



BLUE STAR MARITIME SA

Annual Financial Statements
for the period 1-1-2005 to 31-12-2005
Type of Auditors' opinion: Unqualified

(amounts in € thousand)

The Annual Financial Statements for the fiscal year 2005 were approved by the Board of Directors of Blue Star Maritime SA on 20 February 2006.

BLUE STAR MARITIME SA
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AUDITORS' REPORT

To the Shareholders of "BLUE STAR MARITIME SA"

We have audited the accompanying financial statements as well as the consolidated financial statements of BLUE STAR MARITIME SA as of and for the year ended 31 December 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement presentation as well as assessing the consistency of the Board of Directors' report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements give a true and fair view of the financial position of the Company and that of the Group (of which this Company is the holding company), as of 31 December 2005, and of the results of its operations and those of the Group and their cash flows and changes in shareholders' equity for the year then ended in accordance with the International Financial Reporting Standards that have been adopted by the European Union and the Board of Directors' Report is consistent with the aforementioned financial statements.

21 February 2006
For DRM Stylianou SA (SOEL Reg. no: 104)

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DRM Stylianou SA is a
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and consulting firms

INCOME STATEMENT

For the year ending at 31/12/2005 & 2004 and the 4th quarter of 2005 and 2004

		GROUP			
Notes	<u>1/10-31/12/05</u>	<u>1/10-31/12/04</u>	<u>1/1-31/12/05</u>	<u>1/1-31/12/04</u>	
Revenue	(6.1)	25.100	21.578	133.379	128.495
Cost of sales	(6.2)	(17.432)	(13.594)	(73.250)	(76.782)
Gross Profit/(loss)		7.668	7.984	60.129	51.713
Other operating income	(6.3)	4	124	666	124
Administrative expenses	(6.4)	(2.035)	(1.721)	(7.118)	(7.647)
Distribution expenses	(6.5)	(2.397)	(2.520)	(16.036)	(13.801)
Earnings before taxes, investing and financial results, depreciation and amortization		3.240	3.867	37.641	30.389
Depreciation and amortization	(6.6)	(3.074)	(2.948)	(12.299)	(13.200)
Earnings before taxes, investing and financial results		166	919	25.342	17.189
Dividends from subsidiaries and other entities					
Interest & other similar income	(6.7)	265	208	820	779
Interest and other financial expenses	(6.7)	(1.895)	(2.780)	(8.120)	(11.940)
Foreign exchange differences	(6.7)			(26)	
Financial results		(1.630)	(2.572)	(7.326)	(11.161)
Profit/(loss) from vessels' disposal			3.647		4.828
Profit/(loss) before taxes		(1.464)	1.994	18.016	10.856
Taxes	(6.8)	(276)	(164)	(516)	(339)
Profit/(loss) after taxes		(1.740)	1.830	17.500	10.517
<u>Attributable as follows:</u>					
Company Shareholder		(1.740)	1.830	17.500	10.517
Minority Interests in Subsidiaries					
Earnings After Taxes per Share - Basic (in €)		(0,02)	0,02	0,17	0,10
Proposed dividend payable per share (in €)					

The Notes on pages 11 to 48 are an integral part of these Financial Statements.

INCOME STATEMENT

For the year ending at 31/12/2005 & 2004 and the 4th quarter of 2005 and 2004

	Notes	COMPANY			
		1/10-31/12/05	1/10-31/12/04	1/1-31/12/05	1/1-31/12/04
Revenue	(6.1)	5.466	5.439	33.202	41.745
Cost of sales	(6.2)	(5.189)	(4.801)	(22.537)	(27.734)
Gross Profit/(loss)		277	638	10.665	14.011
Other operating income	(6.3)	3		635	
Administrative expenses	(6.4)	(672)	(1.092)	(3.023)	(3.480)
Distribution expenses	(6.5)	(456)	(670)	(3.965)	(4.791)
Earnings before taxes, investing and financial results, depreciation and amortization		(848)	(1.124)	4.312	5.740
Depreciation and amortization	(6.6)	(629)	(604)	(2.529)	(3.362)
Earnings before taxes, investing and financial results		(1.477)	(1.728)	1.783	2.378
Dividends from subsidiaries and other entities	(6.7)		6.364	7.827	6.364
Interest & other similar income	(6.7)	4	150	389	568
Interest and other financial expenses	(6.7)	(308)	(1.467)	(1.355)	(5.974)
Foreign exchange differences	(6.7)	(1)		(42)	
Financial results		(305)	5.047	6.819	958
Profit/(loss) from vessels' disposal			3.647		3.897
Profit/(loss) before taxes		(1.782)	6.966	8.602	7.233
Taxes	(6.8)	(34)	(67)	(200)	(275)
Profit/(loss) after taxes		(1.816)	6.899	8.402	6.958
Attributable as follows:					
Company shareholders		(1.816)	6.899	8.402	6.958
Minority interests in subsidiaries					
Earnings after taxes Per Share - basic (in €)		(0,02)	0,07	0,08	0,07
Proposed dividend payable per share (in €)				0,07	0,06

The Notes on pages 11 and 48 are an integral part of these Financial Statements.

BALANCE SHEET

As at 31st of December 2005 and at December 31, 2004

	Notes	GROUP		COMPANY	
		31/12/2005	31/12/2004	31/12/2005	31/12/2004
ASSETS					
Non-current assets					
Tangible assets	(6.9)	333.462	344.235	27.316	29.096
Intangible Assets	(6.10)	1.915	1.442	1.391	1.156
Investments in subsidiaries-associated companies	(6.11)		9	228.738	228.747
Non-Current Receivables	(6.12)	63	62	50	49
		<u>335.440</u>	<u>345.748</u>	<u>257.495</u>	<u>259.048</u>
Current assets					
Inventories	(6.13)	1.454	1.104	374	312
Trade receivables and prepayments	(6.14)	22.352	17.975	2.638	2.907
Tax receivables	(6.15)	144	152	78	82
Receivables from subsidiaries-associated companies	(6.16)			331.917	248.783
Other receivables	(6.17)	2.983	4.931	685	2.422
Financial assets held for trading	(6.18)	27	27	27	27
Cash and cash equivalents	(6.19)	49.225	44.130	8.915	25.998
Deferred expenses	(6.20)	2.837	4.372	1.025	1.549
Accrued income	(6.20)	65		16	
		<u>79.087</u>	<u>72.691</u>	<u>345.675</u>	<u>282.080</u>
Total assets		<u>414.527</u>	<u>418.439</u>	<u>603.170</u>	<u>541.128</u>
EQUITY AND LIABILITIES					
Equity					
Share Capital	(6.21)	105.000	105.000	105.000	105.000
Reserves	(6.21)	69.355	75.732	69.192	75.923
Retained Earnings		26.264	9.309	8.334	127
Total equity		<u>200.619</u>	<u>190.041</u>	<u>182.526</u>	<u>181.050</u>
Minority interests in subsidiaries					
Non-current liabilities					
Secured loans	(6.22)	179.800	152.625		110.500
Finance leases	(6.23)	139	326	139	103
Deferred tax liabilities	(6.24)	19		4	
Retirement benefit provisions	(6.25)	438	376	178	156
Other provisions	(6.26)	2.377	1.500	2.377	1.500
		<u>182.773</u>	<u>154.827</u>	<u>2.698</u>	<u>112.259</u>
Current liabilities					
Bank loans and overdrafts	(6.27)	2.219	3.393	2.219	3.393
Current portion of long term liabilities		12.500	55.328		51.578
Trade and other payables	(6.28)	13.410	10.795	3.181	3.114
Payables to subsidiaries-associated companies	(6.29)			411.567	187.615
Tax liabilities	(6.30)	1.296	949	269	236
Accrued expenses	(6.31)	1.710	3.106	710	1.883
		<u>31.135</u>	<u>73.571</u>	<u>417.946</u>	<u>247.819</u>
Total equity and liabilities		<u>414.527</u>	<u>418.439</u>	<u>603.170</u>	<u>541.128</u>

The Notes on pages 11 to 48 are an integral part of these Financial Statements.

