Annual financial report

for the fiscal year

from January 1st to December 31st 2014

ANEK LINES

according to article 4 of law 3556/2007

CONTENTS

The annual financial report for fiscal year 2014 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 31st March 2015.

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

STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS

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

The members of the Board of Directors of the ANEK S.A.:

- Georgios Katsanevakis, Chairman
- Ioannis Vardinoyannis, Managing Director
- Spyridon Protopapadakis, Senior 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 2014 to 31st December 2014, which are prepared in accordance with the applicable International Financial Reporting Standards, accurately present the assets, liabilities, equity 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, 31 March 2015

Chairman	Managing Director	Senior Vice-Chairman
GEORGIOS G. KATSANEVAKIS **ID Card No AI 473513**	**IOANNIS I. VARDINOYANNIS** **ID Card No. Π 966572**	**SPYRIDON I. PROTOPAPADAKIS** **ID Card No. AA 490648**

ANEK LINES S.A.
G.E.S.R. NO: 121557860000
148 KARAMANLI AVE., 73100 CHANIA, CRETE
TEL.: 28210 24000, FAX: 28210 36200
e-mail: info@anek.gr
www.anek.gr

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FISCAL YEAR 2014

*This annual report by the Board of Directors of **ANEK S.A.** for the fiscal year from 1st January to 31st December 2014 was drafted in accordance with the provisions of Codified Law 2190/1920 (articles 43a, 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 2014. 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. 43a, par. 3(d) of Codified Law No. 2190/1920.*

I. OVERVIEW OF ACTIVITIES & FINANCIAL POSITION

After six years or recession, the Greek economy in 2014 returned to positive rate of growth, mainly due to the increase of consumption and the improvement of payments balance. The GDP of Greece and Eurozone are expected to have positive rates in current year 2015, while the lower oil prices will enhance the consumers' income.

The influence of the Greek coastal shipping in GDP is very significant, having a strategic role, since in many cases, is the only connecting link between the continental and the island region of Greece. Passenger shipping sector in recent years has undergone suffocated pressure due to the sharp decline in passenger and freight traffic, the persistently high fuel costs and the lack of liquidity. However, Group's management specific actions, such as joint venture establishment and participation, more effective management of vessels and itineraries, extraordinary charters, redeployment of vessels etc, have partly offset the negative effects of the general adverse economic environment and that is reflected in the improvement of the operating results for a second consecutive year. Also, the decline in fuel prices in the last quarter of 2014 contributed to the decrease of operating cost.

In 2014 ANEK Group operated, through privately owned and chartered vessels, in Adriatic Sea (Ancona, Venice), Crete (Chania, Heraklion), Dodecanese and Cyclades. In Cyclades and Dodecanese, continued to operate in public service routes. In Crete and Adriatic routes the Group's vessels executed combined itineraries along with "ATTICA S.A. HOLDINGS" through the joint venture "ANEK-SUPERFAST". Finally, under the scope of a more efficient management of the fleet, two vessels of the company were chartered during the summer period in companies abroad, as well as extraordinary charters occurred.

Executing a total of 5% less itineraries compared to 2013, ANEK Group in 2014, in all routes operated, transferred in aggregate 1,4 million passengers compared to 1,5 million in 2013, 227 thousand private vehicles compared to 241 thousand the previous year and 151 thousand trucks compared to 149 thousand. The Group's consolidation turnover in 2014 amounted to € 169,5 million compared to € 178,0 million in 2013, the gross profit amounted to € 25,6 million compared to € 23,3 million and Group's earnings before interest, tax, depreciation and amortization (EBITDA) amounted to € 10,1 million in 2014 compared to € 6,5 million in 2013. Finally, the losses after taxes and minority interests amounted to € 17,8 million compared to losses € 35,7 million in 2013.

In more details, the most important figures and their variations included in the Group's financial statements are as follows:

► **Turnover**

Group's turnover in 2014 reached at € 169,5 million, compared to € 178,0 million in 2013. Revenue from domestic shipping segment amounted to € 79,6 million, versus € 81,7 million in the previous fiscal year, revenue from shipping activities abroad amounted to € 81,8 million, compared to € 88,3 million, while revenue from the Group's other activities during 2014 remained unchanged compared to the previous year and formed at € 8,0 million.

