



MINOAN LINES SHIPPING S.A.

Interim Financial Statements **for the period 1/1 - 30/09/2006**

In accordance with International Financial Reporting Standards

The accompanying interim financial statements have been approved by the Board of Directors' Meeting on 21/11/2006 and have been uploaded to the Company's web site www.minoan.gr

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Income Statement

The Group

The Company

	Note	1/1-30/9/2006	1/1-30/9/2005	1/7-30/9/2006	1/7-30/9/2005	1/1-30/9/2006	1/1-30/9/2005	1/7-30/9/2006	1/7-30/9/2005
Revenue	3.1	165,128,301.87	164,556,275.84	80,282,225.94	81,102,463.60	164,979,825.51	164,104,014.67	80,211,010.29	80,958,345.63
Cost of Sales	3.2	-115,340,515.34	-108,955,226.98	-45,875,055.28	-45,345,798.50	-115,283,208.53	-108,435,334.76	-45,828,158.82	-45,158,120.43
Gross Profit		49,787,786.53	55,601,048.86	34,407,170.66	35,756,665.10	49,696,616.98	55,668,679.91	34,382,851.47	35,800,225.20
Other Operating Income	3.3	546,489.31	243,389.80	382,026.54	81,326.36	560,840.98	242,431.03	393,360.69	80,827.31
Distribution expenses		-15,154,105.83	-14,676,993.61	-7,249,401.81	-7,316,704.10	-15,135,186.28	-15,160,640.11	-7,240,208.74	-7,567,669.40
Administrative expenses		-7,559,588.99	-7,313,831.02	-2,242,921.09	-2,324,702.82	-7,470,286.52	-7,107,077.85	-2,237,840.65	-2,240,380.22
Other Operating expenses		-69,204.62	-203,045.00	-5,144.99	-135,278.47	-69,204.62	-202,518.47	-5,144.99	-142,126.06
Operating profit before financing costs		27,551,376.40	33,650,569.03	25,291,729.31	26,061,306.07	27,582,780.54	33,440,874.51	25,293,017.78	25,930,876.83
Financial income	3.4	2,286,405.01	8,043,452.83	354,573.07	7,692,241.89	2,255,322.27	8,172,162.97	222,016.74	7,691,618.79
Financial expenses	3.5	-19,814,044.54	-20,074,736.08	-7,077,830.21	-7,124,151.54	-19,804,520.42	-20,065,235.93	-7,075,058.35	-7,121,301.25
Share of (Loss) Profit of associates	3.6	6,197,775.50	4,510,656.94	6,615,516.32	5,643,394.00	-	-	-	-
Profit/(Loss) before tax		16,221,512.37	26,129,942.72	25,183,988.49	32,272,790.42	10,033,582.39	21,547,801.55	18,439,976.17	26,501,194.37
Income Tax expense	3.8	1,417,338.32	-119,416.73	-30,741.30	-74,449.50	1,418,370.27	-	-34,890.10	-
Profit/(Loss) after tax *		17,638,850.69	26,010,525.99	25,153,247.19	32,198,340.92	11,451,952.66	21,547,801.55	18,405,086.07	26,501,194.37
Attributable to :									
Equity holders of the parent		17,617,084.50	26,011,280.92	25,127,975.82	32,196,761.93	11,451,952.66	21,547,801.55	18,405,086.07	26,501,194.37
Minority Interest		21,766.19	-754.93	25,271.37	1,578.99	-	-	-	-
Basic and Diluted earnings per Share after Taxation (in €)	4.2	0.25	0.37	0.35	0.45	0.16	0.30	0.26	0.37

* From continuing operations

The accompanying notes on pages 8-20 are integral part of the interim Financial Statements

Balance Sheet

		The Group		The Company	
	Note	30/9/2006	31/12/2005	30/9/2006	31/12/2005
Assets					
Non-current assets					
Property, plant and equipment	3.9	573,161,878.74	664,907,564.79	567,961,878.66	659,679,880.69
Investments in subsidiaries	3.10	-	-	3,478,021.47	3,465,551.47
Investments in associates	3.11	72,687,748.88	66,062,812.79	66,080,097.17	66,080,097.17
Other long term assets		31,079.19	36,546.84	31,079.19	30,963.41
Total non-current assets		645,880,706.81	731,006,924.42	637,551,076.49	729,256,492.74
Current assets					
Inventories	3.12	4,918,641.96	4,048,037.97	4,918,641.96	4,048,037.97
Trade and other receivables	3.13	72,900,645.03	43,674,919.25	72,734,666.40	43,134,359.86
Available –for- sale securities		64,900.64	64,508.30	64,900.64	64,508.30
Other current assets	3.13	5,185,103.52	6,419,546.89	5,178,952.01	6,402,097.46
Cash and cash equivalents	3.14	1,687,420.92	4,342,769.57	1,409,601.35	4,211,617.78
Non current assers held for sale	3.9	77,242,337.57	-	77,242,337.57	-
Total current assets		161,999,049.64	58,549,781.98	161,549,099.93	57,860,621.37
Total assets		807,879,756.45	789,556,706.40	799,100,176.42	787,117,114.11
Equity and liabilities					
Equity					
Share capital	3.15	159,583,500.00	159,583,500.00	159,583,500.00	159,583,500.00
Share premium	3.15	26,942,576.38	26,942,576.38	26,942,576.38	26,942,576.38
Fair value reserves		427,160.59	-	-	-
Other reserves	3.16	56,837,280.63	69,252,152.85	56,818,295.73	69,216,024.12
Retained earnings		25,270,076.26	-4,761,880.46	17,019,229.86	-6,830,451.19
Total Equity attributable to equity holders of the parent		269,060,593.86	251,016,348.77	260,363,601.97	248,911,649.31
Minority Interest		69,467.59	54,791.97	-	-
Total Equity		269,130,061.45	251,071,140.74	260,363,601.97	248,911,649.31
Non-current liabilities					
Interest-bearing loans and borrowings	3.17	350,025,483.34	425,344,867.39	350,025,483.34	425,344,867.39
Employee defined benefit obligations	3.18	2,288,050.04	2,201,038.33	2,288,050.04	2,130,389.35
Deferred government grants	3.19	5,237,666.03	5,382,506.39	5,237,666.03	5,382,506.39
Provisions		-	63,333.72	-	57,308.36
Total non-current liabilities		357,551,199.41	432,991,745.83	357,551,199.41	432,915,071.49
Current liabilities					
Bank overdrafts	3.17	40,585,682.80	28,083,893.59	40,585,682.80	28,083,893.59
Current portion of interest -bearing loans and borrowings	3.17	27,114,798.01	28,500,000.00	27,114,798.01	28,500,000.00
Liabilities relating to non-current assets held for sale	3.17	61,103,586.04	-	61,103,586.04	-
Trade and other payables	3.20	52,394,428.74	48,909,926.24	52,381,308.19	48,706,499.72
Total current liabilities		181,198,495.59	105,493,819.83	181,185,375.04	105,290,393.31
Total liabilities		538,749,695.00	538,485,565.66	538,736,574.45	538,205,464.80
Total Equity and liabilities		807,879,756.45	789,556,706.40	799,100,176.42	787,117,114.11

