HELLENIC PETROLEUM S.A.
Companies Reg. No. 2443/06/B/86/23

ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2009 (As per Article 4, L. 3556/2007)

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1. Audited Annual Financial Statements

1.1 Group Consolidated Financial Statements

1.2 Parent Company Financial Statements

HELLENIC PETROLEUM S.A.

Consolidated Financial Statements
in accordance with IFRS for the
year ended 31 December 2009

COMPANY REGISTRATION NUMBER: 2443/06/B/86/23
REGISTERED OFFICE: 54 AMALIAS AVE, ATHENS, 54,105, GREECE

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Company Information

Directors	Anastasios Giannitsis – Chairman of the Board (since 02/12/2009) Efthimios Christodoulou – Chairman of the Board (until 02/12/2009) John Costopoulos – Chief Executive Officer Theodoros-Achilleas Vardas – Executive Member Alexios Athanasopoulos – Non executive Member (since 14/05/2008) Dimokritos Amallos – Non executive Member (since 28/12/2009) Georgios Kallimopoulos – Non executive Member Alexandros Katsiotis – Non executive Member (since 28/12/2009) Dimitrios Lalas – Non executive Member (since 28/12/2009) Gerassimos Lachanas – Non executive Member (since 28/12/2009) Anastassios Banos – Non executive Member (since 28/12/2009) Panagiotis Ofthalmides – Non executive Member (since 14/5/2008) Theodoros Pantalakis – Non executive Member (since 28/12/2009) Spyridon Pantelias – Non executive Member (since 28/12/2009)
Other Board Members during the reporting period:	Andreas Vranas – Non executive member (until 14/05/2008) Vasilios Nikitas – Non executive Member (until 14/05/2008) Dimitrios Deligiannis – Non executive Member (until 14/05/2008) Marios Tsakas – Non executive Member (until 07/08/2008) Nikolaos Lerios – Executive Member (until 05/05/2009) Nikolaos Pefkianakis – Non executive Member (05/05/2009 – 28/12/2009) Vasilios Bagiokos – Non executive Member (until 28/12/2009) Panagiotis Pavlopoulos – Non executive Member (until 28/12/2009) Iason Stratos – Non executive Member (until 28/12/2009) Elisabeth Typaldou-Loverdou – Non executive Member (until 28/12/2009) Dimitrios Miliakos – Non executive Member (14/05/2008 – 02/12/2009) Ioulia Armagou – Non executive Member (07/08/2008 – 28/12/2009)
Registered Office:	54 Amalias Avenue 10558 Athens, Greece
Registration number:	2443/06/86/23 / Ministry of Development
Auditors:	PricewaterhouseCoopers S.A. Leoforos Kifisias 268 152 32 Halandri Athens, Greece

Consolidated statement of financial position

	Note	As at 31 December 2009	As at 31 December 2008
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	2.114.759	1.439.919
Intangible assets	**7**	184.049	129.391
Investments in associates and joint ventures	**8**	517.378	508.219
Deferred income tax assets	**17**	23.919	69.619
Available-for-sale financial assets		2.716	2.879
Loans, advances and other receivables	**9**	139.572	169.043
		2.982.393	**2.319.070**
Current assets			
Inventories	**10**	1.373.953	1.020.780
Trade and other receivables	**11**	915.683	929.604
Cash and cash equivalents	**12**	491.196	876.536
		2.780.832	**2.826.920**
Total assets		**5.763.225**	**5.145.990**
EQUITY			
Share capital	**13**	1.020.081	1.020.081
Reserves	**14**	505.839	496.801
Retained Earnings		841.374	808.002
Capital and reserves attributable to owners of the parent		**2.367.294**	**2.324.884**
Non-controlling interests		141.246	148.782
Total equity		**2.508.540**	**2.473.666**
LIABILITIES			
Non- current liabilities			
Borrowings	**16**	607.805	448.084
Deferred income tax liabilities	**17**	53.613	22.104
Retirement benefit obligations	**18**	148.464	153.736
Long term derivatives	**20**	37.253	71.219
Provisions and other long term liabilities	**19**	56.944	52.706
		904.079	**747.849**
Current liabilities			
Trade and other payables	**15**	1.033.852	791.544
Current income tax liabilities		9.041	19.378
Borrowings	**16**	1.304.843	1.110.355
Dividends payable		2.870	3.198
		2.350.606	**1.924.475**
Total liabilities		**3.254.685**	**2.672.324**
Total equity and liabilities		**5.763.225**	**5.145.990**

The notes on pages 11 to 61 are an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the board on 25 February 2010.

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

Consolidated statement of comprehensive income

	Note	For the year ended 31 December 2009	31 December 2008
Sales		**6.756.666**	**10.130.983**
Cost of sales		(6.042.836)	(9.872.382)
Gross profit		**713.830**	**258.601**
Selling, distribution and administrative expenses	**22**	(419.241)	(391.479)
Exploration and development expenses	**23**	(15.441)	(10.690)
Other operating (expenses)/income- net	**24**	(17.921)	256.666
Operating profit		**261.227**	**113.098**
Finance (expenses)/income- net	**25**	(33.517)	(48.488)
Currency exchange gains/(losses)		(3.714)	(102.507)
Share of net result of associates and dividend income	**8**	18.418	54.754
Profit before income tax		**242.414**	**16.857**
Income tax (expense) / credit	**26**	(66.152)	12.176
Profit for the year		**176.262**	**29.033**
Other comprehensive income:			
Fair value losses on available-for-sale financial assets	**14**	(201)	(523)
Unrealised gains / (losses) on revaluation of hedges	**14**	7.425	10.901
Currency translation differences	**14**	(4.852)	(3.097)
Other Comprehensive income/(loss) for the year, net of tax		2.372	7.281
Total comprehensive income/(loss) for the year		**178.634**	**36.314**
Profit attributable to:			
Owners of the parent		174.890	23.643
Non-controlling interests		1.372	5.390
		176.262	29.033
Total comprehensive income attributable to:			
Owners of the parent		178.780	31.728
Non-controlling interests		(146)	4.586
		178.634	36.314
Basic and diluted earnings per share (expressed in Euro per share)	**27**	**0,57**	**0,08**

The notes on pages 11 to 61 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

		Attributable to owners of the Parent					
	Note	Share Capital	Reserves	Retained Earnings	Total	Minority Interest	Total Equity
Balance at 1 January 2008		**1.020.081**	**513.523**	**920.291**	**2.453.895**	**126.578**	**2.580.473**
Fair value losses on available-for-sale financial assets	14	-	(282)	-	(282)	(241)	(523)
Translation exchange differences	14	-	(2.534)	-	(2.534)	(563)	(3.097)
Unrealised gains / (losses) on revaluation of hedges	14	-	10.901	-	10.901	-	10.901
Other comprehensive income		**-**	**8.085**	**-**	**8.085**	**(804)**	**7.281**
Profit for the year		-	-	23.643	23.643	5.390	29.033
Total comprehensive income for the year		**-**	**8.085**	**23.643**	**31.728**	**4.586**	**36.314**
Transfer of shares in subsidiary		-	-	(7.922)	(7.922)	17.618	9.696
Transfers to retained earnings (Law 3220/04)		-	(24.807)	24.807	-	-	-
Dividends relating to 2007 and interim dividend 2008		-	-	(152.817)	(152.817)	-	(152.817)
Balance at 31 December 2008		**1.020.081**	**496.801**	**808.002**	**2.324.884**	**148.782**	**2.473.666**
Fair value losses on available-for-sale financial assets	14	-	(108)	-	(108)	(93)	(201)
Translation exchange differences	14	-	(3.427)	-	(3.427)	(1.425)	(4.852)
Unrealised gains / (losses) on revaluation of hedges	14	-	7.425	-	7.425	-	7.425
Other comprehensive income		**-**	**3.890**	**-**	**3.890**	**(1.518)**	**2.372**
Profit for the year		-	-	174.890	174.890	1.372	176.262
Total comprehensive income for the year		**-**	**3.890**	**174.890**	**178.780**	**(146)**	**178.634**
Share capital decrease of minority shareholders of ELPET	34	-	-	-	-	(7.390)	(7.390)
Share based payments	13		1.166		1.166		1.166
Transfers from retained earnings (Law 3299/04)		-	1.147	(1.147)	-	-	-
Transfers to statutory reserves		-	2.835	(2.835)	-	-	-
Dividends relating to 2008 and interim dividend 2009		-	-	(137.536)	(137.536)	-	(137.536)
Balance at 31 December 2009		**1.020.081**	**505.839**	**841.374**	**2.367.294**	**141.246**	**2.508.540**

The notes on pages 11 to 61 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

		For the year ended	
	Note	**31 December 2009**	**31 December 2008**
Cash flows from operating activities			
Cash generated from operations	**29**	367.430	874.121
Income and other taxes paid		(16.659)	(173.570)
Net cash (used in) / generated from operating activities		**350.771**	**700.551**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**6,7**	(613.944)	(344.372)
Proceeds from disposal of property, plant and equipment & intangible assets		4.075	2.844
Acquisition of subsidiary, net of cash acquired	**32**	(336.124)	(4.098)
Proceeds from disposal of E&P licence	**24**	-	124.450
Grants received		3.983	4.002
Interest received	**25**	20.914	23.440
Dividend received		9.658	5.538
Investments in associates-net		(674)	(642)
Net cash used in investing activities		**(912.112)**	**(188.838)**
Cash flows from financing activities			
Interest paid	**25**	(53.919)	(71.928)
Dividends paid		(137.901)	(152.838)
Proceeds from borrowings		1.723.132	1.339.940
Repayments of borrowings		(1.350.085)	(962.667)
Net cash generated from / (used in) financing activities		**181.227**	**152.507**
Net increase in cash & cash equivalents		**(380.114)**	**664.220**
Cash & cash equivalents at the beginning of the year	**12**	**876.536**	**208.450**
Exchange (losses) / gains on cash & cash equivalents		(5.226)	3.866
Net (decrease) / increase in cash & cash equivalents		(380.114)	664.220
Cash & cash equivalents at end of the year	**12**	**491.196**	**876.536**

The notes on pages 11 to 61 are an integral part of these financial statements.

Notes to the consolidated financial statements

1 General information

Hellenic Petroleum (the "Company") and its subsidiaries (together "Hellenic Petroleum" or the "Group") operate in the energy sector predominantly in Greece and the Balkans. The Group's main activities include:

- Refining and marketing of oil products (R&M)
- Exploration, development and production, of hydrocarbons (E&P)
- Manufacturing and marketing of petrochemical products
- Power generation and trading

The parent Company is incorporated in Greece and the address of its registered office is 54 Amalias Ave, Athens. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDNs.

The financial statements and the consolidated financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2009 were authorised for issue by the Board of Directors on 25 February 2010. The shareholders of the Company have the power to amend the financial statements after issue.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

These consolidated financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"). The European Union ("EU")has adopted all IFRS that were issued by the IASB and are effective for the year ended 31 December 2009, with the exception of certain provisions of IAS 39 that have no effect in our consolidated financial statements. As such, these consolidated financial statements comply with International Financial Reporting Standards (IFRS) as adopted by the European Union as well as with International Financial Reporting Standards issued by the IASB

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 "Critical accounting estimates and judgments". These estimates are based on management's best knowledge of current events and actions; actual results ultimately may differ from those estimates.

2.1.1 Changes in accounting policies and disclosures

(a) Standards, amendments to standards and interpretations to existing standards effective for the year ended 31 December 2009:

- *IAS 1(Revised) "Presentation of Financial Statements"*. IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present one statement, i.e. the statement of comprehensive income.

- *IAS 23 (Revised) "Borrowing Costs"*. This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The amendment did not impact the Group as all applicable borrowing costs were capitalised.

- *IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements"*. The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. This amendment does not impact the Group's financial statements.

- *IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement"*. This amendment clarifies that, entities should no longer use hedge accounting for transactions between segments in their separate financial statements. This amendment is not applicable to the Group as it does not apply hedge accounting for transactions between segments in terms of IAS 39.

- *IFRS 2 (Amendment) "Share Based Payment"*. The amendment clarifies the definition of "vesting condition" by introducing the term 'non-vesting condition' for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment does not impact the Group's financial statements.

- *IFRS 7 (Amendment) "Financial instruments – Disclosures"*. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The Group has applied the amended standard.

- *IFRS 8 "Operating Segments"*. This standard supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity's chief operating decision maker and are reported in the financial statements based on this internal component classification. This has resulted in no change in the number of reportable segments presented.

- *IFRIC 13 – Customer Loyalty Programmes.* This interpretation clarifies the treatment of entities that grant loyalty award credits such as "points" and "travel miles" to customers who buy other goods or services. This interpretation is not relevant to the Group's operations.

- *IFRIC 15 – Agreements for the construction of real estate.* This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to each particular case. This interpretation is not relevant to the Group's operations.

- *IFRIC 16 – Hedges of a net investment in a foreign operation.* This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Group, as the Group does not apply hedge accounting for any investment in a foreign operation.

- *IFRIC 18 – Transfers of assets from customers* (*effective for transfers of assets received on or* after 1 July 2009). This interpretation clarifies the requirements of IFRS for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use to provide the customer with an ongoing supply of goods or services. In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of property, plant and equipment. This interpretation is not relevant to the Group.

(b) Standards, amendments to standards and interpretations to existing standards effective for annual periods beginning on or after 1 January 2010:

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

- *IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 February 2010).* This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number

of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not expected to impact the Group's financial statements.

- *IAS 39 (Amendment) "Financial Instruments": Recognition and Measurement"* *(effective for annual periods beginning on or after 1 July 2009)*. This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. The Group will apply the amendment from the effective date.

- *IFRS 1 (Amendment) "First-time adoption of International Financial Reporting Standards" (effective for annual periods beginning on or after 1 January 2010).* This amendment provides additional clarifications for first-time adopters of IFRS in respect of the use of deemed cost for oil and gas assets, the determination of whether an arrangement contains a lease and the decommissioning liabilities included in the cost of property, plant and equipment. This amendment will not impact the Group's financial statements since it has already adopted IFRS. This amendment has not yet been endorsed by the EU.

- *IFRS 2 (Amendment) "Share Based Payment" (effective for annual periods beginning on or after 1 January 2010).* The purpose of the amendment is to clarify the scope of IFRS 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services, when that entity has no obligation to settle the share-based payment transaction. This amendment is not expected to impact the Group's financial statements. This amendment has not yet been endorsed by the EU.

- *IFRS 3 (Revised) "Business Combinations" and IAS 27 (Amended) "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 July 2009)* The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires a change in ownership interest of a subsidiary is accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with non-controlling interests. The Group will apply these changes from their effective date.

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

- *IFRIC 12 – Service Concession Arrangements* (EU endorsed for periods beginning 30 March 2009). This interpretation applies to companies that participate in service concession arrangements. The Group will adopt this interpretation on 1 January 2010.

- *IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"* (effective for annual periods beginning on or after 1 January 2011). The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group. This amendment has not yet been endorsed by the EU.

- *IFRIC 17, "Distributions of non-cash assets to owners"* (effective for annual periods beginning on or after 1 July 2009). This interpretation provides guidance on accounting for the following types of non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners: (a) distributions of non-cash assets and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. The Group will apply this interpretation from its effective date.

- *IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"* (effective for annual periods beginning on or after 1 July 2010). This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Group. This amendment has not yet been endorsed by the EU.

(c) Amendments to standards that form part of the IASB's annual improvements project:

The amendments set out below describe the key changes to IFRS following the publication in July 2009 of the results of the IASB's annual improvements project. These amendments have not yet been endorsed by the EU. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2010. In addition, unless otherwise stated, the following amendments will not have a material impact on the Group's financial statements.

- *IFRS 2 "Share-Based payment"* (effective for annual periods beginning on or after 1 July 2009). The amendment confirms that contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2.

- *IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"*. The amendment clarifies disclosures required in respect of non-current assets classified as held for sale or discontinued operations.

- *IFRS 8 "Operating Segments"*. The amendment provides clarifications on the disclosure of information about segment assets.

- *IAS 1 "Presentation of Financial Statements"*. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

- *IAS 7 "Statement of Cash Flows"*. The amendment requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.

- *IAS 17 "Leases"*. The amendment provides clarification as to the classification of leases of land and buildings as either finance or operating.

- *IAS 18 "Revenue"*. The amendment provides additional guidance regarding the determination as to whether an entity is acting as a principal or an agent.

- *IAS 36 "Impairment of Assets"*. The amendment clarifies that the largest cash-generating unit to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8 (that is before the aggregation of segments).

- *IAS 38 "Intangible Assets"*. The amendments clarify (a) the requirements under IFRS 3 (revised) regarding accounting for intangible assets acquired in a business combination and (b) the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets.

- *IAS 39 "Financial Instruments: Recognition and Measurement"*. The amendments relate to (a) clarification on treating loan pre-payment penalties as closely related derivatives, (b) the scope exemption for business combination contracts and (c) clarification that gains or losses on cash flow hedge of a forecast transaction should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss.

- *IFRIC 9 "Reassessment of Embedded Derivatives" (effective for annual periods beginning on or after 1 July 2009).* The amendment clarifies that IFRIC 9 does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a business combination between entities under common control.

- *IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" (effective for annual periods beginning on or after 1 July 2009).* The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity within the group, including the foreign operation itself, as long as certain requirements are satisfied.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income (see Note 2.6).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognized in the income statement.

(b) Transactions with non-controlling interests

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

(c) Joint ventures

The Group's interests in jointly controlled assets are accounted for by proportionate consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture to the extent that the gain or loss is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. A loss on the transaction is recognised immediately if it provides evidence of a reduction in the net realisable value of current assets, or an impairment loss. Joint ventures' accounting policies are changed where necessary to ensure consistency with the policies adopted by the Group. Currently the Group does not have any such cases.

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

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (see Note 2.6).

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognized in the income statement.

2.3 Segment reporting

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

2.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in euros, which is the Company's functional and presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognized in profit or loss, and other changes in carrying amount are recognized in equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss.

(c) *Group companies*

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

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

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

2.5 Property, plant and equipment

All property, plant and equipment is shown at historical cost less subsequent depreciation and impairment, except for land, which is shown at historical cost less subsequent impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the

cost of the item can be measured reliably. Repairs and maintenance are charged to the statement of comprehensive income as incurred. Refinery refurbishment costs are deferred and charged against income on a straight line basis over the scheduled refurbishment period.

Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as shown on the table below for the main classes of assets:

– Land	Nil
– Buildings	13 – 20 years
– Specialised industrial installations	10 – 25 years
– Machinery, equipment and transportation equipment	5 – 8 years
– Furniture and fixtures	4 – 8 years
– Computer hardware	3 – 5 years
– LPG carrier	10 years
– White products carrier	17 years
– Vessels	20 – 25 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position 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.

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

Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. All other borrowing costs are expensed as incurred.

2.6 Intangible assets

(a) Goodwill

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

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

(b) Licences and rights

License fees for the use of know-how relating to the polypropylene plant have been capitalised in accordance with IAS 38, Intangible Assets. They have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is being calculated using the straight-line method to allocate the cost of licences and rights over their estimated useful lives (15 years).

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

(c) Computer software

These include primarily the costs of implementing the (ERP) computer software program. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over their estimated useful lives (3 years).

2.7 Exploration for and Evaluation of Mineral Resources

(a) Exploration and evaluation assets

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

(b) Development of tangible and intangible assets

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

(c) Oil and gas production assets

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

(d) Depreciation/amortization

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

(e) Impairment – exploration and evaluation assets

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

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

Proven oil and gas properties and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the

higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and, are tested annually for impairment. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (discounted cash flows an asset is expected to generate based upon management's expectations of future economic and operating conditions). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

2.9.1 Classification

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

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

2.9.2 Recognition and measurement

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

Purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available for sale financial assets are subsequently carried at cost less impairment as the equity instruments can not be reliably measured. Loans and receivables are carried at

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

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

2.9.3 Impairment of financial assets

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

Impairment testing of trade receivables is described in note 2.13.

2.10 Derivative financial instruments and hedging activities

As part of its risk management policy, the Group utilizes financial and commodity derivatives to mitigate the impact of future price volatility. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

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

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

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

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

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

When a hedging instrument expires or is sold, or a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statement of comprehensive income. When a forecast transaction is no

longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income within "Other operating income / (expense)".

The derivatives that are not designated as hedges and do not qualify for hedge accounting are classified as held-for-trading and accounted for at fair value through profit or loss. Changes in the fair value of these derivative instruments that do not qualify for hedge accounting are recognized immediately in the statement of comprehensive income within "Other operating (expenses)/income – net", or in "Cost of Sales" (refer to note 20).

2.11 Government grants

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

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of inventories is determined using the monthly weighted average cost method.

2.13 Trade receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

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

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income and is included in Selling, Distribution and Administrative expenses.

2.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments such as marketable securities and time deposits with original maturities of three months or less. At the end of the reporting period receivable amounts of bank overdrafts receivable are also shown within cash and cash equivalents (refer to note 2.16).

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. At the end of the reporting period payable amounts of bank overdrafts are included within borrowings in current liabilities on the statement of financial position. In the statement of cash flows bank overdrafts are shown within financing activities.

2.17 Current and deferred income tax

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

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

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

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

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

2.18 Employee benefits

(a) *Pension obligations*

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

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

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

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess 10% of the defined benefit obligation are spread to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group pays contributions to publicly administered Social Security funds on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is *demonstrably* committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

(c) Share-based compensation

The Group operates an equity-settled share-based compensation plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, at the date of granting. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting period end, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to entity.

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

2.19 Trade and other payables

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

2.20 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

2.21 Environmental liabilities

Environmental expenditure that relates to current or future revenues is expensed or capitalised as appropriate. Expenditure that relates to an existing condition caused by past operations and that does not contribute to current or future earnings is expensed.

The Group has an environmental policy which complies with existing legislation and any obligations resulting from its environmental and operational licences. In order to comply with all rules and regulations the Group has set up a monitoring mechanism in accordance with the requirements of the relevant authorities. Furthermore, investment plans are adjusted to reflect any known future environmental requirements. The above mentioned expenses are estimated based on the relevant environmental studies.

Liabilities for environmental remediation costs are recognised when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

2.22 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised as follows:

(a) Sales of goods – wholesale

Revenue on sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales of goods are recognised when the Group has delivered the products to the customer; the customer has accepted the products; and collectability of the related receivables is reasonably assured.

(b) Sales of goods – retail

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

(c) Interest income

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

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.23 Leases

Leases of property plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the

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

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

2.24 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved.

2.25 Comparative figures

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

3 Financial risk management

3.1 Financial risk factors

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

Commodity price risk management is supervised by a Risk Management Committee which includes Finance and Trading departments Senior Management. Non commodity price risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Finance Department identifies and evaluates financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign exchange risk

Foreign currency exchange risk arises on three types of exposure:

- **Financial position translation risk:** Most of the stock held by the Group is reported in Euro while its underlying value is determined in USD. Thus, a possible devaluation of the USD against the Euro leads to a reduction in the realisable value of inventory included in the statement of financial position. In order to manage this risk, a significant part of the Group funding is denominated in USD providing an opposite effect to the one described above. It should be noted however, that while in the case of USD devaluation the impact on the statement of financial position is mitigated, in cases of USD appreciation the mark-to-market valuation of such loans leads to a reported loss under foreign exchange differences with no compensating benefit as stocks continue to be included in the statement of financial position at cost. The exposure at any point in time is clearly given by the amounts shown in the statement of financial position and the related disclosures. It is estimated, that at 31 December 2009 if the Euro had weakened against the US dollar by 5% with all other variables held constant, pre-tax profits would

have been €28,1 million lower, as a result of foreign exchange losses on translation of US dollar-denominated borrowings.

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

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

(ii) Commodity price risk

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

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

Refining margin exposure relates to the absolute level of margin generated by the operation of the refineries. This is determined by Platt's prices and varies on a daily basis; as an indication of the impact to the Group financial results, a change in the refinery margins has a proportionate impact on the Group's profitability. Where possible, the Group aims to hedge 10-50% of each of the various components of its expected production. This, however, is not possible to do in all market conditions and as a result only a small part of the price risk is effectively hedged. The sensitivity of the fair value of the open derivative contracts affecting profits to an immediate 10% increase or decrease in all reference prices, would have been €1,3 million at 31 December 2009. This figure does not include any corresponding economic impact that would arise from the natural business exposure, which would be expected to largely offset the gain or loss on the derivatives.

(iii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Group to fair value interest rate risk. Depending on the levels of net debt at any given period of time, any change in the base interest rates (EURIBOR or LIBOR), has a proportionate impact on the Groups results. At 31 December 2009, if interest rates on US dollar denominated borrowings had been 1% higher with all other variables held constant, pre-tax profit for the year would have been Euro 0.5 million lower. At 31 December 2009, if interest rates on Euro denominated borrowings had been 1% higher with all other variables held constant, post-tax profit for the year would have been Euro 0.6 million lower.

(b) Credit risk

Credit risk is managed on Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

The table below shows the segregation of trade receivables by major business segment:

	31 December 2009			31 December 2008		
Operating segment	**Current balance**	**Past due but not impaired balance**	**Impaired balance**	**Current balance**	**Past due but not impaired balance**	**Impaired balance**
Refining	322.757	150.623	70.326	408.442	78.766	49.666
Petrochemicals	59.884	5.715	16.761	62.153	25.514	16.750
E&P	7.695	7.695	-	7.629	7.517	-
Energy	-	-	-	4.751	-	-
Marketing	265.003	68.055	50.676	122.022	72.688	35.242
Other	2.105	-	-	1.118	151	-
	657.444	**232.088**	**137.763**	**606.115**	**184.636**	**101.658**
Allowance for bad debts			**106.918**			**95.233**

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

As of 31 December 2009, the ageing analysis of receivables that were past due but not impaired, is as follows:

	As at	
	31 December 2009	**31 December 2008**
Up to 30 days	44.534	75.979
30 - 90 days	36.971	63.026
Over 90 days	150.583	45.631
Total	**232.088**	**184.636**

As of 31 December 2009, the ageing analysis of receivables that were individually impaired is as follows

	As at	
	31 December 2009	**31 December 2008**
Up to 30 days	457	-
30 - 90 days	1.284	-
Over 90 days	136.022	101.658
Total	**137.763**	**101.658**

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

The movement in the valuation allowance for trade receivables is set out below.

	As at	
	31 December 2009	**31 December 2008**
Balance at 1 January	95.233	113.725
Charged / (credited) to the income statement:		
- Additional provisions	19.447	4.654
- Receivables written off during the year as uncollectible	(17.840)	(19.951)
- Unused amounts reversed	(660)	(3.195)
Acquisition of subsidiary	10.738	-
Balance at 31 December	**106.918**	**95.233**

(c) Liquidity risk

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

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

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
At 31 December 2009				
Borrowings	1.304.843	11.602	596.203	-
Derivative financial instruments	26.536	12.430	24.822	-
Trade and other payables	1.007.316	-	-	-
At 31 December 2008				
Borrowings	1.110.355	91.846	356.238	-
Derivative financial instruments	12.268	24.406	46.812	-
Trade and other payables	779.276	-	-	-

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for share holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

During 2009 the Group strategy which was unchanged from 2008, was to maintain the gearing ratio between 20% - 40%. The gearing ratios at 31 December 2009 and 2008 were as follows:

	As at 31 December 2009	As at 31 December 2008
Total Borrowings (Note 16)	1.912.648	1.558.439
Less: Cash & Cash Equivalents (Note 12)	(491.196)	(876.536)
Less: Available for sale financial assets	(2.716)	(2.879)
Net debt	**1.418.737**	**679.024**
Total Equity	2.508.540	2.473.666
Total Capital Employed	**3.927.277**	**3.152.690**
Gearing ratio	36%	22%

The increase in the gearing ratio resulted primarily from the drawing of a new borrowing facility used to finance the acquisition of a subsidiary (refer to Notes 16 and 32), as well as the greater requirements for funding the construction phase of the Group's Refineries' Upgrade projects in Elefsina and Thessaloniki.

3.3 Fair value estimation

Effective 1 January 2009, the Group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value; this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2009:

	Level 1	Level 2	Level 3	Total balance
Assets				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	-	-	-
	-	**-**	**-**	**-**
Liabilities				
Derivatives held for trading	-	26.536	-	26.536
Derivatives used for hedging	-	37.253	-	37.253
	-	**63.789**	**-**	**63.789**

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

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

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

Specific valuation techniques used to value financial instruments include:

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

4 Critical accounting estimates and judgements

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

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

(a) Income taxes

Estimates are required in determining the provision for income taxes that the Group is subjected to in different jurisdictions. This requires significant judgement. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Provision for environmental restoration

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

(c) Estimated impairment of goodwill

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

(d) Fair value of derivatives and other financial instruments

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

(e) 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 18.