► **Gross profit**

Consolidated gross profit for the fiscal year 2014 amounted to € 25,6 million, compared to € 23,3 million in 2013. Cost of sales shaped at € 143,9 million as opposed to € 154,8 million in the previous year. The decrease of operating cost in 2014 is mainly attributed to the reduction of fuel prices compared to 2013 as well as to the more effective management of vessels and itineraries.

► **EBITDA**

Group's profit before interest, taxes and depreciation (EBITDA) in 2014 stood at € 10,1 million versus € 6,5 million in 2013. The increase in EBITDA during 2014 stems mainly from the increase of gross profit before depreciation which amounted € 1,3 million and the reduction in selling and administrative expenses before depreciation which shaped at € 2,0 million compared to 2013.

► **Financial and investment results**

The Group's net financial cost in 2014 amounted to € 15,9 million compared to € 16,1 million in 2013. The financial results for 2014 included an amount of € 2,0 million as due interest write off. The results from investing activities amounted to losses of € 2,0 million compared to losses € 15,3 million, referring, mainly to impairments of the Group's vessels value. Furthermore, the earnings from associates amounted to € 84 thousand compared to € 347 thousand in the previous year.

▸ **Net results**

In the fiscal year 2014 Group's net results after taxes and minority interests amounted to losses of € 17,8 million, versus losses of € 35,7 million in 2013.

▸ **Key information of financial position statement**

- The net book value of the Group's fixed tangible assets as of 31.12.2014 amounted to € 292,4 million, compared to € 301,0 million as at 31.12.2013. The depreciation for year 2014 amounted to € 11,3 million and the vessels' impairment amounted to € 1,9 million. It is noted that two Company's vessels were sold at their net book value of € 21 million en bloc, while at the same time long term leasing contracts were signed with repurchase right. These contracts meet the criteria of IAS 17 concerning their recognition as finance leases. Moreover, it was reclassified the value of a subsidiary's "LANE" vessel amounted to € 2,1 million as a non-current asset held for sale.

- The Group's trade receivables as at 31.12.2014 remained at the same levels with the previous year amounted to € 45,4 million, while other short-term receivables amounted to € 10,4 million compared to € 4,0 million, mainly, due to the increase of claim receivables. The provision formed for doubtful debts for 2014 amounted to € 2,2 million, compared to € 2,3 million in 2013.

- The Group's cash and cash equivalents as of 31.12.2014 amounted to € 3,6 million compared to € 3,7 million as at 31.12.2013.

- The Group's long term bank borrowings amounted to € 4,3 million compared to € 0,2 million at the end of the previous fiscal year. It is noted that from 31.12.2012 the long-term loans of the Parent Company were reclassified 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). The Parent Company's long term debt, after the sale of vessels, decreased by € 28,4 million (capital and interest), while a new long term bilateral loan of € 5,4 million was conducted and an amount of € 2,0 million concerning interest due of year 2014 and previous years was written off.

- Due to the aforementioned reclassification, the Group's short-term bank liabilities as of 31.12.2014 formed at € 274,2 million compared to € 290,5 million as at 31.12.2013. Trade payables amounted to € 29,4 million compared to € 30,6 million, while other short term liabilities amounted to € 24,9 million, remaining stable in relation with the end of previous year. It is noted that liabilities of € 5,6 million concerning to regulated tax and trade obligations, the repayment of which extends beyond one year, are shown in "other long term liabilities" in the financial position statement.

Cash flows

The Group operating activities inflows for 2014 amounted to € 1,5 million, compared to outflows of € 1,2 million in the previous year. The investing activities inflows amounted to € 21,7 million due to the sale of vessels, compared to outflows of € 4,4 million in 2013. Finally, the financing activities outflows amounted to € 23,4 million compared to inflows € 5,4 million in 2013, mainly, due to the payments of bank borrowings with the proceeds from the vessels' sale.

