HELLENIC PETROLEUM S.A.

IAS CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2001

CONTENTS

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 2001 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 2001, 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 2002

Athens, Greece

HELLENIC PETROLEUM S.A.

Consolidated Balance Sheet

	Notes	As at 31 December 2001	31 December 2000
		(Drs in millions)	
ASSETS			
Intangible assets	13	15,828	18,494
Property, plant and equipment	14	275,942	260,559
Investments in affiliates	15	91,367	86,741
Investments in securities	16	8,566	8,566
Deferred tax	17	10,840	9,043
Loans, advances and long term assets	18	7,055	13,698
Total long term assets		409,598	397,101
Inventories	19	103,881	159,428
Accounts receivable	20	178,451	179,050
Cash and cash equivalents	21	68,093	38,072
Total current assets		350,425	376,550
Total assets		760,023	773,651
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	22	130,833	130,584
Share premium	22	83,673	83,631
Reserves		201,020	201,393
Total shareholders' equity		415,526	415,608
Minority interest		16,145	9,685
Long-term debt	24	56,200	24,476
Pension plans and other long-term liabilities	25	42,133	49,425
Total long-term liabilities and shareholders' equity		530,004	499,194
Accounts payable and accrued liabilities	26	123,663	128,691
Tax payable	27	3,769	21,171
Current portion of long-term debt	24	5,028	3,211
Short-term borrowings	24	97,559	121,384
Total current liabilities		230,019	274,457
Total liabilities and shareholders' equity		760,023	773,651

See accompanying notes to the consolidated financial statements

HELLENIC PETROLEUM S.A.

Consolidated Income Statement

	Notes	For the year ended 31 December 2001	31 December 2000
		(Drs in millions)	
Sale proceeds		1,327,126	1,489,106
Sales taxes, excise duties and similar levies		(176,423)	(197,081)
Net proceeds		1,150,703	1,292,025
Cost of sales		(1,045,900)	(1,124,080)
Gross profit		104,803	167,945
Other operating income	10	7,581	11,514
Selling, distribution and administrative expenses	4	(67,212)	(65,412)
Research and development		(5,607)	(1,556)
Other operating expense	8, 25	-	(6,624)
Operating profit		39,565	105,867
Interest and related income	6	4,665	7,060
Interest expense	7	(6,336)	(8,965)
Currency exchange gains/(losses)		(6,439)	(5,797)
Share of net result of affiliated companies	9	1,832	4,541
Income before exceptional items		33,287	102,706
Exceptional items	10	-	725
Income before tax		33,287	103,431
Taxation – current	17	(14,054)	(35,743)
Taxation – deferred	17	1,797	60
Income after taxation		21,030	67,748
Income applicable to minority interest		(657)	(1,660)
Net income for the year		20,373	66,088
Earnings per ordinary share (Drs)		78.01	259.67
Net income attributable to ordinary shares (Drs in millions)		20,373	66,088
Average number of ordinary shares outstanding	22	261,170,877	254,508,709
Diluted Earnings per ordinary share (Drs)		77.99	259.58
Average number of ordinary shares used for Diluted earnings per share		261,231,505	254,594,386

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 2000	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
Restatement in accordance with IAS 39	-	-	(2,446)	(2,446)	-	-	(2,446)
Dividends	-	-	(18,282)	(18,282)	-	-	(18,282)
Net income for the year	-	-	20,373	20,373	-	-	20,373
Translation exchange differences	-	-	218	218	-	-	218
Transfers between reserves	10,948	2,791	(13,739)	-	-	-	-
Transfer from reserves to share capital (rounding for EURO translation)	-	-	(236)	(236)	236	-	-
Management share option scheme-exercise of rights	-	-	-	-	13	42	55
Balance at 31 December 2001	77,537	13,292	110,191	201,020	130,833	83,673	415,526

HELLENIC PETROLEUM S.A.

Consolidated Cash Flow Statement

	Notes	For the year ended 31 December 2001	31 December 2000
		(Drs in millions)	
Net cash inflow from operating activities	**28**	**135,452**	**78,488**
Returns on investment and servicing of finance			
Realised net foreign exchange loss		(2,774)	(3,609)
Interest paid		(8,221)	(10,279)
Interest received		4,665	7,060
Minority interest		4,113	2,671
Net cash flow from returns on investment and servicing of Finance		(2,217)	(4,157)
Taxation paid		(41,641)	(32,011)
Investing activities			
Payments to acquire property, plant and equipment and intangibles		(49,112)	(73,642)
Payments to acquire investments in affiliates except DEPA		-	(2,435)
Receipts from sales of fixed assets		1,683	228
Increase in investment of affiliate DEPA		(2,681)	(39,034)
Net cash outflow from investing activities		(50,110)	(114,883)
Dividends paid		(18,282)	(14,364)
Net cash outflow before financing activities		**23,202**	**(86,927)**
Financing activities			
Net proceeds from issue of share capital	22	55	64,513
Net movement in short-term borrowings		-	12,740
Net movement in long term debt		32,979	6,721
Net movement in securities		-	1,533
Receipt of grant for DEPA		1,857	-
Payments for finance leases		(339)	(146)
Net cash inflow from financing activities		34,552	85,361
Increase (decrease) in cash and cash equivalents (net of overdrafts)		**(57,754)**	**(1,566)**
Opening balance, cash and cash equivalents (net of overdrafts)		(9,757)	(8,191)
Closing balance, cash and cash equivalents (net of overdrafts)		47,997	(9,757)
Cash and cash equivalents		68,093	38,072
Overdrafts		(20,096)	(47,829)
		47,997	(9,757)

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. is incorporated in Greece and 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 position to the Consolidated IAS financial results and equity position is disclosed on page 37.

