Hellenic Petroleum Cyprus Limited

Company number: 454043

Annual report and financial statements
31 December 2008

Hellenic Petroleum Cyprus Limited

Report and financial statements
31 December 2008

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Hellenic Petroleum Cyprus Limited

Board of Directors and other officers

Board of Directors

Michail Myrianthis (Chairman)
Ioannis Grigoriou (resigned 15 May 2008)
Akis Pegasiou
Garry Pegg
Jonathan Ivinson
Nikolaos Georgoudas
George Gregoras
Andreas Shiamishis (appointed 15 May 2008)
Christos Tziolas (appointed 15 May 2008)

Company Secretary

Theodora Papadimitriou
17th km Athens-Corinth National Highway
GR 19300 – Aspropyrgos
Greece

Registered office

Juxon House
100 St Paul's Churchyard
London EC4M 8BU
United Kingdom

Hellenic Petroleum Cyprus Limited

Report of the Board of Directors

1 The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2008.

Principal activities

2 The principal activity of the Company, which is unchanged from last year, is to buy, sell and otherwise deal in petroleum products in Cyprus through a local branch. It is the intention of the board of directors that this business will continue for the foreseeable future.

Review of developments, position and performance of the Company's business

3 The profit of the Company for the year ended 31 December 2008 was €9.505.169 (2007: profit of €12.180.559). On 31 December 2008 the total assets of the Company were €84.598.910 (2007: €94.160.834) and the net assets were €36.078.797 (2007: €26.573.628). The financial position, development and performance of the Company as presented in these financial statements is considered satisfactory.

Principal risks and uncertainties

4 The principal risks and uncertainties that the Company faces are the following:

(a) on 12 August 2009 the Commission for the Protection of Competition in Cyprus (hereafter the 'CPC') issued its Decision regarding their investigation in the Cypriot petroleum market (Retail) for the period from 1 October 2004 to 22 December 2006. It concluded that Hellenic Petroleum Cyprus Ltd violated the Law for the Protection of Competition (2008) on both the horizontal (concerted practice to set retail prices with its three competitors) and the vertical (concluding agreements with its Dealers to set retail prices) charges. The Company has submitted its written Representations to the CPC within the prescribed 30 days period from the date of receiving the initial communication of the intention of imposing a fine. On 25 September 2009 the CPC issued its Decision imposing upon the Company an administrative fine of €14.269.000. The fine is payable within three months as from 25 September 2009. In Management's view, it is probable that the Decision of the Commission will be annulled and/or held to be unlawful. In that event, the likelihood for an outflow of resources is remote.

(b) due to the delay in implementing the Government plan of the relocation of the Cyprus oil companies' terminals at Vassilico Energy Centre, the latest expected dates of relocation are in years 2013-2015. The Company may face exceptional costs in that year and increased storage costs following the relocation; and

(c) the worldwide instability in the price of oil makes the preparation of budgets and long term planning more difficult.

Business risks

5 Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators (KPI's) is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

6 The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, commodity price risk and fair value interest rate risk), credit risk and liquidity risk.

7 Market risk - foreign exchange risk
The Company imports petroleum products from overseas and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency. Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

8 Market risk - commodity price risk
The Company is exposed to commodity price risk through its purchases and distribution of petrol within Cyprus. Management monitors the price fluctuations on a continuous basis and acts accordingly.

9 Market risk - fair value interest rate risk
As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's interest rate risk arises principally from short-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

10 Credit risk
Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. Where debt finance is utilised, this is subject to pre-approval by the board of directors and such approval is limited to reputable financial institutions. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually.

11 Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities. The management maintains flexibility in funding by maintaining availability under committed credit lines.

12 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

During 2008, the Company's strategy, which was unchanged from 2007, was to maintain the gearing ratio within 20% to 40%.

Future developments of the Company

13 The Board of Directors does not expect any material changes or developments in the operations, financial position and performance of the Company in the foreseeable future.

Results

14 The Company's results for the year are set out on page 9.

Dividends

15 The Board of Directors recommends an interim dividend (€10.000.000) of €22,56 cents per ordinary share (2007: the Board of Directors approved an interim dividend (€45.000.000) of €101,50 cents per ordinary share) to be paid during the 2009 financial year to shareholders on register at the date of the directors resolution which took place on 17 December 2008.

Board of Directors

16 The Directors who held office during the year and at the date of this report are shown on page 1.

Hellenic Petroleum Cyprus Limited

Report of the Board of Directors (continued)

Statement of directors' responsibilities

17 The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

18 Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU) and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

19 In preparing those financial statements, the directors are required to:
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board adopted by the European union (EU);
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

20 The directors confirm that they have complied with the above requirements in preparing the financial statements.

21 The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

22 Each of the persons who is a Director at the date of approval of this report confirms that:
(1) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
(2) each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

23 This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

Hellenic Petroleum Cyprus Limited

Report of the Board of Directors (continued)

Branches

24 The Company currently operates through a branch in Cyprus.

Change of functional currency

25 With the introduction of the Euro as the official currency of the Republic of Cyprus as from 1 January 2008, the functional currency of the Company has changed from Cyprus Pounds to Euro. As a result, the financial position of the Company at 1 January 2008 has been converted into Euro based on the definite fixing of the exchange rate €1=C£0,585274.

Events after the balance sheet date

26 On 16 February 2009 the bank borrowings amounting to €3.331.577 were repaid.

27 There were no other material post balance sheet events, which have a bearing on the understanding of the financial statements, except the item disclosed on page 2 paragraph 4(a) under "Principal risks and uncertainties".

Independent Auditors

28 The Independent Auditors, PricewaterhouseCoopers LLP will continue in office as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

By Order of the Board

Akis Pegasiou
Director

Nicosia
29 October 2009

Independent Auditors' Report
To the Members of Hellenic Petroleum Cyprus Limited

We have audited the financial statements of Hellenic Petroleum Cyprus Limited for the year ended 31 December 2008 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Board of Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Board of Directors and other officers and the Report of the Board of Directors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2008 and of its profit and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Board of Directors is consistent with the financial statements.

Emphasis of Matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 26 to the financial statements concerning the possible payment of a fine to the Commission for the Protection of Competition in Cyprus ('CPC'). The CPC has alleged that Hellenic Petroleum Cyprus Limited violated the Law for the Protection of Competition and has imposed upon the company an administrative fine of €14m. The company has commenced legal proceedings to annul the decision. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
29th October 2009
London

Hellenic Petroleum Cyprus Limited

Income statement
for the year ended 31 December 2008

	Note	2008 €	2007 €
Revenue	5	**326.782.840**	256.783.693
Cost of sales		**(286.452.563)**	(221.067.191)
Gross profit		**40.330.277**	35.716.502
Distribution costs		**(18.711.324)**	(14.834.640)
Administrative expenses		**(3.879.279)**	(2.672.468)
Operating profit		**17.739.674**	18.209.394
Finance income	6	**136.284**	342.829
Finance cost	10	**(1.532.718)**	(1.095.664)
Finance cost- net		**(1.396.434)**	(752.835)
Profit before tax		**16.343.240**	17.456.559
Income tax expense	11	**(6.838.071)**	(5.276.000)
Profit for the year		**9.505.169**	12.180.559

The notes on pages 13 to 46 are an integral part of these financial statements.