Financial ratios

- The Group's gross profit margin (%) for 2043 was improved and formed at 15,1% compared to 13,1% in 2013. Moreover, EBITDA margin for 2014 was formed at 6,0% compared to 3,6% in 2013.
- The general liquidity ratio (:1) "Current assets / Current liabilities" was 0,20 in 2014 compared to 0,17 in 2013 while the quick liquidity ratio (:1) "(Current assets - Inventories) / Current liabilities" was 0,19 compared to 0,16 in the previous year. These ratios were significantly affected by 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 0,57 in 2014 compared to 0,58 in 2013. Moreover, the assets ratio (:1) "Turnover / Total assets" was 0,47 compared to 0,49 in previous year.
- The debt ratios (:1) "Liabilities / Equity" and "Long and short term borrowings / Equity" are negative due to the Group's negative equity. The "Liabilities / (Equity + Liabilities)" ratio formed at 1,03 in 2014 from 0,97 in 2013, while the "Long and short term borrowings / (Equity + Liabilities)" ratio formed at 0,77 in 2014 compared to 0,80 in 2013. All above ratios for 2014 and 2013 were significantly affected by the decrease in equity, as a consequence of the negative results.
- Finally, as far as the capital structure is concerned, the "Fixed assets / Non-current liabilities" ratio and the "Fixed assets / Long-term borrowings" were not able to be extracted due to the reclassification of the long-term borrowings of the Parent Company.

Equity adequacy

Due to the negative results of recent years, total equity as at 31.12.2014 is negative meeting the provisions of art. 48 of Codified Law 2190/20. The annual General Assembly held in June 2014 decided -according BoD' s proposal- the calling of an extraordinary General Meeting with agenda's issue a share capital increase of amount and according to terms that will be decided by this Meeting. The convergence of the extraordinary General Meeting will be decided by the Board of Directors in connection with the maturity of the discussions with the lending banks on the restructuring of long-term debt of the Company and the prevailing economic conditions.

II. SIGNIFICANT EVENTS

- In May 2014 subsidiary LANE came to an agreement with a foreign shipping company for the chartering of the vessel “IERAPETRA” with a purchase obligation by the charterer.

- On August 1, 2014 was concluded the sale of vessels “SOPHOCLES V.” and “LEFKA ORI” for an amount of € 21 million en bloc that reduced the Company’s long term debt. At the same time long term leasing contracts with repurchase right were signed.

- In September 2014 it was decided the expansion of the joint venture “ANEK – SUPERFAST” concerning the execution of combined itineraries by the vessels of the two companies in the international routes of Adriatic Sea and the coastal routes of Crete from 1st November 2014.

- On December 28, 2014, while the chartered by the Company vessel “NORMAN ATLANTIC” was executing trip from Igoumenitsa to Ancona, a fire broke out in it, resulting in loss of passengers’ lives, causing injuries, loss of baggage and partial or total loss of trucks, P.U. vehicles and cargo. This fact will lead to rising demands, inter alia, against us as charterer and the owner of the vessel. The Company is fully insured and therefore this event is not expected to have a material impact on the financial results. More details are set out in note 29 of the annual financial report.

III. MAJOR RISKS & UNCERTAINTIES

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 30 of the financial statements headed “Causes and risk management 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 prices. The sensitivity of the results and equity to fuel cost changes per metric ton – ceteris paribus- in 2014 was as follows:

Fuel price change	Effect on results and equity
±5% / metric ton	(-/+) € 3,1 million
± 10% / metric ton	(-/+) € 6,2 million
± 20% / metric ton	(-/+) € 12,4 million

The Group's fuel and lubricants cost for 2014 represented a 43% of the total cost of sales, as compared to 45% in 2013. 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**

ANEK 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 2014 was as follows:

Rate change	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. However, in order to avoid possible inadequate liquidity, Group's management has placed efforts to secure that there is available bank credit at all times to cover any extraordinary needs during low liquidity periods. In the event 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, it may have a significantly adverse effect on the Group's business activity, operating results, cash flows and financial position. Given the fact that from 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 is in contacts with the lender banks in order to modify the terms and conditions of the total of long-term debt. These contacts are in advanced stage and it is expected that it will soon be reached an agreement for loans restructuring, with which the Company's liquidity will be reinforced through the modification of the debt repayment terms by putting off the installments to a later time, extension of time for repayment, and decrease of financial cost. Moreover, at the scope of strengthening the working capital, Group's management has already taken various measures, such as the further cutting down on operating costs through the redeployment of fleet, the settlement of tax and trade liabilities to a later time, the planned sale of vessels, while the Annual General Meeting held on June 2014 decided -according BoD' s proposal- the calling of an extraordinary General Meeting with agenda's issue a share capital increase Finally, 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 (see note 29 of the annual financial report).

