HELLENIC PETROLEUM S.A.

IFRS CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2002

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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 2002 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 2002, and of the consolidated results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

26 February 2003
Athens, Greece

HELLENIC PETROLEUM S.A.

Consolidated Balance Sheet

	Notes	As at 31 December 2002	31 December 2001
		(Euro in thousands)	
ASSETS			
Non-current assets			
Intangible assets	13	135.561	46.450
Property, plant and equipment	14	881.275	809.808
Investments in associates	15	278.258	268.135
Investments in securities	16	18.039	25.139
Deferred income tax asset	17	20.218	31.812
Loans, advances and long term assets	18	23.230	20.704
Total long term assets		1.356.581	1.202.048
Current assets			
Inventories	19	492.853	304.860
Accounts receivable	20	544.266	523.701
Cash and cash equivalents	21	86.889	199.833
		1.124.008	1.028.394
TOTAL ASSETS		2.480.589	2.230.442
EQUITY AND LIABILITIES			
Share capital	22	470.149	383.956
Share premium		245.555	245.555
Reserves		604.331	589.934
Total equity		1.320.035	1.219.445
Minority interest		94.791	47.381
Non- current liabilities			
Long-term debt	24	134.628	164.930
Pension plans and other long-term liabilities	25	137.677	123.648
Deferred income tax liability	17	4.053	-
		276.358	288.578
Current liabilities			
Accounts payable and accrued liabilities	26	397.283	362.914
Tax payable	27	29.812	11.061
Current portion of long-term debt	24	20.175	14.756
Short-term borrowings	24	337.949	286.307
Forward currency contract	29	4.186	-
		789.405	675.038
TOTAL EQUITY AND LIABILITIES		2.480.589	2.230.442

See accompanying notes to the consolidated financial statements

HELLENIC PETROLEUM S.A.

Consolidated Income Statement

	Notes	For the year ended 31 December 2002	31 December 2001
		(Euro in thousands)	
Sale proceeds		3.685.052	3.894.720
Sales taxes, excise duties and similar levies		(499.253)	(517.749)
Net proceeds		3.185.799	3.376.971
Cost of sales		(2.809.720)	(3.069.406)
Gross profit		376.079	307.565
Other operating income	4	36.379	22.248
Selling, distribution and administrative expenses	5	(208.115)	(197.247)
Research and development		(3.677)	(16.455)
Other operating expense	11, 25	(17.949)	-
Operating profit		182.717	116.111
Finance income	7	12.683	13.690
Finance expense	8	(18.173)	(18.594)
Currency exchange gains/(losses)	9	28.660	(18.897)
Share of net result of associated companies	10	9.953	5.376
Operating Income before income tax and minority interests		215.840	97.686
Taxation – current	17	(64.753)	(41.244)
Taxation – deferred	17	(16.720)	5.274
Income after taxation		134.367	61.716
Income applicable to minority interest		(952)	(1.928)
Net income for the year		133.415	59.788
Earnings per ordinary share (Euro)		0,51	0,23
Net income attributable to ordinary shares (Euro in thousands)		133.415	59.788
Average number of ordinary shares outstanding	22	261.193.799	261.170.877
Diluted Earnings per ordinary share (Euro in thousands)		0,51	0,23
Average number of ordinary shares used for Diluted earnings per share		261.279.639	261.231.505

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	Statutory reserve	Retained earnings	Total Reserves	Share capital	Share premium	Total Shareholders' Equity
			(Euro in thousands)				
Balance at 1 January 2001	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 the year	-	-	59.789	59.789	-	-	59.789
Translation exchange difference	-	-	640	640	-	-	640
Transfers between reserves	32.129	8.191	(40.320)	-	-	-	-
Dividends	-	-	(53.652)	(53.652)	-	-	(53.652)
Transfer from reserves to share capital	-	-	(693)	(693)	693	-	
Management share option scheme exercise of rights	-	-	-	-	38	123	161
Balance at 31 December 2001	227.548	39.008	323.378	589.934	383.956	245.555	1.219.445
Net income for the year	-	-	133.415	133.415	-	-	133.415
Translation exchange difference	-	-	(1.482)	(1.482)	-	-	(1.482)
Transfers	75.941	2.384	(78.325)	-	-	-	-
Transfer from reserves to share capital	(63.549)	-	(22.644)	(86.193)	86.193	-	-
Dividends	-	-	(31.343)	(31.343)	-	-	(31.343)
Balance at 31 December 2002	239.940	41.392	322.999	604.331	470.149	245.555	1.320.035

HELLENIC PETROLEUM S.A.

Consolidated Cash Flow Statement

	Note	For the year ended 31 December 2002 Audited	31 December 2001 Audited
		(Euro in thousands)	
Income before taxation		**215.840**	**97.686**
Adjustments for:			
Depreciation and amortisation		111.671	97.810
Share of result of associates		(9.953)	(5.376)
Discounting effect		(1.160)	(1.925)
Other provisions		-	3.721
Impairment loss		-	8.214
Loss/ (profit) on sales of property, plant and equipment		266	(3.237)
Increase in pension plan and other long term liabilities		31.129	17.608
Amortisation of grants		(12.236)	(7.100)
Currency exchange (gain) / loss		(28.660)	18.897
Finance income		(12.683)	(13.690)
Finance expense		18.173	18.594
Operating profit before working capital changes		312.387	231.202
(Increase) / decrease in inventories		(163.314)	163.014
(Increase) / decrease in accounts receivable and long term assets		(43.511)	92.984
Increase / (decrease) in payables and accrued liabilities		31.271	(61.511)
Payments for pensions (including scheme closure)		(20.937)	(27.199)
Cash generated from operations		115.896	398.490
Realised net currency exchange loss		(13.070)	(8.140)
Interest paid		(19.568)	(24.126)
Interest received		12.683	13.690
Minority interest		16.399	12.070
Taxation paid		(17.254)	(122.204)
Net cash flows from operating activities		**95.086**	**269.780**
Cash flows from investing activities			
Payments to acquire property, plant and equipment and intangibles		(119.645)	(145.108)
Payments for the acquisition of investment in subsidiary / associate		(13.680)	(7.868)
Acquisition of subsidiaries net of cash acquired	28	(132.998)	-
Proceeds from disposal of fixed assets		2.394	4.939
Grant received		4.921	-
Dividend received from associate		578	-
Net movement of investments in securities		8.101	-
Net cash flows used in investing activities		**(250.329)**	**(148.037)**
Dividends paid		(31.343)	(53.652)

Consolidated Cash Flow Statement *(continued)*

	Note	For the year ended 31 December 2002 Audited	31 December 2001 Audited
		(Euro in thousands)	
Cash flows from financing activities			
Net proceeds from issue of share capital		-	161
Net movement in long term debt		(15.574)	96.784
Net movement in short term borrowings		101.911	-
Payments for finance leases		(305)	(995)
Receipt of grant for DEPA		-	5.450
Net cash inflow from financing activities		**86.032**	**101.400**
Net (decrease) / increase in cash and cash equivalents (net of overdrafts)		**(100.554)**	**169.491**
Opening balance, cash and cash equivalents (net of overdrafts)		140.857	(28.634)
Closing balance, cash and cash equivalents (net of overdrafts)		40.303	140.857
Cash and cash equivalents	21	86.889	199.833
Overdrafts	24	(46.586)	(58.976)
		40.303	140.857

See accompanying notes to the consolidated financial statements

1. ACCOUNTING POLICIES

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 (Registered Office: 17th klm National Rd Athens – Corinth, 19 300 Aspropyrgos) and prepares consolidated financial statements under both Greek GAAP and International Financial Reporting Standards. These financial statements have been prepared in accordance with International Financial Reporting Standards. The Group believes that these accounting principles, which conform to 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 IFRS financial results and equity position is disclosed on page 34.

