HELLENIC PETROLEUM S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED

31 MARCH 2018

CONTENTS

(All amounts in Euro thousands unless otherwise stated)

I. Company Information

Directors	Efstathios Tsotsoros - Chairman of the Board & Chief Executive Officer (From 17/04/2018) Andreas Shiamishis - Deputy Chief Executive Officer Ioannis Psichogios - Member Georgios Alexopoulos - Member Theodoros-Achilleas Vardas - Member Georgios Grigoriou - Member Dimitrios Kontofakas - Member Vasileios Kounelis - Member Loudovikos Kotsonopoulos - Member (From 17/04/2018) Panagiotis Ofthalmides - Member Theodoros Pantalakis - Member Spiridon Pantelias - Member Constantinos Papagiannopoulos - Member
Other Board Members during the year	Grigorios Stergioulis - Chief Executive Officer (Until 17/04/2018)
Registered Office	8A Chimarras Str GR 151 25 - Marousi
Registration number	2443/06/B/86/23
General Commercial Registry	000296601000

(All amounts in Euro thousands unless otherwise stated)

II. Condensed Interim Consolidated Statement of Financial Position

	Note	As at 31 March 2018	As at 31 December 2017
ASSETS			
Non-current assets			
Property, plant and equipment	**10**	3.289.964	3.311.893
Intangible assets	**11**	107.515	105.684
Investments in associates and joint ventures		715.530	701.635
Deferred income tax assets		73.191	71.355
Investment in equity instruments	**2**	1.403	1.857
Loans, advances and long term assets		91.199	89.626
		4.278.802	**4.282.050**
Current assets			
Inventories	**12**	1.041.517	1.056.393
Trade and other receivables	**2,13**	849.445	791.205
Derivative financial instruments	**3**	15.847	11.514
Cash, cash equivalents and restricted cash	**14**	682.795	1.018.913
		2.589.604	**2.878.025**
Total assets		**6.868.406**	**7.160.075**
EQUITY			
Share capital	**15**	1.020.081	1.020.081
Reserves	**16**	360.030	358.056
Retained Earnings	**2**	1.002.765	930.522
Capital and reserves attributable to owners of the parent		**2.382.876**	**2.308.659**
Non-controlling interests		62.860	62.915
Total equity		**2.445.736**	**2.371.574**
LIABILITIES			
Non-current liabilities			
Borrowings	**17**	1.117.488	920.234
Deferred income tax liabilities		156.578	131.611
Retirement benefit obligations		133.856	131.256
Provisions for other liabilities and charges		6.733	8.371
Trade and other payables		28.090	28.700
		1.442.745	**1.220.172**
Current liabilities			
Trade and other payables	**18**	1.433.982	1.661.457
Current income tax liabilities		5.398	5.883
Borrowings	**17**	1.539.828	1.900.269
Dividends payable		717	720
		2.979.925	**3.568.329**
Total liabilities		**4.422.670**	**4.788.501**
Total equity and liabilities		**6.868.406**	**7.160.075**

The notes on pages 8 to 34 are an integral part of these condensed interim consolidated financial statements.

E. Tsotsoros	A. Shiamishis	S. Papadimitriou
Chairman of the Board & Chief Executive Officer	Deputy Chief Executive Officer & Chief Financial Officer	Accounting Director

(All amounts in Euro thousands unless otherwise stated)

III. Condensed Interim Consolidated Statement of Comprehensive Income

	Note	For the three month period ended 31 March 2018	31 March 2017
Sales	**4**	**2.168.386**	**2.065.753**
Cost of sales		(1.944.687)	(1.781.089)
Gross profit		**223.699**	**284.664**
Selling and distribution expenses		(74.475)	(66.234)
Administrative expenses		(32.129)	(29.894)
Exploration and development expenses		(126)	(129)
Other operating income/(expenses) and other gains/(losses)-net	**5**	2.023	(7.332)
Operating profit		**118.992**	**181.075**
Finance income		975	1.264
Finance expense		(39.508)	(47.651)
Currency exchange losses	**6**	(2.118)	(854)
Share of profit of investments in associates and joint ventures	**7**	13.895	30.617
Profit before income tax		**92.236**	**164.451**
Income tax expense	**8**	(18.015)	(40.627)
Profit for the period		**74.221**	**123.824**
Other comprehensive income/ (loss) :			
Items that will not be reclassified to profit or loss:			
Changes in the fair value of equity instruments	**2, 16**	(147)	14
Items that may be reclassified subsequently to profit or loss:			
Reduction in value of land		-	(1.669)
Fair value gains /(losses) on cash flow hedges	**16**	1.884	(9.421)
Currency translation differences and other movements	**16**	(124)	(60)
Other comprehensive (loss) / income for the period, net of tax		**1.613**	**(11.136)**
Total comprehensive income for the period		**75.834**	**112.688**
Profit attributable to:			
Owners of the parent		74.272	123.821
Non-controlling interests		(51)	3
		74.221	123.824
Total comprehensive income attributable to:			
Owners of the parent		75.889	113.477
Non-controlling interests		(55)	(789)
		75.834	**112.688**
Basic and diluted earnings per share (expressed in Euro per share)	**9**	**0,24**	**0,41**

The notes on pages 8 to 34 are an integral part of these condensed interim consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

IV. Condensed Interim Consolidated Statement of Changes in Equity

		Attributable to owners of the Parent					
	Note	**Share Capital**	**Reserves**	**Retained Earnings**	**Total**	**Non-Controling interests**	**Total Equity**
Balance at 1 January 2017		**1.020.081**	**469.788**	**549.891**	**2.039.760**	**101.875**	**2.141.635**
Changes of the fair value of equity investments	**16**	-	7	-	7	7	14
Currency translation losses and other movements	**16**	-	(23)	-	(23)	(37)	(60)
Reduction in value of land	**16**	-	(907)	-	(907)	(762)	(1.669)
Fair value losses on cash flow hedges	**16**	-	(9.421)	-	(9.421)	-	(9.421)
Other comprehensive income/ (loss)		**-**	**(10.344)**	**-**	**(10.344)**	**(792)**	**(11.136)**
Profit for the period		-	-	123.821	123.821	3	123.824
Total comprehensive (loss)/ income for the period		**-**	**(10.344)**	**123.821**	**113.477**	**(789)**	**112.688**
Balance at 31 March 2017		**1.020.081**	**459.444**	**673.712**	**2.153.237**	**101.086**	**2.254.323**
Balance at 31 December 2017 as originally presented		1.020.081	358.056	930.522	2.308.659	62.915	2.371.574
Change in accounting policy	**2**	-	166	(1.668)	(1.502)	-	(1.502)
Restated total equity as at 1 January 2018		**1.020.081**	**358.222**	**928.854**	**2.307.157**	**62.915**	**2.370.072**
Changes of the fair value of equity investments	**16**	-	(142)	-	(142)	(5)	(147)
Fair value gains on cash flow hedges	**16**	-	1.884	-	1.884	-	1.884
Currency translation (loss)/gains and other movements	**16**	-	(125)	-	(125)	1	(124)
Other comprehensive loss		**-**	**1.617**	**-**	**1.617**	**(4)**	**1.613**
Profit for the period		-	-	74.272	74.272	(51)	74.221
Total comprehensive gain / (loss) for the period		**-**	**1.617**	**74.272**	**75.889**	**(55)**	**75.834**
Share based payments	**16**	-	(29)	(361)	(390)	-	(390)
Acquisition of treasury shares	**16**	-	(249)	-	(249)	-	(249)
Issue of treasury shares to employees	**16**	-	389	-	389	-	389
Transfer of grant received to tax free reserves		-	80	-	80	-	80
Balance at 31 March 2018		**1.020.081**	**360.030**	**1.002.765**	**2.382.876**	**62.860**	**2.445.736**

The notes on pages 8 to 34 are an integral part of these condensed interim consolidated financial statements.

(All amounts in Euro thousands unless otherwise stated)

V. Condensed Interim Consolidated Statement of Cash Flows

	Note	For the three month period ended 31 March 2018	31 March 2017
Cash flows from operating activities			
Cash generated (used in)/ from operations	**19**	(98.029)	40.600
Income tax received/(paid)		4.492	(1.559)
Net cash generated from / (used in) operating activities		**(93.537)**	**39.041**
Cash flows from investing activities			
Purchase of property, plant and equipment & intangible assets	**10,11**	(25.452)	(18.022)
Proceeds from disposal of property, plant and equipment & intangible assets		20	255
Acquisition of further equity interest in subsidiary		(16.000)	-
Purchase of subsidiary, net of cash acquired		(1.298)	-
Grants received		80	-
Interest received		975	1.264
Proceeds from disposal of investments in equity instruments		257	-
Net cash used in investing activities		**(41.418)**	**(16.503)**
Cash flows from financing activities			
Interest paid		(32.663)	(41.477)
Dividends paid to shareholders of the Company		(3)	(187)
Movement in restricted cash	**14**	144.445	11.873
Acquisition of treasury shares	**16**	(249)	-
Proceeds from borrowings		-	45.502
Repayments of borrowings		(165.734)	(25.943)
Net cash used in financing activities		**(54.204)**	**(10.232)**
Net decrease in cash and cash equivalents		**(189.159)**	**12.306**
Cash and cash equivalents at the beginning of the period	**14**	**873.261**	**924.055**
Exchange losses on cash and cash equivalents		(2.514)	(917)
Net decrease in cash and cash equivalents		(189.159)	12.306
Cash and cash equivalents at end of the period	**14**	**681.588**	**935.444**

The notes on pages 8 to 34 are an integral part of these condensed interim consolidated financial statements.

