



PRESS RELEASE

August 30, 2006

HALF-YEAR 2006 FINANCIAL RESULTS

(In accordance with International Financial Reporting Standards)

Operations-driven profitability improvement leads to 24% increase in Net Income despite weaker environment

Hellenic Petroleum Group reported **first half Consolidated Net Income of €175 million, up 24%**, corresponding to **€0.57 per share (EPS)**. **Second quarter Consolidated Net Income** amounted to **€102 million, 42% higher** versus first quarter of this year. The Board of Directors approved an **interim dividend of €0.15 per share**, 26% of reported EPS.

Group Earnings before Interest, Tax, Depreciation and Amortization (**EBITDA**) for the first half of 2006 were **€330 million**.

Key financials for the first half of 2006, relative to the same period last year, were:

- **Sales €4,104 million, up 43 %**
- **“Clean” EBIT €175 million, up 39 %**
- **Earnings per share (EPS) €0.57, up 24 %**
- **Operating cash flow measure €281 million, up 33 %**
- **ROACE 12.6 % (12M: July 2005 – June 2006)**
- **ROE 16.5 % (12M: July 2005 – June 2006)**
- **Interim Dividend €0.15 per share**

Factors affecting first half 2006 results were:

(a) Operational profitability:

Significant improvement in domestic Refining, Supply & Trading operations as well as International R&M businesses provided additional profitability exceeding €40 million compared to last year. As a result, comparable “Clean” EBIT (excluding effect of higher crude oil and products prices) is up by 39%.

(b) Market environment:

On the other hand, the refining environment was less favourable than last year. Despite the persistence of high crude oil prices, average refining margins remained lower than last year with the exception of complex refining margins (Med cracking margin) in the second quarter. Greek market demand for gasoline products and ULSD was up, while the weakening of the US Dollar against the Euro had a positive impact on the financial results.

REFINING, SUPPLY & TRADING

Comparable Clean EBIT for Refining, Supply & Trading (adjusted for Inventory gains) was €157 million, 39% up vs. half year 2005. Including inventory gains, EBIT was €235 million (up 8%). Key drivers were:

- **Second quarter sales volume from the Group’s three refineries in Greece was 3.8 million tons (up 12% versus the same period last year), with half year sales volume at 8 million**

tons, up 5%. OKTA sales volume in the second quarter was 237 thousand tons (up 10% from last year) and half year was 461 thousand tons (up 5% from last year).

- Improved operations with greater international trading, crude oil feedstock optimisation and tight control of operating costs resulted in an overall improved performance, despite softer market conditions.

In contrast, the impact of the business environment on first half results was lower by €36 million when compared to last year's. This was due to lower average Med refining margins as well as lower inventory gains.

RETAIL MARKETING

EKO Greece sales volume was up 1% to 1,891 thousand metric tons, with higher domestic market sales volume and slight decrease aviation and marine fuel markets. EKO improved its market share in automotive diesel and maintained its share in gasoline in the first half of 2006. The decrease in profitability in the first half was a result of pressure on profit margins during the early part of the year. Commercial policy changes and increased sales volumes in higher value products during the last month of the second quarter had little impact on reported results for the six months.

International marketing sales volume increase of 8% was the primary reason for the doubling of Earnings Before Tax. All business reported organic profitability improvements with the exception of Bulgaria where, despite volume gains, local market driven retail margin pressure affected gross margins. Total number of Hellenic Petroleum retail stations rose to 195 with 21 new stations since the end of year.

PETROCHEMICALS

Petrochemicals sales volumes increased by 13% in the first half of 2006 compared to last year, to 207 thousand tons; with operational profits were up by 75%.

POWER GENERATION AND TRADING

Higher SMPs and realised crack spreads lead to improved profitability for the power generation unit in the second quarter. Total power sales for the first half of 2006, including cross-boarder trading and capacity certificates, amounted to €51 million with EBITDA of €10 million.

EXPLORATION AND PRODUCTION

An important development during the second quarter of 2006 was the announcement of encountering separate hydrocarbon bearing zones during the initial exploratory drill in Murzuk carried out by the consortium of Hellenic Petroleum, Repsol YPF and Woodside. It is estimated that a period of 12 to 18 months is required to evaluate and assess commercial developments and expected financial results.

Furthermore, negotiations with EGPC (State owned petroleum company of Egypt) for the signing of the EPSA (Exploration, Production and Sharing Agreement) in the West Obayed block in the Western Desert were successfully completed and the agreement initialled. Ratification by the Egyptian Parliament is expected in the 4th quarter and Hellenic Petroleum is in the process of establishing a branch and a subsidiary company in Egypt to facilitate to carry out its activities as operator. It is worth noting that the block was awarded to Hellenic Petroleum during the International Bid round conducted by EGPC in early 2006.

INVESTMENT PLAN

Group investments during the second quarter of 2006 amounted to €32 million (first quarter €17 million) and related mostly to small projects for the upgrading and maintenance of industrial sites and network of petrol stations in Greece and abroad.

As part of the Group strategy, the Elefsina refinery upgrading project FEED is already in progress. The technology and licensor for the main Hydrocracker and Flexicoker units has already been decided and awarded as has for most of the ancillary utilities and process equipment.

FINANCIAL POSITION

The sustained high level of international crude oil and product prices as well as the increase of stocks led to debt levels close to €1 billion similar to last quarter. As a result, despite the positive operating cash flows (€281 million), debt gearing ratio (D/D+E) remained at 30%. During the period additional credit lines of €300 million were secured through a syndicated multi-currency loan organized through the newly formed Group Treasury subsidiary, Hellenic Petroleum Finance plc.

Key Financial Indicators for the Group are attached:

HELLENIC PETROLEUM GROUP

HALF YEAR 2006 CONSOLIDATED KEY FINANCIAL RESULTS (Prepared in accordance with IFRS)

<u>€ MILLION</u>	<u>HALF YEAR</u>		<u>%</u>
	<u>2005</u>	<u>2006</u>	
Net Sales	2,863	4,104	43 %
EBITDA	311	330	6 %
Clean EBIT ⁽¹⁾	126	175	39 %
Earnings before Tax	211	255	21 %
Net Income	141	175	24 %
Earnings per Share (EPS) €	0.46	0.57	24 %
Operating Cash Flow ⁽²⁾	211	281	18 %
	31.12.2005	31.3.2006	
Net Debt ⁽³⁾	700	999	--
Debt Gearing (D/D+E) ⁽³⁾	25%	30 %	--

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

(2) Calculated as EBITDA less capital expenditure.

(3) Compared to 31.12.2005 figures.