



BLUE STAR MARITIME S.A.

Report of the Board of Directors
&
Annual Consolidated and Company Financial Statements
for the period 1-1-2007 to 31-12-2007
Type of Auditors' opinion: Unqualified

(amounts in € thousand)

The Annual Financial Statements and the report of the Board of Directors for the fiscal year 2007 were approved by the Board of Directors of Blue Star Maritime S.A. on March 20th, 2008.

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

**I. REPORT OF THE BOARD OF DIRECTORS
TO THE SHAREHOLDERS OF
BLUE STAR MARITIME S.A.
FOR THE FISCAL YEAR 2007**

**REPORT OF THE BOARD OF DIRECTORS
TO THE SHAREHOLDERS OF BLUE STAR MARITIME S.A.
FOR THE FISCAL YEAR 2007**

Dear Shareholders,

The intense competitive environment and the remarkably high price of fuel oil were the predominant features that characterized the fiscal year 2007. The average price of the heavy fuel oil (380Cst, 3.5% sulphur) in 2007 stood 9% higher than the already high average price of 2006 while compared to the average price of 2005, the increase was over 33%. This development continues in the current year, as it should be noted that fuel oil prices keep recording an upward tendency where during the first two months of 2008, the average fuel price increased by 53% compared to the average price of the same period of the previous year.

The Group, in addressing the effect of the increase in the price of fuel on operating profitability, increased the fuel surcharge imposed on passenger, private vehicle and freight unit tickets on the Greece-Italy and Belgium-Scotland routes during the fourth quarter of year 2007.

Review of 2007 financial results

Under the above mentioned circumstances, Blue Star Group managed to increase revenue and to improve its already significant operating results of the previous year. Key factors to this improvement were the Group's sound management of vessels' operation in the Adriatic and North Sea markets as well as the increase in yield obtained per passenger and vehicle carried mainly in the Cycladic routes. In specific, consolidated revenue stood at Euro 168.13 mln against Euro 141.16 mln in the previous year, an increase of 19.1%. Earnings before taxes, investing and financial results, depreciation and amortization (EBITDA) grew to Euro 44.31 mln against Euro 40.83 mln (8.5% increase) while Profit after taxes and minority interests stood at Euro 21.45 mln against Euro 21.76 in 2006 (1.4% decrease).

The increase in revenue is mainly attributed to the improvement in total volumes carried in the Dodecanese Islands routes, due to the deployment of car – passenger ferry Diagoras throughout 2007 for the first time. The vessel was acquired in July 2006 and was deployed in August 2006. The redeployment of Blue Star 1 from the Adriatic to the North Sea route since 29th of January 2007, was another contributing factor to the significant increase in Group's revenue. Finally, in the Cycladic routes, where four out of eight vessels of the Group are deployed, the increase in yield obtained per passenger and vehicle carried has contributed to the revenue increase.

The operational profitability of the Greek domestic market, remained at the same approximately levels compared to the previous year (Euro 35.65 mln in 2007 against Euro 35.88 mln in 2006) despite the increase in total volumes carried and in revenue. This development was mainly due to the high price of fuel oil and an extensive schedule of vessel maintenance that took place in 2007. The increase in operational profitability for the Group compared to year 2006 is contributed to the sound decision of the Group's management to maintain one vessel, Blue Horizon, in the Adriatic Sea and to redeploy Blue Star 1 in the North Sea. The operational result of both vessels, combined together, has clearly improved in 2007 against year 2006 despite the adverse conditions of the market.

Net profit after taxes and minority interests stood at Euro 21.45 mln, slightly lower from Euro 21.76 mln in 2006. The decrease in net profits is due to the increase of financial expenses because of the increase of interest rates and the negative foreign exchange differences that arised during the fiscal year 2007. Furthermore, depreciation expenses increased due to the addition of Diagoras in our fleet and at the same time fiscal year 2007 does not include any extraordinary profits from sale of vessels that for the fiscal year 2006 stood at Euro 1.3 mln approximately.

Profit (loss) for 2007 is attributed to the Group's companies as follows:

	<u>In Euro thousand</u>
BLUE STAR MARITIME S.A.	2,257
BLUE STAR FERRIES MARITIME S.A.	18,425
STRINTZIS LINES SHIPPING LTD	---
WATERFRONT NAVIGATION LTD	---
THELMO MARINE S.A.	---
BLUE STAR FERRIES JOINT VENTURE	---
BLUE STAR FERRIES S.A.	769
BLUE ISLAND SHIPPING INC.	---
TOTAL	<u>21,451</u>

Balance Sheet and Cash Flow Statement

Blue Star Group maintains its strong cash position with cash and cash equivalents growing to Euro 51.18 mln compared to 2006 year-end that stood at Euro 42.24 mln. Furthermore, cash flow from operating activities increased significantly and stood at Euro 32.05 mln against Euro 23.77 mln in 2006. At the same time, the Group reduced its long-term liabilities.

Total Equity after minority interests of the Group stood at Euro 228.55 mln against Euro 215.03 mln in 2006.

The long-term liabilities of the Group decreased and stood at Euro 163.59 mln in 2007 against Euro 176.75 mln in 2006. The Group's Debt to Equity ratio is approximately 0,72 which is considered satisfactory compared to the sector's average.

The state of the balance sheet exhibit the Group's healthy financial standing in 2007.

Financial risk management

The Group is exposed to a series of financial risks, including market risk (unexpected volatility of exchange rates and interest rates), credit risk, fuel oil prices fluctuation risk and the risk of intense competition. Consequently, the Group has adopted a risk management plan which seeks to minimize potential adverse effects. Risk management includes, among others, identifying, evaluating and hedging financial risks as described in detail in paragraph 3 of the notes to the Financial Statements for fiscal year 2007. The Group's policy is not to undertake any transactions of a speculative nature.

Developments in the Sector

On 1st October 2007, according to a decision of competent Greek Authorities, all passenger ships operating on regular services are obliged to comply with the European Directive regarding the use of Low Sulphur fuel. The higher cost of Low Sulphur fuel (approximately Euro 15-20 per m/t) combined to the fact that current fuel prices have reached very high levels, will have a negative impact in the financial results of all companies in the sector.

Volumes carried and market analysis

The Group was active on the following routes:

Greece-Italy market

Patras – Igoumenitsa – (Corfu) – Bari with vessel BLUE HORIZON offering seven sailings per week throughout the year. The vessel called at the port of Corfu only in the summer period.

North Sea market

Rosyth (Scotland) – Zeebrugge (Belgium) with vessel Blue Star 1 offering six sailings per week throughout the year. Blue Star 1 commenced its service on the route on January 29th, 2007.

Greek Domestic Market

Piraeus – (Syros) – Paros – Naxos – (Ios) – Santorini – (Amorgos) with vessels BLUE STAR PAROS and BLUE STAR NAXOS offering two return sailings per day. The vessels also regularly called at the islands of Heraklia – Schinoussa – Koufonissi – Donoussa - Astypalaia.

Piraeus – Syros – Tinos – Myconos with BLUE STAR ITHAKI offering daily sailings throughout the year. Extra sailings were also carried out on the Piraeus – Paros route in the summer period.

Rafina – Andros – Tinos – Myconos with SUPERFERRY II offering daily sailings throughout the year. Extra sailings were also carried out on the Rafina – Syros – Naxos route in the summer period.

Piraeus – (Cyclades) – (Patmos) – (Leros) – Kalimnos – Kos – (Nisyros) - (Tilos) – Rhodes – (Karpathos) with vessels BLUE STAR 2 and DIAGORAS offering daily return sailings.

Total volumes for the Group in 2007, stood at 3,416,382 passengers, 458,611 private vehicles and 159,059 freight units. Compared to the previous year, these figures represent a 1.9% increase in passenger volumes while private vehicle volumes grew by 7.7% and freight units volumes grew by 11.2%, over 6.1% more sailings compared to 2006.

In the Greek Domestic market, the Group's fleet carried 3,171,457 passengers against 3,099,212 the previous year (2.3% increase), 403,593 private vehicles against 391,362 the previous year (3.1% increase) and 109,181 freight units against 95,796 the previous year (14.0% increase) over 7.7% more sailings.

On the Greece – Italy routes, where the Group was present with one vessel throughout the year, due to the redeployment of vessel Blue Star 1 to the Scotland-Belgium route and over 47.4% fewer sailings, 138,365 passengers were carried against 251,958 the previous year (45.1% decrease), 19,839 private vehicles against 34,290 private vehicles (42.1% decrease) and 29,130 freight units against 47,246 freight units (38.3% decrease).

Market shares for the Group on the Greece – Italy routes stood at 6.2% in passengers, 3.4% in private vehicles and 6.1% in freight units. Market shares are derived from the Greek port authorities of Patras and Igoumenitsa.

Lastly in the Scotland-Belgium route, where the Group started trading with the vessel Blue Star 1 as from the 29th January, 2007, volumes carried stood at 106,560 passengers, 35,179 private vehicles and 20,748 freight units.

Corporate Social Responsibility

In response to the increasing importance of corporate awareness of society's needs, Blue Star Group promotes a series of activities through its Corporate Social Responsibility program. For many years continues a long standing policy of maintaining a discrete presence in supporting social associations, charities, non-profit organizations, medical and scientific communities.

With emphasis to society and culture, Blue Star Group undertook during 2007 a range of activities as indicated below:

- Sponsoring the Children's Stage of the Rhodes Regional Theatre.
The "Prince and The Golden Box", a play based on traditional Dodecanese fairytales, managed to reach many schools of the Dodecanese islands such as Patmos, Leros, Kalymnos and others using the significant sponsoring of Blue Star Group.
- Supporting the "Santo Wines", wine promotion center in Santorini.
Blue Star Group decided to support the promotion of Santorini vineyard's universal uniqueness by donating the amount of € 6,000 which was used for the production of audiovisual material presenting the island's productive forces and the wine making process.
- "Aegean - O Mikros Naftilos" - school competition
Inspired by the Aegean Sea, Blue Star Ferries announced in the beginning of 2007, a School Competition entitled "Aegean – O Mikros Naftilos", based on the Odysseus Elytis' work. The best poems & paintings received by the company a monetary award and one of Odysseus Elytis works. The students received personally their awards and their commendations from the executive staff of Blue Star Ferries.
The Ministry of the Aegean & Island Policy and the Ministry of National Education and Religious Affairs supported also this company's effort.

- Sponsoring local communities relating to culture and entertainment.
The Group responded to various requests for sponsorships from cultural or other groups of the Greek islands supporting the local tradition and the continuity of civilization of each island.

At the same time, a series of energies run in the internal field of activity of the Group, such as the collaboration with the organization AFIS, in the program of recycling batteries as well as Group's participation in the program of recycling used inks. All funds raised by these actions are offered to charitable associations and institutions.

Financial Results of parent company Blue Star Maritime S.A.

Blue Star Maritime S.A., with a fleet of three (3) vessels, was active on the Greece-Italy routes with vessel Blue Horizon, on the Rafina-Cyclades route with vessel Superferry II and on the Piraeus-Dodecanese route with vessel Diagoras.

Total volumes for the Company stood at 938,522 passengers, 149,231 private vehicles and 56,081 freight units. Compared to 2006, in 15.1% more sailings, total volumes carried increased by 17.1% in passengers, by 16.7% in private vehicles and by 34.4% in freight units.

Revenue for the Company stood at Euro 49.08 mln against Euro 34.51 mln in 2006, increased by 42.2%. Earnings before taxes, investing and financial results, depreciation and amortization (EBITDA) grew to Euro 7.63 mln against Euro 4.22 mln in 2006 (80.8% increase). The above data cannot be compared with that of year 2006 as car-passenger ferry Diagoras was deployed in August 12th, 2006 and therefore 2007 is its first full year of operation.

Profit after taxes stood at Euro 18.26 mln from Euro 9.36 mln in 2006 increased by 95.1% owing primarily to the increase of dividend income from subsidiary companies.

Investments in subsidiaries – Securities

The most important investment of the company is the investment in the 100% subsidiary Blue Star Ferries Maritime S.A., shipowner of Blue Star Ithaki, Blue Star Paros, Blue Star Naxos, Blue Star 1 and Blue Star 2. The dividend received from this company stood at Euro 16 mln against Euro 7.83 mln last year.

The Company did not hold any securities as at 31st December, 2007.

Investment in subsidiaries

During 2007, the Group changed its accounting policy regarding the investments in subsidiaries and decided to recognize them at fair value instead of cost. Consequently, the investments in subsidiaries and the total shareholders equity of the parent company only, have increased by Euro 88,651 thousand. From the above change in accounting policy, there is no change in the consolidated accounts of the Group.

In order to determine the fair value of investments in subsidiaries, the Company has appointed an independent valuator.

Dividend policy

For fiscal year 2007, following the results of the Company and the Group, the outlook of the current year and the prevailing macroeconomic and market conditions, the Board of Directors will propose to the Annual General Meeting of Shareholders the distribution of dividend of Euro 0.09 per share. Total suggested dividend payable stands at Euro 9.45 mln.

Further analysis of the financial data of the Parent Company is not deemed necessary as the same factors and conditions which affect and determine the financial performance of the Group, hold for the Parent Company as well.

IMPORTANT DEVELOPMENTS

Important developments of fiscal year 2007

In January 2007, the vessel Blue Star 1 was redeployed from the Greece-Italy route to the Scotland-Belgium route in the North Sea. Blue Star 1 commenced successfully its service on the route on 29th January, 2007.

In March 2007, our Group was voted “Best Shipping Company for traveling to the Greek Islands” by readers of Voyager magazine for second consecutive year. Our Group was specifically awarded top votes by the readers of the magazine across the categories of: Feeling of safety, Cleanliness, Quality of Service, Cabins.

