HELLENIC PETROLEUM S.A.

Consolidated Financial Statements
in accordance with IFRS for the
year ended 31 December 2010

COMPANY REGISTRATION NUMBER: 2443/06/B/86/23
REGISTERED OFFICE: 8A CHIMARRAS STR, 151 27 MAROUSSI, GREECE

Index to the consolidated financial statements

(All amounts in Euro thousands unless otherwise stated)

Company Information

Directors	Anastasios Giannitsis – Chairman of the Board (since 02/12/2009) John Costopoulos – Chief Executive Officer Theodoros-Achilleas Vardas – Executive Member Dimokritos Amallos – Non executive Member (since 28/12/2009) Alexios Athanasopoulos – Non executive Member Anastassios Banos – Non executive Member (since 28/12/2009) Georgios Kallimopoulos – Non executive Member Alexandros Katsiotis – Non executive Member (since 28/12/2009) Gerassimos Lachanas – Non executive Member (since 28/12/2009) Dimitrios Lalas – Non executive Member (since 28/12/2009) Panagiotis Ofthalmides – Non executive Member Theodoros Pantalakis – Non executive Member (since 28/12/2009) Spyridon Pantelias – Non executive Member (since 28/12/2009)
Other Board Members during the previous period:	Efthimios Christodoulou – Chairman of the Board (until 02/12/2009) Nikolaos Lerios – Executive Member (until 05/05/2009) Ioulia Armagou – Non executive Member (07/08/2008 – 28/12/2009) Vasilios Bagiokos – Non executive Member (until 28/12/2009) Dimitrios Miliakos – Non executive Member (14/05/2008 – 02/12/2009) Panagiotis Pavlopoulos – Non executive Member (until 28/12/2009) Nikolaos Pefkianakis – Non executive Member (05/05/2009 – 28/12/2009) Iason Stratos – Non executive Member (until 28/12/2009) Elisabeth Typaldou-Loverdou – Non executive Member (until 28/12/2009)
Registered Office:	8A Chimarras Str. 15121 Maroussi, Greece
Registration number:	2443/06/B/86/23
Auditors:	PricewaterhouseCoopers S.A. 268 Kifissias Ave. 152 32 Halandri Greece

Independent auditor's report

We have audited the accompanying consolidated financial statements of Hellenic Petroleum S.A. (the "Company") and its subsidiaries (together, the "Group"), set out in pages 7 to 59, which comprise the statement of financial position as of 31 December 2010 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

PricewaterhouseCoopers S.A., 268 Kifissias Ave., 152 32 Halandri, Athens, Greece
T: +30 210 6874700, F: +30 210 6874444, www.pwc.gr

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2010, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal and Regulatory Matters

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

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

pwc

Athens, 25 February 2011
The Certified Auditor Accountant

PricewaterhouseCoopers S.A.

SOEL Reg. No. 113

Marios Psaltis
SOEL Reg.No. 38081

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of financial position

	Note	As at 31 December 2010	31 December 2009
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	2.668.495	2.114.759
Intangible assets	**7**	165.148	184.049
Investments in associates and joint ventures	**8**	560.783	517.378
Deferred income tax assets	**18**	38.827	23.919
Available-for-sale financial assets		2.078	2.716
Loans, advances and other receivables	**9**	123.454	139.572
		3.558.785	**2.982.393**
Current assets			
Inventories	**10**	1.600.625	1.373.953
Trade and other receivables	**11**	938.837	915.683
Held to maturity securities	**12**	167.968	-
Cash and cash equivalents	**13**	595.757	491.196
		3.303.187	**2.780.832**
Total assets		**6.861.972**	**5.763.225**
EQUITY			
Share capital	**14**	1.020.081	1.020.081
Reserves	**15**	500.066	505.839
Retained Earnings		866.737	841.374
Capital and reserves attributable to owners of the parent		**2.386.884**	**2.367.294**
Non-controlling interests		144.734	141.246
Total equity		**2.531.618**	**2.508.540**
LIABILITIES			
Non- current liabilities			
Borrowings	**17**	1.127.878	607.805
Deferred income tax liabilities	**18**	50.796	53.613
Retirement benefit obligations	**19**	143.414	148.464
Long term derivatives	**21**	66.296	37.253
Provisions and other long term liabilities	**20**	49.909	56.944
		1.438.293	**904.079**
Current liabilities			
Trade and other payables	**16**	1.472.712	1.033.852
Current income tax liabilities		119.227	9.041
Borrowings	**17**	1.297.103	1.304.843
Dividends payable		3.019	2.870
		2.892.061	**2.350.606**
Total liabilities		**4.330.354**	**3.254.685**
Total equity and liabilities		**6.861.972**	**5.763.225**

The notes on pages 11 to 59 are an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the board on 24 February 2011.

A. Giannitsis	J. Costopoulos	A. Shiamishis	I. Letsios
Chairman of the Board	Chief Executive Officer	Chief Financial Officer	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of comprehensive income

	Note	For the year ended 31 December 2010	31 December 2009
Sales		**8.476.805**	**6.756.666**
Cost of sales		(7.660.776)	(6.042.836)
Gross profit		**816.029**	**713.830**
Selling, distribution and administrative expenses	**23**	(486.762)	(419.241)
Exploration and development expenses	**24**	(20.660)	(15.441)
Other operating (expenses) / income- net	**25**	35.306	(17.921)
Operating profit		**343.913**	**261.227**
Finance (expenses) / income- net	**26**	(59.434)	(33.517)
Currency exchange gains / (losses)	**27**	(15.793)	(3.714)
Share of net result of associates and dividend income	**8**	30.027	18.418
Profit before income tax		**298.713**	**242.414**
Income tax (expense) / credit	**28**	(111.294)	(66.152)
Profit for the year		**187.419**	**176.262**
Other comprehensive income:			
Fair value gains / (losses) on available-for-sale financial assets	**15**	44	(201)
Unrealised gains / (losses) on revaluation of hedges	**15**	(25.188)	7.425
Currency translation differences on consolidation of subsidiaries	**15**	639	(4.852)
Other Comprehensive (loss) / income for the year, net of tax		(24.505)	2.372
Total comprehensive income for the year		**162.914**	**178.634**
Profit attributable to:			
Owners of the parent		179.818	174.890
Non-controlling interests		7.601	1.372
		187.419	**176.262**
Total comprehensive income attributable to:			
Owners of the parent		155.773	178.780
Non-controlling interests		7.141	(146)
		162.914	**178.634**
Basic and diluted earnings per share (expressed in Euro per share)	**29**	**0,59**	**0,57**

The notes on pages 11 to 59 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 owners of the Parent					
	Note	**Share Capital**	**Reserves**	**Retained Earnings**	**Total**	**Non-controlling Interest**	**Total Equity**
Balance at 1 January 2009		**1.020.081**	**496.801**	**808.002**	**2.324.884**	**148.782**	**2.473.666**
Fair value gains / (losses) on available-for-sale financial assets	**15**	-	(108)	-	(108)	(93)	(201)
Currency translation differences on consolidation of subsidiaries	**15**	-	(3.427)	-	(3.427)	(1.425)	(4.852)
Unrealised gains / (losses) on revaluation of hedges	**15**	-	7.425	-	7.425	-	7.425
Other comprehensive income / (loss)		**-**	**3.890**	**-**	**3.890**	**(1.518)**	**2.372**
Profit for the year		-	-	174.890	174.890	1.372	176.262
Total comprehensive income for the year		**-**	**3.890**	**174.890**	**178.780**	**(146)**	**178.634**
Share capital decrease of minority shareholders of ELPET		-	-	-	-	(7.390)	(7.390)
Share based payments	**14**	-	1.166	-	1.166	-	1.166
Transfers from retained earnings (Law 3299/04)	**15**	-	1.147	(1.147)	-	-	-
Transfers to statutory reserves	**15**	-	2.835	(2.835)	-	-	-
Dividends relating to 2008 and interim dividend 2009	**15**	-	-	(137.536)	(137.536)	-	(137.536)
Balance at 31 December 2009		**1.020.081**	**505.839**	**841.374**	**2.367.294**	**141.246**	**2.508.540**
Fair value gains / (losses) on available-for-sale financial assets	**15**	-	44	-	44	-	44
Currency translation differences on consolidation of subsidiaries	**15**	-	1.099	-	1.099	(460)	639
Unrealised gains / (losses) on revaluation of hedges	**15**	-	(25.188)	-	(25.188)	-	(25.188)
Other comprehensive income / (loss)		**-**	**(24.045)**	**-**	**(24.045)**	**(460)**	**(24.505)**
Profit for the year		-	-	179.818	179.818	7.601	187.419
Total comprehensive income for the year		**-**	**(24.045)**	**179.818**	**155.773**	**7.141**	**162.914**
Share based payments	**14**	-	1.352	-	1.352	-	1.352
Transfers to statutory and tax reserves	**15**	-	16.919	(16.919)	-	-	-
Dividends to minority shareholders	**15**	-	-	-	-	(3.652)	(3.652)
Dividends relating to 2009 and interim dividend 2010	**15**	-	-	(137.536)	(137.536)	-	(137.536)
Balance at 31 December 2010		**1.020.081**	**500.065**	**866.737**	**2.386.883**	**144.734**	**2.531.618**

The notes on pages 11 to 59 are an integral part of these consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

Consolidated statement of cash flows

	Note	For the year ended 31 December 2010	31 December 2009
Cash flows from operating activities			
Cash generated from operations	**31**	719.272	367.430
Income and other taxes paid		(13.552)	(16.659)
Net cash generated from operating activities		**705.720**	**350.771**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**6,7**	(709.338)	(613.944)
Proceeds from disposal of property, plant and equipment & intangible assets		8.986	4.075
Acquisition of subsidiary, net of cash acquired	**34**	10.901	(336.124)
Grants received		131	3.983
Interest received	**26**	13.270	20.914
Dividends received		4.462	9.658
Investments in associates - net		(17.720)	(674)
Net cash used in investing activities		**(689.308)**	**(912.112)**
Cash flows from financing activities			
Interest paid	**26**	(72.061)	(53.919)
Dividends paid to shareholders of the Company		(137.369)	(137.901)
Dividends paid to non-controlling interests		(3.652)	-
Held-to-maturity securities	**12**	(167.968)	-
Proceeds from borrowings		662.122	1.723.132
Repayments of borrowings		(191.354)	(1.350.085)
Net cash generated from financing activities		**89.718**	**181.227**
Net increase / (decrease) in cash & cash equivalents		**106.130**	**(380.114)**
Cash & cash equivalents at the beginning of the year	**13**	**491.196**	**876.536**
Exchange (losses) / gains on cash & cash equivalents		(1.569)	(5.226)
Net increase / (decrease) in cash & cash equivalents		106.130	(380.114)
Cash & cash equivalents at end of the year	**13**	**595.757**	**491.196**

The notes on pages 11 to 59 are an integral part of these financial statements.

