MINOAN LINES SHIPPING S.A.

Annual Financial Report for the year 2008 (1/1 – 31/12/2008)

Minoan Lines Shipping Societe Anonyme
Company's Nr 11314/06/B/86/13
in the register of the Societes Anonymes
17, 25th August Str. – 71 202
Heraklion-Crete-Greece

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STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

(In accordance with article 4 par. 2 of law 3556/2007)

We, the undersigned, hereby state that according to our knowledge:

1. The annual separate and consolidated financial statements of the company «MINOAN LINES SHIPPING S.A.» for the period from January 1st 2008 to December 31st 2008, as prepared in accordance with the applicable International Accounting Standards, give a true view of the assets, liabilities, equity, and the financial results for the period ended, of the company «MINOAN LINES SHIPPING S.A.», and of the companies included in the consolidation, taken as a whole, in accordance with the provisions of the article 4 , paragraphs 3 - 5 of the of law 3556/2007 and,

2. The annual report of the board of Directors , gives a true view of the development, the performance and the financial position of the Company and the companies included in the consolidation, taken as a whole, including the description of all significant risks and uncertainties.

Heraklion March 26th 2009

The Vice-Chairman of the Board	The Chief Executive Officer	The member of the Board
Konstantinos Mamalakis	**Antonios Maniadakis**	**Evangelos Froudakis**
ID C No AA 367050	**ID C No X 850531**	**ID C No AE 962886**

Minoan Lines Shipping S.A. – Annual Financial Statements for the year 2008 (1/1 – 31/12/2008) (in Euros)

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF "MINOAN LINES S.A." TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1/1-31/12/2008

This report refers to the consolidated Financial Statements and to the separate financial statements for the year 2008 and has been prepared in accordance with paragraph 6 of the article 4 of law 3556/2007.

Significant events for the year 2008 – Effect on Financial Statements

In 2008 the company, within a highly competitive environment, achieved to increase its market shares in all Adriatic routes, while in the 'Heraklion – Piraeus' route, it managed to maintain its leading market shares.

Given the above, the Company's Revenue increased significantly, as compared to the year 2007 achieving simultaneously the highest level of revenue since the Company's foundation.

However, the dramatic increase in fuel prices, +60% approximately in relation to the previous year corresponding period, increased significantly the operating cost. The additional operating cost from the fuel price increase, itself, absorbed completely the increase in Revenues, as this is shown in the Company's net results, which declined against the financial year of 2007.

Traffic Volumes

In north Adriatic routes (Ancona and Venice), the Company performing +53 more trips in respect to the previous year, carried +22.5 thous more passengers, +4.5 thous. more private cars and +5.8 thous. more trucks achieving, in a intensive competitive market, a significant increase in all traffic categories.

More precisely, the Company maintained the highest market shares among the companies operated in the specific market as concerns passengers and cars, while in trucks presented a slight decrease -0.2% (460 trucks less) in respect to the specific category's leading company . The reduction of its share in trucks is primarily attributed to the full garage capacity utilization in the summer period.

Ancona & Venice	Traffic (in thous.)			Traffic per Trip			Market Shares	
	2008	2007	Change %	2008	2007	Change %	2008	2007
Passengers	564	542	+ 4.2 %	532	538	- 1.0 %	37.7 %	36.1 %
Cars	149	145	+ 3.1 %	141	143	- 2.0 %	39.9 %	37.3 %
Trucks	87	81	+ 7.2 %	82	80	+ 1.9 %	33.4 %	31.3 %
Trips	1,061	1,008	+ 5.3 %				33.6%	30.5%

In "Heraklion-Piraeus" route, the Company maintained its leading position in the specific market, increasing its market volumes for forth consecutive year. Performing three trips less in respect to the previous year, it managed to increase the average volumes per trip in all traffic categories and carried +27.9 thous. more passengers +4.0 thous. more private cars and +0.3 thous. more trucks in respect to the previous year.

Heraklion - Piraeus	Traffic (in thous.)			Traffic per trip		
	2008	2007	change %	2008	2007	change %
Passengers	1,010	982	+ 2.8 %	1,217	1,179	+ 3.2 %
Cars	134	130	+ 5.1 %	162	156	+ 3.5 %
Trucks	69	69	- 3.3 %	84	83	+ 0.9 %
Trips	830	833	- 0.4 %			

Financial Results – Balance Sheet

The most important items of the Balance Sheet and Income Statement of the Company that have been prepared in accordance with I.F.R.S. are presented below:

In million €	2008	2007	Change	
			€	%
Balance Sheet				
Non Current Assets	601.34	617.21	- 15.87	- 2.6 %
Current Assets	79.69	55.22	+ 24.47	+ 44.3 %
Equity	266.62	268.18	-1.56	- 0.6 %
Total Liabilities	414.41	404.24	+ 10.17	+ 2.5 %
Income Statement				
Revenue	**213.63**	**195.70**	**+ 17.93**	**+ 9.2 %**
Cost of Sales	- 161.76	- 138.13	+ 23.63	+ 17.1 %
Distribution Costs and Administration Expenses	- 28.07	- 28.82	- 0.75	- 2.6 %
Other operating results	+ 0.70	+ 0.37	+ 0.33	+ 89.2 %
Operating Profit before tax, depreciation, financing and investing costs (E.B.I.T.D.A.)	**24.50**	**29.13**	**- 4.63**	**- 15.9 %**
Financial Income	+ 2.59	+ 6.53	- 3.94	- 60.3 %
Financial Expenses	- 25.10	- 25.04	+ 0.06	+ 0.2 %
Taxes	- 0.00	- 0.05	- 0.05	- 100.0 %
Net Profit after Tax	**1.98**	**10.57**	**- 8.59**	**- 81.3 %**

- ✓ The 'Non-Current Assets' amounted to €601.34 million against €617.21 million of the previous year reduced by €15.87 million (-2.6%), primarily due to the depreciation costs of the current year.
- ✓ The 'Current Assets' were increased by €24.47 million (+44.3%) and amounted to €79.69 million against €55.22 million of the previous year, mainly attributed to the increase in cash and cash equivalents and trade receivables as well.
- ✓ The 'Equity' was reduced by €1.56 million (-0.6%) and reached €266.62 million against €268.18 million of the previous year, primarily attributed to the dividends' payment which were distributed within 2008.
- ✓ The 'Total Liabilities' amounted to € 414.41 million against € 404.24 million of the previous year, mainly attributed to the increase in long term debt due to loan restructuring. This restructuring, refers to a bond loan facility gradually maturing till 2019. The outstanding amount of the bond loan on 31/12/2008 was €356 million. For securing the above bond loan first preferred mortgages have been registered on the vessels of the Company.

On profit/loss basis, the determinant factors that influenced the operating results in relation to those of the previous year, were the significant improvement in revenue that resulted from the traffic volumes and capacity increase and the enormous increase in fuel prices which absorbed completely the above revenue increase.

In more detail:

- ✓ The 'Revenues' were significantly increased by €17.93 million (+9.2%) and reached €213.63 million against €195.70 in 2007.
- ✓ The 'Cost of Sales' was increased by €23.63 million (+17.1%), amounting to €161.76 million against €138.13 as compared to the previous year. At this point we would like to note the dramatic increase in fuel cost, which was increased by +34.7% as compared to the previous year and consists now the 47.5% (against 41.3% in reference to the year 2007) of the Company's cost of sales.
- ✓ Despite the additional distribution cost (sale commissions) that derived from the significant increase in revenues, the Company's management achieved to reduce the 'Distribution costs and Administration expenses by € -0.75 million (-2.6%) in comparison with 2007 and amounted to € 28.07 million.
- ✓ The 'Operating Profit before tax, depreciation, financing and investing costs', is reduced by €-4.63 million (-15.9%) in relation to the year 2007, and amounted to €24.50 million against €29.13, while the respective margin reached 11.5% against 14.9% in the respective period of 2007.
- ✓ The 'Financial Expenses', despite the increase in interest rates during the first nine months of 2008, were at the same levels with those of the previous year respective period, amounting to € 25.10 million versus € 25.04 million in 2007.

  It is worth noting that, in the current year an amount of € 1.1 million has been recorded in the above item, referring to the unamortized restructuring cost of the previous loan facility which the Company prepaid in 2008. Excluding the aforementioned amount, the 'Financial Expenses' are shown decreased by €1.04 million (-4.2%) in relation to the year 2007.
- ✓ The 'Financial Income' decreased to €2.59 against €6.53 in comparison to the year 2007. This significant change is related to the dividend income that the parent company received in 2008 from its associate "HELLENIC SEAWAYS S.A.", and the fact that in the year 2007 the item "financial income" included revenue from the interest rate swap contracts and the profit from their sale.
- ✓ The 'Net Profit After taxation' amounted to €1.98 million against €10.57 million of 2007 reduced by €-8.59 million (-81.3%)

Minoan Lines Shipping S.A. – Annual Financial Statements for the year 2008 (1/1 – 31/12/2008) (in Euros)

Financial Ratios

The significant increase in operating cost during 2008, as a result to the high fuel cost and the high level of interest rates affected negatively the profitability and the relevant financial ratios as well.

The main financial ratios of the Company are presented here below:

Ratio	Definition	31/12/2008	31/12/2007
Liquidity	Total Current Assets / Total Current Liabilities	**1.1**	**0.3**
viability ratio (days)	Total Current Assets – Short Term Borrowings / Total operating Cost (cost of sales+ Administration Expenses + Distribution Costs) before Depreciation	**118**	**83**
Debt to non Current Assets	Total Debt / Total non Current Assets	**0.6**	**0.6**
Equity to Total Liabilities	Total Equity / Total Liabilities	**0.6**	**0.7**
Bank debt Repayment	Net Bank Debt / E.B.I.T.D.A.	**8.6**	**7.7**
Interest Coverage Ratio	E.B.I.T.D.A. / Net Financial Results	**2.0**	**2.2**
Return on Assets	Net Profits after Taxes / Total Assets	**0.3%**	**1.6%**
Return on Equity	Net Profits after Taxes / Total Equity	**0.7%**	**3.9%**
Return on Invested Capital	Operating profits before Taxes, Financing and Investing Costs / Total net Bank Debt + Equity + Provisions	**3.9%**	**4.6%**

Dividend of the year 2008

The Company's Board of Directors, taking into account the global economic environment and its intention to proceed gradually to the replacement of Minoan Lines fleet with vessels of higher capacity as well, will not propose to the annual general assembly distribution of dividend from the profit of the year 2008.

The Group

In the table below, are presented the companies that along with the parent company are included in the annual consolidated financial statements, as well as their consolidation method :

Name	Consolidation Method	Headquarters	% Interest 2008	% Interest 2007
Kritiki Filoxenia S.A.	Full	Heraklion-Crete	99.99%	99.99%
Minoan Escape S.A.	Full	Heraklion-Crete	99.95%	99.95%
Minoan Cruises S.A.	Full	Heraklion-Crete	80.28%	80.28%
Athina A.V.E.E.	Full	Heraklion-Crete	99.99%	99.99%
European Thalassic Agencies shipping management & consultants S.A.*	Full	Panamas	100.00%	100.00%
Hellenic Seaways S.A.	Equity	Piraeus	33.35%	33.35%
Mediterranean Ferries S.r.l.*	Equity	Genova-Italy	50.00%	50.00%

* The companies are in liquidation.

The difference in the Group's Net Profit as compared with this of the Company's separate financial statements, is primarily due to the share of profit from the interest in the associate company "HELLENIC SEAWAYS S.A.", of which the consolidated net profit for the year 2008 in accordance with I.F.R.S. reached

€10.72 million against €17.38 million in 2007. The decline in the net consolidated profit of the above associate is mainly due to the enormous fuel price increase.
The respective profit that is recorded in the Consolidated Financial Statements reached €3.57 million against €5.83 million in 2007, corresponding to the Company's interest in the associate. It should be noted that, an amount of €2.07 million refers to the dividend received in 2008 from the above associate, that has been eliminated in the consolidation whereas it is included in the Company's income statement.

In the table below, the consolidated balance sheet as well as the income statement of the Group are presented in summary.

In million €	2008	2007	Change	
			€	%
Balance Sheet				
Non – current assets	607.46	623.62	- 16.16	- 2.6 %
Current Assets	85.40	60.84	+ 24.56	+ 40.4 %
Equity	278.42	280.17	- 1.75	- 0.6 %
Total Liabilities	414.44	404.30	+ 10.14	+ 2.5 %
Income Statement				
Revenue	**213.78**	**195.94**	**+ 17.84**	**+ 9.1 %**
Cost of sales	- 161.82	- 138.24	+ 23.58	+ 17.1 %
Distribution Costs and Administration Expenses	- 28.07	- 28.87	- 0.80	- 2.8 %
Operating Profit before tax, depreciation, financing and investing costs (E.B.I.T.D.A.)	**24.34**	**29.13**	**- 4.79**	**- 16.4 %**
Financial expenses	- 21.03	- 12.70	+ 8.33	+ 65.6 %
Net profit after tax and minority interests	**3.31**	**16.36**	**- 13.05**	**- 79.8 %**

Company's Shareholding developments – Share price – Management Developments

2008 has been a year with significant developments in the Company's share capital structure. In January 2008, the Grimaldi Group acquired a stake of 30.0% in Minoan Lines share capital from the Cyprian company Sea Star Capital.

In October 2008, the company «GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.a.» a Grimaldi Group member, surpassed the threshold 33.3% and according to the law, submitted to the shareholders of MINOAN LINES S.A. a public offer for the acquisition of the total of the Company's shares , at a price of € 5.29 per share.
After the completion of the public offer procedure in November 2008 the interest of the company «GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.a.» in Minoan Lines share capital reached 84.7%. In March 2009, the interest reached 85.0% approximately.

Due to the above, Minoan Lines share presented the best performance in comparison with the other shares of the sector and the smallest decrease in comparison with the previous year despite the negative economic climate and the financial crisis that has been accelerated over the last months of 2008. In 2008 the share price declined by 2.9% with closing price € 4.72 while the sector indices Travel and Leisure noted a decline by 35.9% and the Athens Stock Exchange index by 65.5%.

A non executive member of the Board of Directors resigned on October 31st 2008. After the BoD decision not to fill the vacancy, according to article 21 paragraph 1 of the Company's article of association, the BoD consists of eleven members.

Significant post balance sheet date events

In January 2009, the Company proceeded to an agreement with the company Societe Nationale Maritime Corse Mediterrannee (S.N.C.M.) for the sale of the vessel Pasiphae Palace at a net price of € 73.5 million. This agreement was concluded on March 19th , 2009 with the delivery of the vessel. The net profit from the above transaction amounted to approximately € 2.2 million. From the above funds, € 47,335,000.00 were used for the partial prepayment of the bond loan facility and the remaining portion for strengthening the Company's liquidity.

