# HELLENIC PETROLEUM S.A.

# INTERIM

# IAS CONSOLIDATED FINANCIAL STATEMENTS

# 31 MARCH 2002

**CONTENTS**

COMPILATION REPORT
To the Shareholders of
Hellenic Petroleum S.A.

On the basis of information provided by management, we have compiled in accordance with International Standards on Auditing applicable to compilation engagements, the consolidated balance sheet of Hellenic Petroleum S.A. as at 31 March 2002 and the related consolidated profit and loss account, consolidated statement of changes in equity and consolidated cash flow statement for the period then ended. Management is responsible for these financial statements. We have not audited or reviewed these financial statements and accordingly express no assurance thereon.

28 May 2002
Athens, Greece

## HELLENIC PETROLEUM S.A.

## Interim Consolidated Balance Sheet

| | Notes | As at 31 March 2002 Unaudited | 31 December 2001 Audited |
|---|---|---|---|
| | | (Euro in thousands) | |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets | 10 | 42.385 | 46.450 |
| Property, plant and equipment | 11 | 798.940 | 809.808 |
| Investments in affiliates | 13 | 268.111 | 268.135 |
| Investment in securities | 14 | 25.125 | 25.139 |
| Deferred income tax asset | 15 | 33.590 | 31.812 |
| Loans, advances and long term assets | 16 | 21.291 | 20.704 |
| | | 1.189.442 | 1.202.048 |
| **Current Assets** | | | |
| Inventories | 17 | 424.433 | 304.860 |
| Accounts receivable | 18 | 519.300 | 523.701 |
| Cash and cash equivalents | 19 | 117.001 | 199.833 |
| | | 1.060.734 | 1.028.394 |
| **TOTAL ASSETS** | | 2.250.176 | 2.230.442 |
| **EQUITY AND LIABILITIES** | | | |
| Share capital | 20 | 383.956 | 383.956 |
| Share premium | | 245.555 | 245.555 |
| Reserves | | 617.374 | 589.934 |
| Total equity | | 1.246.885 | 1.219.445 |
| Minority interest | | 46.095 | 47.381 |
| **Non- current liabilities** | | | |
| Long-term debt | 21 | 161.944 | 164.930 |
| Pension plans and other long-term liabilities | 22 | 121.549 | 123.648 |
| | | 283.493 | 288.578 |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | 23 | 350.983 | 362.914 |
| Income Tax payable | 24 | 29.082 | 11.061 |
| Current portion of long-term debt | 21 | 11.933 | 14.756 |
| Short-term borrowings | 21 | 281.705 | 286.307 |
| | | 673.703 | 675.038 |
| **TOTAL EQUITY AND LIABILITIES** | | 2.250.176 | 2.230.442 |

See accompanying notes to the interim consolidated financial statements

**HELLENIC PETROLEUM S.A.**

**Interim Consolidated Income Statement**

| | Notes | For the three months ended 31 March 2002 Unaudited | 31 March 2001 Unaudited |
|---|---|---|---|
| | | (Euro in thousands) | |
| Sale proceeds | | 866.183 | 1.015.921 |
| Sales taxes, excise duties and similar levies | | (114.214) | (125.629) |
| Net proceeds | | 751.969 | 890.292 |
| Cost of sales | | (655.625) | (813.849) |
| Gross profit | | 96.344 | 76.443 |
| Other operating income | | 5.394 | 4.957 |
| Selling, distribution and administrative expenses | 4 | (51.291) | (51.774) |
| Research and development | | (739) | (1.761) |
| Other operating expense | 8 | (3.788) | - |
| Operating profit | | 45.920 | 27.865 |
| Interest and related income | 6 | 2.399 | 4.140 |
| Interest expense | | (3.564) | (5.118) |
| Currency exchange gains/(losses) | | 1.035 | (7.601) |
| Share of net result of affiliated companies | 7 | 115 | (1.385) |
| Operating Income before income tax and minority interests | | 45.905 | 17.901 |
| Taxation – current | | (19.546) | (7.569) |
| Taxation – deferred | 15 | 1.778 | 1.051 |
| Income after taxation | | 28.137 | 11.383 |
| (Income) / loss applicable to minority interest | | (310) | 329 |
| Net income for the period | | 27.827 | 11.712 |
| Earnings per ordinary share (eurocents) | | 10,65 | 4,48 |
| Net income attributable to ordinary shares (Euro in thousands) | | 27.827 | 11.712 |
| Average number of ordinary shares outstanding | | 261.193.799 | 261.168.750 |

See accompanying notes to the interim consolidated financial statements

**HELLENIC PETROLEUM S.A.**

**Interim Consolidated Statement of Changes in Equity**

| | Tax deferred reserve and partially taxed reserves | Statutory reserve | Retained earnings | Total Reserves | Share capital | Share premium | Total Shareholders' Equity |
|---|---|---|---|---|---|---|---|
| | | | (Euro in thousands) | | | | |
| Balance at 1 January 2001 (Audited) | 195.419 | 30.817 | 364.792 | 591.028 | 383.225 | 245.432 | 1.219.685 |
| Restatement in accordance with IAS 39 | - | - | (7.178) | (7.178) | - | - | (7.178) |
| Net income for three months (Unaudited) | - | - | 11.712 | 11.712 | - | - | 11.712 |
| Translation exchange difference | - | - | 161 | 161 | - | - | 161 |
| Balance at 31 March 2001 (Unaudited) | 195.419 | 30.817 | 369.487 | 595.723 | 383.225 | 245.432 | 1.224.380 |
| Net income for nine months (Unaudited) | - | - | 48.076 | 48.076 | - | - | 48.076 |
| Dividends | - | - | (53.652) | (53.652) | - | - | (53.652) |
| Translation exchange differences | - | - | 480 | 480 | - | - | 480 |
| Transfers between reserves | 32.129 | 8.191 | (40.320) | - | - | - | - |
| Transfer from reserves to share capital (rounding for euro translation) | - | - | (693) | (693) | 693 | - | - |
| Management share option scheme- exercise of rights | - | - | - | - | 38 | 123 | 161 |
| Balance at 31 December 2001 (Audited) | 227.548 | 39.008 | 323.378 | 589.934 | 383.956 | 245.555 | 1.219.445 |
| Net income for three months (Unaudited) | - | - | 27.827 | 27.827 | - | - | 27.827 |
| Translation exchange differences | - | - | (387) | (387) | - | - | (387) |
| Balance at 31 March 2002 (Unaudited) | 227.548 | 39.008 | 350.818 | 617.374 | 383.956 | 245.555 | 1.246.885 |