- **Competition**

The vessels of ANEK Group performed itineraries 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 defining credit limits and specific credit policies for all the customer categories. Where it is necessary, it has obtained additional guarantees to secure the credit granted even more. The accumulative provisions formed have reached the amount of € 26,5 million, and it is considered adequate to deal with credit risk, while, 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.

- **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, a small part of the loans obtained by the Group is in foreign currency (USD) and thus there is no significant foreign exchange risk associated with repayment thereof.

IV. PROSPECTS & EVOLUTION

The prospects of the Group and the passenger shipping sector in 2015 will be significantly depended on the general course of the Greek economy (insofar as it affects the passenger and freight traffic), the development of tourist traffic in Greece and the international fuel price fluctuations.

The observed formation of fuel prices in lower levels than the previous years, create the conditions for a significant reduction of 2015 operating cost. Moreover, following the sale of the vessels "SOPHOCLES V." and "LEFKA ORI" in 2014 and the reduction of bank debt, the Group's management appreciate that soon will reach in agreement with the lender banks regarding the restructuring of long term debt. This fact will have a positive impact in financing results. Finally, in recent years, some institutional changes have contributed to solve a part of problems of coastal shipping sector, but there is a series of outstanding demands related to the reforming of the institutional framework by the state (e.g. V.A.T. reduction, elimination of non-contributory charges for third parties, subsidizing social security contributions etc.) that it could contribute significantly to the recovery of the sector's competitiveness.

V. MAJOR 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), mainly, pertain to vessels' chartering, tickets issuance commissions, vessel agency, other services and the purchase of bottled water. Executives' fees refer 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 2014 ANEK invoiced the subsidiary LANE with the amount of € 337 thousand (€ 59 thousand in 2013) for ticket issuance commissions and services and the subsidiary AIGAION PELAGOS with the amount of € 7.963 thousand (€ 6.442 thousand in 2013) for chartering of vessels, commissions and administrative support services.

  - The subsidiary ETANAP invoiced the Parent Company for sale of products with the amount of € 197 thousand (€ 175 thousand in 2013), while the company LEFKA ORI had income for the rental of machinery to ETANAP the amount of € 141 thousand (148 thousand in 2013).

  - The associate ANEK LINES ITALIA invoiced the Parent Company with the amount of € 901 thousand (€ 1.234 thousand in 2013) and the JV ANEK – SUPERFAST with the amount of € 1.078 thousand (€ 1.088 thousand in 2013) both for ticket issuance commissions.

- **Dividends**

  In 2014 ANEK had income from its subsidiary ETANAP from dividends amounted to € 128 thousand compared to € 116 thousand in 2013.

- **Receivables / Liabilities**

  - As of 31.12.2014 the Parent Company had a liability to subsidiary ETANAP amounting to € 122 thousand (€ 95 thousand as at 31.12.2013), a receivable from subsidiary LANE amounting to € 1.117 thousand (€ 143 thousand as at 31.12.2013), a liability amounting to € 889 thousand to AIGAION PELAGOS (€ 1.850 thousand as at 31.12.2013) and a liability to the associate ANEK LINES ITALIA amounting to ANEK LINES ITALIA € 1.427 thousand (€ 1.231 thousand at the end of previous year). Moreover, on 31.12.2014 ANEK had a receivable amounting to € 8.259 thousand (€ 3.388 thousand as at 31.12.2013).

  - At the end of year 2014, LANE had a liability to AIGAION PELAGOS amounting to € 986 thousand as at the end of previous year) and LEFKA ORI had a receivable from ETANAP amounting to 197 thousand (€ 392 thousand on 31.12.2013). Finally, ANEK LINES ITALIA as at 31.12.2014 had a liability to JV ANEK – SUPERFAST amounting to € 822 thousand (€ 560 thousand at the end of previous year).

- **Key management compensation**

The gross fees to Directors and BoD members for fiscal years 2014 and 2013 refer to short term benefits and are analyzed as follows:

	Group		**Company**	
	01.01.14-31.12.14	**01.01.13-31.12.13**	**01.01.14-31.12.14**	**01.01.13-31.12.13**
Executive members of the BoD	714	663	417	410
Non-Executive Members of the BoD	37	15	29	15
Management executives	806	820	806	820
	1.557	**1.498**	**1.252**	**1.245**

At the end of fiscal year 2014, the Group and the Company had a liability to the above persons amounted to € 132 thousand and € 257 thousand respectively (€ 126 thousand for the Company and € 187 thousand for the Group as at 31.12.2013). 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 SOCIAL RESPONSIBILITY

► 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 conditions 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, organizing cruises and events, are done under controlled and approved conditions, so that the relevant results are satisfactory to customers and compliant with domestic and European legislation.