Prospects of the year 2009

The enormous financial crisis that commenced from the banking sector, during the last quarter of 2008, was extended to the real economy of developed countries with adverse effects. Due to this reason the year 2009 is expected to be a difficult one.

This global crisis is expected to affect directly the transportation and tourism as well.

However, the decline of fuel prices and interest rates as well, if continued in the medium term, it will contribute substantially to the reduction of cost and offset the potential reduction of revenue.

In any case, the current economic conditions are volatile and any forecast is premature.

Minoan Lines top management is continuously monitoring the volatile economic environment and the competition within the sector and is willing to incorporate all these new developments in the Company's strategy by replacing the current fleet with new vessels with larger capacity and less fuel consumption. We believe that this strategy will increase the fleet's profitability and assist further Minoan Lines' future.

Risks and Uncertainties

The increase in fuel prices in the 9-month period of 2008, due to the nature of the services that the Company offers, consist the main risk to which it is exposed, since during the current period the fuel cost was near 50% of the total operating cost of vessels.

During the last quarter of 2008, the fuel prices have been reduced substantially and if continued in 2009 it will contribute positively to the fleet's operating profitability and to the reduction of risk that derives from the fuel prices.

Moreover, the Company considers several hedging instruments that, under the proper market conditions, will use them accordingly.

Interest Rates

The rapid increase in fuel prices resulted in the increase of inflation within the EU borders, a fact that led to the upward course of the EURIBOR.

The financial crisis that was intensified in the last quarter of 2008, in combination with the recession across all EU countries, forced the European central bank to decrease the interest rates and, thus, the interest rate risk that the Company faces was reduced accordingly.

The Company's exposure to the risk of the increase of interest rates is closely monitored and the Company calculates their effect on its operation. Under proper market conditions it will use derivative financial instruments in order to hedge the aforementioned risk and to improve its financial performance.

At the balance sheet date, a 0.5% fluctuation of the interest rates, would have proportionally increased or decreased the financial results of the Company, at the amounts presented below.

Interest rate fluctuation	Financial Results Sensitivity (amounts in million €)	
(%)	2008	2007*
+ 0.5%	+ 1.86	+ 1.94
- 0.5%	- 1.86	- 1.94

* interest rate hedging effect is not included

Liquidity

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, securing the right combination of cash and bank credit lines.

In particular, on December 31, 2008, the Company's cash and cash equivalent reached €20.5 million while the maintained lines of credit amounted to € 30.0 million from which € 23.9 million had been withdrawn. This amount is secured by post dated checks.

Foreign Exchange Risk

After the entrance of Greece in the Euro-Zone, the Company's foreign currency risk was almost eliminated given the fact that the transactions abroad are mainly realized in Euro.

Furthermore, the Company is not subject to foreign currency risk regarding its loans, taking under consideration that these are denominated in Euro. Indirectly, the Company is exposed in currency risk, from the bunkers supplies.

Market Conditions

The routes, where the Company operates its business are completely deliberate resulting to an intensive competition among all the companies of these markets. The Company monitors closely the competition and acts accordingly.

Significant transactions between the Company and the related parties

The tables below present, the transactions between the Company and the related parties during the year 2008 according to I.A.S. 24 and the inter-company balances of the trade receivables/payables as of December 31st 2008.

Sale of services to	Relation with the Company	Amount in €	Type of transaction
Minoan Escape S.A.	Subsidiary	248,887.81	Revenues from freights, rental, and employees' seconded as per agreement

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Purchase of services from	Relation with the Company	Amount in €	Type of transaction
Industria Armamento Meridionale S.p.a. (In.ar.me)	Company of the ultimate controlling party Group	1,977,379.41	Chartering of vessel as per time-charter agreement
Hellenic Seaways S.A.	Associate	1,213,359.00	Chartering of vessel as per time-charter agreement
Minoan Escape S.A.	Subsidiary	74,681.53	Ticket issuance Commission as per agreement

It should be noted that, the above transactions between the Company and the related parties are at arm's length.

Furthermore, in 2008, the Company received from the associate Hellenic Seaways S.A. dividend income amounted to € 2,070,862.00.

Here below the most significant outstanding balances on 31/12/2008, between the parent company and the related parties are presented:

Receivables from	Amount in €
Industria Armamento Meridionale S.p.a. (In.ar.me)	142,651.88
Mediterranean Ferries S.r.l.	158,954.03

The amount due from Mediterranean Ferries S.r.l. (a company under liquidation), refers to the parent's proportion on associate's receivables from V.A.T. refund from the Italian tax authorities.

Benefits to Members of the Board of Directors and management

The salary expenses of the Members of the Board and the Company's Directors are analysed as follows:

Salary expenses	Amount in €
Executive members of B.O.D	398,111.03
Non – executive members of B.O.D.	217,680.21
Directors	1,123,270.42
Totals	**1,739,061.66**

Explanatory report of the board of directors (paragraph 7-8 of Law 3556/2007)

1. Structure of the Company's share capital

The Company's share capital amounts to € 159,583,500 divided in 70,926,000 ordinary shares with a nominal value of € 2.25 each. All the shares are registered and listed for trading in the Securities Market of the Athens Stock Exchange (under "Large Cap" classification). Each share carries all the rights and obligations set out in law.

2. Limitations on transfer of Company shares

The Company shares may be transferred as provided by the law and there are no restrictions regarding the transfer of shares.

3. Significant direct or indirect interests in the context of articles 9 & 11 of Law 3556/2007

On December 31st 2008, the company «GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.a.» participated in Minoan Lines share capital with 84.95%.

According to the latest updated company shareholders' record (23/03/2009) the company «GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.a.» participated in Minoan Lines share capital with 85.01%.

4. Shares carrying special control rights

None of the Company shares carry any special rights of control.

5. Limitations on voting rights

There are no limitations on voting rights.

6. Agreements among Company shareholders

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights.

7. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association deviating from those provided in Codified Law 2190/1920

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Law 2190/20.

In reference to the replacement of members of the Board of Directors the article 22 & 25 of the articles of association applies.

Article 22 - Replacement of member of the Board of Directors

1. In case of vacancy in the Board of Directors due to death, resignation or for any other reason whatsoever, the remaining Directors are obliged by a resolution:

   A) To proceed with the filling of such vacancy with the Substitute Directors being elected at the last three (3) Regular General Meetings of the Shareholders. In that case, the vacancy will be filled with the Substitute Director who has been elected at the most recent Regular General Meeting of the Shareholders and, if two Substitute Directors have been elected at such General Meeting, with the Substitute Director that has received more votes.

   B) If the filling of the vacancy is not possible by Substitute Directors either because such Substitute Directors have not been elected or because the list of Substitute Directors has been exhausted, the remaining Directors are obliged to elect a director to replace the vacancy, provided that the number of the remaining Directors shall be less than nine (9) and taking also into account paragraph 1 of Article 26.

2. In case A of the aforementioned paragraph (Filling of the vacancy from the list of the Substitute Directors), the service of the Substitute Director shall be terminated at the end of the period of service of the director who is replacing.

3. In case B of the aforementioned paragraph (election by the remaining Directors), the service of the Substitute Director shall automatically be terminated at the end of the first following his election regular or special General Meeting of the Shareholders and his acts shall be considered valid even if such Director may not be elected as director by the General Meeting of the Shareholders. If the Substitute Director elected by the remaining directors, is elected by the General Meeting of the Shareholders as Director, such Director shall be elected to serve until the end of the period of service of the director who is replacing. The same service period will apply in case the General Meeting of the Shareholders will elect as a Director a person other than the Substitute Director elected by the remaining Directors.

Article 25

3. A Director not being present at the Meetings of the Board of Directors for three consecutive months has to be considered as his resignation and shall result to the decline of such Director from the respective resolution of the Board of Directors and the recording at the respective Minutes.

8. 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 codified Law 2190/1920

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 put in force, amended or terminated in the event of a change in the control of the Company, 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, except for the bond loan agreement which states that any change in the legal or ultimate beneficial ownership of any shares resulting in the change of control of the Company, constitute an event of default.

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

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment. In case of termination of employment of a member of company's personnel, indemnities and compensations according to the relevant legislation apply.

Heraklion, March 26th 2009
For and on Behalf of the Board Of Directors

The Vice Chairman	The Chief Executive Officer
Konstantinos Mamalakis	**Antonios Maniadakis**

Independent Auditor's Report
(Translated from the original in Greek)

To the Shareholders of
MINOAN LINES A.N.E.

Report on the Financial Statements

We have audited the accompanying Separate and Consolidated Financial Statements of MINOAN LINES A.N.E. (the "Company") which comprise the separate and consolidated balance sheet as of 31 December 2008 and the separate and consolidated statements of income, changes in equity and cash flows 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 International Financial Reporting Standards as adopted 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 misstatements, 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 International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Financial Statements give a true and fair view of the separate and consolidated financial position of the Company as of 31 December 2008 and of its separate and consolidated financial performance and its separate and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying Financial Statements within the scope set by articles 37 and 43a of C.L. 2190/1920.

Athens, 26 March 2009

KPMG Certified Auditors A.E.

Nikolaos Vouniseas, Certified Auditor Accountant

AM SOEL 18701

Annual Financial Statements

for the year 2008 (1/1 – 31/12/2008)

(In accordance with International Financial Reporting Standards)

The accompanying Financial Statements on pages 19-50 have been approved by the Board of Directors on March 26th 2009 and have been uploaded to the Company's web site ***www.minoan.gr***

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INCOME STATEMENT

	Note	The Group		The Company	
		1/1-31/12/2008	1/1-31/12/2007	1/1-31/12/2008	1/1-31/12/2007
Revenue	4	213,782,326.18	195,937,633.48	213,629,400.19	195,701,520.97
Cost of Sales	5	-161,821,843.96	-138,241,810.99	-161,764,241.24	-138,127,079.63
Gross Profit		**51,960,482.22**	**57,695,822.49**	**51,865,158.95**	**57,574,441.34**
Other Operating Income	6	583,369.60	371,597.96	775,779.70	436,856.37
Distribution expenses		-19,451,317.39	-19,467,188.99	-19,505,007.07	-19,457,138.58
Administrative expenses		-8,621,580.97	-9,407,659.73	-8,560,678.02	-9,357,204.72
Other Operating expenses	7	-126,430.90	-61,859.75	-75,494.05	-61,859.75
Operating profit before financing costs		**24,344,522.56**	**29,130,711.98**	**24,499,759.51**	**29,135,094.66**
Financial income	8	515,033.13	6,514,325.63	2,586,742.83	6,527,931.67
Financial expenses	9	-25,117,575.98	-25,049,462.36	-25,102,713.58	-25,037,379.00
Share of Profit of associates	14	3,574,632.68	5,834,926.31	-	-
Profit before tax		**3,316,612.39**	**16,430,501.56**	**1,983,788.76**	**10,625,647.33**
Income Tax expense	11	-16,945.61	-74,048.23	-	-54,774.24
Profit after tax		**3,299,666.78**	**16,356,453.33**	**1,983,788.76**	**10,570,873.09**
Attributable to :					
Equity holders of the parent		**3,308,751.20**	**16,360,072.13**	**1,983,788.76**	**10,570,873.09**
Minority Interest		**-9,084.42**	**-3,618.80**	**-**	**-**
Basic and Diluted earnings per Share after Tax	30	**0.05**	**0.23**	**0.03**	**0.15**

The accompanying notes on pages 23 - 49 are integral part of the Financial Statements

Minoan Lines Shipping S.A. – Annual Financial Statements for the year 2008 (1/1 – 31/12/2008) (in Euros)

BALANCE SHEET

	Note	The Group 31/12/2008	The Group 31/12/2007	The Company 31/12/2008	The Company 31/12/2007
Assets					
Non – current assets					
Property, plant and equipment	12	529,795,360.04	547,498,711.74	529,795,016.63	547,498,269.24
Investment property		1,545,643.12	-	1,545,643.12	-
Investments in subsidiaries	13	-	-	3,777,871.47	3,478,021.47
Investments in associates	14	76,085,927.89	76,078,697.30	66,185,097.17	66,185,097.17
Other long term assets		35,520.55	45,096.33	35,520.55	45,096.33
Total non – current assets		**607,462,451.60**	**623,622,505.37**	**601,339,148.94**	**617,206,484.21**
Current assets					
Inventories	16	5,507,057.78	4,552,578.00	5,507,057.78	4,552,578.00
Trade and other receivables	17	47,185,128.23	39,816,808.25	47,201,610.42	39,772,061.94
Available for sale securities		82,545.30	82,937.64	82,545.30	82,937.64
Other current assets	17	6,413,232.42	5,230,111.98	6,402,792.58	5,223,951.32
Cash and cash equivalents	18	21,008,991.58	5,961,248.70	20,497,128.64	5,587,549.57
Non – current assets held for sale	19	5,200,000.05	5,200,000.05	-	-
Total current assets		**85,396,955.36**	**60,843,684.62**	**79,691,134.72**	**55,219,078.47**
Total Assets		**692,859,406.96**	**684,466,189.99**	**681,030,283.66**	**672,425,562.68**
Equity and liabilities					
Equity					
Share capital	20	159,583,500.00	159,583,500.00	159,583,500.00	159,583,500.00
Share premium		26,942,576.38	26,942,576.38	26,942,576.38	26,942,576.38
Fair value and hedge reserves	15, 27	-2,675.43	1,492,396.35	-	-
Other reserves	21	58,382,529.35	58,282,934.49	58,361,495.73	58,262,295.73
Retained earnings		33,461,405.13	33,802,257.31	21,730,865.82	23,392,577.06
Total Equity attributable to equity holders of the parent		**278,367,335.43**	**280,103,664.53**	**266,618,437.93**	**268,180,949.17**
Minority Interest		**56,230.00**	**65,164.42**	**-**	**-**
Total Equity		**278,423,565.43**	**280,168,828.95**	**266,618,437.93**	**268,180,949.17**
Non – current liabilities					
Interest-bearing loans and borrowings	23	335,811,729.93	203,041,971.97	335,811,729.93	203,041,971.97
Employee defined benefit obligations	24	2,402,123.32	2,462,945.19	2,402,123.32	2,462,945.19
Deferred government grants	25	4,803,136.03	4,996,265.17	4,803,136.03	4,996,265.17
Total Non – current liabilities		**343,016,989.28**	**210,501,182.33**	**343,016,989.28**	**210,501,182.33**
Current liabilities					
Short Term borrowings	23	23,894,508.97	21,277,162.32	23,894,508.97	21,277,162.32
Current portion of interest -bearing loans and borrowings	23	18,750,000.00	136,793,713.39	18,750,000.00	136,793,713.39
Trade and other payables	26	28,774,343.28	35,725,303.00	28,750,347.48	35,672,555.47
Total current liabilities		**71,418,852.25**	**193,796,178.71**	**71,394,856.45**	**193,743,431.18**
Total liabilities		**414,435,841.53**	**404,297,361.04**	**414,411,845.73**	**404,244,613.51**
Total Equity and Liabilities		**692,859,406.96**	**684,466,189.99**	**681,030,283.66**	**672,425,562.68**

