

HELLENIC PETROLEUM S.A.
INTERIM
IFRS CONSOLIDATED FINANCIAL
STATEMENTS

30 SEPTEMBER 2003

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ERNST & YOUNG

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 30 September 2003 and the related consolidated income statement, 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.

12 November 2003
Athens, Greece

HELLENIC PETROLEUM S.A.

Interim Consolidated Balance Sheet

		As at	
	Notes	30 September 2003 Unaudited	31 December 2002 Audited
		(Euro in thousands)	
ASSETS			
Non-current assets			
Intangible assets	10	102.622	135.561
Property, plant and equipment	11	1.161.319	881.275
Investments in associates	13	286.161	278.258
Other financial assets	14	13.561	18.039
Deferred income tax asset	15	16.847	20.218
Loans, advances and long term assets	16	162.927	23.230
		<hr/>	<hr/>
		1.743.437	1.356.581
		<hr/>	<hr/>
Current assets			
Inventories	17	594.260	492.853
Accounts receivable	18	595.087	544.266
Cash and cash equivalents	19	187.567	86.889
		<hr/>	<hr/>
		1.376.914	1.124.008
		<hr/>	<hr/>
TOTAL ASSETS		3.120.351	2.480.589
		<hr/> <hr/>	<hr/> <hr/>
EQUITY AND LIABILITIES			
Share capital	20	665.911	470.149
Share premium		352.924	245.555
Reserves		728.873	604.331
		<hr/>	<hr/>
Total equity		1.747.708	1.320.035
		<hr/>	<hr/>
Minority interest		88.909	94.791
		<hr/>	<hr/>
Non- current liabilities			
Long-term debt	21	262.266	134.628
Pension plans and other long-term liabilities	22	151.019	137.677
Deferred income tax liability	15	8.697	4.053
		<hr/>	<hr/>
		421.982	276.358
		<hr/>	<hr/>
Current liabilities			
Accounts payable and accrued liabilities	23	522.860	397.283
Income tax payable		35.613	29.812
Current portion of long-term debt	21	19.917	20.175
Short-term borrowings	21	283.362	337.949
Forward commodity contract		-	4.186
		<hr/>	<hr/>
		861.752	789.405
		<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		3.120.351	2.480.589
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See accompanying notes to the interim consolidated financial statements

HELLENIC PETROLEUM S.A.**Interim Consolidated Income Statement**

		For the nine months ended	
	Notes	30 September 2003 Unaudited	30 September 2002 Unaudited
		(Euro in thousands)	
Sale proceeds		3.296.982	2.628.688
Sales taxes, excise duties and similar levies		(466.832)	(363.091)
Net proceeds		2.830.150	2.265.597
Cost of sales		(2.461.075)	(1.986.508)
Gross profit		369.075	279.089
Other operating income	4	80.282	23.746
Selling, distribution and administrative expenses	5	(224.763)	(146.459)
Research and development		(2.521)	(3.274)
Other operating expense		-	(6.036)
Operating profit		222.073	147.066
Finance income	7	6.758	6.014
Finance expense		(14.182)	(16.071)
Currency exchange gains		10.566	21.108
Share of net result of associated companies	8	7.549	9.661
Operating Income before income tax and minority interests		232.764	167.778
Taxation – current	15	(69.616)	(46.426)
Taxation – deferred	15	(37)	(10.833)
Income after taxation		163.111	110.519
Losses / (income) applicable to minority interest		5.107	(538)
Net income for the period		168.218	109.981
Earnings per ordinary share (eurocents)		64,36	42,11
Net income attributable to ordinary shares (Euro in thousands)		168.218	109.981
Average number of ordinary shares outstanding		261.355.961	261.193.799

No diluted earnings per ordinary share are presented as the effect of these would not be material

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 2002 (Audited)	227.548	39.008	323.378	589.934	383.956	245.555	1.219.445
Net income for nine months (Unaudited)	-	-	109.981	109.981	-	-	109.981
Translation exchange differences	-	-	(1.199)	(1.199)	-	-	(1.199)
Transfers between reserves	12.392	2.384	(14.776)	-	-	-	-
Transfer from reserves to share capital	(63.549)	-	(22.644)	(86.193)	86.193	-	-
Dividends	-	-	(31.343)	(31.343)	-	-	(31.343)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2002 (Unaudited)	176.391	41.392	363.397	581.180	470.149	245.555	1.296.884
Net income for three months (Unaudited)	-	-	23.434	23.434	-	-	23.434
Translation exchange differences	-	-	(283)	(283)	-	-	(283)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2002 (Audited)	176.391	41.392	386.548	604.331	470.149	245.555	1.320.035
Net income for nine months (Unaudited)	-	-	168.218	168.218	-	-	168.218
Translation exchange differences	-	-	(1.322)	(1.322)	-	-	(1.322)
Transfers between reserves	3.120	4.433	(7.553)	-	-	-	-
Dividends	-	-	(39.179)	(39.179)	-	-	(39.179)
Share of associate's deferred tax on tax exempt reserves	-	-	(196)	(196)	-	-	(196)
Transfer from reserves to share capital	-	-	(2.979)	(2.979)	2.979	-	-
Share capital issued as consideration for the acquisition of Petrola Hellas SA	-	-	-	-	192.783	107.369	300.152
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2003 (Unaudited)	179.511	45.825	503.537	728.873	665.911	352.924	1.747.708
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See accompanying notes to the interim consolidated financial statements

HELLENIC PETROLEUM S.A.

