HELLENIC PETROLEUM S.A.

IFRS CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2003

CONTENTS

ERNST & YOUNG

Auditors' Report

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 2003 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 2003, and of the consolidated results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

25 February 2004
Athens, Greece

Consolidated Balance Sheet

(Euro in thousands)	Notes	As at 31 December 2003	As at 31 December 2002
ASSETS			
Non-current assets			
Intangible assets	12	110.698	135.561
Property, plant and equipment	13	1.198.691	881.275
Investments in associates	15	289.873	278.258
Other financial assets	16	6.190	18.039
Deferred income tax asset	17	10.444	20.218
Loans, advances and long term assets	18	27.827	23.230
		1.643.723	1.356.581
Current assets			
Inventories	19	494.163	492.853
Accounts receivable	20	553.847	544.266
Cash and cash equivalents	21	304.129	86.889
		1.352.139	1.124.008
TOTAL ASSETS		2.995.862	2.480.589
EQUITY AND LIABILITIES			
Share capital	22	665.911	470.149
Share premium		352.924	245.555
Reserves		770.720	604.331
Total equity		1.789.555	1.320.035
Minority interest		94.256	94.791
Non- current liabilities			
Long-term debt	24	272.138	134.628
Pension plans and other long-term liabilities	25	172.126	137.677
Deferred income tax liability	17	11.389	4.053
		455.653	276.358
Current liabilities			
Accounts payable and accrued liabilities	26	372.730	397.283
Income tax payable	27	30.008	29.812
Current portion of long-term debt	24	18.440	20.175
Short-term borrowings	24	235.220	337.949
Forward commodity contract		-	4.186
		656.398	789.405
TOTAL EQUITY AND LIABILITIES		2.995.862	2.480.589

Please see accompanying notes to the consolidated financial statements.

Consolidated Income Statement

(Euro in thousands)	Notes	For the year ended 31 December 2003	31 December 2002
Sale proceeds		4.532.673	3.685.052
Sales taxes, excise duties and similar levies		(637.578)	(499.253)
Net proceeds		3.895.095	3.185.799
Cost of sales		(3.406.268)	(2.809.720)
Gross profit		488.827	376.079
Other operating income	4	105.399	36.379
Selling, distribution and administrative expenses	5	(327.584)	(208.115)
Research and development		(6.661)	(3.677)
Other operating expense	25	-	(17.949)
Operating profit		259.981	182.717
Finance income	7	12.063	12.683
Finance expense	8	(17.828)	(18.173)
Currency exchange gains, net	9	28.517	28.660
Share of net result of associated companies	10	14.483	9.953
Operating Income before income tax and minority interests		297.216	215.840
Taxation – current	17	(82.470)	(64.753)
Taxation – deferred	17	(5.792)	(16.720)
Income after taxation		208.954	134.367
Losses / (income) applicable to minority interest		1.576	(952)
Net income for the period		210.530	133.415
Earnings per ordinary share (eurocents)		0,77	0,51
Net income attributable to ordinary shares (Euro in thousands)		210.530	133.415
Average number of ordinary shares outstanding		272.473.587	261.193.799

Diluted earnings per ordinary share are not presented, as the effect of these would not be material.

Please see accompanying notes to the consolidated financial statements.

Consolidated Statement of Changes in Equity

(Euro in thousands)	Tax deferred reserve and partially taxed reserves	Statutory reserve	Retained earnings	Total Reserves	Share capital	Share premium	Total Shareholders' Equity
Balance at 1 January 2002	**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 differences	-	-	(1.482)	(1.482)	-	-	(1.482)
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)
Balance at 31 December 2002	**176.391**	**41.392**	**386.548**	**604.331**	**470.149**	**245.555**	**1.320.035**
Net income for the year	-	-	210.530	210.530	-	-	210.530
Translation exchange differences	-	-	(1.983)	(1.983)	-	-	(1.983)
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	-	-	-	-	-	-	-
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
Balance at 31 December 2003	**179.511**	**45.825**	**545.384**	**770.720**	**665.911**	**352.924**	**1.789.555**

Please see accompanying notes to the consolidated financial statements.

Consolidated Cash Flow Statement

(Euro in thousands)	Note	For the year ended 31 December 2003	31 December 2002
Income before taxation		**297.216**	**215.840**
Adjustments for:			
Depreciation and amortisation		121.666	111.671
Share of result of associates		(14.483)	(9.953)
Other provisions		3.940	(1.160)
Gain from sale of DEPA option		(80.000)	-
Loss on sales of property, plant and equipment		5.302	266
Increase in pension plan and other long term liabilities		25.471	31.129
Amortisation of grants		(8.700)	(12.236)
Foreign exchange gain		(28.517)	(28.660)
Interest and related income		(12.063)	(12.683)
Interest expense		17.828	18.173
Operating profit before working capital changes		327.660	312.387
Decrease / (increase) in inventories		133.102	(163.314)
Decrease/ (increase) in accounts receivable and long term assets		21.218	(43.511)
(Decrease)/ increase in payables and accrued liabilities		(124.767)	31.271
Payments for pensions (including scheme closure)		(16.924)	(20.937)
Cash generated from operations		340.289	115.896
Realised net foreign exchange loss		(2.470)	(13.070)
Interest paid		(17.376)	(19.568)
Interest received		12.063	12.683
Minority interest		-	16.399
Taxation paid		(46.353)	(17.254)
Net cash flows from operating activities		**286.153**	**95.086**
Cash flows from investing activities			
Payments to acquire property, plant and equipment and intangibles		(258.978)	(119.645)
Payments for the acquisition of subsidiary		-	(13.680)
Acquisition of subsidiaries, net of cash acquired	28	68.725	(132.998)
Proceeds from disposal of fixed assets		-	2.394
Dividend received from associate		694	578
Proceeds from sale of DEPA option		60.000	
Net cash movement in other financial assets		11.849	8.101
Payments to acquire investments in associates		(172)	
Grant received		19.739	4.921
Net cash flows used in investing activities		**(98.143)**	**(250.329)**

Please see accompanying notes to the consolidated financial statements.