See accompanying notes to the interim consolidated financial statements

## HELLENIC PETROLEUM S.A.

### Interim Consolidated Cash Flow Statement

| | For the three months ended | |
|---|---|---|
| | 31 March 2002 | 31 March 2001 |
| | Unaudited | Unaudited |
| | (Euro in thousands) | |
| **Income before taxation** | **45.905** | **17.901** |
| *Adjustments for:* | | |
| Depreciation and amortisation | 29.210 | 22.594 |
| Share of result of affiliate | (115) | 1.385 |
| Other provisions | 519 | - |
| Loss/ (profit) on sales of property, plant and equipment | 282 | (279) |
| Increase in pension plan and other long term liabilities | 7.658 | 3.519 |
| Amortisation of grants | (2.024) | - |
| Foreign exchange gain | (1.035) | 7.601 |
| Interest and related income | (2.399) | (4.140) |
| Interest expense | 3.564 | 5.118 |
| *Operating profit before working capital changes* | 81.565 | 53.699 |
| (Increase) / decrease in inventories | (119.573) | 17.720 |
| Decrease in accounts receivable and long term assets | 2.447 | 84.173 |
| Decrease in payables and accrued liabilities | (9.131) | (96.616) |
| Payments for pensions (including scheme closure) | (9.511) | - |
| *Cash generated from operations* | (54.203) | 58.976 |
| Realised net foreign exchange gain | 2.682 | 3.633 |
| Interest paid | (5.095) | (6.327) |
| Interest received | 2.399 | 4.141 |
| Taxation paid | (1.525) | (637) |
| *Net cash from operating activities* | **(55.742)** | **59.786** |
| **Cash flows from investing activities** | | |
| Payments to acquire property, plant and equipment and intangibles | (14.610) | (31.495) |
| Payments to acquire investments in associates except DEPA | - | (426) |
| Proceeds from disposal of fixed assets | 825 | 446 |
| *Net cash used in investing activities* | **(13.785)** | **(31.475)** |
| **Cash flows from financing activities** | | |
| Net movement in long term debt | (6.273) | 13.098 |
| Payments for finance leases | (76) | (114) |
| *Net cash inflow from financing activities* | **(6.349)** | **12.984** |
| **Net increase in cash and cash equivalents (net of overdrafts)** | **(75.876)** | **41.295** |
| Opening balance, cash and cash equivalents (net of overdrafts) | 140.857 | (28.634) |
| Closing balance, cash and cash equivalents (net of overdrafts) | 64.981 | 12.661 |

**HELLENIC PETROLEUM S.A.**

**Interim Consolidated Cash Flow Statement** *(continued)*

| | For the three months ended | |
|---|---|---|
| | 31 March 2002 | 31 March 2001 |
| | Unaudited | Unaudited |
| | (Euro in thousands) | |
| Cash and cash equivalents | 117.001 | 124.247 |
| Overdrafts | (52.020) | (111.586) |
| | 64.981 | 12.661 |

See accompanying notes to the interim consolidated financial statements

## 1. ACCOUNTING PRINCIPLES

Hellenic Petroleum S.A. and its subsidiaries (Hellenic Petroleum or "the Group") a company 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.

The interim consolidated financial statements of Hellenic Petroleum and its subsidiaries (Hellenic Petroleum or "the Group") are prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. The Group believes that its accounting policies are in accordance with current practice in the oil and gas industry and best reflect the economic substance of its business activities.

The same accounting policies and recognition and measurement principles are followed in the interim financial statements as compared with the annual financial statements for the year ended 31 December 2001.

The Company's functional currency is now the Euro. The exchange rate was fixed to 340,75 Greek drachmas per 1 Euro, since 31 December 2000. The financial information in these financial statements is expressed in thousands of Euro. All comparative information has been converted to Euro using the parity of Euro 1 to Drs 340,75.

**Basis of presentation**

The interim financial statements are presented in accordance with International Accounting Standard 34 - Interim Financial Reporting. They include the consolidated financial statements in a condensed format and the interim balance sheet and income statement of the parent company Hellenic Petroleum S.A. (the "Company"). The notes to the consolidated financial statements are condensed but include areas where there have been changes that materially affect the financial statements. The parent company interim balance sheet and income statement do not include notes.

