans. Furthermore on 10 May 2013 Hellenic Petroleum issued a 4-year €500 million Eurobond that completed the refinancing process extending the Group's maturity profile and de-risking its liquidity and funding profile. Additional information of the actions during 2013 are described in c) Liquidity risk as well as in Note 16 of these consolidated financial statements.

Capital management: The second key priority of the Group has been the management of Asset, where overall the Group has around €3,9 billion of capital employed which is driven from working capital and investment in fixed assets and its investment in DEPA Group. Current assets have been reduced mainly as a result of the decrease of business in the domestic market which is the key driver for working capital requirements and the collection of long overdue receivables from the state. These are mainly funded with current liabilities (excl. bank debt) and short term bank debt which is used to finance working capital (inventories and receivables). As a result of the investment plan, during the last few years, debt level has increased to 40-45% of total capital employed while the rest is financed through shareholders equity. The Group has started reducing its debt levels through utilization of the incremental operating cashflows, post completion and operation of the new Elefsina refinery, and plans to reduce these even further with the expected sale proceeds of its stake in DESFA and DEPA, which is expected to lead to lower Debt to Equity ratio, better matched Asset and Liability maturity profile as well as lower financing costs.

(a) Market risk

(i) Foreign exchange risk

As explained in note 2.4 "Foreign currency translation", the functional and presentation currency of the Group is the Euro. However, in line with industry practice in all international crude oil and oil trading transactions, underlying commodity prices are based on international reference prices quoted in US dollars.

Foreign currency exchange risk arises on three types of exposure:

- **Financial position translation risk:** Most of the inventory held by the Group is reported in Euro while its underlying value is determined in USD. Thus, a possible devaluation of the USD against the Euro leads to a reduction in the realisable value of inventory included in the statement of financial position. In order to manage this risk, a significant part of the Group's payables (sourcing of crude oil on credit) is denominated in USD providing an opposite effect to the one described above. It should be noted however, that while in the case of USD devaluation the impact on the statement of financial position is mitigated, in cases of USD appreciation the mark-to-market valuation of such payables leads to a reported loss under foreign exchange differences with no compensating benefit as stocks continue to be included in the statement of financial position at cost. It is estimated, that at 31 December 2013 if the Euro had weakened against the US dollar by 5% with all other variables held constant, pre-tax profits would have been approximately €40 million lower, as a result of foreign exchange losses on translation of US dollar-denominated receivables, payables, cash and borrowings.

- **Gross Margin transactions and translation risk:** The fact that most of the transactions in crude oil and oil products are based on international Platt's USD prices leads to exposure in terms of the Gross Margin translated in Euro. Recent market volatility has impacted adversely on the cost of mitigating this exposure; as a result the Group did not actively hedge material amounts of the Gross margin exposure. This exposure is linearly related to the Gross margin of the Group in that the appreciation of Euro vs. USD leads to a respective translation loss on the period results.

- **Local subsidiaries exposure:** Where the Group operates in non-Euro markets there is an additional exposure in terms of cross currency translation between USD (price base), Euro reporting currency and local currency. Where possible the Group seeks to manage this exposure by transferring the exposure for pooling at Group levels. Although material for local subsidiaries' operations, the overall exposure is not considered material for the Group.

(ii) Commodity price risk

The Group's primary activity as a refiner involves exposure to commodity prices. Changes in current or forward absolute price levels vs acquisition costs affect the value of inventory while exposure to refining margins (combination of crude oil and product prices) affect the future cash flows of the business.

In the case of price risk, the level of exposure is determined by the amount of priced inventory carried at the end of the reporting period. In periods of sharp price decline, as Group policy is to report its inventory at the lower of historical cost and net realisable value, results are affected by the reduction in the carrying value of the inventory. The extent of the exposure relates directly to the level of stocks and rate of price decrease. This exposure is partly hedged with paper derivatives to the extent that the cost of such instruments is considered positive from a risk-return point of view and subject to the structure of the market (contango vs. backwardation) as well as credit capacity for long dated transactions.

Refining margin exposure relates to the absolute level of margin generated by the operation of the refineries. This is determined by Platt's prices and varies on a daily basis; as an indication of the impact to the Group financial results, a change in the refinery margins has a proportionate impact on the Group's profitability. Where possible, the Group aims to hedge the part of its production which will be sold in the future and hence will be exposed to forward pricing, thus generating higher price risk upon completion of the sale. This, however, is not possible to do in all market conditions, such as a backwardated market structure, where future prices are below their spot levels, or when there is no credit capacity for derivatives transactions. There were no such derivative contracts open as at 31 December 2013.

(iii) Cash flow and fair value interest rate risk

The Group's operating income and cash flows are not materially affected by changes in market interest rates, given the low level of prevailing reference rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Group to fair value interest rate risk. The majority of the Group's borrowings are at variable rates of interest. 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. At 31 December 2013, if interest rates on Euro denominated borrowings had been 0,5% higher with all other variables held constant, pre-tax profit for the year would have been Euro €12 million lower.

(b) Credit risk

Credit risk is managed on a 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.

Due to market conditions, the approval of credit risk is subject to a more strict process involving all levels of senior management. A Group credit committee monitors material credit exposures on a Group wide basis. See note 11 "Trade and other receivables" for further disclosure on credit risk.

(c) Liquidity risk

Prudent liquidity risk management entails maintaining sufficient cash and financial headroom, through committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in its funding through the use of committed credit facilities.

Given market developments since 2011, the Group has placed even higher priority on liquidity risk and cash flow management. Due to the material amounts of debt that matured in January 2013, the Group worked on an overall refinancing plan to ensure that the required amounts were available to ensure uninterrupted operations. This included inter alia the following:

(a) All short term committed or uncommitted facilities that matured in 2013 were renewed or replaced by similar credit facilities. Most of these credit facilities are provided by Greek systemic banks.
(b) A term loan of $1.160 million which matured in January 2013, was refinanced by new committed credit facilities totaling €605 million. The balance of c. €300 million was repaid using existing Group cash reserves leading to a reduction of Group gross debt in January 2013.
(c) An unrated Eurobond for €500 million with annual coupon of 8% and maturity of four years was issued in May 2013.

Further details of the relevant loans and refinancing plans are provided in note 16 "Borrowings".

(All amounts in Euro thousands unless otherwise stated)

The table below analyses the Group's financial liabilities and net-settled derivative financial liabilities into relevant maturity Groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
31 December 2013				
Borrowings	1.453.339	227.404	1.080.939	168.897
Finance lease liabilities	1.069	1.010	2.686	3.056
Derivative financial instruments	-	-	-	-
Trade and other payables	2.076.816	-	-	-
Financial guarantee contracts	13.423	109.937	-	-
31 December 2012				
Borrowings	2.457.509	198.261	667.863	238.678
Finance lease liabilities	1.069	1.069	2.813	3.939
Derivative financial instruments	47.055	-	-	-
Trade and other payables	1.843.903	-	-	-
Financial guarantee contracts	122.874	-	-	-

The amounts included in the table are the contractual undiscounted cash flows. The financial guarantee contract relates to guarantees in favour of banks as security for loans granted by them to Elpedison Power (see Note 8).

3.2 Capital risk management

The Group's objective with respect to capital structure, which includes both equity and debt funding, is to safeguard its ability to continue as a going concern and to have in place an optimal capital structure from a cost perspective.

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 statement of financial position) less "Cash & cash equivalents" and, "Available for Sale financial assets". Total capital employed is calculated as "Total Equity" as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2013 and 2012 were as follows:

	As at	
	31 December 2013	**31 December 2012**
Total Borrowings (Note 16)	2.650.188	2.758.371
Less: Cash, Cash Equivalents and restricted cash (Note 12)	(959.602)	(901.061)
Less: Available for sale financial assets (Note 3)	(1.163)	(1.891)
Net debt	**1.689.423**	**1.855.419**
Total Equity	2.214.466	2.496.231
Total Capital Employed	**3.903.888**	**4.351.650**
Gearing ratio	**43%**	**43%**

(All amounts in Euro thousands unless otherwise stated)

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2013:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	5.263	-	5.263
Available for sale financial assets	1.163	-	-	1.163
	1.163	**5.263**	**-**	**6.426**
Liabilities				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	-	-	-
	-	**-**	**-**	**-**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2012:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	840	-	840
Available for sale financial assets	1.891	-	-	1.891
	1.891	**840**	**-**	**2.731**
Liabilities				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	47.055	-	47.055
	-	**47.055**	**-**	**47.055**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- The fair value of commodity swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

For the years ended 31 December 2013 and 31 December 2012, there were no transfers between levels.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Income taxes

Estimates are required in determining the provision for income taxes that the Group is subjected to in different jurisdictions. This requires significant judgement. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Provision for environmental restoration

The Group operates in the oil industry with its principal activities being that of exploration and production of hydrocarbons, refining of crude oil and sale of oil products, and the production and trading of petrochemical products. Environmental damage caused by such substances may require the Group to incur restoration costs to comply with the regulations in the various jurisdictions in which the Group operates, and to settle any legal or constructive obligation. Analysis and estimates are performed by the Group together with its technical and legal advisers, in order to determine the probability, timing and amount involved with probable required outflow of resources. Estimated restoration costs, for which disbursements are determined to be probable, are recognised as a provision in the Group's financial statements. When the final determination of such obligation amounts differs from the recognised provisions, the Group's statement of comprehensive income is impacted.

(All amounts in Euro thousands unless otherwise stated)

(c) Estimated impairment of goodwill and non-financial assets

The Group tests annually whether goodwill and non-financial assets have suffered any impairment, in accordance with its accounting policies (see Note 2.9). The recoverable amounts of cash generating units are determined based on value-in-use calculations. Significant judgement is involved in management's determination of these estimates.

(d) Fair value of derivatives and other financial instruments

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 its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(e) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency and jurisdiction in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 18.

(f) Provisions for legal claims

The Group has a number of legal claims pending against it. Management uses its judgement to assess the likely outcome of these claims and if it is more likely than not that the Group will lose a claim, then a provision is made. Provisions for legal claims, if required, are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(g) Change in accounting estimates

Due to the start-up of the upgraded Elefsina refinery, the Group conducted a review of the useful lives of its refining units (included in specialised industrial installations). Based on technical specifications for the new units, maintenance schedules and appraisals performed and experience since the beginning of the refineries start up (1970s) for older units, the expected useful life of the refining units of the upgraded Elefsina refinery is estimated up to 35 years. Also based on these technical appraisals the remaining useful lives of other refining units of the Group have been adjusted from 1 July 2013 and in general do not exceed 25 years. The Group will conduct such reviews on periodic basis in line with industry practices.