The accompanying notes on pages 23 - 49 are integral part of the Financial Statements

Minoan Lines Shipping S.A. – Annual Financial Statements for the year 2008 (1/1 – 31/12/2008) (in Euros)

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Hedge Reserves	Other Reserves	Retained Earnings	Total Equity
Balance as at 1/1/2007	**159,583,500.00**	**26,942,576.38**	**3,446,811.90**	**57,732,295.73**	**22,926,713.97**	**270,631,897.98**
Changes in equity 1/1 – 31/12/2007						
Change in fair value of derivative financial instruments	-	-	-3,446,811.90	-	-	-3,446,811.90
Net Profit for the year 1/1 – 31/12/2007	-	-	-	-	10,570,873.09	10,570,873.09
Total recognized income and expense for the year ended	**-**	**-**	**-3,446,811.90**	**-**	**10,570,873.09**	**7,124,061.19**
Statutory Reserve	-	-	-	530,000.00	-530,000.00	-
Dividends distribution	-	-	-	-	-9,575,010.00	-9,575,010.00
Balance as at 31/12/2007	**159,583,500.00**	**26,942,576.38**	**-**	**58,262,295.73**	**23,392,577.06**	**268,180,949.17**
Balance as at 1/1/2008	**159,583,500.00**	**26,942,576.38**	**-**	**58,262,295.73**	**23,392,577.06**	**268,180,949.17**
Changes in equity 1/1 – 31/12/2008						
Net Profit for the year 1/1-31/12/2008	-	-	-	-	1,983,788.76	1,983,788.76
Total recognized income and expense for the year ended	**-**	**-**	**-**	**-**	**1,983,788.76**	**1,983,788.76**
Statutory Reserve	-	-	-	99,200.00	-99,200.00	-
Dividends distribution	-	-	-	-	-3,546,300.00	-3,546,300.00
Balance as at 31/12/2008	**159,583,500.00**	**26,942,576.38**	**-**	**58,361,495.73**	**21,730,865.82**	**266,618,437.93**

The accompanying notes on pages 23 - 49 are integral part of the Financial Statements

Minoan Lines Shipping S.A. –Annual Financial Statements for the year 2008 (1/1 – 31/12/2008) (in Euros)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the shareholders of the parent							Minority Interest	Total Equity
	Share Capital	Share Premium	Fair Value Reserves	Hedge Reserves	Other Reserves	Retained Earnings	Total Shareholders Equity		
Balance as at 1/1/2007	**159,583,500.00**	**26,942,576.38**	**508,009.81**	**3,004,296.58**	**57,752,265.18**	**28,341,347.36**	**276,131,995.31**	**68,783.22**	**276,200,778.53**
Changes in equity 1/1 – 31/12/2007									
Change in fair value of derivative financial instruments	-	-	-	-3,004,296.58	-	-	-3,004,296.58	-	-3,004,296.58
Change in fair value of available for sale securities	-	-	984,386.54	-	-	-793,482.87	190,903.67	-	190,903.67
Net Profit for the year ended 1/1 – 31/12/2007	-	-	-	-	-	16,360,072.13	16,360,072.13	-3,618.80	16,356,453.33
Total recognized income and expense for the year	-	-	**984,386.54**	**-3,004,296.58**	-	**15,566,589.26**	**13,546,679.22**	**-3,618.80**	**13,543,060.42**
Statutory Reserve	-	-	-	-	530,669.31	-530,669.31	-	-	-
Dividends distribution	-	-	-	-	-	-9,575,010.00	-9,575,010.00	-	-9,575,010.00
Balance as at 31/12/2007	**159,583,500.00**	**26,942,576.38**	**1,492,396.35**	**-**	**58,282,934.49**	**33,802,257.31**	**280,103,664.53**	**65,164.42**	**280,168,828.95**
Balance as at 1/1/2008	**159,583,500.00**	**26,942,576.38**	**1,492,396.35**	**-**	**58,282,934.49**	**33,802,257.31**	**280,103,664.53**	**65,164.42**	**280,168,828.95**
Changes in equity 1/1 – 31/12/2008									
Change in fair value of available for sale securities	-	-	-1,495,071.78	-	-	-3,708.52	-1,498,780.30	-	-1,498,780.30
Net Profit for the year ended 1/1 – 31/12/2008	-	-	-	-	-	3,308,751.20	3,308,751.20	-9,084.42	3,299,666.78
Total recognized income and expense for the year	**-**	**-**	**-1,495,071.78**	**-**	**-**	**3,305,042.68**	**1,809,970.90**	**-9,084.42**	**1,800,886.48**
Statutory Reserve	-	-	-	-	99,594.86	-99,594.86	-	-	-
Dividends distribution	-	-	-	-	-	-3,546,300.00	-3,546,300.00	-	-3,546,300.00
Minority's proportion in Subsidiary's share capital increase	-	-	-	-	-	-	-	150.00	150.00
Balance as at 31/12/2008	**159,583,500.00**	**26,942,576.38**	**-2,675.43**	**-**	**58,382,529.35**	**33,461,405.13**	**278,367,335.43**	**56,230.00**	**278,423,565.43**

The accompanying notes on pages 23 - 49 are integral part of the Financial Statements

Minoan Lines Shipping S.A. – Annual Financial Statements for the year 2008 (1/1 – 31/12/2008) (in Euros)

STATEMENT OF CASH FLOWS

	The Group		The Company	
	1/1- 31/12/2008	1/1- 31/12/2007	1/1-31/12/2008	1/1- 31/12/2007
Cash flow from Operating Activities				
Profits before tax	**3,316,612.39**	**16,430,501.56**	**1,983,788.76**	**10,625,647.33**
Adjustments for:				
Net depreciation and amortization	16,964,824.72	16,970,215.85	16,964,297.68	16,970,152.71
Provisions	423,471.98	346,594.99	372,535.13	346,594.99
Unrealized Foreign Exchange Differences	-2,062.98	-39,550.91	-2,062.98	-39,550.91
Gain on sale of investments, property ,plant and equipment	-3,579,565.14	-5,874,636.85	-2,088,512.70	-39,710.54
Financial expenses	25,069,683.64	25,048,639.99	25,054,821.24	25,036,595.86
Other non – monetary income	-18,305.92	10,694.94	-15,980.14	11,262.41
Operating results before changes in working capital	**42,174,658.69**	**52,892,459.57**	**42,268,886.99**	**52,910,991.85**
(Increase) in inventories	-954,479.78	-522,322.05	-954,479.78	-522,322.05
(Increase) / Decrease in trade and other receivables	-9,703,951.03	14,134,754.99	-9,709,963.50	13,932,020.92
(Decrease) in liabilities (other than borrowings)	-7,385,318.76	-3,877,210.60	-7,358,034.08	-3,912,190.49
Interest and related expenses paid	-23,699,518.74	-23,242,064.27	-23,684,656.34	-23,230,020.14
Income taxes paid	-84,886.71	-68,110.51	-66,474.05	-48,982.71
Cash inflows from operating activities (a)	**346,503.67**	**39,317,507.13**	**495,279.24**	**39,129,497.38**
Cash flow from investing activities				
Acquisition of subsidiaries and associates	-	-133,250.00	-299,850.00	-133,250.00
Purchase of property ,plant and equipment	-1,125,084.76	-1,014,004.26	-1,118,158.87	-1,014,004.26
Proceeds from property, plant and equipment and investments disposal	163,643.51	32,296.84	156,910.00	32,296.84
Decrease /(Increase) in other long-term assets	9,575.78	-14,017.14	9,575.78	-14,017.14
Dividends received	2,075,794.46	5,373.02	2,088,512.70	24,079.54
Cash inflows / (outflows) from investing activities (b)	**1,123,928.99**	**-1,123,601.54**	**836,989.61**	**-1,104,895.02**
Cash flow from financing activities				
Proceeds from the issue of long-term borrowings	375,780,111.57	-	375,780,111.57	-
Repayment of long/short term borrowings	-358,585,685.36	-39,525,311.13	-358,585,685.36	-39,525,311.13
Repayment of finance lease liabilities	-70,088.32	-51,778.73	-70,088.32	-51,778.73
Dividends paid	-3,547,027.67	-9,456,054.91	-3,547,027.67	-9,456,054.91
Cash inflows / (outflows) from financing activities (c)	**13,577,310.22**	**-49,033,144.77**	**13,577,310.22**	**-49,033,144.77**
Net Increase (Decrease) in cash and cash equivalents (a) + (b) + (c)	**15,047,742.88**	**-10,839,239.18**	**14,909,579.07**	**-11,008,542.41**
Cash and cash equivalents at the beginning of the year	**5,961,248.70**	**16,800,487.88**	**5,587,549.57**	**16,596,091.98**
Cash and cash equivalents at the end of the year	**21,008,991.58**	**5,961,248.70**	**20,497,128.64**	**5,587,549.57**

The accompanying notes on pages 23 - 49 are integral part of the Financial Statements

Minoan Lines Shipping S.A. – Annual Financial Statements for the year 2008 (1/1 – 31/12/2008) (in Euros)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR 2008 (1/1- 31/12/2008)

1. General Company's Information

The Company was established on 25th May 1972 (FEK 939–25/5/1972), is based in the Heraklion-Crete Municipality and its discrete name is "MINOAN LINES S.A.". It operates in the Ferry shipping sector both in Domestic and International sea routes.

Minoan Lines' shares are listed on the Athens Stock Exchange (code: MINOA). The corresponding code under Reuters is MILr.AT and under Bloomberg is MINOA GA.

The total number of ordinary shares outstanding on 31/12/2008 was 70,926,000, while the total market capitalization reached € 334,770,720.00. Every share carries one voting right.

The General Shareholders' Meeting elects the Board of Directors which consists of twelve members (12). The current board of directors consists of eleven members (11) due to the resignation of a non-executive member on 31/10/2008 and the decision of the board of directors not to fill the vacancy, according to the article 21 clause 1b of the Company's Articles of Association.
On December 31st 2008, three (3) members of the board were executive, four (4) were non-executive and four (4) were non-executive-independent members.

The Annual Financial Statements for the year ended 31/12/2008 include the separate Financial Statements and the consolidated Financial Statements (the "Financial Statements").
The consolidated Financial Statements include the Company and its subsidiaries (the Group), as well as the interest of the Group in the associates.

The subsidiaries and associates that are included in the consolidated Financial Statements and the ownership interests that the parent Company holds directly or indirectly are outlined in the table below :

Name	Consolidation Method	Headquarters	% Interest 2008	% Interest 2007
Kritiki Filoxenia S.A.	Full	Heraklion-Crete	99.99%	99.99%
Minoan Escape S.A.	Full	Heraklion-Crete	99.95%	99.95%
Minoan Cruises S.A.	Full	Heraklion-Crete	80.28%	80.28%
Athina A.V.E.E.	Full	Heraklion-Crete	99.99%	99.99%
European Thalassic Agencies shipping management & consultants S.A.*	Full	Panamas	100.00%	100.00%
Hellenic Seaways S.A.	Equity	Piraeus	33.35%	33.35%
Mediterranean Ferries S.r.l.*	Equity	Genova-Italy	50.00%	50.00%

* The companies are in liquidation.

2. Basis of preparation of the Financial Statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and adopted by the European Union.

2.2 Basis of Preparation

The financial statements are prepared on the historical cost basis except for available-for-sale financial assets and derivative financial instruments that are stated at their fair value.

2.3 Use of estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. The results of the aforementioned estimates, form the basis of making decisions about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant estimates and critical judgements in applying accounting policies that have significant effect on the financial statements as well as those which involve potential adjustment risks for the next fiscal year are referred to the following notes:

Note 3.4 : Property, Plant and Equipment
Note 24 : Employee Defined Benefit Obligation
Note 27 : Financial Risk Management (27.2.2 Impairment loss)
Note 32 : Contingent liabilities

3. Significant Accounting Policies

The significant accounting policies presented below, have been consistency adopted in all periods presented in these financial statements by all companies of the Group .

3.1 Basis of Consolidation

3.1.1 Subsidiaries

Subsidiaries are entities managed and controlled directly or indirectly by the Company. Control exists when the Company has the power, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Company's financial statements, investment in subsidiaries is presented at the acquisition cost less any impairment loss.

3.1.2 Associates

Associates are those entities in which the Company has significant influence, but not control, over their financial and operating policies and do not meet the requirements to consider them as subsidiaries. They are initially recognized at cost plus any goodwill arising on acquisition. In the consolidated financial statements, associates are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

In the Company's separate financial statements participation in associates is presented at the acquisition cost less any impairment loss.

3.1.3 Transactions eliminated on Consolidation

Intra-group balances and transactions, and any income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

3.2 Foreign Currency Transactions and Functional Currency

The companies of the Group maintain their books in Euro and the financial statements are presented in Euro (functional currency). Transactions in foreign currencies are translated to Euro at the exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Euro at the closing exchange rate on that date. Foreign exchange differences arising on transaction are recognized in the income statement. Non-monetary assets that are accounted for at cost are translated at the exchange rate at the date of the transaction.

3.3 Financial Instruments

3.3.1 Non – derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus (for instruments not at fair value through profit or loss) any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

3.3.1a Trade and Other receivables

Trade and Other Receivables are stated at the unamortized cost with the effective interest rate method, except of the cases, which an impairment indication exists. In such cases a provision is determined while the item is estimated at the recoverable amount and the relevant loss is recognized at the income statement (accounting policy 3.7.1). Receivables with a short-term duration are not discounted.

3.3.1b Available for sale securities

Available for sale securities include investments in entities that are listed on a stock exchange and non-listed and are classified as financial instruments available for sale and are recognized at the acquisition cost less any transaction costs. Subsequent to the initial recognition available for sale securities for listed entities are stated at their fair value (the quoted bid price at the balance sheet date) and any changes therein are recognized directly in equity, except for impairment losses which are recognizedεd directly in the income statement (accounting policy 3.7.1). When these securities are derecognized, the accumulated gain or loss that was previously recognized in equity is recognized directly in the income statement.

Securities not listed in the stock exchange, for which there is no other method of reliably determining fair value, are measured at cost.

