HELLENIC PETROLEUM S.A.

Consolidated Financial Statements
in accordance with IFRS for the
year ended 31 December 2007

COMPANY REGISTRATION NUMBER: 2443/06/B/86/23
REGISTERED OFFICE: 54 AMALIAS AVE, ATHENS, 54,105, GREECE

Index to the consolidated financial statements

(All amounts in Euro thousands unless otherwise stated)

Company Information

Directors	Efthimios Christodoulou – Chairman of the Board John Costopoulos – Chief Executive Officer (from 11/12/2007) Panagiotis Cavoulacos– Chief Executive Officer (until 11/12/2007) Nikolaos Lerios– Executive Member Theodoros-Achilleas Vardas – Executive Member Dimitrios Mathaiou – Executive Member (until 11/12/2007) Vasilios Bagiokos – Non executive Member Panagiotis Pavlopoulos – Non executive Member Marios Tsakas – Non executive Member Elisabeth Typaldou - Loverdou – Non executive Member (from 11/12/2007) Georgios Kallimopoulos– Non executive Member (from 11/12/2007) Andreas Vranas – Non executive member Iason Stratos – Non executive Member Dimitrios Deligiannis - Non executive Member Vasilios Nikitas – Non executive Member Andreas Palevratzis – Non executive Member (until 11/12/2007) Ioannis Tsoukalas – Non executive Member (until 11/12/2007)
Registered Office:	54 Amalias Avenue 10558 Athens, Greece
Registration number:	2443/06/86/23 / Ministry of Development
Auditors:	PricewaterhouseCoopers S.A. 152 32 Halandri Athens, Greece

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Independent auditor's report

To the Shareholders and Board of Directors of Hellenic Petroleum S.A.

We have audited the accompanying consolidated financial statements of Hellenic Petroleum S.A. (the "Company") and its subsidiaries (together the "Group") which comprise the consolidated balance sheet as of 31 December 2007 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

In addition, in our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the IASB

Athens, 20 February 2008
The Certified Auditor Accountant

PRICEWATERHOUSECOOPERS
PricewaterhouseCoopers S.A.
SOEL Reg. No.

Constantinos Michalatos
SOEL Reg.No. 17701

(All amounts in Euro thousands unless otherwise stated)

Consolidated balance sheet

	Note	As at 31 December 2007	31 December 2006
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	1.416.340	1.380.334
Intangible assets	**7**	129.920	117.270
Investments in associates	**8**	386.847	366.165
Deferred income tax assets	**17**	30.275	10.293
Available-for-sale financial assets		4.012	3.813
Loans, advances and other receivables	**9**	72.615	58.674
		2.040.009	**1.936.549**
Current assets			
Inventories	**10**	1.531.161	1.206.683
Trade and other receivables	**11**	1.279.244	1.049.763
Cash and cash equivalents	**12**	208.450	170.490
		3.018.855	**2.426.936**
Total assets		**5.058.864**	**4.363.485**
EQUITY			
Share capital	**13**	1.020.081	1.020.081
Reserves	**14**	515.238	571.312
Retained Earnings		918.576	693.517
Capital and reserves attributable to Company Shareholders		**2.453.895**	**2.284.910**
Minority interest		126.578	112.700
Total equity		**2.580.473**	**2.397.610**
LIABILITIES			
Non- current liabilities			
Borrowings	**16**	402.585	322.695
Deferred income tax liabilities	**17**	23.648	21.492
Retirement benefit obligations	**18**	151.126	140.956
Provisions and other long term liabilities	**19**	141.097	77.043
		718.456	**562.186**
Current liabilities			
Trade and other payables	**15**	828.105	494.963
Current income tax liabilities		142.101	10.304
Borrowings	**16**	786.510	895.661
Dividends payable		3.219	2.761
		1.759.935	**1.403.689**
Total liabilities		**2.478.391**	**1.965.875**
Total equity and liabilities		**5.058.864**	**4.363.485**

The notes on pages 11 to 53 are an integral part of these consolidated financial statements.

These financial statements were approved by the board on 14 February 2008.

E. Christodoulou	J. Costopoulos	A. Shiamishis	P. Tikkas
Chairman of the Board	Chief Executive Officer	Chief Financial Officer	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

Consolidated income statement

	Note	For the year ended 31 December 2007	31 December 2006
Sales		8.537.951	8.121.490
Cost of sales		(7.665.993)	(7.430.131)
Gross profit		**871.958**	**691.359**
Selling, distribution and administrative expenses	**22**	(382.114)	(361.223)
Exploration and development expenses	**23**	(21.554)	(17.097)
Other operating (expenses) / income - net	**24**	8.982	42.253
Operating profit		**477.272**	**355.292**
Finance costs -net	**25**	(41.772)	(35.294)
Currency exchange gains /(losses)		29.531	27.159
Share of net result of associates and dividend income		23.596	11.319
Profit before income tax		**488.627**	**358.476**
Income tax expense	**26**	(124.012)	(87.559)
Profit for the period		**364.615**	**270.917**
Attributable to:			
Equity holders of the Company		351.004	260.192
Minoriy interest		13.611	10.725
Basic and diluted earnings per share (expressed in Euro per share)	**27**	**1,15**	**0,85**

The notes on pages 11 to 53 are an integral part of these consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of changes in equity

	Attributable to Company Shareholders					
	Share Capital	**Reserves**	**Retained Earnings**	**Total**	**Minority Interest**	**Total Equity**
Balance at 1 January 2006	**1.019.963**	**543.642**	**590.933**	**2.154.538**	**101.924**	**2.256.462**
Profit for the year	-	-	260.192	260.192	10.725	270.917
Tranfers between reserves	-	26.169	(26.169)	-	-	-
Translation exchange differences	-	-	(22)	(22)	51	29
Dividends relating to 2005 and interim 2006	-	-	(131.417)	(131.417)	-	(131.417)
Exercise of employee share options	118	-	-	118	-	118
Unrealised gains / (losses) on revaluation of hedges (Note 20)	-	1.501	-	1.501	-	1.501
Balance at 31 December 2006	**1.020.081**	**571.312**	**693.517**	**2.284.910**	**112.700**	**2.397.610**
Profit for the year	-	-	351.004	351.004	13.611	364.615
Tranfers to statutory and tax reserves	-	37.625	(37.625)	-	-	-
Transfers to retained earnings (Law 3220/04)	-	(44.818)	44.818	-	-	-
Translation exchange differences	-	-	(1.715)	(1.715)	267	(1.448)
Dividends relating to 2006 and interim 2007	-	-	(131.423)	(131.423)	-	(131.423)
Unrealised gains / (losses) on revaluation of hedges (Note 20)	-	(48.881)	-	(48.881)	-	(48.881)
Balance at 31 Decemer 2007	**1.020.081**	**515.238**	**918.576**	**2.453.895**	**126.578**	**2.580.473**

The notes on pages 11 to 53 are an integral part of these consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

Consolidated cash flow statement

	Note	For the year ended 31 December 2007	31 December 2006
Cash flows from operating activities			
Cash generated from operations	**29**	386.392	200.017
Income tax paid		(14.327)	(260.780)
Net cash (used in) / generated from operating activities		**372.065**	**(60.763)**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**6,7**	(194.955)	(144.811)
Proceeds from property, plant and equipment & intangible assets		5.342	4.551
Grants received		390	2.445
Interest received	**25**	18.995	15.868
Dividens received		2.582	1.819
Investments in associates		(199)	4.040
Net cash used in investing activities		**(167.845)**	**(116.088)**
Cash flows from financing activities			
Interest paid	**25**	(60.767)	(51.162)
Dividends paid		(130.966)	(156.325)
Proceeds from share capital increase		-	118
Net movement in short term borrowings		(81.166)	549.290
Net movement in long term borrowings		110.905	(185.064)
Net cash generated from / (used in) financing activities		**(161.994)**	**156.857**
Net increase in cash & cash equivalents		**42.226**	**(19.994)**
Cash & cash equivalents at the beginning of the period	**12**	**170.490**	**193.630**
Exchange losses on cash & cash equivalents		(4.266)	(3.146)
Net increase / (decrease) in cash & cash equivalents		42.226	(19.994)
Cash & cash equivalents at end of the period	**12**	**208.450**	**170.490**

The notes on pages 11 to 53 are an integral part of these financial statements.

Notes to the consolidated financial statements

1 General information

The Hellenic Petroleum group of companies (the "Group") operates predominantly in Greece and the Balkans in the energy sector. The group main activities include:

- Refining and marketing of oil products (R&M)
- Exploration, development and production, of hydrocarbons (E&P)
- Manufacturing and marketing of petrochemical products
- Power generation and trading

The parent Company is incorporated in Greece and the address of its registered office is 54 Amalias Ave, Athens, Greece. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDNs.

The financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2007 were authorised for issue by the Board of Directors on 14 February 2008. The shareholders of the Company have the power to amend the financial statements after issue.

The consolidated financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2007 were approved for issue by the Board of Directors on 14 February 2008. 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 2007 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU") and International Financial Reporting Standards issued by the International Accounting Standards Board. All International Financial Reporting Standards issued by the IASB and effective at the time of preparing these consolidated financial statements have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". Following recommendations from the Accounting Regulatory Committee, the Commission adopted Regulations 2086/2004 and 1864/2005 requiring the use of IAS 39, minus certain provisions on portfolio hedging of core deposits, by all listed companies from 1 January 2005.

Since the Group is not affected by the provisions regarding portfolio hedging that are not required by the EU-endorsed version of IAS 39, these consolidated financial statements comply with both International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards issued by the IASB.

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 critical accounting estimates. It also requires management to exercise its judgment in the process of applying the 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 judgments. These estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

(a) The following standards, amendments and interpretations to existing standards are applicable to the Group for periods on or after 1 January 2007:

- *IFRS 7, Financial instruments: Disclosures and a complementary amendment to IAS1, Presentation of Financial Statements – Capital Disclosures. IFRS 7* introduces a number of new disclosures to improve the information about financial instruments including qualitative and quantitative information about exposure to risks arising from financial instruments, specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of IAS 1. The Group has applied IFRS 7 and the amendment to IAS 1 from 1 January 2007.
- *IFRS 8, Operating Segments (effective for annual periods beginning on or after 1 January 2009).* IFRS 8 replaces *IAS 14* requiring companies to report financial and descriptive information about its reportable segments and extends the reporting requirements already in place. The Group will not early adopt the standard and is currently assessing the impact this standard will have on the financial statements.
- *IFRIC 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006).* IFRIC 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be

reversed at a subsequent balance sheet date. The Group has applied IFRIC 10 from 1 January 2007 without any significant impact on the Group's condensed interim financial statements.

- *IAS 23 – Borrowing Costs (effective for annual periods beginning on or after 1 January 2009).* IAS 23 and replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The Group will apply IAS 23 from 1 January 2009.

(b) The following interpretations to existing standards are mandatory for the Company's accounting periods beginning on or after 1 March 2006 or later periods but without any significant impact to the Company's operations:

- *IFRIC 7, Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies (effective from 1 March 2006).* IFRIC 7 provides guidance on how to apply the requirements of IAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the group entities have a currency of a hyperinflationary economy as its functional currency, IFRIC 7 is not relevant to the Group's operations.

- *IFRIC 8, Scope of IFRS 2 (effective for annual periods beginning on or after 1 May 2006*). IFRIC 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. The Group has applied IFRIC 8 from 1 January 2007, but it is not expected to have any impact on the Group's accounts.

- *IFRIC 9, Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006).* IFRIC 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Group has evaluated the terms of its contracts with regards to embedded derivatives and is not expected to have any material impact to the Group's operations.

- *IFRIC 11 - IFRS 2: Group and Treasury share transactions (effective for annual periods beginning on or after 1 March 2007).* IFRIC 11 clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation is not expected to have any impact on the Group's financial statements.

- *IFRIC 12 - Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008).* IFRIC 12 applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Group's operations.

- *IFRIC 13 – Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008).* IFRIC 13 clarifies the treatment of entities that grant loyalty award credits such as ''points'' and ''travel miles'' to customers who buy other goods or services. This interpretation is not relevant to the Group's operations.This interpretation is effective for annual periods beginning on or after 1 July 2008 and clarifies the treatment of entities that grant loyalty award credits such as ''points'' and ''travel miles'' to customers who buy other goods or services. This interpretation is not relevant to the Group's operations.

- *IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008).* IFRIC 14 applies to post-employment and other long-term employee defined benefit plans. The interpretation clarifies when refunds or reductions in future contributions should be regarded as available, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. As the Group does not currently operate any such benefit plans with defined benefit assets for its employees, this interpretation is not presently relevant to the Group.

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.

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 purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement (see Note 2.6).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Joint ventures

The Group's interests in jointly controlled ventures are accounted for by proportionate consolidation.

The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture to the extent that the gain or loss is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. A loss on the transaction is recognised immediately if it provides evidence of a reduction in the net realisable value of current assets, or an impairment loss. Joint ventures' accounting policies are changed where necessary to ensure consistency with the policies adopted by the Group. Currently the Group does not have any such cases.

(c) 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. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (see Note 2.6).

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, 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 an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also 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.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and material returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

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 euros, which is the Company's functional and presentation currency.

(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 income statement, 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, and other changes in carrying amount are recognized in equity.

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 the fair value reserve in equity.

(c) *Group companies*

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(ii) income and expenses for each income statement 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.

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 income statement 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

All property, plant and equipment is shown at historical cost less subsequent depreciation less subsequent impairment, except for land, which is shown at historical cost less subsequent impairment. 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. Repairs and maintenance are charged to the income statement as incurred Refinery refurbishment costs are deferred and charged against income on a straight line basis over the scheduled refurbishment period.

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 life, as shown on the table below for the main classes of assets:

– Land	Nil
– Buildings	13 - 20 years
– Specialised industrial installations	7 - 15 years
– Machinery, equipment and transportation equipment	5 - 8 years
– Computer hardware	3 - 5 years
– LPG carrier	10 years
– White products carrier	17 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised 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.

2.6 Intangible assets

(a) *Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate 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/associate at the date of acquisition is higher than the cost, the excess remaining is recognised immediately in the income statement.

Included in intangibles is goodwill arising from contractual or other legal rights in relation to the acquisition of petrol stations. These amounts are tested for impairment and are amortised over the life of the rights based on the pattern in which the assets future economic benefits are expected to be consumed.

Economic factors determine the period over which future economic benefits are received by the Group. Legal factors may restrict the period over which the Group controls the access to these benefits.

(b) 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).

(c) 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 years).

(d) Exploration costs

Expenditure to acquire licences for hydrocarbon exploration are included in intangible assets and amortised over the period of the licence.

2.7 Exploration for and Evaluation of Mineral Resources

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.

Development 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 nature. When development is completed on a specific field, it is transferred to production assets. No depreciation and/or amortization is charged during development.

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.

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.

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.

Impairment – proved oil and gas properties and intangible assets

Proved 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.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and, instead, are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstance 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 they are 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 an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. 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 balance sheet date.

(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 balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(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 balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments 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. Financial assets at fair value through profit or loss are subsequently carried at fair value. Available for sale financial assets are subsequently carried at cost less impairment as the equity instruments can not be reliably measured. Loans and receivables and 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 income statement in the period in which they have arisen.

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.

The Group assesses at each balance sheet date 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 income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.10 Derivative financial instruments and hedging activities

As part of its risk management policy, the Group utilizes financial and commodity derivatives to mitigate the impact of future price volatility. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

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.

In 2006, the Group has entered into derivative contracts that have been 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 income statement. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (i.e. when the forecast transaction being hedged takes place).

The derivatives that are not designated as hedges and 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 these derivative instruments that do not qualify for hedge accounting are recognized immediately in the income statement within "Other operating (expenses)/income – net", or in "Cost of Sales" (refer to note 20).

2.11 Government grants

Investment and development grants related to tangible fixed assets received by the Group are initially recorded as deferred income and included in current liabilities as government grants. Subsequently, they are credited to income over the useful lives of the related assets in direct relationship to the depreciation charged on such assets.

Other grants, which have been provided to the Group, which under certain conditions are repayable, are included in non current liabilities until the likelihood of repayment is less than probable. They are then disclosed as contingent liabilities until the possibility of loss becomes remote.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. 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.

Cost of inventories is determined using the average cost method.

2.13 Trade receivables

Trade receivables, which generally have 30-90 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 objective evidence that the Company 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 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 effective interest rate. The amount of the provision is recognised in the income statement.

2.14 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.

2.15 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.

2.16 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 income statement over the period of the borrowings using the effective interest rate method.

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 balance sheet date.

Bank overdrafts are shown within short term borrowings on the balance sheet and within financing activities in the cash flow statement.

2.17 Deferred income tax

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 affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date 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.

2.18 Employee benefits

(a) *Pension obligations*

The Group participates in various pension schemes. The schemes are funded through payments to funds, determined by periodic actuarial calculations. The payments are determined by the Greek 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.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. 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.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are spread to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

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 expense 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.