The Company's measurement 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 (presentation currency). All comparative information has been converted to Euro using the parity of Euro 1 to Drs 340,75.

The consolidated financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2002 were authorised for issue by the Board of Directors on 26 February 2003. The shareholders of the Company have the power to amend the financial statements after issue.

Basis of consolidation

The consolidated financial statements are presented using consolidation principles consistent with the prior reporting period.

The consolidated financial statements comprise 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.

Subsidiaries are consolidated from the date on which control is transferred to the group and cease to be consolidated from the date on which control is transferred out of the group.

Jugopetrol Kotor AD and BP Cyprus Ltd have been included in the consolidated financial statements using the purchase method of accounting. Accordingly, the consolidated income statements and consolidated cash flow statements include the results and cash flows of Jugopetrol Kotor AD for the two-month period from its acquisition on 30 October 2002.

Minority interests represent the interests in certain subsidiaries that are not held by the group.

Investments in associates

The group's investment in its associates is accounted for under the equity method of accounting. These are entities in which the group has significant influence and which are neither subsidiaries nor joint ventures of the group. The investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the group's share of net assets of the associates, less any impairment in value. The income statement reflects the group's share of the results of operations of the associates. The group's investment in its associate DEPA includes negative goodwill (net of accumulated amortisation) on acquisition, which is treated in accordance with the accounting for goodwill stated below.

Interest in Joint Venture

The group's interest in its joint ventures 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.

Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investments.

After initial recognition, investments that are classified as held for trading and available-for-sale are measured at fair value. Gains or losses on these investments are recognised in income.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

1. ACCOUNTING PRINCIPLES *(continued)*

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.

Derivative Financial Instruments

The Group uses derivative financial instruments such as foreign currency contracts and commodity contracts to hedge its risks associated with foreign currency and certain commodity prices fluctuations. Such derivative financial instruments are stated at fair value.
The fair value of forward commodity contracts is calculated by reference to current market values of forward commodity contracts with similar maturity profiles. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purposes of 'hedge accounting', hedges are classified as either fair value hedges, where they hedge the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges, where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

For derivatives that do not qualify for 'special hedge accounting', any gains or losses arising from changes in fair value are taken directly to net profit or loss for the period.

Accounting for foreign currency translation and transactions

The Group's measurement and presentation currency is the Euro.

Transactions denominated in currencies other than each company's presentation currency are translated into the presentation currency using current exchange rates. Monetary assets and liabilities denominated in other currencies are translated into euro 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.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the acquiring company and are recorded at the exchange rate at the date of the transaction.

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 costs of implementing a new computer software- (SAP) and license fees cost for the use of know-how relating to the new polypropylene plant, which has been capitalised in accordance with IAS 38, Intangible Assets.

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.

1. ACCOUNTING PRINCIPLES *(continued)*

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: 7-15 years,

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

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

— Crude oil Pipeline: 40 years

— LPG carrier: 10 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

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Borrowing costs are capitalised to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset.

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.

1. ACCOUNTING PRINCIPLES *(continued)*

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 disclosed as contingent liabilities until the possibility of loss becomes remote.

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 at the balance sheet date. 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.

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 measured 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.

1. ACCOUNTING PRINCIPLES ***(continued)***

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.

2. ANALYSIS BY INDUSTRY SEGMENT AND GEOGRAPHIC ZONE

2a. Analysis by industry segment

31 December 2002

	Refining	**Marketing**	**Exploration & production**	**Petro-chemicals**	**Engin-eering**	**Natural gas**	**Other**	**Inter segment adjustments**	**Total**
				(Euro in thousands)					
Sales –third party	1.961.864	1.036.479	1.349	176.492	9.615	-	-	-	3.185.799
Sales –inter-segment	858.818	66.533	-	24.192	9.616	-	-	(959.159)	-
Net Proceeds	2.820.682	1.103.012	1.349	200.684	19.231	-	-	(959.159)	3.185.799
Depreciation	65.814	11.957	155	17.078	642	-	-	-	95.646
Depletion & amortisation	6.624	8.136	-	1.131	134	-	-	-	16.025
Other operating income	8.104	4.767	7.620	16.817	4	-	-	(933)	36.379
Other operating expense	5.923	6.092	2.338	3.596	-	-	-	-	17.949
Operating profit	147.325	32.492	(4.586)	16.574	781	-	(1.680)	(8.189)	182.717
Share of result of affiliate	-	90	-	(2.538)	-	12.401	-	-	9.953
Net income	121.513	16.008	(2.219)	(4.108)	(254)	12.401	(1.679)	(8.247)	133.415
Equity accounted investments	4.842	439	-	8.746	-	263.303	928	-	278.258
Capital expenditure	71.141	114.542	50	27.738	277	-	-	-	213,748
Identifiable assets	1.699.739	467.349	22.245	369.909	18.090	263.304	195.128	(555.175)	2.480.589

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

31 December 2001

	Refining	**Marketing**	**Exploration & production**	**Petro-chemicals**	**Engin-eering**	**Natural gas**	**Inter segment adjustments**	**Total**
				(Euro in thousands)				
Sales –third party	2.134.266	1.114.800	1.537	114.339	12.029	-	-	3.376.971
Sales –inter-segment	862.853	42.477	-	19.639	9.875	-	(934.844)	-
Net Proceeds	2.997.119	1.157.277	1.537	133.978	21.904		(934.844)	3.376.971
Depreciation	58.474	10.647	472	11.668	722			81.983
Depletion & amortisation	5.488	9.958	-	267	114	-	-	15.827
Impairment of assets	-	-	8.215	-	-	-	-	8.215
Other operating income	14.266	5.253	270	3.293	20	-	(854)	22.248
Operating profit	118.641	27.149	(20.954)	(13.007)	2.216		2.066	116.111
Share of result of affiliate	-	-	-	2.752	-	2.624	-	5.376
Net income	70.841	11.237	(16.552)	(10.627)	589	2.624	1.676	59.788
Equity accounted investments	-	-	-	11.862	-	251.049	-	262.911
Capital expenditure	100.728	19.434	5	25.840	446	-	-	146.453
Identifiable assets	1.541.796	332.176	21.729	316.998	19.099	251.049	(252.405)	2.230.442

The inter segment adjustments reflect transactions between the segments.