In June 2007, the Annual General Meeting of Shareholders decided upon the distribution of dividend for the fiscal year 2006 of Euro 0.09 per share. The payment of dividend began on Monday 9th July, 2007.

Also, in June 2007, the Group released its first report regarding the Group’s Social Responsibility program that includes the activities that Blue Star Ferries undertook in 2006 and in the first months of 2007 with respect to Corporate Social Responsibility.

In September 2007, the parent company Blue Star Maritime S.A., sold its properties (office buildings) located in the city of Piraeus and in the town of Rhodes. The total sale price stood at Euro 2.4 mln, enhancing the Group’s cash position.

On October 23, 2007, MIG SHIPPING S.A., a wholly owned subsidiary of MARFIN INVESTMENT GROUP HOLDINGS S.A., submitted a mandatory Public Offer to the shareholders of Blue Star Maritime S.A. in respect of the purchase of the entirety of their common bearer shares with voting rights, at the price of Euro 3.83 per share, in cash.

Important developments after 31.12.2007

On 4th January, 2008, MIG Shipping S.A., announced the results of the mandatory Public Offer to the shareholders of Blue Star Maritime S.A. According to the announcement, MIG Shipping S.A., MIG and Attica Holdings S.A., held shares representing 84.45% of the Company’s total share capital.

On 13th February, 2008, The Board of Directors of Blue Star Maritime S.A. convened and accepted the resignation of Executive Board Members, Mr Pericles Panagopoulos and Mr. Alexander Panagopoulos and Independent, Non-Executive Board Member Mr Emmanuel Kalpadakis and replaced them with Mr Petros Vettas, Yannis Criticos and Alexander Edipidis.

In the same session, the Board proceeded in the assignment of offices and responsibilities to its Members as follows: Mr. Charalambos S. Paschalis/ Chairman, Non-Executive Member, Mr. Michael G. Gialouris/ Vice-Chairman, Executive Member, Mr. Michael G. Sakellis/Managing Director, Executive Member, Mr. Spiros Ch. Paschalis/Authorized Director, Executive Member, Mr. Petros M. Vettas/Director, Executive Member, Mr. Yannis B. Criticos/Director, Executive Member, Mr. Antony D. Stintzis/Director, Executive Member, Mr. George N. Karistinos/Director, Independent, Non-Executive Member and Mr. Alexander Th. Edipidis/Director, Independent, Non-Executive Member.

On 26th February, 2008, the Board of Directors announced its decision to merge by absorption the Blue Star Maritime S.A. by the Athens Exchange listed Attica Group.

Outlook for the Group

Group's future outlook for fiscal year 2008 lies in full harmonization with Attica Group's future strategy following the decision of the Board of Directors of both Companies, to merge by absorption the Blue Star Maritime S.A. by Attica Holdings S.A., as per provisions of articles 69-77a of Common Law 2190/1920, of articles 1 to 5 of Law 2166/1993 and other provisions of commercial law as applicable.

In this context, the Group's management will continue to examine the development of new routes and the strengthening of the existing ones in the International and Greek domestic market, through the acquisition or building of modern conventional vessels, provided that suitable market conditions develop. The Group's management is in contact with shipyards for building new vessels.

Information according to article 4, par. 7 & 8 of Law 3556/2007.

1. Structure of Company's share capital.

The share capital of the Company amounts to Euro 105,000,000 divided into 105,000,000 common bearer shares with par value of Euro 1.00 each. All of the Company's shares trade on the Athens Exchange in the Big Capitalization Trading category.

All rights and obligations deriving by the ownership of each share are as per the relevant dictates of the Law and of the Company's articles of association.

Each share has one voting right.

Shareholders' responsibility lies in the nominal value of the shares owned.

2. Limitations in the transfer of Company's shares.

Company's shares are transferred as per relevant dictates of the Law. There are no limitations in the transfer of shares as provided in the Company's articles of association.

3. Significant participations that are held directly or indirectly (articles 9 to 11 of Law 3556/2007).

On the basis of the facts as at 7th January, 2008, the total participation (direct and indirect) of Marfin Investment Group Holdings S.A. (MIG), in the share capital and voting rights of Blue Star Maritime S.A., stands at 84.4556%. This percentage includes a) a 3.08% percentage corresponding to 3,231,382 shares of Blue Star Maritime S.A., which are held directly by MIG b) a 48.795% percentage corresponding to 51,235,000 shares of the Company which are held indirectly by MIG following the acquisition of the majority of the voting rights of Attica Holdings S.A. and c) a 32.58% percentage corresponding to 34,212,011 shares of the Company which are held indirectly by MIG through its subsidiary, MIG Shipping S.A.

4. Shares with special controlling rights.

There are no shares holding special voting rights.

5. Restrictions to the voting rights.

There are no restrictions to the voting rights as provided in the Company's articles of association.

6. Agreements between the shareholders of the Company.

To the Company's knowledge, there are no agreements between shareholders which could result in any restrictions in the transfer of shares or the exercise of voting rights.

7. Rules regarding the appointment and replacement of the members of the Board of Directors and the amendment of the Company's articles of association.

The rules governing the appointment and replacement of members of the Board of Directors, as well as the amendment of the Company's articles of association do not diverge from the provisions of common law 2190/1920, before its amendment according to Law 3604/2007.

8. Authority resting with the Board of Directors or any of its members as regards the issuance of new shares or share buy-back as per article 16 of common law 2190/1920.

There is no such provision.

9. Important agreements coming into effect, being altered or terminated in the event of change in ownership.

There are no important agreements in which the Company is engaged and which could come into effect, be altered or terminated in the event of a change in control of the company following a public offering except as regards its debt obligations which customarily include clauses regarding a possible change in ownership.

10. Important agreements between the Company and members of the Board of Directors or members of its staff.

There are no agreements between the Company and members of the Board of Directors or members of the staff, which provide for reimbursement pay in the event of resignation, or dismissal for no reason or the end of duty or employment as a result of a public offer. In the event of termination of employment of members of staff on an employment contract, indemnities as dictated by the law apply.

Other information

The Company does not have any branches nor has invested any capital towards research and development in the course of 2007.

There are no other important events in the period between the end of the year and the time of submission of this report which can significantly affect the financial condition of the Company and the Group.

Dear Shareholders,

The above information together with the financial statements submitted to you for fiscal year 2007, provide a complete assessment of operations and of the Board of Directors' activities during the period under review, allowing you to decide on the approval of the financial statements of the Company and the Group.

Thank you,

Voula, 19th March, 2008

On behalf of the Board of Directors
The Authorised Director

Spiros Ch. Paschalis

**II. ANNUAL CONSOLIDATED AND COMPANY
FINANCIAL STATEMENTS
FOR
THE FISCAL YEAR 2007**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Blue Star Maritime S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of Blue Star Maritime S.A. (the "Company"), and the consolidated financial statements of the Company and its subsidiaries (the "Group"), which comprise the balance sheet as at 31 December 2007, and the income statement, statement of changes in shareholders' equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Blue Star Maritime S.A. and the Group as of 31 December 2007 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

The Board of Directors' Report is consistent with the aforementioned financial statements.

Athens, 24 March 2008

The Certified Public Accountant
Athos Stylianou, FCCA, CPA(Gr)
A.M. SOEL 12311
For DRM Stylianou SA (A.M. 104)
Member of RSM International

INCOME STATEMENT

For the fiscal years ending at December 31, 2007 & 2006

	Notes	GROUP	
		<u>1/1-31/12/07</u>	<u>1/1-31/12/06</u>
Revenue	(5.1)	168.131	141.160
Cost of sales	(5.2)	(108.748)	(90.044)
Gross Profit/(loss)		59.383	51.116
Other operating income	(5.3)	219	337
Administrative expenses	(5.4)	(9.045)	(8.258)
Distribution expenses	(5.5)	(20.597)	(15.383)
Earnings before taxes, investing and financial results		29.960	27.812
Dividends from subsidiaries and other entities			
Interest & other similar income	(5.6)	1.883	1.105
Interest and other financial expenses	(5.6)	(9.819)	(8.526)
Foreign exchange differences	(5.6)	(303)	247
Financial results		(8.239)	(7.174)
Profit/(loss) from sale of tangible assets	(5.7)	(136)	1.329
Profit/(loss) before taxes		21.585	21.967
Taxes	(5.8)	(134)	(204)
Profit/(loss) after taxes		21.451	21.763
<u>Attributable as follows:</u>			
Company Shareholders		21.451	21.763
Minority Interests in subsidiaries			
Earnings After Taxes per Share - Basic (in €)		0,20	0,21
Proposed dividend payable per share (in €)			

The Notes on pages 13 to 73 are an integral part of these Financial Statements.

INCOME STATEMENT

For the fiscal years ending at December 31, 2007 & 2006

	Notes	COMPANY	
		1/1-31/12/07	1/1-31/12/06
Revenue	(5.1)	49.083	34.513
Cost of sales	(5.2)	(35.993)	(26.458)
Gross Profit/(loss)		13.090	8.055
Other operating income	(5.3)	90	152
Administrative expenses	(5.4)	(4.326)	(3.666)
Distribution expenses	(5.5)	(5.364)	(3.521)
Earnings before taxes, investing and financial results		3.490	1.020
Dividends from subsidiaries and other entities		16.000	7.827
Interest & other similar income	(5.6)	16	40
Interest and other financial expenses	(5.6)	(938)	(1.088)
Foreign exchange differences	(5.6)	(87)	245
Financial results		14.991	7.024
Profit/(loss) from sale of tangible assets	(5.7)	(136)	1.388
Profit/(loss) before taxes		18.345	9.432
Taxes	(5.8)	(88)	(76)
Profit/(loss) after taxes		18.257	9.356
<u>Attributable as follows:</u>			
Company shareholders		18.257	9.356
Minority interests in subsidiaries			
Earnings after taxes Per Share - basic (in €)		0,17	0,09
Proposed dividend payable per share (in €)		0,09	0,09

The Notes on pages 13 to 73 are an integral part of these Financial Statements.

BALANCE SHEET

As at 31st of December 2007 and at December 31, 2006

	Notes	GROUP		COMPANY	
		31/12/2007	31/12/2006	31/12/2007	31/12/2006
ASSETS					
Non-current assets					
Tangible assets	(5.9)	328.271	339.193	38.685	42.520
Intangible Assets	(5.10)	1.337	1.603	875	1.087
Financial assets	(5.11)	1.523		1.523	
Investments in subsidiaries-associated companies	(5.12)+(5.31)			317.390	297.469
Non-Current Receivables	(5.13)	1.146	66	1.133	51
		<u>332.277</u>	<u>340.862</u>	<u>359.606</u>	<u>341.127</u>
Current assets					
Inventories	(5.14)	1.932	1.584	644	651
Trade receivables and prepayments	(5.15)	31.260	28.727	3.670	3.070
Tax receivables	(5.16)	229	152	70	79
Receivables from subsidiaries-associated companies	(5.17)			171.003	98.381
Other receivables	(5.18)	2.854	1.678	288	173
Financial assets held for trading					
Cash and cash equivalents	(5.19)	51.180	42.241	546	907
Deferred expenses	(5.20)	6.762	5.072	2.319	1.726
Accrued income	(5.20)	310			
		<u>94.527</u>	<u>79.454</u>	<u>178.540</u>	<u>104.987</u>
Non-current assets classified as held for sale			1.698		1.698
Total assets		<u>426.804</u>	<u>422.014</u>	<u>538.146</u>	<u>447.812</u>
EQUITY AND LIABILITIES					
Equity					
Share Capital	(5.21)	105.000	105.000	105.000	105.000
Reserves	(5.21)+(5.31)	72.937	70.365	160.093	138.255
Retained Earnings	(5.21)	50.610	39.667	18.414	10.008
Total Shareholders equity		<u>228.547</u>	<u>215.032</u>	<u>283.507</u>	<u>253.263</u>
Minority interests in subsidiaries					
Total equity		<u>228.547</u>	<u>215.032</u>	<u>283.507</u>	<u>253.263</u>
Non-current liabilities					
Secured loans	(5.22)	162.331	175.682	7.473	8.429
Finance leases	(5.23)	122	304	98	304
Deferred tax liabilities	(5.24)	19	19	4	4
Retirement benefit provisions	(5.25)	570	502	231	214
Provisions	(5.26)	550	250	550	250
		<u>163.592</u>	<u>176.757</u>	<u>8.356</u>	<u>9.201</u>
Current liabilities					
Bank loans and overdrafts					
Current portion of long term liabilities		13.500	13.500	1.000	1.000
Trade and other payables	(5.27)	17.313	14.014	4.681	4.486
Payables to subsidiaries-associated companies	(5.28)			239.089	179.213
Tax liabilities	(5.29)	1.362	1.175	335	363
Deferred income	(5.30)	1.062		1.062	
Accrued expenses	(5.30)	1.428	1.536	116	286
		<u>34.665</u>	<u>30.225</u>	<u>246.283</u>	<u>185.348</u>
Total equity and liabilities		<u>426.804</u>	<u>422.014</u>	<u>538.146</u>	<u>447.812</u>

The Notes on pages 13 to 73 are an integral part of these Financial Statements.