## 2. ANALYSIS BY INDUSTRY SEGMENT AND GEOGRAPHIC ZONE

2a. Analysis by industry segment

**Three months ended 31 March 2002 (Unaudited)**

| | Refining | Marketing | Exploration & production | Petro-chemicals | Engin-eering | Natural gas | Inter segment adjustments | Total |
|---|---|---|---|---|---|---|---|---|
| | | | (Euro in thousands) | | | | | |
| Net Proceeds | 673,797 | 235,703 | 297 | 39,880 | 4,198 | - | (201,906) | 751,969 |
| Depreciation | 15,360 | 2,672 | 57 | 6,694 | 164 | - | - | 24,947 |
| Depletion & amortisation | 1,376 | 2,460 | - | 399 | 28 | - | - | 4,263 |
| Other operating income | 2,648 | 1,019 | 161 | 1,928 | - | - | (362) | 5,394 |
| Other operating expense | - | (3,788) | - | - | - | - | - | (3,788) |
| Operating profit | 47,136 | 1,176 | (1,771) | (230) | (276) | - | (115) | 45,920 |
| Share of result of affiliate | - | - | - | (1,636) | - | 1,751 | - | 115 |
| Net income | 33,211 | (2,062) | (1,879) | (2,913) | (312) | 1,751 | 31 | 27,827 |

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

**Three months ended 31 March 2001 (Unaudited)**

| | Refining | Marketing | Exploration & production | Petro-chemicals | Engin-eering | Natural gas | Inter segment adjustments | Total |
|---|---|---|---|---|---|---|---|---|
| | | | (Euro in thousands) | | | | | |
| **Net Proceeds** | 815.603 | 265.051 | 358 | 34.383 | 5.931 | - | (231.034) | 890.292 |
| Depreciation | 13.039 | 2.474 | 208 | 2.817 | 185 | - | - | 18.723 |
| Depletion & amortisation | 1.341 | 2.442 | - | 56 | 32 | - | - | 3.871 |
| Other operating income | 3.555 | 1.247 | 6 | 293 | - | - | (144) | 4.957 |
| Operating profit | 33.867 | (2.600) | (2.929) | (1.972) | 1.021 | - | 478 | 27.865 |
| Share of income/ (loss) of associate | - | - | - | 519 | - | (1.904) | - | (1.385) |
| Net income | 16.336 | (913) | (2.674) | (596) | 493 | (1.905) | 971 | 11.712 |

The inter segment adjustments reflect transactions between the segments.

2b. Analysis by geographic zone

| | Three months ended 31 March 2002 Unaudited | 31 March 2001 Unaudited |
|---|---|---|
| | (Euro in thousands) | |
| Inland market sales | 648.157 | 706.993 |
| International market sales | 103.812 | 183.299 |
| | 751.969 | 890.292 |

**3. ACQUISITIONS AND INVESTMENTS**

a. On 12 November 1999 the Group acquired 75% of Global S.A. Albania. The goodwill on acquisition amounted to € 4.346 thousands and is being amortised over five years. Global S.A. has been consolidated in the Group since 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, which arose as part of the acquisition of the extra 11%, was Drs 255 million and is also being amortised over five years. During 2000, Elda ShPK was established to undertake the Group's retail activities in Albania. This company has been consolidated in the Group since the year ended 31 December 2000. During 2001, Global SA proceeded with a share capital increase. The minority interest decided in 2002 not to participate and ELPE SA increased its shareholding in Global to 99,96 %. This resulted in negative goodwill of € 357 thousands and was netted off with positive goodwill from prior acquisitions.

b. During 2000, 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

## 3. ACQUISITIONS AND INVESTMENTS (*continued*)

associated with the project. The Group has fully reimbursed OMV for its share of past costs, as of 31 March 2001. The joint arrangement between the Group and OMV regarding Iran has not proceeded. All contractual commitments of the Group have been fulfilled and no further charges are expected.

During 2001 the Group together with Sipetrol participated in a bid for three exploration areas in Libya, and also for another bid for exploration areas in Egypt. The Group has paid all cash calls made up to 31 December 2001.

c. 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 period and its assets have been consolidated as at 31 March 2002.

d. During 2002, Hellenic Petroleum, Tractebel and Aegek entered into an agreement to cooperate for the development, financing, construction and operation of a combined cycle cogeneration plant, which will have an installed capacity of 390 MW and be located in Thessaloniki, Greece.

## 4. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

| | Three months ended | |
|---|---|---|
| | 31 March 2002<br>Unaudited | 31 March 2001<br>Unaudited |
| | (Euro in thousands) | |
| Selling and distribution expenses | 27.695 | 26.113 |
| Administrative expenses | 23.596 | 25.661 |
| | 51.291 | 51.774 |

## 5. DEPRECIATION, DEPLETION AND AMORTISATION

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

| | Three months ended | |
|---|---|---|
| | 31 March 2002<br>Unaudited | 31 March 2001<br>Unaudited |
| | (Euro in thousands) | |
| Cost of sales | 20.248 | 14.500 |
| Selling distribution and administrative expenses | 8.960 | 8.088 |
| Research and development | 2 | 6 |
| | 29.210 | 22.594 |

## 6. INTEREST AND RELATED INCOME

| | Three months ended | |
|---|---|---|
| | 31 March 2002<br>Unaudited | 31 March 2001<br>Unaudited |
| | (Euro in thousands) | |
| Interest income | 2.097 | 2.576 |
| Interest from trade receivables | 302 | 1.564 |
| | 2.399 | 4.140 |

## 7. SHARE OF NET RESULT OF AFFILIATED COMPANIES

The amounts represent the net loss from associated companies accounted for on an equity basis.

| | Three months ended | |
|---|---|---|
| | 31 March 2002 Unaudited | 31 March 2001 Unaudited |
| | (Euro in thousands) | |
| Volos Pet Industries A.E. | (1.636) | 519 |
| Public Natural Gas Corporation of Greece (DEPA) | | |
| - share of profit / (loss) | 622 | (3.037) |
| - amortization of negative goodwill | 1.129 | 1.133 |
| | 115 | (1.385) |

## 8. OTHER OPERATING EXPENSE.

The amount of € 3.788 thousands for 2002 is the amount charged to the income statement, as a result of the termination of the defined benefit pension scheme as described in Note 22.

