HELLENIC PETROLEUM S.A.

IAS CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2000

To the Shareholders of
Hellenic Petroleum S.A.

We have audited the accompanying consolidated balance sheet of Hellenic Petroleum S.A. as at 31 December 2000 and the related consolidated statements of income, cash flows and changes in equity for the year then ended. These financial statements are the responsibility of Hellenic Petroleum S.A.'s management. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hellenic Petroleum S.A. as at 31 December 2000, and of the consolidated results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards.

27 February, 2001
Athens, Greece

THE AUDITORS

Ernst & Young	Themistoklis C. Kostopoulos AM SOE 11161 SOL ac.o.c.	Vassilios A. Fatouros AM SOE 12451 SOL ac.o.c.

HELLENIC PETROLEUM S.A.

Consolidated Balance Sheet

	Notes	As at 31 December 2000	31 December 1999
		(Drs in millions)	
ASSETS			
Intangible assets	13	18,494	22,470
Property, plant and equipment	14	260,559	210,428
Investments in affiliates	15	86,741	42,464
Investments in securities	16	8,566	10,038
Deferred tax	17	9,043	8,983
Loans, advances and long term assets	18	13,698	15,437
Total long term assets		397,101	309,820
Inventories	19	159,428	118,469
Accounts receivable	20	179,050	131,886
Cash and cash equivalents	21	38,072	18,144
Total current assets		376,550	268,499
Total assets		773,651	578,319
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	22	130,584	116,075
Share premium	22	83,631	33,627
Reserves		201,393	149,638
Total shareholders' equity		415,608	299,340
Minority interest		9,685	5,788
Long-term debt	24	24,476	17,490
Pension plans and other long-term liabilities	25	47,073	39,469
Total long-term liabilities and shareholders' equity		496,842	362,087
Accounts payable and accrued liabilities	26	128,037	106,352
Tax payable	27	24,177	19,108
Current portion of long-term debt	24	3,211	3,387
Short-term borrowings	24	121,384	87,385
Total current liabilities		276,809	216,232
Total liabilities and shareholders' equity		773,651	578,319

See accompanying notes to the consolidated financial statements

HELLENIC PETROLEUM S.A.

Consolidated Income Statement

	Notes	For the year ended 31 December 2000	31 December 1999
		(Drs in millions)	
Sale proceeds		1,489,106	833,331
Sales taxes, excise duties and similar levies		(197,081)	(177,290)
Net proceeds		1,292,025	656,041
Cost of sales		(1,124,080)	(535,233)
Gross profit		167,945	120,808
Other operating income	10	11,514	9,445
Selling, distribution and administrative expenses	4	(65,412)	(63,476)
Research and development		(1,556)	(1,648)
Other operating expense	8, 25	(6,624)	-
Operating profit		105,867	65,129
Interest and related income	6	7,060	5,720
Interest expense	7	(8,965)	(4,530)
Currency exchange gains/(losses)		(5,797)	(3,084)
Share of net result of affiliated companies	9	4,541	(503)
Income before exceptional items		102,706	62,732
Exceptional items	10	725	3,543
Income before tax		103,431	66,275
Taxation – current	17	(35,743)	(25,136)
Taxation – deferred	17	60	(2,127)
Income after taxation		67,748	39,012
Income applicable to minority interest		(1,660)	(212)
Net income for the year		66,088	38,800
Earnings per ordinary share (Drs)	22	259.67	167.13
Net income attributable to ordinary shares (Drs in millions)		66,088	38,800
Average number of ordinary shares outstanding		254,508,709	232,150,000

See accompanying notes to the consolidated financial statements

HELLENIC PETROLEUM S.A.

Consolidated Statement of Changes in Equity

	Tax deferred reserve and partially taxed reserves (1)	Statutory reserve (1)	Retained earnings	Total Reserves	Share capital	Share premium	Total Shareholders' Equity
			(Drs in millions)				
Balance at 1 January 1999	52,905	6,677	51,274	110,856	116,075	33,627	260,558
Net income for the year	-	-	38,800	38,800	-	-	38,800
Translation exchange differences	-	-	(18)	(18)	-	-	(18)
Transfers between reserves	8,279	1,716	(9,995)	-	-	-	-
Balance at 31 December 1999	61,184	8,393	80,061	149,638	116,075	33,627	299,340
Share capital increase	-	-	-	-	14,509	50,783	65,292
Cost of share issue	-	-	-	-	-	(779)	(779)
Dividends	-	-	(14,364)	(14,364)	-	-	(14,364)
Net income for the year	-	-	66,088	66,088	-	-	66,088
Translation exchange differences	-	-	31	31	-	-	31
Transfers between reserves	5,405	2,108	(7,513)	-	-	-	-
Balance at 31 December 2000	66,589	10,501	124,303	201,393	130,584	83,631	415,608

(1) For further information on these reserves refer to note 23.

HELLENIC PETROLEUM S.A.

Consolidated Cash Flow Statement

	Notes	For the year ended 31 December 2000	31 December 1999
		(Drs in millions)	
Net cash inflow from operating activities	**28**	**78,488**	**42,445**
Returns on investment and servicing of finance			
Realised net foreign exchange loss		(3,609)	(2,769)
Interest paid		(10,279)	(4,530)
Interest received		7,060	5,720
Minority interest		2,671	1,473
Net cash flow from returns on investment and servicing of finance		(4,157)	(106)
Taxation paid		(32,011)	(15,829)
Investing activities			
Payments to acquire property, plant and equipment and intangibles		(73,642)	(87,800)
Payments to acquire investments in affiliates except DEPA		(2,435)	(78)
Receipts from sales of fixed assets		228	86
Increase in investment of affiliate DEPA		(39,034)	(3,171)
Acquisition of subsidiaries net of cash acquired	29	-	630
Net cash outflow from investing activities		(114,883)	(90,333)
Dividends paid		(14,364)	(10,447)
Net cash outflow before financing activities		**(86,927)**	**(74,270)**
Financing activities			
Net proceeds from issue of share capital	22	64,513	-
Net movement in short-term borrowings		12,740	38,605
Net movement in long term debt		6,721	5,751
Net movement in securities		1,533	(113)
Receipt of grant for DEPA		-	3,171
Payments for finance leases		(146)	(388)
Net cash inflow from financing activities		85,361	47,026
Increase (decrease) in cash and cash equivalents (net of overdrafts)		**(1,566)**	**(27,244)**
Opening balance, cash and cash equivalents (net of overdrafts)		(8,191)	19,053
Closing balance, cash and cash equivalents (net of overdrafts)		(9,757)	(8,191)
Cash and cash equivalents		38,072	18,144
Overdrafts		(47,829)	(26,335)
		(9,757)	(8,191)

See accompanying notes to the consolidated financial statements

1. ACCOUNTING PRINCIPLES

Hellenic Petroleum S.A. and subsidiaries ("the Group"), a group operating predominantly in Greece is involved in various oil related activities including exploration and production, refining and marketing of oil products, manufacture and marketing of petrochemical products, and the transmission and distribution of natural gas products. The Group also provides engineering services.

Hellenic Petroleum S.A. prepares consolidated financial statements under both Greek GAAP and International Accounting Standards. These financial statements have been prepared in accordance with International Accounting Standards. The Group believes that these accounting principles, which conform with current practice in the oil and gas industry, best reflect the economic substance of its business activities. A reconciliation of the Consolidated Greek financial results and shareholders' equity to the Consolidated IAS financial results and equity is disclosed on page 33.

The financial information is expressed in millions of Greek drachmas.

Consolidation principles

The consolidated financial statements are presented using consolidation principles consistent with the prior reporting period. Subsidiaries of Hellenic Petroleum S.A. are consolidated using the indirect method.

The consolidated financial statements incorporate the financial statements of Hellenic Petroleum and the significant entities in which Hellenic Petroleum has a participating interest of over 50% (subsidiaries) and over which Hellenic Petroleum has effective control, with the exception of those held for resale. Affiliated companies in which Hellenic Petroleum has a participating interest of between 20% and 50% and over which the Group exercises a significant influence are accounted for by the equity method. Entities in which the participating interest is less than 20%, or over which significant influence is not exercised are accounted for on the cost basis.

The financial statements include the balance sheet and income statement of the parent company Hellenic Petroleum S.A. («the Company»).

Revenue recognition

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 on sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Interest revenue is recognised as the interest accrues unless collectibility is in doubt.

Accounting for foreign currency translation and transactions

The Group's functional currency is the Greek drachma.

Transactions denominated in currencies other than each company's functional currency are translated into the functional currency using current exchange rates. Monetary assets and liabilities denominated in other currencies are translated into drachma using period end exchange rates. The resulting exchange differences during the period and at balance sheet date are stated separately in the statement of income for the period.