(b) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(c) Share-based compensation

The Group operates a share option compensation 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 become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to entity.

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.

2.19 Trade and other payables

Liabilities for trade and other amounts payable which are normally settled on 30-90 days terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2.20 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 balance sheet date. 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.

2.21 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.

2.22 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 collectibility 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 collectibility of the related receivables is reasonably assured.

(c) Interest income

Interest income is recognised on a time-proportion basis 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.

(d) Dividend income

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

2.23 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 other long-term payables. The interest element of the finance cost is charged to the income statement 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 is 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 income statement on a straight-line basis over the period of the lease.

2.24 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.

2.25 Comparative figures

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

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk, cash flow risk and fair value interest-rate risk. The Group's overall risk management programme focuses on the unpredictability of commodity and financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

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.

(a) Market risk

(i) Foreign exchange risk

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

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

(ii) Price risk

As is common practice in the refining industry the largest part of purchases and sales of crude oil and by-products thereafter, are invoiced based on daily prices relating to that region (Platts Med). As a result, to the extent that the Group maintains substantial amounts of inventory, it is exposed to commodity price risk resulting from the daily volatility in the Platts reference prices, as the resulting inventory value is based on such. Protection against this volatility is achieved where possible through derivative contracts. The price risk management involves forward price protection where possible for forecasted sales and inventory. This, however, is not possible to do in all market conditions and as a result only a small part of the price risk is effectively hedged.

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

(iii) Interest rate risk

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

(All amounts in Euro thousands unless otherwise stated)

(iv) Refinery margins

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

(b) Credit risk

Credit risk is managed on group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

The table below shows the segregation of receivables by major business segment:

	31 December 2007			31 December 2006		
Business segment	**Current balance**	**Past due but not impaired balance**	**Impaired balance**	**Current balance**	**Past due but not impaired balance**	**Impaired balance**
Refining	743.363	156.100	45.176	635.269	164.444	52.545
Petrochemicals	92.244	33.655	23.353	90.170	30.205	21.756
E+P	6.278	5.948	-	5.185	4.828	-
Energy	19.321	2.186	-	24.256	4.172	-
Marketing	313.406	199.884	51.990	213.187	134.639	52.292
Other	6.583	1.150	-	5.638	980	-
	1.181.195	**398.923**	**120.519**	**973.705**	**339.268**	**126.593**
Allowance for bad debts			**113.725**			**112.766**

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

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 balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(All amounts in Euro thousands unless otherwise stated)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2007				
Borrowings	786.510	29.431	373.154	-
Derivative fiancial instruments	14.394	16.321	36.843	26.330
Trade and othe payables	813.711	-	-	-
At 31 December 2006				
Borrowings	895.661	34.369	288.326	-
Derivative fiancial instruments	(6.298)	-	(1.501)	-
Trade and othe payables	501.261	-	-	-

(d) Cash flow and fair value interest rate risk

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

3.2 Capital risk management

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

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

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

During 2007 the Group strategy which was unchanged from 2006, was to maintain the gearing ratio between 20% - 40%. The gearing ratios at 31 December 2007 and 2006 were as follows:

	As at 31 December 2007	31 December 2006
Total Borrowings (Note 16)	1.189.095	1.218.356
Less: Cash & Cash Equivalents (Note12)	(208.450)	(170.490)
Available for sale financial assets	(4.012)	(3.813)
Net debt	**976.633**	**1.044.053**
Equity attributable to the Company's shareholders	2.453.895	2.284.910
Total Capital Employed	**3.430.528**	**3.328.962**
Gearing ratio	28%	31%

3.3 Fair value estimation

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for valuation purposes where applicable. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

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

4 Critical accounting estimates and judgements

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 discussed below.

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.

(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 it's 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 income statement is impacted.

(c) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with it's accounting policies. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. Significant judgement is involved in management's determination of these estimates.

(All amounts in Euro thousands unless otherwise stated)

5 Segment information

(a) Primary reporting format – business segments

The Group is organised into seven main business segments determined in accordance with the type of business activity: Refining, Marketing, Exploration & production, Petrochemicals, Engineering, Natural gas, Electricity

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
For the year ended 31 December 2007								
Sales	8.034.684	2.631.055	1.129	380.210	148.347	12.810	(2.670.284)	8.537.951
Other operating income / (expense) - net	(17.738)	18.490	-	2.869	493	(132)	5.000	8.982
Operating profit (loss)	**408.238**	**46.429**	**(30.747)**	**37.760**	**21.726**	**(8.060)**	**1.926**	**477.272**
Foreign exchange gains/ (losses)	26.975	2.660	-	-	-	(104)	-	29.531
Profit before tax, share of net result of associates & finance costs	**435.213**	**49.089**	**(30.747)**	**37.760**	**21.726**	**(8.164)**	**1.926**	**506.803**
Share of net result of associates and dividend income	860	139	-	397	22.200	-	-	23.596
Profit after associates	**436.073**	**49.228**	**(30.747)**	**38.157**	**43.926**	**(8.164)**	**1.926**	**530.399**
Finance costs - net								(41.772)
Profit before income tax								**488.627**
Income tax expense								(124.012)
Income applicable to minority interest								(13.611)
Profit for the period attributable to the equity holders of the parent company								**351.004**

(All amounts in Euro thousands unless otherwise stated)

5 Segment information (continued)

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
For the year ended 31 December 2006								
Sales	7.692.601	2.363.354	1.129	354.670	145.988	13.573	(2.449.825)	8.121.490
Other operating income / (expense) - net	22.501	15.761	1.301	2.678	(210)	222	-	42.253
Operating profit (loss)	**291.101**	**45.600**	**(26.367)**	**21.560**	**14.223**	**(2.032)**	**11.207**	**355.292**
Foreign exchange gains/ (losses)	23.552	3.607	-	-	-	-	-	27.159
Profit before tax, share of net result of associates & finance costs	**314.653**	**49.207**	**(26.367)**	**21.560**	**14.223**	**(2.032)**	**11.207**	**382.451**
Share of net result of associates and dividend income	664	471	-	300	9.884	-	-	11.319
Profit after associates	**315.317**	**49.678**	**(26.367)**	**21.860**	**24.107**	**(2.032)**	**11.207**	**393.770**
Finance costs - net								(35.294)
Profit before income tax								**358.476**
Income tax expense								(87.559)
Income applicable to minority interest								(10.725)
Profit for the period attributable to the equity holders of the parent company								**260.192**

(All amounts in Euro thousands unless otherwise stated)

5 Segment information (continued)

The segment assets and liabilities at 31 December 2007 are as follows:

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
Total assets	3.837.262	993.964	11.770	316.674	252.309	1.051.413	(1.404.528)	5.058.864
Net assets	2.294.667	347.690	11.770	142.448	51.995	(104.159)	(163.938)	2.580.473
Capital expenditure (Full year)	118.951	71.417	3.509	772	242	59	-	194.950
Depreciation & Amortisation (Full year)	73.126	29.890	3.081	17.365	15.877	439	-	139.778

The segment assets and liabilities at 31 December 2006 are as follows:

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
Total assets	3.394.692	794.782	12.212	290.629	281.969	484.666	(895.465)	4.363.485
Net assets	2.144.985	332.685	12.212	127.571	42.331	3.552	(265.726)	2.397.610
Capital expenditure (Full year)	80.997	61.595	-	1.157	1.044	17	-	144.810
Depreciation & Amortisation (Full year)	80.717	28.972	2.407	17.488	16.168	468	-	146.220

(All amounts in Euro thousands unless otherwise stated)

(b) Secondary reporting format – geographical segments

The secondary analysis of Sales and Total assets is given by geographical segment.

