



# **MINOAN LINES SHIPPING S.A.**

## **Financial Statements** **for the period (1/1 – 30/6/2007)**

In accordance with International Accounting Standard 34 (Interim Financial Reporting)

The accompanying financial statements have been approved by the Board of Directors on 21/08/2007 and have been uploaded to the Company's web site [www.minoan.gr](http://www.minoan.gr).

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## REVIEW – FIRST HALF 2007

- **Financial results**

### The Company

The first half of 2007, despite the fact that the Company operated its business activities with one vessel less (H/S/F Ariadne Palace), the total revenue showed a slight decrease (-1.2%) and reached the amount of € 83.8 versus € 84.8 million in comparison with the respective period of 2006.

The above reduction in the total revenue is significantly lower than the respective decrease in the number of trips (-5.6%) for the specific time period.

The results of the Company on EBITDA level were spectacularly increased by 50.9 % and were shaped at 18.2 million against 12.1 million of the first half of 2006, while the EBITDA margin was improved by 7.5% and shaped at 21.7%. The net profit results of the Company were improved by € 5.2 million (+74.5%) and bounded the total loss – due to seasonality - at € -1.8 million versus € -7.0 million in relation to the respective period of 2006.

### The Group

On a Group level, the improvement in the net result by € 0.2 million, in relation to the respective amount of the parent company, is mainly attributed to the positive contribution of the associated company Hellenic Seaways S.A. whose net profit during the first half of 2007 amounted to € 0.7 million versus a loss of € -1.2 million of the respective period of 2006.

The significant improvement (+157.8%) of the net result, is mainly due to the strategic development of the associated company through the employment of new ship-buildings, the successful reconstruction of its fleet, and the renewal of its organizational structure.

It should be noted that, the share of the net result of the aforementioned company for the six-month period, amounted to € +0.2 million, in comparison with € -0.4 million of the respective period of 2006.

- **Traffic Volumes**

During the first half of 2007 MINOAN LINES operated its business in the North Adriatic (International line) with four vessels and in the Greek Coastal line (domestic) with two vessels, maintaining its leading position in the two target markets. More specifically:

### North Adriatic sea routes (Ancona and Venice line)

In the North Adriatic Sea routes (Ancona – Venice), the reduction in the total number of trips by 12.8% resulted in a slight reduction in the volumes of all traffic categories.

The traffic volumes and the relevant market share per category for the first half of 2007 are outlined in the table below:

**North Adriatic sea routes (Ancona – Venice)**

<b>Category</b>	<b>Volume</b>	<b>Change (%)</b>	<b>Market Share</b>
Passengers	185,374	-2.7	33.9 %
Cars	48,069	-4.2	34.6 %
Trucks	41,683	-8.5	30.8 %
Trips	484	-12.8	29.8 %

### **Hellenic coastal sea routes (Heraklion – Piraeus line)**

In the “Heraklion-Piraeus” line, MINOAN LINES presented a significant increase in all traffic categories. In particular, for the first six-month period of 2007, the Company carried in total, 17,448 more passengers (+4.3% increase), 2,067 more cars (+4.4% increase) and 3,831 more trucks (+11.9% increase), strengthening even more its leading position.

## **Independent Report on Review of Condensed Interim Financial Information**

**To the Shareholders of  
MINOAN LINES S.A.**

### **Introduction**

We have reviewed the accompanying standalone and consolidated condensed balance sheet of Minoan Lines S.A. ("the Company") as at 30 June 2007 and the related standalone and consolidated condensed statements of income, changes in equity and cash flows for the six-month period then ended and the summary of the significant accounting policies and explanatory notes ("Interim Condensed Financial Information). Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with the International Financial Reporting Standard (IAS 34 Interim Financial Reporting) as they have been adopted by the European Union. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### **Scope of view**

We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity as provided by the Greek Auditing Standards. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Financial Information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

**Athens, 21 August 2007**

**KPMG Kyriacou Certified Auditors S.A.**

**Marios T. Kyriacou, Certified Auditor Accountant**

**A.M. SOEL 11121**

## Income Statement

		The Group				The Company			
	Note	1/1-30/6/2007	1/4-30/6/2007	1/1-30/6/2006	1/4-30/6/2006	1/1-30/6/2007	1/4-30/6/2007	1/1-30/6/2006	1/4-30/6/2006
Revenue	6	83,851,173.71	46,391,181.38	84,846,075.93	51,745,207.44	83,767,886.02	46,342,983.40	84,768,815.22	51,687,170.47
Cost of Sales	7	-62,051,211.66	-33,298,686.00	-69,465,460.06	-39,721,749.19	-62,020,672.61	-33,273,963.63	-69,455,049.71	-39,711,338.84
<b>Gross Profit</b>		<b>21,799,962.05</b>	<b>13,092,495.38</b>	<b>15,380,615.87</b>	<b>12,023,458.25</b>	<b>21,747,213.41</b>	<b>13,069,019.77</b>	<b>15,313,765.51</b>	<b>11,975,831.63</b>
Other Operating Income	8	168,607.08	107,307.24	164,462.77	57,750.05	198,549.99	123,768.92	167,480.29	59,983.81
Distribution expenses		-7,792,194.15	-4,349,652.35	-7,904,704.02	-5,393,946.27	-7,788,177.52	-4,349,773.85	-7,894,977.54	-5,384,219.79
Administrative expenses		-4,514,188.34	-2,204,047.60	-5,316,667.90	-3,301,799.46	-4,474,194.61	-2,193,978.48	-5,232,445.87	-3,259,811.99
Other Operating expenses		-34,085.03	-6,861.00	-64,059.63	-30,953.16	-34,085.03	-6,861.00	-64,059.63	-30,953.16
<b>Operating profit before financing costs</b>		<b>9,628,101.61</b>	<b>6,639,241.67</b>	<b>2,259,647.09</b>	<b>3,354,509.41</b>	<b>9,649,306.24</b>	<b>6,642,175.36</b>	<b>2,289,762.76</b>	<b>3,360,830.50</b>
Financial income	9	933,001.75	518,106.37	1,931,831.94	323,899.61	951,193.42	536,375.52	2,033,305.53	267,460.74
Financial expenses	10	-12,377,581.67	-6,361,364.89	-12,736,214.33	-6,736,584.95	-12,371,677.59	-6,358,402.49	-12,729,462.07	-6,732,739.00
Share of Profit (Loss) of affiliates	15	244,323.16	1,570,502.63	-417,740.82	1,808,903.71	-	-	-	-
<b>Profit/(Loss) before tax</b>		<b>-1,572,155.15</b>	<b>2,366,485.78</b>	<b>-8,962,476.12</b>	<b>-1,249,272.22</b>	<b>-1,771,177.93</b>	<b>820,148.39</b>	<b>-8,406,393.78</b>	<b>-3,104,447.76</b>
Income Tax expense	12	-8,650.55	-4,888.08	1,448,079.62	1,448,079.62	-	-	1,453,260.37	1,453,260.37
<b>Profit/(Loss) after tax</b>		<b>-1,580,805.70</b>	<b>2,361,597.70</b>	<b>-7,514,396.50</b>	<b>198,807.40</b>	<b>-1,771,177.93</b>	<b>820,148.39</b>	<b>-6,953,133.41</b>	<b>-1,651,187.39</b>
<b>Attributable to :</b>									
Equity holders of the parent		-1,578,861.21	2,362,487.55	-7,510,891.32	199,665.61	-1,771,177.93	820,148.39	-6,953,133.41	-1,651,187.39
Minority Interest		-1,944.49	-889.85	-3,505.18	-858.21	-	-	-	-
<b>Basic and Diluted earnings per Share after Tax (in €)</b>	29	<b>-0.02</b>	<b>0.03</b>	<b>-0.11</b>	<b>0.00</b>	<b>-0.02</b>	<b>0.01</b>	<b>-0.10</b>	<b>-0.02</b>

The accompanying notes on pages 7 – 20 are integral part of the Interim Financial Statements

