



ANNUAL FINANCIAL REPORT

for the year ended December 31, 2008

according to article 4 of L. 3556/2007

CONTENTS

Statement of members of the Board of Directors	4
Independent Certified Auditor's Accountant's Report	5
Board of Directors Report for the year 2008	7
Annual financial statements for the year ended	18
December 31, 2008	18
INCOME STATEMENTS	19
BALANCE SHEETS	20
STATEMENTS OF CHANGES IN EQUITY.....	21
CASH FLOW STATEMENTS	22
1. General information on the Company and the Group	24
2. Preparation basis of the financial statements and accounting principles	25
3. Principal accounting policies	35
4. Segmental information	43
5. Cost of sales.....	44
6. Other income / expenses.....	45
7. Administrative and Selling expenses	45
8. Financial results	46
9. Results from investing activities	46
10. Tangible and intangible assets / Investments in property.....	47
11. Investments in subsidiaries & affiliates.....	50
12. Inventories.....	51
13. Trade receivables and other short-term receivables	51
14. Financial assets at fair value through profit and loss	52
15. Cash and cash equivalents	53
16. Share capital / Share premium	53
17. Reserves	54
18. Retained Earnings.....	55
19. Long-term and short-term borrowings	55
20. Income tax and deferred tax liabilities	56
21. Provision for retirement benefits / other provisions.....	57
22. Trade payables and other short-term liabilities	58
23. Earnings / (losses) per share	58
24. Dividends.....	59
25. Related parties transactions	59
26. Commitments	60
27. Contingent Liabilities / receivables – litigation matters	61
28. Financial risk management	61
29. Post Balance events.....	64
Use of proceeds report from share capital increase	66
Information according the article 10 of Law 3401/2005	67

*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 **27 of March 2009**. The attached financial report, 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)

Certify, as far as we know:

a) the annual financial statements (separate and consolidated) for the year from 1st January 2008 to 31st December 2008, 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,

and

b) the enclosed Report of Board of Directors presents fairly the development, the performance and the position of **Anek Lines SA**, as well as of the entities included in the consolidation, and it describes the main risks and uncertainties encountered.

Chania, 27 March 2009

The 1st Vice-Chairman

The 2nd Vice-Chairman

The Managing Director

GEORGIOS G. KATSANEVAKIS
ID Card No. N 958145

SPYRIDON I. PROTOPAPADAKIS
ID Card No. AA490648

IOANNIS I. VARDINOIANNIS
ID Card No. II 966572

The attached annual financial report have been translated from the Greek original version

ANEK LINES S.A.
COMP.REG.NO. 11946/06/B/86/07
KARAMANLI AVE., 73100 CHANIA, CRETE
TEL. : 28210 24000, FAX: 28210 36200
e-mail: info@anek.gr
www.anek.gr

Independent Certified Auditor's Accountant's Report

To the Shareholders of

ANEK LINES SA

Report on the Financial Statements

We have audited the accompanying financial statements of ANEK LINES S.A. ("the Company"), and the consolidated financial statements of the Company and its subsidiaries ("the Group") which comprise the balance sheet as at December 31, 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as endorsed by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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 the Greek Auditing Standards, which are based on the 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and information 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 financial statements present fairly, in all material respects the financial position of the Group and the Company as of December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Report on Other Legal and Regulatory Requirements

We have verified the consistency of the Board of Directors' Report with the accompanying financial statements with respect to the information that is required by articles 43a, 107 and 37 of C.L. 2190/1920.

Athens, March 27, 2009

The Certified Auditors Accountants

Emmanouil N. Diamantoulakis

SOEL No 13101



Nikolaos G. Zaharias

SOEL No 15831



Board of Directors Report for the year 2008

*The attached annual report of the Board of Directors of **ANEK LINES SA** for the years from 1st of January until 31st of December 2008 is prepared according the Law 2190/1920 (articles 43a, 107 and 136) and is in accordance with the Law 3556/2007 (articles 2c, 6, 7 and 8) 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 2008. Additionally the report includes the main risks that the Company may face in the future, the prospects of 2009 and the major related party transactions.*

I. FINANCIAL RESULTS, DEVELOPMENTS & PERFORMANCE

The year of 2008 was characterized by the crisis in the world financial system and the economical recession generally. Anek Lines managed to overcome the hard economical conditions and to minimize any loss. The incredible increase in fuel prices during 2008 was the main factor that affected the results of the year. The significant decrease of oil price in the last quarter of 2008 was a significant factor, and if this continue during 2009, then this would be the basis for a decrease in cost of sales in the current year and return to profitability, despite the hard competition and the provisions for reduction in the tourism. The Group has proved the last years that responses successfully in all the challenges with strategic movements, with immediate adjustment in the current market conditions and obtaining as only goal the Company's growth and the shareholder's interest.

During the year of 2008 the Company completed the investing business plan with the reimbursement of the new vessel F/B ELYROS, that started serving the route of Chania providing high quality services and contribute in the development of local tourism. The Company's decision to reimbursement the new vessel in the Greek yard shows the indention to support the domestic economy and with specially the ship yard segment. The Company started running business in new markets, providing service during the 1st semester of 2008 in the routes of Cyclades with the F/B PREVELIS and in the beginning of the 2nd semester of 2008 the F/B LISSOS started serving the route "Piraeus – Chios – Mytilene" due to the strategic plan of the Company for reorganisation and for serving new profitable routes.

Despite the hard conditions of competition in the coastal industry the Company managed to increase the market share during 2008 in the routes of Crete, while in the routes of North Italy remained the same market share as the previous year. In general, despite of executing less voyages by 2.5% compared to 2007, the Company succeeded to transfer 23% more passengers, 14% more vehicles and 6% more trucks.

As a result of all the aforementioned factors the sales of the Company for the year 2008 in-

creased by € 19.8 million and for the Group by € 24,6 million. Despite the significant increase in sales, the gross profit margin decreased as a result of the increased operating cost of vessels. The net results for the year of 2008 were losses € 3.5 million for the Company and € 6.6 million for the Group, against profit € 13.6 million and 11.8 million respectively the previous year. The main factor for the losses of 2008 was the incredible increase in fuel prices, that remain the major element in the cost of sales and as an effect the Group's net results were € 23.2 million less than the previous year. Besides, the results of the Group were affected by the fact that the F/B ELYROS started serving the route of Chania after the end of the summer time due to the delay completion of reimbursement in accordance with the initial plan.

The key financial figure of the income statement, the balance sheet and the cash flow statement of year 2008, as well as the significant changes in relation to the previous year were the follow:

Turnover

The Company's turnover during the year of 2008 stood at € 252.1 million, increased by 8.5% compared to 2007, while in a consolidated basis the sales increased by 9.7% and amounted to € 278.9 million. The domestic sales of the Company reached € 120.1 million, raised by € 24.7 million, while the sales on abroad amounted to € 132.0 million, decreased by € 4.9 million against the previous year. Respectively, the Group's domestic sales increased by € 27.4 million and the turnover on abroad reduced by € 2.8 million.

Gross profit

The Company's gross profit stood at € 52.3 million versus € 60.9 million for 2007 decreased by € 8.6 million. The Group's gross profit was € 51.0 million versus € 60.3 million the previous year. The gross profit of the Company and the Group were affected significantly by the huge increase in the fuel prices and the increase in the cost of repairs and maintenance of vessels.

EBITDA

Due to the aforementioned factors the earnings before interest, taxes, depreciation and amortization (EBITDA) of the Company, stood at € 27.3 million versus € 43.3 million for 2007 and for the Group amounted to € 26.9 million versus € 43.0 million for 2007. EBITDA was also affected by the increase in the ticket's commissions (as a result from the increase in sales) and additional provisions for the year of 2008.

Financing and investing results

The net financing cost of the Company for the year 2008 amounted to € 17.4 million against € 16.0 million for 2007 and for the Group stood at € 17.9 million versus € 16.1 million the pre-

vious year. The investing results of the Company were losses € 2.1 million compared to profit € 0.7 million in 2007 and for the Group were losses € 3.6 million against profit € 1.3 million. In the investing results are included revenues from dividends, as well as profit / losses from financial assets and the appraisal of trade portfolio of the Company that were significantly affected by the international financial crisis.

Results after taxes

As an effect of all the aforementioned factors the Company's results after taxes for 2008 amounted to losses € 3.5 million compared to profit € 13.6 million in the year of 2007 and, respectively the results after taxes for the Group stood at losses € 6.6 million against profit € 11.8 million in 2007.

Key balance sheet data

- The fixed assets of the Company were increased by € 36.5 million compared with that of 2007 due to the completion of reimbursement of new vessel F/B ELYROS. At consolidated level the fixed assets were additionally increased by € 4.7 million due to the expansion of new production lines in the plant of subsidiary ETANAP S.A.
- The Company's trade receivables increase by € 7.7 million and the Group's increase by € 6.9 million compared to the previous year is mainly due to the increase of sales.
- The financial assets at fair value through profit and loss are increased by € 8.4 million due to the investment of the Company in mutual funds and due to the expansion of the trade portfolio.
- The reduction of cash and cash equivalents by € 44.9 million for the Company and by € 45,9 million for the Group is attributed to the use of proceeds of share capital increase of the Company during 2007 for the reimbursement of new vessel.
- The Company's equity amounted to € 198.2 million at 31.12.2008 compared to € 209.8 million in 2007, while the Group's equity minus the minority interests was reduced to € 196.8 million at 31.12.2008 against € 210.8 million. The decrease in equity is mainly attributed to the losses of 2008 and to the dividend payments of year 2007.

Cash Flows

- The Company and the Group during 2008 present surplus in cash flow from operating activities amount to € 8.8 million and € 9.5 million respectively, versus € 24,7 million for the Company and € 24.8 million for the Group during 2007, mainly due to the losses of 2008.
- The investing activities present cash flow payments amount € 57.6 million for the Company and € 62.3 million for the Group that is due to the payments for the investing business plans of the entities of the Group. (reimbursement of new vessel ELYROS)
- The financing activities of the Company and the Group generated a surplus of € 3.9

million and € 6.9 million respectively because of the loan restructuring of the Company and the dividend payment of year of 2007. In relation with the previous year the high financial cash flows is due to the Company's share capital increase.

Financial Indexes

- The gross margin stood at 20,7% in 2008 compared to 26,2% in 2007 for the Company and to 18,3% compared to 23,7% for the Group, because of the significant increase in the cost of sales as aforementioned above.
- Due the losses for the year 2008 the Return on Equity index (ROE) stood at -1.7% in 2008 versus 8.7% in 2007 and for the Group amounted to -3.2% against 7.2% in 2007. The index Return on Assets (ROA) amounted to 3.0% for 2008 against 6.6% in 2007 for the Company and at 2.4% versus 6.1% for the Group. The index of financial leverage for the Company amounted to -0.59 for 2008 and 1.31 in 2007 and at Group level stood at -1.33 in 2008 versus 1.19 the previous year.
- At 31.12.2008 the indexes of cash ratio and quick ratio of the Company maintained in secured levels and stood at 1.21 and 1.10 respectively, against 1.75 and 1.62 for the year of 2007. For the Group the same indexes amounted at 1.12 and 1.01 versus 1.64 and 1.50 the previous year.
- With regard to debt ratios, it is mentioned that the 'Equity/Debt' ratio as of 31.12.2008 stood at 63.3% for the Company (70.9% as of 31.12.2007) and 62.1% for the Group (70.7% in 2007). The index Equity / Borrowings liabilities amounted to 74.8% (83.0% in 2007) for the Company and to 75.2% (85.0% in 2007) for the Group. The ratio Debt / Turnover was improved since it was reduced in 1.24 from 1.27 for the Company and in 1.17 from 1.20 for the Group.
- In reference to the capital structure the relation Fixed Assets/Long term borrowings stood at 1.85 from 1.73 in 2007 for the Company and in 1.90 versus 1.79 the previous year for the Group.

II. SIGNIFICANT EVENTS

a) Year 2008

- At 14 of March 2008 the procedure of company's long term loans restructuring completed successfully and this resulted in more favorable repayment terms and to reduction of financing cost.
- At 18 of May 2008 the General Meeting of shareholders decided the distribution of dividends for the year of 2007 total amount € 8.1 million or € 0,05 per share and also approved the decision of the BoD for extension until 31.12.2008 of the completion of allocation of funds raised from the share capital increase during 2007.

