Hellenic Petroleum Cyprus Limited

Report and financial statements
31 December 2009

Contents

Hellenic Petroleum Cyprus Limited

Board of Directors and other officers

Board of Directors

Michail Myrianthis (Chairman)
Akis Pegasiou
Garry Pegg
Jonathan Ivinson
Nikolaos Georgoudas
George Gregoras
Andreas Shiamishis
Christos Tziolas

Company Secretary

Theodora Papadimitriou
17th km Athens-Corinth National Highway
GR 19300 – Aspropyrgos
Greece

Registered office

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London EC4M 8BU
United Kingdom

Hellenic Petroleum Cyprus Limited

Report of the Board of Directors

1 The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2009.

Principal activities

2 The principal activity of the Company, which is unchanged from last year, is to buy, sell and otherwise deal in petroleum products in Cyprus through a local branch. It is the intention of the board of directors that this business will continue for the foreseeable future.

Review of developments, position and performance of the Company's business

3 The profit of the Company for the year ended 31 December 2009 was €11.330.934 (2008: profit of €9.505.169). On 31 December 2009 the total assets of the Company were €78.336.466 (2008: total assets of €84.598.911) and the net assets were €37.409.729 (2008: net assets of €36.078.795). The financial position, development and performance of the Company as presented in these financial statements is considered satisfactory.

4 On 27 November 2009 the Company sold at book value its retail business to the related company, R.A.M. Oil Cyprus Limited. The sale resulted in a derecognition of goodwill (Note 15). The Company will continue to be the major provider of petroleum products on a wholesale basis. The proceeds received from this transaction are disclosed in Note 28(vii)).

5 (a) the Decision of the Commission for the Protection of Competition by means of which an administrative fine of €14.269.000,00 was imposed on the Company has been challenged by the Company. A Recourse was filed on 17 November 2009 before the Supreme Court. The Recourse was fixed for directions before the Full Bench of the Supreme Court on 18 January 2010. On that date, the Full Bench of the Supreme Court gave directions for the exchange of Written Addresses. Applicants, i.e. the Company, filed its Written Address on 8 March 2010. Respondents' Written Address was filed on 10 September 2010. The Company will now proceed with the filing of a Reply of Respondents' Written Address. Upon the filing of the Reply, the Full Bench of the Supreme Court will proceed with the fixing of the case. Pending the Recourse, the Company, upon receiving legal advice, decided not to pay the fine. In Management's view, it is probable that the Decision of the Commission will be annulled and/or held to be unlawful. In that event, the likelihood for an outflow of resources is remote.

(b) due to the delay in implementing the Government plan of the relocation of the Cyprus oil companies' terminals at Vassilico Energy Centre, the latest expected dates of relocation are in years 2013-2015. The Company may face exceptional costs in that year and increased storage costs following the relocation; and

(c) the worldwide instability in the price of oil makes the preparation of budgets and long term planning more difficult.

Business risks

6 Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators (KPI's) is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

7 The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, commodity price risk and fair value interest rate risk), credit risk and liquidity risk.

8 Market risk - foreign exchange risk
The Company imports petroleum products from overseas and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency. Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

9 Market risk - commodity price risk
The Company is exposed to commodity price risk through its purchases and distribution of petrol within Cyprus. Management monitors the price fluctuations on a continuous basis and acts accordingly.

10 Market risk - fair value interest rate risk
As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's interest rate risk arises principally from short-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

11 Credit risk
Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. Where debt finance is utilised, this is subject to pre-approval by the board of directors and such approval is limited to reputable financial institutions. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually.

12 Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities. The management maintains flexibility in funding by maintaining availability under committed credit lines.

Report of the Board of Directors (continued)

13 Capital risk management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders 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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.
Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.
During 2009, the Company's strategy, which was unchanged from 2008, was to maintain the gearing ratio within 20% to 40%.

Future developments of the Company

14 The Board of Directors does not expect any material changes or developments in the operations, financial position and performance of the Company in the foreseeable future.

Results

15 The Company's results for the year are set out on page 9.

Dividends

16 In June 2009 a dividend of €22,56 cents per ordinary share, amounting to €10.000.000 was paid in relation to the profit for the year ended 31 December 2008.

Board of Directors

17 The Directors who held office during the year and at the date of this report are shown on page 1.

Hellenic Petroleum Cyprus Limited

Report of the Board of Directors (continued)

Statement of directors' responsibilities

18 The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

19 Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

20 The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hellenic Petroleum Cyprus Limited

Report of the Board of Directors (continued)

Branches

21 The Company currently operates through a branch in Cyprus.

Events after the balance sheet date

22 There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.

Independent Auditors

23 The Independent Auditors, PricewaterhouseCoopers LLP will continue in office as the Company's auditor in accordance with the elective resolution passed by the Company under Companies Act 2006.

24 The directors who held office at the date of approval of this directors' report confirm that, as far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By Order of the Board

Akis Pegasiou
Director

22 September 2010
Nicosia

Independent Auditors' Report
To the Members of Hellenic Petroleum Cyprus Limited

We have audited the financial statements of Hellenic Petroleum Cyprus Limited for the year ended 31 December 2009 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit and cash flows for the year then ended;

- have been properly prepared in accordance with IFRSs as adopted by the European Union; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of Matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 26 to the financial statements concerning the possible payment of a fine to the Commission for the Protection of Competition in Cyprus ('CPC'). The CPC has alleged that Hellenic Petroleum Cyprus Limited violated the Law for the Protection of Competition and in 2009 imposed upon the company an administrative fine of €14m. The company has continued legal proceedings to annul the decision. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Nicholas Stevenson

Nicholas Stevenson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 September 2010

Hellenic Petroleum Cyprus Limited

Income statement
for the year ended 31 December 2009

	Note	2009 €	2008 €
Revenue	6	**222,603,607**	326,782,840
Cost of sales		**(183,920,866)**	(286,452,563)
Gross profit		**38,682,741**	40,330,277
Distribution costs		**(20,586,458)**	(18,711,324)
Administrative expenses		**(2,422,800)**	(3,879,279)
Operating profit		**15,673,483**	17,739,674
Finance income	10	**638,319**	136,284
Finance cost	5	**(524,433)**	(1,532,718)
Profit before tax		**15,787,369**	16,343,240
Income tax expense	11	**(4,456,435)**	(6,838,071)
Profit for the year		**11,330,934**	9,505,169

The notes on pages 14 to 49 are an integral part of these financial statements.

The profit for the year is represented from continued operations.

Hellenic Petroleum Cyprus Limited

Statement of comprehensive income
for the year ended 31 December 2009

	Note	2009 €	2008 €
Profit for the year		11,330,934	9,505,169
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		11,330,934	9,505,169

The notes on pages 14 to 49 are an integral part of these financial statements.