Notes to the consolidated financial statements

1 General information

Hellenic Petroleum (the "Company") and its subsidiaries (together "Hellenic Petroleum" or the "Group") operate in the energy sector predominantly in Greece and the Balkans. The Group's 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 8^{A} Chimarras street, Maroussi. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDNs.

The financial statements and the consolidated financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2010 were authorised for issue by the Board of Directors on 24 February 2011. 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 2010 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"). The European Union ("EU")has adopted all IFRS that were issued by the IASB and are effective for the year ended 31 December 2010, with the exception of certain provisions of IAS 39 that have no effect in our consolidated financial statements. As such, these consolidated financial statements comply with International Financial Reporting Standards (IFRS) as adopted by the European Union as well as with 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 certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 "Critical accounting estimates and judgments". These estimates are based on management's best knowledge of current events and actions; actual results ultimately may differ from those estimates.

The Group results for the year ended 31 December 2010 include the results of Hellenic Fuels (formerly BP Hellas), which was acquired in December 2009.

2.1.1 Changes in accounting policies and disclosures

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

a) The following standards, amendments to standards and interpretations to existing standards are applicable to the Group for periods on or after 1 January 2010:

- *IAS 24 (Amendment) 'Related Party Disclosures' (effective for annual periods beginning on or after 1 January 2011).* This amendment attempts to relax disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. The Group will apply these changes from their effective date.

- *IFRS 3 (Revised) 'Business Combinations' and IAS 27 (Amended) 'Consolidated and Separate Financial Statements'* The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires a change in ownership interest of a subsidiary to be accounted for as an equity transaction. The amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Furthermore the acquirer in a business combination has the option of measuring the non-controlling interest, at the acquisition date, either at fair value or at the amount of the percentage of the non-controlling interest over the net assets acquired. The Group has applied the revised and amended standards from 1 January 2010.

- *IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)*. This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. This amendment has not yet been endorsed by the EU

- *IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2013).* IFRS 9 is the first part of Phase 1 of the Board's project to replace IAS 39. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 states that financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Subsequently financial assets are measured at amortised cost or fair value and depend on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 prohibits reclassifications except in rare circumstances when the entity's business model changes; in this case, the entity is required to reclassify affected financial assets prospectively. IFRS 9 classification principles indicate that all equity investments should be measured at fair value. However, management has an option to present in other comprehensive income unrealised and realised fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognised in profit or loss. IFRS 9 removes the cost exemption for unquoted equities and derivatives on unquoted equities but provides guidance on when cost may be an appropriate estimate of fair value. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2013.

b) The following amendments to standards and interpretations to existing standards are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods, but without any significant impact to the Group's operations:

- IAS 32 (Amendment) 'Financial Instruments: Presentation' (effective for annual periods beginning on or after 1 February 2010)

- IAS 39 (Amendment) 'Financial Instruments: 'Recognition and Measurement'

- IFRS 2 (Amendment) 'Share-based Payment'

- IFRIC 12 – Service Concession Arrangements (EU endorsed for periods beginning on or after 30 March 2009)

- IFRIC 14 (Amendment) 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, (effective for annual periods beginning on or after 1 January 2011)

- IFRIC 17 "Distributions of non-cash assets to owners" (EU endorsed for periods beginning on or after 1 July 2009)

- IFRIC 18 "Transfers of assets from customers" (EU-endorsed for use annual periods beginning on or after 1 November 2009)

- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (effective for annual periods beginning on or after 1 July 2010)

- Amendments to standards were issued in July 2009 following the publication of the results of the IASB's annual improvements project. The effective dates vary by standard, but most are effective for annual periods beginning on or after 1 January 2010. The amendments will not have a material impact on the Group's interim consolidated financial information.

- Amendments to standards were issued in May 2010 following the publication of the results of the IASB's 2010 annual improvements project. The effective dates vary by standard, but most are effective for annual periods beginning on or after 1 January 2011. The amendments will not have a material impact on the Group's financial statements.

c) The following amendments to standards and interpretations to existing standards are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods but are not applicable to the Group:

- IAS 12 (Amendment) "Income Taxes"(effective for annual periods beginning on or after 1 January 2012). This amendment has not yet been endorsed by the EU.

- IFRIC 15 - Agreements for the construction of real estate (EU endorsed for use from 1 January 2010)

- IFRIC 16 - Hedges of a net investment in a foreign operation (EU endorsed for use from 1 July 2009)

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income (see Note 2.6).

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

(b) Transactions with non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

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

(c) Joint ventures

The Group's interests in jointly controlled assets 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.

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

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. 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 statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in 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. Dilution gains and losses arising in investments in associates are recognized in the income statement.

2.3 Segment reporting

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

2.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in 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 statement of comprehensive income, 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 other comprehensive income.

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

(c) *Group companies*

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

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

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

(All amounts in Euro thousands unless otherwise stated)

2.5 Property, plant and equipment

Land and buildings comprise mainly plant, the owned retail network and offices. All property, plant and equipment is shown at historical cost less subsequent depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income statement as incurred. Refinery refurbishment costs are deferred and charged against income on a straight line basis over the scheduled refurbishment period.

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

– Land	Nil
– Buildings	13 – 20 years
– Specialised industrial installations	10 – 25 years
– Machinery, equipment and transportation equipment	5 – 8 years
– Furniture and fixtures	4 – 8 years
– Computer hardware	3 – 5 years
– LPG carrier	25 years
– White products carrier	25 years
– Vessels	20 – 25 years

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

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 (Note 2.8).

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

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

(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).

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

(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).

2.7 Exploration for and Evaluation of Mineral Resources

(a) Exploration and evaluation assets

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

(b) Development of tangible and intangible assets

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

(c) Oil and gas production assets

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

(d) Depreciation/amortization

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

(e) Impairment – exploration and evaluation assets

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

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

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

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and, are tested annually for impairment. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in 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 an asset is expected to generate based upon management's expectations of future economic and operating conditions). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

2.9.1 Classification

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

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

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

(b) Loans and receivables

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

(c)Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale *(d) Available-for-sale financial assets*

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

2.9.2 Recognition and measurement

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

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

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

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

2.9.3 Impairment of financial assets

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

If there is objective evidence that an impairment loss on held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

Impairment testing of trade receivables is described in note 2.13.

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 re-measured 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 designates certain derivatives as either:

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

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

(c) Hedges of a net investment in a foreign operation (net investment hedge).

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

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

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

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 statement of comprehensive income within "Other operating (expenses)/income – net", or in "Cost of Sales" (refer to note 21).

2.11 Government grants

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

2.12 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 monthly weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads.

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 Group will not be able to collect all amounts due according to the original terms of the receivables.

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

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators 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 statement of comprehensive income and is included in Selling, Distribution and Administrative expenses.

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 statement of comprehensive income 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 end of the reporting period. At the end of the reporting period payable amounts of bank overdrafts are included within borrowings in current liabilities on the statement of financial position. In the statement of cash flows bank overdrafts are shown within financing activities.

2.17 Current and deferred income tax

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

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

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

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

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

2.18 Employee benefits

(a) *Pension obligations*

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

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

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

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, 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 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 end of the reporting period are discounted to present value.

(c) Share-based compensation

The Group operates an equity-settled share-based 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 vest. At each reporting period end, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to entity.

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

2.19 Trade and other payables

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

2.20 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 end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

2.21 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 collectability of the related receivables is reasonably assured.

(b) Sales of goods – retail

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

(c) 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 "Borrowings". The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

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

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

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

Foreign currency exchange risk arises on three types of exposure:

- **Financial position translation risk:** Most of the inventory held by the Group is reported in Euro while its underlying value is determined in USD. Thus, a possible devaluation of the USD against the Euro leads to a reduction in the realisable value of inventory included in the statement of financial position. In order to manage this risk, a significant part of the Group funding is denominated in USD providing an opposite effect to the one described above. It should be noted however, that while in the case of USD devaluation the impact on the statement of financial position is mitigated, in cases of USD appreciation the mark-to-market valuation of such loans leads to a reported loss under foreign exchange differences with no compensating benefit as stocks continue to be included in the statement of financial position at cost. The exposure at any point in time is clearly given by the amounts shown in the statement of financial position and the related disclosures. It is estimated, that at 31 December 2010 if the Euro had weakened against the US dollar by 5% with all other variables held constant, pre-tax profits would have been €18 million lower, as a result of foreign exchange losses on translation of receivables and payables and US dollar-denominated borrowings.