The change in accounting estimate is accounted for prospectively from 1 July 2013. The effect of this change in the estimated remaining useful life of the refining units of the Group is estimated to be around €13 million for the reporting period ended 31 December 2013. An equivalent effect is anticipated for future reporting periods.

	Years of Useful life	
	Prior to change in estimate	After change in estimate
Specialised industrial installations	10 – 25	10 -35

(All amounts in Euro thousands unless otherwise stated)

5 Segment information

All critical operating decisions are made by the Group's Executive Committee, which reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The committee considers the business from a number of measures which may vary depending on the nature and evolution of a business segment by taking into account the risk profile, cash flow, product and market considerations.

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

	Note	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
Year ended 31 December 2013									
Sales		9.077.705	3.344.999	848	326.823	905	16.600	(3.093.556)	9.674.324
Other operating income / (expense) - net	**24**	(58.268)	13.683	(483)	(3.268)	659	(2.192)	-	(49.869)
Operating profit / (loss)		**(237.986)**	**1.502**	**(5.058)**	**39.144**	**513**	**6.573**	**-**	**(195.312)**
Currency exchange gains/ (losses)	**26**	2.846	180	-	15	-	6.041	-	9.082
Profit / (loss) before tax, share of profit of investments in associates and joint ventures & finance costs		**(235.140)**	**1.682**	**(5.058)**	**39.159**	**513**	**12.614**	**-**	**(186.230)**
Share of profit of investments in associates and joint ventures	**8**	376	382	-	-	56.633	-	-	57.391
Profit / (loss) after associates		**(234.764)**	**2.064**	**(5.058)**	**39.159**	**57.146**	**12.614**	**-**	**(128.839)**
Finance (expense)/income - net	**25**								(209.287)
Profit / (loss) before income tax									**(338.126)**
Income tax (expense) / credit	**27**								65.661
(Income) / loss applicable to non-controlling interests									3.236
Profit / (loss) for the year attributable to the owners of the parent									**(269.229)**

(All amounts in Euro thousands unless otherwise stated)

	Note	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
Year ended 31 December 2012									
Sales		10.154.445	3.867.557	-	370.511	318	18.391	(3.942.352)	10.468.870
Other operating income / (expense) - net	**24**	(14.310)	12.237	(82)	3.913	(320)	(5.812)	-	(4.374)
Operating profit / (loss)		**108.345**	**(12.453)**	**(6.291)**	**29.214**	**(146)**	**2.884**	**-**	**121.553**
Currency exchange gains/ (losses)		7.882	549	-	(4)	-	2.348	-	10.775
Profit / (loss) before tax, share of profit of investments in associates and joint ventures & finance costs		**116.227**	**(11.904)**	**(6.291)**	**29.210**	**(146)**	**5.232**	**-**	**132.328**
Share of profit of investments in associates and joint ventures	**8**	4.326	115	-	(2.357)	36.137	-	-	38.221
Profit / (loss) after associates		**120.553**	**(11.789)**	**(6.291)**	**26.853**	**35.991**	**5.232**	**-**	**170.549**
Finance (expense)/income - net	**25**								(54.201)
Profit / (loss) before income tax									**116.348**
Income tax (expense) / credit	**27**								(33.766)
(Income) / loss applicable to non-controlling interests									2.965
Profit / (loss) for the year attributable to the owners of the parent									**85.547**

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

(All amounts in Euro thousands unless otherwise stated)

The segment assets and liabilities at 31 December 2013 and 2012 are as follows:

Year ended 31 December 2013	**Note**	**Refining**	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**Gas & Power**	**Other**	**Inter-Segment**	**Total**
Total assets		5.504.222	1.311.492	7.361	259.605	694.544	1.040.692	(1.640.514)	7.177.402
Investments in associates		9.976	1.751	-	-	679.774	-	-	691.501
Total liabilities		3.796.350	778.728	6.158	110.344	9.350	648.061	(386.055)	4.962.936
Net assets		1.707.872	532.764	1.203	149.261	685.194	392.631	(1.254.459)	2.214.466
Capital expenditure (for the year ended)		86.063	16.946	9	249	10.093	(1.516)	(64)	111.780
Depreciation & Amortisation (charge for the year)	**6,7**	154.586	55.209	848	12.804	222	404	-	224.073

Year ended 31 December 2012		**Refining**	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**Gas & Power**	**Other**	**Inter-Segment**	**Total**
Total assets		5.341.011	1.443.158	12.559	245.059	640.845	1.234.260	(1.513.484)	7.403.408
Investments in associates		9.736	759	-	(451)	635.712	-	-	645.756
Total liabilities		3.310.512	854.034	7.613	118.136	2.383	900.076	(285.577)	4.907.177
Net assets		2.030.499	589.124	4.946	126.923	638.462	334.184	(1.227.907)	2.496.231
Capital expenditure (for the year ended)		493.876	20.655	-	712	2.838	14	-	518.095
Depreciation & Amortisation (charge for the year)	**6,7**	101.138	58.733	932	17.384	54	420	-	178.661

(All amounts in Euro thousands unless otherwise stated)

6 Property, plant and equipment

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Con-struction	Total
Cost							
As at 1 January 2012	**290.253**	**579.804**	**2.430.937**	**82.556**	**136.090**	**1.633.065**	**5.152.705**
Additions	1.980	2.284	7.713	859	3.720	499.820	516.376
Capitalised projects	177	271.974	1.695.343	4.638	701	(1.972.833)	-
Disposals	(451)	(1.043)	(7.205)	(691)	(872)	(1.062)	(11.324)
Currency translation differences	(1.911)	(2.918)	(635)	1	(4)	(130)	(5.597)
Transfers and other movements	(1.657)	(2.289)	18.798	(42)	(244)	(2.542)	12.024
As at 31 December 2012	**288.391**	**847.812**	**4.144.951**	**87.321**	**139.391**	**156.318**	**5.664.184**
Accumulated Depreciation							
As at 1 January 2012	**-**	**301.029**	**1.497.533**	**41.643**	**108.404**	**-**	**1.948.609**
Charge for the year	-	25.012	116.055	5.050	10.008	-	156.125
Disposals	-	(515)	(5.894)	(629)	(849)	-	(7.887)
Currency translation differences	-	(578)	(456)	-	(17)	-	(1.051)
Transfers and other movements	-	(643)	(326)	(48)	(152)	-	(1.169)
As at 31 December 2012	**-**	**324.305**	**1.606.912**	**46.016**	**117.394**	**-**	**2.094.627**
Net Book Value at 31 December 2012	**288.391**	**523.507**	**2.538.039**	**41.305**	**21.997**	**156.318**	**3.569.557**
Cost							
As at 1 January 2013	**288.391**	**847.812**	**4.144.951**	**87.321**	**139.391**	**156.318**	**5.664.184**
Additions	9	3.766	15.966	865	4.454	84.866	109.926
Capitalised projects	2	20.711	76.004	158	870	(97.745)	-
Disposals	(1.101)	(4.247)	(16.662)	(1.158)	(1.142)	(148)	(24.458)
Currency translation differences	(179)	(294)	(82)	(3)	(39)	(12)	(609)
Transfers and other movements	124	(614)	7.567	(25)	(193)	(14.671)	(7.812)
As at 31 December 2013	**287.246**	**867.134**	**4.227.744**	**87.158**	**143.341**	**128.608**	**5.741.231**
Accumulated Depreciation							
As at 1 January 2013	**-**	**324.305**	**1.606.912**	**46.016**	**117.394**	**-**	**2.094.627**
Charge for the year	-	31.616	162.006	4.597	8.327	-	206.546
Disposals	-	(3.465)	(16.363)	(1.073)	(1.124)	-	(22.025)
Currency translation differences	-	(83)	(75)	(2)	(6)	-	(166)
Transfers and other movements	-	(1.462)	1.164	(68)	(504)	-	(870)
As at 31 December 2013	**-**	**350.911**	**1.753.644**	**49.470**	**124.087**	**-**	**2.278.112**
Net Book Value at 31 December 2013	**287.246**	**516.223**	**2.474.100**	**37.688**	**19.254**	**128.608**	**3.463.119**

(1) The Group has not pledged any property, plant and equipment as security for borrowings.

(2) Capitalised projects in 2012 mainly include amounts relating to the upgraded Elefsina refinery, reclassified from asset under construction as the refinery progressed from commissioning and start up to commercial operation.

(3) During 2013 an amount of €3 million (2012: €83 million) in respect of interest has been capitalised in relation to Assets Under Construction relating to the refining segment, at an average borrowing rate of 7,25% (2012: 5,1%).

(4) ‘Transfers and other movements’ in Plant & Machinery relate to the transfer of spare parts, from inventories to fixed assets, in accordance with the amended IAS 16, which requires spare parts to be classified as plant & equipment when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period. ‘Transfers and other movements’ in assets under construction mainly relate to the transfer of spare parts for the upgraded Elefsina units within inventories, in line with the Group’s accounting policies, as they concern consumables. An amount of €3,4m relates to transfers from under construction fixed assets to intangible assets.