VI. Notes to the Condensed Interim Consolidated Financial Statements

1. GENERAL INFORMATION

Hellenic Petroleum S.A. (the "Company" or "Hellenic Petroleum") is the parent company of the Hellenic Petroleum Group (the "Group"). The Group operates in the energy sector predominantly in Greece, South Eastern Europe and the East Mediterranean. The Group's activities include refining and marketing of oil products, production and marketing of petrochemical products and exploration for hydrocarbons. The Group also provides engineering services. Through its investments in DEPA and Elpedison B.V. the Group also operates in the natural gas sector and in the production and trading of electricity power.

2. BASIS OF PREPARATION, ACCOUNTING POLICIES AND ESTIMATES

Basis of preparation of the condensed interim consolidated financial statements

The condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard 34 (IAS 34) – *Interim Financial Reporting*, and present the financial position, results of operations and cash flows of the Group on a going concern basis. Management has concluded that the going concern basis of preparation of the accounts is appropriate.

The condensed interim consolidated financial statements have been prepared in accordance with the historical cost basis, except for the following:

- financial instruments - measured at fair value
- defined benefit pension plans – plan assets measured at fair value.

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

These condensed interim consolidated financial statements do not include all information and disclosures required for the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2017, which can be found on the Group's website **www.helpe.gr**.

The condensed interim consolidated financial statements for the three month period ended 31 March 2018 have been authorised for issue by the Board of Directors on 31 May 2018.

Accounting policies and the use of estimates

The preparation of the condensed interim consolidated financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates and assumptions. 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 where considered necessary. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events as assessed to be reasonable under the present circumstances.

The accounting principles and calculations used in the preparation of the condensed interim consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended 31 December 2017 and have been consistently applied in all periods presented in this report except for the following amended IFRS's which have been adopted by the Group as of 1 January 2018. The below amendments did not have a significant impact on the condensed interim consolidated financial statements for the three month period ended 31 March 2018.

- *IFRS 9 Financial Instruments: Classification and Measurement:* The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments:

(All amounts in Euro thousands unless otherwise stated)

Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

The Group adopted the new standard as of 1 January 2018 without restating comparative information. The reclassifications and the adjustments arising from the new requirements are therefore recognized in the opening balance sheet on 1 January 2018.

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. The adjustments are explained in more detail below.

Impact on the statement of financial position (increase/(decrease)) as at 31 December 2017:

Balance sheet extract	Adjustments	31 December 2017 As originally presented	IFRS 9	1 January 2018 Restated
Non-current assets				
Deferred income tax assets	(b)	71.355	582	71.937
Current assets				
Trade and other receivables	(b)	791.205	(2.084)	789.121
Equity				
Reserves	(a)	358.056	166	358.222
Retained earnings	(a), (b)	930.522	(1.668)	928.854

(a) Classification and measurement

Under IFRS 9, financial assets are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The financial assets that were classified as available-for-sale (AFS) under IAS 39, will be now classified as 'Investments in equity instruments' and measured at fair value through other comprehensive income. IFRS 9 permits an entity to make an irrevocable election to present in other comprehensive income changes in the value of any investment in equity instruments that is not held for trading.

As a result of the new guidance of IFRS 9, the Group reclassified an amount of € 0,2 million from retained earnings to reserves.

(b) Impairment

The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.
For Trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The effect of the above change on the statement of financial position as at 1 January 2018 resulted in a decrease of retained earnings of €1,5 million, a decrease of €2,1 million in trade and other receivables and an increase of 0,6 million in deferred income tax assets.

(c) Hedge accounting

At the date of the initial application, all of the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships and, as such, the adoption of the hedge accounting requirements of IFRS 9 had no significant impact on the Group's financial statements.

- *IFRS 15 Revenue from Contracts with Customers:* IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The new standard is based on the principal that revenue is recognized when control of a good or service is transferred to a customer. e

  The Group adopted the new standard on the required effective date using the modified retrospective method. The new standard did not have any significant impact on the Group's consolidated financial statements, upon adoption since, no material differences from the current accounting policies were identified.

  However, under the new IFRS 15, volume related rebates constitute a material right which should be recognized over time up to the point it crystalizes. The Group provides volumes rebates to customers based on thresholds specified in contracts. All such rebates are settled within the financial year and therefore the application of the new standard would have a nil effect in the annual Financial Statements. However, for the purposes of the condensed interim financial statements the Group has estimated the portion of volumes rebates which corresponds to the build-up of the material right based on volumes sold to each client. The total debit to revenue for 1Q 2018 is €1m.

- *IFRS 15 (Clarifications) Revenue from Contracts with Customers:* The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.

- *IFRS 2 (Amendments) Classification and Measurement of Share based Payment Transactions:* The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

- *IAS 40 (Amendments) Transfers to Investment Property:* The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

- *IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration***:** The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

- The IASB has issued the *Annual Improvements to IFRSs (2014 – 2016 Cycle)*, which is a collection of amendments to IFRSs.

- *IAS 28 Investments in Associates and Joint Ventures:* The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

Standards issued but not yet effective and not early adopted

- *IFRS 16 Leases***:** The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

  The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged.
  The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of € 246 million. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

  This is due to the fact that some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

  The Group expects to complete the assessment of the impact from the implementation of the new standard during the year ending 31 December 2018.

- *IFRS 10 (Amendment) Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture:* The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.

- *IFRS 9 (Amendment) Prepayment features with negative compensation:* The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. The amendments have not yet been endorsed by the EU.

- *IAS 28 (Amendments) Long-term Interests in Associates and Joint Ventures:* The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU.

- *IFRIC Interpretation 23: Uncertainty over Income Tax Treatments:* The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU.

- *IAS 19 (Amendments) Plan Amendment, Curtailment or Settlement*: The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. These Amendments have not yet been endorsed by the EU.

- *Conceptual Framework in IFRS standards:* The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. It's objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

- The IASB has issued the *Annual Improvements to IFRSs 2015 – 2017 Cycle*, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU.

    - *IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:* The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

    - *IAS 12 Income Taxes:* The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.

    - *IAS 23 Borrowing Costs*: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

3. FINANCIAL RISK MANAGEMENT

The Group's activities are primarily centred on Downstream Refining (incl. Petrochemicals) & Marketing of petroleum products; with secondary activities relating to 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 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. In general, the key factors that impact the Group's operations are summarised as follows:

Greek Macros: Following a period of economic recession between 2009-2016, during which real GDP fell by 26%, the Greek economy begun recovering during 2016 and continued growing in 2017 (+1,4%), marking the first time that real GDP growth has exceeded 1% since 2007. Economic recovery, improved banking system stability, completion of the second and third EU bailout programme reviews, as well as improved confidence reflected in the Greek government bond yields and the new 7-year government bond issue, contributed to an enhanced macroeconomic backdrop in the country. Employment growth (+2,1% in 2017) had a positive impact on income and private consumption; however, inflation and wage growth are still weak.

Total domestic fuels consumption reduced by 6,1% during the first quarter of 2018, mainly due to the reduction in demand for heating gasoil which is attributed to mild weather conditions and higher oil product prices during the first three months of the year. Motor fuels demand, however, increased by 4% comparing to the first quarter of 2017, as gasoline and auto diesel consumption was higher.

Despite the significant progress in economic recovery recorded in 2017, concerns around the banking system sustainability and government funding after the bailout program termination remain, as reflected in debt capital and equity markets risk assessment and pricing. Economic developments in the country are beyond the Group's control; however, Management continually assesses the situation and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize the impact on the Group's Greek operations.

Securing continuous crude oil supplies: Developments in the global and regional crude oil markets in the last 3,5 years have reduced the cost of raw material for the Group and increased optionality. International crude oil reference prices in March 2018 have decreased by more than 40% compared to June 2014 peak. These developments have led to lower cost of crude, for both sweet and especially sour grades, which represent the key source of feedstock for complex refiners like Hellenic Petroleum, improving the competitive position of Med refiners vs. their global peers. During this period, the Group has been able to take advantage of these developments and to diversify its crude basket.

