

Annual Financial Report

For the fiscal year

from January 1st to December 31st 2012



according to article 4 of L.3556/2007

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This annual financial report for fiscal year 2012 was drafted pursuant to art. 4 of Law 3556/2007 and was approved by the Board of Directors of ANEK S.A. in its meeting of 28th March 2013. This financial report, as well as the annual financial statements, audit reports of the certified auditors-accountants and reports by the Boards of Directors of subsidiaries have been posted on the Company's website at www.anek.gr.

It is noted that the present annual report is translated from the Greek original copy.

STATEMENTS BY THE MEMBERS OF THE BOARD OF DIRECTORS

(pursuant to art. 4, par. 2 of Law No. 3556/2007)

We, the members of the Board of Directors of the ANEK S.A.:

- Georgios Katsanevakis, 1st Vice-Chairman
- Ioannis Vardinoyannis, Managing Director
- Spyridon Protopapadakis, 2nd Vice-Chairman as assigned

hereby represent that, to the best of our knowledge:

(a) the (separate and consolidated) annual financial statements for fiscal year from 1st January 2012 to 31st December 2012, which are prepared in accordance with the applicable International Financial Reporting Standards, accurately present the assets, liabilities, net position and results of **ANEK S.A.**, as well as those of the companies included in the consolidation, aggregately considered as the group, and

(b) the annual report by the Board of Directors, accurately presents the progress, performance and position of the Parent Company and of the companies included in the consolidation, aggregately considered as the group, including the description of the most important risks and insecurities faced by them.

Chania, 28 March 2013

1st Vice-Chairman

2nd Vice-Chairman

Managing Director

GEORGIOS G. KATSANEVAKIS
ID Card No AI 473513

SPYRIDON I. PROTOPAPADAKIS
ID Card No. AA 490648

IOANNIS I. VARDINOYANNIS
ID Card No. Π 966572

ANEK LINES S.A.
G.E.S.R. NO: 121557860000
COMP.REG.NO: 11946/06/B/86/07
KARAMANLI AVE., 73100 CHANIA, CRETE
TEL.: 28210 24000, FAX: 28210 36200
e-mail: info@anek.gr
www.anek.gr

REPORT BY THE BOARD OF DIRECTORS FOR THE FISCAL YEAR 2012

This annual report by the Board of Directors of **ANEK S.A.** for the fiscal year from 1st January to 31st December 2012 was drafted in accordance with the provisions of Codified Law 2190/1920 (articles 43^o, 107 and 136) and is in line with the provisions of Law 3556/2007 and decision no 7/448/11.10.2007 of the Capital Market Commission.

This report includes information relating to the progress of the Group and the Company's activities, as well as their financial position, results, significant changes and events that took place in fiscal year 2012. It also describes the most significant risks that the Company may face in the future, its anticipated progress in the current fiscal year and the most important transactions between the Company and its related parties. Finally, it includes a Corporate Governance statement pursuant to art. 43^o, par. 3(d) of Codified Law No. 2190/1920.

I. PROGRESS, PERFORMANCE AND FINANCIAL POSITION

In 2012 Greece economy remained in recession orbit for fifth consecutive year compounding the difficulties in fiscal revenues and fiscal deficit. According to Hellenic Statistical Authority (ELSTAT) the recession in 2012 formed at 6,4% compared to 7,1% in 2011. The fiscal measures adopted in order to reduce public expenditure, are expected to shrink moreover the disposable income of consumers, and in conjunction with the dramatic percentages of unemployment in our country, are forming a condition of limited liquidity in the market, reduced demand, and reduced domestic financial activity in general.

Passenger shipping sector has been influenced to a great extent from the continuous economic crisis, as this was reflected to the reduction of traffic volumes in passengers and cargo, and also to the last years' financial statements of all companies in the sector. Additionally, the continuous increasing cost of fuels has burdened excessively the operating cost of all companies, creating a very critical situation for the sustainability in the passenger shipping sector, where in many cases, remains the only connecting link between the continental and the island region of Greece, with a national and strategical role for the country. As referred to 2012, average fuel prices were increased by 15% approx. compared to previous year, while it is indicatively noted that the increase compared to 2010 reaches 50% and compared to 2009 exceeds 90%.

As indicatively pointed out the president of the Business Association of Passenger Shipping sector (SEEN) in their recent general meeting: *«the doubling in fuel prices in the last three years, the distorted mechanism of shaping the cost of fuels, the fall in passenger traffic of 22,5% in domestic and 39% in Adriatic from 2009 and on, are the main reasons for the current problems facing in the sector»*. Furthermore, among others, the president was referred to the long standing problems facing such as: *«the modernization of the institutional frame in the sector, the reduction of V.A.T. and of non-compensatory deductions in favor of third parties, the subsidizing of social security contributions and the redetermination of subsidies in public service routes»*. All above issues, in conjunction with the lack of liquidity and the difficulty in refunding from

the banks, have led the sector to this critical situation.

Within the frame of all above, Group's management, has managed to overcome the negative effects of the decreased traffic volumes as well as the significant fuel price rise through specific movements, aiming at the reduction of operating cost (e.g. cut itineraries, speed reduction, vessels' withdrawal from non-efficient routes, fleet's redeployment, redetermination in commissions' status). Therefore, despite the fact that the comparable results of 2011 were reinforced by extraordinary chartering of Group's vessels, the Group, also in 2012, has managed to present positive results before interest, tax, depreciation and amortization (EBITDA).

In 2012, ANEK Group operated, through privately owned and chartered vessels, in the Adriatic Sea (Ancona, Venice), Crete (Chania, Heraklion), Dodecanese, Cyclades, and in the East Aegean Sea (until October 2012). In Dodecanese, ANEK kept servicing public service routes throughout the whole year and in Cyclades until October 2012. From June 2011 and on, ANEK is conducting combined itineraries along with "ATTICA S.A. HOLDINGS" in the routes of Heraklion and Ancona, through a joint venture established for this purpose. Moreover, during the summer season, vessel "LATO" was servicing the international route "Bari – Durres", while vessels "LEFKA ORI" and "SOPHOCLES V." were chartered to a company abroad until the beginning of 2013.

In aggregate, ANEK Group in 2012 transferred a total of 1,9 million passengers in all routes, compared to 2,4 million in 2011, 290 thousand vehicles compared to 380 thousand in 2011 and 165 thousand trucks compared to 193 thousand in the previous year. The Group's 2012 consolidated turnover amounted to € 199,7 million, compared to € 243,6 million in 2011, gross profit amounted to € 22,4 million, as compared to € 36,7 million in 2011, and earnings before interest, tax, depreciation and amortization (EBITDA) amounted to earnings € 4,2 million, compared to earnings amounting to € 12,3 million in 2011. Finally, the losses after taxes and minority interests amounted to € 60,7 million, compared to € 22,9 million in 2011. The significant burden of 2012 financial results was due to negative investment results amounted to € 35,5 million (compared to € 6,8 million in 2011) that referred mainly to impairment in values of Group's vessels.

Following is a detailed description of the most important figures and their variations included in the Group's financial statements.

► **Turnover**

Group's turnover amounted to € 199,7 million in 2012, compared to € 243,6 million in 2011. The revenue from domestic shipping segment amounted to € 102,1 million, compared to € 122,1 million in the previous fiscal year, the shipping activities abroad amounted to € 90,8 million, compared to € 116,2 million, and the revenue from other activities in 2012 amounted to € 6,8 million, compared to € 5,3 million in 2011.

› **Gross profit**

Consolidated gross profit in 2012 amounted to € 22,4 million, compared to € 36,7 million in 2011. It is noted that, gross profit of previous year was significantly reinforced by extraordinary chartering of Group's vessels. Despite the rise in fuel prices, cost of sales was significantly decreased and formed at € 177,3 million, compared to € 206,9 million in the previous year. The main reason for the decrease in the cost of sales was the more effective management in vessels and itineraries as well as the economy of scale achieved by the joint venture operations in the routes of Heraklion and Ancona, throughout the whole year.

› **EBITDA**

The Group presented earnings before interest, tax, depreciation and amortization (EBITDA) amounting to € 4,2 million, compared to € 12,3 million in 2011. The reduction of EBITDA in 2012 was due mainly to the decrease in gross profit by € 14,3 million compared to previous year, while Administrative and Selling expenses were significantly reduced to € 28,3 million in 2012, compared to € 33,7 million in 2011.

› **Financial and investment results**

The Group's net financial cost in 2012 was decreased and amounted to € 16,2 million, compared to € 17,6 million in 2011. The results from investing activities amounted to losses of € 35,5 million compared to losses of € 6,7 million in 2011, are mainly including losses from the adjustment of the book values of the Group's vessels. Furthermore, the earnings from associates amounted to € 130 thousand, compared to € 240 thousand in the previous fiscal year.

› **Net results**

The Group's net results after tax and minority interests amounted to losses of € 60,7 million in 2012, compared to losses of € 22,9 million in 2011. As it was previously noted, the financial results of 2012 were significantly affected by the impairment in values of Group's vessels.

› **Key information from the statement of financial position**

- The net book value of the Group's fixed tangible assets as of 31.12.2012 amounted to € 320,9 million, compared to € 367,5 million as of 31.12.2011, mainly due to the impairment in values of Group's vessels amounted to € 34,5 million, to the depreciation in 2012 amounted to € 13,2 million and to the additions amounted to € 1 million.
- The Group's trade receivables at the end of year 2012 were amounted to € 52,7 million from € 55,6 million as of 31.12.2011, while other short-term receivables amounted to € 4,2 million from € 1,9 million at the end of the previous year. Also, the provisions for doubtful debts for 2012 amounted to € 2,1 million, compared to € 2,0 million in 2011.

- The Group's cash and cash equivalents as of 31.12.2012 amounted to € 4,0 million, in relation to € 3,4 million as of 31.12.2011.
- The Group's non-current liabilities amounted to € 0,9 million as of 31.12.2012, compared to € 229,1 million at the end of the previous fiscal year. It is noted that, on 31.12.2012 there was reclassification of long-term loans of the Parent company to short-term ones (according to par. 74 of IAS 1), given the fact that terms of the relevant loan contracts were not met, as regard the servicing of the loans (see relevant note 19 of annual report).
- Due to the aforementioned reclassification, the Group's short-term bank liabilities as of 31.12.2012 formed at € 274,9 million, compared to € 34,5 million as at 31.12.2011. Slight decrease showed the trade payables and other short-term liabilities and summed at € 62,4 million as at 31.12.2012, compared to € 63,4 million at the end of previous year.

› **Cash flows**

The Group operating activity inflows amounted to € 3,1 million in 2012, compared to € 8,0 million in the previous year, due mainly to the decrease in operating results. The investing activity outflows amounted to € 1,0 million (compared to inflows amounted to € 2,0 million in 2011), due mainly to payments for additions in fixed assets. Finally, financing activity outflows amounted to € 1,4 million in 2012 (compared to € 9,9 million in 2011), due mainly to payments of short-term loans amounted to € 2,2 million, and collection of grants amounted to € 0,8 million.

› **Financial ratios**

- The Group's gross profit margin (%) for 2012 was 11,2%, compared to 15,1% in 2011. Moreover, the EBITDA margin for 2012 was formed at 2,1%, compared to 5,1% in 2011.
- The general liquidity ratio (:1) "Current assets / Current liabilities" was 0,20 in 2012, compared to 0,71 in 2011, while the quick liquidity ratio (:1) "(Current assets - Inventories) / Current liabilities" was 0,18, compared to 0,63 in the previous fiscal year, due mainly to the reclassification of long-term borrowings of the Parent company to the short-term ones.
- The fixed assets ratio (:1) "Turnover / Fixed assets" formed at 0,62 in 2012, compared to 0,66 in 2011. Moreover, the assets ratio (:1) "Turnover / Total assets" was 0,51 in 2012, compared to 0,55 in 2011.
- As far as debt ratios are concerned (:1), the "Liabilities / Equity" ratio formed at 7,46 in 2012, compared to 3,11 in 2011, and the "Long and short term borrowings / Equity" ratio formed at 5,95, compared to 2,46 in the previous fiscal year. The "Liabilities / (Equity + Liabilities)" ratio formed at 0,88 in 2012, compared to 0,76 in 2011, and the "Long and short term borrowings / (Equity + Liabilities)" ratio formed at 0,70 in 2012, from 0,60 in 2011. All above ratios for 2012 were

significantly affected by the decrease in Equity, as a consequence of the year's negative financial results.

- Finally, as far as the capital structure is concerned, the "Fixed assets / Non-current liabilities" ratio and the "Fixed assets / Long-term borrowings" ratio that were formed at 1,57 and 1,62 in 2011, were not able to be extracted for 2012, due to the reclassification of the long-term borrowings of the Parent company.
- The leverage ratio at the end of the 2012 and 2011 fiscal years was as follows:

	31.12.2012	31.12.2011
Total debt	275.851	263.596
Less: cash & cash equivalents	(4.037)	(3.360)
Net borrowing (a)	271.814	260.236
Total equity	46.371	107.074
Total capital employed (b)	318.185	367.310
Leverage ratio (a) / (b)	85,43%	70,85%

II. SIGNIFICANT EVENTS

FINANCIAL YEAR 2012

- In June 2012, vessel "LATO" was launched for the summer season in the international route of "Bari – Durres" which ANEK operated for the first time.
- Furthermore, vessels "LEFKA ORI" and "SOPHOCLES V." were chartered to a foreign shipping company, to which was granted the option to purchase the vessels at the end of the charter. Due to the fact that the charterers were not able to meet the terms of the relative contracts, ANEK proceeded with the cancellation and termination of the said contracts at the beginning of 2013. The management of the Group assigned the case to international law firms in order to secure its assets concerned, claim its rights against the charterers and deal with the enforcement procedure due to charterers' debts to third parties, derived mainly from retrofit works within the period of the chartering. Since there is interest from prospective buyers for the two vessels, the Group's management considers that there will be no charges and there will be a positive outcome in relation to the above.
- During the last quarter of the year, ANEK replaced the vessels operated in the route of Venice with two modern chartered vessels of lower operating cost.

- During 2012 ANEK and “ATTICA S.A. HOLDINGS” continued the execution of combined itineraries in the routes of Heraklion and Ancona through the joint venture “ANEK – SUPERFAST”. Moreover, ANEK Group companies continued to comply with the contracts signed with the relevant Ministries, to service public service routes, concerning the transportation between several islands of the Aegean Sea, connecting Piraeus with Cyclades, Dodecanese, Crete and Kithira. It is noted that on 31.10.2012 the contract of public service ended and the itineraries terminated in the Cyclades route, as well as in the same date, and at the scope of further decrease in operating cost, the itineraries in the route of East Aegean were also ended.
- ANEK has initiated a legal procedure before an arbitration court in London against the company "MINOAN LINES SA" in relation to the forfeiture of the advance of € 47,5 million for the acquisition of the percentage of 33,35% of the share capital of “HELLENIC SEAWAYS SA” for which the management of the Group anticipates a positive outcome.

POST BALANCE EVENTS

- There are not any significant events took place after 31.12.2012, and before the approval of the present annual financial report by the Board of Directors.

III. MAJOR RISKS AND INSECURITIES

Following is an analysis of the major business risks faced by the Group. It should be noted that a detailed description of other business risks and management thereof is provided under note 29 of the financial statements headed “Risk management and policies”.

▶ Fuel price fluctuation risk

Fuel cost is the key operating cost incurred by the Group which has a direct effect on the results of each period and thus, a rise in fuel prices is the most important risk faced by the Group. Fuel prices are settled in Euro, but they are indirectly affected by the EUR/USD exchange rate used as a basis for the determination of the international platts prices. The sensitivity of the results and of the equity to a change in the average cost of fuels per metric ton -ceteris paribus- in 2012 was as follows:

Fuel price changes	Effect on results and equity
± 5% / ton	(-/+) € 4,3 million
± 10% / ton	(-/+) € 8,7 million

During 2012, fuel prices continued to be significantly increased, with the average price of fuel reaching an increase of 15% approx. compared to previous year. It is indicatively noted that Company’s cost of fuels and lubricants in 2012 represented 49% of the total cost of sales, as compared to 48% in 2011 and 43% in 2010.

Consequently, fuel price fluctuation is the most significant risk associated with the Group's financial results. Therefore, a possible rise in fuel cost is expected to have a significantly adverse effect on the Group's operating results, cash flows and financial position.

▶ **Rate fluctuation risk**

The Company has entered into agreements for long-term syndicated loans and credit accounts with different banks. Interests for all the above loans are calculated on the basis of the Euribor rate plus a margin. Consequently, the Company is exposed to a rate fluctuation risk, as it will be burdened with extra financial cost in the event of an increase in interest rates. The sensitivity of the results and equity to long term debt rate changes in 2012 was as follows:

Rate changes	Effect on results and equity
± 0,5%	(-/+) € 1,2 million
± 1%	(-/+) € 2,4 million

Consequently, a possible rise in interest rates is expected to have a significantly adverse effect on the Group's operating results, cash flows and financial position.

▶ **Liquidity risk**

The Company has entered into agreements governed by certain terms and conditions. In the event that the Company fails to meet the terms and conditions undertaken, then the loans would be made immediately payable and the Company will be forced to repay the loans to the banks. This may create a liquidity problem for the Company. In order to avoid possible inadequate liquidity, the Group has ensured that there is available bank credit at all times to cover any extraordinary needs during low liquidity periods. In any event, however, it cannot be excluded the possibility of breaching one or more conditions laid down in the loan agreements entered into by the Group or of the Group's management being unable to secure bank credit in order to cover extraordinary needs under acceptable terms, and this may have a significantly adverse effect on the Group's business activity, operating results, cash flows and financial position. Given the fact that on 31.12.2012 terms of the agreements were not met, in respect of debt servicing, in the statement of Company's financial position there has been reclassification of the total of long-term loans to short-term ones. Group's management has already begun contacts with the lender banks in order to modify the terms and conditions of the total of long-term debt. These contacts are in progress and a positive outcome will reinforce Company's liquidity through the modification of the debt repayment terms by putting off the installments to a later time, extension of time for repayment, and a possible decrease of financial cost. Moreover, at the scope of strengthening the working capital, Group's management is considering various measures to be taken such as the cutting down on operating costs, the redeployment of fleet, the potential reducing or stoppage of vessels in certain routes, the settlement of liabilities to a later time, while additional measures are considered such as the disposal of vessels and the possibility of a share capital increase within 2013. Finally, as it has already been mentioned, Group's management expects a positive outcome from the legal procedure against the company "MINOAN LINES SA" in relation to the forfeiture of the advance of € 47,5 million.

▶ **Competition**

The vessels of ANEK Group performed trips in routes where there is intensive competition, particularly in the Piraeus-Crete and Greece-Italy routes. The effort made by each company to retain and increase its market share in the above markets may intensify competition even more, thus having an impact on their financial results. Moreover, as part of its shipping activities, the Group is trying to improve the allocation of vessels per route, optimize the profits acquired from existing (and possible new) routes and set its prices at competitive levels. A potential intensification of competition in the markets where the Group operates may have a significantly adverse effect on the Group's operating results, cash flows and financial position.

▶ **Credit risk**

Under the existing financial conditions, all companies are facing increased credit risks. The Group is following its customers' balances closely by applying credit control procedures and, where necessary, it has obtained additional guarantees to secure the credit granted even more. However, current economic conditions in Greece and abroad have led to increased credit risk, and thus it is more and more necessary to form provisions for impairment losses in order to offset the consequences of the extreme conditions prevailing in trade and wider macroeconomic environment. The accumulative provisions formed have reached the amount of € 22,7 million, and it is considered adequate to deal with credit risk. Moreover, there is significant dispersion of the Group's receivables, therefore, the risk of concentration is limited.

IV. PROSPECTS FOR THE YEAR 2013

The prospects of the Group and the passenger shipping sector in 2013 will be largely depended on the following factors:

- the progress of the Greek economy as regards the effort being made for reconstruction and implementation of structural changes, and the verification of the provisions for depression, which, according to Bank of Greece, will reach at 4,5%,
- tackling problems and reforming the institutional framework on passenger shipping sector by the State,
- the progress in the influx of tourists to Greece in 2013, where the indications are quite encouraging
- fuel price fluctuations.

Significant role in the course of passenger shipping sector in 2013 will play the dealing with problems of the sector and the degree of reforming of the institutional framework by the state (organic compositions, V.A.T. reduction, elimination of non-contributory charges for third parties, subsidizing social security contributions, redetermination of public service subsidizing). Currently, the main problem of passenger shipping sector is the lack of liquidity where, in many cases, leads to inability on behalf of companies to

meet their obligations. In this context, the support for companies in the sector by the state and the banks is essential in order to avoid potential adverse developments. Also, from the perspective of the companies, it is imperative to reinforce liquidity through various ways such as vessels' sales, capital increases, reducing operating costs and further partnerships development.

As regards fuel cost, it has already been mentioned that, it is the most important cost element of the companies in the sector. During the last months of 2012, after long time, there was observed a downturn in fuel prices. Given the fact though, that it is an unpredictable factor, any further estimate concerning the effect in 2013 results would be insecure.

Already from 2011, ANEK Group placed efforts to strengthen its liquidity and to decrease its operating cost through strategic movements (share capital increase, vessel sale, joint venture, redeployment of fleet). The efforts continued during 2012 along with various measures such as cut itineraries, speed reduction, vessels' withdrawal from non-efficient routes, vessels' replacement with modern chartered vessels of lower operating cost etc. In this framework, Group's management efforts will continue during 2013.

V. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

The most important transactions and balances between the Parent Company and its subsidiaries (LANE, ETANAP, LEFKA ORI, AIGAION PELAGOS), its associate (ANEK LINES ITALIA) and its related parties (JV ANEK – SUPERFAST, HELLENIC SEAWAYS) pertain to vessels' chartering, vessel agency and other services and the purchase of bottled water. Executives' fees pertain to dependent employment services and BoD members' fees pertain to fees paid and remunerations for meetings. The invoicing of transactions between the above companies was done in accordance with the arm's length principle. Following are the most important transactions and balances between the Parent Company and its related parties, in accordance with IAS 24:

▶ **Income / expenses**

- In 2012 ANEK invoiced the amount of € 60 thousand to subsidiary LANE (€ 98 thous. in 2011) for ticket issuance commissions, the amount of € 6.029 thousand (€ 11.583 thous. in 2011) to its subsidiary AIGAION PELAGOS for the chartering of vessels and administrative support services, as well as the amount of € 97 thousand to its related party HELLENIC SEAWAYS (€ 293 thous. in 2011) for ticket issuance commissions and other materials' sales.
- The subsidiary LANE invoiced in 2012 the amount of € 1 thousand (€ 197 thous. in 2011) to the Parent Company, and the amount of € 3.699 thous. (€ 348 thous. in 2011) to the AIGAION PELAGOS

for vessels chartering and other vessels' expenses. AIGAION PELAGOS invoiced the Parent Company with the amount of € 111 thousand (€ 721 thous. in 2011), LANE with € 122 thous. (€ 187 thous. in 2011) and HSW with € 73 for various vessels' expenses. Subsidiary ETANAP invoiced the amount of € 210 thousand (€ 224 thous. in 2011) to the Parent Company, and the related party HELLENIC SEAWAYS with the amount of € 25 thous. (€ 20 thous. in 2011) both for sale of products. The company LEFKA ORI invoiced the amount of € 168 thousand to ETANAP (same as 2011) for the rental of machinery. Associate ANEK LINES ITALIA invoiced the amount of € 1.674 thousand to the Parent Company (€ 1.745 thous. in 2011) and the JV ANEK – SUPERFAST with the amount of € 1.107 thous. (€ 662 thous. in 2011) both for ticket issuance commissions. Finally, the company HELLENIC SEAWAYS invoiced the amount of € 1.292 thousand to ANEK (€ 3.326 thous. in 2011) and the amount of € 424 thousand (€ 7.514 thous. in 2011) to AIGAION PELAGOS, for chartering of vessels and ticket issuance commissions.

- Moreover, in 2012 ANEK had income from its subsidiary ETANAP from dividends amounted to € 116 thousand.

▶ **Receivables / Liabilities**

- As of 31.12.2012 the Parent Company had a liability to subsidiary LANE amounting to € 52 thousand (€ 83 thous. in 2011), a liability to subsidiary ETANAP amounting to € 48 thousand (€ 62 thous. in 2011), a liability amounting to € 2.868 thous. (€ 1.887 thous. in 2011) to AIGAION PELAGOS, a liability to the related party HELLENIC SEAWAYS amounting to € 6.967 thousand (€ 10.186 thous. in 2011), and a liability to the associate ANEK LINES ITALIA amounting to € 166 thousand (€ 188 thous. in 2011). Moreover, on 31.12.2012 ANEK had a receivable amounting to € 8.063 thous. (€ 7.402 thous. in 2011) from JV ANEK – SUPERFAST.
- In addition, as of the above date, LANE had a receivable from AIGAION PELAGOS amounting to € 353 thousand (€ 106 thous. in 2011), LEFKA ORI had a receivable from ETANAP amounting to € 551 thousand (€ 827 thous. in 2011), and AIGAION PELAGOS had a liability to HELLENIC SEAWAYS amounting to € 2.946 thousand (€ 2.683 thous. in 2011). Finally, ETANAP had a receivable amounting to € 23 thous. (€ 17 thous. in 2011) from HELLENIC SEAWAYS.

▶ **Fees paid to BoD members and executives**

All the gross fees paid to the Company's executives and BoD members for fiscal years 2012 and 2011 pertained to short term benefits and are presented as follow:

	The Group		The Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Executive members of BoD	639	776	405	529
Non-Executive members of BoD	28	22	21	16
Executives	875	861	875	861
	1.542	1.659	1.301	1.406

As of the end of fiscal years 2012 and 2011, the Company and the Group's receivables from the above persons amounted to € 2 thousand and € 9 thousand respectively, whereas as of 31.12.2012 the Company's liability amounted to € 158 thousand (€ 103 thous. in 2011) and the Group's liability amounted to € 187 thousand (€ 124 thous. in 2011). As of the balance sheet date there were no stock option plans for BoD members and executives or other benefits depending on the value of shares.

VI. CERTIFICATIONS, ENVIRONMENTAL ISSUES & CORPORATE GOVERNANCE

› Certifications for the provision of services and health assurance

- The Company's key targets include ensuring the ongoing improvement of the quality of the services provided, the provision of safe, comfortable and reliable services to passengers and partners, as well as ensuring health and safety for its employees.
- The Company's vessels have been certified according to ISO 9001:2008 for the quality of their services and according to ISO 22000 for the Health and Safety Management System relating to the preparation and provision of meals (HACCP). The ISO & HACCP standards ensure that all processes, including sea transport, passenger and vehicle transport, preparation and provision of meals – snacks, operation of bars, provision of hotel services, organization of cruises and events, are done under controlled and approved conditions, so that the relevant results are satisfactory to customers and compliant with domestic and Community legislation.

› Safe management and safety of vessels

- ANEK and its vessels are certified in accordance with the International Safety Management Code (ISM Code), which complies with all international and national regulations, rules and directives relating to safety at sea and the protection of the marine environment. Moreover, the Company's vessels are certified in accordance with the International Vessel and Port Facility Security Code (ISPS Code) pertaining to the prevention and handling of out of law actions.

- To promote sustainable development, ANEK has included in its Corporate Social Responsibility its environmental policy. It complies with all relevant regulations laid down in domestic and European legislation and has incorporated environmental protection in the day-to-day operations of the vessels included in its fleet. It strives to use optimal techniques, meaning ways of operating and maintenance methods contributing towards the prevention of, and reduction in, pollution, as well as environmental protection.
- As a proof of its environmental awareness, ANEK was the first shipping company in Europe to support the integrated compensatory recycling centers and, as part of this effort, it is the sponsor of the first recycling center operating in the Port of Piraeus. ANEK is also an active member of HELMEPA, the Hellenic Marine Environment Protection Association. HELMEPA is a private non-profit organization aimed at *“creating environmental consciousness and upgrading safety within the maritime community through a concerted voluntary effort to inform, educate and motivate all people”*, by fully supporting the International Maritime Organization's objective for *“Safe Vessels in Clean Seas”*.

› **Corporate Social Responsibility**

ANEK, along with its business operations, implements programs of Corporate Social Responsibility, by supporting athletic and cultural entities, by enhancing environmental actions and social groups all over the country, and by organizing volunteer blood donations. From the early days of establishment, ANEK supports actively the domestic products and promotes healthy diet. It uses exclusively extra virgin olive oil in the restaurants of all of its vessels.

VII. CORPORATE GOVERNANCE STATEMENT

pursuant to art. 43a, par. 3(d) of Codified Law No. 2190/1920.

as currently in force after being amended by Law 3873/2010

1. CORPORATE GOVERNANCE CODE

The Company complies with the Corporate Governance status applicable in Greece, pursuant to Law 3016/2002, as currently in force. ANEK has adopted the Corporate Governance principles dictated by Greek legislation and international practices. Corporate Governance, as a set of rules, principles and control mechanisms used as a basis for organizing and managing the Company, is aimed at ensuring transparency for investors and securing the interests of Company shareholders and all parties involved in its operation. The Company has willingly adopted the Corporate Governance Code of the Hellenic Federation of Enterprises (SEV) for Listed Companies (hereinafter the “Code”). The Code is posted on SEV’s website, at

the following address:

<http://www.sev.org.gr>. The present statement determines the way that the Company applies the code and explains the cases of not compliance to the Code's provisions.

2. CONFIGURATION – ELECTION – OPERATION AND DUTIES OF THE BOARD OF DIRECTORS

2.1 COMPOSITION OF THE BoD

According to article 15 of the Company's Memorandum of Association, the Board of Directors comprises fifteen (15) members, eleven (11) of whom are elected by the General Meeting of shareholders by secret ballot and absolute majority of the votes present at the assembly, and four (4) are appointed by the following persons, in accordance with art. 18 par. 3 of Law No. 2190/1920.

- a) the former Bishop of Kissamos and Selinos Irineos Galanakis may appoint himself;
- b) the Mayor of Chania as well;
- b) the Mayor of Rethymnon as well;
- d) the Association of Economics Graduates of Chania, may appoint one of its members.

The aforementioned persons, after being notified for a Meeting by the Company, should notify the Company in writing, at least three (3) days in advance from the date of the General Shareholder's Meeting, in regards with their right herein, or else the number of the elected member of the BoD is increased accordingly. A legal person may also be a member of the Board of Directors. In that case, the legal person shall be required to appoint a natural person to exercise the powers of the legal person as a member of the Board of Directors.

2.2 ELECTION – OPERATION OF THE BoD

The Board of Directors elects the Chairman and the three Vice-Chairmen among its members and may reallocate all or some of the above positions at any time. When absent or impeded, the Chairman is replaced by the 1st Vice-Chairman; when the latter is absent or impeded, he is replaced by the 2nd Vice-Chairman; when the latter is absent or impeded, he is replaced by the 3rd Vice-Chairman.

The above persons are elected during the first meeting of the Board of Directors, following election of its members by the General Meeting of shareholders. The BoD Chairman, or his substitute, shall chair BoD meetings, direct its operations and monitor the entire operation of the Company, keeping the BoD up to date.

The elected members of the BoD are elected by the Annual Ordinary General Meeting of Shareholders of the final year of their term. Along with the regular members, five (5) alternate members are being elected, with respect to the procedure mentioned herein: Along with the public notice addressed by the BoD convening to the General Shareholder's Meeting, any party interested should submit in writing and within the regular deadline a letter posting his demand for candidacy. Based on the candidates, the BoD shall

make an announcement determining the eligible candidates and draft the ballot, where the candidates appear in alphabetical order and distributes it to the shareholders in the room where the General Meeting is held order to proceed with the voting. Every shareholder is entitled to a number of preference crosses equal to the number of regular and substitute members to be elected and is obligated to put preference crosses that are equal to the number of the regular members of the Board of Directors.

2.3. CONVENING A BoD MEETING

The BoD convenes at the Company's seat every time the Law, the Memorandum of Association or the company's needs require so, as well as every time that the Chairman or his substitute or the Managing Director finds it necessary. The BoD may also hold a teleconference, in compliance with the stipulations laid down in relevant decisions adopted by the Minister for Development. In that event, however, the invitation extended to BoD members shall include any information required for their participation in the meeting. By way of derogation, the BoD convenes validly away from its seat, if the meeting takes place in the Municipality of Piraeus, Attica, the Municipality of Rethymnon, Crete and the Municipality of Iraklion, Crete.

Convention of the BoD may be requested by two (2) of its members by submitting an application to the BoD Chairman or his substitute, who is under obligation to convene the BoD within a deadline of seven (7) days from the date of submittal of the application. The above application shall clearly state, upon penalty of inadmissibility, the items of the agenda. Should the Chairman or his substitute fail to convene the BoD within the above deadline, the members who have requested the convention are allowed to convene the BoD themselves within a deadline of five (5) days from the expiry of the above seven (7)-day deadline, notifying a relevant invitation to other BoD members.

2.4 PASSING RESOLUTIONS

The Board of Directors is in quorum and is holding a valid meeting if half of its members plus one are attending the meeting in person, without taking into account the authorizations provided in accordance with the above. The Board of Directors always passes resolutions on the basis of the absolute majority of votes of its members who are present or represented. The deliberations and resolutions of the Board of Directors are documented in relevant minutes, which are recorded in a special book of minutes and are signed by the Chairman or chairing person, as well as the members present. No member has the right to refuse to sign the minutes of the meetings he has attended; however, he may request that his opinion, if contrary to the resolution passed, is recorded in the minutes. If minutes are drawn up and signed by all the members of the Board of Directors or their proxies, such minutes shall constitute a resolution of the Board of Directors even if there was no prior meeting. Any copies of and extracts from the minutes, if submitted to a Court or other authority, are ratified by the Chairman or, if he is impeded or absent, by his legal substitute.

2.5 BINDING THE COMPANY

The Company is bound validly and is generally represented legally on the basis of two (2) signatures affixed,

the first one must be that of the Chairman of the Board of Directors and the second one must be that of the Managing Director, both of them acting personally; if they are absent or impeded, they shall be replaced by their legal substitutes. It is mandatory that these two signatures are affixed under the Company's seal. By virtue of a resolution passed by the Board of Directors, BoD members and company employees may be authorized to sign for, bind and represent the Company, without prejudice to the restrictions laid down in art. 23 of the Memorandum of Association.

2.6 CONFIGURATION OF THE BOARD OF DIRECTORS – CURRICULA VITAE

By virtue of the Resolution of the General Shareholders' Meeting held on 31.05.2009, the configuration of the Company's Board of Directors (BoD), which was associated at the Meeting of 05.06.2009, is as follows:

His Excellency former Eparch of Kissamos and Selinos Irineos Galanakis	Chairman of the BoD – Executive Member of the BoD
Georgios Katsanevakis	1 st Vice-Chairman of the BoD (Presiding) - Executive Member of the BoD
Spyridon Protopapadakis	2 nd Vice-Chairman of the BoD - Executive Member of the BoD
Georgios Archontakis	3 rd Vice-Chairman of the BoD - Executive Member of the BoD
Ioannis Vardinoyannis	Managing Director - Executive Member of the BoD
Aristotelis Balis	Deputy Managing Director - Executive Member of the BoD
Emmanouil Apostolakis	Non-Executive Member of the BoD
Emmanouil Galanakis	Non-Executive Member of the BoD
Michael Marakakis	Non-Executive Member of the BoD
Georgios Marinakis	Non-Executive Member of the BoD
Evangelos Bairaktaris	Non-Executive Member of the BoD
Georgios Bourakis	Non-Executive Member of the BoD
Emmanouil Skoulakis*	Non-Executive Member of the BoD
Michael Georvasakis	Independent Non Executive Member of the BoD
Dimitrios Kantilierakis	Independent Non Executive Member of the BoD

** It should be noted that, by virtue of a resolution passed by the BoD on 14.01.2011 – pursuant to art. 15 of the Company's Memorandum of Association - Mr. Kyriakos Virvidakis was replaced by the new Mayor of Chania, Mr. Emmanouil Skoulakis.*

The term of the elected Directors of the Board, pursuant of article 15 of the Company's Articles of Incorporation is a four year term, begins on the eleventh day past the date of the Ordinary General Shareholders' Meeting and comes to end with the election of new Directors on the tenth day past the Ordinary General Shareholders' Meeting of their final term year.

Following are summary CVs of the current BoD members:

- **His Excellency former Eparch of Kissamos and Selinos Irineos Galanakis, Chairman of the BoD - Executive member of the BoD**

He was born in 1911, in Nerohori Apokoronou of Chania in Crete. He is a graduate of the School of Theology of the University of Athens, holding a Master's Degree in Theology from the Catholic Universities of Lille and Paris, France. He has been a Professor of Theology from 1938 till 1945 to schools within the Prefecture of Chania. In 1946 consecrated a Deacon - Dean, and held various ecclesiastic posts, among which are Eparch of the Greek Orthodox Eparchy of Germany and Eparch of Kissamos and Selinos. His Excellency the f. Eparch Irineos is one of the founding members of ANEK.

- **Georgios Katsanevakis, 1st Vice-Chairman of the BoD (Presiding) – Executive Member of the BoD**

He was born in 1942 in Chania, Crete. He is a Political Engineer, graduate of the National Technical University of Athens. He was elected President of the Technical Chamber of West Crete, Mayor of Chania and Prefect of Chania. He was also a member of the Board of Directors of the Union of Prefectural Self-Government of Greece.

- **Spyridon Protopapadakis, 2nd Vice-Chairman of the BoD – Executive Member of the BoD**

He was born in 1956 in Chania, Crete. He is a graduate of the School of Finance of the Rutgers University in USA and a holder of a Master's Degree in Transportation and Business Management from the State University of New York. He was an executive of Johnson & Johnson in USA from 1980 to 1982. He was a scientific executive of the Center for Programming and Economic Research (KEPE) from 1984 to 1990, working for the preparation of the five-year program in Rethymnon and Chania. He was the Director of the Crete branch of the Hellenic Center for Productivity (ELKEPA), as well as a Scientific Partner of the University of LEEDS in the field of Export Marketing from 1994 to 1997. He served as a special advisor to the Secretary-General of the Region of Crete from 1997 to 2000 and worked as a high-ranking executive for various companies and organizations from 1990 to 2003. He operates a consulting office.

- **Georgios Archontakis, 3rd Vice-President of the BoD – Executive member of the BoD**

He was born in 1949 in Chania, Crete. He is a graduate of the Medical School of Athens. He worked as an attendant, member of the Board and Deputy Director of the "ST. SAVAS" Hospital. Furthermore, he was the President of the Ophthalmology Center of Athens for 10 years, as well as a member of the scientific committee of "ST. SOFIA" Hospital. He has been the Director of the Department of Neurosurgery of the General Hospital of Chania "SAINT GEORGE" since 2001. He has received awards from the Technical University of Crete, the "ST. SAVAS" Hospital, the Children's Hospital and the Ophthalmology Center of Athens. He is also a member of the city council of Chania.

- **Ioannis Vardinoyannis, Managing Director – Executive Member of the BoD**

He was born in 1957 in Episkopi, Rethymnon, Crete. He is a graduate of the School of Economics and Marketing of the University of Bridgeport, Connecticut, USA. Mr. Vardinoyannis, in addition to being the Managing Director of ANEK, is also the Chairman of the Board of Directors of HELLENIC SEAWAYS.

- **Aristotelis Balis, Deputy Managing Director – Executive Member of the BoD**

He was born in 1950 in Chania, Crete. He is a graduate of the School of Economics of the Aristotle University

of Thessaloniki. He was a Member of the Board of Directors as well as a Supervisor of the Economic Chamber of West Crete and a Regional Director of the Institute of Vocational Training and Education for Members of the Economic Chamber of Greece.

- **Emmanouil Apostolakis, Non- executive Member of the BoD**

He was born in 1952 in Nippos Apokoronou, Chania, Crete. He is a mechanical engineer, graduate from the Higher School of Mechanics in Athens (A.S.YP.A) while he has also graduated from the Educational Department of PATES SELETE.

- **Emmanouil Galanakis, Non-Executive Member of the BoD**

He was born in 1946 in Rethymnon, Crete. He is a high-school graduate. He is in the hotel and tourism business industry.

- **Michael Marakakis, Non-Executive Member of the BoD**

He was born in 1949 in Kasteli, Ksamos. He finished the High School of Kasteli and was hired by the National Bank of Greece in 1974, following a Public Tender. He worked in various departments of the bank for 25 years. In 1991 he founded “DIAS”, an equity investment société anonyme and served as Vice-Chairman of the company until 1996. Furthermore from 1997 to 2004 he was a Vice-Chairman of the BoD and General Director of the COOPERATIVE BANK OF CHANIA, and has been Chairman of the BoD and General Director of the bank since 2004. He is also Chairman of the Bank’s subsidiaries “CRETAN REAL ESTATE”, “CRETAN HOLDINGS”, “CRETAN REAL ESTATE DEVELOPMENT”, “CRETAN REAL ESTATE EXPLOITATION”, “NEA CHORA” as well as in the “ENTERPRISE PARK OF CHANIA” and “PRIME ENERGY S.A. At the same time he serves as Vice-Chairman of the “PANELLINIA BANK”.

- **Georgios Marinakis, Non-Executive Member of the BoD**

He was born in 1957. He is a graduate of the Law School of the Aristotle University of Thessaloniki. He has worked as a lawyer in Rethymnon since 1982. He was a member of the Board of Directors of the Municipal Water Supply and Sewage Company of Rethymnon from 1984 to 1990. Since 1993 he has been actively involved in the affairs of the Rethymnon Bar Association; he was the Association’s Treasurer from 1993 to 1996 and Secretary-General from 1996 to 1999. From 1998 to 2002 he served as a Prefectural Councilor, regular member of the Prefectural Committee, Head of the Cultural Commission of the Prefectural Authority of Rethymnon and Deputy Prefect of Rethymnon. In 2002 he was elected as a member of the City Council of the Municipality of Rethymnon. In 2007 he was elected as the Mayor of Rethymnon; he was reelected in 2010.

- **Evangelos Bairaktaris, Non-Executive Member of the BoD**

He was born in 1971 in Athens. He has worked as a lawyer in Piraeus since 1998, focusing mainly on shipping and banking law. He is the administrator – partner of the G. E. Bairaktaris & Partners Law Firm. He has worked as the Company’s legal advisor for over ten years and has represented a number of domestic and foreign shipping firms, banks and P&I Clubs.

- **Georgios Baourakis, Non-Executive Member of the BoD**

He was born in 1959 in Canada. He is a graduate of the School of Mathematics of the University of Crete and holds post-graduate degrees in Economics and Production & Administration from the University of Canada and the Technical University of Crete, respectively. He has been an Advisor to the OECD since 2005. He has also been a coordinator of Studies and Research of the Post-graduate Department of Economics and Administration of the Mediterranean Agronomic Institute of Chania since 1989, while from June 2012 he has been the Director of the Institute. He has participated in numerous research programs.

