



BLUE STAR MARITIME S.A.

Interim Financial Statements
for the period 1-1-2006 to 30-06-2006
Type of auditor's review report: Unqualified

(amounts in € thousand)

The Interim Financial Statements for the period 1-1-2006 to 30-06-2006 were approved by the Board of Directors of Blue Star Maritime S.A. on August 23, 2006.

BLUE STAR MARITIME S.A.
157, C. Karamanli Avenue
Voula 166 73
Athens, Greece

CONTENTS		Page
Auditor's Review Report		3
Income Statement of the Group		4
Income Statement of the Company		5
Balance Sheet		6
Statement of Changes in Equity (period 1-1 to 30-06-2006)		7
Statement of Changes in Equity (period 1-1 to 30-06-2005)		8
Cash Flow Statement		9
Review of Financial Results for the Six Months Ending 30 June 2006		10-13
Notes to the Interim Financial Statements		14
1. General Information		14
2. Significant Group accounting policies		14-15
3. Consolidation		15
4. Related party disclosures		15
4.1. Intercompany transactions		15-16
4.2. Participation of the members of the Board of Directors to the Board of Directors of other companies		17
4.3. Board of Directors and Executive Directors' Fees		17
5. Financial Statements Analysis		17
5.1. Revenue analysis and geographical segment reporting		17-19
5.2. Cost of sales		19
5.3. Other Operating Income		19
5.4. Administrative Expenses		19
5.5. Distribution Expenses		20
5.6. Depreciation		20
5.6.1. Reclassified items – Change in Presentation		20
5.7. Financial Results		21
5.8. Profit/ (loss) from vessels' disposal		21
5.9. Income taxes		22
5.10. Tangible assets		22-25
5.11. Intangible assets		25-26
5.12. Investments in subsidiaries - associated companies		26-27
5.13. Non-current receivables		27
5.14. Inventories		27
5.15. Trade receivables and prepayments		28
5.16. Tax receivables		28
5.17. Receivables from subsidiaries - associated companies		28
5.18. Other receivables		28
5.19. Financial assets held for trading		26
5.20. Cash and cash equivalents		29
5.21. Deferred expenses		29
5.22. Share capital - Reserves		29
5.23. Secured loans		29-30
5.24. Finance Leases		30
5.25. Deferred tax liabilities		30

5.26.	Retirement benefit provisions	30-31
5.27.	Other provisions	31
5.28.	Bank loans and overdrafts	31
5.29.	Trade and other payables	31
5.30.	Payables to subsidiaries – associated companies	31
5.31.	Tax liabilities	32
5.32.	Accrued expenses	32
6.	Events after the balance sheet date	32

**REVIEW REPORT
To the Shareholders of Blue Star Maritime S.A.**

We have reviewed the accompanying interim condensed financial statements of BLUE STAR MARITIME S.A. (the "Company") as well as the interim condensed consolidated financial statements of the Company and its subsidiaries (the "Group"), for the six months ended 30 June 2006. These interim condensed financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these interim condensed financial statements based on our review. We have not performed a separate review of the income statement for the second quarter of 2006.

We conducted our review in accordance with the International Standard on Review Engagements 2400 as provided by the Greek Auditing Standards. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim condensed financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements of the Company as well as the accompanying interim condensed consolidated financial statements do not give a true and fair view in accordance with the International Financial Reporting Standards that have been adopted by the European Union (IAS 34).

Athens, 24 August 2006
The Certified Public Accountant

Athos Stylianou
SOEL Reg. no: 12311
DRM Stylianou SA (Reg. no: 104)

Kifissias & Ethnikis Antistaseos 84 A, GR 152 31 Athens

DRM Stylianou SA is a
Member of the Institute of
Certified Public Accountants
of Greece

Tel.: (30 210) 6717733
6747819
Fax: (30 210) 6726099

e-mail:
drmstyl@otenet.gr
<http://www.drm.gr>

DRM Stylianou SA is a
correspondent member
firm of RSM International,
an affiliation of
independent accounting
and consulting firms

INCOME STATEMENT

For the period ending at June 30 2006 & 2005 and for the quarterly period 1/4 - 30/06 2006 & 2005

		GROUP			
Notes		<u>1/1-30/6/06</u>	<u>1/1-30/6/05</u>	<u>1/4-30/6/06</u>	<u>1/4-30/6/05</u>
Revenue	(5.1)	62.303	55.321	41.118	38.206
Cost of sales	(5.2)	(42.428)	(39.761)	(23.412)	(23.231)
Gross Profit/(loss)		19.875	15.560	17.706	14.975
Other operating income	(5.3)	149	636	44	
Administrative expenses	(5.4)	(4.201)	(3.770)	(2.602)	(2.348)
Distribution expenses	(5.5)	(7.244)	(7.391)	(4.923)	(5.548)
Earnings before taxes, investing and financial results		8.579	5.035	10.225	7.079
Dividends from subsidiaries and other entities					
Interest & other similar income	(5.7)	583	414	327	170
Interest and other financial expenses	(5.7)	(4.025)	(4.072)	(2.098)	(1.497)
Foreign exchange differences	(5.7)	233	(12)	27	(8)
Financial results		(3.209)	(3.670)	(1.744)	(1.335)
Profit/(loss) from vessels' disposal	(5.8)	1.022		(54)	
Profit/(loss) before taxes		6.392	1.365	8.427	5.744
Taxes	(5.9)	(155)	(216)	(141)	(216)
Profit/(loss) after taxes		6.237	1.149	8.286	5.528
<u>Attributable as follows:</u>					
Company Shareholders		6.237	1.149	8.286	5.528
Minority Interests in subsidiaries					
Earnings After Taxes per Share - Basic (in €)		0,06	0,01	0,08	0,05

The Notes on pages 14 to 32 are an integral part of these Interim Financial Statements.