5 Segment information

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

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

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

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

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

5 Segment information (continued)

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
Year ended 31 December 2008								
Sales	9.627.470	3.144.817	1.129	368.423	180.549	17.903	(3.209.308)	10.130.983
Other operating income / (expense) - net	32.282	14.450	143.327	3.894	54.872	7.841	-	256.666
Operating profit / (loss)	**(158.024)**	**36.675**	**124.670**	**8.400**	**90.979**	**10.398**	**-**	**113.098**
Currency exchange gains/ (losses)	(99.021)	(3.450)	-	-	(1)	(35)	-	(102.507)
Profit before tax, share of net result of associates & finance costs	**(257.045)**	**33.225**	**124.670**	**8.400**	**90.978**	**10.363**	**-**	**10.591**
Share of net result of associates and dividend income	667	-	-	(2.074)	56.161	-	-	54.754
Profit after associates	**(256.378)**	**33.225**	**124.670**	**6.326**	**147.139**	**10.363**	**-**	**65.345**
Finance (expense)/income - net								(48.488)
Profit before income tax								**16.857**
Income tax expense								12.176
Income applicable to non-controlling interests								(5.390)
Profit for the year attributable to the owners of the parent								**23.643**

Net operating losses of the refining segment during 2008 resulted from the devaluation of inventory (refer to Note 10).

5 Segment information (continued)

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

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
Total assets	3.773.547	1.577.285	2.741	249.086	503.785	1.701.110	(2.044.329)	5.763.225
Investments in associates	9.128	205	-	4.934	503.111	-	-	517.378
Total liabilities	1.660.939	810.585	-	177.309	-	1.474.075	(868.224)	3.254.685
Net assets	2.112.608	766.700	2.741	71.777	503.785	227.035	(1.176.105)	2.508.540
Capital expenditure	535.401	76.462	-	1.942	-	139	-	613.944
Depreciation & Amortisation	68.450	39.119	3.849	16.996	-	449	-	128.863

The segment assets and liabilities at 31 December 2008 are as follows:

	Refining	Marketing	Exploration & Production	Petro-chemicals	Gas & Power	Other	Inter-Segment	Total
Total assets	3.308.620	972.218	4.058	331.980	493.996	1.422.961	(1.387.843)	5.145.990
Investments in associates	7.417	214	-	6.592	493.996	-	-	508.219
Total liabilities	1.796.845	629.234	-	202.855	183	1.090.784	(1.047.577)	2.672.324
Net assets	1.511.775	342.984	4.058	129.125	493.813	332.177	(340.266)	2.473.666
Capital expenditure (Full year)	246.194	86.780	-	647	-	4.019	-	337.640
Depreciation & Amortisation (Full year)	69.562	32.835	-	17.308	-	431	-	120.136

6 Property, plant and equipment

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Con-struction	Total
Cost							
As at 1 January 2008	**213.708**	**418.297**	**1.910.865**	**39.869**	**78.228**	**186.363**	**2.847.330**
Additions	13.970	24.481	8.481	1.202	6.755	255.921	310.810
Acquisition of OPET	6.251	7.454	8.797	39	666	2.042	25.249
Capitalised projects	-	4.734	56.288	53	3.718	(64.793)	-
Disposals	(521)	(20.211)	(227.607)	(326)	(1.670)	(95)	(250.430)
Currency translation effects	(1.129)	(3.864)	(1.116)	(8)	(59)	(571)	(6.747)
Transfers and other movements	(5.666)	19.258	14.652	676	2.613	(19.551)	11.982
As at 31 December 2008	**226.613**	**450.149**	**1.770.360**	**41.505**	**90.251**	**359.316**	**2.938.194**
Accumulated Depreciation							
As at 1 January 2008	**-**	**205.010**	**1.137.873**	**25.260**	**62.847**	**-**	**1.430.990**
Charge for the year	-	16.776	81.882	2.898	5.810	-	107.366
Disposals	-	(4.982)	(32.397)	(234)	(1.288)	-	(38.901)
Currency translation effects	-	(540)	(566)	(21)	(38)	-	(1.165)
Transfers and other movements	-	(15)	-	-	-	-	(15)
As at 31 December 2008	**-**	**216.249**	**1.186.792**	**27.903**	**67.331**	**-**	**1.498.275**
Net Book Value at 31 December 2008	**226.613**	**233.900**	**583.568**	**13.602**	**22.920**	**359.316**	**1.439.919**
Cost							
As at 1 January 2009	**226.613**	**450.149**	**1.770.360**	**41.505**	**90.251**	**359.316**	**2.938.194**
Additions	6.933	7.779	11.320	30.413	6.462	545.930	608.837
Acquisition of BP Hellas	43.126	51.292	179.706	3.768	21.679	2.160	301.731
Capitalised projects	-	27.939	142.425	116	761	(171.241)	-
Disposals	(303)	(419)	(7.241)	(352)	(928)	(594)	(9.837)
Currency translation effects	(1.048)	(3.644)	(904)	(16)	(134)	(231)	(5.977)
Transfers and other movements	66	3.146	4.618	906	(1.768)	(12.852)	(5.884)
As at 31 December 2009	**275.387**	**536.242**	**2.100.284**	**76.340**	**116.323**	**722.488**	**3.827.064**
Accumulated Depreciation							
As at 1 January 2009	**-**	**216.249**	**1.186.792**	**27.903**	**67.331**	**-**	**1.498.275**
Charge for the year	-	19.920	82.542	3.251	7.408	-	113.121
Acquisition of BP Hellas	-	30.491	57.765	2.372	17.857	-	108.485
Disposals	-	(5)	(5.867)	(327)	(888)	-	(7.087)
Currency translation effects	-	(326)	(293)	(5)	135	-	(489)
Transfers and other movements	-	1.024	375	(6)	(1.393)	-	-
As at 31 December 2009	**-**	**267.353**	**1.321.314**	**33.188**	**90.450**	**-**	**1.712.305**
Net Book Value at 31 December 2009	**275.387**	**268.889**	**778.970**	**43.152**	**25.873**	**722.488**	**2.114.759**

(1) The Group has not pledged any property, plant and equipment as security for borrowings.

(2) Within the balance of Assets Under Construction at 31 December 2009 an amount of €256m (2008: €86m) relates to costs in respect of the upgrade of the Elefsina refinery, for which the construction phase commenced. Management expects that the project will be completed in 2011. Any potential delays during the engineering, procurement or construction phase will have equivalent effects on the project completion date.

(3) During 2009 an amount of € 2,9m in respect of interest has been capitalized in relation to Assets Under Construction relating to the refining segment, at an average borrowing rate of 2%. An additional of €2,0 m (2008: €0,2 m) in respect of interest has been capitalized in relation to retail petrol stations, included in Plant & Machinery.

7 Intangible assets

	Goodwill	Computer software	Licences & Rights	Other	Total
Cost					
As at 1 January 2008	**137.874**	**54.511**	**35.080**	**38.237**	**265.702**
Additions	792	5.908	-	5.562	12.262
Acquisition of OPET	-	8	7.913	-	7.921
Disposals	-	(95)	(13.529)	-	(13.624)
Currency translation effects	-	(28)	-	(2.390)	(2.418)
Other movements	-	3.000	-	-	3.000
As at 31 December 2008	**138.666**	**63.304**	**29.464**	**41.409**	**272.843**
Accumulated Amortisation					
As at 1 January 2008	**71.829**	**46.244**	**14.642**	**3.067**	**135.782**
Charge for the year	-	9.999	-	2.771	12.770
Disposals	-	(54)	(6.759)	-	(6.813)
Currency translation effects		(14)	-	-	(14)
Other movements	-	(586)	2.313	-	1.727
As at 31 December 2008	**71.829**	**55.589**	**10.196**	**5.838**	**143.452**
Net Book Value at 31 December 2008	**66.837**	**7.715**	**19.268**	**35.571**	**129.391**
Cost					
As at 1 January 2009	**138.666**	**63.304**	**29.464**	**41.409**	**272.843**
Additions	3.747	991	-	369	5.107
Acquisition of BP Hellas	-	603	-	61.600	62.203
Disposals	-	(9)	-	-	(9)
Currency translation effects	-	(30)	-	733	703
Other movements	(3.408)	3.079	2.967	(399)	2.239
As at 31 December 2009	**139.005**	**67.938**	**32.431**	**103.712**	**343.086**
Accumulated Amortisation					
As at 1 January 2009	**71.829**	**55.589**	**10.196**	**5.838**	**143.452**
Charge for the year	-	7.629	5.041	3.072	15.742
Acquisition of BP Hellas	-	263	-	-	263
Disposals	-	(5)	-	-	(5)
Currency translation effects	-	(10)	-	-	(10)
Other movements	-	-	-	(405)	(405)
As at 31 December 2009	**71.829**	**63.466**	**15.237**	**8.505**	**159.037**
Net Book Value at 31 December 2009	**67.176**	**4.472**	**17.194**	**95.207**	**184.049**

(1) The majority of the remaining amount of goodwill as at 31 December 2009 relates to the unamortised goodwill arising on the acquisition of Hellenic Petroleum Cyprus Ltd from BP plc in 2003 which is treated in line with the accounting policy in note 2.6. This has been tested for impairment as at 31 December 2009 and no such issue has been identified as the significant assumptions affecting the value of the company (price, margins, and volumes) are improved.

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

(3) Other intangible assets category includes rights of use of land in Serbia where under local statutory law, certain plots of land belong to the user under a right of use. Also included are amounts paid to the

government for use of land in Montenegro where the company holds title. Furthermore, included therein is the fair value of the contractual customer relationships from the acquired subsidiary (see Note 32).

8 Investments in associates and joint ventures

	As at	
	31 December 2009	**31 December 2008**
Beginning of the Year	**508.219**	**386.847**
Dividends received	(10.670)	(5.538)
Share of results of associates	18.418	54.754
Participation in joint ventures	-	68.198
Share capital increase / (decrease)	1.411	3.956
Other movements	-	2
End of the year	**517.378**	**508.219**

The Group participates in a number of other entities with significant influence but not a controlling shareholding. These investments are accounted for in the Group accounts under the equity method.

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

	For the year ended	
	31 December 2009	**31 December 2008**
DEPA	21.243	56.161
ELPEDISON	(2.193)	-
ARTENIUS	(1.658)	(2.074)
Other associates	1.026	667
Total	**18.418**	**54.754**

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

	As at 31 December 2009		
	Assets	**Liabilities**	**Revenues**
DEPA	2.552.598	1.300.525	974.732
ELPEDISON	501.117	410.427	33.452
ARTENIUS	53.897	34.405	65.272
EAKAA	20.792	12.085	3.912

	As at 31 December 2008		
	Assets	**Liabilities**	**Revenues**
DEPA	2.440.514	1.220.201	1.505.509
ELPEDISON	223.558	153.341	177.785
ARTENIUS	65.902	41.586	83.826
EAKAA	21.560	13.153	3.947

9 Loans, Advances & Long Term assets

	As at	
	31 December 2009	**31 December 2008**
Loans and advances	21.421	23.422
Other long term assets	118.151	145.621
Total	**139.572**	**169.043**

Loans and advances relate primarily to merchandise credit extended to third parties as part of the retail network expansion and is non interest bearing.

Other long term assets primarily include payments made to secure long term retail network locations and other prepayments of long term nature, which are non-interest bearing. These are amortised over the remaining life of the relating contracts of the petrol stations and are discounted using a rate of 5% for 2009 (2008: 5%).

10 Inventories

	As at	
	31 December 2009	**31 December 2008**
Crude oil	563.728	369.872
Refined products and semi-finished products	713.026	545.254
Petrochemicals	28.847	35.097
Consumable materials and other spare parts	80.662	82.868
- Less: Provision for consumables and spare parts	(12.311)	(12.311)
Total	**1.373.953**	**1.020.780**

The cost of goods sold included in “Cost of sales” for 2009 is equal to € 5,4 bn (2008: €8,9 bn).

The amount of the write-down of inventories (stock devaluation) recognized as an expense in 2009 and included in “Cost of sales” is equal to € 2,9 m (2008: € 201,1 m).

11 Trade and other receivables

	As at	
	31 December 2009	**31 December 2008**
Trade receivables	657.444	606.115
- Less: Provision for impairment of receivables	(106.918)	(95.233)
Trade receivables net	**550.526**	**510.882**
Other receivables	360.347	378.028
- Less: Provision for impairment of receivables	(19.217)	(19.463)
Other receivables net	**341.129**	**358.565**
Derivatives held for trading (Note 20)	-	24.833
Deferred charges and prepayments	24.027	35.324
Total	**915.683**	**929.604**

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

The fair values of receivables approximate their carrying amount.

The movement in the valuation allowance for trade receivables is set out below.

	As at	
	31 December 2009	**31 December 2008**
Balance at 1 January	95.233	113.725
Charged / (credited) to the income statement:		
- Additional provisions	19.447	4.654
- Receivables written off during the year as uncollectible	(17.840)	(19.951)
- Unused amounts reversed	(660)	(3.195)
Acquisition of subsidiary	10.738	-
Balance at 31 December	**106.918**	**95.233**

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

12 Cash and cash equivalents

	As at	
	31 December 2009	**31 December 2008**
Cash at Bank and in Hand	312.607	280.210
Short term bank deposits	178.589	596.326
Total	**491.196**	**876.536**

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

	As at	
	31 December 2009	**31 December 2008**
Euro	2,14%	4,48%
USD	0,50%	0,54%

13 Share capital

	Number of Shares (authorised and issued)	**Share Capital**	**Share premium**	**Total**
As at 1 January 2008 & 31 December 2008	**305.635.185**	**666.285**	**353.796**	**1.020.081**
As at 31 December 2009	**305.635.185**	**666.285**	**353.796**	**1.020.081**

All ordinary shares were authorised, issued and fully paid. The nominal value of each ordinary share is €2,18 (31 December 2008: €2,18).

Share options

During the AGM of Hellenic Petroleum S.A. held on 25 May 2005, a revised share option scheme was approved with the intention to link the number of share options granted to employees with the results and performance of the Company and its management. The AGM of Hellenic Petroleum S.A of 31 May 2006 has approved and granted stock options for the year 2005 of 272.100 shares, for which the vesting period is 1 November to 5 December of the years 2008 – 2012. The AGM of 17 May 2007 has approved and granted stock options for the year 2006 of 408.015 shares, vesting on 1 November to 5 December of the years 2009 – 2013. The AGM of 14 May 2008 has approved and granted stock options for the year 2007 of 385.236 shares, vesting on 1 November to 5 December of the years 2010 – 2014. It also approved the extension of the stock option scheme for an additional year. The AGM of 3 June 2009 has approved and granted stock options for the year 2008 of 1.704.716 shares, vesting on 1 November to 5 December of the years 2011 – 2015.

The movement in share options during the year were:

	As at			
	31 December 2009		**31 December 2008**	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
At 1 January	**10,63**	**1.065.351**	**10,40**	**680.115**
Granted	7,62	1.704.716	11,01	385.236
Exercised	-	-	-	-
Lapsed	-	-	-	-
At 31 December	**8,77**	**2.770.067**	**10,63**	**1.065.351**

Share options outstanding at the year end have the following expiry date and exercise prices:

Expiry Date	Exercise Price in € per share	No. of share options as at	
		31 December 2009	**31 December 2008**
5 December 2012	9,69	272.100	272.100
5 December 2013	10,88	408.015	408.015
5 December 2014	11,01	385.236	385.236
5 December 2015	7,62	1.704.716	-
	Total	**2.770.067**	**1.065.351**

As at 31 December 2009 only the stock options granted in 2006 and 2007 were exercisable. The average remaining contractual life of stock options outstanding at 31 December 2009 and 2008 was 4,93 and 5 years respectively.

Share based compensation is measured at fair value at the date of the grant using a binomial stock option valuation model. The inputs into the model were as follows:

	As at	
	31 December 2009	**31 December 2008**
Risk free-interest rate	5,16%	4,30%
Expected Volatility	35,00%	25,00%
Dividend Yield	6,00%	4,00%
Expected Life	4,6 years	4,9 years
Fair value of option granted	1,79	1,09

Total expense recognised in the statement of comprehensive income for share based compensation amounted to €1.166.

14 Reserves

	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax reserves	Other reserves	Total
Balance at 1 January 2008	**97.829**	**98.420**	**(47.380)**	**-**	**366.369**	**(1.715)**	**513.523**
Fair value gains / (losses) on cash flow hedges (Note 20)	-	-	10.901	-	-	-	10.901
Transfers to retained earnings (Law 3614/07)	-	-	-	-	(24.807)	-	(24.807)
Fair value losses on available-for-sale financial assets	-	-	-	-	-	(282)	(282)
Translation exchange differences	-	-	-	-	-	(2.534)	(2.534)
Balance at 31 December 2008	**97.829**	**98.420**	**(36.479)**	**-**	**341.562**	**(4.531)**	**496.801**
Fair value gains / (losses) on cash flow hedges (Note 20)	-	-	7.425	-	-	-	7.425
Share-based payments (Note 13)	-	-	-	1.166	-	-	1.166
Transfers from retained earnings (Law 3299/04)	-	-	-	-	1.147	-	1.147
Transfer to statutory reserves	2.835	-	-	-	-	-	2.835
Fair value losses on available-for-sale financial assets	-	-	-	-	-	(108)	(108)
Translation exchange differences	-	-	-	-	-	(3.427)	(3.427)
Balance at 31 December 2009	**100.664**	**98.420**	**(29.054)**	**1.166**	**342.709**	**(8.066)**	**505.839**

The year end hedging reserve is shown net of tax €2.136 (2008: €5.460) – refer to Note 26.

Statutory reserves

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

Special reserves

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

Tax free reserves

Tax free reserves include:

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

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

(iii) In line with similar policy in the past, the Group had set up tax free reserves under the provisions of applicable incentive legislation Law 3220/2004 of the Hellenic Republic in respect to investment plans amounting to €81 million. The EU Commission has subsequently challenged this law as being a government subsidy that is not in accordance with EU policies. The Greek Government, conforming to European Union Directives passed Law 3614/2007 on the 22 November 2007 cancelling the provisions of Law 3220/2004, enabling companies to reallocate investments under other incentive legislation and requesting the payment of any due tax on the remaining amounts. Following the legislation amendment of Law 3220/2004, an amount of €69,6 million previously included in tax free reserves has been reclassified to "Retained Earnings". As a result, the tax free reserves now include an amount of €11,4 million under Environmental Investment Laws 2601/98 and 3299/04. The Group has repaid the relevant investment subsidies under Law 3220/2004 and has appealed against the Greek State to include the relevant investment under law 2992/2002.

Components of other comprehensive income:

	As at	
	31 December 2009	**31 December 2008**
Available-for-sale financial assets:		
Losses arising during the year	(201)	(523)
	(201)	**(523)**
Cash flow hedges:		
Gains arising during the year (Note 20)	7.425	10.901
	7.425	**10.901**
Currency translation differences	(4.852)	(3.097)
Other comprehensive income for the period, net of tax	**2.372**	**7.281**

15 Trade and other payables

	As at	
	31 December 2009	**31 December 2008**
Trade payables	888.003	677.492
Accrued Expenses	26.373	30.105
Derivatives held for trading (Note 20)	26.536	12.268
Other payables	92.940	71.679
Total	**1.033.852**	**791.544**

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

16 Borrowings

	As at	
	31 December 2009	**31 December 2008**
Non-current borrowings		
Bank borrowings	607.805	448.084
Total non-current borrowings	**607.805**	**448.084**
Current borrowings		
Short term bank borrowings	1.224.235	1.089.103
Current portion of bank borrowings	80.609	21.252
Total current borrowings	**1.304.843**	**1.110.355**
Total borrowings	**1.912.648**	**1.558.439**

Within short-term and long-term borrowings finance leases are included as follows:

	As at	
	31 December 2009	**31 December 2008**
Obligations under finance leases		
Within 1 year	-	1.615
Between 1 and 5 years	-	4
Total lease payments	**-**	**1.619**
less: Interest		(100)
Total	-	**1.519**

Asprofos repaid the obligation under finance lease on 31 July 2009.

The maturity of non-current borrowings is the following:

	As at	
	31 December 2009	**31 December 2008**
Between 1 and 2 years	11.602	91.846
Between 2 and 5 years	596.203	356.238
	607.805	**448.084**

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

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

		As at 31 December 2008	
	€	**US$**	**RSD**
Bank Borrowings (short-term)			
- Floating Euribor + margin	4,78%	-	-
- Floating Libor + margin	-	1,10%	-
Bank Borrowings (long-term)			
- Floating Euribor + margin	3,22%	-	-
- Floating Libor + margin	-	1,51%	-
- NBS 2wk repo + margin	-	-	19,14%

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

	As at	
	31 December 2009	**31 December 2008**
Euro	1.298.811	969.413
US dollar	534.250	588.949
RSD	79.587	77
Total borrowings	**1.912.648**	**1.558.439**

Hellenic Petroleum Finance plc (HPF) was established in November 2005 in the U.K. and is a wholly-owned subsidiary of Hellenic Petroleum S.A. The company acts as the central treasury vehicle of the Hellenic Petroleum Group and its activities include the financing of the Group companies.

On 18 April 2006 HPF concluded a syndicated €300 million syndicated 364-day multi-currency revolving credit facility agreement with the guarantee of the parent company. The facility had an extension option for a further 364 day period which was exercised in 2007 and consequently the maturity date was extended to 15 April 2008. In April 2008, the facility was extended for a further 364 day period until 14 April 2009 and the facility amount was increased to €400 million. The outstanding balance of the facility as at 31 December 2009 amounted to the equivalent of €395 million (2008: €120 million).

On 2 February 2007 HPF signed a syndicated US$ 1,180 million credit facility agreement with a maturity of five years and two 364-day extension options, closely related to the host contract, exercisable prior to the first and the second anniversary of the facility. The facility is guaranteed by the parent company. A total of fifteen Greek and international financial institutions have participated in the facility. The facility comprises of fixed term borrowings and revolving credit. In 2007 the Company exercised the first extension option to extend the maturity date until 31 January 2013 to which all participating financial institutions have consented, except for one bank whose participation in the facility amounted to US$ 20 million. The outstanding balance under the facility as at 31 December 2009 amounted to the equivalent of € 812 million, of which short term revolving loans amounted to the equivalent of € 555 million.

On 9 December 2009, HPF concluded a syndicated €250 million facility agreement with a maturity of three years, with the possibility to increase the amount up to €350 million after syndication of the facility in the secondary market. The purpose of the facility was to finance the acquisition of Hellenic Fuels S.A. (see note 32). On 11 February 2010, following successful syndication in the secondary market the credit facility agreement was increased to €350 million. The outstanding balance of the facility amounted to €250 million as at 31 December 2009 and €350 million as at 11 February 2010.

The total balance of HPF's bank borrowings as at 31 December 2009 amounted to the equivalent of € 1.457 million. The proceeds of the aforementioned facilities have used to provide loans to other Group companies.

The loan analysis is as follows:

	As at	
	31 December 2009	**31 December 2008**
Revolving Credit Facility	1.191.370	1.005.799
Term loans	721.278	533.124
Overdrafts	-	17.997
Finance lease	-	1.519
Total borrowings	**1.912.648**	**1.558.439**

17 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	As at	
	31 December 2009	**31 December 2008**
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	23.919	69.619
	23.919	**69.619**
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	(53.613)	(22.104)
	(53.613)	**(22.104)**
	(29.692)	**47.515**

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

	As at	
	31 December 2009	**31 December 2008**
Beginning of the year	47.515	6.627
Income statement recovery / (charge)	(50.676)	44.167
Charged / (released) to equity	(2.136)	(5.459)
Acquisition of subsidiary (see Note 32)	(29.900)	-
Other movements	5.505	2.180
End of year	**(29.692)**	**47.515**

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

Intangible and tangible fixed assets	(32.656)	(30.771)
Inventory valuation	620	102
Unrealised exchange gains	(8.678)	(4.778)
Employee benefits provision	29.565	27.579
Derivative financial instruments at fair value	20.218	13.409
Acquisition of subsidiary (see Note 32)	(29.900)	-
Net operating losses carried forward	-	46.416
Other temporary differences	(8.861)	(4.442)
End of year	**(29.692)**	**47.515**

Deferred tax in relation to special or tax free reserves is calculated to the extent that the Group believes it is more likely than not to be incurred and is entered in the related accounts.

18 Retirement benefit obligations

	As at	
	31 December 2009	**31 December 2008**
Balance sheet obligations for:		
Pension benefits	148.464	153.736
Total as per balance sheet	**148.464**	**153.736**

	For the year ended	
	31 December 2009	**31 December 2008**
Income statement charge for:		
Pension benefits	98.710	28.581
Total as per income statement	**98.710**	**28.581**

The amounts recognised in the balance sheet are as follows:

	As at	
	31 December 2009	**31 December 2008**
Present value of funded obligations	1.890	-
Fair value of planned assets	(1.120)	-
Present value of unfunded obligations	194.027	197.486
Unrecognised actuarial gains / (losses)	(42.806)	(42.158)
Unrecognised prior service cost	(3.527)	(1.592)
Liability in the Balance Sheet	**148.464**	**153.736**

The amounts recognised in the income statement are as follows:

	For the year ended	
	31 December 2009	**31 December 2008**
Current service cost	10.191	10.132
Interest cost	10.592	8.907
Net actuarial (gains) / losses recognised in the year	8.268	2.403
Past service cost	1.364	122
Regular profit & loss charge	**30.415**	**21.565**
Additional cost of extra benefits	68.295	7.016
Total included in employee benefit expense	**98.710**	**28.581**

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

	As at	
	31 December 2009	**31 December 2008**
Beginning of the year	153.736	151.126
Total expense included in employee benefit expense	98.710	28.581
Payments made	(110.426)	(20.787)
Other adjustments	6.444	(5.184)
At year end	**148.464**	**153.736**

The principal actuarial assumptions used were as follows:

	As at	
	31 December 2009	**31 December 2008**
Discount Rate	5,80%	5,80%
Future Salary Increases	4,50%	4,50%
Average future working life	11,4 years	10,4 years

Additional cost of extra benefits for 2009 includes the voluntary retirement scheme costs (see Note 24).

19 Provisions and other long term liabilities

	As at	
	31 December 2009	**31 December 2008**
Government grants	27.813	26.431
Litigation and tax provisions	8.842	7.518
Leased petrol stations	9.158	10.405
Other provisions	11.131	8.352
Total	**56.944**	**52.706**

The movement for provisions and other long term liabilities for 2009 is as follows:

	Govern-ment advances and grants	**Litigation & tax povisions**	**Share purchase agreement**	**Leased petrol-stations**	**Other provisions**	**Total**
At 1 January 2008	**50.835**	**7.867**	**9.696**	**10.994**	**7.432**	**86.824**
Charged / (credited) to the income statement:						
- Additional provisions / grants	4.002		-	-	920	4.922
- Unused amounts reversed	(25.614)	-	-	-	-	(25.614)
- Unwinding of discount	-	-	-	-	-	-
Used during year	(2.792)	(349)	(9.696)	(589)	-	(13.426)
At 31 December 2008	**26.431**	**7.518**	**-**	**10.405**	**8.352**	**52.706**
Charged / (credited) to the income statement:						
- Additional provisions / grants	-	1.582	-	-	1.892	3.474
- Unused amounts reversed		(1.000)	-	-	-	(1.000)
- Utilized during year	(4.184)	-	-	-	-	(4.184)
Reclassifications	4.870	742	-	-	940	6.552
Additional grants	696	-	-	-	-	696
Used during year	-	-	-	(1.247)	(53)	(1.300)
At 31 December 2009	**27.813**	**8.842**	**-**	**9.158**	**11.131**	**56.944**

Government grants

Advances by the Government to the Group’s entities relate to property plant and equipment. Grants received during the year amount to € 3.983.

Environmental costs

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

Other provisions

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

20 Fair values of derivative financial instruments

Derivatives held for trading

In the context of managing risk resulting from the volatility in the inventory values of products and crude oil, the Group enters into derivative contracts. To the extent that these contracts are not designated as hedges, they are categorized as derivatives held-for-trading. The fair value of derivatives held-for-trading is recognized on the statement of financial position in "Trade and other debtors" and "Trade and other payables" if the maturity is less than 12 months and in "Loans, advances and other receivables" and "Other long term liabilities" if the maturity is more than 12 months. Changes in the fair value of these derivatives are charged to the Statement of comprehensive income either within Other (expenses)/income or Cost of sales.

The instruments used for this risk management include commodity exchange traded contracts (ICE futures), full refinery margin forwards, product price forward contracts or options.

As part of managing operating and price risk, the Group engages in derivative transactions with 3rd parties with the intention of matching physical positions and trades or close proxies thereof and are therefore considered an integral part of "Cost of Sales". During 2009 the amounts attributable to such derivatives were €47.930 loss (2008: (€44.454 loss) and are included in "Cost of Sales".

In certain cases it may not be possible to achieve a fully matched position, in which case the impact can not be considered as a "Cost of Sales" component. The result from such derivative positions in 2009 €15.297 loss (2008 €1.429 loss) and is shown under "Other operating (expenses) / income – net" (see note 24).