Safe management & 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.
- ANEK has complied and certified in the Maritime Labour Convention MLC 2006 which consolidates 68 existing contracts ILO (International Labour Organization) and complements the regulatory status of the IMO (International Maritime Organization). This Convention focuses on labor and social rights of seafarers meaning: the right to a safe workplace in accordance with safety standards, in decent living conditions on board, in terms of fair labor employment, in the right to health protection, medical care, welfare and other forms of social protection.
- 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 Mediterranean healthy diet. It uses exclusively Cretan 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 until its revision by the Hellenic Corporate Governance Council in October 2013, and since then the Company complies with the revised version of it (hereinafter the "Code"). The Code is posted on Hellenic Corporate Governance Council's website, at the following address: http://www.helex.gr/en/esed. 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 Selino 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. The former Bishop of Kissamos and Selino Irineos Galanakis has deceased on the 30th of April 2013 and after his deceit the number of elected members of the Board of Directors is twelve (12). During the Annual General Shareholders' Meeting on the 16th of June 2013, thirteen (13) members have been elected by the Shareholders and the rest have been appointed due to the fact that the Mayor Of Rethymnon as per the foreseen by the Articles of Association procedure has declared that he does not wish to exercise the right to be directly appointed.

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 Senior 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 convent 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 16.06.2013 and the Board of Directors' decisions of 19.06.2013, 29.09.2014 and 19.02.2015, the Company's Board of Directors today is as follows:

Georgios Katsanevakis	President - Executive Member of the BoD
Spyridon Protopapadakis	Senior Vice Chairman - Executive Member of the BoD
Emmanouil Apostolakis*	2nd Vice Chairman - Executive Member of the BoD
Ioannis Stavropoulos	3rd Vice Chairman - Executive Member of the BoD
Ioannis Vardinoyannis	Managing Director - Executive Member of the BoD
Georgios Archontakis	Deputy Managing Director - Executive Member of the BoD
Konstantinos Achlioptas	Non-Executive Member of the BoD
Anastasios Vamvoukas**	Non-Executive Member of the BoD
Michael Georvasakis	Non-Executive Member of the BoD
Dimitrios Kantilierakis	Independent Non-Executive Member of the BoD
Adamantios Krasanakis***	Non-Executive Member of the BoD
Ioannis Malandrakis	Non-Executive Member of the BoD
Michael Marakakis	Non-Executive Member of the BoD
Alexandros Markantonakis	Independent Non-Executive Member of the BoD
Georgios Fragkiadakis	Non-Executive Member of the BoD

**Under from 29.09.2014 decision of BoD registered on 8.10.2014 at G.E.S.R the BoD member Mr Emmanouil Apostolakis was elected as 2nd Vice-chairman.*

*** Under from 29.09.2014 decision of BoD registered on 8.10.2014 at G.E.S.R the former mayor of Chania Mr Emmanouil Skoulakis is replaced by the new elected mayor of Chania Mr Anastasios Vamvoukas.*

****Under from 19.02.2015 decision of BoD registered on 13.3.2015 at G.E.S.R. Mr Adamantios Krasanakis elected as member replacing the resigned member Mr. Georgios Baourakis.*

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:

- **Georgios Katsanevakis, President - Executive Member of the BoD**

He was born in Chania, Crete, in 1942. He graduated in Civil Engineering from the National Technical University of Athens. He was Chairman of the Technical Chamber of Western Crete, Chania Mayor and Prefect of Chania. He was also a member of the Board of the Union of Prefectural Authorities of Greece.

- **Spyridon Protopapadakis, Senior Vice Chairman - Executive Member of the BoD**

He was born in Chania in 1956. He graduated from the Economic School of Rutgers University, USA and holds a Master’s Degree in Transport Management and Business Administration from the State University of New York. From 1980 to 1982 he held various positions at Johnson & Johnson in the U.S. From 1984 until 1990 he was a member of the scientific K.E.P.E. drawing the five-year program in Rethymnon and Chania. From 1994 to 1997 he was Director of EL.KE.PA. Annex W. Crete, as well as Research Associate at the University of LEEDS in export’s Marketing. He served as Special Advisor to the Secretary General Region of

Crete from 1997 to 2000 and worked as a senior executive in various companies and organizations from 1990 to 2003. Today he has a consultancy office.