The accompanying notes on pages 8-20 are integral part of the interim Financial Statements

Statement of changes in Equity

	Share Capital	Share Premium	Fair Value Reserves	Other Reserves	Retained Earnings	Total Equity
Balance as at 1/1/2005 according to I.F.R.S.	159,583,500.00	26,942,576.38	7,648,086.10	69,216,024.12	-16,759,510.61	246,630,675.99
Changes in equity for the period 1/1 – 30/ 09/2005						
Change in fair value of available for sale securities	-	-	-7,648,086.10	-	-	-7,648,086.10
Dividends paid	-	-	-	-	-7,092,600.00	-7,092,600.00
Net Profit (Loss) for the period 1/1 – 30/09/2005	-	-	-	-	21,547,801.55	21,547,801.55
Balance as at 30/09/2005	159,583,500.00	26,942,576.38	0.00	69,216,024.12	-2,304,309.06	253,437,791.44
Balance as at 1/1/2006 according to I.F.R.S.	159,583,500.00	26,942,576.38	-	69,216,024.12	-6,830,451.19	248,911,649.31
Changes in equity for the period 1/1 – 30/ 09/2006						
Transfer from other reserves to cover prior year losses	-	-	-	-12,397,728.39	12,397,728.39	-
Net Profit (Loss) for the period 1/1 – 30/09/2006	-	-	-	-	11,451,952.66	11,451,952.66
Balance as at 30/09/2006	159,583,500.00	26,942,576.38	-	56,818,295.73	17,019,229.86	260,363,601.97

The accompanying notes on pages 8-20 are integral part of the interim Financial Statements

Consolidated Statement of changes in Equity

EQUITY HOLDERS OF THE PARENT COMPANY

	Share Capital	Share Premium	Fair Value Reserves	Other Reserves	Retained Earnings	Total Shareholders Equity	Minority Interest	Total Equity
Balance as at 1/1/2005 according to I.F.R.S.	159,583,500.00	26,942,576.38	7,648,086.10	69,245,866.00	-15,277,429.73	248,142,598.75	60,633.43	248,203,232.18
Changes in equity for the period 1/1 – 30/ 09/2005								
Change in fair value of available for sale securities and other items recognized directly in Equity	-	-	-7,648,086.10	-	4,913.00	-7,643,173.10	-	-7,643,173.10
Dividends paid	-	-	-	-	-7,092,600.00	-7,092,600.00	-3,707.57	-7,096,307.57
Net Profit (Loss) for the period 1/1- 30/ 09/2005	-	-	-	-	26,011,280.92	26,011,280.92	-754.93	26,010,525.99
Balance as at 30/09/2005	159,583,500.00	26,942,576.38	0.00	69,245,866.00	3,646,164.19	259,418,106.57	56,170.93	259,474,277.50
Balance as at 1/1/2006 according to I.F.R.S.	159,583,500.00	26,942,576.38	-	69,252,152.85	-4,761,880.46	251,016,348.77	54,791.97	251,071,140.74
Changes in equity for the period 1/1 – 30/ 09/2006								
Change in equity due to the sale of subsidiary	-	-	-	-17,143.83	17,143.83	-	-7,090.57	-7,090.57
Change in fair value of securities available for sale	-	-	427,160.59	-	-	427,160.59	-	427,160.59
Transfer from other reserves to cover prior year losses	-	-	-	-12,397,728.39	12,397,728.39	-	-	-
Net Profit (Loss) for the period 1/1- 30/09/2006	-	-	-	-	17,617,084.50	17,617,084.50	21,766.19	17,638,850.69
Balance as at 30/09/2006	159,583,500.00	26,942,576.38	427,160.59	56,837,280.63	25,270,076.26	269,060,593.86	69,467.59	269,130,061.45

The accompanying notes on pages 8-20 are integral part of the interim Financial Statements

Statement of Cash Flows

	<u>The Group</u>		<u>The Company</u>	
	<u>1/1 - 30/9/2006</u>	<u>1/1-30/9/2005</u>	<u>1/1 - 30/9/2006</u>	<u>1/1-30/9/2005</u>
Cash flow from Operating Activities				
Profit before tax	16,221,512.37	26,129,942.72	10,033,582.39	21,547,801.55
<i>Adjustments for:</i>				
Depreciation and amortization	14,629,426.16	15,742,660.33	14,629,426.16	15,737,128.99
Provisions	1,677,581.56	1,116,803.48	1,677,581.56	1,100,094.00
Unrealized foreign exchange differences	-	149,672.84	-	149,672.84
Gain (Loss) from tangible asset disposal	-8,472,653.30	-12,044,458.01	-2,243,795.06	-7,662,511.21
Financial expenses	19,737,486.13	19,279,442.31	19,727,962.01	19,269,942.16
Other non-monetary income (expenses)	-115,904.56	-144,840.36	-115,934.58	-144,840.36
Operating results before changes in working capital	43,677,448.36	50,229,223.31	43,708,822.48	49,997,287.97
Increase in inventories	-870,603.99	-882,613.99	-870,603.99	-882,613.99
Increase in trade and other receivables	-28,721,567.47	-11,943,782.97	-28,754,987.68	-11,685,495.64
Increase in liabilities	13,527,746.47	8,320,340.17	13,551,395.01	8,077,782.37
Interest and related expenses paid	-17,245,883.75	-17,054,384.38	-17,236,359.63	-17,044,884.23
Taxes paid	577,485.81	-119,416.73	578,517.76	-
Cash flows from operating activities (a)	10,944,625.43	28,549,365.41	10,976,783.95	28,462,076.48
Cash flow from investing activities				
Acquisition of subsidiaries and associates net of cash	-	-	-59,970.00	-
Purchase of tangible and intangible assets	-480,823.77	-519,991.40	-480,823.77	-517,537.73
Proceeds from tangible and intangible assets disposal	1,772,104.70	17,917,537.13	1,772,104.70	17,917,537.13
Increase in other long-term assets	-490.51	-3,651.00	-508.12	-3,651.00
Interest income received	848,448.03	85,985.03	715,330.08	84,543.12
Dividends received	148,212.98	166,330.29	162,492.19	296,482.34
Cash flows from investing activities (b)	2,287,451.43	17,646,210.05	2,108,625.08	17,777,373.86
Cash flow from financing activities				
Proceeds from the issue of share capital	-	-	-	-
Proceeds from the issue of short term borrowings	2,000,000.00	-	2,000,000.00	-
Repayment of long/short term borrowings	-17,601,000.00	-38,790,812.37	-17,601,000.00	-38,790,812.37
Repayment of finance lease liabilities	-77,873.31	-55,721.11	-77,873.31	-55,721.11
Dividends paid	-208,552.20	-6,776,977.41	-208,552.15	-6,773,269.89
Cash Flow from financing activities (c)	-15,887,425.51	-45,623,510.89	-15,887,425.46	-45,619,803.37
Net Increase/(Decrease) in cash and cash equivalents (a)+(b)+(c)	-2,655,348.65	572,064.57	-2,802,016.43	619,646.97
Cash and cash equivalents at the beginning of the period	4,342,769.57	1,135,679.00	4,211,617.78	997,850.85
Cash and cash equivalents at the end of the period	1,687,420.92	1,707,743.57	1,409,601.35	1,617,497.82