2b. Analysis by geographic zone

	Year ended 31 December 2002	31 December 2001
	(Euro in thousands)	
Inland market sales	2.370.691	2.571.607
International market sales	815.108	805.364
	3.185.799	3.376.971

3. ACQUISITIONS AND INVESTMENTS

a. In November 1999 the Group acquired 75% of Global S.A. in 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 € 748 thousands and is also being amortised over five years. During 2001, Global SA proceeded with a share capital increase. The minority interest decided in 2002 not to participate and the Group increased its shareholding in Global S.A. to 99,96 %. This resulted in negative goodwill of € 357 thousands and was netted off with positive goodwill from prior acquisitions (Note 13).

b. 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 investments of the Group outside Greece. The Company has been consolidated in the Group in the year ended 31 December 2002.

c. In October 2002, Hellenic Petroleum International AG acquired 54,35% of Jugopetrol AD Kotor, a retail company incorporated in Montenegro for a consideration price of € 65 million. Goodwill that arose on this acquisition amounted to € 24 million. According to the Share Purchase Agreement, the consideration price will be adjusted based on the findings of the acquisition audit, which are expected to be finalised in the first half of 2003. The Goodwill calculation will be adjusted accordingly. In addition, a valuation of the property, plant and equipment of the Company is in process as of this date, the results of which will also affect the calculation of Goodwill in the first half of 2003.

d. As of 31 December 2002, Hellenic Petroleum International AG acquired 100% of BP-Cyprus Ltd, a UK company with a retail branch in Cyprus, for a consideration price of € 100.642 thousand. The company subsequently changed its name to Hellenic Petroleum Cyprus Ltd. A preliminary calculation of Goodwill amounted to € 71,2 million. The above consideration price will be amended to take into account the results of the acquired Company for the year ended 31 December 2002. In addition the fair valuation of the net assets of the Company will be completed in the first half of 2003 and this is expected to reduce Goodwill calculated.

For the acquisition of the above two subsidiaries by Hellenic Petroleum International AG, Hellenic Petroleum S.A (the Company) contributed € 165,6 million to its 'holding' subsidiary as capital injection.

e. 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.

f. In April 2002 the Group formed a wholly owned subsidiary, Poseidon Shipping Company. The subsidiary has invested USD 5.7 million in a vessel (tanker) for the transportation of propylene and gas from the Aspropyrgos refinery to the Salonika refinery. The subsidiary has been consolidated in the Group as of its formation date.

g. In August 2002, the Group formed a new subsidiary (99,99% owned), ELEP S.A, whose activities will include the operation of the pipeline for the transfer of crude oil from the Group's Salonica Refinery to OKTA's refinery in Skopje. The Company had no operations in the year and its assets have been consolidated as of 31 December 2002.

h. In the third quarter of 2002, the Group formed two new retail subsidiaries, one in Bulgaria, EKO ELDA BULGARIA EAD and another in Yugoslavia, EKO YU AD -BEOGRAD. The results and net assets of these subsidiaries have been consolidated in the Group as of the date of their establishment.

4. OTHER OPERATING INCOME

	Year ended 31 December 2002	31 December 2001
	(Euro in thousands)	
Income from grants (includes amortisation)	14.319	9.796
Services to third parties	1.942	2.791
Rental income	3.296	3.143
Income from sales of scrap	1.466	4.247
Amounts received by contractors due to failure to meet contractual obligations	13.802	-
	1.554	2.271
	36.379	22.248

5. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

	Year ended 31 December 2002	31 December 2001
	(Euro in thousands)	
Selling and distribution expenses	108.157	99.369
Administrative expenses	99.958	97.878
	208.115	197.247

6. DEPRECIATION, DEPLETION AND AMORTISATION

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

	Year ended 31 December 2002	31 December 2001
	(Euro in thousands)	
Cost of sales	76.667	64.607
Selling distribution and administrative expenses	34.967	33.185
Research and development	37	18
	111.671	97.810

7. FINANCE INCOME

	Year ended 31 December 2002	31 December 2001
	(Euro in thousands)	
Interest income	4.364	6.929
Interest from trade receivables	8.060	6.761
Other related income	259	-
	12.683	13.690

During 2002, a subsidiary of the Group has agreed with one of its significant customers to charge interest on long outstanding balances. An amount of €2,741 thousand has been recorded as interest from trade receivables.

8. FINANCE EXPENSE

	Year ended 31 December 2002	31 December 2001
	(Euro in thousands)	
Total interest incurred	19.107	24.125
Less: Interest capitalised	(934)	(5.531)
	18.173	18.594

9. CURRENCY EXCHANGE GAINS / (LOSSES)

Positive net exchange gains of € 28,7 million for the year ended 31 December 2002 mainly relate to the unrealised exchange gains on the Group's syndicated loan facility, which is denominated in US dollars, as a result of the strengthening of the Euro in relation to the US dollar. In the prior period, 2001, negative net exchange losses arose on the above loan facility, because of the weakening of the drachma in relation to the US dollar.

10. SHARE OF NET RESULT OF ASSOCIATED COMPANIES

The amount represents the net result from the associated companies accounted for on the equity basis.

	Year ended 31 December 2002	31 December 2001
	(Euro in thousands)	
Volos Pet Industries A.E.	(2.538)	2.753
Public Natural Gas Corporation of Greece (DEPA)		
- share of profit / (loss)	7.884	(1.893)
- amortisation of negative goodwill	4.517	4.516
Spata Aviation Fuel Company S.A.	90	-
	9.953	5.376

Included in the share of profit in Volos Pet Industries A.E of € 2.538 thousand for the year ended 31 December 2002 is an amount of € 2.923 thousand relating to prior year expenses.

The Group participates in the Spata Aviation Fuel Company S.A., which was formed in 2000, with 34%. The Company had no operations in 2001.

11. EMPLOYEE EMOLUMENTS AND NUMBERS

(a) Emoluments	Year ended 31 December 2002	31 December 2001
	(Euro in thousands)	
Remuneration	129.507	123.918
Social security contribution	26.663	24.458
Pensions and similar obligations	30.948	15.990
Other benefits	16.774	15.030
Total	203.892	179.396

Included in the total charge of € 30.948 thousand in pensions and similar obligations for the year ended 31 December 2002, is an amount of € 6.092 thousand arising from the termination of the defined benefit scheme and an amount of € 11.857 relating to a correction due to change in estimates used in determining the pension liabilities in prior years (refer to Note 25). The total charge of € 17.949 thousand is separately disclosed as other operating expense in the income statement.