(All amounts in Euro thousands unless otherwise stated)

7 Intangible assets

	Goodwill	Retail Service Stations Usage Rights	Computer software	Licences & Rights	Other	Total
Cost						
As at 1 January 2012	**133.526**	**53.904**	**79.182**	**33.768**	**80.020**	**380.400**
Additions	500	9	947	87	176	1.719
Disposals	-	(2.207)	(52)	-	-	(2.259)
Currency translation differences and other movements	(112)	-	2.372	-	(336)	1.924
As at 31 December 2012	**133.914**	**51.706**	**82.449**	**33.855**	**79.860**	**381.784**
Accumulated Amortisation						
As at 1 January 2012	**71.829**	**15.114**	**69.369**	**19.571**	**27.177**	**203.060**
Charge for the year	-	4.669	4.840	1.664	11.363	22.536
Disposals	-	(1.489)	(2)	-	-	(1.491)
Currency translation differences and other movements	-	-	(13)	-	(12)	(25)
As at 31 December 2012	**71.829**	**18.294**	**74.194**	**21.235**	**38.528**	**224.080**
Net Book Value at 31 December 2012	**62.085**	**33.412**	**8.255**	**12.620**	**41.332**	**157.704**
Cost						
As at 1 January 2013	**133.914**	**51.706**	**82.449**	**33.855**	**79.860**	**381.784**
Additions	-	822	844	55	133	1.854
Disposals	-	-	(3)	-	-	(3)
Currency translation differences and other movements	-	(2.421)	3.587	262	(260)	1.168
As at 31 December 2013	**133.914**	**50.107**	**86.877**	**34.172**	**79.733**	**384.803**
Accumulated Amortisation						
As at 1 January 2013	**71.829**	**18.294**	**74.194**	**21.235**	**38.528**	**224.080**
Charge for the year	-	3.822	3.772	1.714	8.219	17.527
Disposals	-	-	(1)	-	-	(1)
Currency translation differences and other movements	-	(637)	(7)	205	(205)	(644)
As at 31 December 2013	**71.829**	**21.479**	**77.958**	**23.154**	**46.542**	**240.962**
Net Book Value at 31 December 2013	**62.085**	**28.628**	**8.919**	**11.018**	**33.191**	**143.841**

(1) The remaining amount of goodwill as at 31 December 2013 relates to the unamortised goodwill arising on the acquisition of Hellenic Petroleum Cyprus Ltd in 2003 and of Jugopetrol Kotor AD in 2002, which are treated in line with the accounting policy in note 2.7. Goodwill has been tested for impairment as at 31 December 2013 using the value-in-use model. This calculation uses cash flow projections based on financial budgets approved by management covering a five year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate that reflects the forecasts in line with management beliefs, based on GDP growth projections. Management determines annual volume growth rate and gross margins based on past performance and expectations for the market development. The discount rates used are pre-tax and reflect specific risks relating to operations.

The results of the model show that the valuation covers the carrying amount of the goodwill, which amounts to €70 million as of 31 December 2013. A sensitivity analysis was performed to the key assumptions used in the model (discount rates and perpetuity growth rates), in order to stress test the adequacy of the valuation headroom. The sensitivity analysis resulted in recoverable values well in excess of the carrying value.

(2) Other intangible assets category primarily includes the fair value of the contractual customer relationships from the subsidiary acquired in December 2009 (ex BP Hellas) which is amortized over the life of the contracts. Furthermore, it includes rights of use of land in Serbia and Montenegro in cases where local legal framework does not allow outright ownership of real estate property.

(All amounts in Euro thousands unless otherwise stated)

8 Investments in associates and joint ventures

	As at 31 December 2013	As at 31 December 2012
Beginning of the Year	**645.756**	**616.095**
Dividend income	(12.802)	(11.657)
Share of profit of investments in associates & joint ventures	57.391	38.221
Share capital increase / (decrease)	-	640
Unrealised profit in stock	95	2.457
Transfers from investments available for sale	610	-
Other movements	451	-
End of the year	**691.501**	**645.756**

Unrealised profit in stock arises from the sale of goods to an associate of the Group which is not consolidated, to the extent that such stock is still held at year end.

a) Joint Ventures

The Group is active in power generation and trading in Greece through its 50% shareholding in Elpedison B.V., a jointly controlled entity with EDISON International. The Group consolidates ELPEDISON BV using the equity method, and as such ELPEDISON B.V. group of companies consolidated results, appear under "Share of profit of investments in associates and joint ventures" and its Net assets under the "Investment in Associates".

Given the materiality of this activity for the Group, the table below summarises the key financials of Elpedison B.V. group which includes Elpedison Power (75,78%) and Elpedison Energy (formerly Elpedison Trading - 100%):

Elpedison B.V Group	As at 31 December 2013	As at 31 December 2012
Statement of Financial Position		
Non-Current Assets	402.442	417.033
Cash and Cash Equivalents	19.819	20.983
Other Current Assets	179.990	244.047
Total Assets	**602.251**	**682.062**
Equity	**154.124**	**160.676**
Long Term Borrowings	275.371	-
Other Non-Current Liabilities	19.066	10.553
Short Term Borrowings	14.704	309.523
Other Current Liabilities	138.986	201.310
Total Liabilities	**448.127**	**521.386**
Total Liabilities and Equity	**602.251**	**682.062**

(All amounts in Euro thousands unless otherwise stated)

	As at	
	31 December 2013	**31 December 2012**
Statement of Comprehensive Income		
Revenue	385.568	499.578
EBITDA	**57.328**	**57.030**
Depreciation & Amortisation	29.364	29.952
EBIT	**27.964**	**27.078**
Interest Income/(Expense) - net	(25.594)	(24.741)
Income Tax	(8.922)	(5.853)
Profit / (Loss) after Tax	**(6.552)**	**(3.516)**
Profit / (Loss) After Tax and Minorities	**(5.026)**	**(2.783)**
Income / (Loss) accounted in Helpe Group	**(2.513)**	**(1.392)**

Elpedison Power was formed through a merger of T-Power SA (HELPE 100% subsidiary) and Thisvi SA, an EDISON/HED joint venture in 2009. In October 2013, Elpedison Power refinanced its €345 million loan (outstanding amount as of October 2013 €296 million), through the issuance of a new loan of €296 million, maturing on September 2015 and bearing an one-year extension option that is subject to each lender's consent. The loan is fully guaranteed on a pro rata basis by all the shareholders of Elpedison Power SA.

The parent Company has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to Elpedison B.V., the outstanding amount of which as at 31 December 2013 was the equivalent of €116 million (31 December 2012: €119 million).

b) Associates

The Group exercises significant influence in a number of other entities, also accounted for by the equity method.

The table below summarises the share of income / (loss) from the principal investments in associates:

	For the year ended	
	31 December 2013	**31 December 2012**
Public Natural Gas Corporation of Greece (DEPA)	59.510	37.205
Other associates	766	2.036
Total	**60.276**	**39.241**

The main financial information of DEPA Group is presented below:

	For the year ended	
	31 December 2013	**31 December 2012**
EBITDA	208.904	201.214
Income before Tax	173.436	162.796
Income Tax	(30.700)	(29.396)
Net income	**142.736**	**133.400**
Income accounted in Helpe Group	**59.510**	**37.205**

(All amounts in Euro thousands unless otherwise stated)

An alternative analysis of the Group's share in major associates' financial position and results is set below:

	% interest held	**As at 31 December 2013**			
		Assets	**Liabilities**	**Revenues**	**Profit after tax**
DEPA	35%	3.254.042	1.536.924	1.616.612	142.736
DMEP Holdco (ultimate parent of OTSM)	48%	228.423	226.659	545.267	378
		As at 31 December 2012			
		Assets	**Liabilities**	**Revenues**	**Profit after tax**
DEPA	35%	3.476.270	1.866.051	1.881.504	133.400
DMEP Holdco (ultimate parent of OTSM)	48%	222.557	221.464	558.974	3.841

Sale of DESFA

On the 16 February 2012, HELPE and the Hellenic Republic Asset Development Fund (HRADF) (jointly the "Sellers") agreed to launch a joint sale process of their shareholding in DEPA Group aiming to sell in total 100% of the supply and trading activities and the shareholding of regional supply companies (DEPA SA and EPAs which are 51% subsidiaries of DEPA SA) and 66% of the high pressure transmission network (DESFA - 100% subsidiary of DEPA SA). This agreement was approved by HELPE's EGM, dated on the 30 January 2012 and the decision specifically requires that any such transaction will be subject to the approval of a new EGM.

The sales process resulted in three non-binding offers received on 5 November 2012 and at the final stage, one binding offer for the purchase of 66% of DESFA shares by SOCAR (Azerbaijan's Oil and Gas National Company). The offer which was improved following negotiations between the Sellers and the prospective buyer, is for €400 million for 66% of DESFA; i.e. €212,1 million for HELPE's 35% effective shareholding. Given that at present DESFA SA is a 100% subsidiary of DEPA, in order to complete the transaction, DESFA will be "unbundled" through a share distribution (treated as capital reduction of DEPA SA), to the two existing shareholders/sellers (i.e. HELPE 35% and HRADF 65%). Thus, once all approvals from the competent authorities are received, SOCAR will buy 35% directly from HELPE and 31% from HRADF.

On 2 August 2013 the Board of Directors of HELPE considered the offer for the sale of its 35% effective interest in DESFA as acceptable, and called for an Extraordinary General Meeting of the shareholders of the Company to approve the transaction. The EGM of the shareholders of the Company held on 2 September 2013 approved the transaction.

Prior to the Board of Director's meeting, the previous day, on 1 August 2013 the board of directors of HRADF had unanimously accepted the improved offer of SOCAR.

The Share Purchase Agreement for the sale of 66% of DESFA's share capital was signed by HRADF, HELPE and SOCAR on 21 December 2013. According to this SPA the rights and obligations of the parties are conditional upon the occurrence of certain events (Conditions) such as the merger clearance of the transaction by the EU or national competition authorities (as applicable) and the certification of DESFA by the Regulatory Authority for Energy of the Hellenic Republic ("RAE") in accordance with article 65 of L. 4001/2011 ("Energy Law"). It should be noted that as there is no precedent with respect to the certification of a gas transmission system operator, which is owned/controlled by a non-EU undertaking the process is not pre-defined. Consequently, the parameters and criteria for the assessment to be made by the authorities or the extent of commitments which may be requested by the European Commission to be undertaken by SOCAR cannot be anticipated or, moreover controlled by the parties.

Although the parties undertake valid commitments upon signing of the SPA, the effectiveness of the totality of the provisions of the SPA (including the transfer of shares and the payment of the consideration) remains subject to conditions, some of which lie beyond the control or diligent behavior of the parties and, consequently, the completion of the transaction remains suspended and depends on the satisfaction of such conditions.

The Group consolidates DEPA on an equity basis and the carrying value of the investment in the consolidated financial statements reflect HELPE's 35% share of the net asset value of the DEPA group which as at 31

(All amounts in Euro thousands unless otherwise stated)

December 2013 is €598 million. Furthermore the carrying value in HELPE SA financial statements for the DEPA group is €237 million. These amounts were assessed for impairment, at 31 December 2013, based on the requirements of IAS 36 and no indication of impairment was identified.

Given that the transaction can only be completed upon receiving the approval of the relevant competent authorities, and given the timing of such approvals and the unbundling process that is still to be concluded, management considers it appropriate to maintain the policy of including DEPA Group as an associate at the date of this financial statements.

