

Q2 and Half-Year 2005 Results



11 August 2005

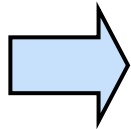
Results Conference Call Presentation

DISCLAIMER

Hellenic Petroleum do not in general publish forecasts regarding their future financial results. The financial forecasts contained in this document are based on a series of assumptions, which are subject to the occurrence of events that can neither be reasonably foreseen by Hellenic Petroleum, nor are within Hellenic Petroleum's control. The said forecasts represent management's estimates, and should be treated as mere estimates. There is no certainty that the actual financial results of Hellenic Petroleum will be in line with the forecasted ones.

In particular, the actual results may differ (even materially) from the forecasted ones due to, among other reasons, changes in the financial conditions within Greece, fluctuations in the prices of crude oil and oil products in general, as well as fluctuations in foreign currencies rates, international petrochemicals prices, changes in supply and demand and changes of weather conditions. Consequently, it should be stressed that Hellenic Petroleum do not, and could not reasonably be expected to, provide any representation or guarantee, with respect to the creditworthiness of the forecasts.

AGENDA



- **Key Highlights of Q2 2005**
- Industry and Macro Environment
- Q2 2005 Group Financial Results
- Q2 Results and Update by Segment
- Q & A

2005 Q2 KEY HIGHLIGHTS

Generally Positive Business Environment

- Continuing high Med cracking refining margins during the early part of the second quarter, and improving topping and hydroskimming margins
- \$ versus € weaker than Q2 2004, with a six-months average 5% below last year adversely affecting refinery margins in Euro
- Significantly higher level of oil prices, with stockholding uplift on the results during the second quarter
- Domestic market demand slowdown for oil products and PVC

Strong Operating Results

- Exceptionally strong second quarter operating results
- Earnings before tax of €211m for the six months (Q2 €129m), and Net Income of €141m (Q2 €51m)
- Last 12month rolling ROACE of 7.2% Vs 5,5% (2004 Full year); c. 55% of portfolio has ROACE higher than 10% during the last 12 months
- High oil prices and stock levels lead to increased net debt to €742m and gearing (D/D+E) of 27%

Progress on 2005 key business objectives 2005

- Aspropyrgos refinery post upgrade performance improvement realised, Elefsis and Thessaloniki refinery turn-arounds completed successfully, full synergies realisation
- Power generation plant construction in Thessaloniki close to completion
- Exploration activity in Libya progressing in line with plans and commitments to NOC
- Close monitoring of operating cost base and achievement of budget targets

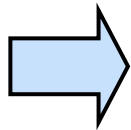
HALF-YEAR GROUP KEY FINANCIALS (IFRS)

	H1 2005	Vs H1 2004
• Net Proceeds	2.9 € bn	+29%
• EBITDA	312 € m	+56%
• Earnings Before Tax	211 € m	+56%
• Net Income	141 € m	+78%
• Operating Cashflow Measure*	211 € m	+201%
• EPS	0.46 €	+78%