3.3.1c Cash and Cash equivalents

Cash and cash equivalents comprise of cash in hand and in banks, as well as short term investments of high liquidity, such as short-term balances due from banks maturing within three months after the balance sheet date.

3.3.1d Interest bearing loans and borrowings

The interest bearing loans and borrowings are initially measured at their fair value that represents the amount of cash borrowed. Subsequent to initial recognition, the loans are measured at amortized cost using the effective interest rate method.

3.3.1e Trade and other payables

The trade and other payables are recognized at cost.

3.3.2 Derivative financial instruments

The companies of the Group periodically hold derivative financial instruments to hedge their exposure to interest rate risks and risks arising from the increase in fuel prices. Derivatives are recognized initially at their fair value and the transaction costs are recognized in the income statement when incurred. Subsequent to initially recognition, derivatives are measured at their fair value that is the market value of the derivative contracts at the balance sheet date. Changes in the fair value of the derivative financial instruments related to cash flow hedges are recognized directly in equity provided that the hedge is effective and the criteria for using hedge accounting are met. The non effective part of the hedge is recognized in the income statement. If the criteria for using hedge accounting cease to be met, or the hedging instrument is expired or sold, the cumulative gain or loss, previously recognized in equity, remains in equity until the forecast transaction occurs and then is taken to the income statement.

3.3.3 Costs related to share capital increase

Increment costs directly attributable to the issuance of ordinary shares are recognized as a deduction from share premium.

3.4 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, and increased by the subsequent additions. The cost of property, plant and equipment at 1/1/2004 (date of transition to I.F.R.S.) has been determined as follows : a) according to I.F.R.S. 1, Land, Buildings and Vessels have been assessed to fair value - determined by independent appraisals- which fair value has been considered as deemed cost. b) The remaining property, plant and equipment have been recorded at historical cost.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The carrying amount of the above items, is increased by the subsequent costs if it is probable that the future economic benefits embodied within these costs will flow to the Group companies, and decreased by the accumulated depreciation. All other costs are recognized in the income statement.

Minoan Lines Shipping S.A. – Annual Financial Statements for the year 2008 (1/1 – 31/12/2008) (in Euros)

Borrowing costs, realized at the construction period of qualifying assets, are capitalized as part of the acquisition cost. All other financial costs are recognized in profit or loss as incurred.

The net result from the assets disposal is determined by the net sale proceeds reduced by the carrying value of the asset and the gain or loss is recognized in the income statement as other operating income/expense.

Depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of each asset that is reassessed annually. Land is not depreciated.

The depreciation of the vessels is calculated on the cost less the residual value. Residual value is considered as 15% of the acquisition cost. Management's estimates that may have an effect in the future on the financial statements, relate to the useful lives and the residual value of vessels. The useful lives and the residual value are based on the historical data and assumptions that, at the present time, are considered reasonable. The aforementioned assumptions are not expected to change within the next 12 months.
The estimated useful lives are as follows:

Buildings	33 years
Vessels	35 years
Vessels' equipment	4.16 years
Transportation Means	6.66 years
Furniture and relevant equipment	6.66 years
Computers and Software	4.16 years

3.5 Investment property

The Company adopted in the current year the accounting policy relating to Investment Property referring to assets which are no longer own-used by the companies of the Group. Investment Property is recognized initially and measured subsequently at cost, reduced by the relevant depreciation and impairment losses and increased by the subsequent additions. Depreciation is recorded in the income statement on a straight-line basis over the estimated useful lives of the property (33 years).

3.6 Leases

Leases in terms of which the Company and the Group assume substantially all the risks and rewards of ownership are classified as finance leases. For the property, plant and equipment acquired through a finance lease, the relevant leased asset and liability are initially recognized at an amount equal to the fair value of leased asset or, if lower, the present value of the minimum lease payments that have been agreed to be paid to the lessor at the beginning of the lease. The present value is computed with the discount interest rate referred to in the lease contract. After the initial recognition the leased assets are depreciated over the shorter of the term of the lease agreement or the asset's useful life. The lease payments are apportioned between the finance charge and reduction of the outstanding liability for the duration of the lease agreement.

Other leases that do not fulfill the criteria of a finance lease, are operating leases and the leased assets are not recognized in the Company and Group's balance sheet. The lease payments to the lessor are recognized directly in the income statement over the term of the lease agreement.

3.7 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the F.I.F.O. (First In First Out) method. Net realisable value is the estimated selling price in the ordinary course of business, less the selling expenses.

3.8 Impairment

3.8.1 Financial assets

The financial assets are assessed at each reporting date to determine whether there is any objective indication of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost, is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate (accounting policy 3.3.1a). An impairment loss in respect of an available-for-sale financial asset, is calculated by reference to its current fair value (accounting policy 3.3.1b). Impairment losses are recognized in the income statement.

In a subsequent period, an impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For available for sale financial assets that are equity securities listed in a stock exchange, the reversal is recognized directly in equity. For other financial assets measured at amortized cost, the reversal is recognized in profit and loss. Impairment loss of available for sale securities not listed in a stock exchange that are measured at cost can not be reversed.

3.8.2 Non – Financial assets

The carrying amounts of non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication that their carrying value is greater than their recoverable amount. The impairment loss of non-financial assets is recognized directly in the income statement.

The recoverable amount of an asset is the greater of its fair value (decreased by selling costs) and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.9 Non – Current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. These assets are measured at the lower of their carrying amount and fair value (decreased by selling costs).

3.10 Dividends

Dividends payable are recognized as a liability at the time they are declared (approved) by the General Shareholder’s Meeting of the companies that are included in the consolidation.

3.11 Employee benefits

3.11.1 Defined contribution plans

A defined contribution plan relates to contributions by the Company to independent pension funds for retirement benefits of the employees for which an entity will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss on an accrual basis.

3.11.2 Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive a lump sum payment on retirement. The liability recognized in respect of defined benefit pension plans is the present value of the future benefit that employees have earned in return for their service in the current and prior years. The calculation is determined by discounting the expected future cash flows at a rate that reflects the weighted average interest of the Government bonds. The defined benefit obligation is calculated annually based on actuarial valuation performed by independent actuaries using the projected unit credit method.

Cumulative actuarial gains and losses arising from actuarial assumption variations to the extent that they exceed 10 per cent of the accrued liabilities are amortized in a period equal to the average remaining working lives of the employees.

3.11.3 Termination benefits

Termination benefits are recognised as an expense, when the Company and the Group, is demonstrably committed to a formal detailed plan to terminate employment before the normal retirement date, is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

3.11.4 Short-term benefits

Short-term employee benefits are expensed as they are incurred .

3.12 Provisions

A provision is recognized when the Company and the Group have a present contractual or legal obligation as a result of a past event and it is probable that an outflow will be required to settle the obligation and the amount can be reliably estimated. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money. At each reporting period, provisions are re-assessed.

3.13 Revenue

The Revenues consist of the following:

3.13.1 Operating revenue (freight)

Income from vessel's services (freight from passengers, vehicles and trucks) is recognized in the income statement when the trip is completed which coincides with the time the services are rendered.

3.13.2 Revenue from on – board services

Revenue from on-board services (shops, bars and restaurant services) is recognized in the income statement at their fair value less discounts and returns, when the risks and rewards of ownership have been transferred to the buyer and the collection is reasonably assured.

3.13.3 Other income

Other income is recognized as revenue in the income statement when the services have been rendered.

3.13.4 Dividend income

Dividend income is recognized as revenue at the date the dividends are approved from the General Shareholder's Meeting.

3.13.5 Government grants

Government grants are recognized in the financial statements initially as deferred income where there is reasonable assurance that it will be received and that the Group companies will comply with the conditions attaching to it. Grants that compensate the Company and the Group for expenses incurred are recognized as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the cost of an asset are recognized in the income statement as income on a systematic basis over the useful life of the asset.

3.14 Expenses

3.14.1 Finance income and expense

Finance income and expense comprise of interest payable on borrowings recognized in the income statement using the effective interest rate method, interest receivable on funds invested, foreign exchange gains and losses, dividends income, gains or losses from the sale of other investments and securities, and gains or losses on the interest rate swap contracts.

3.14.2 Income Tax

Income tax comprises current and deferred taxes. Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Current tax is measured at the tax rates that are applicable to the taxable income of each financial year.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

No deferred taxes are recognized in the Company's financial statements by reason of the special fiscal regime (shipping company) according to the law 27/1975 indicating that no tax is imposed to the revenues acquired by vessels with Greek flag. For profit other than vessel's profit the computation of taxable income is made after deducting the tax free amount which equals to the ratio of vessel's profit to the total gross profits of the Company.
The applicable tax rates for the years 2007-2009 are 25%, reducing by 1% annually for the years 2010-2014, so as to be 20% in 2014 and thereafter.

3.15 Earnings per share

The Group and the Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilute potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.16 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services which is subject to similar risks (business segment), or in providing products or services within a particular economic environment (geographical segment). The Group has one primary business segment that is that of the parent company's shipping operations. The geographical segments are based on the geographical location of the routes of the vessels that is Greece and Adriatic Sea. The results, the assets and the liabilities of each geographic segment disclosed include amounts that are attributed directly to each segment and those that can be reasonably allocated.

3.17 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations have not yet been effective for the year ended 31 December 2008, and have not been applied in preparing these financial statements.

- I.F.R.S. 8 *"Operating Segments"* : requires the disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Management in order to assess each segment's performance and to allocate resources to them. I.F.R.S. 8, becomes mandatory for the financial statements commencing from 1/1/2009 and is not expected to have a significant impact on the Group's financial statements.
- Revised I.A.S. 23 *"Borrowing Costs"* : removes the option to expense borrowing costs and requires that an entity capitalizes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised I.A.S. 23 will become mandatory for the 2009 financial statements and will not have an impact on the Group's and Company's financial statements.
- I.F.R.I.C. 13 *"Customer Loyalty Programmes"* addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programmes for their customers. It relates to customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. I.F.R.I.C. 13, which becomes mandatory for the 2009 financial statements, is not expected to have a significant impact on the Group's and Company's financial statements.
- Revised I.A.S. 27 *"Consolidated and Separate financial statements"* and revised I.F.R.S.3 *"Business Combinations"* that have not yet been adopted by the E.U. , will become effective for business combinations with acquisition date in financial years commencing on or after 1/7/2009. The main changes from the amended standards, are summarized as follows: a) in cases where changes in ownership interests have as result an entity to obtain or lose control of another entity, the value of the investment prior to the change of the interest or the value remaining after the change, should be measured at fair value b) upon initial recognition non-controlling interest might be measured at fair value and should absorb the total losses incurred attributable to their interest c) any contingent consideration is recognized as a liability and measured at fair value d) costs incurred by the acquirer are not included in the cost of a business combination but are expensed. The aforementioned amendments are not expected to have a significant impact on the Group's and Company's financial statements.
- Revised I.F.R.S. 2 *"Share based payments-Vesting conditions and cancellations"* : this amendment to the standard refers to vesting conditions that relate to the value of shares and to the rules relating to the determination of fair value of benefits, will become effective from the period commencing on or after January 1st 2009, and will not have any impact on the Group's and Company's financial statements.

- Revised I.A.S. 1 *"Financial Statements – Presentation"* : requires the statement of changes in equity to include transactions only with the shareholders and introduces a new statement of comprehensive income consisting from items recorded both in the income statement and in the statement of changes in equity. The revision to the standard that will become effective from the period commencing on or after January 1st 2009, will have an impact in the presentation of the Company's and the Group's financial statements.
- Amendment of I.A.S. 32 – «*Financial instruments: Presentation*» and I.A.S. 1 «*Presentation of Financial Statements*» : Effective for annual periods beginning on or after 1.1.2009. With the implementation of the above amendment, financial instruments that give the holder of the financial instrument the right to require the issuer to repurchase or repay the financial instruments may be classified as equity if certain conditions are met and additional disclosures are required. These revised standards will not have any impact on the Group's and Company's financial statements.
- I.F.R.I.C. 15, "*Agreements for the Construction of Real Estate*", that has not yet been adopted by the European Union, is effective for financial years beginning on or after 1 January 2009 and applies to the accounting for revenues and associated expenses by entities that undertake the construction of real estate. In addition to the construction of real estate, such agreements may include the delivery of other goods or services (such as sale of land or provision of property management services). This Interpretation will not have any impact on the Group's and Company's financial statements.
- I.F.R.I.C. 16, "*Hedges of a Net Investment in a foreign operation*" that is not yet adopted by the European Union is applied for entities hedging their exposure in foreign exchange risk deriving from investments in foreign companies, adopting hedge accounting. This interpretation is effective for financial years beginning on or after 1 October 2008, and is not applicable for the Group's and Company's financial statements.
- Revised I.A.S. 39, "*Financial Instruments: Recognition and Measurement*" and I.F.R.S. 7 "*Financial Instruments: Disclosures*": permits an entity to reclassify financial assets in categories other than those designated at their initial recognition in particular circumstances. These revised standards, effective from 1 July 2008 and thereafter, were not applied in the Company's and the Group's financial statements.
- Revised I.A.S. 39 "*Financial Instruments*" : which has not yet been adopted by the European Union, clarifies issues relating to a designation of an instrument as hedged item in particular cases of hedge accounting. Revised I.A.S. 39 is to be effective for financial years beginning on or after 1 July 2009 and will not apply in the Group's and Company's financial statements.
- I.F.R.I.C. 17, «*Distribution of non-cash assets to owners*». This interpretation, effective for annual periods beginning on or after 1.7.2009, applies to the non-reciprocal distributions of assets by an entity to its owners for the distributions of non-cash assets (eg items of property, plant and equipment, businesses, ownership interests in another entity or disposal groups) and distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This interpretation which has not yet been adopted by the European Union, will not apply in the Company's and the Group's financial statements.
- I.F.R.I.C. 18, «*Transfer of assets from customers*» : This interpretation, effective for transfers of assets from customers received on or after 1.7.2009, applies to the accounting for transfers of items of property, plant and equipment by entities that receive such transfers from their customers and the accounting for cash received by an entity from a customer when that amount of cash must be used only to construct or acquire an item of property, plant and equipment which for both cases mentioned previously, the entity then uses the property, plant and equipment either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services or to do both. This interpretation which is not yet adopted by the European Union, will not apply in the Group's and Company's financial statements.