Statement of Changes in Equity

For the Period 1/1-31/12/2004

GROUP

	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Equity
Balance at 1 January 2004 according to Greek GAAP	157.500	79.097	10.942	(72.545)	6.164		181.158
Adjustments for transition to IFRS						442	442
Balance at 1 January 2004	157.500	79.097	10.942	(72.545)	6.164	442	181.600
Changes in Equity for the Period 1/1-31/12/2004	(52.500)	(5.607)	(8.592)	67.652		778	1.731
Net Profit for the Period 1/1-31/12/2004					3.145	7.372	10.517
Dividends						(3.807)	(3.807)
Balance at 31 December 2004	105.000	73.490	2.350	(4.893)	9.309	4.785	190.041

COMPANY

	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Equity
Balance at 1 January 2004 according to Greek GAAP	157.500	79.097	9.963	(67.688)			178.872
Adjustments for transition to IFRS						1.679	1.679
Balance at 1 January 2004	157.500	79.097	9.963	(67.688)		1.679	180.551
Changes in Equity for the Period 1/1-31/12/2004	(52.500)	(5.607)	(8.914)	63.339		1.030	(2.652)
Net Profit for the Period 1/1-31/12/2004					127	6.831	6.958
Dividends						(3.807)	(3.807)
Balance at 31 December 2004	105.000	73.490	1.049	(4.349)	127	5.733	181.050

GROUP

Statement of Changes in Equity

For the Period 1/1-31/12/2005

	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Equity
	105.000	73.490	2.350	(4.893)	9.309	4.785	185.256
	105.000	73.490	2.350	(4.893)	9.309	4.785	190.041
			(8.687)	1.430	6.635		(622)
			880		16.620		17.500
					(6.300)		(6.300)
	105.000	73.490	(5.457)	(3.463)	26.264	4.785	200.619

Balance at 1 January 2005 according to Greek GAAP
Adjustments for transition to IFRS

Balance at 1 January 2005

Changes in Equity for the Period 1/1-31/12/2005

Net Profit for the Period 1/1-31/12/2005

Dividends

Balance at 31 December 2005

COMPANY

Balance at 1 January 2005 according to Greek GAAP
Adjustments for transition to IFRS

Balance at 1 January 2005

Changes in Equity for the Period 1/1-31/12/2005

Net Profit for the Period 1/1-31/12/2005

Dividends

Balance at 31 December 2005

	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Equity
	105.000	73.490	1.049	(4.349)	127	5.733	175.317
	105.000	73.490	1.049	(4.349)	127	5.733	181.050
			(7.022)		6.396		(626)
			291		8.111		8.402
					(6.300)		(6.300)
	105.000	73.490	(5.682)	(4.349)	8.334	5.733	182.526

CASH FLOW STATEMENT

For the period 1/1/-31/12 2005 &2004

	GROUP		COMPANY	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
<u>Cash flow from Operating Activities</u>				
Profit Before Taxes	18.016	10.856	8.602	7.233
Adjustments for:				
Depreciation & amortization	12.299	13.200	2.529	3.362
Deferred tax expense				
Net profit/(Loss) from investing activities	(846)	(1.711)	(8.232)	(6.932)
Provisions	801	(4.634)	419	(4.634)
Foreign exchange differences	26		42	
Interest and other financial expenses	8.120	11.940	1.355	5.974
Plus or minus for Working Capital changes :				
Decrease/(increase) in Receivables	147	7.340	(80.617)	(51.605)
Decrease/(increase) in Inventories	(350)	466	(61)	221
(Decrease)/increase in Payables (excluding banks)	1.043	(6.048)	226.528	66.947
Less:				
Interest and other financial expenses paid	(12.712)	(7.993)	(8.436)	(2.032)
Taxes paid	(284)	(206)	(222)	(150)
Total cash inflow/(outflow) from operating activities (a)	<u>26.260</u>	<u>23.210</u>	<u>141.907</u>	<u>18.384</u>
<u>Cash flow from Investing Activities</u>				
Acquisition of subsidiaries, associated companies, joint ventures and other investments				
Purchase of tangible and intangible assets	(1.500)	(872)	(485)	(4.417)
Proceeds from sale of tangible and intangible assets		16.060		11.885
Interest received	820	779	389	568
Dividends received			7.827	6.364
Total cash inflow/(outflow) from investing activities (b)	<u>(680)</u>	<u>15.967</u>	<u>7.731</u>	<u>14.400</u>
<u>Cash flow from Financing Activities</u>				
Proceeds from issue of Share Capital				
Proceeds from Borrowings	198.550			
Payments of Borrowings	(212.404)	(34.360)	(160.279)	(30.610)
Payments of finance lease liabilities	(331)		(142)	
Dividends paid	(6.300)	(3.807)	(6.300)	(3.807)
Total cash inflow/(outflow) from financing activities (c)	<u>(20.485)</u>	<u>(38.167)</u>	<u>(166.721)</u>	<u>(34.417)</u>
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	<u>5.095</u>	<u>1.010</u>	<u>(17.083)</u>	<u>(1.633)</u>
Cash and cash equivalents at beginning of period	<u>44.130</u>	<u>43.120</u>	<u>25.998</u>	<u>27.631</u>
Cash and cash equivalents at end of period	<u>49.225</u>	<u>44.130</u>	<u>8.915</u>	<u>25.998</u>

The method used for the preparation of the above Cash Flow Statement is the Indirect Method.

Cash and cash equivalents analysis is presented in paragraph 6.19

The Notes on pages 11 to 48 are an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Blue Star Maritime SA is a Company which operates exclusively in passenger shipping.

The headquarters of the Company are in Athens, C. Karamanli Avenue 157, 16673, Voula, Athens, Greece.

At period end, the Company had 172 employees and the Group 557 employees.

Blue Star Maritime SA shares are listed in the Athens Stock Exchange under the code BSTAR.

The corresponding codes under Bloomberg is STRIK.GA and under Reuters is STR.AT.

The total number of common bearer shares outstanding as at 31 December 2005 was 105.000.000. Each share carries one voting right. The total market capitalization amounted to approximately € 189 million.

The Financial Statements of Blue Star Maritime SA are included in the consolidated financial statements of Attica Holdings SA which owns 48,795% of the share capital of Blue Star Maritime SA.

The financial statements of the Company and the Group for the period ending 31 December 2005 were approved by the Board of Directors on 20 February 2006.

Due to rounding there may be minor differences in some amounts.

2. Significant Group accounting policies

The significant Group accounting policies are as follows:

2.1. Basis of preparation of financial statements

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

In addition, the Group has prepared the financial statements in compliance with the historical cost principle, the going concern principle, the accrual basis principle, the consistency principle and the materiality principle.

In preparing its financial statements for the period ending 31 December 2005, the Group complied with the following standards:

- IAS 1** Presentation of Financial Statements
- IAS 2** Inventories
- IAS 7** Cash Flow Statements
- IAS 8** Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10** Events after the Balance Sheet Date
- IAS 11** Construction Contracts
- IAS 12** Income Taxes
- IAS 14** Segment Reporting
- IAS 16** Property, Plant and Equipment
- IAS 17** Leases
- IAS 18** Revenue
- IAS 19** Employee Benefits
- IAS 20** Accounting for Government Grants and Disclosure of Government Assistance
- IAS 21** The Effects of Changes in Foreign Exchange Rates
- IAS 23** Borrowing Costs
- IAS 24** Related Party Disclosures
- IAS 26** Accounting and Reporting by Retirement Benefit Plans
- IAS 27** Consolidated and Separate Financial Statements
- IAS 28** Investments in Associates
- IAS 29** Financial Reporting in Hyperinflationary Economies
- IAS 31** Interests in Joint Ventures
- IAS 32** Financial Instruments: Disclosure and Presentation
- IAS 33** Earnings per share
- IAS 34** Interim Financial Reporting
- IAS 36** Impairment of Assets
- IAS 37** Provisions, Contingent Liabilities and Contingent Assets
- IAS 38** Intangible Assets
- IAS 39** Financial instruments: Recognition and measurement
- IAS 40** Investment Property
- IFRS 1** First-time Adoption of International Financial Reporting Standards
- IFRS 2** Share-based Payment
- IFRS 3** Business Combinations
- IFRS 5** Non-current Assets Held for Sale and Discontinued Operations

The preparation of the financial statements calls for the use of estimates and assumptions which must be in line with the provisions of generally accepted accounting principles. The above estimates are based on the knowledge and the information available to the Management of the Group until the date of approval of the financial statements for the period ending 31 December 2005.

2.2. Consolidation

2.2.1. Basis of consolidation

The purchase method is used for the consolidation.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus cost directly attributable to the acquisition.

2.2.2. Subsidiaries

Subsidiaries are the entities which are controlled by another Company. Control exists when a Company has the power to govern the financial and operating policies of an entity.

In the Company's financial statements, participation in subsidiaries is presented in the acquisition cost less any impairment loss, if such case arises.

2.2.3. Consolidated financial statements

The consolidated financial statements include the Company and its subsidiaries. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that the parent company ceases to control the subsidiary.

Intercompany transactions, balances and gains or losses on transactions between Group companies are eliminated unless the transaction relates to an asset which provides evidence of impairment.

The subsidiaries' accounting policies are consistent with the policies adopted by the Group.

Minority interests are presented separately from the shareholders' equity of the Group.

2.3. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of identifiable assets and liabilities of the acquired subsidiary or associated company, at the time of acquisition. The goodwill is not amortized. The goodwill is subject to an impairment test at the end of each year.

The negative goodwill which, prior to the first application of IFRS, was shown as a deduction from equity, it cannot be recognised as an asset. The Company shall not recognise that goodwill in profit or loss if it disposes of all or part of the business to which that goodwill relates.

2.4. Investments

The investments are classified according to their scope as follows:

a) Long-term investments

These investments are recognised at cost plus any cost directly attributable to the investment and are reported as non-current assets. The company, annually, shall assess whether there is any indication that an investment may be impaired.

