

Annual financial report

for the fiscal year from Jan 1st to Dec31st

2009



According to article 4 of L. 3556/2007

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*The attached annual financial report was prepared according the article 4 of Law 3556/2007 and approved from the Board of Directors of ANEK LINES SA during the meeting of **26 of March 2010**. The attached financial report, as well as the annual financial statements, the auditors' report and the report of BoD of the subsidiaries have been published in the Company's web site www.anek.gr.*

STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS

(according to article 4 par.2 of Law 3556/2007)

The members of Board of Directors of ANEK SA:

- Georgios Katsanevakis, 1st Vice Chairman,
- Spyridon Protopapadakis, 2nd Vice Chairman,
- Ioannis Vardinogiannis, Managing Director

certify, as far as we know:

a) the annual financial statements (separate and consolidated) for the period 1st January 2009 to 31st December 2009, prepared according to the applicable International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Company **Anek Lines SA**, as well as of the consolidated companies as a whole, and

b) the annual enclosed Report of the Board of Directors presents truly and fairly the development, the performance and the position of ANEK LINES SA, as well as of the consolidated companies as a whole, included the description of the key risks and uncertainties

Chania, March 26, 2010

The 1st Vice-Chairman

The 2nd Vice-Chairman

The Managing Director

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BOARD OF DIRECTORS REPORT FOR THE YEAR 2009

*The attached annual report of the Board of Directors of **ANEK LINES SA** for the years from 1st of January until 31st of December 2009 is prepared according the Law 2190/1920 (articles 43a, 107 and 136) and is in accordance with the Law 3556/2007 and the decision No 7/448/11.10.2007 of the Hellenic Capital Committee. In the attached report are included information regarding the business activities of the Group and the Company, the financial position, the financial results and the significant events during the year of 2009. Additionally the report includes the main risks that the Company may face in the future, the prospects of 2010 and the major related party transactions.*

I. FINANCIAL RESULTS, DEVELOPMENTS & PERFORMANCE

During the year 2009, ANEK Group managed to overcome successfully the hard economical conditions, caused by the international economical crisis and the intense competition in the sector of coastal shipping, and at the same time the Company built the basis for an ambitious business plan regarding the agreement for the acquisition of 33.35% of the Hellenic Seaways.

The international financial crisis, starting from 2008 and continued during the year 2009, resulted in a strong recession in the worldwide economy and caused significant damage in every business activity, especially the sector of tourism and transportations, where a significant decrease in the passenger and cargo traffic, in the Greek coastal and in the Adriatic Sea. Moreover, the competition resulted to be more intensive in the Adriatic Sea, and in the Greek coastal shipping with the entrance of new competitor in Heraklion route.

Despite the aforementioned facts, the Company reacted successfully adjusting the commercial policy and managed to maintain, and in many cases to increase, its market shares, increasing the sales. Significant factor in that, was the service of subsidized routes from the ministry of Economy, Competition and Shipping. In 2009, the Company established in the North-east Aegean route, where started serving the routes from the second half of 2008, increasing more than double its transportation traffic, and at the same time the Company had a strong present in most of the islands of Cyclades and Dodekanissa through the service of subsidized routes.

Finally, the agreement for the acquisition of 33,35% of «HELLENIC SEAWAYS», which is

considered advantageous during the specific period, is expected to give significant results, enforcing the profitability and the capital surplus value in favour of the shareholders of ANEK.

Regarding the passenger and cargo traffic, the Company during 2009 maintained the high markets shares in Adriatic Sea, where in the routes of Ancona and Venice transferred a share of 32% of passengers, a share of 34% of vehicles and a share of 33% of trucks, performing the 34% of the total trips. In relation of the Greek coastal, ANEK increased significantly its own market shares in the route of North-east Aegean, and serviced the total of passengers, vehicles and trucks in the route of Chania. In the Heraklion route, the entrance of third competitor pressed the Company's market shares in passengers and vehicles, but managed to maintain the highest shares in trucks, in comparison with the competitors. In total, ANEK in 2009 transferred 2.5 mil passengers (against 2.3 mil in 2008), 421 thousand vehicles (against 389 thousand) and 256 thousand trucks (against 256 thousand).

In relation with the financial performance of 2009, the Company managed to increase the sales by € 2.2 mil (1%), that amounted to € 254.3 mil. against € 252.1 mil. in the year 2008. Nevertheless, the increase in cost of sales, that is mainly due to the increase of crew's payroll, the chartering expenses and depreciation because of the management of more vessels against 2008, resulted in the decrease of gross profit by € 5.1 mil. In opposite, the financing and investing results improved by € 4.5 mil., and as an effect the net results for the year 2009 stood at the same levels as 2008, and amounted to losses € 3.8 mil against losses € 3.5 mil. In Group level, the consolidated figures appear to be improved, since, despite the decrease in sales from € 282.4 mil. in 2008 to € 274.6 mil. in 2009, the net results stood at losses € 5.3 mil against losses € 6.6 mil in the year 2008.

Below, is presented an analysis of the key financial figures as well as the significant changes in relation to the previous year for the Company and the Group.

► **Turnover**

The Company's turnover during the year of 2009 stood at € 254.3 mil., versus € 252.1 million in 2008, while the Group's revenue amounted to € 274.6 million versus € 282.4 mil. The increase in sales is due to the state's subsidies for the public service routes and to the service of NE Aegean for the full year.

► **Gross Profit**

Parent's gross profit stood at € 47.1 mil. versus euro 52.2 mil. in 2008 and the gross profit of the Group amounted to € 49.5 mil. from € 54.4 mil. the previous year. This outcome in the company's figure is attributed to the rising cost of crew payroll, chartering, insurance cost and depreciation. The change in the consolidated gross profit is due to the decrease in the revenues of the Group.

► **EBITDA**

Company's EBITDA stood at euro 24.1 mil. versus euro 27.3 mil. in 2008, and the Group's EBITDA marked similar performance in 2009 and amounted to 24.2 mil. versus € 26.9 mil. in 2008.

► **Financing and investing results**

The net financing cost of the Company for the year 2009 amounted to € 13.9 mil. against € 17.4 mil. in 2008, as a result of the interest rates and the long term borrowings decrease after the payment of the loan installments. Regarding the Group, the relevant cost decreased in € 14.2 mil. from € 17.9 mil. The losses from the investing activities for the year 2009 amounted to € 1,1 mil for the Company and € 1.9 mil for the Group.

► **Results after tax for the year 2009**

The net results after tax for the Company for 2009 amounted to losses € 3.8 mil., versus losses € 3.5 mil. in 2008. Regarding the Group, the losses stood at € 5.3 mil from € 6.6 mil in 2008, and the results after taxes and minority interests stood at losses € 5.8 mil.

► **Key points of the financial position statement**

- In the "Other long term receivables" figure, the increase is mainly due to the prepayment of € 34.5 mil. that had been already paid at 31.12.2009 for the acquisition of 33.35% of Hellenic Seaways.
- The decrease in the receivables figure of the Company by € 8.7 mil (from € 78.1 mil. in 2008 to € 69.4 mil. in 2009) is due to the improvement of the receipt process during the year 2009.
- The financial assets at fair value through profit and loss are decreased by € 8.6 mil. due to the disposal of a significant part of the trade portfolio of the Company during 2009.
- The reduction of cash and cash equivalents by € 5.1 mil. for the Company and by € 4.6 million for the Group is attributed to the completion of use of proceeds of share capital increase of the Company during 2007, part of which were included in the cash equivalents of the previous year.
- The long term payables of the Company are reduced by € 18.3 mil, mainly due to the decrease in the long term borrowings by € 18.0 mil. for the year 2009 generated from the payments of the loan instalments.
- The short term payables increased by € 27.3 mil for the Company and by € 27.9 mil. for the Group, mainly due to the increase in the short term borrowings.

► **Cash flows**

- In the year 2009 the Company and the Group had positive cash flows from oper-

ating activities amount € 20.0 mil (€ 8.8 mil in 2008) and 19.0 mil (against € 9.5 mil), respectively. The investing activities presented cash outflows amounted to € 30.5 mil (against € 57.6 mil in 2008) for the Company and € 30.8 mil (against € 62.2 mil) for the Group. The financing activities for the year 2009 resulted in inflows by € 5.4 mil (€ against € 3.9 mil in 2008) for the Company and € 7.3 mil (against € 6.9 mil) for the Group.

► **Financial Indexes**

- The gross margin stood at 18.5% in 2009 compared to 20.7% in 2008 for the Company and to 18.0% compared to 19.3% for the Group, while the EBITDA margin amounted to 9.5% (10.8% in 2008) for the Company and in 8.8% (9.5% in 2008) for the Group. The indexes decrease is due to the increase in operating expenses of the Company and to the decrease in turnover of the Group.
- At 31.12.2009 the indexes of cash ratio of the Company and the Group stood at 0.77 and 0.76 respectively, (against 1.21 and 1.12 for 2008), and the quick ratio for both, the Company and the Group stood at 0.68 (against 1.10 and 1.01) due to the increase in the short term borrowing.
- The Return on Equity index (ROE) stood at -1.9% for the Company and -2.6% for the Group due to the losses of the year 2009 (-1.7% and -3.2%, respectively for 2008). The index Return on Assets (ROA) amounted to 2.0% in 2009 against 3.0% in 2008 for the Company and to 1.7% versus 2.4% for the Group.
- Regarding the debt ratios, it is mentioned that the “Equity/Debt” ratio as of 31.12.2009 stood at 60.3% for the Company (63.3% as of 31.12.2008) and 60.5% for the Group (62.1% in 2008). The index “Equity/Borrowings” amounted to 71.8% (74.8% in 2008) for the Company and to 73.3% (75.2% in 2008) for the Group. The change in the debt ratios is due to the decrease in the equity because of the losses for the year 2009 and due to the increase in the short term liabilities. The ratio “Debt/Turnover” increased in 1.27 from 1.24 for the Company and in 1.22 from 1.15 for the Group. The index “Debt/Total liabilities and equity” stood at 62.4% for separate and consolidated level (against 61.2% and 61.7% respectively).
- In reference to the capital structure there was an improvement during the year 2009 the relation “Fixed Assets/Long term liabilities” stood at 2.10 from 1.81 in 2008 for the Company and in 2.13 versus 1.85 the previous year for the Group and the ratio “Fixed Assets/Long term borrowings” amounted to 2.14 from 1.85 in 2008 for the Company and in 2.19 versus 1.90 the previous year for the Group.

II. SIGNIFICANT EVENTS

a) FINANCIAL YEAR 2009

- During the first half of 2009 ANEK Lines and the subsidiary LANE participated in the lowest bidder competitions declared by the Greek Ministry of Mercantile Marine, Aegean and Island Policy for the service of routes with contracts for public service regarding the connection between the Aegean islands. Both companies under-bided, and as a result the vessel ARTEMIS (chartered) started serving the route in Cyclades islands, the vessels IERAPETRA and PREVELIS served the routes between the Dodecanese islands, Crete, Cyclades and Piraeus, and the vessel V. KORONAROS started serving the route between Crete, Kithira and Peloponnisos.
- In April 2009 the Company signed with the insurance company INTERAMERICAN the pioneer agreement – group insurance contract – “Safely Together” that provides, free of cost to all passengers of ANEK medical assistance during the journey and 7 days after. ANEK Lines is the only company in the passenger shipping sector that provides medical coverage to the passengers and this program has already demonstrated the anthropo-centric character of the Company.
- During May 2009 ANEK Lines signed an agreement with the shipping company Minoan Lines for the acquisition of 33,35% of the Hellenic Seaways SA with a price of € 125 million with partial payments until the end of 2012. According the terms of agreement, ANEK has paid until today the amount of € 47.5 million.
- Additionally, in May 2009 the annual ordinary general assembly of the shareholders decided, among others, the election of new Board of Directors, that consisted in body in the meeting of 5th of June 2009.
- In May 2009 the Company chartered the vessel ARIADNE and in June continued the chartering of vessel EL. Venizelos in foreign companies for the summer season.
- The Company during the year 2009, won significant appraisals and distinctions by international organisations (as Lloyd’s List), and had an excellent presence in the tourist exhibitions. More specific, ANEK participated in the 25th International Exhibition of Tourism Philoxenia, in the 6th Exhibition of Transport and Logistics, in the 3rd Exhibition of Summer Holidays Expo where the company received a special praise, in exhibitions abroad, such as ITB Berlin Exhibition, in the International Exhibition of Tourism in Utrecht of Holland, in Vienna of Austria and in Stuttgart of Germany. Moreover, ANEK LINES received the “Ferry Conversion” award from the ShipPax Award for F/B “ELYROS” while the “Seafarer of the Year” award by the Lloyd’s List Greek Shipping Awards 2009 was offered to two of ANEK’s captains. Last, ANEK was also honored by the Prefecture Authorities of Lesbos after completing one year of servicing this route.

β) POST BALANCE EVENTS

- In March of 2010 the Company signed the extension of the chartering of F/B ARIADNE.

III. MAIN RISKS AND UNCERTAINTIES

The most significant business risks and uncertainties for the Company and the Group, as well as the potential effects in the financial position are analyzed below. It is mentioned that the analytical descriptions of other business risks and the relevant management of them is reporting in note 28 «Risk management in the financial statements of the year of 2009.