Interim Consolidated Cash Flow Statement

		For the nine months ended	
	Note	30 September 2003	30 September 2002
		Unaudited	Unaudited
		(Euro in thousands)	
Income before taxation		232.764	167.778
<i>Adjustments for:</i>			
Depreciation and amortisation		93.442	89.009
Share of result of associates		(7.549)	(9.661)
Other provisions		273	1.971
Income from sale of DEPA option		(60.000)	-
Loss on sales of property, plant and equipment		889	361
Increase in pension plan and other long term liabilities		11.756	16.056
Amortisation of grants		(5.976)	(7.344)
Foreign exchange gain		(10.566)	(21.108)
Interest and related income		(6.758)	(6.014)
Interest expense		14.182	16.071
		<hr/>	<hr/>
<i>Operating profit before working capital changes</i>		262.457	247.119
Decrease / (increase) in inventories		32.930	(134.326)
Increase in accounts receivable and long term assets		(12.319)	(13.432)
(Decrease)/ increase in payables and accrued liabilities		(9.500)	12.781
Payments for pensions (including scheme closure)		(11.898)	(17.403)
		<hr/>	<hr/>
<i>Cash generated from operations</i>		261.670	94.739
Realised net foreign exchange loss		(778)	(7.229)
Interest paid		(14.702)	(16.037)
Interest received		6.758	6.014
Minority interest		-	13.155
Taxation paid		(32.557)	(19.492)
		<hr/>	<hr/>
<i>Net cash flows from operating activities</i>		220.391	71.150
Cash flows from investing activities			
Payments to acquire property, plant and equipment and intangibles		(161.251)	(85.515)
Payments for acquisition of subsidiary, net of cash acquired	24	(69.467)	(13.632)
Proceeds from sale of DEPA option		60.000	-
Net cash movement in other financial assets		4.478	-
Payments to acquire investments in associates		(250)	-
Proceeds from disposal of fixed assets		-	1.421
Grant received		-	4.921
		<hr/>	<hr/>
<i>Net cash flows used in investing activities</i>		(166.490)	(92.805)

HELLENIC PETROLEUM S.A.

Interim Consolidated Cash Flow Statement *(continued)*

For the nine months ended
30 September 2003 30 September 2002
Unaudited Unaudited
(Euro in thousands)

Cash flows from financing activities		
Net movement in long term debt	8.195	(12.337)
Net movement in short term borrowings	(22.530)	-
Payments for finance leases	(132)	(230)
Equity dividends paid	(40.012)	(31.343)
	<hr/>	<hr/>
<i>Net cash outflow from financing activities</i>	(54.479)	(43.910)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents (net of overdrafts)	(578)	(65.565)
Opening balance, cash and cash equivalents (net of overdrafts)	40.303	140.857
	<hr/>	<hr/>
Closing balance, cash and cash equivalents (net of overdrafts)	39.725	75.292
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Cash and cash equivalents	187.567	140.953
Overdrafts	(147.842)	(65.661)
	<hr/>	<hr/>
	39.725	75.292
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See accompanying notes to the interim consolidated financial statements

HELLENIC PETROLEUM S.A
NOTES TO THE INTERIM IFRS CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2003

1. ACCOUNTING POLICIES

Hellenic Petroleum S.A. and its subsidiaries (Hellenic Petroleum or “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.

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 2002.

The Company’s measurement currency is the Euro. The financial information in these financial statements is expressed in thousands of Euro.

The interim consolidated financial statements of Hellenic Petroleum S.A. for the nine months ended 30 September 2003 were authorised for issue by the Board of Directors on 12 November 2003.

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. These interim financial statements should be read together with the annual financial statements for the year ended 31 December 2002. The parent company interim balance sheet and income statement do not include notes.

HELLENIC PETROLEUM S.A
NOTES TO THE INTERIM IFRS CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2003

2. ANALYSIS BY INDUSTRY SEGMENT AND GEOGRAPHIC ZONE

2a. Analysis by industry segment

Nine months ended 30 September 2003 (Unaudited)

	Refining	Market- ing	Exploration & production	Petro- chemicals	Engin- eering	Natural gas	Other	Inter segment adjustments (1)	Total
(Euro in thousands)									
Net Proceeds	2.369.374	1.028.994	932	179.311	15.712	-	-	(764.173)	2.830.150
Depreciation	50.051	14.227	115	11.196	306	-	-	-	75.895
Depletion & Amortisation	6.548	9.810	-	1.079	110	-	-	-	17.547
Other operating income (2)	12.811	3.552	-	4.543	6	60.000	-	(630)	80.282
Operating profit	139.024	25.133	(8.251)	9.958	320	60.000	(559)	(3.552)	222.073
Share of result of associates	-	(4)	-	139	-	7.414	-	-	7.549
Net income/(loss)	98.397	9.383	(7.794)	4.075	(46)	67.414	(560)	(2.651)	168.218

Nine months ended 30 September 2002 (Unaudited)

	Refining	Marketing	Exploration & production	Petro- chemicals	Engin- eering	Natural gas	Other	Inter segment adjustments	Total
(Euro in thousands)									
Net Proceeds	1.944.534	801.342	979	145.930	13.939	-	-	(641.127)	2.265.597
Depreciation	48.660	7.613	142	19.820	483	-	-	-	76.718
Depletion & amortisation	4.064	6.956	-	1.170	101	-	-	-	12.291
Other operating income	6.764	3.377	7.583	6.675	27	-	-	(680)	23.746
Other operating expense	-	6.036	-	-	-	-	-	-	6.036
Operating profit	119.435	22.112	130	5.543	231	-	-	(385)	147.066
Share of result of associates	-	100	-	96	-	9.465	-	-	9.661
Net income/(loss)	92.662	10.416	48	(1.397)	(175)	9.465	-	(1.038)	109.981

(1) The inter segment adjustments reflect transactions between the segments.