DMEP HoldCo Ltd

In 2011, the Group participated with 48% holding through its subsidiary company Hellenic Petroleum International A.G. in the setting-up of a new company DMEP HoldCo Ltd, a company incorporated in UK, which in turn owns 100% of “OTSM S.A. of Maintenance Compulsory Stocks and Trading of Crude Oil and Petroleum Products” (OTSM). OTSM is established under Greek law and is fully permitted to provide crude oil and petroleum products stock keeping and management services. The Group has delegated part of its compulsory stock keeping obligations to OTSM, reducing its stock holding by approximately 340.000 MT, at a fee calculated in line with the legal framework (see Note 10).

c) Jointly controlled operations

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

- Petroceltic International Plc (former Melrose) – Kuwait Energy – Beach Petroleum (Egypt, Mesaha)
- VEGAS Oil & Gas (Egypt, West Obayed)
- Edison (Montenegro, Ulcinj)
- Edison International SpA - Petroceltic (Patraikos Gulf and Ioannina area)

9 Loans, Advances & Long Term assets

	As at	
	31 December 2013	**31 December 2012**
Loans and advances	39.051	42.954
Other long term assets	67.684	72.101
Total	**106.735**	**115.055**

Loans and advances relate primarily to merchandise credit extended to third parties as part of the retail network expansion and is non-interest bearing. This also includes trade receivables due in more than one year as a result of settlement arrangements.

Other long term assets include non-interest bearing payments made to secure long term retail network and are amortised over the remaining life of the relating contracts of the petrol stations locations. In addition they include other non-interest bearing prepayments of long term nature.

The balances included in the above categories as of 31 December 2013 are discounted at a rate of 5% (2012: 5%).

(All amounts in Euro thousands unless otherwise stated)

10 Inventories

	As at	
	31 December 2013	**31 December 2012**
Crude oil	228.261	349.802
Refined products and semi-finished products	690.719	757.803
Petrochemicals	25.500	31.799
Consumable materials and other spare parts	69.128	67.059
- Less: Provision for consumables and spare parts	(8.344)	(5.816)
Total	**1.005.264**	**1.200.647**

The cost of goods sold included in “Cost of sales” for 2013 is equal to €7,3 billion (2012: €7,7 billion).

Hellenic Petroleum SA is obliged to keep crude oil and refined products stocks in order to fulfil the EU requirement for compulsory Stock obligations (90 days stock directive), as legislated by Greek Law 3054/2002.

In accordance with the amended IAS 16, spare parts that meet the definition of property, plant and equipment, have been reclassified as plant & equipment (Notes 2.26 & 6).

11 Trade and other receivables

	As at	
	31 December 2013	**31 December 2012**
Trade receivables	576.376	670.765
- Less: Provision for impairment of receivables	(170.346)	(162.374)
Trade receivables net	**406.030**	**508.391**
Other receivables	337.670	281.772
- Less: Provision for impairment of receivables	(32.591)	(28.230)
Other receivables net	**305.079**	**253.542**
Deferred charges and prepayments	26.141	28.527
Total	**737.250**	**790.460**

As part of its working capital management the Group utilises factoring facilities to accelerate the collection of cash from its customers in Greece. Non-recourse factoring, is excluded from balances shown above.

Other receivables include balances in respect of VAT, income tax prepayment, advances to suppliers and advances to personnel. This balance includes an amount of €54m (31 December 2012: €54m) of VAT approved refunds which has been withheld by the customs office in respect of a dispute about stock shortages. Against this action the Group has filed a specific legal objection and claim and expects to fully recover this amount following the conclusion of the relevant legal proceedings (see note 31 “Contingencies and litigation”).

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

(All amounts in Euro thousands unless otherwise stated)

The table below shows the segregation of trade receivables:

	As at 31 December 2013	As at 31 December 2012
Total trade receivables	576.376	670.765
Amounts included above which are past due, doubtful and impaired:		
Gross amount	174.583	171.932
Less: Allowance for Bad Debts	(170.346)	(162.374)
Net amount included in Receivables	**4.237**	**9.558**

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. Provision is made for receivables that are doubtful of collection and have been assessed that they will result in a loss, net of any respective securities or collaterals obtained.

Trade receivables also include past due but not impaired balances of €224 million as at 31 December 2013 (31 December 2012 €176 million) relating to a number of independent customers from whom there is no recent history of default. Out of these balances €129 million were past due up to 30 days (2012: €102 million), €23 million were past due up to 90 days (2012: €21 million) and €72 million were past due over 90 days (2012: €53 million). As part of the active management of trade receivables the Group has negotiated new credit terms for the majority of these balances, thus does not consider them as impaired on the basis of the aforementioned terms.

The doubtful receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situation. As of 31 December 2013, the overdue days of trade receivables that were doubtful and impaired are as follows:

	As at 31 December 2013	As at 31 December 2012
Up to 30 days	4.324	5.504
30 - 90 days	147	240
Over 90 days	170.112	166.188
Total	**174.583**	**171.932**

It was assessed that a portion of the doubtful receivables is expected to be recovered through settlements, legal actions and securing of additional collaterals.

The movement in the provision for impairment of trade receivables is set out below.

	As at 31 December 2013	As at 31 December 2012
Balance at 1 January	162.374	153.664
Charged / (credited) to the income statement:		
- Additional provisions	10.370	22.603
- Unused amounts reversed	(1.334)	(3.325)
- Receivables written off during the year as uncollectible	(1.471)	(10.736)
Other movements	407	168
Balance at 31 December	**170.346**	**162.374**

The movement in the provision for impairment has been included in Selling & Distribution costs in the statement of comprehensive income.

(All amounts in Euro thousands unless otherwise stated)

12 Cash, cash equivalents and restricted cash

	As at	
	31 December 2013	**31 December 2012**
Cash at Bank and in Hand	426.674	679.519
Short term bank deposits	332.928	21.542
Cash and Cash Equivalents	**759.602**	**701.061**
Restricted Cash	200.000	200.000
Total Cash, Cash Equivalents and Restricted Cash	**959.602**	**901.061**

Restricted cash pertained to a cash collateral arrangement to secure a €200 million loan concluded with Hellenic Petroleum S.A and Piraeus Bank, in relation to the Company's €200 million Facility Agreement with the European Investment Bank for which Piraeus Bank has provided a guarantee maturing on 15 June 2014 (Note 16).

The effect of the loan and the deposit is a grossing up of the Statement of Financial Position but with no effect to the Net Debt position of the Group.

The weighted average effective interest rate as at the reporting date on cash and cash equivalents was:

	As at	
	31 December 2013	**31 December 2012**
Euro	0,65%	0,75%
USD	0,50%	0,61%

13 Share capital

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January & 31 December 2012	305.635.185	666.285	353.796	1.020.081
As at 31 December 2013	305.635.185	666.285	353.796	1.020.081

All ordinary shares were authorised, issued and fully paid. The nominal value of each ordinary share is €2,18 (31 December 2012: €2,18).

Share options

During the Annual General Meeting (AGM) of Hellenic Petroleum S.A. held on 25 May 2005, a share option scheme was approved, with the intention to link the number of share options granted to employees with the results and performance of the Company and its management. Subsequent AGMs have approved and granted the stock options.

(All amounts in Euro thousands unless otherwise stated)

Share options outstanding at the year-end have the following expiry date and exercise prices:

Grant Date	Vesting Date	Expiry Date 5 December	Exercise Price in € per share	No. of share options as at 31 December 2013	31 December 2012
2007	2009-13	2013	10,88	-	397.815
2008	2010-14	2014	11,01	339.561	349.761
2009	2011-15	2015	7,62	1.616.054	1.704.716
2012	2014-18	2018	4,52	1.479.933	1.479.933
			Total	**3.435.548**	**3.932.225**

No stock options have been exercised during 2013 or during the previous year, due to the negative relationship between the exercise price and the share market price during the respective vesting periods.

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

	As at 31 December 2013 Average Exercise Price in € per share	Options	31 December 2012 Average Exercise Price in € per share	Options
At 1 January	**7,08**	**3.932.225**	**8,74**	**2.720.950**
Granted	-	-	4,52	1.479.933
Exercised	-	-	-	-
Lapsed	10,30	(496.677)	9,69	(268.658)
At 31 December	**6,62**	**3.435.548**	**7,08**	**3.932.225**

The value of lapsed stock options that were transferred to retained earnings in 2013 is €0,5 million. The total expense recognised in the statement of comprehensive income for the year ended 31 December 2013 for share based compensation is €0,3 million (2012: €0,3 million).

(All amounts in Euro thousands unless otherwise stated)

14 Reserves

	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax free reserves	Other reserves	Total
Balance at 1 January 2012	**113.792**	**98.420**	**(67.150)**	**3.637**	**351.322**	**(6.879)**	**493.142**
Cash flow hedges (Note 21):							
- Fair value gains / (losses) on cash flow hedges	-	-	3.151	-	-	-	3.151
- Derecognition of gains/(losses) on hedges through comprehensive income	-	-	27.025	-	-	-	27.025
Share-based payments (Note 13)	-	-	-	252	-	-	252
Transfer to statutory reserves	4.876	-	-	-	-	-	4.876
Fair value gains / (losses) on available-for-sale financial assets	-	-	-	-	-	(100)	(100)
Currency translation differences and other movements	-	-	-	-	-	(1.048)	(1.048)
Balance at 31 December 2012	**118.668**	**98.420**	**(36.974)**	**3.889**	**351.322**	**(8.027)**	**527.298**
Cash flow hedges (Note 21):							
- Fair value gains / (losses) on cash flow hedges	-	-	9.402	-	-	-	9.402
- Derecognition of gains/(losses) on hedges through comprehensive income	-	-	31.465	-	-	-	31.465
Share-based payments (Note 13)	-	-	-	(225)	-	-	(225)
Fair value gains / (losses) on available-for-sale financial assets	-	-	-	-	-	(107)	(107)
Actuarial gains/(losses) on defined benefit pension plans	-	-	-	-	-	(679)	(679)
Currency translation differences and other movements	-	-	-	-	-	(1.051)	(1.051)
Balance at 31 December 2013	**118.668**	**98.420**	**3.893**	**3.664**	**351.322**	**(9.864)**	**566.103**

The movement in the hedging reserve is shown net of tax of € 10.611 (2012: €7.544) – refer to Note 27.

Statutory reserves

Under Greek law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a statutory reserve until such reserve equals one third of outstanding share capital. This reserve cannot be distributed during the existence of the corporation, but can be used to offset accumulated losses.

Special reserves

Special reserves primarily relate to reserves arising from tax revaluations which have been included in the holding company accounts in accordance with the relevant legislation in prior years. Where considered appropriate deferred tax provisions are booked in respect of these reserves.