The accompanying notes on pages 8-20 are integral part of the interim Financial Statements

Nine month 2006 review

Financial Results for the nine month-period ended

The 9month-period of 2006 the Company's fleet has been reduced by one vessel in relation to the respective period of 2005. In particular, Minoan Lines operated with 3 vessels in the route «Patra – Venice», 2 vessels in the route «Patra –Ancona» and 2 vessels in the route «Heraklion –Piraeus» while in the respective period of 2005 the company operated additionally in the route «Heraklion-Cyclades-Sporades-Thessaloniki» with the vessel Daedalus.

The 9month revenues from the aforementioned routes, stood at € 165.0 million versus € 155.8 million in the respective period of 2005, showing an increase of +5.9%. Its worth noted, that the revenue in the interim financial statements for the period ended 30/09/2005 amounting € 164,1 million, includes the revenue from the operations of the vessel Daedalus.

More specifically :

In the route “Heraklion-Piraeus” the revenues reached € 50.6 million compared to 42.6 million in 2005 (increase +18.8%). The significant increase in the domestic revenues derived from the increase in the internal tourism and the trucks' traffic volumes.

In the north Adriatic routes the revenues has increased by 0.8% and stood at €114.4 million versus €113.5 million in the 9month period of 2005.

Nevertheless, the dramatic and continuous increase in the fuel prices, which reached the maximum level of the last years, increased the company's relevant operational cost and limited significantly the company's operational profitability. The increase of the total operational cost of the vessels due to the high bunker prices, regardless of the reduction in the number of trips (141 trips less), reached €49.6 million versus €40.3 in relation to the respective period of 2005.

The company's gross profit before depreciation stood at € 63.7 million versus 70.5 million the respective period in 2005 (decrease -9.7%). The operating results (EBITDA) reached € 42.2 million compared to €49.2 million in 9month period of 2005; this decrease derived from the enormous increase in fuel prices and the tax differences € 0.9 million which were accepted and settled with the tax authorities.

Additionally an amount of € 1.5 million derived from the tax audit for the fiscal years 2000-2005, and related to income tax return, influenced positively the net result.

The net results after taxes are reduced to € 11.5 million compared to € 21.5 million of the respective previous year period (decrease -46.9%). The aforementioned reduction is mainly due to profits from the sale of stake in company FORTHnet amount € 7.8 million occurred in 2005.

Consolidated Financial Results for the nine month-period ended

The differentiation of the consolidated in relation to the company's outcome, is due to the financial result of the associated company HELLENIC SEAWAYS S.A., which achieved with the deployment of new ships and the rationalization of its itineraries, despite the high cost of fuel prices, to improve its net financial results from € 15.1 million in 9month period of 2005 to € 18.6 this year. The consolidated results after taxes indicate profit € 17.6 million versus € 26.0 million of the respective period of 2005(decrease -32.3%).

Traffic volumes– Market shares

The company by deploying 5 vessels in the Adriatic and 2 vessels in the Greek domestic sea routes has managed to preserve its leading position in both markets.

Adriatic Routes – North Italy

In Ancona and Venice lines, for the 9month period of 2006, the company carried in total 491 thousands passengers, 122 thousands private cars and 67 thousands trucks, maintaining its leading position regarding market shares among the companies operates in the north Adriatic market. The market share for passengers, cars and trucks is 36.2%, 37.9% and 35.5% respectively which are higher than the market share of trips (33.8%).

Heraklion – Piraeus Route

In the particular route, the Company during the 9month period of 2006 carried in total, 771 thousand passengers, 102 thousand private cars, and 50 thousand trucks against 750 thousand passengers, 100 thousand private cars and 46 thousand trucks. The market share remained in the same of 2005 levels and stood for passengers, cars and trucks at 70.5%, 61.4% and 49.2% respectively.

Sale of vessel Ariadne Palace

Last September Minoan Lines came to an agreement with an Italian operator, for the sale of H/S/F Ariadne Palace which operates in the route Patra-Venice. From the subject sale a significant capital gain will be derived for the company and recorded in the financial results of the year 2006.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD 1/1 - 30/09/2006

1. General Company's Information

• General Information

The Company was established on 25/5/1972 (F.E.K. 939-25/5/1972).

The Company's headquarters are based on the Heraklion Crete Municipality while its discrete title is "MINOAN LINES S.A."

It operates in the Ferry shipping sector both in Domestic and International sea routes.

The number of the personnel employed for the period ended 30/09/2006 was 964 persons.

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

The total number of common shares outstanding at 30/09/2006 was 70,926,000, while the total market capitalization reached € 285,122,520.00. Every share carries one voting right.

The Company's share participates in the composition of the following Athens Stock Exchange indices :

<u>Index</u>	<u>Code</u>
Athex Composite Share Price Index	GD
FTSE / Athex International	FTSEI
FTSE / Athex 140	FTSEA
Athex Composite Index Total Return Index	SAGD
Eurobank Mid Cap Private Sector 50 Index	EPS50
FTSE / Athex Travel-Leisure	DTA
Athex All Share Index	DOM

• Management

The General Shareholders' Meeting elects the Board of Directors.