Intangible assets

Intangible assets include goodwill arising on acquisition and capitalised research and exploration expenditures before development has begun. Goodwill is amortised on a straight-line basis not exceeding 20 years. Research and exploration expenditure is amortised from when production begins over the estimated future periods to be benefited. Research and development expenditure is charged against income as incurred and capitalised only in the event of oil reserves being discovered.

Intangible assets also include exploration costs, described under oil and gas accounting methods below.

1. ACCOUNTING PRINCIPLES *(continued)*

Oil and gas accounting methods

The Group's policies for accounting for oil and gas are in accordance with industry practice. The Group applies the successful efforts method of accounting for exploration and development costs, as described below:

Exploration costs

Geological costs are expensed in the year incurred.

Exploration expenditure is initially classified as an intangible fixed asset. When proved reserves of oil and gas are determined and development is sanctioned, the relevant expenditure is transferred to property, plant and equipment. Exploration leasehold acquisition costs are included in intangible assets. When exploration is determined to be unsuccessful the expenditure is charged against income at that time.

Oil and gas producing assets

Interest relating to the financing of development projects is capitalised as part of property, plant and equipment until the date commercial production commences.

Oil and gas producing assets are depreciated or depleted using the unit-of-production method, based on estimated proved reserves. Dismantlement, restoration and abandonment costs less estimated salvage values are expensed using the unit-of-production method based on proved developed reserves. Costs represent the estimated future undiscounted costs of abandonment based on existing regulations and techniques.

Producing assets also include oil and gas leaseholds. Impairment of undeveloped leaseholds is recognised if no discovery of hydrocarbons is made or expected. If a field becomes productive, the related leaseholds are depleted using the unit-of-production method.

Land and Buildings

Land and buildings are carried at historical cost plus mandatory revaluations to 31 December 1992 as required by Greek tax regulations to reflect the inflationary environment in Greece in those years.

During 1996 and 2000, pursuant to Law 2065/92, Hellenic Petroleum's land and buildings were revalued based on certain coefficients as provided by the relevant ministerial decisions. The revaluations were not based on market value in accordance with International Accounting Standard 16 (as revised in 1998 and effective 1 July 1999) and have therefore been eliminated when preparing these financial statements.

Other plant and equipment

Plant and equipment other than land and buildings is stated at cost and includes the cost of financing until the date assets are placed in service. Maintenance and repairs are expensed as incurred except refinery refurbishment costs which are accounted for as described below. Assets are depreciated on a straight-line basis over their estimated useful lives as follows:

— buildings: 13-20 years,

— specialised industrial installations: 7 years,

— machinery, equipment and transportation equipment: 5-8 years,

— computers – software and hardware: 3-5 years.

Refinery refurbishment costs

Refinery refurbishment costs are deferred and charged against income on a straight line basis over the scheduled refurbishment period.

Capitalisation of borrowing costs

In circumstances where borrowing costs are capitalised, the capitalisation rate used is that of the loan obtained specifically for the asset under construction.

1. ACCOUNTING PRINCIPLES *(continued)*

Impairment of long-term assets

Long-term assets, identifiable intangible assets and goodwill, are written down when, as a result of events or changes in circumstances within the year, their recoverable value appears to be permanently less than their carrying value.

Impairment is determined for each group of autonomous assets (oil and gas fields or licenses, independent operating units or subsidiaries) by comparing their carrying value with the undiscounted cash flows they are expected to generate based upon management's expectations of future economic and operating conditions.

Should the above comparison indicate that an asset is impaired, the write-down recognised is equivalent to the difference between carrying value and either market value or the sum of future undiscounted cash flows. Any write-down of assets is considered to be permanent.

Government grants

Investment and development grants related to tangible fixed assets are initially recorded as deferred income. Subsequently they are credited to income over the useful lives of the related assets in direct relationship to the depreciation taken on such assets.

Other grants which have been provided to the Group which under certain conditions are repayable are reflected as such until the likelihood of repayment is minimal. They are then recorded as the contingent liabilities until all possible likelihood of repayment is eliminated.

Investment securities and trading securities

Securities categorised as trading are used as part of cash management activities. Securities are categorised as held to maturity when the realisable value at maturity is known when the security is acquired.

Inventories

Inventories are recorded at the lower of cost or market and net realisable value. Crude oil, refined products, petrochemicals and minerals are valued at average cost. Other inventories are valued at average cost or on the first-in, first-out (FIFO) method.

Cash and cash equivalents

Cash and cash equivalents consist of short-term, highly liquid investments including short-term marketable securities and time deposits generally having maturities of three months or less.

Taxes

The Group provides for deferred income taxes on all temporary differences between financial and tax reporting, including revaluation of assets, tax losses and tax credits available for carry forward. The Group uses the liability method under which deferred taxes are calculated applying the current legislated tax rates. Valuation allowances are recorded against deferred tax assets based on their probability of realisation.

Post-retirement benefits and pension plans

Reserves for staff retirement indemnities are provided for on an accrual basis resulting from an actuarial study.

The Group contributes to post-retirement benefit plans as prescribed by Greek law. Contributions, based on salaries, are made to the national organisations responsible for the payments of pensions. There is no additional liability for these plans.

1. ACCOUNTING PRINCIPLES *(continued)*

Certain subsidiaries have supplemental pension plans and benefit plans. The plans are either defined contribution plans or defined benefit plans. The actuarial obligation is recorded as a liability and subsequent actuarial gains and losses resulting mainly from changes in plan assumptions are amortised using the straight-line method over the estimated remaining service lives of the plan participants. Upon the inception of such plans or their extension to new categories of personnel, the actuarial value of prior service costs is recognised at the date of inception or extension.

Environmental liabilities

Environmental expenditure that relates to current or future revenues are 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.

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. ANALYSIS BY INDUSTRY SEGMENT AND GEOGRAPHIC ZONE

2a. Analysis by industry segment

31-12-2000

	Refining	**Marketing**	**Exploration & production**	**Petro-chemicals**	**Engin-eering**	**Natural gas**	**Inter segment adjustments**	**Total**
			(Drs in millions)					
Sales –third party	786,757	458,012	576	43,087	3,593	-	-	1,292,025
Sales –inter-segment	386,396	22,619	-	2,385	4,063	-	(415,463)	-
Net Proceeds	1,173,153	480,631	576	45,472	7,656	-	(415,463)	1,292,025
Depreciation	16,152	3,205	374	2,133	291	-	-	22,155
Depletion & amortisation	1,840	3,326	-	106	49	-	-	5,321
Other operating income	7,971	3,330	36	873	-	-	(696)	11,514
Other operating expense	(3,296)	-	102	(3,430)	-	-	-	(6,624)
Operating profit	105,762	10,081	(3,549)	(7,620)	1,330	-	(137)	105,867
Share of result of affiliate	-	-	-	716	-	3,825	-	4,541
Net income	69,487	3,848	(3,275)	(7,789)	622	3,825	(630)	66,088
Equity accounted investments	-	-	-	3,104	-	82,794	-	85,898
Capital expenditure	38,517	6,210	25	30,681	62	-	-	75,495
Identifiable assets	539,208	128,478	9,445	99,238	6,486	82,794	(91,998)	773,651

2. ANALYSIS BY INDUSTRY SEGMENT AND GEOGRAPHIC ZONE *(continued)*

31-12-1999

	Refining	**Marketing**	**Exploration & production**	**Petro-chemicals**	**Engin-eering**	**Natural gas**	**Inter segment adjustments**	**Total**
			(Drs in millions)					
Sales –third party	366,742	256,349	344	28,659	3,947	-	-	656,041
Sales –inter-segment	176,556	6,860	-	-	4,749	-	(188,165)	-
Net Proceeds	543,298	263,209	344	28,659	8,696	-	(188,165)	656,041
Depreciation	7,299	3,094	461	1,139	237	-	-	12,230
Depletion & amortisation	1,008	3,004	-	64	21	-	-	4,097
Other operating income	6,650	1,676	53	1,231	15	-	(180)	9,445
Operating profit	67,133	4,913	(4,062)	(2,413)	1,224	-	(1,666)	65,129
Share of result of affiliate	-	-	-	(503)	-	-	-	(503)
Net income	47,881	(250)	(4,509)	(2,178)	733	-	(2,877)	38,800
Equity accounted investments	-	-	-	2,388	-	-	-	2,388
Capital expenditure	59,799	6,327	43	29,398	2,907	-	-	98,474
Identifiable assets	407,959	110,378	9,085	68,759	6,778	39,935	(64,575)	578,319

The inter segment adjustments reflect transactions between the segments.