## 9. EMPLOYEE EMOLUMENTS AND NUMBERS

| | Three months ended | |
|---|---|---|
| (a) Emoluments | 31 March 2002 Unaudited | 31 March 2001 Unaudited |
| | (Euro in thousands) | |
| Remuneration | 32.462 | 27.792 |
| Social security contribution | 6.236 | 5.482 |
| Pensions and similar obligations | 6.695 | 2.227 |
| Other benefits | 2.735 | 2.142 |
| Total | 48.128 | 37.643 |

Included in the total balance of € 6.695 thousands in pensions and similar obligations for the three months ended 31 March 2002 is an amount of € 3.788 thousands arising from the termination of the defined benefit scheme as described in note 22.

(b) Average numbers of employees

| | | |
|---|---|---|
| Refining | 2.995 | 2.942 |
| Marketing | 773 | 907 |
| Exploration and production | 64 | 88 |
| Petrochemicals | 420 | 384 |
| Engineering | 189 | 189 |
| Total | 4.441 | 4.510 |

## 10. 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 March 2002 (Unaudited)** | | | |
|---|---|---|---|---|---|---|
| | Refining | Marketing | Exploration & Production | Petro-Chemicals | Engineering | Total |
| | | | (Euro in thousands) | | | |
| **Cost** | | | | | | |
| Balance at 1 January 2002 | 31.765 | 49.042 | 8.561 | 13.077 | 320 | 102.765 |
| Capital expenditure | 397 | - | - | 7 | 159 | 563 |
| Sales, retirements and other movements | (12) | (729) | - | (59) | (62) | (862) |
| Balance at 31 March 2002 | 32.150 | 48.313 | 8.561 | 13.025 | 417 | 102.466 |
| **Amortisation** | | | | | | |
| Balance at 1 January 2002 | 15.143 | 31.375 | 8.561 | 1.124 | 112 | 56.315 |
| Charge for the period | 1.376 | 2.460 | - | 399 | 28 | 4.263 |
| Sales, retirements and other movements | (12) | (364) | - | (59) | (62) | (497) |
| Balance at 31 March 2002 | 16.507 | 33.471 | 8.561 | 1.464 | 78 | 60.081 |
| **Net book value 31 March 2002** | **15.643** | **14.842** | **-** | **11.561** | **339** | **42.385** |

| | | | **31 December 2001 (Audited)** | | | |
|---|---|---|---|---|---|---|
| | Refining | Marketing | Exploration & Production | Petro-Chemicals | Engineering | Total |
| | | | (Euro in thousands) | | | |
| **Cost** | | | | | | |
| Balance at 1 January 2001 | 27.809 | 48.778 | 8.561 | 1.963 | 346 | 87.457 |
| Capital expenditure | 3.956 | 264 | - | 11.815 | 188 | 16.223 |
| Sales, retirements and other movements | - | - | - | (701) | (214) | (915) |
| Balance at 31 December 2001 | 31.765 | 49.042 | 8.561 | 13.077 | 320 | 102.765 |
| **Amortisation** | | | | | | |
| Balance at 1 January 2001 | 9.655 | 21.417 | 346 | 1.558 | 205 | 33.181 |
| Charge for the year | 5.488 | 9.958 | - | 267 | 114 | 15.827 |
| Sales, retirements and other movements | - | - | - | (701) | (207) | (908) |
| Impairment | - | - | 8.215 | - | - | 8.215 |
| Balance at 31 December 2001 | 15.143 | 31.375 | 8.561 | 1.124 | 112 | 56.315 |
| **Net book value 31 December 2001** | **16.622** | **17.667** | **-** | **11.953** | **208** | **46.450** |

## 11. 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 March 2002 (Unaudited) | | | | | |
|---|---|---|---|---|---|---|
| | Refining | Marketing | Exploration & Production | Petro-Chemicals | Engineering | Total |
| | (Euro in thousands) | | | | | |
| **Cost** | | | | | | |
| Balance at 1 January 2002 | 985.511 | 177.646 | 13.423 | 275.008 | 11.704 | 1.463.292 |
| Capital expenditure | 12.299 | 2.254 | - | 605 | 7 | 15.165 |
| Sales, retirements and other movements | (398) | (1.464) | - | - | (21) | (1.883) |
| Currency translation effects | - | (95) | - | - | - | (95) |
| Balance at 31 March 2002 | 997.412 | 178.341 | 13.423 | 275.613 | 11.690 | 1.476.479 |
| **Accumulated depreciation** | | | | | | |
| Balance at 1 January 2002 | 490.183 | 85.165 | 11.345 | 63.431 | 3.360 | 653.484 |
| Charge for the period | 15.360 | 2.672 | 58 | 6.694 | 163 | 24.947 |
| Sales, retirements and other movements | - | (876) | - | - | (16) | (892) |
| Balance at 31 March 2002 | 505.543 | 86.961 | 11.403 | 70.125 | 3.507 | 677.539 |
| **Net book value 31 March 2002** | **491.869** | **91.380** | **2.020** | **205.488** | **8.183** | **798.940** |

| | 31 December 2001 (Audited) | | | | | |
|---|---|---|---|---|---|---|
| | Refining | Marketing | Exploration & Production | Petro-Chemicals | Engineering | Total |
| | (Euro in thousands) | | | | | |
| **Cost** | | | | | | |
| Balance at 1 January 2001 | 890.468 | 162.926 | 13.417 | 261.062 | 11.555 | 1.339.428 |
| Capital expenditure | 96.772 | 19.169 | 6 | 14.025 | 258 | 130.230 |
| Sales, retirement and other movements | (1.729) | (5.115) | - | (79) | (109) | (7.032) |
| Currency translation effects | | 666 | | | | 666 |
| Balance at 31 December 2001 | 985.511 | 177.646 | 13.423 | 275.008 | 11.704 | 1.463.292 |
| **Accumulated depreciation** | | | | | | |
| Balance at 1 January 2001 | 433.332 | 75.974 | 10.873 | 51.839 | 2.747 | 574.765 |
| Charge for the year | 58.474 | 10.647 | 472 | 11.668 | 722 | 81.983 |
| Sales, retirement and other movements | (1.623) | (1.438) | - | (76) | (109) | (3.246) |
| Currency translation effects | - | (18) | - | - | - | (18) |
| Balance at 31 December 2001 | 490.183 | 85.165 | 11.345 | 63.431 | 3.360 | 653.484 |
| **Net book value 31 December 2001** | **495.328** | **92.481** | **2.078** | **211.577** | **8.344** | **809.808** |