* Calculated as EBITDA less CAPEX

AGENDA

- Key Highlights of Q2 2005

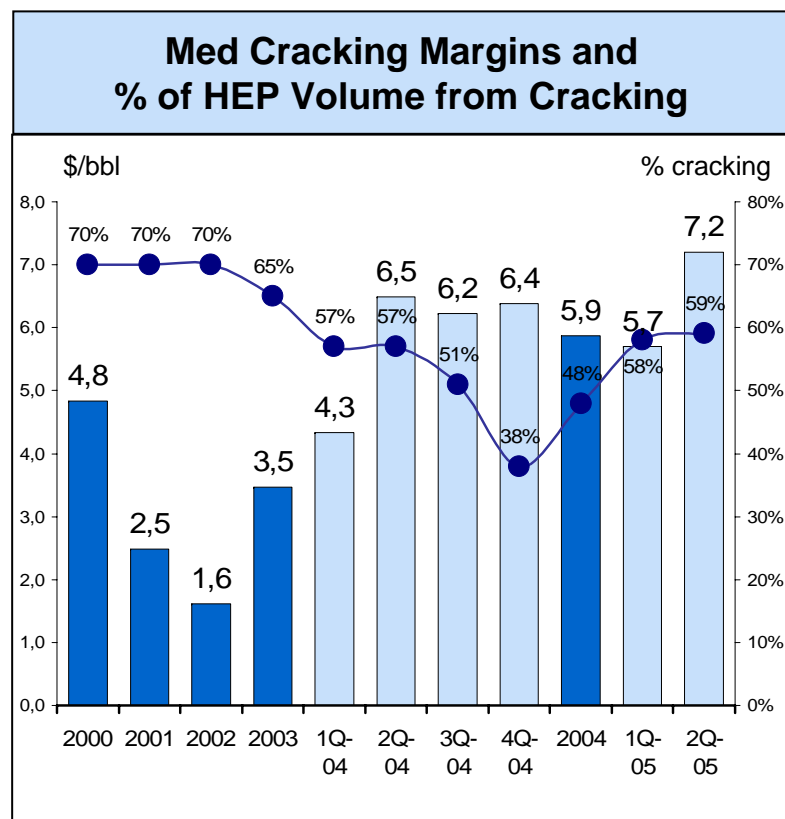


- **Industry and Macro Environment**

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INDUSTRY AND MACRO ENVIRONMENT

REFINING MARGINS

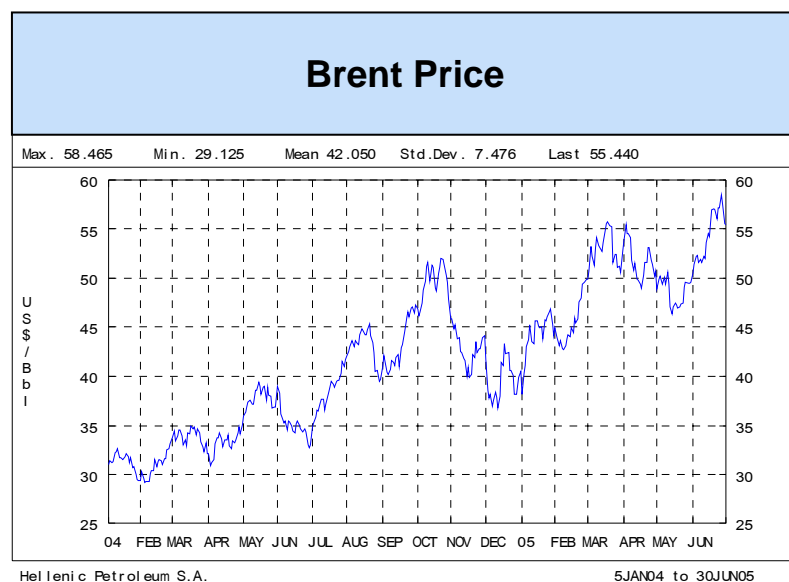


- High cracking refining margins experienced during the second quarter of the year
- Topping and hydroskimming margins improved compared to Q1 2005 by c. 1.5 \$/bbl
- HEP performance 59% cracking margin dependent during Q2 2005

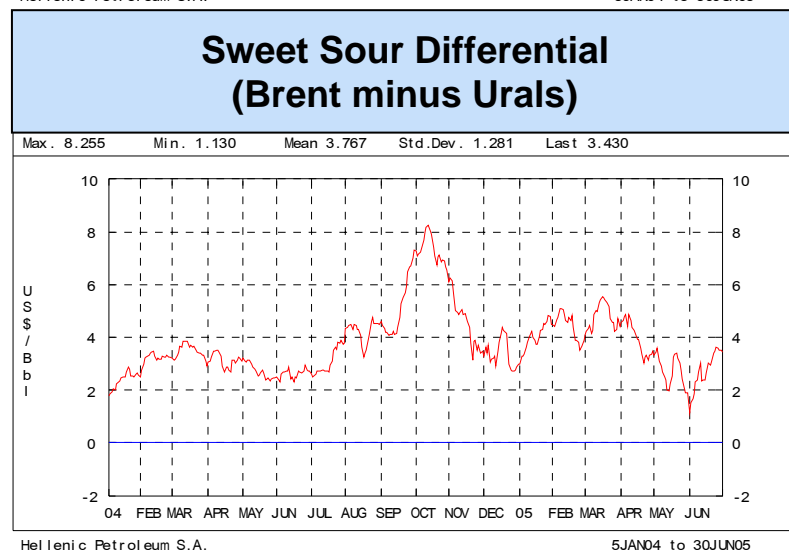
Note: Cracking volume percentages pre 2003 do not include Elefsina refinery volume

INDUSTRY AND MACRO ENVIRONMENT

CRUDE PRICES



- Increasing oil prices during the first half of the year, with positive impact on profitability