INCOME STATEMENT

For the period ending at June 30 2006 & 2005 and for the quarterly 1/4 - 30/06 2006 & 2005

		COMPANY			
Notes		<u>1/1-30/6/06</u>	<u>1/1-30/6/05</u>	<u>1/4-30/6/06</u>	<u>1/4-30/6/05</u>
Revenue	(5.1)	12.835	13.023	7.990	9.310
Cost of sales	(5.2)	(11.468)	(11.416)	(6.063)	(7.108)
Gross Profit/(loss)		1.367	1.607	1.927	2.202
Other operating income	(5.3)	37	517	33	1
Administrative expenses	(5.4)	(1.994)	(1.723)	(1.273)	(1.088)
Distribution expenses	(5.5)	(1.353)	(1.731)	(809)	(1.306)
Earnings before taxes, investing and financial results		(1.943)	(1.330)	(122)	(191)
Dividends from subsidiaries and other entities		7.827		7.827	
Interest & other similar income	(5.7)	31	307		124
Interest and other financial expenses	(5.7)	(464)	(737)	(255)	(286)
Foreign exchange differences	(5.7)	230	(36)	26	(32)
Financial results		7.624	(466)	7.598	(194)
Profit/(loss) from vessels' disposal	(5.8)	1.081		(54)	
Profit/(loss) before taxes		6.762	(1.796)	7.422	(385)
Taxes	(5.9)	(59)	(6)	(53)	(6)
Profit/(loss) after taxes		6.703	(1.802)	7.369	(391)
Attributable as follows:					
Company shareholders		6.703	(1.802)	7.369	(391)
Minority interests in subsidiaries					
Earnings after taxes Per Share - basic (in €)		0,06	(0,02)	0,07	(0,00)

The Notes on pages 14 and 32 are an integral part of these Interim Financial Statements.

BALANCE SHEET

As at 30th of June 2006 and at December 31, 2005

	Notes	GROUP		COMPANY	
		30/06/2006	31/12/2005	30/06/2006	31/12/2005
ASSETS					
Non-current assets					
Tangible assets	(5.10)	326.078	333.462	24.557	27.316
Intangible Assets	(5.11)	1.861	1.915	1.315	1.391
Investments in subsidiaries-associated companies	(5.12)			228.738	228.738
Non-Current Receivables	(5.13)	65	63	52	50
		<u>328.004</u>	<u>335.440</u>	<u>254.662</u>	<u>257.495</u>
Current assets					
Inventories	(5.14)	1.609	1.454	447	374
Trade receivables and prepayments	(5.15)	33.124	22.352	3.459	2.638
Tax receivables	(5.16)	144	144	78	78
Receivables from subsidiaries-associated companies	(5.17)			56.193	331.917
Other receivables	(5.18)	2.769	2.983	415	685
Financial assets held for trading	(5.19)		27		27
Cash and cash equivalents	(5.20)	45.689	49.225	10.096	8.915
Deferred expenses	(5.21)	4.170	2.837	965	1.025
Accrued income			65		16
		<u>87.505</u>	<u>79.087</u>	<u>71.653</u>	<u>345.675</u>
Total assets		<u>415.509</u>	<u>414.527</u>	<u>326.315</u>	<u>603.170</u>
EQUITY AND LIABILITIES					
Equity					
Share Capital	(5.22)	105.000	105.000	105.000	105.000
Reserves	(5.22)	69.355	69.355	69.192	69.192
Retained Earnings	(5.22)	25.151	26.264	7.687	8.334
Total Shareholders equity		<u>199.506</u>	<u>200.619</u>	<u>181.879</u>	<u>182.526</u>
Minority interests in subsidiaries					
Total equity		<u>199.506</u>	<u>200.619</u>	<u>181.879</u>	<u>182.526</u>
Non-current liabilities					
Secured loans	(5.23)	173.550	179.800		
Finance leases	(5.24)	543	139	543	139
Deferred tax liabilities	(5.25)	19	19	4	4
Retirement benefit provisions	(5.26)	502	438	214	178
Other provisions	(5.27)	250	2.377	250	2.377
		<u>174.864</u>	<u>182.773</u>	<u>1.011</u>	<u>2.698</u>
Current liabilities					
Bank loans and overdrafts	(5.28)		2.219		2.219
Current portion of long term liabilities		12.500	12.500		
Trade and other payables	(5.29)	23.218	13.410	11.709	3.181
Payables to subsidiaries-associated companies	(5.30)			130.946	411.567
Tax liabilities	(5.31)	2.241	1.296	391	269
Accrued expenses	(5.32)	3.180	1.710	379	710
		<u>41.139</u>	<u>31.135</u>	<u>143.425</u>	<u>417.946</u>
Total equity and liabilities		<u>415.509</u>	<u>414.527</u>	<u>326.315</u>	<u>603.170</u>

The Notes on pages 14 to 32 are an integral part of these Interim Financial Statements.

Statement of Changes in Equity

For the Period 1/1-30/06/2006

GROUP

	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Equity
Balance at 1 January 2006	105.000	73.490	(5.457)	(3.463)	26.264	4.785	200.619
Changes in Equity for the Period 1/1-30/06/2006							
Net Profit for the Period 1/1-30/06/2006					6.237		6.237
Dividends					(7.350)		(7.350)
Balance at 30 June 2006	105.000	73.490	(5.457)	(3.463)	25.151	4.785	199.506

COMPANY

	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Equity
Balance at 1 January 2006	105.000	73.490	(5.682)	(4.349)	8.334	5.733	182.526
Changes in Equity for the Period 1/1-30/06/2006							
Net Profit for the Period 1/1-30/06/2006					6.703		6.703
Dividends					(7.350)		(7.350)
Balance at 30 June 2006	105.000	73.490	(5.682)	(4.349)	7.687	5.733	181.879

Statement of Changes in Equity

For the Period 1/1-30/06/2005

GROUP

	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Equity
Balance at 1 January 2005	105.000	73.490	2.350	(4.893)	9.309	4.785	190.041
Changes in Equity for the Period 1/1-30/06/2005							
Net Profit for the Period 1/1-30/06/2005					1.149		1.149
Dividends					(6.300)		(6.300)
Balance at 30 June 2005	105.000	73.490	2.350	(4.893)	4.158	4.785	184.890