Hellenic Petroleum Cyprus Limited

Balance sheet
at 31 December 2008

	Note	2008 €	2007 €
Assets			
Non-current assets			
Property, plant and equipment	14	**32.329.361**	28.874.408
Intangible assets	15	**3.442.564**	2.651.613
Investment in subsidiaries	16	**610.586**	610.586
		36.382.511	32.136.607
Current assets			
Inventories	17	**5.784.559**	12.356.785
Trade and other receivables	18	**31.735.000**	32.159.987
Cyprus taxation on profit refundable		**84.749**	2.004.660
Cash and cash equivalents	19	**10.612.091**	15.502.795
		48.216.399	62.024.227
Total assets		**84.598.910**	94.160.834
Equity and liabilities			
Capital and reserves			
Ordinary share capital	20	**6.284.140**	6.284.140
Other reserves		**1.587.086**	1.587.086
Retained earnings		**28.207.571**	18.702.402
Total equity		**36.078.797**	26.573.628
Non-current liabilities			
Deferred tax liabilities	22	**1.651.827**	1.626.912
Pension liabilities	23	**627.551**	4.509
		2.279.378	1.631.421
Current liabilities			
Trade and other payables	25	**19.394.475**	36.357.452
UK corporation tax payable		**1.179.580**	691.470
Borrowings	21	**25.666.680**	28.906.863
		46.240.735	65.955.785
Total liabilities		**48.520.113**	67.587.206
Total equity and liabilities		**84.598.910**	94.160.834

On 29 October 2009 the Board of Directors of Hellenic Petroleum Cyprus Limited authorised these financial statements for issue and were signed on its behalf.

Akis Pegasiou, Director

The notes on pages 13 to 46 are an integral part of these financial statements.

Hellenic Petroleum Cyprus Limited

Statement of changes in equity for the year ended 31 December 2008

	Note	Ordinary share capital €	Other reserves (1) €	Retained earnings €	Total €
Balance at 1 January 2007		6.342.376	1.601.793	51.584.395	59.528.564
Currency translation differences		(58.236)	(14.707)	(62.552)	(135.495)
Profit for the year		-	-	12.180.559	12.180.559
Dividend paid		-	-	(45.000.000)	(45.000.000)
Balance at 31 December 2007/ 1 January 2008		6.284.140	1.587.086	18.702.402	26.573.628
Profit for the year		-	-	9.505.169	9.505.169
Balance at 31 December 2008		6.284.140	1.587.086	28.207.571	36.078.797

(1) Other reserves include a revaluation reserve of €317.130 (2007: €317.130), a special reserve and a general reserve of €1.269.956 (2007:€1.269.956). The special reserve has been utilised for the issue of bonus shares and the general reserve has been utilised for the dividend distributions.

The notes on pages 13 to 46 are an integral part of these financial statements.

Hellenic Petroleum Cyprus Limited

Cash flow statement
for the year ended 31 December 2008

	Note	2008 €	2007 €
Cash flows from operating activities			
Profit before tax		**16.343.240**	17.456.559
Adjustments for:			
Depreciation of property, plant and equipment	14	**2.737.227**	2.396.628
Amortisation of intangible assets	15	**16.161**	13.242
Loss on sale of property, plant and equipment	14	**-**	71
Finance income	6	**(136.284)**	(342.829)
Finance expense	10	**1.532.718**	1.095.664
Exchange losses	14	**-**	259.132
		20.493.062	20.878.467
Changes in working capital:			
Inventories		**6.572.226**	(5.320.753)
Trade and other receivables		**424.987**	(6.773.240)
Trade and other payables		**(16.962.977)**	12.738.156
Net movement in pension liabilities		**623.042**	(84.523)
Net movement in provision for deferred taxes		**-**	260.942
Cash generated from operations		**11.150.340**	21.699.049
Tax paid		**(4.300.705)**	(4.542.448)
Net cash from operating activities		**6.849.635**	17.156.601
Cash flows from investing activities			
Purchases of property, plant and equipment	14	**(6.192.180)**	(6.413.917)
Proceeds from sale of property, plant and equipment	14	**-**	9.874
Purchases of intangibles	15	**(807.112)**	(1.323.858)
Interest received		**136.284**	342.829
Net cash used in investing activities		**(6.863.008)**	(7.385.072)
Cash flows from financing activities			
Net proceeds from/ (repayment of) bank borrowings		**250.409**	(133.289)
Net (repayment of)/ proceeds from loans from related parties	28(vi)	**(7.000.000)**	25.000.000
Interest paid		**(1.532.718)**	(1.095.664)
Dividends paid to Company's shareholders		**-**	(45.000.000)
Net cash used in financing activities		**(8.282.309)**	(21.228.953)
Net decrease in cash, cash equivalents and bank overdrafts		**(8.295.682)**	(11.457.424)
Cash, cash equivalents and bank overdrafts at beginning of year		**14.677.100**	26.530.961
Foreign exchange translation		**(104.430)**	(396.437)
Cash, cash equivalents and bank overdrafts at end of year	19	**6.276.988**	14.677.100

The notes on pages 13 to 46 are an integral part of these financial statements.

Hellenic Petroleum Cyprus Limited

Notes to the financial statements

1 General information

Country of incorporation

The Company is incorporated in the United Kingdom as a private limited liability company operating in Cyprus as a branch. Its registered office is at Juxon House, 100 St Paul's Churchyard, London EC4M 8BU, United Kingdom.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Companies Act 1985.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The directors consider that the accounting policies as set out below are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates.

Group financial statements

The immediate parent undertaking is Hellenic Petroleum International A.G.
Group financial statements have not been prepared as the Company is exempt from the obligation to prepare group accounts under Section 228 of the Companies Act 1985. The results of the subsidiary undertaking are dealt within the consolidated accounts of the ultimate parent undertaking, Hellenic Petroleum S.A., a company registered in Greece.

The financial statements present information about the Company as an individual undertaking and not about the group.

Copies of Hellenic Petroleum S.A. financial statements can be obtained from the Company Secretary at 17th Km National Road Athens-Corinth, 19 300 Aspropyrgos, Athens, Greece.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS), adopted by the EU, that are relevant to its operations and are effective for accounting periods beginning on 1 January 2008. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements the following accounting standards were issued by the International Accounting Standards Board but the Company has not early adopted them:

(i) Adopted by the European Union

New standards

- IFRS 8 "Operating Segments" (effective for annual periods beginning on or after 1 January 2009).
- IAS 1 (Revised) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2009).
- IAS 23 (Revised) "Borrowing Costs" (effective for annual periods beginning on or after 1 January 2009).
- IAS 27 (Revised) "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 July 2009).
- IFRS 3 (Revised) "Business Combinations" (effective for annual periods beginning on or after 1 July 2009).

Amendments

- Amendments to IFRS 1 "First time adoption of IFRS" and IAS27 "Consolidated and separate financial statements" on the "Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate" (effective for annual periods beginning on or after 1 January 2009).
- Amendment to IFRS 2 "Share Based Payment: Vesting Conditions and Cancellations" (effective for annual periods beginning on or after 1 January 2009).
- Amendments to IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of financial statements on "Puttable Financial Instruments and Obligations arising on Liquidation" (effective for annual periods beginning on or after 1 January 2009).
- Improvements to IFRSs 2008 (effective for annual periods beginning on or after 1 January 2009).