- During the 1st semester of 2008 ANEK started running business in new markets, providing service in the routes of Cyclades “Piraeus- Paros – Naxos – Ios – Santorini” with the F/B PREVELIS. Additionally, in the beginning of the 2nd semester of 2008 the F/B LISSOS started serving the route “Piraeus – Chios – Mitilene” due to the strategic plan of the Company for reorganisation and for serving new profitable routes.
- The Company chartered the F/B El. Venizelos in a company of the State of Tunisia for the summer season and moreover decided to charter the F/B Ariadne that contributed significantly in the serving of routes.
- In the end of September 2008, the new vessel's inauguration took place in Piraeus and in Chania, in a brilliant ceremony where all the visitors pointed out ANEK LINES's achievement and congratulated the Company for the decision to add a new modern vessel in the Greek coastal shipping. The F/B ELYROS is one of the biggest and most luxury vessel travelling in the Greek seas, built with the highest standards in order to provide high quality services and contribute in the development of Greek tourism. The company's decision to deploy the new vessel ELYROS on the Piraeus - Chania route is in accordance with the ANEK's strategy for renewal and expansion of its fleet. At the same time the operation of this additional vessel will improve the financial results since the company's owned fleet will be consisted of 11 vessels increasing the total transfer capacity in passengers and vehicles.
- In October of 2008 an ordinary tax audit for the years 2005, 2006 and 2007 was completed. The tax audit resulted additional payable taxes amounted to € 225 thousand , recorded in the results of 2008.
- On 12th of December 2008 Anek Lines was voted as the “Best Passenger Line of the Year 2008” during the annual Awards Ceremony hosted by Lloyd's List. This award confirmed ANEK's continuous efforts for high quality provided services, as well as the rapid growth of the Company.
- The BoD of the Company resolved to change the allocation of raised funds by € 4.5 million for operational capital needs and to extend the completion for the disposal of the capital until the date of 31.03.2009, without such change of use to alter or effect the Company's investing plan.

b) Post balance events

- In February 2009 the Company participated in the lowest bidder competition declared by the Ministry of Mercantile Marine Aegean and Island Policy regarding the service of routes between the islands of Aegean with contracts for public service and duration up to twelve (12) years. Up today the relative competition has non been completed.
- During the first quarter of 2009 the Company signed a chartering agreement that expands the chartering of vessel F/B El. Venizelos for each summer season up to 2011 to

a company of State of Tunisia. In addition, an agreement for chartering one more year the vessel F/B Ariadne was signed.

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 2008.

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 increased dramatically during the year of 2008 in international basis and this affected significantly the results of the Company and the Group. In such periods this risk is partly counterbalanced by 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	- € 4,0 million
- 5% / ton	+ € 4,0 million
+ 10% / ton	- € 7,9 million
- 10% / ton	+ € 7,9 million

Fluctuations in the financial instruments' prices

The investments of the Group in stocks listed in the ASE and in other financial assets measured at fair value through profit and loss, test the risk of change in the current value. The maximum expose in risk on the balance sheet date was € 9.9 million for the Group and € 9.8 million for the Company. The change in the value of these assets is affected by the conditions in the financial market.

Interest rate risk

The Group's loan obligations are € Libor-linked depending significantly on changes in the international economy and in inflation in the €-zone. Due to the economical crisis and the lack of liquidity the European Central Bank proceeds in the decrease of interest rates, resulted in the deduction of borrowing cost with a positive effect in the Group's result. 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%	- € 1,2 million
- 0,5%	+ €1,2 million
+ 1%	- € 2,4 million
- 1%	+ € 2,4 million

Other events

The Company was called to appear at a hearing before the Greek Competition Committee. The Company's management has already examined carefully all the Committee's issues and can ensure that there is not any significant matter that could cause a material impact.

IV. PROSPECTS FOR THE YEAR 2009

During the current year of 2009 the financial crisis that influence all the markets all over the world is expected to affect significantly the national economy, and therefore the business area of logistics and the passenger ferry shipping, that remain very sensitive in the sudden changes of the financial markets. The downfall trends, noticed in the long term financial indexes after the end of 2008 in all the economies with dramatically increase in the unemployment, in the cost of borrowing, as well as the decrease in the investments and consumptions reveal the severe recession of the world economy, where every prediction is considered doubtful.

The prospects of the Group during the year of 2009 depends, mainly, on the passenger and vehicles volume and on the fuel prices. The fuel cost factor has an immediate effect to the operating results of the Group. The decrease in fuel prices during the last quarter of 2008 and the relevant stability in 2009, if this continues, is expected to decrease the cost of sales and affect significantly the improvements of the results and in the reversion of the 2008 conditions.

In any case, Anek Group has taken action during 2008 and has undertaken measures in order to face the crisis by decrease in cost of sales, maintaining sufficient liquidity and immediate reaction according the conditions of the competition. Decisions of strategy such as the operation of new vessel F/B ELYROS under the Company's fleet and the serving of new profitable routes ensure the financial position of ANEK against the competitors and secure the interests of the shareholders.

V. RELATED PARTY TRANSACTIONS

The most significant transactions and balances between the Company and the subsidiaries (LANE, ETANAP, LEFKA ORI, and CHAMPION FERRIES), the associated company ANEK

LINES ITALIA as well as the related party (HELLENIC SEA WAYS) 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.

Revenues / Expenses

- During the year of 2008 the Company billed the subsidiary LANE with the amount of € 101 thousand (€ 95 thousand in 2007) and the related party HELLENIC SEA WAYS with the amount € 195 thousand (€ 0 in 2007) for tickets commissions.
- The subsidiary ETANAP billed ANEK for sales of table water amount to € 298 thousand, (€ 210 thousand in 2007) and the entity LEFKA ORI amounted € 311 thousand (€ 234 thousand in 2007) for the sale of products and services. Respectively, the entity LEFKA ORI billed ETANAP amounted to € 1.343 thousand (€ 1.651 thousand in 2007) from the sales of products and services. The associate entity ANEK LINES ITALIA billed ANEK with the amount of € 4.220 thousand (€ 4.228 thousand in 2007) for ticket's commissions. Finally, the entity HELLENIC SEA WAYS billed ANEK with the amount of € 8.322 thousand in 2008 (€ 0 in 2007) for vessel's chartering. The previous year the subsidiary entity LANE billed the Company with the amount of € 4.234 thousand for vessel's chartering.
- During the year of 2008 ANEK received dividends from the subsidiary ETANAP amounted to € 74 thousand (€ 64 thousand in 2007), dividends amount to € 24 thousand (€ 24 thousand in 2007) from the subsidiary LEFKA ORI and dividends amount to € 1.960 thousand (€ 245 thousand in 2007) from the associate ANEK LINES ITALIA. Additionally, ETANAP received dividends the amount of € 38 thousand (€ 38 thousand in 2007) from LEFKA ORI.

Intercompany balances

- At 31.12.2008 the Company appears receivables from subsidiary LANE amount to € 130 thousand (liability € 62 thousand in 2007), due from ETANAP € 272 thousand (liability € 36 thousand in 2007), due from CHAMPION FERRIES € 8.014 thousand (€ 6.075 thousand in 2007) and due from ANEK LINES ITALIA € 151 thousand (liability € 163 thousand in 2007).
- At 31.12.2008 the entity LEFKA ORI presents receivable amounted of € 1.053 thousand (€ 1.094 thousand in 2007) due from ETANAP and HELLENIC SEA WAYS due from ANEK amounted to € 1.307 thousand (€ 0 in 2007).

Fees of BoD members and executives

The gross fees of the Board of Directors and of the Company's executives for 2008 and 2007 are € 1.282 thousand and € 1.231 thousand respectively. The relative amounts for the Group stood at € 1.469 thousand and € 1.424 thousand. 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

- 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 worldwide range of the principles of HACCP - (Hazard Analysis & Critical Control Points).

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 Greece 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 ACCORDING THE ARTICLE 4, PAR. 7 OF LAW 3556/2007

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, namely the preferential collection of first dividend and preferential participation in the proceeds of liquidation.

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 , 2008, 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	8,27%

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 2008, 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

There is no authority of the Board of Directors or certain of its members to issue new shares or to purchase treasury shares of the Company, pursuant to article 16 of Law 2190/20.

9. Significant agreements come into operation, are amended, or expire due to a change in the company's ownership structure 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 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. In case of termination by a member of company's personnel, indemnities and compensations according to the relevant legislation apply.

Chania, 27 March 2009

On behalf of the Board of Directors of ANEK LINES SA

The 1st Vice - Chairman

George G. Katsanevakis

**Annual financial statements for the year ended
December 31, 2008**

Any differences in totals are due to the rounding of figures.

INCOME STATEMENTS

	Notes	The Group		The Company	
		01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Revenue	4	278.936	254.332	252.102	232.310
Cost of sales	5	(227.934)	(194.059)	(199.845)	(171.402)
Gross profit		51.002	60.273	52.257	60.908
Other operating income	6	5.009	3.216	1.168	988
Administrative expenses	7	(11.224)	(10.898)	(10.168)	(9.771)
Selling and marketing expenses	7	(27.261)	(24.754)	(25.112)	(22.919)
Other operating expenses	6	(2.396)	(733)	(2.138)	(107)
Earnings before taxes, financing and investing results (EBIT)		15.130	27.104	16.007	29.099
Financial expenses	8	(19.133)	(17.851)	(18.588)	(17.647)
Financial income	8	1.239	1.708	1.206	1.671
Results from investing activities	9	(4.145)	852	(2.125)	655
Profit from associates	11	496	471	-	-
Earnings / (losses) before taxes		(6.413)	12.284	(3.500)	13.778
Income tax	20	(217)	(473)	(43)	(167)
Earnings / (losses) after taxes		(6.630)	11.811	(3.543)	13.611
Attributable to:					
Equity holders of the Company		(5.886)	12.314	-	-
Minority interests		(744)	(503)	-	-
		(6.630)	11.811		
Earnings / (losses) per share - basic (in €)	23	(0,0365)	0,1000	(0,0220)	0,1105
Proposed dividend per share (in €)		-	-	-	0,05
Summary of results					
Earnings before taxes, financing and investing results and depreciation (EBITDA)		26.909	43.017	27.312	43.339
Earnings before taxes, financing & investing results (EBIT)		15.130	27.104	16.007	29.099
Earnings / (losses) before taxes		(6.413)	12.284	(3.500)	13.778
Earnings / (losses) after taxes		(6.630)	11.811	(3.543)	13.611

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

BALANCE SHEETS

		The Group		The Company	
	Notes	31.12.08	31.12.07	31.12.08	31.12.07
ASSETS					
Tangible fixed assets	10	411.535	370.350	393.315	356.848
Investments in property	10	1.857	2.249	737	1.192
Intangible assets	10	288	591	288	591
Investments in subsidiaries	11	-	-	5.255	4.625
Investments in associates	11	1.634	3.098	46	46
Other long-term receivables		107	85	89	70
Total non-current assets		415.421	376.373	399.730	363.372
Inventories	12	10.849	12.008	9.819	10.809
Trade receivables	13	76.806	69.860	78.112	70.432
Other receivables and prepayments	13	4.809	6.800	4.108	5.181
Financial assets at fair value through profit & loss	14	9.862	1.492	9.846	1.476
Cash and cash equivalents	15	10.373	56.257	9.747	54.632
Total current assets		112.699	146.417	111.632	142.530
TOTAL ASSETS		528.120	522.790	511.362	505.902
LIABILITIES AND EQUITY					
Share Capital (161.299.191 shares * € 1,00)	16	161.299	161.299	161.299	161.299
Share premium	16	1.080	1.195	1.080	1.195
Reserves	17	35.171	33.828	33.894	32.635
Retained earnings	18	(739)	14.437	1.898	14.703
Total Equity holders of the Company		196.811	210.759	198.171	209.832
Minority interest		5.535	5.704	-	-
Total equity		202.346	216.463	198.171	209.832
Long-term borrowings	19	218.701	210.403	216.331	209.862
Deferred tax liabilities	20	972	1.380	309	539
Retirement benefits provisions	21	3.455	3.247	3.227	3.045
Other provisions	21	909	885	538	523
Grants for assets	10	869	1.042	462	881
Total non-current liabilities		224.906	216.957	220.867	214.850
Short-term borrowings	19	50.256	44.235	48.640	43.016
Trade payables	22	35.363	32.424	30.737	27.747
Other current liabilities	22	15.249	12.711	12.947	10.457
Total current liabilities		100.868	89.370	92.324	81.220
Total liabilities		325.774	306.327	313.191	296.070
TOTAL LIABILITIES AND EQUITY		528.120	522.790	511.362	505.902

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

STATEMENTS OF CHANGES IN EQUITY

The Group	Notes	Share Capital	Share pre-mium	Asset re-valuation reserves	Other reserves	Retained earnings	Total	Minority interests	Total
Balance 01.01.2007		59.740	-	2.124	41.216	2.207	105.287	6.046	111.333
Net results for the year						12.314	12.314	(503)	11.811
Dividends					(9.678)		(9.678)	(102)	(9.780)
Share capital increase		101.559	1.195				102.754		102.754
Additional acquisition in subsidiary							-	(5)	(5)
Share capital increase in subsidiary							-	157	157
Transfer between reserves					167	(84)	83	110	193
Net equity 31.12.2007		161.299	1.195	2.124	31.704	14.437	210.759	5.704	216.463
Balance 01.01.2008		161.299	1.195	2.124	31.704	14.437	210.759	5.704	216.463
Net results for the year						(5.886)	(5.886)	(744)	(6.630)
Dividends	24					(8.065)	(8.065)	(111)	(8.176)
Legal reserve	17				1.382	(1.382)	-		-
Share capital issuance costs	16		(115)			(7)	(122)	(7)	(129)
Share capital increase in subsidiary	11						-	630	630
Asset revaluation reserves	17			223			223	161	383
Transfers	17			(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

The Company	Notes	Share Capital	Share pre-mium	Asset re-valuation reserves	Other reserves	Retained earnings	Total
Balance 01.01.2007		59.740	-	1.072	41.198	1.125	103.135
Net results for the year						13.611	13.611
Dividends					(9.678)		(9.678)
Share capital increase		101.559	1.195				102.754
Transfer between reserves					33	(33)	-
Other transfers					10		10
Net equity 31.12.2007		161.299	1.195	1.072	31.563	14.703	209.832
Balance 01.01.2008		161.299	1.195	1.072	31.563	14.703	209.832
Net results for the year						(3.543)	(3.543)
Dividends	24					(8.065)	(8.065)
Legal reserves	17				1.361	(1.361)	-
Share capital issuance costs	16		(115)				(115)
Asset revaluation reserves	17			62			62
Transfers	17			(164)		164	-
Net equity 31.12.2008		161.299	1.080	970	32.924	1.898	198.171