Financing of operations: Given financial market developments since 2011, the key priorities of the Group have been the management of the 'Assets and Liabilities' maturity profile, funding in accordance with its strategic investment plan and liquidity risk for operations. As a result of these key priority initiatives and in line with its medium term financing plan, the Group has maintained a mix of long term, medium term and short term credit facilities by taking into consideration bank and debt capital markets' credit capacity as well as cash flow planning and commercial requirements. Approximately 76% of total debt is financed by medium to long term committed credit lines while the remaining debt is being financed by short term working capital credit facilities. Further details of the relevant loans and refinancing are provided in Note 17, "Borrowings".

Capital management: The second key priority of the Group has been the management of its Assets. Overall the Group has around €4,4 billion of capital employed which is driven from working capital, investment in fixed assets and its investment in the DEPA Group. Current assets are mainly funded with current liabilities (incl. short term bank debt) which are used to finance working capital (inventories and receivables). As a result of the implementation of the Group's investment plan during the period 2007-2012, net debt level has increased to 45% of total capital employed while the remaining 55% is financed through shareholders equity. The Group has started reducing its net debt levels through utilization of the incremental operating cashflows, post completion and operation of the new Elefsina refinery. This is expected to lead to lower Debt to Equity ratio, better matched Asset and Liability maturity profiles as well as lower financing costs.

The condensed interim consolidated financial statements do not include all financial risk management information and disclosures that are required in the annual consolidated financial statements and should be read in conjunction with the group's annual consolidated financial statements as at 31 December 2017.

There have been no changes in the risk management or in any risk management policies since 31 December 2017.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

(All amounts in Euro thousands unless otherwise stated)

- 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 March 2018:

	Level 1	**Level 2**	**Level 3**	**Total balance**
Assets				
Derivative financial instruments held for trading	-	1.680	-	1.680
Derivatives used for hedging	-	14.167	-	14.167
Investment in equity instruments	1.403	-	-	1.403
	1.403	**15.847**	**-**	**17.250**
Liabilities				
Derivative financial instruments held for trading	-	-	-	-
Derivatives used for hedging	-		-	-
	-	**-**	**-**	**-**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2017:

	Level 1	**Level 2**	**Level 3**	**Total balance**
Assets				
Derivative financial instruments held for trading	-	-	-	-
Derivatives used for hedging	-	11.514	-	11.514
Investment in equity instruments	1.857	-	-	1.857
	1.857	**11.514**	**-**	**13.371**
Liabilities				
Derivative financial instruments held for trading	-	-	-	-
Derivatives used for hedging	-	-	-	-
	-	**-**	**-**	**-**

The fair value of financial instruments traded in active markets 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. These financial 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 are 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.

(All amounts in Euro thousands unless otherwise stated)

- The fair value of commodity swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

There were no changes in valuation techniques during the period. There were no transfers between levels during the period.

The fair value of Euro denominated Eurobonds as at 31 March 2018 was €807 million (31 December 2017: €796million), compared to its book value of €762 million (31 December 2017: €762 million). The fair value of the remaining borrowings approximates their carrying value, as the effect of discounting is insignificant.

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

4. ANALYSIS BY OPERATING SEGMENT

All critical operating decisions, are made by the Group's Executive Committee, which reviews the Group'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. Information provided to the committee is measured in a manner consistent with that of the financial statements.

Financial information regarding the Group's operating segments for the period ended 31 March 2018 is presented below:

	For the three month period ended 31 March 2018						
	Refining	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**Gas & Power**	**Other**	**Total**
Gross Sales	1.936.086	642.597	(1)	76.624	525	2.474	2.658.305
Inter-segmental Sales	(485.827)	(1.965)	(0)	(0)	(2)	(2.125)	(489.919)
Net Sales	**1.450.259**	**640.631**	**(1)**	**76.624**	**525**	**349**	**2.168.386**
EBITDA	**130.541**	**13.073**	**(2.219)**	**26.035**	**292**	**(1.534)**	**166.188**
Depreciation & Amortisation	(35.454)	(10.228)	(68)	(1.074)	(164)	(208)	**(47.196)**
Operating profit / (loss)	**95.087**	**2.845**	**(2.287)**	**24.961**	**128**	**(1.742)**	**118.992**
Currency exchange gains/ (losses)	(2.412)	292	2	-	-	-	(2.118)
Share of profit/(loss) of investments in associates & joint ventures	(904)	15	-	-	14.784	-	13.895
Finance (expense)/income - net	(25.365)	(4.399)	-	1	-	(8.769)	(38.533)
Profit / (loss) before income tax	**66.405**	**(1.247)**	**(2.285)**	**24.962**	**14.912**	**(10.511)**	**92.236**
Income tax expense							(18.015)
Profit for the period							**74.221**
Loss attributable to non-controlling interests							51
Profit for the period attributable to the owners of the parent							**74.272**

(All amounts in Euro thousands unless otherwise stated)

Financial information regarding the Group's operating segments for the period ended 31 March 2017 is presented below:

	For the three month period ended 31 March 2017						
	Refining	**Marketing**	**Exploration & Production**	**Petro-chemicals**	**Gas & Power**	**Other**	**Total**
Gross Sales	1.836.914	686.886	-	74.104	376	2.183	2.600.463
Inter-segmental Sales	(531.712)	(1.239)	(0)	(0)	-	(1.758)	(534.709)
Net Sales	**1.305.202**	**685.647**	**(0)**	**74.104**	**376**	**425**	**2.065.753**
EBITDA	**186.941**	**13.494**	**(1.140)**	**27.614**	**258**	**(1.534)**	**225.633**
Depreciation & Amortisation	(32.571)	(10.528)	(47)	(1.180)	(109)	(123)	(44.558)
Operating profit / (loss)	**154.370**	**2.966**	**(1.187)**	**26.434**	**149**	**(1.657)**	**181.075**
Currency exchange gains/ (losses)	(672)	(174)	(3)	-	-	(4)	(854)
Share of profit of investments in associates & joint ventures	2.396	(22)	-	-	28.243	(1)	30.617
Finance (expense)/income - net	(30.156)	(5.754)	(1)	3	-	(10.479)	(46.387)
Profit / (loss) before income tax	**125.938**	**(2.985)**	**(1.191)**	**26.437**	**28.392**	**(12.141)**	**164.451**
Income tax expense							(40.627)
Profit for the period							**123.824**
Profit attributable to non-controlling interests							(3)
Profit for the period attributable to the owners of the parent							**123.821**

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

"Other Segments" include Group entities which provide treasury, consulting and engineering services.

There were no changes in the basis of segmentation or in the basis of measurement of segment profit or loss, as compared to the consolidated annual financial statements for the year ended 31 December 2017.

There has been no material change in the definition of segments or the segmental analysis of total assets or total liabilities from the amounts disclosed in the consolidated annual financial statements for the year ended 31 December 2017. An analysis of the Group's net sales by type of market (domestic, aviation & bunkering, exports and international activities) is presented below:

	For the three month period ended	
	31 March 2018	**31 March 2017**
Net Sales		
Domestic	677.648	739.881
Aviation & Bunkering	177.415	187.936
Exports	1.056.316	874.544
International activities	257.007	263.392
Total	**2.168.386**	**2.065.753**

(All amounts in Euro thousands unless otherwise stated)

5. OTHER OPERATING INCOME / (EXPENSES) AND OTHER GAINS / (LOSSES)

	For the three month period ended	
	31 March 2018	**31 March 2017**
Other operating income		
Income from Grants	196	214
Services to 3rd Parties	1.061	1.054
Rental income	2.001	2.284
Insurance compensation	259	212
Total other operating income -net	**3.517**	**3.764**
Other gains/(losses)		
Profit from the sale of PPE - net	85	144
Amortisation of long-term contracts costs	(977)	(2.281)
Voluntary retirement scheme cost	(171)	(45)
Legal costs relating to Arbitration proceedings ruling	-	(8.000)
Other operating expenses	(431)	(914)
Total other gains/(losses)	**(1.494)**	**(11.096)**
Total other operating income / (expenses) and other gains/(losses)	**2.023**	**(7.332)**

Other operating income / (expenses) – net, include income or expenses which do not relate to the trading activities of the Group.

6. CURRENCY EXCHANGE LOSSES

Foreign currency exchange losses of €2,1 million reported for the three month period ended 31 March 2018, mainly relate to unrealized losses arising from the valuation of bank accounts denominated in foreign currency (mostly USD).