Derivatives designated as cash flow hedges

The Group uses derivative financial instruments to manage certain exposures to fluctuations in commodity prices. In this framework, the Group has entered into a number of commodity price swaps which have been designated by the Group as cash flow hedges, have been evaluated and proven to be highly effective, and in this respect, any changes in their fair value are recorded within Equity. The fair value of the Commodity swaps at the end of the reporting period was recognised in "Long term derivatives", while changes in their fair value are recorded in reserves as long as the forecasted purchase of inventory is highly probable and the cash flow hedge is effective as defined in IAS 39.

When certain of the forecasted transactions cease to be highly probable, they are de-designated from cash flow hedges at which time amounts charged to reserves are transferred to the statement of comprehensive income. The remaining cash flow hedges are highly effective and the movement in fair value of these derivatives amounting to a gain of €7.425 net of tax in 2009 (2008: gain of €10.901 net of tax) was transferred to the "Hedging Reserve".

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

Derivatives held for Trading

	31 December 2009				31 December 2008			
Commodity Derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT	**Bbls**	**€**	**€**	**MT**	**Bbls**	**€**	**€**
Commodity Swaps	550	3.840	-	26.536	600	20.860	16.811	36.675
Commodity Options	-	-	-	-	-	4.000	8.022	-
	550	**3.840**	**-**	**26.536**	**600**	**24.860**	**24.833**	**36.675**

Derivatives designated as Cash Flow Hedges

	31 December 2009				31 December 2008			
Commodity Derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT	**Bbls**	**€**	**€**	**MT**	**Bbls**	**€**	**€**
Commodity Swaps	2.100	-	-	37.253	1.800	-	-	46.812
	2.100	**-**	**-**	**37.253**	**1.800**	**-**	**-**	**46.812**
Total			**-**	**63.789**			**24.833**	**83.487**

	31 December 2009		31 December 2008	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Non-current portion				
Commodity swaps	-	37.253	-	71.219
	-	**37.253**	**-**	**71.219**
Current portion				
Commodity options (Notes 11, 15)	-	-	8.022	-
Commodity swaps (Notes 11, 15)	-	26.536	16.811	12.268
	-	**26.536**	**24.833**	**12.268**
Total	**-**	**63.789**	**24.833**	**83.487**

21 Employee benefit expense

	For the year ended	
	31 December 2009	**31 December 2008**
Wages and salaries	216.977	212.069
Social security costs	40.954	39.962
Pension costs	92.356	29.132
Other employment benefits	37.557	39.357
Total	**387.844**	**320.520**

Included in Pension costs for 2009 are the additional expenditure incurred regarding the Voluntary Retirement Scheme (see Note 24).

Included in Other employment benefits are medical insurance, catering, and transportation expenses. The value of shared – based compensation of €1.166 is also included therein (see Note 13).

22 Selling, distribution and administrative expenses

	For the year ended	
	31 December 2009	**31 December 2008**
Selling and distribution expenses	282.295	267.114
Administrative expenses	136.945	124.365
	419.241	**391.479**

23 Exploration and Development expenses

Exploration and development expenses comprise expenditure associated with the Group's exploration activities as an operator in one block in western Egypt and in another block in southern Egypt in a joint venture with Melrose and Kuwait Energy through the Hellenic Petroleum branch in Egypt. As these projects are still in the exploration phase, all amounts spent are expensed. (2009: € 15.441 and 2008: € 10.690).

24 Operating income / (expenses) - net

	For the year ended	
	31 December 2009	**31 December 2008**
Income from grants	4.184	3.551
Exploration & production grants	-	25.614
Gains on derivative financial instruments	9.329	8.877
Losses on derivative financial instruments	(20.103)	(17.705)
Gain on sale of interest in JV in Libya (b)	-	117.718
Gain from legal case of ELPET Valkaniki (a)	-	27.386
Gain on disposal of subsidiaries (note 8)	-	52.900
Services to third parties	3.534	4.084
Rental income	11.999	9.872
Voluntary retirement scheme cost	(67.679)	-
Excess of acquirer's interest resulting from business combinations (Note 32)	15.000	-
Other income	25.815	24.369
Total	**(17.921)**	**256.666**

Other operating (expenses) / income – net include amongst other items income or expenses which do not represent trading activities of the Group. Also included in Other Operating (Expenses) / Income are gains / (losses) from derivative positions not directly associated with operating activities (note 20).

(i) Other operating (expenses) / income include the additional costs incurred regarding the voluntary retirement schemes (VRS) effected during the second half of 2009.

(ii) Advances by the Government (Hellenic State) amounting to €25.614 were paid to the Company for the purposes of research and exploration and had been recorded as a liability since such amounts could become payable if income was generated from activity in the relevant areas. In July 2007, the Government decreed by Law 3587, which all Greek onshore and offshore blocks awarded to the Company, ipso jure return to the State without further action. The Company was also obliged to deliver to the Ministry of Development all pertinent documentation, studies, maps and any other papers in its possession. As part of its accounting policy no exploration and production rights in Greece had been capitalized by the Company as assets in its Financial Statements. All exploration and production relating expenditure was expensed in the years incurred. During 2008 management reviewed its position in relation to the above and obtained a legal opinion based on which liability resulting from these Grants was deemed remote. Furthermore in December 2008 the Company initiated the process of delivering of the studies, maps and related documentation relating to the aforementioned blocks to the state authorities. Accordingly the Company proceeded to write off the entire amount of €25.614 recognising an equivalent amount of other operating income for the year ended 31 December 2008.

(iii) On 11 November 2008, the Company disposed its 20% stake in a consortium with Woodside (45%) and Repsol (35%) in an oil and gas licence for the exploration of 5 onshore blocks in Libya for a total consideration of $172 million (€137,7 million). The resulting gain of €117,7 consists of the total consideration received of €137,7 million less the 2008 exploration costs and other expenses incurred in finalising the transaction.

(iv) During 2008, the Group recognized a gain amounting to €27 million arising from compensation received in settlement of a dispute between ELPET VALKANIKI (a subsidiary of the Group) and the state of FYROM in accordance with a settlement agreement which was signed between the two parties in 2007. The state of FYROM made payment of the agreed compensation to ELPET VALKANIKI of €27 million ($40 million) on 31 December 2007 in accordance with the settlement agreement, but this was subject to certain conditions, therefore, the amount was taken to Other Liabilities as of 31 December 2007. These conditions were met in 2008, at which time the compensation amount was recognized in the Statement of comprehensive income within Other operating income.

(v) On 3 July 2008, Hellenic Petroleum announced the signing of an agreement with Edison SpA, Italy's second largest electricity producer and gas distributor, creating a strategic alliance in power generation and trading. The alliance took the form of a joint venture named Edison B.V. aiming to put in place a power generation portfolio of 1,500-2,000MW and power trading and marketing activities. Based on the agreement with Edison, Hellenic Petroleum contributed to the joint-venture its wholly owned subsidiary Energiaki Thessalonikis, while Edison contributed its 65% holding in Thisvi, plus €55m cash to Hellenic Petroleum. The transaction was consummated on December 18, 2008 and resulted in a gain of €52,9m for Hellenic Petroleum Group justified as the difference between cash of €55m and the fair value of the effective interest in Thisvi (32,5%) less the carrying amount of net assets disposed (50% of Energiaki Thessalonikis). As from the date of the consummation, the Group accounts for its 50% ownership in the joint-venture on an equity basis.

25 Finance costs -net

	For the year ended	
	31 December 2009	**31 December 2008**
Interest income	20.914	31.229
Interest expense and similar charges	(53.919)	(79.717)
Accrued Interest	(512)	-
Finance costs -net	**(33.517)**	**(48.488)**

In addition to the finance cost shown above, an amount of € 4,9 million (2008: €0,2 million) has been capitalized, as further explained in Note 6.

26 Income tax expense

	For the year ended	
	31 December 2009	**31 December 2008**
Current tax	15.476	31.991
Deferred tax (Note 17)	50.676	(44.166)
Total	**66.152**	**(12.176)**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company, as follows:

	For the year ended	
	31 December 2009	**31 December 2008**
Profit Before Tax	**242.414**	**16.857**
Income tax calculated at tax rates applicable to profits	62.961	(12.029)
Tax on income not subject to tax	(29.265)	(33.315)
Tax on expenses not deductible for tax purposes	18.202	20.973
Tax losses utilised or carried forward	(63)	(15)
Effect of tax rate change	-	(1.515)
Other	14.317	13.727
Tax Charge	**66.152**	**(12.176)**

The basic tax rate for Hellenic Petroleum S.A. was 25% for the period ending 31 December 2009 (25% for the period ending 31 December 2008).

In 2008 a new tax law (L3697/2008) was enacted on the base of which income tax rates for the fiscal years 2009, 2010, 2011, 2012, 2013 and periods after 1 January 2014 would be 25%, 24%, 23%, 22%, 21% and 20% respectively. These rates have been used for deferred tax calculations as at 31 December 2009.

A number of the Group subsidiaries continue to have unaudited fiscal years by the tax authorities. Hellenic Petroleum S.A. has not been audited from 2002 onwards. EKO S.A. has not been audited for the fiscal years 2008 to 2009.

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

	For the year ended					
	31 December 2009			**31 December 2008**		
	Before tax	**Tax (charge)/ credit**	**After tax**	**Before tax**	**Tax (charge)/ credit**	**After tax**
Available-for-sale financial assets	(201)	-	(201)	(523)	-	(523)
Cash flow hedges	9.561	(2.136)	7.425	16.361	(5.460)	10.901
Currency translation differences	(4.852)	-	(4.852)	(3.097)	-	(3.097)
Other comprehensive income	**4.508**	**(2.136)**	**2.372**	**12.741**	**(5.460)**	**7.281**

27 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	For the year ended	
	31 December 2009	**31 December 2008**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**0,57**	**0,08**
Net income attributable to ordinary shares (Euro in thousands)	174.890	23.643
Average number of ordinary shares outstanding	305.635.185	305.635.185

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

28 Dividends per share

A proposal to the AGM for an additional € 0,35 per share as final dividend for 2007 was approved by the Board of Directors on 14 February 2008. This amounts to €106.972 and is included in the current financial statements.

At its meeting held on 7 August, 2008, during which the Board of Directors approved the Condensed Interim Financial Information of the Company for the six month period ended 30 June 2008, the Board proposed and approved an interim dividend for the 2008 financial year of €0,15 per share (amounting to a total of €45.845) The relevant amounts relating to the interim dividend for 2008 and the final dividend for 2007 (totaling €152.817) are included in these financial statements.

A proposal to the AGM for an additional € 0,30 per share as final dividend was approved by the Board of Directors on 26 February 2009. This amounts to €91.691 and is included in the current financial statements.

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

A proposal to the AGM for an additional € 0,30 per share as final dividend was approved by the Board of Directors on 25 February 2010. This amounts to €91.691and is not included in these accounts as it has not yet been approved by the shareholders' AGM.

29 Cash generated from operations

	Note	For the year ended 31 December 2009	31 December 2008
Profit before tax		**242.414**	**16.857**
Adjustments for:			
Depreciation and amortisation of property, plant & equipment and intangible assets	**6,7**	128.863	136.042
Amortisation of grants		(4.184)	(3.551)
Finance costs - net	**25**	33.517	48.488
Share of operating profit of associates and dividends		(18.418)	(60.292)
Gain from partial disposal of Energiaki	**24**	-	(53.900)
Gain from disposal of E&P licence	**24**	-	(117.718)
Gain from legal case of ELPET Valkaniki	**24**	-	(27.386)
Provisions		52.981	28.581
Foreign exchange (gains) / losses		3.714	98.641
(Gain) / loss on sales of P.P.E.		(1.321)	(223)
		437.566	**65.539**
Changes in working capital			
(Increase) / decrease in inventories		(353.390)	510.832
(Increase) / decrease in trade and other receivables		16.426	517.164
Increase / (decrease) in payables		266.828	(219.414)
		(70.136)	**808.582**
Net cash generated from operating activities		**367.430**	**874.121**

30 Contingencies and litigation

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. Provisions are set up by the Group against such matters whenever deemed necessary and included in other provisions (note 19). They are as follows:

(i) The Group is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information, management believes the outcome will not have a significant effect on the Group's operating results or financial position.

(ii) The Company has not undergone a tax audit for the years ended 31 December 2002 to 31 December 2009. The tax audit for Hellenic Petroleum S.A. for the years 2002 – 2005 is currently under way, while a temporary tax audit for the financial year 2006 was finalized in 2009. The tax audit of Petrola Hellas AEBE (merged with Hellenic Petroleum S.A. in 2003) for 2002 and 1/1 – 4/6/2003 was also completed in March 2009. Management believes that no additional material liability will arise as a result of open tax years over and above the tax liabilities and provisions recognised in the consolidated financial statements.

(iii) Hellenic Petroleum SA has provided guarantees to the favour of banks as security for loans granted by them to subsidiaries and associates of the Group, the outstanding amount of which as at 31 December 2009 was the equivalent of € 1.715 million (31 December 2008 €1.124 million). The Group has issued letters of credit and guarantees to the favour of third parties which as at 31 December 2009 amounted to the equivalent of €568 million (31 December 2008 €541 million)mainly for the completion of contracts entered into by the Group.

(iv) Following complaints by IATA, the Greek Competition Committee initiated an investigation into the pricing of aviation jet fuel in the Greek market. The conclusion of the investigation was to assert a fine of €9.4m to all Greek refineries, Hellenic Petroleum share accounts for €7,3m and it is based on a percentage of the relevant sales revenues in the year preceding the complaint. The Group maintaining its position that the rational of the conclusion has not taken into account critical evidence presented, filed an appeal with the Athens Administrative Court of Appeals. In parallel a petition to suspend the decision was also filed and partially accepted; the Court suspended the corrective measures imposed by the Greek Competition Committee until 31 August 2007 (since then all necessary changes have been implemented), but did not suspend the payment of the fine, which has been paid. The court date for the appeal, initially set for the 27 September 2007 was postponed to take place on 17 January 2008, and was finally tried on 25 September 2008. The resolution issued has partly accepted the Group's appeal i.e. (a) has reduced the fine of €7,3 million by €1,5 million and (b) has revoked the corrective measures which were temporarily suspended as above. The Group is contesting the above decision before the Supreme Administrative Court for the part for which the aforementioned resolution has not been fully accepted. The court date has been set for 3 June 2010.

(v) In November and December 2008, the Z' Customs Office of Piraeus, issued deeds of assessment amounting at approx. €40.000 for alleged stock shortages in the bonded warehouses of Aspropyrgos and Elefsina installations. In relation with the above, the Company has filed within the deadlines required by the Law, contestations before the Administrative Court of First Instance of Piraeus. In addition, independent auditors have confirmed that there are no stock shortages and the books are in complete agreement with official stock counts. Further to the substantial reasons of contestation, the legal advisors have expressed the opinion that such claims have been time-barred.

(vi) On 25 September 2009 the Commission for the Protection of Competition in Cyprus imposed a fine amounting to €14,3 million against Hellenic Petroleum Cyprus Ltd. Pertinent legal actions are in progress and the likelihood for an outflow of resources is assessed as remote. The court date for the appeal (together with the hearing for the other companies that are involved) commenced in 18 January 2010 and is in progress.

31 Commitments

Significant contractual commitments of the Group are as follows:

- Total capital commitments for the Group amount to €617 million (31 December 2008: €511 million) of which €454 million relate to the Hydrocracker project.

- Upstream exploration and development costs of €4 million (31 December 2008: €13 million) have been committed as part of the Joint Operating Agreements (JOA) in place. These commitments will depend on the progress of exploration activities.

32 Business combinations

Year ended 31 December 2009

On 10 December 2009, the Group acquired 100% of the share capital of BP Hellas S.A. (subsequently renamed Hellenic Fuels S.A.)., a company operating in the marketing sector. The acquired business contributed revenues of €53.485 and net profit of €15.123 to the Group for the year ended 31 December 2009.

If the acquisition had occurred on 1 January 2009, the acquired revenue and net profit would have been €873.702 and €22.699 respectively (after the elimination of intra-group transactions of €448.721).

Details of the acquisition are as follows:

	Fair value	Acquiree's carrying amount
Property, plant and equipment	193.338	105.568
Intangible assets	61.940	340
Deferred income tax assets	6.756	6.756
Available-for-sale financial assets	395	395
Loans, advances and other receivables	53.227	53.227
Inventories	34.082	34.082
Trade and other receivables	155.403	155.403
Cash and cash equivalents	40.570	40.570
Non current borrowings	(40.000)	(40.000)
Deferred income tax liabilities	(29.800)	-
Retirement benefit obligations	(8.883)	(8.883)
Provisions and other long term liabilities	(870)	(19.970)
Trade and other payables	(67.877)	(67.877)
Current income tax liabilities	(6.501)	(6.501)
Current borrowings	(86)	(86)
Fair value of net assets acquired	**391.694**	**253.024**
Excess of acquirer's interest	(15.000)	
Total purchase consideration	**376.694**	
Purchase consideration settled in cash	376.694	
Cash and cash equivalents in subsidiary acquired	(40.570)	
Cash outflow on acquisition	**336.124**	

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

The fair values of the acquired assets and liabilities assumed are preliminary and pending finalisation.

Year ended 31 December 2008

(i) On 31 October 2008 the Group acquired 100% share capital of OPET Aygaz EAD (subsequently renamed Hellenic Petroleum Bulgaria Properties Ltd.), a Bulgarian company with a network of 17 newly built petrol stations and 3 strategically located fuel depots in Bulgaria for a cash consideration of €6.034. The consideration paid was allocated to Non Current Assets: €33.168, Current Assets: €5.161, Non Current Liabilities: €295, Current Liabilities: €32.000.

(ii) On 31 December 2008 Hellenic Petroleum S.A. acquired 100% of the share capital of Petrola A.E. a real estate company for a consideration of €5,5 million. Petrola A.E. has been consolidated using the full consolidation method in the financial statements for the year ended 31 December 2008.

33 Related-party transactions

	For the year ended	
	31 December 2009	**31 December 2008**
Sales of goods and services to related parties (within Sales)	403.962	764.573
Purchases of goods and services from related parties (within Cost of sales)	38.066	41.877
	442.028	**806.450**

	As at	
	31 December 2009	**31 December 2008**
Balances due to related parties (within Trade and other payables)	273.667	2.097
Balances due from related parties (within Trade and other receivables)	179.147	198.504
	452.814	**200.601**

	For the year ended	
	31 December 2009	**31 December 2008**
Charges for directors remuneration	4.650	4.435

All transactions with related parties are conducted under normal trading and commercial terms on an arm's length basis.

Transactions and balances with related parties are in respect of the following:

a) Parties which are under common control with the Group due to the shareholding and control rights of the Hellenic State:
   - Public Power Corporation Hellas
   - Hellenic Armed Forces
   - Olympic Airways/ Olympic Airlines

b) Financial institutions which are under common control with the Group due to the shareholding and control rights of the Hellenic State. The Group had loans amounting to the equivalent of €477 million as at 31 December 2009 (31 December 2008: equivalent of €283 million) which represent loan balances due to the following related financial institutions:
   - National Bank of Greece
   - Agricultural Bank of Greece

c) Joint ventures with other third parties:
- STPC Ltd, Hellenic Petroleum S.A. & Calfrac
- Melrose, Kuwait Energy & Hellenic Petroleum S.A.

d) Associates of the Group which are consolidated under the equity method:
- Athens Airport Fuel Pipeline Company S.A. (EAKAA)
- Public Gas Corporation of Greece S.A. (DEPA)
- Artenius S.A.
- Elpedison B.V.
- Spata Aviation Fuel Company S.A. (SAFCO)

e) Financial institutions in which substantial interest is owned by parties which hold significant participation in the share capital of the Group. The Group had loans amounting to the equivalent of €614 million as at 31 December 2009 (31 December 2008: equivalent of €178 million) with the following related financial institutions:
- EFG Eurobank Ergasias S.A.

f) Enterprises in which substantial interest is owned by parties which hold significant participation in the share capital of the Group.
- Private Sea Marine Services (ex Lamda Shipyards)

34 Principal subsidiaries, associates and joint ventures included in the consolidated financial statements

COMPANY NAME	ACTIVITY	COUNTRY OF REGISTRATION	PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
EKO S.A	Marketing	GREECE	100,00%	FULL
HELLENIC FUELS S.A.	Marketing	GREECE	100,00%	FULL
EKOTA KO	Marketing	GREECE	49,00%	FULL
EKO KALYPSO	Marketing	GREECE	100,00%	FULL
EKO ATHINA S.A.	Vessel owning	GREECE	100,00%	FULL
EKO ARTEMIS S.A.	Vessel owning	GREECE	100,00%	FULL
EKO DIMITRA S.A.	Vessel owning	GREECE	100,00%	FULL
EKO IRA S.A.	Vessel owning	GREECE	100,00%	FULL
EKO AFRODITI S.A.	Vessel owning	GREECE	100,00%	FULL
EKO BULGARIA	Marketing	BULGARIA	100,00%	FULL
EKO-YU AD BEOGRAD	Marketing	SERBIA	100,00%	FULL
EKO GEORGIA LTD	Marketing	GEORGIA	100,00%	FULL
HELPE INT'L	Holding	AUSTRIA	100,00%	FULL
HELPE CYPRUS	Marketing	CYPRUS	100,00%	FULL
RAMOIL S.A.	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA PROPERTIES LTD	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM SERBIA (HOLDINGS) LTD	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM GEORGIA (HOLDINGS) LTD	Marketing	CYPRUS	100,00%	FULL
JUGOPETROL AD KOTOR	Marketing	MONTENEGRO	54,35%	FULL
GLOBAL ALBANIA S.A	Marketing	ALBANIA	99,96%	FULL
ELDA PETROL ALBANIA	Marketing	ALBANIA	99,96%	FULL
ELPET BALKANIKI S.A.	Holding	GREECE	63,00%	FULL
VARDAX S.A	Pipeline	GREECE	50,40%	FULL
OKTA CRUDE OIL REFINERY A.D	Refining	FYROM	51,35%	FULL
ASPROFOS S.A	Engineering	GREECE	100,00%	FULL
DIAXON S.A.	Petrochemicals	GREECE	100,00%	FULL
POSEIDON S.A.	Vessel owning	GREECE	100,00%	FULL
APOLLON S.A.	Vessel owning	GREECE	100,00%	FULL
HELLENIC PETROLEUM FINANCE PLC	Treasury services	U.K	100,00%	FULL
HELLENIC PETROLEUM CONSULTING	Consulting services	GREECE	100,00%	FULL
PETROLA A.E.	Real Estate	GREECE	100,00%	FULL
HELLENIC PETROLEUM RENEWABLE ENERGY SOURCES	Energy	GREECE	100,00%	FULL
ELPEDISON B.V.	Power Generation	NETHERLANDS	50,00%	EQUITY
DEPA S.A.	Natural Gas	GREECE	35,00%	EQUITY
ARTENIUS HELLAS S.A.(EX V.P.I. S.A.)	Petrochemicals	GREECE	35,00%	EQUITY
E.A.K.A.A	Pipeline	GREECE	50,00%	EQUITY
HELPE THRAKI S.A	Pipeline	GREECE	25,00%	EQUITY
BIODIESEL S.A.	Energy	GREECE	25,00%	EQUITY

During 2008, ELPET VALKANIKI (a 63% subsidiary of the Group) transferred shares corresponding to a 20% shareholding in VARDAX S.A. to the state of FYROM in accordance with the terms of the settlement agreement signed between the two parties in 2007. The transfer was treated under the economic entity approach, which is the accounting policy applied by the Group for transactions with non-controlling interests (see note 2.2). Accordingly the impact of the transfer was reflected directly in the Statement of Changes in Equity. Furthermore, ELPET Valkaniki decreased its share capital by €19.975. The impact for the non-controlling interests is reflected in the statement of Changes in Equity.

35 Other significant events

Other as described in Note 16 to the consolidated financial statement there were no further significant events during the year.

36 Subsequent events

There were no significant events that took place after the current end of the reporting period as at 31 December 2009.

HELLENIC PETROLEUM S.A.

Financial Statements
in accordance with IFRS for the
year ended 31 December 2009

COMPANY REGISTRATION NUMBER: 2443/06/B/86/23
REGISTERED OFFICE: 54 AMALIAS AVE, ATHENS, 54,105, GREECE

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Company Information

Directors	Anastasios Giannitsis – Chairman of the Board (since 02/12/2009) Efthimios Christodoulou – Chairman of the Board (until 02/12/2009) John Costopoulos – Chief Executive Officer Theodoros-Achilleas Vardas – Executive Member Alexios Athanasopoulos – Non executive Member (since 14/05/2008) Dimokritos Amallos – Non executive Member (since 28/12/2009) Georgios Kallimopoulos – Non executive Member Alexandros Katsiotis – Non executive Member (since 28/12/2009) Dimitrios Lalas – Non executive Member (since 28/12/2009) Gerassimos Lachanas – Non executive Member (since 28/12/2009) Anastassios Banos – Non executive Member (since 28/12/2009) Panagiotis Ofthalmides – Non executive Member (since 14/5/2008) Theodoros Pantalakis – Non executive Member (since 28/12/2009) Spyridon Pantelias – Non executive Member (since 28/12/2009)
Other Board Members during the reporting period:	Andreas Vranas – Non executive member (until 14/05/2008) Vasilios Nikitas – Non executive Member (until 14/05/2008) Dimitrios Deligiannis – Non executive Member (until 14/05/2008) Marios Tsakas – Non executive Member (until 07/08/2008) Nikolaos Lerios – Executive Member (until 05/05/2009) Nikolaos Pefkianakis – Non executive Member (05/05/2009 – 28/12/2009) Vasilios Bagiokos – Non executive Member (until 28/12/2009) Panagiotis Pavlopoulos – Non executive Member (until 28/12/2009) Iason Stratos – Non executive Member (until 28/12/2009) Elisabeth Typaldou-Loverdou – Non executive Member (until 28/12/2009) Dimitrios Miliakos – Non executive Member (14/05/2008 – 02/12/2009) Ioulia Armagou – Non executive Member (07/08/2008 – 28/12/2009)
Registered Office:	54 Amalias Avenue 10558 Athens, Greece
Registration number:	2443/06/86/23 / Ministry of Development
Auditors:	PricewaterhouseCoopers S.A. Leoforos Kifisias 268 152 32 Halandri Athens, Greece

Statement of Financial Position

	Note	As at 31 December 2009	31 December 2008
ASSETS			
Non-current assets			
Property, plant and equipment	**6**	1.307.928	855.247
Intangible assets	**7**	11.801	17.446
Investments in affiliated companies	**8**	695.948	707.838
Deferred income tax assets	**17**	10.231	61.465
Available-for-sale financial assets		21	21
Loans, advances and other receivables	**9**	1.313	632
		2.027.242	**1.642.649**
Current assets			
Inventories	**10**	1.211.492	940.722
Trade and other receivables	**11**	785.964	713.693
Cash and cash equivalents	**12**	127.809	520.232
		2.125.265	**2.174.647**
Total assets		**4.152.507**	**3.817.296**
EQUITY			
Share capital	**13**	1.020.081	1.020.081
Reserves	**14**	501.980	489.407
Retained Earnings		392.899	371.901
Total equity		**1.914.960**	**1.881.389**
LIABILITIES			
Non- current liabilities			
Borrowings	**16**	259.673	263.227
Retirement benefit obligations	**18**	114.670	123.496
Long term derivatives	**20**	37.253	71.219
Provisions and other long term liabilities	**19**	27.729	31.565
		439.325	**489.507**
Current liabilities			
Trade and other payables	**15**	913.476	682.404
Current income tax liabilities		2.204	-
Borrowings	**16**	879.709	760.798
Dividends payable		2.833	3.198
		1.798.222	**1.446.400**
Total liabilities		**2.237.547**	**1.935.907**
Total equity and liabilities		**4.152.507**	**3.817.296**

The Notes on pages 11 to 54 are an integral part of this financial information.

These financial statements were approved by the Board of Directors on 25 February 2010.

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

Statement of Comprehensive Income

	Note	For the year ended 31 December 2009	31 December 2008
Sales		**6.172.586**	**9.319.595**
Cost of sales		(5.739.442)	(9.332.245)
Gross profit		**433.144**	**(12.650)**
Selling, distribution and administrative expenses	**22**	(185.283)	(178.274)
Exploration and development expenses	**23**	(15.439)	(10.690)
Other operating income/(expenses) - net	**24**	(13.043)	158.393
Dividend income		17.110	19.075
Operating profit		**236.489**	**(24.146)**
Finance (expenses)/income -net	**25**	(15.745)	(21.744)
Currency exchange (losses)/gains		(1.730)	(96.192)
Profit/(loss) before income tax		**219.014**	**(142.082)**
Income tax expense	**26**	(56.498)	33.792
Profit/(loss) for the year		**162.516**	**(108.290)**
Other comprehensive income:			
Unrealised gains/(losses) on revaluation of hedges	**14**	7.425	10.901
Other Comprehensive income/(loss) for the year, net of tax		7.425	10.901
Total comprehensive income/(loss) for the year		**169.941**	**(97.389)**
Basic and diluted earnings per share (expressed in Euro per share)	**27**	**0,53**	**(0,35)**

The Notes on pages 11 to 54 are an integral part of this financial information.