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

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

(ii) Commodity price risk

The Group's primary activity as a refiner creates two types of commodity price exposures; exposure to crude oil and oil products price levels which affect the value of inventory and exposure to refining margins which in turn affect the future cash flows of the business.

(All amounts in Euro thousands unless otherwise stated)

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

Refining margin exposure relates to the absolute level of margin generated by the operation of the refineries. This is determined by Platt's prices and varies on a daily basis; as an indication of the impact to the Group financial results, a change in the refinery margins has a proportionate impact on the Group's profitability. Where possible, the Group aims to hedge 10-50% of each of the various components of its expected production. 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. The sensitivity of the fair value of the open derivative contracts affecting profits to an immediate 10% increase or decrease in all reference prices, would have been €1,1 million at 31 December 2010. This figure does not include any corresponding economic impact that would arise from the natural business exposure, which would be expected to largely offset the gain or loss on the derivatives.

(iii) 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. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Group to fair value interest rate risk. Depending on the levels of net debt at any given period of time, any change in the base interest rates (EURIBOR or LIBOR), has a proportionate impact on the Groups results. At 31 December 2010, if interest rates on US dollar denominated borrowings had been 0.5% higher with all other variables held constant, pre-tax profit for the year would have been €2,9 million lower. At 31 December 2010, if interest rates on Euro denominated borrowings had been 0,5% higher with all other variables held constant, post-tax profit for the year would have been Euro €7,0 million lower.

(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 trade receivables:

	As at	
	31 December 2010	**31 December 2009**
Current balance	668.456	657.444
Past due but not impaired balance	124.352	232.088
Impaired balance	145.027	137.763
	937.835	**1.027.295**
Allowance for bad debts	**135.947**	**106.918**

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

As of 31 December 2010, the ageing analysis of trade receivables that were past due but not impaired, is as follows:

(All amounts in Euro thousands unless otherwise stated)

	As at 31 December 2010	As at 31 December 2009
Up to 30 days	54.765	44.534
30 - 90 days	26.095	36.971
Over 90 days	43.492	150.583
Total	**124.352**	**232.088**

As of 31 December 2010, the ageing analysis of trade receivables that were individually impaired is as follows:

	As at 31 December 2010	As at 31 December 2009
Up to 30 days	3.774	457
30 - 90 days	503	1.284
Over 90 days	140.750	136.022
Total	**145.027**	**137.763**

The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

(c) Liquidity risk

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

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 December 2010				
Borrowings	1.297.103	350.000	777.878	-
Derivative financial instruments	24.003	33.952	32.344	-
Trade and other payables	1.448.709	-	-	-
31 December 2009				
Borrowings	1.304.843	11.602	596.203	-
Derivative financial instruments	26.536	12.430	24.823	-
Trade and other payables	1.007.316	-	-	-

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.

(All amounts in Euro thousands unless otherwise stated)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position) less "Cash & cash equivalents", "Available for Sale financial assets" and "Held-to-maturity securities". Total capital employed is calculated as "Total Equity" as shown in the statement of financial position plus net debt.

During 2010 the Group strategy which was unchanged from 2009, was to maintain the gearing ratio between 20% - 45%.

The gearing ratios at 31 December 2010 and 2009 were as follows:

	As at	
	31 December 2010	**31 December 2009**
Total Borrowings (Note 17)	2.424.981	1.912.648
Less: Cash & Cash Equivalents (Note 13)	(595.757)	(491.196)
Less: Available for sale financial assets	(2.078)	(2.716)
Less: Held-to-maturity securities (Note 12)	(167.968)	-
Net debt	**1.659.178**	**1.418.737**
Total Equity	2.531.618	2.508.540
Total Capital Employed	**4.190.796**	**3.927.277**
Gearing ratio	40%	36%

The increase in the gearing ratio resulted from funding requirements of the Group's Refineries' Upgrade projects in Elefsina and Thessaloniki.

3.3 Fair value estimation

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

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

(All amounts in Euro thousands unless otherwise stated)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2010:

	Level 1	**Level 2**	**Level 3**	**Total balance**
Assets				
Derivatives held for trading	-	12.715	-	12.715
Derivatives used for hedging	-	-	-	-
	-	**12.715**	**-**	**12.715**
Liabilities				
Derivatives held for trading	-	21.137	-	21.137
Derivatives used for hedging	-	69.162	-	69.162
	-	**90.299**	**-**	**90.299**

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. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

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

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

Specific valuation techniques used to value financial instruments include:

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

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

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

The Group tests annually whether goodwill and non-financial assets have suffered any impairment, in accordance with its accounting policies (see Note 2.8). The recoverable amounts of cash generating units are determined based on value-in-use calculations. Significant judgement is involved in management's determination of these estimates.

(d) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(e) Held-to-maturity investments

The group follows the IAS 39 guidance on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires judgement. In making this judgement, the group evaluates its intention and ability to hold such investments to maturity. If the group fails to keep these investments to maturity other than for specific circumstances explained in IAS 39, it will be required to reclassify the whole class as available-for-sale. The investments would, therefore, be measured at fair value not amortised cost.

(f) Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 19.

(g) Provisions for legal claims

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

(All amounts in Euro thousands unless otherwise stated)

5 Segment information

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

The Group is organised into five main business segments determined in accordance with the type of business activity: Refining, Marketing, Exploration & Production, Petrochemicals, and Gas & Power.

Information on the Group's operating segments is as follows:

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
Year ended 31 December 2010								
Sales	7.832.281	3.507.741	726	377.056	843	21.921	(3.263.763)	8.476.805
Other operating income / (expense) - net	136	28.888	-	3.497	-	1.125	1.660	35.306
Operating profit / (loss)	**297.851**	**42.138**	**(25.156)**	**33.415**	**273**	**(4.875)**	**267**	**343.913**
Currency exchange gains/ (losses)	(11.257)	(4.694)	-	-	-	158	-	(15.793)
Profit before tax, share of net result of associates & finance costs	**286.594**	**37.443**	**(25.156)**	**33.415**	**273**	**(4.717)**	**267**	**328.120**
Share of net result of associates and dividend income	-	-	-	-	-	-	30.027	30.027
Profit after associates	**286.594**	**37.443**	**(25.156)**	**33.415**	**273**	**(4.717)**	**30.294**	**358.147**
Finance (expense)/income - net								(59.434)
Profit before income tax								**298.713**
Income tax expense								(111.294)
Income applicable to non-controlling interests								(7.601)
Profit for the year attributable to the owners of the parent								**179.818**

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

– Net operating profits of the petrochemicals segment during the year resulted from internationally improved margins for polypropelene.

(All amounts in Euro thousands unless otherwise stated)

5 Segment information (continued)

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
Year ended 31 December 2009								
Sales	5.927.787	2.339.452	255	256.160	-	20.543	(1.787.531)	6.756.666
Other operating income / (expense) - net	(15.099)	(5.489)	-	3.343	-	(676)	-	(17.921)
Operating profit / (loss)	**258.567**	**29.981**	**(26.687)**	**3.256**	**(11)**	**(3.879)**	**-**	**261.227**
Currency exchange gains/ (losses)	(2.528)	(1.166)	-	-	-	(20)	--	(3.714)
Profit before tax, share of net result of associates & finance costs	**256.039**	**28.815**	**(26.687)**	**3.256**	**(11)**	**(3.899)**	**-**	**257.513**
Share of net result of associates and dividend income	1.026	-	-	(1.658)	19.050	-	-	18.418
Profit after associates	**257.065**	**28.815**	**(26.687)**	**1.598**	**19.039**	**(3.899)**	**--**	**275.931**
Finance (expense)/income - net								(33.517)
Profit before income tax								**242.414**
Income tax expense								(66.152)
Income applicable to non-controlling interests								(1.372)
Profit for the year attributable to the owners of the parent								**174.890**

(All amounts in Euro thousands unless otherwise stated)

5 Segment information (continued)

The segment assets and liabilities at 31 December 2010 are as follows:

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
Total assets	4.729.818	1.631.413	3.502	284.585	548.119	1.795.836	(2.131.301)	6.861.972
Investments in associates	9.392	790	-	3.508	547.093	-	-	560.783
Total liabilities	2.555.377	912.928	638	194.783	(1)	1.627.664	(961.035)	4.330.354
Net assets	2.174.441	718.484	2.864	89.802	548.120	168.172	(1.170.265)	2.531.618
Capital expenditure	675.138	28.044	-	6.035	-	121	-	709.338
Depreciation & Amortisation	74.619	64.099	682	16.938	-	456	-	156.794

The segment assets and liabilities at 31 December 2009 are as follows:

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
Total assets	3.773.547	1.577.284	2.741	249.086	503.785	1.701.110	(2.044.329)	5.763.225
Investments in associates	9.128	205	-	4.934	503.111	-	-	517.378
Total liabilities	1.660.939	810.584	-	177.309	-	1.474.075	(868.223)	3.254.685
Net assets	2.112.608	766.700	2.741	71.777	503.785	227.035	(1.176.105)	2.508.540
Capital expenditure	535.401	76.462	-	1.942	-	139	-	613.944
Depreciation & Amortisation	68.450	39.119	3.849	16.996	-	449	-	128.863