Consolidated Cash Flow Statement *(continued)*

		For the year ended	
(Euro in thousands)	Note	31 December 2003	31 December 2002
Cash flows from financing activities			
Net movement in long term debt		25.030	(15.574)
Net movement in short term borrowings		23.673	101.911
Payments for finance leases		(505)	(305)
Equity dividends paid		(39.179)	(31.343)
Net cash inflow from financing activities		**9.019**	**54.689**
Net increase in cash and cash equivalents (net of overdrafts)		**197.029**	**(100.554)**
Opening balance, cash and cash equivalents (net of overdrafts)		40.303	140.857
Closing balance, cash and cash equivalents (net of overdrafts)		237.332	40.303
Cash and cash equivalents		304.129	86.889
Overdrafts		(66.797)	(46.586)
		237.332	40.303

Please see accompanying notes to the consolidated financial statements.

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 distribution of natural gas products. The Group also provides engineering services.

Hellenic Petroleum S.A. ("the Company") 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 39.

The same accounting policies and recognition and measurement principles are followed in the 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 consolidated financial statements of Hellenic Petroleum S.A. for the year ended 31 December 2003 were authorised for issue by the Board of Directors on 25 February 2004. The shareholders of the Company have the authority to amend the financial statements after their issue.

Basis of presentation

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.

Petrola Hellas SA (Petrola) has 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 Petrola for the three-month period from its acquisition on 30 September 2003.

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.

1. ACCOUNTING PRINCIPLES *(continued)*

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.

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 on to the buyer. Interest revenue is recognised as the interest accrues unless its collectibility is in doubt.

Derivative Financial Instruments

The Group uses derivative financial instruments such as foreign currency contracts and commodity contracts to partially 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 income statement 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. Negative goodwill is amortised over the average remaining useful lives of non- current depreciable assets. 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.

1. ACCOUNTING PRINCIPLES *(continued)*

Oil and gas accounting methods

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

Exploration costs

Geological costs are expensed in the year incurred.

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

Oil and gas producing assets

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

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

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

Land and Buildings

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

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

Other plant and equipment

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

— Buildings: 13-20 years,

— Specialised industrial installations: 7-15 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

— White products carrier: 17 years

Refinery refurbishment costs

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

1. ACCOUNTING PRINCIPLES *(continued)*

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.

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.

1. ACCOUNTING PRINCIPLES *(continued)*

Certain subsidiaries have supplemental pension plans and benefit plans. The plans are either defined contribution plans or defined benefit plans. The actuarial obligation 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.

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 *(Year 2003)*

Year ended 31 December 2003

(Euro in thousands)	**Refining**	**Marketing**	**Exploration & production**	**Petrochemicals**	**Engineering**	**Natural gas**	**Other (3)**	**Inter segment adjustments (1)**	**Total**
Sales – third party	2.285.647	1.367.098	1.265	218.490	22.595	-	-	-	3.895.095
Sales – inter – segment	1.120.724	8.877	-	22.259	-	-	-	(1.151.860)	-
Net Proceeds	**3.406.371**	**1.375.975**	**1.265**	**240.749**	**22.595**	**-**	**-**	**(1.151.860)**	**3.895.095**
Depreciation	63.572	18.340	158	15.734	544	-	-	-	98.348
Depletion & Amortisation	8.697	13.041	-	1.440	140	-	-	-	23.318
Other operating income **(2)**	18.022	6.370	-	5.032	10	80.000	-	(4.035)	105.399
Operating profit	153.683	30.094	(11.264)	10.060	976	80.000	(5.393)	1.825	259.981
Share of result of associates	-	11	-	266	-	14.206	-	-	14.483
Net income / (loss)	**122.147**	**9.585**	**(12.525)**	**5.406**	**(1.272)**	**94.206**	**(5.393)**	**(1.624)**	**210.530**
Equity accounted investments	2.902	450	-	8.319	-	277.314	888	-	289.873
Capital expenditure	73.508	98.186	13.839	11.731	144	-	68.967	-	266.375
Identifiable assets	1.918.693	527.694	16.479	379.903	18.757	277.314	291.833	(434.811)	2.995.862

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

2a. Analysis by industry segment *(Year 2002)*

Year ended 31 December 2002

(Euro in thousands)	**Refining**	**Marketing**	**Exploration & production**	**Petrochemicals**	**Engineering**	**Natural gas**	**Other (3)**	**Inter segment adjustments (1)**	**Total**
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 associates	-	90	-	(2.538)	-	12.401	-	-	9.953
Net income/(loss)	121.513	16.008	(2.219)	(4.108)	(254)	12.401	(1.679)	(8.247)	133.415
Equity accounted investments	4.824	439	-	8.746	-	263.303	946	-	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

(1) The inter segment adjustments reflect transactions between the segments.
(2) The income of € 80 million in the natural gas segment relates to the proceeds from the sale of the DEPA option, as explained in note 4.
(3) Relates mainly to the new electric power plant constructed by the Group in Thessaloniki (Energiaki Thessalonikis S.A.). (see note 3c below).