(2) The income of € 60 million in the natural gas segment relates to the proceeds from the sale of the DEPA option, as explained in note 4.

HELLENIC PETROLEUM S.A
NOTES TO THE INTERIM IFRS CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2003

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

2b. Analysis by geographic zone (Net Proceeds)

	Nine months ended	
	30 September 2003	30 September 2002
	Unaudited	Unaudited
	(Euro in thousands)	
Inland market sales (Greece)	2.120.160	1.669.766
International market sales	709.990	595.831
	<u>2.830.150</u>	<u>2.265.597</u>

3. ACQUISITIONS AND INVESTMENTS

- a. In October 2002, Hellenic Petroleum International AG acquired 54,35% of Jugopetrol Kotor AD, a retail company incorporated in Montenegro for a consideration price of € 65 million. Goodwill that arose on this acquisition amounted to € 24 million. A valuation of the property, plant and equipment of the subsidiary acquired is in process as of this date, the results of which, to be obtained by the end of 2003, will affect the calculation of Goodwill, as allowed by IAS 22.
- b. 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, plus the amount of the profits of the acquired company for the year ended 31 December 2002 that were to be finalised following the audit of its financial statements for the year then ended. The acquired company subsequently changed its name to Hellenic Petroleum Cyprus Ltd. A preliminary calculation of Goodwill as of 31 December 2002 amounted to € 71,2 million. The above was amended as of September 30, 2003 to take into account the additional consideration price for the results of the acquired Company for the year ended 31 December 2002, which amounted to CYP 6.374 thousands (€10,9 million). In addition the fair valuation of the net assets of the subsidiary as of the acquisition date was completed by June 30, 2003 and an amount of €13,5 million of the fair value of the consideration was assigned to property, plant and equipment, while the remaining net assets were reduced by €1,1 million. The net effect of the adjustment to the consideration and the change in the fair value of assets acquired was a decrease in goodwill of € 1.573 thousands (Note 10).
- c. 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. In April 2003 the above agreement was terminated and a decision was taken by the Group to continue the project through the formation of a wholly-owned subsidiary "Energiaki Thesalonikis S.A." The new subsidiary was formed in May 2003 with an original share capital of €299 thousand. Within the third quarter of 2003 the company's share capital increased to € 49.800 thousand. The company's results for the period and its net assets have been consolidated as of 30 September 2003.
- d. In April 2002 the Group formed a wholly owned subsidiary, Hellenic Petroleum– 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.
- e. 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 results in the period and its assets have been consolidated as of 30 September 2003.
- f. 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.

HELLENIC PETROLEUM S.A
NOTES TO THE INTERIM IFRS CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2003

3. ACQUISITIONS AND INVESTMENTS *(continued)*

- g In March 2003, the Group formed a new subsidiary, EKO-Fisiko Aerio, whose activities will include the distribution of natural gas. The subsidiary's results for the period and its assets have been consolidated as of 30 September 2003.
- h In June 2003, the Group through its subsidiary Jugopetrol Kotor A.D. formed a wholly-owned subsidiary in Bosnia, whose activity is the purchase and sale of oil products in the Serbian market. The Company plans to acquire petrol stations in the future. The Company had no results in the period.
- i In April 2003 the Group formed a wholly owned subsidiary, Hellenic Petroleum- Apollon Shipping Company. The subsidiary invested €10,7 million (USD 12,5 million) in a vessel for the transportation of petroleum products within the Group. The subsidiary has been consolidated in the Group as of its formation date.
- j An Extraordinary General Meeting on September 18, 2003 approved the merger with Petrola Hellas SA ('Petrola'), another refinery company in Greece, through 'absorption' of the latter in accordance with the provisions of Greek Law 2166. The merger was effected through a share-for-share exchange between the shareholders of the two companies and was accounted for as an acquisition, in accordance with IAS 22. The effective date of the acquisition is September 30, 2003, on which date Petrola Hellas SA ceased to exist as a separate entity and all of its operations were acquired by Hellenic Petroleum. Hellenic Petroleum issued new shares on 30 September 2003 to the old shareholders of Petrola. The consideration price was determined as the fair value of ELPE shares as at September 30, 2003. A negative goodwill of €17.464 thousand arose out of this transaction. It is noted that the fair value exercise of the net assets of Petrola Hellas SA has not been finalised as to the date of this report and adjustments to these values may be made within twelve months from the acquisition date.

4. OTHER OPERATING INCOME

	Nine months ended	
	30 September 2003	30 September 2002
	Unaudited	Unaudited
	(Euro in thousands)	
Income from grants (includes amortisation)	5.976	9.068
Rental income	2.834	2.234
Proceeds from sale of DEPA option	60.000	452
Amounts received by contractors due to failure to meet obligations	-	465
Subsidisation of interest	8.923	8.368
Other	2.549	3.159
	<u>80.282</u>	<u>23.746</u>

During the nine months to September 2003, the Company sold its option to acquire further shares in DEPA to the Greek State for a consideration of € 60 million net of tax, paid in two installments of € 30 million each. According to the agreement signed between the two parties for the above sale, any taxes, including income tax that may arise on the above income will be ultimately borne by the State, so that the Group retains a net income of €60 million. As of the date of this report it is not known whether any taxes are due and thus no provision has been made.

5. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

	Nine months ended	
	30 September 2003	30 September 2002
	Unaudited	Unaudited
	(Euro in thousands)	
Selling and distribution expenses	121.597	75.995
Administrative expenses	103.166	70.464
	<u>224.763</u>	<u>146.459</u>

HELLENIC PETROLEUM S.A
NOTES TO THE INTERIM IFRS CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2003

6. DEPRECIATION, DEPLETION AND AMORTISATION

Depreciation, depletion and amortisation are included within expense headings in the consolidated income statement as follows:

	Nine months ended	
	30 September 2003	30 September 2002
	Unaudited	Unaudited
	(Euro in thousands)	
Cost of sales	59.097	62.739
Selling distribution and administrative expenses	34.336	26.258
Research and development	9	12
	<u>93.442</u>	<u>89.009</u>
	<u><u>93.442</u></u>	<u><u>89.009</u></u>

7. FINANCE INCOME

	Nine months ended	
	30 September 2003	30 September 2002
	Unaudited	Unaudited
	(Euro in thousands)	
Interest income	2.326	3.675
Interest from trade receivables	4.227	2.223
Other related income	205	116
	<u>6.758</u>	<u>6.014</u>
	<u><u>6.758</u></u>	<u><u>6.014</u></u>

8. SHARE OF NET RESULT OF ASSOCIATED COMPANIES

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

	Nine months ended	
	30 September 2003	30 September 2002
	Unaudited	Unaudited
	(Euro in thousands)	
Volos Pet Industries A.E.	139	96
Public Natural Gas Corporation of Greece (DEPA)		
- share of profit	4.025	6.077
- amortization of negative goodwill	3.389	3.388
Spata Aviation Fuel Company S.A.	(4)	100
	<u>7.549</u>	<u>9.661</u>
	<u><u>7.549</u></u>	<u><u>9.661</u></u>

HELLENIC PETROLEUM S.A
NOTES TO THE INTERIM IFRS CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2003

9. EMPLOYEE EMOLUMENTS AND NUMBERS

(a) Emoluments	Nine months ended	
	30 September 2003 Unaudited	30 September 2002 Unaudited
	(Euro in thousands)	
Remuneration	109.550	96.195
Social security contribution	22.698	21.822
Pensions and similar obligations	8.964	13.773
Other benefits	11.573	10.267
Total	<u>152.785</u>	<u>142.057</u>
(b) Average numbers of employees		
Refining	2.808	2.900
Marketing	1.650	775
Exploration and production	97	87
Petrochemicals	426	413
Engineering	176	171
Total	<u>5.157</u>	<u>4.346</u>

HELLENIC PETROLEUM S.A
NOTES TO THE INTERIM IFRS CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2003

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.

	30 September 2003 (Unaudited)					Total
	Refining	Marketing	Exploration & Production	Petro- Chemicals	Engineering	
	(Euro in thousands)					
Cost						
Balance at 1 January 2003	37.807	143.014	-	18.971	468	200.260
Capital expenditure	643	1.341	-	-	25	2.009
Adjustment to goodwill (Note 3b)	-	(1.573)	-	-	-	(1.573)
Negative Goodwill on acquisition of Petrola Hellas SA	(17.464)	-	-	-	-	(17.464)
Sales, retirements and other movements	-	(6.629)	-	-	-	(6.629)
Transfers	-	(151)	-	-	-	(151)
Acquisition of Petrola Hellas SA	3.631	-	-	-	-	3.631
Balance at 30 September 2003	<u>24.617</u>	<u>136.002</u>	<u>-</u>	<u>18.971</u>	<u>493</u>	<u>180.083</u>
Amortisation						
Balance at 1 January 2003	22.863	39.397	-	2.255	184	64.699
Charge for the period	6.548	9.810	-	1.079	110	17.547
Sales, retirements and other movements	-	(6.629)	-	-	-	(6.629)
Acquisition of Petrola Hellas SA	1.844	-	-	-	-	1.844
Balance at 30 September 2003	<u>31.255</u>	<u>42.578</u>	<u>-</u>	<u>3.334</u>	<u>294</u>	<u>77.461</u>
Net book value 30 September 2003	<u>(6.638)</u>	<u>93.424</u>	<u>-</u>	<u>15.637</u>	<u>199</u>	<u>102.622</u>
31 December 2002 (Audited)						
	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	<u>37.807</u>	<u>143.014</u>	<u>-</u>	<u>18.971</u>	<u>468</u>	<u>200.260</u>
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	<u>22.863</u>	<u>39.397</u>	<u>-</u>	<u>2.255</u>	<u>184</u>	<u>64.699</u>
Net book value 31 December 2002	<u>14.944</u>	<u>103.617</u>	<u>-</u>	<u>16.716</u>	<u>284</u>	<u>135.561</u>

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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.

	30 September 2003 (Unaudited)						Total
	Refining	Marketing	Exploration & Production	Petro- Chemicals	Engineering	Electric Power	
			(Euro in thousands)				
Cost							
Balance at 1 January 2003	1.056.710	304.429	13.473	293.578	11.771	-	1.679.961
Adjustment to fair values of subsidiaries at the date of acquisition (Note 3b)	-	13.550	-	-	-	-	13.550
Capital expenditure	32.531	56.928	66	11.204	54	58.459	159.242
Sales, retirements and other movements	(1.839)	(1.340)	-	(445)	(80)	-	(3.704)
Transfers	-	-	-	5.534	-	-	5.534
Acquisition of Petrola Hellas SA	254.344	-	-	-	-	-	254.344
Currency translation effects	112	(2.215)	-	-	-	-	(2.103)
Balance at 30 September 2003	<u>1.341.858</u>	<u>371.352</u>	<u>13.539</u>	<u>309.871</u>	<u>11.745</u>	<u>58.459</u>	<u>2.106.824</u>
Accumulated depreciation							
Balance at 1 January 2003	558.108	145.702	11.500	79.374	4.002	-	798.686
Charge for the period	50.051	14.227	115	11.196	306	-	75.895
Sales, retirements and other movements	(126)	(1.149)	-	(39)	-	-	(1.314)
Acquisition of Petrola Hellas SA	72.438	-	-	-	-	-	72.438
Currency translation effects	165	(365)	-	-	-	-	(200)
Balance at 30 September 2003	<u>680.636</u>	<u>158.415</u>	<u>11.615</u>	<u>90.531</u>	<u>4.308</u>	<u>-</u>	<u>945.505</u>
Net book value 30 September 2003	<u><u>661.222</u></u>	<u><u>212.937</u></u>	<u><u>1.924</u></u>	<u><u>219.340</u></u>	<u><u>7.437</u></u>	<u><u>58.459</u></u>	<u><u>1.161.319</u></u>
	31 December 2002 (Audited)						Total
	Refining	Marketing	Exploration & Production	Petro- Chemicals	Engineering	Electric Power	
			(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	<u>1.056.710</u>	<u>304.429</u>	<u>13.473</u>	<u>293.578</u>	<u>11.771</u>	<u>-</u>	<u>1.679.961</u>
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	<u>558.108</u>	<u>145.702</u>	<u>11.500</u>	<u>79.374</u>	<u>4.002</u>	<u>-</u>	<u>798.686</u>
Net book value 31 December 2002	<u><u>498.602</u></u>	<u><u>158.727</u></u>	<u><u>1.973</u></u>	<u><u>214.204</u></u>	<u><u>7.769</u></u>	<u><u>-</u></u>	<u><u>881.275</u></u>