COMPANY

	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Equity
Balance at 1 January 2005	105.000	73.490	1.049	(4.349)	127	5.733	181.050
Changes in Equity for the Period 1/1-30/06/2005							
Net Profit for the Period 1/1-30/06/2005					(1.802)		(1.802)
Dividends					(6.300)		(6.300)
Balance at 30 June 2005	105.000	73.490	1.049	(4.349)	(7.975)	5.733	172.948

CASH FLOW STATEMENT

For the period 1/1-30/06 2006 & 2005

	GROUP		COMPANY	
	1/1-30/06/2006	1/1-30/06/2005	1/1-30/06/2006	1/1-30/06/2005
<u>Cash flow from Operating Activities</u>				
Profit Before Taxes	6.392	1.365	6.762	(1.796)
Adjustments for:				
Depreciation & amortization	6.212	6.104	1.297	1.241
Deferred tax expense				
Net (profit)/Loss from investing activities	(1.678)	186	(8.953)	186
Provisions	1.328	(19)	311	
Foreign exchange differences	(233)	12	(230)	36
Interest and other financial expenses	4.025	4.072	464	737
Plus or minus for Working Capital changes :				
Decrease/(increase) in Receivables	(31.316)	(10.808)	275.246	(27.258)
Decrease/(increase) in Inventories	(155)	(293)	(73)	(80)
(Decrease)/increase in Payables (excluding banks)	21.455	3.909	(281.612)	187.999
Less:				
Interest and other financial expenses paid	(3.559)	(9.175)	(82)	(8.336)
Taxes paid	(271)	(284)	(115)	(222)
Total cash inflow/(outflow) from operating activities (a)	2.200	(4.931)	(6.985)	152.507
<u>Cash flow from Investing Activities</u>				
Acquisition of subsidiaries, associated companies, joint ventures and other investments				
Purchase of tangible and intangible assets	(590)	(1.166)	(278)	(278)
Proceeds from sale of tangible and intangible assets	2.943		2.943	
Interest received	583	414	31	307
Dividends received			7.827	
Total cash inflow/(outflow) from investing activities (b)	2.936	(752)	10.523	29
<u>Cash flow from Financing Activities</u>				
Proceeds from issue of Share Capital				
Proceeds from Borrowings		198.550		
Payments of Borrowings	(8.469)	(206.154)	(2.219)	(160.279)
Payments of finance lease liabilities	(203)	(58)	(138)	(16)
Dividends paid				
Total cash inflow/(outflow) from financing activities (c)	(8.672)	(7.662)	(2.357)	(160.295)
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	(3.536)	(13.345)	1.181	(7.759)
Cash and cash equivalents at beginning of period	49.225	44.130	8.915	25.998
Cash and cash equivalents at end of period	45.689	30.785	10.096	18.239

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 5.20

The Notes on pages 14 to 32 are an integral part of these Interim Financial Statements.

**BLUE STAR MARITIME S.A. GROUP OF COMPANIES
REVIEW OF FINANCIAL RESULTS
FOR THE SIX MONTHS ENDING 30 JUNE 2006**

Blue Star Group improved significantly its financial results in the first half of 2006. Consolidated revenue stood at Euro 62.30 mln against Euro 55.32 mln in the first half of 2005, an increase of 12.6%. Earnings before taxes, investing and financial results, depreciation and amortization (EBITDA) grew to Euro 14.79 mln against Euro 11.14 mln (32.8% increase) while Profit after taxes and minority interests stood at Euro 6.24 mln posting a significant increase against Euro 1.15 mln in the same period the previous year (442.8% increase).

Contributing to the growth in revenue, was the marked improvement in load factors in the Cyclades and Dodecanese routes, where, despite 19.1% fewer sailings compared to the same period last year, total volumes carried increased significantly both in passengers and private vehicles as well as in the freight units. The large increase in freight traffic in Greece – Italy routes, also contributed to the revenue growth.

Operational profitability for the Group (EBITDA) improved considerably despite the continuous upward trend in the price of fuel oil. Total fuel and lubricants expenses for the Group rose by 41.7% compared to the same period in the previous year and despite the remarkably fewer sailings performed. Some factors that contributed to the improved operational profitability (EBITDA) are:

- The significant revenue growth;
- The deployment of vessels on routes on which they can be fully exploited year-round;
- The decrease of other operational expenses of the vessels compared to the same period in the previous year;
- The upholding of distribution and administrative expenses at approximately the same levels as in the previous year.

Further to the improvement of EBITDA, another reason for the significant increase in Profit after taxes was the reduction in financial expenses following the successful refinancing of the Group's debt obligations in June 2005 and the profit of approximately € 1 mln booked from the sale of passenger catamaran Seajet 2 in March 2006.

As regards the Balance Sheet and the Cash Flow Statement, it is worth noting that the Group maintained its high level of cash and cash equivalents, although it fully repaid its short-term debt obligations, which stood at Euro 2.2 mln as well as the Euro 2.1 mln fine imposed by the European Union Competition Authorities, using its own cash. The above considerations combined with the significant increase in operational expenses due to the increase in the price of fuel oil and the fact that the first half does not include the summer period which traditionally exhibits the largest volumes and accounts for the greater part of Group revenue, testify that the Group achieved an impressive performance due to the sound management of its assets.

Developments in the Sector

The most important developments in the sector in the course of the first half of 2006 were:

- The sharp increase in the average price of fuel oil which in the course of the first half of the year was 49.2% higher for the heavy fuel oil (380 Cst) for bunkering at the port of Piraeus compared to the same period in 2005. This negative development affected all companies in the sector.

- The recent (May 2006) liberalization of fares in the majority of the Greek domestic lines. This decision of the Greek government is a step closer towards the harmonization of the Greek regulatory framework with European Regulation 3577/92 on maritime transport within Member States, although there are still many issues to be resolved until a fully liberalized environment of operation is in place. As a result of this decision, companies in the sector are now able to apply a flexible pricing policy based on demand and supply aiming in the expansion of their customer base.

- The recent (July 2006) abolition of the age limit applying to vessels employed in the Greek domestic market on condition that they conform to high safety standards. This decision is one more step closer to the harmonization of the Greek regulatory framework regarding maritime transport with the international shipping standards.