- **Emmanouil Skoulakis, Non-Executive Member of the BoD**

He was born in 1944 in Chania. He is a doctor; he studied in the Medical School of the University of Athens. He served as Deputy Minister and State Secretary for Health, Welfare and Social Security. He has been the Mayor of Chania since 01.01.2011.

- **Michael Georvasakis, Independent Non Executive Member of the BoD**

He was born in 1945 in Rethymnon, Crete. He is a high-school graduate. Mr. Georvasakis is a businessman and owns a graphic arts plant.

- **Dimitrios Kantilierakis, Independent Non Executive Member of the BoD**

He was born in 1937 in Chania, Crete. He is a graduate of the School of Economics of the University of Munich in Germany, and holds a Master's Degree in Business Management and Marketing from Riedenburg, Germany. He was the President of the Economic Chamber of West Crete, as well as a Member of the Board of Directors of the PANCRETAN COOPERATIVE BANK.

2.7 FEES PAID TO MEMBERS OF THE BoD

Every fee or remuneration to be paid to members of the Board of Directors is borne by the Company only if approved by a special resolution of the Ordinary General Meeting. The fees and other remunerations paid to non-executive members of the Board of Directors are determined in accordance with Codified Law 2190/1920 and are proportionate to the time spent for attending Board meetings and performing the duties assigned to them in accordance with this Law. All the fees and possible remunerations paid to BoD members are referred to in Part V of this Report prepared by the Board of Directors.

The Board of Directors is responsible for deciding on:

- a) all kinds of fees, irrespective of reason, paid to executives and internal auditors; and
- b) the overall fees policy of the Company.

3. GENERAL MEETING OF SHAREHOLDERS

3.1 CONVENING THE GENERAL MEETING

The General Meeting of shareholders is the Company's highest-ranking administrative body. It has the right to pass resolutions on any company affair and, when comprised in accordance with the Memorandum of Association, it represents all shareholders. Its resolutions passed in accordance with the law are binding to

all shareholders, even if they are absent or disagree. The General Meeting of shareholders is always convened by the Board of Directors and meets regularly at the Company's seat once a year, within the first six months from the end of the fiscal year and, if the company's shares are listed on a stock exchange having its seat in Greece, the General Meeting may be held in the area of the Municipality where there Stock Exchange's seat is.

The Board of Directors may, if deemed necessary, convene an extraordinary General Meeting. Moreover, upon request by a number of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors is under obligation to convene an Extraordinary General Meeting of shareholders and shall set a date for that meeting which must not be later than forty five (45) days after the date when the relevant request was submitted to the Chairman of the Board. The above request shall be submitted in writing and shall also include the items of the agenda of the General Meeting and shall provide evidence of the shareholding status of the requesting shareholders, as well as the number of the shares they hold when exercising the relevant right. Such evidence may also include depositing their shares to the Company's Treasury or to the Deposits and Loans Fund or to any Banking Société Anonyme in Greece.

The invitations to the ordinary and extraordinary General Meetings are published at least twenty (20) days prior to the date set for the General Meeting and in the case of a Resumed Meeting following a mandatory postponement, they are published at least ten (10) days prior to the date set for the Resumed Meeting, also including non-business days. The date of publication of the invitation to the General Meeting and the date of the Meeting are not included. The invitations to the ordinary and extraordinary General Meetings are published in one daily or weekly political newspaper published in the Company's seat and daily or weekly political newspaper published in Athens, which are, at the Board's discretion, widely circulating, as well as in a daily financial newspaper, pursuant to art. 26, par. 2 of Law 2190/1920, as amended by art. 25 of Presidential Decree 409/86. The invitations are also published in the Sociétés Anonymes and Limited Liability Companies issue of the Hellenic Government Gazette, pursuant to art. 3 of Presidential Decree of 16/1/1930 on the "Prospectuses of Sociétés Anonymes", at least ten (10) full days prior to the date set for an ordinary Meeting or at least five (5) full days prior to the date set for an extraordinary Meeting. The invitation to a General Meeting includes at least the building and exact address of the meeting, its date and time, a clear list of the items of the agenda, the shareholders entitled to attend, as well as exact instructions on how shareholders shall be able to attend the Meeting and exercise their rights either in person or through proxies or even remotely, and it is posted at a conspicuous location in the Company's office, as well as in the reception area of the Company's vessels twenty (20) full days in advance. A list of the shareholders holding voting rights at the General Meeting, including the number of shares and votes held by each one of them (the votes must be equal to the number of shares, pursuant to art. 30 of Codified Law 2190/1920) and the addresses of the shareholders or their proxies, must be posted at a conspicuous location in the Company's office forty eight (48) hours prior to each General Meeting.

The rights of minority shareholders are in accordance with articles 39 and 40 of Law 2190/1920, as currently in force.

3.2. MEETINGS - QUORUM

The General Meeting is in quorum and is held validly in order to discuss the items of the agenda as long as the shareholders attending the meeting either in person or through proxies represent at least one fifth (1/5) of the paid up Share Capital. If such quorum is not achieved in the first meeting, the General Meeting shall convene again within twenty (20) days of the date of the postponed meeting, by invitation sent at least ten (10) full days in advance.

The resumed General Meeting shall be in quorum and decide validly on the items of the original agenda regardless of the percentage of the paid up Share Capital represented thereat. A new invitation shall not be necessary if the original invitation mentions the time and place of the resumed meetings provided for by Law, in case a quorum is not achieved.

In extraordinary cases, when it comes to resolutions relating to changing the nationality of the Company, increasing the shareholders' obligations, changing the purpose of the company, increasing its share capital, where this is not provided for in the Memorandum of Association (unless required by Law or through capitalization or reserves), reducing the share capital (unless pursuant to art. 16, par. 6 of Codified Law 2190/1920), changing the method used for the appropriation of profit, a merger, breakup, conversion, revival, extension of the duration or winding up of the Company, granting the power to the Board of Directors to increase the share capital pursuant to art. 13, par. 1 of Codified Law 2190/1920, or renewing such power, as well as in any such other case as provided for in the Law, the Meeting is in quorum and is held validly in order to discuss the items of the agenda as long as the shareholders attending the meeting either in person or through proxies represent at least two thirds (2/3) of the paid up Share Capital. If this quorum is not achieved, the General Meeting shall be convened and held again pursuant to the stipulations laid down in par. 1, item two of this article and shall be in quorum and shall be held validly in order to discuss the items of the original agenda as long as at least half (1/2) of the paid up Share Capital is represented thereat. If this quorum is not achieved either, the Meeting shall be convened and held as per the above and shall be held validly in order to discuss the items of the original agenda as long as at least one fifth (1/5) of the paid up Share Capital is represented thereat, for as long as the Company's share are listed on the Athens Stock Exchange.

3.3 DUTIES OF THE GENERAL MEETING

The General Meeting of shareholders decides on all issues brought to its attention and is the sole body responsible for making decisions concerning the following:

- a) Amending the Memorandum of Association, including reducing or increasing the share capital without prejudice to articles 6 and 7, par. 1 of the Memorandum of Association.
- b) Electing the members of the Board of Directors and ratifying the election of members by the Board of Directors in replacement of departing members.
- c) Approving the Company's Annual Financial Report and of the profit appropriation.
- d) Merging, breaking up, converting, reviving, extending the term of, or winding up the Company.

- e) Extending the term of the Company, merging or winding up the Company.
- f) Appointing liquidators.
- g) Taking civil action against members of the Board of Directors for misconduct.
- h) Electing auditors.

The resolutions of the General Meeting are passed on the basis of the absolute majority of the votes represented thereat. In extraordinary cases, the resolutions referred to in art. 31, par. 2 of the Company's Memorandum of Association are passed on the basis of a majority of two thirds (2/3) of the votes represented at the Meeting. The resolutions of the General Meeting are passed through open or secret (where necessary) ballot, using ballot papers and nominal participation forms, except for resolutions relating to the election of the persons chairing the General Meeting and resolutions relating to judicial matters, which may be passed by a show of hands or by acclamation. Following approval of the Annual Financial Report, the General Meeting passes a resolution, by a special vote carried out through roll call, on relieving the members of the Board of Directors and Auditors of any indemnification liability. The relief is void in the cases referred to in art. 22a of Codified Law 2190/1920. Members of the Board of Directors are allowed taking part in the vote taken to relieve them of liability only on the basis of the shares they hold. The same applies to Company employees.

4. INTERNAL AUDIT SERVICE

The Internal Audit Service audits the method used to organize and operate certain Company activities in order to verify and confirm existing procedures as to how they are implemented and whether they are correct, representative and appropriate for the benefit of the Company. The Head of the Service (Internal Auditor) is appointed by the Company's Board of Directors. Members of the Board of Directors, current executives performing other duties, or any relatives of these persons up to second degree by blood or by marriage, may not be appointed as internal auditors. The internal auditor is accountable on a hierarchical basis to the Company's Management; however, he is independent in performing his duties and has the right to become aware of Company information and obtain access to any Company Service. The Company's Divisions and employees are required to cooperate with and provide information to the internal auditor and generally to facilitate his work in all possible ways. The Company's Management is required to provide the internal auditor with all means necessary for facilitating the performance of appropriate and effective audit.

In particular, the Internal Audit Service performs the following duties:

- It monitors the implementation and continuous observance of the Company's Internal Operating Regulation and Memorandum of Association, as well as of the overall legislation relating to the Company, and in particular of the legislation on sociétés anonymes and stock exchange.
- It reports to the Company's Board of Directors any cases of conflict between the private interests of BoD members or Company executives and the Company's interests, as identified during the

performance of its duties.

- Internal auditors are required to inform the Board of Directors in writing at least once a quarter about the audit performed, as well as to attend the General Meetings of shareholders.
- Internal auditors provide, following approval by the Company's Board of Directors, any information requested in writing by Supervising Authorities, cooperate with these Authorities and facilitate their monitoring, auditing and supervising work in all possible ways.

The Internal Audit Service submits to the Board of Directors a quarterly report on the audit performed, and communicates it to the Internal Audit Committee. It also submits extraordinary reports, as the case may be, where it feels that the time left until the drafting of the ordinary report is long and the matter to be taken care of or the information to be provided to the Board of Directors is urgent.

Mr. Nikolaos Xynos is serving as the Company's Internal Auditor. Following is a short CV:

Nikolaos Xynos, Head of Internal Audit

He was born in 1961 in Kozani. He holds a degree in Economics and Management Administration from the Eastern Michigan University, USA. He has worked for ANEK since 1992 and was appointed as Head of the Internal Audit Service in January 2010.

5. COMMITTEES COMPRISING BoD MEMBERS

To ensure that the Company functions safely, as well as that financial and legal risks are minimized, the Board of Directors has decided, in accordance with the existing institutional framework and the provisions on corporate governance (Law 3016/2002 and art. 37 of Law 3693/2008), to set up the following two (2) Committees:

A) The Audit Committee

B) The Fees and Benefits Committee

The Board of Directors may decide to set up other committees too, at discretion, if it feels that they will facilitate its work. The configuration and function of these committees shall be in accordance with Law 3016/2002 and art. 37 of Law 3693/2008 and this Operating Regulation, and they shall be set up to assist the Board of Directors in performing its duties.

A) AUDIT COMMITTEE

1. Purpose

Following are some of the Audit Committee's obligations:

- to monitor the financial information procedure;
- to monitor the efficient operation of the system;
- to supervise the internal audit and risk management system, as well as to monitor the proper function of the internal audit service of the entity under audit;

- to monitor the progress of the mandatory audit of company and consolidated financial statements;
- to overview and monitor issues relating to the existence and ensuring of the objectivity and independence of the legal auditor or auditing firm, in particular as regards whether other services are provided to the entity under audit by the legal auditor or auditing firm.

The proposal made by the Company's Board of Directors to the General Meeting on the appointment of a legal auditor or auditing firm is based on a recommendation made by the Audit Committee. The legal auditor or auditing firm must report to the Audit Committee any issue relating to the progress and results of the mandatory audit and submit a special report on the weaknesses of the internal audit system, in particular concerning the weaknesses of the procedures relating to the provision of financial information and the drafting of financial statements.

2. Configuration – Convocation – Meetings

The Audit Committee comprises at least two (2) non-executive members and one (1) independent non-executive member of the Board of Directors. It holds at least two (2) meetings a year.

3. Configuration

All members of the Audit Committee are appointed by the General Meeting of shareholders or partners, and the independent non-executive member of the Committee must have proven accounting and auditing knowledge. On 31.05.2009, the Ordinary General Meeting of Company shareholders appointed the following members of the Audit Committee:

Chairman: Dimitrios Kantilierakis, Independent Non Executive Member of the BoD

Member: Michael Georvasakis, Independent Non Executive Member of the BoD

Member: Evangelos Bairaktaris, Non-Executive Member of the BoD

B) FEES & BENEFITS COMMITTEE

1. Purpose

Any decisions relating to all kinds of fees paid to Company executives and internal auditors, as well as to the Company's overall fees policy, are made by the Board of Directors, always in compliance with legal procedures, in particular with art. 23a of Law 2190/1920. The responsibility of the fees and benefits committee is to make proposals to the Board of Directors concerning the following:

- a) its recommendation to the General Meeting on the determination of all kinds of fees and benefits to be paid to the executive members of the Board of Directors, and
- b) the determination of the overall policy concerning the fees and benefits to be paid to Company executives, always within the framework that may have been set forth by the General Meeting.

2. Configuration

The members of the Fees & Benefits Committee are appointed and removed by the Board of Directors. The

Fees & Benefits Committee comprises four (4) non-executive members of the Board of Directors and the Managing Director. The members of the Fees & Benefits Committee are appointed and removed by the Board of Directors. Pursuant to decision no. 1488/13/18.06.2009 made by the Company's Board of Directors, the Committee comprises the following members:

- Ioannis Vardinoyannis, Managing Director
- Emmanouil Apostolakis, Non-Executive Member of the BoD
- Michael Georvasakis, Independent Non Executive Member of the BoD
- Michael Marakakis, Non-Executive Member of the BoD
- Evangelos Bairaktaris, Non-Executive Member of the BoD

3. Configuration – Convocation – Meetings

- Immediately after appointment of its members, the Fees & Benefits Committee is established by electing its Chairman. It is not necessary to reestablish the Committee if a vacant position therein is filled by the Board of Directors, unless the Chairman's vacant position is filled.
- The Fees & Benefits Committee holds its meetings upon informal (verbal) invitation extended by its Chairman, at least once a year. The Chairman may convene the Committee at any time, at discretion. The invitation is not subject to deadline.
- The Committee is in quorum and holds its meeting validly as long as three of its members are present. A member may be represented by another member. In any event, at least two Committee members must attend the meeting in person.
- All efforts are made for the Committee to make unanimous decisions. Where it is impossible to make a unanimous decision, the relevant decision may be made by ordinary majority of the attending members. The decisions of the Fees & Benefits Committee are not binding.

6. ORGANIZATIONAL AND OPERATING COMPANY STRUCTURES

6.1 GENERAL SECRETARIAT

- The General Secretariat of ANEK is responsible for ensuring the sorting incoming mail properly and forwarding it to the competent Divisions and Departments of ANEK. It is also responsible for processing outgoing mail.
- The General Secretariat is responsible for coordinating the Secretariat Departments of the different Divisions.
- Each ANEK Division operates its own Secretariat Division, which reports to the respective Manager. It is organized and operates in a way similar to that of the General Secretariat. Its main responsibility is

similar to that of the General Secretariat and, in particular, it ensures the keeping and processing of the Division's registry.

6.2 PUBLIC RELATIONS AND COMMUNICATION DEPARTMENT

- The department makes recommendations to the Managing Director and ensures the formation and implementation of the Company's communication strategy.
- It promotes good relations with the media and ensures that the Company is promoted to and by these media.
- It sees to it that the Press is monitored and informs the Managing Director and Board of Directors about relevant reports.
- It sees to it that the Company is promoted at a local, national or international level through sponsors and other social activities.

6.3 SHAREHOLDER SERVICE DEPARTMENT

- The department is responsible to the Managing Director for the providing shareholders with immediate and indiscriminate information and service with regard to the exercise of their duties in accordance with the law and the Company's Memorandum of Association.
- The department sees to it that, when the Annual Ordinary General Meeting of Company shareholders is held, shareholders have the Company's Annual Report in their hands, as well as that all disclosed company publications (Annual Prospectus, interim and annual financial statements, management reports by the Board of Directors and the certified auditors-accountants) are sent to every party involved in hard copy or electronic format.
- The department is responsible for keeping and updating the Company's list of shareholders in accordance with the law. To perform this duty, the department must contact the Central Securities Depository.

6.4 CORPORATE ANNOUNCEMENT DEPARTMENT

The department sees to it that the public is informed, through the Stock Exchange, about every event which, if disclosed, is expected to affect the purchase of Company shares in accordance with the Stock Exchange Regulation and applicable law, as currently in force.

6.5 LEGAL DEPARTMENT

- The department is responsible to the Managing Director for providing the Company with legal coverage so as to ensure and protect its interests.

- It is kept up to date with general and special legal issues relating to the Company and ensures the coordination and management of such issues at an operational level, and proposes ways to ensure Company interests.
- It responsible for receiving, registering and managing all legal documents, subpoenas, etc. relating to the Company.

7. INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

7.1 KEY FEATURES OF THE INTERNAL AUDIT SYSTEM

The Management evaluates the adequacy of the Internal Audit System on the basis of best company practices. In particular, evaluation includes an examination of the audit environment, of the risk assessment procedure, of the auditing mechanisms and safeguards, of the communication and information system, as well as of the role and responsibility of the Management, internal auditors and other staff members. In particular, an examination is made of whether important executive, recording and approval functions are administratively and operationally distinct (four eyes principle).

7.2 RISK MANAGEMENT IN CONNECTION WITH THE DRAFTING OF FINANCIAL STATEMENTS

The Company has invested in the development and maintenance of state-of-the-art computer infrastructures ensuring, through a number of safeguards, that financial figures are correctly presented and all kinds of operating risks are minimized. Moreover, a results analysis is performed on a monthly basis, which covers all important aspects of business activity. Comparisons are carried out between the actual, historic and budgeted accounts, including sufficient detailed explanation of all significant differences. Most of the reports are automated and are generated by a special M.I.S. application and, as referred to above, important executive, recording and approval functions are administratively and operationally distinct (four eyes principle).

At an administrative information level, the Company is supported by an internally developed regional M.I.S. system drawing data from the accounting data base in the form of excel, ascii and batch files. The gathering and processing of information by the system is automated. Users are provided with information early enough, and the data provided are subjected to an independent check by the Computer Department to ensure accuracy, reliability and completeness. Access to the system is classified.

The Financial Division personnel is not often changed. The Division's employees hold higher or highest level degrees, and those appointed at "key" positions are fully trained to perform their duties, thus ensuring that the completeness of the financial statements prepared. The Manager of the Financial Division is responsible for the accuracy of the financial information published.

The ordinary auditors inform the Audit Committee on an annual basis about any possible weaknesses in the internal audit system and submit a statement of independence; they do not provide non-auditing services.

The Board of Directors is informed, at least on a six-month basis, about the key business risks faced by the Group and verifies that these risks are fully defined, adequately estimated and effectively managed.

As regards the management of financial and operating risks, the Management is currently establishing limits for the discontinuation of loss-causing activities and the determination of criteria for an early warning system.

8. INFORMATION REQUIRED BY ARTICLE 10(1) OF DIRECTIVE 2004/25/EC ON TAKEOVER BIDS.

The required information is included in part VIII “Explanatory Report by the Board of Directors”.

9. COMPLIANCE WITH CODE PROVISIONS

Following are explanations provided by the Board of Directors on where and why there were certain derogations from the recommendations of the Code in 2012.

a) There is no specific Board of Directors operating regulation, as the provisions of the Company’s Memorandum of Association and Internal Regulation are deemed to be sufficient for the organization and operation of the Board of Directors.

b) The Board of Directors does not apply a calendar of meetings or a 12-month action plan, subject to revision in accordance with Company needs, at the end of each calendar year, since BoD meetings are convened and held quite easily when necessary in accordance with Company needs or the Law thanks to the options included in the Memorandum of Association for holding BoD meetings with teleconference or away from the Company’s seat.

c) The Company has not adopted a procedure for evaluating the performance of the Board of Directors, but it currently examines the relevant practice that will be followed.

d) The Company has not established a committee for indicating would-be BoD members yet, but it shall proceed to establish it within 2013.

e) The Board of Directors does have an Executive Chairman, as well as Executive 1st, 2nd and 3rd Vice-Chairmen. The election of the His Excellency the former Eparch of Kissamos and Selinos Mr. Irineos Galanakis as Chairman of the Board of Directors is a token of the Company’s respect for the religious, social work and personality of Mr. Irineos Galanakis, which is widely recognized all over Greece. The existence of three executive Vice-Chairmen contributes towards the smooth operation of the Board of Directors, as the Chairman is substituted when impeded and unable to perform his duties. The effective and independent operation of the Board of Directors is ensured by the large number of its members, i.e. a total of fifteen (15) members, eleven (11) of which are elected by an extremely wide shareholder base and four (4) of which are appointed by the following persons: (a) the Eparch of Kissamos and Selinos Mr. Irineos Galanakis, (b) the Mayor of Chania, (c) the Mayor of Rethymnon, and (d) the Association of Economics Graduates of Chania.

f) No company Secretary has been appointed to support the Company’s Board of Directors, as the

Secretary's duties — providing practical support to the Chairman and members of the Board of Directors with a view to ensuring compliance with the Company's internal rules and relevant laws and regulations, ensuring proper flow of information between the Board of Directors and its committees, providing its members with information concerning Company affairs upon assumption of their duties as well as throughout their terms, and organizing the meetings of shareholders appropriately — are performed by the Shareholder Service Department, the Corporate Announcement Department and the Legal Department, depending on the type of the relevant issues.

g) No special practice is implemented under the Corporate Governance Code relating to the ongoing professional training and education of BoD members, and no special provision is made for providing BoD Committees with resources for performing their duties and hiring external advisors, as the implementation of such practices would lead to a burden for the Company which would be disproportionate to the time and cost required.