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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:

	30 September 2003 Unaudited	As at 31 December 2002 Audited (Euro in thousands)	30 September 2002 Unaudited
Charges to related parties	348.317	621.106	368.341
Charges from related parties	8.194	13.113	10.433
Balances due from related parties	33.024	39.371	37.197
Balances due to related parties	2.887	1.139	1.172
Charges for directors' remuneration	2.370	2.725	1.700

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 S.A.	Associate
(k) Superlube	Associate
(l) Directors' remuneration:	

Salaries and fees for the 52 members (September 2002: 45 members) of the Board of Directors of the Company and its subsidiaries for the nine months ended 30 September 2003 and the nine months ended 30 September 2002 are € 2.370 thousands and € 1.177 thousands, respectively.

During the nine months to September 2003, the Company sold its option to acquire further shares in DEPA to the Greek State for a consideration of € 60 million net of tax, as further explained in note 4 above.

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13. INVESTMENTS IN ASSOCIATES AND OTHER PARTICIPATING INTERESTS

	Method of account	Ownership Percentage	As at	
			30 September 2003 Unaudited	31 December 2002 Audited
(Euro in thousands)				
Public Natural Gas Corporation of Greece (DEPA)	Equity	35	270.521	263.303
EANT	Cost	13	18	18
Volos Pet Industries A.E.	Equity	35	8.308	8.746
DEP A.E.-THRAKI Joint Venture	Equity	25	3.028	3.028
Athens Airport Fuel Pipeline Company A.E.	Equity	50	2.722	1.796
Spata Aviation Fuel Company S.A. (SAFCO)	Equity	25	435	439
Other	Equity	-	1.129	928
			286.161	278.258
			286.161	278.258

Other Participating Interests

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

	As at	
	30 September 2003	31 December 2002
	<i>Ownership Percentage</i>	
OMV (Albania)	49,00%	49,00%
OMV (Iran)	-	30,00%
Sipetrol - OSL (Libya)	37,50%	37,50%
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 exploration costs, in accordance with its ownership as shown above. Such costs have been expensed in accordance with the Group's policy.

The 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.

In Albania the first drilling was completed in the area of Paleokastra. The findings are being evaluated while the second drilling is anticipated to begin by the end of the year or the beginning of 2004.

14. OTHER FINANCIAL ASSETS

	As at	
	30 September 2003 Unaudited	31 December 2002 Audited
(Euro in thousands)		
Available for sale securities		
Shares –unlisted	1.334	1.334
Loans & Receivables originated by the enterprise		
Government bonds	12.227	16.705
Total securities	13.561	18.039
	13.561	18.039

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15. TAXATION

Deferred income tax asset / liability

	As at	
	30 September 2003	31 December 2002
	Unaudited	Audited
	(Euro in thousands)	
At 1 January	16.165	31.812
Charge for the period / year	(37)	(16.720)
Net deferred income tax liability of subsidiaries at acquisition	(7.978)	1.073
	<u>8.150</u>	<u>16.165</u>
At period /year end	<u>8.150</u>	<u>16.165</u>
Deferred tax relates to the following types of temporary differences:		
Provision for bad debts	7.709	7.683
Intangible and fixed assets	(402)	16.508
Other temporary differences	3.915	3.208
Environmental provision	382	382
Unrealised Exchange Gains	(7.705)	(15.971)
Losses available to offset against future taxable income	814	1.511
Other provisions	3.437	2.844
	<u>8.150</u>	<u>16.165</u>
Net deferred income tax liability	<u>8.697</u>	<u>4.053</u>
Net deferred income tax asset	<u>16.847</u>	<u>20.218</u>

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 and it cannot be estimated whether there will be sufficient taxable profits to utilise this asset. These deductible temporary differences, for which no deferred tax has been calculated, would result in a deferred tax credit of € 6.197 thousands for the period ended 30 September 2003 (30 September 2002: deferred tax credit € 1.549 thousands,) with a related deferred tax asset of € 34.298 thousands as at 30 September 2003 (31 December 2002: € 28.101 thousands).