If any such indication exists, impairment losses are recognised in the shareholders' equity.

b) Investments available for sale (short-term investments)

These investment are initially recorded at cost plus any cost attributable to the investment. Subsequently, these investments are re-measured at fair value and gains or losses are recorded under shareholders' equity until these are disposed of or considered impaired. When these are disposed of or considered impaired, gains or losses are recognised in the income statement.

2.5. Tangible assets

Tangible assets are stated at acquisition cost less accumulated depreciation and any impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are added in the asset's carrying amount or recognised as a separate asset, only when it is probable that additional future economic benefits, associated with the asset, will flow to the Group.

All other expenses are charged to the income statement as they are considered as repairs and maintenance.

Land is not depreciated.

Depreciation is calculated on a straight line basis over the estimated useful life of each asset.

The estimated useful lives are as follows:

1. Conventional vessels	30 years
2. High-speed vessels (Catamaran)	15 years
3. Buildings	60 years
4. Harbor establishments	10 years
5. Motor Vehicles	5 years
6. Furniture and fixtures	5 years
7. Hardware equipment	3 years

The residual value of the vessels is estimated at 20% of the acquisition cost. For the other fixed assets no residual value is calculated. The residual value and the useful life of fixed assets is reviewed annually.

Costs incurred subsequent to the acquisition of a vessel for the purpose of increasing the future economic benefits from the operation of the vessel or for compliance with new rules and safety regulations, are capitalised separately and are depreciated in 5 years.

Once the sale of a tangible asset is completed, the difference between the selling price and the net book value less any expenditure related to the sale, is recognised as gain or loss in the income statement.

2.6. Intangible assets

a) Trademarks

Trademarks are recognised at cost less accumulated depreciation and any impairment loss.

The cost of trademarks includes expenditure related to the development and registration of the trademarks in Greece and abroad.

The useful life of trademarks is 15 years and depreciation is calculated on a straight line basis.

b) Computer software

Computer software programs are recognised at cost less accumulated depreciation and any impairment loss.

The initial cost recognition, in addition to the licenses, includes installation, customizing and development expenses.

Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital expenditure and added to the original cost of the software.

Useful life of computer software is 8 years and depreciation is calculated on a straight line basis.

2.7. Impairment of assets

At each reporting date the assets are assessed as to whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset. The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell the asset and its value in use.

Impairment losses are recognised in the income statement.

2.8. Investments in property

An investment in property is initially recognised at cost. Transaction costs are included in the initial cost. Subsequent expenditure is added to the cost only if it is probable that future economic benefits are expected.

Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and any accumulated impairment losses.

2.9. Inventories

Inventories are stated at the lower value of cost and net realizable value. Net realizable value is the estimated selling price less applicable variable selling expenses. The cost of inventories is determined using the weighted average method.

2.10. Trade receivables

Trade receivables are short-term receivables to be collected in less than 12 months from the date of recognition and are initially recognised at fair value.

Subsequently, if the collection is delayed, trade receivables are measured at amortized cost using the effective interest rate, less any impairment loss.

Impairment loss is established when there is objective evidence that the Group will not be able to collect all the amounts due.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows.

The discounting of the above difference is calculated using the effective interest rate.

The amount of the provision is recognised in the income statement.

2.11. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits in banks, other short-term highly liquid investments maturing within three months and bank overdrafts.

2.12 Share capital

Share capital consists of common ordinary shares and is included in shareholders' equity.

Costs directly attributable to the issue of new shares are shown in equity as a deduction from the share premium, net of tax.

Costs directly attributable to the issue of new shares for the acquisition of a new entity are recognised in the cost of the acquired entity.

The cost of treasury shares is deducted from equity until the shares are cancelled or disposed of. In this case profit or loss, net from direct costs, is included in shareholders' equity.

2.13. Dividends

Dividends payable are recognised as a liability when these are approved by the Shareholders' General Assembly.

2.14. Revenue

The revenue of the Group is derived from cargo, passengers and vehicles fares, as well as from on board sales. The Group also has income from interest and dividends.

2.14.1. Revenue from fares

Revenue from fares is recognised as follows:

- a) For international routes: when the customer travels.
- b) For domestic routes: when the ticket is issued.

The above difference with regard to the recognition of income between international and domestic markets respectively, is due to the fact that tickets of domestic routes issued in a specific month but concerning the following months are not substantial compared with total income. Besides this, the cost of tracking changes of tickets between the period from the date of issuance to the date of traveling would be very significant compared with the benefit of such information.

2.14.2. Revenue from on board sales

Revenue from sales of goods and services on board is recognised upon delivery of goods or services.

Regarding the services provided by the Group through concessions, revenue is recognised when the invoice is issued for services relating to the period.

All the above revenue is recognised when the collection of the related receivables is reasonably assured.

2.14.3. Interest income

Interest income is recognised on an accrual basis using the effective interest method.

2.14.4. Dividend income

Dividend income is recognised as revenue on the date the dividends are approved from the Shareholders' General Assembly of the entity which declares these.

2.15. Accounting for Government grants and disclosure of Government assistance

2.15.1. Government grants related to assets

Government grants that relate to assets are provided subject to the condition that the entity will purchase or construct long-term assets.

Government grants are recognised when it is certain that:

- a) The entity will comply with the conditions attaching to these.
- b) The grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis, independently from the receipt of them.

2.15.2. Government grants related to income

Government grants related to income are recognised as income over the periods, on a systematic basis, in order to match the relevant costs.

2.16. Segment reporting

A business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services which are subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and which is subject to risks and returns that are different from those of components operating in other economic environments.

The Group operates in sea transportation services for passengers, private vehicles and cargo in several geographical areas.
For this reason geographical segmentation is used.

The Group's geographical segments are the following:

- a) Greek Domestic Market
- b) Adriatic Sea

The Group's vessels provide transportation services to passengers, private vehicles and cargo. The Company's sales are highly seasonal. The highest traffic for passengers and vehicles is observed during the months July, August and September while the lowest traffic for passengers and vehicles is observed between November and February. On the other hand, cargo sales are not affected significantly by seasonality.

2.17. Expenses

2.17.1. Borrowing costs

Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds.

Borrowing costs include:

- a) Interest on bank overdrafts and interest on short-term and long-term borrowings.
- b) Amortisation of discounts or premium relating to borrowings.
- c) Amortisation of ancillary costs incurred in connection with the arrangement of borrowings.
- d) Finance charges in respect of finance leases recognised in accordance with IAS 17 "Leases".
- e) Exchange differences arising from foreign currency borrowings to the extent that these are regarded as a cost additional to interest costs.

2.17.1.1. Recognition of borrowing cost

Borrowing costs are recognised as an expense in the period in which these are incurred unless these are related to the acquisition or construction of a qualifying asset. In this case, these are capitalised.

2.17.1.2. Capitalisation procedures of borrowing costs

The capitalisation of borrowing cost:

- a) Commences when the investment in an asset is taking place and borrowing cost exists.
- b) Is suspended when the investment is suspended for a long period.
- c) Ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are completed.

2.17.2. Employee benefits

2.17.2.1. Short-term benefits

The current obligations of the Group towards its personnel, in cash or in non-monetary items are recognised as expenses as soon as they are incurred unless these relate to services that are included in the cost of an asset.

2.17.2.2. Defined benefit plans

Defined benefit plan is a legal obligation of the Group that defines an amount of pension benefit that an employee will receive on retirement. The defined benefit obligation is calculated annually based on actuarial valuation performed by independent actuaries using the projected unit credit method. Actuarial gains or losses are recognised in the income statement.

2.17.3. Leases

2.17.3.1. Finance leases

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, to the present value of the minimum lease payments.

The depreciation method of leased assets is similar to the method used for the other assets of the Group. Depreciation is calculated in accordance with IAS 16 “Property, plant and equipment” and IAS 38 “Intangible assets”. Therefore, paragraphs 2.5. “Tangible assets”, 2.6. “Intangible assets” and 2.7. “Impairment of assets” refer.

2.17.3.2. Operating leases

The lease payments for an operating lease are recognised as an expense and charged to the income statement.

2.17.4. Provisions, contingent liabilities and contingent assets

Provisions are recognised when:

- a) The Group has a present obligation, legal or construed, as result of a past event.
 - b) It is probable that an outflow of resources embodying economic benefits will be required to settle an obligation.
 - c) It is possible that a reliable estimation of the obligation can be made.
- Provisions should be reviewed at each balance sheet date.

Contingent liabilities or contingent assets are not recognised in the financial statements and are noted in the notes to the financial statements, provided the possibility of an outflow or inflow of economic benefits is remote.

2.17.5. Allocation of revenue and expenses

2.17.5.1. Allocation of joint revenue and expenses

As reported in paragraph 5.1 the consolidated joint venture and management company of the Group, transfer all revenue and expenses related to specific companies to these shipowning companies. This means that when revenue or expenses are incurred which are not related to specific shipowning companies, these expenses are allocated to the shipowning companies based on percentages arising from historical data.

2.17.5.2. Allocation of expenses on a monthly basis

The Group recognises insurance expenses and annual survey expenses in the income statement on a monthly basis because the above expenses relate to the whole year.

2.18. Current and deferred income taxes

For a better understanding of the manner in which the Group’s income is taxed, the profits are classified based on their origin.