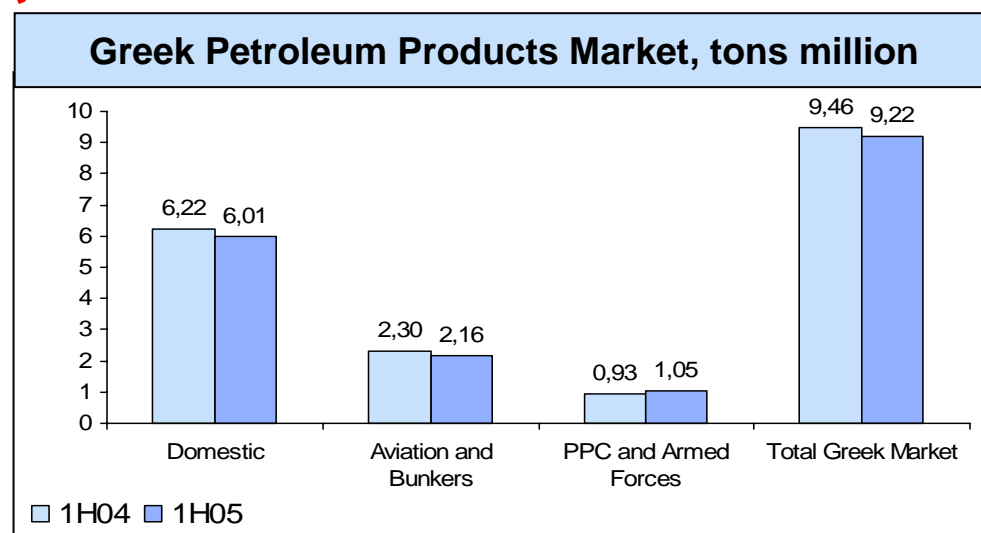


- Although lower than Q1, the wide sweet - sour crude differential helps Hellenic Petroleum refineries' financial performance

INDUSTRY AND MACRO ENVIRONMENT

GREEK WHOLESALE MARKET

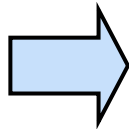
PRELIMINARY DATA



- Total Greek market in 1H 2005 was down 2.6% compared to 1H 2004, mainly due to warmer winter and higher prices
- Domestic market down 1.4% but gasoline up 3.3%
- Aviation fuels up 10%

AGENDA

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- Industry and Macro Environment



- **Q2 2005 Group Financial Results**

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Q2 & H1 2005 FINANCIAL RESULTS

GROUP KEY PROFIT AND LOSS FINANCIALS

Q2			IFRS	HALF YEAR		
2004	2005	Δ%		2004	2005	Δ%
			€M			
1.082	1.403	30%	NET SALES	2.223	2.863	29%
120	183	52%	EBITDA	201	312	55%
86	141	64%	OPERATING RESULTS	135	231	71%
86	129	50%	EARNINGS BEFORE TAX	135	211	56%
51	87	70%	NET INCOME AFTER TAX & MI	80	141	78%
			KEY RATIOS			
0,17	0,28	70%	NET EARNINGS PER SHARE (€/ SHARE)	0,26	0,46	78%
-	-	-	ROACE % (2004 Full year Vs Last 12m)	5,5%	7,2%	-

Q2 & H1 2005 FINANCIAL RESULTS

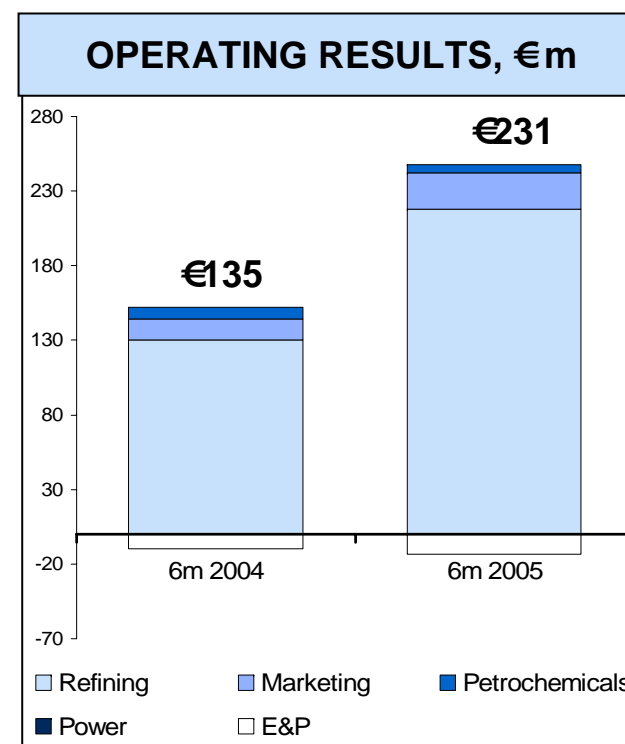
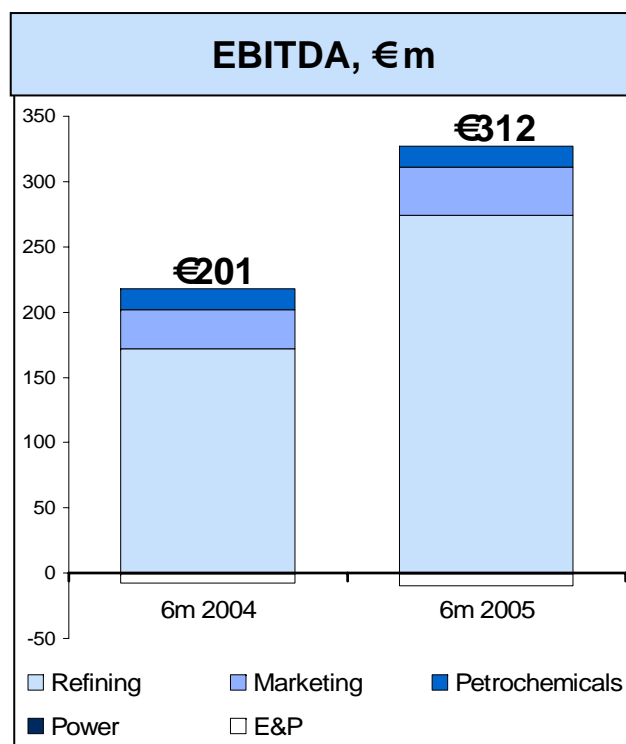
GROUP KEY BALANCE SHEET, CASHFLOW INDICATORS