Minoan Lines Shipping S.A. – Annual Financial Statements for the year 2008 (1/1 – 31/12/2008) (in Euros)

4. Revenue

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Revenue from Vessel Operations	176,137,957.90	161,713,780.79	176,183,698.73	161,789,231.47
Revenue from restaurant – bars	20,181,264.67	18,798,977.50	20,181,264.67	18,798,977.50
Revenue from shops on board	13,476,175.25	12,693,615.81	13,476,175.25	12,693,615.81
Revenue from slot machines	3,788,261.54	2,419,696.19	3,788,261.54	2,419,696.19
Revenue from travel agencies	128,772.68	232,222.75	-	-
Rental income	69,894.14	79,340.44	-	-
Totals	**213,782,326.18**	**195,937,633.48**	**213,629,400.19**	**195,701,520.97**

5. Cost of sales

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Crew Salaries and employer's contribution	30,800,024.37	29,178,502.18	30,800,024.37	29,178,502.18
Bunkers and Lubricants	76,835,418.99	57,038,678.93	76,835,418.99	57,038,678.93
Repairs – Maintenance - Consumables – Salaries and technical work expenses	6,469,645.98	8,753,129.89	6,469,645.98	8,753,129.89
Food – Beverages – Shops merchandise	14,101,749.86	12,868,365.17	14,101,749.86	12,868,365.17
Other Costs	14,402,635.83	14,105,224.47	14,345,033.11	13,990,493.11
Chartering cost	2,924,638.86	-	2,924,638.86	-
Depreciation	16,480,859.21	16,491,030.96	16,480,859.21	16,491,030.96
Depreciation on deferred government grants	-193,129.14	-193,120.61	-193,129.14	-193,120.61
Totals	**161,821,843.96**	**138,241,810.99**	**161,764,241.24**	**138,127,079.63**

6. Other operating income

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Commissions	185,849.64	176,456.17	185,849.64	176,456.17
Income from services to third parties	3,811.63	7,565.83	186,292.34	62,663.40
Rental income	47,117.21	35,143.42	67,904.11	45,304.26
Income from Government Grants	89,664.44	113,456.11	89,664.44	113,456.11
Income from reversal of doubtful debt provision	26,145.00	30,701.05	26,145.00	30,701.05
Seamen Pension Fund returned contributions	77,409.42	-	66,867.50	-
Gains from the sale of property-plant and equipment	71,050.83	-	71,050.83	-
Other Income	82,321.43	8,275.38	82,005.84	8,275.38
Totals	**583,369.60**	**371,597.96**	**775,779.70**	**436,856.37**

7. Other operating expense

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Receivables write off	58,763.67	5,237.17	7,826.82	5,237.17
Rental compensation	32,967.04	-	32,967.04	-
Other expenses	34,700.19	56,622.58	34,700.19	56,622.58
Totals	**126,430.90**	**61,859.75**	**75,494.05**	**61,859.75**

Minoan Lines Shipping S.A. – Annual Financial Statements for the year 2008 (1/1 – 31/12/2008) (in Euros)

8. Financial income

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Dividend Income from investments and securities	4,932.46	5,373.00	2,088,512.70	24,079.54
Gain on disposal of investments and available for sale securities	-	15,631.00	-	15,631.00
Foreign exchange gains	147,731.34	136,444.41	147,731.34	136,444.41
Interest and other related income	362,369.33	40,138.77	350,498.79	35,038.27
Interest rate swap income	-	2,082,457.95	-	2,082,457.95
Gain from sale of interest rate swap contracts	-	4,234,280.50	-	4,234,280.50
Totals	**515,033.13**	**6,514,325.63**	**2,586,742.83**	**6,527,931.67**

9. Financial expenses

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Bank interest expenses	23,136,890.05	23,260,767.17	23,136,890.05	23,260,767.17
Bank commissions & other interest expenses	369,762.67	970,468.78	369,705.35	970,335.08
Loss on disposal of investments and available for sale securities	54,976.67	65,962.38	54,976.67	65,962.38
Commissions on Letters of Guarantee	13,094.62	17,665.65	2,862.61	7,746.36
Credit card commissions	200,920.11	182,150.87	196,347.04	180,120.50
Foreign exchange losses	88,749.54	48,678.72	88,749.54	48,678.72
Amortization of loans transaction cost	1,253,182.32	503,768.79	1,253,182.32	503,768.79
Totals	**25,117,575.98**	**25,049,462.36**	**25,102,713.58**	**25,037,379.00**

10. Personnel expenses

The number of the personnel employed for the year ended 31/12/2008 and 31/12/2007 was 752 and 827, respectively.

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Salaries and wages	36,175,322.06	34,930,523.61	36,175,322.06	34,930,523.61
Social security contributions	4,295,760.82	4,286,656.35	4,295,760.82	4,286,656.35
Other personnel benefits	437,032.20	364,577.29	437,032.20	364,577.29
Employee Defined Benefit obligations (note 24)	850,938.07	859,589.10	850,938.07	859,589.10
Totals	**41,759,053.15**	**40,441,346.35**	**41,759,053.15**	**40,441,346.35**

11. Income Tax

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Income tax expense	16,945.61	74,048.23	-	54,774.24
Totals	**16,945.61**	**74,048.23**	**-**	**54,774.24**

Minoan Lines Shipping S.A. – Annual Financial Statements for the year 2008 (1/1 – 31/12/2008) (in Euros)

12. Property, plant, equipment

The Group

	Land	Buildings Technical works	Transportation Equipment	Vessels	Furniture and Other Equipment	Computer Software	Totals
Cost 1/1/2007	**2,515,742.00**	**7,296,558.05**	**161,923.54**	**604,472,705.36**	**3,933,156.22**	**2,306,380.14**	**620,686,465.31**
Acquisitions and additions 2007	-	-	-	295,038.52	647,451.72	142,594.07	**1,085,084.31**
Less: Disposals for the year 2007	-	-	2,209.54	500,612.91	291,524.92	-	**794,347.37**
Carrying amounts 31/12/2007	**2,515,742.00**	**7,296,558.05**	**159,714.00**	**604,267,130.97**	**4,289,083.02**	**2,448,974.21**	**620,977,202.25**
Cost 1/1/2008	**2,515,742.00**	**7,296,558.05**	**159,714.00**	**604,267,130.97**	**4,289,083.02**	**2,448,974.21**	**620,977,202.25**
Acquisitions and additions 2008	-	169,895.07	44,594.82	591,319.56	249,420.31	69,855.00	**1,125,084.76**
Less : Transfer to Investment Property	556,842.00	1,194,801.36	-	-	-	-	**1,751,643.36**
Less:Disposals-Writes off 1/1-31/12/2008	-	-	26,848.89	219,972.83	611,505.49	57,972.00	**916,299.21**
Carrying amounts 31/12/2008	**1,958,900.00**	**6,271,651.76**	**177,459.93**	**604,638,477.70**	**3,926,997.84**	**2,460,857.21**	**619,434,344.44**
Accumulated Depreciation 1/1/2007	**-**	**931,183.85**	**126,141.56**	**50,401,691.62**	**3,450,239.08**	**2,132,527.69**	**57,041,783.80**
Depreciation for the year 2007	-	310,394.62	9,179.87	16,491,030.96	261,715.09	91,015.92	**17,163,336.46**
Less: Disposed assets accumulated depreciation 1/1-31/12/2007	**-**	-	2,209.49	486,007.94	238,412.32	-	**726,629.75**
Total Accumulated Depreciation 31/12/2007	**-**	**1,241,578.47**	**133,111.94**	**66,406,714.64**	**3,473,541.85**	**2,223,543.61**	**73,478,490.51**
Accumulated Depreciation 1/1/2008	**-**	**1,241,578.47**	**133,111.94**	**66,406,714.64**	**3,473,541.85**	**2,223,543.61**	**73,478,490.51**
Depreciation for the year 2008	-	280,673.98	12,028.93	16,480,859.21	249,492.03	93,699.66	**17,116,753.81**
Less: depreciation on assets classified as Investment Property	-	164,800.19	-	-	-	-	**164,800.19**
Less: Disposed assets accumulated depreciation 1/1-31/12/2008	-	-	23,377.29	202,731.79	565,350.65	-	**791,459.73**
Total Accumulated Depreciation 31/12/2008	**-**	**1,357,452.26**	**121,763.58**	**82,684,842.06**	**3,157,683.23**	**2,317,243.27**	**89,638,984.40**
Net book value							
at 1/1/2007	**2,515,742.00**	**6,365,374.20**	**35,781.98**	**554,071,013.74**	**480,180.81**	**176,588.78**	**563,644,681.51**
at 31/12/2007	**2,515,742.00**	**6,054,979.58**	**26,602.06**	**537,860,416.33**	**815,541.17**	**225,430.60**	**547,498,711.74**
at 31/12/2008	**1,958,900.00**	**4,914,199.50**	**55,696.35**	**521,953,635.64**	**769,314.61**	**143,613.94**	**529,795,360.04**

The Company

	Land	Buildings Technical works	Transportation Equipment	Vessels	Furniture and Other Equipment	Computer Software	Totals
Cost 1/1/2007	**2,515,742.00**	**7,296,558.05**	**161,923.54**	**604,472,705.36**	**3,925,169.85**	**2,306,380.14**	**620,678,478.94**
Acquisitions and additions 2007	-	-	-	295,038.52	647,451.72	142,594.07	**1,085,084.31**
Less: Disposals for the year 2007	-	-	2,209.54	500,612.91	291,524.92	-	**794,347.37**
Carrying amounts 31/12/2007	**2,515,742.00**	**7,296,558.05**	**159,714.00**	**604,267,130.97**	**4,281,096.65**	**2,448,974.21**	**620,969,215.88**
Cost 1/1/2008	**2,515,742.00**	**7,296,558.05**	**159,714.00**	**604,267,130.97**	**4,281,096.65**	**2,448,974.21**	**620,969,215.88**
Acquisitions and additions 2008	-	169,895.07	44,594.82	591,319.56	242,494.42	69,855.00	**1,118,158.87**
Less : Transfer to Investment Property	556,842.00	1,194,801.36	-	-	-	-	**1,751,643.36**
Less:Disposals-Writes off 1/1-31/12/2008	-	-	26,848.89	219,972.83	604,771.98	57,972.00	**909,565.70**
Carrying amounts 31/12/2008	**1,958,900.00**	**6,271,651.76**	**177,459.93**	**604,638,477.70**	**3,918,819.09**	**2,460,857.21**	**619,426,165.69**
Accumulated Depreciation 1/1/2007	**-**	**931,183.85**	**126,141.56**	**50,401,691.62**	**3,442,758.35**	**2,132,527.69**	**57,034,303.07**
Depreciation for the year 2007	-	310,394.62	9,179.87	16,491,030.96	261,651.95	91,015.92	**17,163,273.32**
Less: Disposed assets accumulated depreciation 1/1-31/12/2007	-	-	2,209.49	486,007.94	238,412.32	-	**726,629.75**
Total Accumulated Depreciation 31/12/2007	**-**	**1,241,578.47**	**133,111.94**	**66,406,714.64**	**3,465,997.98**	**2,223,543.61**	**73,470,946.64**
Accumulated Depreciation 1/1/2008	**-**	**1,241,578.47**	**133,111.94**	**66,406,714.64**	**3,465,997.98**	**2,223,543.61**	**73,470,946.64**
Depreciation for the year 2008	-	280,673.98	12,028.93	16,480,859.21	248,964.99	93,699.66	**17,116,226.77**
Less: depreciation on assets classified as Investment Property	-	164,800.19	-	-	-	-	**164,800.19**
Less: Disposed assets accumulated depreciation 1/1-31/12/2008	-	-	23,377.29	202,731.79	565,115.08	-	**791,224.16**
Total Accumulated Depreciation 31/12/2008	**-**	**1,357,452.26**	**121,763.58**	**82,684,842.06**	**3,149,847.89**	**2,317,243.27**	**89,631,149.06**
Net book value							
at 1/1/2007	**2,515,742.00**	**6,365,374.20**	**35,781.98**	**554,071,013.74**	**479,675.17**	**176,588.78**	**563,644,175.87**
at 31/12/2007	**2,515,742.00**	**6,054,979.58**	**26,602.06**	**537,860,416.33**	**815,098.67**	**225,430.60**	**547,498,269.24**
at 31/12/2008	**1,958,900.00**	**4,914,199.50**	**55,696.35**	**521,953,635.64**	**768,971.20**	**143,613.94**	**529,795,016.63**

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On December 31st 2008, the fair value of the Company's vessels, as determined by independent appraisers, amounted to approximately € 564,50 million and, thus, no impairment loss was required to be recorded.

The depreciation of property plant and equipment is recorded in the following captions of the income statement:

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Cost of sales	16,480,859.21	16,491,030.96	16,480,859.21	16,491,030.96
Distribution expenses	127,492.05	122,013.56	127,492.05	122,013.56
Administrative expenses	508,402.55	550,291.94	507,875.51	550,228.80
Totals	**17,116,753.81**	**17,163,336.46**	**17,116,226.77**	**17,163,273.32**

13. Investment Property

On December 31st 2008, the item Investment Property includes land and building that Company holds in Patra which is not used by the Company from 1/1/08 and was rented on 18 July 2008. The amount of this property on 31/12/07 was included in own used property, plant and equipment of the Company. The movement of the above caption is presented on the table below:

	Land	Buildings	Totals
Cost 1/1/2008	-	-	-
Transfer from property-plant and equipment	556,842.00	1,194,801.36	1,751,643.36
Carrying amounts at 31/12/2008	**556,842.00**	**1,194,801.36**	**1,751,643.36**
Accumulated Depreciation 1/1/2008	-	-	-
Transfer from property-plant and equipment	-	164,800.19	164,800.19
Depreciation 1/1-31/12/2008	-	41,200.05	41,200.05
Total Accumulated Depreciation 31/12/2008	**-**	**206,000.24**	**206,000.24**
Net Book Value at 1/1/2008	-	-	-
Net Book Value at 31/12/2008	**556,842.00**	**988,801.12**	**1,545,643.12**

On 31/12/2008, the fair value of the above property as determined by independent appraisers amounts to € 1,572,372.00.

14. Investments in subsidiaries

Investments in subsidiaries are stated below :

	Participation amount	
Name	**31/12/2008**	**31/12/2007**
Kritiki Philoxenia S.A.	3,203,196.84	3,203,196.84
Minoan Escape S.A.	359,820.00	59,970.00
Minoan Cruises S.A.	214,854.63	214,854.63
Totals	**3,777,871.47**	**3,478,021.47**

During 2008, the subsidiary Company Minoan Escape S.A. increased its share capital by € 300,000.00.

Due to the global adverse financial conditions, the Company assessed the investment in subsidiaries to identify whether there is an objective evidence of impairment. The outcome of the assessment indicated that the fair value of the above investments exceeded their carrying value and, thus, no impairment loss was required to be recorded.