Tax free reserves

Tax free reserves include:

(i) Tax deferred reserves are retained earnings which have not been taxed with the prevailing corporate income tax rate as allowed by Greek law under various statutes. Certain of these retained earnings will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital. Distributions to shareholders and conversions to share capital are not normally anticipated to be made through these reserves.

(ii) Partially taxed reserves are retained earnings, which have been taxed at a rate less than the corporate tax rate as allowed by Greek law. Certain of these retained earnings will be subject to the remaining tax up to the corporate tax rate prevailing at the time of distribution to shareholders or conversion to share capital.

(All amounts in Euro thousands unless otherwise stated)

15 Trade and other payables

	As at	
	31 December 2013	**31 December 2012**
Trade payables	1.967.963	1.769.908
Accrued Expenses & Deferred Income	45.460	36.283
Other payables	112.012	66.435
Total	**2.125.435**	**1.872.626**

Trade creditors include overdue amounts in respect of crude oil imports from Iran which were received during the period between December 2011 and March 2012 as part of a long term contract with NIOC. Despite repeated attempts to settle the payment for these cargoes during the early part of 2012, through the international banking system, it was not possible to do so. This is due to the fact that payments to Iranian banks and state entities are not accepted for processing by the International banking system due to EU sanctions (Council Regulation (EU) No. 267/2012 of 23 March 2012). The Company has dully notified its supplier of this restriction on payments and the inability to accept further crude oil cargoes under the contract, which is due to the EU sanctions posing legal constraints outside of its control. As a result no deliveries of Iranian crude oil or payments have taken place post June 30^{th} 2012, which was the EU imposed deadline.

Other payables include amounts in respect of payroll and other staff related costs, social security obligations and sundry taxes.

Accrued expenses and deferred income include the estimated cost of the CO2 emission rights required under the corresponding environmental legislation amounting to €4 million. In 2012 the respective amount had been classified under Provisions for other liabilities and charges (Note 19).

16 Borrowings

	As at	
	31 December 2013	**31 December 2012**
Non-current borrowings		
Bank borrowings	816.899	377.778
Eurobond	490.000	-
Finance leases	4.905	5.496
Total non-current borrowings	**1.311.804**	**383.274**
Current borrowings		
Short term bank borrowings	1.190.481	2.352.051
Current portion of long-term bank borrowings	147.339	22.529
Finance leases - current portion	564	517
Total current borrowings	**1.338.384**	**2.375.097**
Total borrowings	**2.650.188**	**2.758.371**

(All amounts in Euro thousands unless otherwise stated)

The maturity of non-current borrowings is the following:

	As at	
	31 December 2013	**31 December 2012**
Between 1 and 2 years	147.019	44.444
Between 2 and 5 years	964.784	133.332
Over 5 years	200.001	205.498
	1.311.804	**383.274**

The weighted average effective interest margins as at the reporting date were as follows:

		As at 31 December 2013	
	€	**US$**	**RSD**
Bank Borrowings (short-term)			
- Floating Euribor + margin	6,66%	-	-
- Floating Libor + margin	-	0,71%	14,37%
Bank Borrowings (long-term)			
- Floating Euribor + margin	5,13%	-	-

		As at 31 December 2012	
	€	**US$**	**RSD**
Bank Borrowings (short-term)			
- Floating Euribor + margin	5,21%	-	-
- Floating Libor + margin	-	0,60%	14,42%
Bank Borrowings (long-term)			
- Floating Euribor + margin	1,79%	-	-

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	As at	
	31 December 2013	**31 December 2012**
Euro	2.566.412	2.142.449
US dollar	2.177	543.212
RSD	54.981	64.255
Other	26.618	8.455
Total borrowings	**2.650.188**	**2.758.371**

The Group manages its treasury functions in a centralised manner with coordination and control of all subsidiaries' funding and cash management activities by a central Treasury. To this extent, Hellenic Petroleum Finance plc (HPF) was established in November 2005 in the U.K. as a wholly-owned subsidiary of Hellenic Petroleum S.A. to act as the central treasury vehicle of the Hellenic Petroleum Group.

Gross borrowings of the Group by maturity as at 31 December 2013 and 31 December 2012 are summarised on the table below (amounts in € million):

	Company	Maturity	Balance as at 31 December 2013	Balance as at 31 December 2012
1. Syndicated Loan $1.180 million (drawn partly in US$ and partly in Euro)	HPF plc	Jan 2013	-	884
2a. Syndicated bond loan €140 million	HPF plc	Jan 2016	135	-
2b. Syndicated bond loan €465 million	HP SA	Jan 2016	451	-
3. Bond loan €400 million	HP SA	Jun 2014	225	225
4. European Investment Bank ("EIB")Term loan	HP SA	Jun 2022	378	400
5. Bond loan €225 million	HP SA	Dec 2013	-	222
6. Eurobond	HPF plc	May 2017	490	-
7. Bilateral lines	Various	Various	966	1.021
8. Finance leases	Various	Various	5	6
Total			**2.650**	**2.758**

1. *Syndicated Loan $1.180 million*

On 2 February 2007 HPF signed a syndicated credit facility agreement of US$ 1,18 billion with a maturity of five years and two extension options exercisable prior to the first and the second anniversary of the facility. A total of fifteen Greek and international financial institutions participated in the facility. The facility was guaranteed by the Parent Company and comprised of fixed term borrowings and revolving credit. In 2007 the Company exercised the first extension option of the facility to mature on 31 January 2013 to which all participating financial institutions consented, except for one bank whose participation amounted to US$ 20 million hence reducing the facility to US$ 1,16 billion. The facility could be drawn partly in US$ and partly in Euro. The facility was repaid on maturity, (31 January 2013), by using own cash reserves and the proceeds of facilities, as detailed under 2a and 2b below.

2. *Term loans of €605 million*

As part of the refinancing plan, two credit facilities with identical terms and conditions were concluded with a Group of Greek and international banks:

(a) A €465 million syndicated bond loan issued by Hellenic Petroleum S.A. with the guarantee of Hellenic Petroleum Finance plc and a maturity of three years with gradual amortisation. The outstanding balance of the bond loan at 31 December 2013 was €451 million.

(b) A €140 million syndicated credit facility concluded by Hellenic Petroleum Finance plc with the guarantee of Hellenic Petroleum S.A. and a maturity of three years with gradual amortization. The outstanding balance of the credit facility at 31 December 2013 was €135 million.

3. *Bond Loan €400 million*

On 18 April 2006 HPF concluded a €300 million syndicated 364-day multi-currency revolving credit facility agreement with the guarantee of Hellenic Petroleum S.A. The facility was subsequently increased to €400 million and renewed until 10 April 2012 when it was repaid and a bond loan facility of an equal amount was issued by Hellenic Petroleum S.A and subscribed to by the participating banks with maturity 30th June 2013. The facility was renewed at maturity for an additional year (until 30th June 2014) and has a six-month extension option. The total amount outstanding under the facility at 31 December 2013 was €225 million (31 December 2012: €225 million).

4. *EIB Term loans*

On 26 May 2010, Hellenic Petroleum S.A. signed two loan agreements (Facilities A and B) with the European Investment Bank for a total amount of €400 million (€200 million each). The purpose of the loans was to finance part of the investment programme relating to the upgrade of the Elefsina Refinery. Both loans have a maturity of 12 years with amortization beginning in December 2013 and similar terms and conditions. Facility B is credit enhanced by a commercial bank guarantee. This is normal practice for EIB lending particularly during the construction phase of large projects. As at 31 December 2013, the outstanding loan balance amounted to €378 million (31 December 2012: €400 million) as an amount of € 22 million was repaid during December 2013.

(All amounts in Euro thousands unless otherwise stated)

5. *Bond Loan €225 million*

As part of its refinancing plans at the end of 2012, Hellenic Petroleum S.A issued a one year bond loan facility which was subscribed to by Greek relationship banks. The facility was prepaid in May 2013 out of the proceeds of the new Eurobond.

6. *Eurobond*

During the first half of 2013, the Group proceeded with the issuance of a Eurobond of €500 million, with an annual coupon of 8% and maturity of four years. The notes are redeemable at maturity (May 2017) and are listed in the Luxembourg Stock Exchange. The proceeds of the Eurobond were used to prepay existing indebtedness of €225 million (see loan facility 5 above) and for general corporate purposes.

7. *Bilateral lines*

The Group companies also have loans with various banks to cover predominantly their working capital financing needs. As at 31 December 2013, the outstanding balance of such loans amounted to approximately €1 billion (31 December 2012: approximately €1 billion). Out of these approximately €0,9 billion relate to short-term loans of the parent company Hellenic Petroleum S.A.

The fair value of the Eurobond as at 31 December 2013 was €521,5 million, compared to its book value of €490 million. The fair value of the remaining borrowings, including their carrying portion, approximates their carrying value, as the effect of discounting is insignificant. The fair values of borrowings are within level 2 of the fair value hierarchy.

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

The loan analysis is as follows:

	As at	
	31 December 2013	**31 December 2012**
Revolving credit facilities	966.125	1.530.460
Term loans	1.678.595	1.221.898
Finance lease	5.469	6.013
Total borrowings	**2.650.188**	**2.758.371**

Finance leases are analysed as follows:

	As at	
	31 December 2013	**31 December 2012**
Obligations under finance leases		
Within 1 year	564	517
Between 1 and 2 years	566	569
Between 2 and 5 years	1.712	1.652
After 5 years	2.627	3.275
Total lease payments	**5.469**	**6.013**

(All amounts in Euro thousands unless otherwise stated)

17 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	As at	
	31 December 2013	**31 December 2012**
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	63.664	20.437
	63.664	**20.437**
Deferred tax liabilities:		
Deferred tax liabilities to be incurred after more than 12 months	(45.405)	(84.599)
	(45.405)	**(84.599)**
	18.261	**(64.162)**

The gross movement on the deferred income tax asset / (liability) is as follows:

	As at	
	31 December 2013	**31 December 2012**
Beginning of the year	(64.162)	(29.165)
Income statement recovery / (charge)	92.975	(26.887)
Charged / (released) to equity	(11.027)	(6.438)
Other movements	475	(1.672)
End of year	**18.261**	**(64.162)**

Deferred tax relates to the following types of net temporary differences:

Intangible and tangible fixed assets	(135.270)	(102.308)
Inventory valuation	2.158	(1.467)
Unrealised exchange gains	(1.426)	(1.094)
Employee benefits provision	19.460	17.673
Derivative financial instruments at fair value	(474)	10.210
Tax free reserves (Law 4172/2013)	(20.949)	-
Net tax losses carried forward	157.907	20.598
Environmental provisions (Note 19)	1.086	700
Other temporary differences	(4.231)	(8.474)
End of year	**18.261**	**(64.162)**

Other temporary differences include mostly temporary differences on various receivables provisions as well as the provisions for unaudited tax years.