- **Emmanuel Apostolakis, 2nd Vice Chairman - Executive Member of the BoD**

He was born in Nippos Apokoronou, Chania, Crete in 1952. He graduated in Mechanical Engineering from the School of Athens Second Engineers (A.S.YP.A.) and also graduated from the Department of PATES SE-LETE.

- **Ioannis Stavropoulos, 3rd Vice Chairman - Executive Member of the BoD**

He was born in Elefsina (Attica) in 1940. He holds a degree in Mechanical and Electrical Engineering from the National Technical University, and also holds a Master of Imperial College of Science and Technology University of London. He was Technical Director and Deputy Manager in a large Greek shipping company for many years (1970-2000).

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

He was born in Episkopi, Rethymnon, Crete in 1957. He is a graduate from University in Finance & Marketing.

- **Georgios Archontakis, Deputy Managing Director - Executive Member of the BoD**

He was born in 1949 in Chania. He is a graduate of Athens Medical School. He was Director of Surgery Section, Tutor, Board Member and Deputy Director of the Hospital "Agios Savvas". In addition he was President in Athens Eye Clinic for 10 years and member of the Scientific Committee of the Hospital "Agia Sofia". From 2001 up to date he is Director of Neurosurgery Clinic at Chania General Hospital "St. George". He has been honored by the Technical University of Crete, the Hospital "Agios Savvas", the Children's Hospital and the Eye Clinic of Athens. He is also a member of the Municipal Council of the Municipality of Chania.

- **Konstantinos Achlioptas, Non-Executive Member of the BoD**

He is a Naval Engineer Merchant. He has worked for many years in vessels of all types. He has supervised and received various vessels from foreign shipyards. He worked as an engineer to large companies in America, Canada and Switzerland (Babcox-Wilcox, Bailey Meter Co and Reliance Electric). For many years now he is dealing with stock market investments, particularly in the area of shipping.

- **Anastasios Vamvoukas, Non-Executive Member of the BoD**

He was born in Chania in 1957. He is a graduate of Pharmacy school of Camerino Italian University. He was Chairman of Pharmaceutical society of Chania for three consecutive terms and from 1991 is Chairman of Chania Pharmacists cooperative. He is member of the BoD of COOPERATIVE BANK of CHANIA and CRETE REAL ESTATE SA, while he was a founding member of the consumer cooperative of organic products "GAIA". Since September 2014 is the mayor of Chania.

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

He was born in Rethymno Crete in 1945. He graduated from high-school grade. Mr. Georvasakis is an entrepreneur and has a factory of graphic art.

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

He was born in Chania in 1937. He is a graduate of Economics from the University of Munich in Germany and holds a Master's Degree in Business Administration and Marketing from Riedenburg Germany. He was President of the Economic Chamber of Western Crete and Board Member of PANCRETAN COOPERATIVE BANK.

- **Adamantios Krasanakis, Non-Executive Member of the BoD**

He was born in Lasithion Plateau Crete. In 1978 graduated from the National Technical University of Athens with a diploma in Marine Engineering. From 1979 to 2006 he served as Technical officer in Coast Guard and since 2006 is a Marine Engineering as TEE member. He is general secretary of the association of passengers shipping companies (SEEN).

- **Ioannis Malandrakis, Non-Executive Member of the BoD**

He was born in 1964 in Voukolies Chania. He is a graduate of the University of Piraeus, Department of Business Administration with specialization in Marketing, and holds a Master's degree (MsC) in Production Engineering & Management Engineering. He works from 1994 to the Bank of Greece. He has been scientific director of a large number of training programs for workers and unemployed, has extensive experience as a trainer of adults of EKEPIS and as Professor in Public IEK Chania. He was the General Secretary of the Labour Centre of Chania, a member of the Board to the Economic Chamber of Greece Dep. of Western Crete, Secretary of the Annex of the Association of Employees of the Bank of Greece. From 2011 up to date he is the elected Mayor of Platanias, Crete, Secretary PAD Crete, and participates in many volunteer commissions and other bodies representing the local government.