As a result of this decision, vessels will be able to sail, regardless of their age, as long as they comply to all regulations regarding safety at sea, for as long as their employment is commercially viable.

Developments in the Group

The most important developments for our Group were:

In February 2006, Blue Star Ferries was awarded as one of the most important and popular brands in the Greek market, in the “Tourist Services” category of the newly founded Superbrands awards competition. This award constitutes an important recognition for our Group as it demonstrates the preference and trust shown by consumers towards the services that the Group offers.

In March 2006, the Group’s parent company, Blue Star Maritime S.A., sold passenger catamaran Seajet 2. The agreed sale price stood at Euro 2.95 mln and the profit booked stands at approximately Euro 1 mln. Part of the sale price was paid upon the vessel’s delivery while the rest of the amount was paid in the course of the second quarter.

In May 2006, the Annual General Meeting of Shareholders decided upon the distribution of dividend of Euro 0.07 per share. The payment of the dividend began in 10th July, 2006. The Annual General Meeting also voted for a new Board of Directors with a three-year term. The members elected were the same as of the outgoing Board.

In May 2006, we were served with the decision of the European Court of Justice, which rejected our Company's appeal against the decision of the European Court of First Instance of 11/12/2003, in relation to the imposition of a Euro 1.5 mln fine on 9/12/1998 by the European Commission. Following this decision, the above amount including accrued interest (Euro 2,094,000 in total) was paid in May 2006. Our Company had made a provision for the full amount in previous financial years and therefore the financial results for 2006 will not be affected.

In July 2006, the Group's parent company, Blue Star Maritime S.A., acquired through an auction, the total assets of DANE Sea Line. Specifically, it acquired car-passenger ferries Diagoras, Patmos and Rodos and certain items of real estate in the town of Rhodes. The total acquisition cost stood at Euro 19.9 mln. Car-passenger ferry Diagoras, following the completion of the necessary maintenance and repair works, was deployed on 12th August to the Dodecanese Islands' route, where our Group now offers daily sailings with vessels Blue Star 2 and Diagoras.

In the course of the second quarter of 2006, the regular taxation audit for all of the Group's companies up to and including year 2005, was completed. Total taxes charged amounted to Euro 304,060.55. The Group had already made a tax provision for the unaudited fiscal years (20 fiscal years) of Euro 186,450 and therefore the additional amount of Euro 117,610.55 was posted in the results of the second quarter of 2006.

In August 2006, Blue Star Maritime S.A. issued a new Euro 10 million secured bond loan which was arranged and fully subscribed by Citibank International Plc., Greece. The proceeds of the bond loan will be used to finance part of the acquisition cost of the newly acquired M/V Diagoras. The bond loan is repayable in instalments over an 8-year period and the interest rate was set at EURIBOR plus a margin of 1.25%.

Volumes carried and market analysis

Total volumes for the Group, for the first half stood at 1,567,831 passengers, 206,305 private vehicles and 70,558 freight units. Compared to the same period last year, total volumes carried grew by 4.4% in passengers, by 9.9% in private vehicles and by 19.3% in freight units. It should be noted that the above growth was attained against 14.8% fewer sailings compared to the first half of 2005.

In the Greek market, the Group's fleet carried 1,475,006 passengers against 1,410,288 the previous year (4.6% increase), 195,449 private vehicles against 175,577 the previous year (11.3% increase) and 49,384 freight units against 42,341 the previous year (16.6% increase) over 19.1% fewer sailings following the sale of Seajet 2 and the redeployment of Blue Star 1 to the Greece – Italy routes.

In the Greece – Italy routes, where the Group was present with two vessels, for the greater part of the first half, 92,825 passengers were carried against 92,123 the previous year (0.8% increase), 10,856 private vehicles against 12,069 private vehicles the previous year (10.1% decrease) and 21,174 freight units against 16,801 freight units the previous year (26.0% increase).

Market shares for the Group on the Greece – Italy routes stood at 12.4% in passengers (1.6% market share increase), 6.1% in private vehicles (7.6% market share decrease) and 9.8% in freight units (27.3% market share increase). Market shares are derived from the the Greek port authorities of Patras and Igoumenitsa.

Outlook for the current period

Following the positive developments presented hereabove, in terms both of financial results and traffic volumes as well as regarding the developments on the liberalization of Greek domestic market, and having already covered the greater part of the summer period, the Group's management, judging from the high load factors of the vessels and the timely deployment of Diagoras on the Dodecanese route during the high season, expects an improvement in the financial results of the current year compared to 2005.

It should be noted that the Group's management is constantly following the developments in the Greek domestic market and studies the development of new routes, through the acquisition or building of modern conventional vessels of the highest standards, provided that suitable market conditions develop.

August 21, 2006

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General information

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

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

At period end, the Company had 176 employees and the Group 627 employees.

Blue Star Maritime S.A. shares are listed in the Athens Stock Exchange under the ticker BSTAR.

The corresponding ticker for Bloomberg is STRIK GA and for Reuters is STR.AT.

The total number of common bearer shares outstanding as at 30th June 2006 is 105.000.000. Each share carries one voting right. The total market capitalization amounted to approximately € 303 million.

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

The financial statements of the Company and the Group for the period ending 30 June 2006 were approved by the Board of Directors on August 23, 2006.

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

2. Significant Group accounting policies

The accounting policies used by the Group for the preparation of the financial statements for the period 1/1-30/06/2006 are the same with those used for the preparation of the financial statements for the fiscal year 2005.

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. More specifically, for the preparation of the current period's Financial Statements the Group has applied IAS 34 "Interim Financial Reporting".

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.

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 30 June 2006.

3. Consolidation

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

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

In addition Blue Star Ferries Joint Venture, a company under common management, is being consolidated using the full consolidation method. The companies Strintzis Lines Shipping Ltd, Waterfront Navigation Company, Thelmo Marine S.A. and Blue Island Shipping Inc. are inactive.