2.18.1. Income tax on profit from shipping activities

According to Law 27/1975, article 6, the shipowning companies carrying a Greek flag pay taxes based on the gross tonnage of the vessels, regardless of profits or losses. This tax is in effect an income tax which is readjusted according to the above law.

The payment of the above tax covers all obligations which are related to income tax with regard to shipping activities.

In this case, a permanent difference exists between taxable and accounting results, which will not be taken into consideration for the calculation of deferred taxation.

2.18.2. Income tax on profit from financial revenues

This category includes capital revenue which is recognised as taxable when it is distributed or capitalised. For the portion of the revenue which will not be distributed, a temporary taxable difference will result and a deferred tax liability will be recognised until the distribution of these profits.

The following are exempted:

- a) The interest on deposits which is taxable under the general rules of taxation.
- b) The dividends receivable from other companies which are not subject to Taxation and which are not taken into account for the calculation of deferred taxation.

2.18.3. Income tax on profit from non-shipping activities

In that case, the profits are subject to the provisions of the tax law and on occasions of calculation of deferred taxation, they will be estimated in accordance with IAS 12.

2.19. The effect of changes in foreign exchange rates

The functional currency of the Group is Euro.

Transactions in foreign currencies are translated into Euro at the exchange rate applying at the date of the transaction.

At each balance sheet date:

- a) Monetary items are translated using the closing rate.
- b) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

Exchange differences arising in the above cases are recognised in profit or loss in the period in which they are arise.

Exchange differences arising on the settlement of non-monetary items are recognised directly in shareholders' equity.

2.20. Financial instruments

Basic financial instruments of the Group are:

- a) Cash, bank deposits, short-term receivables and liabilities.
Given the short-term nature of these instruments, Group Management believe that their fair value is essentially identical to the value at which these are recorded in the accounting books of the Group.
- b) Securities
Securities are titles that embody rights on specific financial assets which can be valued in cash.

Securities are initially recognised at cost which is the market price plus expenses related to the transaction.

Securities are held by the Group for trading purposes. This means that these are acquired with the intention of selling for a profit.

Subsequently securities are measured at fair value and any profit or loss is recognised in the income statement.

Fair values of listed securities in active markets are calculated with current prices.

For non negotiable securities, fair values are defined through various valuation methods such as the analysis of recent comparative transactions, estimation of future cash flows, etc.

- c) Bank loans
Management believe that the interest rates of bank loans are almost equal to current market interest rates and therefore, it is not appropriate to adjust the value of these liabilities.
- d) Bond Loans
Bond Loans are initially recognised at cost which is the true value including issuance expenses. Subsequently these are recognised at the carrying amount based on the effective interest rate method. Any difference between the amount collected at the issuance date, net of related expenses, and the amount repaid is recognised in the income statement using the effective interest rate method.

2.21. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period, attributable to ordinary equity shareholders, adjusted for the payment of dividends to preference shares, by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating basic earnings per share for the consolidated financial statements the numerator includes profit or loss attributable to equity shareholders of the parent company and the denominator includes the weighted average number of ordinary shares outstanding during the period.

3. Financial risk management

3.1. Financial risk factors

a) Market risk

The Group operates in the European Monetary Union (Eurozone).

The Group rarely buys foreign currencies in advance or enters into forward contracts.

Provisions for spare parts, other materials or services in foreign currencies outside the Euro-zone are not substantial compared to the total amounts spent for provisions.

b) Credit risk

The Group has established credit control procedures in order to minimize the possibility of credit risk.

The Group estimates that there is no considerable concentration of trade receivables except in the case of “Attica Premium SA” and “Superfast Dodeka (Hellas) Inc and Co. Joint Venture” which are consolidated together with Blue Star Group at the financial statements of Attica Holdings SA and therefore there is no credit risk.

The Group has defined credit limits and specific credit conditions for all of its customers.

Furthermore, the Group has obtained bank guarantees from major customers, in order to secure its trade receivables.

c) Liquidity risk

The liquidity risk is at a very low level because the Group maintains sufficient cash and also has a high credit rating from banks.

d) Interest rate risk

The borrowings of the Group are linked to floating interest rates.

In order to manage the interest rate risk, the Group has entered an interest rate hedge for the next five years covering the largest part of the long-term borrowings.

3.2. Determination of fair values

The fair value of financial instruments which are negotiable in active markets is calculated by using the closing price published at the balance sheet date.

The asking price is used for financial assets and the bid price is used for financial liabilities.

Nominal value of trade receivables, after related provisions, is approaching their fair value.

4. Transition to IFRS

4.1. Accounting policies of transition

These financial statements have been prepared on the basis of the International Accounting Standards. The date of transition to IAS is the beginning of business on 1 January 2004.

You will find more information about the preparation of these financial statements in paragraph 2.1. of these notes.

The adjustments made by the Group in order to apply IFRS are presented in the table that follows:

**IFRS ADJUSTMENTS IN NET EQUITY AT THE BEGINNING OF THE PERIOD (1/1/2005 & 1/1/2004 RESPECTIVELY)
FOR THE TRANSITION FROM GREEK GAAP TO IFRS**

	GROUP	
	01/01/2005	01/01/2004
Net equity as previously reported under Greek GAAP	185.256	181.158
Change in economic useful life of tangible and intangible assets	1.515	1.374
Write-off of long-term depreciation expenses	(925)	(2.027)
Presentation of Bond Loan according to IFRS	(912)	(1.325)
Presentation of sale of tangible assets on credit according to IFRS	170	136
Adjustment of leasing contracts according to IFRS	127	(66)
Derecognition of dividends as a liability until approved by the Annual General Assembly	6.300	3.807
Recognition of provision for staff termination	54	86
Other adjustments	(1.544)	(1.543)
Net equity at the beginning of the period, excluding minority interests, according to IFRS	190.041	181.600

	COMPANY	
	01/01/2005	01/01/2004
Net equity as previously reported under Greek GAAP	175.318	178.872
Change in economic useful life of tangible and intangible assets	1.287	1.162
Write-off of long-term depreciation expenses	(892)	(1.896)
Presentation of Bond Loan according to IFRS	(912)	(1.325)
Presentation of sale of tangible assets on credit according to IFRS	170	136
Adjustment of leasing contracts according to IFRS	1	
Derecognition of dividends as a liability until approved by the Annual General Assembly	6.300	3.807
Recognition of provision for staff termination	22	39
Other adjustments	(244)	(244)
Net equity at the beginning of the period, excluding minority interests, according to IFRS	181.050	180.551

4.2. Exemptions

4.2.1. Exemption of business combinations

The Group has applied the exemption of business combinations according to IFRS 1.

4.2.2. Employee benefits exemption

The Group has elected to recognise all cumulative actuarial gains and losses as at 1 January 2004.

4.2.3. Estimates

Estimates under IFRS at 1 January 2004 are consistent with estimates made for the same date under previous Greek GAAP, unless there is evidence that those estimates were wrong.

4.2.4. Reconciliation between IFRS and Greek GAAP

The following reconciliation provide an overview of the impact of IFRS adjustments as at 1 January 2004 and 31 December 2004.

4.2.4.1. Consolidated Balance Sheet reconciliation as at 1 January 2004

	GROUP		
	<u>GREEK</u>	<u>IFRS</u>	<u>IFRS</u>
	<u>GAAP</u>	<u>Adjustments</u>	
<u>ASSETS</u>			
<u>Non-current assets</u>			
Tangible assets	366.635	740	367.375
Intangible assets	2.672	(937)	1.735
Investments in subsidiaries-associated companies	9		9
Non-current receivables	62		62
	369.378	(197)	369.181
<u>Current assets</u>			
Inventories	1.571		1.571
Trade receivables and prepayments	23.905		23.905
Tax receivables	254		254
Receivables from subsidiaries-associated companies			
Other receivables	5.806	136	5.942
Financial assets held for trading	27		27
Cash and cash equivalents	43.120		43.120
Deferred expenses	6.265		6.265
Accrued income	50		50
	80.998	136	81.134
Total assets	450.376	(61)	450.315
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
Share capital	157.500		157.500
Reserves	21.305	(945)	20.360
Retained Earnings	2.358	1.387	3.745
Total equity	181.163	442	181.605
Minority interests in subsidiaries	(5)		(5)
<u>Non-current liabilities</u>			
Secured loans	224.126	1.726	225.852
Retirement benefit provisions	431	(86)	345
Other provisions	3.412	238	3.650
	227.969	1.878	229.847
<u>Current liabilities</u>			
Bank loans and overdrafts	3.393		3.393
Current portion of long term liabilities	15.950		15.950
Trade and other payables	16.655	(2.938)	13.717
Payables to subsidiaries-associated companies			
Tax liabilities	1.843		1.843
Deferred income	151		151
Accrued expenses	3.257	557	3.814
	41.249	(2.381)	38.868
Total equity and liabilities	450.376	(61)	450.315