Deferred tax in relation to special or tax free reserves is calculated to the extent that the Group believes it is more likely than not to be incurred and is entered in the related accounts.

In December 2013 Hellenic Law 4172/2013 was enacted that imposed a tax of 15% upon the distribution or capitalization of specific tax free reserves until 31.12.2013. Distribution or capitalization of these reserves in 2014 would result in a tax of 19% and if not distributed or capitalised in 2014, these specific tax free reserves would have to be set off against accumulated tax losses. From 1st January 2015, the ability to maintain an account of tax-free reserves is abolished. In this respect as at 31 December 2013, the Group has raised a deferred tax liability provision of €20,9m via a charge to the income statement. Management will determine the treatment of such reserves during 2014.

(All amounts in Euro thousands unless otherwise stated)

A change in corporate income tax rates was applied for the years ending 31 December 2013 onwards in accordance with legislation enacted in January 2013. Accordingly, deferred tax assets / liabilities were realised at a tax rate of 26% vs 20% which was the applicable rate for 2012. The impact from the difference in tax rates for 2013 increased the net deferred tax liability by approximately €11 million.

18 Retirement benefit obligations

The table below outlines where the group's retirement benefit amounts and activity are included in the financial statements.

	As at	
	31 December 2013	**31 December 2012**
Statement of Financial Position obligations for:		**Restated**
Pension benefits	87.429	102.330
Liability in the Statement of Financial Position	**87.429**	**102.330**
Statement of Comprehensive Income charge for:		
Pension benefits	40.628	23.699
Total as per Statement of Comprehensive Income	**40.628**	**23.699**
Remeasurements for:		
Pension benefits	1.164	(19.604)
Total as per Statement of Other Comprehensive Income	**1.164**	**(19.604)**

The amounts recognised in the Statement of Financial Position are as follows:

	As at	
	31 December 2013	**31 December 2012**
		Restated
Present value of funded obligations	16.519	16.176
Fair value of plan assets	(6.899)	(7.667)
Deficit of funded plans	**9.620**	**8.509**
Present value of unfunded obligations	77.809	93.821
Liability in the Statement of Financial Position	**87.429**	**102.330**

The Group operates defined benefit pension plans in Greece, Bulgaria, FYROM, Montenegro and Cyprus. All of the plans are final salary pension plans. The level of benefits provided depends on members' length of service and remuneration. The majority of the plans are unfunded, however there are certain plans in Greece and Cyprus that have plan assets.

(All amounts in Euro thousands unless otherwise stated)

The movement in the defined benefit obligation over 2012 and 2013 is as follows:

	Present Value of Obligation	Fair Value of Plan Assets	Total
As at 1 January 2012 (Restated)	**140.214**	**(8.046)**	**132.168**
Current service cost	7.166	-	7.166
Interest expense/(income)	5.839	(371)	5.468
Past service costs and (gains)/losses on settlements	11.065	-	11.065
Statement of comprehensive income charge	**24.070**	**(371)**	**23.699**
Remeasurements:			
- Return on plan assets, excluding amounts included in Interest expense/(income)	-	171	171
- (Gain)/loss from change in demographic assumptions	(8.399)	-	(8.399)
- (Gain)/loss from change in financial assumptions	(10.996)	-	(10.996)
- Experience (gains)/losses	(380)	-	(380)
	(19.775)	**171**	**(19.604)**
Benefits paid directly by the group/Contributions paid by the group	(30.204)	(3.729)	(33.933)
Benefit payments from the plan	(4.308)	4.308	-
As at 31 December 2012 (Restated)	**109.997**	**(7.667)**	**102.330**
Current service cost	6.571	-	6.571
Interest expense/(income)	4.295	(261)	4.034
Past service costs and (gains)/losses on settlements	30.023	-	30.023
Statement of comprehensive income charge	**40.889**	**(261)**	**40.628**
Remeasurements:			
- Return on plan assets, excluding amounts included in Interest expense/(income)	-	191	191
- (Gain)/loss from change in demographic assumptions	660	-	660
- (Gain)/loss from change in financial assumptions	190	-	190
- Experience (gains)/losses	123	-	123
	973	**191**	**1.164**
Benefits paid directly by the group/Contributions paid by the group	(55.272)	(1.421)	(56.693)
Benefit payments from the plan	(2.259)	2.259	-
As at 31 December 2013	**94.328**	**(6.899)**	**87.429**

The expected maturity analysis of undiscounted pension benefits is as follows:

Balance at 31 December 2013	**Less than a year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
Pension Benefits	3.506	2.949	13.160	129.501	**149.116**

(All amounts in Euro thousands unless otherwise stated)

Plan assets are comprised as follows:

	2013				2012			
	Quoted	**Unquoted**	**Total**	**%**	**Quoted**	**Unquoted**	**Total**	**%**
Equity Instruments	1.383	40	1.423	21%	597	-	597	8%
Debt Instruments								
- Government bonds	359	-	359	5%	594	-	594	8%
- Corporate bonds	2.426	-	2.426	35%	1.285	-	1.285	17%
Investment funds	116	-	116	0	310	-	310	4%
Real Estate/ Property	1.664	-	1.664	24%	1.665	-	1.665	21%
Qualifying Insurance Policies	-	-	-	-	-	-	-	-
Warrants	-	-	-	-	1	-	1	0%
Cash and cash equivalents	-	911	911	13%	-	3.215	3.215	42%
Other	-	-	-	-	-	-	-	-
Total	**5.948**	**951**	**6.899**	**100%**	**4.452**	**3.215**	**7.667**	**100%**

The principal actuarial assumptions used were as follows:

	As at	
	31 December 2013	**31 December 2012**
Discount Rate	3,75%	4,00%
Future Salary Increases	0,50%	0,50%
Inflation	0,50%	0,50%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on Defined Benefit Obligation		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount Rate	0,5%	-5,29%	5,73%
Future Salary Increases	0,5%	5,80%	-5,40%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

Expected contributions to defined benefit plans for the year ending 31 December 2014 are €3 million. The weighted average duration of the defined benefit obligation is 11,3 years.

(All amounts in Euro thousands unless otherwise stated)

19 Provisions for other liabilities and charges

The movement for provisions for 2013 is as follows:

	Litigation & tax povisions	Provisions for environmental costs	Other Provisions	Total
At 1 January 2012	**11.135**	**16.100**	**78**	**27.313**
Charged / (credited) to the income statement:				
- Additional provisions	-	-	179	179
- Unused amounts reversed	(2.177)	(12.600)	-	(14.777)
- Utilized during year	(885)	-	-	(885)
Charged to Equity	-	(3.500)	-	(3.500)
Other movements / Reclassifications	-	-	2	2
At 31 December 2012	**8.073**	**-**	**259**	**8.332**
Charged / (credited) to the income statement:				
- Additional provisions	1.450	-	33	1.483
- Utilized during year	-	-	(198)	(198)
Other movements / Reclassifications	(3.433)	-	-	(3.433)
At 31 December 2013	**6.090**	**-**	**94**	**6.184**

Provision for environmental costs

The respective provision relates to the estimated cost of the CO2 emission rights required under the corresponding environmental legislation. The relevant provision, amounting to €4 million as at 31 December 2013 (2012: €3,5 million) is shown in short-term payables, since the Group's obligation to deliver the relevant emission rights falls due in 2014 (Note 15).

Other provisions

Other provisions relate to sundry operating items and risks arising from the Group's ordinary activities.

20 Other long term liabilities

Other long term liabilities	**As at**	
	31 December 2013	**31 December 2012**
Government grants	14.669	16.758
Other Long Term Liabilities	9.915	10.384
Total	**24.584**	**27.142**

Government grants

Advances by the Government to the Group's entities relate to property plant and equipment. Amortization for 2013 amounted to €2,1 million (2012: €3,6 million).

Other long term liabilities

Other long term liabilities relate to sundry operating items and risks arising from the Group's ordinary activities.

21 Derivative financial instruments

Derivatives designated as Cash Flow Hedges

	31 December 2013				31 December 2012			
Commodity Derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT'000	**Bbls'000**	**€**	**€**	**MT'000**	**Bbls'000**	**€**	**€**
Commodity Swaps	-	2.521	5.263	-	600	2.377	840	47.055
	-	**2.521**	**5.263**	**-**	**600**	**2.377**	**840**	**47.055**
Total			**5.263**	**-**			**840**	**47.055**

	31 December 2013		31 December 2012	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Non-current portion				
Commodity swaps	-	-	-	-
	-	-	-	-
Current portion				
Commodity swaps	5.263	-	840	47.055
	5.263	**-**	**840**	**47.055**
Total	**5.263**	**-**	**840**	**47.055**

Derivatives designated as cash flow hedges

During the year ended 31 December 2013 amounts transferred to the statement of comprehensive income for de-designated hedges were gains of €31.465, net of tax (31 December 2012: gains of €27.025) which relate to commodity price swaps for the Elefsina refinery upgrade that were settled during the period. The remaining cash flow hedges are highly effective and the movement in the fair value of these derivatives, amounting to a gain of €9.402 net of tax (31 December 2012: €3.151 gains, net of tax), was transferred to the "Hedging Reserve" (see Note 14).

Amounts transferred to the statement of comprehensive income, relating to contracts that were settled during the year, amounted to €2.441 loss (2012: €6.080 gain).

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the statement of financial position.

22 Employee costs

	For the year ended	
	31 December 2013	**31 December 2012**
Wages and salaries	177.491	189.966
Social security costs	49.967	39.242
Pension costs	12.747	12.922
Other employment benefits	53.865	36.974
Total	**294.070**	**279.104**

Other employment benefits include medical insurance, catering and transportation expenses. They also include expenses paid to employees as part of the voluntary retirement scheme (VRS) which are approximately €32 million (2012: €15 million), included in "Other operating income/(expenses)" (see Note 24). The value of shared – based compensation of €251 (2012: €252) is also included therein (see Note 13).

(All amounts in Euro thousands unless otherwise stated)

23 Exploration and Development expenses

Capital expenditures on exploration and development activities are expensed as incurred (2013: €2.992 and 2012: €3.543) and relate mainly to the following Concessions in Egypt:

(i) Exploration operations for the West Obayed Block under a Concession agreement with EGPC in a jointly controlled operation between Hellenic Petroleum (30%) and Vegas West Obayed Limited (70%, operator) in W. Desert

(ii) Exploration operations for the Mesaha Block under a Concession agreement with Ganope in a jointly controlled operation between Hellenic Petroleum (30%) with Petroceltic Resources (40%, operator), Kuwait Energy Company (15%) and Beach Petroleum (15%).