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

New IFRICs

- International Financial Reporting Interpretation Committee (IFRIC) 12 "Service Concession Arrangements" (effective for annual periods beginning on or after 30 March 2009).
- IFRIC 13 "Customer Loyalty Programmes" (effective for annual periods beginning on or after 1 January 2009).
- IFRIC14 "IAS19 – The limit on a defined benefit asset, minimum funding requirements and their interaction" (effective for annual periods beginning on or after 1 January 2009).
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" (effective for annual periods beginning on or after 1 October 2008).

(i) Not adopted by the European Union

New standards

- IFRS 1 (Revised) "First Time Adoption of International Financial Reporting Standards" (effective for annual periods beginning on or after 1 January 2009).

Amendments

- Amendment to IAS 39 "Eligible Hedged Items" (effective for annual periods beginning on or after 1 July 2009).
- Amendment to IFRS 7 - "Financial Instruments: Disclosures: Improving disclosures about financial instruments" (effective for annual periods beginning on or after 1 January 2009).
- Amendment to IFRIC 9 and IAS 39 regarding embedded derivatives (effective for annual periods beginning on or after 1 July 2009).
- Annual Improvements 2009 (effective for annual periods beginning on or after 1 July 2009).

New IFRICs

- IFRIC 15 "Agreements for the Construction of Real Estate" (effective for annual periods beginning on or after 1 January 2009).
- IFRIC 17 "Distributions of Non cash Assets to Owners" (effective for annual periods beginning on or after 1 July 2009).
- IFRIC 18 "Transfers of Assets from Customers" (effective for annual periods beginning on or after 1 July 2009).

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company except from the application of IAS 1 (Revised) 'Presentation of Financial Statements' which will have a material effect on the presentation of the financial statements and the application of IFRS 7 (Amendments) - 'Financial Instruments: Disclosures: Improving disclosures about financial instruments' which will enhance disclosures about fair value measurements and liquidity risk.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business. Revenue is shown net of value added tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

(i) Sales of goods

Sales of goods are recognised when significant risks and rewards of ownership of the goods have been transferred to the customer, which is usually when the Company has sold or delivered goods to the customer, the customer has accepted the goods and collectibility of the related receivable is reasonably assured.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

When a loan is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

Employee benefits

The Company and the employees contribute to the Cyprus Government Social Insurance Fund based on employees' salaries. This Fund is treated as a defined contribution scheme. In addition, the Company operates two defined benefit retirement schemes the assets of which are held in a separate trustee-administered fund. The Company has elected to recognise actuarial gains and losses through the Income statement using the corridor approach. The defined contribution scheme is funded by contributions from employees and by the Company. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no further payment obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

2 Summary of significant accounting policies (continued)

Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). With the introduction of the Euro as the official currency of the Republic of Cyprus as from 1 January 2008, the functional currency of the Company has changed from Cyprus Pounds to Euro. The financial statements are presented in Euro (€), which is the Company's presentation currency from year 2007.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Tax

Taxation on profits and losses for the year comprises current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using rates enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are calculated in respect of temporary differences using the balance sheet liability method. Deferred income taxes are provided for all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders. Interim dividends, that are approved by the Board of Directors of the Company as a distribution to the Company's shareholders, are recognised at payment date.

2 Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at their historical cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Certain tangible fixed assets reflect a previous revaluation which was carried out as at 1 January 1987 (other than fixed assets in territories occupied by Turkish forces). Land was revalued by an independent professional valuer, and other fixed assets by the Company by using appropriate cost indices.

Land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values, over their estimated useful lives. The annual depreciation rates are as follows:

	%
Buildings	3-4
Furniture, fixtures and office equipment	10
Plant and machinery	10-20
Motor vehicles	20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the income statement of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and these are included in the income statement.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2 Summary of significant accounting policies (continued)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The amount paid for goodwill represents the value, paid to certain petrol station administrators, to purchase the business and thus to operate certain petrol stations. No assets were acquired and therefore the amount paid has been allocated to goodwill. The Company has the right to operate these stations indefinitely.

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure, which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programmes are charged to the income statement of the year in which they were incurred. Computer software costs are amortised using the straight-line method over their estimated useful lives, not exceeding a period of five years. Amortisation commences when the computer software is available for use and is included within administrative expenses.

The annual amortisation rate is 33,33%.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The Company carries the investments in subsidiaries at cost less any impairment.

2 Summary of significant accounting policies (continued)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating activity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

Share capital

Ordinary shares are classified as equity.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 Summary of significant accounting policies (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. In the balance sheet bank overdrafts are shown within borrowings in current liabilities.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 Financial risk management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, commodity price risk and fair value interest rate risk),credit risk and liquidity risk.

- **Market risk**

  Foreign exchange risk

  The Company imports petroleum products from overseas and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

  At 31 December 2008 bank borrowings that were denominated in US$ amounting to €3.331.577 (2007: €3.081.168) were hedged with an equivalent cash and cash equivalent amount denominated in US$.

  Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Market risk (continued)**

Commodity price risk

The Company is exposed to commodity price risk through its purchases and distribution of petrol within Cyprus.

Management monitors the price fluctuations on a continuous basis and acts accordingly, by seeking to pass any change in market price to its customers to minimize the profit and loss impact.

As a result of passing changes in prices to its customers, the impact on profit and loss is immaterial.

Fair value interest rate risk

As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest rate risk primarily arises from short-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

At 31 December 2008, if interest rates on € -denominated borrowings at that date had been 0.5% higher/lower with all other variables held constant, post-tax profit for the year would have been €130.792 (2007: €17.014) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. At 31 December 2008, if interest rates on US$ - denominated borrowings at that date had been 0.5% higher/lower with all other variables held constant, post-tax profit for the year would have been €16.021 (2007: €24.695) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

- **Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. Where debt finance is utilised, this is subject to pre-approval by the board of directors and such approval is limited to reputable financial institutions. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year
	€	€	€	€
At 31 December 2007				
Borrowings	28.906.863	-	-	-
Trade and other payables	36.074.032	283.420	-	-
	64.980.895	283.420	-	-
At 31 December 2008				
Borrowings	**25.666.680**	-	-	-
Trade and other payables	**19.197.150**	**197.325**	-	**10.000.000**
	44.863.830	**197.325**	-	**10.000.000**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities. The management maintains flexibility in funding by maintaining availability under committed credit lines.

(ii) Capital risk management

The capital as defined by management at 31 December 2008 and 2007 was as follows:

	2008	2007
	€	€
Total borrowings (Note 21)	**25.666.680**	28.906.863
Less: cash and cash equivalents (Note 19)	**(10.612.091)**	(15.502.795)
Net debt	**15.054.589**	13.404.068
Total equity	**36.078.797**	26.573.628
Total capital as defined by management	**51.133.386**	39.977.696
Gearing ratio	**29%**	34%

The gearing ratio of year 2008 slightly decreased in comparison with year 2007, primarily from the non distribution of a dividend during the year.

The capital as defined by management at 31 December 2008 and 2007 consists of equity as shown on the face of the balance sheet.