4.2.4.2. Company's Balance Sheet reconciliation as at 1 January 2004

	COMPANY		
	<u>GREEK</u>	<u>IFRS</u>	<u>IFRS</u>
	<u>GAAP</u>	<u>Adjustments</u>	
<u>ASSETS</u>			
<u>Non-current assets</u>			
Tangible assets	39.794	267	40.061
Intangible assets	2.399	(1.000)	1.399
Investments in subsidiaries-associated companies	228.696		228.696
Non-current receivables	49		49
	<u>270.938</u>	<u>(733)</u>	<u>270.205</u>
<u>Current assets</u>			
Inventories	533		533
Trade receivables and prepayments	4.807		4.807
Tax receivables	182		182
Receivables from subsidiaries-associated companies	193.558		193.558
Other receivables	1.909	136	2.045
Financial assets held for trading	27		27
Cash and cash equivalents	27.631		27.631
Deferred expenses	2.505		2.505
Accrued income	50		50
	<u>231.202</u>	<u>136</u>	<u>231.338</u>
Total assets	<u>502.140</u>	<u>(597)</u>	<u>501.543</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
Share capital	157.500		157.500
Reserves	21.372	1.679	23.051
Retained Earnings			
Total equity	<u>178.872</u>	<u>1.679</u>	<u>180.551</u>
<u>Minority interests in subsidiaries</u>			
<u>Non-current liabilities</u>			
Secured loans	178.251	1.325	179.576
Retirement benefit provisions	178	(39)	138
Other provisions	756	164	920
	<u>179.185</u>	<u>1.449</u>	<u>180.634</u>
<u>Current liabilities</u>			
Bank loans and overdrafts	3.393		3.393
Current portion of long term liabilities	12.200		12.200
Trade and other payables	7.129	(3.805)	3.324
Payables to subsidiaries-associated companies	118.765		118.765
Tax liabilities	412		412
Accrued expenses	2.184	80	2.264
	<u>144.083</u>	<u>(3.725)</u>	<u>140.358</u>
Total equity and liabilities	<u>502.140</u>	<u>(597)</u>	<u>501.543</u>

4.2.4.3. Consolidated Balance Sheet reconciliation as at 31 December 2004

	GROUP		
	<u>GREEK</u> GAAP	<u>IFRS</u> Adjustments	<u>IFRS</u>
<u>ASSETS</u>			
<u>Non-current assets</u>			
Tangible assets	343.472	763	344.235
Intangible assets	1.156	286	1.442
Investments in subsidiaries-associated companies	9		9
Non-current receivables	62		62
	<u>344.699</u>	<u>1.049</u>	<u>345.748</u>
<u>Current assets</u>			
Inventories	1.104		1.104
Trade receivables and prepayments	18.985	(1.010)	17.975
Tax receivables	152		152
Receivables from subsidiaries-associated companies			
Other receivables	2.748	2.183	4.931
Financial assets held for trading	27		27
Cash and cash equivalents	44.130		44.130
Deferred expenses	4.424	(52)	4.372
Accrued income			
	<u>71.570</u>	<u>1.121</u>	<u>72.691</u>
Total assets	<u>416.269</u>	<u>2.170</u>	<u>418.439</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
Share capital	105.000		105.000
Reserves	70.947	4.785	75.732
Retained Earnings	9.309		9.309
Total equity	<u>185.256</u>	<u>4.785</u>	<u>190.041</u>
<u>Minority interests in subsidiaries</u>			
<u>Non-current liabilities</u>			
Secured loans	152.625		152.625
Finance leases		326	326
Deferred tax liabilities			
Retirement benefit provisions	431	(55)	376
Other provisions	1.518	(18)	1.500
	<u>154.574</u>	<u>252</u>	<u>154.827</u>
<u>Current liabilities</u>			
Bank loans and overdrafts	3.393		3.393
Current portion of long term liabilities	52.355	2.973	55.328
Trade and other payables	14.670	(3.875)	10.795
Payables to subsidiaries-associated companies			
Tax liabilities	1.029	(80)	949
Accrued expenses	4.992	(1.886)	3.106
	<u>76.439</u>	<u>(2.868)</u>	<u>73.571</u>
Total equity and liabilities	<u>416.269</u>	<u>2.170</u>	<u>418.439</u>

4.2.4.4. Company's Balance Sheet reconciliation as at 31 December 2004

	COMPANY		
	<u>GREEK</u> <u>GAAP</u>	<u>IFRS</u> <u>Adjustments</u>	<u>IFRS</u>
ASSETS			
<u>Non-current assets</u>			
Tangible assets	28.699	397	29.096
Intangible assets	1.053	103	1.156
Investments in subsidiaries-associated companies	228.747		228.747
Non-current receivables	49		49
	258.548	500	259.048
<u>Current assets</u>			
Inventories	312		312
Trade receivables and prepayments	3.066	(159)	2.907
Tax receivables	82		82
Receivables from subsidiaries-associated companies	248.783		248.783
Other receivables	1.137	1.285	2.422
Financial assets held for trading	27		27
Cash and cash equivalents	25.998		25.998
Deferred expenses	1.549		1.549
Accrued income			
	280.954	1.126	282.080
Total assets	539.502	1.626	541.128
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
Share capital	105.000		105.000
Reserves	70.190	5.733	75.923
Retained Earnings	127		127
Total equity	175.317	5.733	181.050
<u>Minority interests in subsidiaries</u>			
<u>Non-current liabilities</u>			
Secured loans	110.500		110.500
Finance leases		103	103
Deferred tax liabilities			
Retirement benefit provisions	178	(22)	156
Other provisions	1.500		1.500
	112.178	81	112.259
<u>Current liabilities</u>			
Bank loans and overdrafts	3.393		3.393
Current portion of long term liabilities	48.605	2.973	51.578
Trade and other payables	7.965	(4.851)	3.114
Payables to subsidiaries-associated companies	187.615		187.615
Tax liabilities	236		236
Accrued expenses	4.193	(2.310)	1.883
	252.007	(4.188)	247.819
Total equity and liabilities	539.502	1.626	541.128

4.2.4.5. Consolidated Income Statement reconciliation for the period 1/1-31/12/2004

	GROUP		
	<u>Greek</u> GAAP	<u>IFRS</u> Adjustments	<u>IFRS</u>
Revenue	128.495		128.495
Cost of sales	(76.165)	(617)	(76.782)
Gross Profit/(loss)	52.330	(617)	51.713
Other operating income		124	124
Administrative expenses	(7.786)	139	(7.647)
Distribution expenses	(13.672)	(129)	(13.801)
Earnings before taxes, investing and financial results, depreciation and amortization	30.872	(483)	30.389
Depreciation and amortization	(14.340)	1.140	(13.200)
Earnings before taxes, investing and financial results	16.532	657	17.189
Dividends from subsidiaries and other entities			
Interest & other similar income	779		779
Interest and other financial expenses	(11.039)	(901)	(11.940)
Foreign exchange differences			
Financial results	(10.260)	(901)	(11.161)
Profit/(loss) from vessels' disposal	4.828		4.828
Profit/(loss) before taxes	11.100	(244)	10.856
Taxes	(206)	(133)	(339)
Profit/(loss) after taxes	10.894	(377)	10.517

4.2.4.6. Company's Income Statement Reconciliation for the period 1/1-31/12/2004

	COMPANY		
	<u>Greek</u> GAAP	<u>IFRS</u> Adjustments	<u>IFRS</u>
Revenue	41.745		41.745
Cost of sales	(27.002)	(732)	(27.734)
Gross Profit/(loss)	14.743	(732)	14.011
Other operating income			
Administrative expenses	(3.420)	(60)	(3.480)
Distribution expenses	(4.831)	41	(4.791)
Earnings before taxes, investing and financial results, depreciation and amortization	6.492	(752)	5.740
Depreciation and amortization	(4.490)	1.128	(3.362)
Earnings before taxes, investing and financial results	2.002	376	2.378
Dividends from subsidiaries and other entities	6.364		6.364
Interest & other similar income	568		568
Interest and other financial expenses	(5.097)	(877)	(5.974)
Foreign exchange differences			
Financial results	1.835	(877)	958
Profit/(loss) from vessels' disposal	3.897		3.897
Profit/(loss) before taxes	7.734	(501)	7.233
Taxes		(275)	(275)
Profit/(loss) after taxes	7.734	(776)	6.958

5. **Related Party disclosures**

5.1. **Intercompany transactions**

The company consolidates a joint venture and a company that operates under Law 378/68. These companies create intercompany transactions with shipowning companies.

Blue Star Ferries Joint Venture and the management Company Blue Star Ferries SA are responsible, under a contractual agreement with the subsidiaries of Blue Star Group, for the revenue and common expenses of vessels. Blue Star Ferries Joint Venture is responsible for the revenue and expenses of the vessels that operate in domestic routes and Blue Star Ferries SA is responsible for the revenue and common expenses of the vessels that operate in international routes. At the end of each month the above mentioned revenue and expenses are transferred to the shipowning companies.

During 2005, Blue Star Maritime S.A. had not performed any intercompany transactions with its subsidiaries that create commercial revenue.