2b. Analysis by geographic zone

	Year ended 31 December 2000	31 December 1999
	(Drs in millions)	
Inland market sales	1,006,665	499,433
International market sales	285,360	156,608
	1,292,025	656,041

3. ACQUISITIONS AND INVESTMENTS

a. On 23 April 1999 the Group established a new subsidiary EL.P.ET Balkan. The Group's 63% share of this subsidiary was acquired for an amount of Drs 2,520 million. No goodwill arose on acquisition. EL.P.ET has been consolidated in the Group since the year ended 31 December 1999.

3. ACQUISITIONS AND INVESTMENTS *(continued)*

b. On 9 July 1999 the Group through EL.P.ET Balkan acquired 54% of OKTA refinery in FYROM. The goodwill on acquisition amounted to Drs 6,548 million and is being amortised over five years. OKTA has been consolidated in the Group since the year ended 31 December 1999. On 25 October 2000 the Board of Directors of OKTA voted for an increase in share capital of DEM 17,078,000 (Drs 2,973 million). The Group participated in this share capital increase by 100%, thus increasing the shareholding in OKTA to 69,5%. The negative goodwill which arose on acquiring the extra percentage was Drs 434 million and was deducted from the original goodwill on acquisition which is being amortised over five years.

c. On 12 November 1999 the Group acquired 75% of Global S.A. Albania. The goodwill on acquisition amounted to Drs 1,481 million and is being amortised over five years. Global S.A. has been consolidated in the Group for the year ended 31 December 1999. Global S.A. proceeded with a share capital increase in 2000, in which the Group participated by 100%, thus increasing its total shareholding in Global S.A. to 86%. The goodwill on acquiring the extra 11% is Drs 255 million and is also being amortised over five years. During the current year, Elda ShPK was established to undertake the Group's retail activities in Albania. This company has been consolidated in the Group for the year ended 31 December 2000.

d. Following the share capital increase of Hellenic Petroleum S.A. on 24 March 2000, the Group increased its shareholding in DEPA to 35%. The negative goodwill on acquisition amounted to Drs 30,904 million and is being amortised over 20 years. (See note 15 below). On 7 November 2000, the Board of Directors of DEPA approved the increase in the Company's share capital by Drs 11.5 billion, through the issue of 384,192 shares at Drs 30,000 each. The Group participated in this share capital increase with its share of 35% and thus the cost of the investment increased by Drs 4,034 million.

e. In July 2000 the Group participated in the formation of a new company "Athens Airport Fuel Pipeline Company A.E." to provide fuel to the new airport in Athens through the construction of a pipeline. The Group's interest is 34% and an amount of Drs 612m was contributed to the new company in the form of share capital up to 31 December 2000.

f. The Group signed a Production Sharing Agreement with OMV Aktiengesellschaft to participate in the onshore exploration and production of petroleum in Albania. In accordance with the agreement, the Group is committed to participate in 49% of all the costs associated with the project and to reimburse OMV in the amount of US $ 1 million, for past costs incurred prior to the agreement. The Group has also entered into an agreement with OMV to participate by 30% in the exploration and production of petroleum in Iran. The Group has committed to reimburse OMV for its share of past costs incurred amounting to US $ 600k in addition to the costs associated with the project. The investment and commitments have been included in the Group's financial statements as at 31 December 2000 (refer to note 15).

g. Effective 1 July 2000, Mamidakis S.A. and EKO LINA S.A. merged with their parent company EKO-ELDA, a subsidiary of Hellenic Petroleum S.A.

h. During 2000, OKTA Refinery formed a wholly owned subsidiary, OKTA Trade Company Pristina. Operations were insignificant for the current year and the company's assets have been consolidated into the Group's financial statements as at 31 December 2000.

i. During the year the Group acquired 25% of a new company, SAFCO, at a cost of Drs 5 million, included as part of other investments. The Company will be involved in operating fuel stations at Spata Airport. Operations of the new Company have not yet started and thus the investment is accounted for at cost. The Group is committed to investing an additional Drs 150 million.

4. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

	Year ended 31 December 2000	Year ended 31 December 1999
	(Drs in millions)	
Selling and distribution expenses	35,163	31,787
Administrative expenses	30,249	31,689
	65,412	63,476

5. DEPRECIATION, DEPLETION AND AMORTISATION

Depreciation, depletion and amortisation are included within expense headings in the Income Statement as follows:

	Year ended 31 December 2000	Year ended 31 December 1999
	(Drs in millions)	
Cost of sales	17,031	8,196
Selling distribution and administrative expenses	10,375	8,034
Research and development	70	97
	27,476	16,327

6. INTEREST AND RELATED INCOME

	Year ended 31 December 2000	Year ended 31 December 1999
	(Drs in millions)	
Interest income	4,414	2,977
Interest from trade receivables	2,646	2,726
Other related income	-	17
	7,060	5,720

7. INTEREST EXPENSE

In 2000 Drs 1,498 million (1999, Drs 844 million) of interest expense was capitalised to fixed assets.

8. OTHER OPERATING EXPENSE

The amount of Drs 6,624 million is the amount charged to the profit and loss account, as a result of the termination of pension schemes as described in note 25. Refer also to note 11.

9. SHARE OF NET RESULT OF AFFILIATED COMPANIES

The balance represents the net result from the affiliated companies accounted for on the equity basis.

	Year ended 31 December 2000	Year ended 31 December 1999
	(Drs in millions)	
Volos Pet Industries A.E.	716	(503)
Public Natural Gas Corporation of Greece (DEPA)		
- share of profit	2,667	-
- amortisation of negative goodwill	1,158	-
	4,541	(503)

10. EXCEPTIONAL ITEMS

	Year ended 31 December 2000	Year ended 31 December 1999
	(Drs in millions)	
Insurance claims for EKO refinery fire	327	3,543
Insurance claims for Aspropyrgos refinery asset damage	398	-
	725	3,543

On 19 February 1999 a fire took place at the refinery in Thessaloniki. The Company was insured for both loss of earnings and assets destroyed in the fire. For the year ended 31 December 2000, income for assets destroyed amounted to Drs 327 million as stated above and income for loss of earnings of Drs 3,206 million has been included as other operating income. For the year ended 31 December 1999, of the income of Drs 9,044 million, Drs 3,543 million related to assets destroyed and Drs 5,501 million to loss of earnings.

For the year ended 31 December 2000, the insurance company agreed to pay the Company Drs 981 million for loss of earnings from a fire at Aspropyrgos refinery and Drs 398 million for damages to fixed assets. The amounts received for assets destroyed are disclosed above and those received for loss of earnings are included as other operating income.

11. EMPLOYEE EMOLUMENTS AND NUMBERS

(a) Emoluments	Year ended 31 December 2000	Year ended 31 December 1999
	(Drs in millions)	
Remuneration	39,729	35,616
Social security contribution	8,336	8,155
Pensions and similar obligations	11,945	7,662
Other benefits	5,083	4,824
Total	65,093	56,257

Included in the total balance of Drs 11,945 million in pensions and similar obligations, is an amount of Drs 6,624 million arising from the termination of pension schemes as described in note 25.

(b) Average numbers of employees

Refining	2,987	2,346
Marketing	912	919
Exploration and production	102	158
Petrochemicals	388	370
Engineering	189	220
Total	4,578	4,013

12. RELATED PARTY TRANSACTIONS

Included in the Income Statement are proceeds, costs and expenses which arise from transactions between the Group and related parties. Such transactions mainly comprise of sales and purchases of goods and services in the ordinary course of business and in total amounted to:

	Year ended 31 December 2000	31 December 1999
	(Drs in millions)	
Charges to related parties	165,068	82,160
Charges from related parties	3,349	954
Balances due from related parties at 31 December	11,070	5,462
Balances due to related parties at 31 December	664	287
Charges for directors' remuneration	573	291

Charges to related parties are in respect of the following:

	Name:	Nature of relationship:
(a)	Public Power Corporation Hellas	Common ownership - Government
(b)	Hellenic Armed forces	Common ownership - Government
(c)	Denison-Hellenic-DEP EKY-White Shield-Poseidon	Joint venture
(d)	Enterprise Oil Exploration Limited	Joint venture
(e)	Triton Hellas S.A.	Joint venture
(f)	Public Gas Corporation of Greece S.A. (DEPA)	Affiliate
(g)	Volos Pet Industries A.E.	Affiliate
(h)	OMV Aktiengesellschaft	Joint venture
(i)	Athens Airport Fuel Pipeline Company A.E.	Affiliate

(j) Directors' remuneration :-

Salaries and fees for the 48 members (1999: 27 members) of the Board of Directors of the Company and its subsidiaries for the years ended 31 December 2000 and 31 December 1999 are Drs 573 million and Drs 291 million respectively.