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

CASH FLOW STATEMENTS

	The Group		The Company	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
<u>Operating activities</u>				
Profits / (losses) before taxes	(6.413)	12.284	(3.500)	13.778
<i>Adjustments for:</i>				
Depreciation	12.151	16.159	11.538	14.402
Grants amortization	(372)	(246)	(234)	(162)
Impairments / (reversal of impairments) in fixed assets	350	(492)	350	-
(Gain) / loss from disposal of property, plant & equipment	(15)	(1)	-	-
Provisions	1.257	229	1.275	294
Exchange differences	2	(18)	(1)	(13)
Results of investing activities	3.649	(830)	2.126	(655)
Financial expenses (less financial income)	17.742	16.147	17.230	15.971
	28.351	43.232	28.784	43.615
<i>Adjustments for changes of working capital accounts or related to operating activities:</i>				
Decrease / (increase) of inventories	1.159	(2.451)	991	(2.094)
Decrease / (increase) of receivables	(6.064)	6.065	(7.705)	7.496
Increase/ (decrease) of liabilities (excluding borrowings)	5.576	(3.623)	5.584	(6.309)
Less:				
Interest and financial expenses paid	(19.116)	(17.644)	(18.692)	(17.459)
Income tax paid	(400)	(810)	(172)	(559)
Cash flows from operating activities (a)	9.506	24.769	8.790	24.690
<u>Investing activities</u>				
Acquisition of affiliates, securities and other investments	(17.534)	(5.548)	(18.164)	(6.028)
Proceeds from disposal of securities and other investments	4.976	4.723	4.976	4.723
Purchase of tangible and intangible assets	(52.896)	(34.681)	(47.651)	(34.067)
Proceeds from the sale of property, plant & equipment	27	32	-	-
Interest received	1.192	1.532	1.178	1.523
Dividends received	1.966	247	2.063	335
Cash flows from investing activities (b)	(62.269)	(33.695)	(57.598)	(33.514)
<u>Financing activities</u>				
Proceeds of share capital increase	630	106.796	-	106.637
Share capital increase expenses paid	(130)	(3.887)	(115)	(3.883)
Proceeds from borrowings	23.930	9.875	21.093	9.129
Payment of borrowings	(9.643)	(41.412)	(9.000)	(41.385)
Proceeds from grants	198	206	-	-
Dividends paid	(8.106)	(9.655)	(8.055)	(9.604)
Cash flows from financing activities (c)	6.879	61.923	3.923	60.894
Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c)	(45.884)	52.997	(44.885)	52.070
Cash and cash equivalents at the begging of the year	56.257	3.260	54.632	2.562
Cash and cash equivalents at the end of the year	10.373	56.257	9.747	54.632

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

**NOTES ON THE ANNUAL FINANCIAL STATEMENTS FOR THE
PERIOD 01.01.2008 - 31.12.2008**

1. General information on 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
CHAMPION FERRIES L.T.D.	70%	Marshall Islands	Shipping
ANEK HOLDINGS SA	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 LUXEMBOURG S.A.	100%	Luxembourg	Special purpose company
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 31.12.2008 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. There was no change in the method of consolidation, the percentages of participation or in the number of entities included in the annual consolidated financial statements in comparison with the previous year.

"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.

In addition to the aforementioned companies, ANEK participates by 41.87% in the share capital of DANE SA, which has been put under special liquidation based on article 46 of L.1892/1990. The value of participation and the receivables of the parent company from DANE have been completely written off from its balance sheet (for further information see "annual financial statements for the year 2006").

The number of personnel employed as of 31 December 2008 amounted to 1,237 per-

sons for the Company (out of which 980 were employed as crew aboard ships) and to 1,279 persons for the Group (crew aboard ships 988 persons).

2. Preparation basis of the financial statements and accounting principles

The condensed annual separate and consolidated financial statements (hereinafter the “financial statements”) have been prepared according to the International Financial Reporting Standards (hereinafter “IFRS”), as issued by the International Accounting Standards Board (IASB) (and their interpretations) and adopted by the European Union up to 31 December 2008. 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.

Change in accounting estimate

The residual values of Group vessels were revised and adjusted at the beginning of 2008 (change in accounting estimate), taking into account the fair values thereof, in order to approach their value at the end of useful life. The adjustment of residual values for the year 2008 demonstrated reduced depreciation by approximately € 4.0 million compared to the previous year of 2007. Since the re-examination of the residual value in the end of the useful life is taking place on a annual base in order to respond the changes in the fair value of the vessels, it is not possible to determine the effect of change of the accounting estimation for the next years.

Figure – classification

The figure "proceeds from grants" in the Group's cash flow statement was reclassified from investing to financing activities, which resulted in an equal difference of € 206 thousand between investing and financing activities flows for the comparable year of 2007.

Additionally, in the annual financial statements of the previous year for the calculation of the figure of Earnings before interest, taxes, depreciation and amortization (EBITDA) in the profit and loss statement, is not included the depreciation of the grants, that according the decision No 34 of the Greek Capital Committee, it should be calculated in the EBITDA figure. As a result, in the comparative accounts of the current financial statements the relative figure is presented less by € 162 thousand for the Company and € 246 thousand for the Group in relation with the published financial statements of the previous year.

New standards, interpretations and amendments to published standards

The following new interpretations, became mandatory for the first time for the financial year beginning 1 January 2008 and are not relevant for the group and the company:

- **IFRIC 11, "IFRS 2 – Group and Treasury Share Transactions"**

IFRIC 11 requires arrangements whereby an employee is granted options to buy equity shares, to be accounted for as equity-settled schemes by an entity even if the entity chooses or is required to buy those equity shares from another party, or the shareholders of the entity provide the equity instruments granted. The interpretation also extends to the way in which subsidiaries, in their separate financial statements, account for such schemes when their employees receive rights to equity instruments of the parent. This Interpretation applies to the way the Group's subsidiaries account, in their individual financial statements, for options granted to their employees to buy equity shares of the Company.

- **IFRIC 12, "Service Concession Arrangements"**

This Interpretation outlines an approach to account for contractual (service concession) arrangements arising from entities providing public services. It provides that the operator should not account for the infrastructure as property, plant and equipment, but recognise a financial asset and/or an intangible asset.

- **IFRIC 14, "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"**

IFRIC 14 provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits. It also explains how this limit, also referred to as the "asset ceiling test", may be influenced by a minimum funding requirement and aims to standardize current practice. The Group expects that this Interpretation has no impact on its financial position or performance as all defined benefit schemes are currently in deficit.

- **IAS 39, "Financial Instruments: Recognition and Measurement" and IFRS 7**

“Financial Instruments: Disclosures; Reclassification of Financial Assets”,
effective from 1 July 2008

The amendment to IAS 39 permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss (“FVTPL”) category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. The amendments do not permit reclassification into FVTPL. The amendment to IFRS 7 relates to the disclosures required to financial assets that have been reclassified.

The following new standards, amendments to standards and interpretations have been issued but are not effective and have not been early adopted:

- **IFRIC 13, «Customer Loyalty Programmes»,** effective for financial years beginning on or after 1 July 2008.
This Interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. This interpretation will have no impact on the Company’s / Group’s financial statements as no such schemes currently exist.
- **IFRIC 15, «Agreements for the Construction of Real Estate»:** effective for financial years beginning on or after 1 January 2009 and is to be applied retrospectively.
IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 'Construction Contracts' or IAS 18 'Revenue' and, accordingly, when revenue from such construction should be recognised. This Interpretation has no effect to the financial statements and has not yet been endorsed by the EU.
- **IFRIC 16, «Hedges of a Net Investment in a foreign operation»:** effective for financial years beginning on or after 1 October 2008 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. This Interpretation has not yet been endorsed by the EU. 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.

- **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. This Interpretation has not yet been endorsed by the EU. It is to be applied prospectively and earlier application is permitted.

- **IFRIC 18, «Transfers of Assets from Customers»:** effective for financial years beginning on or after 1 July 2009 and is to be applied prospectively.

This Interpretation is of particular relevance for the utility sector as it clarifies the accounting for agreements where an entity receives an item of PP&E (or cash to construct such an item) from a customer and this equipment in turn is used to connect a customer to the network or to provide ongoing access to supply of goods/services.

- **Amendments to IFRS 1 «First-time Adoption of International Financial Reporting Standards» and IAS 27 «Consolidated and Separate Financial Statements»:** Both revisions will be effective for financial years beginning on or after January 1, 2009.

The amendments to IFRS 1 allow an entity to determine the 'cost' of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognised in the income statement in the separate financial statement. The revision to IAS 27 will have to be applied prospectively.

- **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 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.

- **IFRS 8, “Operating Segments”**, effective for annual periods beginning on or after 1 January 2009.

IFRS 8 replaces IAS 14 ‘Segment reporting’. IFRS 8 adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group is in the process of assessing the impact of this standard on its financial statements.

- **IAS 1, “Presentation of Financial Statements” (Revised)**, effective for annual periods beginning on or after 1 January 2009.

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.

- **IAS 32 and IAS 1, “Puttable Financial Instruments” (Amended), effective for annual periods beginning on or after 1 January 2009.**
The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Group does not expect these amendments to impact the financial statements of the Group.
- **IAS 39 “Financial Instruments: Recognition and Measurement” – Eligible Hedged Items**
These amendments to IAS 39 become effective for financial years beginning on or after January 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 23, “Borrowing Costs” (Revised), effective for annual periods beginning on or after 1 January 2009.**
The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalised. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group/Company has already the allowed alternative treatment of IAS 23 and allocates borrowing costs in the accounts that satisfied the prerequisites and it is not expected that this amendment will affect the financial statements.

In May 2008 the IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. These amendments are effective for periods beginning on or after 1 January 2009 and have not yet been endorsed by the EU.

- **IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations” (Amended), effective for annual periods beginning on or after 1 July 2009.**
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 7, “Financial Instruments: Disclosures” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
This amendment removes the reference to ‘total interest income’ as a component of finance costs.
- **IAS 1, “Presentation of Financial Statements” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
This amendment clarifies that assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet. To be applied retrospectively. Early application is permitted.
- **IAS 8, “Accounting Policies, Changes in Accounting Estimates and Errors” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
This amendment clarifies that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.
- **IAS 10, “Events after the Reporting Period” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
This amendment clarifies that dividends declared after the end of the reporting period are not obligations.
- **IAS 16, “Property, Plant and Equipment” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
 - Replaces the term ‘net selling price’ with ‘fair value less costs to sell’, regarding the recoverable amount, to be consistent with IFRS 5 and IAS 36 Impairment of Assets.
 - Items of property, plant & equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Proceeds on sale are subsequently shown as revenue. IAS 7 Statement of cash flows is also revised, to require cash payments to manufacture or acquire such items to be classified as cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also shown as cash flows from operating activities.
- **IAS 18, “Revenue” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
This amendment replaces the term ‘direct costs’ with ‘transaction costs’ as defined in IAS 39.
- **IAS 19, “Employee Benefits” (Amended)**, effective for annual periods beginning on or after 1 January 2009.

- Revises the definition of 'past service costs' to include reductions in benefits related to past services ('negative past service costs') and to exclude reductions in benefits related to future services that arise from plan amendments. Amendments to plans that result in a reduction in benefits related to future services are accounted for as a curtailment. To be applied prospectively – to changes to benefits occurring on or after 1 January 2009. Early application is permitted.
 - Revises the definition of 'return on plan assets' to exclude plan administration costs if they have already been included in the actuarial assumptions used to measure the defined benefit obligation. To be applied retrospectively. Early application is permitted.
 - Revises the definition of 'short-term' and 'other long term' employee benefits to focus on the point in time at which the liability is due to be settled. To be applied retrospectively. Early application is permitted.
 - Deletes the reference to the recognition of contingent liabilities to ensure consistency with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 does not allow for the recognition of contingent liabilities. To be applied retrospectively. Early application is permitted.
- **IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance" (Amended)**, effective for annual periods beginning on or after 1 January 2009.
Loans granted with no or low interest rates will not be exempt from the requirement to impute interest. Interest is to be imputed on loans granted with below-market interest rates, thereby being consistent with IAS 39. The difference between the amount received and the discounted amount is accounted for as a government grant. To be applied prospectively – to government loans received on or after 1 January 2009. Early application is permitted. However, IFRS 1 First-time Adoption of IFRS has not been revised for first-time adoptees; hence they will be required to impute interest on all such loans outstanding at the date of transition.
 - **IAS 23, "Borrowing Costs" (Amended)**, effective for annual periods beginning on or after 1 January 2009.
The amendment revises the definition of borrowing costs to consolidate the types of items that are considered components of 'borrowing costs' into one – the interest expense calculated using the effective interest rate method as described in IAS 39. To be applied retrospectively. Early application is permitted.
 - **IAS 27 "Consolidated and Separate Financial Statements" (Amended)**, effective for annual periods beginning on or after 1 January 2009.
When a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale. To be applied prospectively from the date at which the company first applied IFRS 5. Therefore, any subsidiaries classified as held for sale since IFRS 5 was adopted will need to be reevaluated. Early application is permitted.

