HELLENIC-PETROLEUM

17th km National road, Athens Korinthos
GR - 19300 Aspropyrgos
Tel.: (+30) 210.5539.120
Fax. : (+30) 210.5539.100

"Full Year 2012 Financial Results" Conference Call

Thursday, 28th February 2013
18:00 (GR Time)

Conductors:

Mr. John Costopoulos, Chief Executive Officer
Mr. Andreas, Shiamishis, Chief Financial Officer
Mr. George Alexopoulos, Corporate Planning & Development Director
&
Mr. VasilisTsaitas, Investor Relations Officer

Conference Call Conducted by Chorus Call Hellas

CHORUS CALL HELLAS
PROVIDER OF TELECONFERENCING SERVICES
TEL: +30 210 94 27 300
FAX: + 30 210 94 27 330
Web: www.choruscall.com

OPERATOR: Good afternoon, ladies and gentlemen, this is the Chorus Call conference operator.

Welcome and thank you for joining Hellenic Petroleum Full Year 2012 Financial Results Conference Call.

At this time, I would like to turn the conference over to Mr. John Costopoulos, Chief Executive Officer, Mr. Andreas Shiamishis, Chief Financial Officer, Mr. George Alexopoulos, Corporate Planning and Development Director and Mr. Vasilis Tsaitas, Investor Relations Officer.

Gentlemen, please go ahead.

COSTOPOULOS J: Thank you very much. Good afternoon ladies and gentlemen, thank you for joining us on this Conference Call, where we're going to be discussing with you the Financial Results of our Fourth Quarter 2012 as well as The Full Year Results.

As you've seen from the presentation that we have sent you, the results for Hellenic Petroleum in the fourth quarter and of course for the full year, despite the very you know, difficult challenging environment we've been facing in Greece have been positive. And clearly you know, the major kind of underlying factor is the start up of our new Elefsina refinery at the end of 2012, which has started contributing to our results, and of course, the successful refinancing of the bulk of our maturing facilities at the end of 2012 and early 2013, which were successfully completed.

Coming to the results, as you have seen, our adjusted EBITDA for the fourth quarter of '12 came in at €78 million, which is slightly above the equivalent quarter last year. On a full year basis, our adjusted EBITDA was at €444 million, a 22% increase versus last year, particularly supported, I guess, by the good margins in the second and third quarter.

On the adjusted net income line, the quarter came in at €23 million, about 40% ahead of last year, and the adjusted net income for the full year at €232 million, in comparison to the €137 for last year.

Clearly, you know 2012; I wanted to tell you, was a difficult year for you know, any group, any company operating out of Greece. As you know, in our country GDP has gone down… has been declining now for the 5th consecutive year and of course, all companies and households operating in Greece are facing very tight liquidity conditions.

Within our sector and the fuel sector, the consumption of fuels, if we look you know, back over the last four years, starting from 2009, are now over to 30% down, affected by both you know, the difficult economic environment, the effect of reduced incomes, but particularly also by the, you know, very high excise duties that have been imposed over the last few years and increase in the VAT. And that you know, net has resulted in a very different market and competitive landscape, and really different, if you will you know, supply chain organization requirements. You know we are operating in a totally different environment.

At the same time, if one looks at the global environment, the global oil markets clearly have, you know, we consider they are being characterized by uncertainty. We've seen volatility in the crude oil prices and of course, we've seen generally weak demand fundamentals.

So despite this environment, I think we at Hellenic have delivered a good performance in 2012. This obviously was a result of a combination of factors, including strong refining margins in 2012.

On average you know, the margins were about $1 per barrel higher than where they were in 2001. And we continued our focus on enhancing our competitiveness throughout our operations in refining, marketing, domestic and international. And our efforts to you know, bring down costs through, through cost controls in the organization and transformation efforts.

We can say that 2012 in some respect you know, marks the completion of a strategy that we put together five years ago, a five-year strategy to enhance and you know, put some solid base for growth, but also enhance our competiveness in the region, which has culminated with a successful start up of our Elefsina new refinery.

As you know, this has been €1.4 billion upgrade. It's the largest private investment that has taken place in Greece; the largest refinery investment that took place over the last few years in Europe. And which is already into production and that is allowing us now higher returns, importantly increased exports, our exports now would be accounting for almost 50% of our total sales.

