



MINOAN LINES SHIPPING S.A.

Interim Financial Statements **for the period 1/1 - 31/3/2006**

In accordance with International Financial Reporting Standards

The accompanying annual financial statements have been approved by the Board of Directors on 17/5/2006 and have been uploaded to the Company's web site www.minoan.gr

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Income Statement

	Note	The Group		The Company	
		1/1 - 31/3/2006	1/1-31/3/2005	1/1 - 31/3/2006	1/1-31/3/2005
Revenue	3.1	33,100,868.49	34,271,289.79	33,081,644.75	34,107,920.22
Cost of Sales	3.2	-29,743,710.87	-28,604,539.19	-29,743,710.87	-28,468,864.65
Gross Profit		3,357,157.62	5,666,750.60	3,337,933.88	5,639,055.57
Other Operating Income	3.3	106,712.72	30,301.89	107,496.48	30,164.81
Distribution expenses		-2,510,757.75	-2,794,463.51	-2,510,757.75	-2,893,205.23
Administrative expenses		-2,014,868.44	-2,421,016.62	-1,972,633.88	-2,362,603.48
Other Operating expenses		-33,106.47	-32,423.34	-33,106.47	-25,049.22
Operating profit before financing costs		-1,094,862.32	449,149.02	-1,071,067.74	388,362.45
Financial income	3.4	1,607,932.33	187,916.65	1,765,844.79	187,383.35
Financial expenses	3.5	-5,999,629.38	-6,370,783.72	-5,996,723.07	-6,367,960.45
Share of (Loss) Profit of affiliates	3.6	-2,226,644.53	-2,011,349.34	-	-
Profit before tax		-7,713,203.90	-7,745,067.39	-5,301,946.02	-5,792,214.65
Income Tax expense		-	-37,247.00	-	-
Profit/(Loss) after tax		-7,713,203.90	-7,782,314.39	-5,301,946.02	-5,792,214.65
Attributable to :					
Equity holders of the parent		-7,710,556.93	-7,781,090.70	-5,301,946.02	-5,792,214.65
Minority Interest		-2,646.97	-1,223.69	-	-
Basic and Diluted earnings per Share after Taxation (in €)	4.2	-0.11	-0.11	-0.07	-0.08

The accompanying notes on pages 6-17 are integral part of the annual Financial Statements

Balance Sheet

		The Group		The Company	
	Note	31/3/2006	31/12/2005	31/3/2006	31/12/2005
Assets					
Property, plant and equipment	3.8	659,901,422.52	664,907,564.79	654,701,422.44	659,679,880.69
Investments in subsidiaries	3.9	-	-	3,478,021.47	3,465,551.47
Investments in associates	3.10	64,016,042.26	66,062,812.79	66,080,097.17	66,080,097.17
Other long term assets		31,096.80	36,546.84	31,079.19	30,963.41
Total non-current assets		723,948,561.58	731,006,924.42	724,290,620.27	729,256,492.74
Inventories	3.11	5,285,957.81	4,048,037.97	5,285,957.81	4,048,037.97
Trade and other receivables	3.12	42,388,917.37	43,674,919.25	42,208,645.50	43,134,359.86
Available –for- sale securities		64,900.64	64,508.30	64,900.64	64,508.30
Other current assets	3.12	9,685,744.56	6,419,546.89	9,672,783.86	6,402,097.46
Cash and cash equivalents	3.13	2,621,091.08	4,342,769.57	2,514,139.50	4,211,617.78
Total current assets		60,046,611.46	58,549,781.98	59,746,427.31	57,860,621.37
Total assets		783,995,173.04	789,556,706.40	784,037,047.58	787,117,114.11
Equity and liabilities					
Equity					
Share capital	3.14	159,583,500.00	159,583,500.00	159,583,500.00	159,583,500.00
Share premium	3.14	26,942,576.38	26,942,576.38	26,942,576.38	26,942,576.38
Fair value reserves		179,874.00	-	-	-
Other reserves	3.15	69,235,009.02	69,252,152.85	69,216,024.12	69,216,024.12
Retained earnings		-12,388,738.76	-4,761,880.46	-12,136,459.04	-6,830,451.19
Total Equity attributable to equity holders of the parent		243,552,220.64	251,016,348.77	243,605,641.46	248,911,649.31
Minority Interest		45,054.43	54,791.97	-	-
Total Equity		243,597,275.07	251,071,140.74	243,605,641.46	248,911,649.31
Non current liabilities					
Interest-bearing loans and borrowings	3.16	423,993,867.39	425,344,867.39	423,993,867.39	425,344,867.39
Employee defined benefit obligations	3.17	2,196,490.35	2,201,038.33	2,196,490.35	2,130,389.35
Deferred government grants	3.18	5,334,226.27	5,382,506.39	5,334,226.27	5,382,506.39
Provisions		37,457.72	63,333.72	37,457.72	57,308.36
Total non-current liabilities		431,562,041.73	432,991,745.83	431,562,041.73	432,915,071.49
Current liabilities					
Bank overdrafts	3.16	33,078,416.21	28,083,893.59	33,078,416.21	28,083,893.59
Current portion of interest -bearing loans and borrowings	3.16	28,500,000.00	28,500,000.00	28,500,000.00	28,500,000.00
Trade and other payables	3.19	47,257,440.03	48,909,926.24	47,290,948.18	48,706,499.72
Total current liabilities		108,835,856.24	105,493,819.83	108,869,364.39	105,290,393.31
Total liabilities		540,397,897.97	538,485,565.66	540,431,406.12	538,205,464.80
Total Equity and liabilities		783,995,173.04	789,556,706.40	784,037,047.58	787,117,114.11