Hellenic Petroleum Cyprus Limited

Balance sheet
at 31 December 2009

	Note	2009 €	2008 €
Assets			
Non-current assets			
Property, plant and equipment	14	**35,475,105**	32,329,362
Intangible assets	15	**47,206**	3,442,564
Investment in subsidiaries	16	**610,586**	610,586
		36,132,897	36,382,512
Current assets			
Inventories	17	**8,178,780**	5,784,559
Trade and other receivables	18	**24,955,298**	31,735,000
Cyprus taxation on profit refundable		-	84,749
Cash and cash equivalents	19	**9,069,491**	10,612,091
		42,203,569	48,216,399
Total assets		**78,336,466**	84,598,911
Equity and liabilities			
Capital and reserves			
Ordinary share capital	20	**6,284,140**	6,284,140
Other reserves		**1,587,086**	1,587,086
Retained earnings		**29,538,503**	28,207,569
Total equity		**37,409,729**	36,078,795
Non-current liabilities			
Deferred tax liabilities	22	**2,320,492**	1,651,827
Pension liabilities	23	**702,782**	627,551
		3,023,274	2,279,378
Current liabilities			
Trade and other payables	25	**16,518,080**	19,394,478
UK corporation tax payable		**859,261**	1,179,580
Borrowings	21	**20,032,207**	25,666,680
Cyprus corporation tax payable		**493,915**	-
		37,903,463	46,240,738
Total liabilities		**40,926,737**	48,520,116
Total equity and liabilities		**78,336,466**	84,598,911

On 22 September 2010 the Board of Directors of Hellenic Petroleum Cyprus Limited authorised these financial statements for issue and were signed on its behalf.

Akis Pegasiou, Director

The notes on pages 14 to 49 are an integral part of these financial statements.

Hellenic Petroleum Cyprus Limited

Statement of changes in equity for the year ended 31 December 2009

	Share capital €	Other reserves (1) €	Retained earnings €	Total €
Balance at 1 January 2008	6,284,140	1,587,086	18,702,400	26,573,626
Comprehensive income				
Profit for the year	-	-	9,505,169	9,505,169
Balance at 31 December 2008/1 January 2009	6,284,140	1,587,086	28,207,569	36,078,795
Comprehensive income				
Profit for the year	-	-	11,330,934	11,330,934
Transactions with owners				
Dividend relating to 2008 paid in June 2009	-	-	(10,000,000)	(10,000,000)
Balance at 31 December 2009	6,284,140	1,587,086	29,538,503	37,409,729

(1) Other reserves include a revaluation reserve of €317.130 (2008: €317.130), a special reserve and a general reserve of €1.269.956 (2008:€1.269.956). The special reserve has been utilised for the issue of bonus shares and the general reserve has been utilised for the dividend distributions.

The notes on pages 14 to 49 are an integral part of these financial statements.

Hellenic Petroleum Cyprus Limited

Statement of cash flows
for the year ended 31 December 2009

	Note	2009 €	2008 €
Cash flows from operating activities			
Profit before tax		15,787,369	16,343,240
Adjustments for:			
Depreciation of property, plant and equipment	14	3,111,475	2,737,227
Amortisation of intangible assets	15	18,140	16,161
Impairment of intangible assets	15	91,701	-
Finance income	10	(638,319)	(136,284)
Finance expense	5	524,433	1,532,718
		18,894,799	20,493,062
Changes in working capital:			
Inventories		(2,394,221)	6,572,226
Trade and other receivables		6,779,702	424,987
Trade and other payables		(2,876,398)	(16,962,977)
Net movement in pension liabilities		75,231	623,042
Other current liabilities 3 (without note)		493,915	-
Cash generated from operations		20,973,028	11,150,340
Tax paid		(4,023,340)	(4,300,705)
Net cash from operating activities		16,949,688	6,849,635
Cash flows from investing activities			
Purchases of property, plant and equipment	14	(6,257,218)	(6,192,180)
Purchases of intangibles	15	(461,796)	(807,112)
Proceeds from sale of intangibles		3,747,313	-
Interest received		638,319	136,284
Net cash used in investing activities		(2,333,382)	(6,863,008)
Cash flows from financing activities			
Net proceeds from/ (repayment of) bank borrowings		(3,331,577)	250,409
Net repayment of loans from related parties	28(vi)	(3,000,000)	(7,000,000)
Interest paid		(524,433)	(1,532,718)
Dividends paid to Company's shareholders		(10,000,000)	-
Net cash used in financing activities		(16,856,010)	(8,282,309)
Net decrease in cash, cash equivalents and bank overdrafts		(2,239,704)	(8,295,682)
Cash, cash equivalents and bank overdrafts at beginning of year		6,276,988	14,677,100
Foreign exchange translation		-	(104,430)
Cash, cash equivalents and bank overdrafts at end of year	19	4,037,284	6,276,988

The notes on pages 14 to 49 are an integral part of these financial statements.

Hellenic Petroleum Cyprus Limited

Notes to the financial statements

1 General information

Country of incorporation

The Company is incorporated in the United Kingdom as a private limited liability company operating in Cyprus as a branch. Its registered office is at Juxon House, 100 St Paul's Churchyard, London EC4M 8BU, United Kingdom.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The directors consider that the accounting policies as set out below are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates.

Group financial statements

The immediate parent undertaking is Hellenic Petroleum International A.G. Group financial statements have not been prepared as the Company is exempt from the obligation to prepare group accounts under the Companies Act 2006. The results of the subsidiary undertaking are dealt within the consolidated accounts of the ultimate parent undertaking, Hellenic Petroleum S.A., a company registered in Greece.

The financial statements present information about the Company as an individual undertaking and not about the group.

Copies of Hellenic Petroleum S.A. financial statements can be obtained from the Company Secretary at 17th Km National Road Athens-Corinth, 19 300 Aspropyrgos, Athens, Greece.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2009. This adoption did not have a material effect on the accounting policies of the Company, with the exception of the following:

(i) IAS 1 (revised) "Presentation of financial statements", as a result of the adoption of which, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non owner changes in equity are presented in the statement of comprehensive income. Comparative information has been represented so that it is also in conformity with the revised standard. The change in the accounting policy impacts only presentation aspects.

(ii) IFRS 7 "Financial Instruments Disclosures" (amendment), as a result of the adoption of which, the Company provides additional disclosures in relation to the fair value measurements of its financial instruments by level of a fair value measurement hierarchy.

(iii) IAS 23 (revised) "Borrowing costs", as a result of which the Company capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets as part of the cost of that asset. The Company previously recognised all borrowing costs as an expense immediately. This change in accounting policy has been made in accordance with the transitional provisions of IAS 23 (revised) and therefore comparative figures have not been restated. The Company has capitalised borrowing costs with respect to buildings under construction.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

At the date of approval of these financial statements the following accounting standards were issued by the International Accounting Standards Board but were not yet effective and the Company has not early adopted:

(i) Adopted by the European Union

New standards

- IFRS 3 (Revised) "Business Combinations" (effective for annual periods beginning on or after 1 July 2009).
- IAS 27 (Revised) "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 July 2009).
- IFRS 1 (Revised) "First Time Adoption of International Financial Reporting Standards" (effective for annual periods beginning on or after 1 July 2009).

Amendments

- Annual improvements to IFRS (2008) re IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (effective for annual periods beginning on or after 1 July 2009).
- Amendment to IAS 39 "Financial Instruments: Recognition and Measurement" on "Eligible Hedged Items" (effective for annual periods beginning on or after 1 July 2009).
- Amendment to IFRIC 9 and IAS 39 regarding embedded derivatives (effective for annual periods beginning on or after 30 June 2009).
- Amendments to IAS 32 "Financial Instruments: Presentation: Classifications of Rights Issues" (effective for annual periods beginning on or after 1 February 2010).