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

2b. Analysis by geographic zone (Net Proceeds)

	Year ended	
(Euro in thousands)	31 December 2003	31 December 2002
Inland market sales (Greece)	2.983.698	2.370.691
International market sales	911.397	815.108
	3.895.095	3.185.799

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 was completed in 2003 and the fair market value of property, plant & equipment increased by € 4.162 thousand. Consequently, goodwill on acquisition of the above company decreased by € 1.587 thousand (note 12).

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 12).

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 power generation 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 Thessalonikis 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 results and net assets of the subsidiary have been consolidated in the Group as of the date of its establishment.

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 Thessaloniki Refinery to OKTA's refinery in Skopje. The company had no results in the year and its net assets have been consolidated in the Group as of the date of its establishment.

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.

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 results and net assets of the subsidiary have been consolidated in the Group as of the date of its establishment.

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. As at 31 December 2003 it has entered into an agreement to purchase one petrol station in Bosnia. 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 white 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 S.A. ("Petrola"), another refinery company in Greece, by 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 30 September 2003, on which date Petrola 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 Hellenic Petroleum S.A. shares as at 30 September 2003. A negative goodwill of €17.464 thousand arose originally out of this transaction on the date of acquisition. As of 31 December 2003 a fair value exercise of the net assets of Petrola was finalised. As a result, the fair values of the net assets acquired and negative goodwill increased by € 5.249 thousand, to € 22.713 thousand.

4. OTHER OPERATING INCOME

(Euro in thousands)	Year ended 31 December 2003	Year ended 31 December 2002
Income from grants (includes amortisation)	18.164	14.319
Services to third parties	1.297	1.942
Rental income	3.320	3.296
Income from sales of scrap	-	1.466
Gain from sale of DEPA option	80.000	-
Amounts received by contractors due to failure to meet obligations	-	13.802
Other	2.618	1.554
	105.399	36.379

During the year ended 31 December 2003, the Company sold its option to acquire further shares in DEPA to the Greek State for a consideration of € 80 million. An amount of € 60 million was paid within the year ended 31 December 2003. The remaining € 20 million is included in other receivables (see Note 20). According to the agreement signed and correspondence exchanged between the two parties the above sale is subject to corporation tax but not to VAT.

5. SELLING, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

(Euro in thousands)	Year ended 31 December 2003	Year ended 31 December 2002
Selling and distribution expenses	176.677	108.157
Administrative expenses	150.907	99.958
	327.584	208.115

6. DEPRECIATION, DEPLETION AND AMORTISATION

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

	Year ended	
(Euro in thousands)	31 December 2003	31 December 2002
Cost of sales	74.916	76.667
Selling distribution and administrative expenses	46.739	34.967
Research and development	11	37
	121.666	111.671

7. FINANCE INCOME

	Year ended	
(Euro in thousands)	31 December 2003	31 December 2002
Interest income	4.615	4.364
Interest from trade receivables	7.359	8.060
Other related income	89	259
	12.063	12.683

8. FINANCE EXPENSE

	Year ended	
(Euro in thousands)	31 December 2003	31 December 2002
Total interest incurred	17.828	19.107
Less: Interest capitalised	-	(934)
	17.828	18.173

9. CURRENCY EXCHANGE GAINS, NET

For the year ended 31 December 2003, positive net exchange gains of € 28,5 million were recorded (2002: € 28,7 million), mainly relating to the unrealised exchange gains on the Group's syndicated loan facility, which is denominated in US dollars, as a result of the appreciation of the Euro against the US dollar.

10. SHARE OF NET RESULT OF ASSOCIATED COMPANIES

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

	Year ended	
(Euro in thousands)	31 December 2003	31 December 2002
Volos Pet Industries A.E.	266	(2.538)
Public Natural Gas Corporation of Greece (DEPA)		
- share of profit	9.611	7.884
- amortization of negative goodwill	4.595	4.517
Spata Aviation Fuel Company S.A.	11	90
	14.483	9.953

11. EMPLOYEE EMOLUMENTS AND NUMBERS

(a) Emoluments	Year ended	
(Euro in thousands)	31 December 2003	31 December 2002
Remuneration	149.952	129.507
Social security contribution	31.205	26.663
Pensions and similar obligations	20.632	30.948
Other benefits	22.345	16.774
Total	224.134	203.892

Certain management executives have received options to acquire shares of the Company, exercisable within five years, at prices of Drs 2,212 (€ 6,49) ,€ 13,06 and € 9,68 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 2003 relate to 60.628, 20.570 and 65.250 shares respectively.

(b) Average numbers of employees	Year ended	
	31 December 2003	31 December 2002
Refining	3.418	2.930
Marketing	1.617	1.005
Exploration and production	75	75
Petrochemicals	405	416
Engineering	181	169
Total	5.696	4.595

12. 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 2003

(Euro in thousands)	Refining	Marketing	Exploration & Production	Petrochemicals	Engineering	Total
Cost						
Balance at 1 January 2003	37.807	143.014	-	18.971	468	200.260
Capital expenditure	6.143	3.318	13.529	-	36	23.026
Goodwill movements (Notes 3a, 3b and 3j)	(22.713)	(3.160)	-	-	-	(25.873)
Sales, retirements and other movements	-	(6.639)	-	-	(447)	(7.086)
Acquisition of Petrola	3.631	-	-	-	-	3.631
Balance at 31 December 2003	24.868	136.533	13.529	18.971	57	193.958
Amortisation						
Balance at 1 January 2003	22.863	39.397	-	2.255	184	64.699
Charge for the year	8.697	13.041	-	1.440	140	23.318
Sales, retirements and other movements	-	(6.154)	-	-	(447)	(6.601)
Acquisition of Petrola	1.844	-	-	-	-	1.844
Balance at 31 December 2003	33.404	46.284	-	3.695	(123)	83.260
Net book value 31 December 2003	**(8.536)**	**90.249**	**13.529**	**15.276**	**180**	**110.698**