## Balance Sheet

	Note	The Group		The Company	
		30/6/2007	31/12/2006	30/6/2007	31/12/2006
<b>Assets</b>					
<b>Non – current assets</b>					
Property, plant and equipment	13	555,803,022.59	563,644,681.51	555,802,769.67	563,644,175.87
Investments in subsidiaries	14	-	-	3,478,021.47	3,478,021.47
Investments in associates	15	72,296,840.17	69,505,352.00	66,185,097.17	66,080,097.17
Other Financial Assets	16	7,441,803.99	4,311,622.45	7,441,803.99	4,311,622.45
Other long term assets		20,784.85	31,079.19	20,784.85	31,079.19
<b>Total non – current assets</b>		<b>635,562,451.60</b>	<b>637,492,735.15</b>	<b>632,928,477.15</b>	<b>637,544,996.15</b>
<b>Current assets</b>					
Inventories	17	5,339,148.98	4,030,255.95	5,339,148.98	4,030,255.95
Trade and other receivables	18	48,489,094.91	52,402,104.12	48,375,933.49	52,150,215.08
Available –for- sale securities		74,900.64	64,900.64	74,900.64	64,900.64
Other current assets	18	6,616,193.98	7,251,816.47	6,603,768.63	7,250,064.47
Cash and cash equivalents	19	2,817,971.95	16,800,487.88	2,540,824.88	16,596,091.98
Non – current assets held for sale	20	5,200,000.05	5,200,000.05	-	-
<b>Total current assets</b>		<b>68,537,310.51</b>	<b>85,749,565.11</b>	<b>62,934,576.62</b>	<b>80,091,528.12</b>
<b>Total Assets</b>		<b>704,099,762.11</b>	<b>723,242,300.26</b>	<b>695,863,053.77</b>	<b>717,636,524.27</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	21	159,583,500.00	159,583,500.00	159,583,500.00	159,583,500.00
Share premium	21	26,942,576.38	26,942,576.38	26,942,576.38	26,942,576.38
Fair value and hedge reserves	16, 18, 27	11,568,401.82	3,512,306.39	9,060,742.32	3,446,811.90
Other reserves	22	57,752,265.18	57,752,265.18	57,732,295.73	57,732,295.73
Retained earnings		26,762,486.15	28,341,347.36	21,155,536.04	22,926,713.97
<b>Total Equity attributable to equity holders of the parent</b>		<b>282,609,229.53</b>	<b>276,131,995.31</b>	<b>274,474,650.47</b>	<b>270,631,897.98</b>
<b>Minority Interest</b>		<b>66,838.73</b>	<b>68,783.22</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>282,676,068.26</b>	<b>276,200,778.53</b>	<b>274,474,650.47</b>	<b>270,631,897.98</b>
<b>Non – current liabilities</b>					
Interest-bearing loans and borrowings	23	260,299,854.36	339,835,685.36	260,299,854.36	339,835,685.36
Employee defined benefit obligations	24	2,466,765.07	2,321,825.80	2,466,765.07	2,321,825.80
Deferred government grants	25	5,092,825.47	5,189,385.78	5,092,825.47	5,189,385.78
<b>Total Non – current liabilities</b>		<b>267,859,444.90</b>	<b>347,346,896.94</b>	<b>267,859,444.90</b>	<b>347,346,896.94</b>
<b>Current liabilities</b>					
Short Term Liabilities	23	23,856,668.15	35,072,877.45	23,856,668.15	35,072,877.45
Current portion of interest -bearing loans and borrowings	23	92,400,629.00	25,729,596.00	92,400,629.00	25,729,596.00
Trade and other payables	26	37,306,951.80	38,892,151.34	37,271,661.25	38,855,255.90
<b>Total current liabilities</b>		<b>153,564,248.95</b>	<b>99,694,624.79</b>	<b>153,528,958.40</b>	<b>99,657,729.35</b>
<b>Total liabilities</b>		<b>421,423,693.85</b>	<b>447,041,521.73</b>	<b>421,388,403.30</b>	<b>447,004,626.29</b>
<b>Total Equity and Liabilities</b>		<b>704,099,762.11</b>	<b>723,242,300.26</b>	<b>695,863,053.77</b>	<b>717,636,524.27</b>

The accompanying notes on pages 7 – 20 are integral part of the Interim Financial Statements

**Statement of changes in Equity**

	<u>The Company</u>						
	Share Capital	Share Premium	Fair Value Reserves	Hedge Reserves	Other Reserves	Retained Earnings	Total Equity
<b>Balance as at 1/1/2006</b>	159,583,500.00	26,942,576.38	-	-	69,216,024.12	-6,830,451.19	248,911,649.31
<b><u>Changes in equity</u></b> <b><u>1/1 – 30/6/2006</u></b>							
Net Profit for the period 1/1 – 30/6/2006	-	-	-	-	-	-6,953,133.41	-6,953,133.41
<b>Total recognized income and expense for the period ended</b>	-	-	-	-	-	-6,953,133.41	-6,953,133.41
Transfer from other reserves to offset prior years' accumulated losses	-	-	-	-	-12,397,728.39	12,397,728.39	-
<b>Balance as at 30/6/2006</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>-</b>	<b>-</b>	<b>56,818,295.73</b>	<b>-1,385,856.21</b>	<b>241,958,515.90</b>
<b>Balance as at 1/1/2007</b>	159,583,500.00	26,942,576.38	-	3,446,811.90	57,732,295.73	22,926,713.97	270,631,897.98
<b><u>Changes in equity</u></b> <b><u>1/1 – 30/6/2007</u></b>							
Change in fair value of derivative financial instruments	-	-	-	5,613,930.42	-	-	5,613,930.42
Net Profit for the period 1/1 – 30/6/2007	-	-	-	-	-	-1,771,177.93	-1,771,177.93
<b>Total recognized income and expense for the period ended</b>	-	-	-	5,613,930.42	-	-1,771,177.93	3,842,752.49
<b>Balance as at 30/6/2007</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>-</b>	<b>9,060,742.32</b>	<b>57,732,295.73</b>	<b>21,155,536.04</b>	<b>274,474,650.47</b>

The accompanying notes on pages 7 – 20 are integral part of the Interim Financial Statements

**Consolidated Statement of changes in Equity**

<b>The Group</b>									
	<b>Attributive to the Equity Holders of the Parent Company</b>						<b>Total Shareholders Equity</b>	<b>Minority Interest</b>	<b>Total Equity</b>
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Fair Value Reserves</b>	<b>Hedge Reserves</b>	<b>Other Reserves</b>	<b>Retained Earnings</b>			
<b>Balance as at 1/1/2006</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>-</b>	<b>-</b>	<b>69,252,152.85</b>	<b>-4,761,880.46</b>	<b>251,016,348.77</b>	<b>54,791.97</b>	<b>251,071,140.74</b>
<b>Changes in equity 1/1 – 30/ 6/2006</b>									
Change in fair value of available for sale securities and other items recognized directly in Equity	-	-	20,390.52	-	-	-	20,390.52	-	20,390.52
Net Profit for the period 1/1- 30/ 6/2006	-	-	-	-	-	-7,510,891.32	-7,510,891.32	-3,505.18	-7,514,396.50
<b>Total recognized income and expense for the period ended</b>	<b>-</b>	<b>-</b>	<b>20,390.52</b>	<b>-</b>	<b>-</b>	<b>-7,510,891.32</b>	<b>-7,490,500.80</b>	<b>-3,505.18</b>	<b>-7,494,005.98</b>
Changes in equity due to the sale of subsidiary	-	-	-	-	-17,143.83	17,143.83	-	-7,090.57	-7,090.57
Transfer from other reserves to offset prior years' accumulated losses	-	-	-	-	-12,397,728.39	12,397,728.39	-	-	-
<b>Balance as at 30/6/2006</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>20,390.52</b>	<b>-</b>	<b>56,837,280.63</b>	<b>142,100.44</b>	<b>243,525,847.97</b>	<b>44,196.22</b>	<b>243,570,044.19</b>
<b>Balance as at 1/1/2007</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>508,009.81</b>	<b>3,004,296.58</b>	<b>57,752,265.18</b>	<b>28,341,347.36</b>	<b>276,131,995.31</b>	<b>68,783.22</b>	<b>276,200,778.53</b>
<b>Changes in equity 1/1 – 30/6/2007</b>									
Change in fair value of derivative financial instruments	-	-	-	7,100,232.73	-	-	7,100,232.73	-	7,100,232.73
Change in fair value of available for sale securities	-	-	955,862.70	-	-	-	955,862.70	-	955,862.70
Net Profit for the period 1/1- 30/6/2007	-	-	-	-	-	-1,578,861.21	-1,578,861.21	-1,944.49	-1,580,805.70
<b>Total recognized income and expense for the period ended</b>	<b>-</b>	<b>-</b>	<b>955,862.70</b>	<b>7,100,232.73</b>	<b>-</b>	<b>-1,578,861.21</b>	<b>6,477,234.22</b>	<b>-1,944.49</b>	<b>6,475,289.73</b>
<b>Balance as at 30/6/2007</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>1,463,872.51</b>	<b>10,104,529.31</b>	<b>57,752,265.18</b>	<b>26,762,486.15</b>	<b>282,609,229.53</b>	<b>66,838.73</b>	<b>282,676,068.26</b>