Statement of Changes in Equity

For the Period 1/1-31/12/2007

GROUP

	Share Capital	Share Premium	Other Reserves	Fair value reserves from hedging	Retained Earnings	Total Shareholders equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2007	105.000	73.490	(3.125)		39.667	215.032		215.032
Changes in Equity for the Period 1/1-31/12/2007			(252)	1.523	243	1.514		1.514
Net Profit for the Period 1/1-31/12/2007			1.302		20.149	21.451		21.451
Dividends					(9.450)	(9.450)		(9.450)
Balance at 31 December 2007	105.000	73.490	(2.075)	1.523	50.610	228.547		228.547

COMPANY

	Share Capital	Share Premium	Other Reserves	Fair value reserves from hedging	Retained Earnings	Total Shareholders equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2007	105.000	73.490	(3.966)		10.008	184.532		184.532
Reserves from revaluation of investments in subsidiaries at fair value			68.731			68.731		68.731
New balance at 1 January 2007	105.000	73.490	64.765		10.008	253.263		253.263
Changes in Equity for the Period 1/1-31/12/2007			(253)	1.523	247	1.517		1.517
Reserves from revaluation of investments in subsidiaries at fair value			19.920			19.920		19.920
Net Profit for the Period 1/1-31/12/2007			648		17.609	18.257		18.257
Dividends					(9.450)	(9.450)		(9.450)
Balance at 31 December 2007	105.000	73.490	85.080	1.523	18.414	283.507		283.507

Statement of changes in reserves from revaluation of investments in subsidiaries at fair value

For the Period 1/1-31/12/2007

	Before the changes	After the changes	
BLUE STAR FERRIES MARITIME S.A.	0	88.651	
TOTAL	0	88.651	88.651

Statement of Changes in Equity

For the Period 1/1-31/12/2006

GROUP

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Shareholders equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2006	105.000	73.490	(4.135)	26.264	200.619		200.619
Changes in Equity for the Period 1/1-31/12/2006							
Net Profit for the Period 1/1-31/12/2006			1.010	20.753	21.763		21.763
Dividends				(7.350)	(7.350)		(7.350)
Balance at 31 December 2006	105.000	73.490	(3.125)	39.667	215.032		215.032

COMPANY

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Shareholders equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2006	105.000	73.490	(4.298)	8.334	182.526		182.526
Changes in Equity for the Period 1/1-31/12/2006				(426)	(426)		(426)
Reserves from revaluation of investments in subsidiaries at fair value			68.731		68.731		68.731
Net Profit for the Period 1/1-31/12/2006			332	9.450	9.782		9.782
Dividends				(7.350)	(7.350)		(7.350)
Balance at 31 December 2006	105.000	73.490	64.765	10.008	253.263		253.263

Statement of changes in reserves from revaluation of investments in subsidiaries at fair value

For the Period 1/1-31/12/2006

	Before the changes	After the changes	
BLUE STAR FERRIES MARITIME S.A.	0	74.016	
TOTAL	0	74.016	74.016

CASH FLOW STATEMENT

For the periods ending at December 31 2007 & 2006

	Notes	GROUP		COMPANY	
		1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Cash flow from Operating Activities					
Profit Before Taxes		21.585	21.967	18.345	9.432
Adjustments for:					
Depreciation & amortization	(5.9)	14.352	13.023	4.142	3.202
Provisions		840	520	469	225
Foreign exchange differences	(5.6)	303	(247)	87	(245)
Net (profit)/Loss from investing activities		(1.747)	(2.418)	(15.880)	(9.180)
Interest and other financial expenses	(5.6)	9.819	8.526	938	1.088
Plus or minus for Working Capital changes:					
Decrease/(increase) in Inventories		(349)	(131)	7	(277)
Decrease/(increase) in Receivables		(6.913)	(7.003)	(75.051)	233.174
(Decrease)/increase in Payables (excluding banks)		3.476	(2.405)	60.655	(233.213)
Less:					
Interest and other financial expenses paid		(9.175)	(7.811)	(566)	(1.047)
Taxes paid		(134)	(246)	(88)	(119)
Total cash inflow/(outflow) from operating activities (a)		32.057	23.775	(6.942)	3.040
Cash flow from Investing Activities					
Acquisition of subsidiaries, associated companies, joint ventures and other investments					
Purchase of tangible and intangible assets	(5.9)+(5.10)	(3.985)	(24.010)	(919)	(23.670)
Proceeds from sale of tangible and intangible assets	(5.7)	2.400	5.301	2.400	5.301
Interest received	(5.6)	1.883	1.105	16	40
Dividends received				16.000	7.827
Total cash inflow/(outflow) from investing activities (b)		298	(17.604)	17.497	(10.502)
Cash flow from Financing Activities					
Proceeds from issue of Share Capital					
Proceeds from Borrowings			9.895		9.895
Payments of Borrowings	(5.19)	(13.500)	(15.219)	(1.000)	(2.719)
Payments of finance lease liabilities	(5.19)	(466)	(481)	(466)	(372)
Dividends paid	(5.19)	(9.450)	(7.350)	(9.450)	(7.350)
Total cash inflow/(outflow) from financing activities (c)		(23.416)	(13.155)	(10.916)	(546)
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)		8.939	(6.984)	(361)	(8.008)
Cash and cash equivalents at beginning of period		42.241	49.225	907	8.915
Cash and cash equivalents at end of period		51.180	42.241	546	907

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 5.19.
The Notes on pages 13 to 73 are an integral part of these Financial Statements.

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.

The number of employees, at period end, was 257 for the parent company and 675 for the Group, while at 31/12/2006 was 253 and 601 respectively.

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

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

The total number of common bearer shares outstanding as at 31 December 2007 was 105.000.000. Each share carries one voting right. The total market capitalization was € 399.000 thousand.

The financial statements of Blue Star Maritime S.A. are included, directly, in the consolidated financial statements of Attica Holdings S.A. which owns 48,795% of the share capital of Blue Star Maritime S.A. In addition they are included, indirectly, in the consolidated financial statements of MARFIN INVESTMENT GROUP HOLDINGS S.A. According to an announcement, on January 7, 2008, its total participation in the Group (directly & indirectly), pursuant of Law 3556/2007, was 84,4556%.

The financial statements of the Company and the Group for the fiscal year 2007 were approved by the Board of Directors on March 20, 2008.

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 – 31/12/2007 are the same with those used for the preparation of the financial statements for the fiscal year 2006, except for the method of recognition of the value of investments in subsidiaries.

More specifically, the Group's management decided to recognise the investments in subsidiaries at fair value instead of acquisition cost.

The Group's management believes that the new accounting policy is a more rational approach to reflect the value of the Company's investments in subsidiaries.

This change has affected the “Investments in subsidiaries” account and the net equity of the parent company only. There is no effect in any other account of the parent company, nor to any account in consolidated level.

In order to determine the fair value of investments, the Company has appointed an independent valuator, who used the following assumptions in order to perform his study:

- a) The Group will operate in the same geographical segments that operated on December 31, 2007.
- b) The vessels will execute the same number of sailings.
- c) The useful life and residual value of the vessels are calculated according to the existing accounting policy for tangible assets.
- d) Annual increases in revenue and expenses have been calculated based on Group's historical data.
- e) The Weighted Average Cost of Capital is equal to 9,8%.

The effect of the change in the accounting policy is presented in the Statement of Changes in Equity and in the following paragraphs:

5.12. Investments in subsidiaries - associated companies.

5.32.1. Analysis of the effect of the change of the accounting policy, regarding investments in subsidiaries, in the financial statements.

2.1. Basis of preparation of financial statements

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

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

The recognition of sales and purchases is effected at the transaction date and not at the settlement date.

The expenses are recognized in the income statement based on the direct relation of the expense to the specific income that is recognized.

In preparing its financial statements for the period ending 31 December 2007, the Group has chosen to apply accounting policies which secure that the financial statements comply with all the requirements of each applicable Standard or Interpretation.

The Management of the Group considers that the financial statements present fairly the company's financial position, financial performance and cash flows. The General Meeting of Shareholders has the right to modify these financial statements.

2.1.1. Major accounting judgements and main sources of uncertainty for accounting estimations

The Management must make judgements and estimates regarding the value of assets and liabilities which are uncertain. Estimates and associated assumptions are based mainly on past experience. Actual results may differ from these estimates. Estimates and associated assumptions are continually reviewed.

The accounting judgements that the Management has made in implementing the Company's accounting policies and which have the greatest impact on Company financial statements are:

On a yearly basis, Management examines whether it is an indication of impairment on the value of investments in subsidiaries, and if so, assesses the extent pursuant to the Company's accounting policy on this subject. The recoverable amount of the examined cash generating unit is determined on the basis of value in use and is based on estimates and underlying assumptions.

In addition, on an annual basis the Management examines, on the basis of assumptions and estimates the following items:

- useful lives and recoverable vessels' values
- the amount of provisions for staff retirement compensation, for disputes in litigation and for labour law disputes.

On the financial statements preparation date, the sources of uncertainty for the Company, which may have impact on the stated assets and liabilities values, concern:

- Unaudited years of the Company, insofar as it is possible that the future audits will result in additional taxes and charges being imposed that cannot be estimated at the time with reasonable accuracy.
- Estimates on the recoverability of contingent losses from pending court cases and doubtful debts.

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 ended December 31, 2007.

2.2. Consolidation

2.2.1. Basis of consolidation

The purchase method is used for the consolidation.

An acquisition is recognised at cost. The cost of an acquisition is measured as the fair value of the assets acquired, the equity instruments issued and the liabilities incurred or assumed at the date of the transaction, plus any cost directly attributable to the acquisition. Subsequently, investments in subsidiaries are measured using the fair value method.

2.2.2. Subsidiaries

Subsidiaries are the entities which are controlled by another Company. Control exists when a Company has the power to govern the financial and operating policies of an entity. Investments in subsidiaries are initially recognized at cost, while subsequently are measured using the fair value method.

2.2.3. Consolidated financial statements

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

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

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

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

2.3. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of identifiable assets and liabilities and contingent liabilities of the acquired subsidiary or associated company, at the time of acquisition.

The goodwill is not amortized. The goodwill is subject to an impairment test at the end of each year.

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

2.4. Investments

The investments are classified according to their scope as follows:

a) Long-term investments

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

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

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

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

2.5. Tangible assets

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

Acquisition cost includes expenses that are directly attributable to the acquisition of the assets.

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

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

Land is not depreciated.

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

The estimated useful lives are as follows:

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

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

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

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

2.6. Intangible assets

The Group considers that the useful life of its intangible assets is not indefinite. The intangible assets of the Group are the following:

a) Trademarks

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

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

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

b) Computer software

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

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

Subsequent expenses which enhance or extend the performance of computer software programs beyond their original specifications are recognised as capital expenditure and are added to the original cost of the software.

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

2.7. Impairment of assets

At each reporting date the assets are assessed as to whether there is any indication that an asset may be impaired.

If any such indication exists, the entity estimates the recoverable amount of the asset, namely the present value of the estimated future cash flows that are expected to flow into the entity by the use of the asset.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less associated costs of selling the asset and its value when used by the entity.

As a cash generating unit is defined the geographical segment to which each vessel operates, as it is reported in paragraph 2.16.

Impairment losses are recognised in the income statement.

2.8. Investment property

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

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

2.9. Inventories

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

2.10. Trade receivables

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

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

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

The amount of the provision calculated when there is a delay in collection of a trade receivable, is the difference between the asset's carrying amount and the present value of estimated future cash flows.

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

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

2.11. Cash and cash equivalents

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

2.12. Share capital

Share capital consists of common bearer or nominal shares and is included in shareholders' equity.

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

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

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

2.13. Dividends

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

2.14. Revenue

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

2.14.1. Revenue from fares

Revenue from fares is recognised as follows:

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

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

2.14.2. Revenue from on board sales

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

Regarding the services provided by the Group through concessions, revenue is recognised when the invoice is issued for services relating to the period. All the above revenue is recognised when the collection of the related receivables is reasonably assured.

2.14.3. Interest income

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

2.14.4. Dividend income

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

2.15. Accounting for Government grants and disclosure of Government assistance

2.15.1. Government grants related to assets

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

Government grants are recognised when it is certain that:

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

Government grants related to assets are recognised as deferred income, on a systematic basis, during the useful life of a non-current asset.

2.15.2. Government grants related to income

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

2.16. Segment reporting

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

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

The Group operates in sea transportation services for passengers, private vehicles and cargo in several geographical areas.

For this reason geographical segmentation is used.

The Group's geographical segments for the fiscal year 2007 are the following:

- a) Greek Domestic Market
- b) Adriatic Sea
- c) North Sea

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

2.17. Expenses

2.17.1. Borrowing costs

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

Borrowing costs include:

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

2.17.1.1. Recognition of borrowing cost

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

2.17.1.2. Capitalisation procedures of borrowing costs

The capitalisation of borrowing cost:

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

2.17.2. Employee benefits

2.17.2.1. Short-term benefits

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

2.17.2.2. Defined benefit plans

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

2.17.3. Leases

2.17.3.1. Finance leases

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

The depreciation method used for leased assets, when at the end of the leasing period the ownership remains to the Company, is similar to the method used for the other assets of the Company. Depreciation is calculated in accordance with IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets". Therefore, paragraphs 2.5. "Tangible assets", 2.6. "Intangible assets" and 2.7. "Impairment of assets" refer. When at the end of the leasing period the ownership does not remain to the Company, the depreciation is calculated by using the shorter period between the duration of the lease and the useful life of the asset.

2.17.3.2. Operating leases

The lease payments for an operating lease are recognised as an expense and are charged to the income statement. In case that according to the leasing contract, at the end of the lease period repairs are required on damages occurred out of usual wear and tear of the leased asset then these expenses are recognised in the income statement of the year when the lease contract is terminated.

2.17.4. Provisions, contingent liabilities and contingent assets

Provisions are recognised when:

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

Provisions should be reviewed at each balance sheet date.

Contingent liabilities or contingent assets are not recognised in the financial statements, but they are disclosed in the notes to the financial statements, when the possibility of an outflow or inflow of economic benefit is remote.