7. SHARE OF NET RESULTS OF ASSOCIATES & JOINT VENTURES

The amounts represent the Group's share of the net profit / (losses) from associated companies accounted for on an equity accounting basis, which are analysed as follows:

	For the three month period ended	
	31 March 2018	**31 March 2017**
Public Natural Gas Corporation of Greece (DEPA)	16.652	27.011
ELPEDISON B.V.	(1.868)	1.232
DMEP	(978)	2.353
Other associates	89	21
Total	**13.895**	**30.617**

(All amounts in Euro thousands unless otherwise stated)

The main financial information of DEPA Group is presented below:

	For the three month period ended	
	31 March 2018	**31 March 2017**
EBITDA	74.723	116.225
Income before Tax	60.046	100.294
Income Tax	(13.264)	(23.120)
Net income	**46.782**	**77.174**
Income accounted in Group	**16.652**	**27.011**

Sale of DESFA

On 16 February 2012, HELPE and HRADF (jointly the "Sellers") agreed to launch a joint sale process of their shareholding in DEPA Group aiming to dispose 100% of the supply, trading and distribution activities, as well as 66% of their shareholding in the high pressure transmission network (DESFA S.A., a 100% subsidiary of DEPA S.A.).

The sale process resulted in the submission of a binding offer of €400 million by SOCAR (Azerbaijan's Oil and Gas National Company) for the purchase of the 66% of DESFA. The amount corresponding to HELPE's 35% effective shareholding was €212 million.

On 21 December 2013, the Share Purchase Agreement (SPA) for the above sale was signed by HRADF, HELPE and SOCAR, while the completion of the transaction was agreed to be subject to the clearance of EU's responsible competition authorities.

On 30 November 2016, the deadline for the fulfilment of all prerequisites for the finalisation of the transaction expired without the desired outcome.

By decision of the Governmental Economic Policy Council (ΚΥΣΟΙΠ) on 1 March 2017, the Greek State decided, inter alia, to launch a new tender procedure for the disposal of the 66% of the shares of DESFA, i.e. the 31% of the 65% of the shares held by HRADF combined with the 35% of the shares owned by HELPE, as well as the termination of the respective selling process which was launched in 2012. In addition, article 103 of the most recent law 4472/2017 provides that by 31 December 2017, the participation of DEPA in DESFA (66%) will be sold and transferred through an international tender process, which will be carried out by HRADF, while the remaining balance of 34% will be transferred to the Greek State. Furthermore, the above law provides that at the end of the tender process, DESFA should constitute an Unbundled Natural Gas Transmission System Operator, in accordance with the provisions of articles 62 & 63 of Law 4001/2011 as in force, and be certified as such, in accordance with Articles 9 & 10 of the 2009/73/EC (Full Ownership Unbundled System Operator - FOU).

The Board of Directors of HELPE, at its meeting on 12 June 2017, evaluated the strategic choices of HELPE regarding its minority participation in DESFA and considered that the disposal (jointly with HRADF) of the 66% of DESFA's shares is in the interest of the Company. For this purpose, a draft Memorandum of Understanding (MOU) between the Greek State, HRADF and HELPE was drawn up, based on the corresponding text of 2012. At the abovementioned meeting, the Board of Directors also convened the Extraordinary General Assembly of the Company's shareholders in order to obtain a special permit, in accordance with the provisions of article 23a of the Codified Law 2190/1920, for the conclusion of the MOU between the Greek State, HRADF and HELPE. The MOU was signed by the three parties on 26 June 2017 and the special permit of the General Assembly was provided retrospectively on 6 July 2017, pursuant to the provision of article 23a par.4 2190/1920. On 26 June 2017, the Invitation for the Non-Binding Expression of Interest was published. Four parties expressed interest, two of which were notified on 22 September 2017 by the Sellers that they qualified to participate in the next phase of the Tender Process (Binding Offers Phase), and were considered as Shortlisted Parties. The two Shortlisted Parties were on the one hand, a consortium formed by SNAM S.p.A., FLUXYS S.A., Enagas Internacional S.L.U. and N.V. Nederlandse Gasunies and on the other hand Regasificadora del Noroeste S.A..

The Shortlisted Parties submitted their binding offers on 16 February 2018, pursuant to the Sellers' Request on 10 October 2017 for the Submission of Binding Offers.

(All amounts in Euro thousands unless otherwise stated)

Best and final offers were submitted by the two Shortlisted Parties on 29 March 2018. The consortium formed by SNAM S.p.A., FLUXYS S.A. and Enagas Internacional S.L.U. confirmed its best and final offer on 19 April 2018, offering an amount of €535 million for the purchase of the 66% of DESFA. The above binding offer has been accepted by virtue of resolution no. 1319 of 19 April 2018 of the Board of Directors and the resolution of 14 May 2018 of the Extraordinary General Meeting of Shareholders of Hellenic Petroleum. The closing of the transaction is conditional upon the obtaining of necessary approvals by the competent Greek and/or EU energy regulation and competition authorities.

The Group consolidates the DEPA Group using the equity method of accounting and the carrying value of the investment in the consolidated financial statements reflects HELPE's 35% share of the net asset value of the DEPA group which as at 31 March 2018 amounts to €675 million. The cost of investment of the DEPA group in the financial statements of HELPE S.A is €237 million. DEPA Group, as it currently stands, continues to be accounted for and included in HELPE Group's consolidated financial statements as an associate.

8. INCOME TAXES

	For the three month period	
	31 March 2018	**31 March 2017**
Current tax	(2.188)	(1.643)
Recovery of prior year disputed taxes	7.166	-
Deferred tax	(22.993)	(38.984)
Total expense	**(18.015)**	**(40.627)**

The corporate income tax rate of legal entities in Greece is 29% for 2018 (2017:29%). In accordance with the applicable tax provisions, tax audits in Group companies are conducted as follows:

a. Audits by Certified Auditors - Tax Compliance Report

Effective for fiscal years ending 31 December 2011 onward, Greek companies meeting certain criteria can obtain an "Annual Tax Certificate" as provided for by par. 5, article 82 of L.2238/1994 from their statutory auditor in respect of compliance with tax law. The issuance of a Tax Compliance Report under certain conditions, substitutes the full tax audit by the tax authorities, however the tax authorities reserve the right of future tax audit.

All Group companies based in Greece have received unqualified Tax Compliance Reports by their respective statutory auditor for fiscal years up to 2016 (inclusive).

b. Audits by Tax Authorities

Income tax years of the parent company and its most significant subsidiaries audited by the tax authorities are set out below:

Company name	**Financial years ended (up to & including)**
HELLENIC PETROLEUM SA	2011
EKO SA	2010
HELLENIC FUELS & LUBRICANTS SA (former HELLENIC FUELS SA)	2011

As explained also in Note 22, and notwithstanding the possibility of future tax audits, the Group's management believes that no additional material liability will arise as a result of unaudited tax years over and above the tax liabilities and provisions recognised in the consolidated financial statements for the period ended 31 March 2018.

9. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding the weighted average number of treasury shares (Note 16). Diluted earnings per ordinary share are not materially different from basic earnings per share.

	For the three month period ended 31 March 2018	31 March 2017
Earnings per share attributable to the Company Shareholders (expressed in Euro per share):	**0,24**	**0,41**
Net income attributable to ordinary shares (Euro in thousands)	74.272	123.821
Weighted average number of ordinary shares	305.609.957	305.635.185

10. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant & Machinery	Motor vehicles	Furniture and fixtures	Assets Under Construction	Total
Cost							
As at 1 January 2017	**288.126**	**897.678**	**4.578.708**	**92.769**	**168.215**	**88.609**	**6.114.105**
Additions	-	172	2.137	471	2.386	12.738	17.904
Capitalised projects	-	267	1.585	-	43	(1.895)	-
Disposals	(1.669)	(246)	(395)	(223)	(30)	-	(2.563)
Currency translation effects	(99)	(324)	1.687	(5)	(21)	(11)	1.227
Transfers and other movements	-	635	1.486	112	928	(2.486)	675
As at 31 March 2017	**286.358**	**898.182**	**4.585.208**	**93.124**	**171.521**	**96.955**	**6.131.348**
Accumulated Depreciation							
As at 1 January 2017	**-**	**439.270**	**2.179.967**	**60.625**	**143.437**	**-**	**2.823.299**
Charge for the period	-	7.298	32.438	1.095	1.641	-	42.472
Disposals	-	(219)	(311)	(223)	(30)	-	(783)
Currency translation effects	-	(162)	(310)	(3)	(20)	-	(495)
Transfers and other movements	-	-	1.549	112	1.081	-	2.742
As at 31 March 2017	**-**	**446.187**	**2.213.333**	**61.606**	**146.109**	**-**	**2.867.235**
Net Book Value at 31 March 2017	**286.358**	**451.995**	**2.371.875**	**31.518**	**25.412**	**96.955**	**3.264.113**
Cost							
As at 1 January 2018	**315.557**	**909.409**	**4.708.733**	**96.556**	**181.388**	**102.131**	**6.313.774**
Additions	1.206	2.535	4.360	39	847	13.890	22.877
Capitalised projects	-	659	8.569	-	78	(9.306)	-
Disposals	-	-	(20)	(200)	(11)	-	(231)
Currency translation effects	20	80	81	-	(22)	-	159
Transfers and other movements	1.231	3.380	4.411	-	204	(7.562)	1.664
As at 31 March 2018	**318.014**	**916.063**	**4.726.134**	**96.395**	**182.484**	**99.153**	**6.338.243**
Accumulated Depreciation							
As at 1 January 2018	**2.689**	**467.548**	**2.319.571**	**61.948**	**150.125**	**-**	**3.001.881**
Charge for the period	-	7.151	35.016	989	2.085	-	45.241
Disposals	-	-	(20)	(196)	(5)	-	(221)
Impairment	89	161	65	-	(11)	914	1.218
Currency translation effects	-	69	86	-	5	-	160
Transfers and other movements	-	(68)	68	-	-	-	-
As at 31 March 2018	**2.778**	**474.861**	**2.354.786**	**62.741**	**152.199**	**914**	**3.048.279**
Net Book Value at 31 March 2018	**315.236**	**441.202**	**2.371.348**	**33.654**	**30.285**	**98.239**	**3.289.964**

'Transfers and other movements' include the transfer of spare parts for the refinery units from inventories to fixed assets, as well as the transfer of computer software development costs to intangible assets.