- **IAS 28, “Investment in Associates” (Amended)**, effective for annual periods beginning on or after 1 January 2009.

 - If an associate is accounted for at fair value in accordance with IAS 39 (as it is exempt from the requirements of IAS 28), only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies. To be applied retrospectively, although an entity is permitted to apply it prospectively. Early application is permitted. If early adopted, an entity must also adopt the amendment below, and the amendments to paragraph 3 of IFRS 7 Financial Instruments: Disclosures, paragraph 1 of IAS 31 Joint Ventures and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.
 - An investment in an associate is a single asset for the purpose of conducting the impairment test – including any reversal of impairment. Therefore, any impairment is not separately allocated to the goodwill included in the investment balance. Any impairment is reversed if the recoverable amount of the associate increases. If early adopted, an entity must also adopt the amendment above, and the amendments to paragraph 3 of IFRS 7 Financial Instruments: Disclosures, paragraph 1 of IAS 31 Joint Ventures and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.

- **IAS 29, “Financial Reporting in Hyperinflationary Economies” (Amended)**, effective for annual periods beginning on or after 1 January 2009.

This amendment revises the reference to the exception to measure assets and liabilities at historical cost, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list. No specific transition requirements have been stated as it is a clarification of the references rather than a change.

- **IAS 31, “Interest in Joint ventures” (Amended)**, effective for annual periods beginning on or after 1 January 2009.

This amendment clarifies that if a joint venture is accounted for at fair value, in accordance with IAS 39 (as it is exempt from the requirements of IAS 31), only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expenses will apply. Early application is permitted. If early adopted, an entity must also adopt the amendments to paragraph 3 of IFRS 7 Financial Instruments: Disclosures, IAS 28 Investments in Associates and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.

- **IAS 34, “Interim Financial Reporting” (Amended)**, effective for annual periods beginning on or after 1 January 2009.

This amendment clarifies that earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33.

- **IAS 36, “Impairment of assets” (Amended)**, effective for annual periods beginning on or after 1 January 2009.

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 January 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 retrospectively. 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. To be applied retrospectively. Early application is permitted.

- **IAS 40, “Investment property” (Amended)**, effective for annual periods beginning on or after 1 January 2009.

- Revises the scope (and the scope of IAS 16) such that property that is being constructed or developed for future use as an investment property is classified as investment property. If an entity is unable to determine the fair value of an investment property under construction, but expects to be able to determine its fair value on completion, the investment under construction will be measured at cost until such time as fair

- value can be determined or construction is complete. To be applied prospectively. Early application is permitted. An entity is permitted to apply the amendments to investment properties under construction from any date before 1 January 2009 provided that the fair values of investment properties under construction were determined at those dates.
- Revises the conditions for a voluntary change in accounting policy to be consistent with IAS 8.
 - Clarifies that the carrying amount of investment property held under lease is the valuation obtained increased by any recognised liability.
- **IAS 41, “Agriculture” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
 - Replaces the term ‘point-of-sale costs’ with ‘costs to sell’. Revises the example of produce from trees in a plantation forest from ‘logs’ to ‘felled trees’.
 - Removes the reference to the use of a pre-tax discount rate to determine fair value, thereby allowing use of either a pre-tax or post-tax discount rate depending on the valuation methodology used.
 - Removes the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Rather, cash flows that are expected to be generated in the ‘most relevant market’ are taken into account. To be applied prospectively. Early application is permitted.

3. Principal accounting policies

The principal accounting policies that were adopted during the preparation of the annual financial statements of 2008 are the same as the ones adopted during the preparation of the annual financial statements of the previous year - except for the case of additional disclosures required 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 equity.

(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 intercompanies 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 grants for unprofitable routes are recognized in the respective period and in the financial statements they are presented under "other income".

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 their 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 (vessel) 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 their 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) Government Grants

Government grants 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 ratified at the Shareholders' Annual General Meeting.

(xxii) Segmental reporting

The Group presents the necessary segment information with the consideration that geographical segments provide products or services within a particular economic environment, that of coastal shipping, that is subject to risks and returns that are different from those of components operating in other economic environments. The effect from the results of non shipping entities of the Group in the consolidated financial statements (in the level of revenues, results and assets) is insignificant. The geographical fields are defined by the routes in which the ships are active: domestic lines (coastal shipping) and foreign lines (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 entered 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

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 income from trade activities.

The following table shows the geographic allocation of activities of both the Group and the Company for 2008 and 2007:

	Domestic	Abroad	Total
	01.01.08- 31.12.08	01.01.08- 31.12.08	01.01.08- 31.12.08
The Group			
Revenues from fares	115.166	128.824	243.990
On-board & other trade activities	19.741	14.724	34.465
Other	347	134	481
Total	135.254	143.682	278.936
Cost of sales	107.458	120.476	227.934
Gross operating results	27.796	23.206	51.002
Grants	3.420	-	3.420
Vessel value additions	79.212	979	80.191
Vessel depreciation for the period	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
The Company			
Revenues from fares	105.681	117.103	222.784
On-board revenues	14.175	14.724	28.899
Other	284	134	419
Total	120.140	131.961	252.102
Cost of sales	90.472	109.373	199.845
Gross operating results	29.668	22.589	52.257
Vessel value additions	79.199	979	80.178
Vessel depreciation for the period	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

	Domestic	Abroad	Total
	01.01.07- 31.12.07	01.01.07- 31.12.07	01.01.07- 31.12.07
The Group			
Revenues from fares	92.083	130.143	222.226
On-board & other trade activities	15.312	15.655	30.967
Other	460	679	1.139
Total	107.855	146.477	254.332
Cost of sales	84.260	109.799	194.059
Gross operating results	23.595	36.678	60.273
Grants	1.968	-	1.968
Vessel value additions	459	164	623
Vessel depreciation for the period	5.723	9.045	14.767
Reversal impairment in LANE	(492)	-	(492)
Net book value of vessels	74.672	248.618	323.290
Non-distributed assets	-	-	199.500
Total Assets	-	-	522.790
The Company			
Revenues from fares	84.976	120.501	205.477
On-board revenues	10.072	15.655	25.727
Other	426	680	1.106
Total	95.474	136.836	232.310
Cost of sales	71.483	99.919	171.402
Gross operating results	23.991	36.917	60.908
Vessel value additions	413	164	577
Vessel depreciation for the period	4.454	9.045	13.499
Net book value of vessels	66.754	248.618	315.372
Non-distributed assets	-	-	190.530
Total Assets	-	-	505.902

The above gross Group results do not include grants for unprofitable lines received from the Ministry of Aegean to the subsidiary LANE, which are included in the figure “other operating income”.

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 appearing on the financial statements for 2008 and 2007 can be analyzed as follows:

	The Group		The Company	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Payroll and other personnel expenses	51.502	49.210	46.310	43.723
Fuels, lubricants and consumables	115.920	90.847	101.320	80.085
Insurance fees / port fees / water supply	15.117	14.746	13.122	12.929
Repairs & maintenance and others vessel's operating expenses	34.083	24.056	28.339	21.166
Depreciation	11.312	15.200	10.754	13.499
	227.934	194.059	199.845	171.402

6. Other income / expenses

Other income appearing in the financial statements is as follows:

	The Group		The Company	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Grants for unprofitable lines	3.420	1.968	-	-
Other grants and subsidies	587	164	528	164
Services to third parties, rental fees, commissions and other additional income	715	455	524	387
Other	287	629	116	437
	5.009	3.216	1.168	988

Respectively, the other expenses are:

	The Group		The Company	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Provisions (for doubtful debtors and others)	1.160	113	1.079	-
Impairments of fixed assets	350	-	350	-
Additional clearance duties to NAT	37	301	37	-
Tax audit penalties (except income tax)	218	-	218	-
Other	631	319	454	107
	2.396	733	2.138	107

7. Administrative and Selling expenses

Administrative expenses for 2008 and 2007 are analyzed as follows:

	The Group		The Company	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Payroll & other personnel expenses	6.434	5.877	5.991	5.334
Others administrative expenses	4.098	4.182	3.500	3.625
Depreciation	692	839	677	812
	11.224	10.898	10.168	9.771

The analysis of the selling and marketing expenses is:

	The Group		The Company	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Payroll & other personnel expenses	6.037	5.774	5.587	5.342
Sales commission	17.710	15.593	16.395	14.542
Others selling expenses	3.367	3.267	3.023	2.944
Depreciation	147	120	107	91
	27.261	24.754	25.112	22.919

The payroll included in administrative and selling expenses of the Company contains a provision for retirement benefits amount of € 181 thousand (€ 208 thousand for the Group).

8. Financial results

Financial expenses and income are analyzed as follows:

	The Group		The Company	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Interest expenses	16.949	15.922	16.681	15.847
Other financial expenses	2.151	1.768	1.897	1.646
Debit exchange differences	33	161	10	154
	19.133	17.851	18.588	17.647
Interest income	1.190	1.532	1.178	1.523
Credit exchange differences	49	176	28	148
	1.239	1.708	1.206	1.671

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

9. Results from investing activities

The results from investing activities of the Group and the Company include:

	The Group		The Company	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Profit/ (losses) from the sale and valuation of financial assets at fair value	(4.188)	320	(4.188)	320
Income from dividends	43	40	2.063	335
Reversal of impairment	-	492	-	-
	(4.145)	852	(2.125)	655

The valuation of stocks listed in the ASE, included in the trade portfolio of the Company resulted in a loss of € 7,506 thousand based on their current stock exchange price as 31.12.2008. The sale of securities during the year of 2008 recorded a profit of € 30 thousand while the valuation of other securities resulted to € 31 thousand. The commissions and the expenses generated from all the above transactions are € 17 thousand. The valuation of non listed mutual funds resulted in losses of € 754 thousand and the fair value of the mutual fund's shares are certified by an independent firm of auditors. The profit from financial in-

struments amounted of € 4,028 thousand came up from the short selling of futures, hold for trading and not for hedging. During the year, the Company received dividends amounted of € 1,960 thousand from "ANEK LINES ITALIA", € 74 thousand from "ETANAP", € 24 thousand from "LEFKA ORI" and € 5 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 2008 and 2007 for the Group and the Company are shown below :

The Group	Vessels	Land & buildings	Other equipment	Assets under construction	Total
Acquisition value as of 01.01.07	471.451	12.641	6.210	10	490.312
Additions	628	591	378	32.918	34.515
Disposals	(5)	-	(47)	-	(52)
Acquisition value as of 31.12.07	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
Accumulated depreciation 01.01.07	134.509	650	4.087	-	139.246
Depreciation charge	14.768	245	679	-	15.692
Disposals	(1)	-	(20)	-	(21)
Reversal of impairment	(492)	-	-	-	(492)
Accumulated depreciation 31.12.07	148.784	895	4.746	-	154.425
Depreciation charge	10.754	262	759	-	11.775
Disposals	-	-	-	-	-
Transfers	-	(20)	-	-	(20)
Accumulated depreciation 31.12.08	159.538	1.137	5.505	-	166.180
Net book value 31.12.07	323.290	12.337	1.795	32.928	370.350
Net book value 31.12.08	392.728	13.209	5.598	-	411.535

The Company	Vessels	Land & buildings	Other equipment	Assets under construction	Total
Acquisition value as of 01.01.07	452.267	8.633	2.479	10	463.390
Additions	577	206	200	32.918	33.900
Disposals	-	-	(2)	-	(2)
Acquisition value as of 31.12.07	452.844	8.839	2.677	32.928	497.288
Additions	2.160	297	75	45.090	47.622
Disposals	-	-	-	-	-
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
Accumulated depreciation 01.01.07	123.973	565	1.968	-	126.506
Depreciation charge	13.499	203	234	-	13.936
Disposals	-	-	(2)	-	(2)
Accumulated depreciation 31.12.07	137.472	768	2.200	-	140.440
Depreciation charge	10.754	215	192	-	11.161
Disposals	-	-	-	-	-
Transfers	-	(20)	-	-	(20)
Accumulated depreciation 31.12.08	148.226	963	2.392	-	151.581
Net book value 31.12.07	315.372	8.071	477	32.928	356.848
Net book value 31.12.08	384.796	8.159	360	-	393.315

- The revaluations of land and buildings (€ 70 thousand for the Company and € 231 thousand for the Group) were recorded based on relevant assessments by independent appraiser (please see below section «revaluation of property, plant and equipment»). There was no need for impairment in any fixed asset of the Group.
- The transfers in the category of «land and buildings» regard the net book value of offices which no longer are used by the Company and moved to the ‘investments in property’ category.
- In the category “assets under construction” was included the cost of purchase and reimbursement of the new vessel, which started operation in the end of 3rd quarter of 2008.

Investments in property

The account “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 2008 stood at € 36 thousand and no other expenses was recorded except from depreciation. Regarding the revaluation of assets included in the “investments in property” category please see next paragraph.

The investment property movement is as follows :

	The Group	The Company
Acquisition value as of 01.01.07	2.408	1.351
Additions / (Disposals)	-	-
Acquisition value as of 31.12.07	2.408	1.351
Additions	62	-
Disposals	-	-
Revaluations	(473)	(473)
Transfers	83	83
Acquisition value as of 31.12.08	2.081	961
Accumulated depreciation 01.01.07	117	117
Depreciation charge	42	42
Disposals	-	-
Accumulated depreciation 31.12.07	159	159
Depreciation charge	45	45
Disposals	-	-
Transfers	20	20
Accumulated depreciation 31.12.08	224	224
Net book value 31.12.07	2.249	1.192
Net book value 31.12.08	1.857	737

Revaluation of property, plant and equipment

Concerning the land and the buildings of the Group (for own use and investments in property), a revaluation of the current value was made by an independent appraiser. The methods used are the follows:

- ✚ The valuation of the fair value of the land of the Group was made based on the comparative method except the one that corresponds in the offices in the “investment in property” category of the Company where the residual method was used.