(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 2009	**226.613**	**450.149**	**1.770.360**	**41.505**	**90.251**	**359.316**	**2.938.194**
Additions	6.933	7.779	11.320	30.413	6.462	545.930	608.837
Acquisition of BP Hellas	43.126	51.292	179.706	3.768	21.679	2.160	301.731
Capitalised projects	-	27.939	142.425	116	761	(171.241)	-
Disposals	(303)	(419)	(7.241)	(352)	(928)	(594)	(9.837)
Currency translation effects	(1.048)	(3.644)	(904)	(16)	(134)	(231)	(5.977)
Transfers and other movements	66	3.146	4.618	906	(1.768)	(12.852)	(5.884)
As at 31 December 2009	**275.387**	**536.242**	**2.100.284**	**76.340**	**116.323**	**722.488**	**3.827.064**
Accumulated Depreciation							
As at 1 January 2009	**-**	**216.249**	**1.186.792**	**27.903**	**67.331**	**-**	**1.498.275**
Charge for the year	-	19.920	82.542	3.251	7.408	-	113.121
Acquisition of BP Hellas	-	30.491	57.765	2.372	17.857	-	108.485
Disposals	-	(5)	(5.867)	(327)	(888)	-	(7.087)
Currency translation effects	-	(326)	(293)	(5)	135	-	(489)
Transfers and other movements	-	1.024	375	(6)	(1.393)	-	-
As at 31 December 2009	**-**	**267.353**	**1.321.314**	**33.188**	**90.450**	**-**	**1.712.305**
Net Book Value at 31 December 2009	**275.387**	**268.889**	**778.970**	**43.152**	**25.873**	**722.488**	**2.114.759**
Cost							
As at 1 January 2010	**275.387**	**536.242**	**2.100.284**	**76.340**	**116.323**	**722.488**	**3.827.064**
Additions	636	2.768	8.620	1.060	6.430	688.794	708.308
Finalisation of PPA of BP Hellas (Note 34)	-	(2.001)	-	-	-	-	(2.001)
Capitalised projects	251	17.558	48.678	4.779	6.914	(78.180)	-
Disposals	-	(7.093)	(12.844)	(197)	(1.777)	(6.849)	(28.760)
Currency translation effects	(947)	(3.715)	(1.146)	(2)	(29)	(305)	(6.144)
Transfers and other movements	144	3.582	(2.307)	110	32	(5.904)	(4.343)
As at 31 December 2010	**275.471**	**547.341**	**2.141.285**	**82.090**	**127.893**	**1.320.044**	**4.494.124**
Accumulated Depreciation							
As at 1 January 2010	**-**	**267.353**	**1.321.314**	**33.188**	**90.450**	**-**	**1.712.305**
Charge for the year	-	22.587	97.592	4.622	10.470	-	135.271
Disposals	-	(6.828)	(11.369)	(173)	(1.697)	-	(20.067)
Currency translation effects	-	(665)	(692)	(48)	27	-	(1.378)
Transfers and other movements	-	(59)	(391)	55	(107)	-	(502)
As at 31 December 2010	**-**	**282.388**	**1.406.454**	**37.644**	**99.143**	**-**	**1.825.629**
Net Book Value at 31 December 2010	**275.471**	**264.953**	**734.831**	**44.446**	**28.750**	**1.320.044**	**2.668.495**

(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 2010 an amount of €836 million (2009: €256 million) relates to costs in respect of the construction phase of the Elefsina refinery upgrade. The project is expected to be completed by the end of 2011. Any potential delays during the construction phase will have equivalent effects on the project completion date.

(3) During 2010 an amount of €21,8 million (2009: €2,9 million) in respect of interest has been capitalized in relation to Assets Under Construction relating to the refining segment, at an average borrowing rate of 2,8% (2009: 2%). An additional of 0,8 million (2009: €2,0 million) in respect of interest has been capitalized in relation to retail petrol stations, included in Plant & Machinery.

(All amounts in Euro thousands unless otherwise stated)

7 Intangible assets

	Goodwill	Computer software	Licences & Rights	Other	Total
Cost					
As at 1 January 2009	**138.666**	**63.304**	**29.464**	**41.409**	**272.843**
Additions	3.747	991	-	369	5.107
Acquisition of BP Hellas	-	603	-	61.600	62.203
Disposals	-	(9)	-	-	(9)
Currency translation effects	-	(30)	-	733	703
Other movements	(3.408)	3.079	2.967	(399)	2.239
As at 31 December 2009	**139.005**	**67.938**	**32.431**	**103.712**	**343.086**
Accumulated Amortisation					
As at 1 January 2009	**71.829**	**55.589**	**10.196**	**5.838**	**143.452**
Charge for the year	-	7.629	5.041	3.072	15.742
Acquisition of BP Hellas	-	263	-	-	263
Disposals	-	(5)	-	-	(5)
Currency translation effects	-	(10)	-	-	(10)
Other movements	-	-	-	(405)	(405)
As at 31 December 2009	**71.829**	**63.466**	**15.237**	**8.505**	**159.037**
Net Book Value at 31 December 2009	**67.176**	**4.472**	**17.194**	**95.207**	**184.049**
Cost					
As at 1 January 2010	**139.005**	**67.938**	**32.431**	**103.712**	**343.086**
Additions	-	930	-	100	1.030
Write offs fully depreciated	-	-	-	(4.611)	(4.611)
Finalisation of PPA of BP Hellas (Note 34)	-	-	-	(4.044)	(4.044)
Disposals	-	(3)	-	-	(3)
Currency translation effects & other movements	-	3.139	105	2.398	5.642
As at 31 December 2010	**139.005**	**72.004**	**32.536**	**97.555**	**341.100**
Accumulated Amortisation					
As at 1 January 2010	**71.829**	**63.466**	**15.237**	**8.505**	**159.037**
Charge for the year	-	3.854	2.128	15.541	21.523
Write offs fully depreciated	-	-	-	(4.611)	(4.611)
Disposals	-	(3)	-	-	(3)
Currency translation effects & other movements	-	(580)	2	584	6
As at 31 December 2010	**71.829**	**66.737**	**17.367**	**20.019**	**175.952**
Net Book Value at 31 December 2010	**67.176**	**5.267**	**15.169**	**77.536**	**165.148**

(1) The majority of the remaining amount of goodwill as at 31 December 2010 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 2010 and no such issue has been identified as the significant assumptions affecting the value of the company (price, margins, and volumes) remain unchanged.

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

(3) Other intangible assets category includes 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. Also included are amounts paid to the government for use of land in Montenegro where the company holds title. Furthermore, included therein is the fair value of the contractual customer relationships from the subsidiary acquired in December 2009 (see Note 34).

(All amounts in Euro thousands unless otherwise stated)

8 Investments in associates and joint ventures

	As at	
	31 December 2010	**31 December 2009**
Beginning of the Year	**517.378**	**508.219**
Dividends received	(4.211)	(10.670)
Share of results of associates	30.027	18.418
Share capital increase / (decrease)	17.589	1.411
End of the year	**560.783**	**517.378**

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.

Investment in associates for 2010 also reflect the Group 's share in the increase of the ordinary share capital of Elpedison BV.

The table below summarises the income / (loss) from the main investments in associates:

	For the year ended	
	31 December 2010	**31 December 2009**
Public Natural Gas Corporation of Greece (DEPA)	31.778	21.243
ELPEDISON B.V.	(1.330)	(2.193)
Artenius Hellas S.A.	(1.426)	(1.658)
Other associates and dividend income	1.005	1.026
Total	**30.027**	**18.418**

The main financial information of major associated companies is listed below:

	% interest held	As at 31 December 2010		
		Assets	**Liabilities**	**Revenues**
DEPA	35%	2.743.944	1.412.111	1.216.957
ELPEDISON	50%	567.317	422.744	156.443
ARTENIUS	35%	51.476	35.931	84.552
EAKAA	50%	19.726	10.929	3.484

		As at 31 December 2009		
		Assets	**Liabilities**	**Revenues**
DEPA	35%	2.552.598	1.300.525	976.843
ELPEDISON	50%	501.117	410.427	33.452
ARTENIUS	35%	53.897	34.405	65.272
EAKAA	50%	20.792	12.085	3.912

(All amounts in Euro thousands unless otherwise stated)

9 Loans, Advances & Long Term assets

	As at 31 December 2010	As at 31 December 2009
Loans and advances	18.850	21.421
Other long term assets	104.604	118.151
Total	**123.454**	**139.572**

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 primarily 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 and are discounted using a rate of 5% for 2010 (2009: 5%).

10 Inventories

	As at 31 December 2010	As at 31 December 2009
Crude oil	706.237	563.728
Refined products and semi-finished products	791.958	713.026
Petrochemicals	34.598	28.847
Consumable materials and other spare parts	81.308	80.662
- Less: Provision for consumables and spare parts	(13.476)	(12.311)
Total	**1.600.625**	**1.373.953**

The cost of goods sold included in “Cost of sales” for 2010 is equal to €7,0 billion (2009: €5,4 billion).

11 Trade and other receivables

	As at 31 December 2010	As at 31 December 2009
Trade receivables	668.456	657.444
- Less: Provision for impairment of receivables	(135.947)	(106.918)
Trade receivables net	**532.509**	**550.526**
Other receivables	389.542	360.347
- Less: Provision for impairment of receivables	(27.994)	(19.217)
Other receivables net	**361.548**	**341.130**
Derivatives held for trading (Note 21)	12.715	-
Deferred charges and prepayments	32.065	24.027
Total	**938.837**	**915.683**

Other receivables include balances in respect of VAT, income tax prepayment and advances to personnel.