◆ **Risk of fuel prices fluctuation**

The fuel cost consists, for the Company and the Group, the main operating cost with immediate effect to the results of every period. The fuel prices are arranged in €, but indirectly are influenced by the exchange rate €/dollar that remains the basis for the international prices configuration. The oil price, after the dramatical increase during the year of 2008 in international basis, decreased and stood at lower levels in 2009. However, from the beginning of 2009 the price was increased in a continuous basis and especially during the last quarter of 2009. The Group's management is attending closely the fuel prices fluctuations and when necessary make the appropriate adjustments in fares. The sensitivity of results and equity of the Company in a fluctuation of fuel cost per ton is as follows:

Change in fuel prices	Effect in the results and equity
±5% / ton	(-/+) € 3.8 million
± 10% / ton	(-/+) € 7.6 million

◆ **Interest rate risk**

The Group's loan obligations are Euribor-linked depending significantly on changes in the international economy and in inflation in the euro-zone. A potential increase of Euribor would burden the financial cost. During 2009 there was a significant decrease of interest rates by the European Central Bank. According the loan agreements, the Company has the right to choose the interest period in order the fluctuations in interest rates to affect as less as possible the results and the cash flow –depending on the financial market conditions. The sensitivity of results and equity of the Company in a fluctuation of interest rate is as follows:

Change of interest rate	Effect in the results and equity
± 0,5%	(-/+) € 1.1 million
± 1%	(-/+) €2.3 million

◆ **Other risks**

The Group incorporates in a business sector, where there are lots of risks such as high competition, lack of liquidity and the credit risk. The successful encounter of the intensive competition in the past, the existence of approved loan credits and the significant dispersion of the receivables, minimize the aforementioned risks which are reported analytically in note 28 of the financial statements. Finally, the Group's management estimates the significance of the business risks and when necessary reconsiders the ways of facing them.

IV . PROSPECTS FOR THE YEAR 2010

The year 2009 approved to be a significant year for the growth of the Company and the Group as ANEK had a powerful presence in the Aegean Sea, servicing the unprofitable routes of public interest. The Company managed to enforce its presence in relation with the competitors, keeping high market shares despite the intense pressure due to the economical crisis.

The management of the Company, having a long and sufficient experience in the shipping sector have already provided all the necessary measures from the beginning of 2010 in order to face the new challenges. The Company estimates that there are strong prospects for advance growth in the next years and has set the appropriate basis to take advantage of the foreseen growth in the shipping sector, where ANEK is committed to invest in a large range in favor of the customers and of the shareholders.

Finally, it is pointed out that ANEK remains the only shipping company of Greek interests that contributes in a significant way in the economical development of the islands of Aegean and Crete, and, as a result, in the national economy keeping in activity thousand of employees and providing continuously high standards services in favor of the customers, that under the current conditions it is really important.

V. RELATED PARTY TRANSACTIONS

The most significant transactions and balances between the Company and the subsidiaries (LANE, ETANAP, LEFKA ORI), the associated company ANEK LINES ITALIA as well as the related party (HELLENIC SEAWAYS) regard mainly in the chartering of vessel, the service of chartering vessels and the purchase of table water. The salaries of Executives concern in dependent employment service and the fees to the Board of Directors refer to fees and meeting compensation benefits. Transactions with related parties are made at normal market prices. The most significant transactions and balances of the Company with the other related parties of the Group, according to IAS 24 are as follows:

■ **Revenue / Expenses**

- During the year of 2009 the Company billed the subsidiary LANE with the amount of € 116 thousand (€ 101 thousand in 2008) and the related party HELLENIC SEAWAYS with the amount € 166 thousand (€ 195 in 2008) for tickets commissions.
- The subsidiary ETANAP billed ANEK for sales of table water amount to € 303 thousand, (€ 298 thousand in 2008) and the entity LEFKA ORI amounted € 121 thousand (€ 311 thousand in 2008) for the sale of products and services. Respectively, the entity LEFKA ORI billed ETANAP amounted to € 266 thousand (€ 1.343 thousand in 2008) from the sales of products and services. The associate entity ANEK LINES ITALIA billed ANEK with the amount of € 3.154 thousand (€ 4.220 thousand in 2008) for ticket's commissions. Finally, the entity HELLENIC SEAWAYS billed ANEK with the amount of € 11.892 thousand in 2009 (€ 8.322 in 2008) for vessel's chartering and for the same reason the subsidiary LANE with the amount of € 498 thousand (€ 0 in 2008).
- During the year of 2009 ANEK received dividends from the subsidiary LEFKA ORI amounted to € 17 thousand (€ 24 thousand in 2008) and from the associate ANEK LINES ITALIA € 784 thousand (€ 1.960 thousand in 2008), while the subsidiary ETANAP received dividends amounted to € 27 thousand (€ 38 thousand in 2008) from LEFKA ORI.

■ **Inter-company balances**

- At 31.12.2009 the Company appears receivables from subsidiary LANE amount to € 507 thousand (€ 130 thousand in 2008), due to ETANAP € 59 thousand (due from € 272 thousand in 2008), due to HELLENIC SEAWAYS € 10.225 thousand (€ 1.307 thousand in 2008) and due to ANEK LINES ITALIA € 27 thousand (due from € 151 thousand in 2008).
- At 31.12.2009 the entity LEFKA ORI presents receivable amounted of € 932 thousand (€ 1.053 thousand in 2008) due from ETANAP.

■ **Fees of BoD members and executives**

The gross fees of the Board of Directors and of the Company's executives for 2009 and 2008 are € 1.384 thousand (€ 548 thousand for the members of BoD and € 836 thousand for the directors) and € 1.282 thousand respectively (€ 486 thousand for the members of BoD and € 796 thousand for the directors). The relative amounts for the Group for 2009 stood at € 1.594 thousand (€ 758 thousand for the members of BoD and € 836 thousand for the directors) and € 1.469 thousand in 2008 (€ 673 thousand for the members of BoD and € 796 thousand for the directors). At the end of the year 2009 and 2008 the Company and the Group had balance due from the above persons amounted € 17 thousand and due to amount € 30 thousand (7 thousand in 2008) and the Group amount € 38 thousand (€ 28 thousand in

2008). At the balance sheet date exists no Stock Option Program for the members of BoD and executives nor other share based benefits.

VI. CERTIFICATIONS AND ENVIRONMENTAL ISSUES

▶ **Certifications of services and healthy working conditions**

- Main Company's perspective is the ensure of high quality providing service, the safe, comfortable and reliable service provided to the passengers and the high standards healthy conditions to the employees.
- The Company's vessels have been certified regarding the systems of quality of services ISO 9001:2000 & ISO 22000:2005, as well as for the system of healthy working conditions and foods HACCP according the directive 93/43 of the European Union and the directions of E.F.E.T. The ISO system provides quality services regarding the total amount of characteristics of services and its ability to satisfy specific needs. HACCP system regarding healthy conditions and foods is a system of identification and monitor of risks (biological, chemical or environmental) that can affect the healthy conditions of foods and can determine the foods inappropriate for consumption. ISO 22000 is a system managing the healthy conditions of foods that the main objective is the application in a world-wide range of the principles of HACCP - (Hazard Analysis & Critical Control Points). The ISO & HACCP systems, secure that all the provided procedures, concerning the coastal transportations, transfer of passengers and vehicles, service of dinners, snacks, full function of bar, hotel service and cruises are providing under authorized conditions, so as the final results to satisfy the customers demands and to comply with the Greek and European legislation.

▶ **Safety and security policy**

- ANEK and its vessels have been complied and certified with the International Safety Management System - ISM Code, that is in compliance with all International or National standards, Rules, Regulations, and Directives, concerning the safety of human life in the sea and the environmental protection. Additionally, the vessel's are certified with the international security system of vessels and ports - ISPS Code - concerning prevention and dealing with attacks of terrorism.
- The company's vessel are equipped with the latest and modern engines of piloting and security, as well as fireguard and lifeguard means in order to ensure the maximum of safety and the accommodation of passengers and the crews and the environmental protection.

- The policy of the Company is to ensure quality in provided services, to ensure safe, comfortable and and luxury accommodation to passengers as well as secure and healthy working conditions. Anek Lines takes measures for the protection of marine environment applying all the relevant regulations. The company is sensitive enough to environmental matters and is the first shipping company in Europe that supports the reciprocal recycling centers as being the official provider of the first recycling center in the port of Piraeus.

VII. EXPLANATORY REPORT OF THE BOARD OF DIRECTORS

The explanatory report of the Board of Directors of ANEK SA to the Ordinary General Meeting of shareholders contains analytical information regarding the issues referred in par. 7, article 4 of Law 3556/2007:

1. Structure of the Company's share capital

The Company's share capital amounts to € 161,299,191.00 divided into 157,360,940 ordinary shares and 3,938,251 preferred voting shares with a nominal value of € 1.00 each.

Company shares have been listed on the Athens Stock Exchange, and are traded under the Big Capitalization category. Shareholder liability is limited to the face value of the shares they hold. Each share provides all the rights provided for by Law and the Company's Articles of Incorporation. All kind of shares provide the right of voting. Preferred shares issued in 1990 and 1996 enjoy only those benefits stipulated by law.

The Company does not hold any of its own shares.

2. Limits on transfer of Company shares

Stock transfers and trading in general is executed according to the law with no limitations arising from the Articles of Association.

3. Significant direct or indirect holdings in the sense of articles 9 to 11 of Law 3556/2007

Based on the Company's Shareholders Book as of December 31st, 2009, the shareholders holding a percentage greater than 5% of the Company's voting rights are the following:

SEA STAR CAPITAL PLC	32,50%
MORGAN STANLEY & CO INTERNATIONAL PLC	5,35%

4. Share owners with special controlling rights

Non existent

5. Limits in voting rights

Non existent

6. Agreements between shareholders of the Company

As of December 31st 2009, the company is not aware of the existence of agreements between its shareholders that entail limitations in stock transfers or in voting rights derived from their shares.

7. Rules of appointment and replacement for members of Board of Directors

There is no differentiation from what is foreseen in the provisions of Codified Law 2190/1920.

8. Authority of the Board of Directors for the issue of new shares or buy-back of own shares

The Board of Directors has no authority to increase the share capital with the issuance of new shares or to purchase treasury shares of the Company, without the previous approval of the General Meeting.

9. Significant agreements come into operation, are amended, or expire due to a change in the company's control following a Public Offer

The Company has no agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer.

10. Significant agreements with the members of the Board of Directors or employees of the Company

There is no agreement between the Company and the members of the Board of Directors or its employees for providing any payment of compensation, especially in the case of resignation or dismissal without good reason or termination or employment due to a public offer.

Chania, March 26, 2010

On behalf of the Board of Directors of ANEK LINES SA

The 1st Vice - Chairman

George G. Katsanevakis

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Company "ANEK LINES SA"

Report on the separate and consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Company "ANEK LINES SA" (the "Company") and its subsidiaries (the "Group"), which comprise the separate and consolidated statement of financial position as at December 31, 2009, the separate and consolidated statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and methods and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as at 31

December 2009, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying separate and consolidated financial statements, under the legal frame of the articles 43a, 107 and 37 of c.L. 2190/1920.

Athens, March 26, 2010

The Certified and Registered Auditors

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**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2009**

*All amounts are presented in thousands Euro
Any differences in totals are due to the rounding of figures.*

STATEMENTS OF COMPREHENSIVE INCOME

	Notes	The Group		The Company	
		01.01.09- 31.12.09	01.01.08- 31.12.08	01.01.09- 31.12.09	01.01.08- 31.12.08
Revenue	4	274.572	282.356	254.321	252.102
Cost of sales	5	(225.050)	(227.934)	(207.221)	(199.845)
Gross profit		49.522	54.422	47.100	52.257
Other operating income	7	1.400	1.589	1.321	1.168
Administrative expenses	6	(11.783)	(11.224)	(10.782)	(10.168)
Selling and marketing expenses	6	(26.490)	(27.261)	(24.923)	(25.112)
Other operating expenses	7	(1.854)	(2.396)	(1.312)	(2.138)
Earnings before taxes, financing and investing results (EBIT)		10.795	15.130	11.404	16.007
Financial expenses	8	(14.364)	(19.133)	(14.035)	(18.588)
Financial income	8	130	1.239	113	1.206
Results from investing activities	9	(1.917)	(4.145)	(1.133)	(2.125)
Profit from associates	11	391	496	-	-
Earnings / (losses) before taxes		(4.965)	(6.413)	(3.651)	(3.500)
Income tax	20	(338)	(217)	(167)	(43)
Earnings / (losses) after taxes		(5.303)	(6.630)	(3.818)	(3.543)
Attributable to:					
Owners of the Parent company		(5.788)	(5.886)	-	-
Minority interests		485	(744)	-	-
Other comprehensive income after taxes		-	255	-	(53)
Total comprehensive income after taxes for the period		(5.303)	(6.375)	(3.818)	(3.596)
Attributable to:					
Owners of the Parent company		(5.788)	(5.785)	-	-
Minority interests		485	(590)	-	-
Earnings / (losses) per share - basic (in €)	23	(0,0359)	(0,0365)	(0,0237)	(0,0220)
Dividend per share (in €)		-	-	-	-
Summary of results					
Earnings before taxes, financing and investing results and depreciation (EBITDA)		24.249	26.909	24.121	27.312
Earnings before taxes, financing & investing results (EBIT)		10.795	15.130	11.404	16.007
Earnings / (losses) before taxes		(4.965)	(6.413)	(3.651)	(3.500)
Earnings / (losses) after taxes		(5.303)	(6.630)	(3.818)	(3.543)

The additional notes are an integral part of the above annual financial statements