- ✦ The estimation of the current value of the buildings was made based together on the comparative method and the estimated rental value method, while for the owned leased buildings of the Company the amount of leasing was considered too.
- ✦ The plant of the subsidiary «ETANAP» was appraised according the depreciated replacement cost and the value of the drill was estimated based on utility and cost factors.

According the relevant report of the independent appraiser the conclusions are:

- Revaluation of the own-used land by € 70 thousand for the Company and € 231 thousand for the Group. The relevant amounts net from deferred tax were recorded in the equity as asset revaluation reserve.
- Need for impairment amount of € 473 thousand regarding the land and the building of the Company in the category “investment in property”. Amount € 350 thousand included in the Profit and Loss Statement and the amount of € 123 thousand net of deferred tax recorded direct in equity.
- Concerning the other “investments in property” of the Group (except of those of the Company) the fair value at 31.12.2008 stood up to € 1,515 thousand against € 1,120 thousand of the net book value.

Intangible assets

The intangible assets concern computer’s software of the Company and are as follows:

	2008	2007
Acquisition value as of 01.01.08 & 01.01.07	1.793	1.627
Additions	29	166
Acquisition value as of 31.12.08 & 31.12.07	1.822	1.793
Accumulated depreciation 01.01.08 & 01.01.07	1.202	777
Depreciation charge	332	425
Accumulated depreciation 31.12.08 & 31.12.07	1.534	1.202
Net book value 31.12.08 & 31.12.07	288	591

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

Fair value of vessels

According the estimations of independent appraisers the current value of vessels at 31.12.2008 exceed the net book value, except the case of one vessel where the value in use as per unit of cash flow was defined. The vessel’s value in use for the period until the end of useful life, as defined based on the model of cash flow discount (DCF), exceed 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	5,40%
Company’s Beta	1,49
Equity risk premium	5,00%
Country risk premium	2,10%

Grants for assets

The net book value, on the 31st of December 2008 of the grants for assets of the Company, reaches € 809 thousand (€ 1,310 thousand for the Group), where € 462 thousand (€ 869 thousand for the Group) fall under non current liabilities, and € 347 thousand (€ 441 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)	1.289	1.043
Approved grants	393	-
Grants depreciation	(372)	(234)
	1.310	809
Transfer to short term liabilities	(441)	(347)
Grants for assets as long term liabilities	869	462

Existing liens

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

- a) mortgages on vessels amounting to € 307.5 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 € 241.5 million on 31.12.2008.

Depreciation

Depreciation included in the annual financial statements has been allocated as follows:

	The Group		The Company	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Cost of sales	11.312	15.200	10.754	13.499
Administrative expenses	692	839	677	812
Selling and marketing expenses	147	120	107	91
	12.151	16.159	11.538	14.402

11. Investments in subsidiaries & affiliates

Subsidiaries

The investments of the Company in subsidiaries and the relevant participation are reported in note 1. The values of the investment in subsidiaries are as follows:

Company	31.12.08	31.12.07
LANE	2.556	2.556
ETANAP S.A.	2.118	1.488
LEFKA ORI S.A.	248	248
CHAMPION FERRIES L.T.D.	0	0
ANEK HOLDINGS S.A.	297	297
T.C. SAILING S.C.	5	5
ANEK LINES LUXEMBOURG S.A.	31	31
	5.255	4.625

During the year the Company participated by its share percentage in the share capital increase of the subsidiary "ETANAP" resulting to the increase of the participation acquisition cost by € 630 thousand. More specific, the General Meeting of ETANAP decided the increase of share capital by € 1,260 thousand with cash issuing 736,808 new shares with nominal value of € 1.71 per share.

There was no need for impairment in the value of subsidiaries in the separate financial statements. For all the subsidiaries, except LANE, there is no indication for impairments based on the carrying value. For the subsidiary 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 31.12.2008 stands at € 1,634 thousand, increased, compared as of 31.12.2007, by those earnings for the year of 2008 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 2007 are as follows:

Total Assets	4,646	Total turnover	8,625
Less: Total Liabilities	<u>1,311</u>	Earnings before taxes	1,568
Total Equity	3,335	Earnings after taxes	1,010

During the year 2008 ANEK LINES ITALIA S.r.l. distributed dividends for a total amount of € 4,000 thousand, of which € 1,960 thousand is attributable to the Company and is included in its investing results in the separate financial statements.

The account "profit from affiliates" in the consolidated income statement (€ 496 thousand) represents the percentage of the Company in the profit of the affiliate for the year 2008.

12. Inventories

Inventories as of 31.12.2008 and 31.12.2007 are analyzed as follows:

	The Group		The Company	
	31.12.08	31.12.07	31.12.08	31.12.07
Fuels and lubricants	2.812	3.888	2.636	3.465
Merchandise, products, raw materials and packaging	3.593	4.521	2.989	3.917
Spare parts & others	4.444	3.599	4.194	3.427
	10.849	12.008	9.819	10.809

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

All trade payables are short-term and, therefore, there is no need to proceed with discounting method of valuation at balance sheet date, and are the following:

	The Group		The Company	
	31.12.08	31.12.07	31.12.08	31.12.07
Debtors	33.435	32.109	28.083	27.591
Cheques and notes	51.042	44.390	57.422	49.155
	84.477	76.499	85.505	76.746
Less: provisions for bad debts	(7.671)	(6.639)	(7.393)	(6.314)
	76.806	69.860	78.112	70.432

During the impairment test of the trade receivables a need for additional provisions of € 1,079 thousand for the Company and € 1,124 thousand for the Group arose. The provision formed is considered sufficient to cover the non collectible receivables.

The provisions for doubtful receivables are as follows:

	The Group	The Company
Opening balance	6.639	6.314
Additionally provision	1.124	1.079
Provision used in the year	(92)	-
	7.671	7.393

The credit policy of the Group regarding the trade receivables varies in cases from 1 to 3 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	69.177	71.302
<u>Past due but not impaired</u>		
< 90 days	3.339	3.157
90 – 180 days	2.546	2.509
> 180 days	1.744	1.144
	76.806	78.112
Impaired	7.671	7.393
	84.477	85.505

Other short-term receivables as of 31.12.2008 and 31.12.2007 are analyzed as follows:

	The Group		The Company	
	31.12.08	31.12.07	31.12.08	31.12.07
Other debtors	981	1.329	966	1.224
State receivables	2.046	1.808	1.438	1.390
Claims	695	1.421	695	1.369
Advances to creditors	820	1.765	1.000	1.009
Other prepayment & accrued income	267	477	9	189
	4.809	6.800	4.108	5.181

14. Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss include the follow:

	The Group		The Company	
	31.12.08	31.12.07	31.12.08	31.12.07
Shares listed in the ASE	1.192	1.100	1.192	1.100
Shares in mutual funds	8.246	-	8.246	-
Other investments	424	392	408	376
	9.862	1.492	9.846	1.476

During the year 2008 the Company opened placement for shares (mainly for listed in ASE) and for mutual funds abroad. The results from the sales and the valuation of securities and mutual fund's shares are included in the under "results from investing activities", (please see previous note 9). The account "other investments" includes the Company's participation in other no listed companies (mainly cooperative banks) and the participation by 19.80% in the share capital of ANEN, where its value was completely written-off in a previous period.

15. Cash and cash equivalents

The cash and cash equivalents analysis is as follows:

	The Group		The Company	
	31.12.08	31.12.07	31.12.08	31.12.07
Cash	677	707	665	652
Bank accounts (current and deposit)	9.696	55.550	9.082	53.980
	10.373	56.257	9.747	54.632

Bank deposits of 31.12.08 include part of the proceeds of the Company's share capital increase completed during 2007. The total of the Group's cash is in €.

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 2008 and 2007 is as follows:

	31.12.2008	31.12.2007
Total number of shares	161.299.191	161.299.191
Weighted average number of shares in issue	161.299.191	123.179.879

For weighting the number of shares issued from the share capital increase for the year 2007, the duration of the circulation period of such shares was reduced to the total duration of the year.

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. An amount of € 115 thousand regarding the capital increase expenses was recorded during the year 2008.

17. Reserves

Reserves as of 31.12.2008 and 31.12.2007 are as follows:

	The Group		The Company	
	31.12.08	31.12.07	31.12.08	31.12.07
Legal reserves	14.220	12.838	14.153	12.792
Statutory reserves	12.417	12.417	12.417	12.417
Asset revaluation reserves	2.183	2.124	970	1.072
Other reserves	6.351	6.449	6.354	6.354
	35.171	33.828	33.894	32.635

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. During the year 2008 the General Meeting of shareholders decided to form an additional legal reserve amounted to € 1,361 thousand.

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)

Formed following the valuation of land in their fair value. At 31.12.2008, as referred in note 10, the land was valued by independent appraiser and resulted in a decrease of the relevant reserves by € 42 thousand. Additionally, there was a decrease by € 131 thousand due to the transfer of the tax reclassification (after the deferred tax) to the "retained earnings" and increased by € 71 thousand due to the tax rate reclassification (Law 3697/2008). In consolidated level the relevant amounts of the subsidiary ETANAP regarding the revaluation of fair value of own-used land were included.

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 account «retained earnings» for the Group and the Company are as follows:

	The Group	The Company
Opening balance	14.437	14.703
Dividends distribution of FY 2007	(8.065)	(8.065)
Form of legal reserve	(1.382)	(1.361)
Share capital increase expense of subsidiary	(7)	-
Transfer from asset revaluation reserve	164	164
Net results for 2008	(5.886)	(3.543)
Closing balance	(739)	1.898

19. Long-term and short-term borrowings

Long – term borrowings

The long term borrowings for the Group as at 31.12.2008 stand at € 218.701 thousand and an amount of € 216.331 thousand concerns the Company.

Upon restructuring of the Company's long term loans, completed during the 1st quarter 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 31.12.2008 are as follows:

amounts in thousand €

Within the next year	18.000
1 to 5 years	72.000
Over 5 years	146.000

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 2008 stood up at 6.52% and the total interest paid for these loans, for 2008 and 2007, amounted to € 15,614 thousand and € 15,314 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. The total amount of short term borrowings for the Group as at 31.12.2008 is € 50,256 thousand against € 44,235 thousand as at 31.12.2007, and for the Company is € 48,640 thousand against € 43,016 thousand the previous year.

The total interest paid for the aforementioned loans of the Company, for the years 2008 and 2007, amounted to € 1,067 thousand and € 533 thousand, respectively.

20. Income tax and deferred tax liabilities

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
LANE	1994 – 2008
ETANAP	2006 – 2008
LEFKA ORI	2003 – 2008
ANEK HOLDINGS	2008
TC SAILING	2008
ANEK LINES LUXEMBOURG	2008

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 € 15 thousand for the Company and at € 130 thousand for the Group. In any case the Group's management estimates that the final figures of tax audit differences shall not be significant.

During the year of 2008 the ordinary tax audit in the Company for the years 2005 - 2007 was completed. The tax audit resulted additional payable taxes amounted to € 225 thousand and € 7 thousand regard the income tax and the rest € 218 thousand concern other taxes.

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	
	31.12.08	31.12.07	31.12.08	31.12.07
Income tax over taxable income	154	228	-	30
Tax L.27/1975 on tons of total capacity	142	153	136	147
Tax audit differences & provisions	56	87	22	-
Deferred taxes of temporary differences	(64)	5	(78)	(10)
Difference in deferred taxes due to change in tax rate	(71)	-	(37)	-
	217	473	43	167

Deferred income taxes are recorded based on different accounting and tax bases of as-

sets 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 € 972 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.

In the financial statements of 31.12.2008 the amounts of deferred taxes were adjusted based on the rates according the Law 3697/2008. The amount of deferred tax transferred to the equity stood at € 71 thousand for the Company and € 154 thousand for the Group.

21. Provision for retirement benefits / other provisions

Payroll

Payroll cost included in the financial statements is as follows:

	The Group		The Company	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Salaries and wages	54.488	51.651	49.162	46.012
Other services	2.575	2.483	2.540	2.463
Employer contributions	6.652	6.261	5.959	5.556
Compensations paid	50	117	47	79
Provisions for retirement benefits	208	350	181	288
	63.973	60.862	57.889	54.398

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

Provision for retirements benefits

The movement for retirement benefits obligation is as follows:

	The Group		The Company	
	31.12.08	31.12.07	31.12.08	31.12.07
Opening balance	3.247	2.912	3.045	2.757
Benefits paid	-	(15)	-	-
Provision recognized in income statement	208	350	181	288
Closing Balance	3.455	3.247	3.227	3.045

The additional provision formed during the 2008 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	5,5%
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	10,4 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 31.12.2008 amounting to € 909 thousand (€538 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. The Group's management estimates that the provision is sufficient to cover for the above amounts as well as any charge may arise in a future tax audit.