- 2.17.5. Allocation of revenue and expenses
- 2.17.5.1. Allocation of joint revenue and expenses
As reported in paragraph 4.1 the consolidated Joint Venture and management company of the Group, transfer all revenue and expenses related to specific companies to these shipowning companies. This means that when revenue or expenses are incurred which are not related to specific shipowning companies, these expenses are allocated to the shipowning companies based on gross registered tonnage of each vessel.
- 2.17.5.2. Allocation of expenses on a monthly basis
The Group recognises insurance expenses and annual survey (dry docking) expenses in the income statement on a monthly basis because the above expenses are incurred once every year but relate to a complete fiscal year of operation.
- 2.18. Current and deferred income taxes
For a better understanding of the way in which the Group's income is taxed, the profits are classified based on their origin.
- 2.18.1. Income tax on profit from shipping activities
According to Law 27/1975, article 6, the shipowning companies whose vessels are carrying the Greek flag pay taxes based on the gross tonnage of the vessels, regardless of profits or losses. This tax is in effect an income tax which is readjusted according to the above law.
- The payment of the above tax covers all obligations which are related to income tax with regard to shipping activities.
- In this case, a permanent difference exists between taxable and accounting results, which will not be taken into consideration for the calculation of deferred taxation.
- 2.18.2. Income tax on profit from financial revenues
This category includes financial revenue which is recognised as taxable when it is distributed or capitalised. For the portion of the revenue which will not be distributed, a temporary tax difference will result and a deferred tax liability will be recognised until the distribution of these revenues.
The following sources of revenue are exempted:
a) The interest on deposits which is taxable under the general taxation rules.
b) The dividends received from other companies which are not subject to taxation and therefore are not taken into account for the calculation of deferred tax.
- 2.18.3. Income tax on profit from non-shipping activities
In that case, the profits are subject to the provisions of the tax law. When calculation of deferred tax is required, it will be done in accordance with IAS 12.
- 2.19. The effect of changes in foreign exchange rates
The functional currency of the Group is Euro.

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

At each balance sheet date:

a) Monetary items are translated using the closing rate of that date. Exchange differences arising in the above case are recognised in profit or loss in the period in which they arise.

b) Non-monetary items in foreign currency that are measured using historical cost are translated by using the exchange rate at the date of transaction. These items at each balance sheet date are translated into home currency by using the closing rate of that date.

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

2.20. Financial instruments

The basic financial instruments of the Group are:

a) Cash, bank deposits, short-term receivables and payables.

Given the short-term nature of these instruments, the Group's Management considers that their fair value is essentially identical to the value at which these are recorded in the accounting books of the Group.

b) Securities

Securities are titles that embody rights on specific financial assets which can be valued in cash.

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

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

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

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

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

c) Bank loans

Management considers that the interest rates of bank loans are almost equal to current market interest rates and therefore, it is not appropriate to adjust the value of these liabilities.

d) Bond loans

Bond loans are initially recognised at cost which is the fair value of the actual amount received including issuance expenses. Subsequently these are valued at the carrying amount as it is calculated by the application of the effective interest rate method.

Any difference between the amount received at the issuance date, net of related expenses, and the amount that is finally repaid is recognised in the income statement using the effective interest rate method over the period of the Bond Loan.

e) Hedging financial instruments

When Group uses hedging financial instruments, the fair value of each instrument is measured at the end of each period and the difference, that arised from the initial recognition, is recognized in the income statement or in equity. For each instrument there is an estimation about the hedging relationship. If it is fair value hedge or cash flow hedges.

2.21. Earnings per share

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

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

2.22. Adoption of new IFRS and Interpretations from 1/1/2007

International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) have issued new Standards and Interpretations, the implementation of which is mandatory for accounting periods starting from January 1, 2007 or subsequently.

The view of the Management of the Group about the effect of the application of these new Standards and Interpretations, on the financial statements of the Company and the Group, is set out below:

2.22.1. IFRS 7 Financial Instruments: Disclosures and supplementary adjustment of IAS 1, Presentation of Financial Statements, Capital Disclosures.

IFRS 7 requires further disclosures about:

a) the significance of financial instruments for the entity's financial position and performance,

b) qualitative and quantitative information about the exposure to risks arising from financial instruments, including minimum determined disclosures about credit risk, liquidity risk and market risk.

IFRS 7 replaces IAS 30 and the disclosures required by IAS 32.

The presentation requirements of IAS 32 remain unaltered.

The Group will implement IFRS 7 and the amendment of IAS 1 on the annual financial statements of the fiscal year which begins on 1/1/2007.

2.22.2. Interpretation 7, Applying the Restatement Approach under IAS 29
Financial Reporting in Hyperinflationary Economies.

Interpretation 7 requires entities to apply IAS 29 in the reporting period in which an entity first identifies the existence of hyperinflation in the economy of its functional currency, as if the economy had always been hyperinflationary.

The above interpretation is not applicable to the operations of the Company and the Group.

2.22.3. Interpretation 8, Application scope of IFRS 2
Share-based payment.

Interpretation 8 clarifies that IFRS 2 will apply to any arrangement when equity instruments are granted or liabilities (based on the value of an entity's equity instrument) are incurred by an entity, when the identifiable consideration appears to be less than the fair value of the instruments given.

The above interpretation is not applicable to the operations of the Company and the Group.

2.22.4. Interpretation 9, Reassessment of Embedded Derivatives

Interpretation 9 requires an entity to assess whether a contract contains an embedded derivative at the date an entity first becomes a party to the contract and prohibits reassessment unless there is a change to the contract that significantly modifies the cash flows.

The above interpretation is not applicable to the operations of the Company and the Group.

2.22.5. Interpretation 10, Interim Financial reporting and Impairment

Interpretation 10 requires that, an entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

This Interpretation has not been adopted by the European Union.

2.22.6. Interpretation 11, Application scope of IFRS 2
Group and Treasury Share Transactions.

For the scope of accounting treatment, the transactions in which employees are granted rights to equity instruments, are regarded as equity settled- share based payments even in the case in which the company chooses or has the obligation to buy such equity instruments from third parties.

The same principle is followed in the financial statements of the parent company, when employees of its subsidiaries are granted rights to equity instruments of the parent company.

The above interpretation is not, for the time being, applicable to the operations of the Company and the Group.

2.23. Adoption of new or revised IFRS on and after 1/1/2008

2.23.1. IFRS 8 Operating Segments

The Group will implement on 1/1/2009 IFRS 8 “Operating Segments”, which replaces IAS 14 “Segment Reporting” and requires the information disclosed to the users of the financial statements to be the same with those that the management uses internally in order to assess each segment’s performance.

2.23.2. IAS 23 Borrowing Costs (Revised)

The revised IAS 23 provides that any entity will capitalize the borrowing cost to the extent that is attributable to the acquisition, construction or production of an asset and shall be capitalized as part of the cost of that asset.

Any other cost should be recognized as an expense in the period in which it is incurred.

The Group will not be affected by the revision of IAS 23 because it already applies the alternative treatment for the recognition of the borrowing cost which was provided by the previous version of IAS 23. This treatment is the same treatment that is provided by the revised IAS 23.

2.23.3. Interpretation 12, Service Concession Arrangements (is applicable for annual periods beginning on or after 1 January 2008).

Interpretation 12 deals with the way service concession operators should apply existing IFRS to account for the rights and obligations they undertake in service concession arrangements. In accordance with this Interpretation the operators should not recognise the relevant infrastructure as tangible assets, but should recognise a financial asset or an intangible asset. Interpretation 12 is not applicable to the operations of the Group.

3. Financial risk management

3.1. Financial risk factors

The Group is exposed to a series of financial risks, including market risk (unexpected volatility of exchange rate and interest rate) and credit risk. Consequently, the Group uses a risk management program which seeks to minimize potential adverse effects.

Risk management relates to identifying, evaluating and hedging financial risks. The Group’s policy is not to undertake any transactions of a speculative nature.

The Group’s financial instruments consist mainly of deposits with banks, receivables and payables, loans, repos, finance leases and derivatives.

3.1.1. Foreign currency risk

The functional currency of the Group is EURO.

The Group has transactional currency exposure. Such exposure arises from sales in currency other than the functional currency. Approximately 10% of the Group's sales are denominated in GBP due to the deployment of the car passenger ferry Blue Star 1 in Zeebrugge (Belgium) – Rosyth (Scotland) route, whilst almost all the expenses of the Group, except for the port expenses of the above route, are denominated in EURO. Considering that the income and expenses percentage in foreign currency is not a substantial amount compared to total income and expenses, it is not required by the Group to hedge the above risk (see paragraph 5.1).

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

3.1.2. Credit risk

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

With respect to credit risk arising from other financial assets, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets.

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

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

The Group estimates that there is no considerable concentration of trade receivables except in the case of "Attica Premium S.A." and "Superfast Dodeka (Hellas) Inc and Co. Joint Venture" which are consolidated together with Blue Star Group at the financial statements of Attica Holdings S.A. and therefore there is no credit risk (see paragraph 5.15).

3.1.3. Liquidity risk

The Group monitors its liquidity risk by watching carefully the maturity of both its assets and liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through its high credit rating from banks.

The liquidity risk is eliminated because the Group has a highly liquidity in relation with its short-term liabilities. Particularly, at 31/12/2007, total short-term liabilities amount to € 34,7 mln while cash amounts to € 51,2 mln respectively.

The Group's current policy is that not more than 10% of borrowings should mature in the next 12 month period.

3.1.4. Interest rate risk

The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's long-term debt obligations.

In order to hedge the interest rate risk, the Group had purchased a financial instrument providing that when the interest rates are floating between 3,5% and 5,5% the Group is making profit while on the contrary, if the interest rates are outside the above limits the Group is making loss.

3.1.5. Capital structure management

The Group's objective when managing its capital structure is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other parties related to the Group and maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the right capital structure, the Group may adjust or deduct the dividend payment to shareholders, issue new shares or sell assets. No changes were made in the objectives, policies or processes during the years ending 31 December 2007 and 31 December 2006.

The Group monitors capital using a gearing ratio. The ratio is calculated as net debt divided by total capital employed. Net debt is calculated as "Total borrowings" (including "current and non-current borrowings" as shown in the balance sheet) less "Cash and cash equivalents" less "Available for sale financial assets". Total capital employed is calculated as "Equity" as shown in the balance sheet plus net debt. The Group's objective is the improvement of capital structure through the right management of its resources.

During 2007, just as 2006, the Group's strategy was to maintain the gearing ratio between 20% - 40%. The gearing ratios at 31 December 2007 and 2006 were as follows:

	31/12/2007	31/12/2006
Total Borrowings	175.831	189.182
Less: Cash and Cash Equivalents	51.180	42.241
Available for sale financial assets		
Net debt	124.651	146.941
Equity	228.547	215.032
Total capital employed	353.198	361.973
Gearing ratio	35%	40%

3.1.6. Fuel oil prices fluctuation risk

The Group is affected significantly by the volatility of fuel oil prices. Therefore, the Group has designed a hedge plan against the fluctuation of fuel oil price. The hedge plan is designed in order to allow the Group to buy specific fuel oil quantities in order to cover its needs at specific price levels. The effect of change in fuel oil prices in the income statement of the Group is presented in paragraph 5.2 of the financial statements.

3.1.7. Competition

The Group is operating on routes that are characterized by intense competition. The table below contains the routes with intense competition where the Group was active as well as the most significant competitors.

ROUTE	COMPETITORS
Piraeus - Cyclades	Hellenic Seaways / NEL Lines / GA Ferries
Rafina - Cyclades	Hellenic Seaways / Alpha Ferries / Agoudimos Lines / Fast Ferries
Piraeus - Dodecanese	GA Ferries
Patras - Bari	Agoudimos Lines / Endeavor Lines / Ventouris Ferries

3.2. Determination of fair values

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

The asking price is used for the determination of the fair value of the financial assets and the bid price is used for the financial liabilities.

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

4. Related Party disclosures

4.1. Intercompany transactions

The company consolidates a Joint Venture and a Management Company that operates under Law 378/68. These companies create intercompany transactions with shipowning companies.

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

During 2007, Blue Star Maritime S.A. had not performed any intercompany transactions with its directly subsidiaries that create commercial revenue.

The capital transactions of the Company during 2007 with its subsidiaries as well as with other companies of Attica Group are:

- The company received the amount of € 16.000 thousand as dividend for the fiscal year 2006 from its 100% subsidiary Blue Star Ferries Maritime S.A.
- The company paid the amount of € 4.611 thousand as dividend for the fiscal year 2006 to its parent company ATTICA HOLDINGS S.A.

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

The intercompany balances at 31/12/07 between BLUE STAR MARITIME S.A. and the Group's companies can be obtained from the following table.

Group's sales, purchases, receivables and liabilities from its indirectly related entities for the period 1/1 - 31/12/2007 are as follows:

Table of intercompany relations with other companies of MARFIN INVESTMENT GROUP

Group	Sales	Receivables from	Payables to
SUPERFAST DODEKA (HELLAS) INC. & CO JOINT VENTURE		6.574	
ATTICA PREMIUM S.A.	17	368	
GEFSIPLOIA S.A.	3.978	320	
VIVARTIA Truck transport			
	Purchases	Receivables from	Payables to
S. NENDOS S.A.	36		8
HELLENIC CATERING	237		50
HELLENIC FOOD SERVICE PATRON S.A.	136		15
ATTICA PREMIUM S.A.	1.070		

The pricing from and to the above companies has been contracted in market terms.