The capital transactions of the Company during 2005 are the following:

- The company paid to its parent entity ATTICA HOLDINGS S.A. through EUROBANK S.A. (acting as Agent) the following amounts:
The amount of € 993,958.33 that refers to the interest payable for the third interest period of the convertible bond loan.
An additional payment of € 3,585,000 payable at the end of the loan, as well as the amount of € 30 mil. which represents the capital repayment of the convertible bond loan.
- The company received the amount of € 7,826,798.50 as dividend of fiscal year 2004 from its 100% subsidiary Blue Star Ferries Maritime S.A.
- The company paid to ATTICA HOLDINGS S.A. as dividend for the year 2004 the amount of € 3,074,100.

The intercompany balances arising between BLUE STAR MARITIME S.A. and the other Group's entities do not originate from commercial activities.

The intercompany balances at 31/12/05 between BLUE STAR MARITIME S.A. and the Group's companies can be obtained from the following table.

Intercompany Balances of Blue Star Group

COMPANY	THELMO MARINE S.A.		WATERFRONT NAVIGATION CO.		BLUE STAR FERRIES S.A.		STRINTZIS LINES SHIPPING LTD.	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
BLUE STAR MARITIME S.A.		68		1	160.131	198.976	11.082	147
THELMO MARINE S.A.					8			
WATERFRONT NAVIGATION CO.								
STRINTZIS LINES SHIPPING LTD.					31.635	21.989		
BLUE STAR FERRIES MARITIME S.A.					179.747	125.277	8	19
BLUE STAR FERRIES S.A.		8					21.989	31.635
BLUE STAR FERRIES JOINT VENTURE					3.031	1.532	690	1.487
BLUE ISLAND SHIPPING INC.					6.023	5.067		488
TOTAL		76		1	380.575	352.841	33.769	33.776

COMPANY	BLUE STAR MARITIME S.A.		BLUE STAR FERRIES JOINT VENTURE		BLUE STAR FERRIES MARITIME S.A.		BLUE ISLAND SHIPPING INC.	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
BLUE STAR MARITIME S.A.			150.092	201.951	133	384	10.479	10.039
THELMO MARINE S.A.	68							
WATERFRONT NAVIGATION CO.	1							
STRINTZIS LINES SHIPPING LTD.	147	11.082	1.487	690	19	8	488	
BLUE STAR FERRIES MARITIME S.A.	384	133	320.689	249.428				
BLUE STAR FERRIES S.A.	198.976	160.131	1.532	3.031	125.277	179.747	5.067	6.023
BLUE STAR FERRIES JOINT VENTURE	201.951	150.092			249.428	320.689		
BLUE ISLAND SHIPPING INC.	10.039	10.479						
TOTAL	411.566	331.917	473.800	455.100	374.857	500.828	16.033	16.062

Reconciliation of Intercompany Balances

Total debit :	1.690.601
Total credit :	<u>1.690.601</u>
Balance	0

5.2. Participation of the members of the Board of Directors to the Board of Directors of other companies

- a) Mr Charalambos Paschalis, a non executive member of the Board of Directors, is also the President - non executive member of the Board of Directors of Blue Star Ferries Maritime SA and a non-executive member of the Board of Directors of Attica Holdings SA.
- b) Mr Michael Gialouris, member of the Board of Directors, is also a member of the Boards of Directors in subsidiaries of Blue Star Maritime SA and member of the Boards of Directors of the shipowing companies of Superfast Group and in Attica Premium SA.
- c) Mr Michael Sakellis, Mr Spiros Paschalis and Mr Anthony Strintzis, members of the Board of Directors are also members of the Boards of Directors of subsidiaries of Blue Star Maritime SA.
- d) Mr Pericles S. Panagopulos and Mr Alexander P. Panagopulos members of the Board of Directors, participate in the Boards of Directors of all the companies of Superfast Group, in Attica Premium SA, in Attica Holdings SA and in the Boards of Directors of subsidiaries of Blue Star Maritime SA.
- e) Additionally, Mr Pericles S. Panagopulos and Mr Alexander P. Panagopulos participate in the management of a number of foreign companies, mainly shipping companies, that are represented by Magna Marine Inc, which is established in Greece under Law 378/68.

No other business exists between these companies and Blue Star Maritime SA, except with Odyssey Maritime Inc and Pellucid Trade Inc owners of the buildings on 157 C. Karamanli Avenue and 139 Vasileos Pavlou in Voula, where the headquarters of the Group are located. Rent paid by the Group to the above companies for the period 1/1-31/12/2005 totalled an amount of € 98 thousand.

- f) Mr Dimitrios Klados and Mr Emmanouil Kalpadakis, non-executive members of the Board of Directors, are also members of the Board of Directors of Attica Holdings SA

6. Financial statements analysis

Due to the disposal of 4 old vessels during 2004, the financial data of the years 2005 and 2004 are not comparable.

6.1. Revenue Analysis and Geographical Segments Report

As already stated in paragraph 2.16, the Group has decided to provide information based on the geographical segmentation of its operations.

The consolidated results and other information per segment for the period 1/1 – 31/12 2005 and 2004 are as follows:

Geographical Segment	GROUP					
	1/1-31/12/2005			1/1-31/12/2004		
	Domestic Routes	Adriatic Sea	Total	Domestic Routes	Adriatic Sea	Total
Revenue from Fares	90.066	30.746	120.812	92.034	24.222	116.256
On-board Sales	7.190	5.377	12.567	9.032	3.207	12.239
Total Revenue	97.256	36.123	133.379	101.065	27.429	128.495
Financial results	(5.092)	(2.234)	(7.326)	(9.477)	(1.684)	(11.161)
Profit/(Loss) before Taxes	17.856	160	18.016	8.022	2.834	10.856
Profit/(Loss) after Taxes	17.537	(37)	17.500	7.752	2.765	10.517
Vessels' Book Value at 01/01	224.632	118.057	342.689	330.767	35.075	365.842
Improvements / Additions	714	383	1.097	723		723
Vessels' Disposals				(2.186)	(9.093)	(11.279)
Depreciation for the Period	(7.374)	(4.272)	(11.646)	(10.393)	(2.204)	(12.597)
Net Book Value of vessels at 31/12	217.972	114.168	332.140	318.911	23.778	342.689
Secured loans	115.385	64.415	179.800	136.346	16.279	152.625

Geographical Segment	COMPANY					
	1/1-31/12/2005			1/1-31/12/2004		
	Domestic Routes	Adriatic Sea	Total	Domestic Routes	Adriatic Sea	Total
Revenue from Fares	14.385	15.043	29.428	18.872	18.626	37.498
On-board Sales	1.095	2.679	3.774	1.482	2.765	4.247
Total Revenue	15.480	17.722	33.202	20.354	21.391	41.745
Financial results	7.479	(660)	6.819	2.013	(1.055)	958
Profit/(Loss) before Taxes	6.980	1.622	8.602	4.119	3.114	7.233
Profit/(Loss) after Taxes	6.878	1.524	8.402	3.896	3.062	6.958
Vessels' Book Value at 01/01	4.119	23.800	27.919	7.306	31.477	38.783
Improvements / Additions	75	202	277	106		106
Vessels' Disposals				(2.186)	(5.763)	(7.949)
Depreciation for the Period	(708)	(1.362)	(2.070)	(1.107)	(1.914)	(3.021)
Net Book Value of vessels at 31/12	3.486	22.640	26.126	4.119	23.800	27.919
Secured loans				94.221	16.279	110.500

There are no transactions related to income and expenses between segments.

The vessels' values represent the tangible assets in the geographical segments, which the vessels operate in.

Secured loans are the loans obtained by the Group for the acquisition and construction of vessels.

The Revenues that appear in the Group's Consolidated Financial Statements for the period 01/01 - 31/12/2005 belong to the following Business Activity Categories:

Sea & Coastal Transportation	121.227
Restaurants on board	2.852
Bars on board	7.239
Casino on board	1.050
Shops on board	1.011
Total	<u>133.379</u>

6.2. Cost of sales

Below can be obtained the Cost of Sales Analysis as stated in the Income Statement for the fiscal years ended 31/12 2005 and 2004.

	GROUP		COMPANY	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Crew Expenses	21.498	25.045	6.058	8.870
Fuel-Lubricants	27.508	22.640	7.732	8.008
Insurance Premia	2.138	2.524	617	778
Repairs-Maintenance-Spare Parts	15.058	20.014	5.351	7.070
Port Expenses	4.906	4.611	1.880	2.039
On-board Cost of Goods Sold	2.142	1.948	899	969
Total	<u>73.250</u>	<u>76.782</u>	<u>22.537</u>	<u>27.734</u>

6.3. Other Operating Income

The item "Other Operating Income", amounting €666 thousand, refer mainly to subventions received by:

- a) The Ministry of Development for the conversion of a vessel in Greek Shipyards.
- b) The Ministry of Mercantile Marine for employing and training officer cadets.