3 Financial risk management (continued)

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

During 2008, the Company's strategy, which was unchanged from 2007, was to maintain the gearing ratio within 20% to 40%.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Estimated impairment of goodwill**

  The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amount of cash-generating units has been determined based on value-in-use calculations.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5 Revenue

	2008 €	2007 €
Sales of goods	**339.244.996**	268.883.140
Commissions	**(14.719.603)**	(13.920.864)
Management fee income	**20.503**	20.503
Other income	**2.236.944**	1.800.914
	326.782.840	256.783.693

6 Finance income

	2008 €	2007 €
Interest income:		
Bank balances	**136.284**	342.829

7 Expenses by nature

	2008 €	2007 €
Changes in inventories of petroleum products	**283.281.180**	218.108.233
Other direct costs	**3.171.383**	2.958.958
Depreciation, amortisation and impairment charges (Notes 14 and 15)	**2.753.388**	2.409.870
Loss on sale of property, plant and equipment (Note 14)	**-**	71
Repairs and maintenance	**2.729.316**	2.739.306
Operating lease rentals	**3.522.191**	3.137.959
Insurance	**127.840**	125.478
Staff costs (Note 8)	**5.140.419**	4.133.749
Marketing	**611.667**	514.903
Other expenses	**326.671**	66.025
Auditors' remuneration:		
- for statutory audit	**70.419**	54.934
- other services relating to taxation	**-**	7.347
Redundancy expenses	**650.000**	-
Bank commissions	**123.265**	192.831
Indirect taxes	**203.730**	201.371
Training	**75.465**	107.241
Travelling	**330.742**	280.277
Utilities	**355.213**	217.250
Telecommunications	**69.137**	55.896
Consultancy and services	**2.549.522**	494.492
Freight	**2.951.618**	2.768.108
Total cost of goods sold, distribution costs, administrative expenses and other expenses	**309.043.166**	238.574.299

8 Staff costs

	2008 €	2007 €
Wages and salaries	**3.580.902**	3.361.433
Cyprus Government social insurance costs	**310.766**	287.378
Defined benefit pension schemes (Note 24)	**977.677**	233.503
Stakeholder pension scheme	**132.327**	117.976
Other	**138.747**	133.459
	5.140.419	4.133.749

The average monthly number of persons (including executive directors) employed by the Company during the year was:

By activity

	2008	2007
Distribution	19	20
Administration	42	37

9 Directors' emoluments

	2008 €	2007 €
Aggregate emoluments	**350.806**	414.562
Company contributions to money purchase pension schemes	**69.050**	93.565
	419.856	508.127

Retirement benefits are accruing to 2 (2007: 2) directors under the money purchasing pension scheme and the defined benefit scheme.

	2008 €	2007 €
Highest paid director		
Wages and salaries	**232.715**	214.618
Company contributions to money purchase pension schemes	**43.626**	62.044
	276.341	276.662

	2008 €	2007 €
Accrued pension of the highest paid director	**46.441**	41.509
Accrued lump sum of the highest paid director	**696.620**	518.857

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10 Finance costs

	2008 €	2007 €
Interest expense:		
Bank borrowings	**103.832**	1.033.351
Bank overdraft	**191.039**	59.602
Overdue taxation	**8.135**	2.711
Group borrowings	**1.229.712**	-
	1.532.718	1.095.664

11 Income tax expense

	2008 €	2007 €
Current tax		
United Kingdom		
Corporation tax at 28,5% (2007:30%)	**4.708.838**	4.897.855
Adjustments in respect of prior years	**467.590**	117.203
Double taxation relief	**(1.797.407)**	(1.690.482)
	3.379.021	3.324.576
Foreign tax		
Corporation tax	**1.797.407**	1.690.482
Adjustments in respect of prior years	**1.636.728**	-
	3.434.135	1.690.482
Total Current Tax	**6.813.156**	5.015.058
Deferred tax		
Origination and reversal of temporary differences	**27.009**	338.635
Adjustments in respect of prior years	**(2.094)**	(77.693)
Total deferred tax (Note 22)	**24.915**	260.942
Income tax expense	**6.838.071**	5.276.000

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2008 €	2007 €
Profit before tax	**16.343.240**	17.456.559
Tax calculated at the standard rate of corporation tax in the UK of 28,5% (2007:30%)	**4.657.823**	5.236.968
Tax effect of expenses not deductible for tax purposes	**346.898**	(116.680)
Tax effect of rate change	**-**	116.202
Adjustments to tax charge in respect of prior years	**2.102.224**	39.510
Deferred tax asset not previously recognised	**(268.874)**	-
Tax charge	**6.838.071**	5.276.000

The standard rate of Corporation Tax in the UK changed to 28% with effect from 1 April 2008 (2007: 30%).

Based on current capital investment plans, the Company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

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12 Financial instruments by category

	Loans and receivables €	Total €
31 December 2008		
Assets as per balance sheet		
Trade and other receivables (1)	30.155.680	30.155.680
Cash and cash equivalents	10.612.091	10.612.091
Total	40.767.771	40.767.771

	Other financial liabilities €	Total €
Liabilities as per balance sheet		
Borrowings	25.666.680	25.666.680
Trade and other payables (2)	15.959.415	15.959.415
Total	41.626.095	41.626.095

	Loans and receivables €	Total €
31 December 2007		
Assets as per balance sheet		
Trade and other receivables (1)	31.212.744	31.212.744
Cash and cash equivalents	15.502.795	15.502.795
Total	46.715.539	46.715.539

	Other financial liabilities €	Total €
Liabilities as per balance sheet		
Borrowings	28.906.863	28.906.863
Trade and other payables (2)	34.557.480	34.557.480
Total	63.464.343	63.464.343

(1) The rest of the balance sheet item 'trade and other receivables' is prepayments.

(2) The rest of the balance sheet item 'trade and other payables' is accruals.

13 Credit quality of financial assets

The credit quality of financials assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates:

	2008 €	2007 €
Fully performing trade receivables		
Counterparties without external credit rating		
Group 1	**6.466.918**	831.665
Group 2	**20.484.930**	29.087.021
Total fully performing trade receivables	**26.951.848**	29.918.686
Fully performing other receivables		
Group 3	**4.783.152**	2.241.301
Cash at bank and short-term bank deposits (1)		
A2	**1.229.007**	490.037
A3	**3.635.783**	5.271.669
	4.864.790	5.761.706

(1)The rest of the balance sheet item 'cash and cash equivalents' is cash in hand.

As at 31 December 2008 the 'cash and cash equivalents' include an amount of €5.724.434 which represents cheques received in December 2008 but not deposited to the bank. These cheques were deposited in January 2009.

As at 31 December 2007 the 'cash and cash equivalents' include an amount of €9.725.995 which represents cheques received in December 2007 but not deposited to the bank. These cheques were deposited in January 2008.

Group 1 – new customers (less than 6 months).

Group 2 – existing customers (more than 6 months) with no defaults in the past.