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	84.503	108.797	10.935	798
THELMO MARINE S.A.					8			
WATERFRONT NAVIGATION CO.								
STRINTZIS LINES SHIPPING LTD.					10.139	7		
BLUE STAR FERRIES MARITIME S.A.					149.442	90.018		10
BLUE STAR FERRIES S.A.		8					7	10.139
BLUE STAR FERRIES JOINT VENTURE								
BLUE ISLAND SHIPPING INC.					28			
TOTAL		76		1	244.120	198.822	10.942	10.947

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.			75.564	129.424				
THELMO MARINE S.A.	68							
WATERFRONT NAVIGATION CO.	1							
STRINTZIS LINES SHIPPING LTD.	798	10.935			10			
BLUE STAR FERRIES MARITIME S.A.			268.753	194.076				
BLUE STAR FERRIES S.A.	108.797	84.503			90.018	149.442		28
BLUE STAR FERRIES JOINT VENTURE	129.424	75.564			194.076	268.753		
BLUE ISLAND SHIPPING INC.								
TOTAL	239.088	171.002	344.317	323.500	284.104	418.195		28

Reconciliation of Intercompany Balances

Total debit :	1.122.571
Total credit :	<u>1.122.571</u>
Balance	0

4.2. Participation of the members of the Board of Directors to the Board of Directors of other companies at 31/12/2007

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

No other business exists between these companies and Blue Star Maritime S.A., except with Odyssey Maritime Inc and Pellucid Trade Inc owners of the buildings on 157 C. Karamanli Avenue and 139 Vasileos Pavlou in Voula, where the headquarters of the Group are located. The rent paid by the Group to the above companies for the period 1/1 – 31/12/2007 totaled an amount of € 178 thousand.

- e) Mr. Alexander P. Panagopulos, member of the Board of Directors, participates in the Board of Directors of Attica Holdings S.A., in the Board of Directors of Superfast Ferries S.A. and in the Boards of Directors of subsidiaries of Blue Star Maritime S.A.
- 5. Mr. George Karystinos and Mr. Emmanouil Kalpadakis, non-executive members of the Board of Directors, are also members of the Board of Directors of Attica Holdings S.A.
- 5. Mr. Nikolaos Tapiris, Group's financial director is member of the Board of Directors of subsidiary companies of BLUE STAR MARITIME S.A.

4.3. Guarantees

The parent company has guaranteed the repayment of the bond loan of its 100% subsidiary company Blue Star Ferries Maritime S.A.

4.4. Board of Directors and Executive Directors' Fees

Key management compensation

	<u>31/12/2007</u>	<u>31/12/2006</u>
Salaries & other employees benefits	892	752
B.O.D. Remuneration	183	183
Termination benefits		
Other long-term benefits		
Share-based payments		
Total	<u><u>1.075</u></u>	<u><u>935</u></u>
	<u>31/12/2007</u>	<u>31/12/2006</u>
Number of key management personnel	6	6

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

5. Financial statements analysis

The figures of the period 1/1 – 31/12/2007 are not fully comparable with the corresponding figures of the previous year because:

- a) car passenger ferry Diagoras was acquired in July 2006 and therefore didn't operate in the entire period 1/1 – 31/12/2006 but as of 12th August 2006,
- b) car passenger ferry Blue Star 1 has been redeployed from the Adriatic Sea to the North Sea in January 2007.

5.1. Revenue Analysis and Geographical Segments Report

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

The Group operates in the Greek Domestic Routes, in Adriatic Sea and in North Sea. The Group's vessels provide transportation services to passengers, private vehicles and freight.

Seasonality

The Group'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 – 31/12 2007 and 2006 are as follows:

Geographical Segment	GROUP							
	1/1-31/12/2007				1/1-31/12/2006			
	Domestic Routes	Adriatic Sea	North Sea	Total	Domestic Routes	Adriatic Sea	North Sea	Total
Revenue from Fares	111.820	18.300	24.078	154.198	96.861	31.285		128.146
On-board Sales	8.990	3.051	1.893	13.934	7.575	5.439		13.014
Total Revenue	120.810	21.351	25.970	168.131	104.436	36.724		141.160
Gross profit/(loss)	48.098	5.505	5.780	59.383	44.529	6.587		51.116
Financial results	(5.328)	(487)	(2.424)	(8.239)	(4.820)	(2.354)		(7.174)
Earnings before taxes, investing and financial results, depreciation and amortization	35.650	3.560	5.102	44.312	35.885	4.950		40.835
Profit/(Loss) before Taxes	20.598	1.563	(576)	21.585	23.601	(1.634)		21.967
Profit/(Loss) after Taxes	20.536	1.527	(612)	21.451	23.490	(1.727)		21.763
Vessels' Book Value at 01/01	228.139	109.896		338.035	217.972	114.168		332.140
Improvements / Additions	2.180	71	1.346	3.596	21.992			21.992
Vessels' Disposals					(3.815)			(3.815)
Vessels' Redeployment		(88.620)	88.620					
Depreciation for the Period	(9.174)	(1.368)	(3.113)	(13.655)	(8.010)	(4.272)		(12.282)
Net Book Value of vessels at 31/12	221.144	19.980	86.853	327.977	228.139	109.896		338.035
Secured loans	106.851	13.466	42.014	162.331	115.745	59.937		175.682

The table below refers to the effect of changes in €/£ exchange rate in revenue due to the deployment of Blue Star 1 in the North Sea (see paragraph 3.1.1).

Change in the €/ £ exchange rate	Effect on revenue	Effect on profit before taxes
+/- 10%	-/+ 338	-/+ 338

Group's revenue from Fares in Domestic routes includes the grants received for public services performed under contracts with the Ministry of Mercantile Marine and the Ministry of Aegean and Island Policy amounting € 4.329 thousand for the period 1/1 – 31/12/2007 and € 1.975 thousand for the period 1/1 – 31/12/2006.

Geographical Segment	COMPANY					
	1/1-31/12/2007			1/1-31/12/2006		
	Domestic Routes	Adriatic Sea	Total	Domestic Routes	Adriatic Sea	Total
Revenue from Fares	25.136	18.423	43.559	14.658	15.964	30.622
On-board Sales	2.473	3.051	5.524	1.307	2.585	3.892
Total Revenue	27.609	21.474	49.083	15.965	18.549	34.514
Gross profit/(loss)	7.462	5.628	13.090	3.232	4.823	8.055
Financial results	8.432	6.559	14.991	3.337	3.687	7.024
Earnings before taxes, investing and financial results, depreciation and amortization	3.949	3.683	7.632	1.632	2.590	4.222
Profit/(Loss) before Taxes	9.659	8.686	18.345	4.797	4.635	9.432
Profit/(Loss) after Taxes	9.607	8.650	18.257	4.768	4.588	9.356
Vessels' Book Value at 01/01	20.134	21.278	41.412	3.486	22.640	26.126
Improvements / Additions	556	71	627	21.762		21.762
Vessels' Disposals				(3.815)		(3.815)
Depreciation for the Period	(2.219)	(1.368)	(3.588)	(1.299)	(1.361)	(2.660)
Net Book Value of vessels at 31/12	18.470	19.981	38.451	20.134	21.279	41.413
Secured loans	7.473		7.473	8.429		8.429

Company's revenue from Fares in Domestic routes includes the grants received for public services performed under contracts with the Ministry of Mercantile Marine and the Ministry of Aegean and Island Policy amounting € 884 thousand for the period 1/1 – 31/12/2007.

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

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

Secured loans are the Bond Loans issued by the Group for the acquisition and construction of vessels.

The Revenues that appear in the Group's Consolidated Financial Statements for the period 1/1 – 31/12/2007 belong to the following Business Activity Categories:

Sea & Coastal Transportation	154.198
Restaurants on board	2.735
Bars on board	9.440
Casino on board	618
Shops on board	1.140
Total	<u>168.131</u>

5.2. Cost of sales

Below can be obtained the Cost of Sales analysis as stated in the Income Statement for the period ended 31/12 2007 and 2006.

	GROUP		COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Crew Expenses	27.756	23.225	10.678	7.558
Fuel-Lubricants	39.938	33.135	12.123	9.255
Insurance Premia	1.944	2.142	577	525
Repairs-Maintenance-Spare Parts	15.814	11.245	5.232	3.282
Port Expenses	7.902	5.739	2.665	2.318
On-board Cost of Goods Sold	1.739	2.276	1.130	860
Vessels depreciation	13.655	12.282	3.588	2.660
Total	108.748	90.044	35.993	26.458

The effect of change in fuel oil prices in the income statement of the Group is presented in the following table.

Increase/ (Decrease) in fuel oil prices	Effect on profit before taxes
+/- € 10 / MT	€ 1.360

The Group has designed a hedge plan against the fluctuation of fuel oil prices based on fuel oil prices per metric ton.

5.3. Other Operating Income

The item "Other Operating Income", amounting € 218 thousand for the Group and € 89 thousand for the company, refer mainly to income received by insurance claims.

5.4. Administrative Expenses

	GROUP		COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Personnel Expenses	5.605	4.896	2.281	1.827
Rent and related Expenses	722	618	489	372
Telecommunication Expenses	86	78	45	34
Stationery	73	56	30	8
Office Repair-Maintenance Expenses	550	353	176	100
Third Party Services & Expenses	615	553	386	356
Office depreciation	697	741	554	542
Other	697	963	365	427
Total	9.045	8.258	4.326	3.666

5.5. Distribution Expenses

	GROUP		COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Advertising Expenses	3.812	1.892	1.166	466
Sales Promotional Expenses	74	47	43	20
Sales Commissions	15.187	11.606	3.964	2.548
Other	1.524	1.838	191	487
Total	20.597	15.383	5.364	3.521

5.6. Financial Results

a) Dividend Income

The parent company received dividend for the fiscal year 2006 from its 100% subsidiary Blue Star Ferries Maritime S.A. amounting € 16.000 thousand.

b) Interest and similar Income

The Group has invested its cash in time deposits with an average interest rate of 4%, net of taxes.

c) Interest and Other Financial Expenses

They refer mainly to the interest paid on loans.

d) Foreign Exchange Differences

They were created from the revaluation at 31/12/2007 of the balances of the cash and cash equivalents, receivables and payables in foreign currencies.

The analysis of the financial results is the following:

	GROUP		COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Interest on Long-Term Borrowings				
Interest on Bonds	(9.425)	(8.331)	(606)	(1.018)
Interest on Short-Term Borrowings				
Other Financial Expenses	(394)	(195)	(332)	(70)
Interest Income	1.883	1.105	16	40
Dividend Income			16.000	7.827
Foreign Exchange Differences	(303)	247	(87)	245
Total	(8.239)	(7.174)	14.991	7.024

As already stated in paragraph 3.1.4., the Group has been hedged against the interest rate risk. Therefore, there is no need for analysis of the effect of the change of the interest rate in the Group's results.

Interest on Bonds includes profit of € 863 thousand that arised from the use of that hedging financial instrument.

5.7. Profit/(Loss) from sale of tangible assets

In September 2007 the company sold its office building in the town of Rhodes and its building in the city of Piraeus with net book value € 1.698 thousand and € 825 thousand respectively. The above properties had been posted in the previous periods as “Non – current assets classified as held for sale”. The sale price for both properties was € 2.400 thousand.

5.8. Income taxes

Special taxation policies apply on the Group’s profits. Consequently, it is believed that the following analysis provides a better understanding of the income taxes.

	GROUP		COMPANY	
	1/1-31/12/2007	1/1-31/12/2007	1/1-31/12/2007	1/1-31/12/2007
Dividend distribution Tax		54		42
Tax according to Law 27/75		57		23
Property Tax		23		23
Provision for unaudited fiscal years				
Total		134		88

A comparison between the annual tax rates is not possible, because, as already stated in paragraph 2.18, the income tax is related to the profits that do not stem from the shipping operation. The Group uses different depreciation policies from those that the tax law determines. This differentiation does not create any deferred tax receivable or liability due to the fact that all the Group’s subsidiaries operate exclusively in passenger shipping.

The Group’s companies have been audited by tax authorities until fiscal year 2005. A tax provision for the unaudited fiscal years, amounting € 30 thousand has already been posted in 2006 financial results.

5.9. Tangible assets

The vessels of the Company and the Group have been mortgaged as security of the long-term borrowings for the amount of € 12 mil. and € 212 mil. approximately respectively.

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

The depreciation analysis can be found in the following table.