Current Income Tax

	Nine months ended	
	30 September 2003	30 September 2002
	Unaudited	Unaudited
	(Euro in thousands)	
Current Income tax charge	56.502	46.426
Adjustments in respect of income tax of previous periods	13.114	-
	<u>69.616</u>	<u>46.426</u>

In June 2003, a tax audit of Hellenic Petroleum S.A. for the years ended 31 December 1997 to 2001 was completed. An amount of €11,9 million of extra taxes, plus fines was determined and recorded in the financial statements for the nine months ended 30 September 2003. In addition, during 2003 a tax audit was completed for OKTA Refinery for the years ended 31 December 2000 to 2001, resulting in additional taxes of € 1,2 million.

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16. LOANS, ADVANCES AND LONG TERM ASSETS

	As at	
	30 September 2003 Unaudited	31 December 2002 Audited
	(Euro in thousands)	
Loans and advances	13.263	11.989
Other long-term assets	149.664	11.241
	<u>162.927</u>	<u>23.230</u>

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

Other long-term assets include restricted bank deposits of approximately € 138 million, representing funds raised by Petrola Hellas SA during the public offer of the company's shares within 2001. The investment plan for the use of such funds was deferred by the Annual General Meeting of Petrola on June 24, 2003, which decided that the decision of the investment plan will be taken by the shareholders of Hellenic Petroleum in a General Assembly to be scheduled subsequently to the merger.

17. INVENTORIES

	As at	
	30 September 2003 Unaudited	31 December 2002 Audited
	(Euro in thousands)	
Crude oil	148.743	186.653
Refined products and semi-finished products	351.675	232.172
Petro-chemicals	21.433	17.800
Consumable materials and other	72.409	56.228
	<u>594.260</u>	<u>492.853</u>

18. ACCOUNTS RECEIVABLE

	As at	
	30 September 2003 Unaudited	31 December 2002 Audited
	(Euro in thousands)	
Trade receivables	414.144	405.794
Other receivables	162.751	130.708
Deferred charges and prepayments	18.192	7.764
Total	<u>595.087</u>	<u>544.266</u>

19. CASH AND CASH EQUIVALENTS

	As at	
	30 September 2003 Unaudited	31 December 2002 Audited
	(Euro in thousands)	
Cash at bank and in hand	141.266	83.655
Cash equivalents	46.301	3.234
Total cash and cash equivalents	<u>187.567</u>	<u>86.889</u>

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

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20. SHARE CAPITAL

	As at	
	30 September 2003	31 December 2002
	Unaudited	Audited
Number of ordinary shares	305.463.934	261.193.799
Nominal value (Euro in thousands)	665.911	470.149
The Company issued on September 30, 2003 44.270.135 new shares that were given as consideration for acquisition of Petrola Hellas SA. In addition, through capitalisation of retained earnings, share capital increased by € 2.979 thousand. Following the above, the nominal value of each share increased in 2003 from €1,80 to €2,18.		

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.

As of 30 September 2003 and 31 December 2002, management had 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.

21. DEBT

	As at	
	30 September 2003	31 December 2002
	Unaudited	Audited
	(Euro in thousands)	
Short-term debt		
Overdrafts	147.842	46.586
Syndicated loan facility	129.140	257.462
Other short-term loan	5.961	33.561
Subtotal	282.943	337.609
Capitalised lease obligations	419	340
<i>Short-term borrowings</i>	283.362	337.949
<i>Current portion of long term debt</i>	19.917	20.175
<i>Total short term debt</i>	303.279	358.124

	As at	
	30 September 2003	31 December 2002
	Unaudited	Audited
	(Euro in thousands)	
Long-term debt		
Bank loans	257.105	129.107
Other loans	11	150
Subtotal	257.116	129.257
Capitalised lease obligations	5.150	5.371
Subtotal	262.266	134.628
Due within one year	19.917	20.175
<i>Total long-term debt</i>	282.183	154.803

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21. DEBT (continued)

The aggregate maturities of long-term debt are:

	As at	
	30 September 2003	31 December 2002
	Unaudited	Audited
	(Euro in thousands)	
Due after more than five years	29.496	49.083
Due between one and five years	227.620	80.174
	<hr/>	<hr/>
Long-term portion	257.116	129.257
Due within one year	19.917	20.175
	<hr/>	<hr/>
	277.033	149.432
	<hr/> <hr/>	<hr/> <hr/>

Syndicated facility loan

As of 31 December 2002, the syndicated loan facility was drawn down under a committed revolving facility of US \$ 200 million and an uncommitted tender panel facility of US \$ 200 million. As at 30 September 2003 the outstanding amount of the above facilities were fully repaid. This facility remains available to be used by the Company until 7 July 2004.

On March 23, 2003, the Company agreed to a new two-tranche term loan of US \$ 150 million and a revolving credit facility of US \$ 100 million. The amount not withdrawn up to September 30, 2003 is US \$ 25 million from the revolving credit facility.

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

	As at	
	30 September 2003	31 December 2002
	Unaudited	Audited
	(Euro in thousands)	
Retirement benefits, pensions and similar obligations	101.193	91.846
Government advances	25.614	25.614
Environmental costs	1.092	1.092
Other long term liabilities	23.120	19.125
	<hr/>	<hr/>
	151.019	137.677
	<hr/> <hr/>	<hr/> <hr/>

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, 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.

Other

Included in the balance of other long term liabilities as at 30 September 2003 and 31 December 2002 is the closing liability arising from capital investment made on behalf of the FYROM government in relation to the acquisition of OKTA of € 9.696 thousands.

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23. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at	
	30 September 2003	31 December 2002
	Unaudited	Audited
	(Euro in thousands)	
Trade payables	198.918	111.987
Other payables	59.933	45.937
Accruals and deferred income	264.009	239.359
	<u>522.860</u>	<u>397.283</u>

Included in the balance of other payables as of 30 September 2003 is a liability of approximately € 10 million representing the extra consideration for the acquisition of BP Cyprus (Note 3b).