Sales	**For the end of the year**	
	31 December 2007	**31 December 2006**
Greece	10.127.495	9.618.387
Rest of EU	256.784	231.737
Other countries	880.769	768.938
	11.265.048	**10.619.062**
Less: Intersegment	(2.727.097)	(2.497.572)
Sales	**8.537.951**	**8.121.490**

	As at	
Total assets	**31 December 2007**	**31 December 2006**
Greece	5.134.976	4.599.246
Rest of EU	1.343.931	733.680
Other countries	528.268	376.139
	7.007.175	**5.709.065**
Less: Intersegment	(1.948.311)	(1.345.580)
Total assets	**5.058.864**	**4.363.485**

Capex	**As at**	
	31 December 2007	**31 December 2006**
Greece	141.596	97.522
Rest of EU	6.696	6.536
Other countries	46.658	40.752
	194.950	**144.810**
Less: Intersegment	-	-
Total	**194.950**	**144.810**

(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 2006	**200.363**	**398.747**	**1.784.298**	**40.149**	**65.820**	**122.716**	**2.612.093**
Additions	11.769	13.839	13.438	596	4.923	89.901	134.466
Capitalised projects	-	1.906	31.715	-	1.728	(35.349)	-
Disposals	(1.351)	(4.560)	(9.759)	(1.189)	(576)	(48)	(17.483)
Transfers and other movements	(5.574)	(25.761)	16.841	301	(181)	(18.941)	(33.315)
As at 31 December 2006	**205.207**	**384.171**	**1.836.533**	**39.857**	**71.714**	**158.279**	**2.695.761**
Accumulated Depreciation							
As at 1 January 2006	**1.305**	**195.578**	**936.019**	**21.136**	**52.310**	**(195)**	**1.206.153**
Charge for the year	-	15.000	113.171	2.992	5.820	-	136.983
Disposals	-	(581)	(11.387)	(908)	(459)	-	(13.335)
Transfers and other movements	(1.305)	(19.117)	6.855	28	(1.030)	195	(14.374)
As at 31 December 2006	**-**	**190.880**	**1.044.658**	**23.248**	**56.641**	**-**	**1.315.427**
Net Book Value at 31 December 2006	**205.207**	**193.291**	**791.875**	**16.609**	**15.073**	**158.279**	**1.380.334**
Cost							
As at 1 January 2007	**205.207**	**384.171**	**1.836.533**	**39.857**	**71.714**	**158.279**	**2.695.761**
Additions	5.804	25.699	15.220	440	5.882	127.563	180.608
Capitalised projects	-	12.341	64.430	36	527	(77.334)	-
Disposals	(90)	(138)	(11.336)	(920)	(439)	(99)	(13.022)
Transfers and other movements	2.787	(3.776)	6.018	456	544	(22.046)	(16.017)
As at 31 December 2007	**213.708**	**418.297**	**1.910.865**	**39.869**	**78.228**	**186.363**	**2.847.330**
Accumulated Depreciation							
As at 1 January 2007	**-**	**190.880**	**1.044.658**	**23.248**	**56.641**	**-**	**1.315.427**
Charge for the year	-	16.475	102.249	2.860	6.108	-	127.692
Disposals	-	(10)	(10.159)	(840)	(438)	-	(11.447)
Transfers and other movements	-	(2.335)	1.125	(8)	536	-	(682)
As at 31 December 2007	**-**	**205.010**	**1.137.873**	**25.260**	**62.847**	**-**	**1.430.990**
Net Book Value at 31 December 2007	**213.708**	**213.287**	**772.992**	**14.609**	**15.381**	**186.363**	**1.416.340**

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

(2) Within the balance of Assets Under Construction at 31 December 2007 an amount of €67m (2006: €41m) relates to costs in respect of the upgrade of the Elefsina refinery for which a Front End Engineering Design (FEED) is already in progress. The decision to proceed with the upgrade investment has been taken at the Board of Directors meeting on 21 February 2007. The investment is currently in the licensing phase and management expects that the project will be completed in 2011. Any potential delays during the licensing or construction phase will have equivalent effects on the project completion date.

(3) During 2007 an amount of €0,5 m (2006: €0,6 m) in respect of interest has been capitalized in relation to retail petrol stations.

(4) Land with historical cost of €22.522 and accumulated depreciation of €1.305 had been reclassified to Other intangible assets in 2006 (see note 7).

(All amounts in Euro thousands unless otherwise stated)

7 Intangible assets

	Goodwill	Computer software	Licences & Rights	Other	Total
Cost					
As at 1 January 2006	**134.739**	**39.003**	**31.582**	**1.786**	**207.110**
Additions	2.680	2.709	-	4.955	10.344
Disposals	-	(204)	-	-	(204)
Other movements	(153)	1.284	-	21.369	22.500
As at 31 December 2006	**137.266**	**42.792**	**31.582**	**28.110**	**239.750**
Accumulated Amortisation					
As at 1 January 2006	**71.829**	**31.681**	**7.093**	**1.648**	**112.251**
Charge for the year	-	5.159	3.463	615	9.237
Disposals	-	(204)	-	-	(204)
Other movements	-	926	1	269	1.196
As at 31 December 2006	**71.829**	**37.562**	**10.557**	**2.532**	**122.480**
Net Book Value at 31 December 2006	**65.437**	**5.230**	**21.025**	**25.578**	**117.270**
Cost					
As at 1 January 2007	**137.266**	**42.792**	**31.582**	**28.110**	**239.750**
Additions	1.299	2.165	3.498	7.380	14.342
Other movements	(691)	9.554	-	2.747	11.610
As at 31 December 2007	**137.874**	**54.511**	**35.080**	**38.237**	**265.702**
Accumulated Amortisation					
As at 1 January 2007	**71.829**	**37.562**	**10.557**	**2.532**	**122.480**
Charge for the year	-	7.402	4.085	599	12.086
Other movements	-	1.280	-	(64)	1.216
As at 31 December 2007	**71.829**	**46.244**	**14.642**	**3.067**	**135.782**
Net Book Value at 31 December 2007	**66.045**	**8.267**	**20.438**	**35.170**	**129.920**

(1) Initial goodwill is calculated and recognised as an intangible asset in line with the Group's accounting policy described in note 2.6 and 2.7.

(2) The remaining amount of goodwill as at 31 December 2007 relates to the unamortised goodwill arising on the acquisition of Hellenic Petroleum Cyprus Ltd from BP plc in 2003 which is treated in line with the accounting policy in note 2.6. This has been tested for impairment as at 31 December 2007 and no such issue has been identified as the significant assumptions affecting the value of the company (price, margins, and volumes) are improved.

(3) Licenses and rights include Upstream Exploration rights which are amortised over the period of the exploration period as per the terms of the relevant EPSA rounds. Details of the accounting policy are given in note 2.6.

(4) Other in 2006 includes a reclassification of an amount of € 11.653 relating to rights of use of land in Serbia, where under local statutory law, certain plots of land belong to the user under a right of use. Further more certain amounts paid to the government for use of land in Montenegro where the company holds title, have been treated as leases and reclassified from 'PPE' to 'Other intangible assets'. The amounts reclassified include Historic Cost of € 10.869 with accumulated depreciation of € 1.305

(All amounts in Euro thousands unless otherwise stated)

8 Investments in associates

	As at	
	31 December 2007	**31 December 2006**
Beginning of the Year	**366.165**	**357.858**
Dividends received	(2.582)	(1.745)
Share of results of associates	23.457	10.848
Divdend income	139	471
Share capital increase / (decrease)	(201)	118
Other movements	(131)	(1.385)
Carrying Amount	**386.847**	**366.165**

The Group participates in a number of other entities with significant influence but not a controlling shareholding. These investments are accounted for in the Group accounts under the equity method.

The table below summarises the income from the main investments in associates:

	For the year ended	
	31 December 2007	**31 December 2006**
Public Natural Gas Corporation of Greece (DEPA)	22.200	9.884
Artenius Hellas S.A.(ex V.P.I. S.A.)	397	300
Other associates	860	664
Total	**23.457**	**10.848**

9 Loans, Advances & Long Term assets

	As at	
	31 December 2007	**31 December 2006**
Loans and advances	21.193	21.485
Other long term assets	51.422	33.592
Derivatives designated as cash flow hedges (Note 20)	-	3.597
Total	**72.615**	**58.674**

Loans and advances relate primarily to merchandise credit extended to third parties as part of the retail network expansion and is non interest bearing.

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

These amounts are recognised at fair value and adjusted annually to reflect significant changes to their present value.

(All amounts in Euro thousands unless otherwise stated)

10 Inventories

	As at	
	31 December 2007	**31 December 2006**
Crude oil	445.487	343.669
Refined products and semi-finished products	963.822	759.920
Petrochemicals	46.968	31.970
Consumable materials and other spare parts	88.952	84.374
- Less: Provision for consumables and spare parts	(14.068)	(13.250)
Total	**1.531.161**	**1.206.683**

11 Trade and other receivables

	As at	
	31 December 2007	**31 December 2006**
Trade receivables	1.181.195	973.721
- Less: Provision for impairment of receivables	(113.724)	(112.766)
Trade receivables net	**1.067.471**	**860.955**
Other receivables	206.426	185.255
- Less: Provision for impairment of receivables	(20.144)	(20.481)
Other receivables net	**186.282**	**164.774**
Derivatives held for trading (Note 20)	247	7.605
Deferred charges and prepayments	25.244	16.429
Total	**1.279.244**	**1.049.763**

The provision for impairment of receivables reflects the full grossed up amount which includes all balances for which a write off has not been effected in accordance with recently introduced tax law (2005) for Greek companies.