The fair values of receivables approximate their carrying amount.

(All amounts in Euro thousands unless otherwise stated)

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

	As at	
	31 December 2010	**31 December 2009**
Balance at 1 January	106.918	95.233
Charged / (credited) to the income statement:		
- Additional provisions	25.633	19.447
- Unused amounts reversed	(1.415)	(660)
Receivables written off during the year as uncollectible	(1.388)	(17.840)
Other movements	(1.452)	-
Acquisition of subsidiary (Note 34)	7.651	10.738
Balance at 31 December	**135.947**	**106.918**

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

12 Held-to-maturity investments

	As at	
	31 December 2010	**31 December 2009**
Held-to-maturity investments	167.968	-
Total	**167.968**	**-**

Held-to-maturity investments are short-term government bonds issued on the 30th December 2010 by Ministry of Finance to repay trade receivables. Their carrying amount approximates their fair value.

13 Cash and cash equivalents

	As at	
	31 December 2010	**31 December 2009**
Cash at Bank and in Hand	396.709	312.607
Short term bank deposits	199.048	178.589
Total	**595.757**	**491.196**

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

	As at	
	31 December 2010	**31 December 2009**
Euro	3,39%	2,14%
USD	0,32%	0,50%

(All amounts in Euro thousands unless otherwise stated)

14 Share capital

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January 2009& 31 December 2009	**305.635.185**	**666.285**	**353.796**	**1.020.081**
As at 31 December 2010	**305.635.185**	**666.285**	**353.796**	**1.020.081**

All ordinary shares were authorised, issued and fully paid. The nominal value of each ordinary share is €2,18 (31 December 2009: €2,18).

Share options

During the AGM of Hellenic Petroleum S.A. held on 25 May 2005, a new share option scheme was approved, based on years 2005 – 2007, 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 2005 of 272.100 shares. The AGM of 17 May 2007 has approved and granted stock options for the year 2006 of 408.015 shares. The AGM of 14 May 2008 has approved and granted stock options for the year 2007 of 385.236 shares and extended the scheme for an additional base year, namely 2008. The AGM of 3 June 2009 has approved and granted stock options for the year 2008 of 1.704.716 shares and extended the scheme for 2009. The vesting period is 1 November to 5 December of the years 2008 – 2012, 2009 – 2013, 2010 – 2014 and 2011 – 2015 for each of the base years 2005, 2006, 2007 and 2008 respectively.

Following the Board Decision of 27 April 2010, the AGM of Hellenic Petroleum held on 2 June 2010 approved the non – granting of any stock options for the year 2009, as a result of the adverse macroeconomic environment and extended the scheme for an additional base year, 2010, for which the vesting period will commence in 2012. The total number of stock options approved during the original AGM of 25 May 2005 has not been altered by the subsequent extensions to the scheme.

As at 31 December 2010 only the stock options granted in 2006, 2007 and 2008 were exercisable. No stock options have been exercised during 2010, or during the previous year, due to the negative relationship between the exercise price and the share market price during the respective vesting periods (1 November to 5 December).

The movement in share options during the year were:

	As at			
	31 December 2010		**31 December 2009**	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
At 1 January	**8,77**	**2.770.067**	**10,63**	**1.065.351**
Granted	-	-	7,62	1.704.716
Exercised	-	-	-	-
Lapsed	10,89	(49.117)	-	-
At 31 December	**8,74**	**2.720.950**	**8,77**	**2.770.067**

(All amounts in Euro thousands unless otherwise stated)

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 2010	31 December 2009
5 December 2012	9,69	268.658	272.100
5 December 2013	10,88	397.815	408.015
5 December 2014	11,01	349.761	385.236
5 December 2015	7,62	1.704.716	1.704.716
	Total	**2.720.950**	**2.770.067**

The average remaining contractual life of stock options outstanding at 31 December 2010 and 2009 was 4,3 and 4,9 years respectively.

The total expense recognised in the statement of comprehensive income for share based compensation is €1.352 (2009: €1.166).

15 Reserves

	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax reserves	Other reserves	Total
Balance at 1 January 2009	**97.829**	**98.420**	**(36.479)**	**-**	**341.562**	**(4.531)**	**496.801**
Fair value gains / (losses) on cash flow hedges (Note 21)	-	-	7.425	-	-	-	7.425
Share-based payments (Note 14)	-	-	-	1.166	-	-	1.166
Transfers from retained earnings (Law 3299/04)	-	-	-	-	1.147	-	1.147
Transfer to statutory reserves	2.835	-	-	-	-	-	2.835
Fair value losses on available-for-sale financial assets	-	-	-	-	-	(108)	(108)
Translation exchange differences	-	-	-	-	-	(3.427)	(3.427)
Balance at 31 December 2009	**100.664**	**98.420**	**(29.054)**	**1.166**	**342.709**	**(8.066)**	**505.839**
Cash flow hedges (Note 21):	-	-	-	-	-	-	-
- Fair value gains / (losses) on cash flow hedges	-	-	(34.759)	-	-	-	(34.759)
- De-recognition of 2011 hedges	-	-	9.571	-	-	-	9.571
Share-based payments (Note 14)	-	-	-	1.352	-	-	1.352
Transfers from retained earnings (Law 3299/04)	-	-	-	-	8.613	-	8.613
Transfer to statutory reserves	8.306	-	-	-	-	-	8.306
Fair value gains on available-for-sale financial assets	-	-	-	-	-	44	44
Translation exchange differences	-	-	-	-	-	1.100	1.100
Balance at 31 December 2010	**108.970**	**98.420**	**(54.242)**	**2.518**	**351.322**	**(6.922)**	**500.066**

The year end hedging reserve is shown net of tax of €6.723 (2009: €2.136) – refer to Note 28.

Statutory reserves

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

Special reserves

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

Tax free reserves

Tax free reserves include:

(All amounts in Euro thousands unless otherwise stated)

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

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

Components of other comprehensive income:

	As at	
	31 December 2010	**31 December 2009**
Available-for-sale financial assets:		
Gains / (Losses) arising during the year	44	(201)
	44	**(201)**
Cash flow hedges:		
(Losses) / Gains arising during the year (Note 21)	(25.188)	7.425
	(25.188)	**7.425**
Currency translation differences on consolidation of subsidiaries	639	(4.852)
Other comprehensive income for the period, net of tax	**(24.505)**	**2.372**

16 Trade and other payables

	As at	
	31 December 2010	**31 December 2009**
Trade payables	1.358.885	888.003
Accrued Expenses	18.520	26.373
Derivatives held for trading (Note 21)	24.003	26.536
Other payables	71.304	92.940
Total	**1.472.712**	**1.033.852**

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

17 Borrowings

	As at	
	31 December 2010	**31 December 2009**
Non-current borrowings		
Bank borrowings	1.127.878	607.805
Total non-current borrowings	**1.127.878**	**607.805**
Current borrowings		
Short term bank borrowings	1.297.103	1.224.235
Current portion of long-term bank borrowings	-	80.609
Total current borrowings	**1.297.103**	**1.304.843**
Total borrowings	**2.424.981**	**1.912.648**

(All amounts in Euro thousands unless otherwise stated)

The maturity of non-current borrowings is the following:

	As at 31 December 2010	As at 31 December 2009
Between 1 and 2 years	350.000	11.602
Between 2 and 5 years	777.878	596.203
	1.127.878	**607.805**

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

As at 31 December 2010	€	US$	RSD
Bank Borrowings (short-term)			
- Floating Euribor + margin	4,71%	-	-
- Floating Libor + margin	-	0,86%	-
Bank Borrowings (long-term)			
- Floating Euribor + margin	1,87%	-	-
- Floating Libor + margin	-	0,61%	-
- NBS 2wk repo + margin	-	-	14,24%

As at 31 December 2009	€	US$	RSD
Bank Borrowings (short-term)			
- Floating Euribor + margin	2,87%	-	-
- Floating Libor + margin	-	2,36%	-
Bank Borrowings (long-term)			
- Floating Euribor + margin	1,70%	-	-
- Floating Libor + margin	-	0,48%	-
- NBS 2wk repo + margin	-	-	13,17%

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

	As at 31 December 2010	As at 31 December 2009
Euro	1.787.831	1.298.811
US dollar	571.771	534.250
RSD	65.379	79.587
Total borrowings	**2.424.981**	**1.912.648**

Hellenic Petroleum Finance plc (HPF) was established in November 2005 in the U.K. and is a wholly-owned 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.

On 18 April 2006 HPF concluded a syndicated €300 million 364-day multi-currency revolving credit facility agreement with the guarantee of the parent company. The facility had an extension option for a further 364 day period which was exercised in 2007 and consequently the maturity date was extended to 15 April 2008. In April 2008, the facility was extended for a further 364 day period until 14 April 2009 and the facility amount was increased to €400 million. In April 2009 the facility was extended for a further 364 days until 13 April 2010. In April 2010, the facility was extended for a further 364 days until 12 April 2011. The outstanding balance of the facility as at 31 December 2010 amounted to the equivalent of €285million (2009: €395 million).

On 2 February 2007 HPF signed a syndicated US$1,180 million credit facility agreement with a maturity of five years and two 364-day extension options, closely related to the host contract, exercisable prior to the first and the second anniversary of the facility. The facility is guaranteed by the parent company. A total of fifteen Greek and international financial institutions have participated in the facility. The facility comprises of fixed term borrowings and revolving credit. In 2007 the Company exercised the first extension option to extend the maturity date until 31 January 2013 to which all participating financial institutions have consented, except for one bank whose participation in the facility amounted to US$ 20 million. Hellenic Petroleum Finance did not exercise the second extension option. The outstanding balance under the facility as at 31 December 2010 amounted to the equivalent of €875 million, of which short term revolving loans amounted to the equivalent of €499 million.