The accompanying notes on pages 6-17 are integral part of the annual Financial Statements

Statement of changes in Equity

	Share Capital	Share Premium	Fair Value Reserves	Other Reserves	Retained Earnings	Total
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 1/1 - 31/3/2005						
Change in fair value of available for sale securities	-	-	-1,201,405.42	-	-	-1,201,405.42
Net Profit (Loss) for the period 1/1 - 31/3/2005	-	-	-	-	-5,792,214.65	-5,792,214.65
Balance as at 31/3/2005	159,583,500.00	26,942,576.38	6,446,680.68	69,216,024.12	-22,551,725.26	239,637,055.92
 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 1/1 - 31/3/2006						
Estate Goodwill adjusted to the equity	-	-	-	-	-4,061.83	-4,061.83
Net Profit (Loss) for the period 1/1 - 31/3/2006	-	-	-	-	-5,301,946.02	-5,301,946.02
Balance as at 31/3/2006	159,583,500.00	26,942,576.38	-	69,216,024.12	-12,136,459.04	243,605,641.46

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Consolidated Statement of changes in Equity

EQUITY HOLDERS OF THE PARENT COMPANY

	Share Capital	Share Premium	Fair Value Reserves	Other Reserves	Retained Earnings	Total	Minority Interest	Total Equity
Balance as at 1/1/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
<u>Changes in equity for the year 1/1 – 31/ 12/2005</u>								
Valuation Gains/Losses and other items recognized directly to the Equity	-	-	-1,201,405.42	-	4,913.00	-1,196,492.42	-	-1,196,492.42
Net Profit (Loss) for the period 1/1 – 31/ 3/2005	-	-	-	-	-7,781,090.70	-7,781,090.70	-1,223.69	-7,782,314.39
Balance as at 31/3/2005	159,583,500.00	26,942,576.38	6,446,680.68	69,245,866.00	-23,053,607.43	239,165,015.63	59,409.74	239,224,425.37
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
<u>Changes in equity for the period 1/1 – 31/ 3/2006</u>								
Change in equity due to the sale of stake	-	-	-	-17,143.83	87,760.46	70,616.63	-7,090.57	63,526.06
Valuation Gains/Losses and other items recognized directly to the Equity	-	-	179,874.00	-	-4,061.83	175,812.17	-	175,812.17
Net Profit for the period 1/1 – 31/3/2006	-	-	-	-	-7,710,556.93	-7,710,556.93	-2,646.97	-7,713,203.90
Balance as at 31/3/2006	159,583,500.00	26,942,576.38	179,874.00	69,235,009.02	-12,388,738.76	243,552,220.64	45,054.43	243,597,275.07

The accompanying notes on pages 6-17 are integral part of the annual Financial Statements