Other receivables include balances in respect of VAT, income tax prepayment, advances to personnel, Government grants receivable and other non operating sundry debtors.

The fair values of receivables approximate their carrying amount.

The movement in the provision for impairment has been included in Selling, Distribution and Administration costs in the Income Statement.

(All amounts in Euro thousands unless otherwise stated)

12 Cash and cash equivalents

	As at	
	31 December 2007	**31 December 2006**
Cash at Bank and in Hand	131.048	136.281
Short term bank deposits	77.402	34.209
Total	**208.450**	**170.490**

The weighted average effective interest rate on cash and cash equivalents was:

	As at	
	31 December 2007	**31 December 2006**
Euro	4,20%	2,06%
USD	3,45%	3,07%

13 Share capital

	Number of Shares (authorised and issued)	**Share Capital**	**Share premium**	**Total**
As at 1 January 2006	**305.622.245**	**666.256**	**353.707**	**1.019.963**
Exercise of employee share options	12.940	29	89	118
As at 31 December 2006	**305.635.185**	**666.285**	**353.796**	**1.020.081**
As at 31 December 2007	**305.635.185**	**666.285**	**353.796**	**1.020.081**

All ordinary shares were authorised, issued and fully paid up. The nominal value of each ordinary share is €2,18 (31 December 2006: €2,18).

Share options

Up to the end of 2004, Hellenic Petroleum S.A offered a share option scheme to its management executives: The exercise price was determined based on the Company's share performance compared to the market and the options were fully vested at the grant date and exercisable within five years. Under that scheme, management had the option to acquire 47.660 shares at a price of € 9,68 each until 31 December 2006 and 3.440 shares at a price of € 6,97 each until 31 December 2007. These rights options have been fully exercised.

During the AGM of Hellenic Petroleum S.A. held on 25 May 2005, a revised 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. The AGM of Hellenic Petroleum S.A of 31 May 2006, has approved and granted stock options for the year 2006 of 272.100 shares. The AGM of 17 May 2007 has approved and granted stock options for the year 2007 of 408.015 shares.

(All amounts in Euro thousands unless otherwise stated)

The movement in share options during the year were:

	As at			
	31 December 2007		**31 December 2006**	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
At 1 January	**9,69**	**272.100**	**10,52**	**71.670**
Granted	10,90	408.015	9,69	272.100
Exercised		-	8,96	(12.940)
Lapsed		-	10,86	(58.730)
At 31 December	**10,90**	**680.115**	**9,69**	**272.100**

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

Expiry Date	**Exercise Price in € per share**	**No. of share options as at 31 December 2007**	**31 December 2006**
5 December 2012	9,69	272.100	272.100
5 December 2013	10,90	408.015	-
	Total	**680.115**	**272.100**

14 Reserves

	Statutory reserve	**Special reserves**	**Hedging reserve**	**Tax reserves**	**Total**
Balance at 1 January 2006	**72.040**	**86.495**	**-**	**385.107**	**543.642**
Fair value gains / (losses) on cash flow hedges (Note 20)	-	-	1.501	-	1.501
Transfer to statutory and tax reserves	9.971	11.925	-	4.273	26.169
Balance at 31 December 2006	**82.011**	**98.420**	**1.501**	**389.380**	**571.312**
Fair value gains / (losses) on cash flow hedges (Note 20)	-	-	(48.881)	-	(48.881)
Transfer to statutory and tax reserves	15.818	-	-	21.807	37.625
Transfers to retained earnings (Law 3220/04)	-	-	-	(44.818)	(44.818)
As at 31 December 2007	**97.829**	**98.420**	**(47.380)**	**366.369**	**515.238**

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

(All amounts in Euro thousands unless otherwise stated)

Tax reserves

Tax 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.

(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.

(iii) Following the legislation amendment of Law 3220/04, an amount of €44,8 million previously included in tax free reserves has been reclassified to "Retained Earnings". As a result, tax free reserves now include an amount of €36,3 million under Environmental Investment Laws 2601/98 and 3299/04 for which all necessary documentation has been filled with the Ministry for the Environment, Physical Planning and Public Works and is pending for approval. Further information on this reserve can be found in note 30vi, "Contingencies".

15 Trade and other payables

	As at	
	31 December 2007	**31 December 2006**
Trade payables	655.833	381.067
Accrued Expenses & Deferred Income	47.572	21.372
Government grants	30.893	34.780
Derivatives held for trading (Note 20)	14.641	1.307
Other payables	79.166	56.437
Total	**828.105**	**494.963**

The balance of Trade payables includes amounts of crude oil and petroleum products of €99.256 as at 31 December 2007 (2006: €274.069) which have not been invoiced at the year end.

Other payables include balances for social security, payroll and other related costs.

(All amounts in Euro thousands unless otherwise stated)

16 Borrowings

	As at 31 December 2007	31 December 2006
Non-current borrowings		
Bank borrowings	402.585	56.939
Bond loan	-	265.756
Total non-current borrowings	**402.585**	**322.695**
Current borrowings		
Short term loans	765.639	873.823
Current portion of long term debt	20.871	21.838
Total current borrowings	**786.510**	**895.661**
Total borrowings	**1.189.095**	**1.218.356**

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet and within financing activities in the cash flow statement

Within short term and long term borrowings finance leases are included as follows:

	As at 31 December 2007	31 December 2006
Obligations under finance leases		
Within 1 year	794	738
Between 1 and 5 years	1.593	2.264
Total lease payments	**2.387**	**3.002**
less: Interest	(201)	(186)
Total	**2.186**	**2.816**

The maturity of non-current borrowings is as follows:

	As at 31 December 2007	31 December 2006
Between 1 and 2 years	29.431	34.369
Between 2 and 5 years	373.154	288.326
	402.585	**322.695**

(All amounts in Euro thousands unless otherwise stated)

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

	As at 31 December 2007	
	€	**US$**
Bank Borrowings (short-term)		
- Floating Euribor + margin	4,82%	
- Floating Libor + margin	-	5,19%
Bank Borrowings (long-term)		
- Floating Euribor + margin	4,97%	
- Floating Libor + margin	-	5,14%
Bond loan		
- Floating Libor + margin		

	As at 31 December 2006	
	€	**US$**
Bank Borrowings (short-term)		
- Floating Euribor + margin	3,97%	
- Floating Libor + margin	-	5,61%
Bank Borrowings (long-term)		
- Floating Euribor + margin	4,00%	
- Floating Libor + margin	-	6,51%
Bond loan		
- Floating Libor + margin	-	5,35%

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

	As at	
	31 December 2007	**31 December 2006**
Euro	571.001	598.275
US dollar	618.094	620.081
Total borrowings	**1.189.095**	**1.218.356**

Hellenic Petroleum Finance plc (HPF) was established in November 2005 in the U.K. as a 100% subsidiary of Hellenic Petroleum S.A. The company acts as the central treasury vehicle of the Hellenic Petroleum Group and its activities include the financing of the Group companies. The balance of HPF's bank borrowings as of 31 December 2007 amounted to the equivalent of €1.006 million.

On 2 February 2007, HPF concluded a US$ 1,18 billion five year syndicated credit facility agreement with two one-year extension options and with the guarantee of Hellenic Petroleum S.A. A total of fifteen Greek and International financial institutions participated in the facility. The facility is used to refinance existing financial indebtedness of the Hellenic Petroleum Group and for general corporate purposes. In particular the $350 million bond loan issued by the parent Company in February 2005 was fully repaid in February 2007. As at 31 December 2007 the outstanding balance of the US$ 1,18 billion syndicated credit facility amounted to the equivalent of the €729 million.

(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 2007	As at 31 December 2006
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	30.275	10.293
	30.275	**10.293**
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	(23.648)	(21.492)
	(23.648)	**(21.492)**
	6.627	**(11.199)**

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

	As at 31 December 2007	As at 31 December 2006
Beginning of the year	(11.199)	23.610
Reclassification from other provisions	886	(16)
Income statement (charge) / recovery	16.940	(34.793)
End of year	**6.627**	**(11.199)**

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

	31 December 2007	31 December 2006
Intangible and tangible fixed assets	(30.198)	(24.564)
Inventory valuation	3.107	(8.527)
Unrealised exchange gains	(17.925)	(14.885)
Employee benefits provision	32.754	33.772
Derivative financial instruments at fair value	23.742	-
Other temporary differences	(4.853)	3.005
End of year	**6.627**	**(11.199)**

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.