STATEMENTS OF FINANCIAL POSITION

	Notes	The Group		The Company	
		31.12.09	31.12.08	31.12.09	31.12.08
ASSETS					
Tangible fixed assets	10	400.501	411.535	382.804	393.315
Investments in property	10	1.852	1.857	731	737
Intangible assets	10	163	288	130	288
Investments in subsidiaries	11	-	-	5.224	5.255
Investments in associates	11	1.241	1.634	46	46
Other long-term receivables	11	35.858	107	35.842	89
Total non-current assets		439.615	415.421	424.777	399.730
Inventories	12	10.801	10.849	9.955	9.819
Trade receivables	13	73.814	76.806	69.384	78.112
Other receivables and prepayments	13	6.681	4.809	6.633	4.108
Financial assets at fair value through profit & loss	14	1.279	9.862	1.255	9.846
Cash and cash equivalents	15	5.798	10.373	4.619	9.747
Total current assets		98.373	112.699	91.846	111.632
TOTAL ASSETS		537.988	528.120	516.623	511.362
EQUITY AND LIABILITIES					
Share capital (161.299.191 shares * € 1,00)	16	161.299	161.299	161.299	161.299
Share premium	16	1.080	1.080	1.080	1.080
Reserves	17	35.414	35.171	33.894	33.894
Retained earnings	18	(917)	(739)	(1.920)	1.898
Equity attributable to owners of the Parent		196.876	196.811	194.353	198.171
Minority interests		5.993	5.535	-	-
Total equity		202.869	202.346	194.353	198.171
Long-term borrowings	19	200.785	218.701	198.614	216.331
Deferred tax liabilities	20	987	972	309	309
Retirement benefits provisions	21	3.352	3.455	3.101	3.227
Other provisions	21	496	909	145	538
Grants for assets	10	752	869	433	462
Total non-current liabilities		206.372	224.906	202.602	220.867
Short-term borrowings	19	75.904	50.256	72.153	48.640
Trade payables	22	38.881	35.363	35.204	30.737
Other current liabilities	22	13.962	15.249	12.311	12.947
Total current liabilities		128.747	100.868	119.668	92.324
Total liabilities		335.119	325.774	322.270	313.191
TOTAL EQUITY AND LIABILITIES		537.988	528.120	516.623	511.362

The additional notes are an integral part of the above annual financial statements

STATEMENTS OF CHANGES IN EQUITY

The Group	Note	Share Capital	Share pre- mium	Asset re- valuation reserves	Other reserves	Retained earnings	Total	Minority interests	Total
Balance 01.01.2008		161.299	1.195	2.124	31.704	14.437	210.759	5.704	216.463
Total comprehensive income for 2008			(115)	223		(5.893)	(5.785)	(590)	(6.375)
Dividends for the year 2007						(8.065)	(8.065)	(111)	(8.176)
Legal reserve					1.382	(1.382)	-		-
Share capital increase in subsidiary							-	630	630
Transfers of reserves				(164)		164	-		-
Other movements					(97)		(97)	(97)	(195)
Net equity 31.12.2008		161.299	1.080	2.183	32.989	(739)	196.811	5.535	202.346
Total comprehensive income for 2009						(5.788)	(5.788)	485	(5.303)
Dividends of subsidiaries							-	(27)	(27)
Reserves of subsidiary					243	(243)	-	-	-
Deletion of subsidiaries from consolidation	1					5.853	5.853	-	5.853
Net equity 31.12.2009		161.299	1.080	2.183	33.231	(917)	196.876	5.993	202.869

The Company	Note	Share Capital	Share pre- mium	Asset re- valuation reserves	Other reserves	Retained earnings	Total
Balance 01.01.2008		161.299	1.195	1.072	31.563	14.703	209.832
Total comprehensive income for 2008			(115)	62		(3.543)	(3.596)
Dividends for the year 2007						(8.065)	(8.065)
Legal reserve					1.361	(1.361)	-
Reserve transfer				(164)		164	-
Net equity 31.12.2008		161.299	1.080	970	32.924	1.898	198.171
Total comprehensive income for 2009						(3.818)	(3.818)
Net equity 31.12.2009		161.299	1.080	970	32.924	(1.920)	194.353

The additional notes are an integral part of the above annual financial statements

CASH FLOW STATEMENTS

	The Group		The Company	
	01.01.09- 31.12.09	01.01.08- 31.12.08	01.01.09- 31.12.09	01.01.08- 31.12.08
Operating activities				
Earnings / (losses) before taxes	(4.965)	(6.413)	(3.651)	(3.500)
<i>Adjustments for:</i>				
Depreciation	13.896	12.151	13.064	11.538
Grants amortization	(442)	(372)	(347)	(234)
Impairments / (reversal of impairments) in fixed assets	-	350	-	350
(Gain) / loss from disposal of property, plant & equipment	(7)	(15)	(2)	-
Provisions	849	1.257	705	1.275
Exchange differences	(7)	2	(6)	(1)
Results of investing activities	1.526	3.649	1.133	2.126
Effect from the deletion of subsidiaries	1.991	-	-	-
Financial expenses (less financial income)	14.236	17.742	13.927	17.230
	27.077	28.351	24.823	28.784
<i>Adjustments for changes of working capital accounts or related to operating activities:</i>				
Decrease / (increase) of inventories	23	1.159	(136)	991
Decrease / (increase) of receivables	(4.316)	(6.064)	5.141	(7.705)
Increase/ (decrease) of liabilities (excluding borrowings)	9.633	5.576	3.082	5.584
Less:				
Interest and financial expenses paid	(13.112)	(19.116)	(12.781)	(18.692)
Income tax paid	(350)	(400)	(163)	(172)
Cash flows from operating activities (a)	18.955	9.506	19.966	8.790
Investing activities				
Acquisition of affiliates, securities and other investments	-	(17.534)	-	(18.164)
Prepayments for acquisition of investments	(35.750)	-	(35.750)	-
Proceeds from disposal of securities and other investments	6.735	4.976	6.735	4.976
Purchase of tangible and intangible assets	(2.737)	(52.896)	(2.389)	(47.651)
Proceeds from the sale of property, plant & equipment	12	27	2	-
Interest received	111	1.192	106	1.178
Dividends received	797	1.966	813	2.063
Cash flows from investing activities (b)	(30.832)	(62.269)	(30.483)	(57.598)
Financing activities				
Proceeds of share capital increase	-	630	-	-
Share capital increase expenses paid	-	(130)	-	(115)
Proceeds from borrowings	25.678	23.930	23.513	21.093
Payment of borrowings	(18.210)	(9.643)	(18.000)	(9.000)
Proceeds from grants	-	198	-	-
Dividends paid	(135)	(8.106)	(124)	(8.055)
Cash flows from financing activities (c)	7.333	6.879	5.389	3.923
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	(4.544)	(45.884)	(5.128)	(44.885)
Cash and cash equivalents at the beginning of the period	10.373	56.257	9.747	54.632
Cash of subsidiaries paused to be consolidated	(31)	-	-	-
Cash and cash equivalents at the end of the year	5.798	10.373	4.619	9.747

The additional notes are an integral part of the above annual financial statements

EXPLANATORY NOTES ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR 2009

1. General information for the Company and the Group

The Company was established in 1967 (Government Gazette 201/10.04.67) under the corporate name “Shipping Company of Crete S.A.” trading as “ANEK LINES” (hereinafter “ANEK” or the “Company”) and operates in the passenger ferry shipping sector. The Company’s seat is located in the municipality of Eleftherios Venizelos, Prefecture of Chania – Crete, and its registered offices are located on K.Karamanli Ave, Chania. The Company’s shares have been listed on the Athens Exchange and traded under the Big Capitalization category. In addition to the Company, the Group includes the following subsidiaries and affiliates with the following participation percentages:

Name	Group percentage	Registered Office	Activity
LANE S.A.	50,11%	Ag. Nikolaos Lasithiou	Passenger ferry shipping
ETANAP S.A.	50%	Stylos Chania	Production and distribution of bottled water
LEFKA ORI S.A.	62%*	Stylos Chania	Production and trade of plastic bottles and packaging products
ANEK HOLDINGS S.A.	99,5%**	El.Venizelos, Chania	Tourism- participation in other companies- consulting, etc.
T.C. SAILING	97,5%***	El.Venizelos, Chania	Sailing company under law 959/79
ANEK LINES ITALIA S.r.l.	49%	Ancona Italy	Factoring and representation of shipping companies

* direct participation: 24% and indirect via ETANAP: 38%

** direct participation: 99% and indirect via ETANAP: 0.5%

*** direct participation: 95% and indirect via LANE: 2.5%

The aforementioned companies in which ANEK participates by more than 50% have been included in the consolidated financial statements as of 31.12.2009 using the method of full consolidation. ANEK LINES ITALIA S.r.l. in which the Parent Company participates by 49% was consolidated using the net equity method. During the year of 2009 the subsidiary “ANEK LINES LUXEMBOURG S.A.” was under liquidation since the reasons for the foundation are not anymore in existence and the company remained inactive. The liquidation process completed during the 3rd quarter of 2009 and in the consolidated statement of total comprehensive income are included the results of the company from the beginning of the period until the date of completion of liquidation. Additionally, in the end of 2009 the participation in CHAMPION FERRIES was sold and the results of the company for the year 2009 are included in the consolidated statement of comprehensive income.

“ANEK ENERGY LIMITED LIABILITY COMPANY” (which is a subsidiary of “ANEK HOLDINGS S.A.”) as well as “T.C. SAILING SHIPPING COMPANY” were all founded in 2007 and have not started running business activities as of today.

The number of personnel employed as of 31 December 2009 amounted to 1,279 persons for the Company (out of which 1.041 were employed as crew aboard ships) and to 1,362 persons for the Group (crew aboard ships 1.094 persons).

2. Preparation basis of the financial statements

The condensed annual separate and consolidated financial statements (hereinafter the “financial statements”) have been prepared according to the International Financial Reporting Stan-

dards (hereinafter “IFRS”), as issued by the International Accounting Standards Board (IASB) (and their interpretations) and adopted by the European Union up to 31 December 2009. The financial statements have been prepared according to the going concern principle and the historical cost principle, as modified with the adjustment of specific assets and liabilities at fair values.

► **Important accounting estimates, judgments and assumptions**

The preparation of financial statements according to the IFRS requires that the management proceeds to estimates, admissions, assumptions and evaluation judgments that affect the assets and liabilities, the disclosures of any contingent receivables and payables on the balance sheet date as well as the published amounts of income and expenses. The actual results may differ from these estimates. These estimates, admissions and evaluation judgments are made in order to select the most appropriate accounting principles and are based on the prior experience of the Group in relation to the level or the volume of relevant transactions or events and on other factors relevant to the expectations on the future developments and transactions. Moreover, they are reexamined periodically in order to correspond to the current conditions and reflect the current risks.

The accounting assessments on vessels' useful life and residual value (see note 3 vi) are important for the Group's assets, since they significantly affect the financial position and results. A significant judgment involves the classification of Company's investments (e.g. classification of an asset as available for sale, held to-maturity-investment or as an asset valued at fair value through profit & loss), as well as the impairment test thereon with the identification of recoverable value and value in use (see note 3 vii). Finally, the recoverability of receivables, the assessment of certain balances as doubtful and the formation of provisions with regard to the non-recovery of receivables, as well as provisions formed for other contingent liabilities, require judgments and assessments affecting the financial statements.

► **Figures' classification**

In the consolidated statement of comprehensive income, the revenues from “subsidiaries” transferred from “other revenues” in the corresponded period to the “turnover” figure and this resulted to an equal difference amounted to € 3.420 thousand in the aforementioned figures and in the gross profit. This reclassification had no effect in the results after taxes and minority interests, in the comprehensive income after taxes nor in the equity of the parent's shareholder.

► **New standards and interpretations**

Until the date of preparing the financial statements, new standards and interpretations have been issued, the implication of which was not compulsory for the annual accounting period starting 1st January 2009 and the Company has not applied earlier:

- **IFRIC 17, «Distributions of Non-cash Assets to Owners», effective for annual periods beginning on or after 1 July, 2009.**

IFRIC 17 clarifies the following issues, namely:

- a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity;
- an entity should measure the dividend payable at the fair value of the net assets to be distributed;
- an entity should recognise the difference between the dividend paid and the carrying

amount of the net assets distributed in profit or loss; and

- an entity to provide additional disclosures if the net assets being held for distribution to owners meet the definition of a discontinued operation. IFRIC 17 applies to pro rata distributions of non-cash assets except for common control transactions.

- **IFRS 3, “Business Combinations” (Revised) and IAS 27, “Consolidated and Separate Financial Statements” (Amended)**, effective for annual periods beginning on or after 1 July 2009.

A revised version of IFRS 3 Business Combinations and an amended version of IAS 27 Consolidated and Separate Financial Statements were issued by IASB on January 10, 2008. The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognising subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by IFRS 3 (Revised) and IAS 27 (Amendment) must be applied prospectively and will affect future acquisitions and transactions with minority interests. The revised IFRS 3 and amendments to IAS 27 have not yet been endorsed by the EU.

- **IAS 39 “Financial Instruments: Recognition and Measurement” – Eligible Hedged Items**

These amendments to IAS 39 become effective for financial years beginning on or after July 1, 2009. The amendment addresses the designation of an one-sided risk in a hedged item and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. The Group has concluded that the amendment will have no impact on the financial statements of the Group, as it has not entered into any such hedges.

- **IAS 32 Classification on Rights Issues (Amended):** *The amendment is effective for annual periods beginning on or after February 1, 2010.*

This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is to be applied retrospectively.

- **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments:** *The interpretation is effective for annual periods beginning on or after July 1, 2010.*

This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity’s equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are “consideration paid” in accordance with

paragraph 41 of IAS 39. As a result, the financial liability is derecognized and the equity instruments issued are treated as consideration paid to extinguish that financial liability. This interpretation has not yet been endorsed by the EU.

- **IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended):** *The amendment is effective for annual periods beginning on or after January 1, 2011.*
The purpose of this amendment was to permit entities to recognize as an asset some voluntary prepayments for minimum funding contributions. Earlier application is permitted and must be applied retrospectively. This amendment has not yet been endorsed by the EU.
- **IFRS 9 Financial Instruments – Phase 1 financial assets, classification and measurement:** *The new standard is effective for annual periods beginning on or after January 1, 2013.*
Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. This standard has not yet been endorsed by the EU.
- **IFRS 2 Group Cash-settled Share-based Payment Transactions (Amended):** *The amendment is effective for annual periods beginning on or after January 1, 2010.*
This amendment clarifies the accounting for group cash-settled share-based payment transactions and how such transactions should be arranged in the individual financial statements of the subsidiary. This interpretation has not yet been endorsed by the EU.
- **IAS 24 Related Party Disclosures (Revised) IAS Revised):** *The revision is effective for annual periods beginning on or after January 1, 2011.*
This revision relates to the judgment which is required so as to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted and adoption shall be applied retrospectively. This interpretation has not yet been endorsed by the EU.
- **IFRS 1 Additional Exemptions for First-time Adopters (Amended):** *The amendment is effective for annual periods beginning on or after January 1, 2010.*
This interpretation has not yet been endorsed by the EU.