## 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:

| | As at | | |
|---|---|---|---|
| | 31 March 2002 Unaudited | 31 December 2001 Audited | 31 March 2001 Unaudited |
| | | (Euro in thousands) | |
| Charges to related parties | 104.644 | 419.856 | 109.262 |
| Charges from related parties | 10.741 | 13.136 | 4.197 |
| Balances due from related parties | 36.731 | 39.519 | 28.851 |
| Balances due to related parties | 2.968 | 2.858 | 1.024 |
| Charges for directors' remuneration | 536 | 2.286 | 387 |

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) | Associate |
| (g) | Volos Pet Industries A.E. | Associate |
| (h) | OMV Aktiengesellschaft | Joint venture |
| (i) | Athens Airport Fuel Pipeline Company S.A. | Associate |
| (j) | Directors' remuneration: - | |

Salaries and fees for the 52 members (March 2001: 47 members) of the Board of Directors of the Company and its subsidiaries for the three months ended 31 March 2002 and the three months ended 31 March 2001 are € 536 thousands and € 387 thousands respectively.

## 13. INVESTMENTS IN AFFILIATES (EQUITY OR COST ACCOUNTED)

| | Method of account | Ownership Percentage | As at 31 March 2002 Unaudited | As at 31 December 2001 Audited |
|---|---|---|---|---|
| | | | (Euro in thousands) | |
| Public Natural Gas Corporation of Greece (DEPA) | Equity | 35 | 252.800 | 251.049 |
| EANT | Cost | 13 | 18 | 18 |
| Volos Pet Industries A.E. | Equity | 35 | 10.226 | 11.862 |
| DEP A.E.-THRAKI Joint Venture | Cost | 25 | 3.032 | 3.014 |
| Algre A.E. | Cost | 35 | 41 | 41 |
| Athens Airport Fuel Pipeline Company A.E. | Cost | 34 | 1.796 | 1.796 |
| Spata Aviation Fuel Company S.A. (SAFCO) | Cost | 25 | 192 | 349 |
| Other | Cost | - | 6 | 6 |
| | | | 268.111 | 268.135 |

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 € 90.694 thousands arose. ELPE still has the option to further increase its shareholding in DEPA. 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 € 1.464 thousands.

| | As at 31 March 2002 Unaudited | As at 31 December 2001 Audited |
|---|---|---|
| | (Euro in thousands) | |
| Share of net assets | 332.986 | 332.364 |
| Negative goodwill (net of amortisation 2002: € 5.645k; 2001: €4.516k) | (80.186) | (81.315) |
| Total | 252.800 | 251.049 |

**Other Participating Interests**

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

| | As at 31 March 2002 | As at 31 December 2001 |
|---|---|---|
| | *Ownership Percentage* | |
| Enterprise oil exploration limited (Ioannina) | 16.67% | 16,67% |
| OMV (Albania) | 49,00% | 49,00% |
| OMV (Iran) | 30,00% | 30,00% |
| Sipetrol (Libya) | 49.50% | 49.50% |
| Sipetrol (Egypt) | 49.50% | - |

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

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

**Other Participating Interests**

During 2001 and 2002 explorations in NW Peloponnesos and Ioannina respectively stopped, the licensed areas will be returned to the Greek State and the joint exploration arrangements will dissolve.

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.

The joint arrangement between the Group and OMV regarding Iran has not proceeded. All contractual commitments of the Group have been fulfilled and no further charges are expected.

During 2001, the Group together with Sipetrol, participated in a bid for two onshore and one offshore exploration areas in Libya; and in another bid for exploration areas in Egypt. The Group has already paid its share of the cash calls made up to 31 March 2002, 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.

## 14. INVESTMENTS IN SECURITIES

| | As at | |
|---|---|---|
| | 31 March 2002<br>Unaudited | 31 December 2001<br>Audited |
| | (Euro in thousands) | |
| **Available for sale securities** | | |
| Shares –unlisted | 318 | 332 |
| **Loans & Receivables originated by the enterprise** | | |
| Government bonds | 24.807 | 24.807 |
| **Total securities** | **25.125** | **25.139** |

## 15. TAXATION

| **Deferred tax** | Net asset/(liability) | |
|---|---|---|
| | As at | |
| | 31 March 2002<br>Unaudited | 31 December 2001<br>Audited |
| | (Euro in thousands) | |
| At 1 January | 31.812 | 26.538 |
| Credit for the period / year | 1.778 | 5.274 |
| At period / year end | 33.590 | 31.812 |
| Provision for bad debts | 10.353 | 8.481 |
| Intangible and fixed assets | 21.033 | 19.906 |
| Other temporary differences | 1.822 | 3.043 |
| Environmental provision | 382 | 382 |
| | 33.590 | 31.812 |

**15. TAXATION *(continued)***

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

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 an income of € 755 thousands for the period ended 31 March 2002 (expense € 296 thousands, 31 March 2001) with a related deferred tax asset of € 22.090 thousands as at 31 March 2002 (€ 21.335 thousands, 31 December 2001).

