



## PRESS RELEASE

12 November 2008

### **3<sup>rd</sup> QUARTER/9 MONTH 2008 FINANCIAL RESULTS** **(In accordance with International Financial Reporting Standards)**

**Strong underlying profitability in the three month period to 30 September, due to significantly improving refining margins, operational improvements and a good performance from our non-refining business portfolio. On a “clean” basis (ie adjusting for inventory effects and one-off items), EBITDA increased 30% y-o-y to €172m in 3Q08. “Clean” Net Income declined by 16% to €69m, as the strengthening of the USD in 3Q, although positively affecting margins and inventory valuation, resulted in a total loan revaluation loss of €45m, versus a €16m gain in 3Q07.**

**However, reported profitability was adversely impacted by stock devaluation due to the sharp drop in crude oil prices at the end of the quarter. 3Q08 reported EBITDA amounted to an €18m loss, versus a €135m profit a year earlier, with Net Losses at €74m, compared to €81m profits in 3Q07.**

Commenting on the results, CEO John Costopoulos mentioned:

*“3Q08 reported profitability suffered from the particularly sharp drop in international oil prices at the end of the quarter, which resulted in a €190m loss on stock devaluation. However, stripping out inventory effects, we enjoyed solid underlying profitability thanks to a strong recovery in refining margins versus the second quarter, continued operational improvements and a good performance from our non-refining business units. In 3Q08, with middle distillate cracks remaining strong and an increase in gasoline and fuel oil cracks, “clean” refining EBITDA reached €115m, 16% above the previous quarter and 29% higher than 3Q07. It is important to note that, despite early signs of weakening demand, we managed to gain market share, both at a wholesale and retail level. Together with a solid set of results from our remaining business activities, particularly from petrochemicals and power, 3Q08 “clean” Group EBITDA increased 33% q-o-q and 30% y-o-y to €172m.*

*3Q08 was also marked by three major events, namely we a) reached an agreement to divest our 20% stake in a Libyan oil and gas exploration license, b) secured all required permits for the Elefsina refinery upgrade and began site preparation, and c) launched our strategic performance improvement initiatives in refining and marketing.*

*Going forward, with the macro environment toughening, we remain committed to our long-term strategy and goals, focusing on our investment plans to upgrade our refineries at Elefsina and Thessaloniki, further operational efficiency gains, as well as tighter management of our credit exposure in light of current financial market conditions.”*

Key figures for the 3-month and 9-month periods to 30 September 2008 are:

- **Net Sales** €2.9bn, up 39% (9M08: €8.1bn, up 38%)
- **EBITDA** -€18m, vs a €135m profit in 3Q07 (9M08: €343m, down 23%)
- **Net Income** -€74m vs an €84m profit in 3Q07 (9M08: €153m, down 42%)
- **“Clean” EBITDA** €172m, up 30% (9M08: €371m, down 5%)
- **“Clean” Net Income** €69m, down 16% (9M08: €181m, down 20%)
- **ROACE (12-mth trailing)** 9%
- **ROE (12-mth trailing)** 10%

**3Q/9M08 performance highlights:**

**a) Refining, Supply & Trading: improved underlying performance**

- Reported results suffer from the sharp drop in crude oil prices and related inventory devaluation, but “Clean” EBITDA increase by 29% y-o-y to €115m in 3Q08.
- 3Q refining margins rebound strongly vs 2Q08, mainly as gasoline and fuel oil cracks staged a strong recovery. Middle distillate cracks remained strong, though were lower compared to the record highs of the previous quarter.
- Refinery yields improved from a switch to lighter crude feedstock. Our sales volumes were marginally lower on weakening consumption, yet we managed to increase market shares and improve our product mix.
- Operating expenditure continued to be tightly managed.

**b) Marketing: weakening demand in Greece, but continued growth internationally**

- 3Q08 EBITDA dropped 14% to €24m, but excluding bad debt provisions results were flat to last year’s levels.
- In Greece, despite increased market shares, total volumes sales declined due to lower C&I, aviation and bunkering sales.
- Our International operations reported 3Q08 EBITDA of €12m, up 10% y-o-y, as the network expansion continues and margins further improve.

**c) Petrochemicals: strong rebound vs 2Q08**

- 3Q08 EBITDA reached €17m, flat y-o-y but 140% above the previous quarter, on the back of higher pricing and lower cost of feed.

**d) Power Generation & Trading and Gas: strong market fundamentals and results**

- Driven by an improved load factor and spark spread, 3Q08 EBITDA in Power increased by 93% y-o-y to €20m.
- Our 35% stake in DEPA added €15m to Group 3Q08 earnings, a 130% increase y-o-y, driven from increased volumes and margins.

Key Financial Indicators for the Group are shown below:

## HELLENIC PETROLEUM GROUP

### CONSOLIDATED KEY FINANCIAL RESULTS FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDING 30 SEPTEMBER 2008

*(Prepared in accordance with IFRS)*

€ million	9M07	9M08	% Δ	3Q07	3Q08	% Δ
<b>P&amp;L figures</b>						
Net Sales	5,913	8,140	38%	2,116	2,932	39%
EBITDA	444	343	-23%	135	-18	-
“Clean” EBITDA <sup>1</sup>	392	371	-5%	132	172	30%
Comparable EBITDA <sup>2</sup>	392	432	10%	132	188	42%
Net Income	265	153	-42%	84	-74	-
Clean Net Income <sup>1</sup>	226	181	-20%	81	69	-16%
EPS (€)	0.87	0.50	-42%	0.27	-0.24	-
<b>Balance Sheet Items</b>						
Capital Employed	3,421	4,006	17%	-	-	-
Net Debt	923	1,509	63%	-	-	-
Debt Gearing (D/D+E)	28%	38%	-	-	-	-

*Notes*

1: Adjusted for inventory effects and one-off items

2: Calculated as Clean EBITDA adjusted for FX fluctuations