And I think it's enabling us to you know, really look at a Group now which is competitive on a regional basis, both in terms of its refinery assets, its logistic assets and its fuels you know, marketing organization. You know, we feel we are a strongly competitive Group, both in Southern and Eastern Europe and Eastern Med.

Our priorities, looking forward for 2013 will be to fully leverage our modernized refineries. We will continue to focus on cost control and credit control. The reduction of gearing, you know, by capitalizing on our increased cash flows. And of course, this year the successful completion of the DEPA/DESFA divestment process.

After this kind of introduction, which is bit more generic and general, I will pass on to our CFO, Andreas Shiamishis, who, will take you through our results in more detail, both of role as a Group and then you know, business-area-by-business area. Andreas?

SHIAMISHIS A: Thank you very much, John. Good afternoon ladies and gentlemen. Thank you for participating in this conference call for the 2012 results and the highlights for the fourth quarter for the Group. Moving through the presentation on Page 2, you will see our key highlights, where repeating what John just mentioned, we have a strong performance on the adjusted EBITDA and net income basis, where we've delivered 22% and 70% increases as versus last year. And of course, we have a reported results performance, which is affected by a number of factors, which we will explain through the presentation.

I think in terms of the key highlights for the performance, we need to mention the benchmark margins which have been higher than last year. Even though 2012 fourth quarter FCC margins which for the majority of the year has been the benchmark which was most relevant to us, were significantly down versus the previous three quarters.

We did have Aspropyrgos operating on an interrupted basis, in fact we are quite pleased to report that Aspropyrgos refinery reported the lowest ever downtime of a few hours, not even a full day during 2012. And on that basis, we have been able to increase our sales to just over 15 million, 15.4 million metric tons, to be precise. We have market share gains in the domestic market both at retail and wholesale level, and of course we have significantly increased exports in the year.

In terms of one-offs, I think it's important to mention three types of items. The first one relates to the settlement of DEPA and PPC which affects us, with lower than expected participation and contribution of DEPA Group in our results.

The costs associated with the start-up and the ramping-up of the new refinery which is one of the most complex in Europe, and of course the impact of the Greek crisis overall throughout 2012. It goes without saying that our results on a clean basis are adjusted for the impact of the inventory price of crude oil prices and for the prices on our inventories.

As mentioned earlier, refinancing was completed; it was actually fully completed just after the year end. So we have crossed the maturity wall as we say of €1.2 billion which was in December and January 2013.

In terms of dividends, we will cover that in a minute in more detail, but effectively for today the Board proposed a dividend of €0.15 per share, which is effectively covering the statutory or a minimum requirement, and we would expect that additional announcements will be made during the rest of the year to make up for what has been a relatively stable dividend over the last few years.

Moving on to the industry environment, we have on Page 5, the trend for 2012 for crude oil prices in euro/dollar exchange rates; on crude oil prices, reduction of price, drop of price towards the end of the year led to inventory losses of about €45 million in the last quarter.

And of course in terms of the euro/dollar we've seen the weakening of dollar towards the end of the year, and during January, which was quite important for us as we had to repay a number of US denominated loans. So that had an impact which is not actually captured in this year. It will be seen in the first quarter of 2013.

In terms of margins, we are reporting two types of cracking margins, as you know with the completion of Elefsina we have a southern half with the two refineries, which depend one of them on FCC cracking margins on gasoline mainly, product cracks and on middle distillates product cracks which is Elefsina, so we can take advantage of both trends in the market. Unfortunately, domestic market environment is not better than the last time we spoke on the conference call for the third quarter.

We have seen a drop in the fourth quarter, which is exacerbated by the increase in excess tax. We have heating gas oil sales dropping by about 70% in the quarter, which was expected after the equalization of the excess duty on heating gas oil. Overall in the year, we have a 17% drop in the domestic market and 12% drop in aviation and bunkering. And you can see the various product lines in the charts on Page 7.

Going through the last quarters results, we have a relatively stable performance, which is effectively a combination of a number of factors. We have very good performance by refining and by petrochemicals, which is somehow offset by weaker performance in our international businesses, and of course, in the domestic marketing business.