Certain management executives have received options to acquire shares of the Company, exercisable within five years, at prices of Drs 2,212 (€ 6,49) and € 13,06 each, which were determined based on the Company's performance and its share price. Options, which have been granted and not exercised as at 31 December 2002 relate to 65.270 and 20.570 shares respectively.

11. EMPLOYEE EMOLUMENTS AND NUMBERS *(continued)*

(b) Average numbers of employees	Year ended 31 December 2002	31 December 2001
	(Euro in thousands)	
Refining	2.930	2.989
Marketing	1.005	847
Exploration and production	75	74
Petrochemicals	416	424
Engineering	169	189
Total	4.595	4.523

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 2002	31 December 2001
	(Euro in thousands)	
Charges to related parties	621.106	419.856
Charges from related parties	13.113	13.136
Balances due from related parties at 31 December	39.371	39.519
Balances due to related parties at 31 December	1.139	2.858
Charges for directors' remuneration	2.725	2.286

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)	Sipetrol	Joint venture
(j)	Athens Airport Fuel Pipeline Company A.E.	Associate

(k) Directors' remuneration: -

Salaries and fees for the 53 members (2001: 47 members) of the Board of Directors of the Company and its subsidiaries for the years ended 31 December 2002 and 31 December 2001 are € 2.725 thousand and € 2.286 thousand 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 2002					
	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
Acquisition of subsidiaries	-	130	-	-	-	130
Capital expenditure	2.807	95.910	-	5.894	210	104.821
Sales, retirements and other movements	-	(2.068)	(8.561)	-	(62)	(10.691)
Transfers	3.235	-	-	-	-	3.235
Balance at 31 December 2002	37.807	143.014	-	18.971	468	200.260
Amortisation						
Balance at 1 January 2002	15.143	31.375	8.561	1.124	112	56.315
Acquisition of subsidiaries	-	26	-	-	-	26
Charge for the year	6.624	8.136	-	1.131	134	16.025
Sales, retirements and other movements	-	(140)	(8.561)	-	(62)	(8.763)
Transfers	1.096	-	-	-	-	1.096
Balance at 31 December 2002	22.863	39.397	-	2.255	184	64.699
Net Book Value 31 December 2002	**14.944**	**103.617**	**-**	**16.716**	**284**	**135.561**

	31 December 2001					
	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**

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 2002					
	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
Acquisition of subsidiaries	-	110.881	-	-	-	110.881
Capital expenditure	68.334	18.632	50	21.844	67	108.927
Sales, retirement and other movements	(519)	(1.076)	-	(39)	-	(1.634)
Transfers	-	-	-	(3.235)	-	(3.235)
Currency translation effects	3.384	(1.654)	-	-	-	1.730
Balance at 31 December 2002	1.056.710	304.429	13.473	293.578	11.771	1.679.961
Accumulated depreciation						
Balance at 1 January 2002	490.183	85.165	11.345	63.431	3.360	653.484
Acquisition of subsidiaries	-	48.976	-	-	-	48.976
Charge for the year	65.814	11.957	155	17.078	642	95.646
Sales, retirement and other movements	(510)	(353)	-	(39)	-	(902)
Transfers				(1.096)		(1.096)
Currency translation effects	2.621	(43)	-	-	-	2.578
Balance at 31 December 2002	558.108	145.702	11.500	79.374	4.002	798.686
Net Book Value 31 December 2002	**498.602**	**158.727**	**1.973**	**214.204**	**7.769**	**881.275**

	31 December 2001					
	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**

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

(1) The Group has entered into a contract with the Greek Government to create a sports facility on land owned by the Group amounting to €2,9 million. Refer to note 31 (iii).
(2) Capital leases with net book value of € 5,6 million are included within fixed assets as at 31 December 2002 (2001: € 6,2 million).
(3) Interest of € 934 thousand and credit exchange differences of € 2.112 thousand were capitalised in fixed assets during the year ended 31 December 2002, as they relate to borrowings specifically obtained for the financing of construction of assets (December 2001: interest capitalised € 5.531 thousand; debit exchange differences € 2.112 thousand).
(4) During the year ended 31 December 2002, the Group changed the useful economic lives of its new industrial installations (completed in 2001 and 2002) in the refining and petrochemicals segments to 15 years rather than 7-8 years. The net book value of such assets as of 31 December 2001 was € 207,8 million and is now being depreciated, starting 1 January 2002, over their remaining useful economic lives (14 or 15 years respectively).

15. INVESTMENTS IN ASSOCIATES AND OTHER PARTICIPATING INTERESTS

	Method of accounting	Ownership Percentage	As at 31 December 2002	As at 31 December 2001
			(Euro in thousands)	
Public Natural Gas Corporation of Greece (DEPA)	equity	35	263.303	251.049
EANT	cost	13	18	18
Volos Pet Industries A.E.	equity	35	8.746	11.862
DEP A.E.-THRAKI Joint Venture	equity	25	3.028	3.014
Algre A.E.	equity	35	-	41
Athens Airport Fuel Pipeline Company A.E.	equity	34	1.796	1.796
SAFCO	equity	25	439	349
Other	equity	-	928	6
			278.258	268.135

Other Participating Interests

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

	As at 31 December 2002	As at 30 December 2001
	Ownership Percentage	
Enterprise oil exploration limited (Ioannina)	-	16,67%
OMV (Albania)	49,00%	49,00%
OMV (Iran)	30,00%	30,00%
Sipetrol – OSL (Libya)	37,50%	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 in the exploration costs, in accordance with its ownership as shown above. Such costs have been expensed in accordance with the Group's policy.

During 2002 joint explorations with Enterprise Oil Exploration Ltd in Ioannina stopped, the licensed areas returned to the Greek State and the joint exploration arrangement dissolved.

The present joint arrangements the Group had with OMV regarding Iran and with Sipetrol regarding Egypt have 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 onshore and one offshore exploration areas in Libya. On 5 November 2002, the Group and Sipetrol signed an amendment to the joint arrangement for Libya, whereby 12% of the Group's share and 13% of Sipetrol's were transferred to Oil Search Ltd. The Group's new share of 37,5% is effective 1 September 2002. The Group has already paid its share of the cash calls as of 31 December 2002 for the two arrangements; such costs were expensed in accordance with the Group's policy. Management's view is that there are no additional commitments that have not been disclosed.

The joint exploration in Albania has been delayed due to further environmental guarantees required by the Albanian government. Drilling is expected to commence in March and September 2003. The budgeted costs for 2003 are estimated to amount to € 14 million.

16. OTHER FINANCIAL ASSETS

	As at 31December 2002	As at 30 December 2001
	(Euro in thousands)	
Available for sale securities		
Shares –unlisted	1.334	332
Loans & Receivables originated by the enterprise		
Government bonds	16.705	24.807
Total non-trading securities	18.039	25.139

During the year ended 31 December 2002 certain government bonds held by the Group matured.