13. INTANGIBLE ASSETS

Intangible assets are classified, consistent with oil and gas industry practice, according to operating activities. This classification, rather than according to type of asset, is given in order to permit a better comparison with other companies with similar activities.

31 December 2000

	Refining	Marketing	Exploration & Production	Petro-Chemicals	Engineering	Total
			(Drs in millions)			
Cost						
Balance at 1 January 2000	8,490	16,386	2,917	601	96	28,490
Capital expenditure	1,671	327	-	73	22	2,093
Sales, retirements and other movements	(685)	(92)	-	(5)	-	(782)
Balance at 31 December 2000	9,476	16,621	2,917	669	118	29,801
Amortisation						
Balance at 1 January 2000	1,452	3,999	118	430	21	6,020
Charge for the year	1,840	3,326	-	106	49	5,321
Sales, retirements and other movements	(2)	(27)	-	(5)	-	(34)
Balance at 31 December 2000	3,290	7,298	118	531	70	11,307

31 December 1999

	Refining	Marketing	Exploration & Production	Petro-Chemicals	Engineering	Total
			(Drs in millions)			
Cost						
Balance at 1 January 1999	1,374	14,911	2,917	658	-	19,860
Capital expenditure	7,135	1,499	-	41	385	9,060
Sales, retirements and other movements	(19)	(24)	-	(98)	(289)	(430)
Balance at 31 December 1999	8,490	16,386	2,917	601	96	28,490
Amortisation						
Balance at 1 January 1999	450	1,019	118	383	-	1,970
Charge for the year	1,008	3,004	-	64	21	4,097
Sales, retirements and other movements	(6)	(24)	-	(17)	-	(47)
Balance at 31 December 1999	1,452	3,999	118	430	21	6,020
Net book value 31 December 2000	6,186	9,323	2,799	137	49	18,494
Net book value 31 December 1999	7,038	12,387	2,799	171	75	22,470

14. PROPERTY, PLANT AND EQUIPMENT BY INDUSTRY SEGMENT

Tangible fixed assets are classified, consistent with oil and gas industry practice, according to operating activities. This classification, rather than according to type of asset, is given in order to permit a better comparison with other companies with similar activities.

	31 December 2000 (Drs in millions)					
	Refining	Marketing	Exploration & Production	Petro-Chemicals	Engineering	Total
Cost						
Balance at 1 January 2000	267,678	50,255	4,547	58,726	3,930	385,136
Capital expenditure	36,846	5,883	25	30,608	40	73,402
Sales, retirement and other movements	(1,097)	(621)	-	(377)	(33)	(2,128)
Balance at 31 December 2000	303,427	55,517	4,572	88,957	3,937	456,410
Accumulated depreciation						
Balance at 1 January 2000	132,127	22,997	3,331	15,576	678	174,709
Charge for the year	16,152	3,205	374	2,133	291	22,155
Sales, retirement and other movements	(621)	(314)	-	(45)	(33)	(1,013)
Balance at 31 December 2000	147,658	25,888	3,705	17,664	936	195,851

	31 December 1999 (Drs in millions)					
	Refining	Marketing	Exploration & Production	Petro-Chemicals	Engineering	Total
Cost						
Balance at 1 January 1999	187,270	46,094	4,506	29,391	1,119	268,380
Capital expenditure	52,664	4,828	43	29,357	2,522	89,414
Sales, retirement and other movements (2)	27,745	(667)	(2)	(22)	289	27,343
Balance at 31 December 1999	267,679	50,255	4,547	58,726	3,930	385,137
Accumulated depreciation						
Balance at 1 January 1999	103,646	20,335	2,872	14,458	441	141,752
Charge for the year	7,299	3,094	461	1,139	237	12,230
Sales, retirement and other movements (2)	21,182	(432)	(2)	(21)	-	20,727
Balance at 31 December 1999	132,127	22,997	3,331	15,576	678	174,709
Net book value 31 December 2000	155,769	29,629	867	71,293	3,001	260,559
Net book value 31 December 1999	135,552	27,258	1,216	43,150	3,252	210,428

14. PROPERTY, PLANT AND EQUIPMENT BY INDUSTRY SEGMENT *(continued)*

(1) Land which cost Drs 1 billion at the Thessaloniki refinery has been approved by the Greek State for use until the year 2017.

(2) Included within 1999 refining "sales retirements and other movements" are amounts relating to the acquisition of ELPET and OKTA refinery of cost Drs 28.4 billion and accumulated depreciation Drs 21.7 billion.

(3) Capital leases with net book value of Drs 2.4 billion are included within fixed assets as at 31 December 2000 (1999, 2.6 billion).

15. INVESTMENTS IN AFFILIATES (EQUITY OR COST ACCOUNTED)

	Method of accounting	Ownership Percentage	As at 31 December 2000	As at 31 December 1999
			(Drs in millions)	
Public Natural Gas Corporation of Greece (DEPA)	equity	35	82,794	39,935
EANT	cost	13	6	6
Volos Pet Industries A.E.	equity	35	3,104	2,388
DEP A.E.-THRAKI Joint Venture	cost	25	203	119
Algre A.E.	cost	35	14	14
Triton Hellas S.A. (Aitoloakarnania, Onshore Greece)	cost	6	-	-
Triton Hellas S.A. (Gulf Patraikos West Permit)	cost	6	-	-
Enterprise oil exploration limited (NN Peloponnesou)	cost	19.51	-	-
Enterprise oil exploration limited (Ioannina)	cost	5.30	-	-
OMV (Albanian)	cost	49	-	-
OMV (Iran)	cost	30	-	-
Athens Airport Fuel Pipeline Company A.E.	cost	34	612	-
Other	cost	-	8	2
			86,741	42,464

As at 31 December 1999 Hellenic Petroleum's interest in DEPA was reduced from 15% to 12.46% as a result of a share capital increase of DEPA in which Hellenic Petroleum did not participate. As at 31 March 2000 Hellenic Petroleum's interest in DEPA increased from 12.46% to 35% and from that date onwards, DEPA is being equity accounted in these consolidated financial statements. As a result of the increase in shareholding, negative goodwill arose and is included as follows:

	As at 31 December 2000	As at 31 December 1999
	(Drs in millions)	
Share of net assets	112,540	-
Negative goodwill (net of amortisation of Drs 1,158 million)	(29,746)	-
Total	82,794	-

In the third quarter of 2000, the joint arrangement between the Group and Triton Hellas S.A. relating to the Aitoloakarnania onshore exploration license, was dissolved and the license returned to the government. The cost of this investment had already been written off as at 31 December 1999.

15. INVESTMENTS IN AFFILIATES (EQUITY OR COST ACCOUNTED) *(continued)*

Following the withdrawal of one of the partners from the joint exploration arrangements in which the Group participates together with Enterprise Oil, the Group signed a Sale and Purchase agreement with Enterprise Oil on 11 October 2000 to acquire additional share of 4.67% in Ioannina license and 6.83% in N.W.Peloponnesos license. The new ownership percentages as at 31 December 2000 are as disclosed above.

The Group's share of investments of Triton Enterprise and OMV have been fully written off in accordance with the Group's policy on the treatment of research and development costs as disclosed in note 1.

16. INVESTMENTS IN SECURITIES

	As at	
	31 December 2000	31 December 1999
	(Drs in millions)	
Held to maturity	8,453	9,925
Available for sale	113	113
Total	8,566	10,038

The cost of securities approximates market value. The investment in securities mainly consists of government bonds, treasury bills and mutual funds.

17. TAX

Deferred tax	Net asset/(liability) As at		Gross potential asset/(liability) As at	
	31 December 2000	31 December 1999	31 December 2000	31 December 1999
	(Drs in millions)			
At 1 January	8,983	11,110	17,006	18,288
(Charge)/credit for year	60	(2,127)	(582)	(1,282)
At 31 December	9,043	8,983	16,424	17,006
Provision for bad debts	3,185	3,241	3,185	3,241
Pension provision	-	-	7,381	8,023
Intangible and fixed assets	5,353	5,291	5,353	5,291
Other temporary differences	375	321	375	321
Environmental provision	130	130	130	130
	9,043	8,983	16,424	17,006

17. TAX *(continued)*

The reconciliation between the Greek statutory tax charge and the provision for income taxes is summarised as follows:

	Year ended			
	31 December 2000		31 December 1999	
	(Drs in millions)			
Profit before income taxes as reported in the accompanying consolidated statement of income	103,431		66,275	
Normalised income tax provision at corporate tax rate	36,833	36%	23,403	35%
Net tax effect of non-taxable income and non tax deductible expenses	2,457	2%	(463)	(1%)
IAS adjustments with no tax effect	(4,068)	(4%)	3,745	6%
Deferred tax effect due to change in rate	386	-	-	-
Deferred tax on statutory revaluation of buildings	(217)	-	-	-
Provision for income taxes before fiscal tax audit	35,391	34%	26,685	40%
Prior period taxes	292	-	578	1%
Provision for income taxes at the effective tax rate	35,683	34%	27,263	41%

In 1999 the corporate tax rate for the parent company was 35% and for all of the subsidiaries 40%. By 2002, the corporate tax rate for all companies is expected to fall to 35%. The deferred tax calculation has been adjusted to reflect this.