It’s clear that the initiatives that we have been talking about for the last few years in terms of transformational, cost controls and competitiveness improvement have been quite helpful this year as well. We are reporting close to €230 million improvement versus the base lines. It doesn’t mean that €230 million of our EBITDA is… in the year comes from these initiatives.

However, it does show the opportunities that were captured over the last few years, and it also compares to a medium term target of about €270 million, which suggest that we have another €40 million to €50 million of identified opportunities that we expect to capture over the next year or two.

The supporting charts on the page effectively, to give you a couple of examples of how this transformation is relating to day-to-day KPIs for each one of the Group. For example, the headcount is down by 17%, even though we have a much bigger setup in the refinery, in Elefsina refinery, fixed overhead is down by 16%, plus the operational KPIs of savings and probably low in production.

Moving onto cash flow, Page 11, 12 and 13, give a high level summary of where we stand. During 2012, on Page 11 you can see, how net debt of €1.7 billion moved to €1.9 billion at the end of fiscal 2012. The key number, which is clearly… has been, which has been a positive development for us, is €308 million of working capital benefit, which is mainly driven by the recovery of tax prepayments and receivables from the state.

So, with this last tranche, we are quite pleased to say that our exposure towards the Greek State is significantly lower and well below the €100 million number compared to €0.5 billion, which was the case a few years ago.

It's also important to go through these, three smaller charts on Page 11, which try to give you the view of the Group's cash flow for the last three years by separating what is operational cash flow and what is the capital upgrade. As you know, we have been penalized over the last few years because we have used Hellenic Petroleum business to invest an amount which was significantly higher than the market cap of the company in order to deliver growth for the future.

So, if history about the investment that was made in the last three years at least, it's clear that the Group sits on a very comfortable cash flow generating position, which can be anything between €200 million and €500 million depending on margins and on the environment. That allows us to project in 2013 and 2014 deleverage of our balance sheet.

We have a long-term target of 30% to 40%; we expect to be within that range over the next 12 to 18 months, even if we assume nothing on DEPA sale. So, we are moving into the deleveraged field for the Group, which is clearly good news for us and for you as well.

A few words on the refinancing on Page 13, effectively we've fully refinanced 1.2, 1.25 to be precise of facilities maturing in December and January 2013 by raising about €900 million in fact a bit more than €900 million of new facilities during 2012, and by utilizing a relatively high cash balance on the balance sheet to repay the remaining of that debt.

Clearly, the process of refinancing loans which were put together, something like 6 or 7 years ago, involves a stepped increase in the cost of funding. And we expect that, one would see an average increase in financing costs of about 2% to 2.5% in 2013, as a result of this refinancing.

However, the benefit is that, we have a much smoother maturity profile going out into the outer years, which is clearly another benefit on top of the deleveraging process that we have described on the previous page. This brings us to the dividend policy. As you know, there has been a recent change of tax legislation, which affects both corporate taxation as well as dividend taxation. We are in the process of fully reviewing and overlaying the impact of this on our Group.

And of course, we are… and what we hope to be the final legs of DEPA privatization. And as a result, the Board has decided to propose the €0.15 per share as dividend out of the 2012 results, which as I mentioned cover the minimum statutory requirement. And we will be considering an announcement in the next few months a possible top-up of that as… with an extraordinary dividend of 2012 or through an interim dividend on 2013.

Now, moving onto the segmental performance; on Page 16, we have some charts highlighting the key numbers for our refining supply and trading business in Greece, which is the bulk of the Group. As you can see the last quarter number is pretty much close to last year's performance. And the full year performance has the carryover of the benefit of the second and the third quarter.

If we go to the following page, it's probably easier to explain the underlying performance drivers for this quarter. We start with a €72 million adjusted EBITDA in 2011. We have the benefit of improved margins and FOREX which is something we take as given from the environment, which add another €10 million to €12 million on the performance of the business.

Operations effectively means improved utilization by Aspropyrgos Refinery, if you recall last year Aspropyrgos had a shutdown during the fourth quarter, which is a downside in terms of the capturing of refining margins, but that's another €9 million which brings the baseline of the old Hellenic Petroleum Refining System to around €90 - €92 million of EBITDA per quarter assuming of course, a given set of margins that we had in this quarter. And then we have the kick in… of Elefsina contributing for a very small part of the last quarter.