The financial information is expressed in millions of Greek drachmas. From the first quarter of 2002, financial statements will be presented in EURO using the parity of EURO 1 to Drs 340,75.

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 Company's interest in jointly controlled entities is accounted for by proportionate consolidation, which involves recognising a proportionate share of the joint venture's assets, liabilities, income and expenses with similar items in the consolidated financial statements on a line by line 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 exploration expenditures before development has begun as described under oil and gas accounting methods below. Goodwill is amortised on a straight-line basis not exceeding 20 years. 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 of implementing a new computer software and license fees cost for the use of know-how relating to the new polypropelene plant, which has been capitalised in accordance with IAS 38, Intangible Assets.

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 discounted 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 discounted 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.

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 taxes that are enacted or substantially enacted. Deferred tax assets are recognised only to the extent that taxable profit will be available against which the temporary difference can be utilised. 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 each plan using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in income or expense when the cumulative unrecognised actuarial gains or losses for each individual plan exceeds 10% of the defined benefit obligation. These gains or losses are recognised over the expected average working lives of the employees.

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.

Certain subsidiaries have supplemental pension plans and benefit plans. The plans are either defined contribution plans or defined benefit plans. The actuarial obligation on defined benefit plans 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 using the projected unit actuarial valuation method, as discussed above. 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.

1. ACCOUNTING PRINCIPLES *(continued)*

Environmental liabilities

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

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.

Trade and other payables

Liabilities for trade and other amounts payable which are normally settled on 30-90 days terms are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the Group.

Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Bills of exchange and promissory notes, which, are held to maturity, are measures at amortised cost using the effective interest rate method. Those that do not have a fixed maturity are carried at cost, being the fair value of the consideration given.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

Leases

Finance Leases which transfer to the Group substantially, all the risks and benefits incidental to ownership of the leased asset, are capitalised at the present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful economic life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Changes in accounting policy

The Group has adopted IAS 39 “Financial Instruments: Recognition and Measurement” for the year ended 31 December 2001. In accordance with the provisions of the new accounting standard, the Group has restated its opening balance sheet as at 1 January 2001. In relation to the adoption of the new standard, the carrying amount of financial assets was reduced by Drs 2,446 million with a corresponding reduction in opening retained earnings. This adjustment has been reflected in the statement of changes in equity.
In addition, in accordance with the new standard, the Group has reclassified investments as ‘held to maturity’, ‘available for sale’ or ‘loans and receivables originated by the enterprise’. Those classified as ‘available for sale’ are recorded at fair value, and under the new adopted policy, fair value adjustments thereafter are recognised directly in equity. On disposal of these investments, any cumulative fair value adjustments included in equity, are recognised in the profit and loss account. Investments classified as ‘held to maturity’ and ‘loans and receivables originated by the enterprise’ are recorded at amortised cost less any impairment.

2. ANALYSIS BY INDUSTRY SEGMENT AND GEOGRAPHIC ZONE

2a. Analysis by industry segment

31-12-2001

	Refining	Marketing	Exploration & production	Petro-chemicals	Engin-eering	Natural gas	Inter segment adjustments	Total
			(Drs in millions)					
Sales –third party	727,251	379,868	524	38,961	4,099	-	-	1,150,703
Sales –inter-segment	294,017	14,474	-	6,692	3,365	-	(318,548)	-
Net Proceeds	1,021,268	394,342	524	45,653	7,464	-	(318,548)	1,150,703
Depreciation	19,925	3,628	161	3,976	246	-	-	27,936
Depletion & amortisation	1,870	3,393	-	91	39	-	-	5,393
Impairment of assets	-	-	2,799	-	-	-	-	2,799
Other operating income	4,861	1,790	92	1,122	7	-	(291)	7,581
Other operating expense	-	-	-	-	-	-	-	-
Operating profit	40,427	9,251	(7,140)	(4,432)	755	-	704	39,565
Share of result of affiliate	-	-	-	938	-	894	-	1,832
Net income	24,139	3,829	(5,640)	(3,621)	201	894	571	20,373
Equity accounted investments	-	-	-	4,042	-	85,545	-	89,587
Capital expenditure	34,323	6,622	2	8,805	152	-	-	49,904
Identifiable assets	525,367	113,819	7,404	108,017	6,508	85,545	(86,007)	760,023

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

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

The inter segment adjustments reflect transactions between the segments.

2b. Analysis by geographic zone

	Year ended 31 December 2001	31 December 2000
	(Drs in millions)	
Inland market sales	876,275	1,006,665
International market sales	274,428	285,360
	1,150,703	1,292,025

3. ACQUISITIONS AND INVESTMENTS

a. 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.

b. 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 prior 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 2001. During 2001, Global S.A. proceeded with a new share capital increase in which the Group participated with its 86% share. The minority interest is decide by March 2002 whether they will participate otherwise, the Group with acquire their shares thus increasing its shareholding.

c. 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. During 2001 DEPA increased its share capital further and the Group participated with its share of 35%.

d. 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 2001.

e. The Group signed a Production Sharing Agreement with OMV Aktiengesellschaft to participate in the onshore exploration and production of petroleum in Albania. The Group has also entered into an agreement with OMV to participate by 30% in the exploration and production of petroleum in Iran. The investment and commitments have been included in the Group's financial statements as at 31 December 2000 (refer to note 15). During 2001, the Group participated in a bid, together with Sipetrol, for two onshore and one offshore exploration areas in Libya. The parties are still in negotiations.

f. 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.

g. During 2000, OKTA Refinery formed a wholly owned subsidiary, OKTA Trade Company Pristina. Operations were insignificant year and the company's assets have been consolidated into the Group's financial statements as at 31 December 2001.

h. During 2000 the Group participated in the formation of a new joint venture, Spata Aviation Fuel Company S.A. (SAFCO), in which it holds an interest of 25%. The Company is involved in operating fuel stations at Spata Airport and operations started in the first half of 2001. The investment has been equity accounted for the year ended 31 December 2001.

i. In April 2001, the Group formed a new wholly owned subsidiary, Hellenic Petroleum International AG in Austria. The new subsidiary is expected to act as a holding company for the research and exploration investments of the Group. The Company had no results in the year and its assets have been consolidated as at 31 December 2001.

4. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

	Year ended	
	31 December 2001	31 December 2000
	(Drs in millions)	
Selling and distribution expenses	33,860	35,163
Administrative expenses	33,352	30,249
	67,212	65,412

5. DEPRECIATION, DEPLETION AND AMORTISATION

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

	Year ended	
	31 December 2001	31 December 2000
	(Drs in millions)	
Cost of sales	22,015	17,031
Selling distribution and administrative expenses	11,308	10,375
Research and development	6	70
	33,329	27,476

6. INTEREST AND RELATED INCOME

	Year ended	
	31 December 2001	31 December 2000
	(Drs in millions)	
Interest income	2,361	4,414
Interest from trade receivables	2,304	2,646
	4,665	7,060

7. INTEREST EXPENSE

In 2001 Drs 1,885 million (2000, Drs 1,498 million) of interest expense was capitalised to fixed assets.

8. OTHER OPERATING EXPENSE

The amount of Drs 6,624 million for 2000 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 2001	31 December 2000
	(Drs in millions)	
Volos Pet Industries A.E.	938	716
Public Natural Gas Corporation of Greece (DEPA)		
- share of profit / (loss)	(645)	2,667
- amortisation of negative goodwill	1,539	1,158
	1,832	4,541

10. EXCEPTIONAL ITEMS

	Year ended	
	31 December 2001	31 December 2000
	(Drs in millions)	
Insurance claims for EKO refinery fire	-	327
Insurance claims for Aspropyrgos refinery asset damage	-	398
	-	725

The above amounts relate to amounts received by the Group from the insurance company for damages to assets caused by a fire.

Income for loss of earnings of Drs 3,206m (EKO refinery) and Drs 981m (Aspropyrgos refinery) for the year ended 31 December 2000 is included as other operating income.

11. EMPLOYEE EMOLUMENTS AND NUMBERS

	Year ended	
(a) Emoluments	31 December 2001	31 December 2000
	(Drs in millions)	
Remuneration	42,225	39,729
Social security contribution	8,334	8,336
Pensions and similar obligations	5,449	11,945
Other benefits	5,121	5,083
Total	61,129	65,093

Included in the total balance of Drs 11,945 million in pensions and similar obligations for the year ended 31 December 2000, is an amount of Drs 6,624 million arising from the termination of pension schemes as described in note 25.

Certain management executives have received options to acquire shares of the Company, exercisable within five years, at a price of Drs 2,212 each, which was determined based on the Company's performance and its share price. Options, which have been granted and not exercised as at 31 December 2001 relate to 60,628 shares.

11. EMPLOYEE EMOLUMENTS AND NUMBERS *(continued)*

(b) Average numbers of employees	Year ended 31 December 2001	31 December 2000
	(Drs in millions)	
Refining	2,989	2,987
Marketing	847	912
Exploration and production	74	102
Petrochemicals	424	388
Engineering	189	189
Total	4,523	4,578

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 2001	31 December 2000
	(Drs in millions)	
Charges to related parties	143,066	165,068
Charges from related parties	4,476	3,349
Balances due from related parties at 31 December	13,466	11,070
Balances due to related parties at 31 December	974	664
Charges for directors' remuneration	779	573

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 47 members (2000: 48 members) of the Board of Directors of the Company and its subsidiaries for the years ended 31 December 2001 and 31 December 2000 are Drs 779 million and Drs 573 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 2001					
	Refining	Marketing	Exploration & Production	Petro-Chemicals	Engineering	Total
	(Drs in millions)					
Cost						
Balance at 1 January 2001	9,476	16,621	2,917	669	118	29,801
Capital expenditure	1,348	90	-	4,026	64	5,528
Sales, retirements and other movements	-	-	-	(239)	(73)	(312)
Balance at 31 December 2001	10,824	16,711	2,917	4,456	109	35,017
Amortisation						
Balance at 1 January 2001	3,290	7,298	118	531	70	11,307
Charge for the year	1,870	3,393	-	91	39	5,393
Sales, retirements and other movements	-	-	-	(239)	(71)	(310)
Impairment loss	-	-	2,799	-	-	2,799
Balance at 31 December 2001	5,160	10,691	2,917	383	38	19,189
Net Book Value 31 December 2001	**5,664**	**6,020**	**-**	**4,073**	**71**	**15,828**

	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
Net Book Value 31 December 2000	**6,186**	**9,323**	**2,799**	**138**	**48**	**18,494**

During the year ended 31 December 2001, management took the decision that the capitalised exploration costs of Drs 2,799m relating to two exploration areas are impaired as the Company does not intend to develop them in the foreseeable future and thus an impairment loss was recognised in the research and development line in the income statement.