Statement of Cash Flows

	The Group		The Company	
	1/1 - 31/3/2006	1/1-31/3/2005	1/1 - 31/3/2006	1/1-31/3/2005
Cash flow from Operating Activities				
Profit before Tax	-7,713,203.90	-7,745,067.39	-5,301,946.02	-5,792,214.65
<i>Adjustments for:</i>				
Depreciation and amortization	4,921,786.57	5,266,147.31	4,921,786.57	5,263,879.97
Provisions	66,101.00	659,143.33	66,101.00	659,143.33
Unrealized Foreign Exchange Differences	-	149,672.84	-	149,672.84
Gain (Loss) from tangible asset disposal	-1,677,025.36	-30,561.30	-1,834,937.82	-30,028.00
Financial expenses	5,999,629.38	6,162,971.34	5,996,723.07	6,160,148.07
Other non-monetary income (expenses)	2,178,364.41	1,963,069.35	-48,280.12	-48,279.99
Operating Results before changes in working capital	3,775,652.10	6,425,375.48	3,799,446.68	6,362,321.57
Increase in Inventories	-1,237,919.84	-1,040,896.33	-1,237,919.84	-1,040,896.33
Increase in Trade and other receivables	-2,458,044.06	-72,210.30	-2,470,914.24	96,255.03
Increase in liabilities	2,533,475.26	2,646,595.90	2,609,049.70	2,550,557.73
Interest and related expenses paid	-4,102,482.31	-4,211,722.34	-4,099,576.00	-4,208,899.07
Taxes paid	-610,512.31	-	-615,287.06	-
Cash flows from operating activities (a)	-2,099,831.16	3,747,142.41	-2,015,200.76	3,759,338.93
Cash flow from Investing Activities				
Acquisition of subsidiaries and associates net of cash	-	-	-59,970.00	-
Purchase of tangible and intangible assets	-220,317.52	-236,441.90	-220,317.52	-235,041.90
Proceeds from tangible and intangible assets disposal	1,776,000.00	5,085.09	1,776,000.00	5,085.09
Increase in other long-term assets	-508.12	-1,370.65	-508.12	-1,370.65
Interest income received	245,440.00	24,915.03	244,979.81	24,381.73
Dividends received	143,364.98	2,913.34	143,364.98	2,913.34
Cash flows from investing activities (b)	1,943,979.34	-204,899.09	1,883,549.15	-204,032.39
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	-3,351,000.00	-3,387,705.95	-3,351,000.00	-3,387,705.95
Repayment of finance lease liabilities	-37,539.47	-35,672.43	-37,539.47	-35,672.43
Dividends paid	-177,287.20	-52,934.64	-177,287.20	-52,934.64
Cash Flow from Financing activities (c)	-1,565,826.67	-3,476,313.02	-1,565,826.67	-3,476,313.02
Net Increase/(Decrease) in cash and cash equivalents (a)+(b)+(c)	-1,721,678.49	65,930.30	-1,697,478.28	78,993.52
Cash and cash equivalents at the beginning of the year	4,342,769.57	1,135,679.00	4,211,617.78	997,850.85
Cash and cash equivalents at the end of the year	2,621,091.08	1,201,609.30	2,514,139.50	1,076,844.37

The accompanying notes on pages 6-17 are integral part of the annual Financial Statements

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD 1/1 - 31/3/2006

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 year ended 31/3/2006 was 973 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 31/3/2006 was 70,926,000, while the total market capitalization reached € 248,241,000.00. 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 31/3/2006 have been approved by the Board of Directors on 17/5/2006.

2. Significant Accounting policies

The accounting policies used during the composition of the interim financial statements for the period 31/3/2006 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 Reporting" and 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

3.1 Revenue

On March 31st 2006, the Company's Revenues reached in total € 33,081,644.75, reduced by 3.0% in relation to the previous year respective period. This reduction is solely due to the industrial strike of the crews on February, which affected negatively the Company's operational performance. The analysis of the Total Revenue is given to the table below:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2006</u>	<u>31/3/2005</u>	<u>31/3/2006</u>	<u>31/3/2005</u>
Revenue from Vessel Operations	28,746,815.23	29,475,724.91	28,746,815.23	29,480,308.91
Revenue from restaurant - bars	2,305,736.65	2,370,859.79	2,305,736.65	2,370,859.79
Revenue from shops on board	1,693,541.42	1,832,081.08	1,693,541.42	1,832,081.08
Revenue from slot machines	335,551.45	424,670.44	335,551.45	424,670.44
Other revenue	-	149,077.00	-	-
Revenue from rent owned assets	19,223.74	18,876.57	-	-
Totals	33,100,868.49	34,271,289.79	33,081,644.75	34,107,920.22

3.2 Cost of Sales

The Cost of Sales of the Company stood at € 29,743,710.87 instead of € 28,468,864.65 of the previous year respective quarter, increased by 4.5%. The determinant factor of the particular increase was the very high bunker prices that affected negatively the operating cost of the vessels.