6.4. Administrative Expenses

	GROUP		COMPANY	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Personnel Expenses	3.859	3.623	1.443	1.559
Rent and related Expenses	796	699	430	257
Telecommunication Expenses	169	135	83	54
Stationery	97	177	34	66
Office Repair-Maintenance Expenses	404	359	122	97
Third Party Services & Expenses	797	642	531	382
Other	996	2.012	380	1.065
Total	7.118	7.647	3.023	3.480

6.5. Distribution Expenses

	GROUP		COMPANY	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Advertising Expenses	2.288	2.212	547	642
Sales Promotional Expenses	183	64	66	11
Sales Commissions	12.357	10.851	2.757	3.655
Other	1.208	674	595	483
Total	16.036	13.801	3.965	4.791

6.6. Depreciation

	GROUP		COMPANY	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Vessels	11.646	12.597	2.070	3.021
Office	653	603	459	341
Total	12.299	13.200	2.529	3.362

6.7. Financial Results

a) Dividend Income

The parent company had income from dividends amounting approximately €7.827 thousand, originating from the 100% subsidiary BLUE STAR FERRIES MARITIME S.A.

b) Interest and similar Income

The Group has invested its cash in time deposits with an average interest rate of 1.8%, net of taxes.

c) Interest and Other Financial Expenses

They refer mainly to the interest paid on loans.

The analysis of the financial results is the following:

	GROUP		COMPANY	
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Interest on Long-Term Borrowings	(2.966)	(6.701)	(439)	(952)
Interest on Bonds	(4.552)	(4.274)	(575)	(4.274)
Interest on Short-Term Borrowings	(192)	(144)	(185)	(127)
Other Financial Expenses	(410)	(821)	(156)	(621)
Interest Income	820	779	389	568
Dividend Income			7.827	6.364
Foreign Exchange Differences	(26)		(42)	
Total	(7.326)	(11.161)	6.819	958

6.8. Income taxes

As already stated in paragraph 2.18, special taxation policies apply on the Group's profits. Consequently, it is believed that the following analysis provides a better understanding of the taxes due.

	GROUP	COMPANY
	1/1-31/12/2005	1/1-31/12/2005
Dividend distribution Tax	233	106
Tax according to Law 27/75	99	19
Provision for unaudited fiscal years	184	75
Total	516	200

The tax rate that applied on the profits for the fiscal year 2005 is 2.95%, while the one for the fiscal year 2004 was 3.23%.

A comparison between the tax rates is not possible, because, as already stated in paragraph 2.18, the income tax is related to the profits that do not stem from the shipping operation.

The companies of BLUE STAR Group have been audited by the tax authorities until fiscal year 2001, with the exception of BLUE STAR FERRIES MARITIME S.A. that has been audited until fiscal year 1999.

6.9. Tangible assets

The vessels of the Group have been mortgaged as a security of the long-term borrowings for the amount of €200 mil.

There is no indication of impairment for the below-mentioned tangible assets.

The depreciation analysis can be found in paragraph 6.6.

6.9 Tangible Assets

Consolidated Figures

	Vessels	Land	Buildings	Furniture & Other Fixtures	Improvements In Third Party Property	Vehicles	Fixed Assets Under Construction	Total
Initial Cost at 01.01.2005	379.206	274	765	1.686	387		185	382.503
Acquisitions - Additions	1.097			238				1.335
Disposals / Write-offs							(185)	(185)
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added to the Income Statement								
Cost at 31.12.2005	380.303	274	765	1.924	387		0	383.653
Accumulated Depreciation at 01.01.2005	36.517		153	1.434	166			38.270
Depreciation for the Period	11.646		26	192	58			11.921
Disposals / Write-offs								
Accumulated Depreciation at 31.12.2005	48.163		179	1.626	224			50.191
Net Book Value at 31.12.2005	332.140	274	586	298	163			333.462
Initial Cost at 01.01.2004	417.781	274	765	1.616	387			420.823
Acquisitions - Additions	723			70			185	978
Disposals / Write-offs	(39.298)							(39.298)
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added to the Income Statement								
Cost at 31.12.2004	379.206	274	765	1.686	387		185	382.503
Accumulated Dpreciation at 01.01.2004	51.939		127	1.272	110			53.448
Depreciation for the Period	12.597		26	162	56			12.841
Disposals / Write-offs	(28.019)							(28.019)
Accumulated Depreciation at 31.12.2004	36.517		153	1.434	166			38.270
Net Book Value at 31.12.2004	342.689	274	612	252	221		185	344.233

6.9 Tangible Assets

<u>Company Figures</u>	Vessels	Land	Buildings	Furniture & Improvements Other Fixtures	In Third Party Property	Vehicles	Fixed Assets Under Construction	Total
Initial Cost at 01.01.2005	42.763	274	765	1.092	387			45.281
Acquisitions - Additions	277			189				466
Disposals / Write-offs								
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added to the Income Statement								
Cost at 31.12.2005	43.040	274	765	1.281	387			45.747
Accumulated Depreciation at 01.01.2005	14.844		153	1.022	166			16.185
Depreciation for the Period	2.070		26	92	58			2.245
Disposals / Write-offs								
Accumulated Depreciation at 31.12.2005	16.914		179	1.114	224			18.430
Net Book Value at 31.12.2005	26.126	274	586	167	163			27.317
Initial Cost at 01.01.2004	74.557	274	765	1.075	387			77.058
Acquisitions - Additions	106			17				123
Disposals / Write-offs	(31.900)							(31.900)
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added to the Income Statement								
Cost at 31.12.2004	42.763	274	765	1.092	387			45.281
Accumulated Depreciation at 01.01.2004	35.774		127	987	110			36.998
Depreciation for the Period	3.021		26	35	56			3.138
Disposals / Write-offs	(23.951)							(23.951)
Accumulated Depreciation at 31.12.2004	14.844		153	1.022	166			16.185
Net Book Value at 31.12.2004	27.919	274	612	70	221			29.096

The below table analyzes the tangible assets held by the Group under finance leases. These assets are included in the above tangible assets table.

Leased Assets	GROUP	COMPANY
Net Book Value 2004	455	105
Additions 01/01-31/12/05	74	74
Depreciation 01/01-31/12/05	(141)	(36)
Net Book Value 31/12/05	<u>388</u>	<u>143</u>

6.10. Intangible assets

There is no indication of impairment for the following intangible assets.

<u>Consolidated Figures</u>	Trademarks	Software	Total
Initial Cost at 01.01.2005	141	3.649	3.790
Acquisitions - Additions		850	850
Disposals / Write-offs			
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement			
Cost at 31.12.2005	<u>141</u>	<u>4.499</u>	<u>4.640</u>
Accumulated Depreciation at 01.01.2005	54	2.294	2.348
Depreciation for the Period	9	368	378
Disposals / Write-offs			
Accumulated Depreciation at 31.12.2005	<u>63</u>	<u>2.662</u>	<u>2.726</u>
Net Book Value at 31.12.2005	<u>78</u>	<u>1.837</u>	<u>1.914</u>
Initial Cost at 01.01.2004	141	3.649	3.790
Acquisitions - Additions			
Disposals / Write-offs			
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement			
Cost at 31.12.2004	<u>141</u>	<u>3.649</u>	<u>3.790</u>
Accumulated Depreciation at 01.01.2004	42	1.947	1.989
Depreciation for the Period	12	347	359
Disposals / Write-offs			
Accumulated Depreciation 31.12.2004	<u>54</u>	<u>2.294</u>	<u>2.348</u>
Net Book Value at 31.12.2004	<u>87</u>	<u>1.355</u>	<u>1.442</u>

<u>Company figures</u>	Trademarks	Software	Total
Initial Cost at 01.01.2005	141	2.197	2.338
Acquisitions - Additions		519	519
Disposals / Write-offs			
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement			
Cost at 31.12.2005	141	2.716	2.857
Accumulated Depreciation at 01.01.2005	51	1.130	1.181
Depreciation for the Period	9	275	285
Disposals / Write-offs			
Accumulated Depreciation at 31.12.2005	60	1.405	1.466
Net Book Value at 31.12.2005	81	1.311	1.391
Initial Cost at 01.01.2004	141	2.197	2.338
Acquisitions - Additions			
Disposals / Write-offs			
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement			
Cost at 31.12.2004	141	2.197	2.338
Accumulated Depreciation at 01.01.2004	42	915	957
Depreciation for the Period	9	215	224
Disposals / Write-offs			
Accumulated Depreciation at 31.12.2004	51	1.130	1.181
Net Book Value at 31.12.2004	90	1.067	1.157

As per the above table, the intangible assets of the Group include:

- a) The trademarks, the cost of which include the cost of development and registration both in Greece and abroad.
- b) The software, the cost of which include the cost of the booking systems as well as the cost of purchase and development of the Group's integrated Management Information System.

The account also includes a provision of €500 thousand for the above-mentioned purchase and development of the Group's integrated Management Information System (SAP).

6.11. Investments in subsidiaries – associated companies

The following table depicts the development of the investment in subsidiaries and associated companies:

	COMPANY	GROUP
Initial Cost at 01.01.2005	228.747	9
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Adjustments-Impairments charged to the Income Statement	(9)	(9)
Value at 31.12.2005	<u>228.738</u>	<u>0</u>

Initial Cost at 01.01.2004	228.747	9
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Adjustments-Impairments charged to the Income Statement		
Value at 31.12.2004	<u>228.747</u>	<u>9</u>

The following fully owned subsidiaries are being consolidated using the full consolidation method.