Group 3 – other receivables

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14 Property, plant and equipment

	Land and buildings €	Plant and machinery €	Furniture, fixtures and office equipment €	Motor vehicles €	Total €
At 1 January 2007					
Cost	14.873.597	28.053.939	306.468	739.521	43.973.525
Accumulated depreciation	(3.901.420)	(14.344.382)	(234.560)	(385.499)	(18.865.861)
Net book amount	10.972.177	13.709.557	71.908	354.022	25.107.664
Year ended 31 December 2007					
Opening net book amount	10.972.177	13.709.557	71.908	354.022	25.107.664
Additions	1.856.575	4.150.474	25.041	381.827	6.413.917
Disposals	-	(9.945)	-	-	(9.945)
Depreciation charge (Note 7)	(216.857)	(2.145.852)	(7.705)	(26.214)	(2.396.628)
Exchange differences	(101.575)	(137.780)	(850)	(395)	(240.600)
Transfer	-	-	-	-	-
Closing net book amount	12.510.320	15.566.454	88.394	709.240	28.874.408
At 31 December 2007					
Cost	16.592.775	30.774.177	328.506	928.867	48.624.325
Accumulated depreciation	(4.082.455)	(15.207.723)	(240.112)	(219.627)	(19.749.917)
Net book amount	12.510.320	15.566.454	88.394	709.240	28.874.408
Year ended 31 December 2008					
Opening net book amount	12.510.320	15.566.454	88.394	709.240	**28.874.408**
Additions	1.559.458	3.767.088	44.371	821.263	**6.192.180**
Depreciation charge (Note 7)	(265.280)	(2.335.050)	(11.337)	(125.560)	**(2.737.227)**
Closing net book amount	13.804.498	16.998.492	121.428	1.404.943	**32.329.361**
At 31 December 2008					
Cost	18.152.233	34.541.265	372.877	1.750.130	**54.816.505**
Accumulated depreciation	(4.347.735)	(17.542.773)	(251.449)	(345.187)	**(22.487.144)**
Net book amount	13.804.498	16.998.492	121.428	1.404.943	**32.329.361**

In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2008 €	2007 €
Net book amount	-	9.945
Loss on sale of property, plant and equipment (Note 7)	-	(71)
Proceeds from sale of property, plant and equipment	-	9.874

15 Intangible assets

	Goodwill €	Computer Software €	Total €
At 1 January 2007			
Cost	1.330.695	1.156.575	2.487.270
Accumulated amortisation and impairment	-	(1.133.399)	(1.133.399)
Net book amount	1.330.695	23.176	1.353.871
Year ended 31 December 2007			
Opening net book amount	1.330.695	23.176	1.353.871
Additions	1.298.537	25.321	1.323.858
Amortisation charge (Note 7)	-	(13.242)	(13.242)
Exchange differences	(12.218)	(656)	(12.874)
Closing net book amount	2.617.014	34.599	2.651.613
At 31 December 2007			
Cost	2.617.014	1.170.833	3.787.847
Accumulated amortisation and impairment	-	(1.136.234)	(1.136.234)
Net book amount	2.617.014	34.599	2.651.613
Year ended 31 December 2008			
Opening net book amount	2.617.014	34.599	**2.651.613**
Additions	792.000	15.112	**807.112**
Amortisation charge (Note 7)	-	(16.161)	**(16.161)**
Closing net book amount	3.409.014	33.550	**3.442.564**
At 31 December 2008			
Cost	3.409.014	1.185.945	**4.594.959**
Accumulated amortisation and impairment	-	(1.152.395)	**(1.152.395)**
Net book amount	3.409.014	33.550	**3.442.564**

On 31 May 2008 and 31 December 2008 the Company acquired the right to operate Kokkinotrimithia and Troodos Avenue petrol stations respectively. The acquired business of Kokkinotrimithia contributed revenues of €76.100 and net profit of €5.600 to the Company for the period from the date of commencement 2 June 2008 to 31 December 2008. If the acquisition had occurred on 1 January 2008, Company revenue would have been €130.000 and €270.000 and profit before allocations would have been €9.800 and €52.000 for Kokkinotrimithia and Troodos Avenue stations respectively. These amounts have been calculated using the Company's accounting policies.

Details of acquired goodwill are as follows:

15 Intangible assets (continued)

	2008
	€
Purchase consideration:	
	-
Cash paid	792.000
Direct costs relating to acquisition	-
	-
Total purchase consideration	792.000

No assets were acquired and therefore the amount paid has been allocated to goodwill.

Amortisation of €16.161 (2007: €13.242) is included in "distribution costs".

Impairment test for goodwill

Goodwill is allocated to cash-generating units. The cash generating unit is represented by the group of petrol stations.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below. The growth rate does not exceed the long-term average growth rate of the business in which the cash-generating unit operates.

The key assumptions used for the value-in-use calculations are as follows:

- Operating margin: 26%
- Growth rate: 3%
- Discount rate: 9%

Management determines budgeted operating margin based on past performance and its expectations for market developments. The weighted average growth rate used is consistent with the forecasts included in industry reports. The discount rate used is pre-tax and reflects specific risks relating to the cash-generating unit.

The amount paid for goodwill represents the value, paid to certain petrol station administrators, to purchase the business and thus to operate certain petrol stations. No assets were acquired and therefore the amount paid has been allocated to goodwill. The Company has the right to operate these stations indefinitely.

16 Investments in subsidiaries

	2008	2007
	€	€
At beginning of year	**610.586**	616.244
Exchange differences	**-**	(5.658)
At end of year	**610.586**	610.586

16 Investments in subsidiaries (continued)

The Company's interest in its subsidiary, which is unlisted, was as follows:

Name	Principal activity	Country of incorporation	2008 % of ordinary shares	2007 % of ordinary shares
Superlube Limited	Blending of lubricating oils	Cyprus	65	65

17 Inventories

	2008 €	2007 €
Petroleum Products	5.784.559	12.356.785

The cost of inventories recognised as expense and included in "cost of sales" amounted to €279.880.337(2007: €226.387.944).

The difference between the carrying value of stocks and their replacement cost is not material.

18 Trade and other receivables

	2008 €	2007 €
Trade receivables	27.991.308	30.958.146
Less: Provision for impairment of trade receivables	(1.039.460)	(1.039.460)
Trade receivables - net	26.951.848	29.918.686
Receivables from related parties (Note 28(v))	153	345
Other receivables	3.203.679	1.293.713
Prepayments	1.579.320	947.243
	31.735.000	32.159.987

The fair values of trade and other receivables approximate their carrying amounts.

As of 31 December 2008, trade receivables of €26.951.848 (2007: €29.918.686) were fully performing.

Trade receivables that are less than three months past due are not considered impaired. As of 31 December 2008, trade receivables of €8.960.168 (2007: €9.470.978) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2008 €	2007 €
Up to 3 months	5.370.252	8.173.362
3 to 6 months	3.589.916	1.297.616
	8.960.168	9.470.978

18 Trade and other receivables (continued)

The amount of the provision was €1.039.460 as of 31 December 2008 (2007: €1.039.460). The individually impaired receivables mainly relate to wholesalers, which are in an unexpectedly difficult economic situation. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	2008 €	2007 €
Over 6 months	**104.100**	57.354

Movements on the Company's provision for impairment of trade receivables are as follows:

	2008 €	2007 €
At 1 January	**1.039.460**	1.049.098
Exchange differences	**-**	(9.638)
At 31 December	**1.039.460**	1.039.460

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above. At 31 December 2008, the Company holds bank guarantees of €717.613 (2007:€495.495) as security.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	2008 €	2007 €
Cyprus pound	**-**	28.899.411
Euro - functional and presentation currency	**30.528.774**	44.137
US Dollar	**1.206.226**	3.216.439
	31.735.000	32.159.987

19 Cash and cash equivalents

	2008 €	2007 €
Cash at bank and in hand	**7.120.211**	11.793.150
Short-term bank deposits	**3.491.880**	3.709.645
	10.612.091	15.502.795

The effective interest rate on short term bank deposits was 2,3080% (2007: 4,7796%) and these deposits have an average maturity of 7 days.