Q2			BALANCE SHEET & CASHFLOW			
2004	2005	Δ%	IFRS			
			€M			
			FY	HALF YEAR		
			2004	2004	2005	Δ%
			(YEAR END)			
-	-	-	2.336	2.275	2.844	25%
72	49	-32%	295	131	101	-23%
48	134	178%	77	70	211	201%
-152	-338	123%	-171	-157	-343	119%
-	-	-	386	373	742	99%
			NET DEBT			
			FREE CASH FLOW			
			OPERATING CASH FLOW MEASURE (1)			
			CAPITAL EXPENDITURE			
			CAPITAL EMPLOYED			
			DEBT / (DEBT + EQUITY) RATIO			
-	-	-	17%	17%	27%	-
60%	27%	-55%	-	42%	32%	-
			CAPEX AS % OF EBITDA			
			KEY RATIOS			

(1) Calculated as EBITDA less Capex

Q2 & H1 2005 FINANCIAL RESULTS

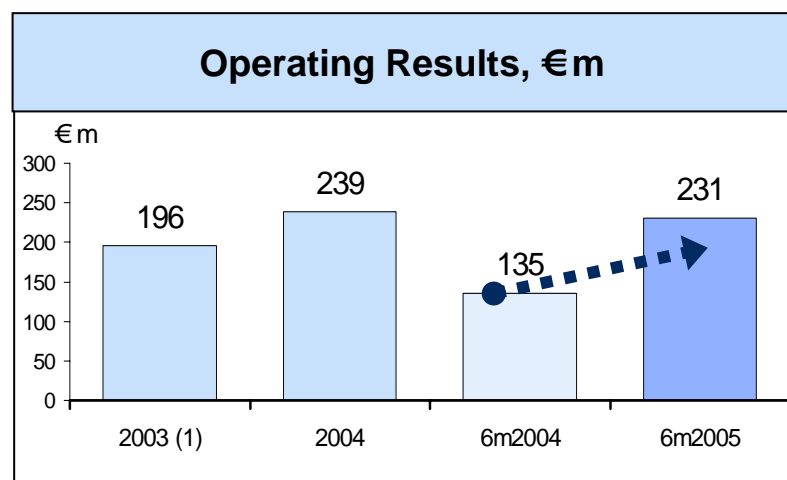
EBITDA AND OPERATING RESULTS BY SEGMENT



Refining Sector comprises close to 90% of Group EBITDA and continues to drive results

Q2 & H1 2005 FINANCIAL RESULTS

GROUP OPERATING RESULTS



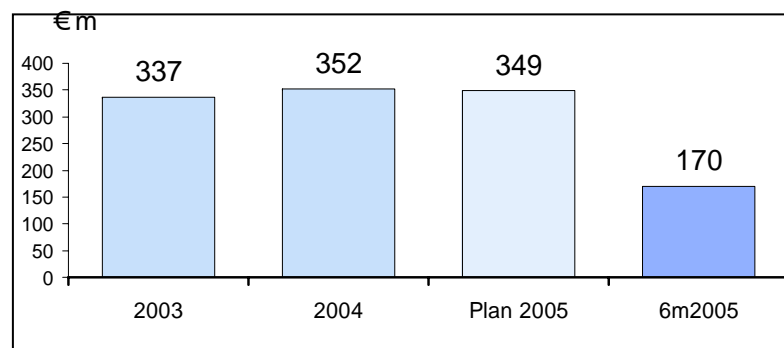
- Q2 2005 high refining margins and higher oil prices continue to drive strong operating performance
- Positive impact of full realisation of merger synergies in Southern hub and Aspropyrgos refinery upgrade
- Results from Opex control evident with positive impact on performance
- Although improved vs Q1, continuing high prices, mild weather conditions and lower exports impact adversely on volumes for the second quarter