The Board of Directors consists of twelve members of which three are executive and nine are non-executive members. Four among the non-executive members are acting independently.

The financial statements for the period ended 30/09/2006 have been approved by the Board of Directors' Meeting on 21/11/2006.

2. Significant Accounting policies

The accounting policies used during the composition of the interim financial statements for the period ended 30/09/2006 are the same as the ones applied for the fiscal year 2005 and can be found at the Company's web site www.minoan.gr.

The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Statements", the International Financial Reporting Standards (I.F.R.S.) and the interpretations which have been issued by the Interpretation Committee and have been adopted by the European Union.

3. Financial Statement analyses

The items referring to the interim financial statements are analyzed as follows :

3.1 Revenue

	<u>The Group</u>		<u>The Company</u>	
	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>
Revenue from Vessel Operations	138,211,433.83	137,134,363.43	138,268,698.08	137,145,833.43
Revenue from restaurant - bars	15,739,290.81	16,130,459.51	15,739,290.81	16,130,459.51
Revenue from shops on board	9,571,886.82	9,349,443.28	9,571,886.82	9,349,443.28
Revenue from slot machines	1,399,949.80	1,478,278.45	1,399,949.80	1,478,278.45
Revenue from travel agencies	148,591.33	-	-	-
Other revenue	-	407,301.71	-	-
Revenue from rent owned assets	57,149.28	56,429.46	-	-
Totals	165,128,301.87	164,556,275.84	164,979,825.51	164,104,014.67

3.2 Cost of Sales

	<u>The Group</u>		<u>The Company</u>	
	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>
Crew Salaries and employer's contribution	23,724,532.52	25,379,074.97	23,724,532.52	25,379,074.97
Bunkers and Lubricants	49,601,095.38	40,325,801.13	49,601,095.38	40,325,801.13
Repairs – Maintenance - Consumables – Salaries and technical work expenses	6,425,439.48	6,541,724.73	6,425,439.48	6,541,724.73
Food – Beverages – Shops merchandize	10,242,695.64	10,219,676.68	10,242,695.64	10,219,676.68
Other Costs	11,312,474.94	11,611,450.41	11,255,168.13	11,091,558.19
Depreciation	14,034,277.38	14,877,499.06	14,034,277.38	14,877,499.06
Totals	115,340,515.34	108,955,226.98	115,283,208.53	108,435,334.76

3.3 Other Income

	<u>The Group</u>		<u>The Company</u>	
	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>
Gains from the sale of real estate	65,031.20	-	65,031.20	-
Commissions	114,593.14	102,459.59	114,593.14	102,459.59
Rental revenue	27,981.28	27,030.72	33,539.01	28,801.35
Revenue from insurance claims	-	80,270.00	-	80,270.00
Revenue from Government Grants	280,571.90	7,320.92	280,571.90	7,320.92
Other Revenue	58,311.79	26,308.57	67,105.73	23,579.17
Totals	546,489.31	243,389.80	560,840.98	242,431.03

3.4 Financial Income

	<u>The Group</u>		<u>The Company</u>	
	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>
Dividend Income from securities	77,598.09	166,330.29	162,492.19	296,482.34
Gain on disposal of investments and available for sale securities	1,360,358.89	7,791,137.51	1,377,500.00	7,791,137.51
Foreign exchange gains	224,774.76	36,061.09	224,774.76	36,061.09
Interest and other related income	149,957.15	49,923.94	16,839.20	48,482.03
Interest rate swap income	473,716.12	-	473,716.12	-
Totals	2,286,405.01	8,043,452.83	2,255,322.27	8,172,162.97

3.5 Financial Expenses

	<u>The Group</u>		<u>The Company</u>	
	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>
Interest expenses & bank commissions	19,185,096.26	18,518,411.74	19,184,980.61	18,518,093.02
Loss on disposal of available for sale securities	76,558.41	509,651.76	76,558.41	509,651.76
Commissions on Letters of Guarantee	25,162.49	50,613.79	15,754.02	41,432.36
Credit card commissions	115,956.95	112,591.98	115,956.95	112,591.98
Foreign Exchange Losses	33,443.84	371,328.25	33,443.84	371,328.25
Amortization of Loans Restructuring Cost	377,826.59	376,169.39	377,826.59	376,169.39
Interest Expense on European Committee's Fine	-	135,969.17	-	135,969.17
Totals	19,814,044.54	20,074,736.08	19,804,520.42	20,065,235.93

3.6 Net result from investment in associates

The total profit of the associated company Hellenic Seaways S.A. , in accordance with I.F.R.S. , reached the amount of € 18,606,350.94 presenting an increase of 23% as compared to the respective 2005 period. The contributed profit to Minoan Group financial income resulted an amount of € 6,197,775.50 versus € 4,510,656.94 to the relevant period of 2005. This increase, despite the high cost of fuel prices, is solely attributed to the successful operating performance of the particular company, which achieved with the deployment of new ships and the rationalization of its itineraries.

3.7 Employee benefits

	<u>The Group</u>		<u>The Company</u>	
	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>
Crew Salaries – social security contribution	23,724,532.52	25,379,074.97	23,724,532.52	25,379,074.97
Personnel Salaries – social security contribution	7,389,256.43	7,564,287.49	7,389,256.43	7,100,049.86
Technical staff Salaries – social security contribution	489,250.79	439,373.22	489,250.79	439,373.22
Totals	31,603,039.74	33,382,735.68	31,603,039.74	32,918,498.05

3.8 Income taxes

The income taxes, presented in the interim financial statements, are resulted after the completion of the tax audit to the parent company for the fiscal years till 2005.