17. TAXATION

Deferred income tax asset/liability	Net asset/(liability) As at 31 December 2002	Net asset/(liability) As at 31 December 2001
	(Euro in thousands)	
At 1 January	31.812	26.538
(Charge)/credit for year	(16.720)	5.274
Deferred income tax asset of subsidiary acquired	1.073	-
At 31 December	16.165	31.812

The net deferred tax balance relates to the following types of temporary differences:

Provision for bad debts	7.683	8.481
Intangible and fixed assets	16.508	19.906
Other temporary differences	3.208	3.043
Environmental provision	382	382
Unrealised Exchange Gains	(15.971)	-
Losses available to offset against future taxable income	1.511	-
Other provisions	2.844	-
	16.165	31.812
Net deferred income tax liability	4.053	-
Net deferred income tax asset	20.218	31.812

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 a credit of € 6.766 thousand for the year ended 31 December 2002 (credit of €602 thousand, 31 December 2001) with a related deferred tax asset of € 28.101 thousand as at 31 December 2002 (€21.335 thousand, 31 December 2001).

17. TAXATION *(continued)*

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

	Year ended	
	31 December 2002	31 December 2001
	(Euro in thousands)	
Profit before income taxes as reported in the accompanying consolidated statement of income	215.840	97.686
Normalised income tax provision at corporate tax rate	75.660	35.052
Net tax effect of non-taxable income and non tax deductible expenses	16.545	11.501
IFRS adjustments with no tax effect	(12.349)	(10.583)
Deferred tax effect due to change in rate	(90)	-
Carry forward tax losses	1.449	-
Provision for income taxes before fiscal tax audit	81.215	35.970
Prior period taxes	258	-
Provision for income taxes at the effective tax rate	81.473	35.970
Current tax	(64.753)	(41.244)
Deferred tax	(16.720)	5.274
Total	(81.473)	(35.970)

From 2002, with respect to all Greek subsidiaries (non-listed companies) the corporate tax rate has changed to 35% (37,5% in 2001).

18. LOANS, ADVANCES AND LONG TERM ASSETS

	As at	
	31 December 2002	31 December 2001
	(Euro in thousands)	
Loans and advances	11.989	10.565
Other long-term assets	11.241	10.139
	23.230	20.704

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

Loans, advances and long term assets are discounted to present value in accordance with IAS 39: Financial Instruments

19. INVENTORIES

	As at	
	31 December 2002	31 December 2001
	(Euro in thousands)	
Crude oil	186.653	72.854
Refined products and semi-finished products	232.172	155.677
Petro-chemicals	17.800	12.003
Consumable materials	55.458	64.326
Other	770	-
	492.853	304.860

20. ACCOUNTS RECEIVABLE

	As at	
	31 December 2002	31 December 2001
	(Euro in thousands)	
Trade receivables	405.794	361.485
Other receivables	130.708	147.933
Deferred charges and prepayments	7.764	14.283
Total	544.266	523.701

At 31 December 2001, included in other receivables is an amount of € 30 million (31 December 2002: Nil) relating to income tax receivable. This resulted from advances paid as of 31 December 2000, relating to the following year's income tax, being higher than the provision for income tax actually computed for the year ended 31 December 2001.

21. CASH AND CASH EQUIVALENTS

	As at	
	31 December 2002	31 December 2001
	(Euro in thousands)	
Cash at bank and in hand	83.655	58.395
Cash equivalents	3.234	141.438
Total cash and cash equivalents	86.889	199.833

Cash equivalents comprise of short-term deposits (made for varying periods, of less than three months). Such deposits depend on the immediate cash requirement of the Group.

22. SHARE CAPITAL

	As at	
	31 December 2002	31 December 2001
Number of common shares	261.193.799	261.193.799
Nominal value (Euro in thousands)	470.149	383.956

Each share had a nominal value of €1,47 (500,9025 drachmas) at December 31, 2001. The Annual General Assembly of Hellenic Petroleum S.A. approved on June 11, 2002 the capitalisation of reserves for an amount of € 86.193 thousands, with the equivalent increase in the share capital of Hellenic Petroleum S.A. and the related changes to Article 5 of the Articles of Association of the Company. As a result, the nominal value of each share was increased to €1,80.

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 December 31, 2002, management has options to acquire 65.270 shares at a price of Drs 2.212 (€ 6,49) and 20.570 shares at a price of € 13,06 within the next five years.

23. RESERVES

Tax deferred reserves

Tax deferred reserves are retained earnings which have not been taxed as allowed by Greek law under various statutes. Certain of these retained earnings will become liable to tax at the rate prevailing at the time of distribution to shareholders or conversion to share capital. 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. Certain of these retained earnings will be subject to the remaining tax up to the corporate tax rate prevailing at the time of distribution to shareholders or conversion to share capital. 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.

The capitalisation of certain tax deferred reserves during the year ended 31 December 2002 gave rise to no additional tax.

24. DEBT

	As at	
	31 December 2002	31 December 2001
	(Euro in thousands)	
Short-term debt		
Overdrafts	46.586	58.976
Syndicated loan facility	257.462	226.938
Other short –term loan	33.561	-
Subtotal	337.609	285.914
Capitalised lease obligations	340	393
Short-term borrowings	337.949	286.307
Current portion of bank loans	20.175	14.756
	358.124	301.063

			As at	
			31 December 2002	31 December 2001
Overdrafts			(Euro in thousands)	
Currency	Variable/ Fixed	Interest Rate		
Euro	Variable	EURIBOR + 0,135%	61	-
Euro	Variable	Basic Working Capital Rate	84	-
Euro	Variable	EONIA + 0,3%	138	857
Euro	Variable	EURIBOR + 0,2%	339	578
Euro	Variable	Basic Working Capital Rate	989	4.625
Euro	Variable	EURIBOR + 0,15%	16.694	15.445
Euro	Variable	Overnight + 0,30%	69	5.511
Euro		Overnight + 0,18%	19.010	25.796
US dollar	Variable	Basic Working Capital Rate -2%	5.004	5.520
US dollar	Variable	LIBOR + 0,50%	1.312	-
Euro	Variable	Basic Working Capital Rate	615	-
Euro	Variable	Basic Working Capital Rate	2.271	
Euro	Fixed	4%	-	644
Total			46.586	58.976

24. DEBT *(continued)*

Syndicated Loan facility

Currency	Variable/ Fixed	Interest Rate	Maturity	As at 31 December 2002 (Euro in thousands)	As at 31 December 2001 (Euro in thousands)
US Dollar	Variable	LIBOR + 0,25%	15 February 2003	23.839	56.734
US Dollar	Variable	LIBOR + 0,25%	10 February 2003	45.576	59.236
US Dollar	Variable	LIBOR + 0,25%	31 March 2003	97.459	110.968
US Dollar	Variable	LIBOR + 0,30%	15 January 2003	90.588	-
Total				257.462	226.938

Syndicated facility loan

This loan has been drawn down under a committed revolving facility of US $ 200 million and an uncommitted tender panel facility of US $ 200 million. As at 31 December 2002 the outstanding balance from the first facility was US $ 175 million, and the outstanding balance from the second facility was US $ 95 million. The loan is repayable on maturity but under the terms of the agreement an extension is available, if requested by the company.