(1) Pre 2004 Operating results adjusted to include Petrola and exclude DEPA option income

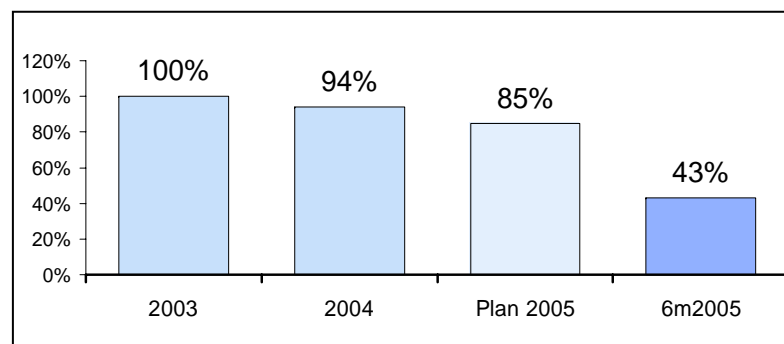
Q2 & H1 2005 FINANCIAL RESULTS

OPERATING COST BASE EVOLUTION

Hellenic Petroleum SA
Operating expenses evolution

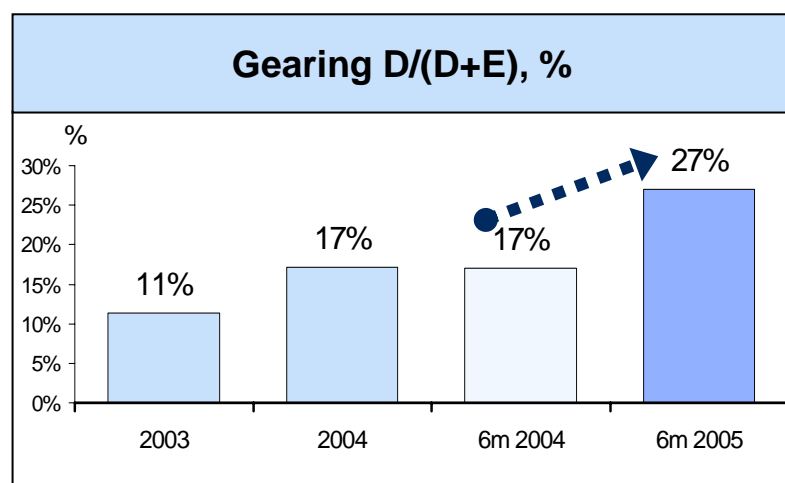
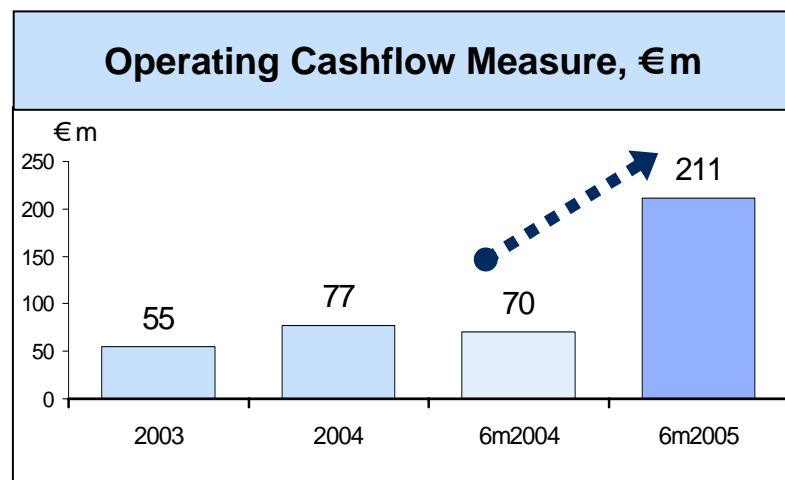


Hellenic Petroleum SA
Non HR Fixed Opex evolution



- Results from Opex control evident, with positive impact on performance
- Hellenic Petroleum SA business plans for 2005 built in strict control of operating cost base, with reduction versus past year
- Actual performance to date still in line with above plans
- Further benefits at Group level explored with the aim to achieve similar performance over the next years