	<u>The Group</u>		<u>The Company</u>	
	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>
Prior years income taxes returned	1,443,608.67	-	1,443,608.67	-
Current tax provision	-26,270.35	-119,416.73	-25,238.40	-
Totals	1,417,338.32	-119,416.73	1,418,370.27	-

3.9 Property, Plant & Equipment and other Non-Current Assets held for sale

The Group							
	Land	Buildings Technical works	Transportation Equipment	Vessels	Furniture and Other Equipmnet	Computer Software	Totals
Cost 1/1/2005	8,144,535.60	8,378,973.40	164,478.68	692,382,141.65	3,829,633.95	2,171,739.19	715,071,502.47
Accumulated Depreciation 1/1/2005	-	1,159,749.29	109,979.05	21,325,065.10	3,090,477.61	1,524,678.92	27,209,949.97
Acquisitions and additions 2005	-	-	9,915.00	344,656.43	135,280.10	94,988.30	584,839.83
Disposals for the year 2005	-	-	-	4,699,629.82	23,044.72	-	4,722,674.54
Less: Disposed assets depreciation	-	-	-	1,870,415.82	22,990.22	-	1,893,406.04
Depreciation for the year 2005	-	343,689.00	17,509.35	19,566,126.40	311,099.40	471,134.89	20,709,559.04
Carrying amounts 31/12/2005	8,144,535.60	6,875,535.11	46,905.28	649,006,392.58	563,282.54	270,913.68	664,907,564.79
Cost 1/1/2006	8,144,535.60	8,378,973.40	174,393.68	688,007,961.19	3,961,076.40	2,266,727.49	710,933,667.76
Accumulated Depreciation 1/1/2006	-	1,503,438.29	127,488.40	39,009,978.23	3,397,793.86	1,995,813.81	46,034,512.59
Acquisitions and additions for the period 01/01-30/09/2006	-	-	13,748.80	314,544.50	77,942.22	74,588.25	480,823.77
Disposals for the period 01/01-30/09/2006	282,858.60	-	20,584.31	534,322.32	107,787.30	43,185.15	988,737.68
Less: Disposed assets depreciation for the period 01/01-30/09/2006	-	-	7,519.02	513,301.72	78,395.37	43,185.10	642,401.21
Depreciation for the period 01/01-30/09/2006	-	257,766.77	8,669.07	14,034,277.38	185,370.53	143,342.41	14,629,426.16
Carrying amounts 30/09/2006	7,861,677.00	6,617,768.34	38,919.72	635,257,229.48	426,462.30	202,159.47	650,404,216.31

The Company							
	Land	Buildings Technical works	Transportation Equipment	Vessels	Furniture and Other Equipmnet	Computer Software	Totals
Cost 1/1/2005	2,944,535.60	7,562,913.05	147,214.36	692,382,141.65	3,775,495.97	2,171,739.19	708,984,039.82
Accumulated Depreciation 1/1/2005	-	343,688.99	107,821.01	21,325,065.10	3,054,858.18	1,524,678.92	26,356,112.20
Acquisitions and additions 2005	-	-	9,915.00	344,656.43	131,969.76	94,988.30	581,529.49
Disposals for the year 2005	-	-	-	4,699,629.82	23,044.72	-	4,722,674.54
Less: Disposed assets depreciation	-	-	-	1,870,415.82	22,990.22	-	1,893,406.04
Depreciation for the year 2005	-	343,689.00	13,193.27	19,566,126.40	306,164.36	471,134.89	20,700,307.92
Carrying amounts 31/12/2005	2,944,535.60	6,875,535.06	36,115.08	649,006,392.58	546,388.69	270,913.68	659,679,880.69
Cost 1/1/2006	2,944,535.60	7,562,913.05	157,129.36	688,007,961.19	3,903,628.08	2,266,727.49	704,842,894.77
Accumulated Depreciation 1/1/2006	-	687,377.99	121,014.28	39,009,978.23	3,357,239.39	1,995,813.81	45,171,423.70
Acquisitions and additions for the period 01/01-30/09/2006	-	-	13,748.80	314,544.50	77,942.22	74,588.25	480,823.77
Disposals for the period 01/01-30/09/2006	282,858.60	-	3,319.99	534,322.32	57,647.31	43,185.15	921,333.37
Less: Disposed assets depreciation for the period 01/01-30/09/2006	-	-	1,044.90	513,301.72	45,149.20	43,185.10	602,680.92
Depreciation for the period 01/01-30/09/2006	-	257,766.77	8,669.07	14,034,277.38	185,370.53	143,342.41	14,629,426.16
Carrying amounts 30/09/2006	2,661,677.00	6,617,768.29	38,919.72	635,257,229.48	426,462.27	202,159.47	645,204,216.23

- In September 2006 Minoan Lines came to an agreement for the sale of the vessel Ariadne Palace. The net book value of the subject vessel is € 77,242,337.57 and the delivery will be concluded within December of 2006.
- In Furniture and Other Equipment is included computer equipment held under a finance lease. Upon the expiry of the contract the Company has the right to purchase this equipment at a bargain purchase option. On 30/09/2006 its net book value amounted to € 66,375.00
- During the 9-month of 2006, the parent company sold its real estate in Patras with acquisition cost € 282,858.60 at a price of € 351,000.00.
- The analysis of depreciation of property, plant and equipment charged to the various account in the income statement is as follows :

	The Group		The Company	
	30/9/2006	30/9/2005	30/9/2006	30/9/2005
Cost of Sales	14,034,277.38	14,877,499.06	14,034,277.38	14,877,499.06
Distribution Expenses	89,426.55	87,583.92	89,426.55	87,583.92
Administrative Expenses	505,722.23	777,577.35	505,722.23	772,046.01
Totals	14,629,426.16	15,742,660.33	14,629,426.16	15,737,128.99

3.10 Investments in subsidiaries

Name	Headquarter	Participation %	Amount	
			<u>30/09/2006</u>	<u>31/12/2005</u>
Kritiki Filoxenia S.A.	Heraklion, Crete	99.99%	3,203,196.84	3,203,196.84
Minoan Escape S.A.	Heraklion, Crete	99.95%	59,970.00	-
Minoan Agencies S.r.l.	Ancona Italy	95.00%	-	47,500.00
Minoan Cruises S.A.	Heraklion, Crete	80.28%	214,854.63	214,854.63
Totals			<u>3,478,021.47</u>	<u>3,465,551.47</u>

During the current period, the parent company sold its stake in MINOAN AGENCIES S.r.l. with acquisition cost € 47,500.00 with total sale proceeds of € 1,425,000.00. The profit from the above mentioned sale reached € 1,377,500.00.

Additionally the parent company incorporated MINOAN ESCAPE S.A., which acts as office of tourism operations, with initial share capital € 60,000.00.

3.11 Investments in associates

The investments in associates, amounted to € 66,080,097.17 refer solely the Parent's stake (33.31%) on Hellenic Seaways S.A.