24. NET ASSETS OF COMPANY ACQUIRED

The fair value of the identifiable assets and liabilities of Petrola Hellas SA acquired, as explained in note 3 of these consolidated financial statements are:

	As at
	30 September 2002
	(€ in thousands)
Property, plant and equipment and identifiable intangibles	183.693
Investments in associates	926
Inventories	139.911
Accounts Receivables	81.631
Cash and cash equivalents	3.514
Loans, advances and long term assets	138.192
	<u>547.867</u>
Accounts Payable	131.561
Income Tax payable	5.500
Overdrafts	72.981
Deferred Income tax liability	7.928
Pension plans and other long term liabilities	12.281
	<u>317.616</u>
Fair value of net assets	(17.464)
Negative Goodwill arising on acquisition	
	<u>300.152</u>
Cash paid for the acquisition of the subsidiaries	-
Net cash acquired with subsidiaries (net of bank overdrafts)	69.467
	<u>69.467</u>

As explained in note 3, the fair value of the net assets of the company acquired has not been finalised as to the date of this report and amendments to these values may be made within twelve months from the acquisition date.

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25. 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.

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 30 September 2003 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.

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26. CAPITAL COMMITMENTS AND OTHER OBLIGATIONS

Purchase obligations

The Group entered into agreements for the purchase of 8,200 thousand metric tonnes maximum of crude oil with a one-year mutual option for additional purchases. Of this quantity, the Group has purchased 5.652 thousand metric tonnes up to 30 September 2003. 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 be resolved either by amicable settlement or through the 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. The agreement officially commenced in 2000 and will have a duration of 21 years. Both the specific quantities and the quality specifications of the product to be delivered every year are determined by the contract. The contract price is also determined using a formula, which is defined in the contract.

DEPA has entered into a long-term time charter agreement, with a company owning an LNG carrier, for the transportation of liquefied natural gas from Algeria to its storage facilities on Revithoussa island. The agreement expires in July 2007, and is renewable at the Company's option. Estimated charter hire until the expiration of the agreement is approximately \$64,5 million.

Capital Commitments

DEPA has a number of outstanding commitments on supplier contracts, totalling approximately € 59,2 million.

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.

27. CONTINGENCIES AND LITIGATION

- (i) The Government has advanced the Group € 43.434 thousands to undertake research and exploration, as determined by 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 € 40,8 million. 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) In June 2003, the tax audit of Hellenic Petroleum S.A. for the years ended 31 December 1997 to 2001 was completed. An amount of €11,9 million of extra taxes, plus fines was determined and recorded in the financial statements for the nine months ended 30 September 2003. The Company has not undergone a tax audit for the year ended 31 December 2002 and nine months to 30 September 2003 and most of its subsidiaries since the year ended 31 December 1997 and onwards. The Group has not made a provision for any additional taxes, as the amount cannot be estimated with any degree of certainty.

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27. CONTINGENCIES AND LITIGATION *(continued)*

- (v) The Group has given letters of comfort and guarantees of € 210 million to banks for loans undertaken by subsidiaries and associates of the Group, the outstanding amount of which as of September 30, 2003 was € 140 million (€ 127 million of which is included in the consolidated financial statements). The Group has also issued letters of credit and guarantees in favour of third parties amounting to € 218 million mainly for the completion of contracts entered into by the Group.
- (vi) In October 2002, the Company guaranteed, through a Performance Bond issued by the National Bank of Greece of €45 million, its performance of the Investment Programme committed under the share purchase agreement for the acquisition of Jugopetrol AD Kotor.
- (vii) The Group's subsidiary, Hellenic Petroleum Cyprus Limited has a potential contingent liability relating to a claim by Petrolina (Holdings) Ltd relating to refunds on the under-recoveries of oil margins in the industry. The maximum amount of the claim can reach € 1,8 million of which maximum € 0,3 million may be recovered by the seller. Management believes that it is not probable that the claim will crystallize and thus no provision has been made.
- (viii) 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 net oil imports. The importer, in order to meet his stock obligation, has either to build his own facilities or to rent facilities from third parties. With the new legislation, the matter is resolved according to the decision of European Court concerning the handling of oil stocks. 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.
- (ix) 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.
- (x) 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.
- (xi) 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.
- (xii) 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 High Court of London has partly accepted the claim by awarding to the claimants an amount of \$9,5 million for the period up to April 2002 plus any interest and damages for the remaining period. OKTA has already paid the sum of US\$ 1,2 million to its former suppliers. On 17th July 2003, the Court of Appeal in London rejected the appeal filed by OKTA against the decision of the High Court of London. OKTA has applied to the House of Lords for leave of appeal. In order for this decision to be enforced and filed against OKTA, it must be recognised by the local courts, and the suppliers have not submitted such an application to date. ELPET's application for declaratory judgement on the same issue is currently being considered by the Court of First Instance of Scopja, FYROM. If ELPET's application is successful, OKTA will be prohibited from making any payments to the suppliers. 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. As a result the company has not provided for the above amounts.

HELLENIC PETROLEUM S.A
NOTES TO THE INTERIM IFRS CONSOLIDATED FINANCIAL STATEMENTS
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27. CONTINGENCIES AND LITIGATION *(continued)*

(xiii) 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. On 17th April 2003 the Court rejected the plaintiffs' action. The decision has been appealed and the hearing has not been held to date.

(xiv) Following an accident involving the motor tanker KRITI-GOLD on November 1998, at the Company's mooring installation in Thessaloniki, four seamen died. Claims have been lodged in connection with this accident against the ship owner 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.

(xv) There are various litigations and claims against DEPA by third parties 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 € 34,8 million, from which it is estimated that the Company will have to pay no more than € 14 million. These amounts will ultimately increase the cost of the main pipeline system.