This Corporate Governance Statement is an integral and special part of the annual Management Report by the Company's Board of Directors.

VIII. EXPLANATORY REPORT BY THE BOARD OF DIRECTORS

This explanatory report by the Board of Directors of ANEK S.A. to the Ordinary General Meeting of its Shareholders includes detailed information with regard to the issues referred to in art. 4, par. 7 of Law 3556/2007.

1. Structure of the Company's share capital

The Parent Company's share capital as of 31.12.2012 amounted to € 56.596.467,60 divided into 185.373.016 common and 3.281.876 preferred voting shares of the nominal value of € 0,30 each. In May 2011, the share capital increase of the Parent Company was completed, which was decided on 19.12.2010 by the previously postponed 2nd Resumed Extraordinary General Meeting of the Parent Company's shareholders and the previously postponed 2nd Resumed Special Meeting of the shareholders holding preferred shares issued in 1990 and 1996. The above General Meetings decided to increase the Company's share capital up to the amount of € 25.202.998,50, which shall be implemented through payment in cash by issuing new common registered voting shares, of nominal value of € 0,30 each, and a preemptive right in favor of existing Company shareholders at a ratio of 5 new common registered voting shares to 8 existing common or preferred shares. On April 26th 2011, the Board of Directors of Parent Company confirmed the partial share capital increase of the amount € 16.271.669,70 that refers to 54.238.899 new common shares

of nominal value of € 0,30 each, and on May 11th 2011, the new shares began to be traded in the Athens Stock Exchange.

The Company's shares are all listed on the Athens Exchange.

Shareholders responsibility is limited to the face value of the shares they own. Each share provides all the rights provided for by Law and the Company's Articles of Incorporation. All (common and preferred) shares are voting rights.

Preferred shares issued in 1990 and 1996 enjoy only those benefits stipulated by law, namely the preferential collection of first dividend and preferential participation in the proceeds of liquidation.

The Company does not hold own shares.

2. Restrictions to the transfer of the Company's shares

All company shares are transferred in accordance with the law, and the Company's Articles of Association do not include any restrictions on such transfer.

3. Significant direct or indirect holdings as laid down in articles 9 to 11 of Law 3556/2007

As of 31.12.2012 the shareholders holding more than 5% of all Company voting rights were the companies "VARMIN AEBE" holding 26,52%, and "SEA STAR CAPITAL PLC" holding 23,16%. There are no changes of the above percentages until the publishing of the present report.

4. Shares owners with special controlling rights

There are no such shares providing their holders with special rights to control

5. Restrictions to the right to vote

No provision is made in the Company's Articles of Incorporation for restrictions to the right to vote arising from its shares.

6. Agreements of the Company's shareholders

The Company is not aware if there are any agreements among its shareholders imposing restrictions to the transfer of its shares or to exercising the rights to vote arising from such shares.

7. Rules for appointing and replacing BoD members and amending the Articles of Incorporation

The rules provided for in the Company's Memorandum of Association on the appointment and replacement of BoD members and the amendment to the Memorandum's provisions are not different from those provided for in Codified Law 2190/1920, as currently in force, and are as follows:

According to article 15 of the Company's Memorandum of Association, the Board of Directors comprises

fifteen (15) members, eleven (11) of whom are elected by the General Meeting of shareholders by secret ballot and absolute majority of the votes present at the assembly, and four (4) are appointed by the following persons, in accordance with art. 18 par. 3 of Law 2190/20:

- a) the former Bishop of Kissamos and Selinos Irineos Galanakis may appoint himself;
- b) The Mayor of Chania as well;
- b) The Mayor of Rethymnon as well;
- d) the Association of Economics Graduates of Chania, may appoint one of its members.

8. BoD authorization to issue new or buy treasury shares

The Board of Directors has no right to increase the Company's share capital by the issue of new shares, or to buy treasury shares, without the prior approval of the General Meeting.

9. Significant agreements that enter into force, that are modified or expire as a result of audit change following a public proposal.

There are no significant agreements that enter into force, are modified or expire as a result a change in auditing the Company following a public proposal.

10. Agreements with members of the Board of Directors or the Company's personnel

There are no agreements between the Company and members of its Board of Directors or its personnel providing for the payment of compensation in case of resignation or dismissal on no serious grounds or termination of term or employment as a result of a public proposal.

Chania, 28 March 2013

The Board of Directors of ANEK

INDEPENDENT AUDITOR'S REPORT

To the shareholders of

ANEK LINES S.A.

Report on the Company Separate and Consolidated Financial Statements

We have audited the accompanying company financial statements of **ANEK LINES SA** (the "Company") and the consolidated financial statements of the Company and its subsidiaries, which comprise the separate and consolidated statement of financial position as at December 31st, 2012, and the separate and consolidated income statements and statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting principles and policies and other explanatory information..

Management's Responsibility for the Company Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these company and consolidated financial statements in accordance with International Financial Reporting Standards as these have been adopted by the European Union, and for such internal control that management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the company and consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the company and consolidated 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 principles and policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated 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 accompanying company and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as of December 31st, 2012, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as these have been adopted by the European Union.

Emphasis of Matter

We draw attention to the explanatory notes 2 and 27 in the annual consolidated financial statements which indicate the following important matters:

- a) The Company reclassified its long-term bank loans to current liabilities due its' inability to meet the respective loan covenants. Taking the above mentioned reclassification into consideration the consolidated current liabilities exceed the consolidated current assets by 269,2 million €, while at the same time other overdue current liabilities are present.
- b) Two (2) of the Company's Ships of a net book value of 33 million € are subject to an enforcement procedure due to debt obligations of the charterers to third parties that occurred during the charter-hire. The outcome of this dispute as well as the potential implications on the financial statements cannot be estimated with reasonable certainty at the time.

These conditions along with the general adverse economic conditions regarding the economy and the shipping sector indicate the existence of a material uncertainty that may cast doubt about the company's ability to continue as a going concern. In the explanatory note 2 of the annual consolidated financial statements the future actions of management to mitigate the reported risks are stated.

Our opinion is not qualified in respect to these matters.

Report on Other Legal and Regulatory Requirements

- (a) The Directors' Report includes a Corporate Governance Statement which provides the information required according to the provisions of paragraph 3d of article 43a and paragraph 3st of article 107 of Codified Law 2190/1920.
- (b) We have agreed and confirmed the content and consistency of the Directors' Report to the accompanying company and consolidated financial statements according to the provisions of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, March 29, 2013

The Certified Public Auditors – Accountants

<p>KONSTANTINOS E. ANTONAKAKIS Institute of CPA (SOEL) Reg. No. 22781</p>  <p>Grant Thornton An instinct for growth™</p> <p>Chartered Accountants Management Consultants 56, Zefirou str., 175 64 Palaio Faliro, Greece Registry Number SOEL 127</p>	<p>NIKOLAOS E. KOLLYRIS Institute of CPA (SOEL) Reg. No. 35 591</p> <p>SOL S.A.-Certified Public Accountants Auditors Member of Crowe Horwath International 3, Fok. Negri Street – Athens 11257, Greece Institute of CPA (SOEL) Reg. No. 125</p>  <p>ΟΡΚΩΤΟΙ ΛΟΓΙΣΤΕΣ Crowe Horwath.</p>
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**ANNUAL COMPANY AND CONSOLIDATED FINANCIAL
STATEMENTS AS OF 31ST DECEMBER 2012**

*The amounts included in the financial statements are in EUR thousand
Any differences in totals are due to the rounding of figures.*

Statement of Comprehensive Income

	Note	Group		Company	
		01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Turnover (sales)	4	199.677	243.595	167.675	202.624
Cost of sales	5	(177.304)	(206.882)	(149.943)	(170.665)
Gross profit		22.373	36.713	17.732	31.959
Other income	7	1.129	1.188	1.896	2.096
Administrative expenses	6	(9.941)	(11.198)	(8.940)	(10.130)
Selling expenses	6	(18.339)	(22.529)	(16.296)	(19.338)
Other expenses	7	(4.031)	(2.915)	(3.252)	(2.365)
Earnings/ (losses) before taxes, financing and investing results (EBIT)		(8.809)	1.259	(8.860)	2.222
Financial expenses	8	(16.291)	(17.668)	(15.989)	(17.281)
Financial income	8	91	35	18	19
Results from investing activities	9	(35.504)	(6.754)	(35.513)	(6.741)
Profit from associates	11	130	240	-	-
Profits / (losses) before taxes		(60.383)	(22.888)	(60.344)	(21.781)
Income tax	20	(185)	(139)	(111)	(130)
Earnings/ (losses) after taxes		(60.568)	(23.027)	(60.455)	(21.911)
		Attributable to:			
Parent's Shareholders		(60.732)	(22.901)	-	-
Minority interest		164	(126)	-	-
Other comprehensive income / (expenses) after taxes		(8)	-	-	-
Total comprehensive income / (expenses) after taxes		(60.576)	(23.027)	(60.455)	(21.911)
		Attributable to:			
Parent's Shareholders		(60.726)	(22.901)	-	-
Minority interest		150	(126)	-	-
Earnings/(losses) after taxes per share - basic (expressed in €)	23	(0,3219)	(0,1337)	(0,3204)	(0,1279)
Earnings / (losses) before taxes, financial, investing results & depreciation (EBITDA)		4.235	12.308	3.492	12.431

The additional notes are an integral part of the above annual financial statements.

Statements of Financial Position

	Note	Group		Company	
		31.12.12	31.12.11	31.12.12	31.12.11
ASSETS					
Tangible fixed assets	10	320.878	367.549	304.941	350.407
Investment property	10	1.791	1.796	715	721
Intangible assets	10	67	73	64	60
Investments in subsidiaries	11	-	-	4.577	5.098
Investments in associates	11	1.449	1.319	46	46
Other long term receivables		118	118	100	100
Deferred tax assets	20	107	92	-	-
Total non-current assets		324.410	370.947	310.443	356.432
Inventories	12	6.288	7.869	4.979	6.713
Trade receivables	13	52.739	55.612	47.898	48.804
Other short-term receivables	13	4.221	1.925	3.131	1.490
Financial assets at fair value through profit and loss	14	825	867	796	842
Cash and cash equivalents	15	4.037	3.360	722	1.574
Total current assets		68.110	69.633	57.526	59.423
TOTAL ASSETS		392.520	440.580	367.969	415.855
EQUITY AND LIABILITIES					
Share capital	16	56.597	56.597	56.597	56.597
Share premium account	16	745	745	745	745
Reserves	17	156.480	156.403	154.868	154.868
Results carried forward	18	(174.492)	(113.688)	(175.162)	(114.707)
Total company shareholders' equity		39.330	100.057	37.048	97.503
Minority interest		7.041	7.017	-	-
Total equity		46.371	107.074	37.048	97.503
Long-term bank borrowings	19	903	229.077	-	227.710
Deferred tax liabilities	20	978	986	308	308
Employee retirement benefit liabilities	21	3.444	3.563	3.166	3.283
Other provisions	21	1.645	606	1.200	200
Subsidies payable	10	1.822	1.311	344	373
Total non-current liabilities		8.792	235.543	5.018	231.874
Short-term bank borrowings	19	274.948	34.519	273.675	33.161
Trade payables	22	36.605	42.718	27.617	33.424
Other short term liabilities	22	25.804	20.726	24.611	19.893
Total current liabilities		337.357	97.963	325.903	86.478
Total liabilities		346.149	333.506	330.921	318.352
TOTAL EQUITY AND LIABILITIES		392.520	440.580	367.969	415.855

The additional notes are an integral part of the above annual financial statements.

Statements of changes in Shareholders' Equity

Group	Note	Share capital	Share premium	Asset		Other reserves	Results carried forward	Total	Minority interest	Total
				reserves	reserves					
Balance as at 01.01.2011		40.325	1.080	2.183	154.215		(90.782)	107.021	7.146	114.167
Total comprehensive income of fiscal year 2011							(22.901)	(22.901)	(126)	(23.027)
Share capital increase	16	16.272						16.272	-	16.272
Share capital increase expenses	16		(335)					(335)	-	(335)
Impact from sale of subsidiaries' percentage								-	(3)	(3)
Reserves formed for subsidiaries						5	(5)	-	-	-
Shareholders' equity as at 31.12.2011		56.597	745	2.183	154.220		(113.688)	100.057	7.017	107.074
Earnings / (losses) after taxes of fiscal year 2012							(60.732)	(60.732)	164	(60.568)
Impact from purchase of own shares of subsidiary	1						6	6	(14)	(8)
Impact from deletion of subsidiary	1						(1)	(1)	-	(1)
Dividends to non-controlling subsidiaries								-	(126)	(126)
Reserves formed of subsidiaries						77	(77)	-	-	-
Shareholders' equity as at 31.12.2012		56.597	745	2.183	154.297		(174.492)	39.330	7.041	46.371

Company	Note	Share capital	Share premium	Asset		Other reserves	Results carried forward	Total
				reserves	reserves			
Balance as at 01.01.2011		40.325	1.080	970	153.898		(92.796)	103.477
Total comprehensive income of fiscal year 2011							(21.911)	(21.911)
Share capital increase	16	16.272						16.272
Share capital increase expenses	16		(335)					(335)
Shareholders' equity as at 31.12.2011		56.597	745	970	153.898		(114.707)	97.503
Total comprehensive income of fiscal year 2012							(60.455)	(60.455)
Shareholders' equity as at 31.12.2012		56.597	745	970	153.898		(175.162)	37.048

The additional notes are an integral part of the above annual financial statements.

Cash Flow Statements

	Group		Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
<u>Operating activities</u>				
Profits / (losses) before taxes	(60.383)	(22.888)	(60.344)	(21.781)
<i>Plus / (less) adjustments for:</i>				
Depreciation	13.284	11.197	12.382	10.238
Grants amortization	(240)	(147)	(29)	(29)
Impairment of value of fixed assets	34.453	6.344	34.066	6.344
Profit / (loss) from sale of non-current assets	4	240	-	249
Provisions	3.063	2.154	2.790	1.716
Foreign exchange differences	(8)	48	(3)	46
Results of investing activities	(79)	(108)	447	147
Financial expenses (less financial income)	16.203	17.587	15.973	17.216
	6.297	14.427	5.282	14.146
<i>Plus / (less) adjustments for changes of working capital accounts or related to operating activities:</i>				
Reduction / (increase) of inventories	1.551	1.462	1.733	1.218
Reduction / (increase) of receivables	(1.635)	16.202	(2.642)	11.994
Increase / (reduction) of payable accounts (except loan liabilities)	1.771	(7.654)	1.905	(4.518)
<i>Less:</i>				
Interest and related expenses paid	(4.797)	(16.183)	(4.493)	(15.798)
Income tax paid	(116)	(225)	(111)	(131)
Total cash flows generated from operating activities (a)	3.071	8.029	1.674	6.911
<u>Investing activities</u>				
Acquisition of affiliates, securities and other investments	(7)	(262)	-	(262)
Proceeds from the sale of securities and other investments	-	9	-	8
Acquisition of fixed assets	(1.059)	(1.292)	(980)	(996)
Proceeds from the sale of fixed assets	-	3.478	-	3.464
Interest received	74	23	3	13
Dividend received	-	10	87	9
Total cash flows generated from investing activities (b)	(992)	1.966	(890)	2.236
<u>Financing activities</u>				
Proceeds from share capital increase	-	16.272	-	16.272
Payments of share capital expenses	-	(335)	-	(335)
Purchase of own shares	(9)	-	-	-
Proceeds on loans issued/taken	18	380	-	-
Payments of loans	(2.195)	(27.096)	(1.636)	(25.278)
Proceeds from amortization	844	853	-	-
Dividends paid	(55)	(10)	-	(1)
Total cash flows generated from financing activities (c)	(1.397)	(9.936)	(1.636)	(9.342)
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	682	59	(852)	(195)
Cash & cash equivalents, beginning of period*	3.355	3.301	1.574	1.769
Cash & cash equivalents, end of period	4.037	3.360	722	1.574

*The difference in Group's Cash & cash equivalents, beginning of period is due to the write off of subsidiary from consolidation

The additional notes are an integral part of the above annual financial statements.

NOTES ON THE FINANCIAL STATEMENTS OF FISCAL YEAR 2012

1. General information on the Company and Group

The Parent Company was established in 1967 (FEK 201/10.04.67) under the corporate name “ANONIMI NAFTILIAKH ETAIREIA KRITIS S.A.” and the trademark title “ANEK LINES” (hereinafter “ANEK” or the “Company” or the “Parent company”) and performs business activities in the sector of passenger ferry shipping. The Company’s seat is located in the municipality of Chania, and its registered offices are located on K.Karamanli Ave, Chania. Also, it is under recorded in S.A. register (11946/06/B/86/07) and its website address is www.anek.gr. The Company’s shares have been listed in the Athens Stock Exchange since 1999. In addition to the Parent company, the Group includes the following subsidiaries and associates with the following participation percentages:

Name	Group percentage	Registered Office	Activity
LANE S.A.	50,11%	Agios Nikolaos, Lasithion	Passenger shipping
ETANAP S.A.	47,94%	Stilos, Chania	Production and sale of bottled water
LEFKA ORI S.A.	60,44%*	Stilos, Chania	Production and trade of plastic bottles and packaging products
ANEK HOLDINGS S.A.	99,48%**	Chania	Tourism- participation in other companies- consulting, etc.
AIGAION PELAGOS THALASSIES GRAMMES SHIPPING COMPANY	100%	Chania	Sailing company under Law 959/79
ANEK LINES ITALIA S.r.l.	49%	Ancona, Italy	Factoring and representation of shipping companies

* direct participation: 24% and indirect via ETANAP: 36,44%

** direct participation: 99% and indirect via ETANAP: 0,48%

The aforementioned companies, in which ANEK participates by more than 50%, as well as “ETANAP”, in which the Company has the control, have been included in the consolidated financial statements as at 31st December 2012 using the full consolidation method. “ANEK LINES ITALIA S.r.l.” in which the Parent Company participates by 49% was consolidated using the equity method. “ANEK HOLDINGS SA” participates by 100% in “ANEK ENERGY LTD”, which has not commenced its activities as of today. Moreover, “ANEK HOLDINGS SA” participated by 95% in “TC SAILING” which was inactive and has been liquidated during the last quarter of 2012, with the impact from this being insignificant to the separate and consolidated financial statements.

During 2012, the subsidiary “ETANAP” proceeded to the purchase of treasury shares and as a consequence the number of shares in circulation was decreased. From this move the participation percent of Parent was increased from 47,85% to 47,94%. For the same reason the indirect percent as well as the total participation percent in “LEFKA ORI” was increased from 60,37% to 60,44%.

The number of personnel employed as at 31st December 2012 was 816 for the Company (out of which 607 were employed as crew aboard ships) and 907 for the Group (out of which 662 were employed as crew aboard ships). Respectively, at the end of year 2011, the Company had 948 and the Group 1.098.

The annual financial statements of year 2012 have been approved by BoD of ANEK at the meeting of March 28th 2013.

2. Drafting basis of financial statements

The attached annual separate and consolidated financial statements (hereinafter "financial statements") have been drafted according to the International Financial Reporting Standards (hereinafter "IFRS"), which have been issued by the International Accounting Standards Board (IASB) (and their interpretations). All the IFRS issued and in force at the date of drafting of the annual financial statements have been adopted by the European Union.

The financial statements have been drafted according to the going concern principle and the historical cost principle, as modified with the adjustment of specific assets and liabilities at fair values.

➤ **Ability to smoothly continue performing activities (going concern)**

The Company, for the fiscal year 2012, presented losses after taxes amounted to € 60,5 million compared to € 21,9 million in 2011 (the corresponding consolidated results after tax and minority interests were losses € 60,7 million loss for 2012 compared to € 22,9 million in 2011). The results of the year 2012 were significantly burdened by non-repeating expenses such as the impairment of the book value of the vessels amounted to € 35 million approx. However, despite the extremely unfavorable economic environment for the passenger shipping sector, EBITDA stood at positive levels and amounted to earnings € 3,5 million for the Company for 2012, compared to earnings of € 12,4 million for 2011, and the Group's amounted to earnings € 4,2 million compared to € 12,3 million in the prior year.

As detailed described in Note 19, the total of long-term bank borrowings of the Parent on 31.12.2012 was transferred to current ones, as terms and conditions of the loan agreements were not met, in terms of loans' servicing. As a result of this reclassification, total current liabilities of the Company as at 31.12.2012 amounted to € 325.903 thousand, while total current assets amounted to € 57.526 thousand.

The management of the Group has already taken measures to deal with liquidity problems by taking a series of actions such as:

- Discussions with creditor banks in order to agree the restructure in repayment terms of the entire loans, the positive outcome of which will enhance liquidity of the Company due to displacement of payment installments at a later time, extension of the repayment period and, possible, reduction in the financial cost.
- Actions for sales of vessels which will have direct positive impact on liquidity.
- The management of the Group expects a positive outcome on the arbitration proceedings that has commenced in arbitration court in London against the company "MINOAN LINES" for the forfeiture deposit amounted to € 47,5 million to acquire 33.35% of "HELLENIC SEEWAYS".