22. Trade payables and other short-term liabilities

All trade payables are short-term and, therefore, there is no need to proceed with discounting method of valuation at balance sheet date. Trade payables include the following:

	The Group		The Company	
	31.12.08	31.12.07	31.12.08	31.12.07
Creditors	30.252	28.583	26.614	25.464
Cheques payable	5.111	3.841	4.123	2.283
	35.363	32.424	30.737	27.747

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

	The Group		The Company	
	31.12.08	31.12.07	31.12.08	31.12.07
Tax & social securities payables	3.735	2.578	2.832	1.772
Dividends payable	484	451	268	258
Grants for assets (short-term)	441	246	347	162
Advances from debtors	3.114	2.223	2.804	2.184
Other creditors	6.048	5.111	5.344	4.118
Accrued expenses and earned income	1.427	2.102	1.352	1.963
	15.249	12.711	12.947	10.457

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	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Earnings / (losses) after taxes attributable to Equity holders of the Company	(5.886)	12.314	(3.543)	13.611
Weighted average number of shares	161.299.191	123.179.879	161.299.191	123.179.879
Earnings / (losses) per share - basic (in €)	(0,0365)	0,1000	(0,0220)	0,1105

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. The Ordinary General Meeting of May 18th 2008 decided the distribution of dividends for the year 2007 for a total amount of € 8,065 thousand (€ 0.05 per share) which was paid during July 2008.

For the year 2008 the Board of Directors proposed no distribution of dividends.

25. Related parties transactions

Balances (receivables/liabilities) with related parties as of 31 December 2008 and 31 December 2007 are as follows:

	The Group		The Company	
	31.12.08	31.12.07	31.12.08	31.12.07
Receivables from:				
- subsidiaries	-	-	8.427	6.152
- associates	151	-	151	-
- executives & members of the BoD	17	36	17	36
	168	36	8.595	6.188
Payable to:				
- subsidiaries	-	-	-	175
- associates	-	163	-	163
- other related parties	1.307	-	1.307	-
- executives & members of the BoD	28	8	7	8
	1.335	171	1.314	346

Purchases and sales transactions with related parties for 2008 and 2007 are as follows:

	The Group		The Company	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Purchases of goods & services from:				
- subsidiaries	-	-	298	4.445
- associates	4.220	4.228	4.220	4.228
- other related parties	8.322	-	8.322	-
	12.542	4.228	12.840	8.673
Sales of services to:				
- subsidiaries	-	-	108	97
- other related parties	220	-	195	-
	220	-	303	97

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.

Intercompany dividends

In the financing results of the Company for the year 2008 are included income from dividends from the subsidiaries ETANAP and LEFKA ORI of total amount of € 97 thousand and from the affiliate ANEK LINES ITALIA amount € 1.960 thousand. In addition ETANAP received dividends from LEFKA ORI amount € 38 thousand.

Fees of BoD members and executives

The gross fees of the Board of Directors and of the Company's managers for 2008 and 2007 are as follows:

	The Group		The Company	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Executive members of BoD	646	670	459	477
Non executive members of BoD	27	35	27	35
Executives	796	719	796	719
	1.469	1.424	1.282	1.231

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.

26. Commitments

Operating lease

On December 31st 2008, 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 2013). The lease expenses included in the income statement, for 2008, amount to € 10,060 thousand, and for 2007 € 9,263 thousand. The minimum future payable lease for building and chartering of vessels based on non reversible operating leases agreements on December 31 2008 are as follows:

Within a year	12.781
From 2 to 5 years	3.465
	16.246

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

On 31.12.2008, the Company's non-allocated funds, having resulted from the capital increase made during the year 2007, amounted to € 5,123 thousand. During the year 2008 the Board of Directors of the Company decided the change of use of raised up funds amount to € 4.5 million from the "purchase of vessels" category to "working capital" category and the extension of completion of allocation of funds up to 31.03.2009. (please see the relative table of allocation of funds). There is no other capital commitments of other entity of the Group.

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 unprofitable 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 31.12.2008 arising in its ordinary course of business, involve guarantees granted to secure liabilities and performance bonds amounting to € 196 thousand. Respectively, the Group has received guarantees for securing receivables amounting to € 13,475 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 2008 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 because of cooperation with a wide range of financial entities with high credit standards. The maximum expose in credit risk at the balance sheet date is as follow.

	The Group		The Company	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
Trade receivables	76.806	69.860	78.112	70.432
Other receivables	4.809	6.800	4.108	5.181
Cash and cash equivalents	10.373	56.257	9.747	54.632
	91.988	132.917	91.967	130.245

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 2008 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	218.000
Trade payables	30.563	174	-
Other short term liabilities	11.248	-	-

■ 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 runs business 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 euro Libor-linked depending significantly on changes in the international economy and in inflation in the euro-zone. Due to the economical crisis and the lack of liquidity the European Central Bank proceeds in the decrease of interest rates, resulted in the deduction of borrowing cost with a positive effect in the Group's result. 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%	- € 1,2 million
- 0,5%	+ €1,2 million
+ 1%	- € 2,4 million
- 1%	+ € 2,4 million

The interests from deposits are not included in the above analysis.

■ Price fluctuations risk

- **Fuels:** 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 increased dramatically during the year of 2008 in international basis and this affected significantly the results of the Company and the Group. In such periods this risk is partly hedged by 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	- € 4,0 million
- 5% / ton	+ € 4,0 million
+ 10% / ton	- € 7,9 million
- 10% / ton	+ € 7,9 million

- **Financial instruments:** The investments of the Group in stocks listed in the ASE and in other financial assets measured at fair value through profit and loss, test the risk of change in the current value. The maximum expose in risk on the balance sheet date was € 9.9 million for the Group and € 9.8 million for the Company. The change in the value of these assets is affected by the conditions in the financial market.

■ 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 capitals" mean, respectively, the sum of equity plus net borrowing. During the year of 2007 and following the Parent company's share capital increase, this ratio was significantly improved and the management's objective is to keep the leverage ratio at the lower level. During the year of 2008 the leverage ratio increased due to the allocation of cash from the share capital increase in 2007 in the completion of reimbursement of the new vessel.

	31.12.2008	31.12.2007
Total borrowing	268.957	254.638
Less: cash	(10.373)	(56.257)
Net borrowing (a)	258.584	198.381
Total Equity	202.346	216.463
Total capital (b)	460.930	414.844
Leverage ratio (a) / (b)	56,10%	47,82%

■ 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	
	01.01.08- 31.12.08	01.01.07- 31.12.07	01.01.08- 31.12.08	01.01.07- 31.12.07
<u>Current assets</u>				
Trade receivables	76.806	69.860	78.112	70.432
Other receivables	4.809	6.800	4.108	5.181
Cash and cash equivalents	10.373	56.257	9.747	54.632
Financial assets at fair value	9.862	1.492	9.846	1.476
	101.850	134.409	101.813	131.721

<u>Non current liabilities</u>				
Financial liabilities at net book value	218.701	210.403	216.331	209.862
<u>Current liabilities</u>				
Financial liabilities at net book value	50.256	44.235	48.640	43.016
Trade receivables and others	48.744	42.787	41.985	36.079
Total liabilities	317.701	297.425	306.956	288.957

29. Post Balance events

- In February 2009 the Company participated in the lowest bidder competition declared by the Ministry of Mercantile Marine Aegean and Island Policy regarding the service of routes between the islands of Aegean with contracts for public service and duration up to twelve (12) years. Up today the relative competition has non been completed.
- During the first quarter of 2009 the Company signed a chartering agreement that expands the chartering of vessel F/B El. Venizelos for each summer season up to 2011 to a company of State of Tunisia. In addition, an agreement for chartering one more year the vessel F/B Ariadne was signed.
- Besides what has been mentioned above, there are no other facts posterior to December 31st 2008, 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, 27 March, 2009

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

Stylianios I. Stamos
ID Card No. M 068570

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

*Notes to the annual financial statements for the year ended December 31, 2008
in accordance with the International Financial Reporting Standards*