4. Related Party disclosures

4.1. Intercompany transactions

During the 1st half of 2006, Blue Star Maritime S.A. didn't post any intercompany transactions with its subsidiaries that create commercial revenue.

Furthermore, during the current period, there were not any capital transactions among the Group's companies or with the parent Company Attica Holdings S.A., which holds 48,795% of company's share capital.

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 as at 30/06/06 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	28.426	56.848	10.935	
THELMO MARINE S.A.					8			
WATERFRONT NAVIGATION CO.								
STRINTZIS LINES SHIPPING LTD.					9.650			
BLUE STAR FERRIES MARITIME S.A.					68.287	19.445		10
BLUE STAR FERRIES S.A.		8						9.650
BLUE STAR FERRIES JOINT VENTURE					1.499			798
BLUE ISLAND SHIPPING INC.					1.054	98		488
TOTAL		76		1	108.924	76.391	10.935	10.946

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.			16.391	74.028			440	
THELMO MARINE S.A.	68							
WATERFRONT NAVIGATION CO.	1							
STRINTZIS LINES SHIPPING LTD.		10.935	798		10		488	
BLUE STAR FERRIES MARITIME S.A.			116.601	35.943				
BLUE STAR FERRIES S.A.	56.848	28.426		1.499	19.445	68.287	98	1.054
BLUE STAR FERRIES JOINT VENTURE	74.028	16.391			35.943	116.601		
BLUE ISLAND SHIPPING INC.		440						
TOTAL	130.945	56.193	133.790	111.470	55.398	184.888	1.026	1.054

Reconciliation of Intercompany Balances

Total debit :	441.019
Total credit :	441.019
Balance	<u>0</u>

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

There are no changes from what is referred in the annual Financial Statements of year 2005.

Rent paid by the Group to Odyssey Maritime Inc. and Pellucid Trade Inc., companies owned by Pericles Panagopoulos family, for the period 1/1-30/06/06 totaled an amount of € 49 thousand approximately.

4.3. Board of Directors and Executive Directors' Fees

Executive Directors' Fees (total cost): € 477.542,22

Board of Directors' Fees

Executive members: € 115.200

Non Executive members: € 67.400

5. Financial statements analysis

5.1. Revenue Analysis and Geographical Segment Reporting

The Group has decided to provide information based on the geographical segmentation of its operations.

The Group operates in the Greek Domestic Routes and in Adriatic Sea. The Group's vessels provide transportation services to passengers, private vehicles and freight. 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, freight sales are not affected significantly by seasonality.

The consolidated results and other information per segment for the period 1/1 – 30/06 2006 and 2005 are as follows:

Geographical Segment	GROUP					
	1/1-30/06/2006			1/1-30/06/2005		
	Domestic Routes	Adriatic Sea	Total	Domestic Routes	Adriatic Sea	Total
Revenue from Fares	44.814	12.212	57.026	39.495	10.862	50.357
On-board Sales	3.117	2.160	5.277	3.143	1.821	4.964
Total Revenue	47.931	14.372	62.303	42.638	12.683	55.321
Financial results	(2.113)	(1.096)	(3.209)	(2.340)	(1.330)	(3.670)
Earnings before taxes, investing and financial results, depreciation and amortization	15.222	(430)	14.791	10.337	802	11.139
Profit/(Loss) before Taxes	9.970	(3.578)	6.392	2.982	(1.617)	1.365
Profit/(Loss) after Taxes	9.874	(3.637)	6.237	2.952	(1.803)	1.149
Vessels' Book Value at 01/01	217.972	114.168	332.140	224.632	118.057	342.689
Improvements / Additions	403		403	713	384	1.097
Vessels' Disposals	(1.815)		(1.815)			
Depreciation for the Period	(3.871)	(1.976)	(5.847)	(3.686)	(2.137)	(5.823)
Net Book Value of vessels at 30/06	212.689	112.192	324.881	221.659	116.304	337.963
Secured loans	111.374	62.176	173.550	123.558	68.981	192.539

Geographical Segment	COMPANY					
	1/1-30/06/2006			1/1-30/06/2005		
	Domestic Routes	Adriatic Sea	Total	Domestic Routes	Adriatic Sea	Total
Revenue from Fares	5.014	6.287	11.301	6.368	5.218	11.586
On-board Sales	428	1.106	1.534	574	863	1.437
Total Revenue	5.442	7.393	12.835	6.942	6.081	13.023
Financial results	3.594	4.030	7.624	(116)	(350)	(466)
Earnings before taxes, investing and financial results, depreciation and amortization	(648)	2	(646)	(209)	120	(89)
Profit/(Loss) before Taxes	3.417	3.345	6.762	(639)	(1.157)	(1.796)
Profit/(Loss) after Taxes	3.386	3.317	6.703	(641)	(1.161)	(1.802)
Vessels' Book Value at 01/01	3.486	22.640	26.126	4.119	23.798	27.917
Improvements / Additions	173		173	76	202	278
Vessels' Disposals	(1.815)		(1.815)			
Depreciation for the Period	(355)	(681)	(1.036)	(354)	(681)	(1.035)
Net Book Value of vessels at 30/06	1.489	21.959	23.448	3.841	23.319	27.160
Secured loans						

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

The vessels' values are presented in the geographical segments where 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 - 30/06/2006 belong to the following Business Activity Categories:

Sea & Coastal Transportation	57.026
Restaurants on board	1.163
Bars on board	3.208
Casino on board	445
Shops on board	461
Total	<u>62.303</u>

5.2. Cost of sales

Below can be obtained the analysis of Cost of Sales as stated in the Income Statement for the period ending 30/06 2006 and 2005.

	GROUP		COMPANY	
	1/1-30/06/2006	1/1-30/06/2005	1/1-30/06/2006	1/1-30/06/2005
Crew Expenses	10.364	10.381	2.949	3.044
Fuel-Lubricants	15.672	11.054	4.008	3.058
Insurance Premia	914	1.225	196	393
Repairs-Maintenance-Spare Parts	6.429	8.785	2.086	2.663
Port Expenses	2.277	1.962	862	713
On-board Cost of Goods Sold	925	531	332	510
Vessels depreciation	5.847	5.823	1.035	1.035
Total	<u>42.428</u>	<u>39.761</u>	<u>11.468</u>	<u>11.416</u>

5.3. Other Operating Income

The item "Other Operating Income", amounting € 149 thousand, refer mainly to income received by insurance claims.