Statement of Changes in Equity

	Note	Share Capital	Reserves	Retained Earnings	Total Equity
Balance at 1 January 2008		**1.020.081**	**503.313**	**608.201**	**2.131.595**
Unrealised gains / (losses) on revaluation of hedges	**14**	-	10.901	-	10.901
Other comprehensive income		**-**	**10.901**	**-**	**10.901**
Profit for the year		-	-	(108.290)	(108.290)
Total comprehensive income for the year		**-**	**10.901**	**(108.290)**	**(97.389)**
Transfers to retained earnings (Law 3220/04)		-	(24.807)	24.807	-
Dividends relating to 2007 and to interim 2008		-	-	(152.817)	(152.817)
Balance at 31 December 2008		**1.020.081**	**489.407**	**371.901**	**1.881.389**
Unrealised gains / (losses) on revaluation of hedges	**14**	-	7.425	-	7.425
Other comprehensive income		**-**	**7.425**	**-**	**7.425**
Profit for the year		-	-	162.516	162.516
Total comprehensive income for the year		**-**	**7.425**	**162.516**	**169.941**
Share based payments	**13**	-	1.166	-	1.166
Transfers from retained earnings (Law 3299/04)		-	1.147	(1.147)	-
Transfers to statutory reserves			2.835	(2.835)	
Dividends relating to 2008 and to interim 2009		-	-	(137.536)	(137.536)
Balance at 31 December 2009		**1.020.081**	**501.980**	**392.899**	**1.914.960**

The Notes on pages 11 to 54 are an integral part of this financial information.

Statement of Cash flows

	Note	For the year ended 31 December 2009	31 December 2008
Cash flows from operating activities			
Cash (used in) / generated from operations	**29**	139.353	585.317
Income and other taxes paid		(5.196)	(165.609)
Net cash generated from operating activities		**134.157**	**419.708**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**6,7**	(524.617)	(248.470)
Proceeds from disposal of property, plant and equipment & intangible assets		-	1.323
Proceeds from disposal of E&P licence	**24**	-	124.450
Grants received		3.899	925
Dividends received		18.448	16.655
Interest received	**25**	10.201	12.135
Investments in affilated companies - net		(674)	(1.439)
Net cash used in investing activities		**(492.743)**	**(94.421)**
Cash flows from financing activities			
Interest paid	**25**	(25.121)	(33.879)
Dividends paid		(137.901)	(152.837)
Repayments of borrowings		(1.278.270)	(427.285)
Proceeds from borrowings		1.412.776	778.239
Net cash (used in) / generated from financing activities		**(28.516)**	**164.238**
Net increase / (decrease) in cash & cash equivalents		**(387.102)**	**489.525**
Cash & cash equivalents at beginning of the year	**12**	**520.232**	**26.815**
Exchange gains on cash & cash equivalents		(5.321)	3.892
Net (decrease) / increase in cash & cash equivalents		(387.102)	489.525
Cash & cash equivalents at end of the year	**12**	**127.809**	**520.232**

The Notes on pages 11 to 54 are an integral part of this financial information.

Notes to the financial statements

1 General information

Hellenic Petroleum S.A. (the "Company") operates in the oil industry with its principal activities being those of refining of crude oil and sale of oil products, and the production and trading of petrochemical products. The Company is also engaged in exploration and production of hydrocarbons.

The Company is incorporated in Greece and the address of its registered office is 54 Amalias Ave., Athens, Greece. The shares of the Company are listed on the Athens Stock Exchange and the London Stock Exchange through GDNs.

The same accounting policies and recognition and measurement principles are followed in these financial statements as compared with the annual consolidated financial statements of the Group for the year ended 31 December 2009. The Company's functional and presentation currency is the Euro, and the financial information in these financial statements is expressed in thousands of Euro (unless otherwise stated).

The financial statements of Hellenic Petroleum S.A. for year ended 31 December 2009 were approved for issue by the Board of Directors on 25 February 2010. The shareholders of the Company have the power to amend the financial statements after issue.

Users of these stand-alone financial statements should read them together with the Group's consolidated financial statements for the year ended 31 December 2009 in order to obtain full information on the financial position, results of operations and changes in financial position of the Group as a whole. These are located on the Group's website: www.helpe.gr.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"). The European Union ("EU")has adopted all IFRS that were issued by the IASB and are effective for the year ended 31 December 2009, with the exception of certain provisions of IAS 39 that have no effect in our financial statements. As such, these financial statements comply with International Financial Reporting Standards (IFRS) as adopted by the European Union as well as with International Financial Reporting Standards issued by the IASB.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements, in accordance with IFRS, requires the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying the 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 "Critical accounting estimates and judgments". These estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2.1.1 Changes in accounting policies and disclosures

(a) Standards, amendments to standards and interpretations to existing standards effective for the year ended 31 December 2009:

- *IAS 1(Revised) "Presentation of Financial Statements"*. IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Company has elected to present one statement i.e. the statement of comprehensive income.
- *IAS 23 (Revised) "Borrowing Costs"*. This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The amendment did not impact the Company as all applicable borrowing costs were capitalised.

- *IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements"*. The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. This amendment does not impact the Company's financial statements.

- *IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement"*. This amendment clarifies that, entities should no longer use hedge accounting for transactions between segments in their separate financial statements. This amendment is not applicable to the Company as it does not apply hedge accounting for transactions between segments in terms of IAS 39.

- *IFRS 2 (Amendment) "Share Based Payment"*. The amendment clarifies the definition of "vesting condition" by introducing the term 'non-vesting condition' for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment does not impact the Company's financial statements.

- *IFRS 7 (Amendment) "Financial instruments – Disclosures"*. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The Company has applied the amended standard.

- *IFRS 8 "Operating Segments"*. This standard supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity's chief operating decision maker and are reported in the financial statements based on this internal component classification. This has resulted in no change in the number of reportable segments presented.

- *IFRIC 13 – Customer Loyalty Programmes.* This interpretation clarifies the treatment of entities that grant loyalty award credits such as "points" and "travel miles" to customers who buy other goods or services. This interpretation is not relevant to the Company's operations.

- *IFRIC 15 – Agreements for the construction of real estate.* This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to each particular case. This interpretation is not relevant to the Company's operations.

- *IFRIC 16 – Hedges of a net investment in a foreign operation.* This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Company, as the Company does not apply hedge accounting for any investment in a foreign operation.

- *IFRIC 18 – Transfers of assets from customers* (*effective for transfers of assets received on or* after 1 July 2009). This interpretation clarifies the requirements of IFRS for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use to provide the customer with an ongoing supply of goods or services. In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of property, plant and equipment. This interpretation is not relevant to the Company.

(b) Standards, amendments to standards and interpretations to existing standards effective for annual periods beginning on or after 1 January 2010:

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

- *IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after 1 February 2010).* This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number

of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not expected to impact the Company's financial statements.

- *IAS 39 (Amendment) "Financial Instruments": Recognition and Measurement" (effective for annual periods beginning on or after 1 July 2009)*. This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. The Company will apply the amendment from the effective date.

- *IFRS 1 (Amendment) "First-time adoption of International Financial Reporting Standards" (effective for annual periods beginning on or after 1 January 2010).* This amendment provides additional clarifications for first-time adopters of IFRS in respect of the use of deemed cost for oil and gas assets, the determination of whether an arrangement contains a lease and the decommissioning liabilities included in the cost of property, plant and equipment. This amendment will not impact the Company's financial statements since it has already adopted IFRS. This amendment has not yet been endorsed by the EU.

- *IFRS 2 (Amendment) "Share Based Payment" (effective for annual periods beginning on or after 1 January 2010).* The purpose of the amendment is to clarify the scope of IFRS 2 and the accounting for Company cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services, when that entity has no obligation to settle the share-based payment transaction. This amendment is not expected to impact the Company's financial statements. This amendment has not yet been endorsed by the EU.

- *IFRS 3 (Revised) "Business Combinations" and IAS 27 (Amended) "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 July 2009)* The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires a change in ownership interest of a subsidiary is accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with non-controlling interests. The Company will apply these changes from their effective date.

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

- *IFRIC 12 – Service Concession Arrangements* (EU endorsed for periods beginning 30 March 2009). This interpretation applies to companies that participate in service concession arrangements. The Company will adopt this interpretation on 1 January 2010.

- *IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"* (effective for annual periods beginning on or after 1 January 2011). The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Company. This amendment has not yet been endorsed by the EU.

- *IFRIC 17, "Distributions of non-cash assets to owners"* (effective for annual periods beginning on or after 1 July 2009). This interpretation provides guidance on accounting for the following types of non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners: (a) distributions of non-cash assets and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. The Company will apply this interpretation from its effective date.

- *IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"* (effective for annual periods beginning on or after 1 July 2010). This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Company. This amendment has not yet been endorsed by the EU.

(c) Amendments to standards that form part of the IASB's annual improvements project:

The amendments set out below describe the key changes to IFRSs following the publication in July 2009 of the results of the IASB's annual improvements project. These amendments have not yet been endorsed by the EU. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2010. In addition, unless otherwise stated, the following amendments will not have a material impact on the Company's financial statements.

- *IFRS 2 "Share-Based payment"* (effective for annual periods beginning on or after 1 July 2009). The amendment confirms that contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2.

- *IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"*. The amendment clarifies disclosures required in respect of non-current assets classified as held for sale or discontinued operations.

- *IFRS 8 "Operating Segments"*. The amendment provides clarifications on the disclosure of information about segment assets.

- *IAS 1 "Presentation of Financial Statements"*. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

- *IAS 7 "Statement of Cash Flows"*. The amendment requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.

- *IAS 17 "Leases"*. The amendment provides clarification as to the classification of leases of land and buildings as either finance or operating.

- *IAS 18 "Revenue"*. The amendment provides additional guidance regarding the determination as to whether an entity is acting as a principal or an agent.

- *IAS 36 "Impairment of Assets"*. The amendment clarifies that the largest cash-generating unit to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8 (that is before the aggregation of segments).

- *IAS 38 "Intangible Assets"*. The amendments clarify (a) the requirements under IFRS 3 (revised) regarding accounting for intangible assets acquired in a business combination and (b) the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets.

- *IAS 39 "Financial Instruments: Recognition and Measurement"*. The amendments relate to (a) clarification on treating loan pre-payment penalties as closely related derivatives, (b) the scope exemption for business combination contracts and (c) clarification that gains or losses on cash flow hedge of a forecast transaction should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss.

- *IFRIC 9 "Reassessment of Embedded Derivatives"* (*effective for annual periods beginning on or after 1 July 2009).* The amendment clarifies that IFRIC 9 does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a business combination between entities under common control.

- *IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"* (*effective for annual periods beginning on or after 1 July 2009).* The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity within the Company, including the foreign operation itself, as long as certain requirements are satisfied.

2.2 Investments in affiliated companies

Investments in affiliated companies are presented at the cost of the interest acquired in the subsidiaries, associates, and joint ventures less any provisions for impairment.

2.3 Segment reporting

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

2.4 Foreign currency translation

(a) *Functional and presentation currency*

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

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security, and

other changes in the carrying amount of the security. Translation differences are recognized in profit or loss, and other changes in carrying amount are recognized in equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss.

2.5 Property, plant and equipment

All property, plant and equipment is shown at historical cost less subsequent depreciation and impairment, except for land, which is shown at historical cost less subsequent impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation on assets is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, as shown on the table below for the main classes of assets:

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

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.

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

Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. All other borrowing costs are expensed.

2.6 Intangible assets

(a) *Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill is tested annually for

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

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

(b) Licences and rights

License fees for the use of know-how relating to the polypropylene plant have been capitalised in accordance with IAS 38, Intangible Assets. They have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is being calculated using the straight-line method to allocate the cost of licences and rights over their estimated useful lives (15 years).

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

(c) Computer software

These include primarily the costs of implementing the (ERP) computer software program. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over their estimated useful lives (3 years).

2.7 Exploration for and Evaluation of Mineral Resources

(a) Exploration and evaluation assets

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

(b) Development of tangible and intangible assets

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

(c) Oil and gas production assets

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

(d) Depreciation/amortization

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

(e) Impairment – exploration and evaluation assets

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

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

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

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and, are tested annually for impairment. Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (discounted cash flows an asset is expected to generate based upon management's expectations of future economic and operating conditions). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

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

2.9.1 Classification

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

2.9.2 Recognition and measurement

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

Purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available for sale financial assets are subsequently carried at cost less impairment as the equity instruments can not be reliably measured. Loans and receivables and are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they have arisen.Changes in the fair value of monetary and non monetary financial assets classified as available for sale are recognized in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as "gains or loss from investment securities".

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

2.9.3 Impairment of financial assets

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

Impairment testing of trade receivables is described in Note 2.13.

2.10 Derivative financial instruments and hedging activities

As part of its risk management policy, the Company utilizes financial and commodity derivatives to mitigate the impact of future price volatility. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

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

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

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

The Company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of

whether derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

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

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

The derivatives that are not designated as hedges and do not qualify for hedge accounting are classified as held-for-trading and accounted for at fair value through profit or loss. Changes in the fair value of these derivative instruments that do not qualify for hedge accounting are recognized immediately in the statement of comprehensive income within "Other operating (expenses)/income – net", or in "Cost of Sales" (refer to Note 20).

2.11 Government grants

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

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of inventories is determined using the monthly weighted average cost method.

2.13 Trade receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

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

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income and is included in Selling, Distribution and Administrative expenses.

2.14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments such as marketable securities and time deposits with original maturities of three months or less. At the end of the reporting period receivable amounts of bank overdrafts receivable are also shown within cash and cash equivalents (refer to note 2.16).

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. At the end of the reporting period payable amounts of bank overdrafts are included within borrowings in current liabilities on the statement of financial position. In the statement of cash flows bank overdrafts are shown within financing activities.

2.17 Current and deferred income tax

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

2.18 Employee benefits

(a) *Pension obligations*

The Company has both defined benefit and defined contribution plans.

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

For defined contribution plans, the Company pays contributions to publicly administered Social Security funds on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. None of the Company's defined benefit plans are funded.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of 10% of the defined benefit obligation are spread to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after end of the reporting period are discounted to present value.

(c) Share-based compensation

The Company operates an equity-settled share-based compensation plan. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, at the date of granting. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting period end, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

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

2.19 Trade and other payables

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

2.20 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

2.21 Environmental liabilities

Environmental expenditure that relates to current or future revenues is expensed or capitalised as appropriate. Expenditure that relates to an existing condition caused by past operations and that does not contribute to current or future earnings is expensed.

The Company has an environmental policy which complies with existing legislation and all obligations resulting from its environmental and operational licences. In order to comply with all rules and regulations the Group has set up a monitoring mechanism in accordance with the requirements of the relevant authorities. Furthermore, investment plans are adjusted to reflect any known future environmental requirements. The above mentioned expenses are estimated based on the relevant environmental studies.

Liabilities for environmental remediation costs are recognised when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

2.22 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised as follows:

(a) Sales of goods – wholesale

Revenue on sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales of goods are recognised when the Company has delivered the products to the customer; the customer has accepted the products; and collectability of the related receivables is reasonably assured.

(c) Interest income

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

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.23 Leases

Leases of property, plant and equipment, where the Company has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in "Borrowings". The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

The Company does not presently have any leases that are classified as finance leases.

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

2.24 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved.

2.25 Comparative figures

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

3 Financial risk management

3.1 Financial risk factors

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

Commodity price risk management is supervised by a Risk Management Committee which includes Finance and Trading departments Senior Management. Non commodity price risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Finance Department identifies and evaluates financial risks in close co-operation with the Company's operating units.

(a) Market risk

(i) Foreign exchange risk

Foreign currency exchange risk arises on three types of exposure:

- **Balance sheet translation risk:** Most of the stock held by the Company is reported in Euro while its underlying value is determined in USD. Thus, a possible devaluation of the USD against the Euro leads to a reduction in the realisable value of inventory included in the balance sheet. In order to manage this risk, significant part of the Company funding is denominated in USD providing an opposite effect to the one described above. It should be noted however, that while in the case of USD devaluation the impact on the statement of financial position is mitigated, in cases of USD appreciation the mark to market valuation of such loans leads to a reported loss under foreign exchange differences with no compensating benefit as stocks continue to be included in the balance sheet at cost. The exposure at any point in time is clearly given by the amounts shown in the statement of financial position and the related disclosures. It is estimated, that at 31 December 2009 if the Euro had weakened against the US dollar by 5% with all other variables held constant, pre-tax profits would have been €28.1 million lower, as a result of foreign exchange losses on translation of US dollar-denominated borrowings.

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

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

(ii) Commodity price risk

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

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

Refining margin exposure relates to the absolute level of margin generated by the operation of the refineries. This is determined by Platt's prices and varies on a daily basis; as an indication of the impact to the Company financial results, a change in the refinery margins has a proportionate impact on the Company's profitability. Where possible, the Company aims to hedge 10%-50% of each of the various components of its expected production. This, however, is not possible to do in all market conditions and as a result only a small part of the price risk is effectively hedged. The sensitivity of the fair value of the open derivative contracts affecting profits to an immediate 10% increase or decrease in all reference prices, would have been €1,3 million at 31 December 2009. This figure does not include any corresponding economic impact that would arise from the natural business exposure, which would be expected to largely offset the gain or the loss on the derivatives.

(iii) Cash flow and fair value interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, while borrowings issued at fixed rates expose the Company to fair value interest rate risk. Depending on the levels of net debt at any given period of time, any change in the base interest rates (EURIBOR or LIBOR), has a proportionate

impact on the Company results. At 31 December 2009, if interest rates on US dollar denominated borrowings had been 1% higher with all other variables held constant, pre-tax profit for the year would have been Euro 0.4 million lower. At 31 December 2009, if interest rates on Euro denominated borrowings had been 1% higher with all other variables held constant, post-tax profit for the year would have been Euro 0.5 million lower.

(b) Credit risk

Credit risk is managed on Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

The table below shows the segregation of trade receivables by major business segment:

	31 December 2009			31 December 2008		
Business segment	**Current balance**	**Past due but not impaired balance**	**Impaired balance**	**Current balance**	**Past due but not impaired balance**	**Impaired balance**
Refining	484.970	181.464	70.035	453.091	77.484	49.404
Petrochemicals	59.884	5.715	16.761	60.732	25.514	16.750
E+P	7.695	7.695	-	7.629	7.517	-
Energy	-			171	-	-
	552.549	**194.874**	**86.796**	**521.623**	**110.515**	**66.154**
Allowance for bad debts			**64.227**			**59.857**

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

As of 31 December 2009, the ageing analysis of receivables that were past due but not impaired, is as follows:

	As at	
	31 December 2009	**31 December 2008**
Up to 30 days	34.582	36.115
30 - 90 days	26.637	46.365
Over 90 days	133.655	28.035
Total	**194.874**	**110.515**

As of 31 December 2009, the ageing analysis of receivables that were individually impaired is as follows

	As at	
	31 December 2009	**31 December 2008**
Up to 30 days	-	-
30 - 90 days	-	-
Over 90 days	86.796	66.154
Total	**86.796**	**66.154**

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

(c) Liquidity risk

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

The table below analyses the Company's financial liabilities and net-settled derivative 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 cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2009				
Borrowings	879.709	2.814	256.859	-
Derivative financial instruments	26.536	12.430	24.823	-
Trade and other payables	886.940	-	-	-
At 31 December 2008				
Borrowings	760.798	11.582	251.645	-
Derivative financial instruments	12.268	24.407	46.812	-
Trade and other payables	670.136	-	-	-

3.2 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 share holders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the 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. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position) less "Cash & Cash equivalents" less "Available for Sale Financial Assets". Total capital employed is calculated as "Total Equity" as shown in the statement of financial position plus net debt.

During 2009 the Company strategy which was unchanged from 2008, was to maintain the gearing ratio between 20% - 40%. The gearing ratios at 31 December 2009 and 2008 were as follows:

	As at	
	31 December 2009	**31 December 2008**
Total Borrowings (Note 16)	1.139.382	1.024.025
Less: Cash & Cash Equivalents (Note 12)	(127.809)	(520.232)
Less: Available for sale financial assets	(21)	(21)
Net debt	**1.011.552**	**503.772**
Total Equity	1.914.960	1.881.389
Total Capital Employed	**2.926.512**	**2.385.162**
Gearing ratio	35%	21%

The increase in the gearing ratio resulted primarily from the increase in liquid funds required to finance the construction phase of the Refineries' Upgrade projects in Elefsina and Thessaloniki.

3.3 Fair value estimation

Effective 1 January 2009, the Company adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2009:

	Level 1	**Level 2**	**Level 3**	**Total balance**
Assets				
Derivatives held for trading	-	-	-	-
Derivatives used for hedging	-	-	-	-
	-	**-**	**-**	**-**
Liabilities				
Derivatives held for trading	-	26.536	-	26.536
Derivatives used for hedging	-	37.253	-	37.253
	-	**63.789**	**-**	**63.789**

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

4 Critical accounting estimates and judgements

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 addressed below.

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

(a) Income taxes

Estimates are required in determining the provision for income taxes that the Company is subjected to. This requires significant judgement. There are some transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Provision for environmental restoration

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

(c) Fair value of derivatives and other financial instruments

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

(d) Estimated impairment of investments

The Company tests annually whether investments and receivables have suffered any impairment in accordance with its accounting policies. Significant judgement is involved in management's determination of these estimates.

(e) 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 Company 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 Company 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 18.

5 Segment information

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

The Company is organised into three main business segments determined in accordance with the type of business activity:

1. Supply, refining and trading (Refining)
2. Exploration & production (E&P)
3. Petrochemicals

Year ended 31 December 2009	**Refining**	**Petro-chemicals**	**Exploration & Production**	**Other**	**Total**
Sales	5.915.930	256.401	255	-	6.172.586
Other operating income / (expense) - net	(15.096)	2.053	-	-	(13.043)
Operating profit / (loss)	**250.318**	**(2.379)**	**(26.687)**	**15.237**	**236.489**
Currency exchange gains / (losses)	(1.730)	-	-	-	(1.730)
Profit / (loss) before tax & finance costs	**248.588**	**(2.379)**	**(26.687)**	**15.237**	**234.759**
Finance costs - net					(15.745)
Profit before income tax					**219.014**
Income tax (expense)/credit					(56.498)
Profit for the year					**162.516**

Year ended 31 December 2008	**Refining**	**Petro-chemicals**	**Exploration & Production**	**Other**	**Total**
Sales	8.970.228	345.474	1.129	2.764	9.319.595
Other operating income / (expense) - net	13.096	1.970	143.327	-	158.393
Operating profit / (loss)	**(166.689)**	**730**	**124.670**	**17.143**	**(24.146)**
Currency exchange gains / (losses)	(96.192)	-	-	-	(96.192)
Profit / (loss) before tax & finance costs	**(262.881)**	**730**	**124.670**	**17.143**	**(120.338)**
Finance costs - net					(21.744)
Loss before income tax					**(142.082)**
Income tax credit/(expense)					33.792
Loss for the year					**(108.290)**

Net operating losses of the refining segment during 2008 resulted from the devaluation of inventory (refer to Note 10).

Further segmental information as at 31 December 2009 is as follows:

	Refining	Petro-chemicals	Exploration & Production	Other	Total
Total Assets	3.978.517	161.018	2.741	10.231	**4.152.507**
Total Liabilities	2.071.637	160.873	-	5.037	**2.237.547**
Net Assets	1.906.880	145	2.741	5.194	**1.914.960**
Capital Expenditure	523.317	1.300	-	-	**524.617**
Depreciation & Amortisation	61.342	12.341	3.849	-	**77.532**

Further segmental information as at 31 December 2008 is as follows:

	Refining	Petro-chemicals	Exploration & Production	Other	Total
Total Assets	3.507.580	244.193	4.058	61.465	**3.817.296**
Total Liabilities	1.736.353	191.173	-	8.381	**1.935.907**
Net Assets	1.771.227	53.020	4.058	53.084	**1.881.389**
Capital Expenditure	241.736	-	-	-	**241.736**
Depreciation & Amortisation	63.076	12.697	-	-	**75.773**

6 Property, plant and equipment

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Cons-truction	Total
Cost							
As at 1 January 2008	**114.752**	**147.054**	**1.200.887**	**8.719**	**42.125**	**157.559**	**1.671.096**
Additions	1.770	182	685	482	3.945	229.128	236.192
Capitalised projects	-	4.734	56.288	53	3.718	(64.793)	-
Disposals	-	(4.471)	(441)	(65)	(253)	-	(5.230)
Transfers & other movements	(8.502)	12.445	(3.057)	(20)	851	8.965	10.682
As at 31 December 2008	**108.020**	**159.944**	**1.254.362**	**9.169**	**50.386**	**330.859**	**1.912.740**
Accumulated Depreciation							
As at 1 January 2008	**-**	**89.128**	**865.566**	**7.736**	**32.230**	**-**	**994.660**
Charge for the year	-	7.200	55.717	350	3.488	-	66.755
Disposals	-	(3.280)	(305)	(68)	(255)	-	(3.908)
Transfers & other movements	-	(14)	-	-	-	-	(14)
As at 31 December 2008	**-**	**93.034**	**920.978**	**8.018**	**35.463**	**-**	**1.057.493**
Net Book Value at 31 December 2008	**108.020**	**66.910**	**333.384**	**1.151**	**14.923**	**330.859**	**855.247**
Cost							
As at 1 January 2009	**108.020**	**159.944**	**1.254.362**	**9.169**	**50.386**	**330.859**	**1.912.740**
Additions	1.884	1.432	453	909	4.574	514.726	523.978
Capitalised projects	-	20.092	135.157	-	518	(155.767)	-
Disposals	-	(6)	(787)	-	(238)	-	(1.031)
Transfers & other movements	-	-	-	-	-	(5.428)	(5.428)
As at 31 December 2009	**109.904**	**181.462**	**1.389.185**	**10.078**	**55.240**	**684.390**	**2.430.259**
Accumulated Depreciation							
As at 1 January 2009	**-**	**93.034**	**920.978**	**8.018**	**35.463**	**-**	**1.057.493**
Charge for the period	-	7.591	53.144	360	4.723	-	65.818
Disposals	-	(4)	(738)	-	(238)	-	(980)
As at 31 December 2009	**-**	**100.621**	**973.384**	**8.378**	**39.948**	**-**	**1.122.331**
Net Book Value at 31 December 2009	**109.904**	**80.841**	**415.801**	**1.700**	**15.292**	**684.390**	**1.307.928**

(1) The Company has not pledged any property, plant and equipment as security for borrowings.

(2) Within the balance of Assets Under Construction at 31 December 2009 an amount of €256m (2008: €86m) relates to costs in respect of the upgrade of the Elefsina refinery, for which the construction phase commenced. Management expects that the project will be completed in 2011. Any potential delays during the engineering, procurement or construction phase will have equivalent effects on the project completion date.

(3) During 2009 an amount of € 2,9 million in respect of interest has been capitalized in relation to Assets under construction relating to the refining segment, at an average borrowing rate of 2%.

7 Intangible assets

	Computer software	Licences & Rights	Total
Cost			
As at 1 January 2008	**44.015**	**35.080**	**79.095**
Additions	5.544	-	5.544
Disposal of E&P licence	-	(13.529)	(13.529)
Transfers, acquisitions & other movements	2.962	-	2.962
As at 31 December 2008	**52.521**	**21.551**	**74.072**
Accumulated Amortisation			
As at 1 January 2008	**38.027**	**14.641**	**52.668**
Charge for the year	9.018	-	9.018
Disposal of E&P licence	-	(6.759)	(6.759)
Transfers, acquisitions & other movements	(614)	2.313	1.699
As at 31 December 2008	**46.431**	**10.195**	**56.626**
Net Book Value 31 December 2008	**6.090**	**11.356**	**17.446**
Cost			
As at 1 January 2009	**52.521**	**21.551**	**74.072**
Additions	639	-	639
Transfers, acquisitions & other movements	3.072	2.358	5.430
As at 31 December 2009	**56.232**	**23.909**	**80.141**
Accumulated Amortisation			
As at 1 January 2009	**46.431**	**10.195**	**56.626**
Charge for the period	7.024	4.690	11.714
As at 31 December 2009	**53.455**	**14.885**	**68.340**
Net Book Value at 31 December 2009	**2.777**	**9.024**	**11.801**

Licenses and rights include Upstream Exploration rights which are amortised over the period of the exploration period as per the terms of the relevant EPSA rounds. Details of the accounting policy are given in Note 2.6 & 2.7.