31 December 2002

(Euro in thousands)	Refining	Marketing	Exploration & Production	Petrochemicals	Engineering	Total
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**

13. 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 2003

(Euro in thousands)	Refining	Marketing	Exploration & Production	Petrochemicals	Engineering	Power Generation	Total
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 (Notes 3 a & b)	-	17.712	-	-	-	-	17.712
Capital expenditure	67.365	94.868	310	11.731	108	68.967	243.349
Sales, retirements and other movements	(2.113)	(4.431)	(28)	(445)	(119)	-	(7.136)
Transfers	(1.691)	-	-	5.448	-	-	3.757
Acquisition of Petrola	229.931	-	-	-		-	229.931
Currency translation effects	(144)	(2.479)	-	-	-	-	(2.623)
Balance at 31 December 2003	1.350.058	410.099	13.755	310.312	11.760	68.967	2.164.951
Accumulated depreciation							
Balance at 1 January 2003	558.108	145.702	11.500	79.374	4.002	-	798.686
Charge for the year	63.572	18.340	158	15.734	544	-	98.348
Sales, retirements and other movements	(425)	(1.697)	-	(76)	(119)	-	(2.317)
Acquisition of Petrola	72.436	-	-	-	-	-	72.436
Transfers		-	-	(497)	-	-	(497)
Currency translation effects	(20)	(376)	-	-	-	-	(396)
Balance at 31 December 2003	693.671	161.969	11.658	94.535	4.427	-	966.260
Net book value 31 December 2003	**658.439**	**246.078**	**2.097**	**215.777**	**7.333**	**68.967**	**1.198.691**

31 December 2002

(Euro in thousands)	Refining	Marketing	Exploration & Production	Petrochemicals	Engineering	Power Generation	Total
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**

13. 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.
(2) Capital leases with net book value of € 5,2 million are included within fixed assets as at 31 December 2003 (2002: € 5,7 million).
(3) Interest of € 371 thousand was capitalised in fixed assets during the year ended 31 December 2003 relating to borrowings specifically obtained for the financing of construction of assets (December 2002: interest capitalised € 934 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 new installations are now being depreciated, starting 1 January 2002, over their remaining useful economic lives (14 or 15 years respectively).

14. RELATED PARTY TRANSACTIONS

Included in the Consolidated 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:

(Euro in thousands)	As at 31 December 2003	31 December 2002
Charges to related parties	442.641	621.106
Charges from related parties	25.630	13.113
Balances due from related parties	175.060	39.371
Balances due to related parties	23.076	1.139
Charges for directors' remuneration	3.941	2.725

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)	Eurobank	Common ownership
(m)	Lamda Shipyards	Common ownership
(n)	Woodside Repsol-Elpe	Joint venture
(o)	Directors' remuneration:	Salaries and fees for the 66 members (December 2002: 53 members) of the Board of Directors of the Company and its subsidiaries for the year ended 31 December 2003 and the year ended 31 December 2002 are € 3.941 thousands and € 2.725 thousands, respectively.

During the year ended 31 December 2003, the Company sold its option to acquire further shares in DEPA to the Greek State for a consideration of € 80 million, as further explained in note 4 above.

15. INVESTMENTS IN ASSOCIATES AND OTHER PARTICIPATING INTERESTS

(Euro in thousands)	Method of Account	Ownership Percentage	As at 31 December 2003	As at 31 December 2002
Public Natural Gas Corporation of Greece (DEPA)	Equity	35	277.314	263.303
EANT	Cost	13	18	18
Volos Pet Industries A.E.	Equity	35	8.319	8.746
DEP A.E.-THRAKI Joint Venture	Equity	25	-	3.028
Athens Airport Fuel Pipeline Company A.E.	Equity	50	2.902	1.796
Spata Aviation Fuel Company S.A. (SAFCO)	Equity	25	450	439
Other	Equity	-	870	928
			289.873	278.258

Other Participating Interests

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

(Ownership Percentage)	As at 31 December 2003	As at 31 December 2002
RAMCO / Medusa (Montenegro)	49,00%	49,00%
Star / Global Petroleum Ltd (Montenegro)	49,00%	49,00%
OMV (Albania)	49,00%	49,00%
OMV (Iran)	30,00%	30,00%
Sipetrol – Oil Search (Libya)	37,50%	37,50%
Sipetrol (Egypt)	49,50%	49,50%
Woodside Energy- Repsol Exploration Murzoq (Libya)	20,00%	-

With respect to the participating interests in joint ventures with OMV (Albania), OMV (Iran), Sipetrol- Oil Search (Libya) and Sipetrol (Egypt), 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 unsuccessfully completed in the area of Paleokastra. A second drilling is anticipated to begin by the first half of 2004.

With respect to the participation in the Joint Venture with Woodside and Repsol in Libya, the Group incurred an initial cost of US $ 16,8 million (€ 13,5 million) in order to obtain exploration rights in certain Libyan territories. The exploration is expected to start in the beginning of 2004.