	GROUP		COMPANY	
	1/1-31/12/2007	1/1-31/12/2006	1/1-31/12/2007	1/1-31/12/2006
Vessels	13.655	12.282	3.588	2.660
Office	697	741	554	542
Total	14.352	13.023	4.142	3.202

5.9 Tangible Assets

Consolidated Figures

	Vessels	Land	Buildings	Furniture & Other Fixtures	Improvements In Third Parties Property	Vehicles	Fixed Assets Under Construction	Total
Initial Cost at 1.1.2007	395.968	274	765	1.999	387	31		399.424
Acquisitions - Additions	3.596			145		29		3.771
Disposals / Write-offs		(274)	(765)					(1.039)
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added to the Income Statement								
Cost at 31.12.2007	399.564	0	0	2.144	387	60		402.155
Accumulated Depreciation at 1.1.2007	57.933		205	1.810	282	2		60.231
Depreciation for the Period	13.655		11	138	58	6		13.869
Disposals / Write-offs			(216)					(216)
Accumulated Depreciation at 31.12.2007	71.588		0	1.948	340	8		73.884
Net Book Value at 31.12.2007	327.977	0	0	196	47	52		328.271
Initial Cost at 1.1.2006	380.303	274	765	1.924	387			383.653
Acquisitions - Additions	21.992			75		31		22.098
Disposals / Write-offs	(6.327)							(6.327)
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added to the Income Statement								
Cost at 31.12.2006	395.968	274	765	1.999	387	31		399.424
Accumulated Depreciation at 1.1.2006	48.163		179	1.626	224			50.191
Depreciation for the Period	12.282		26	184	58	2		12.552
Disposals / Write-offs	(2.512)							(2.512)
Accumulated Depreciation at 31.12.2006	57.933		205	1.810	282	2		60.231
Net Book Value at 31.12.2006	338.035	274	560	189	105	29		339.193

<u>Company Figures</u>	Vessels	Land	Buildings	Furniture & Other Fixtures	Improvements In Third Parties Property	Vehicles	Fixed Assets Under Construction	Total
Initial Cost at 1.1.2007	58.475	274	765	1.341	387	31		61.273
Acquisitions - Additions	627			135				762
Disposals / Write-offs		(274)	(765)					(1.039)
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added to the Income Statement								
Cost at 31.12.2007	59.102	0	0	1.476	387	31		60.996
Accumulated Depreciation at 1.1.2007	17.063		205	1.202	282	2		18.754
Depreciation for the Period	3.588		11	110	58	6		3.773
Disposals / Write-offs			(216)					(216)
Accumulated Depreciation at 31.12.2007	20.651		0	1.312	340	8		22.311
Net Book Value at 31.12.2007	38.451	0	0	165	47	23		38.685
Initial Cost at 1.1.2006	43.040	274	765	1.281	387			45.747
Acquisitions - Additions	21.762			60		31		21.853
Disposals / Write-offs	(6.327)							(6.327)
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added to the Income Statement								
Cost at 31.12.2006	58.475	274	765	1.341	387	31		61.273
Accumulated Depreciation at 1.1.2006	16.914		179	1.114	224			18.431
Depreciation for the Period	2.660		26	88	58	2		2.834
Disposals / Write-offs	(2.511)							(2.511)
Accumulated Depreciation at 31.12.2006	17.063		205	1.202	282	2		18.754
Net Book Value at 31.12.2006	41.412	274	560	139	105	29		42.519

5.10. Intangible assets

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

<u>Consolidated Figures</u>	Trademarks	Software	Total
Initial Cost at 01.01.2007	141	4.646	4.787
Acquisitions - Additions		218	218
Disposals / Write-offs			
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement			
Cost at 31.12.2007	141	4.864	5.005
Accumulated Depreciation at 01.01.2007	70	3.114	3.184
Depreciation for the Period	9	474	484
Disposals / Write-offs			
Accumulated Depreciation at 31.12.2007	79	3.588	3.668
Net Book Value at 31.12.2007	62	1.275	1.337
Initial Cost at 01.01.2006	141	4.499	4.640
Acquisitions - Additions		200	200
Disposals / Write-offs			
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement		(53)	(53)
Cost at 31.12.2006	141	4.646	4.787
Accumulated Depreciation at 01.01.2006	60	2.664	2.724
Depreciation for the Period	10	450	460
Disposals / Write-offs			
Accumulated Depreciation at 31.12.2006	70	3.114	3.184
Net Book Value at 31.12.2006	71	1.532	1.603

<u>Company figures</u>	Trademarks	Software	Total
Initial Cost at 01.01.2007	141	2.769	2.910
Acquisitions - Additions		157	157
Disposals / Write-offs			
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement			
Cost at 31.12.2007	141	2.926	3.067
Accumulated Depreciation at 01.01.2007	70	1.751	1.822
Depreciation for the Period	9	360	370
Disposals / Write-offs			
Accumulated Depreciation at 31.12.2007	79	2.111	2.192
Net Book Value at 31.12.2007	62	815	875
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		(53)	(53)
Cost at 31.12.2006	141	2.769	2.910
Accumulated Depreciation at 01.01.2006	60	1.405	1.466
Depreciation for the Period	10	346	356
Disposals / Write-offs			
Accumulated Depreciation at 31.12.2006	70	1.751	1.822
Net Book Value at 31.12.2006	71	1.018	1.088

As presented above, intangible assets consist of the following assets:

- a) The trademarks, the cost of which include the cost of development and registration both in Greece and abroad.
- b) The software, the cost of which include the cost of the booking systems as well as the cost of purchasing and developing the Group's integrated Enterprise Resource Planning system.

The table below analyzes the tangible and intangible assets held by the Group under finance leases. These assets are included in table 5.9 "Tangible Assets" and table 5.10 "Intangible Assets".

Leased Assets	GROUP	COMPANY
Net Book Value 2006	905	765
Additions 1/1-31/12/07	69	41
Depreciation 1/1-31/12/07	(314)	(209)
Net Book Value 31/12/07	660	597

The most important assets acquired with finance lease are: the vessels' satellite antennas purchased for € 784 thousand, software programs purchased for € 571 thousand and various office electronic equipment purchased for € 243 thousand.

5.11. Financial assets

The “financial assets” account includes the fair value, on December 31, 2007, of the interest rate hedging contract. The same amount is included in the equity of the company and the Group.

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 1.1.2007	297.469	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Revaluation of investments in subsidiaries at fair value*	19.920	
Adjustments-Impairments added to the Income Statement		
Value at 31.12.2007	317.389	0
Initial Cost at 1.1.2006	228.738	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Revaluation of investments in subsidiaries at fair value*	68.731	
Adjustments-Impairments added to the Income Statement		
Value at 31.12.2006	297.469	0

* Refers to the presentation of all the investments in subsidiaries at fair value (§ 2 and 5.32).

Revaluation of investments in subsidiaries at fair value

Company	31/12/2006	31/12/2007	
BLUE STAR FERRIES MARITIME S.A.	68.731	88.651	
TOTAL	68.731	88.651	19.920

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

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

Company Name	Value at 31/12/2006	Impairment	Revaluation of investments in subsidiaries at fair value	Net Book Value	Registered in	Participation
BLUE STAR FERRIES MARITIME S.A.	228.684		88.652	317.336	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	228.738		88.652	317.390		

In addition to the above mentioned companies, 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. Therefore, these companies were not revalued at fair value.

5.13. Non-current receivables

a) The parent company has been awarded a subsidy from the Ministry of Finance for its investment plan, related to the development and provision of innovative I.T. broadband services.

The investment plan which has been budgeted for € 3.600 thousand will be subsidized for expenses of € 1.080 thousand, i.e. the 30% of the total project. This subsidy was approved by the Ministry of Finance on June 29, 2007 and fulfills all the conditions set by IAS 20 "Accounting for government grants and disclosure of government assistance".

b) Guarantees given against office rent and public utility companies such as P.P.C. (Public Power Corporation) and H.T.O. (Hellenic Telecommunications Organization).

Below can be obtained the Non-current receivables analysis.

Subsidy for the acquisition of assets	1.080
Guarantees	66
	1.146

5.14. Inventories

The "Inventories" account includes the following items:

	31/12/2007		31/12/2006	
	GROUP	COMPANY	GROUP	COMPANY
Food-Beverages-Tobacco	237	137	262	153
Fuel-Lubricants	1.243	296	805	301
Hotel Equipment	452	211	517	197
Total	1.932	644	1.584	651

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

5.15. Trade receivables and prepayments

	31/12/2007		31/12/2006	
	GROUP	COMPANY	GROUP	COMPANY
Trade Receivables	22.156	3.836	19.018	3.240
Post Dated Cheques	11.929		12.103	
Less: Provisions for Bad Debts	3.977	170	3.838	170
Trade Receivables (net)	30.108	3.666	27.283	3.070
Prepayments to Suppliers - Creditors	1.152	4	1.444	
Total	31.260	3.670	28.727	3.070

The Group recognized a loss for bad debts of approximately € 140 thousand for the period 1/1 – 31/12/2007. The amount of this provision has been charged to the income statement of the present period.

Bad Debts Account	€
Balance at 31/12/2006	3.838
Plus: New Debts recognised as bad debts	204
Less: Bad Debts collected	<u>(65)</u>
Balance at 31/12/2007	3.977

The Group's credit policy about trade receivables is the following:

Domestic Routes

- a) Passengers and private vehicles tickets have to be settled within two months from the invoice date (last date of each month).
- b) Freight units tickets have to be settled within two or three months from the invoice date (last date of each month).

The above policy is applicable to all Agents based in Greece and abroad.

Adriatic Sea

- a) Passengers and private vehicles tickets have to be settled within forty five days from the invoice date from the agents based abroad and within two months from the invoice date from the agents based in Greece.
- b) Freight units tickets have to be settled within forty five days from the invoice date from the agents based abroad and within three and a half months from the invoice date from the agents based in Greece.

North Sea

Passengers, private vehicles and freight units tickets have to be settled within two months from the invoice date (last date of each month).

Aging analysis

	Total	<30 days	30-60 days	60-90 days	beyond 90 days*
Balance at 31/12/2007	30.108	4.128	7.600	16.285	2.095
Balance at 31/12/2006	27.283	3.681	7.288	14.480	1.835

* The balances beyond 90 days include the amounts of € 2.095 and € 1.835 for the fiscal years : and 2006 respectively, which represent the receivables from the Greek State.

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 very low.

The credit risk control procedures have been reported in paragraph 3.1.2.

The tables below present the maximum exposure to credit risk both for the Company and the Group.

Company's maximum exposure to credit risk

	31/12/2007	31/12/2006
Total receivables	22.156	19.018
Plus:		
Guarantees given against liabilities	595	829
Penalties in case of default		
Less:		
Provisions for Bad Debts	3.977	3.838
Post - dated cheques	11.929	12.103
Contiguous guarantees		
Letters of guarantee, mortgages, attachments	2.018	1.502
Trade receivables from subsidiaries	<u> </u>	<u> </u>
Maximum exposure to credit risk	<u><u>4.828</u></u>	<u><u>2.404</u></u>

Group's maximum exposure to credit risk

	31/12/2007	31/12/2006
Total receivables	3.836	3.240
Plus:		
Guarantees given against liabilities	224	292
Penalties in case of default		
Less:		
Provisions for Bad Debts	170	170
Post - dated cheques		
Contiguous guarantees		
Letters of guarantee, mortgages, attachments		
Trade receivables from subsidiaries	<u>3.085</u>	<u>2.998</u>
Maximum exposure to credit risk	<u><u>805</u></u>	<u><u>364</u></u>

5.16. Tax receivables

	31/12/2007		31/12/2006	
	GROUP	COMPANY	GROUP	COMPANY
Income Tax Prepayment	1		102	78
Withholding Tax on Interest				
Income	40		43	1
VAT Receivable	96		7	
Income Tax Receivable	92	70		
Total	229	70	152	79

5.17. Receivables from subsidiaries – associated companies

The company's receivables from the subsidiaries and associated companies amount approximately € 171.003 thousand and they are written-off on consolidated level. These receivables do not represent sales among companies.

5.18. Other receivables

There is no need for other receivables to be discounted.

	31/12/2007		31/12/2006	
	GROUP	COMPANY	GROUP	COMPANY
Prepayments to Employees	145		156	
Receivables from Insurance				
Companies	268	143	243	23
Masters' General Accounts	64	25	60	22
Other Receivables*	2.377	120	1.219	128
Total	2.854	288	1.678	173

* Other receivables include the amount of € 2.160 thousand which represents an advance payment for the purchase of marine diesel engines, from the subsidiary company Blue Star Ferries Maritime S.A.

5.19. Cash and cash equivalents

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

	31/12/2007		31/12/2006	
	GROUP	COMPANY	GROUP	COMPANY
Cash in hand	36	5	34	3
Cash at banks	4.263	541	4.689	904
Short-term Time Deposits	46.881		37.518	
Total	51.180	546	42.241	907

During the fiscal year, the Group has paid the amount of € 13.500 thousand against scheduled installments of its long-term borrowings.

Furthermore, the Group paid the amount of € 466 thousand against finance leases and € 9.450 thousand as dividend for the fiscal year 2006.

The following table demonstrates the cash in foreign currencies of the company and the Group whose balances are significant.

Cash in foreign currencies

Amounts in USD thousand	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Cash	1.122	2.859	199	199
€/€ exchange rate	1,4721	1,3173	1,4721	1,3173
Foreign currency risk exposure arising from the change of the exchange rate by +/- 10%				
Change in cash	-/+ € 69		-/+ € 12	

Cash in foreign currencies

Amounts in GBP thousand	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Cash	407	1	8	1
€/£ exchange rate	0,73335	0,67115	0,73335	0,67115
Foreign currency risk exposure arising from the change of the exchange rate by +/- 10%				
Change in cash	-/+ € 50		-/+ € 1	

There is no need to measure the above cash and cash equivalents at fair value.

5.20. Deferred expenses – Accrued income

	31/12/2007		31/12/2006	
	GROUP	COMPANY	GROUP	COMPANY
Insurance Premia	217	60	251	95
Drydocking Expenses	6.088	2.148	4.002	1.492
Other	457	111	819	139
Total	6.762	2.319	5.072	1.726

Accrued income refers to interests provision of time deposits.

5.21. Share capital – Reserves

a) Share Capital

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

b) Reserves

The Reserves are stated in the statement of Changes in Equity.

5.22. Secured loans

Long-term secured loans analysis:

	31/12/2007		31/12/2006	
	GROUP	COMPANY	GROUP	COMPANY
Bank Loans				
Bond Loans	162.331	7.473	175.682	8.429
Total	162.331	7.473	175.682	8.429

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 Loans are discounted.

The average weighted interest rate of the Bond Loans is Euribor plus 1,31%.

The loans payments are as follows:

	31/12/2007	
	GROUP	COMPANY
Loans		
Payments within the next two years	27.000	2.000
Payments from 3 to 5 years	40.500	3.000
Payments beyond 5 years	109.750	3.500

The above table includes also the current portion of the long-term debt.

5.23. Finance – Operating leases

The average weighted interest rate of the finance leases is Euribor plus 2,35%.

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

	31/12/2007	
	GROUP	COMPANY
Finance Leases		
Payments up to 1 year	268	254
Payments from 2 to 5 years	122	98
Payments beyond 5 years		

The finance leases that have been recognized in the income statement of the period 1/1 – 31/12/2007 amount € 326 thousand.

The operating leases that have been recognized in the income statement of the present period amount € 424 thousand.

The operating leases refer to office rent and have been contracted with market terms.