The main items of the Hellenic Seaways' S.A. consolidated financial statements in accordance with I.F.R.S. are illustrated on the table below :

	<u>30/9/2006</u>	<u>31/12/2005</u>
Total Assets	364,835,116.62	312,269,809.47
Total Liabilities	146,619,118.79	113,942,542.02
Total Equity	218,215,997.83	198,327,267.45
	<u>30/9/2006</u>	<u>30/9/2005</u>
Revenue	144,417,089.27	122,129,021.30
Net consolidated results (profit) for the period	18,606,350.94	15,133,728.75

3.12 Inventories

	<u>The Company</u>	
	<u>30/9/2006</u>	<u>31/12/2005</u>
Merchandise	3,091,604.27	2,515,669.75
Consumables	1,827,037.69	1,532,368.22
Totals	<u>4,918,641.96</u>	<u>4,048,037.97</u>

3.13 Trade and other receivables – other current assets

	<u>Accounts Receivable</u>			
	<u>The Group</u>		<u>The Company</u>	
	<u>30/9/2006</u>	<u>31/12/2005</u>	<u>30/9/2006</u>	<u>31/12/2005</u>
Customers – Check Receivables	62,512,995.59	41,980,967.90	62,537,734.89	42,234,752.10
Trade receivables due from affiliates and associates	193,954.03	193,954.03	287,163.38	256,542.12
Other Account Receivables	10,193,695.41	1,499,997.32	9,909,768.13	643,065.64
Totals	<u>72,900,645.03</u>	<u>43,674,919.25</u>	<u>72,734,666.40</u>	<u>43,134,359.86</u>

- In the item Trade and other receivables is included the 10% of total sale proceeds of the vessel Ariadne Palace amount € 9,000,000.00 which is deposited in an escrow bank account. Respective amount is included in the item Trade and other payables (note 3.20).

	Other Current Assets			
	The Group		The Company	
	30/9/2006	31/12/2005	30/9/2006	31/12/2005
Prepaid Expenses	4,821,657.67	6,308,954.64	4,821,657.67	6,308,003.04
Accrued Income	363,445.85	51,698.78	357,294.34	35,200.95
Other prepayments and accrued income	-	58,893.47	-	58,893.47
Totals	5,185,103.52	6,419,546.89	5,178,952.01	6,402,097.46

3.14 Cash and cash equivalents

	The Group		The Company	
	30/9/2006	31/12/2005	30/9/2006	31/12/2005
Cash in hand	398,744.59	233,363.75	398,216.53	232,622.70
Cash in banks and time deposits	1,288,676.33	4,109,405.82	1,011,384.82	3,978,995.08
Totals	1,687,420.92	4,342,769.57	1,409,601.35	4,211,617.78

3.15 Share Capital-Share Premium

Share capital is divided into 70,926,000 common shares with a nominal value of € 2.25 each. The Share Premium is a result of the the increase of share capital which was approved by the Regular General Meeting of the Company's shareholders held on 16/5/1999. Every share carries one voting right.

3.16 Other Reserves

	The Group		The Company	
	30/9/2006	31/12/2005	30/9/2006	31/12/2005
Statutory Reserve	9,697,251.11	9,706,752.07	9,680,724.97	9,680,724.97
Special Reserve	47,140,029.52	59,545,400.78	47,137,570.76	59,535,299.15
Totals	56,837,280.63	69,252,152.85	56,818,295.73	69,216,024.12

The reduction of the reserves as at 30/09/2006 compared to 31/12/2005, is the netting result of the special reserves with prior years' retained losses in accordance with the decision taken at the General Shareholders' Meeting on 25/06/2006.

3.17 Long term debt - Bank overdrafts - current portion of long term interest bearing loans and borrowings - Liabilities related to non current assets held for sale

The long term debt is analyzed as follows :

	30/9/2006	31/12/2005
Syndicate Loan - Agent Citibank	296,457,398.95	352,425,783.00
Syndicate Loan - Agent Piraeus Bank	53,568,084.39	72,919,084.39
Totals	350,025,483.34	425,344,867.39

The current portion of the Interest – bearing loans and borrowings are analyzed as follows:

	30/9/2006	31/12/2005
Syndicate Loan - Agent Citibank	21,114,798.01	22,500,000.00
Syndicate Loan - Agent Piraeus Bank	6,000,000.00	6,000,000.00
Totals	27,114,798.01	28,500,000.00

Liabilities related to non-current assets held for sale amount € 61,103,586.04 are referred to the banks commitments which will be repaid from the sale proceeds of the vessel Ariadne Palace.

Bank overdraft facilities at 30/9/2006 and 31/12/2005 amounted € 40,585,682.80 and € 28,083,893.59 respectively are secured by post dated checks.

- The weighted average interest rate of long-term debt as at 30/09/2006 and 30/09/2005 was approximately 4.8% and 4.5%, respectively.
- The Syndicate Loan agreements include certain covenants and the Company is required to provide information on a constant basis to the agent bank regarding its business activities.
- The breakdown of the Syndicate Loans payments is analyzed below :

	<u>30/9/2006</u>	<u>31/12/2005</u>
Payments within the next year	88,218,384.05	28,500,000.00
Payments from 1 to 5 years	182,057,501.43	215,340,117.39
Payments over 5 years	167,967,981.91	210,004,750.00
Totals	<u>438,243,867.39</u>	<u>453,844,867.39</u>

- In order to secure the aforementioned debt amounted to € 438,243,867.39 on 30/09/2006, first and second preferred mortgages have been registered to the Company's vessels amounted to € 408,675,783.00 and € 158,000,000.00 respectively.
- Furthermore, pre-notations of € 17,154,748.66 have been registered on the Group's Land and Buildings while 25,850,775 shares of HELLENIC SEAWAYS S.A, which the Company owns, have been pledged.

3.18 Employee defined benefit obligations

	<u>The Group</u>	<u>The Company</u>
Balance as at 1/1/2005	2,925,281.49	2,872,966.53
Current Service Cost	227,229.41	205,945.87
Interest Cost	117,665.84	116,217.48
Benefits paid	-1,069,138.41	-1,064,740.53
Balance as at 31/12/2005	<u>2,201,038.33</u>	<u>2,130,389.35</u>
Balance as at 1/1/2006	2,201,038.33	2,130,389.35
Write-off provision of sold Subsidiary	-70,648.98	-
Current Service Cost	120,216.50	120,216.50
Interest Cost	57,655.50	57,655.50
Benefits paid	-20,211.31	-20,211.31
Balance as at 30/09/2006	<u>2,288,050.04</u>	<u>2,288,050.04</u>

The amount, recorded as an expense for the periods ended 30/09/2006 and 30/09/2005 respectively, is analyzed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>
Current Service Cost	120,216.50	111,452.16	120,216.50	94,742.68
Interest Cost	57,655.50	87,163.11	57,655.50	87,163.11
Totals	<u>177,872.00</u>	<u>198,615.27</u>	<u>177,872.00</u>	<u>181,905.79</u>

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

	<u>The Group</u>		<u>The Company</u>	
	<u>30/9/2006</u>	<u>30/9/2005</u>	<u>30/9/2006</u>	<u>30/9/2005</u>
Distribution Expenses	51,384.00	65,486.09	51,384.00	65,486.09
Administrative Expenses	126,488.00	118,200.01	126,488.00	116,419.70
Operating Expenses	-	14,929.17	-	-
Totals	<u>177,872.00</u>	<u>198,615.27</u>	<u>177,872.00</u>	<u>181,905.79</u>

The main assumptions used for the period ended are as follows:

- Discounted Rate 3.63%
- Long term average annual salaries increase 5.00%

3.19 Deferred Government Grants

The deferred government grant relates to the subsidy received by the Company from the Norwegian Government for the vessel IKARUS PALACE during the period of its shipbuilding. It is recognized as revenue in the income statement on a systematic basis over the useful life of the vessel. The amount recorded in the income statement (Cost of Sales item) is € 144,840.36.