The accompanying notes on pages 7-20 are integral part of the Interim Financial Statement

**Statement of Cash Flows**

	<b>The Group</b>		<b>The Company</b>	
	<b>1/1 – 30/6/2007</b>	<b>1/1 - 30/6/2006</b>	<b>1/1 – 30/6/2007</b>	<b>1/1 - 30/6/2006</b>
<b>Cash flow from Operating Activities</b>				
Profit before tax	-1,572,155.15	-8,962,476.12	-1,771,177.93	-8,406,393.78
<i>Adjustments for:</i>				
Depreciation and amortization	8,570,047.67	9,781,885.10	8,569,794.95	9,781,885.10
Provisions	529,281.68	1,452,527.53	529,281.68	1,452,527.53
Unrealized Foreign Exchange Differences	-23,640.52	-	-23,640.52	-
Gain (Loss) from tangible asset disposal	-268,402.70	-1,502,563.91	-24,079.54	-2,021,778.32
Financial expenses	12,377,581.67	12,659,655.92	12,371,677.59	12,652,903.66
Other non – monetary expenses/(income)	-96,167.09	-96,176.59	-96,167.09	-96,206.61
<b>Operating results before changes in working capital</b>	<b>19,516,545.56</b>	<b>13,332,851.93</b>	<b>19,555,689.14</b>	<b>13,362,937.58</b>
Increase in inventories	-1,308,893.03	-1,881,348.02	-1,308,893.03	-1,881,348.02
Decrease (Increase) in trade and other receivables	6,692,635.96	-7,803,761.06	6,564,581.69	-7,857,229.13
Decrease (Increase) in liabilities (other than borrowings)	-3,650,123.35	15,218,100.52	-3,659,672.87	15,261,256.21
Interest and related expenses paid	-10,333,283.57	-10,396,040.84	-10,327,379.49	-10,389,288.58
Taxes paid	15,935.97	-338,657.48	35,740.93	-339,885.09
<b>Cash flows from operating activities (a)</b>	<b>10,932,817.54</b>	<b>8,131,145.05</b>	<b>10,860,066.37</b>	<b>8,156,442.97</b>
<b>Cash flow from investing activities</b>				
Acquisition of subsidiaries and associates net of cash	-115,000.00	-	-115,000.00	-59,970.00
Purchase of tangible and intangible assets	-728,781.97	-336,569.30	-728,781.97	-336,569.30
Proceeds from property, plant and equipment and investments disposal	-	1,772,104.70	-	1,772,104.70
Decrease /(Increase) in other long-term assets	10,294.34	-490.51	10,294.34	-508.12
Interest income received	-	493,874.96	-	493,313.34
Dividends received	24,079.54	148,212.98	24,079.54	162,492.19
<b>Cash flows from investing activities (b)</b>	<b>-809,408.09</b>	<b>2,077,132.83</b>	<b>-809,408.09</b>	<b>2,030,862.81</b>
<b>Cash flow from financing activities</b>				
Proceeds from the issue of long-term borrowings	-	2,000,000.00	-	2,000,000.00
Repayment of long/short term borrowings	-24,081,007.30	-14,601,000.00	-24,081,007.30	-14,601,000.00
Repayment of finance lease liabilities	-19,641.71	-40,227.52	-19,641.71	-40,227.52
Dividends paid	-5,276.37	-205,574.46	-5,276.37	-205,574.41
<b>Cash Flow from financing activities (c)</b>	<b>-24,105,925.38</b>	<b>-12,846,801.98</b>	<b>-24,105,925.38</b>	<b>-12,846,801.93</b>
<b>Net Decrease in cash and cash equivalents (a) + (b) + (c)</b>	<b>-13,982,515.93</b>	<b>-2,638,524.10</b>	<b>-14,055,267.10</b>	<b>-2,659,496.15</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>16,800,487.88</b>	<b>4,342,769.57</b>	<b>16,596,091.98</b>	<b>4,211,617.78</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,817,971.95</b>	<b>1,704,245.47</b>	<b>2,540,824.88</b>	<b>1,552,121.63</b>

The accompanying notes on pages 7 – 20 are integral part of the Interim Financial Statements

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD (1/1- 30/06/2007)

### 1. General Company's Information

The Company was established on 25/05/1972 (FEK 939–25/5/1972), is based in the Heraklion Crete Municipality and its discrete name is “MINOAN LINES S.A.”. It operates in the Ferry shipping sector both in Domestic and International sea routes.

The number of the personnel employed for the period ended 30/06/2007 and 30/06/2006 was 907 and 996, respectively.

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

The total number of ordinary shares outstanding at 30/6/2007 was 70,926,000, while the total market capitalization reached € 429,811,560.00. Every share carries one voting right.

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

<u>Index</u>	<u>Code</u>
Athex Composite Share Price Index	GD
FTSE / Athex Travel-Leisure	DTA
FTSE / Athex International	FTSEI
FTSE / Athex 140	FTSEA
FTSE / Med 100 (from 21/05/2007)	FTSEMD
Athex Composite Index Total Return Index	SAGD
Eurobank Mid Cap Private Sector 50 Index	EPS50
Athex All Share Index	DOM

The General Shareholders' Meeting elects the Board of Directors. The Board of Directors consists of twelve members of which three are executive, four are non-executive and five are non-executive-independent members.

The interim financial statements for the period ended 30/6/2007 include the stand alone financial statements and the consolidated financial statements (the “financial statements”). The consolidated financial statements include the Company and its subsidiaries (the Group), as well as the participation of the Group in the associates.

The subsidiaries and associates that are included in the consolidated financial statements along with the respective percentages of participation that parent Company holds either directly or indirectly are outlined in the table below.

<u>Name</u>	<u>Headquarters</u>	<u>Participation %</u>	
		<u>30/6/2007</u>	<u>31/12/2006</u>
Kritiki Filoxenia S.A.	Heraklion	99.99%	99.99%
Minoan Escape S.A.	Heraklion	99.95%	99.95%
Minoan Cruises S.A.	Heraklion	80.28%	80.28%
Athina A.V.E.E.	Heraklion	99.99%	99.99%
Hellenic Seaways S.A.	Piraeus	33.35%	33.31%
European Thalassic Agencies shipping management & consultants S.A.*	Panamas	100.00%	100.00%
Mediterranean Ferries S.r.l.*	Genoa	50.00%	50.00%

\* The companies are in liquidation.

The financial statements for the period ended 30/6/2007 have been approved by the Board of Directors' meeting on 21/8/2007.

## 2. Statement of Compliance

The interim financial statements have been prepared in accordance with International Accounting Standard 34 (I.A.S. 34) “Interim Financial Reporting” and International Financial Reporting Standards (I.F.R.S.) and Interpretations issued by the International Accounting Standards Board and adopted by the European Union.