**16. LOANS, ADVANCES AND LONG TERM ASSETS**

| | As at | |
|---|---|---|
| | 31 March 2002<br>Unaudited | 31 December 2001<br>Audited |
| | (Euro in thousands) | |
| Loans and advances | 11.544 | 10.565 |
| Other long-term assets | 9.747 | 10.139 |
| | 21.291 | 20.704 |

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

**17. INVENTORIES**

| | As at | |
|---|---|---|
| | 31 March 2002<br>Unaudited | 31 December 2001<br>Audited |
| | (Euro in thousands) | |
| Crude oil | 122.015 | 72.854 |
| Refined products and semi-finished products | 226.174 | 155.677 |
| Petro-chemicals | 12.854 | 12.003 |
| Consumable materials | 63.390 | 64.326 |
| | 424.433 | 304.860 |

**18. ACCOUNTS RECEIVABLE**

| | As at | |
|---|---|---|
| | 31 March 2002<br>Unaudited | 31 December 2001<br>Audited |
| | (Euro in thousands) | |
| Trade receivables | 354.001 | 361.485 |
| Other receivables | 148.428 | 147.933 |
| Deferred charges and prepayments | 16.871 | 14.283 |
| Total | 519.300 | 523.701 |

## 19. CASH AND CASH EQUIVALENTS

| | As at | |
|---|---|---|
| | 31 March 2002 Unaudited | 31 December 2001 Audited |
| | (Euro in thousands) | |
| Cash at bank and in hand | 75.095 | 58.395 |
| Cash equivalents | 41.906 | 141.438 |
| Total cash and cash equivalents | 117.001 | 199.833 |

## 20. SHARE CAPITAL AND ADDITIONAL PAID IN CAPITAL

| | As at | |
|---|---|---|
| | 31 March 2002 Unaudited | 31 December 2001 Audited |
| Number of ordinary shares | 261.193.799 | 261.193.799 |
| Nominal value (Euro in thousands) | 383.956 | 383.956 |

The Company transferred an amount of Drs 235 million (€ 693 thousands) 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).

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 (€ 6,49) each.

As of March 31, 2002, management has options to acquire 60.628 more shares within the next five years at the above price.

## 21. DEBT

| | As at | |
|---|---|---|
| | 31 March 2002 Unaudited | 31 December 2001 Audited |
| | (Euro in thousands) | |
| **Short-term debt** | | |
| Overdrafts | 52.020 | 58.976 |
| Syndicated Loan facility | 229.253 | 226.938 |
| Subtotal | 281.273 | 285.914 |
| Capitalised lease obligations | 432 | 393 |
| Short-term borrowings | 281.705 | 286.307 |
| Current portion of bank loans | 10.950 | 14.756 |
| Current portion of other long term loans | 983 | - |
| | 293.638 | 301.063 |

**21.DEBT** ***(continued)***

| | As at | |
|---|---|---|
| | 31 March 2002 Unaudited | 31 December 2001 Audited |
| | (Euro in thousands) | |
| **Long-term debt** | | |
| Bank loans | 156.276 | 159.137 |
| Other loans | 160 | 170 |
| Subtotal | 156.436 | 159.307 |
| Capitalised lease obligations | 5.508 | 5.623 |
| Subtotal | 161.944 | 164.930 |
| Due within one year | 11.933 | 14.756 |
| Total long-term | 173.877 | 179.686 |
| The aggregate maturities of long-term debt are: | | |
| Due after more than five years | 67.589 | 75.483 |
| Due between one and five years | 88.817 | 83.824 |
| Long-term portion | 156.406 | 159.307 |
| Due within one year | 11.933 | 14.756 |
| | 168.339 | 174.063 |

Most of the Group's debt is denominated in Euro, with a smaller amount denominated in US dollars.

**22. RETIREMENT BENEFITS, PENSION PLANS AND OTHER LONG TERM LIABILITIES**

| | As at | |
|---|---|---|
| | 31 March 2002 Unaudited | 31 December 2001 Audited |
| | (Euro in thousands) | |
| Retirement benefits, pensions and similar obligations | 77.125 | 79.375 |
| Government advances | 25.614 | 25.614 |
| Environmental costs | 1.092 | 1.092 |
| Other | 17.718 | 17.567 |
| | 121.549 | 123.648 |

**Retirement benefits, pensions and similar obligations**

The group took the decision to terminate the defined benefit scheme of its retail subsidiary EKO ELDA effective June 30, 2002 converting all rights to a new defined contribution scheme. The company has estimated the cost of conversion to be approximately € 12,7 million, to be paid in three instalments over the next two years. The group's financial statements have been adjusted to reflect this liability. The resulting charge to the income statement due to termination is € 3.788 thousands and is separately disclosed as other operating expense. This liability has not been discounted since the effect would not be material.

**Government advances**

The € 25.614 thousands 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.

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

**Environmental costs**

A provision of € 1.092 thousands 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.

**Other**

Included in the balance of € 17.718 thousands as at 31 March 2002 is the closing liability arising from capital investment made on behalf of the FYROM government in relation to the acquisition of OKTA, € 9.696 thousands (2001, € 9.696 thousands).

## 23. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | As at | |
|---|---|---|
| | 31 March 2002 Unaudited | 31 December 2001 Audited |
| | (Euro in thousands) | |
| Trade payables | 172.110 | 206.272 |
| Other payables | 40.620 | 56.076 |
| Accruals and deferred income | 138.254 | 100.566 |
| | 350.984 | 362.914 |

Included in the balance of € 40.620 thousands as at 31 March 2002 is the short-term portion of the liability outstanding on the purchase of OKTA refinery, € 13.850 thousands (2001: € 13.632 thousands).