5.4. Administrative Expenses

	GROUP		COMPANY	
	1/1-30/06/2006	1/1-30/06/2005	1/1-30/06/2006	1/1-30/06/2005
Personnel Expenses	2.557	1.990	953	766
Rent and related Expenses	292	447	205	218
Telecommunication Expenses	34	52	18	17
Stationery	12	33	2	7
Office Repair-Maintenance Expenses	214	208	54	47
Third Party Services & Expenses	277	475	229	310
Other	450	284	271	152
Office depreciation	365	281	262	206
Total	<u>4.201</u>	<u>3.770</u>	<u>1.994</u>	<u>1.723</u>

5.5. Distribution Expenses

	GROUP		COMPANY	
	1/1-30/06/2006	1/1-30/06/2005	1/1-30/06/2006	1/1-30/06/2005
Advertising Expenses	1.110	1.508	261	325
Sales Promotional Expenses	29	18	14	15
Sales Commissions	5.413	4.802	935	1.189
Other	692	1.063	143	202
Total	7.244	7.391	1.353	1.731

5.6. Depreciation

	GROUP		COMPANY	
	1/1-30/06/2006	1/1-30/06/2005	1/1-30/06/2006	1/1-30/06/2005
Vessels	5.847	5.823	1.035	1.035
Office	365	281	262	206
Total	6.212	6.104	1.297	1.241

5.6.1. Reclassified items – Change in Presentation

The Group was presenting the depreciation expenses as a separate item in each period's income statement in order for the reader to have a direct access to the EBITDA information. By this interim period the depreciation expenses are distributed on the cost of sales and the administrative expenses according to their origin. From this change in presentation there was and there is no effect neither to any period's result nor to the balance sheet or to the earnings after taxes per share or to the shareholders equity. The above reclassifications had as a result the increase (or the decrease) of the following items in each interim period.

	GROUP					
	1/1-31/3/2006	1/1-31/3/2005	1/1-30/6/2006	1/1-30/6/2005	1/4-30/6/2006	1/4-30/6/2005
Cost of sales	2.944	3.015	5.847	5.823	2.903	2.808
Administration expenses	164	106	365	281	201	175
Depreciation	(3.108)	(3.121)	(6.212)	(6.104)	(3.104)	(2.983)

	COMPANY					
	1/1-31/3/2006	1/1-31/3/2005	1/1-30/6/2006	1/1-30/6/2005	1/4-30/6/2006	1/4-30/6/2005
Cost of sales	539	550	1.035	1.035	495	485
Administration expenses	112	66	262	206	150	140
Depreciation	(651)	(616)	(1.297)	(1.241)	(645)	(625)

5.7. Financial Results

a) Interest and similar Income

The Group has invested its cash in time deposits with an average interest rate of 2,5% net of taxes.

b) 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	
	1/1-30/06/2006	1/1-30/06/2005	1/1-30/06/2006	1/1-30/06/2005
Interest on Long-Term Borrowings		(2.940)		(439)
Interest on Bonds	(3.840)	(778)	(381)	(201)
Interest on Short-Term Borrowings		(50)		(44)
Other Financial Expenses	(185)	(304)	(83)	(53)
Interest Income	583	414	31	307
Dividend Income			7.827	
Foreign Exchange Differences	233	(12)	230	(36)
Total	<u>(3.209)</u>	<u>(3.670)</u>	<u>7.624</u>	<u>(466)</u>

Other Financial Expenses include the amount of € 57.330 which concerns the expense arised out of the interest rate hedging contract of the Group.

5.8. Profit / (Loss) from vessels' disposal

It refers to the profit from the sale of passenger-catamaran Seajet 2 which took place in March 2006. The agreed sale price is Euro 2.950.000. Part of the sale price was paid on vessel's delivery while the credited amount of Euro 2.550.000 was to be paid in monthly installments until September 2006.

Within April and May the Group received the amount of € 500 thousand.

After the above receipt the outstanding balance of the receivable was € 2.050.000.

In June 2006 the Group agreed with the buyer to receive the amount of € 1.996.673 as a full early prepayment of the outstanding amount. The difference which resulted from the above agreement, amounting € 53.327, was posted as a decrease in the profit from the sale of the vessel.

The sale of the vessel is part of company's policy to focus on the operation of fast, modern conventional vessels.

5.9. Income taxes

Special taxation scheme apply on the Group's profits. Consequently, the following analysis provides a better understanding of the income taxes.

	GROUP	COMPANY
	1/1-30/06/2006	1/1-30/06/2006
Dividend distribution Tax		
Tax according to Law 27/75	17	9
Provision for unaudited fiscal years	20	10
Taxes charged from the Taxation audit	118	40
Total	<u>155</u>	<u>59</u>

The Group's companies have been audited by tax authorities until fiscal year 2005. Total taxes charged amount € 304.060,55. The Group had already made a tax provision for unaudited fiscal years of € 186.450 and therefore the additional amount of € 117.610,55 was posted in the expenses of the second quarter of 2006.

5.10. 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 5.6.