(All amounts in Euro thousands unless otherwise stated)

11. INTANGIBLE ASSETS

	Goodwill	Retail Service Station Usage Rights	Computer software	Licences & Rights	Other	Total
Cost						
As at 1 January 2017	**133.914**	**49.915**	**106.036**	**40.683**	**74.426**	**404.974**
Additions	-	-	63	55	-	118
Disposals	-	(52)		(18)		(70)
Currency translation effects	-	-	(4)	-	(16)	(20)
Other movements	-	-	1.478	-	(156)	1.322
As at 31 March 2017	**133.914**	**49.863**	**107.573**	**40.720**	**74.254**	**406.324**
Accumulated Amortisation						
As at 1 January 2017	**71.829**	**32.022**	**96.559**	**32.106**	**64.164**	**296.680**
Charge for the period	-	749	1.057	196	84	2.086
Disposals	-	(36)	-	-	-	(36)
Currency translation effects	-	-	(2)	52	-	50
Other movements	-	-	(129)	-	(97)	(226)
As at 31 March 2017	**71.829**	**32.735**	**97.485**	**32.354**	**64.151**	**298.554**
Net Book Value at 31 March 2017	**62.085**	**17.128**	**10.088**	**8.366**	**10.103**	**107.770**
Cost						
As at 1 January 2018	**133.914**	**51.241**	**111.527**	**38.075**	**74.603**	**409.360**
Additions	-	310	98	3.437	-	3.845
Currency translation effects	-	-	1	1	4	6
Other movements	-	-	231	-	-	231
As at 31 March 2018	**133.914**	**51.551**	**111.857**	**41.513**	**74.607**	**413.442**
Accumulated Amortisation						
As at 1 January 2018	**71.829**	**34.834**	**101.407**	**31.224**	**64.382**	**303.676**
Charge for the period	-	623	1.170	162	-	1.955
Impairment	-	-	-	295	-	295
Currency translation effects	-	-	1	-	-	1
As at 31 March 2018	**71.829**	**35.457**	**102.578**	**31.681**	**64.382**	**305.927**
Net Book Value at 31 March 2018	**62.085**	**16.094**	**9.279**	**9.832**	**10.225**	**107.515**

‘Other movements’ in computer software include the transfer of computer software development costs from assets under construction to intangible assets.

(All amounts in Euro thousands unless otherwise stated)

12. INVENTORIES

	As at	
	31 March 2018	**31 December 2017**
Crude oil	337.410	331.353
Refined products and semi-finished products	616.712	640.142
Petrochemicals	21.379	21.670
Consumable materials and other spare parts	94.451	91.277
- Less: Provision for consumables and spare parts	(28.435)	(28.049)
Total	**1.041.517**	**1.056.393**

The cost of inventories recognised as an expense and included in Cost of sales amounted to €1,7 billion (31 March 2017: €1,6 billion). As at 31 March 2018, the Group recorded a loss of €0,4 million arising from inventory valuation (31 March 2017: €0,1 million). This loss is included in Cost of Sales in the statement of comprehensive income. In addition, as at 31 March 2018 an amount of €2 million relating to spare parts for the refinery units, has been transferred from inventories to fixed assets (Note 10).

Under IEA and EU regulations, Greece is obliged to hold crude oil and refined product stocks in order to fulfil the EU requirement for compulsory Stock obligations (90 days stock directive), as legislated by Greek Law 3054/2002. This responsibility is passed on to all companies, including Hellenic Petroleum S.A., who import and sell in the domestic market and who have the responsibility to maintain and finance the appropriate stock levels. Such stocks are part of the operating stocks and are valued on the same basis.

13. TRADE AND OTHER RECEIVABLES

	As at	
	31 March 2018	**31 December 2017**
Trade receivables	755.345	734.038
- Less: Provision for impairment of receivables	(252.237)	(248.008)
Trade receivables net	**503.108**	**486.030**
Other receivables	357.289	327.203
- Less: Provision for impairment of receivables	(47.779)	(47.566)
Other receivables net	**309.510**	**279.637**
Deferred charges and prepayments	36.827	25.538
Total	**849.445**	**791.205**

As part of its working capital management the Group utilises factoring facilities to accelerate the collection of cash from its customers in Greece. Non-recourse factoring, is excluded from balances shown above, since all risks and rewards of the relevant invoices have been transferred to the factoring institution.

Other receivables include balances in respect of VAT, income tax prepayment, advances to suppliers and advances to personnel. This balance as at 31 March 2018 also includes an amount of €54 million (31 December 2017: €54 million) of VAT approved refunds which has been withheld by the customs office due to a dispute relating to stock shortages. The Group has filed a specific legal objection and claim against this action and expects to fully recover this amount following the conclusion of the relevant legal proceedings (Note 22). The fair values of trade and other receivables approximate their carrying amount.

(All amounts in Euro thousands unless otherwise stated)

14. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	As at	
	31 March 2018	**31 December 2017**
Cash at Bank and in Hand	681.588	873.261
Cash and Cash Equivalents	**681.588**	**873.261**
Restricted Cash	1.207	145.652
Total Cash, Cash Equivalents and Restricted Cash	**682.795**	**1.018.913**

Restricted cash in 2017 mainly relates to a deposit amounting to €144 million, placed as security for a loan agreement of an equal amount with Piraeus Bank in relation to the Company's Facility Agreement B with the European Investment Bank (Note 17). The outstanding balance under the EIB Facility Agreement B as at 31 December 2017 was €100 million, whilst the outstanding balance of the Piraeus loan as at 31 December 2017 was €144 million. In February 2018 the Company amended the EIB Facility Agreement B. According to the amendment, the Facility no longer has security requirements, thus, the loan with Piraeus and the relevant deposit has been repaid and the guarantee has been cancelled.

The balance of US Dollars included in Cash at bank as at 31 March 2018 was $ 484 million (euro equivalent €393 million). The respective amount for the period ended 31 December 2017 was $ 555 million (euro equivalent €463 million).

15. SHARE CAPITAL

	Number of Shares (authorised and issued)	Share Capital	Share premium	Total
As at 1 January & 31 December 2017	305.635.185	666.285	353.796	1.020.081
As at 31 March 2018	**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 2017: €2,18).

Share options

During the Annual General Meeting (AGM) of Hellenic Petroleum S.A. held on 25 May 2005, a share option scheme was approved, with the intention of linking the number of share options granted to management with the results and performance of the Company. Subsequent AGMs have approved and granted the share options. At the 2014 and 2015 AGM's, the shareholders approved several changes to the share option program incorporating recent tax changes, without altering the net effect in terms of benefit to the participants.

(All amounts in Euro thousands unless otherwise stated)

Movements in the number of share options outstanding and their related weighted average exercise prices during the period are as follows:

	As at			
	31 March 2018		**31 December 2017**	
	Average Exercise Price in € per share	Options	Average Exercise Price in € per share	Options
Balance at the beginning of the period (1 January)	**4,52**	**185.633**	**4,52**	**1.479.933**
Exercised	4,52	(57.539)	4,52	(1.294.300)
Balance at the end of the period	**4,52**	**128.094**	**4,52**	**185.633**

During the three month period ended 31 March 2018, share options were exercised via the acquisition and subsequent issue of treasury shares to employees with a total value of €0.4 million (see Note 16).