19 Cash and cash equivalents (continued)

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

	2008 €	2007 €
Cash and cash equivalents	**10.612.091**	15.502.795
Bank overdrafts (Note 21)	**(4.335.103)**	(825.695)
	6.276.988	14.677.100

20 Ordinary share capital

	2008			2007		
	Number of shares	**STG£**	**€**	Number of shares	STG£	€
Authorised						
Shares of STG£10 each	**443 345**	**4.433.450**		443 345	4.433.450	
Issued and fully paid						
Shares of STG£10 each	**443 345**	**4.433.450**	**6.284.140**	443 345	4.433.450	6.284.140

The total authorised number of ordinary shares is 443 345 shares (2007: 443 345 shares) with a par value of GB£10 per share. All issued shares are fully paid.

21 Borrowings

	2008 €	2007 €
Current		
Bank overdrafts (Note 19)	**4.335.103**	825.695
Bank borrowings	**3.331.577**	3.081.168
Loans from related parties (Note 28(vi))	**18.000.000**	25.000.000
	25.666.680	28.906.863

There are no securities on loans, bank borrowings and bank overdrafts.

On 16 February 2009 the bank borrowings amounting to €3.331.577 were repaid.

The weighted average effective interest rates at the balance sheet date were as follows:

	2008 %	2007 %
Bank overdrafts	**5,65**	5,50
Bank borrowings	**3,20**	5,80
Loans from related parties (Note 28(vi))	**4,70**	4,90

The Company's bank borrowings and bank overdrafts are arranged at both fixed and floating rates. Borrowings at fixed rates expose the Company to fair value interest rate risk. For borrowings at floating rates the interest rate reprises on a monthly basis exposing the Company to cash flow interest rate risk.

	2008 €	2007 €
6 months or less	**25.666.680**	28.906.863

21 Borrowings (continued)

The Company has the following undrawn borrowing facilities:

	2008 €	2007 €
Floating rate:		
Expiring beyond one year	93.173.000	87.961.303

The facilities expiring within one year are annual facilities subject to review at various dates during 2009.

The carrying amounts of bank overdrafts and short-term bank loans approximate their fair value.

The carrying amounts of the Company's borrowings are denominated in the following currencies:

	2008 €	2007 €
Cyprus pound	-	825.695
Euro - functional and presentation currency	22.335.103	25.000.000
US Dollar	3.331.577	3.081.168
	25.666.680	28.906.863

22 Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

The movement on the deferred tax account is as follows:

Deferred tax liabilities

	Difference between depreciation and capital allowances €	Pensions €	Interest accrued €	Total €
At 1 January 2007	1.392.680	(26.710)	-	1.365.970
Charged to:				
Income statement (Note 11)	235.495	25.447	-	260.942
At 31 December 2007/1 January 2008	1.628.175	(1.263)	-	1.626.912
Charged to:				
Income statement (Note 11)	468.240	(174.451)	(268.874)	24.915
At 31 December 2008	2.096.415	(175.714)	(268.874)	1.651.827

The amounts included in the balance sheet include the following:

	2008 €	2007 €
Deferred tax liabilities to be settled after more than twelve months	1.651.827	1.626.912

23 Pension liabilities

	2008	2007
	€	€
Pension liabilities (Note 25)	627.551	4.509

Hellenic Petroleum Stakeholder Pension Scheme

The Hellenic Petroleum Stakeholder Pension Scheme is a defined contribution scheme open to all employees subject to certain conditions. The Company pays contributions at a rate between 5% and 15% of basic salary of participating employees. Contributions to the Scheme for the year ended 31 December 2008 amounted to €132.327(2007: €117.976).

Hellenic Petroleum Defined Benefit Pension Schemes

The Share Purchase Agreement between BP plc and Hellenic Petroleum International A.G. (the "Agreement") provided that the existing retirement benefit schemes for all retired and active employees (including employees that remain under the employment of the Company) were transferred to BP Eastern Mediterranean Ltd (BPEM) which would become the Founding Company of the schemes as from 1 December 2002. This was subject to the consent of the local regulatory authorities. In accordance with the Agreement, the Company is committed to set up its own retirement benefit schemes for its current active employees (other than those employees who will elect to continue to be members of the current BP schemes), equivalent to the existing ones, that will provide benefits for future service that are no less favourable overall than those provided by BP under the existing arrangements. The Company's new schemes will recognise the employee's credited service, participation vesting and as applicable, benefit accrual periods of service, which will accrue in BP's retained arrangement in which the Company will participate as a Member Company until the setting up of its own schemes. For the period of participation, the Company pays the normal funding costs (i.e. current service costs), assuming that the schemes are neither in surplus or deficit.

Under the Agreement, BP procured that a transfer of assets in respect of benefits accrued as of 31 December 2002, is made from its current schemes to the Company's new schemes with the amount of such transfer to be calculated at the expiration of any period of participation and paid in cash unless otherwise agreed. As part of negotiations with the Employee Trade Unions for the execution of the Agreement, the Company made a provision of €812.520 in 2002 for extra funding to be contributed to the new schemes to allow for notified discretionary practises, mainly for providing increased pension benefits in line with price inflation.

23 Pension liabilities (continued)

The above arrangements were subject to the consent of the local regulatory authorities. The local regulatory authorities have given their consent for the split of the old existing staff schemes, but did not approve the transfer of the existing pension fund to BPEM. They instead, approved the set-up of a new pension fund scheme by BPEM. Accordingly, the Company retained the existing scheme (which was renamed from BP Cyprus Non Contributory Pension Fund to Hellenic Petroleum Cyprus Non Contributory Pension Fund during 2006 ("Pension Fund)) and BPEM set up a new scheme (the BP Eastern Mediterranean Non Contributory Pension Fund), without this affecting the substance of the way the assets were split and the transfer value was calculated, as stipulated in the agreement outlined above. In accordance with the Agreement the BPEM Fund also covers the former employees of BP Cyprus Ltd as at 1.1.2003. The changes to the Share Purchase Agreement, also provides that BPEM Fund shall indemnify and hold harmless the existing fund, retained by the Company, in respect of any liabilities and/or obligations of the existing fund, provided such liabilities and obligations of the existing fund, provided such liabilities and obligations arose prior to 31 December 2005.

24 Actuarial valuation of the defined benefit retirement plans

The Company has elected to recognise actuarial gains and losses through the Income statement using the corridor approach. The estimated future benefit payments from the Plan are projected using the adopted assumptions stated below. By discounting these payments back to any given valuation date, the amount required at the given valuation date to meet these future benefit payments was estimated. This amount is called the present value (cost) of employees' benefits.

Under IAS 19, this cost must be recognised in a systematic manner over the employees' working lives. A valuation method must be chosen to attribute the cost between that arising from service up to the valuation date (past service) and that arising from service after the valuation date (future service).

The present value of a defined benefit obligation (DBO) is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The method chosen in this case is the Projected Unit Credit method because this is the only acceptable method under the revised IAS 19.

During 2008, the cash commutation factor was revised from 12,5 to 15,0. This benefit change represents a past-service cost and has to be recognised immediately in the 2008 Profit and Loss. As a result, the 2008 Profit and Loss charge for the Pension Plan has been revised to reflect this.