5.10 Tangible Assets

<u>Consolidated Figures</u>	Vessels	Land	Buildings	Furniture & Other Fixtures	Improvements In Third Parties Property	Vehicles	Fixed Assets Under Construction	Total
Initial Cost at 01.01.2006	380.303	274	765	1.924	387			383.653
Acquisitions - Additions	403			11				413
Disposals / Write-offs	(4.327)							(4.327)
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added to the Income Statement								
Cost at 30.06.2006	<u>376.379</u>	<u>274</u>	<u>765</u>	<u>1.935</u>	<u>387</u>			<u>379.739</u>
Accumulated Depreciation at 01.01.2006	48.163		179	1.626	224			50.191
Depreciation for the Period	5.847		13	94	29			5.982
Disposals / Write-offs	(2.512)							(2.512)
Accumulated Depreciation at 30.06.2006	<u>51.498</u>		<u>192</u>	<u>1.720</u>	<u>253</u>			<u>53.661</u>
Net Book Value at 30.06.2006	<u>324.881</u>	<u>274</u>	<u>573</u>	<u>215</u>	<u>134</u>			<u>326.078</u>
Initial Cost at 01.01.2005	379.206	274	765	1.686	387			382.318
Acquisitions - Additions	1.097			238				1.335
Disposals / Write-offs								
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added to the Income Statement								
Cost at 31.12.2005	<u>380.303</u>	<u>274</u>	<u>765</u>	<u>1.924</u>	<u>387</u>			<u>383.653</u>
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	<u>48.163</u>		<u>179</u>	<u>1.626</u>	<u>224</u>			<u>50.191</u>
Net Book Value at 31.12.2005	<u>332.140</u>	<u>274</u>	<u>586</u>	<u>298</u>	<u>163</u>			<u>333.462</u>

<u>Company Figures</u>	Vessels	Land	Buildings	Furniture & Other Fixtures	Improvements In Third Parties Property	Vehicles	Fixed Assets Under Construction	Total
Initial Cost at 01.01.2006	43.040	274	765	1.281	387			45.747
Acquisitions - Additions	173							173
Disposals / Write-offs	(4.327)							(4.327)
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added to the Income Statement								
Cost at 30.06.2006	38.886	274	765	1.281	387			41.593
Accumulated Depreciation at 01.01.2006	16.914		179	1.114	224			18.431
Depreciation for the Period	1.036		13	39	29			1.116
Disposals / Write-offs	(2.512)							(2.512)
Accumulated Depreciation at 30.06.2006	15.438	0	192	1.153	253			17.035
Net Book Value at 30.06.2006	23.448	274	573	128	134			24.557
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			2.246
Disposals / Write-offs								
Accumulated Depreciation at 31.12.2005	16.914		179	1.114	224			18.431
Net Book Value at 31.12.2005	26.126	274	586	167	163			27.316

The following table gives an analysis of the tangible assets held by the Group under finance leases. These assets are included in the previous tables of tangible assets.

Leased Assets	GROUP	COMPANY
Net Book Value 2005	387	142
Additions 01/01-30/06/06	606	606
Depreciation 01/01-30/06/06	(119)	(67)
Net Book Value 30/06/06	<u>874</u>	<u>681</u>

5.11. Intangible assets

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

<u>Consolidated Figures</u>	Trademarks	Software	Total
Initial Cost at 01.01.2006	141	4.499	4.640
Acquisitions - Additions		177	177
Disposals / Write-offs			
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement			
Cost at 30.06.2006	<u>141</u>	<u>4.676</u>	<u>4.817</u>
Accumulated Depreciation at 01.01.2006	<u>63</u>	<u>2.662</u>	<u>2.725</u>
Depreciation for the Period	5	225	230
Disposals / Write-offs			
Accumulated Depreciation at 30.06.2006	<u>68</u>	<u>2.887</u>	<u>2.955</u>
Net Book Value at 30.06.2006	<u>73</u>	<u>1.788</u>	<u>1.861</u>
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	<u>54</u>	<u>2.294</u>	<u>2.348</u>
Depreciation for the Period	9	368	377
Disposals / Write-offs			
Accumulated Depreciation at 31.12.2005	<u>63</u>	<u>2.662</u>	<u>2.725</u>
Net Book Value at 31.12.2005	<u>78</u>	<u>1.837</u>	<u>1.915</u>

<u>Company figures</u>	Trademarks	Software	Total
Initial Cost at 01.01.2006	141	2.716	2.857
Acquisitions - Additions		106	106
Disposals / Write-offs			
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement			
Cost at 31.03.2006	141	2.822	2.963
Accumulated Depreciation at 01.01.2006	60	1.405	1.466
Depreciation for the Period	5	176	181
Disposals / Write-offs			
Accumulated Depreciation at 30.06.2006	65	1.581	1.647
Net Book Value at 30.06.2006	76	1.240	1.316
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

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

- a) Trademarks, the cost of which includes the cost of their development and registration both in Greece and abroad.
- b) Software programs, the cost of which includes the cost of the booking systems as well as the cost of acquisition, installation and development of the Group's integrated Enterprise Resource Planning System.

5.12. Investments in subsidiaries – associated companies

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

	COMPANY	GROUP
Initial Cost at 01.01.2006	228.738	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Adjustments-Impairments added to the Income Statement		
Value at 30.06.2006	<u>228.738</u>	<u>0</u>

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

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

5.13. Non-current receivables

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

5.14. Inventories

The "Inventories" account includes the following items:

	30/06/2006		31/12/2005	
	GROUP	COMPANY	GROUP	COMPANY
Food-Beverages-Tobacco	273	86	229	66
Fuel-Lubricants	846	235	788	210
Hotel Equipment	490	126	437	98
Total	<u>1.609</u>	<u>447</u>	<u>1.454</u>	<u>374</u>

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

5.15. Trade receivables and prepayments

	30/06/2006		31/12/2005	
	GROUP	COMPANY	GROUP	COMPANY
Trade Receivables	25.226	3.629	15.933	2.803
Post Dated Cheques	9.620	5	8.848	5
Less: Provisions for Bad Debts	3.853	175	3.769	170
Trade Receivables (net)	<u>30.993</u>	<u>3.459</u>	<u>21.012</u>	<u>2.638</u>
Prepayments to Suppliers - Creditors	2.131		1.340	
Total	<u>33.124</u>	<u>3.459</u>	<u>22.352</u>	<u>2.638</u>

The Group recognized an expense of approximately € 23 thousand for the period 1/1-30/06/2006 as provision for bad debts. The expense has been posted in the income statement of the period.

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.

5.16. Tax receivables

	30/06/2006		31/12/2005	
	GROUP	COMPANY	GROUP	COMPANY
Income Tax Prepayment	102	78	102	78
Withholding Tax on Interest Income	42		42	
Total	<u>144</u>	<u>78</u>	<u>144</u>	<u>78</u>

5.17. Receivables from subsidiaries – associated companies

The company's receivables from subsidiaries and associated companies amount approximately € 56 mln., and they are written-off on consolidated level. These receivables do not represent sales among companies.