16. OTHER FINANCIAL ASSETS

(Euro in thousands)	As at 31 December 2003	As at 31 December 2002
Available for sale securities		
Shares –unlisted	1.370	1.334
Loans & Receivables originated by the enterprise		
Government bonds	4.820	16.705
Total securities	**6.190**	**18.039**

17. TAXATION

Deferred income tax asset / liability

(Euro in thousands)	As at 31 December 2003	As at 31 December 2002
At beginning of year	16.165	31.812
Charge for the period / year	(5.792)	(16.720)
Net deferred income tax liability of subsidiaries at acquisition	(11.318)	1.073
At year end	(945)	16.165

Deferred tax relates to the following types of temporary differences:		
Provision for bad debts	7.675	7.683
Intangible and fixed assets	315	16.508
Other temporary differences	3.785	3.208
Environmental provision	382	382
Unrealised exchange gains	(16.467)	(15.971)
Losses available to offset against future taxable income	2.618	1.511
Other provisions	747	2.844
	(945)	16.165
Net deferred income tax liability	11.389	4.053
Net deferred income tax asset	10.444	20.218

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 € 7.738 thousands for the year ended 31 December 2003 (31 December 2002: deferred tax credit € 1.549 thousands,) with a related deferred tax asset of € 35.839 thousands as at 31 December 2003 (31 December 2002: € 28.101 thousands).

17. TAXATION *(continued)*

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

(Euro in thousands)	Year ended 31 December 2003	31 December 2002
Profit before income taxes as reported in the accompanying	297.215	215.840
Normalised income tax provision at corporate tax rate	74.304	75.660
Net tax effect of non-taxable income and non tax deductible expenses	15.195	16.545
IFRS adjustments with no tax effect	(17.659)	(12.349)
Deferred tax effect due to change in rate	(572)	(90)
Carry forward tax losses	2.617	1.449
Provision for income taxes before fiscal tax audit	73.885	81.215
Prior period taxes	14.377	258
Provision for income taxes at the effective tax rate	88.262	81.473
Current tax	(82.470)	(64.753)
Deferred tax	(5.792)	(16.720)
Total	(88.262)	(81.473)

Following the merger with Petrola and based on Greek law on mergers, an income tax rate of 25% will be applicable for Hellenic Petroleum for the years ended 31 December 2003 and 31 December 2004.

During 2003, Hellenic Petroleum S.A. was audited by the Greek tax authorities for the years ended 31 December 1997 to 2001. Additional taxes plus fines amounting to € 11,9 million were assessed and recorded by the Company in the financial statements for the year ended 31 December 2003. In addition, during 2003 tax audits were completed for Asprofos and OKTA Refinery, resulting in additional taxes of € 1,3 million and € 1,2 million, respectively.

18. LOANS, ADVANCES AND LONG TERM ASSETS

(Euro in thousands)	As at 31 December 2003	31 December 2002
Loans and advances	15.294	11.989
Other long-term assets	12.533	11.241
	27.827	23.230

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

19. INVENTORIES

(Euro in thousands)	As at 31 December 2003	31 December 2002
Crude oil	102.176	186.653
Refined products and semi-finished products	290.847	232.172
Petro-chemicals	20.020	17.800
Consumable materials and other	81.120	56.228
	494.163	492.853

20. ACCOUNTS RECEIVABLE

(Euro in thousands)	As at 31 December 2003	31 December 2002
Trade receivables	444.416	405.794
Other receivables	99.293	130.708
Deferred charges and prepayments	10.138	7.764
Total	553.847	544.266

21. CASH AND CASH EQUIVALENTS

(Euro in thousands)	A at 31 December 2003	31 December 2002
Cash at bank and in hand	235.494	83.655
Cash equivalents	68.635	3.234
Total cash and cash equivalents	304.129	86.889

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.

Cash at bank include bank deposits of approximately € 138 million, representing funds raised, prior to the merger, by Petrola 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 approval of the investment plan will be taken by the shareholders of Hellenic Petroleum in a General Assembly to be scheduled subsequent to the merger.

22. SHARE CAPITAL

(Euro in thousands)	As at 31 December 2003	31 December 2002
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 the acquisition of Petrola Hellas S.A. 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 31 December 2003, management had options to acquire 60.628 shares at a price of € 6,49, 20.570 shares at a price of € 13,06 and 65.250 shares at a price of € 9,68 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

Short-term debt	As at 31 December 2003	31 December 2002
	(Euro in thousands)	
Overdrafts	66.797	46.586
Syndicated loan facility	158.352	257.462
Other short –term loan	9.539	33.561
Subtotal	234.688	337.609
Capitalised lease obligations	532	340
Short-term borrowings	235.220	337.949
Current portion of long term debt	18.440	20.175
Total short term debt	253.660	358.124

Overdrafts

Currency	Variable / Fixed	Interest Rate	As at 31 December 2003	31 December 2002
			(Euro in thousands)	
Euro	Variable	EURIBOR + 0,135%	-	61
Euro	Variable	Basic Working Capital Rate	603	84
Euro	Variable	EONIA + 0,3%	1.342	138
Euro	Variable	EURIBOR + 0,2%	6.985	339
Euro	Variable	Libor +1%	203	989
Euro	Variable	EURIBOR + 0,20%	23.094	16.694
Euro	Variable	Overnight + 0,30%	1.762	69
Euro	Variable	NBG Overnight + 0,22%	22.728	19.010
US dollar	Variable	Basic Working Capital Rate -2%	4.999	5.004
Euro	Variable	EURIBOR + 1%	1.895	-
Euro	Variable	EURIBOR + 0,6%%	345	-
US dollar	Variable	LIBOR + 0,85%	2.596	1.312
Euro	Variable	NBG Basic Working Capital	245	615
Euro	Variable	Basic Working Capital Rate	-	2.271
Total			66.797	46.586