Other short term loan

Currency	Variable/ Fixed	Interest Rate	Maturity	As at 31 December 2002 (Euro in thousands)	As at 31 December 2001 (Euro in thousands)
US Dollar	Variable	LIBOR + 0,5%	On demand	3.561	-
Euro	Variable	EURIBOR + 0,35%	31 January 2003	30.000	-
Total				33.561	-

	As at 31 December 2002 (Euro in thousands)	As at 31 December 2001 (Euro in thousands)
Long-term debt		
Bank loans	129.107	159.137
Other loans	150	170
Subtotal	129.257	159.307
Capitalised lease obligations	5.371	5.623
Subtotal	134.628	164.930
Due within one year	20.175	14.756
Total long term	154.803	179.686

The aggregate maturities of long-term debt are:

	As at 31 December 2002 (Euro in thousands)	As at 31 December 2001 (Euro in thousands)
Due after more than five years	49.083	75.483
Due between one and five years	80.174	83.824
Long-term portion	129.257	159.307
Due within one year	20.175	14.756
	149.432	174.063

24. DEBT *(continued)*

				As at	
				31 December 2002	31 December 2001
Currency	Variable/Fixed	Interest Rate	Maturity	(Euro in thousands)	
US Dollar	Variable	LIBOR + 1.25%	31 December 2003	1.595	4.531
Euro	Variable	5,27%	15 September 2010	26.353	28.000
Euro	Variable	2,87%	15 March 2011	45.022	45.021
US Dollar	Variable	LIBOR + 0,95%	20 July 2009	47.677	60.032
Euro	Variable	EURIBOR + 0,40%	30 June 2004	3.052	6.236
Euro	Variable	Basic Mortgage Rate	30 June 2004	74	-
Euro	Fixed	EURIBOR + 0,25%	30 June 2009	25.491	30.243
Euro	Fixed	various		168	-
Total				149.432	174.063

Capitalised lease obligations	As at	
	31 December 2002	31 December 2001
	(Euro in thousands)	
Due after more than five years	4.039	3.568
Due between one and five years	2.253	3.205
Due within one year	640	801
Total minimum lease payments	6.932	7.574
Less interest	(1.221)	(1.558)
Capitalised lease obligations	5.711	6.016

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

	As at	
	31 December 2002	31 December 2001
	(Euro in thousands)	
Retirement benefits, pensions and similar obligations	91.846	79.374
Government advances	25.614	25.614
Environmental costs	1.092	1.092
Other long term liabilities	19.125	17.568
	137.677	123.648

Retirement benefits and similar obligations

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

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

The principal assumptions used in calculating the charges were a discount rate of 5,5% (2001: 6.0%) per year and future salary increases of 4.5% (2001: 4.5%) per year.

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

Defined contribution pension plans

Effective 31 December 2000 the group terminated its two separate defined contribution 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

As of 31 December 2000 the Group maintained 3 defined benefit pension plans:

a) EKO retail and EKO 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.

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

Effective 31 December 2000, the group terminated the defined benefit schemes of the exploration division and of EKO refinery. An international firm of independent actuaries evaluated the liability arising as of the termination date.

Effective 30 June 2002, the retail subsidiary of the Group also terminated its defined benefit scheme. Refer to note below. A valuation was carried out for the liabilities arising from the defined benefit plan of EKO retail as of 31 December 2001 and such liability was also projected to 30 June 2002. 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.

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 2002	31 December 2001
	(Euro in thousands)	
Defined contribution pension plans	5.057	5.107
Defined benefit pension plans	7.785	4.267
Post retirement benefits	23.163	11.723
	36.005	21.097

Defined Benefit Pension Plans	As at	
	31 December 2002	31 December 2001
	(Euro in thousands)	
Present value of funded obligation at 31 December	-	12.545
Fair value of planned assets at 31 December	-	(1.890)
	-	10.655
Unrecognised actuarial gain	-	(4.889)
Present value of obligation due to curtailment/settlement	11.558	12.649
Net liability in the balance sheet at 31 December	11.558	18.415
Movement of liability in year:		
Net liability at 1 January	18.415	30.362
Net expense recognised in profit and loss for the year	7.785	4.267
Contributions	-	(1.147)
Payments due to curtailment/settlement	(14.642)	(15.067)
Net liability at 31 December	11.558	18.415

Service costs	354	725
Interest cost	349	716
Return on investment	(51)	(185)
Amortisation of net loss from earlier periods	133	202
Net Periodic Pension Cost	785	1.458
Extra charge due to termination benefit payments	-	2.809
Losses on curtailments and settlements	7.000	-
Net expense recognised in profit and loss for the year	7.785	4.267

Termination of pension schemes

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 Group has estimated the final liability due to conversion to be approximately € 13,5 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 € 6.092 thousands and is separately disclosed as other operating expense (refer to note 11). The Group paid the first instalment of this liability of approximately € 5,5 million, in the period to December 2002.

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

Post Retirement benefits	As at	
	31 December 2002	31 December 2001
	(Euro in thousands)	
Present value of unfunded obligation at 31 December	103.956	76.120
Unrecognised actuarial loss	(26.129)	(15.161)
Net liability	77.827	60.959
Acquisition of subsidiary	2.461	-
Net liability in the balance sheet at 31 December	80.288	60.959
Movement of liability in year:		
Net liability at 1 January	60.959	59.240
Acquisition of subsidiary	2.461	-
Net expense recognised in profit and loss for the year	9.473	8.378
Benefits paid	(6.295)	(10.004)
Extra termination benefits	1.833	3.345
Correction due to change in estimation	11.857	-
Net liability at 31 December	80.288	60.959
Service costs	4.478	4.161
Interest cost	4.390	4.003
Amortisation of net loss from earlier periods	605	214
Regular P&L charge	9.473	8.378
Extra termination benefits	1.833	3.345
Correction due to change in estimation	11.857	-
Net expense recognised in profit and loss for the year	23.163	11.723

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

The correction due to change in estimation of € 11.857 thousand relates to differences identified in the salary data considered for the calculation of the liability in prior years (2001: € 1.242 thousand; 2000: € 10.615 thousand). This was charged to the income statement for the year ended 31 December 2002 and is separately disclosed within other operating expense (Note 11) due to its size and nature.

Government advances

Advances by the Greek Government to the Group for the purpose of research and exploration amounting to € 25.614 thousands has been recorded as a liability since such an amount 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.

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.

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

Other long-term liabilities

	As at 31 December 2002		
	Acquisition of OKTA	Other	Total
	(Euro in thousands)		
Balance at the beginning of year	9.696	7.871	17.567
Acquisition of subsidiary	-	1.376	1.376
Increase in liability		182	182
Balance at the end of year	9.696	9.429	19.125

The balance of € 9.696 thousands relates to the liability arising from capital investment made on behalf of the FYROM government in relation to the acquisition of OKTA.
Other consists mainly of several minor customer and employee claims made against the retail subsidiaries of the Group.

26. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at	
	31 December 2002	31 December 2001
	(Euro in thousands)	
Trade payables	111.987	92.490
Other payables	45.937	49.866
Accruals and deferred income	239.359	220.558
	397.283	362.914

Included in the balance of € 49.866 thousands as at 31 December 2001 is the short-term portion of the liability outstanding on the purchase of OKTA refinery of € 13.632 thousands, which was repaid during the third quarter of 2002.

In the above note, certain reclassifications have been made to the comparative figures between the components of accounts payable and accrued liabilities, in order to be comparable with the current year balances.

27. TAX PAYABLE

	As at	
	31 December 2002	31 December 2001
	(Euro in thousands)	
Income taxes	29.812	11.061
	29.812	11.061

Income tax receivable of € 30 million for 2001 (2002: nil) is included in other receivables (Note 20).

28. NET ASSETS OF SUBSIDIARIES ACQUIRED

The fair value of the identifiable assets and liabilities of Hellenic Petroleum Cyprus Ltd and Jugopetrol Kotor AD acquired, as explained in note 3 of these consolidated financial statements are:

	Year ended 31 December 2002 (Euro in thousands)
Property, plant and equipment and identifiable intangibles	62.009
Investments in associates	888
Investments in securities	985
Deferred Income tax asset	1.073
Inventories	24.679
Accounts Receivables	20.445
Cash and cash equivalents	32.645
	142.724
Accounts Payable	(29.427)
Income Tax payable	(1.148)
Short term borrowings	(3.561)
Pension plans and other short term liabilities	(3.837)
Fair value of net assets	104.751
Minority Interest	(34.389)
Goodwill arising on acquisition	95.281
Total consideration	165.643
Cash paid for the acquisition of the subsidiaries	(165.643)
Net cash acquired with subsidiaries	32.645
	(132.998)

As explained in note 3, the fair value of the net assets of the subsidiaries acquired has not been finalised as to the date of this report and amendments to these values may be made in the first half of 2003, on finalisation of the acquisition audits of the above companies.

29. 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 euros. The Group's chemical sector purchases raw materials mainly in US dollars and sells mainly in euros. At 31 December 2002 the Group held forward currency contracts to hedge part of its borrowings denominated in US dollars. The terms of these contracts were as follows:

Buy	Maturity	Exchange rate (average)
$ 55.000.000	15 January 2003	€/US 0,9976
$ 25.000.000	31 March 2003	€/US 0,9870

As of 31 December 2002 the unrealised loss of these contracts of € 4,2 million was included in the income statement to offset the unrealised gain on the borrowings they are used to hedge.

29. FINANCIAL INSTRUMENTS (*continued*)

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.

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.

30. CAPITAL COMMITMENTS AND OTHER OBLIGATIONS

Purchase obligations

The Group entered into agreements for the purchase of 8,270 thousand metric tonnes maximum of crude oil with a one-year mutual option for additional purchases. Of this quantity, the Group has purchased 5,631thousand metric tonnes to 31 December 2002. The purchase prices are based on the officially published prices of BRENT, IPE, URAL, MED according to 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 agreement officially commenced in 2000 and will have 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.

DEPA has entered into a long-term time charter agreement, with an LNG carrier company for the transportation of LNG from Algeria to its storage facilities. The agreement expires in 2007. Estimated charterhire until the expiration of the agreement is approximately $ 72 million.

Capital Commitments

The Group has obligation to make environmental investments at the Aspropyrgos refinery of €88 million in the course of one to five years. It is also under contractual obligation to make capital investments in property, plant and equipment of €4,6 million in the course of one to five years.

The Group has obligation to make environmental investments at the Thessaloniki refinery of €52,7 million in a period of one to five years. It is also under contractual obligation to make capital investments in property, plant and equipment of €17,1 million 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 petrochemical facility totalling €2,4 million 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 €176 million in a period of one to five years.

In relation to the exploration activities of the Group, it is anticipated that the Group will make investments of around €58 million in a period of one to five years for the Albanian programme and around €20,9 million for the Libyan programme.

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

DEPA, an associate of the Group has a number of outstanding commitments on supplier contracts, totalling approximately €65 million.

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 original estimated cost US $ 90 million. ELPET fulfilled its undertaken commitments as of December 31, 2002 as the pipeline was completed at an actual cost of approximately $102 million.

- Refinery upgrade and operation of retail stations- approximately US $ 60 million in OKTA. As at 31 December 2002 US $ 21 million has been spent by OKTA against the budget for the modernisation of its refinery facilities.

The Group has committed, through the share purchase agreement with Jugopetrol AD Kotor, to a five-year Guaranteed Investment Programme of €35 million over the next five years. In addition it has committed to a social program of €4 million over the next four years, involving training of personnel and local community support.

Operating Leases

The group has commitments under operating leases of € 1,8 million within one year (2001, € 1,7 million,), € 4,3 million between one and five years (2001, € 3,5 million), and € 4,3 million over five years (2001, € 4,9 million). 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 € 43.434 thousands to undertake research and exploration, as determined by the Law 367/1976. A portion of the amount received € 25.614 thousand 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 thousand 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 € 31.967 thousand. Legal proceedings tend to be unpredictable and costly. Based on currently available information, management believes the outcome will not have a significant 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 years ended 31 December 2001 and 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 given letters of comfort and guarantees of € 215 million to banks for loans undertaken by subsidiaries and associates of the Group, the outstanding amount of which as of December 31, 2002 was € 164 million. The Group has also issued letters of credit and guarantees in favour of third parties amounting to € 203 million mainly for the completion of contracts entered into by the Group.

(vi) In October 2002, the Company deposited a Performance Bond in the National Bank of Greece of €45 million that relates to a guarantee for its performance of the Investment Programme committed under the share purchase agreement for the acquisition of Jugopetrol AD Kotor.

(vii) 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', adopted in October 2, 2002 that was 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 90 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 the new legislation the matter is resolved according to the decision of European Court concerning the handling of oil stocks.

31. CONTINGENCIES AND LITIGATION (*continued*)

Management expects that this amendment of Greek law will 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.

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

(ix) The Group has applied for Government grants for the production of BOPP-film in Komotini. The Group has received and recorded € 11.671 thousands in deferred income. 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 a receivable.

(x) 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.

(xi) A claim has been filed against OKTA refinery by its former suppliers for breach of contract following the acquisition by the Group of the company. The claim is for a total amount of $24,5 million. The High Court of London has partly accepted the claim by awarding to the claimants an amount of $9,2 million for the period up to April 2002. To this it should be added approximately $1,5 million for the remaining period plus interest. The defendants (OKTA) have been granted the right to appeal against the resolution and the appeal has been fixed for hearing before the London Court of Appeal on June 9, 2003. Pursuant to the agreement executed between the FYROM government as sellers of OKTA shares and ELPET as buyers it is specifically stipulated that any amounts of claims of such nature as the above which would be awarded against OKTA will be ultimately borne by the sellers.