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15. Investments in associates

In the Company's Financial Statements, the item investment in associates, amounts to € 66,185,097.17, and relates to the investment in the company Hellenic Seaways S.A.
The main items of the consolidated Financial Statements of Hellenic Seaways S.A. in accordance with I.F.R.S. are as follows:

	31/12/2008	31/12/2007
Total Assets	408,034,134.75	426,361,625.87
Total Liabilities	179,904,195.00	198,253,274.65
Total Equity	228,129,939.75	228,108,351.22
	1/1 – 31/12/2008	**1/1 – 31/12/2007**
Total Revenue	221,170,876.13	182,334,699.12
Net consolidated Profit/(Loss) for the year	10,717,896.01	17,379,226.68

The share of Profit/(Loss) after taxation in the associate company Hellenic Seaways S.A. as of 31/12/2008 and 31/12/2007, is € 3,574,632.68 and € 5,834,926.31 respectively. Additionally, the Group's share for items (profit or losses) recognized directly in equity, at 31/12/2008 and 31/12/2007 amounted to € -1,498,780.30 and € 633,418.99 respectively. Due to the global adverse financial conditions, the Company assessed the investment in the associate to identify whether there is an objective evidence of impairment. The outcome of the assessment indicated that the fair value of the above investment, exceeded its carrying value and, thus, no impairment loss was required to be recorded.

The investment in the associate Mediterranean ferries S.r.l has been impaired in prior years'.

16. Inventories

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Merchandise	3,092,122.03	2,386,536.73	3,092,122.03	2,386,536.73
Consumables	2,414,935.75	2,166,041.27	2,414,935.75	2,166,041.27
Totals	**5,507,057.78**	**4,552,578.00**	**5,507,057.78**	**4,552,578.00**

17. Trade and Other receivables-Other current assets

	Trade and other Receivables			
	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Customers – Check Receivables	45,608,944.71	38,636,981.93	45,646,759.90	38,663,934.39
Trade receivables due from affiliates and associates	158,954.03	208,815.31	232,101.31	257,568.19
Other Account Receivables	1,417,229.49	971,011.01	1,322,749.21	850,559.36
Totals	**47,185,128.23**	**39,816,808.25**	**47,201,610.42**	**39,772,061.94**
	Other Current assets			
	The Group		**The Company**	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Prepaid Expenses	6,368,272.28	5,161,967.64	6,367,427.54	5,160,496.06
Accrued Income	44,960.14	8,786.24	35,365.04	4,097.16
Other accruals and deferred income	-	59,358.10	-	59,358.10
Totals	**6,413,232.42**	**5,230,111.98**	**6,402,792.58**	**5,223,951.32**

The Company and the Group exposure to credit risks, as well as the impairment losses related to trade and other receivables are analyzed in note 27.

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18. Cash and Cash equivalents

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Cash in hand	167,059.91	215,539.77	164,202.96	214,927.92
Cash in banks and time deposits	20,841,931.67	5,745,708.93	20,332,925.68	5,372,621.65
Totals	**21,008,991.58**	**5,961,248.70**	**20,497,128.64**	**5,587,549.57**

19. Non – Current assets held for sale

Non – current assets held for sale include land and buildings of a subsidiary with net book value € 5,200,000.05, for which a decision for disposal has been taken by the management of the Company.
The fair value of the above item on 31/12/2008, as assessed by independent appraisers, amounted to € 5,945,126.00.

20. Share capital

The Share capital of the Company is divided into 70.926.000 ordinary shares with a nominal value of 2.25 euros each.
The equity holders of ordinary shares receive dividend, when it is approved for distribution by the General Shareholders Meeting. Every ordinary share carries one voting right at the General Shareholders' Meetings.

21. Reserves

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Statutory Reserve	11,242,499.83	11,142,904.97	11,223,924.97	11,124,724.97
Other reserves	47,140,029.52	47,140,029.52	47,137,570.76	47,137,570.76
Totals	**58,382,529.35**	**58,282,934.49**	**58,361,495.73**	**58,262,295.73**

Statutory reserve: According to the Greek corporate law, the Company is required to transfer 5% at least of its net profit to the statutory reserve, until such a reserve reaches 1/3 of the issued share capital. This reserve can be used exclusively before any distribution of dividends to off–set a deficit.

Other reserves: This reserve is established in accordance with the Company's Articles of Association and results from the balance of the annual earnings which remain after deducting the statutory reserve and the dividends.

22. Dividends

The General Shareholders' Meeting held on June 8th 2008, approved the distribution of dividend for the fiscal year 2007 amounting to € 3,546,300.00 (€ 0.05 per share).

According to the Greek Corporate law, companies must distribute as dividend to their shareholders an amount equal to 35% of the annual net profit (after the deduction of the statutory reserve). Nil dividend distribution can be approved by the General Assembly of Shareholders representing the 70% of the paid-in share capital.

The Board of Directors, considering the prevailing financial conditions and intending gradually to proceed to fleet renewal with higher capacity vessels, will not propose to the General Shareholders Meeting any dividend distribution from the profits of the year 2008.

23. Long term debt and current portion of long – term interest bearing loans and borrowings

The long - term debt of the Company is analyzed as follows:

	Average Interest Rate 2008	31/12/2008	Average Interest Rate 2007	31/12/2007
Bond Loan - Agent National Bank of Greece	6.15%	337,500,000.00	-	-
Syndicate Loan - Agent Citibank	6.19%	-	6.01%	203,041,971.97
Syndicate Loan - Agent Piraeus Bank	6.92%	-	6.73%	-
Totals		**337,500,000.00**		**203,041,971.97**
Less : Net book value of transaction costs		-1,688,270.07		-
Carrying amount		**335,811,729.93**		**203,041,971.97**

The current portion of the Interest – bearing loans and borrowings as at 31/12/2008 and 31/12/2007 respectively, are presented below:

	31/12/2008	31/12/2007
Bond Loan - Agent National Bank of Greece	18,750,000.00	-
Syndicate Loan - Agent Citibank	-	83,550,629.00
Syndicate Loan - Agent Piraeus Bank	-	53,243,084.39
Totals	**18,750,000.00**	**136,793,713.39**

In December 2007, the Company, concluded to an agreement with the banks for the issuance of a non-convertible bond loan amounted to € 375,000,000.00, which was amended with a supplemental letter and became effective in February 2008. With the aforementioned agreement, the Company prepaid in full all advances of the above-mentioned syndicate loans and improved its liquidity.

The bond loan agreement is denominated in Euro with a variable interest rate (euribor), plus a spread as defined in the particular agreement. The loan mature gradually until 2019. Nevertheless a partial or total prepayment of the loan, is permitted.

The above bond loan agreement sets certain terms and limitations (the prior consent of the participated banks is required) regarding the following: change of business, mergers, negative pledge, disposals and acquisitions, additional or repayment of borrowings, dividends distribution (other than minimum required by law), reducing or repurchasing the share capital. Company's failure to comply with the terms of the agreement or breach any of its obligations may result to a mandatory full prepayment of the loan and accrued interest. Furthermore, the bond loan agreement sets certain financial covenants that the Company should meet at the end of each financial year. These financial covenants are : a) the ratio of total consolidated liabilities to total consolidated assets (adjusted to market value of the vessels) shall not exceed 65%, b) the ratio of consolidated earnings before interest, taxes, depreciation and amortization to net interest expenses (dividends from the associated Hellenic Seaways S.A. included following the Company's normal course of business) shall not be less that 2.0 : 1.0 and c) the liquid funds shall not be less that € 15 million. On December 31st 2008, the Company is compliant with all terms and covenants of the aforementioned bond loan agreement.

The interest expenses of the above long term debt for the period ended 1/1-31/12/2008 and 1/1-31/12/2007, amounted to € 22,700,091.28 and € 21,811,095.99 respectively.

In order to secure the aforementioned debt , first preferred mortgages amounting to € 375,000,000.00 have been registered on the Company's vessels.

The short term borrowings amounted to € 23,894,508.97 and € 21,277,162.32 at 31/12/2008 and 31/12/2007 respectively, are covered by post dated checks. The average interest rates for the periods 1/1-31/12/2008 and 1/1-31/12/2007 reached 5.15% and 5.39% respectively.

Information regarding the Company's liquidity and interest rate risk exposure is included in note 27.

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24. Employee defined Benefit obligations

According to the Greek Labour Law, employees when retired are entitled to compensation which amounts to 40% of the amount that would be owed upon a dismissal.
The table below shows the present value of the employee defined benefit obligations as well as the un-recognized actuarial gains/losses :

	31/12/2008	31/12/2007
Present value of defined benefit obligations	2,378,322.68	2,505,109.37
Unrecognized actuarial losses /(gains)	23,800.64	-42,164.18
Total liability	**2,402,123.32**	**2,462,945.19**

	The Group	The Company
Balance as at 1/1/2007	**2,321,825.80**	**2,321,825.80**
Current Service Cost	306,965.14	306,965.14
Interest Cost	104,423.96	104,423.96
Benefits paid	-718,469.71	-718,469.71
Effect of settlement	448,200.00	448,200.00
Balance as at 31/12/2007	**2,462,945.19**	**2,462,945.19**
Balance as at 1/1/2008	**2,462,945.19**	**2,462,945.19**
Current Service Cost	170,259.62	170,259.62
Interest Cost	115,485.64	115,485.64
Benefits paid	-911,759.94	-911,759.94
Effect of settlement	565,192.81	565,192.81
Balance as at 31/12/2008	**2,402,123.32**	**2,402,123.32**

The amount, recorded as an expense at 31/12/2008 and 31/12/2007 respectively, is analyzed as follows:

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Current Service cost	170,259.62	306,965.14	170,259.62	306,965.14
Interest Cost	115,485.64	104,423.96	115,485.64	104,423.96
Cost of settlement	565,192.81	448,200.00	565,192.81	448,200.00
Totals	**850,938.07**	**859,589.10**	**850,938.07**	**859,589.10**

The above expenditure is included in the following categories of the income statement:

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Distribution expenses	327,897.11	325,804.25	327,897.11	325,804.25
Administrative expenses	523,040.96	533,784.85	523,040.96	533,784.85
Totals	**850,938.07**	**859,589.10**	**850,938.07**	**859,589.10**

The movement of the defined benefit obligations for the years 2004-2008 is presented below :

	31/12/2008	31/12/2007	31/12/2006	31/12/2005	31/12/2004
Defined Benefit Obligations	2,402,123.32	2,462,945.19	2,321,825.80	2,130,389.35	2,872,966.53

The total amount of Employee Defined Benefit Obligations is unfunded.
The main assumptions used are as follows:

- Discount Rate at 31/12/2008 and 31/12/2007 5.5% and 4.80% respectively
- Long – term average annual salaries increase 5.00%

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25. Deferred Government grants

The deferred government grants relate to the subsidy received by the Company from the Norwegian Government for the vessel IKARUS PALACE during the period of its shipbuilding. It is recognized as revenue in the income statement on a systematic basis over the useful life of the vessel. The amount recorded in the income statement against cost of sales was € 193 thous. for each of the years 2007 and 2008.

26. Trade and Other payables

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Suppliers – Check payables	16,861,339.13	23,421,501.14	16,861,279.13	23,421,501.14
Income Tax payable	16,945.61	84,941.15	-	66,474.05
Withholding Taxes-Social Security Contributions payable	3,914,816.94	3,131,511.96	3,910,774.36	3,130,083.52
Dividends payable	562,530.55	563,258.22	562,530.55	563,258.22
Sundry creditors	4,305,855.60	4,877,052.95	4,296,233.24	4,846,472.58
Accrued expenses	420,896.74	2,390,538.92	420,896.74	2,388,267.30
Customer advances	645,698.40	152,070.43	645,464.40	152,070.43
Deferred income	2,046,260.31	1,104,428.23	2,046,260.31	1,104,428.23
Payables to affiliates and associates	-	-	6,908.75	-
Totals	**28,774,343.28**	**35,725,303.00**	**28,750,347.48**	**35,672,555.47**

27. Financial Risk Management

27.1 General

The Company and the Group are exposed to the following financial risks

- Credit risk
- Liquidity risk
- Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has delegated authority to the Financial Division for monitoring of financial risks. The Company's and Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks, adherence to limits and to hedge such risk depending on the prevailing market conditions each period of time. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

27.2 Credit risk

Credit risk is the risk of financial loss for the Company and the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises mainly from trade and other receivables.

The Company set a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and credit terms and conditions are offered. The customers that fulfil the credit conditions sign the relevant agreements.

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Customers may also transact with the Group on a prepayment basis. Credit limits, representing the maximum open amount, are set for each customer, and are reviewed regularly by the Financial Division. The Company and the Group, record provisions for impairment losses that represent their estimate of expected losses in respect of trade and other receivables.

27.2.1 Credit risk exposure

The carrying value of 'Trade and Other Receivables' indicate the maximum exposure to credit risk. In order to secure the aforementioned exposure, the Company receives letters of guarantee from its customers. The carrying value of 'Trade and Other Receivables' along with the letters of guarantee received, are presented below:

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Trade and other receivables	47,185,128.23	39,816,808.25	47,201,610.42	39,772,061.94
Letters of guarantee received	-4,528,664.36	-4,308,282.92	-4,528,664.36	-4,308,282.92

The maximum exposure to credit risk per customer group is as follows:

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Port Agents	17,506,041.10	13,793,056.13	17,506,041.10	13,793,056.13
Travel Agencies	7,271,713.37	5,651,524.63	7,318,360.87	5,696,216.33
Truck customers	20,388,193.86	18,740,497.86	20,388,193.86	18,740,497.86
Other receivables	2,019,179.90	1,631,729.63	1,989,014.59	1,542,291.62
Totals	**47,185,128.23**	**39,816,808.25**	**47,201,610.42**	**39,772,061.94**

At 31/12/2008 and 31/12/2007, the balance due from two port agents of the Company, represents approximately the 39% and the 30% of the total receivables.

27.2.2 Impairment loss

The aging of the trade and other receivables, at the balance sheet dates were as follows:

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Not past due	41,582,259.48	34,542,778.58	41,563,441.04	34,502,443.89
Past due 1-30 days	1,829,686.80	1,670,875.08	1,829,686.80	1,670,875.08
Past due 31-120 days	1,583,009.33	1,078,071.23	1,583,009.33	1,078,071.23
Past due 121-365 days	435,303.18	473,522.92	435,303.18	473,522.92
Past due over a year *	1,754,869.44	2,051,560.44	1,790,170.07	2,047,148.82
Totals	**47,185,128.23**	**39,816,808.25**	**47,201,610.42**	**39,772,061.94**

* including debtors in litigation and settlement agreements

The allowance of impairment, concerns those customers who did not settle their debts towards the Company and the Group and cooperation with whom has been terminated.