New IFRICs

- International Financial Reporting Interpretation Committee (IFRIC) 12 "Service Concession Arrangements" (effective for annual periods beginning on or after 1 January 2008, EU: 30 March 2009).
- IFRIC 15 "Agreements for the Construction of Real Estate" (effective for annual periods beginning on or after 1 January 2009, EU: 31 December 2009).
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" (effective for annual periods beginning on or after 1 October 2008, EU: 30 June 2009).
- IFRIC 17 "Distributions of Non cash Assets to Owners" (effective for annual periods beginning on or after 1 July 2009).
- IFRIC 18 "Transfers of Assets from Customers" (effective for annual periods beginning on or after 1 July 2009).

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

(ii) Not adopted by the European Union

New standards

- IAS 24 (Revised) "Related Party Disclosures" (effective for annual periods beginning on or after 1 January 2011).
- IFRS 9 "Financial Instruments: Classification and Measurement" (effective for annual periods beginning on or after 1 January 2013).

Amendments

- Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement (effective for annual periods beginning on or after 1 January 2011).
- Annual Improvements 2009 (effective for annual periods beginning on or after 1 July 2009 to 1 January 2010).
- Amendments to IFRS 2 "Group Cash-settled Share-based Payment Transactions" (effective for annual periods beginning on or after 1 January 2010).
- Amendments to IFRS 1 "Additional Exemptions for First-time Adopters" (effective for annual periods beginning on or after 1 January 2010).
- Amendment to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First Time Adopters" (effective for annual periods beginning on or after 1 July 2010).

New IFRICs

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

The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business. Revenue is shown net of value added tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

(i) Sales of goods and related commissions

Sales of goods are recognised when significant risks and rewards of ownership of the goods have been transferred to the customer, which is usually when the Company has sold or delivered goods to the customer, the customer has accepted the goods and collectibility of the related receivable is reasonably assured.

2 Summary of significant accounting policies (continued)

Revenue recognition (continued)

(ii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired receivables are recognised using the original effective interest rate.

Employee benefits

The Company and the employees contribute to the Cyprus Government Social Insurance Fund based on employees' salaries. This Fund is treated as a defined contribution scheme. In addition, the Company operates two defined benefit retirement schemes the assets of which are held in a separate trustee-administered fund. The Company has elected to recognise actuarial gains and losses through the Income statement using the corridor approach (further refer to Note 24). The defined contribution scheme is funded by contributions from employees and by the Company. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no further payment obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, a defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on factors, such as age, years of service and compensation.

Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2 Summary of significant accounting policies (continued)

Current and deferred income tax

Taxation on profits and losses for the year comprises current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using rates enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are calculated in respect of temporary differences using the balance sheet liability method. Deferred income taxes are provided for all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders. Interim dividends, that are approved by the Board of Directors of the Company as a distribution to the Company's shareholders, are recognised at payment date.

Property, plant and equipment

Property, plant and equipment are stated at their historical cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Certain tangible fixed assets reflect a previous revaluation which was carried out as at 1 January 1987 (other than fixed assets in territories occupied by Turkish forces).

Land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values, over their estimated useful lives. The annual depreciation rates are as follows:

	%
Buildings	3-4
Furniture, fixtures and office equipment	10
Motor vehicles	10-20
Furniture and fixtures	20

2 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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

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

Expenditure for repairs and maintenance of property, plant and equipment is charged to the income statement of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and these are included in the income statement.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The amount paid for goodwill represents the value, paid to certain petrol station administrators, to purchase the business and thus to operate certain petrol stations. No assets were acquired and therefore the amount paid has been allocated to goodwill. The Company has the right to operate these stations indefinitely.

2 Summary of significant accounting policies (continued)

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure, which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programmes are charged to the income statement of the year in which they were incurred. Computer software costs are amortised using the straight-line method over their estimated useful lives, not exceeding a period of five years. Amortisation commences when the computer software is available for use and is included within administrative expenses.

The annual amortisation rate is 33,33%.

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 depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The Company carries the investments in subsidiaries at cost less any impairment.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2 Summary of significant accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the 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 (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade 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 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 within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

Share capital

Ordinary shares are classified as equity.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extend there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

2 Summary of significant accounting policies (continued)

Borrowings (continued)

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. In the balance sheet bank overdrafts are shown within borrowings in current liabilities.

Comparatives

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

3 Financial risk management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, commodity price risk and fair value interest rate risk),credit risk and liquidity risk.

- **Market risk**

  Foreign exchange risk

  The Company imports petroleum products from overseas and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

3 **Financial risk management (continued)**

(i) **Financial risk factors (continued)**

- **Market risk (continued)**

Foreign exchange risk (continued)

At 31 December 2009 bank borrowings that were denominated in US$ amounting to €0 (2008: €3.331.577) were hedged with an equivalent cash and cash equivalent amount denominated in US$.

Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Commodity price risk

The Company is exposed to commodity price risk through its purchases and distribution of petrol within Cyprus.

Management monitors the price fluctuations on a continuous basis and acts accordingly, by seeking to pass any change in market price to its customers to minimize the profit and loss impact.

As a result of passing changes in prices to its customers, the impact on profit and loss is immaterial.

Fair value interest rate risk

As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest rate risk primarily arises from short-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

At 31 December 2009, if interest rates on € -denominated borrowings at that date had been 0.5% higher/lower with all other variables held constant, post-tax profit for the year would have been €100.161 (2008: €130.792) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. At 31 December 2009, if interest rates on US$ - denominated borrowings at that date had been 0.5% higher/lower with all other variables held constant, post-tax profit for the year would have been €0 (2008: €16.021) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. Where debt finance is utilised, this is subject to pre-approval by the board of directors and such approval is limited to reputable financial institutions. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

- **Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Up to 1 month	1 to 3 months
	€	€
At 31 December 2009		
Borrowings	20,032,207	-
Trade and other payables	14,407,140	2,110,940
	34,439,347	2,110,940

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. Management maintains flexibility in funding by maintaining availability under committed credit lines.

3 Financial risk management (continued)

(ii) Capital risk management

The capital as defined by management at 31 December 2009 and 2008 was as follows:

	2009	2008
	€	€
Total borrowings (Note 21)	**20,032,207**	25,666,680
Less: cash and cash equivalents (Note 19)	**(9,069,491)**	(10,612,091)
Net debt	**10,962,716**	15,054,589
Total equity	**37,409,729**	36,078,795
Total capital as defined by management	**48,372,445**	51,133,384
Gearing ratio	**23%**	29%

The gearing ratio of year 2009 decreased in comparison with year 2008, primarily from the borrowings repayment during the year.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders 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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

During 2009, the Company's strategy, which was unchanged from 2008, was to maintain the gearing ratio within 20% to 40%.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4 Critical accounting estimates and judgements (continued)

(i) Critical accounting estimates and assumptions (continued)

- **Estimated impairment of goodwill**

  The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amount of cash-generating units has been determined based on value-in-use calculations.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit 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.

- **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 24.

- **Contingency**

  Significant judgement is required in determining whether any contingencies relating to pending events require further provision or disclosure. These are assessed based on consultation with legal counsel.