5.24. Deferred tax liabilities

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

	31/12/2007	
	GROUP	COMPANY
Tax-free Reserves	19	4
Special taxable Reserves		
Total	19	4

5.25. Retirement benefit provisions

These provisions refer to personnel compensation due to retirement.

The Group has the legal obligation of paying to its employees a compensation at their first date of retirement on a pension.

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

The assumptions used for the calculation of retirement benefit provisions for the period 1/1 – 31/12/2007 are the same with those used for the calculation of retirement benefit provisions for the fiscal year 2006.

The analysis of this liability is as follows:

	31/12/2007		31/12/2006	
	GROUP	COMPANY	GROUP	COMPANY
Outstanding Balance at the Beginning of the period	502	214	438	178
Current period's cost	54	13	43	27
Interest cost	14	4	21	9
Compensation paid				
Provisions over and above the actuarial valuation				
	570	231	502	214

5.26. Provisions

The company has made a provision amounting € 550 thousand which concerns a claim for compensation from the Buyer of the vessel Blue Aegean. The case is in arbitration.

5.27. Trade and other payables

	31/12/2007		31/12/2006	
	GROUP	COMPANY	GROUP	COMPANY
Suppliers - Creditors	13.953	3.687	10.850	3.232
Social Security Contributions	151	41	142	39
Greek Seamens' Pension Fund (NAT)	581	238	492	225
Passengers' & Vehicles' Insurance Contribution (NAT)	921		863	
Insurance Brokers			138	135
Wages payable	1.120	369	842	344
Other	587	346	687	511
Total	17.313	4.681	14.014	4.486

5.28. Payables to subsidiaries - associated companies

The company's payables to subsidiaries and associated companies amount € 239.088 thousand and they are written-off on consolidated level. These payables do not represent sales among companies.

5.29. Tax liabilities

	31/12/2007		31/12/2006	
	GROUP	COMPANY	GROUP	COMPANY
Value Added Tax	591	152	558	129
Wages Tax	193	87	141	59
Income Tax				
Taxes on crew wages	207	70	404	117
Other	371	26	72	58
Total	1.362	335	1.175	363

5.30. Accrued expenses - Deferred income

	31/12/2007		31/12/2006	
	GROUP	COMPANY	GROUP	COMPANY
Accrued Interest	86	4	294	37
Travel Agents' Commissions	944		776	
Tax Provision for Unaudited Fiscal Years	30	10	30	10
Operating Expenses Provisions	368	102	436	239
Total	1.428	116	1.536	286

Deferred income refer to the grant subsidy regarding Company's investment plan related to the development and provisions of innovative I.T. broadband services.

5.31. Financial liabilities

The table below summarizes the maturity of the Group's financial liabilities at 31 December 2007 based on contractual undiscounted payments, excluding available – for – sale assets and discontinued operations when they exist.

	31/12/2007				
	Less than 3 months	3 to 12 months	1 to 5 years	Beyond 5 years	Total
Loans		13.500	54.000	109.750	177.250
Trade and other payables	13.564				13.564
Other liabilities	4.721				4.721
Other financial liabilities		268	122		389

	31/12/2006				
	Less than 3 months	3 to 12 months	1 to 5 years	Beyond 5 years	Total
Loans		13.500	54.000	123.250	190.750
Trade and other payables	10.233				10.233
Other liabilities	4.201				4.201
Other financial liabilities		451	304		755

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

5.32. Presentation in accordance with IAS 1, paragraph 10, about the effect of the change in the accounting policy regarding net Equity

	<u>As with previous accounting policy</u>	<u>Reserves of investments in subsidiaries at fair value</u>	<u>With adoption of new accounting policy</u>
Balance at 31/12/2006	184.532	68.731	253.263
Balance at 31/12/2007	194.856	88.651	283.507

5.32.1. Analysis of the effect of the change of the accounting policy, regarding investments in subsidiaries, in the financial statements

The following tables depict the effect of the change in accounting policy, as described in paragraph 2, regarding the investments in subsidiaries.

Effect of the change in accounting policy regarding Income Statement 01.01 - 31.12.2007

<u>Amounts in € thousand</u>	With adoption of new accounting policy	Effect of the change in accounting policy	As with previous accounting policy
Income statement without the effect of the change in accounting policy			
Profit for the period before taxes			
Income tax			
Net profit of the period after tax	0	0	0

Effect of the change in accounting policy in the Balance Sheet as at 31.12.2007

<u>Amounts in € thousand</u>	With adoption of new accounting policy	Effect of the change in accounting policy	As with previous accounting policy
Fixed assets	359.606	88.651	270.955
Current assets	178.540		178.540
Total assets	538.146	88.651	449.495
Non-current liabilities	8.356		8.356
Current liabilities	246.283		246.283
Total liabilities	254.639	0	254.639
Equity	283.507	88.651	194.856
Total liabilities and equity	538.146	88.651	449.495

Effect of the change in accounting policy regarding Income Statement 01.01 - 31.12.2006

<u>Amounts in € thousand</u>	<u>With adoption of new accounting policy</u>	<u>Effect of the change in accounting policy</u>	<u>As with previous accounting policy</u>
Income statement without the effect of the change in accounting policy			
Profit for the period before taxes			
Income tax			
Net profit of the period after tax	<u>0</u>	<u>0</u>	<u>0</u>

Effect of the change in accounting policy in the Balance Sheet as at 31.12.2006

<u>Amounts in € thousand</u>	<u>With adoption of new accounting policy</u>	<u>Effect of the change in accounting policy</u>	<u>As with previous accounting policy</u>
Fixed assets	<u>342.825</u>	<u>68.731</u>	<u>274.094</u>
Current assets	<u>104.987</u>	<u>0</u>	<u>104.987</u>
Total assets	<u>447.812</u>	<u>68.731</u>	<u>379.081</u>
Non-current liabilities	<u>9.201</u>		<u>321</u>
Current liabilities	<u>185.348</u>		<u>185.348</u>
Total liabilities	<u>194.549</u>	<u>0</u>	<u>185.669</u>
Equity	<u>253.263</u>	<u>68.731</u>	<u>184.532</u>
Total liabilities and equity	<u>447.812</u>	<u>68.731</u>	<u>379.081</u>

Effect of the change in accounting policy, regarding investments in subsidiaries

1. Effect in the account "Investment in subsidiaries" for the period 1/1 – 31/12/2007

	COMPANY	GROUP
(before the change)		
Initial Cost at 01.01.2007	228.738	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Adjustments-Impairments added to the Income Statement		
Value at 31.12.2007	<u>228.738</u>	
(after the change)		
Initial Cost at 01.01.2007	228.738	
Revaluation of investments in subsidiaries at fair value	68.731	
New Initial Cost at 01.01.2007	<u>297.469</u>	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Revaluation of investments in subsidiaries at fair value	19.920	
Adjustments-Impairments added to the Income Statement		
Value at 31.12.2007	<u>317.389</u>	

Revaluation of investments in subsidiaries at fair value

Period 1/1 - 31/12/2007

Company	Before the change	After the change	
BLUE STAR FERRIES MARITIME S.A.	228.684	317.335	
TOTAL	<u>228.684</u>	<u>317.335</u>	88.651

2. Effect in the account “Investment in subsidiaries” for the period 1/1 – 30/9/2007

	COMPANY	GROUP
(before the change)		
Initial Cost at 01.01.2007	228.738	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Adjustments-Impairments added to the Income Statement		
Value at 30.09.2007	228.738	
(after the change)		
Initial Cost at 01.01.2007	228.738	
Revaluation of investments in subsidiaries at fair value	68.731	
New Initial Cost at 01.01.2007	297.469	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Revaluation of investments in subsidiaries at fair value	19.920	
Adjustments-Impairments added to the Income Statement		
Value at 30.09.2007	317.389	

Revaluation of investments in subsidiaries at fair value

Period 1/1 - 30/09/2007

Company	Before the change	After the change	
BLUE STAR FERRIES MARITIME S.A.	228.684	317.335	
TOTAL	228.684	317.335	88.651

3. Effect in the account “Investment in subsidiaries” for the period 1/1 – 30/6/2007

	COMPANY	GROUP
(before the change)		
Initial Cost at 01.01.2007	228.738	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Adjustments-Impairments added to the Income Statement		
Value at 30.06.2007	228.738	
(after the change)		
Initial Cost at 01.01.2007	228.738	
Revaluation of investments in subsidiaries at fair value	68.731	
New Initial Cost at 01.01.2007	297.469	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Revaluation of investments in subsidiaries at fair value	41.511	
Adjustments-Impairments added to the Income Statement		
Value at 30.06.2007	338.980	

Revaluation of investments in subsidiaries at fair value

Period 1/1 - 30/06/2007

Company	Before the change	After the change	
BLUE STAR FERRIES MARITIME S.A.	228.684	338.926	
TOTAL	228.684	338.926	110.242

4. Effect in the account “Investment in subsidiaries” for the period 1/1 – 31/3/2007

	COMPANY	GROUP
(before the change)		
Initial Cost at 01.01.2007	228.738	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Adjustments-Impairments added to the Income Statement		
Value at 31.03.2007	228.738	
(after the change)		
Initial Cost at 01.01.2007	228.738	
Revaluation of investments in subsidiaries at fair value	68.731	
New Initial Cost at 01.01.2007	297.469	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Revaluation of investments in subsidiaries at fair value	4.910	
Adjustments-Impairments added to the Income Statement		
Value at 31.03.2007	302.379	

Revaluation of investments in subsidiaries at fair value

Period 1/1 - 31/03/2007

Company	Before the change	After the change	
BLUE STAR FERRIES MARITIME S.A.	228.684	302.325	
TOTAL	228.684	302.325	73.641

5. Effect in the account “Investment in subsidiaries” for the period 1/1 – 31/12/2006

	COMPANY	GROUP
(before the change)		
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 31.12.2006	228.738	
(after the change)		
Initial Cost at 01.01.2006	228.738	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Revaluation of investments in subsidiaries at fair value	68.731	
Adjustments-Impairments added to the Income Statement		
Value at 31.12.2006	297.469	

Revaluation of investments in subsidiaries at fair value

Period 1/1 - 31/12/2006

Company	Before the change	After the change	
BLUE STAR FERRIES MARITIME S.A.	228.684	297.415	
TOTAL	228.684	297.415	68.731

6. Effect in the account "Investment in subsidiaries" for the period 1/1 – 30/9/2006

	COMPANY	GROUP
(before the change)		
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 30.09.2006	<u>228.738</u>	
Revaluation of investments in subsidiaries at fair value		
Initial Cost at 01.01.2006	228.738	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Revaluation of participations at fair value	74.016	
Adjustments-Impairments added to the Income Statement		
Value at 30.09.2006	<u>302.754</u>	

Revaluation of investments in subsidiaries at fair value

Period 1/1 - 30/09/2006

Company	Before the change	After the change	
BLUE STAR FERRIES MARITIME S.A.	228.684	302.700	
TOTAL	<u>228.684</u>	<u>302.700</u>	74.016

7. Effect in the account “Investment in subsidiaries” for the period 1/1 – 30/6/2006

	COMPANY	GROUP
(before the change)		
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	228.738	
(after the change)		
Initial Cost at 01.01.2006	228.738	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Revaluation of investments in subsidiaries at fair value	120.284	
Adjustments-Impairments added to the Income Statement		
Value at 30.06.2006	349.022	

Revaluation of investments in subsidiaries at fair value

Period 1/1 - 30/06/2006

Company	Before the change	After the change	
BLUE STAR FERRIES MARITIME S.A.	228.684	348.968	
TOTAL	228.684	348.968	120.284

8. Effect in the account "Investment in subsidiaries" for the period 1/1 – 31/3/2006

	COMPANY	GROUP
(before the change)		
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 31.03.2006	228.738	
(after the change)		
Initial Cost at 01.01.2006	228.738	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Revaluation of investments in subsidiaries at fair value	91.338	
Adjustments-Impairments added to the Income Statement		
Value at 31.03.2006	320.076	

Revaluation of investments in subsidiaries at fair value

Period 1/1 - 31/03/2006

Company	Before the change	After the change	
BLUE STAR FERRIES MARITIME S.A.	228.684	320.022	
TOTAL	228.684	320.022	91.338

Effect of the change in accounting policy regarding net Equity

2. Statement of Changes in Equity

For the Period 1/1-31/12/2007

COMPANY

(before the change)

Balance at 1 January 2007

Changes in Equity for the Period 1/1-31/12/2007

Net Profit for the Period 1/1-31/12/2007

Dividends

Balance at 31 December 2007

	Share Capital	Share Premium	Other Reserves	Fair value reserves from hedging	Retained Earnings	Total shareholders Equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2007	105.000	73.490	(3.966)		10.008	184.532		184.532
Changes in Equity for the Period 1/1-31/12/2007			(253)	1.523	247	1.517		1.517
Net Profit for the Period 1/1-31/12/2007			648		17.609	18.257		18.257
Dividends					(9.450)	(9.450)		(9.450)
Balance at 31 December 2007	105.000	73.490	(3.571)	1.523	18.414	194.856		194.856

COMPANY

(after the change)

Balance at 1 January 2007

Reserves from revaluation of investments in subsidiaries at fair value

New balance at 1 January 2007

Changes in Equity for the Period 1/1-31/12/2007

Reserves from revaluation of investments in subsidiaries at fair value

Net Profit for the Period 1/1-31/12/2007

Dividends

Balance at 31 December 2007

	Share Capital	Share Premium	Other Reserves	Fair value reserves from hedging	Retained Earnings	Total shareholders Equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2007	105.000	73.490	(3.966)		10.008	184.532		184.532
Reserves from revaluation of investments in subsidiaries at fair value			68.731			68.731		68.731
New balance at 1 January 2007	105.000	73.490	64.765		10.008	253.263		253.263
Changes in Equity for the Period 1/1-31/12/2007			(253)	1.523	247	1.517		1.517
Reserves from revaluation of investments in subsidiaries at fair value			19.920			19.920		19.920
Net Profit for the Period 1/1-31/12/2007			648		17.609	18.257		18.257
Dividends					(9.450)	(9.450)		(9.450)
Balance at 31 December 2007	105.000	73.490	85.080	1.523	18.414	283.507		283.507