16. RESERVES

	Note	Statutory reserve	Special reserves	Hedging reserve	Share-based payment reserve	Tax-free & Incentive Law reserves	Other Reserves	Treasury Shares	Total
Balance at 1 January 2017		**118.668**	**98.420**	**13.268**	**747**	**263.047**	**(24.362)**	**-**	**469.788**
Fair value losses on cash flow hedges		-	-	(9.421)	-	-	-	-	(9.421)
Reduction in value of land		-	-	-	-	-	(907)	-	(907)
Changes of the fair value of equity investments		-	-	-	-	-	7	-	7
Currency translation differences and other movements		-	-	-	-	-	(23)	-	(23)
Balance at 31 March 2017		**118.668**	**98.420**	**3.847**	**747**	**263.047**	**(25.285)**	**-**	**459.444**
Balance at 31 December 2017 as originally presented		**118.668**	**98.420**	**10.657**	**94**	**164.882**	**(34.134)**	**(531)**	**358.056**
Change in accounting policy	2	-	-	-	-	-	166	-	166
Restated total equity as at 1 January 2018		**118.668**	**98.420**	**10.657**	**94**	**164.882**	**(33.968)**	**(531)**	**358.222**
Changes of the fair value of equity investments		-	-	-	-	-	(142)	-	(142)
Fair value gains on cash flow hedges		-	-	1.884	-	-	-	-	1.884
Currency translation differences and other movements		-	-	-	-	-	(125)	-	(125)
Share-based payments		-	-	-	(29)	-	-	-	(29)
Acquisition of treasury shares		-	-	-	-	-	-	(249)	(249)
Issue of treasury shares to employees		-	-	-	-	-	-	389	389
Transfer of grant received to tax free reserves		-	-	-	-	80	-	-	80
As at 31 March 2018		**118.668**	**98.420**	**12.541**	**65**	**164.962**	**(34.235)**	**(391)**	**360.030**

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.

Tax-free and Incentive Law reserves
These reserves include:

(i) 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.

(ii) Retained earnings which 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.

(All amounts in Euro thousands unless otherwise stated)

(iii) Taxed reserves relating to investments under incentive laws. These are available for distribution under certain conditions.

Hedging reserve

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Other reserves

These include:

(i) Actuarial gains / (losses) on defined benefit plans resulting from a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and b) the effects of changes in actuarial assumptions.

(ii) Changes in the fair value of investments that are classified as investments in equity instruments.

(iii) Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in other reserves. The cumulative amount is reclassified to the profit or loss when the net investment is disposed of.

Treasury Shares

Treasury shares are held regarding the share option plan. During the three period ended 31 March 2018, 31.309 shares were acquired at a cost of €0,2 million, while 51.467 shares were issued to employees following the exercise of share options held. Treasury shares are recognised on a first-in-first out method.

17. BORROWINGS

	As at	
	31 March 2018	**31 December 2017**
Non-current borrowings		
Bank borrowings	352.158	155.556
Eurobonds	762.467	761.607
Finance leases	2.863	3.071
Total non-current borrowings	**1.117.488**	**920.234**
Current borrowings		
Short term bank borrowings	1.494.420	1.855.170
Current portion of long-term bank borrowings	44.731	44.444
Finance leases - current portion	677	655
Total current borrowings	**1.539.828**	**1.900.269**
Total borrowings	**2.657.316**	**2.820.503**

The Group has centralized treasury operations which coordinate and control the funding and cash management activities of all group companies. Within this framework, Hellenic Petroleum Finance plc (HPF) was established in November 2005 in the U.K. as a wholly-owned subsidiary of Hellenic Petroleum S.A. to act as the central treasury vehicle of the Hellenic Petroleum Group.

Borrowings of the Group by maturity as at 31 March 2018 and 31 December 2017 are summarised in the table below (amounts in € million):

	Company	Maturity	Balance as at 31 March 2018	Balance as at 31 December 2017
1a. Syndicated credit facility € 20 million	HPF Plc	Jul 2018	20	20
1b. Syndicated credit facility € 10 million	HPF Plc	Jul 2018	10	10
1c. Syndicated bond loan € 350 million	HP SA	Jul 2018	349	348
2. Bond loan € 400 million	HP SA	Oct 2018	284	284
3. Bond loan € 200 million	HP SA	Feb 2021	197	200
4. Bond loan SBF € 400 million	HP SA	May 2018	240	239
5. European Investment Bank ("EIB") Term loan	HP SA	Jun 2022	200	200
6. Eurobond €325m	HPF Plc	Jul 2019	316	316
7. Eurobond €450m	HPF Plc	Oct 2021	446	446
8. Bilateral lines	Various	Various	592	754
9. Finance leases	Various	Various	4	4
Total			**2.657**	**2.821**

No loans were in default as at 31 March 2018 (none as at 31 December 2017).

Significant movements in borrowings for the three-month period ended 31 March 2018 are as follows:

1. Term loans

In July 2014, the Group concluded two new credit facilities with a syndicate of Greek and international banks as follows:

(1a-1b) HPF concluded a €50 million syndicated credit facility guaranteed by Hellenic Petroleum S.A. The facility had a €40 million tranche which matured in July 2016 and a €10 million tranche maturing in July 2018. In July 2016, upon maturity of the € 40 million tranche, the Group proceeded with a partial repayment of € 20 million and extended the maturity of the remaining € 20 million to July 2018.

(1c) Hellenic Petroleum S.A. concluded a €350 million syndicated bond loan credit facility guaranteed by HPF maturing in July 2018. Hellenic Petroleum S.A. is in the process of refinancing the two credit facilities with a syndicate of Greek and international banks, which will mature in 5 years.

2. Bond Loan €400 million

In September 2015 Hellenic Petroleum S.A. extended the maturity date of a €400 million syndicated bond loan agreement from December 2015 to June 2016 and subsequently to October 2017 with two six-month extension options. In April 2018, Hellenic Petroleum S.A. extended the facility maturity date to October 2018.

3. Bond loan €200 million

In line with the Group's risk management strategy to increase the percentage of committed term credit facilities, Hellenic Petroleum S.A. concluded a €200 million committed credit facility in January 2015, with a tenor of 3 years, with National Bank of Greece. In February 2018, Hellenic Petroleum S.A. renewed the committed credit facility with a tenor of 3 years.

4. Bond loans stand-by facility €400 million

In May 2016 Hellenic Petroleum S.A. concluded a € 400 million bond loan stand-by facility with a tenor of 18 months and an extension option for a further 6 months. The bond loan facility has two Tranches, a committed Tranche of €240 million and an uncommitted Tranche of €160 million. In May 2017, Hellenic Petroleum S.A. made an additional drawdown of €167 million under the committed Tranche of the facility. In October 2017 Hellenic Petroleum S.A. extended the facility maturity date to May 2018. In May 2018 Hellenic Petroleum S.A. repaid the outstanding balance of €240 million upon maturity.

(All amounts in Euro thousands unless otherwise stated)

5. EIB Term loans

On 26 May 2010, Hellenic Petroleum S.A. signed two loan agreements (Facilities A and B) with the European Investment Bank for a total amount of €400 million (€200 million each). The purpose of the loans was to finance part of the investment program relating to the upgrade of the Elefsina Refinery. Both loans had a maturity of twelve years with amortization beginning in December 2013 and similar terms and conditions. Facility B was credit enhanced by a commercial bank guarantee. This is normal practice for EIB lending particularly during the construction phase of large projects. Total repayments on both loans up to 31 March 2018 amounted to € 200 million. Up to February 2018, Facility B included financial covenant ratios which were comprised of leverage, interest cover and gearing ratios. In February 2018, Hellenic Petroleum S.A. amended the terms of this facility in order to bring the loan covenant definitions and ratios in line with those used for all its commercial bank loans and Eurobonds (see also Note 14).

6. Eurobond €325m

In July 2014 the Group issued a €325 million five-year Eurobond, with a 5,25% annual coupon, maturing in July 2019. The notes, were issued by Hellenic Petroleum Finance Plc and guaranteed by Hellenic Petroleum S.A. and are listed on the Luxembourg Stock Exchange.

7. Eurobond €450m

In October 2016 HPF issued a €375 million five-year 4.875% Eurobond guaranteed by Hellenic Petroleum S.A. with the issue price being 99.453 per cent. of the principal amount. The notes mature in October 2021. The proceeds of the issue were used to repay existing financial indebtedness, including the partial prepayment of the €500 million Eurobond maturing in May 2017 through a tender offer process which was completed in October 2016 during which notes of nominal value of €225 million were accepted. In July 2017, HPF issued €74.53 million guaranteed notes due 14 October 2021, which were consolidated and form a single series with the €375 million 4.875% guaranteed notes.

8. Bilateral lines

The Group companies have credit facilities with various banks in place, for general corporate purposes. These mainly relate to short-term loans of the parent company Hellenic Petroleum S.A., which have been put in place and renewed as necessary over the past few years.