The related exploration costs are written off and exploration costs associated with drilling exploration well which were unsuccessful are written off.

Exploration and development expenses also include expenditures incurred prior to obtaining legal rights to explore the area of Gulf of Patraikos, offshore Greece.

These expenditures are related to the offer which is submitted by the jointly controlled operation comprised from Hellenic Petroleum (33,3%, operator), Edison International SpA (33,3%) and Petroceltic Resources Plc (33,3%). The JV is announced by the Greek State to be the "preferred bidder" and the relevant negotiations between the JV and the Greek State to execute the Lease Agreement for the Gulf of Patraikos are still ongoing.

24 Other operating income / (expenses) and other gains / (losses)

Other operating income/(expenses) – net is analysed as follows:

	For the year ended	
	31 December 2013	**31 December 2012**
Income from Grants	2.128	3.609
Services to 3rd Parties	1.761	935
Rental income	13.432	18.784
Profit / (loss) from the sale of PPE - net	1.374	213
Indemnification receipts	9.048	-
Insurance compensation	-	3.867
Reversal of provisions for CO2 emission rights	-	12.600
Voluntary retirement scheme cost	(31.905)	(15.027)
Cyprus bank accounts levy	(3.970)	-
(Loss) / Gain from the sale of subsidiary	-	(1.166)
Impairment	(2.992)	-
Other operating income / (expenses)	1.335	7.571
Total other operating income / (expenses)	**(9.789)**	**31.386**
Other operating gains / (losses)	(40.080)	(35.760)
Total other operating income / (expenses) - net	**(49.869)**	**(4.374)**

Other operating income / (expenses) – net include income or expenses which do not relate to the trading activities of the Group. Indemnification receipts of €9 million relate to an indemnity payable by BP Greece Limited to the Group. This indemnity is to compensate for additional income tax liabilities of Hellenic Fuels S.A. relating to periods prior to its acquisition by the Group that were imposed following the completion of a tax audit in 2013. Also included in Other operating income/(expenses) is the impact of the Cyprus bank deposits levy (€4 million). Other operating gains / (losses) include losses from reclassification of cash flow hedges (see Note 21).

(All amounts in Euro thousands unless otherwise stated)

25 Finance (Expenses) / Income - Net

	For the year ended	
	31 December 2013	**31 December 2012**
Interest income	8.050	12.692
Interest expense and similar charges	(217.337)	(66.893)
Finance costs -net	**(209.287)**	**(54.201)**

In addition to the finance cost shown above, an amount of €3,0 million of finance costs (2012: €83,4 million) have been capitalised for the year ended 31 December 2013, as explained in Note 6.

The increase in Interest charges is affected by the following items:

- Comparatives in 2012, until the completion of the Elefsina refinery, include only part of interest payments as construction period interest is included within total investment costs of the new Elefsina refinery (See also note 6 – Fixed Assets, in 2012 Full Year financial statements).

- Following the refinancing of the 2007 RCF facility of $ 1.160 million, average interest costs for the total borrowings of the Group have risen by c. 2,0%.

- Maintenance of excess cash balances in line with risk management policy adopted by the Group during the last year with a negative carry cost in excess of 5% p.a. Part of this cash is temporarily used as cash collateral in respect of EIB loan facility (see Note 12).

26 Currency exchange gains / (losses)

Foreign currency exchange gains of €9 million during the year ended 31 December 2013 are driven by (a) realized gains on settlement of USD denominated loans, due to the weakening of the USD against Euro at 31 January 2013 (repayment of term loan of $1.160 million) compared to the beginning of the year and (b) realized gains on settlement of transactions denominated in USD.

27 Income tax expense

	For the year ended	
	31 December 2013	**31 December 2012**
Current tax	27.314	6.879
Deferred tax (Note 17)	(92.975)	26.887
Total	**(65.661)**	**33.766**

The basic tax rate used for Hellenic Petroleum S.A. was 26% for the year ended 31 December 2013 (31 December 2012: 20%). No provision for special contribution has been included in the results for the year ended 31 December 2013, as a relevant tax law has not been enacted.

Since the year end 31 December 2011, all Greek companies have to be audited on an annual basis by their statutory auditor in respect of compliance with tax law, correct submission of tax returns and identification of any unrecorded tax liabilities in the accounts. This audit leads to the issuance of a Tax Certificate which under certain conditions, substitutes the full tax audit by the tax authorities and allows the Group to treat its tax position as fully compliant and final. All of the Group’s Greek subsidiaries falling under this law have undergone this tax audit for the year 2011 and 2012, obtaining an unqualified Tax Certificate.

The parent Company has not undergone a full tax audit for the financial year ended 31 December 2010.

In February 2013 the tax audits for the financial years 2006 to 2009 of Hellenic Petroleum S.A. were finalized, the outcome of which resulted in disallowable expenses of €29 million, against which €14,5 million approximately of additional taxes and surcharges were assessed. Moreover the aforementioned tax audits also resulted in additional property taxes of a total amount of €4 million. The Company has accepted and settled part of the assessed amounts resulting in a payment of €8,5 million. Amounts which are not accepted will be challenged through legal channels.

A full tax audit was also completed for Hellenic Fuels S.A. for the years 2005-2009 (years prior to the acquisition of Hellenic Fuels S.A. by the Group from BP Greece Ltd) which resulted in total additional taxes of €31 million which were accepted and payments of the relevant instalments have already begun. The whole of this amount will be covered by BP Greece Ltd (Seller) in accordance with the indemnification provisions of the relevant Sales and Purchase Agreement and there is no net impact for the Group.

Furthermore provisional VAT audits have been completed for

- Hellenic Petroleum S.A. for the period up to and including December 2012,
- EKO S.A. for the years 2008-2012.

In total, amounts of €49 million were audited and confirmed, which were netted off against each Company's tax liabilities.

Management believes that no additional material liability will arise as a result of open tax years over and above the tax liabilities and provisions recognised in the consolidated financial statements for the year ended 31 December 2013.

The tax (charge) / credit relating to components of other comprehensive income, is as follows:

	For the year ended					
	31 December 2013			31 December 2012 Restated		
	Before tax	**Tax (charge)/ credit**	**After tax**	**Before tax**	**Tax (charge)/ credit**	**After tax**
Available-for-sale financial assets	(105)	-	(105)	(100)	-	(100)
Cash flow hedges	51.478	(10.611)	40.867	37.720	(7.544)	30.176
Currency translation differences	(1.051)	-	(1.051)	(1.168)	-	(1.168)
Actuarial gains/ (losses) on defined benefit pension plans	(1.164)	486	(679)	19.604	(4.851)	14.753
Other comprehensive income	**49.158**	**(10.125)**	**39.032**	**56.056**	**(12.395)**	**43.661**

28 Earnings per share

Basic and diluted earnings per ordinary share are equal, as the effect of dilution is not material. Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period.

	For the year ended	
	31 December 2013	**31 December 2012**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**(0,88)**	**0,28**
Net income attributable to ordinary shares (Euro in thousands)	(269.229)	85.547
Average number of ordinary shares outstanding	305.635.185	305.635.185

(All amounts in Euro thousands unless otherwise stated)

29 Dividends per share

A proposal to the AGM for €0,15 per share as dividend for 2012 was approved by the Board of Directors on 28 February 2013 and the final approval was given by the shareholders at the AGM held on 27 June 2013.

The BOD approved a proposal to the AGM for the distribution of no dividend out of 2013 results. The Board did not approve a change in dividend policy overall and will re-evaluate the payment of special dividends or interim dividends for 2014 during 2014.

30 Cash generated from operations

		For the year ended	
	Note	**31 December 2013**	**31 December 2012**
Profit before tax		**(338.126)**	**116.348**
Adjustments for:			
Depreciation and amortisation of property, plant & equipment and intangible assets	**6,7**	224.073	178.661
Amortisation of grants		(2.128)	(3.609)
Finance costs - net	**25**	209.287	54.201
Share of operating profit of associates	**8**	(57.391)	(38.221)
(Gain)/Loss from disposal subsidiary		-	1.166
Provisions for expenses & valuation charges		31.903	2.772
Foreign exchange (gains) / losses	**26**	(9.082)	(10.775)
Loss / (gain) on sale of property, plant and equipment		(1.002)	48
		57.534	**300.591**
Changes in working capital			
Decrease / (increase) in inventories		194.666	(78.751)
(Increase) / decrease in trade and other receivables		38.267	130.949
Increase / (decrease) in payables		210.939	204.953
		443.872	**257.151**
Net cash generated from operating activities		**501.406**	**557.742**

31 Contingencies and litigation

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. Provisions are set up by the Group against such matters whenever deemed necessary, in accordance with its accounting policies and included in other provisions (Note 19). They are as follows:

(a) Business issues

(i) Unresolved legal claims

The Group is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information and the opinion of legal counsel, management believes the final outcome will not have a significant effect on the Group's operating results or financial position, over and above provision already reflected in the consolidated financial statements (Note 19).

(ii) Guarantees

The parent Company has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to subsidiaries and associates of the Group, the outstanding amount of which as at 31 December 2013 was the equivalent of €885 million (31 December 2012: €1.152 million). Out of these, €769 million (31 December 2012: €1.033 million) are included in consolidated borrowings of the Group and presented as such in these financial statements.

(iii) International operations

Even-though not material to have an impact, the Group's international operations face a number of legal issues related to changes in local permitting and tax regulations. Such cases include a dispute in connection with the local tank depots of Jugopetrol AD Kotor in Montenegro. Specifically, following the completion of the international tender process and the resulting Share Purchase Agreement for the acquisition of Jugopetrol AD Kotor shares in 2002, ownership and use of a part of the company's tank assets came under legal dispute as ex-federation strategic stock terminals. The Group is contesting this case in local courts, while also evaluating appealing to international courts and management believes that no additional material liabilities will arise as a result of this dispute for its local subsidiary over and above those recognised in the consolidated financial statements.

(b) Taxation and customs

(iv) Open tax years

Tax audits for the Group's most important Greek legal entities have been completed up to and including 2009 with the exception of EKO where tax audits have been concluded up to and including 2007. In addition to these tax audits, for these legal entities, temporary tax audits mainly for the return of VAT have been concluded up to more recent dates. Management estimates that no additional material liability will arise as a result of open tax years over and above the tax liabilities and provisions recognised in the consolidated financial statements.