- After the successful opening of the joint venture in 2011 with the Group ATTICA in two main routes of activity, the Group's management considers the potential of developing further partnerships to achieve economies of scale. Also, at operational level, measures already have been taken such as reducing the wage costs of administrative & selling employees, cutting itineraries, reducing speed to conserve fuel and withdrawal of vessels from unprofitable routes. Finally, through the imminent reforming of the institutional framework and the resolving of a number of pending issues, such as the organic compositions of vessels, mandatory deductions, the V.A.T. reduction, abolition of non-contributory charges in favor of third parties, as well as the possible reduction of payroll costs of crew, it is expected to further reduce operating costs and to improve liquidity.
- Finally, the possibility of share capital increase during the year 2013 is considered, so as to enhance liquidity.

Considering the above facts, the financial statements have been prepared under the principle of going concern, as management believes that these measures will eliminate the problems of liquidity and enable the Company to continue its' uninterrupted operation.

Nevertheless, the possibility of a non-successful completion of the above actions suggests the existence of uncertainty about the ability of smooth continuation of the activities of the Company.

➤ **Important accounting estimates, judgments and assumptions**

The drafting of financial statements according to the IFRS requires that the management proceeds to estimates, admissions, assumptions and evaluation judgments that affect the assets and liabilities, the notification of any receivables and payables on the date of the financial statements as well as the published amounts of income and expenses. The actual results may be different from such estimates. These estimates, admissions and evaluation judgments are made in order to select the most appropriate accounting principles and are based on the prior experience of the Group's management in relation to the level or the volume of relevant transactions or events and on other factors relevant to the expectations on the future developments and transactions. Moreover, they are reexamined periodically in order to correspond to the current conditions and reflect the current risks.

The accounting assessments on vessels' useful life and residual value (see note 3 vi) are important for the Group's assets, since they significantly affect the financial position and results. A significant judgment involves the classification of Company's investments (e.g. classification of an investment as available for sale, held until expiry or as an asset valued at fair value through results), as well as the impairment test thereon with the identification of recoverable value and value in use (see note 3 vii). Finally, the recoverability of receivables, the assessment of certain balances as doubtful and the need to form provisions for impairment, as well as provisions for other contingent liabilities, require judgments and assessments affecting the financial statements.

➤ **Accounting policy for joint - venture ANEK - SUPERFAST**

ANEK Group announced on 24.05.2011 the signing of an agreement with the Group ATTICA HOLDINGS SA for the execution of combined itineraries from vessels of the two companies in the international route "Patras - Igoumenitsa - Ancona" and the domestic route "Piraeus - Heraklion". For this reason a joint - venture was established under the corporate name «ANEK AE - SUPERFAST ENDEKA (HELLAS) INC» (trade name «ANEK - SUPERFAST»), with the participation of the companies ANEK SA, SUPERFAST EXI (HELLAS) INC, SUPERFAST ENDEKA (HELLAS) INC and ATTICA FERRIES SHIPPING COMPANY.

The joint - venture identified as "jointly controlled operations" in accordance with the requirements of IAS 31. The objective is to generate income and distribution among the venturers as determined by the contractual arrangement. Under IAS 31, any member of the joint - venture, based on participation in a jointly controlled operating activity, recognizes in its individual financial statements:

- The assets it controls and the liabilities assumed, and
- The costs it incurs and its share of the revenue from the sale of goods or providing services of the joint - venture.

Based on the fact that the assets, liabilities, revenues and expenses are already recognized in the individual financial statements of each venturer, no adjustment or other consolidation process in connection with these items in the financial statements of venturers is demanded. The net balance incurred at each balance sheet date of the relevant clearance and payments of the joint venture by the venturers, reflected in current assets.

➤ **New standards and interpretations, revisions and amendments that are adopted by E.U.**

As at the date of drafting the attached financial statements, new IFRS have been issued, as well as amendments and revisions of existing standards, which are mandatory for accounting periods beginning on January 1st 2012 or after. An assessment of the most significant new standards, interpretations and revisions is given below:

- **Amendments to IFRS 7 - Financial Instruments: Disclosures - Transfer of Financial Assets**

effective for annual periods beginning on or after 01.07.2011

The amendment will allow users of Financial Statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendment is not expected to affect significantly Group's financial statements. This amendment was approved by the European Union in November 2011 and is not expected to have significant impact on Group's financial statements.

- **IFRS 1 - First-time Adoption of IFRS - Severe Hyperinflation**

effective for annual periods beginning on or after 01.07.2011

The amendment proposes guidance on how an entity should resume presenting financial statements in accordance with International Financial Reporting Standards (IFRSs) after a period when the entity was unable to comply with IFRS because its functional currency was subject to severe hyperinflation. Earlier application is permitted. The amendment has been adopted from the European Union in December 2012, however is not expected to affect Group's financial statements.

- **IAS 12 - Deferred tax: recovery of underlying assets**

It applies for annual accounting periods beginning on or after 01.01.2012.

The current amendment to IAS 12 "Income Tax" was issued in December 2010. The amendment introduces a practical guidance on the recovery of the carrying amount of assets held at fair value or adjusted in accordance with the requirements of IAS 40 "Investment Property" recovered or acquired within the year. The amendment is effective for annual periods beginning on or after 01.01.2012. Earlier application is permitted. The Group will assess the impact of the amendment on its consolidated financial statements. The above amendment has been adopted by the European Union in December 2012.

- **New Standards, Interpretations and amendments to existing Standards which have not taken effect yet or have not been adopted by the European Union**

The following new Standards, Revised Standards as well as the following Interpretations to the existing Standards have been publicized but have not taken effect yet or have not been adopted by the European Union. In particular:

- **Amendments to IAS 1 - Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income**

effective for annual periods starting on or after 01.07.2012

In June 2011, the IASB issued the amendment to IAS 1 "Presentation of Financial Statements". The amendments pertain to the way of other comprehensive income items presentation. The Group will assess the impact of the amendment on its consolidated financial statements. The aforementioned amendments are effective for annual periods starting on or after 01.07.2012. The Group will assess the impact of the amendment on its consolidated financial statements. The above amendment has been adopted by the European Union in June 2012.

- **IFRS 9 – Financial Instruments**

It applies for annual accounting periods beginning on or after 01.01.2015

On 12.11.2009 IASB issued the new Standard, the revised IFRS 9 "Financial Instruments: Recognition

and Measurement” which is the first step in IASB project to replace IAS 39 (expected to be applied in the financial statements starting from January 1st 2013 and thereafter). The IASB was intended to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment, and hedge accounting. The new standard requires financial instruments to be classified, at initial recognition, in one of the two following categories: as assets measured at amortized cost, or as assets measured at fair value. The criteria taken into account for the initial classification of financial instruments are:

- i. the business model used by the entity for the management of such instruments, and;
- ii. the characteristics of the contractual cash flows of the instruments.

Subsequent measurement of financial assets is made either at amortized cost or at fair value, depending on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The above Standard has not been adopted yet by the European Union.

- **IFRS 10 - Consolidated financial statements**

effective for annual periods beginning on or after 01.01.2013

This standard replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special purpose entities". The new standard changes the definition that the control is the determining factor in whether an entity should be included in the consolidated financial statements of the parent. The standard provides additional guidance to assist in determining control, where it is difficult to assess. Furthermore, the Group will be conducting a series of disclosures on the companies consolidated subsidiaries as well as non-consolidated companies in which shareholder relationship exists. The standard should lead to changes in the structures of conventional clusters and the effects can sometimes be significant. The amendment has been adopted in December 2012 from the European Union and the Group will consider the impact that might have in the consolidated financial statements.

- **IFRS 11 - Joint Activities**

effective for annual periods beginning on or after 01.01.2013

The new standard replaces IAS 31 "Investments in Joint Ventures". Under the new principles, these agreements are treated more according to the rights and obligations under such an agreement, than on the basis of the legal form that surrounds it. The new model removes the proportional consolidation for joint ventures and removes the terminology of IAS 31 for “jointly controlled operations” or “jointly controlled assets”. Most ventures will involve "joint operations". The amendment has been adopted in December 2012 from the European Union and the Group will consider the impact that might have in the consolidated financial statements.

- **IFRS 12 - Notification of participation in other entities**

effective for annual periods beginning on or after 01.01.2013

The standard combines the requirements of notifications of subsidiaries, joint ventures, associates and non-consolidated entities, within an overall standard disclosure. It also provides greater transparency and helps investor to assess the extent to which the reporting entity has participated in the creation of special structures and risks that is exposed. The above Standard has not been adopted yet by the European Union.

- **IFRS 13 - Fair Value Measurement**

effective for annual periods starting on or after 01.01.2013

In May 2011, IASB issued IFRS 13 “Fair Value Measurement”. IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and required disclosures about fair value measurements. The measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value. IFRS 13 does not determine when an asset, a liability or an entity’s own equity instrument is measured at fair value. Neither does it change the requirements of other IFRS regarding the items measured at fair value nor makes no reference to the way the changes in fair value are presented in the Financial Statements. The amendment has been adopted in December 2012 from the European Union and the Group will consider the impact that might have in the consolidated financial statements.

- **IAS 27 (Amended) - Separate financial statements**

effective for annual periods starting on or after 01.01.2013

The amendment clarifies the amendments arising from IFRS 10. IAS 27 will deal exclusively with the separate financial statements. The amendment has not been adopted yet from the European Union.

- **Amendment to IAS 28 - Investments in associates and joint ventures**

effective for annual periods beginning on or after 01.01.2013

The purpose of this revised standard is to define the policies to be implemented because of changes resulting from the publication of IFRS 11. The revised standard continues to define the mechanisms accounting of the equity method. The amendment has not been adopted yet from the European Union.

- **Amendments to IAS 19 - Employee Benefits**

effective for annual periods starting on or after 01.01.2013

In June 2012, the IASB issued the amendment to IAS 19 “Employee Benefits”. The amendments aim to improve the issues related to defined benefit plans. The new amendments are effective for annual periods starting on or after 01.01.2013 while earlier application is permitted. The amendment has been

adopted from the European Union in June 2012 and the Group will consider the impact that might have in the consolidated financial statements.

- **IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine**

effective for annual periods starting on or after 01.01.2013

The Interpretation clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognized as an asset, how the asset is initially recognized, and subsequent measurement. The interpretation is effective for annual periods beginning on or after 1 January 2013 and earlier application is permitted. The amendment has been adopted in December 2012 from the European Union, however it is not applicable for the Group.

- **Amendments to IAS 32 “Financial Instruments: Presentation” – Offsetting financial assets and financial liabilities**

effective for annual periods starting on or after 01.01.2014

In December 2011, IASB issued amendments to IAS 32 “Financial Instruments: Presentation”, which provides clarification on some requirements for offsetting financial assets and liabilities in the statement of financial position. The amendment is effective for annual periods beginning on or after 01.01.2014 and earlier application is permitted. The Group will assess the impact of the amendment on its consolidated financial statements. This amendment has been adopted by the European Union in December 2012.

- **Amendments to IFRS 7 “Financial Instruments: Disclosures” - Offsetting Financial Assets and Financial Liabilities**

effective for annual periods starting on or after 01.01.2013

In December 2011, IASB published new requirements for disclosures that enable users of Financial Statements to make better comparison between IFRS and US GAAP based financial statements. The amendment is effective for annual periods beginning on or after 01.01.2013. The Group will assess the impact of the amendment on its consolidated financial statements. This amendment has been adopted by the European Union in December 2012.

- **IFRS 1 - First adoption - Government loans**

effective for annual periods starting on or after 01.01.2013

According to this amendment, in financial statements adopting first time IFRS having government loans at a below-market rate of interest, is given the opportunity of non-retrospective adjustment of IFRS on the presentation of these loans during the transition. This interpretation has not been adopted yet by the European Union and the Group will consider the impact that might have in the consolidated financial statements.

- **Annual Improvements 2009 - 2011 Cycle**

effective for annual periods starting on or after 01.01.2013

In May 2012, IASB issued Annual Improvements 2009–2011 Cycle, a collection of amendments to 5 International Financial Reporting Standards (IFRSs), as its latest set of annual improvements. The amendments are not expected to affect significantly Group’s financial statements. These amendments have not been adopted by the European Union.

- **Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**

effective for annual periods starting on or after 01.01.2013

In June 2012, IASB issued Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) to clarify the transition guidance in IFRS 10 Consolidated Financial Statements. The amendments also provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is firstly applied. The Group will assess the impact of the amendment on its consolidated and separate financial statements. This amendment has not been adopted by the European Union.

- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**

effective for annual periods starting on or after 01.01.2014

In October 2012 IASB issued Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). The amendments apply to a particular class of business that qualifies as investment entities. The IASB uses the term ‘investment entity’ to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organizations, venture capital organizations, pension funds, sovereign wealth funds and other investment funds. The Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities. The amendments are effective from 1 January 2014 with early adoption permitted. The Group will assess the impact of the amendment on its consolidated financial statements. This amendment has not been adopted by the European Union yet.

3. Principal accounting policies

The principal accounting policies used in preparing the attached annual financial statements for fiscal year 2012, are the same as those used for the preparation of the financial statements of the previous fiscal year, and are as follows:

(i) Consolidation basis

The attached consolidated financial statements include the financial statements of the Parent Company as well as of all subsidiary companies in which ANEK can exercise control. The control is exercised when ANEK, through a direct or indirect ownership of percentages in capitals maintains the majority of votes or has the power to exercise control in the boards of directors of subsidiaries. The subsidiaries are consolidated from the day the essential control is transferred to the Parent company, and they cease to be consolidated when the control is no longer exercised. The buyout accounting method is used for the consolidation of the subsidiaries that are bought out. The cost of a buyout is calculated as the sum of the fair values as at the date of transfer of the subsidiary's assets, of the shares issued and of the existing liabilities plus any cost incurred in connection with the buyout. The assets acquired and liabilities undertaken are recorded initially at fair value, regardless of the minority interest. The difference between the acquisition cost and the fair value of the assets acquired and liabilities undertaken is recorded as goodwill. If the acquisition cost is lower than the fair value, the resulting negative goodwill is recognized immediately in profit and loss account. The goodwill resulting from the acquisition of subsidiaries, associates and joint ventures is shown under intangible assets and is not subject to amortization, but is subject to impairment control on an annual basis. If interests are sold, any possible goodwill is taken into account in calculating profits / (losses). All the related party transactions and balances have been written-off in the attached consolidated financial statements. Where it was required, the accounting policies of subsidiaries have been amended so that consistency with the accounting policies that were adopted by the Group can be ensured. Moreover, all subsidiaries prepare their financial statements for the same period and at the same date as those of the Parent Company.

(ii) Investments in subsidiaries

The investments of the Parent Company in its subsidiaries are measured in its separate financial statements at the acquisition cost less any accumulated impairment losses. Minority interest represents the percentage of profits / (losses) and equity which do not correspond to the Group and are presented in the consolidated financial statements separately. If minority interests are purchased by the Company, the difference between the buyout price and the net book value of the equity of the Company that is bought out is recognized as goodwill.

(iii) Investments in associates

ANEK's investments in other companies in which it exercises essential influence, which are not subsidiaries or joint ventures, are presented by using the equity method and are recorded initially at acquisition cost, including any possible goodwill recognized at the time of buyout. According to the equity method, the

profits / (losses) resulting after the buyout are recognized in profit and loss account, and the amounts recorded directly in the associate's equity are recognized directly in the Group's equity. Investments in associates are measured in the separate financial statements at acquisition cost less any impairment losses. As regards investments for which there are indications of permanent impairment, their recoverable value is determined and any possible impairment loss is recorded in profit and loss account.

(iv) Currency of operation and presentation, and conversion of foreign currencies

The currency of operation and presentation used in the financial statements of ANEK and its subsidiaries is the Euro. Transactions in other currencies are converted into euros according to the currency exchange rates that were valid on the dates of these transactions. Upon the date of drafting of the financial statements, the monetary elements of assets and liabilities expressed in other currencies are adapted so that they depict the current currency exchange rates. The earnings and losses that result from transactions in foreign currencies during the period, as well as at the end-of-year appraisal of monetary elements in foreign currencies, are registered in the attached profit and loss account, with the exception of transactions that fulfill the conditions for the counterbalancing of cash flows presented in equity under “total comprehensive expenses”.

(v) Recognition of revenues

Revenues are recognized to the degree that it is possible that financial benefits will flow for the Group and the relevant amounts can be measured reliably including the selling value of goods and services less value added tax, refunds, discounts and deduction of intercompany income. The following specific recognition criteria must also be fulfilled upon the recognition of the revenues.

Revenues from fares (tickets or ship leases)

The revenues from tickets are recognized at the moment when the passengers/ vehicles execute the trip (traveling tickets). The revenues from the chartering of ships are recognized based on the accrual principle, as per the stipulations laid down in relevant contracts. Government subsidies for subsidized routes are recognized in the relevant period and are included in “turnover”.

Revenues from goods sold and provision of services onboard

The earnings from goods sold and the provision of services onboard are recognized at the moment of the sale or the provision of the service, when the relevant receipts are issued.

Revenues from goods sold and provision of services of non-shipping companies

The revenues from goods sold are recognized at the moment of sale and they are accounted by the issuance of the respective invoices. The earnings from the provision of services are accounted at the period when the services are provided.

Interest

The interest revenues are recognized according to the accrued accounting policy.

Dividends

The dividends are recognized as revenues when the right to collect them is established.

(vi) Fixed assets and depreciations / Investments in property

- The ships, the buildings and the furniture, as well as the other equipment are appraised at the historical (or deemed) cost plus subsequent additions and minus accumulated depreciation-amortization and any provisions for their impairment. The historical cost of buildings since the IFRS transition date (01.01.2004) has been the deemed cost according to IFRS 1.
- Lands are measured at fair value, as determined on the basis of a study prepared by an independent assessor, and adjustment differences, and if positive, are recorded in equity as a real estate adjustment reserve (net of the relevant deferred tax). If the measurement results in net book value impairment, this is recognized as expense in profit and loss account, unless the reduction reverses a prior increase in the “adjustment reserve”.
- In what concerns ships, the Group’s management proceeded to an estimate of the relevant useful life, which was set at 35 years from the launching year of each ship. It is deemed that there are no components of a different useful life other than subsequent expenses relating to additions to and improvements of ships, which are separated and depreciated partially and based on equal amounts within a five-year period. The residual values of ships are set initially to 20% of the acquisition cost, but are reviewed annually (taking into account their current prices, as they arise from estimates made by independent firms) in an effort to come up with a more accurate estimate of their values at the end of their useful lives, and they are adjusted when necessary.
- Repair and maintenance costs are recorded in the expenses of the fiscal year when they were incurred. Significant improvements are capitalized at the cost of the corresponding fixed assets if they add to their useful lives, increase their production capacity or reduce their operating cost.
- The cost and the accumulated depreciation of an asset are written-off upon its sale or withdrawal, or when no further financial benefits are expected from its continued use. The earnings or the losses resulted from the distribution of an asset are included in the income statement of the year in which the respective asset is withdrawn.
- The Group’s intangible assets include all accounting software programs, which are measured at acquisition cost less accumulated amortization and any possible impairment losses.
- The depreciation – amortization is calculated according to the fixed method with coefficients that reflect the useful life duration of the respective assets as follows:

Type of fixed asset	Useful Life
Ships	35 years
Buildings	20 - 50 years
Plants	66 years
Mechanical equipment	8 years
Other transport means	5 - 9 years
Furniture and fixtures	5 - 6 years
Software	3 - 6 years

The useful live and residual value of buildings is adjusted when necessary after taking into account the relevant estimates made by an independent assessor.

- Investment real estate is intended for making revenues from rental fees or profits from reselling and are measured as acquisition cost less accumulated depreciation and any possible impairment losses.

(vii) Impairment of assets (exclusive of goodwill)

The accounting values of the non-current assets are audited annually for purposes of impairment when events or changes in conditions suggest that their accounting value may not be retrievable. When the accounting value of some asset exceeds the retrievable amount, the respective impairment loss is registered in the income statement, unless if there is a credit balance in the readjustment reserve for the same asset. The retrievable value is defined as the highest value between the net sale price and the use value. The net sale price is the amount that can be received from the sale of a property asset in the context of a reciprocal transaction in which the parties are fully aware and voluntarily adhere to, after the deduction of any additional immediate cost for the distribution of the property asset, while the use value is the net current value of the estimated future cash flows that are expected to be executed by the continuous use of a property asset and from the return that is expected to result from its distribution at the end of its estimated useful life. For the purposes of defining the impairment, the elements in assets are grouped at the lowest level for which the cash flows may be separately recognized. More specifically, the impairment test of the accounting values of the most important assets of the Parent Company and the Group includes the following:

a) Ships: On the basis of estimates made by independent firms of assessors, the current value of each ship is determined as at the balance sheet date (at the end of each fiscal year) and is compared against the corresponding net book value. If it is identified that the latter is higher than the current value of a ship, the value in use of a cash flow unit is determined to find out whether there are reasons for impairment.

b) Investments in subsidiaries: As regards the Parent Company's investments, their net position is taken into account, plus any possible goodwill which is not shown in the subsidiaries' financial statements.

(viii) Inventories

Inventories are measured at the lower of their acquisition cost and net realizable value. The acquisition cost, including the acquisition value plus other purchasing expenses, is determined by using the weighted average cost method. The net realizable value of merchandise and products is the estimated sale price in the normal operation, minus the estimated necessary cost for their sale. The net liquid value of fuel, lubricants and materials on ships, as well as of raw and auxiliary materials of trade and industrial subsidiary companies is the cost for their replacement. Provisions for slowly distributed or devaluated reserves are formed if deemed necessary.