	2008	2007
	€	€
Present value of obligations	**9.373.832**	7.884.535
Fair value of plan assets	**(8.163.784)**	(9.153.426)
Unrecognised net (Loss)/Gain	**(582.497)**	1.273.400
Net Liability in Balance Sheet (Note 25)	**627.551**	4.509

Hellenic Petroleum Cyprus Limited

24 Actuarial valuation of the defined benefit retirement plans (continued)

	2008 €	2007 €
Components of Profit & Loss Charge		
Service cost	331.029	266.646
Interest cost	411.851	357.190
Expected Return on plan Assets	(462.310)	(390.333)
Amortisation of Unrecognised Net Gain	(38.443)	-
Amortisation of Past Service Cost	735.550	-
Regular Profit & Loss Charge (Note 8)	977.677	233.503
Additional Cost of Extra Benefits	-	-
Restructuring Expense	-	-
Other Expense/(Income)	-	-
Total Profit & Loss Charge	977.677	233.503
Movement in Net Liability in Balance Sheet		
Net Liability in Balance Sheet at the beginning of the period	4.509	89.032
Actual Contributions paid by the Company	(354.635)	(317.209)
Total expense recognised in the income statement	977.677	233.503
Exchange differences	-	(817)
Net Liability in Balance Sheet	627.551	4.509
Movement in Unrecognised net Gain		
Unrecognised net Gain/(Loss) at the beginning of the period	1.273.400	636.227
(Losses)/ Gains arising during the period	(1.817.454)	643.017
Losses amortised during the period	(38.443)	-
Exchange differences	-	(5.844)
Unrecognised net Gain at the end of the period	(582.497)	1.273.400
Unrecognised Gains to be amortised		
Maximum of the Value of Assets or the DBO	9.373.832	9.261.607
10% corridor	937.383	926.161
Unrecognised net (Loss)/Gain at the end of the period	(582.497)	1.273.400
Unrecognised net Gain outside the corridor	-	347.239
Average future working life	13,00	12,24
Amount to be amortised in next year's Profit & Loss	-	28.369
Reconciliation of benefit obligation		
DBO at start of period	7.884.535	7.255.399
Service cost	331.029	266.646
Interest Cost	411.851	357.190
Benefits paid from the Fund	(202.276)	(63.348)
Contributions made to the plans	392.586	-
Past Service Cost arising over last period	735.551	-
Actuarial (Gain)/Loss	(179.444)	135.267
Exchange differences	-	(66.619)
DBO at end of period	9.373.832	7.884.535
Reconciliation of plan assets		
Market value at start of period	9.153.426	7.802.594
Expected return	462.310	390.333
Company contributions	354.635	317.209
Fund Benefits	(202.276)	(63.348)
Contributions made to the plans	392.586	-
Asset (Loss)/Gain	(1.996.896)	778.283
Exchange differences	-	(71.645)
Fair value of plan assets at end of period	8.163.785	9.153.426

24 Actuarial valuation of the defined benefit retirement plans (continued)

Additional disclosure requirements of the previous annual periods, 2006 and 2005:

	2006	2005
	€	€
Present value of obligations	**7.255.399**	6.650.172
Fair value of plan assets	**(7.802.594)**	(6.279.231)
(Surplus)/Deficit in the plan	**(547.195)**	370.941

At 31 December:

	2008	2007	2006	2005
	%	%	%	%
Experience adjustments on plan liabilities	5,5	(0,7)	3,5	5,1
Experience adjustments on plan assets	(24,5)	8,5	14,5	1,6

The actual return on plan assets was €641.754 (2007: €255.066).

Plan assets are comprised as follows:

	2008		2007	
	€	**%**	€	%
Equity instruments	**755 727**	**9**	2 559 205	28
Debt instruments	**937 797**	**11**	767 760	8
Cash and cash equivalents	**4 783 612**	**59**	4 376 243	48
Property	**1 686 649**	**21**	1 450 218	16
	8 163 785	**100**	9 153 426	100

The plan did not own any of the Company's financial instruments, property or any other assets.

Contributions expected to be paid to the plan during the annual period beginning after the balance sheet date amount to €478.159 (2007: €354.635).

Valuation Assumptions

Discount rate

IAS 19 requires that the discount rate should reflect the rate at which the liabilities could effectively be settled. It recommends using the rates of return on high quality fixed income investments of the appropriate maturity. In general, the long and medium term yields on government bonds and AA-rated corporate bonds are considered, depending on the average duration of the liabilities of each plan or country. The yields used as a reference to set the discount rate should be at a duration consistent with the duration of the liabilities.

The duration of the Company's benefit plans is about 10 years. Therefore, one possible index to consider in the Eurozone is the iBoxx 10+ € AA corporate bond index. The yield as at 31 December 2008 on this index was 6,28% pa. An approach consistent to last year's valuation would result in a discount rate of about 6,25% pa as at 31 December 2008, an increase of 100bps from last year's accounting valuation.

24 Actuarial valuation of the defined benefit retirement plans (continued)

It is relatively unusual to adopt a discount rate which is significantly different from the yield on the chosen index. However, the above index is yielding 72bps more than last year. There is also a big debate currently among actuarial, audit firms and multinationals as to whether it is appropriate to use unadjusted indices given the recent extreme market conditions. Accounting guidelines say companies should use the yield on high quality corporate bonds of suitable duration to value their pension scheme liabilities - a rate that is usually taken to be bonds rated AA or better. However, continued uncertainty in the global markets has meant the range of yields on AA rated bonds is considerably wider than usual - and is questionable whether some of the higher yielding bonds could still be considered "high quality". While it appears that companies have not made major changes to the methods used to derive discount rate assumptions, it is interesting to see that some companies are making some adjustment to the index yield.

It is suggested to avoid making any arbitrary adjustment to the iBoxx AA index yield. Instead, it is recommended to use the AAA-rated Euro 10+ iBoxx index yield as a reference to set the discount rate assumption. This yield was 5,61% pa as at 31 December 2008.

Therefore, it was agreed to adopt a discount rate assumption of 5,75% pa for the IAS19 valuation as at 31 December 2008. This includes an allowance for the higher duration of the scheme liabilities compared to that of the index.

Price Inflation

For the purposes of the funding valuation, and as a base point for the financial assumptions, an assumption for the future increases in Cypriot price inflation (CPI) needs to be established. The assumed inflation rate should reflect the best estimate of long-term inflation. This may be derived from historical inflation rates and/or looking at the long-term rates implied by the bond market where index-linked bonds are regularly traded. The outlook for the Eurozone inflation can be evidenced by yields on €-denominated index-linked government bonds, which imply a long term inflation of less than 2,00% pa.

Pension liabilities are long term in nature and it would be unusual to make ad-hoc adjustments to inflation and salary growth assumptions based on current economic conditions. Future inflation expectations are priced into the market related measures that most companies are using and no change in the assumptions are expected relative to those measures.

Therefore, a long-term inflation assumption of 2,25% pa has been adopted.

Rate of pay increases

Salary growth for the Company's employees comprises three elements: general pay increases, COLA increases and individual promotional/merit increases.

Over the long-term, a real increase in general salaries (general increases and COLA) of 2,00% pa has been suggested, similar to last year. Also, similar to last year, and after discussions with the Company, an additional allowance of 0,50% pa for promotional increases has been proposed. The proposed total real salary increase is therefore 2,50% pa.