3.20 Trade and Other payables

	<u>The Group</u>		<u>The Company</u>	
	<u>30/9/2006</u>	<u>31/12/2005</u>	<u>30/9/2006</u>	<u>31/12/2005</u>
Suppliers – Check payables	28,805,564.38	29,903,414.62	28,805,564.38	29,847,327.05
Income Tax payable	33,688.46	349,929.86	25,238.40	213,645.30
Withholding Taxes-Social Security Contributions payable	4,755,283.35	3,985,367.34	4,755,283.35	3,936,464.77
Dividends payable	445,655.60	654,207.80	445,655.60	654,207.75
Sundry creditors	3,196,238.83	4,404,919.18	3,150,365.50	4,318,632.27
European Competition Committee fine (interest included)	-	4,491,520.82	-	4,491,520.82
Accrued expenses	4,867,090.07	3,083,669.39	4,867,090.07	3,083,092.60
Customer advances	364,152.21	1,181,335.98	364,152.21	1,181,335.98
Advance from Ariadne Palace Buyers	9,000,000.00	-	9,000,000.00	-
Deffered income	832,416.85	698,959.77	832,416.85	698,959.77
Payables to affiliates and associates	94,338.99	156,601.48	135,541.83	281,313.41
Totals	52,394,428.74	48,909,926.24	52,381,308.19	48,706,499.72

4. Additional Information

4.1. Analysis of business activities by geographical segment

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

The Company due to the nature of its business activities, encounters the effect of seasonality relating to the revenue from passengers' and private cars' fares and the revenue from on-board services (bars – restaurants, shops) that represent 43.6% and 16.5% of the total annual revenue, respectively. The revenue that results from truck fares represents 39.9% of the total annual revenue and it is evenly earned throughout the year.

	The Group					
	Greece		Europe		Totals	
	30/9/2006	31/12/2005	30/9/2006	31/12/2005	30/9/2006	31/12/2005
	1/1 - 30/9/2006	1/1 - 30/9/2005	1/1 - 30/9/2006	1/1 - 30/9/2005	1/1 - 30/9/2006	1/1 - 30/9/2005
Total Non Current assets	294,492,433.09	292,763,830.87	428,630,611.29	438,243,093.55	723,123,044.38	731,006,924.42
Total Liabilities	170,794,109.92	172,089,505.22	367,955,585.08	366,396,060.44	538,749,695.00	538,485,565.66
Revenue	53,203,170.32	53,177,303.43	111,925,131.55	111,378,972.41	165,128,301.87	164,556,275.84
Gross Profit*	23,970,248.33	17,793,635.45	25,817,538.20	37,807,413.41	49,787,786.53	55,601,048.86

	The Company					
	Greece		Europe		Totals	
	30/9/2006	31/12/2005	30/9/2006	31/12/2005	30/9/2006	31/12/2005
	1/1 - 30/9/2006	1/1 - 30/9/2005	1/1 - 30/9/2006	1/1 - 30/9/2005	1/1 - 30/9/2006	1/1 - 30/9/2005
Total Non Current assets	286,162,802.88	290,999,149.03	428,630,611.29	438,257,343.71	714,793,414.06	729,256,492.74
Total Liabilities	170,780,989.37	172,053,144.02	367,955,585.08	366,152,320.78	538,736,574.45	538,205,464.80
Revenue	53,146,021.04	53,120,873.97	111,833,804.47	110,983,140.70	164,979,825.51	164,104,014.67
Gross Profit*	23,913,099.05	17,737,205.99	25,783,517.93	37,931,473.92	49,696,616.98	55,668,679.91

* including depreciation

4.2 Earnings / losses per share

The results per share are calculated on the basis of profit from continuing operations after tax, divided by the weighted average number of shares outstanding during the period. There is no current obligation for issuing new shares in the future, thus it is not necessary to provide any other earnings ratio.

	The Group		The Company	
	30/9/2006	30/9/2005	30/9/2006	30/9/2005
Profit attributable to shareholders of the Company	17,617,084.50	26,011,280.92	11,451,952.66	21,547,801.55
Weighted average number of shares outstanding	70,926,000	70,926,000	70,926,000	70,926,000
Basic and diluted earnings per share	0.25	0.37	0.16	0.30

4.3 Related-party transactions

Related parties are considered the members of the Board of Directors and Management of the Company, the members of the Board of Directors and Management of subsidiaries of the Group, the financially dependent members and first-degree relatives (spouses, children etc) of the members of the Board of Directors and Management, and the companies engaged with transactions with the Group, as long as the investment in them exceeds 20%.

Related party balances and transactions between the parent company and its subsidiaries and associates are as follows:

4.3.a Subsidiaries

30/9/2006

Receivables from

<u>Company</u>	Minoan Lines S.A.	Minoan Escape S.A.	Minoan Cruises S.A.	Athina A.V.E.E.	Kritiki Filoxenia S.A.	Total
Minoan Lines S.A.	-	38,870.69	2,190.82	-	52,147.84	93,209.35
Minoan Escape S.A.	-	-	-	-	-	-
Minoan Cruises S.A.	-	-	-	-	-	-
Athina A.V.E.E.	41,202.84	-	-	-	12,197.55	53,400.39
Kritiki Filoxenia S.A.	-	-	-	-	-	-
Total	41,202.84	38,870.69	2,190.82	-	64,345.39	146,609.74