Company Name	Cost	Impairment	Net Book Value	Registered in	Participation
BLUE STAR FERRIES MARITIMES S.A.	228.684		228.684	GREECE	100%
BLUE STAR FERRIES SA	1		1	LIBERIA	100%
STRINTZIS LINES SHIPPING LTD	50		50	CYPRUS	100%
WATERFRONT NAVIGATION COMPANY	1		1	LIBERIA	100%
THELMO MARINE SA	1		1	LIBERIA	100%
BLUE ISLAND SHIPPING INC.	1		1	PANAMA	100%
Total	<u>228.738</u>		<u>228.738</u>		

There is no indication of impairment for the above-mentioned subsidiaries.

6.12. Non-current receivables

Non-current receivables consist of guarantees given against office rent and public companies such as P.P.C. (Public Power Corporation) and H.T.O. (Hellenic Telecommunications Organization).

6.13. Inventories

The "Inventories" account includes the following items:

	31/12/2005		31/12/2004	
	GROUP	COMPANY	GROUP	COMPANY
Food-Beverages-Tobacco	229	66	212	64
Fuel-Lubricants	788	210	537	165
Hotel Equipment	437	98	355	83
Total	1.454	374	1.104	312

There is no indication of impairment for the above-mentioned inventories.

6.14. Trade receivables and prepayments

	31/12/2005		31/12/2004	
	GROUP	COMPANY	GROUP	COMPANY
Trade Receivables	15.933	2.803	14.588	3.073
Post Dated Cheques	8.848	5	7.052	5
Less: Provisions for Bad Debts	3.769	170	3.823	326
Trade Receivables (net)	21.012	2.638	17.817	2.752
Prepayments to Suppliers - Creditors	1.340		158	155
Total	22.352	2.638	17.975	2.907

The Group recognized a loss for provision of bad debts of approximately €292 thousand for the period 1/1-31/12/2005. The amount of this provision has been charged to the income statement.

The short-term receivables need not be discounted at the end of the period. The Group has a very wide spectrum of clientele in Greece, as well as abroad, thus the credit risk is fairly dispersed.

6.15. Tax receivables

	31/12/2005		31/12/2004	
	GROUP	COMPANY	GROUP	COMPANY
Income Tax Prepayment	102	78	113	82
Retained Tax on Interest Income	42		39	
Total	144	78	152	82

6.16. Receivables from subsidiaries – associated companies

The company's receivables from the subsidiaries and associated companies amount approximately €332 mil., and they are written-off on consolidated level. These receivables do not represent sales among companies.

6.17. Other receivables

There is no need for other receivable to be discounted at the end of the period since they are short-term receivables.

	31/12/2005		31/12/2004	
	GROUP	COMPANY	GROUP	COMPANY
Prepayments to Employees	133		171	
Receivables from the Greek State	861		643	
Receivables from Insurance Companies	275	10	585	226
Masters' General Accounts	16	21	53	41
Other Receivables	1.698	654	3.479	2.155
Total	2.983	685	4.931	2.422

6.18. Financial assets held for trading

This refers to the Hermes Mutual Fund that at 31/12/05 was valued at €27,4 thousand. This asset was sold in January 2006 at a price of €41,1 thousand. The profit from this disposal amounted approximately €13,7 thousand and will be recorded in the Financial Statements of the 1st quarter of 2006.

6.19. Cash and cash equivalents

This account includes all cash and cash equivalents that the Group can liquidate within three months.

	31/12/2005		31/12/2004	
	GROUP	COMPANY	GROUP	COMPANY
Cash in hand	29	4	25	4
Cash at banks	7.993	746	2.876	427
Short-term Bank Deposits	41.203	8.165	41.229	25.567
Total	49.225	8.915	44.130	25.998

6.20. Deferred expenses - Accrued income

	31/12/2005		31/12/2004	
	GROUP	COMPANY	GROUP	COMPANY
Insurance Premia	206	51	841	284
Drydocking Expenses	2.477	941	3.531	1.265
Other	154	33		
Total	2.837	1.025	4.372	1.549

The accrued income relates to interest revenue.

6.21. Share capital - Reserves

a) Share Capital

The company's Share Capital amounts €105.000.000 and is divided in 105.000.000 common bearer shares with a nominal value of €1 each.

b) Reserves

As per statement of Changes in Equity.

6.22. Secured loans

Long-term secured loans analysis:

	31/12/2005		31/12/2004	
	GROUP	COMPANY	GROUP	COMPANY
Bank Loans			152.625	110.500
Bond Loans	179.800			
Total	<u>179.800</u>		<u>152.625</u>	<u>110.500</u>

During June 2005, the Group has issued a € 200 mil. secured bond loan.

During June 2005, the Group has fully repaid the € 30 mil. convertible bond loan.

There are no overdue liabilities, or liabilities that are about to become due, that cannot be paid.

All loans are denominated in Euro. The bond loan is discounted.

The average weighted interest rate of the bond loan is Euribor plus 1,28%.

The loan payments are as follows:

	31/12/2005	
	GROUP	COMPANY
Loans		
Payments within the next two years	25.000	
Payments from 3 to 5 years	37.500	
Payments beyond 5 years	131.250	

The above table does not include any costs that incurred in connection with the bond loan issue, while it includes the current portion of the long-term debt.

6.23. Finance leases

The average weighted interest rate of the finance leases is Euribor plus 2.35%.

The payments of the Group's finance leases can be found in the following table:

	31/12/2005	
	GROUP	COMPANY
Finance Lease		
Payments within the next two years	366	282
Payments from 3 to 5 years		

6.24. Deferred tax liabilities

The deferred tax liabilities involve the tax free reserves and other special taxable reserves that will be taxed only when distributed.

	31/12/2005	
	GROUP	COMPANY
Tax-free Reserves	19	4
Special taxable Reserves		
Total	<u>19</u>	<u>4</u>

6.25. Retirement benefit provisions

These provisions refer to personnel compensation due to retirement.

As already stated in paragraph 2.17.2 of the present report, the Group has the legal obligation of paying to its employees a compensation at their first date of retirement on a pension.

The above-mentioned obligation is a defined benefit plan according to IAS 19.

The analysis of this liability is as follows:

	31/12/2005		31/12/2004	
	GROUP	COMPANY	GROUP	COMPANY
Outstanding Balance at the Beginning of the period	377	156	317	133
Expenses recognised in the Income Statement	61	22	59	23
	<u>438</u>	<u>178</u>	<u>376</u>	<u>156</u>

6.26. Other provisions

There are no legal or arbitration cases pending that could have a significant effect on the financial position of the Group.

The provisions mainly regard the penalty, including the relevant interest, imposed to BLUE STAR MARITIME S.A. by the Competition Authorities of the European Union in 1998.

6.27. Bank loans and overdrafts

The fair value of the short-term borrowings is approximately equal to the book value. During January 2006 the Group has fully repaid the total amount of its short-term bank loan from its own cash & cash equivalents.

6.28. Trade and other payables

	31/12/2005		31/12/2004	
	GROUP	COMPANY	GROUP	COMPANY
Suppliers - Creditors	9.813	2.542	8.889	2.571
Social Security Contributions	119	34	113	33
Greek Seamens' Pension Fund (NAT)	276	37	257	59
Passengers' & Vehicles' Insurance Contribution (NAT)	1.345		551	
Insurance Brokers	158	158	210	207
Wages payable	746	219	33	7
Other	953	191	742	237
Total	13.410	3.181	10.795	3.114

6.29. Payables to subsidiaries - associated companies

The company's payables to subsidiaries and associated companies amount approximately €412 mil., and they are written-off on consolidated level. These payables do not represent sales among companies.

6.30. Tax liabilities

	31/12/2005		31/12/2004	
	GROUP	COMPANY	GROUP	COMPANY
Value Added Tax	481	53	236	
Wages Tax	105	46	82	43
Income Tax	144	115	210	104
Crew Taxes/Charges	381	49	391	76
Other	185	6	30	13
Total	1.296	269	949	236

6.31. Accrued expenses

	31/12/2005		31/12/2004	
	GROUP	COMPANY	GROUP	COMPANY
Interest Expense Provision	84		1.945	1.831
Provisions for Travel Agents' Commissions	584		589	
Tax Provisions for unaudited fiscal year	184	75		
Provisions for Operating Expenses	858	635	572	52
Total	1.710	710	3.106	1.883

The Group has the adequate cash and cash equivalents to cover the above-mentioned liabilities.

7. Proposed Dividend Payable

Group's management has decided to propose to the Annual General Meeting of Shareholders the distribution of € 7,350,000 or € 0,07 per share as dividend for the fiscal year 2005.

8. Events after the Balance Sheet date

There are no post Balance Sheet events that relate to the Group.

Voula, 14 February 2006

MANAGING DIRECTOR

AUTHORISED DIRECTOR

FINANCIAL DIRECTOR

MICHAEL SAKELLIS

SPIROS PASCHALIS

NIKOLAOS TAPIRIS