The Company has not recorded any allowance of impairment regarding the receivables that either are not past due or are due up to one year, estimating that these receivables refer to customers with a good payment history.

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The allowance of impairment, that has reduced the "Trade and Other Receivables" caption, refers to receivables that are past due for over a year. The movement of the provisions are analyzed on the table below :

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Opening Balance	1,328,842.89	1,359,543.94	1,328,842.89	1,359,543.94
Less : amounts collected (note 6)	-26,145.00	-30,701.05	-26,145.00	-30,701.05
Plus : Impairment loss	50,936.85	-	-	-
Closing Balance	**1,353,634.74**	**1,328,842.89**	**1,302,697.89**	**1,328,842.89**

The allowance for impairment account is used to record impairment losses, unless the Company estimates that no recovery of the pending amount is expected, and therefore the amounts are directly written off against the receivables.

27.3 Liquidity risk

Liquidity risk is the risk that the Company or the Group will not be able to meet their financial obligations as they fall due. The Company's and Group's approach to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's or Group's reputation.

The Company ensures that it has sufficient cash on demand with a combination of cash and bank overdraft facilities to meet expected obligations for a period of 12 months. In addition, the Company maintains lines of credit amounted to € 30.0 million as at 31/12/2008 and € 87.9 million as at 31/12/2007. The non-withdrawn amounts were € 6.11 million at 31/12/2008 and € 66.60 million at 31/12/2007. The interest of all lines of credit is payable at the rate of EURIBOR plus the margin of the bank, while they are secured with post-dated cheques.

The contractual expiries of the Company's financial liabilities based on the agreements effected on the balance sheet date are presented below:

31 /12/2008	Totals	within 1 year	2-3 years	4-5 years	over 5-years
Bank Overdrafts	23,894,508.97	23,894,508.97	-	-	-
Trade and other payables	28,750,347.48	28,750,347.48	-	-	-
Long term debt (excluding future interest payments)	356,250,000.00	18,750,000.00	37,500,000.00	37,500,000.00	262,500,000.00

31 /12/2007	Totals	within 1 year	2-3 years	4-5 years	over 5-years
Bank Overdrafts	21,277,162.32	21,277,162.32	-	-	-
Trade and other payables	35,672,555.47	35,672,555.47	-	-	-
Long term debt (excluding future interest payments)	339,835,685.36	136,793,713.39	28,059,192.00	174,982,779.97	-

The table below, presents the contractual expiries of the long term debt, and the relevant interests (3-month euribor at 31/12/2008) until the maturity of the facility commencing from 2009 and thereafter:

	Totals	within 1 year	2-3 years	4-5 years	over 5-years
Long term debt	478,993,463.77	33,972,185.96	65,441,740.16	62,252,154.75	317,327,382.90

27.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and fuel prices will affect the Company's and Group's results or the value of their financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company and the Group, conclude periodically derivative agreements, in order to manage interest rates and fuel risks fluctuations. All such transactions are performed within the guidelines set by Board of Directors.

27.4.1 Currency risk

After the entrance of Greece in the Euro-Zone, the Company's foreign currency risk was almost eliminated given the fact that the transactions abroad are mainly realized in Euro. Furthermore, the Company is not subject to foreign currency risk regarding its loans, taking under consideration that these are denominated in Euro.

27.4.2 Interest rate risk

According to the Company's policy, and in order to hedge its exposure to the increase of interest rates it signed relevant hedging agreements in the previous years. The Company defined these derivatives as cash flow hedges. In December 2007, the Company, considering the prevailing market conditions that period of time and the forthcoming total debt refinancing, proceeded to the sale of the interest rate swap contracts (note 8). During 2008, the Company assessing the prevailing market conditions did not hedge its exposure to the interest rate risk.
At the balance sheet date, the financial instruments of the Company and the Group, that were subject to interest rate fluctuations, were as follows :

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Fixed rate instruments				
Cash and cash equivalents	21,008,991.58	5,961,248.70	20,497,128.64	5,587,549.57
Floating rate instruments				
Long term borrowings & Bank Overdrafts	378,456,238.90	361,112,847.68	378,456,238.90	361,112,847.68

27.4.2.a Sensitivity analysis on interest rate cash flows

At the balance sheet date, a 0.5% fluctuation of the interest rates, would have proportionally increased or decreased the financial results of the Company, by the amounts presented below.

	0.5% increase	0.5% decrease
31/12/2008		
Long term borrowings & Bank Overdrafts	-1,861,199.23	1,861,199.23
Cash flow sensitivity	**-1,861,199.23**	**1,861,199.23**
31/12/2007		
Long term borrowings & Bank Overdrafts	-1,939,891.08	1,939,891.08
Interest rate swap effect	1,011,333.31	-1,011,333.31
Cash flow sensitivity	**-928,557.77**	**928,557.77**

The above table does not include the positive effect from interest rate fluctuations on cash deposits.

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27.4.3 Fuel risk

The Company's and the Group's fuel oil hedging contracts covered a significant amount of the total fuel consumption for 2007 and expired at 31/12/2007. On December 31st 2008, the Company and the Group did not hold any fuel oil derivative contracts.

27.5 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors monitors the return on invested capital, aiming to its maximization so as to ensure the distribution of dividends according to the relevant legislation and the annual repayment of the Company's debt

The Company in order to serve the annual repayment of its debt (interest included), it is monitored by the following ratios:

Debt/Earnings Before Interest Taxes Depreciation and Amortization (E.B.I.T.D.A.)
Earnings Before Interest Taxes Depreciation and Amortization (E.B.I.T.D.A.)/Net Interest Expense

	The Company	
	31/12/2008	**31/12/2007**
Long term debt and short term borrowings	378,456,238.90	361,112,847.68
Less : Cash and cash equivalents	-20,497,128.64	-5,587,549.57
Net debt	357,959,110.26	355,525,298.11
Earnings Before Interest Taxes Depreciation and Amortization (E.B.I.T.D.A.)	41,464,057.19	46,105,247.37
Net debt / E.B.I.T.D.A.	**8.6**	**7.7**

	The Company	
	1/1-31/12/2008	**1/1-31/12/2007**
Earnings Before Interest Taxes Depreciation and Amortization (E.B.I.T.D.A.)	41,464,057.19	46,105,247.37
Net interest expenses	20,715,529.26	21,178,309.22
E.B.I.T.D.A. / Net interest expenses	**2.0**	**2.2**

There were no changes in the Group's approach to capital management during the year.

28. Fair values

The fair values of the financial instruments, that is trade and other receivables, current liabilities and cash and cash equivalents do not differ from the carrying value due to their short term nature. Furthermore, the fair values of long – term borrowings do not differ in respect to the book values due to the fact that they bear variable interest rates.

29. Analysis of business activities by geographical segment

The Group operates its business mainly in the passenger ferry shipping industry while the geographical segment is based on the vessels' operations of the parent in both, coastal (Greece) and Adriatic (Europe) routes.

The Company, due to the nature of its business activities, encounters the effect of seasonality relating to the revenue from passengers' and private cars' fares and the revenue from on-board services (bars – restaurants, shops), that represent 40.8% and 17.7% of the total annual revenue respectively.

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The revenue that results from truck fares represents 41.5% of the total annual revenue and it is evenly earned throughout the year.

The Group

at 31/12/2008	Greece routes	Adriatic routes	Unallocated items	Totals
Revenue	71,040,357.98	142,589,042.21	152,925.99	**213,782,326.18**
Gross Profit (before depreciation)	33,304,548.06	34,848,340.96	95,323.27	**68,248,212.29**
Profits before depreciation taxation financing and investing costs (E.B.I.T.D.A.)	31,367,702.40	25,454,916.58	-15,513,271.70	**41,309,347.28**
Net depreciation	-6,376,239.98	-9,911,490.09	-677,094.65	**-16,964,824.72**
Profits (Losses) before taxation financing and investing costs (E.B.I.T.)	24,991,462.42	15,543,426.49	-16,190,366.35	**24,344,522.56**
Share of Profit from affiliates	-	-	3,574,632.68	**3,574,632.68**
Profits (Losses) before tax	18,279,499.90	4,624,357.43	-19,587,244.94	**3,316,612.39**
Income Tax expense	-	-	-16,945.61	**-16,945.61**
Profits (Losses) after tax	18,279,499.90	4,624,357.43	-19,604,190.55	**3,299,666.78**
Total Assets	199,996,524.66	321,957,110.98	170,905,771.32	**692,859,406.96**
Total Liabilities	101,762,456.24	175,303,650.70	137,369,734.59	**414,435,841.53**
Capital expenditure	296,489.75	294,829.81	533,765.20	**1,125,084.76**

at 31/12/2007	Greece routes	Adriatic routes	Unallocated items	Totals
Revenue	68,485,031.70	127,216,489.27	236,112.51	**195,937,633.48**
Gross Profit (before depreciation)	35,198,956.21	38,673,395.48	121,381.15	**73,993,732.84**
Profits before depreciation taxation financing and investing costs (E.B.I.T.D.A.)	33,296,438.12	30,065,530.53	-17,067,920.21	**46,294,048.44**
Net depreciation	-6,360,584.70	-9,937,325.65	-672,305.50	**-16,970,215.85**
Profits (Losses) before taxation financing and investing costs (E.B.I.T.)	26,928,360.48	19,942,577.21	-17,740,225.71	**29,130,711.98**
Share of Profit from affiliates	-	-	5,834,926.31	**5,834,926.31**
Profits (Losses) before tax	20,628,166.47	9,314,256.80	-13,511,921.71	**16,430,501.56**
Income Tax expense	-	-	-74,048.23	**-74,048.23**
Profits (Losses) after tax	20,628,166.47	9,314,256.80	-13,585,969.94	**16,356,453.33**
Total Assets	205,923,479.28	331,936,937.05	146,605,773.66	**684,466,189.99**
Total Liabilities	107,118,375.00	184,470,491.14	112,708,494.90	**404,297,361.04**
Capital expenditure	122,193.29	172,845.23	790,045.79	**1,085,084.31**

30. Earnings per share

	The Group		The Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Earnings attributable to equity-holders of the Parent	3,308,751.20	16,360,072.13	1,983,788.76	10,570,873.09
Weighted Average number of shares outstanding	70,926,000	70,926,000	70,926,000	70,926,000
Basic and Diluted Earnings per Share	0.05	0.23	0.03	0.15

There is no current obligation for issuing new shares in the future, thus it is not necessary to provide any other earnings per share index.

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31. Related Party transactions

During 2008, the company «GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.a.» having its domicile in Palermo Italy, acquired the majority of the Company's shares , and thus became the ultimate controlling party exercising control on the Company and the Group.

Related parties are considered the Group of the ultimate controlling party, the members of the Board of Directors and Management of the Company, the members of the Board of Directors and Management of subsidiaries of the Group, the financially dependent members and first-degree relatives of the members of the Board of Directors and Management, and the associate companies.

On the tables below the balances of trade receivables and payables on December 31st 2008 and December 31st 2007, as well as the purchases and sales of the companies of the Group for the fiscal years 2008 and 2007 are stated:

31.1 Group of Ultimate Controlling Party

31/12/2008

Company	Industria Armamento Meridionale S.p.a (In.ar.me)	Atlantica S.p.a di Navigazione	Totals
Minoan Lines S.A. (due from)	142,651.88	5,509.00	**148,160.88**
Totals	**142,651.88**	**5,509.00**	**148,160.88**

1/1 – 31/12/2008

Company	Industria Armamento Meridionale S.p.a (In.ar.me)
Minoan Lines S.A.	
Chartering cost	1,977,379.41
Totals	**1,977,379.41**

31.2 Subsidiaries

31/12/2008

Company	Minoan Escape S.A.	Kritiki Filoxenia S.A.	Minoan Cruises S.A.	Totals
Minoan Lines S.A. (due from)	31,107.43	42,039.85	-	**73,147.28**
Athina A.V.E.E. (due from)	-	40,627.15	-	**40,627.15**
Minoan Lines S.A.(payable to)	-	-	6,908.75	**6,908.75**
Totals	**31,107.43**	**82,667.00**	**6,908.75**	**120,683.18**

31/12/2007

Company	Minoan Escape S.A.	Kritiki Filoxenia S.A.	Totals
Minoan Lines S.A. (due from)	24,786.36	23,966.52	**48,752.88**
Athina A.V.E.E. (due from)	-	53,345.39	**53,345.39**
Totals	**24,786.36**	**77,311.91**	**102,098.27**

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1/1 – 31/12/2008

Company	Minoan Lines S.A.	Minoan Escape S.A.	Minoan Cruises S.A.	Kritiki Filoxenia S.A.	Totals
Minoan Lines S.A.					
Revenues from Fares	-	45,740.83	-	-	**45,740.83**
Revenue from rentals and other	-	203,146.98	600.00	1,760.84	**205,507.82**
Dividends income	-	-	-	12,718.24	**12,718.24**
Totals	**-**	**248,887.81**	**600.00**	**14,479.08**	**263,966.89**
Minoan Escape S.A.					
Income from Commissions	74,681.53	-	-	-	74,681.53
Totals	**74,681.53**	**-**	**-**	**-**	**74,681.53**

1/1 – 31/12/2007

Company	Minoan Escape S.A.	Minoan Cruises S.A.	Kritiki Filoxenia S.A.	Totals
Minoan Lines S.A.				
Revenues from Fares	75,450.68	-	-	**75,450.68**
Revenue from rentals and other	62,897.57	600.00	1,760.84	**65,258.41**
Dividends income	-	-	18,706.54	**18,706.54**
Totals	**138,348.25**	**600.00**	**20,467.38**	**159,415.63**

31.3 Associates

31/12/2008

Company	Mediterranean Ferries S.r.l.
Minoan Lines S.A. (due from)	158,954.03
Totals	**158,954.03**

31/12/2007

Company	Hellenic Seaways S.A	Mediterranean Ferries S.r.l.	Totals
Minoan Lines S.A. (due from)	14,861.28	193,954.03	**208,815.31**
Totals	14,861.28	193,954.03	**208,815.31**

During 2008, the parent company has received from the associate Hellenic Seaways S.A. dividend income from 2007 profits amounting to € 2,070,862.00 and paid for chartering of a vessel the amount of € 1,213,359.00. In the prior year, the parent company has received from the associate Hellenic Seaways S.A., revenue from building rentals amounting to € 33,314.56. For the year ended 2008, the subsidiary company Minoan Escape S.A. has received from the associate revenue from commissions amounting to € 4,438.85.

The above transactions (notes 31.1, 31.2 and 31.3) are at arm's length.