As you know, Elefsina started up sometime in September and during the last few months has been going through the ramping-up process and the optimization process. We are pleased to announce that the new refinery is performing very well, and one would expect that contribution to be significantly higher in the following quarters.

So, that gives us a new baseline for the Group, which if you take into account the full operation of Elefsina refinery, plus the sales mix which is effectively the switch between exports and domestic markets of around €120 million to €130 million per quarter for the refining EBITDA. Within "other" we have grouped a number of what I would call one-offs or exceptional items, which had to go with the start-up of the refineries.

During the last few months, we've had to… we've had some additional costs in ramping-up the refinery, plus we've had costs associated with the Greek crisis, given that first of all, credit was not available until late in the year and of course, we need to take into account that we are comparing 2011 which had a significant part of the crudes import coming from Iran to 2012 which is fully switched to alternative types of crude and of course, that has an impact on our performance as of course, it has on every single refinery in the Med.

Moving on to sales and production, you can clearly see the trends here. We have increased sales coming from the Elefsina and the Thessaloniki refinery. We have increased our sales in the quarter by 21%, and you can see the breakdown of the products there as well.

What is more important is Page 19, which gives the production for whole of the Group, even without the full utilization and optimization of Elefsina, we are running a system of refineries which generates more than 50% of middle distillates, clearly that is a number which is very high and it puts the Hellenic Petroleum Refineries at the top of the value refineries in Europe.

Moving on to domestic marketing, as you know, domestic marketing has been suffering from the economic crisis in Greece as well as very high prices which are the result of high excise duties. In 2012, we have been able to marginally improve during the fourth quarter, and in terms of the full year results, you can see that we are reporting a 40% drop on our EBITDA.

Clearly, that is a situation which needs to be addressed and the management of the Group is committed to review closely the business model. As John mentioned earlier, it's a totally different market, it's 40% lower than what it is used to be a few years ago, and we need to make sure that we have the right setup for this market.

International, slightly weaker than anticipated last quarter, but overall, we have a reasonably healthy return about €40 to €45 million, coming from our export subsidiaries out of Greece.

Petrochemicals; is a major improvement. We have the polypropylene margins as well as the price curves supporting a very strong fourth quarter with €12 million of EBITDA, and almost 30% improvement versus last year's full year numbers.

Our exports are still the bulk of our business; more than 60% of our total sales have gone to markets such as Iberia, Italy and Turkey, rather than Greece.

Moving on to our power and gas investments, power generation we are reporting a relatively stable performance. We have a few million changes from last year and of course, that is something which is driven entirely by the market condition. We have reduction of demand, gas fired plants see that the high end of the supply curve, which effectively means that they are bound to run fewer hours than base load to run such as lignite, hydros or renewables.

But still a decent performance in 2012; and we need sort of… aim to have a repetition of that in the next couple of years. A challenge, but this is pretty much the target for us.

Finally, we go to DEPA, which is shown on Page 24. What we have here is the adjusted set of numbers for the DEPA Group. I have to mention that these numbers are not final, we are not audited and DEPA has not announced its full year results. However, given the materiality of the investment of the Group, we do get accounts prepared and reviewed for consolidation purposes in order to be able to share them with you.

So, adjusting for the settlement of the arbitration with PPC, which has been a material number, it has been announced throughout during the year by both PPC and DEPA and us in previous calls. We have a strong performance by DESFA which is to be expected given that it's a regulated asset based return. DEPA and the Ukrainian subsidiaries have been able to maintain a decent performance considering the drop in the economy, and we have a contribution to the Group of about €70 million, €69 million to be precise. This is the number adjusted for the PPC impact in 2012.