(All amounts in Euro thousands unless otherwise stated)

18 Retirement benefit obligations

	As at 31 December 2007	As at 31 December 2006
Balance sheet obligations for:		
Pension benefits	151.126	140.956
Total as per balance sheet	**151.126**	**140.956**

	For the year ended 31 December 2007	For the year ended 31 December 2006
Income statement charge for:		
Pension benefits	26.140	21.200
Total as per income statement	**26.140**	**21.200**

The amounts recognised in the balance sheet are as follows:

	As at 31 December 2007	As at 31 December 2006
Present value of unfunded obligations	203.724	196.984
Unrecognised actuarial gains / (losses)	(50.883)	(51.964)
Unrecognised prior service cost	(1.715)	(4.064)
Liability in the Balance Sheet	**151.126**	**140.956**

The amounts recognised in the income statement are as follows:

	For the year ended 31 December 2007	For the year ended 31 December 2006
Current service cost	9.979	9.610
Interest cost	8.365	8.035
Net actuarial (gains) / losses recognised in the year	3.029	2.573
Past service cost	349	173
Regular profit & loss charge	**21.722**	**20.391**
Additional cost of extra benefits	4.418	809
Total included in employee benefit expense	**26.140**	**21.200**

The movement in liability recognised in the balance sheet is as follows:

	As at 31 December 2007	As at 31 December 2006
Beginning of the year	140.956	133.747
Total expense included in employee benefit expense	26.140	21.200
Payments made	(15.826)	(13.661)
Other adjustments	(144)	(330)
At year end	**151.126**	**140.956**

The principal actuarial assumptions used were as follows:

	As at 31 December 2007	As at 31 December 2006
Discount Rate	5,00%	5,00%
Future Salary Increases	4,50%	4,50%
Average future working life	10,45 years	10,65 years

(All amounts in Euro thousands unless otherwise stated)

19 Provisions and other long term liabilities

	As at 31 December 2007	31 December 2006
Government grants	25.614	25.614
Litigation and tax provisions	7.867	22.976
Share purchase agreement	9.696	9.696
Leased petrol stations	10.994	9.057
Derivatives designated as cash flow hedges (Note 20)	63.173	2.097
Other derivatives (Note 20)	16.321	-
Other provisions	7.432	7.603
Total	**141.097**	**77.043**

The movement for provisions and other long term liabilities for 2007 is as follows:

	Govern-ment advances and grants	Litigation & tax povisions	Share purchase agree-ment	Leased petrol-stations	Com-modity cash flow Hedges	Other Deri-vatives	Other provisions	Total
At 1 January 2007	**25.614**	**22.976**	**9.696**	**9.057**	**2.097**	**-**	**7.603**	**77.043**
Charged / (credited) to the income statement:								
- Additional provisions	-	-	-	1.937	-	16.321	-	18.258
Charged to Equity	-	-	-	-	63.173	-	-	63.173
Reclassifications	-	(8.500)	-	-	-	-	-	(8.500)
Used during year	-	(6.609)	-	-	(2.097)	-	(171)	(8.877)
At 31 December 2007	**25.614**	**7.867**	**9.696**	**10.994**	**63.173**	**16.321**	**7.432**	**141.097**

Government grants

Advances by the Government (Hellenic State) to the Group for the purposes of research and exploration amounting to € 25.614 have been recorded as a liability since certain amounts may become payable if income is generated from activity in the specific geographical areas. The terms of repayment will be determined by the Ministry of Development and Industry, if applicable.

Environmental costs

No material provision for environmental remediation is included in the accounts as the Group has a policy of addressing identified environmental issues.

In respect of CO2 emission rights the Group's net position as at 31 December 2007 is not materially short i.e. the allocation of rights are in line with actual emissions.

Share purchase agreement:

Included in "Provisions and other long term liabilities" as at 31 December 2007 and 2006 and in addition to the normal operating provisions for liabilities of the Group is an amount of €10 million in respect to the original Share Purchase Agreement for the acquisition of OKTA and the construction of the Thessaloniki – Skopje pipeline. This amount reflects the 20% shareholding entitlement of FYROM in the pipeline company VARDAX S.A. Following the finalisation of the ICC decision and the subsequent negotiations, this has been settled after 31 December 2007 as described in note 30ix.

20 Fair values of derivative financial instruments

Derivatives held for trading

In the context of managing risk resulting from the volatility in the inventory values of products and crude oil, the Group enters into derivative transactions. To the extent that these contracts are not designated as hedges, they are categorized as derivatives held-for-trading. The fair value of derivatives held-for-trading is recognized on the balance sheet in "Trade and other debtors" and "Trade and other payables" if the maturity is less than 12 months and in "Loans, advances and other receivables" and "Other long term liabilities" if the maturity is more than 12 months. Changes in the fair value of these derivatives are charged to the Income Statement within Other (expenses)/income – net.

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

As part of managing our operating and price risk, the Group engages in derivative transactions with 3rd parties with the intention of matching physical positions and trades or close proxies thereof and are therefore considered an integral part of our "Cost of Sales". During 2007 the resulting gains / (losses) attributable to such derivatives were (€69.842) (2006: (€32.273)) and are included in "Cost of Sales".

In certain cases it may not be possible to achieve a fully matched position, in which case the impact can not be considered as a "Cost of Sales" component. This amount also includes any hedges classified as ineffective and undesignated as "Cash Flow Hedges". The amount of gain / (loss) resulting from such derivative positions is €10.654 in 2007 (2006: €15.623) and are shown under "Other operating (expenses) / income – net" in note 24.

Derivatives designated as cash flow hedges

The Group uses derivative financial instruments to manage certain exposures to fluctuations in commodity prices. In this framework, the company has entered into a number of commodity price swaps which have been designated by the company as cash flow hedges, have been evaluated and proven to be highly effective, and in this respect, any changes in their fair value are recorded within Equity in accordance with the IAS 39 treatment for hedge accounting. The changes in the fair value of the Commodity swaps at the balance sheet date were recognised in "Loans, advances and Other Receivables", "Other long term liabilities" and the net gains and losses in shareholders' equity.

In certain cases it may not be possible to achieve a fully matched position, in which case they are de-designated as "Cash Flow Hedges". The amount of gain / (loss) resulting from such derivative positions is (€16.321) in 2007 (2006: €0) and are shown under "Other operating (expenses) / income – net" in note 24.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the Balance Sheet.

(All amounts in Euro thousands unless otherwise stated)

Derivatives held for Trading

	31 December 2007				31 December 2006			
Commodity Derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT	**Bbls**	**€**	**€**	**MT**	**Bbls**	**€**	**€**
Commodity Swaps	340	1.385	227	30.962	165	3.150	7.605	1.307
Commodity Options	-	2.450	20	-	-	-	-	-
	340	**3.835**	**247**	**30.962**	**165**	**3.150**	**7.605**	**1.307**

Derivatives designated as Cash Flow Hedges

	31 December 2007				31 December 2006			
Commodity Derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT	**Bbls**	**€**	**€**	**MT**	**Bbls**	**€**	**€**
Commodity Swaps	1.800	-	-	63.173	960	-	3.598	2.097
	1.800	**-**	**-**	**63.173**	**960**	**-**	**3.598**	**2.097**
Total			**247**	**94.135**			**11.203**	**3.404**

	31 December 2007		31 December 2006	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Non-current portion				
Commodity swaps (Notes 9, 19)	-	79.494	3.597	2.097
	-	**79.494**	**3.597**	**2.097**
Current portion				
Commodity swaps (Notes 11, 15)	247	14.641	7.605	1.307
	247	**14.641**	**7.605**	**1.307**
Total	**247**	**94.135**	**11.202**	**3.404**

21 Employee benefit expense

	For the year ended	
	31 December 2007	**31 December 2006**
Wages and salaries	196.416	184.624
Social security costs	38.388	37.576
Pension costs	28.239	24.358
Other employment benefits	35.438	33.089
Total	**298.481**	**279.647**

Included in Other employment benefits are medical insurance, catering, and transportation expenses.