		ANEK LINES SA S.A. Reg. No.: 11946/06/B/86/07 Registered Office: Karamanli Avenue, Chania Financial data and information for the year 1 January 2008 - 31 December 2008 (according to L. 2190, article 135 for companies publishing annual financial statements, separate and consolidated, in accordance to the International Financial Reporting Standards) 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 annual financial statements and the Auditor's Annual Report, when is required, are published.																																																																																																																																																																																																																																														
COMPANY INFORMATION Supervising authority: Ministry of Development Company's website: www.aneke.gr Date of approval of the annual financial statements: March 27th, 2009 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				Board of Directors Chairman: Irineos Galanakis, F. Metropolitan Ksiamou and Selinou A' Vice-Chairman (presiding): Georgios Katsarevakis B' Vice-Chairman: Spyridon Protopapadakis C' Vice-Chairman: Kyriakos Badieris Managing Director: Ioannis Vardinogiannis Deputy Managing Director: Aristoteles Balis Members: Emmanouil Apostolakis, Georgios Archontakis, Georgios - Evagelos Vasiliakis, Kyriakos Vrvidakis, Emmanouil Galanakis, Michael Georvasakis, Michael Marakakis, Markos Michailakis																																																																																																																																																																																																																																												
BALANCE SHEET (Amounts in € thousand)				INCOME STATEMENT (Amounts in € thousand)																																																																																																																																																																																																																																												
<table><tr><th></th><th>Group 31.12.2008</th><th>31.12.2007</th><th>Company 31.12.2008</th><th>31.12.2007</th></tr><tr><td>ASSETS</td><td></td><td></td><td></td><td></td></tr><tr><td>Tangible assets</td><td>411.535</td><td>370.350</td><td>393.315</td><td>356.848</td></tr><tr><td>Investments in property</td><td>1.857</td><td>2.249</td><td>737</td><td>1.192</td></tr><tr><td>Intangible assets</td><td>288</td><td>591</td><td>288</td><td>591</td></tr><tr><td>Other non-current assets</td><td>1.741</td><td>3.183</td><td>5.390</td><td>4.741</td></tr><tr><td>Inventories</td><td>10.849</td><td>12.008</td><td>9.810</td><td>10.809</td></tr><tr><td>Trade receivables</td><td>76.806</td><td>69.860</td><td>76.112</td><td>70.432</td></tr><tr><td>Other current assets</td><td>25.044</td><td>64.549</td><td>23.701</td><td>61.289</td></tr><tr><td>TOTAL ASSETS</td><td>528.120</td><td>622.790</td><td>511.362</td><td>605.902</td></tr><tr><td>EQUITY & LIABILITIES</td><td></td><td></td><td></td><td></td></tr><tr><td>Share capital</td><td>161.299</td><td>161.299</td><td>161.299</td><td>161.299</td></tr><tr><td>Other equity items</td><td>35.512</td><td>49.460</td><td>36.872</td><td>48.533</td></tr><tr><td>Share capital and reserves (a)</td><td>196.811</td><td>210.759</td><td>198.171</td><td>209.832</td></tr><tr><td>Minority interests (b)</td><td>5.535</td><td>5.704</td><td>-</td><td>-</td></tr><tr><td>Total Equity (c) = (a) + (b)</td><td>202.346</td><td>216.463</td><td>198.171</td><td>209.832</td></tr><tr><td>Long-term borrowings</td><td>218.701</td><td>210.403</td><td>216.331</td><td>209.862</td></tr><tr><td>Provisions and other long-term liabilities</td><td>6.205</td><td>6.554</td><td>4.536</td><td>4.988</td></tr><tr><td>Short-term borrowings</td><td>50.256</td><td>44.235</td><td>48.540</td><td>43.016</td></tr><tr><td>Other short-term liabilities</td><td>50.812</td><td>45.135</td><td>43.684</td><td>38.204</td></tr><tr><td>Total liabilities (d)</td><td>325.774</td><td>306.327</td><td>313.191</td><td>296.070</td></tr><tr><td>TOTAL EQUITY AND LIABILITIES (c) + (d)</td><td>528.120</td><td>622.790</td><td>511.362</td><td>605.902</td></tr></table>					Group 31.12.2008	31.12.2007	Company 31.12.2008	31.12.2007	ASSETS					Tangible assets	411.535	370.350	393.315	356.848	Investments in property	1.857	2.249	737	1.192	Intangible assets	288	591	288	591	Other non-current assets	1.741	3.183	5.390	4.741	Inventories	10.849	12.008	9.810	10.809	Trade receivables	76.806	69.860	76.112	70.432	Other current assets	25.044	64.549	23.701	61.289	TOTAL ASSETS	528.120	622.790	511.362	605.902	EQUITY & LIABILITIES					Share capital	161.299	161.299	161.299	161.299	Other equity items	35.512	49.460	36.872	48.533	Share capital and reserves (a)	196.811	210.759	198.171	209.832	Minority interests (b)	5.535	5.704	-	-	Total Equity (c) = (a) + (b)	202.346	216.463	198.171	209.832	Long-term borrowings	218.701	210.403	216.331	209.862	Provisions and other long-term liabilities	6.205	6.554	4.536	4.988	Short-term borrowings	50.256	44.235	48.540	43.016	Other short-term liabilities	50.812	45.135	43.684	38.204	Total liabilities (d)	325.774	306.327	313.191	296.070	TOTAL EQUITY AND LIABILITIES (c) + (d)	528.120	622.790	511.362	605.902	<table><tr><th></th><th>Group from 01.01 to 31.12.2008</th><th>31.12.2007</th><th>Company from 01.01 to 31.12.2008</th><th>31.12.2007</th></tr><tr><td>Turnover</td><td>278.936</td><td>254.332</td><td>252.102</td><td>232.310</td></tr><tr><td>Gross profit</td><td>51.002</td><td>60.273</td><td>52.257</td><td>60.908</td></tr><tr><td>Earnings / (losses) before taxes, financing and investing results (EBIT)</td><td>15.130</td><td>27.104</td><td>16.007</td><td>29.099</td></tr><tr><td>Earnings / (losses) before taxes (EBT)</td><td>(6.413)</td><td>12.284</td><td>(3.500)</td><td>13.778</td></tr><tr><td>Earnings / (losses) after taxes</td><td>(6.630)</td><td>11.811</td><td>(3.543)</td><td>13.611</td></tr><tr><td>Attributable to:</td><td></td><td></td><td></td><td></td></tr><tr><td>Equity holders of the Company</td><td>(5.886)</td><td>12.314</td><td>-</td><td>-</td></tr><tr><td>Minority interests</td><td>(744)</td><td>(503)</td><td>-</td><td>-</td></tr><tr><td>Earnings / (losses) after taxes per share basic - (in €)</td><td>(0.0365)</td><td>0.1000</td><td>(0.0220)</td><td>0.1105</td></tr><tr><td>Proposed dividend per share (in €)</td><td>-</td><td>-</td><td>-</td><td>0.0500</td></tr><tr><td>Earnings / (losses) before taxes, financing and investing results, depreciation and amortization (EBITDA)</td><td>26.909</td><td>43.017</td><td>27.312</td><td>43.339</td></tr></table>			Group from 01.01 to 31.12.2008	31.12.2007	Company from 01.01 to 31.12.2008	31.12.2007	Turnover	278.936	254.332	252.102	232.310	Gross profit	51.002	60.273	52.257	60.908	Earnings / (losses) before taxes, financing and investing results (EBIT)	15.130	27.104	16.007	29.099	Earnings / (losses) before taxes (EBT)	(6.413)	12.284	(3.500)	13.778	Earnings / (losses) after taxes	(6.630)	11.811	(3.543)	13.611	Attributable to:					Equity holders of the Company	(5.886)	12.314	-	-	Minority interests	(744)	(503)	-	-	Earnings / (losses) after taxes per share basic - (in €)	(0.0365)	0.1000	(0.0220)	0.1105	Proposed dividend per share (in €)	-	-	-	0.0500	Earnings / (losses) before taxes, financing and investing results, depreciation and amortization (EBITDA)	26.909	43.017	27.312	43.339																																																																	
	Group 31.12.2008	31.12.2007	Company 31.12.2008	31.12.2007																																																																																																																																																																																																																																												
ASSETS																																																																																																																																																																																																																																																
Tangible assets	411.535	370.350	393.315	356.848																																																																																																																																																																																																																																												
Investments in property	1.857	2.249	737	1.192																																																																																																																																																																																																																																												
Intangible assets	288	591	288	591																																																																																																																																																																																																																																												
Other non-current assets	1.741	3.183	5.390	4.741																																																																																																																																																																																																																																												
Inventories	10.849	12.008	9.810	10.809																																																																																																																																																																																																																																												
Trade receivables	76.806	69.860	76.112	70.432																																																																																																																																																																																																																																												
Other current assets	25.044	64.549	23.701	61.289																																																																																																																																																																																																																																												
TOTAL ASSETS	528.120	622.790	511.362	605.902																																																																																																																																																																																																																																												
EQUITY & LIABILITIES																																																																																																																																																																																																																																																
Share capital	161.299	161.299	161.299	161.299																																																																																																																																																																																																																																												
Other equity items	35.512	49.460	36.872	48.533																																																																																																																																																																																																																																												
Share capital and reserves (a)	196.811	210.759	198.171	209.832																																																																																																																																																																																																																																												
Minority interests (b)	5.535	5.704	-	-																																																																																																																																																																																																																																												
Total Equity (c) = (a) + (b)	202.346	216.463	198.171	209.832																																																																																																																																																																																																																																												
Long-term borrowings	218.701	210.403	216.331	209.862																																																																																																																																																																																																																																												
Provisions and other long-term liabilities	6.205	6.554	4.536	4.988																																																																																																																																																																																																																																												
Short-term borrowings	50.256	44.235	48.540	43.016																																																																																																																																																																																																																																												
Other short-term liabilities	50.812	45.135	43.684	38.204																																																																																																																																																																																																																																												
Total liabilities (d)	325.774	306.327	313.191	296.070																																																																																																																																																																																																																																												
TOTAL EQUITY AND LIABILITIES (c) + (d)	528.120	622.790	511.362	605.902																																																																																																																																																																																																																																												
	Group from 01.01 to 31.12.2008	31.12.2007	Company from 01.01 to 31.12.2008	31.12.2007																																																																																																																																																																																																																																												
Turnover	278.936	254.332	252.102	232.310																																																																																																																																																																																																																																												
Gross profit	51.002	60.273	52.257	60.908																																																																																																																																																																																																																																												
Earnings / (losses) before taxes, financing and investing results (EBIT)	15.130	27.104	16.007	29.099																																																																																																																																																																																																																																												
Earnings / (losses) before taxes (EBT)	(6.413)	12.284	(3.500)	13.778																																																																																																																																																																																																																																												
Earnings / (losses) after taxes	(6.630)	11.811	(3.543)	13.611																																																																																																																																																																																																																																												
Attributable to:																																																																																																																																																																																																																																																
Equity holders of the Company	(5.886)	12.314	-	-																																																																																																																																																																																																																																												
Minority interests	(744)	(503)	-	-																																																																																																																																																																																																																																												
Earnings / (losses) after taxes per share basic - (in €)	(0.0365)	0.1000	(0.0220)	0.1105																																																																																																																																																																																																																																												
Proposed dividend per share (in €)	-	-	-	0.0500																																																																																																																																																																																																																																												
Earnings / (losses) before taxes, financing and investing results, depreciation and amortization (EBITDA)	26.909	43.017	27.312	43.339																																																																																																																																																																																																																																												
STATEMENT OF CHANGES IN EQUITY (Amounts in € thousand)				CASH FLOW STATEMENT (Amounts in € thousand)																																																																																																																																																																																																																																												
<table><tr><th></th><th>Group 31.12.2008</th><th>31.12.2007</th><th>Company 31.12.2008</th><th>31.12.2007</th></tr><tr><td>Equity at the beginning of the year (01.01.2008 and 01.01.2007, respectively)</td><td>216.463</td><td>111.333</td><td>209.832</td><td>103.135</td></tr><tr><td>Earnings / (losses) after taxes of the year</td><td>(6.630)</td><td>11.811</td><td>(3.543)</td><td>13.611</td></tr><tr><td>Increase of share capital</td><td>-</td><td>102.754</td><td>-</td><td>102.754</td></tr><tr><td>Distributed dividends</td><td>(8.176)</td><td>(9.780)</td><td>(8.065)</td><td>(9.678)</td></tr><tr><td>Net income recognised directly in equity</td><td>689</td><td>345</td><td>(53)</td><td>10</td></tr><tr><td>Equity at the end of the year (31.12.2008 and 31.12.2007, respectively)</td><td>202.346</td><td>216.463</td><td>198.171</td><td>209.832</td></tr></table>					Group 31.12.2008	31.12.2007	Company 31.12.2008	31.12.2007	Equity at the beginning of the year (01.01.2008 and 01.01.2007, respectively)	216.463	111.333	209.832	103.135	Earnings / (losses) after taxes of the year	(6.630)	11.811	(3.543)	13.611	Increase of share capital	-	102.754	-	102.754	Distributed dividends	(8.176)	(9.780)	(8.065)	(9.678)	Net income recognised directly in equity	689	345	(53)	10	Equity at the end of the year (31.12.2008 and 31.12.2007, respectively)	202.346	216.463	198.171	209.832	<table><tr><th></th><th>Group from 01.01 to 31.12.2008</th><th>31.12.2007</th><th>Company from 01.01 to 31.12.2008</th><th>31.12.2007</th></tr><tr><td>Operating activities</td><td></td><td></td><td></td><td></td></tr><tr><td>Earnings / (losses) before taxes</td><td>(6.413)</td><td>12.284</td><td>(3.500)</td><td>13.778</td></tr><tr><td>Adjustments for:</td><td></td><td></td><td></td><td></td></tr><tr><td>Depreciation</td><td>12.151</td><td>16.159</td><td>11.538</td><td>14.402</td></tr><tr><td>Grants amortization</td><td>(372)</td><td>(246)</td><td>(234)</td><td>(162)</td></tr><tr><td>Assets impairment / (reversal)</td><td>350</td><td>(460)</td><td>350</td><td>-</td></tr><tr><td>(Gain) / loss from disposal of property, plant and equipment</td><td>(15)</td><td>(1)</td><td>-</td><td>-</td></tr><tr><td>Provisions</td><td>1.257</td><td>229</td><td>1.275</td><td>294</td></tr><tr><td>Exchange differences</td><td>2</td><td>(18)</td><td>(1)</td><td>(13)</td></tr><tr><td>Results of investing activity</td><td>3.649</td><td>(830)</td><td>2.126</td><td>(655)</td></tr><tr><td>Financial expense (less financial income)</td><td>17.742</td><td>16.147</td><td>17.230</td><td>15.971</td></tr><tr><td></td><td>28.351</td><td>43.232</td><td>28.784</td><td>43.615</td></tr><tr><td>Adjustments for changes in working capital or related operating activities:</td><td></td><td></td><td></td><td></td></tr><tr><td>Decrease / (increase) of inventories</td><td>1.159</td><td>(2.451)</td><td>991</td><td>(2.094)</td></tr><tr><td>Decrease / (increase) of receivables</td><td>(6.064)</td><td>6.065</td><td>(7.705)</td><td>7.496</td></tr><tr><td>Increase / (decrease) of liabilities (other than borrowings)</td><td>5.576</td><td>(3.623)</td><td>5.584</td><td>(6.309)</td></tr><tr><td>Less:</td><td></td><td></td><td></td><td></td></tr><tr><td>Interest and financial expenses paid</td><td>(19.116)</td><td>(17.644)</td><td>(18.692)</td><td>(17.459)</td></tr><tr><td>Income tax paid</td><td>(400)</td><td>(810)</td><td>(172)</td><td>(559)</td></tr><tr><td>Cash flows from operating activities (a)</td><td>9.506</td><td>24.769</td><td>8.790</td><td>24.690</td></tr><tr><td>Investing activities</td><td></td><td></td><td></td><td></td></tr><tr><td>Acquisition of affiliates and other investments</td><td>(17.534)</td><td>(5.548)</td><td>(18.164)</td><td>(6.028)</td></tr><tr><td>Proceeds from disposal of affiliates and other investments</td><td>4.976</td><td>4.723</td><td>4.976</td><td>4.723</td></tr><tr><td>Purchase of tangible and intangible assets</td><td>(52.866)</td><td>(34.681)</td><td>(47.651)</td><td>(34.067)</td></tr><tr><td>Proceeds from the sale of property, plant and equipment</td><td>27</td><td>32</td><td>-</td><td>-</td></tr><tr><td>Interest received</td><td>1.192</td><td>1.532</td><td>1.178</td><td>1.523</td></tr><tr><td>Dividends received</td><td>1.966</td><td>247</td><td>2.063</td><td>335</td></tr><tr><td>Cash flow from investing activities (b)</td><td>(62.269)</td><td>(33.695)</td><td>(57.598)</td><td>(33.514)</td></tr><tr><td>Financing activities</td><td></td><td></td><td></td><td></td></tr><tr><td>Proceeds from the issue of share capital</td><td>630</td><td>106.796</td><td>-</td><td>106.637</td></tr><tr><td>Payment of expenses for share capital issuance</td><td>(130)</td><td>(3.887)</td><td>(115)</td><td>(3.883)</td></tr><tr><td>Proceeds from borrowings</td><td>23.930</td><td>9.875</td><td>21.093</td><td>9.129</td></tr><tr><td>Payment of borrowings</td><td>(8.643)</td><td>(41.412)</td><td>(9.000)</td><td>(41.385)</td></tr><tr><td>Grants received</td><td>198</td><td>206</td><td>-</td><td>-</td></tr><tr><td>Dividends paid</td><td>(8.106)</td><td>(9.655)</td><td>(8.055)</td><td>(9.604)</td></tr><tr><td>Cash flow from financing activities (c)</td><td>6.879</td><td>61.923</td><td>3.923</td><td>60.894</td></tr><tr><td>Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)</td><td>(45.884)</td><td>52.997</td><td>(44.885)</td><td>52.070</td></tr><tr><td>Cash and cash equivalents at beginning of the year</td><td>56.257</td><td>3.260</td><td>54.632</td><td>2.562</td></tr><tr><td>Cash and cash equivalents at end of the year</td><td>10.373</td><td>56.257</td><td>9.747</td><td>54.632</td></tr></table>			Group from 01.01 to 31.12.2008	31.12.2007	Company from 01.01 to 31.12.2008	31.12.2007	Operating activities					Earnings / (losses) before taxes	(6.413)	12.284	(3.500)	13.778	Adjustments for:					Depreciation	12.151	16.159	11.538	14.402	Grants amortization	(372)	(246)	(234)	(162)	Assets impairment / (reversal)	350	(460)	350	-	(Gain) / loss from disposal of property, plant and equipment	(15)	(1)	-	-	Provisions	1.257	229	1.275	294	Exchange differences	2	(18)	(1)	(13)	Results of investing activity	3.649	(830)	2.126	(655)	Financial expense (less financial income)	17.742	16.147	17.230	15.971		28.351	43.232	28.784	43.615	Adjustments for changes in working capital or related operating activities:					Decrease / (increase) of inventories	1.159	(2.451)	991	(2.094)	Decrease / (increase) of receivables	(6.064)	6.065	(7.705)	7.496	Increase / (decrease) of liabilities (other than borrowings)	5.576	(3.623)	5.584	(6.309)	Less:					Interest and financial expenses paid	(19.116)	(17.644)	(18.692)	(17.459)	Income tax paid	(400)	(810)	(172)	(559)	Cash flows from operating activities (a)	9.506	24.769	8.790	24.690	Investing activities					Acquisition of affiliates and other investments	(17.534)	(5.548)	(18.164)	(6.028)	Proceeds from disposal of affiliates and other investments	4.976	4.723	4.976	4.723	Purchase of tangible and intangible assets	(52.866)	(34.681)	(47.651)	(34.067)	Proceeds from the sale of property, plant and equipment	27	32	-	-	Interest received	1.192	1.532	1.178	1.523	Dividends received	1.966	247	2.063	335	Cash flow from investing activities (b)	(62.269)	(33.695)	(57.598)	(33.514)	Financing activities					Proceeds from the issue of share capital	630	106.796	-	106.637	Payment of expenses for share capital issuance	(130)	(3.887)	(115)	(3.883)	Proceeds from borrowings	23.930	9.875	21.093	9.129	Payment of borrowings	(8.643)	(41.412)	(9.000)	(41.385)	Grants received	198	206	-	-	Dividends paid	(8.106)	(9.655)	(8.055)	(9.604)	Cash flow from financing activities (c)	6.879	61.923	3.923	60.894	Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	(45.884)	52.997	(44.885)	52.070	Cash and cash equivalents at beginning of the year	56.257	3.260	54.632	2.562	Cash and cash equivalents at end of the year	10.373	56.257	9.747	54.632
	Group 31.12.2008	31.12.2007	Company 31.12.2008	31.12.2007																																																																																																																																																																																																																																												
Equity at the beginning of the year (01.01.2008 and 01.01.2007, respectively)	216.463	111.333	209.832	103.135																																																																																																																																																																																																																																												
Earnings / (losses) after taxes of the year	(6.630)	11.811	(3.543)	13.611																																																																																																																																																																																																																																												
Increase of share capital	-	102.754	-	102.754																																																																																																																																																																																																																																												
Distributed dividends	(8.176)	(9.780)	(8.065)	(9.678)																																																																																																																																																																																																																																												
Net income recognised directly in equity	689	345	(53)	10																																																																																																																																																																																																																																												
Equity at the end of the year (31.12.2008 and 31.12.2007, respectively)	202.346	216.463	198.171	209.832																																																																																																																																																																																																																																												
	Group from 01.01 to 31.12.2008	31.12.2007	Company from 01.01 to 31.12.2008	31.12.2007																																																																																																																																																																																																																																												
Operating activities																																																																																																																																																																																																																																																
Earnings / (losses) before taxes	(6.413)	12.284	(3.500)	13.778																																																																																																																																																																																																																																												
Adjustments for:																																																																																																																																																																																																																																																
Depreciation	12.151	16.159	11.538	14.402																																																																																																																																																																																																																																												
Grants amortization	(372)	(246)	(234)	(162)																																																																																																																																																																																																																																												
Assets impairment / (reversal)	350	(460)	350	-																																																																																																																																																																																																																																												
(Gain) / loss from disposal of property, plant and equipment	(15)	(1)	-	-																																																																																																																																																																																																																																												
Provisions	1.257	229	1.275	294																																																																																																																																																																																																																																												
Exchange differences	2	(18)	(1)	(13)																																																																																																																																																																																																																																												
Results of investing activity	3.649	(830)	2.126	(655)																																																																																																																																																																																																																																												
Financial expense (less financial income)	17.742	16.147	17.230	15.971																																																																																																																																																																																																																																												
	28.351	43.232	28.784	43.615																																																																																																																																																																																																																																												
Adjustments for changes in working capital or related operating activities:																																																																																																																																																																																																																																																
Decrease / (increase) of inventories	1.159	(2.451)	991	(2.094)																																																																																																																																																																																																																																												
Decrease / (increase) of receivables	(6.064)	6.065	(7.705)	7.496																																																																																																																																																																																																																																												
Increase / (decrease) of liabilities (other than borrowings)	5.576	(3.623)	5.584	(6.309)																																																																																																																																																																																																																																												
Less:																																																																																																																																																																																																																																																
Interest and financial expenses paid	(19.116)	(17.644)	(18.692)	(17.459)																																																																																																																																																																																																																																												
Income tax paid	(400)	(810)	(172)	(559)																																																																																																																																																																																																																																												
Cash flows from operating activities (a)	9.506	24.769	8.790	24.690																																																																																																																																																																																																																																												
Investing activities																																																																																																																																																																																																																																																
Acquisition of affiliates and other investments	(17.534)	(5.548)	(18.164)	(6.028)																																																																																																																																																																																																																																												
Proceeds from disposal of affiliates and other investments	4.976	4.723	4.976	4.723																																																																																																																																																																																																																																												
Purchase of tangible and intangible assets	(52.866)	(34.681)	(47.651)	(34.067)																																																																																																																																																																																																																																												
Proceeds from the sale of property, plant and equipment	27	32	-	-																																																																																																																																																																																																																																												
Interest received	1.192	1.532	1.178	1.523																																																																																																																																																																																																																																												
Dividends received	1.966	247	2.063	335																																																																																																																																																																																																																																												
Cash flow from investing activities (b)	(62.269)	(33.695)	(57.598)	(33.514)																																																																																																																																																																																																																																												
Financing activities																																																																																																																																																																																																																																																
Proceeds from the issue of share capital	630	106.796	-	106.637																																																																																																																																																																																																																																												
Payment of expenses for share capital issuance	(130)	(3.887)	(115)	(3.883)																																																																																																																																																																																																																																												
Proceeds from borrowings	23.930	9.875	21.093	9.129																																																																																																																																																																																																																																												
Payment of borrowings	(8.643)	(41.412)	(9.000)	(41.385)																																																																																																																																																																																																																																												
Grants received	198	206	-	-																																																																																																																																																																																																																																												
Dividends paid	(8.106)	(9.655)	(8.055)	(9.604)																																																																																																																																																																																																																																												
Cash flow from financing activities (c)	6.879	61.923	3.923	60.894																																																																																																																																																																																																																																												
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	(45.884)	52.997	(44.885)	52.070																																																																																																																																																																																																																																												
Cash and cash equivalents at beginning of the year	56.257	3.260	54.632	2.562																																																																																																																																																																																																																																												
Cash and cash equivalents at end of the year	10.373	56.257	9.747	54.632																																																																																																																																																																																																																																												
Chania, March 27th 2009																																																																																																																																																																																																																																																
THE 2ND VICE-CHAIRMAN OF THE BOARD OF DIRECTORS		THE MANAGING DIRECTOR		THE CHIEF FINANCIAL OFFICER																																																																																																																																																																																																																																												
THE CHIEF ACCOUNTANT																																																																																																																																																																																																																																																
SPYRIDON I. PROTOPAPADAKIS ID. No. AA 490648		IOANNIS I. VARDINOIANNIS ID. No. IT 966572		STYLIANOS I. STAMOS ID. No. M 068570																																																																																																																																																																																																																																												
				IOANNIS E. SPANOUDAKIS H.E.C. License No. 20599/A' CLASS																																																																																																																																																																																																																																												