8 Investment in affiliated companies

	As at 31 December 2009	31 December 2008
Beginning of the year	**707.838**	**694.660**
(Decrease) / Increase in share capital of subsidiaries	(11.890)	13.178
End of the year	**695.948**	**707.838**

Name	Participating interest	Country of Incorporation
Asprofos SA	100,0%	Greece
Diaxon ABEE	100,0%	Greece
EKO Georgia LTD	1,0%	Rep. of Georgia
EKO ABEE	100,0%	Greece
ELPET Valkaniki SA	63,0%	Greece
HELPE - Apollon Shipping Co	100,0%	Greece
HELPE International AG	100,0%	Austria
HELPE - Poseidon Shipping Co	100,0%	Greece
HELPE Finance Plc	100,0%	United Kingdom
Helpe Renewable Energy Sources S.A.	100,0%	Greece
Global Albania SA	99,9%	Albania
Public Gas Corporation of Greece S.A. (DEPA)	35,0%	Greece
ARTENIUS S.A.	35,0%	Greece
Athens Airport Fuel Pipeline Company S.A. (EAKAA)	50,0%	Greece
ELPEDISON B.V.	5,0%	Netherlands
Thraki SA	25,0%	Greece
Petrola A.E.	100,0%	Greece
VANCO	100,0%	Greece
EANT	9,0%	Greece
STPC	16,7%	Greece
NAPC	16,7%	Greece

For 2009 the decrease in share capital relates to ELPET Valkaniki S.A.

For 2008 the increase in share capital of subsidiaries relates primarily to Petrola A.E. and Asprofos.

9 Loans, advances and other receivables

	As at 31 December 2009	31 December 2008
Loans and advances and other long term assets	1.313	632
Total	**1.313**	**632**

10 Inventories

	As at	
	31 December 2009	**31 December 2008**
Crude oil	546.056	364.671
Refined products and semi-finished products	576.612	478.747
Petrochemicals	28.847	35.097
Consumable materials and other	72.288	74.518
- Less: Provision for Consumables and spare parts	(12.311)	(12.311)
Total	**1.211.492**	**940.722**

The cost of goods sold included in "Cost of sales" for 2009 is equal to €5,4 bn (2008: €8,9 bn).

The amount of the write-down of inventories (stock devaluation) recognized as an expense in 2009 and included in "Cost of sales" is equal to €2,9 m (2008: €199 m).

11 Trade and other receivables

	As at	
	31 December 2009	**31 December 2008**
Trade receivables	552.549	521.623
- Less: Provision for impairment of receivables	(64.227)	(59.857)
Trade receivables net	**488.322**	**461.766**
Other receivables	295.054	212.261
- Less: Provision for impairment of receivables	(8.083)	(8.081)
Other receivables net	**286.971**	**204.180**
Derivatives held for trading (Note 20)	-	24.833
Deferred charges and prepayments	10.671	22.914
Total	**785.964**	**713.693**

The carrying amounts of the receivables approximate their fair value.

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

The movement in the valuation allowance for trade receivables is set out below.

	As at	
	31 December 2009	**31 December 2008**
Balance at 1 January	59.857	63.054
Charged / (credited) to the income statement:		
- Additional provisions	5.870	-
- Unused amounts reversed	(1.500)	(3.197)
Balance at 31 December	**64.227**	**59.857**

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

12 Cash and cash equivalents

	As at	
	31 December 2009	**31 December 2008**
Cash at Bank and in Hand	36.744	30.660
Short term bank deposits	91.065	489.572
Total cash and cash equivalents	**127.809**	**520.232**

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

	As at	
	31 December 2009	**31 December 2008**
Euro	1,28%	4,63%
USD	0,18%	0,45%

13 Share capital

	Number of Shares (authorised and issued)	**Share Capital**	**Share premium**	**Total**
As at 1 January 2008 & 31 December 2008	**305.635.185**	**666.285**	**353.796**	**1.020.081**
As at 31 December 2009	**305.635.185**	**666.285**	**353.796**	**1.020.081**

All ordinary shares were authorised, issued and fully paid. The nominal value of each ordinary share is €2,18 (31 December 2008: €2,18).

Share options

During the AGM of Hellenic Petroleum S.A. held on 25 May 2005, a revised share option scheme was approved with the intention to link the number of share options granted to employees with the results and performance of the Company and its management. The AGM of Hellenic Petroleum S.A of 31 May 2006 has approved and granted stock options for the year 2005 of 272.100 shares, for which the vesting period is 1 November to 5 December of the years 2008 – 2012. The AGM of 17 May 2007 has approved and granted stock options for the year 2006 of 408.015 shares, vesting on 1 November to 5 December of the years 2009 – 2013. The AGM of 14 May 2008 has approved and granted stock options for the year 2007 of 385.236 shares, vesting on 1 November

to 5 December of the years 2010 – 2014. It also approved the extension of the stock option scheme for an additional year. The AGM of 3 June 2009 has approved and granted stock options for the year 2008 of 1.704.716 shares, vesting on 1 November to 5 December of the years 2011 – 2015.

The movement in share options during the year were:

	As at			
	31 December 2009		**31 December 2008**	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
At 1 January	**10,63**	**1.065.351**	**10,40**	**680.115**
Granted	7,62	1.704.716	11,01	385.236
Exercised	-	-	-	-
Lapsed	-	-	-	-
At 31 December	**8,77**	**2.770.067**	**10,63**	**1.065.351**

Share options outstanding at the year end have the following expiry date and exercise prices:

Expiry Date	**Exercise Price in € per share**	**No. of share options as at**	
		31 December 2009	**31 December 2008**
5 December 2012	9,69	272.100	272.100
5 December 2013	10,88	408.015	408.015
5 December 2014	11,01	385.236	385.236
5 December 2015	7,62	1.704.716	-
	Total	**2.770.067**	**1.065.351**

As at 31 December 2009 only the stock options granted in 2006 and 2007 were exercisable. The average remaining contractual life of stock options outstanding at 31 December 2009 and 2008 was 4,93 and 5 years respectively.

Share based compensation is measured at fair value at the date of the grant using a binomial stock option valuation model. The inputs into the model were as follows:

	As at	
	31 December 2009	**31 December 2008**
Risk free-interest rate	5,16%	4,30%
Expected Volatility	35,00%	25,00%
Dividend Yield	6,00%	4,00%
Expected Life	4,6 years	4,9 years
Fair value of option granted	1,79	1,09

The total expense recognised in the statement of comprehensive income for share based compensation is €1.166.

14 Reserves

	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax reserves	Total
Balance at 1 January 2008	**97.829**	**86.495**	**(47.380)**	**-**	**366.369**	**503.313**
Fair value gains / (losses) on cash flow hedges (Note 20)	-	-	10.901	-	-	10.901
Transfers to retained earnings (Law 3614/07)	-	-	-	-	(24.807)	(24.807)
Balance at 31 December 2008	**97.829**	**86.495**	**(36.479)**	**-**	**341.562**	**489.407**
Fair value gains / (losses) on cash flow hedges (Note 20)	-	-	7.425	-	-	7.425
Share-based payments (Note 13)	-	-	-	1.166	-	1.166
Transfers from retained earnings (Law 3299/04)	-	-	-		1.147	1.147
Transfer to statutory reserves	2.835	-	-	-	-	2.835
Balance at 31 December 2009	**100.664**	**86.495**	**(29.054)**	**1.166**	**342.709**	**501.980**

The year end hedging reserve is shown net of tax of €2.136 (2008: €5.460) – refer to Note 26.

Statutory reserves

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

Special reserves

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

Tax free reserves

Tax free reserves include:

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

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

(iii) In line with similar policy in the past, the Company had set up tax free reserves under the provisions of applicable incentive legislation Law 3220/2004 of the Hellenic Republic in respect to investment plans amounting to €81 million. The EU Commission has subsequently challenged this law as being a government subsidy that is not in accordance with EU policies. The Greek Government, conforming to European Union Directives passed Law 3614/2007 on the 22 November 2007 cancelling the provisions of Law 3220/2004, enabling companies to reallocate investments under other incentive legislation and requesting the payment of any due tax on the remaining amounts. Following the legislation amendment of Law 3220/2004, an amount of €69,6 million previously included in tax free reserves was reclassified to "Retained Earnings" (€44,8 million in 2007 and €24,8 million in 2008). As a result, the tax free reserves now include a remaining amount of €11,4 million under Environmental Investment Laws 2601/98 and 3299/04. The Company has repaid back the relevant investment subsidies under Law 3220/2004 and has appealed against the Greek State to include the relevant investment under law 2992/2002.

Components of other comprehensive income :

	As at	
	31 December 2009	**31 December 2008**
Cash flow hedges:		
Gains arising during the year (Note 19)	7.425	10.901
Other comprehensive income for the year, net of tax	**7.425**	**10.901**

15 Trade and other payables

	As at	
	31 December 2009	**31 December 2008**
Trade payables	825.600	615.918
Accrued Expenses	21.069	19.206
Derivatives held for trading (Note 20)	26.536	12.268
Other payables	40.271	35.012
Total	**913.476**	**682.404**

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

16 Borrowings

	As at	
	31 December 2009	**31 December 2008**
Non-current borrowings		
Bank borrowings	259.673	263.227
Non-current borrowings	**259.673**	**263.227**
Current borrowings		
Short term bank borrowings	870.787	751.876
Current portion of bank borrowings	8.922	8.922
Total current borrowings	**879.709**	**760.798**
Total borrowings	**1.139.382**	**1.024.025**

The maturity of non-current borrowings is as follows:

	As at	
	31 December 2009	**31 December 2008**
Between 1 and 2 years	2.814	11.582
Between 2 and 5 years	256.859	251.645
	259.673	**263.227**

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

	As at 31 December 2009	
	€	**US$**
Bank Borrowings (short-term)		
- Floating Euribor + margin	2,59%	-
- Floating Libor + margin	-	1,83%
Bank Borrowings (long-term)		
- Floating Euribor + margin	1,34%	-
- Floating Libor + margin	-	1,83%

	As at 31 December 2008	
	€	**US$**
Bank Borrowings (short-term)		
- Floating Euribor + margin	5,67%	-
- Floating Libor + margin	-	1,34%
Bank Borrowings (long-term)		
- Floating Euribor + margin	4,94%	-
- Floating Libor + margin	-	1,51%

The carrying amounts of the Company's borrowings which approximate their fair value are denominated in the following currencies:

	As at	
	31 December 2009	**31 December 2008**
Euro	606.271	437.728
US dollar	533.111	586.297
Total borrowings	**1.139.382**	**1.024.025**

In April 2006, the Company concluded a €400 million multi-currency loan agreement with Hellenic Petroleum Finance Plc (“HPF”). The loan facility amount was increased to €600 million on 18 October 2006 and to €1 billion on 18 October 2007. The loan facility has been used to refinance existing financial indebtedness and for general corporate purposes. In particular, parts of the proceeds of the loan were used in order to fully repay the $350 million bond loan issued by the Company in February 2005. As at 31 December 2009, the outstanding loan balance with HPF amounted to the equivalent of €878 million (US $ 768 million and € 345 million).

	As at	
	31 December 2009	**31 December 2008**
Revolving Credit Facility	896.428	605.448
Term loans	242.954	418.577
Total borrowings	**1.139.382**	**1.024.025**

17 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are presented below.

	As at	
	31 December 2009	**31 December 2008**
Beginning of the year	61.465	22.785
Income statement recovery / (charge)	(49.149)	44.139
Charged / (released) to equity & other movements	(2.085)	(5.459)
End of year	**10.231**	**61.465**

Deferred tax relates to the following types of deductable (taxable) temporary differences:

	As at	
	31 December 2009	**31 December 2008**
Intangible and tangible fixed assets	(21.264)	(16.150)
Inventory valuation	2.832	-
Unrealised exchange gains	(7.667)	(4.013)
Employee benefits provision	21.862	22.665
Derivative financial instruments at fair value	20.218	13.409
Net operating losses carried forward	-	44.467
Other temporary differences	(5.750)	1.087
Net deferred income tax asset/(liability)	**10.231**	**61.465**
Deferred income tax liabilities	**(62.702)**	**(32.978)**
Deferred income tax assets	**72.933**	**94.443**

Deferred tax in relation to special or tax free reserves is calculated to the extent that the Company believes it is more likely than not to be incurred and is entered in the related accounts.

18 Retirement benefit obligations

	As at	
	31 December 2009	**31 December 2008**
Balance sheet obligations for:		
Pension benefits	114.670	123.496
Total as per balance sheet	**114.670**	**123.496**

	Year ended	
	31 December 2009	**31 December 2008**
Income statement charge for:		
Pension benefits	56.631	22.281
Total as per income statement	**56.631**	**22.281**

The amounts recognised in the balance sheet are as follows:	As at	
	31 December 2009	**31 December 2008**
Present value of unfunded benefit obligations	151.130	157.072
Unrecognised actuarial gains / (losses)	(33.021)	(31.984)
Unrecognised prior service cost	(3.439)	(1.592)
Liability in the Balance Sheet	**114.670**	**123.496**

The amounts recognised in the income statements are as follows:

	Year ended	
	31 December 2009	**31 December 2008**
Current service cost	7.681	7.376
Interest cost	8.684	7.035
Net actuarial (gains) / losses recognised in the year	1.759	2.219
Past service cost	1.357	122
Regular profit & loss charge	**19.481**	**16.752**
Additional cost of extra benefits	37.150	5.529
Total included in employee benefit expense	**56.631**	**22.281**

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

	31 December 2009	**31 December 2008**
Beginning of the year	123.496	122.650
Total expense included in employee benefit expense	56.631	22.281
Payments	(65.457)	(21.435)
Total	**114.670**	**123.496**

The principal actuarial assumptions used were as follows:	As at	
	31 December 2009	**31 December 2008**
Discount Rate	5,80%	5,80%
Future Salary Increases	4,50%	4,50%
Average future working life	11,4 years	10,4 years

Included in Pension costs for 2009 are the additional costs incurred regarding the VRS scheme (Note 24).

19 Provisions and other long term liabilities

	As at	
	31 December 2009	**31 December 2008**
Government grants	23.595	26.431
Litigation & tax provisions	4.000	5.000
Other provisions	134	134
Total	**27.729**	**31.565**

The movement for provisions and other long term liabilities for 2008 and 2009 is as follows:

	Govern-ment advances and grants	**Litigation & tax povisions**	**Other provisions**	**Total**
At 1 January 2008	**50.835**	**5.000**	**129**	**55.964**
Charged / (credited) to the income statement:				
- Additional provisions / grants	4.002	-	5	4.007
- Unused amounts reversed	(25.614)	-	-	(25.614)
Used during year	(2.792)	-	-	(2.792)
At 31 December 2008	**26.431**	**5.000**	**134**	**31.565**
Charged / (credited) to the income statement:				
- Additional provisions / grants	592	-	-	592
- Unused amounts reversed	-	(1.000)	-	(1.000)
Used during year	(3.428)	-	-	(3.428)
Exchange differences	-	-	-	-
At 31 December 2009	**23.595**	**4.000**	**134**	**27.729**

Government advances

Advances by the Government (Hellenic State) relate to property, plant and equipment.In 2009 the Company received grants equal to €3.899.

Environmental costs

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

Other provisions

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

20 Fair values of derivative financial instruments

Derivatives held for trading

In the context of managing risk resulting from the volatility in the inventory values of products and crude oil, the Company enters into derivative contracts. To the extent that these contracts are not designated as hedges, they are categorized as derivatives held-for-trading. The fair value of derivatives held-for-trading is recognized on the balance sheet in "Trade and other debtors" and "Trade and other payables" if the maturity is less than 12 months and in "Loans, advances and other receivables" and "Other long term liabilities" if the maturity is more than 12 months. Changes in the fair value of these derivatives are charged to the Income Statement either within Other (expenses)/income or Cost of sales.

The instruments used for risk management include commodity exchange traded contracts (ICE futures), full refinery margin forwards, product price forward contracts or options.

As part of managing operating and price risk, the Company engages in derivative transactions with 3rd parties with the intention of matching physical positions and trades or close proxies thereof and are therefore considered an integral part of "Cost of Sales". During 2009 the amounts attributable to such derivatives were €47.930 loss (2008: €44.454 loss) and are included in "Cost of Sales".

In certain cases it may not be possible to achieve a fully matched position, in which case the impact can not be considered as a "Cost of Sales" component. The result from such derivative positions in 2009 €15.297 loss (2008: €1.429 loss) and is shown under "Other operating (expenses) / income – net" (see Note 24).

Derivatives designated as cash flow hedges

The Company uses derivative financial instruments to manage certain exposures to fluctuations in commodity prices. In this framework, the Company has entered into a number of commodity price swaps which have been designated by the Company as cash flow hedges, have been evaluated and proven to be highly effective, and in this respect, any changes in their fair value are recorded within Equity. The fair value of the Commodity swaps at the balance sheet date was recognised in "Long term derivatives", while changes in their fair value are recorded in reserves as long as the forecasted purchase of inventory is highly probable and the cash flow hedge is effective as defined in IAS 39.

When certain of the forecasted transactions cease to be highly probable, they are de-designated from cash flow hedges at which time amounts charged to reserves are transferred to the income statement. The remaining cash flow hedges are highly effective and the movement in the fair value of these derivatives amounts to a gain net-of-tax of €7.425 in 2009 (2008: €10.901 gain net-of-tax) and was transferred to "Reserves".

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

Derivatives held for Trading

	31 December 2009				31 December 2008			
Commodity Derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT	**Bbls**	**€**	**€**	**MT**	**Bbls**	**€**	**€**
Commodity Swaps	550	3.840	-	26.536	600	20.860	16.811	36.675
Commodity Options	-	-	-	-	-	4.000	8.022	-
	550	**3.840**	**-**	**26.536**	**600**	**24.860**	**24.833**	**36.675**

Derivatives designated as Cash Flow Hedges

	31 December 2009				31 December 2008			
Commodity Derivative type	**Notional Amount**		**Assets**	**Liabilities**	**Notional Amount**		**Assets**	**Liabilities**
	MT	**Bbls**	**€**	**€**	**MT**	**Bbls**	**€**	**€**
Commodity Swaps	2.100	-	-	37.253	1.800	-	-	46.812
	2.100	**-**	**-**	**37.253**	**1.800**	**-**	**-**	**46.812**
Total			**-**	**63.789**			**24.833**	**83.487**

	31 December 2009		31 December 2008	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Non-current portion				
Commodity swaps	-	37.253	-	71.219
	-	**37.253**	**-**	**71.219**
Current portion				
Commodity options (Notes 11, 15)	-	-	8.022	-
Commodity swaps (Notes 11, 15)	-	26.536	16.811	12.268
	-	**26.536**	**24.833**	**12.268**
Total	**-**	**63.789**	**24.833**	**83.487**

21 Employee benefit expenses

	For the year ended	
	31 December 2009	**31 December 2008**
Wages and salaries	154.250	150.538
Social security costs	25.874	25.327
Pension costs	52.032	18.131
Other employment benefits	32.054	33.205
Total	**264.210**	**227.201**

Included in Pension costs for 2009 are the additional costs incurred regarding the voluntary retirement scheme (Note 24).

Included in Other employment benefits are medical insurance, catering, and transportation expenses. The value of share – based compensation of € 1.166 is included therein (see Note 13).

22 Selling, distribution and administrative expenses

	For the year ended	
	31 December 2009	**31 December 2008**
Selling and distribution expenses	93.477	97.752
Administrative expenses	91.806	80.522
	185.283	**178.274**

23 Exploration and development expenses

Exploration and development expenses comprise expenditure associated with the Company's exploration activities as an operator in one block in western Egypt and in another block in southern Egypt in a joint venture with Melrose and Kuwait Energy through the Hellenic Petroleum branch in Egypt. As these projects are still in the exploration phase, all amounts spent are expensed (2009: € 15.439 and 2008: € 10.690).

24 Other operating income / (expenses)

	For the year ended	
	31 December 2009	**31 December 2008**
Income from grants	3.428	2.792
Exploration & production grants	-	25.614
Gains on derivative financial instruments	9.329	8.877
Losses on derivative financial instruments	(20.103)	(18.391)
Services to third parties	473	712
Gain on sale of interest in JV in Libya (ii)	-	117.718
Rental income	629	547
Voluntary retirement scheme cost	(29.954)	-
Other income	23.155	20.524
Total	**(13.043)**	**158.393**

(i) Other operating (expenses) / income – net include amongst other items income or expenses which do not represent trading activities of the Company. Also included in Other Operating (Expenses) / Income are gains / (losses) from derivative positions not directly associated with operating activities (Note 20).

(ii) Other operating (expenses) / income include the additional costs incurred regarding the voluntary retirement scheme (VRS) effected during the second half of 2009.

(iii) Advances by the Government (Hellenic State) amounting to €25.614 were paid to the Company for the purposes of research and exploration and had been recorded as a liability since such amounts could become payable if income was generated from activity in the relevant areas. In July 2007, the Government decreed by Law 3587, which all Greek onshore and offshore blocks awarded to the Company, ipso jure return to the State without further action. The Company was also obliged to deliver to the Ministry of Development all pertinent documentation, studies, maps and any other papers in its possession. As part of its accounting policy no exploration and production rights in Greece had been capitalized by the Company as assets in its Financial Statements. All exploration and production relating expenditure was expensed in the years incurred. During 2007 and 2008 management reviewed its position in relation to the above and obtained a legal opinion based on which liability resulting from these Grants was deemed remote. Furthermore in December 2008 the Company initiated the process of delivering of the studies, maps and related documentation relating to the aforementioned blocks to the state authorities. Accordingly the Company proceeded to write off the entire amount of €25.614 recognising an equivalent amount of other operating income for the year ended 31 December 2008.

(iv) On 11 November 2008, the Company disposed its 20% stake in a consortium with Woodside (45%) and Repsol (35%) in an oil and gas licence for the exploration of 5 onshore blocks in Libya for a total consideration of $172 million (€137,7 million). The resulting gain of €117,7 consists of the total consideration received of €137,7 million less the 2008 exploration costs and other expenses incurred in finalising the transaction.

25 Finance costs - net

	For the year ended	
	31 December 2009	**31 December 2008**
Interest income	10.201	12.135
Interest expense and similar charges	(25.121)	(33.879)
Accrued interest	(825)	-
Finance costs - net	**(15.745)**	**(21.744)**

In addition to the finance cost shown above, an amount of €2.947 in 2009 has been capitalized as further explained in Note 6.

26 Income tax expense

	For the year ended	
	31 December 2009	**31 December 2008**
Current tax	7.349	10.347
Deferred tax (Note 17)	49.149	(44.139)
Total	**56.498**	**(33.792)**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company, as follows:

	For the year ended	
	31 December 2009	**31 December 2008**
Profit / (loss) before Tax	**219.014**	**(142.082)**
Tax calculated at tax rates applicable to profits	54.754	(35.520)
Tax on income not subject to tax	(27.742)	(30.895)
Tax on expenses not deductible for tax purposes	18.586	21.998
Other	10.900	10.625
Tax Charge / (Credit)	**56.498**	**(33.792)**

The basic tax rate was 25% for the period ending 31 December 2009 (25% for the year ending 31 December 2008).

In 2008 a new tax law (L3697/2008) was enacted on the base of which income tax rates for the fiscal years 2009, 2010, 2011, 2012, 2013 and periods after 1 January 2014 would be 25%, 24%, 23%, 22%, 21% and 20% respectively. These rates have been used for deferred tax calculations as at 31 December 2009.

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

	For the year ended					
	31 December 2009			**31 December 2008**		
	Before tax	**Tax (charge)/ credit**	**After tax**	**Before tax**	**Tax (charge)/ credit**	**After tax**
Cash flow hedges	9.560	(2.136)	7.424	16.361	(5.460)	10.901
Other comprehensive income	9.560	(2.136)	7.424	16.361	(5.460)	10.901

27 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	For the year ended	
	31 December 2009	**31 December 2008**
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**0,53**	**(0,35)**
Net income attributable to ordinary shares (Euro in thousands)	162.516	(108.290)
Average number of ordinary shares outstanding	305.635.185	305.635.185

Diluted earnings per share were the same as basic earnings per share.

28 Dividends per share

A proposal to the AGM for an additional € 0,35 per share as final dividend for 2007 was approved by the Board of Directors on 14 February 2008. This amounts to €106.972 and is included in the current financial information.

At its meeting held on 7 August, 2008, during which the Board of Directors approved the Condensed Interim Financial Information of the Company for the six month period ended 30 June 2008, the Board proposed and approved an interim dividend for the 2008 financial year of €0,15 per share (amounting to a total of €45.845) The relevant amounts relating to the interim dividend for 2008 and the final dividend for 2007 (totaling €152.817) are included in these financial statements.

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

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

A proposal to the AGM for an additional € 0,30 per share as final dividend was approved by the Board of Directors on 25 February 2010. This amounts to €91.691 and is not included in these accounts as it has not yet been approved by the shareholders' AGM.

29 Cash generated from operations

	Note	For the year ended 31 December 2009	31 December 2008
Profit before tax		**219.014**	**(142.082)**
Adjustments for:			
Depreciation and amortisation of property, plant & equipment and intangible assets	**6,7**	77.532	75.773
Grants amortisation		(3.428)	(2.792)
Finance costs - net	**25**	15.745	21.744
Provisions		20.320	40.459
Gain from disposal of E&P licence	**24**	-	(117.718)
Losses from disposal of PPE		51	-
Foreign exchange (gains) / losses		1.730	92.300
Dividend income		(17.110)	(19.075)
		313.854	**(51.391)**
Changes in working capital			
(Increase) / decrease in inventories		(270.770)	468.916
(Increase) / decrease in trade and other receivables		(59.109)	268.606
Increase / (decrease) in payables		155.378	(100.814)
		(174.501)	**636.708**
Net cash generated from operating activities		**139.353**	**585.317**

30 Contingencies

The Company has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. Provisions are set up by the Company against such matters whenever deemed necessary and included in other provisions (Note 19). These are as follows:

(i) The Company is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information, management believes the outcome will not have a significant effect on the company's operating results or financial position.

(ii) The Company has not undergone a tax audit for the years ended 31 December 2002 to 31 December 2009. The tax audit for the years 2002 – 2005 is currently under way, while a temporary tax audit for the financial year 2006 was finalized. The tax audit of Petrola Hellas AEBE (merged with Hellenic Petroleum S.A. in 2003) for 2002 and 1/1 – 4/6/2003 was also completed in March 2009. Management believes that no additional material liability will arise as a result of open tax years over and above the tax liabilities and provisions recognised in the financial statements.

(iii) The Company has provided letters of comfort and guarantees to the favour of banks as security for loans granted by them to subsidiaries and associates of the Group, the outstanding amount of which as at 31 December 2009 was the equivalent of €1.715 million (31 December 2008 €1.124 million). The Company has also issued letters of credit and guarantees to the favour of third parties, mainly for the procurement of crude oil, which as at 31 December 2009 amounted to the equivalent of €363 million equivalent (31 December 2008 €364 million).

(iv) Following complaints by IATA, the Greek Competition Committee initiated an investigation into the pricing of aviation jet fuel in the Greek market. The conclusion of the investigation was to assert a fine of €9.4m to all Greek refineries, Hellenic Petroleum share accounts for €7,3m and it is based on a percentage of the relevant sales revenues in the year preceding the complaint. The Company maintaining its position that the rational of the conclusion has not taken into account critical evidence presented, has

filed an appeal with the Athens Administrative Court of Appeals. In parallel a petition to suspend the decision has also been filed and partially accepted; the Court has suspended the corrective measures imposed by the Greek Competition Committee until 31 August 2007 (since then all necessary changes have been implemented), but did not suspend the payment of the fine, which has already been paid. Management believes that the final outcome of this case will not have any material impact on the Company's financial statements. The court date for the appeal, initially set for the 27 September 2007 and postponed to take place on 17 January 2008, was finally tried on the 25 September 2008. The resolution issued has partly accepted the Company's appeal i.e. and (a) has reduced the fine of €7,3 million by €1,5 million (b) has revoked the corrective measures which were temporarily suspended as above. The Company is contesting the above decision before the Supreme Administrative Court for the part which the aforementioned resolution has not been fully accepted. The court date has been set for 3 June 2010.

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

31 Commitments

Significant contractual commitments of the Company are as follows:

- Capital investment in upgrading Hellenic Petroleum refinery installations of €530 million (31 December 2008 €439 million), of which €454 million relate to the Hydrocracker project.
- Upstream exploration and development costs of €4 million (31 December 2008:€13 million) have been committed as part of the Joint Operating Agreements (JOA) in place. These commitments will depend on the progress of exploration activities.

32 Related-party transactions

i) Sales of goods and services	**For the year ended**	
	31 December 2009	**31 December 2008**
Sales of goods		
Group Entities	2.143.451	3.146.222
Other related parties	145.484	642.616
Sales of services		
Group Entities	8.018	7.814
	2.296.953	**3.796.652**

ii) Purchases of goods and services		
Purchases of goods		
Other related parties	31.916	38.078
Purchases of services		
Group Entities	52.292	49.481
	84.208	**87.559**

iii) Balances arising from sales / purchases of goods / services	**As at**	
	31 December 2009	**31 December 2008**
Receivables from related parties		
Group Entities		
- Receivables	232.194	93.922
Other related parties		
- Receivables	165.776	191.186
	397.970	**285.108**
Payables to related parties		
Group Entities		
- Payables	16.112	10.400
Other related parties		
- Payables	2.315	1.825
	18.427	**12.225**
Net balances from related parties	**379.543**	**272.884**

	For the year ended	
	31 December 2009	**31 December 2008**
Charges for directors remuneration	1.133	1.497

All transactions with related parties are effected under normal trading and commercial terms

Group Entities include all companies consolidated under the full method of consolidation.