31.4 Members of the Board of Directors and management

The short-term benefits of the Members of the Board of Directors and the Company's management are analysed as follows:

	31/12/2008	31/12/2007
Executive members	398,111.03	397,485.12
Non – executive members	217,680.21	235,327.39
Directors	1,123,270.42	1,139,928.87
Totals	**1,739,061.66**	**1,772,741.38**

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32. Contingent liabilities

The contingent liabilities are the following:

a. By virtue of Decision No. 210/III/2002 of the Competition Committee, a penalty was imposed to the Company in the total amount of € 4,5 million. The Company has been justified by the Court of Appeal of Athens. An appeal of the Company and of the Competition Committee has been filed against the final instance courts and the decision is pending. Estimating that the appropriate Administrative Courts will issue a decision favourable to the Company, the Company has not recorded any respective provision.

b. The companies of the Group, which are either consolidated or integrated by the equity method in the financial statements, have not been audited and consequently their tax obligations have not yet been finalized by the tax authorities, for the financial years presented below:

Company	Open tax years
Minoan Lines S.A.	2006 - 2008
Minoan Escape S.A.	2006 - 2008
Minoan Cruises S.A.	2000 - 2008
Kritiki Filoxenia S.A.	2007 - 2008
Athina A.V.E.E.	2007 - 2008
Mediterranean Ferries S.r.l.	2002 - 2008
Hellenic Seaways S.A.	2007 - 2008

The Company has not recorded any tax provision, due to the special tax regime (shipping company).

c. The adverse effect on the results of one of the subsidiaries with the amounts of USD 0.56 million and € 0.21 million respectively, for which letters of guarantee have been issued to the Seamen's Pension Fund depends on the results of the legal proceedings commenced by both the subsidiary and the Seamen's Pension Fund. The subsidiary has not recorded any provision estimating that it will be justified by the appropriate Courts.

d. The adverse effect on the consolidated results of € 0.26 million depends on the results of the legal proceedings of the associate Hellenic Seaways S.A , for which no provision has been recorded estimating that it will be justified by the appropriate Courts.

33. Subsequent events

During 2009, the Company has concluded to an agreement with the company S.N.C.M. for the sale of the vessel Pasiphae Palace with net sale proceeds € 73,500,000.00 and delivery date March 19th 2009.
From the above funds, € 47,335,000.00 were used for the partial prepayment of the bond loan facility and the remaining portion for strengthening of the Company's liquidity. The net profit from the above transaction amounted to € 2.2 million approximately.
The above vessel is included in the geographical segment "Adriatic routes" (note 29).

There are no other subsequent events relating to the Company or the Group that have occurred and need to be disclosed under the International Financial Reporting Standards (I.F.R.S.).

Heraklion, March 26th 2009

The Vice Chairman of the Board	The Chief Executive Officer	The Chief Financial Officer	The Chief Accountant
Konstantinos Mamalakis	**Antonios Maniadakis**	**George Vassilokonstantakis**	**Dimitra Batsi**
ID C No AA 367050	ID C No X 850531	ID C No AZ 957560	ID C No AZ 467355 ID 23944 First Class

Minoan Lines Shipping S.A. – Annual Financial Statements for the year 2008 (1/1 – 31/12/2008) (in Euros)

MINOAN LINES SHIPPING S.A.

REGISTRATION NUMBER 11314/06/B/86/13

Domicile : 17 , 25th August Str. 71202 - Heraklion Crete

Condensed Financial Information for the year ended December 31st 2008

(published in accordance with the article 135 of the law 2190/1920, for companies preparing the annual financial statements according to the I.A.S.)

The financial information set out below provides a general presentation of the financial position and results of MINOAN LINES SHIPPING S.A. and its Group.We recommend to the reader, before any investment decision or transaction is performed with the Company,to visit the web site (at www.minoan.gr), where the financial statements are presented in accordance with the International Accounting Standards and the type of the auditor's report (if required).

COMPANY'S INFORMATION

Supervising Authority	Ministry of Development-Societes Anonymes dept.
web site address	*www.minoan.gr*
Board of Directors	E.Grimaldi-Chairman,K.Mamalakis-Vice Chairman,A.Maniadakis-Chief Executive Officer,G.Grimaldi-Member,D.Pacella-Member,P.Kyprianou -Member,J.Xenikakis-Member,J.Papageorgiou-Member,M.Papadakis-Member,E.Froudakis-Member,M.Hatzakis-Member.
Date of approval by the Board of Directors	March 26th , 2009
Certified Auditor Accountant	Nikolaos E. Vouniseas-A.M. S.O.E.L. 18701
Audit Firm	KPMG Certified Auditors A.E.
Type of auditor's report	Unqualified opinion

BALANCE SHEET

	The Group		The Company	
ASSETS	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Property, plant and equipment	529,651,746.10	547,273,281.14	529,651,402.69	547,272,838.64
Investment property	1,545,643.12	0.00	1,545,643.12	0.00
Intangible assets	143,613.94	225,430.60	143,613.94	225,430.60
Other non - current assets	76,121,448.44	76,123,793.63	69,998,489.19	69,708,214.97
Inventories	5,507,057.78	4,552,578.00	5,507,057.78	4,552,578.00
Customers	16,754,298.95	14,607,802.32	16,798,990.65	14,652,494.02
Other current assets	57,935,598.58	36,483,304.25	57,385,086.29	36,014,006.45
Non - current assets held for sale	5,200,000.05	5,200,000.05	0.00	0.00
TOTAL ASSETS	**692,859,406.96**	**684,466,189.99**	**681,030,283.66**	**672,425,562.68**
EQUITY AND LIABILITIES				
Share Capital	159,583,500.00	159,583,500.00	159,583,500.00	159,583,500.00
Retained Earnings and other Reserves	118,783,835.43	120,520,164.53	107,034,937.93	108,597,449.17
Total Shareholders Equity (a)	**278,367,335.43**	**280,103,664.53**	**266,618,437.93**	**268,180,949.17**
Minority interest (b)	56,230.00	65,164.42	0.00	0.00
TOTAL EQUITY (c) = (a) + (b)	**278,423,565.43**	**280,168,828.95**	**266,618,437.93**	**268,180,949.17**
Interest bearing loans and borrowings	335,811,729.93	203,041,971.97	335,811,729.93	203,041,971.97
Provisions/other long - term liabilities	7,205,259.35	7,459,210.36	7,205,259.35	7,459,210.36
Bank overdrafts and current portion of interest bearing loans and borrowings	42,644,508.97	158,070,875.71	42,644,508.97	158,070,875.71
Other short - term liabilities	28,774,343.28	35,725,303.00	28,750,347.48	35,672,555.47
TOTAL LIABILITIES (d)	**414,435,841.53**	**404,297,361.04**	**414,411,845.73**	**404,244,613.51**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**692,859,406.96**	**684,466,189.99**	**681,030,283.66**	**672,425,562.68**

INCOME STATEMENT

	The Group		The Company	
	1/1-31/12/2008	**1/1-31/12/2007**	**1/1-31/12/2008**	**1/1-31/12/2007**
Revenue	**213,782,326.18**	**195,937,633.48**	**213,629,400.19**	**195,701,520.97**
Gross profit	51,960,482.22	57,695,822.49	51,865,158.95	57,574,441.34
Operating profit before tax, financing and investing costs (E.B.I.T.)	24,344,522.56	29,130,711.98	24,499,759.51	29,135,094.66
Profit before taxes	3,316,612.39	16,430,501.56	1,983,788.76	10,625,647.33
Net Profit after taxes	**3,299,666.78**	**16,356,453.33**	**1,983,788.76**	**10,570,873.09**
Atributable to :				
Equity holders of the parent	**3,308,751.20**	**16,360,072.13**	**1,983,788.76**	**10,570,873.09**
Minority interest	-9,084.42	-3,618.80	0.00	0.00
Basic and diluted earnings per share (in €) after taxation	0.0467	0.2307	0.0280	0.1490
Operating profit before tax,depreciation, financing and investing costs (E.B.I.T.D.A.)	**41,309,347.28**	**46,100,927.83**	**41,464,057.19**	**46,105,247.37**

STATEMENT OF CASH FLOWS

	The Group		The Company	
	1/1-31/12/2008	**1/1-31/12/2007**	**1/1-31/12/2008**	**1/1-31/12/2007**
Cash flows from operating activities				
Profits before Taxes	**3,316,612.39**	**16,430,501.56**	**1,983,788.76**	**10,625,647.33**
Adjustments for :				
Net Depreciation	16,964,824.72	16,970,215.85	16,964,297.68	16,970,152.71
Provisions	423,471.98	346,594.99	372,535.13	346,594.99
Unrealised foreign exchange differences	-2,062.98	-39,550.91	-2,062.98	-39,550.91
Share of (Gains) from investments	-3,579,565.14	-5,874,636.85	-2,088,512.70	-39,710.54
Financial expenses	25,069,683.64	25,048,639.99	25,054,821.24	25,036,595.86
Other non-monetary (income)/loss	-18,305.92	10,694.94	-15,980.14	11,262.41
Operating results before changes in working capital	**42,174,658.69**	**52,892,459.57**	**42,268,886.99**	**52,910,991.85**
(Increase) in inventories	-954,479.78	-522,322.05	-954,479.78	-522,322.05
(Increase)/Decrease in trade and other receivable	-9,703,951.03	14,134,754.99	-9,709,963.50	13,932,020.92
(Decrease) in liabilities other than borrowings	-7,385,318.76	-3,877,210.60	-7,358,034.08	-3,912,190.49
Interest and related expenses paid	-23,699,518.74	-23,242,064.27	-23,684,656.34	-23,230,020.14
Income taxes paid	-84,886.71	-68,110.51	-66,474.05	-48,982.71
Cash inflows from operating activities (a)	**346,503.67**	**39,317,507.13**	**495,279.24**	**39,129,497.38**
Cash flows from investing activities				
Acquisition of subsidiaries and associates	0.00	-133,250.00	-299,850.00	-133,250.00
Purchase of property, plant and equipment	-1,125,084.76	-1,014,004.26	-1,118,158.87	-1,014,004.26
Proceeds from property, plant and equipment disposal	163,643.51	32,296.84	156,910.00	32,296.84
Decrease/(increase) in other long-term assets	9,575.78	-14,017.14	9,575.78	-14,017.14
Dividends received	2,075,794.46	5,373.02	2,088,512.70	24,079.54
Cash inflow/(outflow) from investing activiti	**1,123,928.99**	**-1,123,601.54**	**836,989.61**	**-1,104,895.02**
Cash flows from financing activities				
Proceeds from the issue of long term borrowings	375,780,111.57	0.00	375,780,111.57	0.00
Repayment of long / short term borrowings	-358,585,685.36	-39,525,311.13	-358,585,685.36	-39,525,311.13
Repayment of finance lease liabilities	-70,088.32	-51,778.73	-70,088.32	-51,778.73
Dividends paid	-3,547,027.67	-9,456,054.91	-3,547,027.67	-9,456,054.91
Cash inflow/(outflow) from financing activities (c)	**13,577,310.22**	**-49,033,144.77**	**13,577,310.22**	**-49,033,144.77**
Net increase/(decrease) in cash and and cash equivalents (a)+(b)+(c)	**15,047,742.88**	**-10,839,239.18**	**14,909,579.07**	**-11,008,542.41**
Cash and cash equivalents at the beggining of the year	**5,961,248.70**	**16,800,487.88**	**5,587,549.57**	**16,596,091.98**
Cash and cash equivalents at the end of the year	**21,008,991.58**	**5,961,248.70**	**20,497,128.64**	**5,587,549.57**

STATEMENT OF CHANGES IN EQUITY

	The Group		The Company	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Total equity (1/1/2008 and 1/1/2007 respectively)	280,168,828.95	276,200,778.53	268,180,949.17	270,631,897.98
Net profit/ (loss) after taxes for the period ended	3,299,666.78	16,356,453.33	1,983,788.76	10,570,873.09
Distributed Dividends	-3,546,300.00	-9,575,010.00	-3,546,300.00	-9,575,010.00
Net loss recognised directly in equity	-1,498,780.30	-2,813,392.91	0.00	-3,446,811.90
Minority's proportion on Capital increase	150.00	0.00	0.00	0.00
Total equity at the end of the year	**278,423,565.43**	**280,168,828.95**	**266,618,437.93**	**268,180,949.17**

Notes and information :

1. The Companies that are included in the above stated financial statements with their locations, the Group interest and the consolidation method are presented in note 1 of the annual financial statements.
2. These Consolidated Financial Statements are included in the Consolidated Financial Statements of the company "GRIMALDI COMPAGNIA di NAVIGAZIONE S.p.a." (domicile : Palermo Italy) which on 31/12/2008 participated in the share capital of the parent company with 84.95%.
3. The open tax years of the Company and of the companies of the Group are analyzed in note 32 of the annual financial statements.
4. The main accounting principals of 31/12/2007 have been applied to these annual financial statements.
5. For securing the long-term debt, first preferred mortgages have been registered on the vessels of the above stated financial statements amounting to € 375,000,000.00.
6. There are no outstanding disputes at the court or any arbitration against the Company and consolidated Companies, which may have substantial effects on their financial position.

The relevant provisions included in the above stated financial statements are the following:

	The Group	The Company
Provisions for debtors in litigation	1,353,634.74	1,302,697.89
Provisions for open tax years	-	-
Other Provisions	-	-

7. The number of the personnel employed by the Group for the year ended 31/12/2008 and 31/12/2007 was 752 and 827 persons respectively.
8. The net income recognized directly in equity for the period 1/1-31/12/2008, amounted to € -1,498,780.30 , refers to a) € -1,495,476.16 that tranferred from fair value reserves to the income statement due to the liquidation of available for sale securities and b) € -3,304.14 change in fair value of available for sale securities
9. Earnings per share are calculated on the weighted average number of shares outstanding.
10. The total revenues and expenses , as well as the receivables and payables, resulting from transactions among the related parties in accordance with the I.A.S. 24 are as follows:

	The Group	The Company
a) Revenues	4,438.85	2,334,828.89
b) Expenses	3,190,738.41	3,265,419.94
c) Receivables	307,114.91	380,262.19
d) Payables	-	6,908.75
e) Transactions and compensations of directors and members of board of directors	1,739,061.66	1,739,061.66
f) Receivables from directors and members of board of directors	-	-
g) Payables to directors and members of board of directors	-	-

Heraklion, March 26th 2009

THE VICE CHAIRMAN OF THE BOARD	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
KONSTANTINOS MAMALAKIS	ANTONIOS MANIADAKIS	GEORGE VASSILOKONSTANTAKIS	DIMITRA BATSI
ID C Nr AA 367050	ID C Nr X 850531	ID C Nr AZ 957560	ID C Nr AZ 467355
			ID 23944 First Class