18. LOANS, ADVANCES AND LONG TERM ASSETS

	As at	
	31 December 2000	31 December 1999
	(Drs in millions)	
Loans and advances	6,098	6,538
Other long-term assets	7,600	8,899
	13,698	15,437

Loans and advances represent merchandise credit granted to third parties. These amounts are non-interest bearing.

19. INVENTORIES

	As at	
	31 December 2000	31 December 1999
	(Drs in millions)	
Crude oil	57,315	41,339
Refined products and semi-finished products	77,785	52,682
Petro-chemicals	3,775	3,871
Consumable materials	20,512	20,394
Other	41	183
	159,428	118,469

20. ACCOUNTS RECEIVABLE

	As at 31 December 2000	As at 31 December 1999
	(Drs in millions)	
Trade receivables	149,377	100,149
Other receivables	23,699	22,413
Deferred charges and prepayments	5,974	9,324
Total	179,050	131,886

21. CASH AND CASH EQUIVALENTS

	As at 31 December 2000	As at 31 December 1999
	(Drs in millions)	
Cash at bank and in hand	19,871	10,085
Cash equivalents	18,201	8,059
Total cash and cash equivalents	38,072	18,144

22. SHARE CAPITAL

	As at 31 December 2000	As at 31 December 1999
	(Drs in millions)	
Number of common shares	261,168,750	232,150,000
Nominal value	130,584	116,075

Each share has a nominal value of 500 drachmas

	Number of shares outstanding	Share capital	Share Premium	Total
		(Drs in millions)		
Balance as at 1 January and 31 December 1999	232,150,000	116,075	33,627	149,702
Share capital increase	29,018,750	14,509	50,783	65,292
Costs of share issue	-	-	(779)	(779)
Balance as at 31 December 2000	261,168,750	130,584	83,631	214,215

The Company increased its share capital on 24 March 2000 by issuing 29,018,750 new ordinary shares (Drs 14,509,375 nominal value) at a price of Drs 2,250 per share.

23. RESERVES

Tax deferred reserves

Tax deferred reserves are retained earnings which have not been taxed as allowed by Greek law under various statutes. These retained earnings will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital. A deferred tax liability has not been provided as future distributions to shareholders and conversions to share capital are not normally anticipated to be made through these reserves.

Partially taxed reserves

Partially taxed reserves are retained earnings which have been taxed at a rate less than the corporate tax rate as allowed by Greek law. 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. A deferred tax liability has not been provided as future distributions to shareholders and conversions to share capital through these reserves are not anticipated.

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.

24. DEBT

	As at	
	31 December 2000	31 December 1999
	(Drs in millions)	
Short-term debt		
Overdrafts	47,829	26,335
Lines of credit	73,240	60,500
Subtotal	121,069	86,835
Capitalised lease obligations	315	550
Short-term borrowings	121,384	87,385
Current portion of bank loans	3,211	3,387
	124,595	90,772

Lines of Credit

Currency	Variable/ Fixed	Interest Rate	As at 31 December 2000	As at 31 December 1999
			(Drs in millions)	
US Dollar	Variable	LIBOR + 0.25%	-	33,568
US Dollar	Variable	6.46%	-	16,422
US Dollar	Variable	7.82%	-	6,569
US Dollar	Variable	8.64%	-	3,941
US Dollar	Variable	LIBOR + 0.22%	73,240	-
Total			73,240	60,500

24. DEBT *(continued)*

Overdrafts

Currency	Variable/ Fixed	Interest Rate	As at 31 December 2000 (Drs in millions)	As at 31 December 1999 (Drs in millions)
Drachma	Variable	ATHIBOR +1.2%	-	6,553
Drachma	Fixed	13.20%	-	6,519
Drachma	Variable	13.7%	-	501
Drachma	Variable	12.95%	-	1,102
Yen	Fixed	1.44%	-	8,083
Euro	Fixed	4.64%	-	3,517
Other Drachma	Variable		-	60
Drachma	Variable	6.6%	6,673	-
Drachma	Variable	ATHIBOR + 0.15%	23,750	-
Drachma	Variable	9%	132	-
Euro	Variable	LIBOR + 0.135%	3,406	
US Dollar	Variable	9%	1,229	-
US Dollar	Variable	9.04%	715	-
Drachma	Variable	ATHIBOR + 0.25%	512	-
US Dollar	Variable	LIBOR + 0.25%	9,369	-
Drachma	Variable	8.50%	2,043	-
Total			47,829	26,335

	As at 31 December 2000 (Drs in millions)	As at 31 December 1999 (Drs in millions)
Long-term debt		
Bank loans	22,358	15,461
Other loans	44	44
Subtotal	22,402	15,505
Capitalised lease obligations	2,074	1,985
Subtotal	24,476	17,490
Due within one year	3,211	3,387
Total long term	27,687	20,877

The aggregate maturities of long-term debt are:

	As at 31 December 2000 (Drs in millions)	As at 31 December 1999 (Drs in millions)
Due in over five years	9,169	3,167
Due within two to five years	13,233	12,338
Long-term portion	22,402	15,505
Due within one year	3,211	3,387
	25,613	18,892

24. DEBT *(continued)*

Currency	Variable/Fixed	Interest Rate	As at 31 December 2000 (Drs in millions)	As at 31 December 1999 (Drs in millions)
Drachma	Variable	ATHIBOR + 0.15%	-	3,139
Drachma	Variable	ATHIBOR + 0.36%	2,250	3,044
Drachma	Variable	ATHIBOR + 0.25%	10,000	9,636
US Dollar	Variable	LIBOR + 1.25%	964	1,059
US Dollar	Fixed	12%	-	1,509
Yen	Variable	LIBOR + 0.035%	-	505
Drachma	Variable	ATHIBOR + 0.40%	2,732	-
Drachma	Variable	6%	126	-
Euro	Fixed	5.27%	9,541	-
Total			25,613	18,892

Capitalised lease obligations	As at 31 December 2000 (Drs in millions)	As at 31 December 1999 (Drs in millions)
Due in over five years	1,710	-
Due within two to five years	1,499	2,450
Due within one year	762	848
Total minimum lease payments	3,971	3,298
Less interest	(1,582)	(763)
Capitalised lease obligations	2,389	2,535

25. RETIREMENT BENEFITS, PENSION PLANS AND OTHER LONG TERM LIABILITIES

	As at 31 December 2000 (Drs in millions)	As at 31 December 1999 (Drs in millions)
Retirement benefits, pensions and similar obligations	30,532	22,142
Government advances	8,728	8,728
Environmental costs	372	372
Other long term liabilities	7,441	8,227
	47,073	39,469

Retirement benefits and similar obligations

Greek legislation requires the payment of retirement indemnities based on the number of years of service and the final remuneration. The Group grants retirement indemnities exceeding the legal requirements. Certain subsidiaries of the Group also grant additional retirement benefits in the form of defined contribution plans and defined benefit plans.

The retirement indemnities are not funded. The liabilities arising from the obligation to pay retirement indemnities are evaluated by an international firm of independent actuaries. The first valuation was performed in October 1997 for the period 31 December 1991 to 31 December 1997. The transition obligation was recognised immediately on the transition date (1992). In November 1999 the initial valuation was updated to 31 December 1999. A further valuation was carried out to 31 December 2000.

25. RETIREMENT BENEFITS, PENSION PLANS AND OTHER LONG TERM LIABILITIES *(continued)*

The principal assumptions used in calculating the charges were a discount rate of 6.0% (1999: 6.5%) per year and future salary increases of 2% (1999: 2%) per year.

Defined contribution pension plans

The Group maintains two plans. The first plan has a contribution rate of 3.6% for all remuneration excluding bonuses of which the Group participates at 50% of the contributions. Employees are entitled to benefits after two years of service. The second plan provides additional contributions for engineers, lawyers and chemists in which the Group participates at 75% of the additional contributions. Employees are entitled to benefits after 16 years of service.