In April 2009 the IASB issued its second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning on or after July 1, 2009. This annual improvements project has not yet been endorsed by the EU.

- **IFRS 2, “Share-based Payments” (Amended),** *effective for annual periods beginning on or after 1 January 2009.*
The amendment clarifies two issues. The definition of ‘vesting condition’, introducing the term ‘non vesting condition’ for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group is in the process of assessing the impact of this interpretation and which accounting policy to adopt for the recycling on the disposal of the net investment. This amendment is not expected to have an impact on the group’s financial statements.

- **IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations” (Amended)**, effective for annual periods beginning on or after 1 January 2010.

The amendment clarifies that all of a subsidiary’s assets and liabilities are classified as held for sale, under IFRS 5, even when the entity will retain a non-controlling interest in the subsidiary after the sale. To be applied prospectively from the date at which the company first applied IFRS 5. Therefore, any investments in subsidiaries classified as held for sale since IFRS 5 was applied will need to be re-evaluated. Early application is permitted. If early adopted, IAS 27 (as amended in January 2008) must also be adopted from that date.
- **IFRS 8 “Operating Segment Information”**, effective for annual periods beginning on or after January 1, 2010.

Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.
- **IAS 1 “Presentation of Financial Statements”**, effective for annual periods beginning on or after January 1, 2010.

The terms of a liability that could result, at any time, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.
- **IAS 7 “Statement of Cash Flows”**, effective for annual periods beginning on or after January 1, 2010.

Explicitly states that only expenditure that results in recognizing an asset can be classified as a cash flow from investing activities. This amendment will impact the presentation in the statement of cash flows of the contingent consideration on the business combination completed in 2009 upon cash settlement.
- **IAS 17 “Leases”**, effective for annual periods beginning on or after January 1, 2010.

The amendment removes the specific guidance on classifying land as a lease so that only the general guidance remains.
- **IAS 18 “Revenue”**

The Board has added guidance (which accompanies the standard) to determine whether an entity is acting as a principal or as an agent. The features to consider are whether the entity:

 - Has primary responsibility for providing the goods or service
 - Has inventory risk
 - Has discretion in establishing prices
 - Bears the credit risk
- **IAS 36, “Impairment of assets” (Amended)**, effective for annual periods beginning on or after 1 January 2010.

This amendment clarifies that when discounted cash flows are used to estimate ‘fair value less costs to sell’, the same disclosure is required as when discounted cash flows are used to estimate ‘value in use’. To be applied retrospectively. Early application is permitted.
- **IAS 38, “Intangible Assets” (Amended)**, effective for annual periods beginning on or after 1 July 2009.

 - Expenditure on advertising and promotional activities is recognised as an expense when the entity either has the right to access the goods or has received the services. To be applied ret-

respectively. Early application is permitted.

- Deletes references to there being rarely, if ever, persuasive evidence to support an amortisation method for finite life intangible assets that results in a lower amount of accumulated amortisation than under the straight-line method, thereby effectively allowing the use of the unit of production method. To be applied retrospectively. Early application is permitted.

- A prepayment may only be recognised in the event that payment has been made in advance to obtaining right of access to goods or receipt of services.

- **IAS 39, “Financial instruments recognition and measurement” (Amended)**, effective for annual periods beginning on or after 1 January 2009.

- Clarifies that changes in circumstances relating to derivatives – specifically derivatives designated or de-designated as hedging instruments after initial recognition – are not reclassifications. Thus, a derivative may be either removed from, or included in, the ‘fair value through profit or loss’ classification after initial recognition. Similarly, when financial assets are reclassified as a result of an insurance company changing its accounting policy in accordance with paragraph 45 of IFRS 4 Insurance Contracts, this is a change in circumstance, not a reclassification. To be applied retrospectively. Early application is permitted.

- Removes the reference in IAS 39 to a ‘segment’ when determining whether an instrument qualifies as a hedge. To be applied retrospectively. Early application is permitted.

- Requires use of the revised effective interest rate (rather than the original effective interest rate) when remeasuring a debt instrument on the cessation of fair value hedge accounting.

- **IFRIC 9 “Reassessment of Embedded Derivatives”**, effective for annual periods beginning on or after July 1, 2009.

The Board amended the scope paragraph of IFRIC 9 to clarify that it does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a combination between entities or businesses under common control or the formation of a joint venture. If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.

- **IFRC 16, “Hedges of a Net Investment in a foreign operation”**: effective for financial years beginning on or after 1 July 2009 and is to be applied prospectively.

IFRIC 16 clarifies three main issues, namely:

- A presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.

- Hedging instrument(s) may be held by any entity or entities within the group.

- While IAS 39, 'Financial Instruments: Recognition and Measurement', must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 'The Effects of Changes in Foreign Exchange Rates' must be applied in respect of the hedged item.

The financial statements prepared in accordance with the same accounting principles adopted in the previous year, with the exception of the new standards and interpretations referred below, the application of which is compulsory for the years after the date of 1st January 2009.

- **IAS 1, “Presentation of Financial Statements” (Revised),**

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. Of the main revisions are the requirement that the statement of changes in equity includes only transactions with shareholders; the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with “other comprehensive income”; and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period, i.e. a third column on the balance sheet. The Group will make the necessary changes to the presentation of its financial statements in 2009.

Except the amendments to IAS 1, the application of the amended IAS and IFRIC presented below, had no effect in the presentation and the notes of the financial statements:

- **IAS 32 and IAS 1, “Puttable Financial Instruments” (Amended),**
- **IAS 39 “Financial Instruments: Recognition and Measurement” – Eligible Hedged Items**
- **IAS 23, “Borrowing Costs” (Revised),**
- **IFRS 2, “Share-based Payments” (Amended),**
- **IFRS 8, “Operating Segments”,**
- **IFRIC 13, “Customer Loyalty Programmes”,**
- **IFRIC 15, “Agreements for the Construction of Real Estate”**
- **IFRIC 16, “Hedges of a Net Investment in a foreign operation”**
- **IAS 39, “Financial Instruments: Recognition and Measurement” and IFRS 7 “Financial Instruments: Disclosures; Reclassification of Financial Assets”,**
- **Amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards” and IAS 27 “Consolidated and Separate Financial Statements”**

3. Principal accounting policies

The principal accounting policies that were adopted during the preparation of the annual financial statements of 2009 are the same as the ones adopted during the preparation of the annual financial statements of the previous year - except for the case of application of IAS 1 and are the following:

(i) Consolidation basis

The consolidated financial statements of the Company include the financial statements of the Parent Company as well as of all subsidiaries where ANEK can exercise control. The control is exercised when ANEK, through a direct or indirect ownership of percentages in capitals maintains the majority of votes or has the power to exercise control in the boards of directors of subsidiaries. The subsidiaries are consolidated from the day the essential control is transferred to the Parent company, and stop to be consolidated when the control is no longer exercised. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is

measured as the sum of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquired plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the acquired identifiable assets, liabilities and contingent liabilities of the subsidiary acquired is recorded as goodwill. Where the cost of the acquisition is less than the fair value of the Group's share of the fair value of the acquired intangible assets, liabilities and contingent liabilities of the subsidiary acquired, the difference is recognized directly in the income statement. Goodwill on acquisitions of subsidiaries, associates and joint ventures are included in intangible assets. Goodwill is carried at cost less accumulated impairment losses and is tested annually for impairment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. All the related party transactions and balances have been eliminated in the consolidated financial statements. Where it was required, the accounting policies of subsidiaries have been amended so that consistency with the accounting policies that were adopted by the Group can be ensured. All the subsidiaries prepare the financial statements for the same period and the same date as the Parent company.

(ii) Investments in subsidiaries

The investments of the Parent Company in the subsidiaries in the separate financial statements are appraised at the acquisition cost minus any accumulated impairment loss. The minority interests represent the percentage of profits / (losses) and the percentage of equity that do not correspond to the Group and are presented separate in the consolidated financial statements. In case of purchase of minority interests by the Company the difference between the value of purchase and the net book value of the equity of the company being purchased is recorded as goodwill.

(iii) Investments in associates

ANEK investments in companies where exercise material controls, other than subsidiaries or joint ventures, shall be valued using the Equity method and in the beginning are recorded in the acquisition value, included possible goodwill recognized at the date of merger. According to the equity method the gains or losses generated after the merger are recorded in the income statement, while amounts recognized directly to the equity of the associates are recorded directly in the equity of the Group. In the separate financial statements they are appraised at acquisition cost less any impairment losses. For the investments in associated companies where there are signs of permanent impairment of their value, their current value is defined and any impairment losses is recorded in the income statement.

(iv) Foreign currencies transactions

The currency of operation and presentation of ANEK and its subsidiaries is the €. Transactions in other currencies are converted into €s according to the currency exchange rates that were valid on the dates of these transactions. At the balance sheet date the monetary elements of assets and liabilities expressed in other currencies are adapted so that they depict the current currency exchange rates. The earnings and losses that result from transactions in foreign currencies as well as from the appraisal of year end in the elements in foreign currencies, are recorded in the income statement, with the exception of transactions that fulfill the conditions of hedging that are recorded

in the other comprehensive income.

(v) Recognition of revenues

The revenues are recognized to the extent that it is possible for financial benefits to flow in the Company, the respective amounts can be reliably counted and include the value of goods sold and services free from VAT, discounts and after the elimination of the inter-companies revenues. The following specific recognition criteria must also be fulfilled upon the recognition of the income.

Revenues from fares (tickets or chartering)

The revenues from tickets are recognized at the moment when the passengers/ vehicles execute the trip (traveling tickets). The revenues from chartering are recognized according to the accrued principle. The government subsidies for unprofitable routes are recognized in the respective period and in the financial statements they are presented under “turnover” figure.

Revenues from goods sold and services onboard

The revenues from goods sold and services onboard are recognized at the moment of the sale or the service is provided and at the same time the relevant receipts are issued.

Revenues from goods sold and from services of non-shipping companies

The revenues from goods sold are recognized at the moment of sale and they are recorded by the issuance of the relative invoices. The revenues from services are recorded at the period when services are provided.

Interests

The interest revenues are recognized according to the accrued accounting policy.

Dividends

The dividends are recognized as revenues when the right to collect them is established.

(vi) Fixed assets and depreciations/ Investments in property

- The vessels, the buildings and the equipment are appraised at the historical (or deemed) cost, increased by additions minus the accumulated depreciations – amortizations and any provisions for impairment. As historical cost of buildings upon the date of prepared the financial statements in IFRS (01.01.2004) and onwards, was calculated the deemed cost according to IFRS 1.
- The land is appraised at fair value by an independent appraiser and the revaluation differences, when they result in a surplus value then are recorded in the equity net from deferred tax as asset revaluation reserve. If the different between the current and the net book value of the land is a loss, then the loss is recorded in the income statement, except if the specific loss reverse previous increase already recorded in the revaluation reserve.
- Regarding the vessels the Group proceeded to an estimate of theirs relevant useful life, which was set at 35 years from the launching year of each vessel. It is considered that exist no parts with a different useful life except from posterior expenses relative with additions and improvements of the vessels that differ and are depreciated in a five years period. The residual value of vessels is initially set at a percentage of 20% on the acquisition cost, but is annually reexamined (based on the current value of the vessel) and adjusted whenever necessary. All Group’s vessels are in compliance with the provisions of the Stockholm Agreement.
- Repairs and maintenance, are included in the expenses of the year where take place. Any significant improvement is being capitalized under the cost of the respective assets, in the condition that these improvements increase the asset’s expected useful life, its productive capacity,

or decrease the cost of function.

- The cost and the accumulated depreciations of an asset are written-off during the disposal, or when no further financial benefits are expected from its continued use. The profits or the losses that result from the disposal of an asset, are included in the income statement of the year in which the asset is removed.
- The intangible assets of the Group include only software that is appraised in the acquisition cost less the accumulated depreciations and the possible losses of impairment.
- Depreciation is calculated according to the straight line method with coefficients that reflect the useful life of the respective assets as follows:

Type of asset	Useful life
Vessels	35 years
Buildings	20 - 50 years
Plants	66 years
Machinery & equipment	8 years
Other transportation means	5 - 9 years
Furniture and fixtures	5 - 6 years
Software	3 - 6 years

The residual life and the value in the end of useful life of buildings revaluated when is necessary and after considered the relevant appraisals of the independent appraiser.

- Investments in property are used for the generation of revenue from leasing or profit from the disposal and are appraised at their acquisition value, minus the accumulated depreciations and possible impairment losses.

(vii) Impairment of assets (except goodwill)

The net book value of the non-current assets are examined annually for purposes of impairment when events or changes in conditions suggest that the net book value may not be recoverable. When the book value of an asset exceeds the recoverable amount the respective impairment loss is recorded in the income statement, unless if there is a credit balance in the revaluation reserve for the same asset. The recoverable value is defined as the higher value between the fair value less costs to sell and the value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental disposal costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. More specifically, the impairment test of the book values of the most important assets of the Company and the Group includes the following:

- a) Vessels: based on the assessments of independent appraisers it is determined the current value of vessels as at the balance sheet date and compared with the net book values. When the net book value exceeds the current values then the value in use is determined as per unit of cash flow in order to certify if there is any reason for impairment.
- b) Investments in subsidiaries: concerning the investments of the Company is taken into consideration theirs equity as well as possible goodwill that are not disclosed in the financial statements of the subsidiaries.

(viii) Inventories

Inventories are valued at the lower of cost or net realizable value. The cost of inventories reflects their purchase price plus any other costs necessary to bring them to their present location and condition and is determined using the annual weighted average method.

The net realizable value of merchandise and products is the estimated selling price in the Group's normal operation, minus the estimated necessary cost for their sale. The net liquid value of fuel, lubricants and materials on vessels, as well as of raw and auxiliary materials of trade and industrial subsidiaries is the cost for their replacement. Appropriate allowance is made for obsolete or slow-moving items.