(All amounts in Euro thousands unless otherwise stated)

On 9 December 2009, HPF concluded a syndicated €250 million facility agreement with a maturity of three years, with the possibility to increase the amount up to €350 million after syndication of the facility in the secondary market. The purpose of the facility was to finance the acquisition of Hellenic Fuels S.A. (former BP Hellas). On 11 February 2010, following successful syndication in the secondary market the credit facility agreement was increased to €350 million. The outstanding balance of the facility amounted to €350 million as at 31 December 2010.

The total balance of HPF's bank borrowings as at 31 December 2010 amounted to the equivalent of € 1,5 billion. The proceeds of the aforementioned facilities have been used to provide loans to other Group companies.

On 26 May 2010, Hellenic Petroleum S.A. signed two loan agreements with the European Investment Bank for a total amount of €400 million (€200 million each). The loans have a maturity of 12 years. The purpose of the loans is to finance part of the investment programme relating to the upgrade of Elefsina Refinery. As at 31 December 2010, the outstanding loan balance amounted to €400 million.

The Group subsidiaries also have loans with various banks to cover their local financing needs. As at 31 December 2010, the outstanding loan balance amounted to approximately €0,5 billion.

The loan analysis is as follows:

	As at	
	31 December 2010	**31 December 2009**
Revolving credit facility	1.297.103	1.191.370
Term loans	1.127.878	721.278
Total borrowings	**2.424.981**	**1.912.648**

(All amounts in Euro thousands unless otherwise stated)

18 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 2010	**31 December 2009**
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	38.827	23.919
	38.827	**23.919**
Deferred tax liabilities:		
Deferred tax liabilities to be incurred after more than 12 months	(50.796)	(53.613)
	(50.796)	**(53.613)**
	(11.969)	**(29.692)**

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

	As at	
	31 December 2010	**31 December 2009**
Beginning of the year	(29.692)	47.515
Income statement recovery / (charge)	8.450	(50.675)
Charged / (released) to equity	6.723	(2.136)
Acquisition of subsidiary (see Note 34)	2.583	(29.900)
Other movements	(33)	5.504
End of year	**(11.969)**	**(29.692)**

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

Intangible and tangible fixed assets	(38.251)	(32.656)
Inventory valuation	1.658	620
Unrealised exchange gains	6.058	(8.678)
Employee benefits provision	29.649	29.565
Derivative financial instruments at fair value	17.874	20.218
Acquisition of subsidiary (see Note 34)	2.583	(29.900)
Other temporary differences	(31.540)	(8.861)
End of year	**(11.969)**	**(29.692)**

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)

19 Retirement benefit obligations

	As at	
	31 December 2010	**31 December 2009**
Balance sheet obligations for:		
Pension benefits	143.414	148.464
Total as per balance sheet	**143.414**	**148.464**

	For the year ended	
	31 December 2010	**31 December 2009**
Income statement charge for:		
Pension benefits	23.600	98.710
Total as per income statement	**23.600**	**98.710**

The amounts recognised in the balance sheet are as follows:

	As at	
	31 December 2010	**31 December 2009**
Present value of funded obligations	10.580	1.890
Fair value of planned assets	(8.563)	(1.120)
Present value of unfunded obligations	168.784	194.027
Unrecognised actuarial gains / (losses)	(24.116)	(42.806)
Unrecognised prior service cost	(3.271)	(3.527)
Liability in the Balance Sheet	**143.414**	**148.464**

The amounts recognised in the income statement are as follows:

	For the year ended	
	31 December 2010	**31 December 2009**
Current service cost	10.961	10.191
Interest cost	9.663	10.592
Net actuarial (gains) / losses recognised in the year	1.068	8.268
Past service cost	192	1.364
Regular profit & loss charge	**21.884**	**30.415**
Additional cost of extra benefits	1.716	68.295
Total included in employee benefit expense	**23.600**	**98.710**

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

	As at	
	31 December 2010	**31 December 2009**
Beginning of the year	148.464	153.736
Total expense included in employee benefit expense	23.600	98.710
Payments made	(29.729)	(110.426)
Other adjustments	1.079	6.444
At year end	**143.414**	**148.464**

The principal actuarial assumptions used were as follows:

	As at	
	31 December 2010	**31 December 2009**
Discount Rate	4,50%	5,80%
Future Salary Increases	2,00%	4,50%
Average future working life in years	12,6	11,4

Additional cost of extra benefits for 2009 includes the voluntary retirement scheme costs (see Note 25).

(All amounts in Euro thousands unless otherwise stated)

20 Provisions and other long term liabilities

	As at 31 December 2010	31 December 2009
Government grants	24.084	27.813
Litigation and tax provisions	5.761	8.842
Leased petrol stations	7.969	9.158
Other provisions	12.095	11.131
Total	**49.909**	**56.944**

The movement for provisions and other long term liabilities for 2010 is as follows:

	Govern-ment advances and grants	Litigation & tax povisions	Leased petrol-stations	Other Provisions & Other LT liabilities	Total
At 1 January 2009	**26.431**	**7.518**	**10.405**	**8.352**	**52.706**
Charged / (credited) to the income statement:					
- Additional provisions / grants	-	1.582	-	1.892	3.474
- Unused amounts reversed	-	(1.000)	-	-	(1.000)
- Utilized during year	(4.184)	-	-	-	(4.184)
Reclassifications	4.870	742	-	940	6.552
Additional grants	696	-	-	-	696
Used during year	-	-	(1.247)	(53)	(1.300)
At 31 December 2009	**27.813**	**8.842**	**9.158**	**11.131**	**56.944**
Charged / (credited) to the income statement:					
- Additional provisions / grants	-	-	-	-	-
- Unused amounts reversed	-	(1.113)	-	117	(996)
- Utilized during year	(3.860)	(1.968)	-		(5.828)
Reclassifications	-	-	-	238	238
Additional grants	131	-	-	-	131
Used during year	-	-	(1.189)	609	(580)
At 31 December 2010	**24.084**	**5.761**	**7.969**	**12.095**	**49.909**

Government grants

Advances by the Government to the Group's entities relate to property plant and equipment.

Environmental costs

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

Other provisions and other long-term liabilities

Amounts included in other provisions and long term liabilities relate to sundry operating items and risks arising from the Group's ordinary activities.

21 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 contracts. 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 statement of financial position 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 Statement of comprehensive income either within Other (expenses)/income or Cost of sales.

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 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 "Cost of Sales". During 2010 the amounts attributable to such derivatives were €2.296 gain (2009: €47.930 loss) 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. The result from such derivative positions in 2010 € 11.895 loss (2009: €15.297 loss) and is shown under "Other operating (expenses) / income – net" (see Note 25).

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 Group has entered into a number of commodity price swaps which have been designated by the Group 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. The fair value of the Commodity swaps at the end of the reporting period was recognised in "Long term derivatives", while changes in their fair value are recorded in reserves as long as the forecasted purchase of inventory is highly probable and the cash flow hedge is effective as defined in IAS 39.

When certain of the forecasted transactions cease to be highly probable, they are de-designated from cash flow hedges at which time amounts charged to reserves are transferred to the statement of comprehensive income within "other income/expense". As at 31 December 2010 amounts transferred to the statement of comprehensive income for de-designated hedges amounted to €9.571 loss net of tax (31 December 2009: €0) which relate to projected transactions for the Elefsina refinery upgrade in 2011. The remaining cash flow hedges are highly effective and the movement in the fair value of these derivatives, amounting to a loss of €34.759 net of tax (2009: €7.425 gain), was transferred to the "Hedging Reserve".

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

Derivatives held for Trading

	31 December 2010				31 December 2009			
Commodity Derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT'000	**Bbls'000**	**€**	**€**	**MT'000**	**Bbls'000**	**€**	**€**
Commodity Swaps	2.460	-	12.715	21.137	550	3.840	-	26.536
	2.460	**-**	**12.715**	**21.137**	**550**	**3.840**	**-**	**26.536**

Derivatives designated as Cash Flow Hedges

	31 December 2010				31 December 2009			
Commodity Derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT'000	**Bbls'000**	**€**	**€**	**MT'000**	**Bbls'000**	**€**	**€**
Commodity Swaps	1.440	-	-	69.162	2.100	-	-	37.253
	1.440	**-**	**-**	**69.162**	**2.100**	**-**	**-**	**37.253**
Total			**12.715**	**90.299**			**-**	**63.789**

	31 December 2010		31 December 2009	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Non-current portion				
Commodity swaps	-	66.296	-	37.253
	-	**66.296**	**-**	**37.253**
Current portion				
Commodity swaps (Notes 11, 16)	12.715	24.003	-	26.536
	12.715	**24.003**	**-**	**26.536**
Total	**12.715**	**90.299**	**-**	**63.789**

22 Employee benefit expense

	For the year ended	
	31 December 2010	**31 December 2009**
Wages and salaries	227.836	216.977
Social security costs	43.376	40.954
Pension costs	25.533	92.356
Other employment benefits	40.450	37.557
Total	**337.195**	**387.844**

Included in Pension costs for 2009 is the additional expenditure incurred regarding the Voluntary Retirement Scheme (see Note 25).

Included in Other employment benefits are medical insurance, catering, and transportation expenses. The value of shared – based compensation of €1.352 (2009: €1.166) is also included therein (see Note 14).