Hellenic Petroleum Cyprus Limited

5 Finance cost

	2009 €	2008 €
Interest expense:		
Bank borrowings	**5,692**	103,832
Bank overdraft	**196,151**	191,039
Overdue taxation	**-**	8,135
Group borrowings	**322,590**	1,229,712
	524,433	1,532,718

6 Revenue

	2009 €	2008 €
Sales of goods	**234,553,805**	339,244,996
Commissions	**(15,019,103)**	(14,719,603)
Management fee income	**20,503**	20,503
Other income	**3,048,402**	2,236,944
	222,603,607	326,782,840

7 Expenses by nature

	2009 €	2008 €
Changes in inventories of petroleum products	**181,016,821**	283,281,180
Other direct costs	**2,904,045**	3,171,383
Depreciation, amortisation and impairment charges (Notes 14 and 15)	**3,221,316**	2,753,388
Repairs and maintenance	**3,019,981**	2,729,316
Operating lease rentals	**4,081,560**	3,522,191
Insurance	**120,998**	127,840
Trade receivables - impairment charge for receivables	**53,753**	-
Staff costs (Note 8)	**4,567,966**	5,140,419
Marketing	**674,613**	611,667
Other expenses	**208,702**	326,671
Auditors' remuneration:		
- for statutory audit	**75,000**	70,418
- for statutory audit - prior years	**66,251**	-
Redundancy expenses	**-**	650,000
Bank commissions	**144,760**	123,265
Indirect taxes	**194,598**	203,730
Training	**103,829**	75,466
Travelling	**303,855**	330,742
Utilities	**305,277**	355,213
Telecommunications	**91,098**	69,137
Consultancy and services	**3,041,680**	2,549,522
Freight	**2,734,021**	2,951,618
Total cost of goods sold, distribution costs, administrative expenses and other expenses	**206,930,124**	309,043,166

8 Staff costs

	2009 €	2008 €
Wages and salaries	**3,318,390**	3,580,902
Cyprus Government social insurance costs	**359,602**	310,766
Defined benefit pension schemes (Note 24)	**548,075**	977,677
Stakeholder pension scheme	**138,000**	132,327
Other	**203,899**	138,747
	4,567,966	5,140,419

The average monthly number of persons (including executive directors) employed by the Company during the year was:

By activity

	2009	2008
Distribution	20	19
Administration	43	42

9 Directors' emoluments

	2009 €	2008 €
Aggregate emoluments	**355,631**	350,806
Company contributions to money purchase pension schemes	**89,120**	69,050
	444,751	419,856

Retirement benefits are accruing to 2 (2008: 2) directors under the money purchasing pension scheme and the defined benefit scheme.

	2009 €	2008 €
Highest paid director		
Wages and salaries	**232,915**	232,715
Company contributions to money purchase pension schemes	**55,140**	43,626
	288,055	276,341

	2009 €	2008 €
Accrued pension of the highest paid director	**73,332**	46,441
Accrued lump sum of the highest paid director	**366,660**	696,620

10 Finance income

	2009 €	2008 €
Interest income:		
Bank balances	(26,623)	(136,284)
Reversal of prior years overprovision of interest on settlement of loans	(611,696)	-
	(638,319)	(136,284)

11 Income tax expense

	2009 €	2008 €
Current tax		
United Kingdom		
Corporation tax at 28% (28,5%)	4,142,869	4,708,838
Adjustments in respect of prior years	(305,151)	467,590
Double taxation relief	(1,508,315)	(1,797,407)
Tax effect of rate change	(14,891)	-
	2,314,512	3,379,021
Foreign tax		
Corporation tax	1,508,315	1,797,407
Adjustments in respect of prior years	(35,066)	1,636,728
	1,473,249	3,434,135
Total Current Tax	3,787,761	6,813,156
Deferred tax		
Origination and reversal of temporary differences	599,497	27,009
Adjustments in respect of prior years	69,177	(2,094)
Total deferred tax (Note 22)	668,674	24,915
Income tax expense	4,456,435	6,838,071

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2009 €	2008 €
Profit before tax	15,787,369	16,343,240
Tax calculated at the standard rate of corporation tax in the UK of 28% (28,5%)	4,420,464	4,657,823
Tax effect of expenses not deductible for tax purposes	321,909	346,898
Tax effect of rate change	(14,891)	-
Adjustments to tax charge in respect of prior years	(271,047)	2,102,224
Deferred tax asset not previously recognised	-	(268,874)
Tax charge	4,456,435	6,838,071

The standard rate of Corporation Tax in the UK is 28% with effect from 1 April 2008.

Based on current capital investment plans, the Company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

12 Financial instruments by category

	Loans and receivables €	Total €
31 December 2009		
Assets as per balance sheet		
Trade and other receivables (excluding prepayments)	24,034,029	24,034,029
Cash and cash equivalents	9,069,491	9,069,491
Total	33,103,520	33,103,520

	Other financial liabilities €	Total €
Liabilities as per balance sheet		
Borrowings	20,032,207	20,032,207
Trade and other payables (excluding statutory liabilities)	16,377,819	16,377,819
Total	36,410,026	36,410,026

	Loans and receivables €	Total €
31 December 2008		
Assets as per balance sheet		
Trade and other receivables (excluding prepayments)	30,155,680	30,155,680
Cash and cash equivalents	10,612,091	10,612,091
Total	40,767,771	40,767,771

	Other financial liabilities €	Total €
Liabilities as per balance sheet		
Borrowings	25,666,680	25,666,680
Trade and other payables (excluding statutory liabilities)	19,278,915	19,278,915
Total	44,945,595	44,945,595

13 Credit quality of financial assets

The credit quality of financials assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates:

	2009 €	2008 €
Fully performing trade receivables		
Counterparties without external credit rating		
Group 1	**516,631**	6,466,918
Group 2	**21,065,409**	20,484,930
Total fully performing trade receivables	**21,582,040**	26,951,848
Fully performing other receivables		
Group 3	**3,373,258**	4,783,152
Cash at bank and short-term bank deposits (1)		
A2	**385,365**	1,229,007
A3	**396,402**	3,635,783
	781,767	4,864,790

(1)The rest of the balance sheet item 'cash and cash equivalents' is cash in hand.

As at 31 December 2009 the 'cash and cash equivalents' include an amount of €8.284.982 which represents cheques received in December 2009 but not deposited to the bank. These cheques were deposited in January 2010.

As at 31 December 2008 the 'cash and cash equivalents' include an amount of €5.724.434 which represents cheques received in December 2008 but not deposited to the bank. These cheques were deposited in January 2009.

Group 1 – new customers (less than 6 months).

Group 2 – existing customers (more than 6 months) with no defaults in the past.

