**PRESS RELEASE**

August 29, 2012

**SECOND QUARTER/ FIRST HALF 2012 FINANCIAL RESULTS**

***Strong operating results on refining performance and cost control.***
***Reported results affected by inventory losses.***
***Elefsina refinery commissioning phase completed; commercial operation in 3Q12***

Key figures for 2Q & 1H 2012:

| | | |
|---|---|---|
| • **Adjusted EBITDA** | **2Q12: €197m** | **(2Q11: €144m)** |
| | **1H12: €272m** | **(1H11: €217m)** |
| • **EBITDA** | **2Q12: € 54m** | **(2Q11: €103m)** |
| | **1H12: €162m** | **(1H11: €269m)** |
| • **Adjusted Net Income** | **2Q12: € 86m** | **(2Q11: € 93m)** |
| | **1H12: €131m** | **(1H11: €138m)** |
| • **Net Income** | **2Q12: €-28m** | **(2Q11: € 60m)** |
| | **1H12: € 44m** | **(1H11: €179m)** |
| • **Adjusted EPS** | **2Q12: €0.28** | **(2Q11: €0.30)** |
| | **1H12: €0.43** | **(1H11: €0.45)** |
| • **EPS** | **2Q12: €-0.09** | **(2Q11: €0.20)** |
| | **1H12: €0.14** | **(1H11: €0.59)** |

## GROUP

HELLENIC PETROLEUM recorded strong operating results for 2Q, with Adjusted EBITDA at €197m, (+36% vs 2Q11), mainly due to robust refining margins, which reached their highest level since 2008 (benchmark Med FCC at 6.6$/bbl.) and the benefit of cost control, with fixed opex -10% y-o-y. This performance came against a difficult operating environment, with the Greek market affected by increased uncertainty, deteriorating liquidity conditions and depressed economic activity, all leading to weaker fuels demand in Greece (-12% y-o-y). Additionally, during the period, Iranian sanctions and the need to adjust crude sourcing added further strain to an already challenging environment.

Adjusted Net Income at €86m (-7% vs 2Q11) was affected by currency translation losses of €46m on USD debt portfolio mark-to-market.

In terms of reported results, the short lived crude oil price drop led to a high inventory loss, which, combined with other one–offs, amounted to €142m, resulting in a Net Loss of €-28m (2Q11 €60m).

Reduced working capital led to a q-o-q Net Debt reduction at €1.8bn and a Net Debt/Capital Employed gearing ratio of 43%.

The commissioning phase of the new Elefsina refinery was completed and all units are starting up. The first product shipments from the new refinery are planned for early September.

The refinancing of facilities maturing in 4Q12/1Q13 is in its final stage with the new loan transactions expected to be launched over the next few weeks. A significant part of the targeted facility amount is already accounted for by Greek and International relationship banks acting as Coordinators and Mandated Lead Arrangers (MLAs).

Hellenic Petroleum participated in the bidding round for the exploration licences of Patraikos and Ioannina blocks in Western Greece, leading a consortium with Melrose Resources and Edison with each partner holding a 33.3% share in the JV.

John Costopoulos, Group CEO, commented on the results:

*"We are pleased to announce both a set of positive operating results this quarter, despite the adversities faced in our markets; as well as the completion of the commissioning of the upgraded Elefsina refinery, which is starting up and will begin to generate significant results and cash flows for our Group".*

Highlights and contribution for each of the main business units were:

**REFINING, SUPPLY & TRADING**

- Strong Refining performance on Aspropyrgos operation; Cost control (Fixed costs down 12%) and crude supply optimisation led to Greek Refining Adjusted EBITDA of €152m (2Q11: € 98m).
- Market share gains in a declining domestic fuels market and stronger exports resulted in higher sales volume.
- Thessaloniki resumed operation in mid-July, following scheduled maintenance for CDU and CCR post upgrade calibration.
- OKTA refinery contributed €4m to Group Adjusted EBITDA, while sales volumes were affected by adverse market conditions.

**DOMESTIC MARKETING**

- Despite lower auto fuels demand, market share gains in retail and C&I, sustained aviation contribution and tighter credit terms in Marine, improved performance.
- Reduced costs (15% y-o-y) offset declining volumes leading to an Adjusted EBITDA of € 9m (2Q11: € 4m).

**INTERNATIONAL MARKETING**

- Despite negative macro conditions which affected most of our International markets, volume increase in Bulgaria, market share gains in Montenegro and Cyprus positive performance led to an 11% increase in International Marketing profitability, with EBITDA at € 12m.

## PETROCHEMICALS

- PP price decrease and weaker PP margins, led to Adjusted EBITDA of € 14m (2Q11: € 19m). Increased export orientation (65% of 1H12 sales to selected Med markets) and reduced opex supported performance.

## ASSOCIATED COMPANIES

- Reduced electricity consumption and gas-fired generation led to lower production for Elpedison plants and an EBITDA of €13m, -30% y-o-y.
- DEPA's contribution to Group's results at €15m affected by provisions relating to outstanding cases with PPC. Lower demand for the quarter resulted in a 12% volume decline and weaker operating performance.

**Key consolidated financial indicators (prepared in accordance with IFRS) for the quarters ended 30 June, 2012 are shown below:**

| *€ million* | **2Q11** | **2Q12** | ***% Δ*** | **1H11** | **1H12** | ***% Δ*** |
|---|---|---|---|---|---|---|
| **P&L figures** | | | | | | |
| Net Sales | 2,180 | 2,639 | *21%* | 4,600 | 5,355 | *16%* |
| EBITDA | 103 | 54 | *-48%* | 269 | 162 | *-40%* |
| **Adjusted EBITDA** [1] | **144** | **197** | ***36%*** | **217** | **272** | ***26%*** |
| Net Income | 60 | -28 | - | 179 | 44 | *-76%* |
| **Adjusted Net Income** [1] | **93** | **86** | ***-7%*** | **138** | **131** | ***-5%*** |
| EPS (€) | 0.20 | -0.09 | - | 0.59 | 0.14 | *-76%* |
| **Adjusted EPS (€)** [1] | **0.30** | **0.28** | ***-7%*** | **0.45** | **0.43** | ***-5%*** |
| **Balance Sheet Items** | | | | | | |
| Capital Employed | | | | 4,554 | 4,259 | *-6%* |
| Net Debt | | | | 1,967 | 1,818 | *-8%* |
| Debt Gearing (Debt/Capital Employed) | | | | 45% | 43% | |

*Notes:*

*1. Calculated as Reported less the inventory effects and other non-operating items.*

**Note to Editors:**

Founded in 1998, Hellenic Petroleum is one of the leading energy groups in South East Europe, with activities spanning across the energy value chain and presence in 9 countries. Its shares are primarily listed on the Athens Exchange (ATHEX: ELPE), with its market capitalisation amounting to c.€1.7 billion.

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