(ix) Trade receivables

Trade receivables appear at their nominal value, after provisions for any uncollected balances. All the receivables of the Group are short term (within one year) and there is no need for discount at the balance sheet date. On every balance sheet date all the delayed or bad debts are estimated in order to define the necessity or not for a provision for bad debts. Any balance definitely not collected is written-off by a respective reduction of the provision for bad debts. The amount of the provision is recorded in the income statement under "other expenses".

(x) Cash and cash equivalents

The Group considers the deposits and other highly liquid investments with an initial maturity less than three months as cash. The cash and cash equivalents include cash on hand, bank deposits and bank overdrafts that are disclosed in the short term borrowings.

(xi) Share capital

The ordinary and preferred shares are classified in the share capital of the equity and represents the nominal value of the Company's shares in issue. Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as "share premium" in the shareholders equity. Incremental external costs directly attributable to the issue of new shares are shown as a deduction in equity, net of tax, from the proceeds. Where the Company or its subsidiaries purchases the Company's own equity share capital, the consideration paid including any attributable incremental external costs net of income taxes is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

(xii) Borrowings

All borrowings are initially registered at the cost that reflects their fair value reduced by the respective expenses for the loan. After the initial record, they are valued at the net book value based on the effective rate method. Borrowings are classified as current liabilities unless the Group entity has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

(xiii) Borrowing cost

Borrowing costs are recognized as an expense in the period in which they are incurred and include the interests of the long and short term borrowings as well as the amortization of cost of loan with respect to the duration.

(xiv) Provisions for retirement benefits

Staff retirement obligations (except the on board crew of vessels) are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end, based on the employees earning retirement benefit rights steadily throughout the working period. Retirement obligations are calculated on the basis of financial and actuarial assumptions detailed and are determined using the projected unit credit actuarial valuation method. Net pension costs for the year are included in payroll cost in the income statement and consist of the present value of benefits earned in the year, interest cost on the benefit obligation, past service cost, actuarial gains or losses recognized in the year and any additional pension charges. Past service costs are recognized on a straight-line basis over the average period until the benefits under the plan become vested.

Actuarial gains or losses are recognized based on the corridor approach. Under this approach unrecognized actuarial gains or losses that exceed 10% of the projected benefit obligation at the beginning of each year are recognized over the average remaining service period of active employees and included as a component of net pension cost of the year. The retirement benefit obligations are not discounted. As for vessels' crews, based on the current legislation, it is stipulated that they do not accumulate rights over compensation regarding termination or retirement and therefore the financial statements do not include a relevant provision.

(xv) Social insurance program

The ship crews are insured in NAT, whereas the Group's administrative personnel is mostly covered by the principal public insurance body for the private sector (IKA) that provides pension and medical-pharmaceutical benefits. Every employee is under the obligation to contribute part of his monthly salary to the fund, while part of the total contribution is covered by the Group. Upon retirement, the retirement fund is responsible for the payment of retirement benefits to the employees. Consequently, the Group has no legal or deemed obligation to pay future benefits according to this program.

(xvi) Income tax (current and deferred)

According to the legislation in force on the taxing of ships (L. 27/1975, article 2), the earnings from the operations of the ships are exempted from income taxes. According to the same law, the ships under a Greek flag are subject to a special tax, on the basis of register tons of total capacity. This tax is considered to be an income tax. The earnings from the non shipping activities are taxed according to the general provisions on income tax, where according to L. 3296/2004 the tax rate amounts to 25% for the period 2007 and onwards. According the Law 3697/2008 article 19, the tax rate, on which the income tax is calculated, is decreased by 1% for every year from 2010 to 2014, where is going to be at 20%. Deferred income tax is provided using the liability method either on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts or on differences of carrying and tax basis of accounts of the Group's shipping companies which (differences) upon the settlement are expected to affect the income tax. The current and the deferred tax are calculated according to the financial statements of each company included in the consolidated financial statements, according to the tax legislation in force in Greece or other tax frameworks within the subsidiaries in abroad are operated. The expense for income tax includes the current tax for ships according to L. 27/1975, the income tax of non shipping activities which results according to the earnings of each company as they are shaped in their

tax statements, provisions for additional taxes and penalties for years that have not been tax audited and from deferred income taxes according to the legislated tax rates. The income tax related to assets that have been directly recognized in equity, is directly recorded in equity and not in the income statement.

(xvii) Operating and finance leases

Operating Leases: Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight line basis over the lease term.

Finance Leases: Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments and are depreciated over the useful life of the asset or the lease term.

(xviii) Grants for assets

Grants for assets relating the purchase of property, plant and equipment are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. These grants are included in other non-current liabilities and are credited to depreciation and amortization related to cost of sales in the income statement on a straight-line basis over the expected lives of the related assets. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match the grants to the costs they are intended to compensate.

(xix) Provisions and contingencies

Provisions are recognized when the Group has current legal or deemed payables as a result of previous events, their liquidation is possible through the outflow of resources and the respective amounts of payables may be reliably appraised. The provisions are reexamined on every balance sheet date and are adjusted so as to depict the current value of the expense that is expected to be disbursed in order to settle the payable. In what concerns the provisions expected to be liquidated in the long-term, when the time value of money will be significant, the relevant amounts are calculated by prepaying the estimated future cash flows with coefficient before taxes that reflects the current estimates of the market on the time value of money and where deemed necessary, the risks specifically related to the payable. Contingent liabilities are not recognized in the financial statements but they are made known, unless the possibility of an outflow of resources that incorporate financial benefits is minimum. Contingent assets are not recognized in the financial statements but they are made known provided that the inflow of financial benefits is possible.

(xx) Earnings per share

Basic earnings per share are computed by dividing net income attributed to the Company's shareholders by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares outstanding during the year. Diluted earnings per share are computed by dividing net income attributed to the Company's shareholders (after deducting the impact on the convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the year (after deducting the impact on the convertible redeemable preference shares).

(xxi) Dividends

Dividends are recorded as liabilities in the financial statements when the Board of Directors' proposed dividend is approved at the Shareholders' Annual General Meeting.

(xxii) Segmental reporting

The Group presents the necessary segment information according the IFRS 8, that considers a managerial approach regarding the information reported by segment. The information provided is the same that the management uses for internal purposes in order to measure the efficiency of the separate segments of the Group. The adoption of the new standard had no effect in the provided segmental information. The change refers to the non shipping incorporation of the Group in a new separate segment. The shipping activities remain to be presented in the routes served by the ships: domestic routes (coastal shipping) and foreign routes (mostly the Adriatic Sea).

(xxiii) Financial instruments

The financial receivables and payables in the balance sheet include the cash, the debtors, the investments, the short-term and long-term payables. The accounting policies for the recognition and appraisal of this data refer to the respective accounting policies that are presented in this note. The financial products are presented as receivables, payables or elements of the net equity on the basis of the essence and content of the relevant contracts from which they result. All derivatives not registered as hedging instruments are considered to be acquired for commercial purposes. Initially, derivatives are entered in the balance sheet at their fair value (which is the same as acquisition cost) on the date of purchase of the derivatives and, thereafter, they are valued at fair value. Derivatives are presented as assets when their estimated fair value is positive and as liabilities when their estimated fair value is negative. Changes in the fair value of derivatives are recorded in the income statement.

(xxiv) Other investments

Investments, except of the ones in subsidiaries, associates and joint ventures, are categorized as held for sale, financial assets at fair value through profit & loss and held-to-maturity investments. In general, the investments held for sale and the financial assets at fair value through results, are appraised at fair value with the profits or losses being recognized as a separate element of treasury capitals for the investments held for sale and the income statement for financial data expressed at a fair value through results. The held-to-maturity investments are appraised at the net unamortized cost, using the effective rate method and the respective results of the prepayment are recognized in the income statement through the depreciation procedure or upon sale. Interests, dividends, profits and losses resulting from the financial products characterized as receivables or payables, are recorded as income or expenses respectively. The financial products are counterbalanced when the Group, according to the law, has the legal right to do so and plans to counterbalance them in order to retrieve the property asset and settle the payable at the same time.

4. Segmental information

As reported above (note 3 xxii) the basic business activity of the Group is concentrated upon passenger ferry shipping activities, both domestic and abroad. The main sources of revenue generates from passenger, vehicles and truck fares, as well as other on-board activities (bar, restaurants,

stores). Revenue of non-shipping Group companies are included in the segment “other activities”.

The following table shows the geographic allocation of activities of both the Group and the Company for 2009 and 2008:

01.01.09 - 31.12.09	Shipping segment		Other Activities	Total
	Domestic	Abroad		
The Group				
Revenues from fares	123.855	116.693	-	240.548
On-board revenues	14.783	13.430	-	28.213
Other revenues	644	350	4.817	5.811
Total	139.282	130.473	4.817	274.572
Cost of sales	111.210	111.105	2.735	225.050
Gross operating results	28.072	19.368	2.082	49.522
Vessel additions	766	216	-	982
Vessel depreciation for the year	4.898	7.581	-	12.479
Net book value of vessels	135.578	245.653	-	381.231
Non-distributed assets	-	-	-	156.757
Total Assets	-	-	-	537.988
The Company				
Revenues from fares	117.309	108.062	-	225.371
On-board revenues	14.552	13.430	-	27.982
Other revenues	619	349	-	968
Total	132.480	121.841	-	254.321
Cost of sales	106.038	101.183	-	207.221
Gross operating results	26.442	20.658	-	47.100
Vessel additions	764	216	-	980
Vessel depreciation for the year	4.898	7.581	-	12.479
Net book value of vessels	127.644	245.653	-	373.297
Non-distributed assets	-	-	-	143.326
Total Assets	-	-	-	516.623
01.01.08 - 31.12.08				
	Shipping segment		Other Activities	Domestic
	Domestic	Abroad		
The Group				
Revenues from fares	118.586	128.824	-	247.410
On-board revenues	15.121	14.724	-	29.845
Other revenues	321	134	4.646	5.101
Total	134.028	143.682	4.646	282.356
Cost of sales	104.741	120.476	2.717	227.934
Gross operating results	29.287	23.206	1.929	54.422
Vessel additions	79.212	979	-	80.191
Vessel depreciation for the year	3.184	7.570	-	10.754
Net book value of vessels	139.709	253.019	-	392.728
Non-distributed assets	-	-	-	135.392
Total Assets	-	-	-	528.120

01.01.08 - 31.12.08	Shipping segment		Other Activities	Domestic
	Domestic	Abroad		
The Company				
Revenues from fares	105.681	117.103	-	222.784
On-board revenues	14.175	14.724	-	28.899
Other revenues	285	134	-	419
Total	120.141	131.961	-	252.102
Cost of sales	90.472	109.373	-	199.845
Gross operating results	29.669	22.588	-	52.257
Vessel additions	79.199	979	-	80.178
Vessel depreciation for the year	3.184	7.570	-	10.754
Net book value of vessels	131.777	253.019	-	384.796
Non-distributed assets	-	-	-	126.566
Total Assets	-	-	-	511.362

In the figure of fares revenues from domestic are included subsidies for public service routes of amount € 9.778 thousand for the Company and € 13.771 thousand for the Group. In the previous year the relevant amount was € 3.420 thousand for the Group (€ 0 for the Company).

Additions, depreciation and net book value of vessels were allocated to geographic activities depending on the time of operation of each vessel in domestic and abroad lines. Any further allocation would be arbitrary, given the fact that the above services and sources of income and cost result from commonly used items of assets and equity and cannot be broken down in segments.

5. Cost of sales

The cost of sales on the financial statements for the year 2009 and 2008 can be analyzed as follows:

	The Group		The Company	
	01.01.09-31.12.09	01.01.08-31.12.08	01.01.09-31.12.09	01.01.08-31.12.08
Payroll and other personnel expenses	57.414	51.502	54.663	46.310
Fuels, lubricants and consumables	98.509	115.920	91.148	101.320
Insurance fees / port fees / water supply	16.786	15.117	15.560	13.122
Repairs & maintenance and others vessel's operating expenses	39.098	34.083	33.371	28.339
Depreciation	13.243	11.312	12.479	10.754
	225.050	227.934	207.221	199.845

6. Administrative and selling expenses

Administrative expenses for 2009 and 2008 are analyzed as follows:

	The Group		The Company	
	01.01.09-31.12.09	01.01.08-31.12.08	01.01.09-31.12.09	01.01.08-31.12.08
Payroll & other personnel expenses	6.815	6.434	6.414	5.991
Others administrative expenses	4.472	4.098	3.893	3.500
Depreciation	496	692	475	677
	11.783	11.224	10.782	10.168

The analysis of the selling and marketing expenses is:

	The Group		The Company	
	01.01.09- 31.12.09	01.01.08- 31.12.08	01.01.09- 31.12.09	01.01.08- 31.12.08
Payroll & other personnel expenses	6.841	6.037	6.538	5.587
Sales commission	15.642	17.710	14.966	16.395
Others selling expenses	3.850	3.367	3.309	3.023
Depreciation	157	147	110	107
	26.490	27.261	24.923	25.112

The payroll expense, included in administrative and selling expenses of the Company contains a provision for retirement benefits amount of € 311 thousand (€ 344 thousand for the Group).