Group 3 – other receivables

14 Property, plant and equipment

	Land and buildings €	Plant and machinery €	Furniture, fixtures and office equipment €	Motor vehicles €	Total €
At 1 January 2008					
Cost	16,592,775	30,774,177	328,505	928,865	48,624,322
Accumulated depreciation	(4,082,454)	(15,207,722)	(240,110)	(219,627)	(19,749,913)
Net book amount	12,510,321	15,566,455	88,395	709,238	28,874,409
Year ended 31 December 2008					
Opening net book amount	12,510,321	15,566,455	88,395	709,238	28,874,409
Additions	1,559,458	3,767,088	44,371	821,263	6,192,180
Depreciation charge (Note 7)	(265,280)	(2,335,050)	(11,337)	(125,560)	(2,737,227)
Closing net book amount	13,804,499	16,998,493	121,429	1,404,941	32,329,362
At 31 December 2008					
Cost	18,152,233	34,541,266	372,877	1,750,128	54,816,504
Accumulated depreciation	(4,347,734)	(17,542,773)	(251,448)	(345,187)	(22,487,142)
Net book amount	13,804,499	16,998,493	121,429	1,404,941	32,329,362
Year ended 31 December 2009					
Opening net book amount	13,804,499	16,998,493	121,429	1,404,941	**32,329,362**
Additions	2,178,370	3,598,761	207,128	272,959	**6,257,218**
Depreciation charge (Note 7)	(320,662)	(2,558,296)	(16,558)	(215,959)	**(3,111,475)**
Closing net book amount	15,662,207	18,038,958	311,999	1,461,941	**35,475,106**
At 31 December 2009					
Cost	20,330,603	38,140,027	580,005	2,023,087	**61,073,722**
Accumulated depreciation	(4,668,396)	(20,101,069)	(268,006)	(561,146)	**(25,598,617)**
Net book amount	15,662,207	18,038,958	311,999	1,461,941	**35,475,105**

15 Intangible assets

	Goodwill €	Computer software €	Total €
At 1 January 2008			
Cost	2,617,014	1,170,833	3,787,847
Accumulated amortisation and impairment	-	(1,136,234)	(1,136,234)
Net book amount	2,617,014	34,599	2,651,613
Year ended 31 December 2008			
Opening net book amount	2,617,014	34,599	2,651,613
Additions	792,000	15,112	807,112
Amortisation charge (Note 7)	-	(16,161)	(16,161)
Closing net book amount	3,409,014	33,550	3,442,564
At 31 December 2008			
Cost	3,409,014	1,185,945	4,594,959
Accumulated amortisation and impairment	-	(1,152,395)	(1,152,395)
Net book amount	3,409,014	33,550	3,442,564

15 Intangible assets (continued)

	Goodwill €	Computer software €	Total €
Year ended 31 December 2009			
Opening net book amount	3,409,014	33,550	**3,442,564**
Additions	430,000	31,796	**461,796**
Amortisation charge (Note 7)	-	(18,140)	**(18,140)**
Impairment charge (Note 7)	(91,701)	-	**(91,701)**
Transfer to related company	(3,747,313)	-	**(3,747,313)**
Closing net book amount	-	47,206	**47,206**
At 31 December 2009			
Cost	-	1,217,741	**1,217,741**
Accumulated amortisation and impairment	-	(1,170,535)	**(1,170,535)**
Net book amount	-	47,206	**47,206**

On 16 February 2009 the Company acquired the right to operate Arediou petrol station. The acquired business contributed yearly revenues of €3.983.400 and net profit of €94.735 to the Company.

	2008 €
Total purchase consideration - cash	430,000

Amortisation of €18.140 (2008: €16.161) is included in "distribution costs".

On 27 November 2009, the Company derecognised goodwill on the sale of its retail business at book value to the related company, R.A.M.Oil Cyprus Limited (Note 28(vii)).

Impairment test for goodwill

Goodwill is allocated to cash-generating units. The cash generating unit is represented by the group of petrol stations.

The cash generating unit is represented by the group of petrol stations.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below. The growth rate does not exceed the long-term average growth rate of the business in which the cash-generating unit operates.

The key assumptions used for the value-in-use calculations are as follows:

- Operating margin: 26%
- Growth rate: 3%
- Discount rate: 9%

15 Intangible assets (continued)

Management determines budgeted operating margin based on past performance and its expectations for market developments. The weighted average growth rate used is consistent with the forecasts included in industry reports. The discount rate used is pre-tax and reflects specific risks relating to the cash-generating unit.

The amount paid for goodwill represents the value, paid to certain petrol station administrators, to purchase the business and thus to operate certain petrol stations. No assets were acquired and therefore the amount paid has been allocated to goodwill. The Company has the right to operate these stations indefinitely.

16 Investments in subsidiaries

	2009 €	2008 €
At beginning of year	610,586	610,586
At end of year	610,586	610,586

The Company's interest in its subsidiary, which is unlisted, was as follows:

Name	Principal activity	Country of incorporation	2009 % of ordinary shares	2008 % of ordinary shares
Superlube Limited	Blending of lubricating oils	Cyprus	65	65

17 Inventories

	2009 €	2008 €
Petroleum Products	8,178,780	5,784,559

The cost of inventories recognised as expense and included in "cost of sales" amounted to €186.315.087 (2008: €279.880.337).

The difference between the carrying value of stocks (the weighted average cost) and their replacement cost is not material.

18 Trade and other receivables

	2009 €	2008 €
Trade receivables	22,675,253	27,991,308
Less: Provision for impairment of trade receivables	(1,093,213)	(1,039,460)
Trade receivables - net	21,582,040	26,951,848
Receivables from related parties (Note 28(v))	3,567	153
Other receivables	2,448,422	3,203,679
Prepayments	921,269	1,579,320
	24,955,298	31,735,000

The fair values of trade and other receivables approximate their carrying amounts.

18 Trade and other receivables (continued)

As of 31 December 2009, trade receivables of €21.582.040 (2008: €26.951.848) were fully performing.

Trade receivables that are less than three months past due are not considered impaired. As of 31 December 2009, trade receivables of €5.064.081(2008: €8.960.168) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2009	2008
	€	€
Up to 3 months	**2,393,699**	5,370,252
3 to 6 months	**2,670,382**	3,589,916
	5,064,081	8,960,168

The amount of the provision was €1.093.213 as of 31 December 2009 (2008: €1.039.460). The individually impaired receivables mainly relate to wholesalers, which are in an unexpectedly difficult economic situation. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	2009	2008
	€	€
Over 6 months	**29,727**	104,100

Movements on the Company's provision for impairment of trade receivables are as follows:

	2009	2008
	€	€
At 1 January	**1,039,460**	1,039,460
Provision	**53,753**	-
At 31 December	**1,093,213**	1,039,460

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above. At 31 December 2009, the Company holds bank guarantees of €1.462.892 (2008:€717.613) as security.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	2009	2008
	€	€
Euro - functional and presentation currency	**23,526,896**	30,528,774
US Dollar	**1,428,402**	1,206,226
	24,955,298	31,735,000

19 Cash and cash equivalents

	2009 €	2008 €
Cash at bank and in hand	**9,069,491**	7,120,211
Short-term bank deposits	-	3,491,880
	9,069,491	10,612,091

The effective interest rate on short term bank deposits was 0,50% (2008: 2,3080%) and these deposits have an average maturity of 7 days.

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

	2009 €	2008 €
Cash and cash equivalents	**9,069,491**	10,612,091
Bank overdrafts (Note 21)	**(5,032,207)**	(4,335,103)
	4,037,284	6,276,988

20 Ordinary share capital

	2009			2008		
	Number of shares	**STG£**	**€**	Number of shares	STG£	€
Authorised						
Shares of STG£10 each	**443 345**	**4,433,450**		443 345	4,433,450	
Issued and fully paid						
Shares of STG£10 each	**443 345**	**4,433,450**	**6,284,140**	443 345	4,433,450	6,284,140

The total authorised number of ordinary shares is 443 345 shares (2008: 443 345 shares) with a par value of GB£10 per share. All issued shares are fully paid.