24. DEBT *(continued)*

Syndicated Loan facility

Currency	Variable / Fixed	Interest Rate	Maturity	As at 31 December 2003 (Euro in thousands)	As at 31 December 2002 (Euro in thousands)
US Dollar	Variable	LIBOR + 0,30%	29 January 2004	39.588	-
US Dollar	Variable	LIBOR + 0,30%	30 January 2004	39.588	-
US Dollar	Variable	LIBOR + 0,45%	29 January 2004	19.794	-
US Dollar	Variable	LIBOR + 0,45%	29 January 2004	39.588	-
US Dollar	Variable	LIBOR + 0,45%	10 January 2004	19.794	-
US Dollar	Variable	LIBOR + 0,25%	15 February 2003	-	23.839
US Dollar	Variable	LIBOR + 0,25%	10 February 2003	-	45.576
US Dollar	Variable	LIBOR + 0,25%	31 March 2003	-	97.459
US Dollar	Variable	LIBOR + 0,30%	15 January 2003	-	90.588
Total				158.352	257.462

Other short term loan

Currency	Variable / Fixed	Interest Rate	Maturity	As at 31 December 2003 (Euro in thousands)	As at 31 December 2002 (Euro in thousands)
US Dollar	Variable	LIBOR + 0,5%	On demand	2.998	3.561
Euro	Variable	EURIBOR + 0,35%	31 January 2003	-	30.000
US Dollar	Variable	LIBOR	On demand	6.541	-
				-	2.554
Total				9.539	33.561

Long-term debt

	As at 31 December 2003 (Euro in thousands)	As at 31 December 2002 (Euro in thousands)
Bank loans	267.455	129.107
Other loans	7	150
Subtotal	267.462	129.257
Capitalised lease obligations	4.676	5.371
Subtotal	272.138	134.628
Due within one year	18.440	20.175
Total long-term debt	290.578	154.803

24. DEBT *(continued)*

The aggregate maturities of long-term debt are:

(Euro in thousands)	As at 31 December 2003	31 December 2002
Due after more than five years	64.200	49.083
Due between one and five years	203.262	80.174
Long-term portion	267.462	129.257
Due within one year	18.440	20.175
	285.902	149.432

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. The amount was fully repaid by September 2003 but remained available for the company, thus US $ 100 million were utilised by the end of the year leaving a sum of unutilised credit of US $ 100 million. On March 23, 2003, the Company agreed to a new two-tranche term loan of US $ 150 million (included in long-term loans) and a revolving credit facility of US $ 100 million. This amount was fully withdrawn up to 31 December 2003.

The analysis of long-term loans is as follows:

Currency	Variable / Fixed	Interest Rate	Maturity	As at 31 December 2003 (Euro in thousands)	31 December 2002
US Dollar	Variable	LIBOR + 1,5%	2008	317	-
Euro	Variable	EURI 0,40%	2004200	1115	4.647
Euro	Fixed	5,27%	15 September 2010	23.058	26.353
Euro	Variable	EIB Basic Rate	15 March 2011	42.208	45.022
US Dollar	Variable	LIBOR + 0,45%	23 March 2006	118.765	-
Euro	Variable	LIBOR + 0,95%	20 July 2009	33.951	47.677
Euro	Variable	EURIBOR + 0,70%	7 November 2008	5.388	-
Euro	Variable	EURIBOR + 0,70%	30 June 2006	2.262	-
Euro	Variable	Basic Mortgage Rate	30 June 200	30	74
Euro	Variable	EURIBOR + 0,25%	30 June 2009	14.900	25.491
Euro	Fixed	Various		-	168
Euro	Variable	EURIBOR + 0,75%	February 2012	7.085	-
Euro	Fixed	4,25%	February 2018	36.823	-
Total				285.902	149.432

Capitalised lease obligations (Euro in thousands)	As at 31 December 2003	31 December 2002
Due after more than five years	2.406	4.039
Due between one and five years	3.117	2.253
Due within one year	703	640
Total minimum lease payments	6.226	6.932
Less interest	(1.018)	(1.221)
Capitalised lease obligations	5.208	5.711

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

(Euro in thousands)	As at 31 December 2003	31 December 2002
Retirement benefits, pensions and similar obligations	108.524	91.846
Government advances	25.614	25.614
Environmental costs	1.092	1.092
Other long term liabilities	36.896	19.125
	172.126	137.677

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 5,0% (2002: 5,5%) per year and future salary increases of 4.5% (2002: 4.5%) per year.

Defined contribution pension plans

Effective 31 December 2000 the Group established a new defined contribution scheme. 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 2001 a subsidiary of the Group (EKO ELDA) maintained a defined benefit pension plans, which was funded under an insurance contract. The benefit was a lump sum equivalent of a pension of 12,5% of average annual remuneration after a full career of 35 years.

Effective 30 June 2002, the above defined benefit scheme was terminated. Refer to note below. A valuation was carried out for the liabilities arising from the defined benefit plan of EKO ELDA 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. The above outstanding liability was fully repaid during the year ended 31 December 2003.

During 2003, a subsidiary of the Group made a decision for the payment of additional indemnities to employees fulfilling certain criteria, including service of at least twenty years. This liability is unfunded. The additional provision for the year relating to the above scheme was € 1.230 thousand, which is also the liability as at 31 December 2003.

Petrola, the newly acquired subsidiary of the Group, had an outstanding liability at the date of acquisition, of € 1.697 thousand, relating to an additional defined benefit plan.