Certain medium term credit agreements that the Group has concluded, include financial covenants, mainly for the maintenance of certain ratios such as: “Net Debt/ Adjusted EBITDA”, “Adjusted EBITDA/Net Interest” and “Net Debt/Net Worth”. Management monitors the performance of the Group to ensure compliance with the above covenants.

18. TRADE AND OTHER PAYABLES

	As at	
	31 March 2018	**31 December 2017**
Trade payables	1.249.727	1.474.336
Accrued expenses	137.558	100.810
Other payables	46.697	86.311
Total	**1.433.982**	**1.661.457**

Trade payables comprise amounts payable or accrued in respect of supplies of crude oil, products, and services.

Trade payables, as at 31 March 2018 and 31 December 2017, include amounts in respect of crude oil imports from Iran which were received between December 2011 and March 2012 as part of a long term contract with NIOC. Despite repeated attempts to settle the payment for these cargoes through the international banking system between January and June 2012, it was not possible to do so. This was due to the fact that payments to Iranian banks and state entities were not accepted for processing by the International banking system, as a result of explicit or implicit US and International sanctions. After 30 June 2012, Hellenic Petroleum was prohibited to effect payments to NIOC by virtue of EU sanctions (Council Regulation (EU) No. 267/2012 of 23 March 2012). The Group duly notified its supplier of this restriction on payments and the inability to accept further crude oil cargoes under the contract, as a result of the aforementioned international sanctions.

On 18 October 2015, by Decision (CFSP) 2015/1863, the Council of the European Union (EU) decided to terminate implementation of most of EU restrictions against Iran, taking into account UNSCR 2231 (2015) and Annex B to UNSCR 2231 (2015), simultaneously with the IAEA-verified implementation by Iran of agreed nuclear-related measures. On 16 January 2016 ("Implementation Day"), by Decision (CFSP) 2016/37, the Council decided that Decision (CFSP) 2015/1863 shall apply from that date. On the same date U.S and other International Restrictive Measures were also partially lifted. In light of the above developments, Hellenic Petroleum and NIOC executed Heads of Terms to a cooperation-agreement on 22 January 2016 for the recommencement of their commercial relationship for the supply of crude and for the settlement of the due trade payables. Implementation of the agreement will be in full compliance with prevailing EU and international framework, as well as surviving restrictions.

On May 8, 2018, the President of the U.S. (the President) announced his decision to cease the United States' participation in the Joint Comprehensive Plan of Action (JCPOA), and to begin re-imposing, following a wind-down period, the U.S. nuclear-related sanctions that were lifted to effectuate the JCPOA sanctions relief. In conjunction with this announcement, the President issued a National Security Presidential Memorandum (NSPM) directing the Secretary of State and the Secretary of the Treasury to prepare immediately for the re-imposition of all of the U.S. sanctions lifted or waived in connection with the JCPOA, to be accomplished as expeditiously as possible and in no case later than 180 days from the date of the NSPM. Hellenic Petroleum is closely monitoring developments following the US administration decision on JCPOA and will assess its position accordingly.

Where deemed beneficial to the Group, in order to achieve better terms (such as better pricing, higher credit limits, longer payment terms), the Group provides short term letters of credit or guarantee for the payment of liabilities arising from trade creditors, making use of its existing credit lines with its banks. To the extent these liabilities materialise before the balance sheet date, they are included in the balance under trade creditors.

Accrued expenses mainly relate to accrued interest, payroll related accruals and accruals for operating expenses not yet invoiced.

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

(All amounts in Euro thousands unless otherwise stated)

19. CASH GENERATED FROM OPERATIONS

		For the three month period ended	
	Note	**31 March 2018**	**31 March 2017**
Profit before tax		**92.236**	**164.451**
Adjustments for:			
Depreciation and amortisation of property, plant and equipment and intangible assets	**10,11**	47.196	44.558
Impairment of fixed assets	**10**	1.512	-
Amortisation of grants	**5**	(196)	(214)
Finance costs - net		38.533	46.387
Share of operating profit of associates	**7**	(13.895)	(30.617)
Provisions for expenses and valuation charges		12.814	8.992
Foreign exchange losses	**6**	2.118	854
Amortisation of long-term contracts costs	**5**	977	3.256
(Gain) / loss on sales of property, plant and equipment	**5**	(85)	(144)
		181.210	**237.523**
Changes in working capital			
(Increase) / Decrease in inventories		14.490	(60.820)
Decrease /(increase) in trade and other receivables		(63.840)	1.223
Decrease in payables		(229.889)	(137.326)
		(279.239)	**(196.923)**
Net cash (outflow)/ inflow from operating activities		**(98.029)**	**40.600**

20. RELATED PARTY TRANSACTIONS

The condensed interim consolidated statement of comprehensive income includes transactions between the Group and related parties. Such transactions mainly comprise sales and purchases of goods and services in the ordinary course of business.

Transactions have been carried out with the following related parties:

a) Associates and joint ventures 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)
- Elpedison B.V.
- Spata Aviation Fuel Company S.A. (SAFCO)
- HELPE Thraki S.A.
- D.M.E.P. HOLDCO

(All amounts in Euro thousands unless otherwise stated)

	For the three month period ended	
	31 March 2018	**31 March 2017**
Sales of goods and services to related parties		
Associates	172.479	172.294
Joint ventures	99	99
Total	**172.578**	**172.392**
Purchases of goods and services from related parties		
Associates	183.172	175.228
Joint ventures	6.012	1.602
Total	**189.184**	**176.830**

	As at	
	31 March 2018	**31 December 2017**
Balances due to related parties		
Associates	2.829	3.182
Joint ventures	1.598	1.886
Total	**4.427**	**5.068**
Balances due from related parties		
Associates	44.995	37.133
Joint ventures	97	101
Total	**45.092**	**37.234**

Hellenic Petroleum S.A. has provided letters of comfort and guarantees in favour of banks as security for loans granted by them to Elpedison B.V. The outstanding amount of these as at 31 March 2018 was €85 million (31 December 2017: €88million).

b) Government related entities which are under common control with the Group due to the shareholding and control rights of the Hellenic State and with which the Group has material transactions or balances are:

- Public Power Corporation Hellas S.A.
- Hellenic Armed Forces
- Road Transport S.A.

During the three month period ended 31 March 2018, transactions and balances with the above government related entities are as follows:

- Sales of goods and services amounted to €77 million (31 March 2017: €85 million)
- Purchases of goods and services amounted to €10 million (31 March 2017: €12 million)
- Receivable balances of €68 million (31 December 2017: €61 million)
- Payable balances of €10 million (31 December 2017: €5 million).

c) The Group participates in the following jointly controlled operations with other third parties relating to exploration and production of hydrocarbons in Greece:

- Edison International SpA (Greece, Patraikos Gulf).
- Calfrac Well Services Ltd (Greece, Sea of Thrace concession)
- Total E&P Greece B.V and Edison International SpA (Greece, Block 2).

21. COMMITMENTS

Significant contractual commitments of the Group, other than future operating lease payments that are disclosed in the annual consolidated financial statements as at 31 December 2017, mainly relate to improvements in refining assets and amount to €25 million as at 31 March 2018 (31 December 2017: €20 million).

22. 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. They are as follows:

(a) Business issues

(i) Unresolved legal claims

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 and the opinion of legal counsel, management believes the final outcome will not have a significant effect on the Group's operating results or financial position, over and above provisions already reflected in the condensed interim consolidated financial statements.

(ii) Guarantees

The parent company has provided letters of comfort and guarantees in 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 March 2018 was the equivalent of €1.011 million (31 December 2017: €1.016 million). Out of these, €926 million (31 December 2017: €928 million) are included in consolidated borrowings of the Group and are presented as such in the condensed interim consolidated financial statements.

(iii) International operations

The Group's international operations face a number of legal issues related to changes in local permits and tax regulations, however it is considered that they do not present any material impact on the consolidated financial statements. Such cases include a dispute in connection with the local tank depots of Jugopetrol AD in Montenegro, as well as the re-opening of the Commission for the Protection of Competition in Cyprus' investigation against the Petroleum companies operating there (wholesale), for the period from 1 October 2004 to 22 December 2006. On 15 November 2017 the Commission for the Protection of Competition in Cyprus imposed a fine amounting to €5 million against Hellenic Petroleum Cyprus Ltd. Pertinent legal actions, have commenced on 30 December 2017 and are in progress. The likelihood for an outflow of resources is assessed as remote. Management believes that no additional material liabilities will arise as a result of these cases over and above those recognised in the consolidated financial statements.

(b) Taxation and customs

The tax framework and practices in Greece, which determine the tax base for the transactions of the Group's main entities, may result in inherent uncertainties, due to its complexity and it being subject to changes and alternative interpretation by relevant authorities at different points in time and across different entities. As a result, there may be types of expenses or treatments for which a company may be assessed on a different basis than the one adopted during preparation of its tax return and the financial statements. Based on past experience tax audits are carried out by tax authorities on average 5-7 years after the filing of the tax return. In addition, where a tax audit results in a different assessment to the one adopted by the Group entity, and for which the Group after consideration, disagrees with, the process for resolving the issue is usually through a court of law proceeding, which has many stages and can take a considerable number of years to reach its final and irrevocable ruling. For an entity to engage in this process, a minimum down payment of 50% of the total tax and penalties assessed is required.