Other related parties include non affiliated or Governmental organisations such as the Hellenic Armed Forces and the Public Power Corporation (Hellas). They are considered related parties due to the shareholding in the

Company by the Hellenic State. Also included are Group companies consolidated with the equity method of consolidation.

Transactions and balances with related parties are in respect of the following:

a) Hellenic Petroleum Group companies.

b) Parties which are under common control with the Company due to the shareholding and control rights of the Hellenic State:

- Public Power Corporation Hellas
- Hellenic Armed Forces
- Olympic Airways/ OlympicAirlines

c) Financial institutions which are under common control with the Company due to the shareholding and control rights of the Hellenic State. The Company as at 31 December 2009 had outstanding loans amounting to the equivalent of €20 million (31 December 2008: equivalent €121 million) due to the following related financial institutions:

- National Bank of Greece
- Agricultural Bank of Greece

d) Joint ventures with other third parties:

- STPC Ltd, Hellenic Petroleum S.A. & Calfrac

- Melrose, Kuwait Energy & Hellenic Petroleum S.A.

e) Associates of the Company:

- Athens Airport Fuel Pipeline Company S.A. (EAKAA)
- Public Gas Corporation of Greece S.A. (DEPA)
- Artenius S.A.
- Elpedison B.V.
- Spata Aviation Fuel Company S.A. (SAFCO)

f) Financial institutions in which substantial interest is owned by parties which hold significant participation in the share capital of the Company. The Company as at 31 December 2009 had outstanding loans amounting to the equivalent of €230 million (31 December 2008: equivalent of €240 million) with the following related financial institutions:

- EFG Eurobank Ergasias S.A.

g) Enterprises in which substantial interest is owned by parties which hold significant participation in the share capital of the Company.

- Private Sea Marine Services (ex Lamda Shipyards)

33 Subsequent events

There were no significant events that took place after the current balance sheet date as at 31 December 2009.

2. Board of Directors’ Consolidated Financial Report for the fiscal year 2009

Board of Directors' Consolidated Financial Report for the fiscal year 2009

C O N T E N T S

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I. Complementary information and data pursuant to decision 7/448/11.10.07 of the Capital Market Commission

Annex A

Preface

Dear Shareholders,

Pursuant to the provisions of Law 2190/20, articles 90 - 110 and articles 134 - 143 of the same Law, (as adjusted to comply with the European Community's 7th directive), the HELLENIC PETROLEUM Group prepares consolidated financial statements, comprising the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, and the Consolidated Statement of Changes in Equity and Cash Flows, together with a summary of significant accounting policies and other explanatory information in accordance with the International Financial Reporting Standards.

This Annual Financial Report presents an overview of the operations of the Group and the Parent company HELLENIC PETROLEUM S.A. for the fiscal year 2009 as well as the prospects for 2010.

A. GROUP STRUCTURE AND COMPANIES

A1. SUBSIDIARIES

The financial statements of 2009 include the direct and indirect subsidiaries of HELLENIC PETROLEUM S.A. which are consolidated under the full consolidation method, while associates are consolidated using the equity method.

The complete list of companies is attached as annex A'.

HELLENIC PETROLEUM S.A. (PARENT COMPANY)

On 31.12.2009, the Hellenic State and DEKA owned in total 35.48% of the shares, Paneuropean Oil and Industrial Holdings owned 39.04%, while the remainder was owned by institutional and individual investors.

B. PRINCIPAL ACTIVITIES

B1. DESCRIPTION

HELLENIC PETROLEUM S.A. together with its subsidiaries and associates is the largest industrial and commercial group in Greece, with assets totaling €5,765.2 m. (€5,146.0 m. in 2008), shareholders' equity (including minority rights) totaling €2,510.5 m. as of 31.12.2009 (€2,473.7 in 2008) and a turnover in 2009 amounting to € 6,756.7 m. (€10,131.0 in 2008). It is a vertically integrated petroleum business, engaging in the following activities:

- The exploration and production of hydrocarbon deposits.
- The refining and production of petroleum products.
- The procurement of crude oil, the sale of distillate products and the marketing of petroleum products.
- The construction and operation of hydrocarbon pipelines and storage tanks, as well as facilities for processing.
- The operation of petrochemical plants and other chemical product facilities.

- The generation and trading of any other kind of energy.
- The provision of engineering and consulting services.

B2. CORE ACTIVITIES

The principal activities of the HELLENIC PETROLEUM Group, whether they constitute parts of the same company or of separate entities, which however are consolidated in the financial statements, are:

- Refining, supply and trading of oil products
- Downstream retailing of petroleum products
- Petrochemicals production and trading
- Hydrocarbon exploration and production
- Power generation and natural gas trading

The Group's main activities are described in the following paragraphs:

a) Refining, supply and trading of petroleum products

Refining is the Group's core business, accounting for the majority of total assets and profitability. In Greece, the Group operates the Aspropyrgos, Thessaloniki and Elefsina refineries, with an annual nominal crude oil refining capacity of 7.5 million, 3.4 million and 5.0 million tonnes respectively. The three refineries together stand for 76% of the country's total refining capacity. Since 1999, the Group owns and operates the OKTA refinery in Skopje through ELPET. BALKANIKI S.A., with an annual nominal capacity of 2.5 million tonnes.

Fuel sales are conducted between HELLENIC PETROLEUM S.A. and oil trading companies, including EKO S.A. and Hellenic Fuels S.A. and the country's armed forces. Small quantities are also exported, while heating oil is also imported for seasonal needs that are not covered by domestic production.

The procurement of crude oil for all refineries in Greece and OKTA - Skopje is coordinated centrally. Crude oil procurement for 2009 was performed based either on term contracts or SPOTS agreements: Saudi Arabia (7.40%), Iran (22.93%), Libya (18.97%), Azerbaijan (0.61%), Prinos (0.75%), Tunisia (0.24%) and Kazakhstan (1.86%). The remaining 47.24% came from Russia (URALS).

The Aspropyrgos refinery is complex and one of the most modern in Europe, with an annual capacity of 7.5 million metric tonnes of crude oil. It has a large number of refining units and units of heavy oil conversion into white derivatives. The conversion units having high complexity rate constitute its main advantage. The main conversion unit is the fluidized catalytic cracker (FCC) with a nominal capacity of 45,000 barrels per day. The unit processes atmospheric residue and vacuum distillate from units at Aspropyrgos and Thessaloniki for white derivative production.

Following extensive unit and oil pipeline network upgrade work, the Aspropyrgos refinery now operates in full compliance with the new environmental requirements as well as contemporary safety requirements, while it has increased its efficiency and consequently its participation in the Group's profits.

It supplies the Group with High Octane gasoline (100 RON) produced under strict environmental specifications (10 ppms), while it covers 80% of the Group's total production of final gasoline products. It also produces and distributes Auto Diesel in compliance with the Euro 5 (10ppms) specifications.

The Aspropyrgos refinery is particularly flexible in all types of final product production, storage and distribution, while it has the main responsibility for the provision of fuels to "Eleftherios Venizelos" Airport. It has a large pipeline transferring crude oil from the Pachi facility at Megara and a pipeline transferring final and semi-processed products from and to the Elefsina refinery.

The Thessaloniki refinery is of the hydroskimming type. Besides the atmospheric distillation unit, it also has units for naphtha reforming and isomerization, kerosene and diesel hydrodesulphurization, gas desulphurization and basic sulphur recovery.

It is equipped with a production and distribution complex for ancillary provision of water, steam, air, cooling water, electricity, as well as with a processing complex for liquid and solid industrial waste.

It has two tank truck loading stations with a total of 41 loading docks and a train loading station with 5 loading docks. It also has oil storage areas of a total loading capacity of 1,161,000 cubic metres.

It is the only refinery in the Northern Greece area and has the capability of supplying both the local market and the Balkan mainland with all types of fuel. The refinery's environmental performance is constantly improving with upgrading investments in progress and modifications aiming at improving product quality.

The Thessaloniki refinery operates in conjunction with the Aspropyrgos and Elefsina refineries as one integrated production unit. The moorings and the island for loading at sea, the large storage areas and the existing pipeline interconnection system permits the movement and exchange of products between the Group's three Greek refineries. Furthermore, it permits the crude oil supply of OKTA refinery in FYROM, which Thessaloniki refinery is linked to by a pipeline.

A petrochemicals' production unit also operates in the refinery's area.

The Elefsina refinery is an Atmospheric Distillation refinery (topping refinery) with a nominal annual capacity of 5.0 million metric tonnes of crude, which corresponds to around 25% of the country's refining capacity. It also has a hydrodesulphurization unit of 800,000 tonnes diesel annual capacity. The Elefsina refinery has particularly large storage areas of 3.35 million tonnes for crude and distillates, a large private port into which 17 large vessels can berth concurrently for loading and unloading oil, as well as a modern tank truck loading station with 18 loading docks. The refinery is linked by pipeline both to the Hellenic Petroleum S.A. facility at Pachi, Megara and to the Aspropyrgos refinery.

There is a conversion unit upgrade underway at the Elefsina refinery, which increases the degree of the refinery's complexity. This upgrade will ensure the domestic market's smooth supply with fuel of new specifications, the improvement of the country's procurement security with a capacity of selecting different crude oils. Moreover, the new units significantly improve the refinery's operating conditions both on safety level and on environmental impact level.

The upgrade work at both the Elefsina refinery and the Thessaloniki refinery is in progress.

The three refineries, Aspropyrgos, Elefsina and Thessaloniki together, have storage tanks with a capacity of 6.65 million cubic meters. This element underpins the Group's strong position in the Greek market.

In 2009, the Aspropyrgos, Elefsina and Thessaloniki refineries processed 6.56, 2.69 and 2.83 million tonnes of Crude oil respectively and jointly produced 11.4 tonnes of Distillates.

The total sales of refinery products and merchandises in 2009 were 14.9 million tonnes (excl. OKTA) of which 8.7 million tonnes in the domestic market, 3.9 tonnes in the international sales market (transit), while exports were 2.3 million tonnes.

The OKTA refinery in Skopje is also of the hydroskimming type with a nominal capacity of 2.5 million tonnes annually and storage areas of 250 thousand cubic metres. It obtains its crude oil supplies from Thessaloniki and it produces mainly gasoline, diesel and fuel oil, as well as small quantities of LPG.

In 2009, the OKTA refinery processed 980 thousand tonnes crude (1,076 thousand tonnes in 2008), produced 965 thousand tonnes of products (1,037 thousand tonnes in 2008) and sold 1,028 thousand tonnes, of which 672 thousand tonnes were absorbed by the domestic market.

b) Downstream retailing of petroleum products

In addition to the ex refinery sales to commercial companies, the HELLENIC PETROLEUM Group engages in the marketing of oil products (retail level) both in Greece through its subsidiary EKO SA and the newly acquired Hellenic Fuels S.A. (formerly BP Hellas S.A.) and abroad through its subsidiaries in Cyprus, Georgia, Bulgaria, Serbia, Montenegro and Albania.

In Greece, it has an extensive gas station network, (EKO – 1,175 stations out of a total of about 8,000) 13 storage and distribution facilities, 23 aircraft refueling stations in the main airports, 3 LPG bottling plants and one lubricant production and packaging unit.

The Group’s commercial companies in Greece and abroad are supplied mainly from the Aspropyrgos, Elefsina and Thessaloniki refineries.

On December 10th 2009, the HELLENIC PETROLEUM Group completed the take over of BP Hellas S.A., subsequently renamed to Hellenic Fuels S.A. The company transacts in the retail sales of ground fuels in Greece, as well as in the commercial and industrial customers’ field, and has approximately 1,200 service stations and storage areas of 170,000 cubic meters’ capacity. Hellenic Fuels S.A., obtained authorization by BP PLC to maintain the right of use of BP's trademarks for all ground fuels in Greece for 5 years, with an option of renewal for an additional 3 years.

c) Petrochemicals

The Group owns and operates the largest petrochemical/chemical complex in Greece. The plant is situated in Thessaloniki and produces polypropylene, industrial aliphatic solvents (white spirit, hexane etc) and sulphate/chlorine.

The petrochemical units operate on a consolidated basis with the Thessaloniki refinery and use pentane, naphtha and light kerosene, which are used as raw materials in the industrial solvent production units. They also take advantage of joint infrastructure of ancillary provisions and other support facilities.

The sector’s technical infrastructure is complemented with storage and distribution facilities for petrochemical products, as well as a good sales network.

The Group holds a strong position with a high market share in the domestic market, as the only petrochemical producer in Greece. It also participates by 35% in ARTENIUS Hellas SA (ex VPI S.A.) in Volos, a company that produces PET resin for use in food packaging and bottling of drinks. Part of the PET production is sold in the Greek market through the Group’s chemicals sales network.

The Group has further integrated its production basis vertically in the recent years, by constructing propylene units in Aspropyrgos, polypropylene in Thessaloniki and BOPP film in Komotini, as a part of its

plan to restructure the petrochemical sector and to develop new products of high added value utilising state of the art technology.

The main capital project is the polypropylene unit, an investment of approximately € 150 million. The unit's capacity is 220 thousand tonnes per annum, which is sufficient to cover domestic processing needs and allow exports to neighboring countries. Propylene is used as raw material and is transported with special tankers mainly from Aspropyrgos. Part of the facility's production is absorbed as a raw material by the factory of DIAXON in Komotini, for the production of BOPP film.

Main developments in 2009

- Careful operation and raw material procurement cost management to optimize results.
- Utilization of the full polypropylene chain
- Retention of a satisfactory level of sales despite the negative economic climate and the limited demand for chemical products internationally.
- Margin maximization relative to market conditions
- Placed in one of the highest positions as per the assessment of the world research conducted by BASEL among facilities of similar type.

d) Hydrocarbon exploration and production

Through the Hydrocarbon Exploration and Development Directorate, the HELLENIC PETROLEUM Group also engages in the exploration and production of hydrocarbons in Greece and abroad. The basic areas of activity in Research and Production are:

Greece

- Participation by 25% in the exploration sites of the Thraki Sea Concession in the Northern Aegean, covering an area of approximately 1,600 square kilometers.

- In 2007, the Greek Government revoked the concession licenses that had been given to HELLENIC PETROLEUM for the exploration and exploitation of hydrocarbons in the Greek subsoil. The Company's Management is examining the impact and the Company's further actions with regard to this issue.

- Since 1999, the Group had undertaken from "Kavala Oil" the control and supervision of the project for the exploitation of hydrocarbons in progress at the 'Prinos' / 'N. Prinos' oil fields and 'N. Kavala' natural gas field, for the Ministry of Development.
  Since September 2009, such control is not exercised any more by Hellenic Petroleum.

Egypt

HELLENIC PETROLEUM engages in Egypt in the field of Hydrocarbon Exploration and Production through two Concession Contracts:

1. Concession Contract at the West Obayed area of West. Desert, of a total surface of 1,841 sq.km. The contract was signed on 05.06.07 with HELLENIC PETROLEUM as exclusive concessionaire and administrator.
2. Concession Contract at the Mesaha area of West. Desert in Upper Egypt, of a total surface of 57,000 sq.km. The contract was signed on 09.10.07 and the companies participating in the consortium are Melrose at 40% (Consortium administrator), HELLENIC PETROLEUM at 30% and Kuwait Energy at 30%.

In order to implement the project at W. Obayed, HELLENIC PETROLEUM established a branch in Egypt, which is conducting the Concession's exploration work.

The above exploratory projects render Egypt the core of HELLENIC PETROLEUM activities in the field of hydrocarbon exploration and production.

Montenegro

The Group has been active in Montenegro since 2002, when it acquired 54.35% of the state oil company, JUGOPETROL A.D. KOTOR (JPK). JPK owns the hydrocarbon exploration and exploitation rights in three offshore areas in Montenegro.

In accordance with the Concession Contract, the exploration and exploitation activities in these areas are conducted through JPK's consortia with foreign companies. The Consortium company shareholding was as follows:

- Blocks 1&2 (1,130 sq km & 3,710 sq. km respectively): MEDUSA (Montenegro) 40%, HELLENIC PETROLEUM INTERNATIONAL AG 11%, JPK 49%.
- Block 3 (3,930 sq klm): JPK 100%.

The Montenegrin Government unilaterally decided to terminate the Concession Contracts of Block 3 to JPK in August 2006. JPK and the Hellenic Petroleum Group have not accepted this decision.

Furthermore, the aforementioned Government decided to call the Consortium of companies active in Blocks 1&2 to complete their exploration schedule by 31.03.07.

e) Power and Gas

General Information

The Group's power-related activities focus mainly on electricity production and cross-border trading of electricity.

Since 2005, ELPEDISON POWER S.A. (through Energiaki Thessalonikis S.A.) has been the first, independent electricity producer in Greece with a total established power of 395 MW of combined cycle technology using Natural Gas and maximum production capacity of 3,300,000 MWh. The construction of the power generation facility, which is a pilot unit insofar as the production technology is concerned, with automated administration and operation systems, involved an investment exceeding €250,000,000.

In 2009, “THISVI POWER GENERATION PLANT S.A.” was merged through absorption by the company (former “ENERGIAKI THESSALONIKIS S.A.”), thus the Company's share capital, following the transfer of shares to minority shareholders, is held by 75% by Elpedison B.V. and by 25% by the minority shareholders.

Facility operation information for 2009

The facility operated for 2,000 hours approximately in 2009, producing approximately 500,000 MWh and using 1,100,000 MWhg of Natural Gas.

It is also noted that together with its production activities, throughout 2009, the company also engaged in cross-border electricity trading on behalf of the parent company Hellenic Petroleum S.A., selling in total approximately 20,500 MWh (import-export).

On 17 November 2008, the plant at Thessaloniki was closed due to a failure caused by the inflow of sea water into the gas turbine system. From the end of 2008 to the beginning of October 2009, efforts focused on restoring the equipment and the facilities' integrity.

Thisvi project

During 2009, the projects at the Thisvi Electric Power Generation Plant progressed satisfactorily, without significant deviations from the time schedule.

As regards the projects at the Plant's facilities, the general progress at the end of 2009 reached 77.1%. The activities mainly focused on the execution of erection works on the worksite. The design and procurement phases are almost completed, while the control, testing and acceptance activities commenced. The Plant's commissioning phase is expected to begin at the end of February 2010 and its commercial operation will commence in September 2010.

In the **Natural Gas** sector, the Group participates through its associate company DEPA S.A., in which it holds a 35%.

C. MAIN DEVELOPMENTS

C1. BUSINESS ENVIRONMENT

During 2009, the global economy growth rate slowed down significantly compared to 2008, mainly due to the global financial crisis.

Global GDP reduction, according to the IMF, is estimated at -1.1% for 2009, compared to 3.0% increase the year before.

GDP declined in the USA by -3.4% and in Japan by -5.4%, while in the Eurozone, the respective decrease was -2.7% compared a 0.7% increase in 2008. In Greece GDP fell by -2.6%.

During 2009, the average exchange rate between the Euro and US Dollar was around 1.3948 dollars, lower than the average level of 2008 (1.4706 Dollars). The average price of Brent crude oil (Platt's Dated) for 2009 was $61.67/Bbl versus $96.99/Bbl in 2008, namely a decrease of 36.4%.

The international refining margins for complex refineries were lower in 2009. Specifically, the indicative margin of a complex refinery in the Mediterranean in 2009 was $3.90/bbl versus $6.76/Bbl in 2008. The margins of simple refineries increased, from $-3.50/Bbl in 2008 to $-2.26/Bbl in 2009

C2. BUSINESS ACTIVITIES

The main business activities in 2009 were as follows:

Refining, Supply and Trading

- A difficult macroeconomic environment in the 2nd half of 2009, since the international complex refining margins declined to 2003 levels.
- Crude oil prices continued to increase since the beginning of the year and remained relatively stable during the fourth quarter and, overall year-end prices did not result in material inventory valuation issues.
- Focus on the competitiveness improvement plan and, therefore, achievement of a higher average refining margin compared to international margins.
- Satisfactory progress in the upgrading of the Elefsina and Thessaloniki refineries.

- A 7% drop in the total volume of sales, due to lower demand, affected by the economic crisis.
- A respective drop in the total production volume, in combination with the scheduled turn-around of the Aspropyrgos refinery in September – October 2009.

Petrochemicals

- The international financial recession compressed the results of the 1st half of 2009 due to the decreased demand and the large drop in margins.
- A significant improvement in the market conditions was observed in the 2nd half compared to those prevailing at the beginning of the year, however, slowing down in the fourth quarter due to the sluggish market conditions.
- Margin maximization relative to market conditions

Exploration and Production

The initial phase of the exploration with geological surveys, 3D seismic records and at least three deep exploratory drillings is expected to be completed at the West Obayed area of Western Desert by June 2010, when the first exploration period ends.

The re-processing and interpretation of 3,000 kilometers of 2D seismic records and 1,000 sq. kilometers of 3D seismic records have already been completed. The processing and interpretation of new 3D seismic recordings of a total extent of 1,000 sq. klm. were performed following the recording. The first exploratory drilling, which was successful, began in August 2009 and was completed in February 2010. The drilling located hydrocarbons and its geological results are highly encouraging for the continuation of the research.

The duration of the first exploratory period in the Mesaha area concession in Eastern Egypt is four years, whereby it involves mandatory geological and geophysical studies work as well as an exploratory drilling. In 2009, the Consortium performed geological and geophysical works according to schedule. The exploratory drilling is expected to be carried out in the last year.

In Montenegro, the company is in negotiations with the Montenegrin Government to extend the time for completion of the exploration schedule in Blocks 1 & 2 (Prevlaka offshore area).

During 2009, proposals were evaluated for the Company's participation in hydrocarbon exploration and production in various countries in North Africa as well as the Middle East, which are areas of first priority for the Group.

Marketing of oil products

- Total sales volumes of EKO reached almost 3.71 million MT (-3.6% compared to 2008), with a +15.8% increase in domestic market sales and a -26.3% drop in aviation and marine fuel sales. EBITDA reached 50.1 million euro, +58.8% compared to last year.

- In 2009, 3 additional CALYPSO service stations controlled by the Company were completed and operated, while 4 other CALYPSO service stations terminated their operation in order to be transformed into controlled service stations (33 CALYPSO service stations in total as at 31.12.2009).

- In 2009, EKO SA established 5 shipping companies, through which it acquired equal number of vessels, 3 vessels for transporting fuels to the facilities and 2 vessels for the supply of customers on islands.

- The network sales abroad increased in 2009 compared to 2008 by 7.6% mainly owing to the increased sales in the basic markets of Serbia (16%) and Bulgaria (28%) as investments made in the previous years mature. It should be noted that the total number of service stations bearing the Group logos abroad rose to 316, up by 6% since the end of 2008.

In the Power Generation and Trading sector

In 2009, the mergers, transfers of shares, corporate transformations etc. that were provided for by the relevant agreements signed in 2008 were completed and the company acquired its current shareholding, organizational and functional structure. Lastly, the eight-year Business Plan of the company (2010-2017) was approved and the procedures for developing new projects provided for thereby commenced.

C3. SHARE PRICE PERFORMANCE

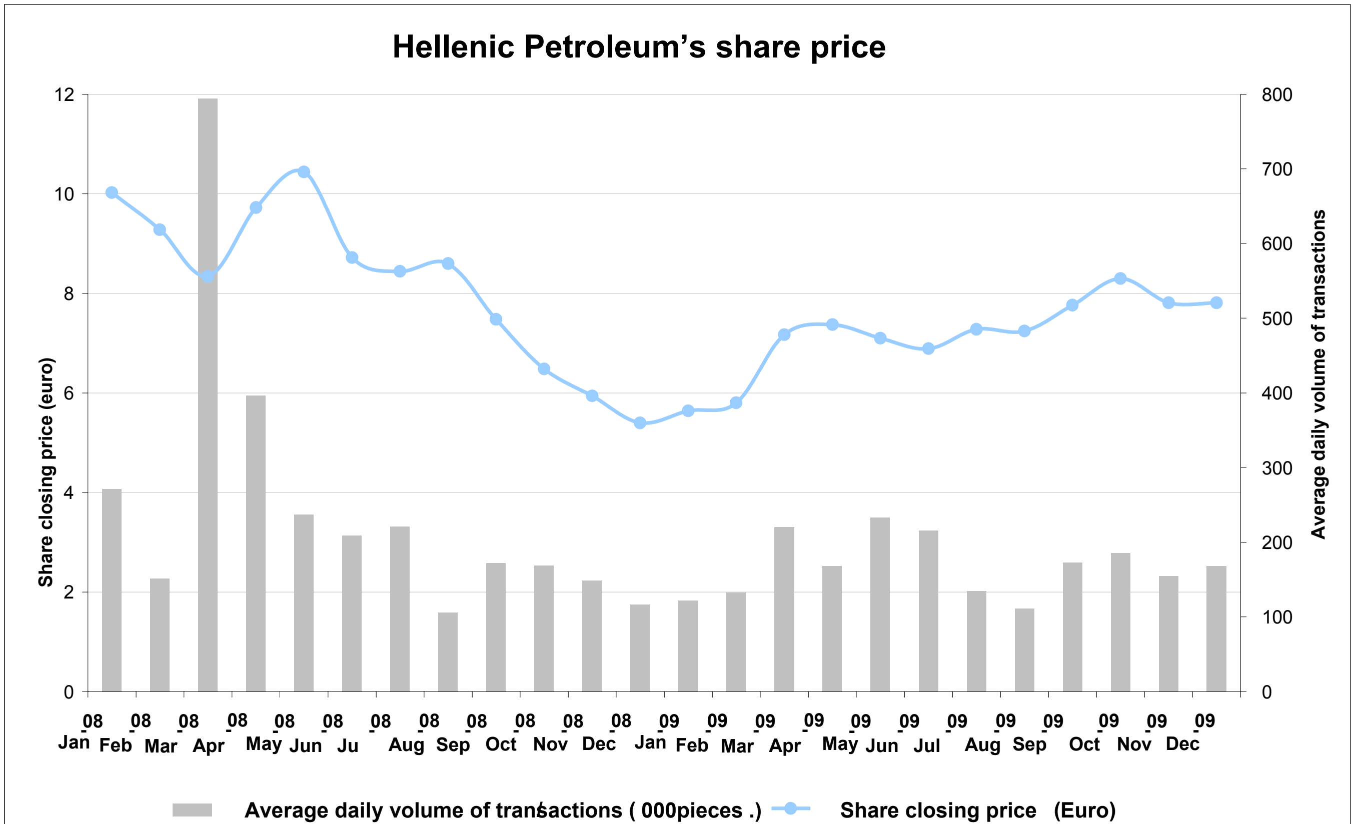
In 2009, the Athens Exchange General Index ended the year with gains of 22.9%, following a particularly difficult 2008, which was one of the worst years in the history of the A.S.E., since the losses exceeded the total profits of the previous five-year period. The Greek stock market for most of 2009 rose in tandem with the international markets, which anticipated the end of the global recession. However, towards the end of 2009, the local stock market was affected by the fiscal problems of the Greek economy, which were reflected in the bond market, following the downgrading of the Greek economy by international credit rating agencies.

The Company's share price also showed strong gains and outperformed the General index, as the share price closed at € 7.81 at end-2009, posting a 44.6% increase compared to 31.12.2008. It should be noted that the annual average price in 2009 was € 7.17, lower by 15% on a year-on-year basis.