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

Multi-employer plan

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

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

	Year ended	
(Euro in thousands)	31 December 2003	31 December 2002
Defined contribution pension plans	5.077	5.057
Defined benefit pension plans	1.230	7.785
Post retirement benefits	19.402	23.163
	25.709	36.005

Defined Benefit Pension Plans	As at	
(Euro in thousands)	31 December 2003	31 December 2002
Present value of funded obligation at 31 December	-	-
Fair value of planned assets at 31 December	-	-
	-	-
Unrecognised actuarial loss	-	-
Present value of obligation due to curtailment/settlement	6.126	11.558
Net liability in the balance sheet at 31 December	6.126	11.558
Movement of liability in year:		
Net liability at 1 January	11.558	18.415
Net expense recognised in profit and loss for the year	1.230	7.785
Acquisitions	1.696	-
Payments due to curtailment/settlement	(8.358)	(14.642)
Net liability at 31 December	6.126	11.558
Service costs	1.230	354
Interest cost	-	349
Return on investment	-	(51)
Amortisation of net loss from earlier periods	-	133
Net Periodic Pension Cost	1.230	785
Extra charge due to termination benefit payments	-	-
Losses on curtailments and settlements	-	7.000
Net expense recognised in income statement for the year	1.230	7.785

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 resulting charge to the income statement for the year ended 31 December 2002, due to termination, is € 6.092 thousands and is separately disclosed as other operating expense in the comparative income statement. The liability due to conversion was fully repaid by 31 December 2003.

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

Post Retirement benefits (Euro in thousands)	As at 31 December 2003	31 December 2002
Present value of unfunded obligation at 31 December	131.913	103.956
Unrecognised actuarial loss	(40.098)	(26.129)
Net liability	91.815	77.827
Acquisition of subsidiary	10.583	2.461
Net liability in the balance sheet at 31 December	102.398	80.288
Movement of liability in year:		
Net liability at 1 January	80.288	60.959
Acquisition of subsidiary	11.312	2.461
Net expense recognised in profit and loss for the year	14.311	9.473
Benefits paid	(8.604)	(6.295)
Extra termination benefits	2.976	1.833
Correction due to change in estimation	2.115	11.857
Net liability at 31 December	102.398	80.288
Service costs	7.207	4.478
Interest cost	5.941	4.390
Amortisation of net loss from earlier periods	1.163	605
Regular income statement charge	14.311	9.473
Extra termination benefits	2.976	1.833
Correction due to change in estimation	2.115	11.857
Net expense recognised in income statement for the year	19.402	23.163

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 in 2002 of € 11.857 thousand related 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 due to its size and nature.

Government advances

The € 25.614 thousands advanced by the Greek Government to the Group for the purposes 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. This amount has been accrued.

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 2003	
(Euro in thousands)	Acquisition of	Other	Total
Balance at the beginning of year	9.696	9.429	19.125
Acquisition of subsidiary	-	7.907	7.907
Charge for the year	-	5.229	5.229
Long term liability for exploration rights	-	5.918	5.918
Decrease in liability	-	(1.283)	(1.283)
Balance at the end of year	9.696	27.200	36.896

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.

26. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at	
(Euro in thousands)	31 December 2003	31 December 2002
Trade payables	108.152	111.987
Other payables	56.742	45.937
Accruals and deferred income	207.836	239.359
	372.730	397.283

27. TAX PAYABLE

	As at	
(Euro in thousands)	31 December 2003	31 December 2002
Income taxes	30.008	29.812
	30.008	29.812

28. NET ASSETS OF COMPANY ACQUIRED

The fair value of the identifiable assets and liabilities of PETROLA HELLAS S.A. acquired, as explained in note 3 of these consolidated financial statements, is:

(Euro in thousands)	As at 30 September 2003
Property, plant and equipment and identifiable intangibles	159.280
Investments in associates	926
Inventories	139.911
Accounts receivables	81.631
Cash and cash equivalents	3.514
Restricted cash	138.192
	523.454
Accounts payable	(95.666)
Income tax payable	(1.000)
Overdrafts	(72.981)
Deferred income tax liability	(10.754)
Pension plans and other long term liabilities	(20.188)
Fair value of net assets	322.865
Negative goodwill arising on acquisition	(22.713)
Total consideration	300.152
Cash paid for the acquisition of the subsidiaries	-
Net cash acquired with subsidiaries (net of bank overdrafts)	68.725
	68.725

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.

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.

29. FINANCIAL INSTRUMENTS *(continued)*

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.

30. 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 7.896 thousand metric tonnes up to 31 December 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.

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

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 €46 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.

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 €31,2 million for the new Libyan exploration agreement.

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.

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, 2003 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 2003 US $ 30 million has been spent by OKTA against the budget for the modernisation of its refinery facilities.

Operating Leases

The group has commitments under operating leases of € 2,1 million within one year (2002, € 1,8 million,), € 4,5 million between one and five years (2002, € 4,3 million), and € 4,5 million over five years (2002, € 4,3 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 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, 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 € 48,3 million. Of those € 5,1 relate to contingent liabilities of Petrola. 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 consolidated financial statements and the amount is excluded from the amounts disclosed above.

(iii) The Group has entered into a contract with the Hellenic State for the construction of sports facilities at 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 Hellenic State.

(iv) During 2003, Hellenic Petroleum S.A. was audited by the Greek tax authorities for the years ended 31 December 1997 to 2001. An amount of €11,9 million of additional taxes, plus fines was assessed and recorded in the financial statements for the year ended 31 December 2003. The Company has not undergone a tax audit for the years ended 31 December 2002 and 31 December 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 for the fiscal years that remain unaudited, as the amount cannot be estimated with any degree of certainty.

(v) The Group has given letters of comfort and guarantees of € 209 million to banks for loans undertaken by subsidiaries and associates of the Group, the outstanding amount of which as of December 31, 2003 was € 147 million (€ 134 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 € 232 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' was adopted on 2 October 2002 aiming at changing 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.