22 Selling and distribution expenses

	For the year ended	
	31 December 2007	**31 December 2006**
Selling and distribution expenses	252.158	235.853
Administrative expenses	129.956	125.370
	382.114	**361.223**

(All amounts in Euro thousands unless otherwise stated)

23 Exploration and Development expenses

The amounts included in the Financial Statements as at 31 December 2006 & 2007 include primarily cash calls remitted in relation to a Joint Venture operation in Libya with Woodside and Repsol where the Company holds a 20% stake. Based on our accounting policy (see note 2.7) and as the activities are still in the exploration phase, we are expensing all such cash calls. Furthermore, included in the 31 December 2007 Exploration and Development expenses is an amount relating to the exploration the company is currently performing as an operator in one block in Eastern Egypt and another block in Southern Egypt in a Joint Venture with Melrose and Oil Search through the Hellenic Petroleum branch in Egypt. As we are still in the exploration phase, all amounts spent are expensed.

24 Operating income / (expenses) - net

	For the year ended	
	31 December 2007	**31 December 2006**
Income from grants	4.278	5.969
Gains on derivative financial instruments held for trading	13.157	38.610
Losses on derivative financial instruments held for trading	(16.321)	(22.987)
Services to third parties	3.880	3.990
Rental income	8.329	7.140
Other income / (expenses)	(4.341)	9.531
Total	**8.982**	**42.253**

25 Finance costs -net

	For the year ended	
	31 December 2007	**31 December 2006**
Interest income	18.995	15.868
Interest expense and similar charges	(60.767)	(51.162)
Finance costs -net	**(41.772)**	**(35.294)**

In addition to the finance cost shown above, an amount of €0,5 million (2006: €0,6 million) has been capitalized.

26 Income tax expense

	For the year ended	
	31 December 2007	**31 December 2006**
Current tax	140.952	52.766
Deferred tax (Note 17)	(16.940)	34.793
Total	**124.012**	**87.559**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company, as follows:

	For the year ended	
	31 December 2007	**31 December 2006**
Profit Before Tax	**488.627**	**358.476**
Income tax calculated at tax rates applicable to profits	116.232	102.824
Tax on income not subject to tax	(31.813)	(11.460)
Tax on expenses not deductible for tax purposes	45.246	5.391
Tax losses utilised or carried forward	317	(504)
Other	(5.967)	(8.692)
Tax Charge	**124.012**	**87.559**

The basic tax rate for Hellenic Petroleum S.A. was 25% for the period ending 31 December 2007 (29% for the period ending 31 December 2006).

In 2004 a new tax law was enacted on the base of which income tax rates for the fiscal year 2005, 2006 and 2007 would be 32%, 29% and 25% respectively. These rates have been used for deferred tax calculations.

A number of the Group subsidiaries continue to have unaudited fiscal years by the tax authorities. Hellenic Petroleum S.A. has not been audited from 2002 onwards. EKO S.A. has not been audited for the fiscal years 2005 to 2007.

27 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	For the year ended	
	31 December 2007	**31 December 2006**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**1,15**	**0,85**
Net income attributable to ordinary shares (Euro in thousands)	351.004	260.192
Average number of ordinary shares outstanding	305.635.185	305.622.635

Diluted earnings per share are the same as basic earnings per share as the effect of share options is not significant.

28 Dividends per share

The AGM of 31 May 2006 approved a final dividend of €0,28 per share (€ 85.574) bringing the total dividend for 2005 to €0,43 per share (total of €131.401).

At its meeting held on 30 August, 2006, during which the Board of Directors approved the Condensed Interim Financial Statements of the Group for the six month period ended 30 June 2006, the Board proposed and approved an interim dividend for the 2006 financial year of €0,15 per share (amounting to a total of €45.843) The relevant amounts relating to the interim dividend for 2006, and the final dividend of 2005 (totalling €131.417) are included in the interim consolidated financial statements of the Group for the year ended 31 December 2006.

(All amounts in Euro thousands unless otherwise stated)

A proposal to the AGM for an additional €0,28 per share (€85.578 in total) as final dividend was approved by the Board of Directors on 21 February 2007. This was approved by the AGM on 17 May 2007 and is included in these Financial Statements.

At its meeting held on 8 August, 2007, during which the Board of Directors approved the Condensed Interim Financial Statements of the Group for the six month period ended 30 June 2007, the Board proposed and approved an interim dividend for the 2007 financial year of €0,15 per share (amounting to a total of €45.845) The relevant amounts relating to the interim dividend for 2007 and the final dividend for 2006 (totaling €131.423) are included in these financial statements.

A proposal to the AGM for an additional € 0,35 per share as final dividend was approved by the Board of Directors on 14 February 2008. This amounts to €106.972 and is not included in these accounts as it has not yet been approved by the shareholders' AGM.

29 Cash generated from operations

		For the year ended	
	Note	**31 December 2007**	**31 December 2006**
Profit before tax		**488.627**	**358.476**
Adjustments for:			
Depreciation and amortisation of tangible and intangible assets	**6,7**	139.778	146.220
Amortisation of grants		(4.278)	(5.969)
Financial (income)/ expenses	**25**	41.772	35.294
Share of operating profit of associates and dividends		(26.039)	(16.319)
Provisions		36.972	28.081
Foreign exchange (gains) / losses		(29.531)	(27.159)
(Gain) / loss on sales of fixed assets		(3.767)	2.872
		643.534	**521.496**
Changes in working capital			
(Increase) / decrease in inventories		(324.479)	(37.654)
(Increase) / decrease in trade and other receivables		(256.876)	(176.175)
Increase / (decrease) in payables		324.213	(107.650)
		(257.142)	**(321.479)**
Net cash (used in) / generated from operating activities		**386.392**	**200.017**

30 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 and included in other provisions (note 19). They are as follows:

(i) 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, management believes the outcome will not have a significant effect on the Group's operating results or financial position.

(ii) Hellenic Petroleum S.A. has not undergone a tax audit for the years ended from 31 December 2002 to 31 December 2007. Management believes that no additional material liability will arise as a result of the aforementioned open tax years over and above the liabilities and provisions recognised in these financial statements.

(iii) In November 1998, there were four casualties in connection with an accident involving the motor tanker KRITI-GOLD at the Group's mooring installation in Thessaloniki. Claims have been lodged in connection with this accident against the ship owner and the Group. Of the four claims, three have already been settled with the involvement of the insurers. The last one is still pending but its outcome is not likely to have a material effect on the Group's operating results or financial position.

(iv) The Group has given letters of comfort and guarantees of €1.319 million to banks for loans undertaken by subsidiaries and associates of the Group, the outstanding amount of which as of 31 December 2007 was the equivalent of €1.134 million and are included in the outstanding loans of the Group. The Group has also issued letters of credit and guarantees in favour of third parties amounting to the equivalent of €542 million mainly for the completion of contracts entered into by the Group.

(v) In October 2002 the Group guaranteed its commitment to the Investment Programme under the share purchase agreement for the acquisition of Jugopetrol AD Kotor, with a performance bond issued by the National Bank of Greece for €45 million. As at 31 December 2007, the Performance Bond had been reduced to €2 million (31 December 2006: €17 million).

(vi) In line with similar policy in the past, the Group had set up tax free reserves under the provisions of applicable incentive legislation Law 3220/2004 of the Hellenic Republic in respect to investment plans amounting to €81 million. The EU Commission has subsequently challenged this law as being a government subsidy that is not in accordance with EU policies. The Greek Government, conforming to European Union Directives passed Law 3614/2007 on the 22 November 2007 cancelling the provisions of Law 3220/2004, enabling companies to reallocate investments under other incentive legislation and requesting the payment of any due tax on the remaining amounts. Out of the €81 million, a total of €70 million has been identified as relating to other such incentive legislation bringing the final tax and interest obligation to €3 million. However, adopting the strict interpretation of the Ministry of Finance interpretation decision, a tax filing of €13,5 million has been made with a request for refund of €10,5 million. In line with our policies we have recognised in our financial statements a total tax and interest charge of €13,5 million, thus treating the potential refund as a contingent asset. It should be noted that the filing is subject to a tax audit.

(vii) Following complaints by IATA, the Greek Competition Committee initiated an investigation into the pricing of aviation jet fuel in the Greek market. The conclusion of the investigation was to assert a fine of €9.4m to all Greek refineries, Hellenic Petroleum share accounts for €7,3m and it is based on a percentage of the relevant sales revenues in the year preceding the complaint. As payment of this amount has already started, the Group has made a provision against this potential liability, maintaining however its position that the rational of the conclusion has not taken into account critical evidence presented. To this effect an appeal has been filed with the Athens Administrative Court of Appeals, while in parallel a petition to suspend the decision has also been filed and partially accepted; the Court has suspended the corrective measures imposed by the Greek Competition Committee until 31 August 2007 (since then all necessary changes have been implemented), but did not suspend the payment of the fine. Management believes that the final outcome of this case will not have any material impact on the Group's financial statements. The court date for the appeal, initially set for the 27 September 2007 and postponed to take place on 17 January 2008, was further postponed to take place on 25 September 2008.