In terms of the privatization process, this is a material asset for us, so we are following that. As you can see, we have an investment of around €550 million in DEPA and the Group has capital employed of about €2 billion. So it's not an immaterial investment for us. The second round stage, the second stage process has been launched. We expect that they are going through their due-diligence process now, and sometime during the second quarter, probably in the earlier part of the second quarter, we expect to get their final bids in

Now, as we come to the end of the presentation, we wanted to sort of summarize 2012 for you. And Page 25 effectively gives us the key points for the year. So, all in all, a satisfactory set of results given the Greek market conditions and of course, the backdrop of Eurozone and the uncertainty that we have faced throughout the year, whether it's…it has to do with crude supply or domestic market or currency risks or Grexit or whatever else.

It has been definitely an interesting 2012, to say the least. Refining margins have helped us to deliver improved performance, and so have petrochemicals margins and prices. Production has ramped-up from Thessaloniki refinery, and towards the end of the year from Elefsina as well, looking forward to even higher levels of production in 2013. We managed to increase our market shares in Greece and of course exporting more than 50% of our production, also give us a very big diversification away from the downsides of the Greek market.

Elefsina has been completed, even though it's a financial results conference call, one has to emphasize that we've had a smooth and a safe commissioning in start-up process, which is equally important for our Group.

Our contribution was positive in the fourth quarter, clearly it's an indication of things to come in terms of the positive uplift that we have been expecting and communicating over the last few years to the market. The full potential will be seen in 2013, and of course, the fact that we have a very high yield in terms of middle distillates is something that directionally is clearly a big benefit for the Group.

We've been able to refinance our loans €1.2 billion was a material maturity wall that we had to cross, and we've done that successfully. It's a much stronger balance sheet, and clearly with the absence of material CapEx going forward, we are not planning to build any other refineries any time soon.

So, one would expect to get the cash flow benefits of the investments that we've made over the last few years to drive our net debt levels down significantly, and you've seen that we have anything between €200 million and €500 million a year of debt reduction capacity, and sort of referring to the charts on cash flow few pages ago.

One thing that we need to get more attention on is marketing. As I mentioned we have the domestic market pressure as well as increased competition. We need to rethink the model and adjust our operations and our route to the market in a way that is…if you like "feed for purpose" for the next few years at least.

Finally, we have DEPA, which has entered the final stage. We are hoping that over the last few months, we will see the completion of this project. And of course, it's going to help in terms of deleveraging the Group much faster than what it would have been otherwise.

As we usually do, I am not proposing to go through the follow-up pages, where we have all the financials. You are more than welcome to go through them and we are available for any questions over the next few days on any specific numbers. Thank you.

Q&A

OPERATOR: The first question is from Mrs. Rainforth Lydia of Barclays Group. Please go ahead, madam.

RAINFORTH L: Thank you and good afternoon gentlemen. Thank you so much for the presentation. There was a couple of things I just wanted to follow up on. The first one, in terms of the refining performance for the quarter, are you actually able to break down what the contribution of Elefsina was? And the reason I mainly ask is that the performance seemed somewhat lower than I might expect that it's given that Elefsina was on stream, given that Aspropyrgos didn't have maintenance on the transformation program. And so, I think really wasn't getting at it. Are you very comfortable with the EBITDA guidance that you've given previously once Elefsina is fully up and running?

And then secondly, on the dividend side, okay, can I just come back to, is the idea that you actually want to have a lower payout ratio in total for 2012, and any incremental site that you do from the total site, and that you've been able paying for the last few years or is this purely related to the tax changes that we are seeing? Thank you.

SHIAMISHIS A: Thank you, Lydia. Let me tackle the two questions on Elefsina. Clearly, I mean you have been following our results and you know the refining industry quite well. We've put the chart on Page 17, just to explain the situation. Elefsina started up in September, but throughout most of fourth quarter it was a question of ramping up and optimizing the units. As you know, Elefsina is not just a simple hydrocracker but involves a flexicoker as well which is, one of only six in the world. That means that the optimization, the selection of crudes, the testing of which crude is more appropriate, building the ELPE is something which can be a bit more complex than your average refinery.

If I had to give you some sort of guidance, I would say that the Elefsina contribution that we've put down here separately of around €10 million to €12 million would probably be less than a month's proper contribution coming from Elefsina. So, if one was to put a full quarter that number would be closer to about €40 or €50 million with 2012 fourth quarter margins. So clearly, we don't expect to see any change on the communication, we have been giving out over the last few years. I think the communication is that we expect anything between €180 million to €250 million of additional EBITDA coming from this investment, and it is still the case based on the performance we have seen to-date. So, it's a timing issue rather than a performance issue.