Statement of changes in reserves from revaluation of investments in subsidiaries at fair value

For the Period 1/1-31/12/2007

	Before the changes	After the changes	
BLUE STAR FERRIES MARITIME S.A.	0	88.651	
TOTAL	0	88.651	88.651

2. Statement of Changes in Equity

For the Period 1/1-30/9/2007

COMPANY

(before the change)

	Share Capital	Share Premium	Other Reserves	Fair value reserves from hedging	Retained Earnings	Total shareholders Equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2007	105.000	73.490	(3.966)		10.008	184.532		184.532
Changes in Equity for the Period 1/1-30/9/2007			(253)	1.645	247	1.639		1.639
Net Profit for the Period 1/1-30/9/2007					19.597	19.597		19.597
Dividends					(9.450)	(9.450)		(9.450)
Balance at 30 September 2007	105.000	73.490	(4.219)	1.645	20.402	196.318		196.318

COMPANY

(after the change)

	Share Capital	Share Premium	Other Reserves	Fair value reserves from hedging	Retained Earnings	Total shareholders Equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2007	105.000	73.490	(3.966)		10.008	184.532		184.532
Reserves from revaluation of investments in subsidiaries at fair value			68.731			68.731		68.731
New balance at 1 January 2007	105.000	73.490	64.765		10.008	253.263		253.263
Changes in Equity for the Period 1/1-30/9/2007			(253)	1.645	247	1.639		1.639
Reserves from revaluation of investments in subsidiaries at fair value			19.920			19.920		19.920
Net Profit for the Period 1/1-30/9/2007					19.597	19.597		19.597
Dividends					(9.450)	(9.450)		(9.450)
Balance at 30 September 2007	105.000	73.490	84.432	1.645	20.402	284.970		284.970

Statement of changes in reserves from revaluation of investments in subsidiaries at fair value

For the Period 1/1-30/9/2007

	Before the changes	After the changes	
BLUE STAR FERRIES MARITIME S.A.	0	88.651	
TOTAL	0	88.651	88.651



COMPANY

(before the change)

Balance at 1 January 2007

Changes in Equity for the Period 1/1-30/6/2007

Net Profit for the Period 1/1-30/6/2007

Dividends

Balance at 30 June 2007

COMPANY

(after the change)

Balance at 1 January 2007

Reserves from revaluation of investments in subsidiaries at fair value

New balance at 1 January 2007

Changes in Equity for the Period 1/1-30/6/2007

Reserves from revaluation of investments in subsidiaries at fair value

Net Profit for the Period 1/1-30/6/2007

Dividends

Balance at 30 June 2007

3. Statement of Changes in Equity

For the Period 1/1-30/6/2007

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total shareholders Equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2007	105.000	73.490	(3.966)	10.008	184.532		184.532
Changes in Equity for the Period 1/1-30/6/2007				(7)	(7)		(7)
Net Profit for the Period 1/1-30/6/2007				(41)	(41)		(41)
Dividends				(9.450)	(9.450)		(9.450)
Balance at 30 June 2007	105.000	73.490	(3.966)	510	175.034		175.034

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total shareholders Equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2007	105.000	73.490	(3.966)	10.008	184.532		184.532
Reserves from revaluation of investments in subsidiaries at fair value			68.731		68.731		68.731
New balance at 1 January 2007	105.000	73.490	64.765	10.008	253.263		253.263
Changes in Equity for the Period 1/1-30/6/2007				(7)	(7)		(7)
Reserves from revaluation of investments in subsidiaries at fair value			41.511		41.511		41.511
Net Profit for the Period 1/1-30/6/2007				(41)	(41)		(41)
Dividends				(9.450)	(9.450)		(9.450)
Balance at 30 June 2007	105.000	73.490	106.276	510	285.277		285.277

Statement of changes in reserves from revaluation of investments in subsidiaries at fair value

For the Period 1/1-30/6/2007

	Before the changes	After the changes	
BLUE STAR FERRIES MARITIME S.A.	0	110.242	
TOTAL	0	110.242	110.242



4. Statement of Changes in Equity

For the Period 1/1-31/3/2007

COMPANY

(before the change)

Balance at 1 January 2007

Changes in Equity for the Period 1/1-31/3/2007

Reclassified items

Net Profit for the Period 1/1-31/3/2007

Dividends

Balance at 31 March 2007

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total shareholders Equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2007	105.000	73.490	(3.966)	10.008	184.532		184.532
Reclassified items							
Net Profit for the Period 1/1-31/3/2007				(674)	(674)		(674)
Dividends							
Balance at 31 March 2007	105.000	73.490	(3.966)	9.334	183.858		183.858

COMPANY

(after the change)

Balance at 1 January 2007

Reserves from revaluation of investments
in subsidiaries at fair value

New balance at 1 January 2007

Changes in Equity for the Period 1/1-31/3/2007

Reserves from revaluation of investments
in subsidiaries at fair value

Net Profit for the Period 1/1-31/3/2007

Dividends

Balance at 31 March 2007

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total shareholders Equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2007	105.000	73.490	(3.966)	10.008	184.532		184.532
Reserves from revaluation of investments in subsidiaries at fair value			68.731		68.731		68.731
New balance at 1 January 2007	105.000	73.490	64.765	10.008	253.263		253.263
Reserves from revaluation of investments in subsidiaries at fair value			4.910		4.910		4.910
Net Profit for the Period 1/1-31/3/2007				(674)	(674)		(674)
Dividends							
Balance at 31 March 2007	105.000	73.490	69.675	9.334	257.499		257.499

Statement of changes in reserves from revaluation of investments in subsidiaries at fair value

For the Period 1/1-30/3/2007

	Before the changes	After the changes	
BLUE STAR MARITIME S.A.	0	73.641	
TOTAL	0	73.641	73.641

5. Statement of Changes in Equity

For the Period 1/1-31/12/2006

COMPANY

(before the change)

Balance at 1 January 2006

Changes in Equity for the Period 1/1-31/12/2006

Net Profit for the Period 1/1-31/12/2006

Dividends

Balance at 31 December 2006

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total shareholders Equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2006	105.000	73.490	(4.298)	8.334	182.526		182.526
Changes in Equity for the Period 1/1-31/12/2006				(426)	(426)		(426)
Net Profit for the Period 1/1-31/12/2006			332	9.450	9.782		9.782
Dividends				(7.350)	(7.350)		(7.350)
Balance at 31 December 2006	105.000	73.490	(3.966)	10.008	184.532		184.532

COMPANY

(after the change)

Balance at 1 January 2006

Changes in Equity for the Period 1/1-31/12/2006

Reserves from revaluation of investments

in subsidiaries at fair value

Net Profit for the Period 1/1-31/12/2006

Dividends

Balance at 31 December 2006

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total shareholders Equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2006	105.000	73.490	(4.298)	8.334	182.526		182.526
Changes in Equity for the Period 1/1-31/12/2006				(426)	(426)		(426)
Reserves from revaluation of investments in subsidiaries at fair value			68.731		68.731		68.731
Net Profit for the Period 1/1-31/12/2006			332	9.450	9.782		9.782
Dividends				(7.350)	(7.350)		(7.350)
Balance at 31 December 2006	105.000	73.490	64.765	10.008	253.263		253.263

Statement of changes in reserves from revaluation of investments in subsidiaries at fair value

For the Period 1/1-31/12/2006

	Before the changes	After the changes	
BLUE STAR FERRIES MARITIME S.A.	0	68.731	
TOTAL	0	68.731	68.731

6. Statement of Changes in Equity

For the Period 1/1-30/9/2006

COMPANY

(before the change)

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total shareholders Equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2006	105.000	73.490	(4.298)	8.334	182.526		182.526
Expenses related to share capital increase							
Net Profit for the Period 1/1-30/9/2006				9.816	9.816		9.816
Dividends				(7.350)	(7.350)		(7.350)
Balance at 30 September 2006	105.000	73.490	(4.298)	10.800	184.992		184.992

COMPANY

(after the change)

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total shareholders Equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2006	105.000	73.490	(4.298)	8.334	182.526		182.526
Expenses related to share capital increase							
Reserves from revaluation of investments in subsidiaries at fair value			74.016		74.016		74.016
Net Profit for the Period 1/1-30/9/2006				9.816	9.816		9.816
Dividends				(7.350)	(7.350)		(7.350)
Balance at 30 September 2006	105.000	73.490	69.718	10.800	259.008		259.008

Statement of changes in reserves from revaluation of investments in subsidiaries at fair value

For the Period 1/1-30/9/2006

	Before the changes	After the changes	
BLUE STAR FERRIES MARITIME S.A.	0	74.016	
TOTAL	0	74.016	74.016

7. Statement of Changes in Equity

For the Period 1/1-30/6/2006

COMPANY

(before the change)

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2006	105.000	73.490	(4.298)	8.334		182.526
Expenses related to share capital increase						
Net Profit for the Period 1/1-30/6/2006				6.703		6.703
Dividends				(7.350)		(7.350)
Balance at 30 June 2006	105.000	73.490	(4.298)	7.687		181.879

COMPANY

(after the change)

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2006	105.000	73.490	(4.298)	8.334		182.526
Expenses related to share capital increase						
Reserves from revaluation of investments in subsidiaries at fair value			120.284			120.284
Net Profit for the Period 1/1-30/6/2006				6.703		6.703
Dividends				(7.350)		(7.350)
Balance at 30 June 2006	105.000	73.490	115.986	7.687		302.164

Statement of changes in reserves from revaluation of investments in subsidiaries at fair value

For the Period 1/1-30/6/2006

	Before the changes	After the changes	
BLUE STAR FERRIES MARITIME S.A.	0	120.284	
TOTAL	0	120.284	120.284

8. Statement of Changes in Equity

For the Period 1/1-31/3/2006

COMPANY

(before the change)

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2006	105.000	73.490	(4.298)	8.334		182.526
Changes in Equity for the Period 1/1-31/3/2006						
Net Profit for the Period 1/1-31/3/2006				(666)		(666)
Dividends						
Balance at 31 March 2006	105.000	73.490	(4.298)	7.668		181.860

COMPANY

(after the change)

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2006	105.000	73.490	(4.298)	8.334		182.526
Changes in Equity for the Period 1/1-31/3/2006						
Reserves from revaluation of investments in subsidiaries at fair value			91.338			91.338
Net Profit for the Period 1/1-31/3/2006				(666)		(666)
Dividends						
Balance at 31 March 2006	105.000	73.490	87.040	7.668		273.199

Statement of changes in reserves from revaluation of investments in subsidiaries at fair value

For the Period 1/1-31/3/2006

	Before the changes	After the changes	
BLUE STAR FERRIES MARITIME S.A.	0	91.338	
TOTAL	0	91.338	91.338

6. Contingent assets and liabilities

a) Liens and Encumbrances

As already stated in paragraph 5.9., the vessels owned by the Group have been mortgaged as security of secured loans for an amount of Euro 212 mln.

b) Company disputes under litigation or arbitration

On 31 December 2007 there were pending lawsuits against the Group, about labour, civil and shipping claims. It is estimated that these claims will not have any significant effect on the Group's financial position because for most of the cases there is appropriate insurances coverage.

c) Unaudited years

See paragraph 5.8. "Income taxes"

d) Granted guarantees

The following letters of guarantee have been provided to secure liabilities of the Group and the Company and were in force on 31/12/2007 and on 31/12/2006:

Amounts in € thousand

	GROUP		COMPANY	
	<u>31/12/2007</u>	<u>31/12/2006</u>	<u>31/12/2007</u>	<u>31/12/2006</u>
Granted guarantees	595	829	224	292

e) Commitments for purchases and capital expenditure

Purchase contracts, in force on 31/12/2007 and on 31/12/2006, are as follow:

Amounts in € thousand

	GROUP		COMPANY	
	<u>31/12/2007</u>	<u>31/12/2006</u>	<u>31/12/2007</u>	<u>31/12/2006</u>
Purchase contracts	10.799	---	---	---
Capital expenditure contracts				

f) Undertakings

On 31/12/2007 the Group and the Company have the following liabilities which derive from the operating lease agreements and are payable as follows:

Amounts in € thousand

	GROUP		COMPANY	
	<u>31/12/2007</u>	<u>31/12/2006</u>	<u>31/12/2007</u>	<u>31/12/2006</u>
Within 1 year				
Between 2 to 5 years				
Over 5 years				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

7. Events after the Balance Sheet date

- a) On 13th February 2008, the Board of Directors accepted the resignation of Board Members, Mr. Pericles S. Panagopoulos, Mr. Alexander P. Panagopoulos and Mr. Emmanouil Kalpadakis and decided their replacement with Mr. Petros Vettas, Mr. Yannis Criticos and Mr. Alexander Edipidis .
- b) On 26th February 2008, the Board of Directors has decided to merge by absorption Blue Star Maritime S.A. by Attica Group, as per provisions of articles 69-77a of Common Law 2190/20, of articles 1 to 5 of Law 2166/93.

8. Proposed Dividend Payable

The Board of Directors has decided on March 20th, 2008 to propose to the Annual General Meeting of Shareholders the distribution of € 0,09 per share as dividend for the fiscal year 2007.

Voula, March 19, 2008

MANAGING DIRECTOR

AUTHORIZED DIRECTOR

FINANCIAL DIRECTOR

MICHAEL SAKELLIS

SPIROS PASCHALIS

NIKOLAOS TAPIRIS