(ix) Accounts receivable

The accounts receivable appear at their nominal value, after provisions for any uncollected balances. All receivables the Group are short-term (to be collected in one year maximum) and, therefore, there is no

need to proceed with discounting at balance sheet date. On every balance sheet date all the delayed or doubtful receivables are estimated in order to find out whether it is, or is not, necessary to form an impairment provision for these receivables. Any balance definitely not collected is written-off by a respective reduction of the provision for bad debts. The provision amount is recorded as an expense in profit and loss under “other expenses”.

(x) Cash and cash equivalents

The Group considers time deposits and other high liquidity investments of a maturity date of less than three months as cash and cash equivalents. Cash and cash equivalents comprise cash and sight deposits, as well as overdrafts in banks, which are shown as current bank liabilities.

(xi) Share capital

Common and preferred shares are shown in the share capital of shareholders’ equity, which represents the value of the Company’s shares issued and in circulation. The amount paid above the par value per share is recognized in the shareholders’ equity under “share premium account”. Additional expenses relating to the issue of new shares are recorded in the shareholders’ equity, by deducting them from the “share premium account”. Own shares represent Parent Company shares acquired and held by the Parent Company or its subsidiaries and are shown at acquisition cost, by deducting them from the shareholders’ equity. Upon purchase, sale, or cancellation of own shares, the relevant accounts and the results of the relevant act or liquidation are recognized directly in equity.

(xii) Bank loans

All loan liabilities are initially recorded at the cost that reflects their fair value reduced by the respective expenses for the loan. Following initial recording, they are measured at amortized cost using the effective interest method. Those loan liabilities that are payable within the following twelve months from the balance sheet date are shown as current bank liabilities.

(xiii) Borrowing costs

Borrowing costs are recognized as expense in the period in which they are incurred and include the interest of current and non-current bank liabilities, as well as the amortization of the cost incurred for obtaining the loans in accordance with their durations.

(xiv) Provision for retirement benefits

The payables for personnel retirement benefits (with the exception of ship crews), are calculated at the current value of future benefits considered accrued at the end of the year, on the basis of the recognition of the benefits right of employees during the estimated work life. The aforementioned payables are calculated according to the financial and projected admissions by independent assessors and they are defined using the projected unit credit method. The relevant annual provisions are included in the payroll cost in the attached income statements and consist of the current value of provisions that became accrued during the year (period), the interests on the payable provisions, any cost of a previous service, the projected earnings

or losses that were recognized in the year and any other additional retirement costs. The costs of previous service are recognized on a fixed basis on the average period until the benefits of the program are established. Non-recognized projected earnings or losses, in case that at the beginning of the year they exceed 10% of the estimated payables for provisions, are recognized according to the corridor approach, at equal amounts in the average remaining period of employment of active employees and they are included in the net cost of retirement for the year. Liabilities for the above benefits are not discounted. As for ship crews, based on the current legislation, it is stipulated that they do not accumulate rights over compensation regarding termination or retirement and therefore the financial statements do not include a relevant provision.

(xv) Public insurance programs

The ship crews are insured in NAT, whereas the Group's administrative personnel is mostly covered by the principal public insurance body for the private sector (IKA) that provides pension and medical-pharmaceutical benefits. Every employee is under the obligation to contribute part of his monthly salary to the fund, while part of the total contribution is covered by the Group. Upon retirement, the retirement fund is responsible for the payment of retirement benefits to the employees. Thus the Group does not have any legal or implicit obligation to pay future benefits based on that plan.

(xvi) Income tax (current and deferred)

According to the legislation in force on the taxing of ships (Law 27/1975, article 2), the earnings from the exploitation of the ships are exempted from income taxes. According to the same law, the ships under a Greek flag are subject to a special tax on the basis of registered tons of total capacity. This tax is considered to be an income tax. The earnings from the non shipping activities are taxed according to the general provisions on income tax. The 2012 tax rate is 20% and according to Law 4110/2013 for 2013 and on is 26%. Deferred income tax has been calculated either on differences of accounting and tax basis of subsidiary companies that operate under the regular income tax status, or on differences of accounting and tax basis of accounts of the Group's shipping companies which (differences) upon their realization or settlement are expected to affect the determination of the income tax. The current and the deferred tax are calculated according to the financial statements of each and every company included in the consolidated financial statements, according to the tax legislation in force in Greece or other tax frameworks within which operate the foreign subsidiaries. The expense for income tax includes the current tax for ships according to L. 27/1975, the income tax of non shipping activities which results according to the earnings of each company, provisions for additional taxes and increments for years that have not been audited and from deferred income taxes according to the legislated tax coefficients. The income tax relating to items recognized directly in equity is recorded directed in equity, not in profit and loss.

(xvii) Operating / financial leases

Operating leases: Leases, for which the lessor is burdened with all the risks and benefits of the asset's ownership, are registered as operating leases. The payments of operating leases are recognized as an

expense in the income statement on a regular basis during the lease.

Financing leases: Leases relating to tangible assets for which the Group is burdened with all the risks and benefits of the leased fixed assets. These leases are capitalized at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and are amortized on the basis of the useful lives of the fixed assets.

(xviii) State grants

State grants that concern the subsidization of fixed assets are recognized at their fair value when there is certainty that the grant will be collected and all the relevant terms of receipt will be upheld. These grants are registered under long-term obligations as income of subsequent years and are transferred to profit and loss in installments according to the estimated useful life of subsidized assets, less the cost of goods sold. Grants related to expenses are systematically registered under the revenues for the period in which these must be reconciled with the respective expenses.

(xix) Provisions and contingent liabilities

Provisions are recognized when the Group has current legal or deemed liabilities as a result of previous events, their liquidation is possible through the outflow of resources and the respective amounts of payables may be reliably appraised. The provisions are reexamined on every balance sheet date and are adjusted so as to depict the current value of the expense that is expected to be disbursed in order to settle the liability. In what concerns the provisions expected to be liquidated in the long-term, when the time value of money will be significant, the relevant amounts are calculated by prepaying the estimated future cash flows with a coefficient before taxes that reflects the current estimates of the market on the time value of money and where deemed necessary, the risks specifically related to the liability. Contingent liabilities are not recognized in the financial statements but they are made known, unless the possibility of an outflow of resources that incorporate financial benefits is minimum. Contingent receivables are not recognized in the financial statements but they are made known provided that the inflow of financial benefits is possible.

(xx) Earnings per share

The principal earnings per share are calculated by dividing the net profits or losses (after the deduction of preferred dividends of there are any) by the average balanced number of shares in circulation for the duration of every year, exempting the average of shares that were acquired as own shares. The earnings per share in the consolidated financial statements are calculated by dividing the net profits or losses after the deduction of minority interests with the average balanced number of shares.

(xxi) Dividends

Dividends are recorded as liability in the financial statements of the year in which the General Meeting of shareholders approves the relevant distribution proposal made by the Board of Directors.

(xxii) Segmental information

The Group presents the information required by IFRS 8, which has provided for an administrative approach for the information provided per operating segment. The relevant information provided must be the one the used by the management internally to evaluate the performance of the Group's operating segments. Adoption of the new standard did not have a significant effect on how operating segments are recognized for information purposes. The change relates to separating the non-shipping activities of the Group, which are shown in a separate column (segment). Shipping activities are still presented in segments arising from the lines in which the ships are operated: domestic lines (coastal shipping) and foreign lines (mostly in the Adriatic Sea).

(xxiii) Financial instruments

The financial receivables and financial liabilities in the balance sheet include cash, receivables, investments, as well as current and non-current liabilities. The accounting policies for the recognition and appraisal of this data refer to the respective accounting policies that are presented in this note. The financial instruments are presented as receivables, liabilities or elements of equity on the basis of the essence and content of the relevant contracts from which they result. All derivatives not registered as hedged instruments are considered to be acquired for commercial purposes. Initially, derivatives are recorded in the balance sheet at fair value (which is the same as the transaction cost) on the date of conclusion of the derivative contract and, thereafter they are measured at fair value. Derivatives are presented as assets when their estimated fair value is positive and as liabilities when their estimated fair value is negative. Changes in the fair value of derivatives are recorded in profit and loss.

(xxiv) Other investments

Investments, besides the ones in subsidiaries, associates and joint ventures, are categorized as held for sale, financial data at fair value through results and retained until the end. In general, the investments held for sale and the financial data at a reasonable value through results, are appraised at fair value with the resulting profits or losses being recognized as a separate element of treasury capitals for the investments held for sale and the income statement for financial data expressed at a reasonable value through results. The investments retained until the end are appraised at the amortized cost, using the effective interest method and the respective results of the prepayment are recognized in the income statement through the depreciation procedure or upon sale. Interests, dividends, profits and losses resulting from the financial products characterized as receivables or payables, are accounted as income or expenses respectively. The financial products are counterbalanced when the Group, according to the law, has the legal right to do so and plans to counterbalance them in order to retrieve the property asset and settle the payable at the same time.

4. Segmental information

As mentioned above (note 3xxii), the main business activity of the Group is concentrated upon passenger ferry shipping activities, both in domestic and abroad routes. The main sources of revenue are generated from passenger, P.U vehicles and truck fares, as well as other on-board activities (bar, restaurants, stores and casinos). Revenue of non-shipping Group companies which participate in the consolidated turnover are included in “other activities”. The following chart presents a geographical segmentation of the activities of both the Group and the Company for 2012 and 2011:

01.01.12 – 31.12.12	Shipping activities		Other activities	Total
	Domestic	Abroad		
Group				
Revenues from fares	94.170	82.082	-	176.252
On board revenues	7.594	8.352	-	15.946
Other	360	311	6.808	7.479
Total income	102.124	90.745	6.808	199.677
Cost of sales	89.942	83.436	3.926	177.304
Gross operating results	12.182	7.309	2.882	22.373
Vessel additions	36	15	-	51
Vessel depreciation	5.172	6.915	-	12.087
Vessel impairment	4.556	29.898	-	34.454
Net book value of vessels	179.192	123.044	-	302.236
Non distributed assets	-	-	-	90.284
Total Assets 31.12.12	-	-	-	392.520
Company				
Revenues from fares	69.085	82.082	-	151.167
On board revenues	7.503	8.352	-	15.855
Other	342	311	-	653
Total	76.930	90.745	-	167.675
Cost of sales	66.507	83.436	-	149.943
Gross operating results	10.423	7.309	-	17.732
Vessel additions	32	15	-	47
Vessel depreciation	5.172	6.915	-	12.087
Vessel impairment	4.168	28.898	-	34.066
Net book value of vessels	171.609	123.044	-	294.653
Non distributed assets	-	-	-	73.316
Total Assets 31.12.12	-	-	-	367.969

01.01.11 – 31.12.11	Shipping activities		Other activities	Total
	Domestic	Abroad		
Group				
Revenues from fares	110.694	104.592	-	215.286
On board revenues	11.214	11.390	-	22.604
Other	198	194	5.313	5.705
Total income	122.106	116.176	5.313	243.595
Cost of sales	105.111	98.517	3.254	206.882
Gross operating results	16.995	17.659	2.059	36.713
Vessel additions	368	43	-	411
Vessel depreciation	4.204	5.703	-	9.907
Vessel impairment	507	5.838	-	6.345
Net book value of vessels	153.254	195.473	-	348.727
Non distributed assets	-	-	-	91.853
Total Assets 31.12.11	-	-	-	440.580
Company				
Revenues from fares	75.198	104.592	-	179.790
On board revenues	11.079	11.390	-	22.469
Other	171	194	-	365
Total	86.448	116.176	-	202.624
Cost of sales	72.148	98.517	-	170.665
Gross operating results	14.300	17.659	-	31.959
Vessel additions	346	43	-	389
Vessel depreciation	4.204	5.703	-	9.907
Vessel impairment	507	5.838	-	6.345
Net book value of vessels	145.287	195.473	-	340.760
Non distributed assets	-	-	-	75.095
Total Assets 31.12.11	-	-	-	415.855

Revenue from domestic fares in 2012 includes income from state subsidies for public services routes amounting to € 4.487 thousand for the Company and € 17.725 thousand for the Group. Respectively, the income from subsidies in the previous year amounted to € 5.562 thousand for the Company and € 18.583 thousand for the Group. Moreover, it is noted that income from shipping activities abroad of 2011 included income from extraordinary Group vessels' chartering.

Additions, impairment, depreciation and net book value of vessels were allocated to geographic activities depending on the time of operation of each vessel on domestic and abroad routes. Any further allocation would be arbitrary given that other assets and liabilities from which the Group's income and expenses result are common and cannot be separated into segments.

5. Cost of sales

The cost of goods sold appearing on the financial statements of 2012 and 2011 can be analyzed as follows:

	Group		Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Crew cost, crew benefits, etc.	41.095	47.154	37.977	44.118
Fuels, lubricants and consumables	95.678	111.428	77.296	88.698
Insurance / port expenses / water supply	11.448	11.989	10.289	10.641
Repair & maintenance, chartering and other operating expenses	16.171	25.518	12.294	17.301
Depreciation	12.912	10.793	12.087	9.907
	177.304	206.882	149.943	170.665

6. Administrative / Selling expenses

Administrative expenses for 2012 and 2011 are analyzed below:

	Group		Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Payroll cost & other personnel expenses	6.460	7.195	6.057	6.728
Other administrative expenses	3.231	3.726	2.668	3.152
Depreciation	250	277	215	250
	9.941	11.198	8.940	10.130

Respectively, the selling expenses are analyzed as follows:

	Group		Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Payroll cost & other personnel expenses	5.476	6.126	5.208	5.841
Sales commission	9.793	13.228	8.831	10.977
Other selling expenses	2.948	3.048	2.177	2.439
Depreciation	122	127	80	81
	18.339	22.529	16.296	19.338

"Payroll cost" under administrative and selling expenses includes a provision for staff retirement indemnity (see relevant note 21 "Employee benefits").

7. Other income / expenses

Other income appearing in the financial statement is analyzed as follows:

	Group		Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Provision of services to third parties, rental fees, commission and other	395	400	1.225	1.299
Other subsidies / grants	468	421	422	369
Income from claims and other	266	367	249	428
	1.129	1.188	1.896	2.096

Respectively, other expenses are analyzed as follows:

	Group		Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Provisions (doubtful receivables and other provisions)	2.173	2.043	1.907	1.628
Other expenses	1.858	872	1.345	737
	4.031	2.915	3.252	2.365

Concerning the formation of a provision for doubtful receivables for fiscal year 2012, see note 13 “Trade receivables and other current liabilities”.

8. Financial results

Financial expenses and income are analyzed as follows:

	Group		Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Interest expenses	15.611	16.747	15.398	16.430
Other financial expenses	660	865	578	799
Foreign exchange difference expenses	20	56	13	52
	16.291	17.668	15.989	17.281
Interest income	76	23	3	13
Foreign exchange difference income	15	12	15	6
	91	35	18	19

No borrowing costs were capitalized during the fiscal year.

9. Results from investing activities

The results from investing activities of the Group and the Parent Company for fiscal years 2012 and 2011 include:

	Group		Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Profits / (losses) from the sale and measurement of financial assets at fair value	(50)	(169)	(563)	(156)
Income from dividends	-	9	116	9
Profits / (losses) from the sale of assets	-	(249)	-	(249)
Impairment of property assets value	(35.454)	(6.345)	(35.066)	(6.345)
	(35.504)	(6.754)	(35.513)	(6.741)

Upon evaluation of the securities (listed on the Athens Stock Exchange or not) included in the Company's portfolio, in accordance with their current value as at 31.12.2012, losses amounting to € 47 thousand resulted, while there has been impairment of the value of participation to subsidiary "LANE" amounted to € 516 thousand. During the year 2012, the Parent Company had income from dividends € 116 thousand from "ETANAP".

Moreover, upon an impairment test of the value of vessels, which is carried out at the end of each fiscal year, an impairment was necessary amounting to € 34.454 thousand for 2012 (see note 10 "Fixed assets"), while there has been an additional provision of € 1.000 thousand for potential vessels' expenses. The respective provision for vessels' impairment for 2011 was € 6.345 thousand. Finally, investing results of 2011 included losses amounted to € 249 thousand from vessel sale of Parent company.

10. Fixed assets / Investments in property

■ Privately-used tangible fixed assets

The tables of tangible fixed assets for the Group and the Company are shown below:

Group	Vessels	Land and buildings	Other equipment	Property in progress	Total
Acquisition value 01.01.11	552.059	14.595	12.310	1.271	580.235
Additions	411	2	97	763	1.273
Disposals	(13.564)	-	(25)	-	(13.589)
Impairment	(6.344)	-	-	-	(6.344)
Transfers	-	-	257	(257)	-
Acquisition value 31.12.11	532.562	14.597	12.639	1.777	561.575
Additions	51	5	127	829	1.012
Disposals	-	-	(6)	-	(6)
Impairment	(34.454)	-	-	-	(34.454)
Acquisition value 31.12.12	498.159	14.602	12.760	2.606	528.127
Accumulated depreciation 01.01.11	184.536	1.546	7.444	-	193.526
Depreciation for the year	9.907	219	1.001	-	11.127
Deductions of year	(10.607)	-	(20)	-	(10.627)
Accumulated depreciation 31.12.11	183.836	1.765	8.425	-	194.026
Depreciation for the year	12.087	221	921	-	13.229
Deductions of year	-	-	(6)	-	(6)
Accumulated depreciation 31.12.12	195.923	1.986	9.340	-	207.249
Net Book Value 31.12.11	348.727	12.832	4.214	1.777	367.549
Net Book Value 31.12.12	302.236	12.616	3.420	2.606	320.878

Company

Acquisition value 01.01.11	532.803	9.073	2.997	1.239	546.112
Additions	389	1	55	534	979
Disposals	(13.564)	-	-	-	(13.564)
Impairment	(6.344)	-	-	-	(6.344)
Acquisition value 31.12.11	513.284	9.074	3.052	1.773	527.183
Additions	46	5	53	833	937
Disposals	-	-	-	-	-
Impairment	(34.066)	-	-	-	(34.066)
Acquisition value 31.12.12	479.264	9.079	3.105	2.606	494.054
Accumulated depreciation 01.01.11	173.224	1.248	2.732	-	177.204
Depreciation for the year	9.907	147	125	-	10.179
Deductions of year	(10.607)	-	-	-	(10.607)
Accumulated depreciation 31.12.11	172.524	1.395	2.857	-	176.776
Depreciation for the year	12.087	149	101	-	12.337
Deductions of year	-	-	-	-	-
Accumulated depreciation 31.12.12	184.611	1.544	2.958	-	189.113
Net Book Value 31.12.11	340.760	7.679	195	1.773	350.407
Net Book Value 31.12.12	294.653	7.535	147	2.606	304.941

- As regards the “impairment” of vessels see below: par. “Fair values of ships – Impairment test”.
- There was no evidence of significant change in the value of property of the Group as at

31.12.2012.

Other “Property in progress” as at 31.12.2012 pertains to the cost incurred for the formation of offices in a building leased by the Company.

“Disposals” for 2011 referred to the sale of vessel “LISSOS”.

Investment property

“Investment property” includes the Parent Company’s privately-owned offices, which are leased, as well as the value of lands of “ETANAP” which are outside the production network and are occupied to provide the company with additional funds. The income from leasing out the Parent Company’s offices in fiscal year 2012 amounted to € 30 thousand and no relevant expenses were incurred, apart from depreciation. Following are the amounts recorded under “Investment property” for the Group and the Company:

	Group	Company
Acquisition value 01.01.11	2.036	961
Additions / (reductions) for the period	-	-
Acquisition value 31.12.11	2.036	961
Additions / (reductions) for the period	-	-
Acquisition value 31.12.12	2.036	961
Accumulated depreciation 01.01.11	235	235
Depreciation for the year	5	5
Accumulated depreciation 31.12.11	240	240
Depreciation for the year	5	5
Accumulated depreciation 31.12.12	245	245
Net Book Value 31.12.11	1.796	721
Net Book Value 31.12.12	1.791	715

Intangible assets

All intangible assets include the Group’s computer software, whose values for 2012 and 2011 are as follows:

	2012	2011
Acquisition value 01.01	2.015	1.997
Value additions during the year	43	18
Acquisition value 31.12	2.058	2.015
Accumulated depreciation 01.01	1.942	1.877
Depreciation for the year	49	65
Accumulated amortization 31.12	1.991	1.942
Net Book Value 31.12	67	73

There was no need for impairment of the value of intangible assets.

■ Fair values of ships – Impairment test

As referred to note 3(vii), the Group measures the values of vessels at the balance sheet date by obtaining estimates from independent firms of assessors in order to determine their current values. In accordance with relevant estimations performed on 31.12.2012, the current values of the vessels of the Group were € 276,7 million, while the net book value before the impairment was € 302,6 million. For the vessels that their net book value was lesser than their current value at the end of 2012, and by applying the I.F.R.S. 36, an impairment amounting to € 34,5 million was made (which was charged to profit and loss account and is included in the “Results from Investment activities”).