Finally, I need to mention that what we have seen in the last few months is that, if we operate the South hub as we well as Thessaloniki hub as an integrated system, which clearly is the intention, there is further opportunity for uplift, which can be a few tens of millions of dollars per year, which is not built into this… into our model. So no worries, bottom line is that no worries for Elefsina you should be expecting to see the ramp up in 2013.

Now, on dividends; I mean clearly the change of tracks is a very material point, mainly for the free flow to shareholders and institutional investors of the Group. I think, it would be a bit reckless from our side to try and go for what we would expect to be a similar level dividend as previous years in absolute terms, without taking the tax position of the company and the shareholders into account. Also we are expecting to see the development of the DEPA sales process, which if all goes well will be in the next few months, and that will lead us to the final decision of how much cash we actually pay out in 2013.

Most likely, we will be in a position to give a clear guidance prior to the AGM, if it's an interim payment for 2013, then it's going to be taking place after the AGM, but there will be clear guidance on that.

RAINFORTH L: That's very helpful. Thank you very much, Andreas.

OPERATOR: The next question is from Mrs. Exarchou Ioanna of Citigroup. Please go ahead.

EXARCHOU I: Thank you very much and good afternoon gentlemen. I just have one question, please. Now, that you have effectively completed your refinery upgrade project, where do you see your normalized CapEx leveling of going forward? Thank you.

SHIAMISHIS A: I think that's an average number of around €130 million to €150 million on a four – year cycle is the right number. Yes, with shut downs, may take us north of 150, yes without shutdowns will be at around €110 million to €120 million. So this is pretty much the number you should be expecting to see.

EXARCHOU I: Okay. Thank you very much.

OPERATOR: The next question is from Mr. Theodorou Costas of National Securities. Please go ahead, sir.

THEODOROU C: Thank you and good afternoon. I notice on… I have two questions. The first question is on the balance sheet. There is an increase of about €350 million on trade and other payables in the quarter. I wanted you to elaborate if there is anything extraordinary on this increase that helps the cash flow?

And the second question is, could you elaborate a bit on your expected interest cost for 2013? Should it be fair to say

2.5% multiplied by €900 million with the €20 million additional charge this year? Thank you.

SHIAMISHIS A: Thank you Costas. On trade and other payables, I think what we are seeing is a combination of two factors. First of all, it's seasonality which can affect these numbers. Seasonality in terms of volumes as well as prices, but also I think what we are gradually starting to see is an easing of suppliers, mainly towards the end of the year after the Troika release of the payments to provide supplies on an open credit to Hellenic Petroleum. So if anything, that is an indication of the trend to follow in terms of our balance sheet.

Ideally one would expect to see a few hundred million of debt reduction just as a result of having open credit supplies for a 100% of our purchases, which was the case not so long ago, and for that we will need to wait for a little while longer so that the Grexit issue is out of the scene.

In terms of interest costs, the refinancing as I mentioned, will give us about 2 to 2.5 percentage points on the average total fund… total cost increase. Now, there are a number of other factors that one has to take into account for that. First of all, we will be paying for a lower debt balance than in the last few years. So if we de-leverage by let's say €300 million during the year, assuming that DEPA is not in the picture, one would see a 5% to 7% decrease on the interest cost.

The other thing that one has to take into account is that over the last few years the building of the refinery means that we have been capitalizing interest relating to the refinery. We have been making the payments of course, but this was not shown in the interest lines. So this is going to be shown from 2013 onwards and it's going to lead to an increase in our interest charge.

Finally, we do have an increase in credit spreads because of the sovereign risk, but we do have the benefit of lower base margins, EURIBOR is about a 1% lower than last year. So all in all, one would expect to see a lower increase in the average cost. Today, we are reporting something like €60 million a year. As a guidance, I would expect that to be maybe a few tens of millions higher in 2013.

THEODOROU C: That's clear, thank you very much. And just a follow up, if I may, regarding the dividend tax you mentioned, you suggested this €0.15 will be taxed by how much just to clarify for the minority, you know?