## 3. Significant Accounting Policies

The accounting policies applied for the preparation of the interim financial statements at 30/6/2007 are the same as those that had been applied for the preparation of the annual financial statements at 31/12/2006. A comprehensive description of these policies can be reviewed in the Company’s web site: [www.minoan.gr](http://www.minoan.gr)

## 4. Estimates

The preparation of the interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates. Information about significant estimates and critical judgments in applying accounting policies that have significant effect on the interim financial statements as well as about those which involve potential adjustment risks for the next fiscal year do not differ from those applied to the annual financial statements at 31/12/2006.

## 5. New Standards and Interpretations

The International Accounting Standards Board and the Interpretations Committee have issued a number of new accounting standards and interpretations as well as amendments of to the standards, which are effective for accounting periods that commenced from 1/1/2007 and thereafter unless it is mentioned otherwise below.

- I.F.R.S. 7 *Financial Instruments – Disclosures and complementary amendment to I.A.S.1 Capital Disclosures* : I.F.R.S. 7 and amendment to I.A.S.1, becomes effective for accounting periods beginning on or after 1/1/2007. I.F.R.S.7 requires additional qualitative and quantitative disclosures about the financial instruments and the risks of an entity. The amendment to I.A.S.1 requires disclosures about the level of an entity’s capital.
- I.F.R.S. 8 *Operating segments*: requires that segment reporting is based on information used by management in order to allocate resources and evaluate performance of each segment. IFRS 8 will become effective for accounting periods beginning on or after 1/1/2009 and is not expected to have an impact on the financial statements.
- *I.F.R.I.C. 11 Group and Treasury Share Transactions* : I.F.R.I.C. 11 requires arrangements whereby an employee is granted rights to an entity’s equity instrument and becomes effective for accounting periods beginning on or after 1/3/2007. The adoption of I.F.R.I.C. 11 did not have an impact on the financial statements.

## 6. Revenue

	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>30/6/2006</b>	<b>30/6/2007</b>	<b>30/6/2006</b>
Revenue from Vessel Operations	70,213,532.84	72,142,486.67	70,234,725.34	72,142,486.67
Revenue from restaurant – bars	7,404,270.89	7,214,579.77	7,404,270.89	7,214,579.77
Revenue from shops on board	5,116,613.75	4,631,329.93	5,116,613.75	4,631,329.93
Revenue from slot machines	1,012,276.04	780,418.85	1,012,276.04	780,418.85
Revenue from travel agencies	65,038.31	39,218.48	-	-
Rental income	39,441.88	38,042.23	-	-
<b>Totals</b>	<b>83,851,173.71</b>	<b>84,846,075.93</b>	<b>83,767,886.02</b>	<b>84,768,815.22</b>

**7. Cost of sales**

	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>30/6/2006</b>	<b>30/6/2007</b>	<b>30/6/2006</b>
Crew Salaries and employer's contribution	14,230,829.81	14,444,549.47	14,230,829.81	14,444,549.47
Bunkers and Lubricants	23,679,881.38	30,550,398.08	23,679,881.38	30,550,398.08
Repairs – Maintenance - Consumables – Salaries and technical work expenses	4,012,329.14	3,419,458.86	4,012,329.14	3,419,458.86
Food – Beverages – Shops merchandize	5,328,928.52	5,171,851.91	5,328,928.52	5,171,851.91
Other Costs	6,549,912.77	6,518,401.37	6,519,373.72	6,507,991.02
Depreciation	8,249,330.04	9,360,800.37	8,249,330.04	9,360,800.37
<b>Totals</b>	<b>62,051,211.66</b>	<b>69,465,460.06</b>	<b>62,020,672.61</b>	<b>69,455,049.71</b>

**8. Other operating income**

	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>30/6/2006</b>	<b>30/6/2007</b>	<b>30/6/2006</b>
Gains from the sale of property-plant and equipment	-	65,031.20	-	65,031.20
Commissions	67,845.68	69,798.00	67,845.68	69,798.00
Income from services to third parties	3,406.18	-	28,268.67	-
Rental income	20,936.62	18,492.16	26,017.04	21,509.68
Revenue from Government Grants	52,262.00	4,648.52	52,262.00	4,648.52
Revenue from prior years' provisions	16,819.98	-	16,819.98	-
Other Revenue	7,336.62	6,492.89	7,336.62	6,492.89
<b>Totals</b>	<b>168,607.08</b>	<b>164,462.77</b>	<b>198,549.99</b>	<b>167,480.29</b>

**9. Financial income**

	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>30/6/2006</b>	<b>30/6/2007</b>	<b>30/6/2006</b>
Dividend Income from securities	5,373.02	77,598.09	24,079.54	162,492.19
Gain on disposal of investments and available for sale securities	-	1,360,358.89	-	1,377,500.00
Foreign exchange gains	58,376.05	225,642.18	58,376.05	225,642.18
Interest and other related income	18,594.79	14,013.34	18,079.94	13,451.72
Interest rate swap income	850,657.89	254,219.44	850,657.89	254,219.44
<b>Totals</b>	<b>933,001.75</b>	<b>1,931,831.94</b>	<b>951,193.42</b>	<b>2,033,305.53</b>

**10. Financial expenses**

	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>30/6/2006</b>	<b>30/6/2007</b>	<b>30/6/2006</b>
Interest expenses & bank commissions	11,946,399.60	12,317,546.32	11,946,283.90	12,317,422.67
Loss on disposal of investments and available for sale securities	65,962.38	76,558.41	65,962.38	76,558.41
Commissions on Letters of Guarantee	10,676.08	17,875.70	5,209.28	11,247.09
Credit card commissions	74,252.09	53,223.15	73,930.51	53,223.15
Foreign exchange losses	28,407.12	19,126.35	28,407.12	19,126.35
Amortization of Loans Restructuring Cost	251,884.40	251,884.40	251,884.40	251,884.40
<b>Totals</b>	<b>12,377,581.67</b>	<b>12,736,214.33</b>	<b>12,371,677.59</b>	<b>12,729,462.07</b>

**11. Personnel expenses**

	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>30/6/2006</b>	<b>30/6/2007</b>	<b>30/6/2006</b>
Salaries and wages	17,239,968.89	17,286,176.57	17,239,968.89	17,286,176.57
Social security contributions	2,020,681.00	2,079,551.49	2,020,681.00	2,079,551.49
Other personnel expenses	241,335.42	208,289.94	241,335.42	208,289.94
Employee Defined Benefit obligation	156,115.17	132,200.00	156,115.17	132,200.00
<b>Totals</b>	<b>19,658,100.48</b>	<b>19,706,218.00</b>	<b>19,658,100.48</b>	<b>19,706,218.00</b>

**12. Income Tax**

The income tax of € 1,453,260.37, as presented in the income statement at 30/6/2006 refers to the income tax refund derived from the adjustments made after the completion of the tax authorities audit effected on the Parent's unaudited fiscal years.