The Group contributes a specified amount on behalf of all employees who make minimum contributions. Employees become fully entitled to amounts contributed after 15 years of service.

Effective 31 December 2000 the group terminated these schemes. See note below.

Defined benefit pension plans

EKO retail and refinery maintain two pension plans, which are funded under insurance contracts. The benefit is a lump sum equivalent of a pension of 12.5% of average annual remuneration after a full career of 35 years.

The exploration division (DEP EKY) maintains a plan according to which it pays one month's final remuneration for each year of service. This plan is funded through an insurance contract.

The liabilities arising from the defined benefit plans have been evaluated by an international firm of independent actuaries. The first valuation was performed in October 1997 covering the period 31 December 1991 to 31 December 1997. The transitional obligation was recognised immediately on transition date (1992). In 1999 this initial valuation was updated to 31 December 1999. Further a valuation was carried out to 31 December 2000. The principal assumptions used in calculating the charge were a discount rate of 6.0% (1999: 6.5%) per year and future salary increases of 2% (1999: 2%) per year.

Effective 31 December 2000, the group terminated the defined benefit schemes of the exploration division and of EKO refinery. See note below.

Multi-employer plan

A further multi-employer plan exists, however, there is insufficient information to enable this to be accounted for as a defined benefit plan. The Group is not aware of any significant surplus or deficit relating to the plan.

The amounts charged to income relating to post retirement benefits and pension are as follows:

	Year ended	
	31 December 2000	31 December 1999
	(Drs in millions)	
Defined contribution pension plans	282	264
Defined benefit pension plans	8,827	3,406
Post retirement benefits	2,836	3,992
	11,945	7,662

25. RETIREMENT BENEFITS, PENSION PLANS AND OTHER LONG TERM LIABILITIES *(continued)*

Defined Benefit Plans	As at 31 December 2000	As at 31 December 1999
	(Drs in millions)	
Present value of funded obligation at 31 December	3,394	9,533
Fair value of planned assets at 31 December	(1,167)	(2,903)
	2,227	6,630
Unrecognised actuarial gain	(1,325)	(2,894)
Present value of obligation due to curtailment/settlement	9,444	-
Net liability in the balance sheet at 31 December	10,346	3,736
Movement of liability in year:		
Net liability at 1 January	3,736	2,468
Net expense recognised in profit and loss for the year	8,827	3,406
Contributions	(2,217)	(2,138)
Net liability at 31 December	10,346	3,736
Service costs	682	725
Interest cost	620	639
Return on investment	(128)	(156)
Amortisation of net loss from earlier periods	208	184
Amortisation of net asset at transition	-	963
Net Periodic Pension Cost	1,382	2,355
Extra charge due to termination benefit payments	-	1,051
Losses on curtailments and settlements	7,445	-
Net expense recognised in profit and loss for the year	8,827	3,406

Termination of pension schemes

The Group took the decision to terminate two of the three defined benefit schemes and the two defined contribution schemes, converting all rights to a new defined contribution scheme. The decision was effective 31 December 2000. The company has committed to a cost of conversion of approximately Drs 10 bn to be paid over the next three years to the new insurance scheme. As shown above the group's financial statements have been adjusted to reflect the present value of the obligation. The resulting change to the profit and loss account due to termination is Drs 6,624 million and is separately disclosed as other operating expense.

25. RETIREMENT BENEFITS, PENSION PLANS AND OTHER LONG TERM LIABILITIES *(continued)*

Post Retirement benefits

	As at 31 December 2000	31 December 1999
	(Drs in millions)	
Present value of unfunded obligation at 31 December	23,549	22,402
Unrecognised past service cost	(307)	-
Unrecognised actuarial loss	(3,056)	(3,993)
Net liability in the balance sheet at 31 December	20,186	18,409
Movement of liability in year:		
Net liability at 1 January	18,406	17,318
Net expense recognised in profit and loss for the year	2,836	3,992
Benefits paid	(1,056)	(2,904)
Net liability at 31 December	20,186	18,406
Service costs	1,332	1,526
Interest cost	1,342	1,681
Amortisation of net loss from earlier periods	162	265
Amortisation of net asset at transition	-	520
Net expense recognised in profit and loss for the year	2,836	3,992

Government advances

The Drs 8,728 million advanced by the Greek Government to the Group for the purposes of research and exploration may become payable if income is generated from activity in the relevant areas. The terms of repayment will be determined by the Ministry of Development and Industry if applicable. This amount has been accrued.

Environmental costs

A provision of Drs 372 million has been established for the estimated cost of rectifying environmental damage, as required by regulatory authorities, at various group facilities. Because these activities do not provide future benefit, the cost has been charged to income.

25. RETIREMENT BENEFITS, PENSION PLANS AND OTHER LONG TERM LIABILITIES *(continued)*

Other long term liabilities

Included in the balance of Drs 7,441 million for the year ended 31 December 2000 (1999, 8,227 million) is the long term portion of the liability outstanding on the purchase of OKTA refinery, Drs 4,394 million (1999, 3,941 million). The liability due within one year is included in current liabilities (note 26).

	As at 31 December 2000		
	Acquisition of OKTA	Other	Total
		(Drs in millions)	
Balance at the beginning of year	3,941	4,286	8,227
Amounts utilised during the year	-	(1,239)	(1,239)
Net exchange differences	453	-	453
Balance at the end of year	4,394	3,047	7,441

Other consists mainly of several minor customer and employee claims made against the retail subsidiary of the Group in Greece.

26. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at	
	31 December 2000	31 December 1999
	(Drs in millions)	
Trade payables	74,544	71,798
Other payables	17,871	22,788
Accruals and deferred income	35,622	11,766
	128,037	106,352

Included in other payables is the short term portion of the liability outstanding on the purchase of OKTA refinery, which amounts to Drs 3,644 million in 2000 and Drs 6,569 million in 1999.

27. TAX PAYABLE

	As at	
	31 December 2000	31 December 1999
	(Drs in millions)	
Income taxes	21,171	17,440
Duties	1,258	1,468
VAT	1,643	113
Other	105	87
	24,177	19,108

28. NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year ended	
	31 December 2000	31 December 1999
	(Drs in millions)	
Operating profit	105,867	65,129
Share of affiliate	4,541	(503)
Exceptional gain	725	3,543
Loss on write-off of investment	(2,808)	897
Insurance claim amounts not received	(1,379)	(1,921)
Depreciation, depletion, and amortisation	27,476	16,327
Loss on sale of property, plant and equipment	1,141	502
Increase in pension plan and other long term liabilities	7,151	3,513
Funds generated from operations	142,714	87,487
Change in working capital:		
Increase in inventories	(40,959)	(56,740)
Increase in accounts receivable and long term assets	(45,327)	(43,609)
Increase in payables and accrued liabilities	22,060	55,307
	(64,226)	(45,042)
Net cash inflow from operating activities	78,488	42,445

29. ACQUISITION OF SUBSIDIARIES NET OF CASH ACQUIRED

	Year ended	
	31 December 2000	31 December 1999
	(Drs in millions)	
Tangible fixed assets	-	6,821
Inventories	-	1,758
Receivables	-	4,326
Cash	-	1,111
Tax payable	-	(18)
All other payables	-	(3,629)
Loans	-	(3,864)
Net assets	-	6,505
Minority interest	-	(3,034)
Goodwill	-	8,029
Total consideration	-	11,500
Less cash acquired	-	(1,111)
Less amount to be paid /paid in prior year	-	(11,352)
Exchange differences	-	333
Cash flow of acquisition net of cash acquired	-	(630)

30. CAPITAL COMMITMENTS AND OTHER OBLIGATIONS

Purchase obligations

The Group entered into agreements for the purchase of 8,400 k metric tonnes of crude oil with a one year mutual option for additional purchases. Of this amount, the Group has purchased 6,179 k metric tonnes to 31 December 2000. The purchase prices are based on the officially listed prices of BRENT or PLATT' s MARKETWIRE.

DEPA, an associate of the Group, has a long-term agreement with the Russian company Gazexport for the purchase and import of natural gas until 2016. Based on the agreement, specific (minimum) quantities must be delivered every year starting from 1996. The gas price is determined using a formula which is defined in the contract and is subject to revision every three years. Any claims or disputes between the parties can only be resolved through International Arbitration in Stockholm.