7. Other income / expenses

Other income in the financial statements is as follows:

	The Group		The Company	
	01.01.09- 31.12.09	01.01.08- 31.12.08	01.01.09- 31.12.09	01.01.08- 31.12.08
Services to third parties, rental fees, commissions and other additional income	405	715	512	524
Other grants and subsidies	647	587	641	528
Claims and other income	348	287	168	116
	1.400	1.589	1.321	1.168

Respectively, the other expenses are:

	The Group		The Company	
	01.01.09- 31.12.09	01.01.08- 31.12.08	01.01.09- 31.12.09	01.01.08- 31.12.08
Provisions (for doubtful debtors and others)	1.109	1.160	1.000	1.079
Impairments of fixed assets	-	350	-	350
Tax audit penalties	-	218	-	218
Other expenses	745	668	312	491
	1.854	2.396	1.312	2.138

8. Financial results

Financial expenses and income are analyzed as follows:

	The Group		The Company	
	01.01.09- 31.12.09	01.01.08- 31.12.08	01.01.09- 31.12.09	01.01.08- 31.12.08
Interest expenses	13.632	16.949	13.362	16.681
Other financial expenses	729	2.151	672	1.897
Debit exchange differences	3	33	1	10
	14.364	19.133	14.035	18.588
Interest income	110	1.190	106	1.178
Credit exchange differences	20	49	7	28
	130	1.239	113	1.206

In the current year there was not any capitalization of interest expenses concerning.

9. Results from investing activities

In the results from investing activities for the Group and the Company for the year 2009 and 2008 are included:

	The Group		The Company	
	01.01.09- 31.12.09	01.01.08- 31.12.08	01.01.09- 31.12.09	01.01.08- 31.12.08
Gain/(losses) from sale and valuation of financial assets at fair value	(1.957)	(4.188)	(1.946)	(4.188)
Revenue from dividends	40	43	813	2.063
	(1.917)	(4.145)	(1.133)	(2.125)

The valuation of stocks (listed in the ASE or not) included in the trade portfolio of the Company resulted in a profit of € 272 thousand based on their current price as of 31.12.2009. The sale of securities during the year recorded a profit of € 1,133 thousand while the sale of mutual funds generated a loss of € 3,234 thousand. The commissions and the expenses generated from all the above transactions are € 117 thousand. During the year, the Company received dividends amounted of € 784 thousand from "ANEK LINES ITALIA", € 15 thousand from "LEFKA ORI" and € 14 thousand from other companies.

10. Tangible and intangible assets / Investments in property

Property, plant and equipments

The tables of fixed assets (tangible and intangible) for 2009 and 2008 for the Group and the Company are shown below:

The Group	Vessels	Land & buildings	Other equipment	Assets under construction	Total
Acquisition value as of 01.01.08	472.074	13.232	6.540	32.928	524.775
Additions	2.173	966	4.574	45.090	52.803
Disposals	-	-	(12)	-	(12)
Revaluations	-	231	-	-	231
Transfers	78.018	(83)	-	(78.018)	(83)
Acquisition value as of 31.12.08	552.266	14.346	11.103	-	577.715
Additions	982	121	268	1.237	2.608
Disposals	(7)	-	(5)	-	(12)
Transfers	-	(109)	(14)	123	-
Acquisition value as of 31.12.09	553.241	14.358	11.352	1.360	580.311
Accumulated depreciation 01.01.08	148.784	895	4.746	-	154.425
Depreciation charge	10.754	262	759	-	11.775
Transfers	-	(20)	-	-	(20)
Accumulated depreciation 31.12.08	159.538	1.137	5.505	-	166.180
Depreciation charge	12.479	201	957	-	13.637
Disposals	(7)	-	-	-	(7)
Accumulated depreciation 31.12.09	172.010	1.338	6.462	-	179.810
Net book value 31.12.08	392.728	13.209	5.598	-	411.535
Net book value 31.12.09	381.231	13.020	4.890	1.360	400.501

The Company	Vessels	Land & buildings	Other equipment	Assets under construction	Total
Acquisition value as of 01.01.08	452.844	8.839	2.677	32.928	497.288
Additions	2.160	297	75	45.090	47.622
Revaluations	-	70	-	-	70
Transfers	78.018	(83)	-	(78.018)	(83)
Acquisition value as of 31.12.08	533.022	9.122	2.752	-	544.897
Additions	980	45	170	1.100	2.295
Disposals	(7)	-	-	-	(7)
Transfers	-	(109)	-	109	-
Acquisition value as of 31.12.09	533.995	9.058	2.922	1.209	547.184
Accumulated depreciation 01.01.08	137.472	768	2.200	-	140.440
Depreciation charge	10.754	215	192	-	11.161
Transfers	-	(20)	-	-	(20)
Accumulated depreciation 31.12.08	148.226	963	2.392	-	151.581
Depreciation charge	12.479	142	185	-	12.806
Disposals	(7)	-	-	-	(7)
Accumulated depreciation 31.12.09	160.698	1.105	2.577	-	164.380
Net book value 31.12.08	384.796	8.159	360	-	393.315
Net book value 31.12.09	373.297	7.953	345	1.209	382.804

■ In the end of the previous year a valuation assessment by an independent appraiser took place regarding the land and buildings of the Group and the revaluation differences were recorded, in each case in the equity or in the income statement (for more information please see the “Annual Financial Report of 2008”). For the year 2009 there was no need for impairment in the value of buildings, lands and other equipment.

■ The figure “assets under construction” for the year 2009 regards the cost of development of offices in a rented building.

● Investments in property

The figure “Investments in property” includes the value of part of a parent company privately-owned leased office, and the value of plots owned by the subsidiary ETANAP, not included in the productive pipeline and the Group owns them for the reinforce of capitals. The income from the lease of the building of the Company for the year 2009 stood at € 37 thousand and no other expenses was recorded except from depreciation. The investment property movement is as follows :

	The Group	The Company
Acquisition value as of 01.01.08	2.408	1.351
Additions / (Disposals)	62	-
Revaluations	(473)	(473)
Transfers	83	83
Acquisition value as of 31.12.08	2.081	961
Additions / (Disposals)	-	-
Acquisition value as of 31.12.09	2.081	961
Accumulated depreciation 01.01.08	159	159
Depreciation charge	45	45
Transfers	20	20
Accumulated depreciation 31.12.08	224	224
Depreciation charge	5	5
Accumulated depreciation 31.12.09	229	229

	The Group	The Company
Net book value 31.12.08	1.857	737
Net book value 31.12.09	1.852	731

• Intangible assets

The intangible assets concern computer's software of the Group and are as follows for the years 2009 and 2008:

	2009	2008
Acquisition value as of 01.01.09 & 01.01.08	1.822	1.793
Additions	129	29
Acquisition value as of 31.12.09 & 31.12.08	1.951	1.822
Accumulated depreciation 01.01.09 & 01.01.08	1.534	1.202
Depreciation charge	254	332
Accumulated depreciation 31.12.09 & 31.12.08	1.788	1.534
Net book value 31.12.09 & 31.12.08	163	288

There were no reason for impairment in the intangible assets included in the financial statements.

► Fair value of vessels

On the date of 31.12.2009 a valuation assessment by independent appraisers took place in order to be defined the fair value of the Group's vessels. According the estimations of the independent appraisers the average value of the estimations exceed the relevant net book value, however the value in use at fleet basis was additionally defined. The vessel's value in use, as defined based on the model of cash flow discount (DCF), exceed significantly the net book value and therefore there was no need for impairment. The factors used for the estimation of the discount rate are the follows:

Risk free rate	6,00%
Company's beta rate	0,93
equity risk premium	4,50%
Country risk premium	1,58%

► Grants for assets

The net book value, on the 31st of December 2009 of the grants for assets of the Company, reaches € 462 thousand (€ 857 thousand for the Group), where € 433 thousand (€ 752 thousand for the Group) fall under non current liabilities, and € 29 thousand (€ 105 thousand for the Group) fall under other current liabilities. The grants movement is as follows :

	The Group	The Company
Opening balance (long term and short term liabilities)	1.309	809
Approved grants	-	-
Grants disposal	(10)	-
Grants depreciation	(442)	(347)
Net book value of grants	857	462
Transfer to short term liabilities	(105)	(29)
Grants for assets as long term liabilities	752	433

► Existing liens

On the assets of the Group there are the following liens:

- a) mortgages on vessels amounting to € 331.9 million and
- b) mortgages burdening amounting to € 5.6 million as well as pledges on machinery (of the subsidiaries ETANAP and LEFKA ORI) amounting to € 2.5 million.

The above liens exist to secure borrowing liabilities of total amount of € 241.7 million on 31.12.2009.

► Depreciations

Depreciations included in the annual statement of total comprehensive income have been allocated as follows:

	The Group		The Company	
	01.01.09- 31.12.09	01.01.08- 31.12.08	01.01.09- 31.12.09	01.01.08- 31.12.08
Cost of sales	13.243	11.312	12.479	10.754
Administrative expenses	496	692	475	677
Selling and marketing expenses	157	147	110	107
	13.896	12.151	13.064	11.538

11. Investments in subsidiaries & affiliates / Other long term receivables

• Subsidiaries

The investments of the Company in subsidiaries, the relevant participation and the movements during the year 2009 are reported in note 1. The values of the investment in subsidiaries in the financial statements of the Company are as follows:

The Company	31.12.09	31.12.08
LANE	2.556	2.556
ETANAP S.A.	2.118	2.118
LEFKA ORI S.A.	248	248
ANEK HOLDINGS S.A.	297	297
T.C. SAILING S.C.	5	5
ANEK LINES LUXEMBOURG S.A.	-	31
	5.224	5.255

There was no need for impairment in the value of subsidiaries in the separate financial statements. For all the subsidiaries there is no indication for impairment based on the carrying value. Especially for LANE there is no need for further impairment considering the current values of the vessels.

• Affiliates

The participation value in the affiliate ANEK LINES ITALIA S.r.l. in the consolidated financial statements as of 31.12.2009 stands at € 1,634 thousand, increased, compared as of 31.12.2008, by those earnings for the year of 2009 which corresponded to the Group and reduced by the amount of dividends received. The main figures of the affiliate's financial statements for the period 2009 are as follows:

Total Assets	3.924	Total turnover	7.352
Less: Total Liabilities	<u>1.390</u>	Earnings before taxes	1.269
Total Equity	2.534	Earnings after taxes	792

During the year 2009 ANEK LINES ITALIA S.r.l. distributed dividends for a total amount of € 1,600 thousand, of which € 784 thousand is attributable to the Company and are included in its investing results in the separate financial statements.

The figure “profit from affiliates” in the consolidated income statement (€ 391 thousand) represents the percentage of the Company in the profit of the affiliate for the year 2009.

• **Other long term receivables**

In the other long term receivables is included an amount of € 34.5 million that regards the acquisition of 33,35% of the HSW.

12. Inventories

Inventories as of 31.12.2009 and 31.12.2008 are analyzed as follows:

	The Group		The Company	
	31.12.09	31.12.08	31.12.09	31.12.08
Fuels and lubricants	2.493	2.812	2.390	2.636
Merchandise, products, raw materials and packaging	3.916	3.593	3.356	2.989
Spare parts & others	4.392	4.444	4.209	4.194
	10.801	10.849	9.955	9.819

No liens on the inventories of the Group and the Company exist and there is no need for impairment in the value of inventories.

13. Trade receivables and other short-term receivables

The trade receivables include:

	The Group		The Company	
	31.12.09	31.12.08	31.12.09	31.12.08
Debtors	33.285	33.435	30.014	28.083
Cheques and notes	48.897	51.042	47.515	57.422
	82.182	84.477	77.529	85.505
Less: provisions for bad debts	(8.368)	(7.671)	(8.145)	(7.393)
	73.814	76.806	69.384	78.112

During the impairment test of the trade receivables a need for additional provisions of € 1,000 thousand for the Company and € 1,109 thousand for the Group arose.

The provisions for doubtful receivables are as follows:

	The Group	The Company
Opening balance	7.671	7.393
Additionally provision	1.109	1.000
Provision used in the year	(412)	(248)
	8.368	8.145

The credit policy of the Group regarding the trade receivables varies in cases from 1 to 4 months. Part of the receivables presented as past due but not impaired concern receivables from

the Greek State. The aging analysis of trade receivables is:

	The Group	The Company
Neither past due nor impaired	61.975	58.503
<u>Past due but not impaired</u>		
< 90 days	8.661	8.347
90 – 180 days	2.166	2.028
> 180 days	1.012	506
	73.814	69.384
Impaired	8.368	8.145
	82.182	77.529

Other short-term receivables as of 31.12.2009 and 31.12.2008 are analyzed as follows:

	The Group		The Company	
	31.12.09	31.12.08	31.12.09	31.12.08
Other debtors	2.994	1.676	3.555	1.661
State receivables	467	2.046	1	1.438
Advances to creditors	560	820	533	1.000
Other prepayment & accrued income	2.660	267	2.544	9
	6.681	4.809	6.633	4.108

14. Financial assets at fair value through profit and loss

The financial assets at fair value through profit and loss include the following:

	The Group		The Company	
	31.12.09	31.12.08	31.12.09	31.12.08
Shares listed in the ASE	798	1.192	798	1.192
Shares in mutual funds	-	8.246	-	8.246
Other investments	481	424	457	408
	1.279	9.862	1.255	9.846

15. Cash and cash equivalents

The cash and cash equivalents analysis is as follows:

	The Group		The Company	
	31.12.09	31.12.08	31.12.09	31.12.08
Cash	831	677	652	665
Bank accounts (current and deposit)	4.967	9.696	3.967	9.082
	5.798	10.373	4.619	9.747

The total of the Group's cash is in euro (€).

16. Share capital / Share premium

• Share capital

The Company's share capital -after increase completed in 2007- stands at € 161,299,191.00 divided into 157,360,940 common and 3,938,251 preferred voting shares with the nominal value of € 1.00 each. The preferred shares enjoy only those benefits stipulated by law, namely the preferential collection of first dividend and preferential participation in the liquidation.

The weighted average number of shares for the years 2009 and 2008 is 161.299.191.

• **Share premium**

The share premium that resulted from the Company's share capital increase in 2007 amounted to € 5,078 thousand and due to the deduction of expenses from the increase, it stood at € 1,080 thousand.