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2006</u>	<u>31/3/2005</u>	<u>31/3/2006</u>	<u>31/3/2005</u>
Crew Salaries and employer's contribution	6,443,902.65	7,183,050.93	6,443,902.65	7,183,050.93
Bunkers and Lubricants	12,714,315.55	8,642,748.33	12,714,315.55	8,642,748.33
Repairs – Maintenance - Consumables – Salaries and technical work expenses	1,097,372.61	2,486,000.34	1,097,372.61	2,486,000.34
Food – Beverages – Shops merchandize	1,982,888.44	2,139,113.34	1,982,888.44	2,139,113.34
Other Costs	2,856,571.33	3,188,998.66	2,856,571.33	3,053,324.12
Depreciation	4,648,660.29	4,964,627.59	4,648,660.29	4,964,627.59
Totals	29,743,710.87	28,604,539.19	29,743,710.87	28,468,864.65

3.3 Other Income

The Company's Other Income for the a' quarter of 2006 reached € 107,496.48 against € 30,164.81 of the respective previous year period.

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2006</u>	<u>31/3/2005</u>	<u>31/3/2006</u>	<u>31/3/2005</u>
Gains from the sale of real estate	69,093.03	-	69,093.03	-
Commissions	22,205.22	19,158.53	22,205.22	19,158.53
Rental revenue	9,124.56	8,889.84	9,908.32	9,480.05
Revenue from Grants	4,648.52	-	4,648.52	-
Other Revenue	1,641.39	2,253.52	1,641.39	1,526.23
Totals	106,712.72	30,301.89	107,496.48	30,164.81

3.4 Financial Income

The Financial Income of the Company for the a' quarter of 2006 reached € 1,765,844.79 in relation to the amount of € 187,383.35 of the respective previous year period, presenting increase of € 1,578,461.44. The largest part from this increase amounted to € 1,377,500.00 derives from the sale profit of the subsidiary MINOAN AGENCIES S.r.L.

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2006</u>	<u>31/3/2005</u>	<u>31/3/2006</u>	<u>31/3/2005</u>
Dividend Income from securities	72,750.09	2,913.34	143,364.98	2,913.34
Gain on disposal of available for sale securities	1,289,742.24	2,732.93	1,377,500.00	2,732.93
Foreign exchange gains	123,655.19	157,355.35	123,655.19	157,355.35
Interest and related income	9,179.82	24,915.03	8,719.63	24,381.73
Interest rate swap income	112,604.99	-	112,604.99	-
Totals	1,607,932.33	187,916.65	1,765,844.79	187,383.35

3.5 Financial Expenses

The Financial Expenses of the Company decreased by 5.83% (they reached € 5,996,723.07 in the a' quarter of 2006 against € 6,367,960.45 in the a' quarter of 2005) due to the reduction of the Bank debt.

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2006</u>	<u>31/3/2005</u>	<u>31/3/2006</u>	<u>31/3/2005</u>
Interest expenses & bank commissions	5,829,448.24	6,013,547.34	5,829,448.24	6,010,724.07
Commissions on Letters of Guarantee	9,841.69	6,028.23	6,935.38	6,028.23
Credit card commissions	18,718.56	18,005.97	18,718.56	18,005.97
Foreign Exchange Losses	15,678.69	162,987.38	15,678.69	162,987.38
Amortization of Loans Restructuring Cost	125,942.20	125,389.80	125,942.20	125,389.80
Interest Expense on European Committee's Fine	-	44,825.00	-	44,825.00
Totals	5,999,629.38	6,370,783.72	5,996,723.07	6,367,960.45

3.6 Net result from investment in associates

The Company's stake in Hellenic Seaways S.A. returned a loss of € 2,226,644.53 in relation to the € 2,011,349.34 of the a' quarter of 2005. This loss increase is solely attributed to the high bunker cost which burdens heavily the operating performance of the particular company.

It is also should be mentioned that the aforementioned loss mainly covers the difference between the Company and Group financial results.

3.7 Employee benefits

The Employee Benefits for the a' quarter of 2006 were reduced by the amount of € 969,082.29 (-10.0%) in relation to the respective previous year period reaching € 8,465,730.83. The essential factor of this decrease is the reduction of the Company's Crew due to the sale of F/B Daedalus.