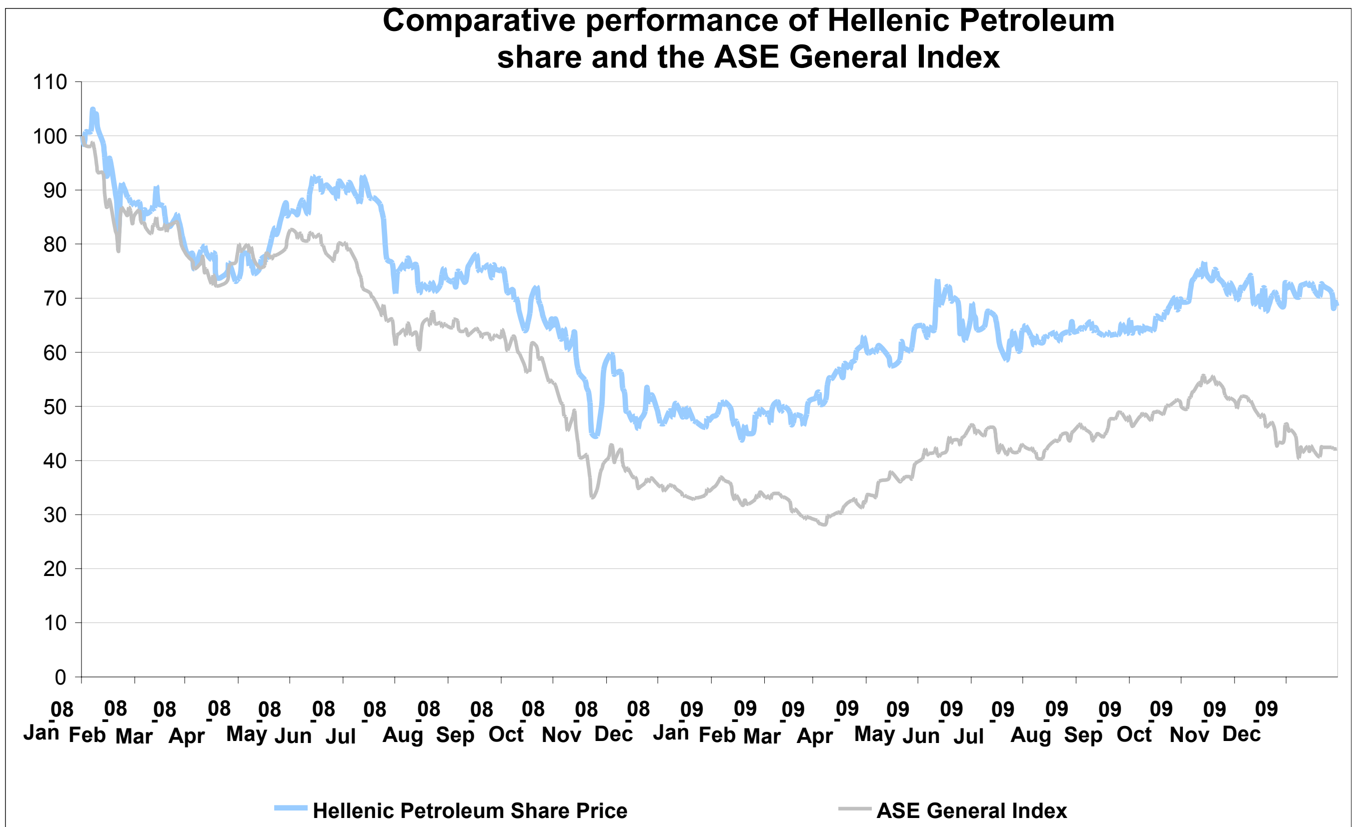
The average trading volume in 2009 decreased by 29% year-on-year to 168 thousand shares per day, while the value of average daily trading volumes declined by 39% to €1.20 million.

During the year, the share reached a high of €8.74 on 08.10.2009, while the lowest price was € 5.00 on 19.01.2009.

The chart below shows the closing share price at the end of each month and the average monthly volume of shares during the period 01.01.2008 to 31.12.2009:



The relative performance of the share price compared to the ASE General Index from January 2008 to December 2009 is shown below:



D. FINANCIAL RESULTS

The following section presents in summary the Group's consolidated financial statements for 2009, in accordance with the International Financial Reporting Standards.

D1. SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The Group's summary consolidated statement of comprehensive income in accordance with International Financial Reporting Standards for 2009 and comparatives of 2008 are shown below:

Million Euro	***2009***	***2008***
Turnover	6,756.6	10,131.0
Gross profit	713.8	258.6
Operating result	261.2	113.1
EBITDA	**385.9**	**245.6**
Profits before taxes	242.4	16.9
Earnings after taxes and minority interests	**176.9**	**23.6**
Earnings per share (Euro)	0.58	0.08

a. Turnover

The Group's consolidated turnover, net of inter-company sales, amounted in 2009 to EUR 6,756.6 m. compared to EUR 10,131.0 m. in 2008 (33.3% decrease). It must be emphasized that crude oil prices significantly affect turnover, as well as the cost of goods sold.

b. Gross profit and operating result

The Group's gross profit is affected by the parent company's profit to a significant degree amounted in 2009 to EUR 713.8 m. compared to EUR 258.6 m. in 2008.

Earnings before interest, tax, depreciation and amortization (EBITDA) for the Group amounted to EUR 385.9 m. compared to EUR 245.6 m. in the previous year.

The Group's comparative results for 2008 were significantly affected and include losses from the fall in oil (crude and distillates) prices (inventory effect) of 482 million euro in total.

c. Earnings before taxes

Consolidated earnings before taxes for 2009 amounted to EUR 242.4 m. compared to earnings before taxes of EUR 16.9 m. in the previous year. Earnings after taxes and minority interests amounted to EUR 176.9 m. compared to EUR 23.6 m. in 2008.

D2. SEGMENTAL RESULTS

Segmental results for 2009 were:

	Sales Volume (MT´000)	*Turnover (million €)*	*Operating Results (million €)*	*EBITDA (million €)*
Refining	15,885	5,927.8	258.6	324.0
Marketing	4,787	2,339.5	30.0	69.1
Exploration & Production	-	0.2	(26.7)	(22.8)
Petrochemicals	407	256.1	3.2	17.5
Technical Services + Others	-	20.5	(3.9)	(1.9)
Power and Gas	-	-	-	-
Intra-group	-	(1,787.5)	-	-
Total	**21,079**	**6,756.6**	**261.2**	**385.9**

The comparative results per segment for 2008 were:

	Sales Volume (MT´000)	*Turnover (million €)*	*Operating Results (million €)*	*EBITDA (million €)*
Refining	16,997	9,627.5	(158.0)	(81.4)
Marketing	4,911	3,144.8	36.7	69.6
Exploration & Production	-	1.1	124.7	124.7
Petrochemicals	388	368.4	8.4	23.1
Technical Services	-	17.9	10.4	(1.4)
Power and Gas	-	180.6	90.9	106.9
Intra-group	-	(3,209.3)	-	4.1
Total	**22,296**	**10,131.0**	**113.1**	**245.6**

Refining, supply and trading account for the majority of the Group's revenues and profits.

D3. PERSONNEL & LABOUR COST

At the end of 2009, the HELLENIC PETROLEUM Group employed 3,708 persons in Greece, compared to 3,477 in 2008. Employees in the Group's subsidiaries abroad (which are fully consolidated in the financial statements) were 1,437 persons in total in 2009, compared to 1,707 persons in 2008.

Company	***2009***	***2008***
OKTA Crude Oil Refinery A.D. – Skopje	842	860
EKO-GEORGIA Ltd	174	151
GLOBAL PETROLEUM ALBANIA Sh.A./ ELDA Petroleum Albania	22	24
JUGOPETROL AD KOTOR	250	530
HELLENIC PETROLEUM CYPRUS LTD	57	60
EKO Bulgaria EAD	53	41
EKO YU A.D. – Beograd	39	41
Total	**1,437**	**1,707**

The allocation of employees in Greece per company/activity sector is shown in the table below:

Sector/Company	***2009***	***2008***
Central Services	356	450
Thessaloniki Industrial Facilities	647	646
Aspropyrgos Industrial Facilities	1.040	948
Elefsina Industrial Facility	495	462
TOTAL HELLENIC PETROLEUM S.A.	**2.538**	**2.506**
EKO SA	529	668
HELLENIC FUELS S.A.	231	-
VARDAX	1	1
T-POWER	26	2
EL.PE. CONSULTING	9	9
ASPROFOS	227	149
DIAXON	98	95
EL.PET. BALKANIKI	-	2
APPOLON & POSEIDON MARITIME COMPANY	49	45
Total employees in Greece	**3,708**	**3,477**

The Group's personnel costs for 2008 and 2009 were as follows:

Thousands euro	***2009***	***2008***
Wages and salaries	216,977	212,069
Social security costs	40,954	39,962
Pension costs	92,356	29,132
Other employment benefits	37,557	39,357
Total	**387,844**	**320,520**

Other costs include expenses such as Medical expenses, canteen costs, staff transportation and training. Pension costs include the additional costs incurred regarding the voluntary retirement schemes (VRS) effected during the second half of 2009, amounting to EUR 67.7 m.

E. FINANCIAL POSITION

E1. STATEMENT OF FINANCIAL POSITION / NET ASSETS

The summarized Consolidated Statement of Financial Position is presented below:

Million Euro	***31.12.2009***	***31.12.2008***
Non-current Assets	2,982.4	2,319.1
Inventories	1,373.9	1,020.8
Receivables	917.7	929.6
Cash at bank and in hand	491.2	876.5
Total	**5,765.2**	**5,146.0**
Shareholders' Equity	2,369.3	2,324.9
Non-controlling interests	141.2	148.8
Long-term liabilities	904.1	747.8
Short-term liabilities	2,350.6	1,924.5
Total	**5,765.2**	**5,146.0**

The Group's changes in equity (including minority interests) between the years 2008 and 2009 were as follows:

Million Euro	*31.12.2009*	*31.12.2008*
Opening Balance	2,473.7	2,580.5
Net Profit for the Period	176.3	29.1
Dividends	(137.5)	(152.8)
Stock Options	1.1	-
Currency differences and other movements directly recorded in equity	(5.1)	(3.6)
Revenue from sale of Subsidiary's shares	-	9.7
Share capital reduction of subsidiary	(7.4)	-
Hedging transactions	7.4	10.9
Total	**2,508.5**	**2,473.7**

E2. CASH FLOWS

Million Euro	*31.12.2009*	*31.12.2008*
Cash flows generated from Results	437.6	65.5
Changes in Working Capital	(70.1)	808.6
Income Tax Paid	(16.7)	(173.6)
Net Cash Flows from Operating Activities	**350.8**	**700.5**
Investing activities	(912.1)	(188.8)
Financial Activities	181.2	152.5
Net increase / (decrease) to cash and cash equivalents	**(380.1)**	**664.2**
Beginning of Year	876.5	208.5
Foreign exchange differences	(5.2)	3.8
Cash increase/ (decrease)	(380.1)	664.2
End of year	**491.2**	**876.5**

E3. INVESTMENTS

Group investments amounted in 2009 to EUR 613.9 m. compared to € 337.6 m. in 2008:

(Million Euro)	*2009*	*2008*
HELLENIC PETROLEUM S.A.	524.6	241.7
EKO BULGARIA HOLDINGS – PROPERTIES	6.5	33.6
EKO BEOGRAD	2.2	14.0
EKO SA & SUBSIDIARIES	49.4	27.5
OKTA	12.1	4.4
JUGOPETROL AD KOTOR	6.4	4.4
HELPE CYPRUS	6.3	7.0
Others	6.4	5.0
Total	**613.9**	**337.6**

The main investment projects during 2009 are the following:

Aspropyrgos Refinery
Production Unit Upgrade
New maintenance building construction

Elefsina Refinery
Elefsina refinery unit upgrade (Hydrocracker)
Existing Production Units Upgrade

Thessaloniki Refinery
Refinery upgrade (CCR)

EKO & Foreign Subsidiaries
Service station network development and image improvement
Existing service station network acquisition
Environmental and efficiency improvements of facilities
Acquisition of five vessels

E4. NET DEBT

Total net debt for the Group as at 31.12.2009 amounted to EUR 1,418.7 m., increased by EUR 742.5 m. compared to 31.12.2008 (EUR 679.0 m.), as presented in the following table:

(Million Euro)	*2009*	*2008*
HELLENIC PETROLEUM S.A.	1,011.6	503.7
EKO SA (GROUP)	20.2	120.9
HELLENIC PETROLEUM INTERNATIONAL	340.1	16.2
ELPET BALKAN GROUP	(44.4)	(56.5)
INTERNATIONAL RETAIL	160.7	10.6
Others	(69.5)	84.1
Total	**1,418.7**	**679.0**

In 2007, the Group signed a five-year syndicated US$ 1.180 million credit facility agreement, in which Greek and foreign financial institutions participated. The loan was taken out by the Group's fully-owned subsidiary, Hellenic Petroleum Finance plc. In December 2007, Hellenic Petroleum Finance plc exercised the first extension option to extend the maturity date until 31 January 2013, to which almost all participating financial institutions consented with.

In December 2009, the Group signed a three-year syndicated EUR 250 m. credit facility agreement, with an option to increase the amount up to € 350 m. The purpose of this credit facility was to finance the acquisition of the commercial activities of BP Hellas S.A. (excluding aviation fuels, lubricants and the Solar Energy sector). The loan was taken out by the Group's subsidiary Hellenic Finance plc. In February 2010, the final amount of the loan increased to € 350 m. Greek and foreign financial institutions participated.

E5. FINANCIAL RATIOS

The main financial indicators illustrating the Group's capital position and financial performance in 2009, as compared to 2008, are shown in the table below:

	Group 2009	**Group 2008**
Gearing Ratio:	36.1%	21.5%
Return On Average		

Capital Employed (ROACE):	5.7%	4.4%
Return on Equity (ROE)	6.5%	0.9%

E6. DERIVATIVE FINANCIAL INSTRUMENTS

In the context of managing risk from the change in value of distillates and crude oil inventory, the Group conducts derivative transactions for future prices. To the extent that these contracts are not characterized as hedge transactions, they are recognized as held-for-trading derivatives.

The Group also uses derivative financial instruments for the purpose of managing certain risks in the fluctuation of certain commodity prices. Within this context, the Group has taken positions with a series of commodity price swaps, transactions that have been characterized as cash flow risk hedging transactions and are estimated to be very effective.

The maximum exposure to credit risk at the end of the reporting period is the fair value of these derivatives on the Statement of Financial Position.

	31 December 2009				*31 December 2008*			
	MT	***Bbl***	***Assets in EUR***	***Liabilities in EUR***	***MT***	***Bbl***	***Assets in EUR***	***Liabilities in EUR***
Derivatives held-for-trading	185	7,985	-	16,762	600	24,860	24,833	36,675
Derivatives held-for trading, Hedging transactions	2,100	-	-	57,135	1,800	-	-	46,812
Total			**-**	**73,897**			**24,833**	**83,487**

F. 2010 PROSPECTS

The company's prospects per segment are described below:

F1. REFINING

At an international level, oil demand is expected to decline in 2010 due to the global financial crisis and the international crude oil prices are expected to range between 70 to 80 $/Bbl.

The sector's profitability depends on the development of international refining margins, as well as movements in the Euro to US dollar exchange rate. Cracking refining margins, which declined in 2009 compared to 2008, are expected to follow a slightly downward trend in 2010, due to the global recession, likewise for the simple refineries' margins. The average Euro to US dollar exchange rate in 2010 is not expected to differ significantly from that of 2009, therefore no impact on the sector's profitability is expected.

HELLENIC PETROLEUM's production will remain at high levels in 2010. Production volumes will be slightly increased compared to the previous year, as in September 2009 the Aspropyrgos refinery was shut down for approximately a month, in order to carry out the scheduled general maintenance works that take place every five years.

The profitability of the Aspropyrgos refinery, which continued to perform better than international benchmarks in 2009, will be further enhanced due to the implementation of an action plan aiming at increasing its refining margin. Similar actions have been scheduled for 2010 for the Thessaloniki and Elefsina refineries.

Furthermore, the implementation of capital investments will continue throughout 2010; these aim at utilizing less power at existing facilities and at improving the environmental performance of the refineries.

The capital investments regarding the upgrade of the Elefsina and Thessaloniki refineries continue. They aim at producing environmentally friendlier fuels, improving the product mix and reducing emissions substantially. These investments have all the characteristics of sustainable development projects and will contribute to the improvement of the refineries' competitiveness.

F2. PETROCHEMICALS

The chemicals industry internationally is a cyclical capital intensive industry with a capacity surplus. Margins fluctuate intensely and are very hard to forecast for a great length of time. The generally weak economic environment will not improve, therefore for 2010 lower demand for petrochemicals in Europe and intense competition from the Middle East are expected to continue.

Within the expected business environment, our strategy for 2010 focuses on maximizing the plants' operation and optimizing financials, also depending on prevailing market conditions.

F3. EXPLORATION & PRODUCTION

Exploration works will continue in 2010 in the West Obayed (drilling program continuations) and Mesaha (seismic research) areas in Egypt. In Montenegro, the progress of works depends on the outcome of the negotiations with the Montenegrin Government. Strategic choices for portfolio restructuring in this field will also be examined, to create added value for the Group.

F4. OTHER SUBSIDIARIES AND ASSOCIATES – INVESTMENTS

In domestic Marketing, 2010 is expected to be characterized by a decrease in demand due to the internationally high oil prices and by increased industry competition for market shares. Our strategy will focus on developing the fully owned network of "CALYPSO" service stations and restructuring the remaining network in order to improve client service and become more competitive.

In the International Marketing sector, Hellenic Petroleum Cyprus maintained its leading position in the domestic market and its profitability. It is estimated that continuous actions will sustain and further develop the company's activities in the Cypriot market during this adverse economic situation. It is noted that, in 2009, the Commission for the Protection of Competition of Cyprus levied a fine amounting to € 14.3 million. The Company regards the fine imposed as totally unjustified and is taking all necessary legal measures to annul the decision.

Even though the adverse economic environment in Serbia and Bulgaria encumbered the development of the fully owed service stations' network, sales in these two markets significantly increased as investments made in the previous years mature. The anticipated improvement in the economic environment will facilitate implementation of the investment plan, which aims at expanding the activities and securing their dynamic presence in the local markets.

In June 2009, the restructuring plan of our marketing subsidiary in Montenegro, Jugopetrol Kotor, was completed, resulting in a decline in the number of employees by 54%. The company has now a strong advantage enabling it to positively respond to the requirements of a very competitive market forces and enhance its profitability.

The OKTA refinery in Skopje showed profitable results in 2009, following a loss making 2008. The Company operating the pipeline transferring crude oil from Thessaloniki to Skopje also presented positive

results, albeit slightly decreased compared to 2008, mainly due to negative exchange rate differences. It is expected that further stabilization of international prices will have a positive impact on the profitability of ELPET Balkaniki group.

Electricity production by ELPEDISON POWER S.A. in 2010 is expected to positively impact the Group's profitability, mainly through the development and improvement of the appropriate legal framework that governs the electricity market and by ensuring smooth operation of the electricity producing plant.

F5. STRATEGIC TARGETS

Hellenic Petroleum Group ranks number 1 in Greece, in the following activities: crude oil refining, production and marketing of oil products, as well as production and trading of petrochemicals.

The Group's vision is to become a leading energy group in the broader Southeastern Europe. For this purpose, a long term strategy has been designed focusing on the following:

1. Upgrading and strengthening domestic refining and marketing activities.
2. Further expanding the Group's activities in the wider Southeastern European area in both refining and marketing.
3. Managing business portfolio for value and growth, in the areas of Petrochemicals, Exploration & Production, as well as Power and Gas.
4. Organizational structure optimization
5. Mobilization and participation of the Group's human capital
6. Increase competitiveness across all business lines.

G. PARENT COMPANY INFORMATION

G1. FINANCIAL RESULTS

a. Profitability

The company's net profits (before taxes) in accordance with International Financial Reporting Standards, as well as earnings per share for 2009 and 2008 are shown below:

Million in EUR	***2009***	***2008***
Turnover	**6,172.6**	**9,319.6**
Gross profit	433.1	(12.7)
Operating result	236.5	(24.1)
EBITDA	**310.6**	**48.8**
Profit (loss) before taxes	219.0	(142.1)
Profit (loss) after taxes	**164.5**	(108.3)
Profit (loss) per share (Euro)	0.54	(0.35)

b. Profit (loss) before Taxes

Profit before tax for HELLENIC PETROLEUM S.A. were €219.0 million compared to losses (€ 142.1 m.) in 2008. The company's result includes dividend income amounting to € 17.1 million (€ 19.0 million in 2008).

The parent company's results for 2008 have been significantly affected and include losses from the decrease in oil prices (crude and distillates) of 457 million euro in total. (inventory effect).

c. Segmental analysis

Results per operating segment are as follows:

Year 2009	*Sales Volume (MT´000)*	*Turnover ((Million €)*	*Operating Results (Million €)*	*EBITDA (Million €)*
Refining	15,885	5,915.9	250.3	313.0
Exploration & Production		0.3	(26.7)	(22.8)
Petrochemicals	407	256.4	(2.3)	11.7
Other			15.2	8.7
Total	**16,292**	**6,172.6**	**236.5**	**310.6**

Year 2008	*Sales Volume (MT´000)*	*Turnover (Million €)*	*Operating Results (Million €)*	*EBITDA (Million €)*
Refining	16,997	8,970.2	(166.7)	(96.3)
Exploration & Production		1.1	124.7	122.8
Energy		2.8	(0.2)	7.7
Petrochemicals	388	345.5	0.8	16.3
Other		-	17.3	(1.7)
Total	**17,385**	**9,319.6**	**(24.1)**	**48.8**

The business activities comprising HELLENIC PETROLEUM S.A.'s profits are refining, supply and trading, production and trading of petrochemicals, as well as exploration and production of hydrocarbons. The net profits also include dividends received from subsidiaries and associates as well as various participations of HELLENIC PETROLEUM S.A. in third companies and/or joint ventures.

Production and Sales

Production and sales volumes have been:

Production ('000 tonnes)	*2009*	*2008*
Gasoline	2,671	2,963
Diesel	3,719	3,840
Fuel oil	3,031	3,156
LPG	473	562
Aviation Fuel	1,049	1,153
Other	475	484
Total Production	**11,418**	**12,158**

Sales ('000 tonnes)	*2009*	*2008*
Gasoline	2,846	2,835
Diesel	4,530	4,413
Fuel oil	561	1,618
Other	758	778
	-----	-----
Total Domestic Market	**8,695**	**9,644**
Transit market	3,880	4,310
Exports	2,312	1,987
	-----	-----
Total Sales except Crude	**14,887**	**15,941**
Crude to other refineries OKTA/MO	998	1,056
Total Sales	**15,885**	**16,997**

G2. DIVIDENDS

For the fiscal year 2009, the Board of Directors will propose to the General Shareholders' Meeting gross dividends of Euro 91,690,555.50 or Euro 0.30 per share. Furthermore, an interim dividend of Euro 45,845,277.75 or Euro 0.15 per share was paid to beneficiary shareholders from 27.10.09 onwards for fiscal year 2009. Therefore, the total gross dividend for 2009 will be EUR 137,535,833.25 or EUR 0.45 per share.

H. EXPLANATORY REPORT ON THE INFORMATION REQUIRED BY PARA. 7 ARTICLE 4 OF L. 3556/2007
(As per para.8 of article 4 of L.3556/2007)

The Board of Directors submits to the Ordinary General Shareholders' Meeting an Explanatory Report on the information provided for by par. 7, article 4, of Law no. 3556/2007 pursuant to the provisions of par. 8, article 4, of Law no. 3556/2007, as follows:

a) Share capital structure

The company's share capital is Euro 666,284,703.30 divided into 305,635,185 common nominal shares with voting rights of € 2.18 nominal value each. The Company's shares are listed on the Athens Stock Exchange.

The shareholders rights arising from each share are proportionate to the percentage ownership of the Company's paid up share capital. All shares have the same rights and obligations and every share incorporates all rights and obligations provided for by law and the Company's Articles of Association.

The company shareholders' obligations are limited to the nominal value of the shares they hold.

b) Restrictions to the transfer of the Company's shares

Pursuant to article 21 of L. 2941/2001 amending article 8, par. 3, of section one of Law no. 2593/1998, regarding the Hellenic state's participation in the Company's share capital, "the Hellenic State's participation in the Company's share capital, may not be lower than 35% of the Company shares with voting rights, after each share capital increase. Shares held by DEKA S.A. are taken into account to calculate the Greek State's participation."

c) Significant direct or indirect holdings in the meaning of articles 9 to 11 of L.3556/2007.

Shareholders (individuals or legal entities) directly or indirectly holding more than 2% of the total number of the Company's shares are set forth in the table below,

SHAREHOLDING (31.12.2009)			
Shareholder	**Number of Shares**	**Holding %**	**Voting Rights**
Greek State	83,931,553	27.4614	83,931,553
Public Enterprise of Movable Assets S.A. (DEKA S.A.)	24,498,751	8.0157	24,498,751
Paneuropean Oil & Industrial Holdings S.A.	119,310,177	39.0368	119,310,177
Agricultural Bank of Greece S.A.	8,094,545	2.6484	8,094,545
Other investors	69,800,159	22.8377	69,800,159
TOTAL SHARES	**305,635,185**	**100.0000**	**305,635,185**

d) Shares granting special controlling rights and description of same

There are no Company shares granting their owners special controlling rights.

e) Restrictions on Voting Rights

Pursuant to article 21 of the company's Articles of Association, only minority shareholders (except the Greek State, Paneuropean Oil as well as their associated enterprises) are entitled to voting at the special General Meeting to elect the two Board of Directors members to represent the minority shareholders.

f) Agreements between shareholders known to the Company, involving restrictions in the transfer of shares or the exercising of voting rights

There is an agreement between shareholder "Paneuropean Oil and Industrial Holdings" and shareholder "Hellenic State" for restrictions in the transfer of shares.

g) Rules for the appointment and replacement of BoD members and Articles of Association amendment

- By virtue of article 20, para. 2 (a) of the Articles of Association, the shareholder "Hellenic State" appoints 7 members out of the total number of 13 BoD members, since it maintains at least 35% of the shares (article 8 of the Articles of Association). This may be amended in accordance with what is stipulated more specifically in paragraph 8 of the same article 20 of the company's Articles of Association.

- By virtue of article 20, para. 2 (b) of the Articles of Association, the shareholder "Paneuropean Oil and Industrial Holdings S.A." and its associated enterprises appoint 2 members of the Board of Directors on condition that they hold at least 16.654 % of the total voting shares in the company.

- Pursuant to article 20 par. 2c of the company's Articles of Association, 2 members representing the employees, elected by company employees by direct general ballot by the integral proportional system, must attend the BoD. This provision is amended only by legislation (article one par. 2 law 2593/1998 in conjunction with article 21 par. 1 of law 2941/2001)

- Pursuant to article 20 par. 2(d) of the company's Articles of Association, 2 members representing minority shareholders appointed by the General Meeting of the other minority shareholders (besides the Hellenic State and "Paneuropean Oil and Industrial Holdings S.A." and its associated enterprises) must attend the BoD.

h) BoD or certain of its members' competence for the issue of new or the purchase of treasury shares

1. The General Shareholders' Meeting may concede (article 6, par. 2 of the Articles of Association) to the Board of Directors its power to increase the Company's Share Capital pursuant to article 13, par. 1b of C.L. no. 2190/1920 but such a decision has not been taken by the General Shareholders' Meeting.

2. The Annual General Meeting of Hellenic Petroleum S.A. that took place on 25 May 2005 approved a new stock option plan for the years 2005-2007 (as years of reference) with a view to connect the number of shares for which an option right is granted to company executives to the achievement of corporate and individual objectives and the Group's financial results. The Annual General Shareholders' Meeting of Hellenic Petroleum S.A. held on 31.05.06, approved the granting of stock options for 2005 for 272,100 shares in total. The Annual General Shareholders' Meeting of Hellenic Petroleum S.A. held on 17.05.07, approved the granting of stock options for 2006 for 408,015 shares in total. The Annual General Shareholders' Meeting of Hellenic Petroleum S.A. held on 14.05.08, approved the granting of stock options for 2007 for 385,236 shares in total, as well as the amendment/ prolongation of the plan for one additional year, namely 2008. The Annual General Shareholders' Meeting of the Company held on 03.06.09 approved the granting of stock options for

2008 for 1,704,716 shares in total, as well as the amendment/ extention of the plan for one additional year, namely 2009. The exercise term of the options granted is from 1 November to 5 December of each year for the periods 2008-2012, 2009-2013, 2010-2014 and 2011-2015 for the option of the reference years 2005, 2006, 2007 and 2008 respectively.

3. Pursuant to the provisions of paragraphs 1 to 8 of article 16 of C.L. 2190/1920, Sociétés Anonymes may (themselves of through their authorized agents), by resolution of the General Shareholders' Meeting, acquire treasury shares up to 10% of the paid up share capital (unless they are to be allocated to Company or Group employees) under the terms and requirements set by this resolution (of the General Meeting) with the specific terms and procedures of the aforementioned article 16 of C.L 2190/1920.

   No resolution has been made by the General Shareholders Meeting, assigning such authority to the Board of Directors or some of its members.

i) Significant agreements put in effect, amended or terminated in the event of change of control following public recommendation and the results of these agreements

No agreements exist that are put in effect, amended or terminated in the event of change of the Company's control following public recommendation.

j) Agreements that the issuer had executed with members of the Board of Directors or its staff, which provide compensation in the event of resignation or dismissal without material cause or end of tenure or employment due to the public recommendation.

There are no agreements between the company and the members of its Board of Directors or its employees, stipulating compensation payments especially in the event of resignation or dismissal without material cause or end of tenure or employment following public recommendation.

Athens, 25 February 2010

By authority of the Board of Directors

Anastasios Giannitsis	Ioannis Costopoulos	Theodoros Vardas
Chairman of the Board	Chief Executive Officer	Executive Member of the Board

I. COMPLEMENTARY INFORMATION AND DATA PURSUANT TO DECISION NO. 7/448/2007/ article 2

Pursuant to the provisions of article 2 of decision 7/448/2007 and the provisions of article 2, paragraph 4 of L. 3016/2002 and decision 1/319/09.12.2004 of the Capital Market Commission, the Report of intra-group transactions during the fiscal year 2009 is hereby presented as approved by the Board of Directors during its meeting on 25.02.2010.

The companies comprising the HELLENIC PETROLEUM Group carried out transactions with the parent company HELLENIC PETROLEUM S.A. as well as amongst themselves, in Greece and abroad, during period the from 01.01 to 31.12.2009. Intercompany entities are those cited in article 42e, par. 5 of L. 2190/1920.