DEPA has also another long-term agreement with the Algerian State owned company Sonatrach for the purchase and import of liquefied natural gas (LNG). The functioning of the respective agreement officially started in 2000 and will have a duration of 21 years. Both, the specific quantities and the quality specifications of the product to be delivered every year, are determined by the contract. The contract price is also determined using a formula which is defined in the contract. Any claims or disputes between the parties shall be taken to Arbitration of Geneva.

Capital Commitments

The Group is under the contractual obligation to make capital investments at the Aspropyrgos refinery of Drs 13.0 billion in the course of one to five years.

The Group is under contractual obligation to make capital investments in property, plant and equipment at the Thessaloniki refinery totalling Drs 12.8 billion in a period of one to five years.

The Group is under contractual obligation to make capital investments in property, plant and equipment at the Thessaloniki petrochemical facility and the Diaxon petrochemical plant totalling Drs 22.0 billion in a period of one to five years.

The Group is under contractual obligation to make capital investments in property, plant and equipment in its marketing operations for Drs 4.6 billion in a period of one to five year.

On 31 March 2000, the Group exercised its option regarding the increase of its investment in DEPA to 35 percent for a consideration of Drs 35 billion. The Group continues to have the option to further increase its investment in DEPA.

EL.P.ET, a subsidiary of the Group, is committed, through the purchase of OKTA refinery on 9 July 1999, to an investment plan which must be completed within a three year period from the purchase date as follows:

- Construction of crude oil pipeline- Total cost US $ 90 million, of which ELPET paid US $ 38.6 million to date.
- Refinery upgrade - approximately US $ 40 million in OKTA. As at 31 December 2000 US $ 5.9 million has been spent by OKTA against the budget for the modernisation of its refinery facilities.
- Retail stations - approximately US $ 20 million in OKTA.

According to the Share Purchase Agreement, Constitution of OKTA and the Law for Transformation of Enterprises with Social Capital of FYROM, the investment to be made in OKTA of US$ 60 million will result in a corresponding share capital increase in favour of EL.P.E.T. without exercise of pre-emption rights. The constitution of OKTA has already provided for an automatic share increase of US$ 60 million and the effect of this investment will be to increase EL.P.E.T.'s shareholding in OKTA to over 75%. During the year ended 31 December 2000, the Group's shareholding in OKTA increased to 69.5% as described in note 3.

30. CAPITAL COMMITMENTS AND OTHER OBLIGATIONS *(continued)*

DEPA, an associate of the Group had the following commitments as at 31 December 2000:

1. A number of outstanding commitments on supplier contracts which totalled approximately Drs 19 billion.
2. According to the provisions of Law 2364/95, Article 6, all property, plant and equipment taken over from DEFA amounting to approximately Drs 6.5 billion will be transferred to EDA, DEPA's subsidiary company, as in kind capital contribution at the time it will start providing the public with natural gas from the low pipeline network.
3. There are various prenotices registered on the Company's land and buildings which were taken over from DEFA (ex gas distribution company of Athens). The relevant amount is approximately Drs 374 million. However, according to the Company's legal counsel there are no liabilities to be paid against the release of such prenotices, the majority of which exists before 1960.

The Group has outstanding commitments as at 31 December 2000 related to the Production Sharing Contract signed with OMV Aktiengesellschaft to participate by 49% in the exploration and production of petroleum in onshore Albania. The outstanding amount of US $ 500k, payable on 1 February 2001, is part of the reimbursement of costs incurred by OMV prior to the Assignment effective date (see notes 3 and 15). According to OMV's budget for research and exploration costs, the Group is committed to contribute Drs 6.1 billion for research and Drs 46.7 billion for exploration in Iran and Albania over the next five years.

Operating Leases

The group has commitments under operating leases of Drs 0.9 billion within one year (1999, Drs 0.8 billion,), Drs 4.5 billion between two and five years (1999, Drs 3.7 billion), and Drs 1.8 billion over five years (1999, Drs 1 billion). Operating leases which are tied to increases in inflation have been included at their current value.

31. CONTINGENCIES AND LITIGATION

(i) The Government has advanced the Group Drs 14.8 billion to undertake research and exploration, as determined by the Law 367/1976. A portion of the amount received Drs 8.7 billion may become repayable once the Group generates income from the discoveries resulting from its expenditure and therefore is included as part of the long term liabilities. The remaining Drs 6.1 billion has been written off as it is considered highly unlikely because of the nature of the expenditure that it will ever become repayable. The terms of repayment will be determined by the Ministry of Development and Industry if applicable. The expenditure incurred with the funding of advance has been written off.

(ii) As at 31 December 2000, the Group participated in joint exploration arrangements in Iran, Greece and Albania . The Group participates proportionately in the budgeted exploration expenses and is committed to further expenditure in the event of a discovery. A provision is not made for the commitment to further expenditure as the likelihood of a discovery is not presently determinable.

(iii) The Group is involved in a number of legal proceedings and has various unresolved claims pending arising in the ordinary course of business with a total potential liability of approximately Drs 8.7 billion. Legal proceedings tend to be unpredictable and costly. Based on currently available information, management believes the outcome will not have an effect on the Group's operating results or financial position. In instances where the outcome is probable and the amount can be estimated, a provision has been made in the balance sheet and the amount is excluded from the contingent liability disclosed above.

(iv) The Group has entered into a contract with the Greek Government for the creation of sports facilities on the Thessaloniki refinery premises for the use by the general public and the employees of the Group until the year 2017. Management is not in a position to determine whether the terms of the contract will be extended indefinitely or whether the land will be repossessed by the Greek Government.

(v) The Group has not undergone a tax audit for the years ended 31 December 1997 to 2000. The Group has not made a provision for any additional taxes as the amount cannot be estimated with any degree of certainty.

(vi) The Group has issued letters of credit in favour of third parties amounting to Drs 17.4 billion mainly for the completion of contracts entered into by the Group.

31. CONTINGENCIES AND LITIGATION *(continued)*

(vii) The European Commission is preparing to challenge, in proceedings to be commenced before the European Court of Justice, the compatibility of certain provisions of Greek law with EU law relating to the free movement of goods. The Greek law at issue relates to the ability of marketing companies to transfer to Greek refineries the obligation to store compulsory stocks provided the marketing company has a current supply contract with the Greek refinery. Additionally, if a marketing company has purchased products from a Greek refinery during the previous year, that Greek refinery is obliged to provide storage capacity for such marketing company in the current year.

Management expects that any amendment of Greek law, if so required by the European Court, would not result in marketing companies purchasing products from suppliers outside Greece rather than from the Greek refineries, since compulsory stocks would still have to be stored in Greece and Hellenic Petroleum is well positioned to store such compulsory stocks. Management believes that marketing companies would continue to use Hellenic Petroleum's storage facilities because of the lack of other sufficient storage capacity and the environmental and other restrictions in place on the construction of new facilities make it unlikely that additional capacity could be made available.

(viii) The Group is being sued by a small trading company alleging breach of trademark over the Hellenic Petroleum name. It is also being alleged that Hellenic Petroleum does not have the right to use its corporate name. Regarding the trademark, the case was initially decided for the Group, but the other party has appealed and the outcome is still pending.

(ix) The Group has applied for Government grants for the production of BOPP-film in Komotini. The Group has recorded Drs 2.3 billion in deferred income but is expecting a further Drs 1.6 billion which has not been recorded as at 31 December 2000 as although the Government committee has approved the grant the amount to be received has not yet been confirmed. For the second line of production, already completed, Diaxon A.B.E.E, the Group's subsidiary, has received an approved investment tax credit amounting to the cost of construction (Drs 6.2 billion) to be exercised over the next ten years.

(x) Long term receivables include an amount of Drs 2.6 billion relating to sales made by EKO-ELDA for the Serbian market. A further Drs 0.7 billion is included in current receivables. No provision has been made for these amounts as management believes them to be recoverable.

(xi) An environmental study was carried out for OKTA refinery during 1999. This study concluded that significant expenditure is required due to increasingly stringent requirements under new and anticipated environmental legislation in FYROM. No provision for this environmental liability has been made by the Group on the basis that under the terms of the Share Purchase and Concession Agreement, FYROM as seller of the refinery is responsible for payment of all of the refinery's liabilities due to pre-sale operations, including those resulting from past pollution.

(xii) An injunction has been served against OKTA refinery by suppliers due to the acquisition by the Group of the company. This injunction prevents the company from divestment of its assets. Another injunction, to prevent the company from using the services of other suppliers for transportation and storage of crude oil, was set aside. The two parties have failed to reach a settlement through mediation process to try and resolve all their disputes relating to the provisions of the agreement between them. This should be clarified by the courts. An appeal was filed by Jetoil against the first instance judgement and OKTA filed a cross appeal. The hearing took place on 5 February 2001 and the parties are awaiting judgement.