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2006</u>	<u>31/3/2005</u>	<u>31/3/2006</u>	<u>31/3/2005</u>
Crew Salaries – social security contribution	6,443,902.65	7,183,050.93	6,443,902.65	7,183,050.93
Personnel Salaries – social security contribution	2,025,341.60	2,320,699.37	2,025,341.60	2,274,287.84
Technical staff Salaries – social security contribution	176,486.58	157,474.35	176,486.58	157,474.35
Totals	8,645,730.83	9,661,224.65	8,645,730.83	9,614,813.12

3.8 Property, Plant and Equipment

The difference of € 5,200,00.08 in the Property, Plant and Equipment between the Company and Group is solely owing to the estate possessing by ATHINA A.V.E.E.. The a' quarter of 2006, the company sold its private real estate in Patras instead of the price of € 351,000.00

The Group							
	<u>Land</u>	<u>Buildings Technical works</u>	<u>Transportatio n Equipment</u>	<u>Vessels</u>	<u>Furniture and Other Equipmnet</u>	<u>Computer Software</u>	<u>Totals</u>
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	39,001,568.61	3,397,793.86	1,995,813.81	46,026,102.97
Acquisitions and additions for the period 1/1/2006-31/3/2006	-	-	2,900.00	173,124.52	7,142.00	43,020.50	226,187.02
Disposals for the period 1/1/2006-31/3/2006	282,858.60	-	17,264.32	-	56,009.49	-	356,132.41
Less: Disposed assets depreciation	-	-	6,474.12	-	39,115.57	-	45,589.69
Depreciation for the period 1/1/2006-31/3/2006	-	85,922.26	2,746.65	4,684,660.29	66,213.05	82,244.32	4,921,786.57
Carrying amounts 31/3/2006	7,861,677.00	6,789,612.85	36,268.43	644,494,856.81	487,317.57	231,689.86	659,901,422.52
The Company							
	<u>Land</u>	<u>Buildings Technical works</u>	<u>Transportatio n Equipment</u>	<u>Vessels</u>	<u>Furniture and Other Equipmnet</u>	<u>Computer Software</u>	<u>Totals</u>
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	39,001,568.61	3,357,239.39	1,995,813.81	45,163,014.08
Acquisitions and additions for the period 1/1/2006-31/3/2006	-	-	2,900.00	173,124.52	7,142.00	43,020.50	226,187.02
Disposals for the period 1/1/2006-31/3/2006	282,858.60	-	-	-	5,869.50	-	288,728.10
Less: Disposed assets depreciation	-	-	-	-	5,869.40	-	5,869.40
Depreciation for the period 1/1/2006-31/3/2006	-	85,922.26	2,746.65	4,684,660.29	66,213.05	82,244.32	4,921,786.57
Carrying amounts 31/3/2006	2,661,677.00	6,789,612.80	36,268.43	644,494,856.81	487,317.54	231,689.86	654,701,422.44

- 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 the equipment at a bargain purchase option. At the 31/3/2006 its net book value amounted to € 92,925.00
- 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	
	<u>31/3/2006</u>	<u>31/3/2005</u>	<u>31/3/2006</u>	<u>31/3/2005</u>
Cost of Sales	4,684,660.29	4,964,627.59	4,684,660.29	4,964,627.59
Distribution Expenses	30,708.81	37,026.97	30,708.81	37,026.97
Administrative Expenses	206,417.47	264,492.75	206,417.47	262,225.41
Totals	4,921,786.57	5,266,147.31	4,921,786.57	5,263,879.97

3.9 Investments in subsidiaries

During the current quarter, the parent company sold its stake on MINOAN AGENCIES S.r.L. (acquisition cost: € 47,500.00) instead of the price of € 1,425,000.00. The profit from the sale reached € 1,377,500.00. Also the parent incorporated MINOAN AGENCIES S.A. which acts as office of tourism operations.

The total amount invested in subsidiaries stood at € 3,478,021.47 against € 3,465,551.47 in 31/12/2005.

Name	Headquarter	Participation %	Amount	
			31/3/2006	31/12/2005
Kritiki Filoxenia S.A.	Heraklion, Crete	99.99%	3,203,196.84	3,203,196.84
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
Minoan Escape S.A.	Heraklion, Crete	99.95%	59,970.00	-
Totals			3,478,021.47	3,465,551.47

3.10 Investments in associates

The investments in associates, amounted to € 66,080,090.17 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:

	31/3/2006	31/12/2005
Total Assets	319,807,465.23	312,269,809.47
Total Liabilities	127,624,810.59	113,942,542.02
Equity	192,182,654.64	198,327,267.45
	31/3/2006	31/3/2005
Revenue	14,896,270.39	12,327,522.00
Net consolidated results – profit (loss) for the period	-6,684,612.81	-6,039,304.20

3.11 Inventories

The inventories of the parent company as at 31/3/2006 reached € 5,285,957.81 increased by 30.6% in relation to the respective ones of 31/12/2005.