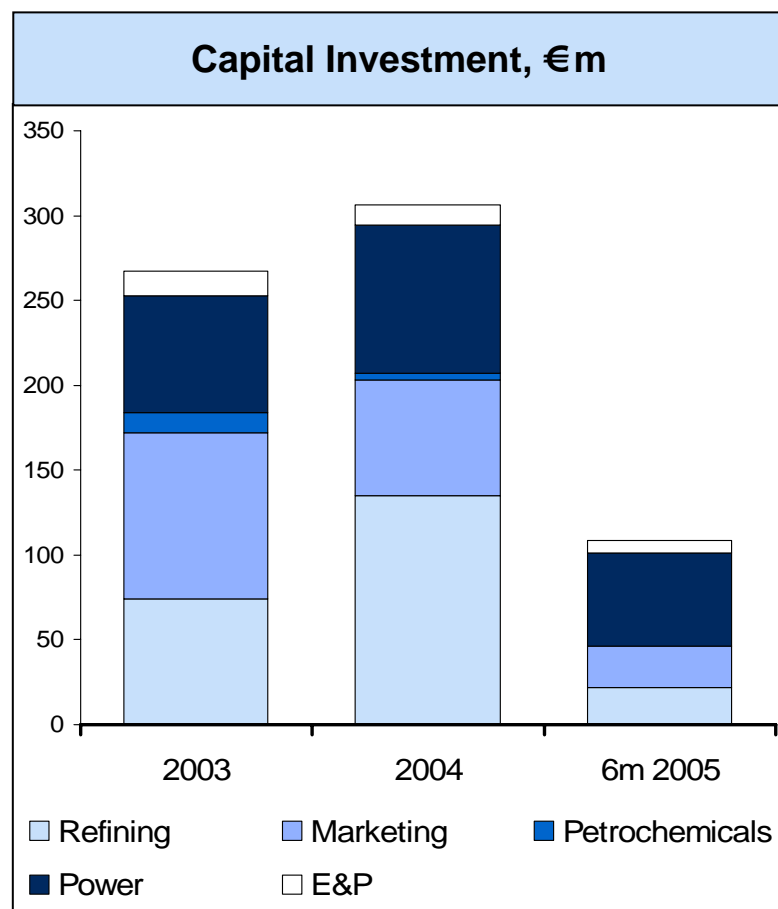
Q2 & H1 2005 FINANCIAL RESULTS CASHFLOW AND DEBT GEARING



- High operating cashflow due to strong EBITDA and lower CAPEX than last year
- High oil prices (+48% vs last year) leading to increased working capital requirements, payment of dividends in June and 2004 income tax payments during the second quarter of 2005 result to higher net debt and debt gearing ratio.

Q2 & H1 2005 FINANCIAL RESULTS

CAPITAL INVESTMENT



Total Group capital investment in the six months was €101m. Key capital investment projects during Q2 2005:

Power

- On-going construction of 390MW power plant accounts for 50% of the first six months capex

Refining

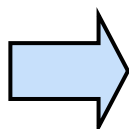
- Mainly minor “maintenance” and product compliance projects
- FEED for hydrocracker/Coker upgrade launched (post 30 June 2005)

Marketing

- Key Greek market project is the creation of COXO petrol stations
- International capital investment for expansion of petrol stations networks

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Q2 & H1 2005 FINANCIAL RESULTS

REFINING, SUPPLY & TRADING

Q2			IFRS	HALF YEAR		
2004	2005	Δ%		2004	2005	Δ%
			€M			
3,721	3,636	-2%	SALES VOLUME - KT	8,304	8,019	-3%
987	1,398	42%	NET SALES	2,030	2,727	34%
107	163	53%	EBITDA	172	274	59%
84	130	54%	OPERATING RESULTS	130	218	68%
33	15	-55%	CAPITAL EXPENDITURE	49	22	-56%
74	148	101%	OPERATING CASH FLOW MEASURE	123	252	105%
32,0	48,1	50%	AVERAGE BRENT CRUDE PRICE - \$/bbl	30,8	45,7	48%
6,51	7,18	10%	AVERAGE REFINERY MARGIN (FOB MED COMPLEX 50/50 \$/bbl)	5,44	6,45	19%
1,23	1,26	2%	AVERAGE EURO / DOLLAR RATE (€1 =)	1,23	1,29	5%