(viii) Pursuant to Law 3587 of July 10, 2007, clause 20, all exploration and development rights on Greek onshore and offshore blocks, awarded through a number of Presidential Decrees to DEP in the years 1976 to 1984 and DEP EKY in the years 1988 to 1995, as well as through Cabinet Decision 417/1995, ipso jure return to the State without any further action. Under the same clause, Hellenic Petroleum S.A. is obliged, within 3 months from the publication of the above Law, to deliver to the Ministry of Development all documentation, studies, maps and any other papers in its possession that relate to exploration and development in the blocks where such rights had been awarded. As part of its accounting policy no exploration and production rights in Greece were capitalized by the Group as assets in its Financial Statements. All exploration and production relating expenditure has been expensed in the periods when the related works have taken place. In this respect, there is no material impact on the results of the Group's financial statements as at 31 December 2007, resulting from law

(All amounts in Euro thousands unless otherwise stated)

3587/2007. The Group is assessing the new legislation and the resulting framework in order to determine its next steps and strategy with respect to exploration and production rights in Greece.

(ix) In August 2007, following a 3 year arbitration, the ICC Arbitration Court of Paris issued a decision on the appeal of ELPET VALKANIKI (Group subsidiary and major shareholder of OKTA) against the state of FYROM and a counter appeal by the state of FYROM against ELPET VALKANIKI. Under this decision an amount of $53 million plus expenses and interest was irrevocably awarded to ELPET. Subsequent to the decision, the state of FYROM and ELPET VALKANIKI reached a mutual agreement on 31 December 2007, whereby subject to a number of conditions, the state of FYROM would pay an amount of $40 million to ELPET VALKANIKI. Following such transfer of funds ELPET VALKANIKI would effect the transfer of 20% of the shares of VARDAX (operating company of the crude oil pipeline Thessaloniki – Skopje) to a company controlled by the state of FYROM as per the terms of the original share purchase agreement (SPCA) of 1999 between ELPET VALKANIKI and the state of FYROM. The amount of $40 million was remitted on 31 December 2007 and has been recorded in a temporary account of ELPET VALKANIKI until the conclusion of the terms of the settlement agreement of 31 December 2007. The transfer and delivery of the shares (20% of the share capital of VARDAX S.A.) was completed on 30 January 2008 and was recorded in the books of ELPET VALKANIKI in 2008. No adjustments for this event have been made to the financial statements of ELPET VALKANIKI or the Group as at 31 December 2007.

31 Commitments

Significant contractual commitments of the Company are as follows:

- Total capital commitments for the Group amount to €193 million (31 December 2006: €63 million) of which €80 million relate to the Hydrocracker project.

- Upstream exploration and development costs of €17 million (31 December 2006: €20 million) have been committed as part of the Joint Operating Agreements (JOA) in place. These commitments will depend on the progress of exploration activities.

32 Related-party transactions

	For the year ended	
	31 December 2007	**31 December 2006**
Sales of goods and services to related parties	943.588	1.025.880
Purchases of goods and services from related parties	169.030	120.590
	1.112.618	**1.146.471**

	As at	
	31 December 2007	**31 December 2006**
Balances due to related parties	1.961	4.323
Balances due from related parties	139.449	156.782
	141.410	**161.105**

	For the year ended	
	31 December 2007	**31 December 2006**
Charges for directors remuneration	4.793	4.515

All transactions with related parties are conducted under normal trading and commercial terms on an arm's length basis.

Transactions and balances with related parties are in respect of the following:

a) Parties which are under common control with the Group due to the shareholding and control rights of the Hellenic State:
- Public Power Corporation Hellas
- Hellenic Armed Forces
- Olympic Airways/Airlines

b) Financial institutions which are under common control with the Group due to the shareholding and control rights of the Hellenic State. The Group had loans amounting to the equivalent of €283.454 as at 31 December 2007 (31 December 2006: equivalent of €418.481) which represent loan balances due to the following related financial institutions:
- National Bank of Greece
- Agricultural Bank of Greece
- Commercial Bank of Greece ceased to be a related party since the takeover by Calyon in June 2006

c) Joint ventures with other third parties:
- OMV Aktiengesellschaft ceased to be a joint venture since January 2007
- Woodside – Repsol – Helpe
- Oil Search, Melrose

d) Associates 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)
- Volos Pet Industries A.E.
- Spata Aviation Fuel Company S.A. (SAFCO)

e) Financial institutions in which substantial interest is owned by parties which hold significant participation in the share capital of the Group. The Group had loans amounting to the equivalent of €178.353 as at 31 December 2007 (31 December 2006: equivalent of €266.133) with the following related financial institutions:
- EFG Eurobank Ergasias S.A.

f) Enterprises in which substantial interest is owned by parties which hold significant participation in the share capital of the Group.
- Private Sea Marine Services (ex Lamda Shipyards)

(All amounts in Euro thousands unless otherwise stated)

33 Principal subsidiaries and associates included in the consolidated financial statements

COMPANY NAME	ACTIVITY	COUNTRY OF REGISTRATION	PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
EKO S.A	Marketing	GREECE	100,00%	FULL
EKOTA KO	Marketing	GREECE	49,00%	FULL
EKO NATURAL GAS	Natural gas	GREECE	100,00%	FULL
EKO KALYPSO	Marketing	GREECE	100,00%	FULL
EKO BULGARIA	Marketing	BULGARIA	100,00%	FULL
EKO-YU AD BEOGRAD	Marketing	SERBIA	100,00%	FULL
EKO GEORGIA LTD	Marketing	GEORGIA	100,00%	FULL
HELPE INT'L	Holding	AUSTRIA	100,00%	FULL
HELPE CYPRUS	Marketing	CYPRUS	100,00%	FULL
HELPE SERVICES LTD	Services	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM SERBIA (HOLDINGS) LTD	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM GEORGIA (HOLDINGS) LTD	Marketing	CYPRUS	100,00%	FULL
JUGOPETROL AD KOTOR	Marketing	MONTENEGRO	54,35%	FULL
GLOBAL ALBANIA S.A	Marketing	ALBANIA	99,96%	FULL
ELDA PETROL ALBANIA	Marketing	ALBANIA	99,96%	FULL
ELPET BALKANIKI S.A.	Holding	GREECE	63,00%	FULL
VARDAX S.A	Pipeline	GREECE	63,00%	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 S.A.	Shipping	GREECE	100,00%	FULL
APOLLON S.A.	Shipping	GREECE	100,00%	FULL
ENERGIAKI THESSALONIKIS. S.A.	Power generation	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
DEPA S.A.	Natural Gas	GREECE	35,00%	EQUITY
ARTENIUS HELLAS S.A.(EX V.P.I. S.A.)	Petrochemicals	GREECE	35,00%	EQUITY
E.A.K.A.A	Pipeline	GREECE	50,00%	EQUITY

34 Other significant events

On 24 July, 2007, Hellenic Petroleum has signed a Memorandum of Agreement (MOA) with EDISON SpA, Italy's second largest electricity producer and gas distributor, creating a strategic alliance in power generation and trading. The transaction will take the form of a joint venture and will be equally owned and managed by Hellenic Petroleum and Edison SpA.

Under the terms of the MOA, Hellenic Petroleum will contribute into the JV all its power generation assets, including Energiaki Thesalonikis S.A., a company that owns a 390MW CCGT power plant in Thesaloniki, Greece. Edison SpA will contribute its 65% participation in Thisvi Power Generation Plant SA, a company which is in the process of implementing a 420MW CCGT power plant project in Thisvi.

In accordance with IFRS 5, an entity should classify a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than though continuing use. Given that the Company's intention is not to recover the carrying amount of Energiaki Thesalonikis through sale, but rather spin-off its 50% interest and expand its operations in the power generation and trading activities, such transaction does not meet the definition of an "asset held for sale" and should not be treated as discontinued operations. In this respect Energiaki Thessalonikis has been consolidated in the interim nine-monthly consolidated financial statements of the Group under the full method of consolidation and has not been classified as "Discontinued Operations".

The transaction is subject to due diligence covering inter alia financial, legal and technical aspects as well as finalization of all the terms and the corporate structure for the new operations. As a result, the Group will be able to calculate and disclose the full impact on the financial statements of the Group and the holding Company after the completion of the transaction.

As of 31 December 2007, this transaction has no impact on the interim consolidated financial statements of the Group.