■ Grants for assets

The non-amortized balance of the Company’s grants for assets as at 31st December 2012 amounted to € 374 thousand (€ 2.062 thousand for the Group), of which € 344 thousand (€ 1.822 thousand for the Group) appeared under “non-current liabilities” and € 30 thousand (€ 240 thousand for the Group) are included in “other current liabilities”. Grants for assets in 2012 are analyzed as follows:

	Group	Company
Opening net book value (non-current & current liabilities)	1.458	403
Approved grants	844	-
Amortization of grants	(240)	(29)
Non amortized balance of grants	2.062	374
Transfer to current liabilities	(240)	(30)
Grants for assets as non-current liabilities	1.822	344

■ Existing encumbrances on real state

On the assets of the Group there are the following liens:

- a) 1st mortgages on the vessels of €365,9 million,
- b) 2nd mortgages on the vessels of €256,9 million and
- c) Pre-notations on property of € 12,6 million and pledges on machinery (of the subsidiary companies ETANAP and LEFKA ORI) of € 2,5 million.

The above liens exist to secure borrowing liabilities of total amount of € 248,5 million on 31.12.2012.

■ Depreciation of fixed assets

Depreciation in the annual financial statements has been allocated as follows:

	Group		Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Cost of sales	12.912	10.793	12.087	9.907
Administrative expenses	250	277	215	250
Selling expenses	122	127	80	81
	13.284	11.197	12.382	10.238

11. Investments in subsidiaries & affiliates

■ Subsidiaries

Parent Company holdings in subsidiaries and the relevant participation quotas are listed in note 1. The values of holdings in subsidiaries as presented in the attached financial statements are as follows:

Company	31.12.12	31.12.11
LANE	2.040	2.556
ETANAP S.A.	2.227	2.227
LEFKA ORI S.A.	248	248
ANEK HOLDINGS S.A.	52	52
AIGAION PELAGOS SC	10	10
T.C. SAILING SC	-	5
	4.577	5.098

On 31.12.2012 there has been impairment of the value of participation to subsidiary “LANE” amounted to € 516 and is included in the “Results from investment activities”.

■ Affiliates

The participation value in the associate “ANEK LINES ITALIA S.r.l.” in the consolidated financial statements stands at € 1.449 thousand on 31.12.2012 and in comparison to the previous period, is increased by the part of earnings for the period 2012 that corresponds to the Group. The main figures of the financial statements of associate “ANEK LINES ITALIA S.r.l.” for the period 2012 are as follows:

Total assets	4.911	Total turnover	5.087
Less: Total liabilities	<u>1.954</u>	Earnings before taxes	648
Total equity	2.957	Earnings after taxes	266

During the year, “ANEK LINES ITALIA S.r.l.” did not distribute any dividends. The “earnings from associates” amount included in the consolidated results (€ 130 thousand) represents the Group’s holding in the associate’s net results for fiscal year 2012. The corresponding amount for year 2011 was € 240 thousand.

12. Inventories

Inventories as at 31.12.2012 and 31.12.2011 are analyzed as follows:

	Group		Company	
	31.12.12	31.12.11	31.12.12	31.12.11
Fuel and lubricants	2.972	2.956	2.468	2.606
Merchandise, products, raw and auxiliary materials and packaging materials	962	1.712	309	1.068
Spare parts	2.354	3.201	2.202	3.039
	6.288	7.869	4.979	6.713

There are no encumbrances on the Group and the Company's inventories and there was no need for impairment of value.

13. Trade receivables and other short-term receivables

Trade receivables include the following:

	Group		Company	
	31.12.12	31.12.11	31.12.12	31.12.11
Trade (outstanding balances)	33.673	33.563	30.982	29.089
Cheques and notes	41.811	42.748	38.710	39.601
	75.484	76.311	69.692	68.690
Less: provisions for doubtful receivables	(22.745)	(20.699)	(21.794)	(19.886)
	52.739	55.612	47.898	48.804

During the impairment test on accounts receivables of 31.12.2012, the necessity emerged to form a provision for doubtful receivables amounting to € 1.908 for the Company, and € 2.128 for the Group. Therefore, the accumulative provisions as at 31.12.2012 are considered as adequate for covering any losses could emerge.

The changes to provisions for doubtful receivables for 2012 are as follows:

	Group	Company
Opening net book value	20.699	19.886
Additional provision	2.128	1.908
Provision application	(82)	-
	22.745	21.794

The Group's credit policy relating to trade receivables ranges, as the case may be, from 1 to 3 months, but in some cases it has reached even 6 months (e.g. receivables from the Hellenic State for the subsidies granted for public services routes). The ageing of trade receivables maturing is as follows:

	Group	Company
Fully paid receivables	40.825	36.592
<u>Non-impaired receivables in arrears</u>		
< 90 days	2.832	2.625
90 - 180 days	2.645	2.560
> 180 days	6.437	6.121
	52.739	47.898
Impaired receivables	22.745	21.794
	75.484	69.692

Other short-term receivables as of 31.12.2012 and 31.12.2011 are analyzed as follows:

	Group		Company	
	31.12.11	31.12.10	31.12.11	31.12.10
Sundry debtors	2.496	1.113	1.948	1.007
Other state receivables	376	201	177	5
Prepayments to suppliers	260	379	136	340
Accrued expenses & prepaid expenses	1.089	232	870	138
	4.221	1.925	3.131	1.490

All the above receivables are short-term and as a result of that fact, there is no need to proceed with discounting at balance sheet date.

14. Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss presented in the attached annual financial statements are as follows:

	Group		Company	
	31.12.12	31.12.11	31.12.12	31.12.11
Shares of companies listed on the ASE	98	78	98	78
Other investments	727	789	698	764
	825	867	796	842

“Other investments” include mainly shares in non-listed cooperative banks. As regards measurement of “financial assets at fair value through profit and loss”, see note 9 “Results from investment activities”.

15. Cash and cash equivalents

The cash and cash equivalents analysis is as follows:

	Group		Company	
	31.12.12	31.12.11	31.12.12	31.12.11
Cash on hand	223	393	195	376
Bank accounts (current and deposits)	3.814	2.967	527	1.198
	4.037	3.360	722	1.574

The total of the Group’s cash and cash equivalents is in Euro.

16. Share capital / Share premium account

■ Share capital

The recent share capital increase of the Parent Company was completed in May 2011, amounted to € 16.271.669,70 that refers to 54.238.899 new common shares of nominal value of € 0,30 each. The share

capital after the increase amounted to € 56.596.467,60 divided into 188.654.892 common and preferred voting shares.

■ Share premium account

The Company's share capital increase, completed during 2012, was made at a nominal value of € 0,30 of each share, therefore, there was not any difference resulted in share premium account. The expenses of the share capital increase stood at € 355 thousand and have been deducted from the specific account.

17. Reserves

The reserves as at 31st December 2012 and 2011 are analyzed as follows:

	Group		Company	
	31.12.12	31.12.11	31.12.12	31.12.11
Legal reserve	14.258	14.252	14.153	14.153
Statutory reserves	12.642	12.642	12.417	12.417
Property revaluation reserves	2.183	2.183	970	970
Other reserves	127.397	127.326	127.328	127.328
	156.480	156.403	154.868	154.868

■ Legal reserve

In compliance to Greek trade legislation, the companies are obligated to deduct 5% from the profit of each year and form a legal reserve until it reaches a third of their initial capital. According to the Company's articles of association, the aforementioned percentage amounts to 10%. The distribution of legal reserve is prohibited.

■ Statutory reserves

These involve the optional provision for additional reserve, from net profits of each year in compliance to the Company's articles of association.

■ Property revaluation reserves (net after deferred tax)

These are reserves for the revaluation lands at fair value, as determined by an independent assessor. The latest adjustment was made on 31.12.2008.

■ Other reserves

Other reserves include:

- The reserves formed from tax-free income and those that are subject to a special taxation regime, amounting to € 6,4 million. Such reserves are subject to tax in case they are distributed, but at present the Company's intention is not to distribute the reserves in question, and therefore the deferred taxes were not computed.
- Special reserves in accordance with the provisions of par. 4a of art. 4 of Codified Law 2190/20,

amounting to € 121,0 million, resulted from the reduction of the Company's share capital, which may be only capitalized or used to offset losses incurred by the Company.

18. Results carried forward

The changes to the item "results carried forward" for the Group and the Company in 2012 were as follows:

	Group	Company
Opening net book value	(113.688)	(114.707)
Formation of legal reserve	(6)	-
Formation of tax-free reserve	(71)	-
Impact from purchase of own shares and deletion of subsidiary	5	-
Net results for 2012	(60.732)	(60.455)
Result carried forward at end of year	(174.492)	(175.162)

19. Non-current and current bank liabilities

■ Long-term loans

The total long-term bank loans of the Group on 31.12.2012 amounted to € 903 thousand, while on 31.12.2011 amounted to € 229.077 thousand. It is noted that on 31.12.2012 in the statement of Company's financial position there has been reclassification of the total of long-term loans amounted to € 214,9 million to short-term ones, according to par.1 of IAS 1, given the fact that on 31.12.2012 terms of the agreements were not met, in respect of debt servicing. According to the terms of the loan contracts the installments payable within the following year amounted to € 25,0 million and were included in non-current bank liabilities in addition to the amount that was reclassified.

According to the contracts, the lack of debt servicing is considered as fail of the Company to meet the terms and conditions undertaken, therefor the Company is obliged to repay the loans to the banks. However, Group's management has already begun contacts with the lender banks in order to modify the terms and conditions of the total of long-term debt and expects that soon there will be agreement.

Company's syndicated loans initially amounting to a total of € 245 million were obtained in 2008, from a group of banks, on the basis of a floating interest rate (Euribor plus margin) for a period of 8 years (with the end maturity date set at 31st March 2016). In 2011 there was agreed with lender banks to modify the terms of repayment by transferring payable loan installments to a later time. Moreover, during the fiscal year 2010, a new three-year long-term loan, based on a floating interest rate, was obtained amounting to € 40 million.

Collaterals have been provided to secure the aforementioned syndicated loans (shipping mortgages on vessels, concession of the product of an insurance compensation) to the lending banks (see note 10 "Fixed assets").

According to the terms and conditions of the relevant agreements, the Company may repay these debts earlier free of charge. The loan agreements also lay down the conditions for termination thereof, including not in-time payment, non-compliance with the general and financial guarantees provides, as well as the provision of information. Also, the agreements involve economic sanctions concerning requirements for the conditioning of the minimum borrowing level, as for the securities offered. The Company has also provided specific guarantees in connection with its compliance with laws and regulations, maintaining its type of business activity, environmental issues, as well as insurance coverage.

The balances of the above loans appearing in the attached balance sheets were measured at amortized cost using the effective interest method and were not essentially different from their fair values. The average actual cost of the Company's long-term borrowing in 2012 was 5,56%.

The total interest paid for the Company's long-term loans, for 2012 and 2011, amounted to € 13.485 thousand and € 14.021 thousand, respectively.

■ Short-term loans

In "Current bank liabilities" apart from the long-term loans that have been reclassified, there was included interest payable amounted to € 14.425 thousand. Moreover, the Company has contracted agreements of current accounts in euro of variable interest (Euribor plus margin rate) which were mostly granted by the banks assigning cheques receivable, using the above grants as securities. The Group's total short-term bank liabilities as at 31.12.2012 amounted to € 20.313 thousand, as compared to € 18.361 thousand as at 31.12.2011, while the Company's amounted to € 19.525 thousand, as compared to € 18.161 in the previous fiscal year.

The total interest paid for the aforementioned Parent Company loans, for the periods 2012 and 2011, amounted to € 1.659 thousand and € 2.409 thousand, respectively.

20. Deferred tax and income tax

The Parent company and its subsidiaries operating passenger shipping sector are not subject to income tax for the profits arising from this business activity. As income tax is considered the tax in regard to Law 27/1975 (tax applied to the shipping tons of the total tonnage of the ship). The unaudited fiscal years of the Parent Company and of the consolidated subsidiaries are presented in the following table:

<u>Company</u>	<u>Unaudited years</u>
ANEK	2008 – 2012
LANE	1994 – 2012
ETANAP S.A.	2009 – 2012
LEFKA ORI S.A.	2010 – 2012
ANEK HOLDINGS S.A.	2008 – 2012
AIGAION PELAGOS SC	2011 - 2012

It is noted that, for years 2011 and 2012, the Group companies have been included in the tax audit of the certified auditors in regard to article 82, par. 5 of Law 2238/1994. The audit of fiscal year 2011 did not reveal differences and the report of auditors - accountants issued unqualified. The audit of 2012 is in progress and the relevant tax certificates are going to be provided after publishing the financial statements of 2012. However, no significant tax differences are expected to arise.

For the unaudited tax years Group companies have formed provisions for extra taxes that might arise after the auditing. Accumulated provisions amounted to € 25 thousand for the Company and € 192 thousand for the Group.

The income tax appearing in profit and loss account for the years 2012 and 2011 for the Company and the Group is analyzed as follows:

	Group		Company	
	31.12.12	31.12.11	31.12.12	31.12.11
Income tax on taxable income	82	34	-	-
Tax under Law 27/1975 on register tons of total capacity	116	136	111	130
Tax audit differences & provisions	10	35	-	-
Deferred taxes of temporary differences	(23)	(66)	-	-
	185	139	111	130

Deferred income taxes are accounted based on different accounting and tax bases of assets and receivables of subsidiaries falling under normal tax assessment, as well as various accounting and tax bases of assets and liabilities of the Parent Company, which (differences) are expected to pertain an effect on tax during the asset matching or their settlement. Deferred income tax is calculated by using the tax rates expected to be used as a basis for settling receivables and liabilities in the future.

The balance of the Group's deferred tax liabilities as at 31.12.2012, amounting to € 978 thousand (€ 308 thousand for the Parent Company) results mainly from the measurement of land and buildings at fair value, given that, the profits from a potential sale thereof will be subject to tax in compliance with the general income tax provisions.

Moreover, on 31.12.2012 the balance of the Group's deferred tax liabilities amounting to € 107 thousand resulted mainly from a subsidiary's provisions for doubtful receivables.

21. Employee benefits / Other provisions

■ Payroll cost

As at 31.12.2012 the Group employed a total of 907 employees. Payroll cost included in the financial statements is analyzed as follows:

	Group		Company	
	31.12.12	31.12.11	31.12.12	31.12.11
Wages and salaries	45.089	51.146	41.838	47.921
Other employee benefits	1.902	2.332	1.874	2.325
Employer contributions to social security organizations	5.777	6.330	5.276	5.835
Compensations	92	262	92	249
	52.860	60.070	49.080	56.330
Plus: Retirement cost of plans	170	397	162	351
	53.030	60.467	49.242	56.681

Short-term benefits to executives are referred to below (note 25 "Balances and transactions with related parties").

■ Staff retirement indemnity

The changes to the net liability for staff retirement indemnities are as follows:

	Group		Company	
	31.12.12	31.12.11	31.12.12	31.12.11
Net liability at beginning of year	3.563	3.445	3.283	3.195
Benefits paid	(289)	(263)	(279)	(263)
Provision recognized in the results	170	381	162	351
Net liabilities at end of year	3.444	3.563	3.166	3.283

The additional staff retirement indemnity provisions formed during the fiscal year are included in the administration and selling expenses.

The liabilities of the Group resulting from its obligation to pay retirement indemnities were determined through an actuarial study prepared by independent actuaries of international reputation. Following are the key acknowledgements of the actuarial study:

Average annual long-term growth of inflation.....2%

Discount rate3,7%

Average annual long-term payroll increase up to 20150%

Average annual long-term payroll increase after 2015.....4,9%

The above accumulated provision pertains to Group employees other than ship crews as the latter, according to applicable law, do not accumulate indemnity rights in the event of dismissal or retirement.

■ Other provisions

The Group's other provisions as at 31.12.2012 amounting to € 1.645 thousand (€ 1.200 thousand for the Company) pertain mainly to tax audit differences, tax increments, additional social security contributions, litigious disputes or disputes in arbitration and other potential expenses.

22. Trade liabilities and other current liabilities

Trade liabilities include the following:

	Group		Company	
	31.12.12	31.12.11	31.12.12	31.12.11
Trade liabilities	34.139	40.687	25.818	32.088
Cheques payable	2.466	2.031	1.799	1.336
	36.605	42.718	27.617	33.424

Respectively, the other current liabilities are as follows:

	Group		Company	
	31.12.12	31.12.11	31.12.12	31.12.11
Liabilities in taxes and social security organizations	10.394	5.445	9.017	4.669
Customer prepayments	899	941	697	730
Sundry creditors	11.947	8.456	12.738	9.033
Accrued expenses	518	4.286	441	4.153
Deferred income	2.046	1.598	1.718	1.308
	25.804	20.726	24.611	19.893

All the above liabilities are current and, as a result, there is no need to proceed with discounting at the balance sheet date. Deferred income of the Company and the Group includes the amount of € 259 thousand relating to deferred income from customer loyalty program implementation.

23. Earnings / (losses) per share

Basic earnings / (losses) per share are calculated by dividing the earnings corresponding to the Parent shareholders by the weighted number of shares in circulation during the period. The discounted earnings / losses per share are equal to the basics, as there is not any titles convertible to shares.

	Group		Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Earnings/ (losses) after taxes corresponding to Parent shareholders	(60.732)	(22.901)	(60.455)	(21.911)
Weighted number of shares	188.654.892	171.268.724	188.654.892	171.268.724
Earnings / (losses) after taxes per share - basic (expressed in €)	(0,3219)	(0,1337)	(0,3204)	(0,1279)

For the calculation of the weighted number of shares in circulation for fiscal year 2011, the share capital increase completed in May 2011, was taken into account.

24. Dividends

Pursuant to the provisions of the Greek commercial law, companies are obliged each year to distribute a first dividend equal at least to 35% of profits after taxes and after having formed the legal reserve. No dividend was distributed in 2011 due to the Company's negative results. For the same reason, the Board of Directors will not propose to the ordinary General Assembly the distribution of dividend in 2012.

25. Balances and transactions with related parties

Balances (receivables/liabilities) with associated parties, as defined by IAS 24, as at 31st December 2012 and 2011 are as follows:

	Group		Company	
	31.12.12	31.12.11	31.12.12	31.12.11
Receivables from:				
- subsidiaries	-	-	86	93
- affiliates	-	-	-	-
- other related parties	8.118	7.768	8.091	7.402
- executives & BoD members	2	9	2	9
	8.120	7.777	8.179	7.504
Liabilities to:				
- subsidiaries	-	-	3.018	2.092
- affiliates	166	188	166	188
- other related parties	9.945	13.211	6.995	10.186
- executives & BoD members	187	124	158	103
	10.298	13.523	10.337	12.569

Purchases and sales with related parties are as follows:

	Group		Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Purchases of goods & services from:				
- subsidiaries	-	-	321	1.142
- affiliates	1.678	1.749	1.674	1.745
- other related parties	1.728	10.847	1.292	3.326
	3.406	12.596	3.287	6.213
Sales of services to:				
- subsidiaries	-	-	6.094	11.737
- other related parties	195	746	97	293
	195	746	6.191	12.030

The invoicing of transactions between Group companies was done in accordance with the arms length principle. There were no other transactions between the Group and related parties, within the meaning of IAS 24, other than the above transactions and the intercompany dividends and fees paid to BoD

members and executives referred to below.

➤ **Intercompany dividends**

The Parent Company's results for fiscal year 2012 include income from dividends of subsidiary "ETANAP" amounting to € 116 thousand.

➤ **Fees paid to BoD members and executives**

The gross fees paid to Company executives and BoD members for fiscal years 2012 and 2011 are analyzed as follows:

	Group		Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Executive members of the BoD	639	776	405	529
Non-Executive Members of the BoD	28	22	21	16
Management executives	875	861	875	861
	1.542	1.659	1.301	1.406

The fees paid to BoD members are approved by the annual ordinary General Meeting. As of the balance sheet date there were no stock option plans for BoD members and executives or other benefits depending on the value of shares.

➤ **Auditors' fees**

The fees charged by the auditors in 2012 for the mandatory audit of the Group's annual accounts amounted to € 250 thousand, and no other services were offered.

26. Commitments and contractual liabilities

➤ **Operating leases**

As at 31st December 2012, Group companies had entered into operating lease agreements mainly for leasing buildings and chartering ships; the agreements will expire at different dates in the following five years (up to 2017). The lease and charter expenses included in the attached profit and loss account for 2012 amounted to € 4.895 thousand, compared to € 13.384 thousand in 2011. The minimum future payable lease and charter fees for buildings and ships on non reversible operating leases at 31st December 2012 are as follows:

In the following year	9.373
From the 2 nd to the 5 th year	951

There are no other operating lease agreements expiring after the five-year period.

➤ **Capital commitments**

There were no capital commitments for the Company or the Group as at 31st December 2012.

➤ **Other commitments**

There are certain commitments for the Group which are subject to Hellenic State subsidized investment plans, as well as liabilities arising from agreements entered into for the servicing of public services routes (letters of guarantee, etc.).

27. Contingent liabilities/ receivables - litigious disputes or disputes in arbitration

➤ **Litigations**

There are no disputes in litigation or arbitration, or other liabilities burdening the Group, which could significantly affect its financial condition. Relevant provisions have been formed amounting to € 117 thousand.

➤ **Contingent liabilities / receivables**

The Group's contingent liabilities as at 31.12.2012 arising from its normal activity pertain to guarantees granted to secure liabilities (mainly in connection with subsidized routes) and performance bonds amounting to € 12.975 thousand. Respectively, the Group has received guarantees for receivables amounting to € 18.574 thousand. Moreover, as mentioned above (note 20 "Deferred tax and income tax"), the tax liabilities of Group companies for certain fiscal years have not been finalized, but appropriate provisions have been formed for possible additional taxes.