5.18. Other receivables

Other receivables are short-term receivables and therefore there is no need to be discounted at the end of the period.

	30/06/2006		31/12/2005	
	GROUP	COMPANY	GROUP	COMPANY
Prepayments to Employees	188	2	133	
Receivables from the Greek State	1.144		861	
Receivables from Insurance Companies	639	14	275	10
Masters' General Accounts	181	95	16	21
Other Receivables	617	304	1.698	654
Total	<u>2.769</u>	<u>415</u>	<u>2.983</u>	<u>685</u>

5.19. Financial assets held for trading

It refers to shares held in the “Hermes” Mutual Fund that at 31/12/05 were valued for € 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 was posted in the Income Statement of the current period in the account “Interest Income” (§ 5.7).

5.20. Cash and cash equivalents

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

	30/06/2006		31/12/2005	
	GROUP	COMPANY	GROUP	COMPANY
Cash in hand	32	2	29	4
Cash at banks	3.821	244	7.993	746
Short-term Time Deposits	41.836	9.850	41.203	8.165
Total	45.689	10.096	49.225	8.915

5.21. Deferred expenses

	30/06/2006		31/12/2005	
	GROUP	COMPANY	GROUP	COMPANY
Insurance Premia	1.127	251	206	51
Drydocking Expenses	2.797	660	2.477	941
Other	246	54	154	33
Total	4.170	965	2.837	1.025

5.22. 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.

5.23. Secured loans

Long-term secured loans analysis:

	30/06/2006		31/12/2005	
	GROUP	COMPANY	GROUP	COMPANY
Bank Loans				
Bond Loans	173.550		179.800	
Total	173.550		179.800	

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:

	30/06/2006	
	GROUP	COMPANY
Loans		
Payments within the next two years	25.000	
Payments from 3 to 5 years	37.500	
Payments beyond 5 years	125.000	

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.

5.24. Finance leases

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

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

	30/06/2006	
	GROUP	COMPANY
Finance Leases		
Payments within the next two years	564	564
Payments from 3 to 5 years	202	202

5.25. Deferred tax liabilities

The deferred tax liabilities arise from the tax free reserves and other special taxable reserves that will be taxed only when they are distributed.

	30/06/2006	
	GROUP	COMPANY
Tax-free Reserves	19	4
Special taxable Reserves		
Total	<u>19</u>	<u>4</u>

5.26. Retirement benefit provisions

These provisions refer to personnel compensation due to retirement.

The Group has the legal obligation to compensate its employees when they retire on a pension.

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

The analysis of this liability is as follows:

	30/06/2006		31/12/2005	
	GROUP	COMPANY	GROUP	COMPANY
Outstanding Balance at the Beginning of the period	438	178	377	156
Expenses recognised in the Income Statement	64	36	61	22
	<u>502</u>	<u>214</u>	<u>438</u>	<u>178</u>

5.27. Other provisions

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

The reduction in the "Other provisions" account, is due to the fact that the Group after the rejection by the European Court of Justice of our Company's appeal in relation to the imposition of a Euro 1,5 mln. fine by the European Competition Commission, paid in full the imposed fine as well as the accrued interest.

It should be noted that with the above provision the Group had cover the entire liability to the European Commission and therefore will be no effect to the financial results of year 2006.

5.28. Bank loans and overdrafts

During January 2006 the Group has fully repaid the total amount of its short-term bank loan from its own cash & cash equivalents.

5.29. Trade and other payables

	30/06/2006		31/12/2005	
	GROUP	COMPANY	GROUP	COMPANY
Suppliers - Creditors	9.618	2.711	9.813	2.542
Social Security Contributions	105	30	119	34
Greek Seamens' Pension Fund (NAT)	255	41	276	37
Passengers' & Vehicles' Insurance Contribution (NAT)	1.366		1.345	
Insurance Brokers	1.119	1.071	158	158
Wages payable	934	231	746	219
Other *	9.821	7.625	953	191
Total	<u>23.218</u>	<u>11.709</u>	<u>13.410</u>	<u>3.181</u>

* It includes the dividend payable for the fiscal year 2005 amounting € 7,35 mln.

5.30. Payables to subsidiaries - associated companies

The company's payables to subsidiaries and associated companies amount approximately € 131 mln., and they are written-off on consolidated level. These payables do not represent sales among companies.

5.31. Tax liabilities

	30/06/2006		31/12/2005	
	GROUP	COMPANY	GROUP	COMPANY
Value Added Tax	1.686	159	481	53
Wages Tax	110	48	105	46
Income Tax	41	32	144	115
Taxes on crew wages	334	88	381	49
Other	70	64	185	6
Total	2.241	391	1.296	269

5.32. Accrued expenses

	30/06/2006		31/12/2005	
	GROUP	COMPANY	GROUP	COMPANY
Accrued Interest	169		84	
Travel Agents' Commissions	1.580		584	
Tax Provision for Unaudited Fiscal Years	100	45	184	75
Operating Expenses Provisions	1.331	334	858	635
Total	3.180	379	1.710	710

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

6. Events after the Balance Sheet date

In July 2006, the company in the context of strengthening its position in the domestic market acquired, at an auction which took place at the island of Rhodes, the total assets of DANE SEA LINE. The assets of DANE include car-passenger ferries DIAGORAS, PATMOS and RODOS and certain items of real estate in the town of Rhodes. The total cost of the acquisition amounted € 19,9 mln. The vessel DIAGORAS has already been deployed in the Dodecanese Island routes from August 12, 2006.

In August 2006, Blue Star Maritime S.A. issued a new Euro 10 million secured bond loan in order to finance part of the acquisition cost of M/V DIAGORAS.

Voula, 21 August 2006

MANAGING DIRECTOR

AUTHORIZED DIRECTOR

FINANCIAL DIRECTOR

MICHAEL SAKELLIS

SPIROS PASCHALIS

NIKOLAOS TAPIRIS