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 2001					
	Refining	Marketing	Exploration & Production	Petro-Chemicals	Engineering	Total
	(Drs in millions)					
Cost						
Balance at 1 January 2001	303,427	55,517	4,572	88,957	3,937	456,410
Capital expenditure	32,975	6,532	2	4,779	88	44,376
Sales, retirement and other movements	(589)	(1,743)	-	(27)	(37)	(2,396)
Currency translation effects	-	227	-	-	-	227
Balance at 31 December 2001	335,813	60,533	4,574	93,709	3,988	498,617
Accumulated depreciation						
Balance at 1 January 2001	147,658	25,888	3,705	17,664	936	195,851
Charge for the year	19,925	3,628	161	3,976	246	27,936
Sales, retirement and other movements	(553)	(490)	-	(26)	(37)	(1,106)
Currency translation effects	-	(6)	-	-	-	(6)
Balance at 31 December 2001	167,030	29,020	3,866	21,614	1,145	222,675
Net Book Value 31 December 2001	**168,783**	**31,513**	**708**	**72,095**	**2,843**	**275,942**

	31 December 2000					
	Refining	Marketing	Exploration & Production	Petro-Chemicals	Engineering	Total
	(Drs in millions)					
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
Net Book Value 31 December 2000	**155,769**	**29,629**	**867**	**71,293**	**3,001**	**260,559**

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) Capital leases with net book value of Drs 2.1 billion are included within fixed assets as at 31 December 2001 (2000: 2.4 billion).
(3) Interest of Drs 1,885 million and exchange losses of Drs 720 million were capitalised in fixed assets during the year ended 31 December 2001, as they relate to borrowings specifically obtained for the financing of construction of assets (December 2000: interest capitalised Drs 1,498 million).

15. INVESTMENTS IN AFFILIATES (EQUITY OR COST ACCOUNTED)

	Method of accounting	Ownership Percentage	As at 31 December 2001	As at 31 December 2000
			(Drs in millions)	
Public Natural Gas Corporation of Greece (DEPA)	equity	35	85,545	82,794
EANT	cost	13	6	6
Volos Pet Industries A.E.	equity	35	4,042	3,104
DEP A.E.-THRAKI Joint Venture	cost	25	1,027	203
Algre A.E.	cost	35	14	14
Athens Airport Fuel Pipeline Company A.E.	cost	34	612	612
SAFCO	cost	25	119	5
Other	cost	-	2	3
			91,367	86,741

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 of Drs 30,904 arose. During the year ended 31 December 2001, negative goodwill was reassessed and adjusted to reflect the re-estimation of the value of identifiable Assets and Liabilities at the date of acquisition. This was in accordance with IAS 28: Accounting for investments in Associates and IAS 22: Business Combinations. As a result, original negative goodwill was reduced by Drs 499m.

	As at 31 December 2001	As at 31 December 2000
	(Drs in millions)	
Share of net assets	113,253	112,540
Negative goodwill (net of amortisation 2001: Drs 1,539m; 2000:Drs 1,158m)	(27,708)	(29,746)
Total	85,545	82,794

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

Other Participating Interests

The Group also has participating interests in the following joint exploration arrangements:

	As at	
	30 December 2001	31 December 2000
	Ownership Percentage	
Triton Hellas S.A. (Gulf Patraikos West Permit)	-	6
Enterprise oil exploration limited (NW Peloponnesos)	-	19.51
Enterprise oil exploration limited (Ioannina)	16.67%	5.30
OMV (Albania)	49	49
OMV (Iran)	30	30
Sipetrol (Libya)	49.5%	-

With respect to the above participating interests, there was no initial cost of acquisition and the Group participates with its share of cost, in accordance with its ownership as shown above. Costs have been written off in accordance with the Group's policy.

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.

Since December 2001 and following the completion of total expenditure of US$25m (Drs 8.3bn), the Group's share of the Ioannina license increased to 16.67%

During 2001 explorations stopped in NW Peloponnesos, the licensed area will be returned to the Greek state and the joint exploration arrangement will stop.

In 2000 and 2001 the joint arrangement between the Group and Triton Hellas S.A. relating to the Aitoloakarnania and Gulf of Patraikos licenses respectively, were dissolved and the licenses returned to the government.

During 2001, the Group together with Sipetrol, participated in a bid for two onshore and one offshore exploration areas in Libya. The parties are still in negotiations with the state company NOC. The Group has already paid its share of the cash calls made in 2001, which were written off in accordance with the Group's policy. Management's view is that there are no further commitments that have not been disclosed.

16. OTHER FINANCIAL ASSETS

	As at	
	30 December 2001	31 December 2000
	Unaudited	Audited
	(Drs in millions)	
Available for sale securities		
Shares –unlisted	113	113
Held to maturity securities		
Government bonds	-	8,453
Loans & Receivables originated by the enterprise		
Government bonds	8,453	-
Total non-trading securities	**8,566**	**8,566**

17. TAX

Deferred tax	Net asset/(liability) As at 31 December 2001	31 December 2000
	(Drs in millions)	
At 1 January	9,043	8,983
(Charge)/credit for year	1,797	60
At 31 December	10,840	9,043
Provision for bad debts	2,890	3,185
Pension provision	-	-
Intangible and fixed assets	6,783	5,353
Other temporary differences	1,037	375
Environmental provision	130	130
	10,840	9,043

There are deductible temporary differences arising from the retirement benefits and pension provision, for which no deferred tax asset has been recognised, because this is not expected to reverse in the foreseeable future. These deductible temporary differences, for which no deferred tax has been calculated, would result in credit of Drs 205 million for the year ended 31 December 2001 (income Drs 623 million, 31 December 2000) with a related deferred tax asset of Drs 7,270 million as at 31 December 2001 (Drs 7,065 million, 31 December 2000).