## 24. INCOME TAX PAYBLE

| | As at | |
|---|---|---|
| | 31 March 2002 Unaudited | 31 December 2001 Audited |
| | (Euro in thousands) | |
| Income taxes | 29.082 | 11.061 |

## 25. CAPITAL COMMITMENTS AND OTHER OBLIGATIONS

**Purchase obligations**

The Group entered into agreements for the purchase of 8,150 k metric tonnes of crude oil with a one-year mutual option for additional purchases. Of this amount, the Group has purchased 1,494 k metric tonnes to 31 March 2002. The purchase prices are based on the officially listed prices of BRENT or PLATT' s MARKETWIRE.

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 $ 83.3 million to date.
- Refinery upgrade - approximately US $ 40 million in OKTA. As at 31 December 2001 US $ 11.4 million has been spent by OKTA against the budget for the modernisation of its refinery facilities.
- Retail stations - approximately US $ 20 million in OKTA.

DEPA, an associate of the Group, has a number of outstanding commitments on supplier contracts, which totalled approximately € 153 million.

**26. CONTINGENCIES AND LITIGATION**

(i) The Government has advanced the Group € 43.434 thousands to undertake research and exploration, as determined by the Law 367/1976. A portion of the amount received € 25.532 thousands 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 € 17.902 thousands 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 € 27.586 thousands 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.

(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) A tax audit is in process for the years ended 31 December 1997 to 2000. The Group has not undergone a tax audit for the year ended 31 December 2001 and the three months ended 31 March 2002. 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 € 50.183 thousands mainly for the completion of contracts entered into by the Group.

(vi) In October 2001, the EU Court of Justice judged that the existing oil stock regime in Greece distorts competition. The decision did not criticize the storage at refineries as such, but took a view that the system gives an advantage to Greek refineries because the marketing companies are encouraged to obtain supplies from national refineries, which offer them storage facilities. Therefore a new 'oil market law' has been designed to change the technical details of stock obligations and stock management. The importers and refineries will be responsible for keeping oil stocks corresponding to 85 days of their sales and the marketing companies 5 days of their sales. If the marketers or end-users want to import oil, they have to meet the 90-day obligation for the imported quantity. They can keep their stocks either by building their own facilities or by renting facilities from the refineries with a regulated access tariff. With the new legislation the matter is resolved according to the decision of European Court concerning the handling of oil stocks.

Management expects that any amendment of Greek law 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 € 6.750 thousands in deferred income. A further amount of € 4.695 thousands 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 € 8.217 thousands. During 2001 the Group applied for Government grants for the construction of the polypropylene and the propylene plants for an amount of € 33.749 thousands. This grant has been approved and the Group has recorded the amount in deferred income and as receivable.

(ix) Since acquisition date of OKTA refinery, there is no specific environmental liability concerning OKTA. Should such a liability arise to restore environmental damage that occurred prior to acquisition, this will be borne by the government of FYROM, according to the terms of the Share Purchase and Concession Agreement.

**26. CONTINGENCIES AND LITIGATION** *(continued)*

(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. 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 (€ 10.271 thousands), 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.

(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. 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) There are various litigations and claims against DEPA by third parties (civilians) arising from the expropriation of land in order to install the main pipeline system. The claims relate to an upward adjustment of the price assessed to expropriated land. According to the company's legal department such cases aggregate to approximately € 23 million, from which it is estimated that the company will have to pay no more than € 12,03 million. These amounts will finally increase the cost of land and servitudes.

(xiv) As at 31 March 2002 there were numerous claims filed by contractors and subcontractors against DEPA and vice versa. Most of contractors' claims relate to price adjustments and additional works performed during the construction of the project. Any amounts finally paid will increase the cost of project but no amount can be determined at this stage. There are several claims proceeding in courts against the Company for environmental issues and property damages. All such claims are contested by the Company. According to Company's legal department such cases aggregate to approximately € 112 million, however it is not able to predict the final outcome and therefore a provision has not been made in the accompanying consolidated financial statements.

(xv) There are various claims against DEPA by contractors amounting to € 7,6 million relating to additional works performed during the construction of the medium and low-pressure network. The claims are in arbitration and although no settlement has been reached, any amounts paid will increase the cost of the distribution network of DEPA up to € 1,3 million with the remaining increasing the cost of the subsidiaries' related fixed assets.

**27. POST BALANCE SHEET EVENTS**

Triton Hellas S.A. and DEP-EKY S.A. (now Hellenic Petroleum S.A.) as Lessee were granted in 1997 exclusive rights to perform Petroleum Operations in the Patraikos Gulf Contract Area. The participating interest of Hellenic Petroleum was 12%. In November 2001, Triton Hellas decided to withdraw from the Contract Area without performing all the work and Minimum Expenditure Obligations, which were described in the Lease Agreement and the J.O.A. For this reason Triton Hellas S.A. agreed to pay to Hellenic Petroleum the amount of USD 7m. No income has been recorded in these financial statements for this amount.

On April 18, 2002 Hellenic Petroleum S.A. formed a wholly owned subsidiary named ELPE – Poseidon Shipping Company. Through this subsidiary, the group invested USD 5.7m in a tank ship for the transportation of propylene and gas from Aspropyrgos refinery to Salonika refinery.

During 2000, the Group exercised its option regarding the increase of its investment in DEPA to 35%. The Annual General Assembly of Hellenic Petroleum S.A. scheduled for June 11th 2002, will decide on the option that ELPE has to further increase its shareholding in DEPA.