## 13. Property, plant, equipment

<b>The Group</b>							
	<u>Land</u>	<u>Buildings Technical works</u>	<u>Transportation Equipment</u>	<u>Vessels</u>	<u>Furniture and Other Equipment</u>	<u>Computer Software</u>	<u>Totals</u>
<b>Cost 1/1/2006</b>	8,144,535.60	8,378,973.40	174,393.68	688,007,961.19	3,961,076.40	2,266,727.49	710,933,667.76
Acquisitions and additions 2006	-	-	13,748.80	499,186.58	238,438.12	82,837.80	834,211.30
Less: Disposals for the year 2006	428,793.60	266,355.00	26,218.94	84,034,442.41	266,358.30	43,185.15	85,065,353.40
Less: Transfer to the assets held for sale	5,200,000.00	816,060.35	-	-	-	-	6,016,060.35
<b>Carrying amounts 31/12/2006</b>	<b>2,515,742.00</b>	<b>7,296,558.05</b>	<b>161,923.54</b>	<b>604,472,705.36</b>	<b>3,933,156.22</b>	<b>2,306,380.14</b>	<b>620,686,465.31</b>
<b>Cost 1/1/2007</b>	<b>2,515,742.00</b>	<b>7,296,558.05</b>	<b>161,923.54</b>	<b>604,472,705.36</b>	<b>3,933,156.22</b>	<b>2,306,380.14</b>	<b>620,686,465.31</b>
Acquisitions and additions 1/1 – 30/6/2007	-	-	-	182,706.59	519,000.06	27,075.32	728,781.97
Less: Disposals 1/1 – 30/6/2007	-	-	-	15,379.03	131,661.84	-	147,040.87
<b>Carrying amounts 30/6/2007</b>	<b>2,515,742.00</b>	<b>7,296,558.05</b>	<b>161,923.54</b>	<b>604,640,032.92</b>	<b>4,320,494.44</b>	<b>2,333,455.46</b>	<b>621,268,206.41</b>
<b>Accumulated Depreciation 1/1/2006</b>	-	1,503,438.29	127,488.40	39,001,568.61	3,397,793.86	1,995,813.81	46,026,102.97
Depreciation for the year ended 2006	-	340,914.47	11,806.80	18,629,709.79	241,742.62	174,008.40	19,398,182.08
Less: Disposed assets accumulated depreciation	-	97,108.61	13,153.64	7,229,586.78	186,561.07	40,030.85	7,566,440.95
Less: Accumulated depreciation of assets classified as assets held for sale	-	816,060.30	-	-	-	-	816,060.30
<b>Total Accumulated Depreciation 31/12/2006</b>	<b>-</b>	<b>931,183.85</b>	<b>126,141.56</b>	<b>50,401,691.62</b>	<b>3,452,975.41</b>	<b>2,129,791.36</b>	<b>57,041,783.80</b>
<b>Accumulated Depreciation 1/1/2007</b>	<b>-</b>	<b>931,183.85</b>	<b>126,141.56</b>	<b>50,401,691.62</b>	<b>3,452,975.41</b>	<b>2,129,791.36</b>	<b>57,041,783.80</b>
Depreciation 1/1 – 30/6/2007	-	155,197.32	4,887.38	8,249,330.04	110,407.80	50,225.13	8,570,047.67
Less: Disposed assets depreciation 1/1-30/6/2007	-	-	-	15,374.99	131,272.66	-	146,647.65
<b>Total Accumulated Depreciation 30/6/2007</b>	<b>-</b>	<b>1,086,381.17</b>	<b>131,028.94</b>	<b>58,635,646.67</b>	<b>3,432,110.55</b>	<b>2,180,016.49</b>	<b>65,465,183.82</b>
<b>Net book value at 1/1/2006</b>	8,144,535.60	6,875,535.11	46,905.28	649,006,392.58	563,282.54	270,913.68	664,907,564.79
<b>at 31/12/2006</b>	2,515,742.00	6,365,374.20	35,781.98	554,071,013.74	480,180.81	176,588.78	563,644,681.51
<b>at 30/6/2007</b>	2,515,742.00	6,210,176.88	30,894.60	546,004,386.25	888,383.89	153,438.97	555,803,022.59

<b>The Company</b>							
	<u>Land</u>	<u>Buildings Technical works</u>	<u>Transportation Equipment</u>	<u>Vessels</u>	<u>Furniture and Other Equipment</u>	<u>Computer Software</u>	<u>Totals</u>
<b>Cost 1/1/2006</b>	2,944,535.60	7,562,913.05	157,129.36	688,007,961.19	3,903,628.08	2,266,727.49	704,842,894.77
Acquisitions and additions 2006	-	-	13,748.80	499,186.58	237,760.08	82,837.80	833,533.26
Less: Disposals for the year 2006	428,793.60	266,355.00	8,954.62	84,034,442.41	216,218.31	43,185.15	84,997,949.09
<b>Carrying amounts 31/12/2006</b>	<b>2,515,742.00</b>	<b>7,296,558.05</b>	<b>161,923.54</b>	<b>604,472,705.36</b>	<b>3,925,169.85</b>	<b>2,306,380.14</b>	<b>620,678,478.94</b>
<b>Cost 1/1/2007</b>	<b>2,515,742.00</b>	<b>7,296,558.05</b>	<b>161,923.54</b>	<b>604,472,705.36</b>	<b>3,925,169.85</b>	<b>2,306,380.14</b>	<b>620,678,478.94</b>
Acquisitions and additions 1/1 – 30/6/2007	-	-	-	182,706.59	519,000.06	27,075.32	728,781.97
Less: Disposals 1/1 – 30/6/2007	-	-	-	15,379.03	131,661.84	-	147,040.87
<b>Carrying amounts 30/6/2007</b>	<b>2,515,742.00</b>	<b>7,296,558.05</b>	<b>161,923.54</b>	<b>604,640,032.92</b>	<b>4,312,508.07</b>	<b>2,333,455.46</b>	<b>621,260,220.04</b>
<b>Accumulated Depreciation 1/1/2006</b>	-	687,377.99	121,014.28	39,001,568.61	3,357,239.39	1,995,813.81	45,163,014.08
Depreciation for the year ended 2006	-	340,914.47	11,806.80	18,629,709.79	241,570.19	174,008.40	19,398,009.65
Less: Disposed assets accumulated depreciation	-	97,108.61	6,679.52	7,229,586.78	153,314.90	40,030.85	7,526,720.66
<b>Total Accumulated Depreciation 31/12/2006</b>	<b>-</b>	<b>931,183.85</b>	<b>126,141.56</b>	<b>50,401,691.62</b>	<b>3,445,494.68</b>	<b>2,129,791.36</b>	<b>57,034,303.07</b>
<b>Accumulated Depreciation 1/1/2007</b>	<b>-</b>	<b>931,183.85</b>	<b>126,141.56</b>	<b>50,401,691.62</b>	<b>3,445,494.68</b>	<b>2,129,791.36</b>	<b>57,034,303.07</b>
Depreciation 1/1 – 30/6/2007	-	155,197.32	4,887.38	8,249,330.04	110,155.08	50,225.13	8,569,794.95
Less: Disposed assets depreciation 1/1-30/6/2007	-	-	-	15,374.99	131,272.66	-	146,647.65
<b>Total Accumulated Depreciation 30/6/2007</b>	<b>-</b>	<b>1,086,381.17</b>	<b>131,028.94</b>	<b>58,635,646.67</b>	<b>3,424,377.10</b>	<b>2,180,016.49</b>	<b>65,457,450.37</b>
<b>Net book value at 1/1/2006</b>	2,944,535.60	6,875,535.06	36,115.08	649,006,392.58	546,388.69	270,913.68	659,679,880.69
<b>at 31/12/2006</b>	2,515,742.00	6,365,374.20	35,781.98	554,071,013.74	479,675.17	176,588.78	563,644,175.87
<b>at 30/6/2007</b>	2,515,742.00	6,210,176.88	30,894.60	546,004,386.25	888,130.97	153,438.97	555,802,769.67

The depreciation of property plant and equipment is recorded in the following captions in the income statement:

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2007</u>	<u>30/6/2006</u>	<u>30/6/2007</u>	<u>30/6/2006</u>
Cost of sales	8,249,330.04	9,360,800.37	8,249,330.04	9,360,800.37
Distribution expenses	58,340.42	60,668.64	58,340.42	60,668.64
Administrative expenses	262,377.21	360,416.09	262,124.49	360,416.09
<b>Totals</b>	<b>8,570,047.67</b>	<b>9,781,885.10</b>	<b>8,569,794.95</b>	<b>9,781,885.10</b>

#### 14. Investments in subsidiaries

<u>Name</u>	<u>Investment</u>	
	<u>30/6/2007</u>	<u>31/12/2006</u>
Kritiki Filoxenia S.A.	3,203,196.84	3,203,196.84
Minoan Escape S.A.	59,970.00	59,970.00
Minoan Cruises S.A.	214,854.63	214,854.63
<b>Totals</b>	<b>3,478,021.47</b>	<b>3,478,021.47</b>

#### 15. Investments in associates

In the Company's interim financial statements, the investments in associates, amounted to 66,185,097.17 as at 30/6/2007 and 66,080,097.17 as at 31/12/2006 relate to the share of the Company in Hellenic Seaways S.A. On January 2007, the Parent bought 35 thousands shares of its associate company, Hellenic Seaways, which cost € 105,000.00. Its participation to the company was increased at 33.35% against 33.31% in 31/12/2006.

