PRESS RELEASE

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Third quarter 2014 financial results

Improved operating performance on better refining environment and higher exports on the back of Elefsina refinery

Crude oil price decline affected reported results

HELLENIC PETROLEUM Group reported improved consolidated operating results across all its activities with Adjusted EBITDA at €146 million. These are attributed primarily to improved results from the Refining, Supply and Trading business, where improved international refining environment, increased contribution of Elefsina refinery and higher production and exports reversed the weak performance of the previous quarters. In addition, continuous cost control and better results of Marketing subsidiaries, driven by increased tourism and air traffic in Greece, as well as Petrochemicals added to the positive performance. The crude oil price drop led to inventory losses, negatively affecting reported results. Finally, despite the continuing adversities of liquidity and high funding costs for Greek companies, the Group's financial position is enhanced, following the recent Eurobond issues and positive operating cash flows in 3Q14.

Key figures for 3Q and 9M period to 30 September 2014 are summarised below:

3Q13	**3Q14**	*All numbers in €m*	**9M13**	**9M14**
3,397	3,581	Refining Sales Volumes ('000 MT)	9,782	9,557
74	**146**	**Adjusted EBITDA**	**133**	**246**
75	45	EBITDA	40	123
1	24	Adjusted Net Income	(82)	(48)
2	(51)	Net Income	(171)	(139)
19	24	Capex	56	85
-	-	Gearing	49%	46%
0.4	3.6	ELPE benchmark refining margin ($/bbl)	2.2	2.4

Significant drop in crude oil prices and improvement of European benchmark refining margins; stronger dollar vs euro

Increased crude oil supply, mainly in the US, as well as the higher production in Libya and Iraq offset the decreasing supply of Russian crude oil in the Mediterranean and coupled with weaker global demand growth resulted in the reduction of international crude oil prices in 3Q14. Brent crude oil price recorded a $25/bbl decline to less than $90/bbl in the beginning of October, compared to its 2014 peak at the end of June ($115/bbl).

International currency markets led to weaker euro vs dollar q-o-q, with a 3Q14 average at 1.33, recording a 2-year low at 1.25. The stronger dollar benefits refiners, as benchmark margins, their main profitability driver are dollar denominated.

International crude oil markets developments, as well as stronger demand for products, mainly gasoline, led to improved refining margins for European refiners. Benchmark Med FCC margins amounted to $4.6/bbl, (3Q13: $1.0/bbl) and Hydrocracking came at $5.1/bbl (3Q13: $2.9/bbl).

Demand growth in domestic fuels market

Domestic fuels demand in 3Q14 amounted to 1.6 million tons, a 3% growth, according to preliminary official market data, recording an increase in auto fuels for the first time since 2009. Diesel consumption was higher, while gasoline demand declined at a slower pace. The aviation fuels market growth was also significant (13%), on increased air traffic during the tourism season.

Satisfactory operating results

Adjusted EBITDA amounted to €146m, 97% higher compared with the same period last year, reflecting mainly the improved European refining environment in 3Q14. The improvement came mainly from Refining, Supply & Trading, which increased production and sales. Sales in exports markets were up to 1.6 million tonnes and accounted for 46% of total sales. The utilisation rate of Elefsina refinery exceeded 100% vs design capacity in 3Q14, following the improvement works of last Spring, with increased efficiency and contribution. Marketing and Petrochemicals also reported improved results.

Competitiveness improvement projects contributed to results with an additional €24m benefit for 3Q14. The reduction of fixed costs by 12% in 2014 vs last year accounts for a material part of the benefit. Over the last few years, the Group implemented a number of projects to improve its competitiveness resulting in lower operating costs across all our businesses, through a fit-for-purpose organization and synergies in Head Office and shared services on one hand, while improving the refineries operation and energy efficiency, with a significant effect on profitability.

On reported results, the large decline in crude oil and product prices resulted in inventory losses of approximately €100m, leading EBITDA to €45m (3Q13: €75m), while Net Income amounted to -€51m (3Q13: €2m).

Net debt came at €1.8bn, lower than last year, while gearing stood at 46% (3Q13: 49%). Following the recent bond issues, the Group's financial position is stronger, enabling, as a first step, the early partial repayment of a syndicated loan with Greek and international banks. The Group will assess its overall strategy with respect to sources of funding and cash utilisation, aiming to further reduce cost of debt and address the volatile conditions in capital markets. This will clearly take into account the recent successful completion of Greek banks' stress tests, as well as the broader market conditions in Europe and Greece.