➤ **Legal affairs related to vessels**

Vessels "LEFKA ORI" and "SOPHOCLES V." were chartered to a foreign shipping company, to which was granted the option to purchase the vessels at the end of the charter. Due to the fact that the charterers were not able to meet the terms of the relative contracts, ANEK proceeded with the cancellation and termination of the said contracts at the beginning of 2013. The management of the Group assigned the case to international law firms in order to secure its assets concerned, claim its rights against the charterers and deal with the enforcement procedure due to charterers' debts to third parties, derived mainly from retrofit works within the period of the chartering. Since there is interest from prospective buyers for the two vessels, the Group's management considers that there will be no charges and there will be a positive outcome in relation to the above. However, the developments in this case and the resulting potential effects on the financial statements cannot be estimated with certainty at this stage.

28. Risk management and policies

● **Credit risk**

Under the existing financial conditions, all companies are facing increased credit risks. The Group is following its customers' balances closely by applying credit control procedures and, where necessary, it has obtained additional guarantees to secure the credit granted even more. However, current economic

conditions in Greece and abroad have led to increased credit risk, and thus it is more and more necessary to form provisions for impairment losses in order to offset the consequences of the extreme conditions prevailing in the trading and wider macroeconomic environment. The accumulative provisions formed have reached the amount of € 22,7 million, and it is considered adequate to deal with credit risk. Moreover, there is significant dispersion of the Group's receivables, therefore, the risk of concentration is limited.

As regards cash and cash equivalents, the Group is not exposed to any credit risk as there is natural hedging, given that there are also loan agreements entered into with the cooperating financial institutions.

The maximum exposure to credit risk at the balance sheet date is analyzed as follows:

	Group		Company	
	01.01.12- 31.12.12	01.01.11- 31.12.11	01.01.12- 31.12.12	01.01.11- 31.12.11
Trade receivables	52.739	55.612	47.898	48.804
Other receivables	4.221	1.925	3.131	1.490
Cash and cash equivalents	4.037	3.360	722	1.574
	60.997	60.897	51.751	51.868

At the end of fiscal years 2012 and 2011 there was no customer with a balance representing over 5% of the total receivables. The maturing of the balances of trade receivables and the changes to impairment provisions are listed in note 13 "Trade receivables and other current liabilities" above.

◆ Liquidity risk

The Company has entered into agreements governed by certain terms and conditions. In the event that the Company fails to meet the terms and conditions undertaken, then the loans would be made immediately payable and the Company will be forced to repay the loans to the banks. This may create a liquidity problem for the Company. In order to avoid possible inadequate liquidity, the Group has ensured that there is available bank credit at all times to cover any extraordinary needs during low liquidity periods. In any event, however, it cannot be excluded the possibility of breaching one or more conditions laid down in the loan agreements entered into by the Group or of the Group's management being unable to secure bank credit in order to cover extraordinary needs under acceptable terms, and this may have a significantly adverse effect on the Group's business activity, operating results, cash flows and financial position. Given the fact that in 31.12.2012 terms of the agreements were not met, in respect of debt servicing, in the statement of Company's financial position there has been reclassification of the total of long-term loans to short-term ones. Group's management has already begun contacts with the lender banks in order to modify the terms and conditions of the total of long-term debt. These contacts are in progress and a positive outcome will enhance Company's liquidity through the modification of the debt repayment terms by putting off the installments to a later time, extension of time for repayment, and a possible decrease of financial cost. Moreover, at the scope of strengthening the working capital, Group's management is considering various measures to be taken such as the cutting down on operating costs, the redeployment of fleet, the potential reducing or stoppage of vessels in certain routes, the settlement of liabilities to a later time, while additional measures are considered such as the disposal of non-current assets and the

possibility of a share capital increase within 2013. Finally, as it has already been mentioned, Group's management expects a positive outcome from the legal procedure against the company "MINOAN LINES SA" in relation to the forfeiture of the advance of € 47,5 million.

The Company prepares short-term and long-term cash plans from which cash needs result in time. Due to the reclassification of the long-term loans, all Company's financial liabilities have maturity less than 6 months.

- **Foreign exchange risk**

Both the Company and the Group are not exposed to increased foreign exchange risk as almost all their transactions with customers and suppliers outside Greece are made in Euro. There is a very limited potential of foreign exchange risk caused by the market value of spare parts and other materials, or services procured by countries outside the euro-zone, which is extremely limited in relation to the total of purchases and expenses. Moreover, all the loans obtained by the Group are in Euro, and thus there is no foreign exchange risk associated with repayment thereof.

- **Competition**

The vessels of ANEK Group are performing trips in routes where there is intensive competition, particularly in the Piraeus-Crete and Greece-Italy routes. The effort made by each company to retain and increase its market share in the above markets may intensify competition even more, thus having an impact on their financial results. Moreover, as part of its shipping activities, the Group is trying to improve the allocation of vessels per route, utilize the profits acquired from existing (and possible new) routes and set its prices at competitive levels. A potential intensification of competition in the markets where the Group operates may have a significantly adverse effect on the Group's operating results, cash flows and financial position.

- **Rate fluctuation risk**

The Company has entered into agreements for opening long-term syndicated loans and credit accounts with different banks. Interests for all the above loans are calculated on the basis of the Euribor rate plus a margin. Consequently, the Company is exposed to a rate fluctuation risk, as it will be burdened with extra financial cost in the event of an increase in interest rates. The sensitivity of the results and equity to long term debt rate changes in 2012 was as follows:

Rate changes	Effect on results and equity
± 0,5%	(-/+) € 1,2 million
± 1%	(-/+) € 2,4 million

Consequently, a possible rise in interest rates is expected to have a significantly adverse effect on the Group's operating results, cash flows and financial position.

- **Fuel price fluctuation risk**

Fuel cost is the key operating cost incurred by the Group which has a direct effect on the results of

each period and thus, a rise in oil prices is the most important risk faced by the Group. Fuel prices are settled in Euro, but they are indirectly affected by the EUR/USD exchange rate used as a basis for the determination of the international / platts prices. The sensitivity of the results and of the equity to a change in the average cost of fuels per metric ton -ceteris paribus- in 2012 was as follows:

Fuel price changes	Effect on results and equity
± 5% / ton	(-/+) € 4,3 million
± 10% / ton	(-/+) € 8,7 million

During 2012, fuel prices continued to be significantly increased, with the average price of fuel reaching an increase of 15% approx. compared to previous year. It is indicatively noted that Company's cost of fuels and lubricants in 2012 represented 49% of the total cost of sales, as compared to 48% in 2011 and 43% in 2010. Consequently, Oil price fluctuation is the most significant risk associated with the Group's financial results. Therefore, a possible rise in fuel cost is expected to have a significantly adverse effect on the Group's operating results, cash flows and financial condition.

- **Capital risk management policies and procedures**

One of the principal goals of the Group is to manage its funds effectively so as to maintain its increased credit capacity in the market thus being able to find funds under favorable terms with a view, in the long run, to ensuring its unhindered operation in the future, as well as the distribution of satisfactory dividends to its shareholders. The Group still aims at the maintaining a high level of solvency and, as part of adapting its capital structure, it can adapt the amount of dividends payable, refund shareholders, issue new shares or sell assets in order to reduce borrowing. The Group monitors its capital sufficiency based on the leverage ratio, which is calculated by dividing the net borrowing to the total capital employed. "Net borrowing" means all loan liabilities (both current and non-current) less cash and equivalents, and "Total capital employed" means the sum of equity and net borrowing. The Management aims at keeping the leverage ratio at the lowest possible levels.

	31.12.2012	31.12.2011
Total debt	275.851	263.596
Less: cash equivalents	(4.037)	(3.360)
Net borrowing (a)	271.814	260.236
Total equity	46.371	107.074
Total capital employed (b)	318.185	367.310
Leverage ratio (a) / (b)	85,43%	70,85%

- **Presentation of financial assets and liabilities per category**

Financial assets and liabilities at the financial statement date may be broken down per category as follows:

	Group		Company	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Current assets				
Trade receivables	52.739	55.612	47.898	48.804
Other receivables	4.221	1.925	3.131	1.490
Cash and cash equivalents	4.037	3.360	722	1.574
Financial assets at fair value	825	867	796	842
	61.822	61.764	52.547	52.710
Non-current liabilities				
Financial liabilities measured at amortized cost	903	229.077	-	227.710
Current liabilities				
Financial liabilities measured at amortized cost	274.984	34.519	273.675	33.161
Trade & other liabilities	59.845	57.559	50.070	47.857
Total liabilities	335.732	321.155	323.745	308.728

29. Subsequent events

A new tax law 4110 was introduced on 23rd of January, 2013. The main change is that under the new law, the income tax rate for legal persons is defined at 26% for fiscal 2013 and on, and that the withholding tax on dividends approved after January 1st, 2014 will be 10%. The estimated effect of the recalculation of deferred taxes for the Group and Company will amount to an additional expense amounting to € 261 thousand and € 92 thousand, respectively. There are no other facts subsequent to 31st December 2012, which could substantially affect the financial position and the results of the Group and the Company, or that should be mentioned in the notes on the financial statements.

Chania, 28 March 2013

2nd Vice-Chairman

Managing Director

Spyridon I. Protopapadakis
ID Card No. AA490648

Yiannis S. Vardinoyiannis
ID Card No. Π 966572

The Chief Financial Officer

The Accounting Office Manager

Stylianos I. Stamos
ID Card No. M 068570

Ioannis E. Spanoudakis
Economic Chamber License No. 20599, Class A

DATA & INFORMATION FOR FISCAL YEAR 2012

ANEK LINES		ANEK LINES S.A.				ANEK LINES			
No of G.E.C.R.: 121557860000 - S.A. Reg. No.: 11946/06/B/86/07 Registered Office: Karamanli Avenue, Chania									
Financial data and information for the period 1 January 2012 - 31 December 2012 (according to L. 2196, article 135 for companies publishing annual financial statements, separate and consolidated, in accordance to the International Financial Reporting Standards) The following data and information are to provide users with general information for the financial position and the results of operations of ANEK LINES SA and the Group. Therefore, it is recommended to any user, before proceeding to any kind of investing decision or other transaction with the Company, to visit the Company's web site, where the financial statements and the Auditor's Report, when is required, are published.									
COMPANY INFORMATION		Board of Directors							
Supervising authority: Ministry of Development, Societe Anonyme & Credit Division Company's website: www.anek.gr Date of approval of the annual financial statements: March 28th, 2013 Certified auditors - accountants: Antonakakis Kostantinou (SOEL Reg. No. 22781), Kolyris Nikolaos (SOEL Reg. No. 35591) Auditing Firm: GRANT THORNTON (Reg. No 127), SOL SA (Reg. No. 125) Type of auditors' report: Unqualified opinion (emphasis of matter)		Yineos Galanakis, F. Metropolitan Kismou and Selnou (Chairman) Georgios Katsarevakis (A' Vice-Chairman - presiding) Styridon Protopoulos (B' Vice-Chairman) Georgios Archontakis (C' Vice-Chairman) Ioannis Vardogiannis (Managing Director) Aristoteles Balis (Deputy Managing Director) Emmanouil Apostolakis (Member) Emmanouil Galanakis (Member) Michael Georvasakis (Member) Dimitrios Kantilierakis (Member) Michael Marakakis (Member) Georgios Marinakis (Member) Evangelos Baratsos (Member) Georgios Bourakis (Member) Emmanouil Skoulakis (Member)							
STATEMENT OF FINANCIAL POSITION (parent company and consolidated)				TOTAL COMPREHENSIVE INCOME (parent company and consolidated)					
(Amounts in € thousand)				(Amounts in € thousand)					
	Group		Company		Group		Company		
	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	
ASSETS									
Tangible assets	320.878	367.549	304.941	350.407	Turnover	199.677	243.595	167.675	202.624
Investments in property	1.791	1.796	715	721	Gross profit / (loss)	22.373	36.713	17.732	31.959
Intangible assets	67	73	64	60	Earnings / (losses) before taxes, financing and investing results (EBT)	(8.809)	1.259	(8.860)	2.222
Other non-current assets	1.674	1.529	4.723	5.244	Earnings / (losses) before taxes (EBT)	(60.383)	(22.888)	(60.344)	(21.781)
Inventories	8.288	7.869	4.978	6.713	Earnings / (losses) after taxes (A)	(60.568)	(23.027)	(60.455)	(21.911)
Trade receivables	52.739	55.612	47.898	48.804	Owners of the parent	(60.732)	(22.901)	-	-
Other current assets	5.046	2.792	3.927	2.332	Minority interests	164	(126)	-	-
Cash & cash equivalents	4.037	3.360	722	1.574	Other comprehensive income after taxes (B)	(8)	-	-	-
TOTAL ASSETS	392.520	440.580	387.969	415.855	Total comprehensive income after taxes (A) + (B)	(60.576)	(23.027)	(60.455)	(21.911)
EQUITY & LIABILITIES					Owners of the parent	(60.726)	(22.901)	-	-
Share capital	56.597	40.325	56.597	40.325	Minority interests	150	(126)	-	-
Other equity items	43.460	66.896	40.906	63.152	Earnings / (losses) after taxes per share basic - (in €)	(0,3219)	(0,1337)	(0,3204)	(0,1279)
Equity attributable to shareholders of the parent (a)	100.057	107.021	97.503	103.477	Proposed dividend per share (in €)	-	-	-	-
Minority interests (b)	70,97	7,145	97,503	103,477	Earnings / (losses) before taxes, financing and investing results, depreciation and amortization (EBITDA)	4.235	12.308	3.492	12.431
Total Equity (c) = (a) + (b)	167.074	114.167	97.503	103.477					
Long-term borrowings	229.077	221.554	227.710	219.880					
Provisions and other long-term liabilities	6.466	5.630	4.164	4.052					
Short-term borrowings	34.519	68.490	33.161	65.998					
Other short-term liabilities	63.444	69.225	53.317	55.872					
Total liabilities (d)	235.506	326.499	290.356	312.379					
TOTAL EQUITY AND LIABILITIES (c) + (d)	440.580	479.066	415.855	449.276					
STATEMENT OF CHANGES IN EQUITY (parent company and consolidated)				CASH FLOW STATEMENT (parent company and consolidated)					
(Amounts in € thousand)				(Amounts in € thousand)					
	Group		Company		Group		Company		
	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2011	31.12.2011	31.12.2011	31.12.2011	
Equity at the beginning of the year (01.01.2012 and 01.01.2011, respectively)	114.167	202.869	103.477	194.353	Operating activities				
Total comprehensive income after taxes	(60.576)	(23.027)	(60.455)	(21.911)	Earnings / (losses) before taxes	(60.383)	(22.888)	(60.344)	(21.781)
Increase / (decrease) of share capital	16.272	316	16.272	-	Adjustments for:				
Dividends paid	-	(121)	-	-	Depreciation	13.284	11.197	12.382	10.238
Other equity movements	(330)	(25)	(335)	-	Grants amortization	(240)	(147)	(29)	(29)
Equity at the end of the year (31.12.2012 and 31.12.2011, respectively)	69.525	180.012	58.959	172.442	Assets impairment / (reversal)	34.453	6.344	34.066	6.344
					(Gain) / (loss from disposal of property, plant and equipment)	4	240	-	249
					Provisions	3.063	2.154	2.790	1.716
					Exchange differences	(8)	45	(3)	46
					Results of investing activity	(79)	(108)	447	147
					Financial expenses (less financial income)	16.203	17.587	15.973	17.216
						6.297	14.427	5.282	14.146
ADDITIONAL DATA & INFORMATION				Adjustments for changes in working capital					
1. Group entities that are included in the consolidated financial statements are presented in note 1 in the annual financial statement as of 31.12.2012, including locations, percentage Group ownership and consolidation method. 2. The financial statements of the Group have been consolidated with the equity method by SEA STAR CAPITAL PLC that holds 23.16% of the share capital of ANEK SA and is registered in Cyprus. 3. The basic accounting principles adopted in the financial statement, are consistent with those of the annual financial statement as at 31.12.2011, adjusted with the revisions to IFRS. 4. There are no litigious disputes or disputes in arbitration against the Group that could significantly affect the financial position. The recorded relevant provisions for the Group amount to € 117 thousand and for the Company € 55 thousand. 5. Number of employees at 31.12.2012 was 907 for the Group (816 for the Company) and at 31.12.2011 was 1.098 for the Group (948 for the Company). 6. At the end of the period no shares of the parent company were possessed by the parent company neither by any subsidiary or associate company. 7. "Other equity movements" for 2012 refer to deletion of a subsidiary from consolidation, while in previous year referred by € 335 thousand in expenses related to Parent company's share capital increase and by € 3 thousand for the Company and € 1.120 thousand for the Company. 8. The ratio "Earnings / (losses) after taxes per share basic - (in €)" are calculated based on the average number of total shares. 9. The emphasis of matter paragraph in the auditors' report refers that "We draw attention to the explanatory notes 2 and 27 in the annual consolidated financial statements which indicate the following important matters: a) The Company reclassified its long-term bank loans to current liabilities due to its inability to meet the respective loan covenants. Taking the above mentioned reclassification into consideration the consolidated current liabilities exceed the consolidated current assets by 269,2 million €, while at the same time other overdue current liabilities are present. b) Two (2) of the Company's Ships of a net book value of 23 million € are subject to enforcement procedure due to debt obligations of the charterers to third parties that occurred during the charter-hire. The outcome of this dispute as well as the potential implications on the financial statements cannot be estimated with reasonable certainty at the time. These conditions along with the general adverse economic conditions regarding the economy and the shipping sector indicate the existence of a material uncertainty that may cast doubt about the company's ability to continue as a going concern. In the explanatory note 2 of the annual consolidated financial statements the future actions of management to mitigate the risks are stated. Our opinion is not qualified in respect to these matters. 11. Intercompany transactions (inflows and outflows) since the beginning of the current year and intercompany balances as of 31.12.2012 that have resulted from the transactions with the related parties, as defined by IAS 24, are as follows:				Decrease / (increase) of inventories 1.551 1.462 1.733 1.218 Decrease / (increase) of receivables (1.635) 16.202 (2.642) 11.994 Increase / (decrease) of liabilities (other than borrowings) 1.771 (7.654) 1.905 (4.518) Less: Interest and financial expenses paid (4.797) (16.183) (4.493) (15.798) Income tax paid (110) (225) (111) (131) Cash flows from operating activities (a) 3.071 8.026 1.674 6.917 Investing activities Acquisition of affiliates, securities and other investments (7) (262) - (262) Proceeds from disposal of securities and other investments - 9 - 8 Purchase of tangible and intangible assets (1.059) (1.292) (980) (996) Proceeds from the sale of property, plant and equipment - - 3.478 - 3.464 Interest received 74 23 3 13 Dividends received - 10 87 9 Cash flow from investing activities (b) (992) 1.966 (890) 2.236 Financing activities Share capital increase - 16.272 - 16.272 Share capital increase expenses paid - - (339) - (339) Purchase of treasury shares (9) - - - Proceeds from borrowings 18 380 - - Payment of borrowings (2.195) (27.096) (1.638) (25.278) Proceed from grants 844 853 - - Dividends paid (55) (10) - (1) Cash flow from financing activities (c) (1.397) (9.936) (1.638) (9.342) Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c) 682 59 (852) (195) Cash and cash equivalents at beginning of the year 3.355 3.301 1.574 1.769 Cash and cash equivalents at the end of the year 4.037 3.360 722 1.574					
(Amounts in € thousand)				(Amounts in € thousand)					
a) Inflows	195	6.191							
b) Outflows	3.406	3.287							
c) Receivables	8.118	8.177							
d) Payables	10.111	10.179							
e) Key management compensations	1.542	1.301							
f) Receivables from key management	2	2							
g) Payables to key management	187	158							
Chania, March 28, 2013									
THE 2ND VICE-CHAIRMAN OF THE BOARD OF DIRECTORS		THE MANAGING DIRECTOR		THE CHIEF FINANCIAL OFFICER		THE CHIEF ACCOUNTANT			
SPYRIDON I. PROTOPAPADAKIS ID. No. AA 490648		IOANNIS I. VARDINOYANNIS ID. No. I 966572		STYLIANOS I. STAMOS ID. No. M 068570		IOANNIS E. SPANOUDAKIS H.E.C. License No. 20599A/ CLASS			

INFORMATION PROVIDED UNDER ART. 10 OF LAW 3401/2005

The above disclosures and announcements made by ANEK in 2012 have been published in the Daily Official list of the Athens Stock Exchange and are posted on ASE's website at www.ase.gr and at the Company's website at www.anek.gr.

DATE	SUBJECT:
13/01/2012	Announcement regarding the process of the sale of fractional balances resulted by the Reverse Split of the shares
30/01/2012	Announcement regarding the end of process of the sale of fractional balances resulted by the Reverse Split of the shares
26/03/2012	Announcement for Financial Calendar
28/03/2012	PRESS RELEASE: FINANCIAL RESULTS FOR THE FISCAL YEAR 2011
28/03/2012	IR RELEASE – Year 2011
03/04/2012	Announcement as a reply on Athens Stock Exchange (ASE) and Hellenic Capital Market Commission (HCMC)
03/04/2012	Announcement for change of Director Executives
25/04/2012	Change in Financial Calendar
07/05/2012	Preliminary Announcement for the Ordinary General Meeting
25/05/2012	PRESS RELEASE: 2012 1 st QUARTER FINANCIAL RESULTS
25/05/2012	IR RELEASE – Q1 2012
05/06/2012	Ordinary General Meeting's decisions
30/08/2012	PRESS RELEASE: 2012 1 st SEMESTER FINANCIAL RESULTS
30/08/2012	IR RELEASE – 6M 2012
29/11/2012	PRESS RELEASE: 2012 3 rd QUARTER FINANCIAL RESULTS
29/11/2012	IR RELEASE – 9M 2012