The main items of the consolidated financial statements of Hellenic Seaways S.A. in accordance with I.F.R.S. are as follows:

	<u>30/6/2007</u>	<u>31/12/2006</u>
Total Assets	434,301,075.99	381,450,011.89
Total Liabilities	217,531,946.19	172,787,892.40
Total Equity	216,769,129.80	208,662,119.49
	<u>1/1 – 30/6/2007</u>	<u>1/1 – 30/6/2006</u>
Net consolidated Profit for the period	724,589.17	-1,254,100.33

The share of Profit/Loss after taxation in the associated company Hellenic Seaways S.A. as of 30/6/2007 and 30/6/2006, is € 241,664.98 and € -417,740.82 respectively.

The investment in the associated Mediterranean ferries S.r.l has been totally impaired in prior years' financial results.

#### 16. Other financial assets

Other Financial Assets include the fair value of the interest rate swap contracts as determined by the Banks at 30/6/2007 and 31/12/2006, which amount to € 7,441,803.99 and € 4,311,622.45 respectively. The change in fair value is recorded in the equity item "fair value hedge reserve".

#### 17. Inventories

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2007</u>	<u>31/12/2006</u>	<u>30/6/2007</u>	<u>31/12/2006</u>
Merchandise	3,571,146.32	2,619,520.35	3,571,146.32	2,619,520.35
Consumables	1,768,002.66	1,410,735.60	1,768,002.66	1,410,735.60
<b>Totals</b>	<b>5,339,148.98</b>	<b>4,030,255.95</b>	<b>5,339,148.98</b>	<b>4,030,255.95</b>

## 18. Trade and Other receivables-Other current assets

	<b>Accounts Receivable</b>			
	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>31/12/2006</b>	<b>30/6/2007</b>	<b>31/12/2006</b>
Customers – Check Receivables	44,998,665.22	50,911,777.95	45,044,350.92	50,935,533.05
Trade receivables due from affiliates and associates	193,954.03	193,954.03	227,178.98	207,271.64
Other Account Receivables	3,296,475.66	1,296,372.14	3,104,403.59	1,007,410.39
<b>Totals</b>	<b>48,489,094.91</b>	<b>52,402,104.12</b>	<b>48,375,933.49</b>	<b>52,150,215.08</b>

	<b>Other Current assets</b>			
	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>31/12/2006</b>	<b>30/6/2007</b>	<b>31/12/2006</b>
Prepaid Expenses	5,803,243.71	6,962,139.73	5,803,243.71	6,962,139.73
Accrued Income	812,950.27	218,066.44	800,524.92	216,314.44
Other accruals and deferred income	-	71,610.30	-	71,610.30
<b>Totals</b>	<b>6,616,193.98</b>	<b>7,251,816.47</b>	<b>6,603,768.63</b>	<b>7,250,064.47</b>

In the item “Other Account Receivables” is included the fair value of the fuel hedge contracts as determined at 30/6/2007 by the banks amounted to € 1,618,938.33. A respective amount is included in the item “fair value hedge reserves”.

## 19. Cash and Cash equivalents

	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>31/12/2006</b>	<b>30/6/2007</b>	<b>31/12/2006</b>
	Cash in hand	519,842.19	254,688.67	518,823.31
Cash in banks and time deposits	2,298,129.76	16,545,799.21	2,022,001.57	16,342,302.28
<b>Totals</b>	<b>2,817,971.95</b>	<b>16,800,487.88</b>	<b>2,540,824.88</b>	<b>16,596,091.98</b>

## 20. Non – Current assets held for sale

Non – current assets held for sale include land and buildings of a subsidiary of net book value as of 30/6/2007 and 31/12/2006 of € 5,200,000.05, for which a decision for sale has been made by the management of the Company.

## 21. Share capital – Share premium

The Share capital of the Company is divided into 70.926.000 common shares with a nominal value of 2.25 euros each. The Share Premium of € 26,942,576.38 is a result of the increase of share capital which was approved by the Regular General Meeting of the Company’s shareholders held on 16/5/1999.

## 22. Reserves

	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>31/12/2006</b>	<b>30/6/2007</b>	<b>31/12/2006</b>
	Statutory Reserve	10,612,235.66	10,612,235.66	10,594,724.97
Other reserves	47,140,029.52	47,140,029.52	47,137,570.76	47,137,570.76
<b>Totals</b>	<b>57,752,265.18</b>	<b>57,752,265.18</b>	<b>57,732,295.73</b>	<b>57,732,295.73</b>

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

**Other reserves:** This reserve is established in accordance with the Company’s Articles of Association and results from the balance of the annual earnings which remains after deducting the statutory reserve and the dividends.

### 23. Long term debt and current portion of long – term interest bearing loans and borrowings

The long - term debt of the Company is analyzed as follows:

	<u>30/6/2007</u>	<u>31/12/2006</u>
Syndicate Loan - Agent Citibank	210,056,769.97	286,592,600.97
Syndicate Loan - Agent Piraeus Bank	50,243,084.39	53,243,084.39
<b>Totals</b>	<b><u>260,299,854.36</u></b>	<b><u>339,835,685.36</u></b>

The current portion of the Interest – bearing loans and borrowings amounted to € 92,400,629.00 at 30/6/2007 includes an amount of € 66,671,033.00 that refers the balloon payment, for which, the Company negotiate re-adjusting its payment date.

	<u>30/6/2007</u>	<u>31/12/2006</u>
Syndicate Loan - Agent Citibank	86,400,629.00	19,729,596.00
Syndicate Loan - Agent Piraeus Bank	6,000,000.00	6,000,000.00
<b>Totals</b>	<b><u>92,400,629.00</u></b>	<b><u>25,729,596.00</u></b>

The Syndicate loan agreements are denominated in Euro with a floating interest rate (euribor), plus a spread as defined in the particular agreements. The loans mature gradually until 2012. Nevertheless a partially or totally prepayment of the loan, is permitted.

- The Syndicate Loan agreements include certain covenants and the Company is required to provide information on a constant basis to the agent bank regarding its business activities and financial performance.
- In order to secure the aforementioned debt of € 352,700,483.36, first and second preferred mortgages have been registered on the Company’s vessels amounting to € 408,675,783.00 and € 158,000,000.00 respectively. Furthermore, pre-notations of € 17,154,748.66 have been registered on the Group’s Land and Buildings while 25,850,775 shares of HELLENIC SEAWAYS S.A., which the Company owns, have been pledged.

The short term liabilities as of 30/6/2007 amounted to € 23,856,668.15 is covered by post dated checks.

### 24. Employee defined Benefit obligations

According to the Greek Labour Law, employees when retired are entitled to compensation which amounts to 40% of the amount of their dismissal.