All of the above result in inherent difficulties in the determination and accounting of tax liabilities. As a result, management aims to determine its policy based on specific legislation available at the time of accounting for a transaction, obtain specialist legal and tax advice on individual cases and utilise prior tax audits experience and rulings, including relevant court decisions. This process should ensure that the financial statements reflect any material tax and customs liabilities as accurately and completely as possible.

(i) Open tax years – Litigation tax cases

As disclosed in Note 8, tax audits for the Group's most important Greek legal entities have been completed by the Tax Authorities as follows:

For Hellenic Petroleum S.A.: up to and including the financial year ended 31 December 2011. The Tax audit reports for years ended 31 December 2010 and 31 December 2011 were received in December 2017 and they are subject to legal dispute by the Company. In summary, the reports assess additional taxes of € 22,5 million and penalties of €23,5 million, for items relating to stamp duty, various non-deductible expenses and other income tax adjustments. Following a detailed review of the Tax Audit Report, the Company disputes the additional taxes imposed (which are over and above the amounts already included in the Companies' normal tax returns) and has proceeded with all possible legal means and actions to appeal against these additional taxes and penalties.

Even though the Company disputes the additional taxes and penalties imposed, it is obliged to pay 50% of the assessed amounts (taxes and penalties) to the Tax Authorities in order to appeal the results of the tax audits. This was paid within the applicable deadline in January 2018.

As far as penalties are concerned, the report has assessed penalties at 120% of the original tax instead of the applicable 50%; this is also legally challenged by the Company.

At present, an audit for the year ended 31 December 2012 is in progress.

Likewise, the two main retail subsidiaries in Greece, which merged into one during 2016, Hellenic Fuels and Lubricants S.A (EKO) have been audited as follows:

(a) Former Hellenic Fuels S.A.: up to and including the financial year ended 31 December 2011, with ongoing audits for subsequent years up to and including 31 December 2013. The most recent Tax audit reports for 2010 and 2011 were delivered in December 2017, and assess additional taxes of € 1,6 million and penalties of € 1,9 million for similar reasons as Hellenic Petroleum. The process followed is identical to the one described above for Hellenic Petroleum and the Company has already proceeded with the relevant legal actions.

and

(b) EKO S.A.: up to and including 31 December 2010 with ongoing audit for the year ended 31 December 2012. The most recent Tax audit reports for 2008, 2009 and 2010 were delivered in February 2018 and assess additional stamp duty of € 4,1 million and penalties of € 3,5 million. The process followed is identical to the one described above for Hellenic Petroleum and the Company has already proceeded with the relevant legal actions.

Management believes that no additional material liability will arise either as a result of open tax years or from the outcome of current litigation cases over and above the tax liabilities and provisions already recognized in the consolidated financial statements as at 31 March 2018. The Company has recorded any down payments made for taxes and penalties assessed in previous disputes with the tax authorities in other receivables (Note 13), to the extent that the Company has assessed that the amounts will be ultimately recoverable.

It is noted that for financial years ending 31 December 2011 up to and including 31 December 2016, the Group's Greek legal entities obtained unqualified "Annual Tax Certificates" from their Statutory Auditors, as provided for by par. 5, article 82 of L.2238/1994.

(ii) Assessments of customs and fines

In 2008, Customs authorities assessed additional customs duties and penalties amounting to approximately €40 million for alleged "stock shortages" during the years 2001-2005. The Company has duly filed contestations before the Administrative Court of First Instance, and Management believes that this case will have a positive outcome when the court hearings take place.

Notwithstanding the filing of the above contestations, the Customs office withheld an amount of €54 million (full payment plus surcharges) of established VAT refunds (Note 13), an action against which the Company filed two

Contestations before the Administrative Courts of Athens and Piraeus. The Administrative Court of Athens ruled that the withholding effected by the Tax Office was unlawful.

The Company considers that the above amounts will be recovered.

23. DIVIDENDS

A proposal to the AGM for a final dividend €0,25 per share (excluding treasury shares – Note 16) for the year ended 2017 was approved by the Board of Directors on 22 February 2018. This amounts to €76,404 million and is not included in the Consolidated Financial Statements for the period ended 31 March 2018, as it has not yet been approved by the shareholders' AGM.

The Board did not approve a change in dividend policy overall and will re-evaluate the payment of an additional dividend, special dividend or interim dividend during 2018.

(All amounts in Euro thousands unless otherwise stated)

24. LIST OF PRINCIPAL CONSOLIDATED SUBSIDIARIES AND ASSOCIATES INCLUDED IN THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

COMPANY NAME	ACTIVITY	COUNTRY OF REGISTRATION	EFFECTIVE PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
HELLENIC FUELS AND LUBRICANTS INDUSTRIAL AND COMMERCIAL S.A	Marketing	GREECE	100,00%	FULL
EKOTA KO S.A.	Marketing	GREECE	49,00%	FULL
EKO KALYPSO M.E.P.E.	Marketing	GREECE	100,00%	FULL
EKO ATHINA MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO ARTEMIS MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO DIMITRA MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO IRA MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO AFRODITI MARITIME COMPANY	Vessel owning / Marketing	GREECE	100,00%	FULL
EKO BULGARIA EAD	Marketing	BULGARIA	100,00%	FULL
EKO SERBIA AD	Marketing	SERBIA	100,00%	FULL
HELLENIC PETROLEUM INTERNATIONAL S.A.	Holding	AUSTRIA	100,00%	FULL
HELPE CYPRUS LTD	Marketing	U.K	100,00%	FULL
RAMOIL S.A.	Marketing	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM BULGARIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
HELLENIC PETROLEUM SERBIA (HOLDINGS) LTD	Holding	CYPRUS	100,00%	FULL
JUGOPETROL AD	Marketing	MONTENEGRO	54,35%	FULL
GLOBAL ALBANIA S.A	Marketing	ALBANIA	99,96%	FULL
ELPET BALKANIKI S.A.	Holding	GREECE	100,00%	FULL
VARDAX S.A	Pipeline	GREECE	80,00%	FULL
OKTA CRUDE OIL REFINERY A.D	Refining	FYROM	81,51%	FULL
ASPROFOS S.A	Engineering	GREECE	100,00%	FULL
DIAXON S.A.	Petrochemicals	GREECE	100,00%	FULL
POSEIDON MARITIME COMPANY	Vessel owning / Petrochemicals	GREECE	100,00%	FULL
APOLLON MARITIME COMPANY	Vessel owning / Refining	GREECE	100,00%	FULL
HELLENIC PETROLEUM FINANCE PLC	Treasury services	U.K	100,00%	FULL
HELLENIC PETROLEUM CONSULTING	Consulting services	GREECE	100,00%	FULL
HELLENIC PETROLEUM R.E.S S.A.	Energy	GREECE	100,00%	FULL
HELPE-LARCO ENERGIAKI SERVION S.A.	Energy	GREECE	51,00%	FULL
HELPE-LARCO ENERGIAKI KOKKINOU S.A.	Energy	GREECE	51,00%	FULL
ENERGIAKI PYLOY METHONIS S.A.	Energy	GREECE	100,00%	FULL
ATEN ENERGY S.A.	Energy	GREECE	100,00%	FULL
HELPE PATRAIKOS S.A.	E&P of hydrocarbons	GREECE	100,00%	FULL
HELPE UPSTREAM S.A	E&P of hydrocarbons	GREECE	100,00%	FULL
SUPERLUBE LTD	Lubricants	CYPRUS	100,00%	FULL
ELPEDISON B.V.	Power Generation	NETHERLANDS	50,00%	EQUITY
SAFCO S.A.	Airplane Fuelling	GREECE	33,33%	EQUITY
DEPA S.A.	Natural Gas	GREECE	35,00%	EQUITY
E.A.K.A.A S.A.	Pipeline	GREECE	50,00%	EQUITY
HELPE THRAKI S.A	Pipeline	GREECE	25,00%	EQUITY
DMEP HOLDCO LTD	Trade of crude/products	U.K	48,00%	EQUITY

- On 28 March 2018, HELPE RES S.A. acquired the 100% of the total issued share capital of ATEN ENERGY S.A. The total aggregate consideration for the ordinary share capital acquired is €1,3 million.

25. EVENTS OCCURING AFTER THE REPORTING PERIOD

Details of significant post balance sheet events are provided in the following notes:

- Note 7 – Latest developments in DESFA's selling process
- Note 18 – Sanctions re-imposed by the US to Iran