Reserves distribution according to L. 4172/2013

The Board of Directors of HELLENIC PETROLEUM decided to call an Extraordinary General Meeting in 2014, to discuss the application of provisions of Article 72 of L. 4172/2013 in relation to the extraordinary taxation and distribution of special tax reserves. The Group recorded a provision of €21m in FY13 results, which corresponds to 19% of the relative reserves, exhausting the tax obligation for both the company and its shareholders and the net distribution amounting to €0.21 per share is proposed to the EGM.

DESFA sale process

The regulatory approval process for the sale of 66% of DESFA share capital to SOCAR by the competent authorities in Greece and the EU is in progress. After the final certification of DESFA as independent gas transportation operator by the Greek Regulation Authority of Energy (RAE) and the alignment of the Greek legal framework, the approval of the European Competition Authorities is the final step for the completion of regulatory processes.

John Costopoulos, Group CEO, commented on 3Q14 performance:

"In the third quarter, the Group reported satisfactory operating results, highlighting its profitability outlook, following the extensive growth investment program and restructuring of previous years. The significant drop in the crude oil price, which adversely affected reported results, demonstrates the volatility and uncertainties of the international industry environment. Weak crude oil prices are beneficial both for refiners, as they reduce energy costs, one of the most important factors affecting profitability, as well as overall economic activity and development.

All our refineries operated at high utilisation rates, leading to higher exports. The Elefsina refinery utilisation, following the improvement works of last Spring, exceeded 100% of design capacity throughout the quarter, with a significant contribution to the Group's results. Marketing subsidiaries, both in Greece and international, as well as Petrochemicals, also recorded a strong performance.

We remain committed towards maintaining our strong export orientation and the continuous operational improvement in all our activities and reassess our strategy taking into account the risks and opportunities arising from the significant changes in the business environment."

Key highlights and contribution for each of the main business units were:

REFINING, SUPPLY & TRADING

- Domestic Refining, Supply & Trading Adjusted EBITDA came at €84m (3Q13: €22m)
- Group's refineries performance exceeded benchmarks, on the back of supply and crude slate optimisation, realising available opportunities in international markets, while total costs were reduced by 10%, despite the highest production of the last few years, at 3.3 million tonnes.

- Domestic market sales increased by 3%, improving the Group's market share in auto fuels, while exports, at 1.6 million tonnes, grew by 13%, leading total sales volumes at 3.6 million tonnes, the highest in the last 5 years.

DOMESTIC MARKETING

- Domestic Marketing sales grew by 10%, with all activities improving contribution. Increased tourism had a positive impact both in retail as well as aviation segments, leading EBITDA to €25m (+28%).
- Improvement in market shares on the back of network management and marketing, with BP ULTIMATE DIESEL recording significant penetration, just a few months after launch.

INTERNATIONAL MARKETING

- International Marketing sustained profitability, with adjusted EBITDA at €16m, on cost control and improved commercial and operational performance in all markets where the group operates, despite the challenging environment.
- Higher sales volumes by 4%, on further integration with the Thessaloniki refinery.

PETROCHEMICALS

- Strong PP margins, record high propylene production at Aspropyrgos refinery and cost control led to an increase in profitability by 14%, with adjusted EBITDA at €19m.

ASSOCIATED COMPANIES

- DEPA Group contribution to consolidated Net Income came at €3m (vs €10m in 3Q13), due to weak demand from gas-fired generators.
- Elpedison EBITDA at €13m (-18% vs 3Q13).

Key consolidated financial indicators (prepared in accordance with IFRS) for the nine-month period to 30 September 2014 are shown below:

€ million	**3Q13**	**3Q14**	***% Δ***	**9M13**	**9M14**	***% Δ***
P&L figures						
Refining Sales Volumes (‘000 MT)	3.397	3.581	*5%*	9.782	9.557	*-2%*
Sales	2.650	2.634	*-1%*	7.447	7.096	*-5%*
EBITDA	75	45	*-40%*	40	123	-
Adjusted EBITDA [1]	**74**	**146**	***97%***	**133**	**246**	***84%***
Net Income	2	-51	-	-171	-139	-
Adjusted Net Income [1]	**1**	**24**	**-**	**-82**	**-48**	**-**
Balance Sheet Items						
Capital Employed				4.604	3.849	*-16%*
Net Debt				2.293	1.780	*-22%*
Debt Gearing (ND/ND+E)				49%	46%	-

Notes:

1. Calculated as Reported adjusted for inventory effects and other non-operating items.

Note to Editors:

Founded in 1998, Hellenic Petroleum is one of the leading energy groups in South East Europe, with activities spanning across the energy value chain and presence in 7 countries.

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