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

	Year ended 31 December 2001		31 December 2000	
	(Drs in millions)			
Profit before income taxes as reported in the accompanying consolidated statement of income	33,287		103,431	
Normalised income tax provision at corporate tax rate	11,944	36%	36,833	36%
Net tax effect of non-taxable income and non tax deductible expenses	3,919	12%	2,457	2%
IAS adjustments with no tax effect	(3,439)	(10%)	(4,068)	(4%)
Deferred tax effect due to change in rate	-	-	386	-
Deferred tax on statutory revaluation of buildings	(167)	-	(217)	-
Provision for income taxes before fiscal tax audit	12,257	37%	35,391	34%
Prior period taxes	-	-	292	-
Provision for income taxes at the effective tax rate	12,257	37%	35,683	34%
Current tax	(14,054)		(35,743)	
Deferred tax	1,797		60	
Total	(12,257)		(35,683)	

In 2000 the corporate tax rate for the parent company was 35% and for all of the subsidiaries 40%. According to the new tax law, the corporate tax rate effective fiscal year 2001 is decreased to 37,5% for all subsidiaries (non-listed companies) and to 35% from year 2002 onwards.

18. LOANS, ADVANCES AND LONG TERM ASSETS

	As at 31 December 2001	As at 31 December 2000
	(Drs in millions)	
Loans and advances	3,600	6,098
Other long-term assets	3,455	7,600
	7,055	13,698

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

During the year ended 31 December 2001, a provision of Drs 1.3bn was booked against a long-term receivable relating to sales made for the Serbian market, which is included above in other long-term assets of Drs 3,455 (2000:Nil). This provision is included within selling, distribution and administrative expenses in the profit and loss account.

Following the adoption of IAS 39 from January 1, 2001 receivables of Drs 9.4bn were discounted, using a rate of 6%, to reflect their net present value on the basis of the expected timing of collection. This resulted in a charge of Drs 2.4bn against opening retained earnings. During the year ended 31 December 2001 a credit of Drs 0.6bn was taken to the Profit and Loss account as a result of IAS 39.

19. INVENTORIES

	As at 31 December 2001	As at 31 December 2000
	(Drs in millions)	
Crude oil	24,825	57,315
Refined products and semi-finished products	53,047	77,785
Petro-chemicals	4,090	3,775
Consumable materials	21,919	20,512
Other	-	41
	103,881	159,428

20. ACCOUNTS RECEIVABLE

	As at 31 December 2001	As at 31 December 2000
	(Drs in millions)	
Trade receivables	123,176	149,377
Other receivables	50,408	23,699
Deferred charges and prepayments	4,867	5,974
Total	178,451	179,050

Included in other receivables of 50,408 million at 31 December 2001 is an amount of Drs 10,201 million (31 December 2000: Drs Nil) relating to income tax receivable. This resulted from advances made for income tax being higher than provision for income tax for the year ended 31 December 2001.

21. CASH AND CASH EQUIVALENTS

	As at 31 December 2001	As at 31 December 2000
	(Drs in millions)	
Cash at bank and in hand	19,898	19,871
Cash equivalents	48,195	18,201
Total cash and cash equivalents	68,093	38,072

22. SHARE CAPITAL

	As at 31 December 2001	As at 31 December 2000
	(Drs in millions)	
Number of common shares	261,193,799	261,168,750
Nominal value	130,833	130,584

	Number of shares outstanding	Share capital	Share Premium	Total
		(Drs in millions)		
Balance as at 1 January 2000	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
Exercise of management options to buy shares	25,049	13	42	55
Euro translation effect	-	236	-	236
Balance as at 31 December 2001	261,193,799	130,833	83,673	214,506

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.

The Company transferred an amount of Drs 236 million from reserves to share capital, during the year ended 31 December 2001, in order to express the nominal value of its share capital in EURO.

Each share has a nominal value of EURO 1.47 (500.9025 drachmas). The nominal value at December 2000 was 500 drachmas.

Hellenic Petroleum S.A. offers a share option scheme to management executives. The exercise price is determined based on the Company's share performance compared to the market and the options are exercisable within five years. During 2001, certain management executives exercised their options to acquire shares in the Company. As a result, 25,049 new shares were issued at Drs 2,212 each.

As of December 31, 2001, management has options to acquire 60,628 more shares within the next five years at the above price.

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 2001	31 December 2000
	(Drs in millions)	
Short-term debt		
Overdrafts	20,096	47,829
Syndicated loan facility	77,329	73,240
Subtotal	97,425	121,069
Capitalised lease obligations	134	315
Short-term borrowings	97,559	121,384
Current portion of bank loans	5,028	3,211
	102,587	124,595

Syndicated Loan facility

Currency	Variable/ Fixed	Interest Rate	As at 31 December 2001	31 December 2000
			(Drs in millions)	
US Dollar	Variable	LIBOR + 0.25%	77,329	73,240
Total			77,329	73,240

24. DEBT *(continued)*

			As at 31 December 2001	31 December 2000
Overdrafts			(Drs in millions)	
Currency	Variable/ Fixed	Interest Rate		
Drachma	Variable	EURIBOR +0.15%	5,263	-
Drachma	Variable	2.40%	1,881	-
Drachma	Variable	3.65%	292	-
Drachma	Variable	4.00%	1,878	-
Drachma	Variable	4.30%	8,790	-
Drachma	Variable	6.00%	1,576	-
Drachma	Variable	6.5%	197	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
Drachma	Fixed	4.00%	219	-
Total			20,096	47,829

	As at 31 December 2001	31 December 2000
	(Drs in millions)	
Long-term debt		
Bank loans	54,226	22,358
Other loans	58	44
Subtotal	54,284	22,402
Capitalised lease obligations	1,916	2,074
Subtotal	56,200	24,476
Due within one year	5,028	3,211
Total long term	61,228	27,687

The aggregate maturities of long-term debt are:

	As at 31 December 2001	31 December 2000
	(Drs in millions)	
Due after more than five years	25,721	9,169
Due between one and five years	28,563	13,233
Long-term portion	54,284	22,402
Due within one year	5,028	3,211
	59,312	25,613

24. DEBT *(continued)*

Currency	Variable/Fixed	Interest Rate	As at 31 December 2001 (Drs in millions)	31 December 2000
Drachma	Variable	EURIBOR + 0.25%	10,305	-
Drachma	Variable	EURIBOR + 0.365%	1,544	-
Drachma	Variable	EURIBOR + 0.40%	2,125	-
Drachma	Variable	ATHIBOR + 0.15%	-	-
Drachma	Variable	ATHIBOR + 0.36%	-	2,250
Drachma	Variable	ATHIBOR + 0.25%	-	10,000
US Dollar	Variable	LIBOR + 0.95%	20,456	-
US Dollar	Variable	LIBOR + 1.25%	-	964
US Dollar	Fixed	12%	-	-
Yen	Variable	LIBOR + 0.035%	-	-
Drachma	Variable	ATHIBOR + 0.40%	-	2,732
Drachma	Variable	6%	-	126
Euro	Fixed/ Revisable	5.27%	9,541	9,541
Euro	Variable/ Revisable	3.25%	15,341	-
Total			59,312	25,613

Capitalised lease obligations	As at 31 December 2001 (Drs in millions)	31 December 2000
Due after more than five years	1,216	1,710
Due between one and five years	1,092	1,499
Due within one year	273	762
Total minimum lease payments	2,581	3,971
Less interest	(531)	(1,582)
Capitalised lease obligations	2,050	2,389

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

	As at 31 December 2001 (Drs in millions)	31 December 2000
Retirement benefits, pensions and similar obligations	27,047	30,532
Government advances	8,728	8,728
Environmental costs	372	372
Other long term liabilities	5,986	9,793
	42,133	49,425

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.

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

The retirement indemnities are not funded. An international firm of independent actuaries evaluates the liabilities arising from the obligation to pay retirement indemnities. 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, and to 31 December 2001.

The principal assumptions used in calculating the charges were a discount rate of 6.0% (2000: 6.0%) per year and future salary increases of 4.5% (2000: 4.5%) per year.

Defined contribution pension plans

The Group maintained two plans up to 31 December 2001. The first plan had a contribution rate of 3.6% for all remuneration excluding bonuses of which the Group participated at 50% of the contributions. Employees were entitled to benefits after two years of service. The second plan provided additional contributions for engineers, lawyers and chemists in which the Group participated at 75% of the additional contributions. Employees were entitled to benefits after 16 years of service.

The Group contributed 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 converting all rights to a new defined contribution scheme (see note below). This plan has a contribution rate of 5.5% in 2001 and 6.5% FROM 2002 onwards which is contributed by the Group. Employees make contributions that range from 1.5% to 5%. Employees are entitled to benefits after 10 years of service.

Defined benefit pension plans

Up to 31 December 2000 the Group maintained 3 defined benefit pension plans:

EKO retail and refinery maintained two pension plans, which were funded under insurance contracts. The benefit was 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) maintained a plan according to which it pays one month's final remuneration for each year of service. This plan was funded through an insurance contract.

An international firm of independent actuaries had evaluated the liabilities arising from the defined benefit plans. 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% per year and future salary increases of 4.5% per year.

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

A valuation was carried out for the liabilities arising from the defined benefit plan of EKO retail to 31 December 2001. The principal assumptions used in calculating the charge were a discount rate of 6.0% (2000:6.0%) per year and future salary increases of 4.5% (2000:4.5%) per year.

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.

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

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

	Year ended 31 December 2001	Year ended 31 December 2000
	(Drs in millions)	
Defined contribution pension plans	1,740	282
Defined benefit pension plans	1,454	8,827
Post retirement benefits	3,995	2,836
	7,189	11,945

Defined Benefit Plans	As at 31 December 2001	As at 31 December 2000
	(Drs in millions)	
Present value of funded obligation at 31 December	4,275	3,394
Fair value of planned assets at 31 December	(644)	(1,167)
	3,631	2,227
Unrecognised actuarial gain	(1,666)	(1,325)
Present value of obligation due to curtailment/settlement	4,310	9,444
Net liability in the balance sheet at 31 December	6,275	10,346
Movement of liability in year:		
Net liability at 1 January	10,346	3,736
Net expense recognised in profit and loss for the year	1,454	8,827
Contributions	(391)	(2,217)
Payments due to curtailment/settlement	(5,134)	-
Net liability at 31 December	6,275	10,346
Service costs	247	682
Interest cost	244	620
Return on investment	(63)	(128)
Amortisation of net loss from earlier periods	69	208
Amortisation of net asset at transition	-	-
Net Periodic Pension Cost	497	1,382
Extra charge due to termination benefit payments	957	-
Losses on curtailments and settlements	-	7,445
Net expense recognised in profit and loss for the year	1,454	8,827

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 10bn 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 for the year ended 31 December 2000 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 2001	31 December 2000
	(Drs in millions)	
Present value of unfunded obligation at 31 December	25,938	23,549
Unrecognised past service cost	-	(307)
Unrecognised actuarial loss	(5,166)	(3,056)
Net liability in the balance sheet at 31 December	20,772	20,186
Movement of liability in year:		
Net liability at 1 January	20,186	18,406
Net expense recognised in profit and loss for the year	2,855	2,836
Benefits paid	(3,409)	(1,056)
Extra termination benefits	1,140	-
Net liability at 31 December	20,772	20,186
Service costs	1,418	1,332
Interest cost	1,364	1,342
Amortisation of net loss from earlier periods	73	162
Amortisation of net asset at transition	-	-
Regular P&L charge	2,855	2,836
Extra termination benefits	1,140	-
Net expense recognised in profit and loss for the year	3,995	2,836

Extra termination benefits relate to additional benefits offered by the Company during the year as an incentive for early retirement.