(xvi) As at 30 September 2003 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 € 100 million. A final outcome cannot be predicted, therefore a provision has not been made in the accompanying financial statements.

(xvii) There are various claims against DEPA by contractors amounting to € 1,8 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.

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.	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 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
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 Limited	100%	United Kingdom
Jugopetrol Kotor AD	54,35%	Montenegro
EKO- Fisiko Aerio	100%	Greece
Hellenic Petroleum-Apollon Shipping Company	100%	Greece
Energeiaki Thessalonikis	100%	Greece

HELLENIC PETROLEUM S.A.

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

	9 months ended 30 September 2003 (Unaudited) Net Income	As at 30 September 2003 (Unaudited) Shareholders Equity (Euro in thousands)	9 months ended 30 September 2002 (Unaudited) Net Income	As at 31 December 2002 (Audited) Shareholders Equity
Balance as per Greek Consolidated Financial Statements	252.820	1.969.566	117.757	1.456.564
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	4.616	36.192	12.422	31.576
2 Provision for deferred tax	(37)	8.150	(10.833)	16.165
3 Reversal of the revaluation of fixed assets and the effect of depreciation taken	78	(56.864)	456	(56.942)
4 Write off of capitalised costs with no future benefit	612	(22.462)	142	(13.276)
5 Write off of capitalised research and development costs and reversal of related depreciation	5.125	(31.612)	5.329	(36.737)
6 Adjustment of depreciation to conform with the group policy	8.207	55.134	2.168	17.822
7 Provision for environmental restorations	-	(1.092)	-	(1.092)
8 Reversal of the unrealised inter-company profit in the ending inventory and fixed assets	(1.089)	(2.770)	(247)	(1.681)
9 Equity accounting (Differences from conversion to IAS of associates' accounts)	2.486	9.614	2.594	7.324
10 Other provisions / adjustments	(1.456)	(4.565)	176	(1.821)
11 Reclassification of the export reserve movement to P&L account	1.064	-	1.474	-
12 Reclassification of grant from equity to deferred income or liabilities	493	(86.859)	513	(92.914)
13 Income tax for the period	(68.137)	(60.770)	(46.027)	(129)
14 Minority interest	(74)	(88.909)	(977)	(94.791)
15 IPO costs to share premium account and reversal of related amortisation	353	(561)	1.058	(914)
16 Goodwill and depreciation of goodwill	(4.013)	(31.931)	(4.842)	10.624
17 Fair values assigned to fixed assets of subsidiary acquired (BPC) and related extra depreciation	(611)	38.207	-	-
18 Petrola's profit for period 5/6/ - 30/9/03	(12.188)	-	-	-
18 Exchange gains (timing differences)	(23.247)	23.872	31.434	47.119
19 Different method of stock valuation	(290)	-	(475)	290
20 Effect of IAS 39	(273)	(4.366)	908	(4.093)
21 Dividends payable	-	-	-	39.179
22 Fair value adjustment to forward currency contract	4.186	-	(2.688)	(4.186)
23 Other	(407)	(266)	(361)	1.948
Balance as per IFRS Consolidated Financial Statements	168.218	1.747.708	109.981	1.320.035

HELLENIC PETROLEUM S.A.**Interim Income Statement**

	For the nine months ended	
	30 September 2003	30 September 2002
	(Unaudited)	(Unaudited)
	(Euro in thousands)	
Sale proceeds	2.380.094	1.931.891
Cost of sales	(2.158.341)	(1.761.909)
Gross profit	221.753	169.982
Other operating income	74.831	19.668
Selling, distribution and administrative expenses	(98.018)	(69.545)
Research and development	(2.521)	(3.274)
Operating profit	196.045	116.831
Finance income	10.063	9.683
Finance expense	(8.119)	(12.415)
Currency exchange gains	7.940	15.227
Income before taxation	205.929	129.326
Taxation – current	(53.843)	(32.057)
Taxation – deferred	5.570	(8.407)
Net income for the period	157.656	88.862

HELLENIC PETROLEUM S.A.**Interim Balance Sheet**

	As at	
	30 September 2003	31 December 2002
	(Unaudited)	(Audited)
	(Euro in thousands)	
ASSETS		
Non-current assets		
Intangible assets	6.502	26.472
Property, plant and equipment	657.609	499.969
Investments in subsidiaries and associates	699.035	630.079
Other financial assets	7.027	16.705
Deferred income tax asset	8.979	11.336
Other non-current assets	138.192	-
	<u>1.517.344</u>	<u>1.184.561</u>
Current assets		
Inventories	539.740	409.182
Accounts receivable	410.715	410.394
Cash and cash equivalents	135.202	12.707
	<u>1.085.657</u>	<u>832.283</u>
TOTAL ASSETS	<u><u>2.603.001</u></u>	<u><u>2.016.844</u></u>
EQUITY AND LIABILITIES		
Share capital	665.911	470.149
Share premium	352.859	245.555
Reserves	605.356	489.858
Total equity	<u>1.624.126</u>	<u>1.205.562</u>
Non-current liabilities		
Long-term debt	185.078	65.396
Pension plans and other long-term liabilities	109.838	93.306
	<u>294.916</u>	<u>158.702</u>
Current liabilities		
Accounts payable and accrued liabilities	451.502	329.674
Tax payable	21.414	22.596
Current portion of long-term debt	8.922	6.108
Short-term borrowings	202.121	290.016
Forward currency contract	-	4.186
	<u>683.959</u>	<u>652.580</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2.603.001</u></u>	<u><u>2.016.844</u></u>

As further explained in note 3j to the consolidated financial statements, the above balances as of 30 September 2003, incorporate the balances of Petrola Hellas SA as of that date.