Sales Volume

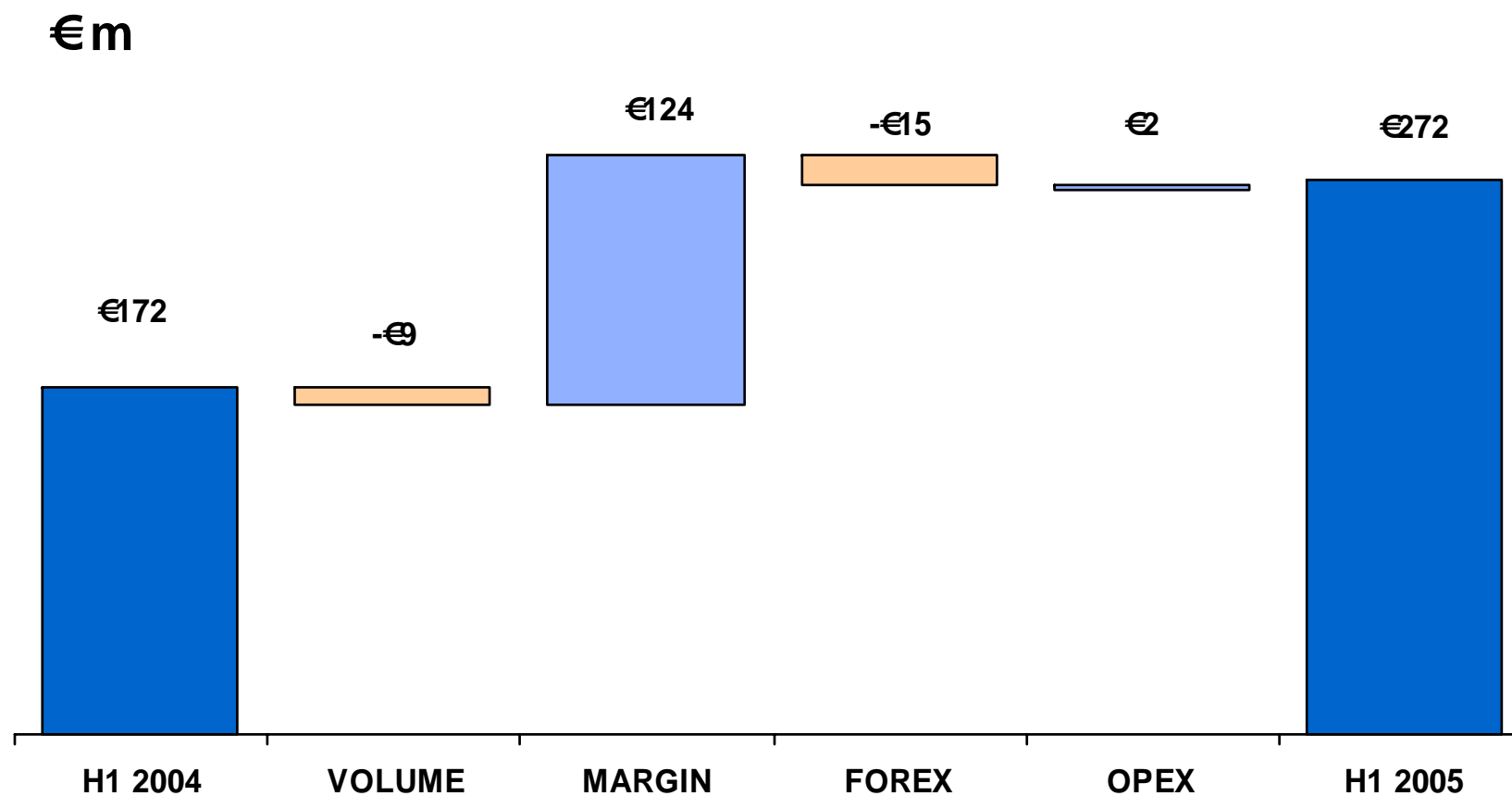
- Improved share in shrinking Greek market
- Exports sales volumes lower as refinery production planning is optimised for financial performance
- Higher OKTA refinery sales volume relative to last year

Margins

- Margins during Q2 maintained at levels higher than last year
- Oil price level impact positive on results and no stock devaluation reported
- Risk management process targeted at partially managing crude oil and oil products price risks and associated devaluation

