



Upgrade projects for Elefsina and Thessaloniki refineries are progressing as scheduled and within budget. Specifically, the Thessaloniki refinery is scheduled for mechanical completion before the end of 2010 with the refinery shutting down for a planned maintenance and tie-ins in 1Q 2011. Elefsina upgrade is well into the phase of construction and erection and is due for completion in 2H11. In addition to the investment program, the Group will benefit from the transformation plans which are aimed to generate over €100m of annual cash benefits. In terms of Balance sheet, given the Group's strong financial position, a major advantage in the wake of recent market developments, and through long term planning and consistent implementation, all required resources to support the strategic investment plans are available. In particular, at the end of June Net Debt amounted to €1.8bn with Net Debt/Capital Employed of 43%, in line with our plans.

Based on half year results, the Board of Directors approved the distribution of a flat y-o-y interim dividend per share of €0.15 for the fiscal year ending 31 December 2010.

Key highlights and contribution for each of the main business units were:

#### **REFINING, SUPPLY & TRADING**

- Domestic market sales volume declined by 11%, driven mainly by lower heating gasoil sales (1Q), the impact of the financial crisis on commercial and industrial fuel sales (2Q) and the increased excise taxes on auto fuels (2Q).
- Improved refining margins, particularly in 2Q due to increased middle distillate cracks and the effect of the stronger USD on realised margins.

#### **DOMESTIC MARKETING**

- Greek marketing subsidiaries, EKO and Hellenic Fuels, 2Q results were negatively affected by the adverse environment which led to lower sales volume and depressed margins.
- The integration of Hellenic Fuels business progressed well with logistics and supply chain benefits offsetting part of the negative volume and margin pressures.

#### **INTERNATIONAL MARKETING**

- Increased profitability mainly due to the improved performance of our operations in Bulgaria and Serbia. A key element of the improved performance is the increase in average profit margins in most markets.

#### **PETROCHEMICALS**

- Significant improvement in profitability (EBITDA reached €29m from €9m in 1H09), mainly due to increased polypropylene margins.
- Global industry conditions have rebounded from last year's lows positively affecting our large export business, however demand in the Greek market remains weak.

### **ASSOCIATED COMPANIES**

- While the long term outlook remains positive, weaker electricity market and structural issues present a short-term challenge for independent power producers such as ELPEDISON. 2Q results are marginally positive at EBITDA level while consolidated net results for the joint venture report a small loss. ELPEDISON second gas-fired power generation unit in Thisvi has been completed and the plant is expected to be commissioned in 2H10, as originally planned.
- DEPA's contribution to Group's results was negative in 2Q as a result of providing for recently imposed special income tax on the Group's consolidated results for 2009.

**Key consolidated financial indicators (prepared in accordance with IFRS) for the three- and six-month period ended 30 June 2010 are shown below:**

€ million	2Q09 <sup>1</sup>	2Q10	% Δ	1H09 <sup>1</sup>	1H10	% Δ
<b>P&amp;L figures</b>						
Net Sales	1,727	2,080	20%	3,513	4,214	20%
EBITDA	167	142	-15%	272	292	7%
<b>Adjusted EBITDA <sup>2</sup></b>	<b>109</b>	<b>183</b>	<b>67%</b>	<b>236</b>	<b>306</b>	<b>30%</b>
Net Income	109	16	-85%	148	59	-60%
<b>Adjusted Net Income <sup>2</sup></b>	<b>65</b>	<b>60</b>	<b>-8%</b>	<b>121</b>	<b>103</b>	<b>-15%</b>
EPS (€)	0.37	0.05	-85%	0.49	0.19	-60%
<b>Adjusted EPS (€) <sup>2</sup></b>	<b>0.22</b>	<b>0.20</b>	<b>-8%</b>	<b>0.40</b>	<b>0.34</b>	<b>-15%</b>
<b>Balance Sheet Items</b>						
Capital Employed				3,117	4,306	38%
Net Debt				628	1,831	
Debt Gearing (D/D+E)				20%	43%	

Notes:

1. Adjusted for the inclusion of Hellenic Fuels results for comparative purposes

2. Calculated as Reported less the inventory effects and other non-operating items. Net Income has been adjusted for the special income tax on 2009 results

#### Notes 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 in 11 countries. Its shares are primarily listed on the Athens Exchange (ATHEX: ELPE), and its market capitalisation amounts to about €1.9 billion.

#### Further information:

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