SHIAMISHIS A: The 25…sorry the 2012 dividends are taxed at 25%, so there will be a withholding of 25%....

THEODOROU C: Okay.

SHIAMISHIS A: …by the company. 2013, dividends interim or final, we have a withholding tax of 10%.

THEODOROU C: Okay, okay. Thank you very much.

OPERATOR: The next question is from Mr. Katsenos Nikos of Alpha Finance. Please go ahead, sir.

KATSENOS N: Yes, good afternoon gentlemen, just one question from me please. You mentioned that among the negative factors affecting your results during the fourth quarter was the increased crude oil costs due to switching of suppliers. Would you be in a position to quantify the negative impact on an EBITDA level or on a per barrel basis, please?

SHIAMISHIS A: Thank you, Nikos. This is… that was a very good question. I am afraid we wouldn't be in a position to give you specific numbers for obvious reasons. You do need to take into account the fact that part of these costs is borne by every single refinery in the Med because it's not just us who were buying Iranian and switching to Urals or to Saudi supplies. So, the numbers are if you like quoted on a daily basis and it's easy to see the delta between the two.

And the second impact is the fact that Urals pricing has become tighter versus the Brent, and again these are published numbers. I think if you sort of go through this analysis, which is for the market, it's not for HP; it's not far off to what we have had to pay as well. But I am afraid we cannot give you the specific numbers for obvious reasons.

KATSENOS N: But as an additional follow-up please, could you give us an idea of what crude slate you are currently using or perhaps guidance for the upcoming quarter?

SHIAMISHIS A: Yes, of course. As you may recall from previous recession of the Company and sort of the follow up we've been doing over the last few years, we have had a participation of about 60% to 65% of heavier crudes versus light crudes, that heavy crudes was Urals mainly and Iranian. Now it's safe to assume that most of that is actually Urals so we've switched almost a 100% to Urals plus some Iraqi Basrah crudes.

KATSENOS N: Okay thank you very much.

OPERATOR: Excuse me. There were no more questions registered at this time. You may proceed with your closing statements.

COSTOPOULOS J: Ladies and gentlemen, thank you very much for attending our conference on the quarter results and the full year results for 2012. I think as Andreas explained quite elaborately as a management team, you know, we feel quite positive about, you know, the delivery of satisfactory results despite you know, the challenging environment within which every Greek based company is operating. I think that as a management team and generally you know, on behalf of all the employees at Hellenic 2012, was a year where a lot of things were delivered in terms of the levers, which we as you know, managers and staff can use.

You know, we delivered on the completion of the Elefsis refinery, so the completion risk is behind us. I think we delivered on what Andreas, I think vividly explained as a maturity wall; we've jumped over that wall, so the refinancing risk is behind us.

I think looking at sales, you have seen from our results that our refinery sales were up 8%. Our exports are growing you know, quite dramatically, so we have kind of changed completely the risk profile of this organization of this Group.

And looking forwards particularly in 2003, I think our task as a team here at Hellenic is really to fully leverage the now modernized asset refining base that we have, ensure that we continue to run our refineries and our logistics infrastructures in a flawless and optimized way, and optimize of course, supply and trading as we are becoming substantially more export oriented, and manages effectively and efficiently as possible our crude slate to maximize the yield of our refineries.

In terms of challenges, clearly, we need to focus and fix the domestic retail model, you know, we are facing you know, a very challenging retail environment in Greece, and we need to… although we have done a lot over the last couple of years we have brought cost down by 20%, we've restructured the company, we've reduced the head count, we've closed down certain depots.

But you know, we are in the process of completely reorganizing the whole you know, value chain over domestic retail and hopefully we'll see more results over '13, '14 of this. And continue to you know; focus on generating you know, the cash flows that now assets have to deliver to move towards you know, deleveraging our balance sheet. And of course, which is now totally within our hands, you know, monitor closely the DEPA privatization process, which hopefully as we mentioned earlier on, you know, we should be able to you know, report more on this in the second quarter of 2013.

So, this is it on our side. We thank you again for your attendance and your very good questions. And we renew our appointment for our next call to review the first quarter results for 2013. Thank you for joining us. Good afternoon.