	<u>The Group</u>	<u>The Company</u>
<b>Balance as at 1/1/2006</b>	<b>2,201,038.33</b>	<b>2,130,389.35</b>
Write–off provision of sold Subsidiary	-70,648.98	-
Current Service Cost	144,699.96	144,699.96
Interest Cost	68,654.78	68,654.78
Benefits paid	-21,918.29	-21,918.29
<b>Balance as at 31/12/2006</b>	<b><u>2,321,825.80</u></b>	<b><u>2,321,825.80</u></b>
<b>Balance as at 1/1/2007</b>	<b>2,321,825.80</b>	<b>2,321,825.80</b>
Current Service Cost	103,903.19	103,903.19
Interest Cost	52,211.98	52,211.98
Benefits paid	-11,175.90	-11,175.90
<b>Balance as at 30/6/2007</b>	<b><u>2,466,765.07</u></b>	<b><u>2,466,765.07</u></b>

The total amount of Employee Defined Benefit Obligations is non-funded

The amount, recorded as an expense at 30/6/2007 and 30/6/2006 respectively, is analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>30/6/2006</b>	<b>30/6/2007</b>	<b>30/6/2006</b>
Current Service cost	103,903.19	89,652.00	103,903.19	89,652.00
Interest Cost	52,211.98	42,548.00	52,211.98	42,548.00
<b>Totals</b>	<b>156,115.17</b>	<b>132,200.00</b>	<b>156,115.17</b>	<b>132,200.00</b>

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

	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>30/6/2006</b>	<b>30/6/2007</b>	<b>30/6/2006</b>
Distribution expenses	65,568.37	47,592.00	65,568.37	47,592.00
Administrative expenses	90,546.80	84,608.00	90,546.80	84,608.00
<b>Totals</b>	<b>156,115.17</b>	<b>132,200.00</b>	<b>156,115.17</b>	<b>132,200.00</b>

The main assumptions used are as follows:

- Discounted Rate 4.10%
- Long – term average annual salaries increase 5.00%

## 25. Deferred Government grants

The deferred government grants relate to the subsidy received by the Company from the Norwegian Government for the vessel IKARUS PALACE during the period of its shipbuilding.

It is recognized as revenue in the income statement on a systematic basis over the useful life of the vessel. The amount recorded in the income statement at 30/6/2007 and 30/6/2006 was €96,560.31 and € 96,560.24 respectively.

## 26. Trade and Other payables

	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>31/12/2006</b>	<b>30/6/2007</b>	<b>31/12/2006</b>
Suppliers – Check payables	21,203,719.45	24,948,349.47	21,203,719.45	24,948,146.47
Income Tax payable	8,650.55	68,110.51	-	48,982.71
Withholding Taxes – Social Security Contributions payable	3,521,067.10	3,753,246.49	3,520,358.69	3,751,860.92
Dividends payable	439,026.76	444,303.13	439,026.76	444,303.13
Sundry creditors	4,465,360.79	4,991,226.31	4,458,852.27	4,976,693.46
Derivative Financial Instruments	-	864,810.55	-	864,810.55
Accrued expenses	3,923,433.27	2,715,737.03	3,917,926.20	2,714,740.81
Customer advances	1,391,319.66	160,337.55	1,377,403.66	159,687.55
Deferred income	2,325,868.70	873,795.01	2,325,868.70	873,795.01
Payables to affiliates and associates	28,505.52	72,235.29	28,505.52	72,235.29
<b>Totals</b>	<b>37,306,951.80</b>	<b>38,892,151.34</b>	<b>37,271,661.25</b>	<b>38,855,255.90</b>

## 27. Financial instruments

Due to the nature of their business activities, the Group companies are exposed to potential risks which namely are the increases in interest rates and fuel prices. In order to hedge their exposure to such risks, derivative financial instruments are being used.

## **27.1 Interest rate, fuel price – credit – foreign currency risks**

- **Risks from Interest rates and fuel prices fluctuations**

The loan agreements are associated with floating interest rates adjusted to the changing market conditions. The fuel cost is related to floating fuel prices affecting the cash flows of the Group's companies.

- **Hedging**

According to the Company's policy, in order to hedge its exposure to the increase of interest rates and fuel prices, it signed hedging agreements for the aforementioned potential risks. The Company considers these derivatives as cash flow hedges.

The interest rate swap contracts of the Company which started in November 2005, refer to € 200 million of the loans covering the 57% approximately of the Company's loans as at 30/6/2007.

At 30/6/2007 and 31/12/2006, the fair value of the interest rate swaps amounts to 7,441,803.99 and 4,311,622.45 respectively while it is recorded in the account "Other Financial Assets". The gains from the above trade reached at the current fiscal period € 850,657.89 against € 254,219.44 in the respective previous year period (note 9).

The respective hedge contract related to the fuel prices covers the 50% of the estimated fuel quantity consumption for 2007. At 30/6/2007 the fair value of the fuel price swap amounts to € 1,618,938.33 and it is recorded to the account "Trade and other receivables". The respective fair value at 31/12/2006 amounted to € -864,810.55 was recorded in the item "Trade and other payables". The gains from the above trade reached at the current fiscal period € 690,637.50 (note 7).

- **Credit risks**

Credit valuations are performed on all customers requiring credit and a credit limit is established for each customer. The "Trade and Other Receivables" balances are reviewed in order to ensure that they do not exceed the predetermined credit limit.

The Company's maximum exposure to credit risks in case all customers do not pay their debts reached, at 30/6/2007, to the amount of the accounts receivable as stated in the balance sheet, decreased by the received Letters of Guarantee amounting to € 4,234,076.21. At the balance sheet date, there were no significant concentrations of credit risk.

- **Foreign currency risks**

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

## 27.2. Effective interest rates

The average effective interest rate as at the Balance Sheet Date along with the periods in which they mature are stated below:

<u>30/6/2007</u>	Average effective Rate	Total	Within 1 year	2-3 years	4-5 years	More than 5 years
<b>Fixed rate instruments</b>						
Short term Borrowings	5.57%	23,856,668.15	23,856,668.15	-	-	-
<b>Floating rate instruments</b>						
Long term Borrowings	5.71%	352,700,483.36	92,400,629.00	78,302,276.39	103,677,567.00	78,320,010.97
Interest rate Swap effect	-0.48%	-7,441,803.99	-	-	-7,441,803.99	-

<u>31/12/2006</u>	Average effective Rate	Total	Within 1 year	2-3 years	4-5 years	More than 5 years
<b>Fixed rate instruments</b>						
Short term Borrowings	5.82%	35,072,877.45	35,072,877.45	-	-	-
<b>Floating rate instruments</b>						
Long term Borrowings	5.16%	365,565,281.36	25,729,596.00	150,823,309.39	107,177,567.00	81,834,808.97
Interest rate Swap effect	-0.18%	-4,311,622.45	-	-	-4,311,622.45	-

## 27.3. Fair values

The fair values of the financial instruments, that is trade and other receivables, current liabilities and cash and cash equivalents do not differ from the carrying value due to their short term nature. Furthermore, the fair values of long – term borrowings do not differ in respect to the book values due to the fact that they bear variable interest rates.

The financial assets which are related to interest rate and fuel price hedging are recognized at the fair values as these have been determined by the Banks.

## 28. Analysis of business activities by geographical segment

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

The Company due to the nature of its business activities encounters the effect of seasonality relating to the revenue from passengers' and private cars' fares and the revenue from on-board services (bars – restaurants, shops) that represent 42.9% and 16.2% of the total annual revenue, respectively.

The revenue that results from truck fares represents 40.9% of the total annual revenue and it is evenly earned throughout the year.

<b>The Group</b>						
	<b>Greece</b>		<b>Europe</b>		<b>Totals</b>	
	<b>30/6/2007</b>	<b>31/12/2006</b>	<b>30/6/2007</b>	<b>31/12/2006</b>	<b>30/6/2007</b>	<b>31/12/2006</b>
Total Non – Current assets	292,909,548.84	291,423,153.49	347,852,902.81	351,269,581.71	<b>640,762,451.65</b>	<b>642,692,735.20</b>
Capital expenditure	231,133.17	314,815.39	497,648.80	519,395.91	<b>728,781.97</b>	<b>834,211.30</b>
Total Liabilities	156,036,896.46	158,616,520.12	265,386,797.39	288,425,001.61	<b>421,423,693.85</b>	<b>447,041,521.73</b>
	<b>1/1 – 30/6/2007</b>	<b>1/1 – 30/6/2006</b>	<b>1/1 – 30/6/2007</b>	<b>1/1 – 30/6/2006</b>	<b>1/1 – 30/6/2007</b>	<b>1/1 – 30/6/2006</b>
Revenue	31,781,551.93	28,440,614.28	52,069,621.78	56,405,461.65	<b>83,851,173.71</b>	<b>84,846,075.93</b>
Gross Profit*	13,785,653.68	10,812,527.74	8,014,308.37	4,568,088.13	<b>21,799,962.05</b>	<b>15,380,615.87</b>
Profit before Tax, Financing cost and Depreciation (EBITDA)	13,046,469.37	10,158,513.78	5,151,679.91	1,883,018.41	<b>18,198,149.28</b>	<b>12,041,532.19</b>