21 Borrowings

	2009 €	2008 €
Current		
Bank overdrafts (Note 19)	**5,032,207**	4,335,103
Bank borrowings	-	3,331,577
Loans from related parties (Note 28(vi))	**15,000,000**	18,000,000
	20,032,207	25,666,680

There are no securities on loans, bank borrowings and bank overdrafts.

On 16 February 2009 the bank borrowings amounting to €3.331.577 were repaid.

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

	2009 %	2008 %
Bank overdrafts	**6,45**	5,65
Bank borrowings	-	3,20
Borrowings from related parties (Note 28(vi))	**1,85**	4,70

21 Borrowings (continued)

The Company's bank borrowings and bank overdrafts are arranged at both fixed and floating rates. Borrowings at fixed rates expose the Company to fair value interest rate risk. For borrowings at floating rates the interest rate reprises on a monthly basis exposing the Company to cash flow interest rate risk.

	2009	2008
	€	€
6 months or less	20,032,207	25,666,680

The Company has the following undrawn borrowing facilities:

	2009	2008
	€	€
Floating rate:		
Expiring beyond one year	96,173,000	93,173,000

The facilities expiring within one year are annual facilities subject to review at various dates during 2009.

The carrying amounts of bank overdrafts and short-term bank loans approximate their fair value.

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

	2009	2008
	€	€
Euro - functional and presentation currency	20,032,207	22,335,103
US Dollar	-	3,331,577
	20,032,207	25,666,680

22 Deferred tax assets and liabilities

Deferred 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 taxes relate to the same fiscal authority.

The movement on the deferred tax account is as follows:

Deferred tax liabilities

	Difference between depreciation and capital allowances €	Pensions €	Interest accrued €	Total €
At1 January 2008	1,628,175	(1,263)	-	1,626,912
Charged to:				
Income statement (Note 11)	468,240	(174,451)	(268,874)	24,915
At 31 December 2007/1 January 2008	2,096,415	(175,714)	(268,874)	1,651,827
Charged to:				
Income statement (Note 11)	620,560	(21,065)	69,170	668,665
At 31 December 2009	2,716,975	(196,779)	(199,704)	2,320,492

The amounts included in the balance sheet include the following:

	2009 €	2008 €
Deferred tax liabilities to be settled after more than twelve months	2,320,492	1,651,827

23 Pension liabilities

	2009 €	2008 €
Pension liabilities (Note 24)	702,782	627,551

Hellenic Petroleum Stakeholder Pension Scheme

The Hellenic Petroleum Stakeholder Pension Scheme is a defined contribution scheme open to all employees subject to certain conditions. The Company pays contributions at a rate between 5% and 15% of basic salary of participating employees. Contributions to the Scheme for the year ended 31 December 2009 amounted to €138.000 (2008: €132.327).

23 Pension liabilities (continued)

Hellenic Petroleum Defined Benefit Pension Schemes

The Share Purchase Agreement between BP plc and Hellenic Petroleum International A.G. (the "Agreement") provided that the existing retirement benefit schemes for all retired and active employees (including employees that remain under the employment of the Company) were transferred to BP Eastern Mediterranean Ltd (BPEM) which would become the Founding Company of the schemes as from 1 December 2002. This was subject to the consent of the local regulatory authorities. In accordance with the Agreement, the Company is committed to set up its own retirement benefit schemes for its current active employees (other than those employees who will elect to continue to be members of the current BP schemes), equivalent to the existing ones, that will provide benefits for future service that are no less favourable overall than those provided by BP under the existing arrangements. The Company's new schemes will recognise the employee's credited service, participation vesting and as applicable, benefit accrual periods of service, which will accrue in BP's retained arrangement in which the Company will participate as a Member Company until the setting up of its own schemes. For the period of participation, the Company pays the normal funding costs (i.e. current service costs), assuming that the schemes are neither in surplus or deficit.

Under the Agreement, BP procured that a transfer of assets in respect of benefits accrued as of 31 December 2002, is made from its current schemes to the Company's new schemes with the amount of such transfer to be calculated at the expiration of any period of participation and paid in cash unless otherwise agreed. As part of negotiations with the Employee Trade Unions for the execution of the Agreement, the Company made a provision of €812.520 in 2002 for extra funding to be contributed to the new schemes to allow for notified discretionary practises, mainly for providing increased pension benefits in line with price inflation.

The above arrangements were subject to the consent of the local regulatory authorities. The local regulatory authorities have given their consent for the split of the old existing staff schemes, but did not approve the transfer of the existing pension fund to BPEM. They instead, approved the set-up of a new pension fund scheme by BPEM. Accordingly, the Company retained the existing scheme (which was renamed from BP Cyprus Non Contributory Pension Fund to Hellenic Petroleum Cyprus Non Contributory Pension Fund during 2006 ("Pension Fund)) and BPEM set up a new scheme (the BP Eastern Mediterranean Non Contributory Pension Fund), without this affecting the substance of the way the assets were split and the transfer value was calculated, as stipulated in the agreement outlined above. In accordance with the Agreement the BPEM Fund also covers the former employees of BP Cyprus Ltd as at 1.1.2003. The changes to the Share Purchase Agreement, also provides that BPEM Fund shall indemnify and hold harmless the existing fund, retained by the Company, in respect of any liabilities and/or obligations of the existing fund, provided such liabilities and obligations of the existing fund, arose prior to 31 December 2005.

Hellenic Petroleum Cyprus Limited

24 Actuarial valuation of the defined benefit retirement plans

The Company has elected to recognise actuarial gains and losses through the Income statement using the corridor approach. The estimated future benefit payments from the Plan are projected using the adopted assumptions stated below. By discounting these payments back to any given valuation date, the amount required at the given valuation date to meet these future benefit payments was estimated. This amount is called the present value (cost) of employees' benefits.

Under IAS 19, this cost must be recognised in a systematic manner over the employees' working lives. A valuation method must be chosen to attribute the cost between that arising from service up to the valuation date (past service) and that arising from service after the valuation date (future service).

The present value of a defined benefit obligation (DBO) is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods. The defined benefit obligation is calculated annually by independent actuaries.

The method chosen in this case is the Projected Unit Credit method because this is the only acceptable method under the revised IAS 19.

Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions in excess of the greater of 10% of the fair value of plan assets or 10% of the present value of the defined benefit obligation are charged or credited to income over the employees expected average remaining working lives.

During 2008, the cash commutation factor was revised from 12,5 to 15,0. This benefit change represents a past-service cost and has to be recognised immediately in the 2008 Profit and Loss. As a result, the 2008 Profit and Loss charge for the Pension Plan has been revised to reflect this.