It is noted that from 2011 onwards under certain provisions, Greek legal entities are subject to annual tax audit from their statutory auditors. All the relevant Group companies were audited for years 2011 and 2012 obtaining unqualified tax audit certificates.

In June 2011 the tax audits for the financial years 2002 - 2005 of Hellenic Petroleum S.A. were finalized with disallowable expenses of €64 million in total for four years. The Company agreed to disallowable expenses of €32 million, resulting in €18 million of additional taxes and surcharges, all of which were included in Income Tax for the year ended 31 December 2011. The remaining €32 million of disallowable expenses assessed includes, amongst others, the assessment by a customs audit for alleged inventory "shortages" (see note v below) despite the fact that their tax audit did not reveal such stock differences. The Company has appealed against this assessment on the ground that it has evidence to demonstrate the lack of merit and the inaccuracy of the calculations. The appeal was heard before the Administrative Appellate Court of Athens in January 2013. The decision rendered has sustained the appeal with respect to the issues of "shortages" and "loss from the production of BOPP film" (disallowable expenses of €28 million) and rejected the part of the appeal concerning the issue of "amortization of Mining Rights" (disallowable expenses of €4 million). The Company has appealed against the latter part of the above decision before the Supreme Administrative Court (Conseil d'Etat). Moreover, the aforementioned tax audit also resulted in additional property taxes of a total amount of €2,2 million, against which the Company has appealed before the Administrative Courts. The hearing of the appeal has been, after postponement, set for April 2014. No provision has been made in the consolidated financial statements as of 31 December 2013 with respect to the above, as the Company believes that the case will be finally assessed in its favour.

(v) Assessments of customs and fines

In 2008, Customs authorities issued customs and fines assessments amounting at approximately €40 million for alleged "stock shortages" in the bonded warehouses of Aspropyrgos and Elefsina refineries for certain periods during 2001-2005. The report has been challenged by the Company as the alleged "stock shortages" relate to accounting reconciliation differences caused as a result of early problems during the implementation of the new customs authorities' electronic monitoring system (ICIS) in 2001, and not because of physical shortage of products. Both through the Company's workings, as well as by the work performed by independent auditors, it is confirmed beyond any reasonable doubt that there are no stock shortages and the books of the Company are in complete agreement with official stock counts. Furthermore, all tax audits relating to the same periods come to the same conclusion that no stock deficits were identified. In relation with the above, the Company has dully filed contestations before the Administrative Court of First Instance of Piraeus, for which no dates of hearing have been assigned to date. Given that the management and the legal advisors position is that the case will have a positive outcome when the court hearings take place, no provisions are made for such liabilities.

(All amounts in Euro thousands unless otherwise stated)

However, contrary to a specific temporary court order, the Customs office withheld an amount of €54 million (full payment plus surcharges) from VAT that was due for refund to the Company, an action against which has also been contested through the filing of two Contestations before the Administrative Courts of Athens and Piraeus, challenging the acts of the Tax Office and Customs Authority respectively. The former Contestation has been heard on May 22nd 2013 and Decision No. 3833/2013 has been rendered by the Administrative Court of Athens, sustaining the Company's Opposition and ruling that the withholding effected by the Tax Office was done improperly and against the law.

The Company considers that the latter contestation will be sustained by the Piraeus court in light of the pertinent substantial reasons including amongst others, the fact that the subsequent customs audits for the same installations have concluded that no stock shortages exist, as well as serious procedural arguments in the second case where Customs abused their authority to withhold refunds to the Group.

32 Commitments

(a) Capital commitments

Significant contractual commitments of the Group amount to €64 million (31 December 2012: €78 million), which mainly relate to improvements in refining assets.

(b) Operating lease commitments

The Group leases offices and petrol stations (buildings and plant) under non-cancellable operating lease agreements.

The future aggregate minimum lease payments under these non-cancellable operating leases are as follows:

	For the year ended	
	31 December 2013	**31 December 2012**
No later than 1 year	19.403	20.240
Later than 1 year and no later than 5 years	66.676	70.368
Later than 5 years	60.006	70.354
Total	**146.085**	**160.962**

33 Related-party transactions

Included in the statement of comprehensive income are proceeds, costs and expenses, which arise from transactions between the Group and related parties. Such transactions mainly comprise of sales and purchases of goods and services in the ordinary course of business and are conducted under normal trading and commercial terms on an arm's length basis:

Transactions have been carried out with the following related parties:

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

(All amounts in Euro thousands unless otherwise stated)

- Biodiesel S.A.
- Superlube
- D.M.E.P. / OTSM

	For the year ended	
	31 December 2013	**31 December 2012**
Sales of goods and services to related parties		
Associates	526.830	526.531
Joint ventures	265	595
Total	**527.095**	**527.126**
Purchases of goods and services from related parties		
Associates	558.491	590.056
Joint ventures	1.717	1.702
Total	**560.208**	**591.758**
Balances due to related parties		
Associates	21.026	21.633
Joint ventures	369	365
Total	**21.395**	**21.998**
Balances due from related parties		
Associates	38.810	40.538
Joint ventures	21	88
Total	**38.831**	**40.626**

b) Parties which are under common control with the Group due to the shareholding and control rights of the Hellenic State:
   - Public Power Corporation Hellas S.A.
   - Hellenic Armed Forces
   - Road Transport S.A.

   During 2013, Group’s sales of goods and services to government related entities amounted to €356 million (2012: €373 million) and Group’s purchases of goods and services to €56 million (2012: €39 million). As at 31 December 2013, the Group had a total amount due from government related entities of €49 million (2012: €22 million) and a total amount due to government related entities of €11 million (2012: €6 million)

c) Financial institutions which are under common control with the Group due to the shareholding and control rights of the Hellenic State
   - National Bank of Greece S.A.
   - Eurobank S.A. (for part of the period – controlled by HFSF since June 2013

d) Key management includes directors (executive and non- executive members of the board of Hellenic Petroleum S.A.) and members of the Executive Committee. The compensation paid or payable to key management for 2013 amounted to €3,1 million (2012: €2,8 million)

(All amounts in Euro thousands unless otherwise stated)

34 Principal subsidiaries, associates and joint ventures included in the consolidated financial statements

COMPANY NAME	ACTIVITY	COUNTRY OF REGISTRATION	EFFECTIVE PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
EKO S.A	Marketing	GREECE	100,00%	FULL
HELLENIC FUELS S.A.	Marketing	GREECE	100,00%	FULL
EKOTA KO S.A.	Marketing	GREECE	49,00%	FULL
EKO KALYPSO M.E.P.E.	Marketing	GREECE	100,00%	FULL
EKO ATHINA MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO ARTEMIS MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO DIMITRA MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO IRA MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO AFRODITI MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
EKO BULGARIA EAD	Marketing	BULGARIA	100,00%	FULL
EKO SERBIA AD	Marketing	SERBIA	100,00%	FULL
HELPE INT'L	Holding	AUSTRIA	100,00%	FULL
HELPE CYPRUS LTD	Marketing	U.K	100,00%	FULL
RAMOIL LTD	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA PROPERTIES LTD	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM SERBIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
JUGOPETROL AD KOTOR	Marketing	MONTENEGRO	54,35%	FULL
GLOBAL ALBANIA S.A	Marketing	ALBANIA	99,96%	FULL
ELPET BALKANIKI S.A.	Holding	GREECE	63,00%	FULL
VARDAX S.A	Pipeline	GREECE	50,40%	FULL
OKTA CRUDE OIL REFINERY A.D	Refining	FYROM	51,35%	FULL
ASPROFOS S.A	Engineering	GREECE	100,00%	FULL
DIAXON S.A.	Petrochemicals	GREECE	100,00%	FULL
POSEIDON MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
APOLLON MARITIME COMPANY	Vessel owning	GREECE	100,00%	FULL
HELLENIC PETROLEUM FINANCE PLC	Treasury services	U.K	100,00%	FULL
HELLENIC PETROLEUM CONSULTING	Consulting services	GREECE	100,00%	FULL
HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES	Energy	GREECE	100,00%	FULL
HELPE-LARCO ENERGIAKI SERVION S.A.	Energy	GREECE	51,00%	FULL
HELPE-LARCO ENERGIAKI KOKKINOU S.A.	Energy	GREECE	51,00%	FULL
ENERGIAKI PYLOY METHONIS S.A.	Energy	GREECE	100,00%	FULL
ELPEDISON B.V.	Power Generation	NETHERLANDS	50,00%	EQUITY
SAFCO S.A.	Airplane Fuelling	GREECE	50,00%	EQUITY
DEPA S.A.	Natural Gas	GREECE	35,00%	EQUITY
E.A.K.A.A	Pipeline	GREECE	50,00%	EQUITY
HELPE THRAKI S.A	Pipeline	GREECE	25,00%	EQUITY
BIODIESEL S.A.	Energy	GREECE	25,00%	EQUITY
SUPERLUBE LTD	Lubricants	CYPRUS	65,00%	EQUITY
DMEP HOLDCO	Holding	U.K	48,00%	EQUITY
DMEP (UK) LTD	Trade of crude/products	U.K	48,00%	EQUITY
OTSM	Trade of crude/products	GREECE	48,00%	EQUITY

On 15 November 2013 the Group acquired 100% of the share capital of ENERGIAKI PYLOU-METHONIS S.A. from GAMESA ENERGIA S.A. SOCIEDAD UNIPERSONAL. ENERGIAKI PYLOU-METHONIS S.A. owns a wind farm of 6,8 MW in the region of Messinia. The group company which acquired the shares is HELPE PETROLEUM RENEWABLE ENERGY SOURCES S.A. The consideration for the acquisition of the shares was €8 million, €6,6 of which was paid in cash whilst the remainder €1,4 million will also be paid in cash upon the receipt by ENERGIAKI PYLOU-METHONIS S.A. of the final installment of a government grant, which has been approved, for the construction of the wind farm. The receipt of the grant and consequent payment of the remaining consideration is anticipated for 2014. The wind farm was completed in 2013 and became fully operational in August 2013. Since the acquisition date ENERGIAKI PYLOU-METHONIS S.A. contributed approximately €0,1 million to the revenue of the Group. As a result of this acquisition the Group is expected to increase its presence in the electricity production market and is moving towards its goal of developing a significant renewable energy portfolio.

35 Events after the end of the reporting period

There were no material events after the end of the reporting period and up to the date of publication of the financial statements.