31/12/2005

Receivables from

<u>Company</u>	Minoan Lines S.A.	Minoan Agencies S.r.l.	Minoan Cruises S.A.	Athina A.V.E.E.	Kritiki Filoxenia S.A.	Total
Minoan Lines S.A.	-	229,645.02	29,571.45	-	33,016.64	292,233.11
Minoan Agencies S.r.l.	-	-	-	-	-	-
Minoan Cruises S.A.	-	-	-	-	-	-
Athina A.V.E.E.	124,711.93	-	-	-	13,300.64	138,012.57
Kritiki Filoxenia S.A.	-	-	-	-	-	-
Total	124,711.93	229,645.02	29,571.45	-	46,317.28	430,245.68

1/1-30/9/2006

Sale of services to

<u>Company</u>	Minoan Lines S.A.	Minoan Escape S.A.	Minoan Cruises S.A.	Athina A.V.E.E.	Kritiki Filoxenia S.A.	Total
Minoan Lines S.A.	-	69,845.29	450.00	-	1,320.63	71,615.92
Minoan Escape S.A.	-	-	-	-	-	-
Minoan Cruises S.A.	-	-	-	-	-	-
Athina A.V.E.E.	-	-	-	-	-	-
Kritiki Filoxenia S.A.	-	-	-	-	-	-
Total	-	69,845.29	450.00	-	1,320.63	71,615.92

1/1-30/9/2005

Sale of services to

<u>Company</u>	Minoan Lines S.A.	Minoan Agencies S.r.l.	Minoan Cruises S.A.	Athina A.V.E.E.	Kritiki Filoxenia S.A.	Total
Minoan Lines S.A.	-	11,470.00	450.00	-	1,320.63	13,240.63
Minoan Agencies S.r.l.	802,598.21	-	-	-	-	802,598.21
Minoan Cruises S.A.	-	-	-	-	-	-
Athina A.V.E.E.	-	-	-	-	-	-
Kritiki Filoxenia S.A.	-	-	-	-	-	-
Total	802,598.21	11,470.00	450.00	-	1,320.63	815,838.84

4.3.b Associates

30/9/2006

Receivables from

<u>Company</u>	Minoan Lines S.A.	Mediterranean Ferries S.r.l.	Total
Minoan Lines S.A.	-	193,954.03	193,954.03
Hellenic Seaways S.A.	94,338.99	-	94,338.99

31/12/2005

Receivables from

<u>Company</u>	Minoan Lines S.A.	Mediterranean Ferries S.r.l.	Total
Minoan Lines S.A.	-	193,954.03	193,954.03
Hellenic Seaways S.A.	156,601.48	-	156,601.48

Additionally, the parent company has received from the associated company Hellenic Seaways S.A. for the nine month period ended 2006 and 2005, revenue from building rentals amounting € 28,113.67 and € 26,220.72 respectively.

4.3.c Members of the Board of Directors and management

	<u>30/9/2006</u>	<u>30/9/2005</u>
Executive members	292,110.10	226,090.01
Non-executive members	181,569.30	165,800.42
Directors	952,128.23	1,207,654.57
Total	<u>1,425,807.63</u>	<u>1,599,545.00</u>

4.4 Interest rate-credit-foreign currency risks

• Interest rate risks

The loans are linked to floating interest rates and consequently influenced by changing in market conditions.

In November 2005, the Company signed hedging agreements with several financial institutions, in order to hedge its exposure to interest rate fluctuations. These agreements cover approximately 50% of the weighted average balance of the Company's loans outstanding for a 5 year period.

• Credit risks

Credit valuations are performed on all customers requiring credit and a credit limit is established for each customer. The accounts receivable's balances are valued so that the granted credit per customer does not exceed his determined credit limit.

The Company's maximum exposure to credit risks in case all customers do not pay their debts reached, at 30/09/2006, to the amount of the accounts receivable as stated in the balance sheet, decreased by the received Letters of Guarantee amounting to € 3,530,952.72. At the balance sheet date, there were no significant concentrations of credit risk.

• Foreign currency risks

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

4.5 Subsequent events

No subsequent events relating to the Company which have occurred need to be disclosed under the International Financial Reporting Standards (I.F.R.S.).

4.6 Contingent liabilities and commitments

The Group's contingent liabilities and commitments are the following :

a. By virtue of Decision No. 210/III/2002 of the Competition Committee, which is based on two reports of the Competition Secretariat, a penalty was imposed to the parent company in the total amount of € 4,5 million for:

(i) not making notification, and proceeding to concentration of business by the Company with the businesses of the joint venture named "JOINT VENTURE HYDROFOIL" and

(ii) not making notification and proceeding with twenty (20) business concentrations on coastal business the period between 3/3/1999 and 31/12/1999 by Hellenic Flying Dolphins A.N.E. (HELLENIC SEAWAYS A.N.E.) which was controlled by the Company.

The parent company has filed before the Administrative Court of Appeal of Athens an appeal dated 19/4/2002 against the above Decision for legal false and vague and conflicting valuation of the facts and arguments that were presented before the Competition Committee; furthermore, the parent company filed before the aforementioned Court an application dated 22/4/2002 by virtue of which the execution of the above decision of the Competition Committee was suspended until the issuance of the court decision on the appeal against such Decision. Estimating that the appropriate Administrative Courts will issue a decision justifying the Company, the Company has not recorded any respective provision.

By virtue of Decision No. 1101/2005 of the Administrative Court of Appeal of Athens, the above mentioned Decision No. 210/III/2002 of the Competition Committee was nullified with regard to the section that is connected with the parent company.

The Parent company has not recorded any provision for the above-mentioned fine, estimating that it will be justified from the Administrative Courts.

b. For Value Added Tax differences plus the relevant surcharges - arisen from the tax audit for the fiscal years 1987-2005 and amounted to € 1.39 million approx. - the parent company has filed appeals for the above disputes to the Administrative Courts.

The company has finally justified for all disputes judged by the relevant Courts for the fiscal years 1987-1996.

The Parent company has not recorded any provision for the above-mentioned amounts, estimating that it will be justified from the Administrative Courts.

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

<u>Company</u>	<u>Open tax years</u>
Minoan Cruises S.A.	2000 – 2005
Kritiki Filoxenia S.A.	2000 – 2005
Athina A.V.E.E.	2000 – 2005
Mediterranean Ferries S.r.l.	2002 – 2005
Hellenic Seaways S.A.	2003 – 2005

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

Heraklion, November 21st 2006

**The Chairman
of the Board**

**The Chief
Executive Officer**

**The Chief
Financial Officer**

**The Chief
Accountant**

**Stylianos
Sarris
ID C No P 315797**

**Antonios
Maniadakis
ID C No X 850531**

**George
Vassilokonstantakis
ID C No E 945118**

**Dimitra
Batsi
ID C No P 487723
ID 23944 First Class**