(xii) In relation to the above case, ELPE, ELPET and a director of ELPET have been sued in the Greek courts by the former contractors of OKTA for US$ 4 million and € 5,1 million, in connection with an agreement for the transportation and storage of crude oil between OKTA and such contractors. This has been adjudicated on December 12, 2002 and the court decision is still pending.

(xiii) 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 insurers both for the Company and for the motor tanker have agreed to cover any claims against the Group.

(xiv) 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 million. These amounts will ultimately increase the cost of the main pipeline system.

(xv) As at 31 December 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 main pipeline. 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. The Company contests all such claims. According to Company's legal department such cases aggregate approximately € 106 million. A final outcome cannot be predicted, therefore a provision has not been made.

(xvi) There are various claims against DEPA by contractors amounting to € 3.2 million relating to additional works performed during the construction of the medium and low-pressure network. Discussions between the Company and the contractors concerned are in progress for the resolution of these claims. Any amounts paid will increase the cost of the distribution network of DEPA and subsidiaries' related fixed assets.

Contingent asset

The Annual General Assembly of Hellenic Petroleum S.A. approved on June 11, 2002 the 'sale' of the DEPA option to the Greek State for a consideration of €60 million net of tax. In December 2002, a law was passed which allows the Greek State to enter into an agreement with Hellenic Petroleum to purchase the DEPA option at an amount of €60 million, plus any taxes as they may arise from this transaction. As of the date of these financial statements, there has been no formal agreement between the company and the Greek State regarding the actual sale. The Company's management has not recorded this asset, as they believe in the absence of a buyer, namely the Greek State, the valuation of the DEPA option is not estimatable, since the variability in the range of reasonable fair value estimates is so great and the probabilities of the various outcomes are difficult to assess.

32. SUBSEQUENT EVENTS

On 26 February 2003 the Board of Directors proposed for formal approval at the Annual General Meeting a final dividend in respect of the year ended 31 December 2002 of € 39.179 thousand. In accordance with International Accounting Standard No. 10 as revised in 1999, this dividend is not shown as a liability as at 31 December 2002.

33. 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.	98,3%	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 Balkanike S.A.	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
Hellenic Petroleum-Poseidon Shipping Company	100%	Greece
ELEP S.A.	99,99%	Greece
EkoElda Bulgaria EAD	100%	Bulgaria
Eko YU AD – Beograd	100%	Yugoslavia
Hellenic Petroleum Cyprus	100%	United Kingdom
Jugopetrol Kotor AD	54,35%	Montenegro

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

		31 December 2002		31 December 2001	
		Net Income	Shareholders Equity	Net Income	Shareholders Equity
			(Euro in thousands)		
Balance as per Greek Consolidated Financial Statements		69.308	1.456.564	34.658	1.398.025
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	13.627	31.576	16.082	17.949
2	Provision for deferred tax	(16.720)	16.165	5.274	31.812
3	Reversal of the revaluation of fixed assets and the effect of depreciation taken	340	(56.942)	980	(57.282)
4	Write off of capitalised costs with no future benefit	878	(13.276)	(2.494)	(14.154)
5	Write off of capitalised research and development costs and reversal of related depreciation	7.791	(36.737)	(1.520)	(44.528)
6	Adjustment of depreciation to conform with the group policy	15.683	17.822	(229)	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	(516)	(1.681)	4.221	(1.165)
9	Equity accounting (Differences from conversion to IFRS of associates' accounts)	2.830	7.324	778	4.640
10	Other provisions / adjustments	838	(1.821)	1.602	(2.659)
11	Reclassification of the export reserve movement to P&L account	2.956	-	2.245	-
12	Reclassification of grant from equity to deferred income or liabilities	677	(92.914)	672	(105.147)
13	Income tax for the period	(307)	(129)	-	-
14	Minority interest	(2.461)	(94.791)	1.306	(47.381)
15	IPO costs to share premium account and reversal of related amortisation	1.933	(914)	1.905	(2.847)
16	Goodwill and depreciation of goodwill	(5.571)	10.624	(7.818)	11.328
17	Exchange gains (timing differences)	45.403	47.119	(211)	1.716
18	Different method of stock valuation	(185)	290	475	475
19	Effect of IAS 39 from 1/1/2001	1.160	(4.093)	1.925	(5.253)
20	Dividends payable	-	39.179	-	31.346
21	Fair value adjustment to forward currency contract	(4.186)	(4.186)	-	-
22	Other	(63)	1.948	(63)	1.523
Balance as per IFRS Consolidated Financial Statements		**133.415**	**1.320.035**	**59.788**	**1.219.445**

HELLENIC PETROLEUM S.A.

Income Statement

	For the year ended 31 December 2002	31 December 2001
	(Euro in thousands)	
Sale proceeds	2.779.130	2.885.523
Cost of sales	(2.542.783)	(2.725.012)
Gross profit	236.347	160.511
Other operating income	30.576	16.194
Selling, distribution and administrative expenses	(107.312)	(91.601)
Research and development	(3.677)	(16.455)
Other operating expense	(11.857)	-
Operating profit	144.077	68.649
Interest and related income	11.996	11.648
Interest expense	(12.380)	(10.841)
Currency exchange gains/(losses)	19.570	(13.012)
Income before tax	163.263	56.444
Taxation – current	(48.995)	(23.786)
Taxation – deferred	(10.639)	2.588
Net income for the year	103.629	35.246

HELLENIC PETROLEUM S.A.

Balance Sheet

	As at 31 December 2002	As at 31 December 2001
	(Euro in thousands)	
ASSETS		
Non-current assets		
Intangible assets	26.472	19.727
Property, plant and equipment	499.969	533.250
Investments in subsidiaries and associates	630.079	427.369
Investments in securities	16.705	24.807
Deferred income tax asset	11.336	21.975
	1.184.561	1.027.128
Current assets		
Inventories	409.182	265.400
Accounts receivable	410.394	379.416
Cash and cash equivalents	12.707	162.993
	832.283	807.809
TOTAL ASSETS	2.016.844	1.834.937
EQUITY AND LIABILITIES		
Share capital	470.149	383.956
Share premium	245.555	245.555
Reserves	489.858	503.765
Total equity	1.205.562	1.133.276
Non-current liabilities		
Long-term debt	65.396	71.504
Pension plans and other long-term liabilities	93.306	86.847
	158.702	158.351
Current liabilities		
Accounts payable and accrued liabilities	329.674	308.608
Tax payable	22.596	-
Current portion of long-term debt	6.108	6.048
Short-term borrowings	290.016	228.654
Forward currency contract	4.186	-
	652.580	543.310
TOTAL EQUITY AND LIABILITIES	2.016.844	1.834.937