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 6,746 million for the year ended 31 December 2000 is the long term portion of the liability outstanding on the purchase of OKTA refinery, Drs 4,394 million (US$ 12m). The liability due within one year is included in current liabilities (note 26). The remaining balance of Drs 2,352 relates to a liability arising from capital investment made on behalf of the FYROM government in relation to the acquisition of OKTA. The latter amount has been moved from accruals to long-term liabilities and the comparative was restated. The balance at the end of the year of Drs 3,304 m relates to the closing liability for the aforesaid investment.

	As at 31 December 2001		
	Acquisition of OKTA	Other	Total
	(Drs in millions)		
Balance at the beginning of year	6,746	3,047	9,793
Amounts utilised during the year	-	(365)	(365)
Liability transferred to short term(Note 26)	(4,640)	-	(4,640)
Net exchange differences	246	-	246
Increase in liability	952	-	952
Balance at the end of year	3,304	2,682	5,986

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 2001	31 December 2000
	(Drs in millions)	
Trade payables	70,287	74,544
Other payables	19,108	20,874
Accruals and deferred income	34,268	33,273
	123,663	128,691

Included in other payables is the liability outstanding on the purchase of OKTA refinery, which amounts to US $12m or Drs 4,640 million in 2001 and $10m or Drs 3,644 million in 2000.

27. TAX PAYABLE

	As at	
	31 December 2001	31 December 2000
	(Drs in millions)	
Income taxes	3,769	21,171
	3,769	21,171

Income tax receivable of Drs 10,201m for 2001 (2000: nil) is included in other receivables (Note 20).

28. NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year ended 31 December 2001	Year ended 31 December 2000
	(Drs in millions)	
Operating profit	39,565	105,867
Bad Debt provision	1,268	-
IAS 39 effect	(656)	-
Exceptional gain	-	725
Loss on write-off of investment	-	1,733
Insurance claim amounts not received	-	(1,379)
Impairment loss	2,799	-
Depreciation, depletion, and amortisation	32,995	27,476
(Profit)/Loss on sale of property, plant and equipment	(1,103)	1,141
Increase in pension plan and other long term liabilities	6,000	11,663
Funds generated from operations	80,868	147,226
Change in working capital:		
Increase in inventories	55,547	(40,959)
Increase in accounts receivable and long term assets	29,265	(45,327)
Increase in payables and accrued liabilities	(20,960)	22,060
Payments for pensions (including scheme closure)	(9,268)	(4,512)
	54,584	(68,738)
Net cash inflow from operating activities	135,452	78,488

Interest paid includes an amount of Drs 1,885 million, which was capitalised with the cost of the assets under construction (included in capital expenditure in Note 14). Realised net foreign loss excludes Drs 4,089 million of unrealised exchange loss on syndicated loan facility and Drs 424 million unrealised exchange gain on debtors balances. Unrealised exchange gain of Drs 720 million was capitalised with the cost of assets under construction.

29. CAPITAL COMMITMENTS AND OTHER OBLIGATIONS

Purchase obligations

The Group entered into agreements for the purchase of 8,100 k metric tonnes of crude oil with a one-year mutual option for additional purchases. Of this amount, the Group has purchased 6,178 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 1997. 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.

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

Capital Commitments

The Group is under the contractual obligation to make capital investments at the Aspropyrgos refinery of Drs 18.7 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 9.1 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 3.9 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 33.1 billion in a period of one to five years.

In 1998, Hellenic Petroleum S.A. transferred to the Greek State 85% of the shares it held in DEPA, while it continued to have the option to acquire the shares transferred by 2013. In 1999 the Group's shareholding was reduced from 15% to 12.46% as a result of share capital increases where the Group did not participate. On 31 March 2000 the Group partly exercised its option regarding the increase of the investment in DEPA to 35% for a consideration of Drs35bn.

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 $ 79.1 million to date.
- Refinery upgrade - approximately US $ 40 million in OKTA. As at 31 December 2001 US $ 10.5 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.

DEPA, an associate of the Group, has a number of outstanding commitments on supplier contracts, which totalled approximately Drs 52 billion.

Operating Leases

The group has commitments under operating leases of Drs 0.6 billion within one year (2000, Drs 0.9 billion,), Drs 1.5 billion between one and five years (2000, Drs 4.5 billion), and Drs 1.1 billion over five years (2000, Drs 1.8 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) 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 9.4 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.

31. CONTINGENCIES AND LITIGATION *(continued)*

(iii) 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.

(iv) The Group has not undergone a tax audit for the years ended 31 December 1997 to 2001. The Group has not made a provision for any additional taxes as the amount cannot be estimated with any degree of certainty.

(v) The Group has issued letters of credit in favour of third parties amounting to Drs 17.1 billion mainly for the completion of contracts entered into by the Group.

(vi) 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, it may agree with the Greek refinery to pass its obligation 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 Greek refineries including Hellenic Petroleum are in a better position to supply the Greek market with more competitive prices.

(vii) 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.

(viii) 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. A further amount of Drs 1.6 billion has been recorded as at 31 December 2001.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 Drs 2.8bn. During 2001 the Group applied for Government grants for the construction of the polypropylene and the propylene plants for an amount of Drs 11.5 billion. This grant has been approved and the Group has recorded the amount in deferred income and as receivable.

(ix) 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.