## 28. LIST OF PRINCIPAL CONSOLIDATED SUBSIDIARIES

| | 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. | 99.9% | Albania |
| Elda ShPK | 99.9% | Albania |
| Hellenic Petroleum AG Austria | 100% | Austria |

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

| | | 3 months ended 31 March 2002 (unaudited) Net Income | As at 31 March 2002 (unaudited) Shareholders Equity | 3 months ended 31 March 2001 (Unaudited) Net Income | As at 31 December 2001 (Audited) Shareholders Equity |
|---|---|---|---|---|---|
| | | (Euro in thousands) | | | |
| **Balance as per Greek Consolidated Financial Statements** | | **48.742** | **1.445.998** | **14.726** | **1.400.009** |
| 1 | Difference between the provision for staff leaving indemnity (per Greek legislation) and defined benefit plan with the provision as calculated by the actuarial valuation | (948) | 17.001 | 6.042 | 17.949 |
| 2 | Provision for deferred tax | 1.778 | 33.590 | 1.051 | 31.812 |
| 3 | Reversal of the revaluation of fixed assets and the effect of depreciation taken | 211 | (57.071) | 246 | (57.282) |
| 4 | Write off of capitalised costs with no future benefit | (1.742) | (15.896) | (1.420) | (14.154) |
| 5 | Write off of capitalised research and development costs and reversal of related depreciation | 1.869 | (38.072) | 1.626 | (39.941) |
| 6 | Adjustment of depreciation to conform with the group policy | 11 | 2.150 | (53) | 2.139 |
| 7 | Provision for environmental restorations | - | (1.092) | - | (1.092) |
| 8 | Reversal of the unrealised inter-company profit in the ending inventory and fixed assets | 59 | (3.090) | 616 | (3.149) |
| 9 | Equity accounting (Differences from conversion to IAS of associates' accounts) | (1.621) | 3.019 | (3.451) | 4.640 |
| 10 | Other provisions / adjustments | (126) | (7.363) | (2.163) | (7.246) |
| 11 | Reclassification of the export reserve movement to P&L account | 334 | - | 408 | - |
| 12 | Reclassification of grant from equity to deferred income or liabilities | 51 | (103.311) | 88 | (105.147) |
| 13 | Income tax for the period | (19.486) | (19.486) | (7.568) | - |
| 14 | Other | (70) | 1.453 | 12 | 1.523 |
| 15 | Minority interest | 380 | (46.095) | 508 | (47.381) |
| 16 | IPO costs to share premium account and reversal of related amortisation | 408 | (2.439) | 587 | (2.847) |
| 17 | Goodwill and depreciation of goodwill | (1.998) | 9.330 | (1.969) | 11.328 |
| 18 | Exchange gains (timing differences) | (295) | 1.421 | 2.426 | 1.716 |
| 19 | Dividends payable | - | 31.346 | - | 31.346 |
| 20 | Different method of stock valuation | - | 475 | - | 475 |
| 21 | Effect of IAS 39 from 1/1/2001 | 270 | (4.983) | - | (5.253) |
| **Balance as per IAS Consolidated Financial Statements** | | **27.827** | **1.246.885** | **11.712** | **1.219.445** |

**HELLENIC PETROLEUM S.A.**

**Interim Income Statement**

| | For the three months ended | |
|---|---|---|
| | 31 March 2002 (Unaudited) | 31 March 2001 (Unaudited) |
| | (Euro in thousands) | |
| Sale proceeds | 662.897 | 784.414 |
| Cost of sales | (600.531) | (739.258) |
| Gross profit | 62.366 | 45.156 |
| Other operating income | 4.557 | 3.677 |
| Selling, distribution and administrative expenses | (24.144) | (22.594) |
| Research and development | (739) | (1.761) |
| Operating profit | 42.040 | 24.478 |
| Interest and related income | 1.972 | 3.460 |
| Interest expense | (2.560) | (3.542) |
| Currency exchange losses | 2.189 | (6.380) |
| Net profit before tax | 43.641 | 18.016 |
| Taxation – current | (16.163) | (6.964) |
| Taxation – deferred | 1.198 | 784 |
| Net profit from ordinary activities | 28.676 | 11.836 |

**HELLENIC PETROLEUM S.A.**

## Interim Balance Sheet

| | As at | |
|---|---|---|
| | 31 March 2002 (Unaudited) | 31 December 2001 (Audited) |
| | (Euro in thousands) | |
| **ASSETS** | | |
| **Non-current assets** | | |
| Intangible assets | 19.254 | 19.727 |
| Property, plant and equipment | 519.751 | 533.250 |
| Investments in subsidiaries and associates | 428.583 | 427.369 |
| Other financial assets | 24.807 | 24.807 |
| Deferred tax | 23.173 | 21.975 |
| Loans, advances and long term assets | 76 | - |
| | 1.015.644 | 1.027.128 |
| **Current assets** | | |
| Inventories | 383.956 | 265.400 |
| Accounts receivable | 357.281 | 379.416 |
| Cash and cash equivalents | 92.965 | 162.993 |
| | 834.202 | 807.809 |
| **TOTAL ASSETS** | 1.849.846 | 1.834.937 |
| **EQUITY AND LIABILITIES** | | |
| Share capital | 383.956 | 383.956 |
| Share premium | 245.555 | 245.555 |
| Reserves | 532.438 | 503.765 |
| Total equity | 1.161.949 | 1.133.276 |
| **Non-current liabilities** | | |
| Long-term debt | 69.857 | 71.504 |
| Pension plans and other long-term liabilities | 78.674 | 86.847 |
| | 148.531 | 158.351 |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities | 285.438 | 308.608 |
| Tax payable | 15.866 | - |
| Current portion of long-term debt | 3.294 | 6.048 |
| Short-term borrowings | 234.768 | 228.654 |
| | 539.366 | 543.310 |
| **TOTAL EQUITY AND LIABILITIES** | 1.849.846 | 1.834.937 |