17. Reserves

Reserves as of 31.12.2009 and 31.12.2008 are as follows:

	The Group		The Company	
	31.12.09	31.12.08	31.12.09	31.12.08
Legal reserves	14.238	14.220	14.153	14.153
Statutory reserves	12.642	12.417	12.417	12.417
Asset revaluation reserves	2.183	2.183	970	970
Other reserves	6.351	6.351	6.354	6.354
	35.414	35.171	33.894	33.894

• **Legal Reserves**

In compliance to Greek trade legislation, the companies are obligated to deduct 5% from the profit of each year and form a legal reserve until it reaches a third of their paid share capital. According to the Company's articles of association, the aforementioned percentage amounts to 10% and the distribution of legal reserve is forbidden.

• **Statutory reserves**

Regard the optional provision for additional reserve, from net profits of each year in compliance to the Company's articles of association.

• **Asset revaluation reserve (net after deferred tax)**

This reserve regards the revaluation of land in the fair value, as was defined by independent appraiser in 31.12.2008.

• **Other reserves**

Formed, mainly from the income exempt tax and reserves taxed in a special way. Such reserves are subject to tax in case they are distributed, but at present the Company's intention is not to distribute the specific reserves, and therefore the deferred taxes were not recorded.

18. Retained Earnings

The movement of retained earnings for the Group and the Company is as follows:

	The Group	The Company
Opening balance	(739)	1.898
Dividends distribution of FY 2008	-	-
Form of legal reserve	(18)	-
Form of special purpose reserves	(225)	-
Disposal of subsidiaries	5.853	-
Net results for 2009	(5.788)	(3.818)
Closing Balance	(917)	(1.920)

19. Long term and short term borrowings

• Long term borrowings

The long term borrowings for the Group as at 31.12.2009 stand at € 200.785 thousand and an amount of € 198.614 thousand concerns the Company.

Upon restructuring of the Company's long term loans, completed during the year 2008, new syndicate loans were entered into with a syndicate of banks for the total amount of € 245 million, at floating rate (Euribor plus spread) and a term of 8 years (final repayment date: 31.03.2016).

Maturity dates (progress of payments) of long-term loans of the Company as of 31.12.2009 are as follows:

<i>amounts in thousand €</i>	
Within the next year	18.000
1 to 5 years	72.000
Over 5 years	128.000

Collaterals have been provided to secure the aforementioned syndicated loans (shipping mortgages on vessels, assignment of the insurance covenants) to the banks (see note 10).

According the terms of the new contracts the Company may proceed with early repayment of the loan, without being burdened with penalty. The borrowing agreement foresees that the agreement may be terminated in case of overdue installments, a non compliance to the general and economic conditions of safeguard provided, information sharing, insolvency, as well as a series of other occurrences that can affect business activities, the property status, and the economic situation of the Company. Furthermore, the Company provides certain securities, with regard to the application of laws and regulations, the preservation of nature, business activities, environmental issues, and the status of the insurance coverage, as well as notifications in relation to a sell-off of assets, a merger, or investments.

The residual balance of the aforementioned loan appearing in the balance sheets was valued in the net book value with the actual rate method and do not vary significantly from the fair value. The average actual cost of long term borrowing of the Company for 2009 stood up at 4.45% and the total interest paid for these loans, for 2009 and 2008, amounted to € 10,189 thousand and € 15,614 thousand, respectively.

• Short term loans

The Company has signed agreements for overdraft bank accounts in € of flexible interest rate (Euribor plus spread) and in order these loans to be secured the Company has provide the banks with cheques receivable. Moreover, a new short term loan has been signed amounted € 15 million, for which a mortgage on vessels has been provided. The total amount of short term borrowings (included the long term payments for the next year) for the Group as at 31.12.2009 is € 75,904 thousand against € 50,256 thousand as at 31.12.2008, and for the Company is € 72,153 thousand against € 48,640 thousand the previous year.

The total interest paid for the aforementioned loans of the Company, for the years 2009 and 2008, amounted to € 2,347 thousand and € 1,067 thousand, respectively.

20. Deferred tax liabilities and income tax

The Company and the subsidiaries operating in shipping are not subject to income tax for the profits arising from this business activity. As income tax is considered the tax in regard to Law 27/1975 (tax applied to the shipping tons of the total tonnage of the vessel). The years of the subsidiaries not subject to tax audit are presented in the following table:

Company	Unaudited years
ANEK	2008 – 2009
LANE	1994 – 2009
ETANAP	2006 – 2009
LEFKA ORI	2003 – 2009
ANEK HOLDINGS	2008 – 2009
TC SAILING	2008 – 2009

For the years that have not yet been subject to tax audit, the Group has formed relevant provisions for additional taxes that might arise following a future tax clearance for the relevant years. The accumulated provisions stand at € 25 thousand for the Company and at € 118 thousand for the Group. The income tax appearing in the income statement for the years 2008 and 2007 for the Company and the Group is broken down as follows:

	The Group		The Company	
	31.12.09	31.12.08	31.12.09	31.12.08
Income tax over taxable income	127	154	-	-
Tax L.27/1975 on tons of total capacity	163	142	158	136
Tax audit differences & provisions	30	56	10	22
Deferred taxes of temporary differences	18	(64)	(1)	(78)
Difference in deferred taxes due to change of rate	-	(71)	-	(37)
	338	217	167	43

Deferred income taxes are recorded based on different accounting and tax bases of assets and liabilities of subsidiaries falling under normal tax assessment, as well as of these difference of the Company, which (differences) are expected to pertain an tax effect during the settlement. The remaining of the deferred taxes of the Group, amounting to € 987 thousand (€ 309 thousand for the Company) derives mainly from the valuation of the land and buildings at fair value, given that the profit from a potential sale will be subject to tax in compliance to the general stipulations regulating income tax.

21. Employees benefits / Other provisions

Payroll cost included in the financial statements is as follows:

	The Group		The Company	
	01.01.09- 31.12.09	01.01.08- 31.12.08	01.01.09- 31.12.09	01.01.08- 31.12.08
Salaries and wages	59.860	54.488	56.921	49.162
Other services	3.182	2.575	3.173	2.540
Employer contributions	7.305	6.652	6.854	5.959
Compensations paid	380	50	356	47
Provisions for retirement benefits	344	208	311	181
	71.071	63.973	67.615	57.889

The services to the directors are reported below (note 25 “transactions with related parties”).

• **Provision for retirement benefits**

The movement for retirement benefits obligation is as follows:

	The Group		The Company	
	31.12.09	31.12.08	31.12.09	31.12.08
Opening balance	3.455	3.247	3.227	3.045
Benefits paid	(447)	-	(437)	-
Provision recognized in income statement	344	208	311	181
Closing balance	3.352	3.455	3.101	3.227

The additional provision formed during the 2009 for retirement benefits are included in the administrative and selling expenses.

The liabilities of the Group, due to obligation to pay severance grants were determined through actuarial studies performed by independent actuaries. The details and basic provisions of the actuarial study are as follows:

Discount rate	6,0%
Average long term increase in wages.....	4,9%
Average rate of inflation.....	2%
Average rate of increase in GNP.....	3%
Anticipated average of remaining working life	17,3 years

The above accumulated provision concerns the employees of the Group except the crew of vessels, who have no rights for severance payment due to retirement based on the current legislation. At balance sheet date there is no program for voluntary retirement of the personnel.

• **Other provisions**

Other provisions for the Group as of 31.12.2009 amounting to € 496 thousand (€ 145 thousand for the Company) mainly concern additional insurance contributions for crews and increments that are estimated to be imposed by NAT that clear the settlements with significant delays.

22. Trade payables and other short term liabilities

Trade payables include the following:

	The Group		The Company	
	31.12.09	31.12.08	31.12.09	31.12.08
Creditors	31.268	30.252	28.791	26.614
Cheques payable	7.613	5.111	6.413	4.123
	38.881	35.363	35.204	30.737

Respectively, the remaining short-term liabilities are as follows:

	The Group		The Company	
	31.12.09	31.12.08	31.12.09	31.12.08
Tax & social securities payables	3.308	3.735	2.735	2.832
Advances from debtors	554	3.114	423	2.804
Other creditors	8.032	6.532	7.178	5.612
Accrued expenses and earned income	2.068	1.868	1.975	1.699
	13.962	15.249	12.311	12.947

23. Earnings / (losses) per share

Basic earnings / (losses) per share are calculated by dividing the earnings corresponding to the Company's shareholders by the weighted number of shares in circulation during the year.

	The Group		The Company	
	01.01.09- 31.12.09	01.01.08- 31.12.08	01.01.09- 31.12.09	01.01.08- 31.12.08
Earnings / (losses) after taxes attributable to Equity holders of the Company	(5.788)	(5.886)	(3.818)	(3.543)
Weighted average number of shares	161.299.191	161.299.191	161.299.191	161.299.191
Earnings / (losses) per share - basic (in €)	(0,0359)	(0,0365)	(0,0237)	(0,0220)

24. Dividends

Pursuant to the provisions of the Greek commercial law, companies are obliged each year to distribute a first dividend equal at least to 35% of profits after taxes and after having formed the legal reserve. For the year 2008, no dividend was distributed based on the losses of the Company. For the same reason the BoD decided to purpose no distribution of dividends for the year 2009.

25. Related party transactions

Balances (receivables/liabilities) with related parties as of 31 December 2009 and 31 December 2008 are as follows:

	The Group		The Company	
	31.12.09	31.12.08	31.12.09	31.12.08
Receivables from:				
- subsidiaries	-	-	601	8.427
- associates	-	151	-	151
- other related parties	5	-	-	-
- executives & members of the BoD	17	17	17	17
	22	168	618	8.595
Payable to:				
- subsidiaries	-	-	153	-
- associates	27	-	27	-
- other related parties	10.225	1.307	10.225	1.307
- executives & members of the BoD	38	28	30	7
	10.290	1.335	10.435	1.314

Purchases and sales transactions with related parties are as follows:

	The Group		The Company	
	01.01.09- 31.12.09	01.01.08- 31.12.08	01.01.09- 31.12.09	01.01.08- 31.12.08
Purchases of goods & services from:				
- subsidiaries	-	-	884	298
- associates	3.153	4.220	3.153	4.220
- other related parties	11.892	8.322	11.892	8.322
	15.045	12.542	15.929	12.840
Sales of services to:				
- subsidiaries	-	-	119	108
- other related parties	189	220	166	195
	189	220	285	303

The transactions among the companies of the Group are subject to the usual commercial terms. Besides the above and the intercompanies dividends and the fees of BoD members and executives analyzed below, there were no other transactions between the Group and the associated parties as defined by IAS 24.

► **Inter-company dividends**

In the financing results of the Company for the year 2009 are included income from dividends from the subsidiary LEFKA ORI of total amount of € 15 thousand and from the affiliate ANEK LINES ITALIA amount € 784 thousand. In addition ETANAP received dividends from LEFKA ORI amount € 24 thousand.

► **Fees of BoD members and executives**

The gross fees of the Board of Directors and of the Company's managers for 2009 and 2008 are as follows:

	The Group		The Company	
	01.01.09- 31.12.09	01.01.08- 31.12.08	01.01.09- 31.12.09	01.01.08- 31.12.08
Executive members of BoD	725	646	528	459
Non executive members of BoD	33	27	20	27
Executives	836	796	836	796
	1.594	1.469	1.384	1.282

The fees of the members of the Board of Directors are approved by the annual Ordinary General Meeting of shareholders. At the balance sheet date exists no stock option program for the members of BoD and executives nor other share based benefits.

► **Auditor's fees**

The fees charged for the year 2009 by the auditors for the nominal annual audit of Groups' statements, stood at € 189 thousand and no other services were provided.

26. Commitments

► **Operating lease**

On December 31st 2009, the Company had operating lease agreements mainly regarding lease of buildings and chartering that are going to be terminated on various dates within the next five years (until 2014). The lease expenses included in the income statement, for 2009, amount to € 13,933 thousand, and for 2008 € 10,060 thousand. The minimum future payable lease for building and chartering of vessels based on non reversible operating leases agreements on December 31 2009 are as follows:

Within a year	11.982
From 2 to 5 years	4.570

There are no other operating lease agreements with duration over the next five years and the agreements of the other companies of the Group is without significant value.

► **Capital commitments**

At the date of May, 18 2009 the Company signed agreement with Minoan Lines for the acquisition of 33,35% of HSW, for a price of € 125 million with partial payments till the end of 2012.

Based on the agreement, ANEK had paid an amount of € 34,5 million until the balance sheet date, and an additional amount of € 13.0 million paid in the beginning of 2010 (total of € 47.5 million from borrowings and own cash of the Company), fulfilling the conventional terms.

► **Other commitments**

There are commitments to Group's companies that have been subject to investing plans subsidized by the Greek State, as well as liabilities resulted from agreements between the Greek State concerning the public service routes (letter of credit, etc).

27. Contingent Liabilities / receivables – litigation matters

There are no litigious disputes or disputes in arbitration or other liabilities against the Group that could significantly affect the financial position.

Contingent liabilities of the Group on 31.12.2009 arising in its ordinary course of business, involve guarantees granted to secure liabilities and performance bonds amounting to € 3,543 thousand.

Respectively, the Group has received guarantees for securing receivables amounting to € 18,721 thousand. Moreover, as mentioned in note 20, the tax liabilities of the Group's companies for certain years have not been finalized, but sufficient provision have been recorded.

28. Financial risk management

■ **Credit risk**

The Group has no significant concentrations of credit risk, due to the procedures of credit controls applied in order to minimize the possibility of doubtful debts. The Group have a wide customer range, in order to avoid credit risks and where is necessary further guarantees is undertaken. In cases of special credit risks, the Group proceeds to the recording of provision regarding the impairment of receivables. Additionally, the entities of the Group apply a system of credit policy applied specific credit limits per customer where the financial position of them is reviewed continuously in order to minimize the possibilities of doubtful debts. The management consider that for the year of 2009 there is no significant credit risk not covered by insurance or by relevant provision for doubtful debts. Regarding the cash and cash equivalents the Group appears no credit risk a de facto hedging exists considering the fact that at the same time there are loan agreements with those financial entities. The maximum expose in credit risk at the balance sheet date is as follow.