(All amounts in Euro thousands unless otherwise stated)

23 Selling, distribution and administrative expenses

	For the year ended	
	31 December 2010	**31 December 2009**
Selling and distribution expenses	338.527	282.295
Administrative expenses	148.235	136.945
	486.762	**419.241**

Selling, distribution and administrative expenses for the year ended 31 December 2010 include the results of Hellenic Fuels (formerly BP Hellas) amounting to €91 million, which was acquired in December 2009.

24 Exploration and Development expenses

Exploration and development expenses comprise expenditure associated with the Group's exploration activities as an operator in one block in western Egypt and in another block in southern Egypt in a joint venture with Melrose and Kuwait Energy through the Hellenic Petroleum branch in Egypt. As these projects are still in the exploration phase, all amounts spent are expensed (2010: €20.660 and 2009: € 15.441).

25 Other operating income / (expenses) - net

	For the year ended	
	31 December 2010	**31 December 2009**
Income from grants	3.870	4.184
Gains on derivative financial instruments	11.460	9.329
Losses on derivative financial instruments	(11.895)	(20.103)
Services to third parties	4.457	3.534
Rental income	23.368	11.999
Voluntary retirement scheme cost	(5.132)	(67.679)
Excess of acquirer's interest resulting from business combinations (Note 34)	(1.434)	15.000
Other income / (expense)	10.612	25.815
Total	**35.306**	**(17.921)**

Other operating (expenses) / income – net include amongst other items income or expenses which do not represent trading activities of the Group. Also included in Other Operating (Expenses) / Income are gains / (losses) from derivative positions not directly associated with operating activities (note 21).

26 Finance costs -net

	For the year ended	
	31 December 2010	**31 December 2009**
Interest income	13.270	20.914
Interest expense and similar charges	(71.549)	(53.919)
Accrued Interest	(1.155)	(512)
Finance costs -net	**(59.434)**	**(33.517)**

(All amounts in Euro thousands unless otherwise stated)

In addition to the finance cost shown above, an amount of €22,6 million (2009: €4,9 million) has been capitalized, as further explained in Note 6.

27 Currency exchange gains / (losses)

Currency exchange losses of €16 million for the year ended 31 December 2010 are mostly driven by marked-to-market losses on US$ denominated loans of €42 million, due to the strengthening of the US$ against the Euro taking place during 2010, which were partly set off by net realized and unrealized gains of €20 million from the translation of trade payables and receivables balances. The Group opts to borrow funds in US$ in order to finance the acquisition of US$ denominated crude oil stocks and as a result a Euro-related compensating benefit is included in the gross margin.

28 Income tax expense

	For the year ended	
	31 December 2010	**31 December 2009**
Current tax	119.744	15.476
Deferred tax (Note 18)	(8.450)	50.676
Total	**111.294**	**66.152**

The tax on the Group'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 2010	**31 December 2009**
Profit Before Tax	**298.713**	**242.414**
Income tax calculated at tax rates applicable to profits	68.258	62.961
Tax on income not subject to tax	(27.554)	(29.265)
Tax on expenses not deductible for tax purposes	37.199	18.202
Tax losses utilised or carried forward	(11)	(63)
Additional one-off tax on 2009 profits (L.3845/10)	25.963	-
Income tax on interim dividend 2010	12.225	-
Other	(4.786)	14.317
Tax Charge	**111.294**	**66.152**

The basic tax rate for Hellenic Petroleum S.A. was 24% for the period ending 31 December 2010 (25% for the period ending 31 December 2009).

In 2009 a new tax law (L3697/2009) was enacted on the base of which income tax rates for the fiscal years 2010, 2011, 2012, 2013 and periods after 1 January 2014 would be 25%, 24%, 23%, 22%, 21% and 20% respectively. These rates have been used for deferred tax calculations as at 31 December 2010.

Income tax charge for 2010 has been affected by two items:

a) Special contribution: In line with L.3845/10 a special contribution on the profits for 2009 has been provided for (see Note 32).

b) Provision for tax on interim dividend: In line with law 3842/10, for the years starting from 1/1/2010, distributed earnings attract a total income tax of 40%. Specifically for the year 2010, this means a top-up of 16% over the normal corporate tax rate of 24%. Even-though a recent law proposal changes the treatment of distributed earnings, given that this has not been enacted yet, an accrual amounting to €12.225 for the incremental tax for interim dividend has been provided for. If the proposed law is enacted before dividends are approved by the AGM, then this amount will be amended accordingly in 2011.

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 2009 to 2010 (refer also to note 32).

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

	For the year ended					
	31 December 2010			31 December 2009		
	Before tax	Tax (charge)/ credit	After tax	Before tax	Tax (charge)/ credit	After tax
Available-for-sale financial assets	44	-	44	(201)	-	(201)
Cash flow hedges	(31.911)	6.723	(25.188)	9.561	(2.136)	7.425
Currency translation differences	639	-	639	(4.852)	-	(4.852)
Other comprehensive income	**(31.228)**	**6.723**	**(24.505)**	**4.508**	**(2.136)**	**2.372**

29 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 2010	**31 December 2009**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**0,59**	**0,57**
Net income attributable to ordinary shares (Euro in thousands)	179.818	174.890
Average number of ordinary shares outstanding	305.635.185	305.635.185

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

30 Dividends per share

A proposal to the AGM for an additional €0,30 per share as final dividend for 2008 (amounting to a total of €91.691) was approved by the Board of Directors on 26 February 2009 and the final approval was given by the shareholders at the AGM held on 3 June 2009.

At its meeting held on 27 August 2009, during which the Board of Directors approved the condensed interim financial information of the Company for the six month period ended 30 June 2009, the Board proposed and approved an interim dividend for the 2009 financial year of €0,15 per share (amounting to a total of €45.845). The relevant amounts relating to the interim dividend for 2009 and the final dividend for 2008 (totalling €137.536) are included in these financial statements.

A proposal to the AGM for an additional €0,30 per share as final dividend for 2009 (amounting to a total of €91.691) was approved by the Board of Directors on 25 February 2010 and the final approval was given by the shareholders at the AGM held on 2 June 2010. Furthermore, at its meeting held on 24 August 2010, during which the Board of Directors approved the condensed interim financial information of the Company for the six month period ended 30 June 2010, the Board proposed and approved an interim dividend for the 2010 financial year of €0,15 per share (amounting to a total of €45.845). The relevant amounts relating to the interim dividend for 2010 and the final dividend for 2009 have been included in these financial statements. Due to changes in tax regulations during the year, the payment of the interim dividend raised additional tax obligations on the Company of € 12,2 million (refer to Note 28).

(All amounts in Euro thousands unless otherwise stated)

A proposal to the AGM for an additional € 0,30 per share as final dividend was approved by the Board of Directors on 24 February 2011. This amounts to €91.691 and is not included in these accounts as it has not yet been approved by the shareholders' AGM. No provision for tax was taken for the final dividend as the Group expects the new tax legislation to clear the issue (refer to Note 28).

31 Cash generated from operations

		For the year ended	
	Note	**31 December 2010**	**31 December 2009**
Profit before tax		**298.713**	**242.414**
Adjustments for:			
Depreciation and amortisation of property, plant & equipment and intangible assets	**6,7**	156.794	128.863
Amortisation of grants		(3.860)	(4.184)
Finance costs - net	**26**	59.434	33.517
Share of operating profit of associates and dividends		(30.028)	(18.418)
Provisions		38.034	52.981
Foreign exchange (gains) / losses		15.793	3.714
(Gain) / loss on sales of P.P.E.		(292)	(1.321)
		534.588	**437.566**
Changes in working capital			
(Increase) / decrease in inventories		(227.345)	(353.390)
(Increase) / decrease in trade and other receivables		(41.672)	16.426
Increase / (decrease) in payables		453.701	266.828
		184.684	**(70.136)**
Net cash generated from operating activities		**719.272**	**367.430**

32 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 and the opinion of the legal consul, management believes the final outcome will not have a significant effect on the Group's operating results or financial position.

(ii) The parent Company has not undergone a tax audit for the years ended 31 December 2002 to 31 December 2010. The tax audit for Hellenic Petroleum S.A. for the years 2002 – 2009 is currently under way, while temporary tax audits are finalized for the years 2006 and 2008. The following tax audits are also currently in progress:

- For Hellenic Fuels S.A. (ex BP Hellas) for the years 2005 – 2009

– For EL.PET. Valkaniki for the years 2006 – 2009

– For Vardax S.A. temporary audit for the years 2006 – 2010

Based on Art.5 of the Tax Law 3845/2010 (FEK 65A’ – 6/5/2010), the Group is subject to a special tax contribution in respect of profits of financial year 2009. Hellenic Petroleum S.A. has received the relevant assessment from the tax authorities indicating an obligation amounting to €26 million. However, the tax authorities' calculation was found to be incorrect and the company submitted the relevant supporting analyses for the calculation to be corrected. The overall provision for the Law 3845/2010 special tax contribution in the consolidated financial statements of the Group amounts to €26 million and has been based on the correct calculation of Hellenic Petroleum's special contribution which amounts to € 21 million.

During the year, Vardax S.A. has been charged with an amount of €6 million in respect of VAT (including additional charges) following a temporary VAT tax audit for year 2005, as the tax auditor has considered that the company’s activities should be subject to VAT. The company has paid this amount and included this in Other debtors since it has filed an appeal before the Administrative Court for the annulment of the above action. Management has obtained independent tax and legal advice that the company has correctly assessed that its activity is not subject to VAT and, therefore, management believes that no further provisions should be made in the financial statements in connection with this matter

Management believes that no additional material liability will arise as a result of open tax years over and above the tax liabilities and provisions recognised in the financial statements.