	31/3/2006	31/12/2005
Merchandise	3,179,286.67	2,515,669.75
Consumables	2,106,671.14	1,532,368.22
Totals	5,285,957.81	4,048,037.97

3.12 Trade and other receivables

The trade and other receivables of the Company in 31/3/2006 reached € 42,208,645.50 against € 42,134,359.86 in 31/12/2005 and are analyzed as follows:

	Accounts Receivable			
	The Group		The Company	
	31/3/2006	31/12/2005	31/3/2006	31/12/2005
Customers – Checks Receivable	41,291,145.88	41,980,967.90	41,328,262.58	42,234,752.10
Trade receivables due from affiliates and associates	193,954.03	193,954.03	269,424.45	256,542.12
Other Accounts Receivable	903,817.46	1,499,997.32	610,958.47	643,065.64
Totals	42,388,917.37	43,674,919.25	42,208,645.50	43,134,359.86

For the a' quarter of 2006, the other current assets of the Company reached € 9,672,783.86 versus € 6,402,097.46 in 31/12/2005. This increase is attributed to the annual survey of the vessels effected on the particular period.

	<u>Other Current Assets</u>			
	<u>The Group</u>		<u>The Company</u>	
Prepaid Expenses	9,503,335.11	6,308,954.64	9,502,383.51	6,308,003.04
Accrued Income	182,409.45	51,698.78	170,400.35	35,200.95
Other prepayments and accrued income	-	58,893.47	-	58,893.47
Totals	9,685,744.56	6,419,546.89	9,672,783.86	6,402,097.46

3.13 Cash and cash equivalents

Cash and cash equivalents are analyzed as follows

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2006</u>	<u>31/12/2005</u>	<u>31/3/2006</u>	<u>31/12/2005</u>
Cash and Cash Equivalents	315,913.09	233,363.75	315,485.78	232,622.70
Cash in banks and time deposits	2,305,177.99	4,109,405.82	2,198,653.72	3,978,995.08
Totals	2,621,091.08	4,342,769.57	2,514,139.50	4,211,617.78

3.14 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 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.

3.15 Other Reserves

The other reserves are analyzed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2006</u>	<u>31/12/2005</u>	<u>31/3/2006</u>	<u>31/12/2005</u>
Statutory Reserve	9,697,251.11	9,706,752.07	9,680,724.97	9,680,724.97
Special Reserve	56,978,689.06	56,978,689.06	56,978,689.06	56,978,689.06
Tax-free Reserve	2,559,068.85	2,566,711.72	2,556,610.09	2,556,610.09
Totals	69,235,009.02	69,252,152.85	69,216,024.12	69,216,024.12

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

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

Tax-free Reserves: Represent reserves formed from income taxed in a special way or tax-free reserves that were not distributed. According to the decisions of the Administrative Courts in case of such reserves are distributed no income tax is calculated.

3.16 Long term debt -bank overdrafts - and current portion of long term interest bearing loans and borrowings

Interest – bearing loans and borrowings are analyzed as follows :

	<u>31/3/2006</u>	<u>31/12/2005</u>
Syndicate Loan - Agent Citibank	352,425,783.00	352,425,783.00
Syndicate Loan - Agent Piraeus Bank	71,568,084.39	72,919,084.39
Totals	<u>423,993,867.39</u>	<u>425,344,867.39</u>

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

	<u>31/3/2006</u>	<u>31/12/2005</u>
Syndicate Loan - Agent Citibank	22,500,000.00	22,500,000.00
Syndicate Loan - Agent Piraeus Bank	6,000,000.00	6,000,000.00
Totals	<u>28,500,000.00</u>	<u>28,500,000.00</u>

- The weighted average interest rate of long-term debt as at 31/3/2006 and 31/3/2005 was approximately 4.6% and 4.4%, 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>31/3/2006</u>	<u>31/12/2005</u>
Payments within the next year	28,500,000.00	28,500,000.00
Payments from 1 to 5 years	213,989,117.39	215,340,117.39
Payments over 5 years	210,004,750.00	210,004,750.00
Totals	<u>452,493,867.39</u>	<u>453,844,867.39</u>

In order to secure the aforementioned debt amounted to € 452.493.867,39 in 31/3/2006, mortgages of First and Second preferred have been registered to all 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 and 25,850,775 shares of HELLENIC SEAWAYS MARITIME S.A, which the Company owns at 31/3/2006, have been pledged.