The basic principle governing intra-group transactions is that these were carried out at arms' length, namely they did not deviate from those of an ordinary usual commercial transaction, and these terms were in compliance with the Company's applicable Regulations (for procurement, projects etc), approved by the Company's Board of Directors.

These transactions pertained to the following activities:

A. COMMERCIAL ACTIVITIES

- Oil products and chemicals sales
- Sales of services such as: technical consultancy (ASPROFOS), technical facilities concession, production services (DIAXON), concession of rights etc.

B. OTHER ACTIVITIES

Provision of non-commercial services, such as: loan of employees, technical support (ERP support, processing of reports) etc.

C. TRANSACTIONS FROM HOLDINGS IN SUBSIDIARIES AND ASSOCIATES

1. Earnings from holdings in subsidiaries (dividends)

2. Holdings in Share Capital increases in associates

Here below are tables presenting transactions carried out between HELLENIC PETROLEUM S.A. and other Group entities as well as their outstanding balance at the end of the reporting period.

HELLENIC PETROLEUM S.A
ANALYSIS OF RELATED PARTY TRANSACTIONS
IN EURO '000
FULL YEAR END

	TRANSACTIONS				BALANCES	
RELATED PARTY	Sales of Goods	Sales of services	Purchases of goods	Purchases of services	Receivables	Payables
Group Entities						
VARDAX	0	2.995			149	
OKTA SKOPIA	386.576	0			45.537	0
ELPET VALKANIKI					13.144	
EKO BULGARIA	52.599	0			7.869	
EKO SERBIA	238	0			11	
EKO GEORGIA	7.527	19			2.763	
EKO ABEE	1.380.638	4.633		5.251	86.143	1.492
EKO ATHINA				943		362
EKO ARTEMIS				297		111
EKO DIMITRA				446		116
HELLENIC FUELS S.A.	42.037	3			50.521	
PETROLA AE		26				
HELPE CYPRUS	160.829	0			8.410	
JUGOPETROL AD KOTOR	98.398	0			7.921	0
GLOBAL SA	14.609	13			9.294	
ASPROFOS				14.713	247	3.082
DIAXON				15.001	52	8.216
POSEIDON N.E.	0	250		7.301	98	1.316
APOLLON N.E.	0	78		8.340	26	1.417
HELPE R.E.S.	0	1			9	
	2.143.451	8.018	0	52.292	232.194	16.112
Other Related Parties						
Public Power Corporation Hellas	943		31.916		9	2.252
Hellenic Armed Forces	144.141				165.184	
Public Gas Corporation of Greece S.A	42				106	
Athens Airport Fuel Pipeline Company S.A	53				6	
ELPEDISON B.V	287				467	63
ELPE THRAKI	2				1	
TRANSBALKAN	16				3	
	145.484	0	31.916	0	165.776	2.315

DIVIDEND INCOME OF HELLENIC PETROLEUM SUBSIDIARIES

	PARTICIPATION PERCENTAGE	DIVIDEND INCOME (IN EURO)
A) SUBSIDIARIES		
1. POSEIDON MARITIME	100%	3,710,000.00
2. APOLLO MARITIME	100%	2,730,000.00
B) ASSOCIATED		
1. DEPA	35%	10,127,426.81
2. EAKAA	50%	542,712.50
	Total	**17,110,139.31**

Athens, 25 February 2010

FOR THE BOARD OF DIRECTORS

THE CHAIRMAN

ANASTASIOS K. GIANNITSIS

Annex A

HELLENIC PETROLEUM S.A. SUBSIDIARIES

Company	**Relation**	**%**	**Activities**
EKO S.A.	HELLENIC PETROLEUM S.A. is the sole shareholder	100	Oil Products Trade
DIAXON S.A.	-«-	100	BOPP film Production / Trade
ASPROFOS S.A.	-«-	100	Energy sector Engineering Services
HELLENIC PETROLEUM INTERNATIONAL AG	-«-	100	Holding company for the Group's investments abroad
HELLENIC PETROLEUM - POSEIDON MARITIME	-«-	100	Vessel owning Companies
HELLENIC PETROLEUM - APOLLO MARITIME	-«-	100	Vessel owning Companies
GLOBAL PETROLEUM ALBANIA S.A.	HELLENIC PETROLEUM S.A. is a shareholder	99,96	Oil Import, purchase & trade in Albania
EL.PET BALKAN S.A.	HELLENIC PETROLEUM S.A. is a shareholder	63	Crude oil construction and operation
PETROLA S.A.	HELLENIC PETROLEUM S.A. is a shareholder	100	Real Estate Company
HELLENIC PETROLEUM - SUSTAINABLE ENERGY SOURCES S.A.	HELLENIC PETROLEUM S.A. is the sole shareholder	100	Production, distribution, trading of renewable energy sources
HELLENIC PETROLEUM FINANCE plc	HELLENIC PETROLEUM S.A. is the sole shareholder	100	Financing services and other financial services

EKO SA SUBSIDIARIES

Company	**Relation**	**%**	**Activities**
EKO-NATURAL GAS S.A. Absorbed by EKO SA on 08.10.2007	EKO SA is a Shareholder HELLENIC PETROLEUM S.A. is a shareholder (Absorbed by EKO SA in 2007)	99 1	Sales of home & small professional connections to consumers to the Attica Natural Gas network.
EKOTA KO S.A.	EKO SA is a Shareholder	49	Construction, operation, exploitation of fuel storage facilities.
EKO CALYPSO Sole Proprietorship LTD	EKO SA is the sole shareholder	100	Liquid fuel & LPG Service station establishment and operation in Greece.
EKO DIMITRA MARITIME COMPANY	EKO SA is the sole shareholder	100	Oil tanker exploitation
EKO ARTEMIS MARITIME COMPANY	EKO SA is the sole shareholder	100	Oil tanker exploitation
EKO ATHENA MARITIME COMPANY	EKO SA is the sole shareholder	100	Oil tanker exploitation
EKO IRA MARITIME COMPANY	EKO SA is the sole shareholder	100	Oil tanker exploitation
EKO APHRODITE MARITIME COMPANY	EKO SA is the sole shareholder	100	Oil tanker exploitation

HELLENIC PETROLEUM INTERNATIONAL AG SUBSIDIARIES

Company	**Relation**	**%**	**Activities**
HELLENIC PETROLEUM CYPRUS LTD	HELLENIC PETROLEUM AG is the sole shareholder	100	Oil product trade, distribution and storage in Cyprus.
RAMOIL LTD	HELLENIC PETROLEUM AG is the sole shareholder	100	Oil product trade, distribution and storage in Cyprus.
JUGOPETROL AD KOTOR	HELLENIC PETROLEUM AG is a Shareholder	54, 35	Oil product trade, distribution and storage in Montenegro.
HELLENIC PETROLEUM BULGARIA (Holdings) LTD	HELLENIC PETROLEUM AG is the sole shareholder	100	Oil products trade and distribution in Bulgaria.
HELLENIC PETROLEUM SERBIA (Holdings) LTD	HELLENIC PETROLEUM AG is the sole shareholder	100	Oil products trade and distribution in Serbia.
HELLENIC PETROLEUM GEORGIA (Holdings) LTD	HELLENIC PETROLEUM AG is the sole shareholder	100	Oil products trade and distribution in Georgia.
EL.PE. INTERNATIONAL CONSULTANTS S.A.	HELLENIC PETROLEUM AG is the sole shareholder	100	Provision of consulting services to the Group's companies abroad.
HELLENIC FUELS S.A. (former BP)	HELLENIC PETROLEUM AG is the sole shareholder	100	Oil product trade, distribution and storage in Greece.

Hellenic Petroleum Bulgaria (Holdings) LTD SUBSIDIARIES

EKO BULGARIA EAD	***Hellenic Petroleum Bulgaria (Holdings) LTD*** is the sole shareholder	100	Oil products trade in Bulgaria.
HELPE BULGARIA PROPERTIES EAD	*Hellenic Petroleum Bulgaria (Holdings) LTD* is the sole shareholder	100	Oil products trade in Bulgaria.

Hellenic Petroleum Serbia (Holdings) LTD SUBSIDIARIES

EKO SERBIA	***Hellenic Petroleum Serbia (Holdings) LTD*** is the sole shareholder	100	Oil products trade in Serbia.

Hellenic Petroleum Georgia (Holdings) LTD SUBSIDIARIES

EKO GEORGIA LTD	Hellenic Petroleum Georgia (Holdings) LTD is a shareholder ELPE S.A.	96,4 1	Purchase, import, export, distribution & sale in Georgia.

GLOBAL PETROLEUM ALBANIA S.A. SUBSIDIARIES

Company	**Relation**	**%**	**Activities**
ELDA PETROLEUM ALBANIA SHPK	GLOBAL PETROLEUM ALBANIA S.A. is a shareholder	100	Oil and oil products trade and retail sales, service station management in Albania

EL.PET. BALKANIKI SUBSIDIARIES

Company	**Relation**	**%**	**Activities**
OKTA AD SKOPJE	EL.PET BALKANIKI is a shareholder	81,51	Crude refining, oil product import and trade in Skopje
VARDAX S.A.	EL.PET BALKAN is the sole shareholder	80	Operation and exploitation of the crude oil transportation pipeline Thessaloniki - Skopje (OKTA).

ASSOCIATES ENTERPRISES

Company	**Relation**	**%**	**Activities**
DEPA S.A.	HELLENIC PETROLEUM S.A. is a shareholder	35	Natural gas Import & Distribution in Greece
ARTENIUS HELLAS S.A.	HELLENIC PETROLEUM S.A. is a shareholder	35	PET plastic material producer.
ATHENS AIRPORT FUEL PIPELINE COMPANY S.A. (AAFPC S.A.)	HELLENIC PETROLEUM S.A. is a shareholder	50	Aspropyrgos - Spata pipeline.

JOINT VENTURES

Company	Relation	%	Activities
THRACE S.A.	HELLENIC PETROLEUM S.A. is a shareholder	25	Burgaz - Alexandroupoli pipeline.
ELPEDISON BV *	HELLENIC PETROLEUM S.A. is a shareholder	50	Electric power
SAFCO	EKO SA is a Shareholder	25	Aircraft refueling exploitation.
BIODIESEL S.A.	HELLENIC PETROLEUM S.A. is a shareholder	25	Aircraft refueling exploitation.

* On 31 December 2008, due to completion of the agreement for the joint venture with Edison Group, the balance sheet of T-Power was excluded from the consolidation under the full consolidation method and was included under the equity method, through the Elpedison BV joint venture, in which the Group holds 50% and which is consolidated in the Group for the first time.

JOINT VENTURES IN THE HYDROCARBON EXPLORATION & PRODUCTION SECTOR

Company	Relation	%	Activities
STPC LTD (ELPE Calfrac)	HELLENIC PETROLEUM S.A. holding	25	Exploration in the N. Aegean
MELROSE, Kuwait Energy Company & ELPE	HELLENIC PETROLEUM S.A. holding	30	Exploration in the Mesaha area in Upper Egypt
HELLENIC PETROLEUM S.A.	HELLENIC PETROLEUM S.A. holding	100	Exploration at W. OBAYED W. Desert, Egypt.

3. Statement of the Chairman, Chief Executive Officer and one Director on the true presentation of the Annual Financial Report

Statement of the Chairman, Chief Executive Officer and one Director on the true presentation of the Annual Financial Report
(Pursuant to article 4 par. 2 of Law no. 3556/2007)

Pursuant to provisions of article 4, par. 2(c) of Law 3556/2007, we state that, to our best knowledge:

a. The annual financial statements, which were prepared in accordance with the applicable International Financial Reporting Standards, fairly represent the assets and liabilities, the equity and of the parent company HELLENIC PETROLEUM S.A. for 2009, as well as of the companies that are included in the consolidation taken as a whole.

b. This Annual Report fairly represents the performance, results of operations and financial position of the parent company Hellenic Petroleum S.A. and of the Group companies included in the consolidation taken as a whole, as well as a description of the main risks and uncertainties.

Athens, 25 February 2010

Anastasios Giannitsis	Ioannis Costopoulos	Theodoros Vardas
Chairman of the Board	Chief Executive Officer	Executive Member of the Board

4. Independent Auditor’s Report on the Annual Financial Statements and the Annual Financial Report

PricewaterhouseCoopers S.A.
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Independent auditor's report

We have audited the accompanying consolidated financial statements of Hellenic Petroleum S.A. (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as of 31 December 2009 and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2009, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to other legal matters

We verified the agreement and correspondence of the content of the Board of Director's report with the accompanying financial statements, in the context of the requirements of articles 43a, 107 and 37 of Law 2190/1920.

Athens, 26 February 2010
The Certified Auditor Accountant

PricewaterhouseCoopers S.A.

SOEL Reg. No. 113

Kyriakos Riris
SOEL Reg.No. 12111

PRICEWATERHOUSECOOPERS

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Independent auditor's report

To the Shareholders of Hellenic Petroleum S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of Hellenic Petroleum S.A. (the "Company") which comprise the statement of financial position as of 31 December 2009 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2009, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to other legal matters

We verified the agreement and correspondence of the content of the Board of Director's report with the accompanying financial statements, in the context of the requirements of articles 43a and 37 of Law 2190/1920.

Athens, 26 February 2010

PricewaterhouseCoopers S.A.

SOEL Reg. No. 113

The Certified Auditor Accountant

Kyriakos Riris

SOEL Reg.No. 12111

5. Complementary information and data pursuant to decision no. 7/448/11.10.07 of the Capital Market Commission

5.1 Information required as per article 10 of L. 3401/2005

Pursuant to decision 7/448/11.01.2007 article 1 of the Capital Market Commission's Board of Directors and the provision of article 10 of L. 3401/2005, the company informs investors of the following announcements submitted to the Athens Stock Exchange and Capital Market Commission supervisory authorities during the fiscal year 2009, in accordance with applicable law.

The full text of these announcements can be found on the company's website at the following electronic address: www.hellenic-petroleum.gr , www.helpe.gr

A) INTERIM FINANCIAL STATEMENTS

26.02.09 HELLENIC PETROLEUM S.A. & GROUP 2008 Annual Financial Statements
20.05.09 HELLENIC PETROLEUM S.A. & GROUP 1st quarter 2009 Interim Financial Statements
27.08.09 HELLENIC PETROLEUM S.A. & GROUP 1st half /2nd quarter 2009 Interim Financial Statements
19.11.09 HELLENIC PETROLEUM S.A. & GROUP nine month /3rd quarter 2009 Interim Financial Statements

B) PRESS RELEASES REGARDING THE INTERIM FINANCIAL STATEMENTS

26.02.09 Press release for the annual results of fiscal year 2008
20.05.09 Press release for the 1st quarter results of fiscal year 2009
27.08.09 Press release for the 1st semester/ 2nd quarter results of fiscal year 2009
19.11.09 Press release for the nine month/3rd quarter results of fiscal year 2009

C) GENERAL SHAREHOLDERS' MEETINGS / GENERAL MEETING RESOLUTIONS / DIVIDENDS

16.02.09 Completion of the sale of common registered shares of HELLENIC PETROLEUM S.A. (Non-dematerialized coming from corporate transactions)
12.05.09 Invitation to the Annual Ordinary General Shareholders' Meeting
04.06.09 Resolutions of the Annual Ordinary General Meeting of Shareholders
12.06.09 Announcement of dividend payment for fiscal year 2008
31.08.09 Announcement of interim dividend payment for fiscal year 2009
02.12.09 Invitation to Extraordinary General Meeting of Shareholders
02.12.09 Invitation to a Special Meeting of Shareholders

D) CORPORATE ACTIVITY

12.03.09 Finalisation of agreement between HELLENIC PETROLEUM S.A. – EDISON SPA
03.04.09 Clarification following the Press Release dated 12.03.09
26.06.09 Agreement on conceding BP's trade rights to HELLENIC PETROLEUM S.A.
02.09.09 Announcement of PETROLA S.A. merger
28.09.09 Announcement regarding HELLENIC PETROLEUM CYPRUS L.T.D.
01.10.09 Clarification following the announcement dated 28.09.09
21.10.09 Approval of ELPE-BP agreement by the Competition Commission.
23.10.09 Completion of "Thisvi Power Generation S.A." merger.
10.12.09 Finalisation of ELPE – BP Hellas agreement

E) SENIOR EXECUTIVES CHANGES - LABOUR ISSUES

05.05.09 Announcement of change of a Board of Directors' member
02.12.09 Announcement of change of a Board of Directors' member
28.12.09 Announcement of change in the composition of the Board of Directors

F) MISCELLANEOUS

27.01.09 Announcement of publication of 2009 Financial Results
05.05.09 Communication of announcement of Q1-2009 Financial Results
20.05.09 Financial calendar 2009
30.07.09 Announcement of H1/Q2-2009 Financial Results
16.10.09 Announcement of Nine Month/ Q3-2009 Financial Results

5.2 Published Summary Financial Statements

HELLENIC PETROLEUM S.A..

A.R.M.A.E 2443/06/B/23

54 AMALIAS AVE - 10558 ATHENS

FINANCIAL DATA AND INFORMATION FOR THE FINANCIAL YEAR FROM **1 JANUARY** TO **31 DECEMBER 2009**
In accordance with decision of the Board of Directors of the Capital Market Commission 4/507/28.04.2009

The following financial data and information are only for general information purposes with regard to the financial position and results of HELLENIC PETROLEUM Group and the parent company. We, therefore, recommend to the reader, before making any investment decision, or proceeding to any transaction with the company, to refer to the company's internet address, where the annual financial statements in accordance with International Financial Reporting Standards are available, together with the auditors' report.

Website :	http://www.helpe.gr
Approval date of the annual financial statements by the Board of Directors	25 FEBRUARY 2010
The Certified Auditor:	Kyriakos Riris, (SOEL reg.no.12111)
Auditing Company:	PricewaterhouseCoopers S.A.
Type of Auditor's Review Opinion:	Unqualified

1.1 STATEMENT OF FINANCIAL POSITION (Amounts in thousands €)	**GROUP 31/12/2009**	**GROUP 31/12/2008**	**COMPANY 31/12/2009**	**COMPANY 31/12/2008**
ASSETS				
Property, plant and equipment	2.114.759	1.439.919	1.307.928	855.247
Intangible assets	184.049	129.391	11.801	17.446
Other non-current assets	680.869	746.881	707.492	769.935
Inventories	1.373.953	1.020.780	1.211.492	940.722
Trade and other receivables	915.683	929.604	785.964	713.693
Other current assets	491.196	876.536	127.809	520.232
Available-for-sale non-current assets	2.716	2.879	21	21
TOTAL ASSETS	**5.763.225**	**5.145.990**	**4.152.507**	**3.817.296**
EQUITY AND LIABILITIES				
Share capital	666.285	666.285	666.285	666.285
Share premium	353.796	353.796	353.796	353.796
Retained earnings and other reserves	1.347.213	1.304.803	894.879	861.308
Capital and reserves attributable to Company Shareholders (a)	**2.367.294**	**2.324.884**	**1.914.960**	**1.881.389**
Non-controlling interests (b)	141.246	148.782	0	0
TOTAL EQUITY (c) = (a) + (b)	**2.508.540**	**2.473.666**	**1.914.960**	**1.881.389**
Long-term borrowings	607.805	448.084	259.673	263.227
Provisions and other long term liabilities	296.274	299.765	179.652	226.280
Short-term borrowings	1.304.843	1.110.355	879.709	760.798
Other short-term liabilities	1.045.763	814.120	918.513	685.602
Total liabilities (d)	**3.254.685**	**2.672.324**	**2.237.547**	**1.935.907**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**5.763.225**	**5.145.990**	**4.152.507**	**3.817.296**

1.2 STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR (Amounts in thousands €)	**GROUP 1/1/2009-31/12/2009**	**GROUP 1/1/2008-31/12/2008**	**COMPANY 1/1/2009-31/12/2009**	**COMPANY 1/1/2008-31/12/2008**
Turnover	6.756.666	10.130.983	6.172.586	9.319.595
Gross profit	713.830	258.601	433.144	(12.650)
Earnings Before Interest & Tax	261.227	113.098	236.489	(24.146)
Profit before Tax	242.414	16.857	219.014	(142.082)
Less : taxes	(66.152)	12.176	(56.498)	33.792
Profit for the period	**176.262**	**29.033**	**162.516**	**(108.290)**
Attributable to:				
Owners of the parent	174.890	23.643	0	0
Non-controlling interests	1.372	5.390	0	0
	176.262	**29.033**	**0**	**0**
Other comprehensive income for the year, net of tax	2.372	7.281	7.425	10.901
Total comprehensive income for the year	**178.634**	**36.314**	**169.941**	**(97.389)**
Attributable to:				
Owners of the parent	178.780	31.728	0	0
Non-controlling interests	(146)	4.586	0	0
	178.634	**36.314**	**0**	**0**
Basic and diluted earnings per share (in Euro per share)	**0,57**	**0,08**	**0,53**	**(0,35)**
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	**385.906**	**245.589**	**310.593**	**48.835**

1.3 STATEMENT OF CHANGES IN EQUITY (Amounts in thousands €)	**GROUP 31/12/2009**	**GROUP 31/12/2008**	**COMPANY 31/12/2009**	**COMPANY 31/12/2008**
Total equity at beginning of the year	**2.473.666**	**2.580.473**	**1.881.389**	**2.131.595**
Total comprehensive income for the year	178.634	36.314	169.941	(97.389)
Dividends	(137.536)	(152.817)	(137.536)	(152.817)
Other equity movements	(6.224)	9.696	1.166	0
Total equity at the end of the year	**2.508.540**	**2.473.666**	**1.914.960**	**1.881.389**

1.4 STATEMENT OF CASH FLOWS (Amounts in thousands €)	**GROUP 1/01/2009-31/12/2009**	**GROUP 1/01/2008-31/12/2008**	**COMPANY 1/01/2009-31/12/2009**	**COMPANY 1/01/2008-31/12/2008**
Cash flows from operating activities				
Profit before tax	242.414	16.857	219.014	(142.082)
Adjustments for:				
Depreciation and amortisation of tangible and intangible assets	128.863	136.042	77.532	75.773
Amortisation of government grants	(4.184)	(3.551)	(3.428)	(2.792)
Provisions	52.981	28.581	20.320	40.459
Foreign exchange (gains) / losses	(1.512)	102.507	(3.591)	96.192
Loss / (Profit) on sale of fixed assets and other movements	(1.321)	(223)	51	-
Income from participations and investments	(18.418)	(259.296)	(17.110)	(136.793)
Interest expense	54.431	71.928	25.946	33.879
Interest income	(20.914)	(23.440)	(10.201)	(12.135)
	432.340	**69.405**	**308.533**	**(47.499)**
Changes in working capital				
(Increase) / decrease in inventories	(353.390)	510.832	(270.770)	468.916
(Increase) / decrease in trade and other receivables	16.426	517.164	(59.109)	268.606
Increase / (decrease) in payables	266.828	(219.414)	155.378	(100.814)
Less:				
Interest paid	(53.919)	(71.928)	(25.121)	(33.879)
Income tax paid	(16.659)	(173.570)	(5.196)	(165.609)
Net cash (used in) / generated from operating activities (a)	**291.626**	**632.489**	**103.715**	**389.721**
Cash flows from investing activities				
Acquisitions of subsidiaries	(336.798)	(4.740)	(674)	(1.439)
Purchase of tangible & intangible assets	(613.944)	(337.640)	(524.617)	(241.738)
Grants received	3.983	4.002	3.899	925
Cash from sale of plant and equipment & tangible assets	4.075	120.562	-	119.041
Interest received	20.914	23.440	10.201	12.135
Dividends received	9.658	5.538	18.448	16.655
Net cash used in investing activities (b)	**(912.112)**	**(188.838)**	**(492.743)**	**(94.421)**
Cash flows from financing activities				
Proceeds from borrowings	1.723.132	1.339.940	1.412.776	778.239
Loans repayments	(1.350.085)	(962.667)	(1.278.270)	(427.285)
Dividends paid	(137.901)	(152.838)	(137.901)	(152.837)
Net cash generated from / (used in) financing activities (c)	**235.146**	**224.435**	**(3.395)**	**198.117**
Net increase / (decrease) in cash & cash equivalents (a)+(b)+(c)	**(385.340)**	**668.086**	**(392.423)**	**493.417**
Cash & cash equivalents at the beginning of the year	**876.536**	**208.450**	**520.232**	**26.815**
Cash & cash equivalents at end of the year	**491.196**	**876.536**	**127.809**	**520.232**

ADDITIONAL INFORMATION

1. Note 34 of the annual consolidated financial statements includes the names of all subsidiary companies and their related information. 2. Other equity movements include the impact on the non-controlling interests of the decrease in the share capital of ELPET VALKANIKI amounting to €7,3 m. Additionally the comparative amounts include €9,7 m reflecting the transfer of 20% of Vardax S.A. shares to the state of FYROM (Note 34 of the annual consolidated financial statements). 3. No shares are owned either by the parent company or any of the subsidiaries as at the end of the reporting period. 4. The parent company HELLENIC PETROLEUM SA has not been subject to a tax audit for the fiscal years 2002 – 2009, while the most material subsidiaries for the fiscal years 2005 – 2009 (Note 26 of the annual consolidated financial statements). 5. The accounting policies used in the preparation of the annual consolidated financial statements for the year ended 31 December 2009 are consistent with those applied for the preparation of the annual consolidated financial statements for the year ended 31 December 2008, except for the new or revised accounting standards and interpretations that have been implemented in 2009, as outlined in paragraph 2 of the annual consolidated financial statements. 6. The Group is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business. Based on currently available information, management believes the outcome will not have a significant impact on the Group's operating results or financial position. 7. EKO ATHENA SA, EKO ARTEMIS SA, EKO DIMITRA SA, EKO IRA SA, EKO AFRODITI SA & RAMOIL are wholly owned subsidiaries and have been consolidated under the full consolidation method for the first time in the annual consolidated financial statements for the year ended 31 December 2009. Additionally, results and cash flows for the comparative year include ENERGIAKI THESSALONIKIS SA under the full consolidation method, whereas in the current year the results of the aforementioned entity are included under the net equity method, through the Group's 50% participation on the joint venture ELPEDISON BV. 8. On 10 December 2009, the Group acquired 100% of BP Hellas S.A. (subsequently renamed Hellenic Fuels S.A.). The total consideration for the transaction amounted to € 376,7 m as outlined in Note 32 of the annual consolidated financial statements. The subsidiary was consolidated for the first time during 2009 under the full consolidation method. 9. Number of employees at 31 December 2009 in Greece: Company – 2.538, Group – 3.708 (31 December 2008: Company – 2.506, Group – 3.485). 10. At its meeting held on 27 August 2009, during which the Board of Directors approved the condensed interim financial information of the Company for the six month period ended 30 June 2009, the Board proposed and approved an interim dividend for the 2009 financial year of €0, 15 per share, that was paid during October 2009. Furthermore, the Board of Directors at its meeting on 25 February 2010 proposed a final dividend of €0,30 per share to be approved by the AGM. 11. Where necessary, comparative figures have been reclassified to conform to the changes in the presentation of the current year.

12. The amount of provisions included in the Statement of Financial Position are as follows:

	GROUP	**COMPANY**
a) for pending legal cases	9.229	4.000
β) for tax matters	16.007	12.000
c) for SLI	148.464	114.670
d) for other provisions relating to expenses	16.026	10.700

13. Other comprehensive income for the period, net of tax, for the Group and the parent company are as follows:

	GROUP 31/12/2009	**GROUP 31/12/2008**	**COMPANY 31/12/2009**	**COMPANY 31/12/2008**
Available-for-sale financial assets	(201)	(523)	-	-
Unrealised gains / (losses) on revaluation of hedges	7.425	10.901	7.425	10.901
Translation exchange differences	(4.852)	(3.097)	-	-
Net income/(expense) recognised directly in equity	2.372	7.281	7.425	10.901

14. Transactions and balances with related parties for the Group and the parent company (in thousands of €) are as follows:

	GROUP	**COMPANY**
Sales of goods and services	403.962	2.296.953
Purchases of goods and services	38.066	84.208
Receivables	179.147	18.427
Payables	273.667	397.969
Board members and senior management remuneration & other benefits	4.650	1.133
Amounts due to/(from) Board members and senior management	0	0

Athens, 25 February 2010

CHAIRMAN OF BOARD	**CHIEF EXECUTIVE OFFICER**	**GROUP CHIEF FINANCIAL OFFICER**	**FINANCIAL MANAGER**
ANASTASIOS K. GIANNITSIS	**JOHN A. COSTOPOULOS**	**ANDREAS N. SHIAMISHIS**	**PANTELIS A. TIKKAS**
ID. Number M.865601	**ID. Number 702932584**	**ID. Number AA. 010147**	**ID. Number E. 056140**

5.3 Website

The annual financial statements of the Hellenic Petroleum Group and the parent company on a consolidated and non-consolidated basis, the Independent Auditors' Report and the Annual Report of the Board of Directors are available on the internet at www.helpe.gr.

The financial statements of the companies included in EKO SA are posted on the internet at www.eko.gr.