	2009	2008
	€	€
Present value of obligations	**8,465,033**	9,373,832
Fair value of plan assets	**(7,207,058)**	(8,163,784)
Unrecognised net loss	**(555,193)**	(582,497)
Net Liability in Balance Sheet (Note 23)	**702,782**	627,551

24 Actuarial valuation of the defined benefit retirement plans (continued)

	2009 €	2008 €
Components of Profit & Loss Charge		
Service cost	**355,579**	331,029
Interest cost	**536,110**	411,851
Expected Return on plan Assets	**(343,614)**	(462,310)
Amortisation of Unrecognised Net Gain	-	(38,443)
Amortisation of Past Service Cost	-	735,550
Regular Profit & Loss Charge (Note 8)	**548,075**	977,677
Additional Cost of Extra Benefits	-	-
Restructuring Expense	-	-
Other Expense/(Income)	-	-
Total Profit & Loss Charge	**548,075**	977,677
Movement in Net Liability in Balance Sheet		
Net Liability in Balance Sheet at the beginning of the period	**627,551**	4,509
Actual Contributions paid by the Company	**(472,844)**	(354,635)
Total expense recognised in the income statement	**548,075**	977,677
Exchange differences	-	-
Net Liability in Balance Sheet	**702,782**	627,551
Movement in Unrecognised net Gain		
Unrecognised net (Loss)/Gain at the beginning of the period	**(582,497)**	1,273,400
Gains/(Losses) arising during the period	**27,304**	(1,817,454)
Losses amortised during the period	-	(38,443)
Exchange differences	-	-
Unrecognised net Gain at the end of the period	**(555,193)**	(582,497)
Unrecognised Gains to be amortised		
Maximum of the Value of Assets or the DBO	**8,465,033**	9,373,832
10% corridor	**846,503**	937,383
Unrecognised net loss at the end of the period	**(555,193)**	(582,497)
Unrecognised net Gain outside the corridor	**(31,486)**	-
Average future working life	**14.38**	13.00
Amount to be amortised in next year's Profit & Loss	**(2,190)**	-
Reconciliation of benefit obligation		
DBO at start of period	**9,373,832**	7,884,535
Service cost	**355,579**	331,029
Interest Cost	**536,110**	411,851
Benefits paid from the Fund	**(2,007,770)**	(202,276)
Contributions made to the plans	-	392,586
Past Service Cost arising over last period	-	735,551
Actuarial Loss/(Gain)	**207,282**	(179,444)
Exchange differences	-	-
DBO at end of period	**8,465,033**	9,373,832
Reconciliation of plan assets		
Market value at start of period	**8,163,784**	9,153,426
Expected return	**343,614**	462,310
Company contributions	**472,844**	354,635
Fund Benefits	**(2,007,770)**	(202,276)
Contributions made to the plans	-	392,586
Asset Gain/(Loss)	**234,586**	(1,996,896)
Exchange differences	-	-
Fair value of plan assets at end of period	**7,207,058**	8,163,785

Hellenic Petroleum Cyprus Limited

24 Actuarial valuation of the defined benefit retirement plans (continued)

Additional disclosure requirements of the previous annual periods, 2007 and 2006:

	2007	2006
	€	€
Present value of obligations	**7,884,535**	7,255,399
Fair value of plan assets	**(9,153,426)**	(7,802,594)
Surplus in the plan	**(1,268,891)**	(547,195)

At 31 December:

	2009	2008	2007	2006
	%	%	%	%
Experience adjustments on plan liabilities	(0.7)	5.5	(0.7)	3.5
Experience adjustments on plan assets	3.3	(24.5)	8.5	14.5

The actual return on plan assets was €136.332 (2008: €641.754).

Plan assets are comprised as follows:

	2009		2008	
	€	%	€	%
Equity instruments	**1 322 394**	**18**	755 727	9
Debt instruments	**858 105**	**12**	937 797	11
Cash and cash equivalents	**3 362 455**	**47**	4 783 612	59
Property	**1 664 104**	**23**	1 686 649	21
	7 207 058	**100**	8 163 785	100

The plan did not own any of the Company's financial instruments, property or any other assets.

Contributions expected to be paid to the plan during the annual period beginning after the balance sheet date amount to €521.825 (2008: €478.159).

Valuation Assumptions

Discount rate

IAS19 requires that the discount rate should reflect the rate at which the liabilities could effectively be settled. It recommends using the rates of return on high quality fixed income investments of the appropriate maturity. In general, we would consider the long and medium term yields on government bonds and AA-rated corporate bonds, depending on the average duration of the liabilities of each plan or country. The yields used as a reference to set the discount rate should be at a duration consistent with the duration of the liabilities.

The yields on the longer term corporate bond indices as at 31 December 2009 and corresponding yields for 31 December 2008 are as follows:

Annual Yields	31 December 2009	31 December 2008
iBoxx € AA 10+ years to	5,09%	6,28%
iBoxx € AAA 10+ years to	4,42%	5,61%

24 Actuarial valuation of the defined benefit retirement plans (continued)

In 2008, it was decided to depart from the 2007 year approach where the iBoxx Euro Corporates AA 10+ Bond Index was used, because of the concerns around the quality of some of the bonds included in that index. Instead, the iBoxx Euro Corporates AAA 10+ Bond Index was used, with an adjustment for the longer duration of the liabilities. The discount rate finally adopted in 2008 was 5,75% pa.

An approach consistent to the 2008 year-end would result in a discount rate of 4,50%. This would represent a decrease of 125 bps from the 2008 assumption. The need to adopt the AAA index in 2008 was due the extreme circumstances with credit at the time. It is not recommended to maintain this basis for 2009.

An approach consistent to the 2007 year-end, i.e. referencing the iBoxxEuro Corporates AA 10+ Bond Index, would result in a discount rate of 5,25%, which includes an allowance for the higher duration of the scheme liabilities compared to that of the index. This index has dropped by about 120 bps since last year, mainly because of the decline of yields on the index's non-financial constituents.

Therefore, it was agreed to adopt a discount rate assumption of 5,25% pa for the IAS19 valuation as at 31 December 2009.

Price Inflation

For the purposes of the funding valuation, and as a base point for the financial assumptions, an assumption for the future increases in Cypriot price inflation (CPI) needs to be established. The assumed inflation rate should reflect the best estimate of long-term inflation. This may be derived from historical inflation rates and/or looking at the long-term rates implied by the bond market where index-linked bonds are regularly traded. Euro HICP inflation was -0.1% in October and +0,5% in November 2009.Based on the latest ECB macroeconomic projections, average HICP inflation is projected to be 0,9%-1,7% in 2010, and 0,8%-2,0% in 2011.

Pension liabilities are long term in nature and it would be unusual to make ad-hoc adjustments to inflation assumptions based on current economic conditions.

Therefore, at 31 December 2009 a long-term price inflation assumption of 2,00% pa has been adopted; 0,25% lower than last year.

Rate of pay increases

Salary growth for the Company's employees comprises three elements: general pay increases, COLA increases and individual promotional/merit increases.

Over the long-term, a real increase in general salaries (general increases and COLA) of 2,00% pa has been suggested, similar to last year. Also, similar to last year, an additional allowance of 0,50% pa for promotional increases has been proposed. The proposed total real salary increase is therefore 2,50% pa.

Therefore, at 31 December 2009 an overall salary increase assumption of 4,50% pa has been adopted; 0,25% lower that last year.

24 Actuarial valuation of the defined benefit retirement plans (continued)

Rate of pension increases

These are granted at 100% of CPI each year and are therefore expected to move in line with price inflation. Therefore, an assumption of 2,00% pa has been adopted.

Increase in Insurable Earnings Limit

The limit is assumed to increase at a rate of 1,00% pa above inflation. Therefore, an assumption of 3,00% pa has been adopted.

Supplementary State pension increases

According to the current rules of the social insurance scheme, the earnings related part of the pension increases each year in line with price inflation. Therefore an assumption of 2,00% pa has been adopted.