Bank overdrafts at 31/3/2006 and 31/12/2005 amounted to € 33,078,416.21 and € 28,083,893.59 respectively while both are covered by post dated checks.

3.17 Employee defined benefit obligations

The a' quarter of 2006 the employee defined benefit obligations reached € 66,101.00 versus € 70,882.82 in the respective period of 2005, due to the personnel reduction.

	<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
Delation of the provision of sold Subsidiary	-70,648.98	-
Current Service Cost	44,826.50	44,826.50
Interest Cost	21,274.50	21,274.50
Balance as at 31/3/2006	<u>2,196,490.35</u>	<u>2,196,490.35</u>

The amount recorded as an expense for the years ended 31/3/2006 and 31/3/2005 is analyzed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2006</u>	<u>31/3/2005</u>	<u>31/3/2006</u>	<u>31/3/2005</u>
Current Service Cost	44,826.50	41,828.45	44,826.50	41,828.45
Interest Cost	21,274.50	29,054.37	21,274.50	29,054.37
Totals	66,101.00	70,882.82	66,101.00	70,882.82

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

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2006</u>	<u>31/3/2005</u>	<u>31/3/2006</u>	<u>31/3/2005</u>
Distribution Expenses	23,796.35	25,517.82	23,796.35	25,517.82
Administrative Expenses	42,304.65	45,365.00	42,304.65	45,365.00
Totals	66,101.00	70,882.82	66,101.00	70,882.82

The main assumptions used for the period 1/1-31/3/2006 are as follows:

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

3.18 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 amounts recorded in the income statement (Cost of Sales item) for the period 1/1-31/3/2006 and 1/1-31/3/2005 are € 48,280.12 and € 48,279.99, respectively.

3.19 Trade and Other payables

Trade and other payables are analyzed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2006</u>	<u>31/12/2005</u>	<u>31/3/2006</u>	<u>31/12/2005</u>
Suppliers – Checks payable	32,189,803.83	29,903,414.62	32,189,803.83	29,847,327.05
Income Tax payable	165,914.23	349,929.86	143,090.41	213,645.30
Withholding Taxes-Social Security Contributions payable	3,246,843.29	3,985,367.34	3,242,970.22	3,936,464.77
Dividends payable	476,920.60	654,207.80	476,920.55	654,207.75
Sundry creditors	5,162,830.13	4,404,919.18	5,103,315.14	4,318,632.27
European Competition Committee fine (interest included)	-	4,491,520.82	-	4,491,520.82
Accrued expenses	2,481,286.49	3,083,669.39	2,481,286.49	3,083,092.60
Customer advances	2,135,637.99	1,181,335.98	2,135,637.99	1,181,335.98
Deferred income	1,262,482.29	698,959.77	1,262,482.29	698,959.77
Payables to affiliates and associates	135,721.18	156,601.48	255,441.26	281,313.41
Totals	47,257,440.03	48,909,926.24	47,290,948.18	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 Group					
	Greece		Europe		Totals	
	<u>31/3/2006</u>	<u>31/12/2005</u>	<u>31/3/2006</u>	<u>31/12/2005</u>	<u>31/3/2006</u>	<u>31/12/2005</u>
Total Non Current assets	289,081,504.88	292,763,830.87	434,867,056.70	438,243,093.55	723,948,561.58	731,006,924.42
Total Liabilities	172,753,258.52	172,089,505.22	367,644,639.45	366,396,060.44	540,397,897.97	538,485,565.66
	<u>1/1 - 31/3/2006</u>	<u>1/1 - 31/3/2005</u>	<u>1/1 - 31/3/2006</u>	<u>1/1 - 31/3/2005</u>	<u>1/1 - 31/3/2006</u>	<u>1/1 - 31/3/2005</u>
Revenue	10,905,322.09	10,391,176.70	22,195,546.40	23,880,113.09	33,100,868.49	34,271,289.79
Gross Profit*	3,262,937.41	1,722,435.04	94,220.21	3,944,315.56	3,357,157.62	5,666,750.60

	The Company					
	Greece		Europe		Totals	
	<u>31/3/2006</u>	<u>31/12/2005</u>	<u>31/3/2006</u>	<u>31/12/2005</u>	<u>31/3/2006</u>	<u>31/12/2005</u>
Total Non Current assets	289,423,563.57	290,999,149.03	434,867,056.70	438,257,343.71	724,290,620.27	729,256,492.74
Total Liabilities	172,786,766.67	172,053,144.02	367,644,639.45	366,152,320.78	540,431,406.12	538,205,464.80
	<u>1/1 - 31/3/2006</u>	<u>1/1 - 31/3/2005</u>	<u>1/1 - 31/3/2006</u>	<u>1/1 - 31/3/2005</u>	<u>1/1 - 31/3/2006</u>	<u>1/1 - 31/3/2005</u>
Revenue	10,886,098.35	10,372,300.13	22,195,546.40	23,735,620.09	33,081,644.75	34,107,920.22
Gross Profit*	3,243,713.67	1,701,291.13	94,220.21	3,937,764.44	3,337,933.88	5,639,055.57

* including depreciation

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.