Therefore, an overall salary increase assumption of 4,75% pa has been used.

24 Actuarial valuation of the defined benefit retirement plans (continued)

Rate of pension increases

These are granted at 100% of CPI each year and are therefore expected to move in line with price inflation. Therefore, an assumption of 2,25% pa has been adopted.

Increase in Insurable Earnings Limit

The limit is assumed to increase at a rate of 1,00% pa above inflation. Therefore, an assumption of 3,25% pa has been adopted.

Supplementary State pension increases

According to the current rules of the social insurance scheme, the earnings related part of the pension increases each year in line with price inflation. Therefore an assumption of 2,25% pa has been adopted.

Mortality after retirement

The following standard mortality tables for mortality have been used:

Men: EVK 2000 males

Women: EVK 2000 females

It is believed that these tables are a reasonable representation of expected mortality in the Cypriot oil industry. The expected life expectancy at birth is 78,8 and 82,1 years for males and females respectively.

No allowance has been made for mortality before retirement.

Withdrawals

No allowance has been made.

Retirements

It is assumed that all members will retire at age 60. No allowance for early retirement has been made.

Commutation

Members are assumed to commute the maximum possible, allowing for the provisions of Section 88 (1) of the Cyprus Social Insurance Law 1980. As stated above, the commutation factor has changed from 12,5 to 15,0 with effect from 31 December 2008.

24 Actuarial valuation of the defined benefit retirement plans (continued)

The table below summarises the main financial assumptions as at the current valuation data as well as those as at the last valuation date for comparison:

Assumptions	31 December 2008	31 December 2007
Price Inflation	2,25%	2,50%
Pay increases	4,75%	5,00%
Pension increases	2,25%	2,50%
Discount rate	5,75%	5,25%
Increase in Social Security Ceiling	3,25%	3,50%
Social Security Pension increases	2,25%	2,50%
Weighted-average expected return on plan assets	4,10%	5,00%

25 Trade and other payables

	2008 €	2007 €
Trade payables	**6.197.756**	3.632.394
Payables to related parties (Note 28(v))	**2.979.379**	24.025.015
Other payables	**6.782.280**	6.900.071
Accrued expenses	**3.435.060**	1.799.972
	19.394.475	36.357.452

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

26 Contingencies

An agreement between the Government of the Republic of Cyprus and the Municipality of Larnaca was signed on 2 February 2001, whereby it was agreed that the oil terminals, which are situated within the Municipality of Larnaca, will be removed from their current location and relocated at a specified site at Vassiliko area and the land will be restored at the current site to its original condition, by the end of 2013-2015. The Company received legal advice which indicates that the Agreement is not binding for the Company, since the Company is not a party to the said Agreement. In addition there are a number of steps that must be followed before it becomes effective. If the relocation takes place, then the Company will face exceptional costs in that year and increased storage costs following relocation.

As at 31 December 2008 the Company has contingent liabilities in respect of the claim set out below, amounting to €Nil (2007:€897.016).

26 Contingencies (continued)

On 12 August 2009 the Commission for the Protection of Competition in Cyprus (hereafter the 'CPC') issued its Decision regarding their investigation in the Cypriot petroleum market (Retail) for the period from 1 October 2004 to 22 December 2006. It concluded that Hellenic Petroleum Cyprus Ltd violated the Law for the Protection of Competition (2008) on both the horizontal (concerted practice to set retail prices with its three competitors) and the vertical (concluding agreements with its Dealers to set retail prices) charges. The Company has submitted its written Representations to the CPC within the prescribed 30 days period from the date of receiving the initial communication of the intention of imposing a fine. On 25 September 2009 the CPC issued its Decision imposing upon the Company an administrative fine of €14.269.000. The fine is payable within three months as from 25 September 2009. In Management's view, it is probable that the Decision of the Commission will be annulled and/or held to be unlawful. In that event, the likelihood for an outflow of resources is remote.

In addition to the above, the Company has contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liability will arise. These guarantees amounted to €899.481 (2007: €1.496.714).

The Board of Directors recommends an interim dividend (€10.000.000) of €22,56 cents per ordinary share (2007: the Board of Directors approved an interim dividend (€45.000.000) of €101,50 cents per ordinary share) to be paid during the 2009 financial year to shareholders on register at the date of the directors resolution which took place on 17 December 2008.

27 Commitments

i Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	2008	2007
	€	€
Property, plant and equipment	-	85.430

ii Operating lease commitments – where the Company is the lessee

The Company leases various petrol stations under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The lease expenditure charged to the income statement during the year is disclosed in Note 7.

27 Commitments (continued)

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2008	2007
	€	€
Not later than 1 year	**2.990.023**	2.288.748
Later than 1 year and not later than 5 years	**12.817.003**	7.818.398
Later than 5 years	**32.660.135**	13.968.755
	48.467.161	24.075.901

28 Related party transactions

The immediate parent undertaking is Hellenic Petroleum International A.G.

The ultimate parent undertaking of the group of undertakings for which group accounts are drawn up, and of which the Company is a member, and the ultimate controlling party is Hellenic Petroleum S.A. which is the smallest and largest group to consolidate these financial statements. Copies of Hellenic Petroleum S.A. financial statements can be obtained from the Company Secretary at 17th Km National Road Athens-Corinth, 19 300 Aspropyrgos, Athens, Greece.

The following transactions were carried out with related parties:

(i) Sales of services

	2008	2007
	€	€
Sales of services:		
Superlube Limited (management services)	**105.387**	107.079

(ii) Purchases of goods and services

	2008	2007
	€	€
Purchases of goods:		
Superlube Limited	**1.034.869**	772.109
Hellenic Petroleum S.A.	**224.458.846**	202.012.705
EKO ELDA A.E	**912.037**	845.233
	226.405.752	203.630.047
Purchases of services:		
Superlube Limited	**74.281**	540.433

(iii) Key management personnel compensation

	2008	2007
	€	€
Salaries and other short-term employee benefits	**943.462**	873.261
Termination benefits	**400.000**	-
	1.343.462	873.261

28 Related party transactions (continued)

(iv) Directors' remuneration

The total remuneration of the Directors (included in key management personnel compensation above) was as follows:

	2008 €	2007 €
Aggregate emoluments	350.806	414.562
Company contributions to money purchase pension schemes	69.050	93.565
	419.856	508.127

(v) Year-end balances

	2008 €	2007 €
Receivable from related parties (Note 18):		
Superlube Limited	153	345
Payable to related parties (Note 25):		
Superlube Limited	36.975	-
Hellenic Petroleum S.A.	2.883.645	23.926.768
EKO ELDA A.E.	58.759	98.247
	2.979.379	24.025.015

(vi) Loans from related parties

	2008 €	2007 €
Loans from parent entity:		
At beginning of year	25.000.000	-
Loans advanced during year	5.000.000	25.000.000
Loans repaid during year	(12.000.000)	-
At end of year (Note 21)	18.000.000	25.000.000

The above loan was provided by Hellenic Petroleum Finance PLC. The loan is unsecured, carries interest rate at Euribor + 0,375% and is renewable on a monthly basis.

29 Events after the balance sheet date

On 16 February 2009 the bank borrowings amounting to €3.331.577 were repaid.

There were no other material post balance sheet events, which have a bearing on the understanding of the financial statements, except as disclosed in note 26 above.