(xiii) ELPE, ELPET and a director of ELPET have been sued by contractors of OKTA for US$ 4 million and Drs 3.5 billion, in connection with an agreement for the transportation and storage of crude oil between OKTA and such contractors. Court hearings commenced on 23 November 2000. As proceedings are at a preliminary stage, the Group is unable to form an opinion on the likely outcome.

31. CONTINGENCIES AND LITIGATION *(continued)*

(xiv) Following an accident involving the motor tanker KRITI-GOLD on November 1998, at the company's mooring installation in Thessaloniki, four seamen died. Claims have been lodged in connection with this accident against the shipowner and the Group of approximately Drs 5 billion. The Group believes, based on information currently available, that the ultimate resolution would not likely have a material adverse effect on the results of its operations, as the insurance company that had insured the tanker has agreed to cover any claims against the Group.

(xv) DEPA is in an International Arbitration with Gazexport, its supplier of natural gas, for minimum gas quantities not taken delivery in 1997 and for price revision. The Company has filed a counter claim for deficient quality of product. The ultimate outcome of the matter cannot be presently determined, therefore no provision for any liability has been made in the financial statements. In any case, the term take-or-pay of the related agreement, will be considered as an advance against future purchases and therefore will not affect current and prior years' operating results.

(xvi) There are various pending litigations and claims by third parties, contractors and subcontractors against DEPA and vice versa. According to the Company's legal department such cases aggregate to approximately Drs 9 billion, however the Company is unable to predict their outcome.

32. SUBSEQUENT EVENTS

On 27 February 2001 the Board of Directors proposed for formal approval at the Annual General Meeting a final dividend in respect of the year ended 31 December 2000 of Drs 18,282 million. In accordance with International Accounting Standard No. 10 as revised in 1999, this dividend is not shown as a liability as at 31 December 2000.

Subsequent to the year end, the Group formed a new wholly owned subsidiary, Hellenic Petroleum International AG, in Austria. The new subsidiary is expected to act as holding company for the research and exploration investments of the Group.

33. FINANCIAL INSTRUMENTS

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's short term investments and short and long term debt obligations. The Group does not hedge its investments or loans. Investments consist mainly of government bonds and Repos to ensure liquidity.

Foreign currency risk

The Group operates and sells mainly in Greece. The Group is exposed to foreign currency risk in purchases and sales and on its short and long term debts. The Group purchases crude oil in US dollars and sells refined products mainly in US dollar denominated prices. The Group uses short term lines of credit denominated in US dollars to purchase crude oil. The Group's retail sector purchases mainly in US dollar denominated prices and sells in both US dollars and drachmas. The Group's chemical sector purchases raw materials mainly in US dollars and sells mainly in drachmas. The Group does not use foreign currency forward exchange contracts or purchased currency options for trading purposes, nor does it hedge its foreign currency loans.

Commodity price risk

The Group has significant exposure on the commodity prices of oil. The Group largely offsets this exposure by passing on price increase to customers.

Credit risk exposures

The Group's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event the counterparties fail to perform their obligations as of 31 December 2000 in relation to each class of recognized financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet less any mortgages or guaranties required from customers.

33. FINANCIAL INSTRUMENTS *(continued)*

Significant concentrations of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affects groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instruments is broadly diversified within the industry, along product and geographic lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

Fair Values

Financial assets and financial liabilities of the Group are carried at fair values in the balance sheet, unless otherwise disclosed in the financial statements.

34. LIST OF PRINCIPAL CONSOLIDATED SUBSIDIARIES AND AFFILIATES

	Percentage of interest	Country of Incorporation
Asprofos Engineering S.A.	100%	Greece
EKO-ELDA Industrial and Commercial Petroleum Company	100%	Greece
EKO Georgia Ltd.	76.5%	Republic of Georgia
EKO TAKO S.A.	49%	Greece
DIAXON A.B.E.E. (formerly EKO Film A.B.E.E)	100%	Greece
E.L.PET Balkan	63%	Greece
Okta Refinery	69.5%	FYROM
OKTA Trade Company - Prishtina	69.5%	Kosovo
Global S.A.	86.4%	Albania
Elda ShPK	86.4%	Albania

As of 1 January 1999 Petrolina AE merged with its parent company Eko-Elda. In addition, during the year ended 31 December 1999 the group began proceedings to liquidate Petrolina Overseas, an intermediate holding company. Both transactions had no effect material effect on the results.

Effective 1 July 2000, Mamidakis S.A. and EKO LINA S.A. merged with their parent company EKO-ELDA.

Reconciliation of the Consolidated Greek Financial Results to the Consolidated IAS Financial Results

		31 December 2000		31 December 1999	
		Net Income	Shareholders Equity	Net Income	Shareholders Equity
		(Drs in millions)			
	Balance as per Greek Consolidated Financial Statements	59,492	451,792	40,162	320,234
1	Replace the provision for statutory indemnities and defined benefit plan with the provision as calculated by the actuarial valuation	(597)	636	(1,636)	1,260
2	Provide for deferred tax	60	9,042	(2,125)	8,984
3	Reverse the revaluation of fixed assets and the effect of depreciation taken	336	(19,853)	149	(10,649)
4	Write off of capitalised costs with no future benefit	(196)	(3,973)	(1,753)	(3,776)
5	Write off of capitalised research and development costs and reversal of related depreciation	1,990	(13,092)	2,179	(15,086)
6	Adjustment of depreciation to conform with the group policy	(51)	807	255	859
7	Provision for environmental restorations	-	(372)	-	(372)
8	To reverse the intercompany profit in the ending inventory and fixed assets	92	(1,870)	(1,641)	(1,962)
9	Equity accounting	1,819	1,316	(502)	(502)
10	Other provisions adjustments	685	(4,272)	3,926	(4,956)
11	Reclassification of the export reserve	946	-	424	-
12	Reclassification of grant from equity to deferred income or liabilities	91	(18,999)	(5)	(16,099)
13	Tax entries	(293)	(127)	(871)	(293)
14	Other	312	414	42	110
15	Minority interest	667	(9,685)	304	(5,788)
16	IPO costs to share premium account	662	(1,619)	501	(1,498)
17	Devaluation of drachma	2,518	-	2,518	(2,518)
18	Goodwill and depreciation of goodwill	(2,273)	6,524	(3,640)	16,202
19	Exchange gains (timing differences)	(172)	657	513	829
20	Dividends payable	-	18,282	-	14,362
21	Release capitalised exchange	-	-	-	-
	Balance as per IAS Consolidated Financial Statements	**66,088**	**415,608**	**38,800**	**299,341**

HELLENIC PETROLEUM S.A.

Income Statement

	For the year ended 31 December 2000	31 December 1999
	(Drs in millions)	
Sale proceeds	1,115,829	546,628
Cost of sales	(993,869)	(459,893)
Gross profit	121,960	86,735
Other operating income	8,880	7,934
Selling, distribution and administrative expenses	(32,400)	(32,729)
Research and development	(1,556)	(1,648)
Other operating expense	(6,624)	-
Operating profit	90,260	60,292
Interest and related income	6,554	5,986
Interest expense	(5,770)	(2,070)
Currency exchange gains/(losses)	(5,070)	(1,583)
Income before exceptional items	85,974	62,625
Exceptional items	725	3,543
Income before tax	86,699	66,168
Taxation – current	(30,826)	(20,572)
Taxation – deferred	700	(3,159)
Net income for the year	56,573	42,437

HELLENIC PETROLEUM S.A.

Balance Sheet

	As at 31 December 2000	As at 31 December 1999
	(Drs in millions)	
ASSETS		
Intangible assets	4,886	4,116
Property, plant and equipment	184,288	154,640
Investments in affiliates	131,159	82,733
Investments in securities	8,453	9,925
Deferred tax	6,606	5,906
Loans, advances and long term assets	1,799	1,804
Total long term assets	337,191	259,124
Inventories	142,725	104,725
Accounts receivable	132,564	99,561
Cash and cash equivalents	27,451	11,865
Total current assets	302,740	216,151
Total assets	639,931	475,275
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	130,584	116,075
Share premium	83,631	33,627
Reserves	178,529	136,319
Total shareholders' equity	392,744	286,021
Long-term debt	11,085	2,294
Pension plans and other long-term liabilities	33,995	26,268
Total long-term liabilities and shareholders' equity	437,824	314,583
Accounts payable and accrued liabilities	107,616	83,740
Tax payable	18,425	14,532
Current portion of long-term debt	750	750
Short-term borrowings	75,316	61,670
Total current liabilities	202,107	160,692
Total liabilities and shareholders' equity	639,931	475,275