(iii) The parent Company has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to subsidiaries and associates of the Group, the outstanding amount of which as at 31 December 2010 was the equivalent of € 1.801 million (31 December 2009: € 1.715 million). Out of these, € 1.662 million (31 December 2009: € 1.615 million) are included in consolidated borrowings of the Group and presented as such in these financial statements. The Group has also issued letters of credit and guarantees in favour of third parties, mainly for the procurement of crude oil, which as at 31 December 2010 amounted to the equivalent of € 698 million (31 December 2009: €568 million) equivalent.

(iv) 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. The Group maintaining its position that the rational of the conclusion has not taken into account critical evidence presented, filed an appeal with the Athens Administrative Court of Appeals. In parallel a petition to suspend the decision was also filed and partially accepted; the Court 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, which has been paid. The court date for the appeal, initially set for the 27 September 2007 was postponed to take place on 17 January 2008, and was finally tried on 25 September 2008. The resolution issued has partly accepted the Group’s appeal i.e. (a) has reduced the fine of €7,3 million by €1,5 million and (b) has revoked the corrective measures which were temporarily suspended as above. The Group is contesting the above decision before the Supreme Administrative Court for the part for which the aforementioned resolution has not been fully accepted. The case has been postponed twice, to be heard on 11 May 2011.

(v) In 2008, the D’ Customs Office (Formerly Z’ Customs Office) of Piraeus, issued deeds of assessment amounting at approximately €40 million for alleged custom stock shortages in the bonded warehouses of Aspropyrgos and Elefsina installations. In relation with the above, the Company has filed within the deadlines required by the Law, contestations before the Administrative Court of First Instance of Piraeus, for which no dates of hearing have been assigned to date. In addition, independent auditors have confirmed that there are no stock shortages and the books are in complete agreement with official stock counts. Further to the substantial reasons of contestation, legal advisors of the Company have expressed the opinion that such claims have been time-barred.

(vi) On 25 September 2009 the Commission for the Protection of Competition in Cyprus imposed a fine amounting to €14,3 million against Hellenic Petroleum Cyprus Ltd. Pertinent legal actions are in progress and the likelihood for a material cash outflow is assessed as remote. The Company's appeal before the Full Bench of the Supreme Court was heard on 18 January 2010 and the supplementary memorandums and additional documents requested have been subsequently and duly submitted. The procedure is now in progress.

(vii) Even-though not material to have an impact on these financial statements, Group's international operations face a number of legal issues related to changes in local permitting and tax regulations. Such cases include the issue of local tank depots in Montenegro. Specifically, following the completion of the international tender process and the resulting Share Purchase Agreement of JPK shares in 2002, ownership and use of a small part of the company's tank assets remains under legal dispute as ex-federation strategic stock terminals. The Group is contesting this case in local courts and management believes that this will not result in any material change of business in its local subsidiary.

33 Commitments

Significant contractual commitments of the Group are as follows:

- Total capital commitments for the Group amount to €559 million (31 December 2009: €617 million) of which €412 million relate to the Hydrocracker project.

- Upstream exploration and development costs of €1.5 million (31 December 2009: €4,4 million) have been committed as part of the Joint Operating Agreements (JOA) in place. These commitments will depend on the progress of exploration activities.

34 Business combinations

On 10 December 2009, the Group acquired 100% of the share capital of BP Hellas S.A. (subsequently renamed Hellenic Fuels S.A.)., a company operating in the marketing sector. The acquisition accounting was completed in December 2010, whereby the purchase price amounted to €365,8 million (excluding acquisition costs), which includes the assumption of debt of €40,0 million.

Final purchase price allocation adjustments are presented in the adjustment column below and their impact on the excess of acquirer's interest has been recognised in the statement of comprehensive income for the year ended 31 December 2010, within Other operating income / (expenses) – net (Note 25).

(All amounts in Euro thousands unless otherwise stated)

	As reported in 2009	Adjustments	Adjusted values
Property, plant and equipment	193.338	(2.001)	191.337
Intangible assets	61.940	(4.044)	57.896
Deferred income tax assets	6.756	-	6.756
Available-for-sale financial assets	395	-	395
Loans, advances and other receivables	53.227	-	53.227
Inventories	34.082	-	34.082
Trade and other receivables	155.403	(7.651)	147.752
Cash and cash equivalents	40.570	-	40.570
Non current borrowings	(40.000)	-	(40.000)
Deferred income tax liabilities	(29.800)	2.583	(27.217)
Retirement benefit obligations	(8.883)	-	(8.883)
Provisions and other long term liabilities	(870)	-	(870)
Trade and other payables	(67.877)	(1.222)	(69.099)
Current income tax liabilities	(6.501)	-	(6.501)
Current borrowings	(86)	-	(86)
Fair value of net assets acquired	**391.694**	**(12.335)**	**379.359**
Excess of acquirer's interest	(15.000)	1.434	(13.566)
Costs of acquisition	-	3.709	3.709
Total purchase consideration	**376.694**	**(7.192)**	**369.502**
Purchase consideration settled in cash	376.694	(10.901)	365.793
Cash and cash equivalents in subsidiary acquired	(40.570)	-	(40.570)
Cash outflow on acquisition	**336.124**	**(10.901)**	**325.223**

The resulting excess of acquirer's interest is attributable to economies of scale that the Group will be able to realize by combining operations with those already existing in Greece.

35 Related-party transactions

	For the year ended	
	31 December 2010	**31 December 2009**
Sales of goods and services to related parties (within Sales)	421.105	403.962
Purchases of goods and services from related parties (within Cost of sales)	49.198	38.066
	470.303	**442.028**

	As at	
	31 December 2010	**31 December 2009**
Balances due to related parties (within Trade and other payables)	301.402	273.667
Balances due from related parties (within Trade and other receivables)	196.167	179.147
	497.569	**452.814**

	For the year ended	
	31 December 2010	**31 December 2009**
Charges for directors remuneration	4.450	4.650

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/ Olympic 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 €408 million as at 31 December 2010 (31 December 2009: equivalent of €477 million) which represent loan balances due to the following related financial institutions:
   - National Bank of Greece
   - Agricultural Bank of Greece

c) Joint ventures with other third parties:
   - Hellenic Petroleum S.A. (75%) & Calfrac (25%)
   - Melrose (40%), Kuwait Energy (30%) & Hellenic Petroleum S.A. (30%)
   - JPK (49%), HPI (11%), Ramco (40%)

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)
   - Artenius S.A.
   - Elpedison B.V.
   - Spata Aviation Fuel Company S.A. (SAFCO)
   - HELPE Thraki
   - Biodiesel

(All amounts in Euro thousands unless otherwise stated)

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 €580 million as at 31 December 2010 (31 December 2009: equivalent of €614 million) 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)

36 Principal subsidiaries, associates and joint ventures 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
HELLENIC FUELS S.A.	Marketing	GREECE	100,00%	FULL
EKOTA KO	Marketing	GREECE	49,00%	FULL
EKO KALYPSO	Marketing	GREECE	100,00%	FULL
EKO ATHINA S.A.	Vessel owning	GREECE	100,00%	FULL
EKO ARTEMIS S.A.	Vessel owning	GREECE	100,00%	FULL
EKO DIMITRA S.A.	Vessel owning	GREECE	100,00%	FULL
EKO IRA S.A.	Vessel owning	GREECE	100,00%	FULL
EKO AFRODITI S.A.	Vessel owning	GREECE	100,00%	FULL
EKO BULGARIA	Marketing	BULGARIA	100,00%	FULL
EKO SERBIA AD	Marketing	SERBIA	100,00%	FULL
EKO GEORGIA LTD	Marketing	GEORGIA	100,00%	FULL
HELPE INT'L	Holding	AUSTRIA	100,00%	FULL
HELPE CYPRUS	Marketing	U.K	100,00%	FULL
RAMOIL S.A.	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA PROPERTIES 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	50,40%	FULL
OKTA CRUDE OIL REFINERY A.D	Refining	FYROM	51,35%	FULL
ASPROFOS S.A	Engineering	GREECE	100,00%	FULL
DIAXON S.A.	Petrochemicals	GREECE	100,00%	FULL
POSEIDON S.A.	Vessel owning	GREECE	100,00%	FULL
APOLLON S.A.	Vessel owning	GREECE	100,00%	FULL
HELLENIC PETROLEUM FINANCE PLC	Treasury services	U.K	100,00%	FULL
HELLENIC PETROLEUM CONSULTING	Consulting services	GREECE	100,00%	FULL
PETROLA A.E.	Real Estate	GREECE	100,00%	FULL
HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES	Energy	GREECE	100,00%	FULL
ELPEDISON B.V.	Power Generation	NETHERLANDS	50,00%	EQUITY
SAFCO S.A.	Airplane Fuelling	GREECE	50,00%	EQUITY
DEPA S.A.	Natural Gas	GREECE	35,00%	EQUITY
ARTENIUS HELLAS S.A.	Petrochemicals	GREECE	35,00%	EQUITY
E.A.K.A.A	Pipeline	GREECE	50,00%	EQUITY
HELPE THRAKI S.A	Pipeline	GREECE	25,00%	EQUITY
BIODIESEL S.A.	Energy	GREECE	25,00%	EQUITY

37 Subsequent events

There were no significant events that took place after the current end of the reporting period as at 31 December 2010.