(x) 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. According to the Company's lawyers the ultimate liability if any will be borne by the Government of FYROM base on the provisions of the share purchase Agreement between EL.PET and the Government of FYROM.

(xi) 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. During 2001 the court ruled in favour of the Group but the adverse parties filed an appeal and the final judgment is still pending.

31. CONTINGENCIES AND LITIGATION *(continued)*

(xii) 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.

(xiii) On 6 March, 2001 an amicable agreement was concluded between DEPA and the Russian company Gazexport, relating to an arbitration that was in process for the revision (increase) of natural gas price and for the minimum gas quantities not taken delivery by the Company in 1997. The parties agreed to the increase of gas sale price by 6% effective January 1, 2000. After the above course of events, the International Arbitration procedure was terminated.

During the last quarter, an agreement was reached to pass on this cost to DEPA' s main customer DEH (Public Power Corporation Hellas). Consequently, this was reflected in DEPA' s net income for the period.

(xiv) There are various pending litigations and claims by third parties against DEPA and vice versa. According to the Company's legal department such cases aggregate to approximately Drs 8 billion, of which the Company's lawyers estimate that the Company will have to pay no more than Drs 4.1bn. These amounts will finally increase the cost of land and servitudes.

(xv) Further claims against DEPA by contractors and subcontractors amount to Drs 40.6bn, of which Drs 2.6bn is in arbitration. The Company is unable to predict their outcome. These amounts will finally increase the cost of fixed assets.

32. SUBSEQUENT EVENTS

On 27 February 2002 the Board of Directors proposed for formal approval at the Annual General Meeting a final dividend in respect of the year ended 31 December 2001 of Drs 10,681 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 2001.

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

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

		31 December 2001		31 December 2000	
		Net Income	Shareholders Equity	Net Income	Shareholders Equity
			(Drs in millions)		
Balance as per Greek Consolidated Financial Statements		12,451	477,053	59,492	451,792
1	Replace the provision for statutory indemnities and defined benefit plan with the provision as calculated by the actuarial valuation	5,480	6,116	(597)	636
2	Provide for deferred tax	1,797	10,840	60	9,043
3	Reverse the revaluation of fixed assets and the effect of depreciation taken	334	(19,519)	336	(19,853)
4	Write off of capitalised costs with no future benefit	(850)	(4,823)	(196)	(3,973)
5	Write off of capitalised research and development costs and reversal of related depreciation	(518)	(13,610)	1,990	(13,092)
6	Adjustment of depreciation to conform with the group policy	(78)	729	(51)	807
7	Provision for environmental restorations	-	(372)	-	(372)
8	To reverse the intercompany profit in the ending inventory and fixed assets	797	(1,073)	92	(1,870)
9	Equity accounting	265	1,581	1,819	1,316
10	Other provisions adjustments	546	(3,726)	685	(4,272)
11	Reclassification of the export reserve	765	-	946	-
12	Reclassification of grant from equity to deferred income or liabilities	229	(35,829)	91	(18,999)
13	Income tax for prior years	-	1,257	-	-
14	Other	(21)	519	19	286
15	Minority interest	445	(16,145)	667	(9,685)
16	IPO costs to share premium account	649	(970)	662	(1,619)
17	Devaluation of drachma	-	-	2,518	-
18	Goodwill and depreciation of goodwill	(2,664)	3,860	(2,273)	6,524
19	Exchange gains (timing differences)	(72)	585	(172)	657
20	Dividends payable	-	10,681	-	18,282
21	Different method of stock valuation	162	162	-	-
22	Effect of IAS from 1/1/2001	656	(1,790)	-	-
Balance as per IAS Consolidated Financial Statements		**20,373**	**415,526**	**66,088**	**415,608**

HELLENIC PETROLEUM S.A.

Income Statement

	For the year ended 31 December 2001	31 December 2000
	(Drs in millions)	
Sale proceeds	983,242	1,115,829
Cost of sales	(928,548)	(993,869)
Gross profit	54,694	121,960
Other operating income	5,518	8,880
Selling, distribution and administrative expenses	(31,213)	(32,400)
Research and development	(5,607)	(1,556)
Other operating expense	0	(6,624)
Operating profit	23,392	90,260
Interest and related income	3,969	6,554
Interest expense	(3,694)	(5,770)
Currency exchange gains/(losses)	(4,434)	(5,070)
Income before exceptional items	19,233	85,974
Exceptional items	0	725
Income before tax	19,233	86,699
Taxation – current	(8,105)	(30,826)
Taxation – deferred	882	700
Net income for the year	12,010	56,573

HELLENIC PETROLEUM S.A.

Balance Sheet

	As at 31 December 2001	As at 31 December 2000
	(Drs in millions)	
ASSETS		
Intangible assets	6,722	4,886
Property, plant and equipment	181,705	184,288
Investments in affiliates	145,626	131,159
Investments in securities	8,453	8,453
Deferred tax	7,488	6,606
Loans, advances and long term assets	0	1,799
Total long term assets	349,994	337,191
Inventories	90,435	142,725
Accounts receivable	129,286	132,564
Cash and cash equivalents	55,540	27,451
Total current assets	275,261	302,740
Total assets	625,255	639,931
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	130,833	130,584
Share premium	83,673	83,631
Reserves	171,658	178,529
Total shareholders' equity	386,164	392,744
Long-term debt	24,365	11,085
Pension plans and other long-term liabilities	29,593	33,995
Total long-term liabilities and shareholders' equity	440,122	437,824
Accounts payable and accrued liabilities	105,158	107,616
Tax payable	0	18,425
Current portion of long-term debt	2,061	750
Short-term borrowings	77,914	75,316
Total current liabilities	185,133	202,107
Total liabilities and shareholders' equity	625,255	639,931