

Nine-months 2006 Financial Results

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Comparable "Clean" EBIT up 28% despite negative international refining environment

Hellenic Petroleum Group reported nine-month Consolidated Net Income of €215 million, corresponding to €0.70 per share (EPS). Third quarter Consolidated Net Income amounted to €40 million, impacted by the negative course of crude oil prices at the end of the quarter.

Group Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) for the nine months of 2006 were €432 million.

Key financials for the nine months of 2006, relative to the same period last year, were:

- Sales €6,127 million, up 32 %
- "Clean" EBIT €327 million, up 28 %
- "Clean" Net Income €220 million, up 46 %
- Earnings per share (EPS) €0.70, down 17 %
- Operating cash flow measure €358 million, down 7 %
 - ROACE 10 % (12M: Oct 2005 – Sep 2006)
 - ROE 12.6 % (12M: Oct 2005 – Sep 2006)

Factors affecting the nine-month 2006 results were:

(a) Operational profitability:

Improvement in domestic Refining, Supply & Trading operations had a significant positive impact, providing additional EBITDA of €79 million compared to last year (+31%). Equally improved, albeit to a lesser extent, was the profitability of most business units of the Group as strategy decisions and performance improvement initiatives began to yield returns. As a result, comparable nine-month "Clean" EBIT (excluding effect of crude oil and product prices) was higher by 28% compared to last year, despite lower international refining margins.

(b) Market environment:

On the other hand, developments in international refining environment were negative as benchmark refining margins continue to remain lower, compared to last year, while crude oil prices dropped sharply towards the end of the third quarter. When compared to the nine-month period last year, demand for gasoline and ULSD was up in the Greek market. Finally, the €/€ exchange rate evolution had a small positive impact on published results.

Business developments:

REFINING, SUPPLY & TRADING

Comparable Clean EBIT for Refining, Supply & Trading (adjusted for inventory effect)

was €282 million, up 19%. EBIT (including inventory effect) was €275 million (down 8%). Key drivers were:

- Nine-month sales volume in Greece was up 3% at 11.7 million tons (3rd Quarter 3.7 million tons). OKTA sales volume in the third quarter was 262 thousand tons (up 19%) while nine-month sales volume was 723 thousand tons (up 9%).
- Increased sales volume in higher value products such as aviation fuel, ULSD, gasoline products and asphalt, with a respective decrease in sales volume in marine fuels and exports, resulted in better average profit margins.
- Positive impact from commercial transactions improving profitability as well as managing the risks resulting from the volatility of international prices. In this respect, increased heating gasoil contango deals contributed to mitigating the impact of falling prices on compulsory safety stocks at the end of the quarter.

In contrast, the impact of the weaker business environment on nine-month results was a negative €206 million compared to last year. The decrease was largely due to lower average Med refining margins as well as the negative impact of crude oil and product prices evolution.

RETAIL MARKETING

EKO sales volume in Greece was marginally up compared to last year at 2.878 million tons (3rd quarter 0.987 million tons). Petrol station sales reported an increase in all products with the exception of gasoline, where sales volumes remained static. Sales of aviation and marine fuels are lower than last year. In terms of profitability, third-quarter Earnings Before Tax are similar to last year, indicating a clear recovery from the poor performance in the first half of the year.

The results of International Marketing continue to be positive, with higher profitability in the third quarter in almost all markets. Total sales volume for the nine-month period was 568 thousand tons (577 thousand tons last year), with petrol station network sales up 15% compared to last year. The number of Group branded petrol stations abroad increased to 211, up 37 from the end of 2005. Also, average throughput (ATP) volumes per station are reported up from last year.

PETROCHEMICALS

Petrochemicals financial results are also higher, with sales volumes of 319 thousand tons, up 12% compared to last year, and operating profits up by 161%.

POWER GENERATION AND TRADING

The improvement in the operation of the daily wholesale electricity market in Greece and the higher utilisation of the power plant resulted in a profitable third quarter for Thessaloniki Power SA. In this respect, EBITDA for the third quarter, including cross-border trading carried out by Hellenic Petroleum, amounted to €10 million, with year-to-date EBITDA of €20 million.

EXPLORATION & PRODUCTION

Following initial announcements, the joint venture of HELLENIC PETROLEUM with Woodside (operator) and Repsol YPF, continues its exploration activity in the areas of

Murzuk and Sirte in Libya as the two subsequent wells indicated the presence of hydrocarbons. As already announced, the study of exploration findings, the evaluation of expected financial results and decisions on future developments in the specific area is estimated to require a period of 12-18 months.

In Egypt, ratification of the Exploration and Exploitation Concession Agreement for the West Obayed block in the Western Desert by the Egyptian Parliament is expected in the fourth quarter. The process of establishing a branch of HELLENIC PETROLEUM in Egypt has already started and will enable the Company to act as an Operator in 2006.

In addition, the joint venture of HELLENIC PETROLEUM (30%), Melrose (40% - Operator) and Oil Search (30%) was awarded the rights for the Mesaha block in the International Bid Round conducted by GANOPE in Egypt.

INVESTMENT PLAN

Group investments during the third quarter of 2006 amounted to €25 million (Half year €49 million) and related mostly to small projects for the upgrading and maintenance of industrial sites and networks of petrol stations in Greece and abroad.

The implementation of the technical study (FEED) for the Elefsina refinery upgrade, with the installation of Hydrocracker and Flexicoker units, is underway and progressing in line with the initial plan; it is expected that the final approval for the implementation of this significant investment will take place within the next few months. The objective of this investment is the conversion of high sulphur fuel oil into ULSD and other middle distillates, which at present are imported by Greek refineries and wholesalers.

FINANCIAL POSITION

Group debt remains at same levels with half year (€1 billion), as significant cash has been committed to heating gasoil stocks (contango deals) that will be sold during the fourth quarter. Debt gearing ratio (D/D&E) remains at 30%, while the funding for the increase in stocks was secured through a syndicated multi-currency loan of €300 million organized through the Group Treasury subsidiary, Hellenic Petroleum Finance plc. As part of Group debt restructuring, a new refinancing plan is being developed which will bring the total of the Group debt under Hellenic Petroleum Finance plc, achieving better terms and improved liquidity management.

Key Financial Indicators for the Group are attached.

HELLENIC PETROLEUM GROUP NINE MONTHS 2006 CONSOLIDATED KEY FINANCIAL RESULTS (Prepared in accordance with IFRS)

	NINE MONTHS		
<u>€MILLION</u>	<u>2005</u>	<u>2006</u>	<u>%</u>

Net Sales	4.658	6.127	32 %
EBITDA	520	432	(17 %)
Clean EBIT ⁽¹⁾	256	327	28 %
Earnings before Tax	383	315	(18 %)
Net Income	259	215	(17 %)
Earnings per Share (EPS) €	0,85	0.70	(17 %)
Operating Cash Flow ⁽²⁾	383	358	(7 %)
	31.12.2005	30.9.2006	
Net Debt ⁽³⁾	700	1.010	--
Debt Gearing (D/D+E) ⁽³⁾	25%	30 %	--

(1) Calculated as Earnings before Interest & Taxes (EBIT), excluding associates and inventory effect.

(2) Calculated as EBITDA less capital expenditure.

(3) Compared to 31.12.2005 figures.