Use of proceeds report from share capital increase

It is hereby disclosed that, subject to the decision of the Athens Exchange No. 25/17.07.2008, from the company's share capital increase made in cash according to the decision of the 2nd repeated Extraordinary General Meeting of shareholders as of 5/11/2006, and the 2nd repeated Special Meeting of shareholders holding preferred shares issued in 1990 and 1996, as of 23/12/2006, and the Capital Market Commission Decision No. 426/ 30.4.2007, total capital was withdrawn (at the total amount of 106,636,687.50 less expenses of 3,998,064.42), net amount stood at 102,638,623.08, which, with regard to the provisions of the Prospectus, was distributed by 31.12.2008 as follows:

Appropriation of raised funds	Total raised funds	Change of use of raised up funds as BoD decision*	Funds allocated		Non-allocated funds up to 31.12.2008
			FY 2007	FY 2008	
1. Purchase of new vessels	82.218.623,08	77.718.623,08	32.678.647,44	39.916.593,68	5.123.381,96
2. Repayment of long term borrowings	20.420.000,00	20.420.000,00	20.420.000,00	0,00	0,00
3. Working Capital	0,00	4.500.000,00	0,00	4.500.000,00	0,00
Total	102.638.623,08	102.638.623,08	53.098.647,44	44.416.593,68	5.123.381,96

* The Board of Directors decided at 19.12.2008 to change the allocation of the raised funds transferring an amount of € 4,5 million from the "investment to new vessels" to "working capital" and to extend the disposal until the date of 31.03.2009.

The non allocated amount as of 31.12.2008 was invested in time deposits and were disclosed under the "Cash and cash equivalents" figure in the Balance Sheet as of 31.12.2008.

Other information:

- Period to exercise preemptive rights: 16/4 - 16/5/2007.
- Shares issued: 101,558,750.
- Date of listing of new shares on ATHEX: 29/5/2007.
- Date of certification of share capital increase: 18/5/2007.

Chania, 27 March 2009

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

Stylianos I. Stamos
ID Card No. M 068570

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

Information according the article 10 of Law 3401/2005

The following information, released to the investing public by ANEK within 2008, are posted on the Athens Stock Exchange Daily Official List and are available in its website www.ase.gr and the Company www.anek.gr.

Date	Subjects
8/1/2008	Notifications about a significant change in the number of voting rights according the Law 3556/2007
14/1/2008	Announcement of 2 nd Repeat Extraordinary Meeting postponement
15/1/2008	Notification about a significant change in the number of voting rights according the Law 3556/2007
17/1/2008	Resolutions of General Meeting
23/1/2008	Announcement of 1 st Repeat Extraordinary Meeting postponement
25/1/2008	Press Release : SEA STAR CAPITAL PLC
	Press release regarding publications
28/1/2008	Announcement according the Law 3556/2007
29/1/2008	Notifications about a significant change in the number of voting rights according the Law 3556/2007
30/1/2008	Notification about a significant change in the number of voting rights according the Law 3556/2007
31/1/2008	Notification about a significant change in the number of voting rights according the Law 3556/2007
4/2/2008	Postponement of 2 nd Repeat Special General Meeting
	Resolutions of the 2 nd Repeat Extraordinary General Meeting
3/3/2008	Resolutions of the 2 nd Repeat Special General Meeting
14/3/2008	Announcement for the completion of loan restructuring
20/3/2008	Financial Calendar 2008
24/3/2008	Correction of Financial Calendar 2008
28/3/2008	Press Release regarding the Financial Results for the year 2007
31/3/2008	Announcement according the Law 3556/2007
21/4/2008	Annual Conference Call for analysts regarding the financial results of 2007
23/4/2008	Announcement for the extension of the raised up capital fund allocation
	Invitation to the special general meeting of shareholders with preference rights
	Invitation to the annual ordinary general shareholder meeting
2/5/2008	Annual Report for the year 2007 disposal
19/5/2008	Resolutions adopted by the Annual General Meeting
	Announcement according the Law 3556/2007
29/5/2008	Announcement of 1 st Repeat Ordinary and 1 st Repeat Special shareholder's Meeting postponement
30/5/2008	Press Release regarding the Financial Results for the first quarter of 2008

9/6/2008	Decisions of 2 nd repeat extraordinary shareholder's Meeting with preference shares
	Decision of 2 nd repeat ordinary shareholder's Meeting
20/6/2008	Announcement for the rights of dividend payment for the FY 2007
7/7/2008	Decisions of 2 nd repeat Extraordinary shareholder's Meeting
8/7/2008	Announcement according the Law 3556/2007
18/7/2008	Announcement according the Law 3556/2007
23/7/2008	Press Release : SEA STAR CAPITAL PLC
30/7/2008	Announcement according the Law 3556/2007
4/8/2008	Announcement according the Law 3556/2007
19/8/2008	Announcement according the Law 3556/2007
29/8/2008	Press Release : Financial Results for the First Half of 2008
17/9/2008	Announcement according the Law 3556/2007
22/9/2008	Announcement according the Law 3556/2007
23/9/2008	Announcement according the Law 3556/2007
24/9/2008	Announcement according the Law 3556/2007
25/9/2008	Announcement according the Law 3556/2007
29/9/2008	Announcement according the Law 3556/2007
30/9/2008	Announcement according the Law 3556/2007
3/10/2008	Announcement according the Law 3556/2007
6/10/2008	Announcement according the Law 3556/2007
7/10/2008	Announcement according the Law 3556/2007
9/10/2008	Press Release : Anek Lines fleet reinforced by the new F/B ELYROS
	Announcement according the Law 3556/2007
13/10/2008	Announcement according the Law 3556/2007
24/10/2008	Announcement according the Law 3556/2007
19/11/2008	Tax audit for the years 2005 - 2007
24/11/2008	Financial Results for the 9 months period of 2008
3/12/2008	Announcement according the Law 3556/2007
11/12/2008	Announcement according the Law 3556/2007
17/12/2008	Press Release for the ANEK Lines prize award
22/12/2008	Announcement for the decision of change the allocation of raised funds