4.2 Earnings / losses per share

The results per share are calculated on the basis of loss 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	
	<u>31/3/2006</u>	<u>31/3/2005</u>	<u>31/3/2006</u>	<u>31/3/2005</u>
Profit attributable to shareholders of the Company	-7,710,556.93	-7,781,090.70	-5,301,946.02	-5,792,214.65
Weighted average number of shares outstanding	70,926,000	70,926,000	70,926,000	70,926,000
Basic and diluted earnings per share	-0.11	-0.11	-0.07	-0.08

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

Assets	<u>31/3/2006</u>	<u>31/12/2005</u>
Trade and other receivables	75,470.42	292,233.11
Liabilities		
Trade and other payables	119,720.08	124,711.93
Revenue	<u>31/3/2006</u>	<u>31/3/2005</u>
Revenue	-	4,584.00
Other operating income	783.76	590.21
Dividend income	143,364.98	-
Expenses		
Distribution Expenses	-	167,414.34
Cost of sales	-	50,764.00

4.3 b Associates

Assets	<u>31/3/2006</u>	<u>31/12/2005</u>
Trade and other receivables	193,954.03	193,954.03
Liabilities		
Trade and other payables	135,721.18	156,601.48
Έσοδα	<u>31/3/2006</u>	<u>31/3/2005</u>
Other operating income	8,884.56	8,559.84

4.3 c Members of the Board of Directors

The compensations paid to the members of the Board of Directors are as follows:

	<u>31/3/2006</u>	<u>31/3/2005</u>
Executive members	86,684.16	65,584.30
Non-executive members	59,073.03	54,879.14
Totals	<u>145,757.19</u>	<u>120,463.44</u>

4.4 Interest rate-credit-foreign currency risks

- Interest rate risks**

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

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

- Credit risks**

Credit evaluations are performed on all customers requiring credit and a credit limit is established for each customer. The accounts receivable's balances are evaluated 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 31/3/2006, to the amount of the accounts receivable as stated in the balance sheet, decreased by the received Letters of Guarantee amounting to € 2,416,017.27. 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.).

On May, 2006 the non-executive member of the Board of Directors, Mr. Pantelis Jortzakis resigned for personal reasons while in accordance with article 22 of the Article of Association, has been replaced by Mr. Dimitrios-Iraklis Kalogerakis, who has been elected as a A' Substitute Member in the General Shareholders Meeting dated June, 12th 2005.

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.

b. For tax audit differences (1987-1996) regarding Value Added Tax, amounting to € 0.34 million approx., the parent company has filed appeals for the above disputes to the Administrative Courts, and has been justified finally for all the disputes.

c. For tax audit differences (1998-1999) regarding income tax and Value Added Tax, amounting to € 0.72 million, resulting from a tax audit realized in the current financial year, the parent company has filed an appeal to the Administrative Courts. No provision was recorded for the aforementioned amount since the Company expects that it will finally be justified on these disputes.

d. The companies of the Group, which are either consolidated or integrated by the equity method to the Consolidated Financial Statements of the parent have not been audited by the tax authorities for the financial years 2000 to 2005 and consequently their tax obligations for the open tax years have not yet been finalized.

<u>Company</u>	<u>Open tax years</u>
Minoan Lines S.A.	2000 – 2005
Minoan Cruises S.A.	2000 – 2005
Kritiki Filoxenia S.A.	2000 – 2005
Athina A.V.E.E.	2000 – 2005
European Thalassic Agencies shipping management & consultants S.A.	none
Mediterranean Ferries S.r.l.	2002 – 2005
Hellenic Seaways S.A.	2000 – 2005

e. 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, May 17th 2006

**The Chairman
of the Board**

**The Chief
Executive Officer**

**The Chief
Financial Officer**

**The Chief
Accountant**

**Konstantinos
Klironomos
ID C No K 980430**

**Antonios
Maniadakis
ID C No X 850531**

**George
Vasilokonstantakis
ID C No Ε 945118**

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