<b>The Company</b>						
	<b>Greece</b>		<b>Europe</b>		<b>Totals</b>	
	<b>30/6/2007</b>	<b>31/12/2006</b>	<b>30/6/2007</b>	<b>31/12/2006</b>	<b>30/6/2007</b>	<b>31/12/2006</b>
Total Non – Current assets	285,075,827.23	286,275,920.05	347,852,649.92	351,269,076.10	<b>632,928,477.15</b>	<b>637,544,996.15</b>
Capital expenditure	231,133.17	314,815.39	497,648.80	518,717.87	<b>728,781.97</b>	<b>833,533.26</b>
Total Liabilities	156,028,577.43	158,592,383.20	265,359,825.87	288,412,243.09	<b>421,388,403.30</b>	<b>447,004,626.29</b>
	<b>1/1 – 30/6/2007</b>	<b>1/1 – 30/6/2006</b>	<b>1/1 – 30/6/2007</b>	<b>1/1 – 30/6/2006</b>	<b>1/1 – 30/6/2007</b>	<b>1/1 – 30/6/2006</b>
Revenue	31,742,110.05	28,402,572.05	52,025,775.97	56,366,243.17	<b>83,767,886.02</b>	<b>84,768,815.22</b>
Gross Profit*	13,746,211.80	10,774,485.51	8,001,001.61	4,539,280.00	<b>21,747,213.41</b>	<b>15,313,765.51</b>
Profit before Tax, Financing cost and Depreciation (EBITDA)	13,047,367.39	10,188,629.45	5,171,733.80	1,883,018.41	<b>18,219,101.19</b>	<b>12,071,647.86</b>

\* after depreciation

## 29. Earnings per share

	<b>The Group</b>		<b>The Company</b>	
	<b>30/6/2007</b>	<b>30/6/2006</b>	<b>30/6/2007</b>	<b>30/6/2006</b>
Loss attributable to the shareholders of the parent Company	-1,578,861.21	-7,510,891.32	-1,771,177.93	-6,953,133.41
Weighted average number of shares outstanding	70,926,000	70,926,000	70,926,000	70,926,000
Basic and diluted earnings/losses per share	-0.02	-0.11	-0.02	-0.10

There is no current obligation for issuing new shares in the future, thus it is not necessary to provide any other earnings per share.

## 30. Related Party transactions

Related parties are considered the members of the Board of Directors and Management of the Company, the members of the Board of Directors and Management of subsidiaries of the Group, the financially dependent members and first-degree relatives of the members of the Board of Directors and Management, and the associated companies.

On the tables below the balances of trade receivables and payables at 30 of June 2007 and 31 of December 2006 as well as the purchases and sales of the companies of the Group as at 1/1/-30/6/2007, and 1/1/-30/6/2006 are stated:

### 30.1 Subsidiaries

30/6/2007

<u>Company</u>	Minoan Cruises S.A.	Minoan Escape S.A.	Kritiki Filoxenia S.A.	<u>Totals</u>
Minoan Lines S.A. (due from)	-	10,170.55	23,054.40	<b>33,224.95</b>
Athina A.V.E.E. (due from)	-	-	53,345.39	<b>53,345.39</b>
<b>Totals</b>	<b>-</b>	<b>10,170.55</b>	<b>76,399.79</b>	<b>86,570.34</b>

31/12/2006

<u>Company</u>	Minoan Escape S.A.	Kritiki Filoxenia S.A.	<u>Totals</u>
Minoan Lines S.A. (due from)	13,317.61	-	<b>13,317.61</b>
Athina A.V.E.E. (due from)	-	53,345.39	<b>53,345.39</b>
<b>Totals</b>	<b>13,317.61</b>	<b>53,345.39</b>	<b>66,663.00</b>

1/1 – 30/6/2007

<u>Company</u>	Minoan Escape S.A.	Minoan Cruises S.A	Kritiki Filoxenia S.A.	<u>Totals</u>
<b>Minoan Lines S.A.</b>				
Revenues from Fares	46,054.99	-	-	<b>46,054.99</b>
Revenue from rentals	3,900.00	300.00	880.42	<b>5,080.42</b>
<b>Totals</b>	<b>49,954.99</b>	<b>300.00</b>	<b>880.42</b>	<b>51,135.41</b>

1/1 – 30/6/2006

<u>Company</u>	Minoan Escape S.A.	Minoan Cruises S.A	Kritiki Filoxenia S.A.	<u>Totals</u>
<b>Minoan Lines S.A.</b>				
Revenue from rentals	1,837.10	300.00	880.42	<b>3,017.52</b>
<b>Totals</b>	<b>1,837.10</b>	<b>300.00</b>	<b>880.42</b>	<b>3,017.52</b>

### 30.2 Associates

30/6/2007

<u>Company</u>	Hellenic Seaways S.A.	Mediterranean Ferries S.r.l.	<u>Totals</u>
Minoan Lines S.A. (payable to)	28,505.52	-	<b>28,505.52</b>
Minoan Lines S.A. (due from)	-	193,954.03	<b>193,954.03</b>

31/12/2006

<u>Company</u>	<u>Hellenic Seaways S.A.</u>	<u>Mediterranean Ferries S.r.l.</u>	<u>Totals</u>
Minoan Lines S.A. (payable to)	72,235.29	-	<b>72,235.29</b>
Minoan Lines S.A. (due from)	-	193,954.03	<b>193,954.03</b>

Additionally, the Parent Company has received from the associate Hellenic Seaways S.A. for the periods 1/1-30/6/2007 and 1/1-30/6/2006, revenue from building rentals amounted to € 20,128.56 and € 18,012.16 respectively.

The above transactions are at arm's length.

### **30.3 Members of the Board of Directors and management**

The salary expense of the Members of the Board and the Company's Directors is analysed as follows:

	<u>30/6/2007</u>	<u>30/6/2006</u>
Executive members	195,834.30	173,293.34
Non – executive members	118,661.26	119,169.87
Directors	582,504.66	542,849.89
<b>Totals</b>	<b>897,000.22</b>	<b>835,313.10</b>

### **31. Contingent liabilities**

The contingent liabilities are the following:

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

The Company has been justified by the Court of Appeal of Athens. Estimating that the appropriate Administrative Courts will issue a decision justifying the Company, the Company has not recorded any respective provision.

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

<u>Company</u>	<u>Open tax years</u>
Minoan Lines S.A.	2006
Minoan Escape S.A.	2006
Minoan Cruises S.A.	2000 – 2006
Kritiki Filoxenia S.A.	2000 – 2006
Athina A.V.E.E.	2000 – 2006
Mediterranean Ferries S.r.l.	2002 – 2006
Hellenic Seaways S.A.	2003 – 2006

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

d. The doubtful debts due from the ex-ship-owners of the associated company Hellenic Seaways S.A. amounted to approximately € 1.19 million, will burden the net consolidated results. The legal proceedings commenced by the associated company have not been finalized yet, thus the parent company has not recorded any provision for the aforementioned amount.

### **32. Subsequent events**

The General Shareholders meeting at 22/7/2007 has approved the distribution of dividends from the profit of the fiscal year of 2006 amounted to € 9,575,010.00 (0.135 euro per share)

There are no subsequent events relating to the Company at 30/6/2007 that have occurred or need to be disclosed under the International Financial Reporting Standards (I.F.R.S.).

**Heraklion, August 21<sup>th</sup> 2007**

**The Chairman  
of the Board**

**Stylios  
Sarris**  
ID C No P 315797

**The Chief  
Executive Officer**

**Antonios  
Maniadakis**  
ID C No X 850531

**The Chief  
Financial Officer**

**George  
Vassilokonstantakis**  
ID C No X 945118

**The Chief  
Accountant**

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