Q2 & H1 2005 FINANCIAL RESULTS

REFINING & SUPPLY AND TRADING EBITDA EVOLUTION



Note: Margin impact includes product mix and synergies

Q2 & H1 2005 FINANCIAL RESULTS

MARKETING

Q2			IFRS	HALF YEAR		
2004	2005	Δ%		2004	2005	Δ%
			€M			
1.087	1.040	-4%	SALES VOLUME - KT	2.361	2.236	-5%
350	440	26%	(1) NET SALES	688	858	25%
16	18	15%	EBITDA	30	37	26%
8	14	65%	OPERATING RESULTS	14	24	65%
18	12	-33%	CAPITAL EXPENDITURE	33	24	-25%
-2	6	-366%	OPERATING CASH FLOW MEASURE	-3	13	-514%
			<u>GREEK MARKET</u>			
905	847	-6%	VOLUME	1.986	1.848	-7%
12	14	19%	EBITDA	24	26	8%
3	8	145%	CAPEX	9	12	33%
			<u>INTERNATIONAL</u>			
182	194	6%	VOLUME	375	388	3%
4	4	4%	EBITDA	6	11	105%
15	4	-72%	CAPEX	24	12	-47%

(1) Net sales excluding any sales and consumption taxes

Greece

- Maintain leading position in declining domestic market
- Margins benefit from higher value products KINITRON®
- Capex relates to establishment of COXO stations

International

- Most international subsidiaries report improved volume sales vs last year
- Higher EBITDA, driven by HP Cyprus improved results and overall volume gains in Bulgaria/Serbia/Montenegro

Q2 & H1 2005 FINANCIAL RESULTS

PETROCHEMICALS

Q2			IFRS	HALF YEAR		
2004	2005	Δ%		2004	2005	Δ%
			€M			
100	96	-4%	SALES VOLUME - KT	195	182	-7%
67	79	18%	NET SALES	126	143	13%
10	12	26%	EBITDA	16	16	-1%
6	7	15%	OPERATING RESULTS	8	6	-25%
1	0	-116%	CAPITAL EXPENDITURE	3	0	-93%
9	12	37%	OPERATING CASH FLOW MEASURE	13	15	19%
			<u>INTERNATIONAL PROFIT MARGINS (€/T)</u>			
190,0	210,0	11%	POLYPROPYLENE	210,0	230,0	10%
100,0	40,0	-60%	PVC	110,0	50,0	-55%

- Volumes continue to be soft in Q2 as in Q1
- EBITDA and operating profits in line with last year
- Positive cashflow generation

Q2 & H1 2005 FINANCIAL RESULTS

EXPLORATION AND PRODUCTION

- E&P projects relate to exploration phase with investments in Q2 2005 of €7m, recorded as an expense in line with industry practices
- **Asset base and projects status**
 - **Libya:**

A JV of Woodside (45%, operator) Repsol (35%) and HEP(20%) continue carrying exploration activity (geology, seismic) in 6 blocks and evaluating Atshan gas field.
 - **Albania:**

A JV of OMV (51%, operator) and HEP (49%) carried out Kanina-1 well tests on zones with oil shows. Well completed on 20th of March. Re-evaluation of all exploration data ongoing.
 - **Greece:**

Preparation of next licensing round (Katakolon and Epanomi). Evaluation of other oil promising areas.
 - **Montenegro:**

Ongoing negotiations between HEP and Ramco for farm out of Ramco. JPK has requested from the Montenegro Government extension for the exploration works.

Q2 & H1 2005 FINANCIAL RESULTS

POWER GENERATION

- Construction of the Power Generation plant in Thessaloniki almost completed
- Connection of the plant with local EHV sub-stations and the grid via 400kV underground cable well in progress, with completion confirmed after the end of Q2
- Synchronisation of gas turbine generator
- First test runs of the plant already underway with commercial operation estimated to begin at the end of the year

Q2 & H1 2005 FINANCIAL RESULTS

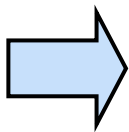
ORGANISATION AND SUPPORT FUNCTIONS

BUSINESS OBJECTIVES 2005	PROGRESS IN Q2
<ul style="list-style-type: none"> • Operating Expenses <ul style="list-style-type: none"> – Budget opex target below 2004 actual • Finance <ul style="list-style-type: none"> – New \$350 m syndicated bond loan as part of refinancing strategy – Group – level cash management facility • Organization and People <ul style="list-style-type: none"> – Implement new business processes – Move to new headquarters building – Recruit new skills at senior levels and initiate renewal of personnel – Implement variable compensation scheme for management – Identify and implement synergies at Group Corporate Level 	<ul style="list-style-type: none"> • Operating Expenses <ul style="list-style-type: none"> – Actual quarterly performance continues to be in line with budget and lower than last year • Finance <ul style="list-style-type: none"> – Loan agreement completed and signed in February 2005, old short term loans refinanced – Treasury SPV set up to manage Group funding and cash management • Organization and People <ul style="list-style-type: none"> – Business planning and reporting processes revisited to enable Group operations and structure – Recruited new senior level managers with new skills as per approved plan, process still on going for additional resources – Group headquarters relocation project delayed with estimated implementation



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- **Q & A**

Thank you