31. CONTINGENCIES AND LITIGATION *(continued)*

(x) 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 $9,5 million for the period up to March 2002 plus interest and damages (to be determined) for the remaining period, i.e. up to March 2003. OKTA has already paid the sum of US$ 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 thereafter applied to the House of Lords for leave of appeal. This was rejected in January 2004. In order for this decision to be enforced against OKTA, it must be recognised by the local courts, and to our knowledge the suppliers have not submitted such an application to date. ELPET's application for declaratory judgement and an injunction on the same issue is currently being considered by the Court of First Instance of Scopja, FYROM. If ELPET's application for an injunction 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.

(xi) 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.

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

(xiii) 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.

(xiv) As at 31 December 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.

32. 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
EkoElda Bulgaria EAD	100%	Bulgaria
Eko YU AD – Beograd	100%	Yugoslavia
EKO- Fisiko Aerio	100%	Greece
DIAXON A.B.E.E. (formerly EKO Film A.B.E.E)	100%	Greece
E.L.PET Balkan	63%	Greece
ELEP S.A.	99,99%	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
Hellenic Petroleum Cyprus Limited	100%	United Kingdom
Jugopetrol Kotor AD	54,35%	Montenegro
Hellenic Petroleum-Apollon Shipping Company	100%	Greece
Energeiaki Thessalonikis	100%	Greece

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

	(Euro in thousands)	Year ended 31 December 2003 Net Income	As at 31 December 2003 Shareholders Equity	Year ended 31 December 2002 Net Income	As at 31 December 2002 Shareholders Equity
	Balance as per Greek Consolidated Financial Statements	**216.453**	**1.869.094**	**69.308**	**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	5.065	35.793	13.627	31.576
2	Provision for deferred tax	(5.792)	(945)	(16.720)	16.165
3	Reversal of the revaluation of fixed assets and the effect of depreciation taken	123	(56.819)	340	(56.942)
4	Write off of capitalised costs with no future benefit	(1.736)	(19.880)	878	(13.276)
5	Write off of capitalised research and development costs and reversal of related depreciation	4.072	(32.667)	7.791	(36.737)
6	Adjustment of depreciation to conform with the group policy	15.488	64.110	15.683	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	(911)	(2.081)	(516)	(1.681)
9	Equity accounting (Differences from conversion to IAS of associates' accounts)	8.254	15.441	2.830	7.324
10	Other provisions / adjustments	(2.010)	(4.664)	838	(1.821)
11	Reclassification of the export reserve movement to P&L account	1.317	-	2.956	-
12	Reclassification of grant from equity to deferred income or liabilities	657	(88.647)	677	(92.914)
13	Income tax for the period	(14.377)	(4.500)	(307)	(129)
14	Minority interest	(287)	(94.256)	(2.461)	(94.791)
15	IPO costs to share premium account and reversal of related amortisation	471	(5.377)	1.933	(914)
16	Goodwill and depreciation of goodwill	(6.168)	(39.039)	(5.571)	10.624
17	Fair values assigned to fixed assets of subsidiary acquired (BPC) and related extra depreciation	(813)	50.217	-	-
18	Petrola's profit for period 5/6/ - 30/9/03	(12.188)	-	-	-
18	Exchange gains (timing differences)	531	47.678	45.403	47.119
19	Different method of stock valuation	(290)	-	(185)	290
20	Effect of IAS 39	(912)	(5.022)	1.160	(4.093)
21	Dividends payable	-	60.623	-	39.179
22	Fair value adjustment to forward currency contract	4.186	-	(4.186)	(4.186)
23	Other	(603)	1.588	(63)	1.948
	Balance as per IFRS Consolidated Financial Statements	**210.530**	**1.789.555**	**133.415**	**1.320.035**

HELLENIC PETROLEUM S.A.

Income Statement

(Euro in thousands)	Year ended 31 December 2003	31 December 2002
Sale proceeds	3.401.346	2.779.130
Cost of sales	(3.107.718)	(2.542.783)
Gross profit	293.628	236.347
Other operating income	100.286	30.576
Selling, distribution and administrative expenses	(161.348)	(107.312)
Research and development	(6.661)	(3.677)
Other operating expense	-	(11.857)
Operating profit	225.905	144.077
Finance income	12.028	11.996
Finance expense	(11.205)	(12.380)
Currency exchange gains, net	20.642	19.570
Income before taxation	247.370	163.263
Taxation – current	(60.872)	(48.995)
Taxation – deferred	2.337	(10.639)
Net income for the year	188.835	103.629

HELLENIC PETROLEUM S.A.

Balance Sheet

(Euro in thousands)	As at 31 December 2003	31 December 2002
ASSETS		
Non-current assets		
Intangible assets	18.667	26.472
Property, plant and equipment	647.502	499.969
Investments in subsidiaries and associates	706.196	630.079
Other financial assets	4.826	16.705
Deferred income tax asset	2.919	11.336
Other non-current assets	104	-
	1.380.214	1.184.561
Current assets		
Inventories	445.931	409.182
Accounts receivable	422.411	410.394
Cash and cash equivalents	236.091	12.707
	1.104.433	832.283
TOTAL ASSETS	**2.484.647**	**2.016.844**
EQUITY AND LIABILITIES		
Share capital	665.911	470.149
Share premium	352.924	245.555
Reserves	636.469	489.858
Total equity	1.655.304	1.205.562
Non-current liabilities		
Long-term debt	175.110	65.396
Pension plans and other long-term liabilities	127.654	93.306
	302.764	158.702
Current liabilities		
Accounts payable and accrued liabilities	338.371	329.674
Tax payable	18.989	22.596
Current portion of long-term debt	8.922	6.108
Short-term borrowings	160.297	290.016
Forward currency contract	-	4.186
	526.579	652.580
TOTAL EQUITY AND LIABILITIES	**2.484.647**	**2.016.844**