	The Group		The Company	
	01.01.09- 31.12.09	01.01.08- 31.12.08	01.01.09- 31.12.09	01.01.08- 31.12.08
Trade receivables	73.814	76.806	69.384	78.112
Other receivables	6.681	4.809	6.633	4.108
Cash and cash equivalents	5.798	10.373	4.619	9.747
	86.293	91.988	80.636	91.967

The aging of trade receivables and the movement of impairment provision are as described in note 13.

■ Liquidity risk

The liquidity risk is limited due to the existence of satisfactory available and approved bank credits. In order to avoid the possibility of a liquidity risk, the Group ensures that there are always available bank credits to cover special needs during low liquidity periods. The Company prepares short and long-term cash flow plans in order to forecast the needs for cash in time. The maturity of financial liabilities on December 31st 2009 for the Company is broken down as follows:

	Up to 6 months	6 to 12 months	Over 1 year
Long term borrowings	9.000	9.000	200.000
Trade payables	35.204	-	-
Other short term liabilities	12.311	-	-

■ Foreign currency risk

Both the Company and the Group do not counter any currency risk, since all the transactions with the debtors and the creditors abroad are in €. A foreign currency risk can be produced in the case of purchase of spare parts and other materials and services from countries out of euro-zone, that the effect is insignificant comparable with the total amount of purchases and expenses. Moreover, all the Group's loan agreements are signed in € and there is no foreign currency risk.

■ Competition

The Company incorporates in markets with severe competition both in domestic and Adriatic Sea. In order to face the current market conditions is in the position to take all necessary actions developing the commercial and credit policy to maintain and expand its market's shares.

■ Interest rate risk

The Group's loan obligations are Euribor-linked depending significantly on changes in the international economy and in inflation in the euro-zone. A potential increase of Euribor would burden the financial cost. During 2009 there was a significant decrease of interest rates by the European Central Bank. According the loan agreements, the Company has the right to choose the interest period in order the fluctuations in interest rates to affect as less as possible the results and the cash flow –depending on the financial market conditions. The sensitivity of results and equity of the Company in a fluctuation of interest rate is as follows:

Change of interest rate	Effect in the results and equity
± 0,5%	(-/+) € 1,1 million
± 1%	(-/+) €2,3 million

■ Risk of fuel price fluctuation

The fuel cost consists, for the Company and the Group, the main operating cost with immediate effect to the results of every period. The fuel prices are arranged in €, but indirectly are influenced by the exchange rate €/dollar that remains the basis for the international prices configuration. The oil price, after the dramatical increase during the year of 2008 in international basis, decreased and stood at lower levels in 2009. However, from the beginning of 2009 the price was increased in a continuous basis and especially during the last quarter of 2009. The Group's management is attending closely the fuel prices fluctuations and when necessary make the appropriate adjustments in fares. The sensitivity of results and equity of the Company in a fluctuation of fuel cost per ton is as follows:

Change in fuel prices	Effect in the results and equity
±5% / ton	(-/+) € 3,8 million
± 10% / ton	(-/+) € 7,6 million

■ Capital management

The Group's primary objective is the effective asset management in order to maintain the high credit rating in the financial markets for borrowing with favorable terms and to ensure the growth plans in the future and a satisfactory dividend return for the shareholders. The policy of the Group is the maintenance of high solvency and in the field of the adaptation of its capital structure, the Group can adapt the amount of dividends payable, refund shareholders, issue new shares or sell assets in order to reduce loans. The Group monitors its capital sufficiency based on the leverage ratio, calculated by dividing the net borrowing to the total capitals. "Net borrowing" means total loans (both long-term and short-term) less cash. "Total employed capital" mean, respectively, the sum of equity plus net borrowing. The Company has in high priority the maintenance of leverage ratio in low levels.

	31.12.2009	31.12.2008
Total borrowing	276.688	268.957
Less: cash	(5.798)	(10.373)
Net borrowing (a)	270.890	258.584
Total Equity	202.869	202.346
Total employed capital (b)	473.759	460.930
Leverage ratio (a) / (b)	57,18%	56,10%

■ Disclosure of financial assets and liabilities in category

The financial assets and liabilities on the balance sheet date can be also disclosed as follows:

	The Group		The Company	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
<u>Current assets</u>				
Trade receivables	73.814	76.806	69.384	78.112
Other receivables	6.681	4.809	6.633	4.108
Cash and cash equivalents	5.798	10.373	4.619	9.747
Financial assets at fair value	1.279	9.862	1.255	9.846
	87.572	101.850	81.891	101.813
<u>Non current liabilities</u>				
Financial liabilities at net book value	200.785	218.701	198.614	216.331
<u>Current liabilities</u>				
Financial liabilities at net book value	75.904	50.256	72.153	48.640
Trade receivables and others	50.775	48.744	45.540	41.985
Total liabilities	327.464	317.701	316.307	306.956

29. Post Balance events

In March of 2010 the Company signed the extension of the chartering of F/B ARIADNE. Besides that, there are no other facts posterior to December 31st 2009, which could substantially affect the financial position and income statement of the Group and the Company, or that should be mentioned in the notes regarding the financial statements.

Chania, March 26, 2010

The 2nd Vice-Chairman

The Managing Director

Spyridon I. Protopapadakis
ID Card No. AA490648

Ioannis I. Vardinogiannis
ID Card No. II 966572

The Chief Financial Officer

The Head of Accounting Dept

Stylios I. Stamos
ID Card No. M 068570

Ioannis E. Spanoudakis
H.E.C. License No. 20599/ A' Class

FINANCIAL DATA AND INFORMATION FOR THE YEAR 2009

ANEK LINES S.A.			
S.A. Reg. No.: 11946/06/B/86/07			
Registered Office: Karamanli Avenue, Chania			
Financial data and information for the period 1 January 2009 - 31 December 2009			
(according to 4/507/28.04.2009 resolution of Greek Capital Committee)			
The following data and information are to provide users with general information for the financial position and the results of operations of ANEK LINES SA and the Group. Therefore, it is recommended to any user, before proceeding to any kind of investing decision or other transaction with the Company, to visit the Company's web site, where the financial statements and the Auditor's Report, when is required, are published.			
COMPANY INFORMATION		Board of Directors: Irineos Galanakis, F. Metropolitani Kismou and Selinou (Chairman), Georgios Katsanevaki (A' Vice-Chairman -presiding), Spyridon Protopapadakis (B' Vice-Chairman), Georgios Archontakis (C' Vice-Chairman), Ioannis Vardinogiannis (Managing Director), Aristotelis Balis (Deputy Managing Director), Emmanouil Apotolakis (Member), Kyriakos Vrvidakis (Member), Emmanouil Galanakis (Member), Michael Georvasakis (Member), Dimitrios Kantierakis (Member), Michael Marakakis (Member), Georgios Marinakis (Member), Evaggelos Baraktaris (Member), Georgios Bourasakis (Member)	
Supervising authority: Ministry of Development Company's website: www.anek.gr Date of approval of the annual financial statements: March 28th, 2010 Certified auditors -accountants: Diamantoulakis Emmanouil (SOEL Reg. No. 13101), Zaharias Nikolaos (SOEL Reg. No. 15831) Auditing Firms: GRANT THORNTON, SOL SA Type of auditors' report: Without qualification			
STATEMENT OF FINANCIAL POSITION (parent company and consolidated)		TOTAL COMPREHENSIVE INCOME (parent company and consolidated)	
(Amounts in € thousand)		(Amounts in € thousand)	
	Group	Company	
	31.12.2009	31.12.2008	31.12.2009
	31.12.2009	31.12.2008	31.12.2009
ASSETS			
Tangible assets	400.501	411.535	382.804
Investments in property	1.852	1.857	731
Intangible assets	163	288	130
Other non-current assets	37.099	1.741	41.112
Inventories	10.801	10.849	9.955
Trade receivables	73.814	76.806	69.384
Other current assets	13.758	25.044	12.507
TOTAL ASSETS	537.968	528.120	516.623
EQUITY & LIABILITIES			
Share capital	161.299	161.299	161.299
Other equity items	35.577	35.512	33.054
Equity attributable to shareholders of the parent (a)	196.876	196.811	194.353
Minority interests (b)	5.993	5.535	194.353
Total Equity (c) = (a) + (b)	202.869	202.346	198.171
Long-term borrowings	200.785	218.701	198.614
Provisions and other long-term liabilities	5.587	6.205	3.988
Short-term borrowings	75.904	50.256	72.153
Other short-term liabilities	52.843	50.612	47.515
Total liabilities (d)	335.119	325.774	322.270
TOTAL EQUITY AND LIABILITIES (c) + (d)	537.968	528.120	516.623
	Group	Company	
	31.12.2009	31.12.2008	31.12.2009
	31.12.2009	31.12.2008	31.12.2009
Operating activities			
Turnover	274.572	282.356	254.261
Gross profit / (loss)	49.522	54.422	47.100
Earnings / (losses) before taxes, financing and investing results (EBIT)	10.795	15.130	11.404
Earnings / (losses) before taxes (EBT)	(4.965)	(6.413)	(3.651)
Earnings / (losses) after taxes (A)	(5.303)	(6.030)	(3.818)
Owners of the parent	(5.789)	(5.898)	-
Minority interests	485	(744)	-
Other comprehensive income after taxes (B)	-	255	(53)
Total comprehensive income after taxes (A) + (B)	(5.303)	(6.375)	(3.818)
Owners of the parent	(5.789)	(5.785)	-
Minority interests	485	(590)	-
Earnings / (losses) after taxes per share basic - (in €)	(0.0359)	(0.0305)	(0.0237)
Earnings / (losses) before taxes, financing and investing results, depreciation and amortization (EBITDA)	24.249	26.909	24.121
	Group	Company	
	31.12.2009	31.12.2008	31.12.2009
	31.12.2009	31.12.2008	31.12.2009
CASH FLOW STATEMENT (parent company and consolidated)			
(Amounts in € thousand)			
Operating activities			
Earnings / (losses) before taxes	(4.965)	(6.413)	(3.651)
Adjustments for:			
Depreciation	13.896	12.151	13.064
Grants amortization	(442)	(372)	(347)
Assets impairment / (reversal)	-	350	350
(Gain) / loss from disposal of property, plant and equipment	(7)	(15)	(2)
Provisions	849	1.257	705
Exchange differences	(7)	2	(6)
Results of investing activity	1.526	3.649	1.133
Effect from the deletion of subsidiaries	1.991	-	-
Financial expenses (less financial income)	14.236	17.742	13.927
	27.077	28.351	24.823
Adjustments for changes in working capital:			
Decrease / (increase) of inventories	23	1.159	(136)
Decrease / (increase) of receivables	(4.316)	(6.064)	5.144
Increase / (decrease) of liabilities (other than borrowings)	9.633	5.576	3.982
Less:			
Interest and financial expenses paid	(13.112)	(19.116)	(12.781)
Income tax paid	(350)	(400)	(163)
Cash flows from operating activities (a)	18.855	8.506	7.996
Investing activities			
Acquisition of affiliates, securities and other investments	-	(17.534)	-
Advances for investment purchase	(35.750)	-	(35.750)
Proceeds from disposal of securities and other investments	6.735	4.976	6.735
Purchase of tangible and intangible assets	(2.737)	(52.896)	(2.389)
Proceeds from the sale of property, plant and equipment	12	27	2
Interest received	111	1.192	106
Dividends received	797	1.966	813
Cash flow from investing activities (b)	(30.832)	(62.269)	(30.483)
Financing activities			
Share capital increase	-	630	-
Share capital increase expenses paid	-	(130)	-
Proceeds from borrowings	25.678	23.330	23.513
Payment of borrowings	(18.210)	(9.643)	(18.000)
Proceeds from grants	-	198	-
Dividends paid	(135)	(8.106)	(124)
Cash flow from financing activities (c)	7.333	6.879	5.389
Cash and cash equivalents at the end of the year	(4.544)	(45.284)	(5.120)
Cash and cash equivalents at beginning of the year	10.373	56.257	9.747
Less cash of subsidiaries paused to be consolidated	(31)	-	-
Cash and cash equivalents at the end of the year	5.798	10.373	4.619

INFORMATION ACCORDING THE ARTICLE 10 OF LAW 3401/2005

The following information, released to the investing public by ANEK within 2009, are posted on the Athens Exchange Daily Official List and are available in its website www.ase.gr and the Company www.anek.gr.

Date	Subject
27/1/2009	Invitation for the Special General Meeting
18/2/2009	Invitation for the 1 st repeated Special General Meeting
24/2/2009	Announcement of significant issues (Intention for participation in public contest)
03/03/2009	Postpone of 1 st Repeated Special General Meeting
12/03/2009	Resolutions of 2 nd Repeated Special General Meeting
17/03/2009	Financial Calendar 2009
27/03/2009	Press Release for the Financial Results of 2008
14/04/2009	Annual Conference Call for analysts regarding the financial results of 2008
04/05/2009	Invitation to the annual ordinary general shareholder meeting
07/05/2009	Invitation to the annual ordinary general shareholder meeting (Correct Repeat)
08/05/2009	Press release regarding publications (Official answer to the Greek Capital Committee)
08/05/2009	Invitation to the annual ordinary general shareholder meeting (Correct Repeat)
11/05/2009	Announcement of significant issues (Negotiations with Minoan Lines)
13/05/2009	Announcement for business developments (Agreement with Minoan Lines)
13/05/2009	Announcement according the Law 3556/2007
14/05/2009	Announcement of significant issues (Official answer to the Greek Capital Committee)
18/05/2009	Announcement for business developments (Signature of agreement with Minoan Lines)
22/5/2009	Financial Results for the 3 months period of 2009
01/06/2009	Resolutions adopted by the Annual General Meeting
05/06/2009	Announcement for the change of the members of the Board of Directors
26/06/2009	Announcement of significant issues (Participation in public contest)
28/08/2009	Financial Results for the 6 months period of 2009
29/09/2009	Announcement for the change of key management personnel
27/11/2009	Financial Results for the 9 months period of 2009
27/11/2009	Press Release for the Financial Results of 9 months 2009