Expected Return on Assets

The plans are funded, and, therefore, under IAS 19, an expected return on asset assumption is required. An expected rate of return for each asset class has been adopted, to reflect the targeted asset allocation (based on the latest Statement of Investment Principles), and market conditions as at 31 December 2009.

The following assumptions have been adopted:

Asset Class	Target Allocation	Expected Return
Bonds	40%	5,25%
Equities	30%	8,00%
Property	20%	6,50%
Cash	10%	3,00%
Total	**100%**	**6,10%**

Mortality after retirement

The following standard mortality tables for mortality have been used:

Men: EVK 2000 males

Women: EVK 2000 females

It is believed that these tables are a reasonable representation of expected mortality in the Cypriot oil industry. The expected life expectancy at birth is 78,8 and 82,1 years for males and females respectively.

No allowance has been made for mortality before retirement.

Withdrawals

No allowance has been made.

Retirements

It is assumed that all members will retire at age 60. No allowance for early retirement has been made.

24 Actuarial valuation of the defined benefit retirement plans (continued)

Commutation

Members are assumed to commute the maximum possible, allowing for the provisions of Section 88 (1) of the Cyprus Social Insurance Law 1980. The commutation factor is 15,0.

The table below summarises the main financial assumptions as at the current valuation data as well as those as at the last valuation date for comparison:

Assumptions	31 December 2009	31 December 2008
Price Inflation	2,00%	2,25%
Pay increases	4,50%	4,75%
Pension increases	2,00%	2,25%
Discount rate	5,25%	5,75%
Increase in Social Security Ceiling	3,00%	3,25%
Social Security Pension increases	2,00%	2,25%
Weighted-average expected return on plan assets	6,10%	4,10%

25 Trade and other payables

	2009 €	2008 €
Trade payables	991,006	6,197,759
Payables to related parties (Note 28(v))	9,054,987	2,979,379
Other payables	5,473,777	6,782,280
Accrued expenses	998,310	3,435,060
	16,518,080	19,394,478

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

26 Contingencies

An agreement between the Government of the Republic of Cyprus and the Municipality of Larnaca was signed on 2 February 2001, whereby it was agreed that the oil terminals, which are situated within the Municipality of Larnaca, will be removed from their current location and relocated at a specified site at Vassiliko area and the land will be restored at the current site to its original condition, by the end of 2013-2015. The Company received legal advice which indicates that the Agreement is not binding for the Company, since the Company is not a party to the said Agreement. In addition there are a number of steps that must be followed before it becomes effective. If the relocation takes place, then the Company will face exceptional costs in that year and increased storage costs following relocation.

As at 31 December 2009 the Company did not have contingent liabilities in respect of the claim set out below (2008:€Nil):

26 Contingencies (continued)

The Decision of the Commission for the Protection of Competition by means of which an administrative fine of €14.269.000,00 was imposed on the Company has been challenged by the Company. A Recourse was filed on 17 November 2009 before the Supreme Court. The Recourse was fixed for directions before the Full Bench of the Supreme Court on 18 January 2010. On that date, the Full Bench of the Supreme Court gave directions for the exchange of Written Addresses. Applicants, i.e. the Company, filed its Written Address on 8 March 2010. Respondents' Written Address was filed on 10 September 2010. The Company will now proceed with the filing of a Reply of Respondents' Written Address. Upon the filing of the Reply, the Full Bench of the Supreme Court will proceed with the fixing of the case. Pending the Recourse, the Company, upon receiving legal advice, decided not to pay the fine. In Management's view, it is probable that the Decision of the Commission will be annulled and/or held to be unlawful. In that event, the likelihood for an outflow of resources is remote.

In addition to the above, the Company has contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liability will arise. These guarantees amounted to €810.237 (2008: €899.481).

27 Commitments

Operating lease commitments – where the Company is the lessee

The Company leases various petrol stations under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The lease expenditure charged to the income statement during the year is disclosed in Note 7.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2009	2008
	€	€
Not later than 1 year	**3,302,224**	2,990,023
Later than 1 year and not later than 5 years	**14,318,380**	12,817,003
Later than 5 years	**35,250,870**	32,660,135
	52,871,474	48,467,161

28 Related party transactions

The immediate parent undertaking is Hellenic Petroleum International A.G.

The ultimate parent undertaking of the group of undertakings for which group accounts are drawn up, and of which the Company is a member, and the ultimate controlling party is Hellenic Petroleum S.A. which is the smallest and largest group to consolidate these financial statements. Copies of Hellenic Petroleum S.A. financial statements can be obtained from the Company Secretary at 17th Km National Road Athens-Corinth, 19 300 Aspropyrgos, Athens, Greece.

The following transactions were carried out with related parties:

28 Related party transactions (continued)

(i) Sales of services

	2009 €	2008 €
Sales of services:		
Superlube Limited (management services)	**137,429**	105,387
R.A.M.Oil Cyprus Limited	**5,568,238**	-
	5,705,667	105,387

(ii) Purchases of goods and services

	2009 €	2008 €
Purchases of goods:		
Superlube Limited	**917,946**	1,034,869
Hellenic Petroleum S.A.	**160,828,788**	224,458,846
EKO ELDA A.E	**1,048,112**	912,037
	162,794,846	226,405,752
Purchases of services:		
Superlube Limited	**137,108**	74,281

(iii) Key management personnel compensation

	2009 €	2008 €
Salaries and other short-term employee benefits	**925,879**	943,462
Termination benefits	**-**	400,000
	925,879	1,343,462

(iv) Directors' remuneration

The total remuneration of the Directors (included in key management personnel compensation above) was as follows:

	2009 €	2008 €
Aggregate emoluments	**355,631**	350,806
Company contributions to money purchase pension schemes	**89,120**	69,050
	444,751	419,856

(v) Year-end balances

	2009 €	2008 €
Receivable from related parties (Note 18):		
Superlube Limited	**3,567**	153
Payable to related parties (Note 25):		
Superlube Limited	**163,697**	36,975
Hellenic Petroleum S.A.	**8,395,609**	2,883,645
EKO ELDA A.E.	**102,138**	58,759
R.A.M.Oil Cyprus Limited	**393,543**	-
	9,054,987	2,979,379

28 Related party transactions (continued)

(vi) Loans from related parties

	2009	2008
	€	€
Loans from parent entity:		
At beginning of year	**18,000,000**	25,000,000
Loans advanced during year	**10,000,000**	5,000,000
Loans repaid during year	**(13,000,000)**	(12,000,000)
At end of year (Note 21)	**15,000,000**	18,000,000

The above loan was provided by Hellenic Petroleum Finance PLC. The loan is unsecured, carries interest rate at Euribor + 0,886% and is renewable on a monthly basis.

(vii) Sale of retail operation to R.A.M.Oil Cyprus Limited

On 27 November 2009 the Company sold at book value its retail business to the related company, R.A.M. Oil Cyprus Limited. The sale resulted in a derecognition of goodwill (Note 15). The Company will continue to be the major provider of petroleum products on a wholesale basis. The proceeds received from this transaction are analysed below:

	2009
	€
Goodwill	**3,747,313**
Inventory	**1,043,039**
Trade debtors	**2,273,292**
	7,063,644

29 Events after the balance sheet date

There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.