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

He was born in Kastelli Kissamou in 1949. He graduated from High School of Kasteli in 1974 and hired, after a public competition, by the National Bank of Greece, where held various areas of responsibility for 25 years. In 1991 he founded the limited company investment portfolio "DIAS" and until 1996 was the Vice President of the company. Moreover, from 1997 to 2004 he was Vice President and General Manager of COOPERATIVE BANK OF CHANIA, and since 2004 he holds the position of Chairman of the Board to the Bank. He is also Chairman of the subsidiaries of the Bank "CRETE REAL ESTATE SA", "CRETAN HOLDINGS SA", "CRETAN PROPERTY DEVELOPMENT SA", "NEA CHORA SA", and of companies "BUSINESS PARK OF CHANIA", "PRIME ENERGY SA", " VIOCHYM SA", "AVEA SA" and "MILK PROCESSING INDUSTRY of CRETE". At the same time, he is Vice President of "PANHELLENIC BANK" and of the "COOPERATE BANKS UNION OF GREECE".

- **Alexandros Markantonakis, Independent Non-Executive Member of the BoD**

He was born in 1959 in Chania and studied Chemical Engineering in England. He holds a Master's degree in Food Science & Management. He worked in food companies in England and France, and since 1985 he is an executive in the "MILLS OF CRETE". He is currently Managing Director of the company "MILLS OF CRETE", President and Managing Director in "KRIARAS SA" member of the Board of "VIOCHYM SA", "AVEA SA", "MILK PROCESSING INDUSTRY of CRETE" and President of the Association of Millers of Greece.

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

He was born in Athens in 1977. He studied Accounting and Financial Management at the University of Essex and has acquired two master's degrees in Finance and Investments and Management of Health Units. He holds a Ph.D. from the Technical University of Crete with a research focused on the Economics of Health and Health Services Review. He served as Deputy Commander, in 7th Sanitary District of Crete from 2011 to 2012. He is working at the General Hospital of Chania since 2003 and he is currently the Deputy Director of the Hospital from 2012. He is lecturer in the Department of Medicine at the University of Crete and on Cyprus Open University. He is also elected at intervals President, Vice President and board member of the association of graduates in economics of Chania.

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 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 area 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.

According to the aforementioned during the fiscal year 2014 the Internal Audit Service has conducted frequent inspections of the various Services and Managements of the Company in order to verify the dully operation and the implementation of any and all procedures which are provided in the Procedure Manual. The findings of the Internal Audit Service for the fiscal year 2014 were analysed during five (5) meetings in which the Internal Audit Service and the its supervising body, the Audit Committee participated.

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. Especially, for the fiscal year 2014 the members of the Audit Committee jointly with the members of the Internal Audit Service participated in five (5) meetings in order to evaluate the findings of the Audit and such evaluation has been communicated as per foreseen procedure to the competent authorities of the Company, (President of the BoD, Managing Director, the BoD).

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 16.06.2013 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: Georgios Fragkiadakis, Non-Executive Member of the BoD (from 29/9/2014 in replacement of Mr Emmanouil Apostolakis).

B) FEES & BENEFITS COMMITEE

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) it's 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 two (2) non-executive members of the Board of Directors and the Managing Director. According the No 1569/15/12.08.2013 BoD decision, the Committee comprises the following members:

- Chairman: Alexandros Markantonakis, Independent Non Executive Member of the BoD
- Member: Ioannis Vardinoyannis, Managing Director
- Member: Adamantios Krasanakis, Non-Executive Member of the BoD (from 4/3/2015 in replacement of Mr Georgios Baourakis).

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. It 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. 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

The Company in addition to the provisions of the law, adopts and complies with the Hellenic Corporate Governance Code, which is available on the web site of the Hellenic Corporate Governance Council on www.helex.gr/en/esed. Furthermore, it is specified that:

- The Company has adopted Best Practice A.II 2.2 – despite the fact that since it is considered a small listed company the exceptions of Annex I apply, the BoD constitutes in majority by non-executives members –the independent included- thus 9 members of the BoD from the total of 15 members are non-executives.
- The Company has adopted Best Practice A.III 3.1 – despite the fact that since it is considered a small listed company the exceptions of Annex I apply and by virtue of Article 25par. 2 of the Articles of Association in combination with the Internal Regulation the competences of the Managing Director are specified.
- The BoD of the Company has conducted annual evaluation of the internal control system, examining the diversity of the activities and the efficiency of the internal control unit, the adequacy of the risk management and internal control reports addressed to the Audit committee of the BoD. Furthermore, in all cases of problems the Management has reacted immediate and efficient in order to be resolved.
- The BoD has examined the internal control system as well as the principle risks that potentially the enterprise might face, and are stated in the Explanatory Report.
- There is full transparency as to the remuneration of the President, the Vice President, the Managing Director the Deputy Managing Director and as to the remuneration of each member of the BoD for its presence in the meetings of the BoD and of the committees, since all remunerations are approved for the past year by the Annual General Meeting of the Shareholders and preapproved for the future year. Each and every decision adopted is been published as per law to the website of the Company as well as to the ASE website.

DEVIATIONS FROM SPECIAL PRACTICES FOR LISTED COMPANIES OF THE HELLENIC CORPORATE GOVERNANCE CODE

Hereunder the BoD refers to the occasions and the reasons due to which deviated from the Special Practices for listed companies of the aforementioned Code during the fiscal year 2014:

Deviation from the Special Practice A. II. 2.8

The Company does not publish in the present Declaration its policy in relation to the diversity of the constitution of the BoD and of the executives managers as well of the quorum of representation of each gender. Article 15 par. 1 of the Articles of Association which states the appointment of the Bishop of Kissamos and Selinos Irineos Galanakis as long as he lives, of the Mayor of Chania, of the Mayor of Rethymnon and of a member of the Association of Economics Graduates of Chania, as members of the BoD, expresses the intention of the Company since its incorporation to be close to the local political and scientific community. The Company does not have a specific policy in relation to the quantum of males and females in the BoD since it considers that qualifications and dexterities which each and every member of the BoD has, are not necessarily identified in relation to its gender.

Deviation from the Special Practice A. IV. 4.5

As per the provisions of Article 18.1 of the Articles of Association the Company has adapted the meeting of the BoD by teleconference and as per the provisions of Article 21 par. 3 of its Articles of Association the drawing up and signing of minutes by all the members of the BoD or their representatives is equal to a decision of the BoD, even if no meeting has proceeded. Due to the aforementioned provisions the Company achieved not to exist often and constant absences during the meetings of the BoD and all the members to participate and to be informed of the subjects of the agenda.

Deviation from the Special Practice A. V.5.4-5.8

The Company has not yet established a Nomination Committee for the constitution of the BoD nevertheless the Company is in the stage of elaboration of the specific competences and qualities which the members of the BoD shall have as well as in the stage of the determination of the criteria of the members of the BoD on the basis that until now any and all expression of interest amongst nominees as well as their election by the General Meeting of the Shareholders took place amongst candidates with recognized professional background, experience and scientific qualifications.

Deviation from the Special Practice A. VI.6.1

There is not a specific operational framework of the BoD since the provisions of the Articles of Association and of the internal regulation are considered to be efficient for the organization and the operation of the BoD. At the begging of each calendar year the BoD does not apply a calendar of meetings or a 12-month agenda which may be reviewed depending on the company’s needs, since the convention and the meetings of the BoD meetings are very flexible when is necessary by the Company’s needs or the Law due to the provisions of the Articles of Association in relation to the BoD meetings by teleconference or outside the Company's seat.

Deviation from the Special Practice A. VI.6.2 & 6.3

No company Secretary has been appointed to support the Company's BoD, as the Secretary's responsibilities — 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 information flow between the Board of Directors and its committees, providing its members with information concerning Company's 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.

Deviation from the Special Practice A. VI.6.5

The company does not apply an induction programme for new board members and continuing professional development programmes, since all new members of the BoD are adequately informed for all company's matters by the old members and for regulatory and legal framework of their authority by the Shareholder Service Department, the Corporate Announcement Department and the Legal Department.

Deviation from the Special Practice A. VI.6.9

The Company does not finance the Bod Committees for the fulfillment of their duties and the hiring of external advisors, since the implementation of such practices would lead to a burden for the Company which would be disproportionate to the time and cost required.

Deviation from the Special Practice A. VII.7.2 -7.3

The Company has not adopted a procedure of evaluation of the performance of the BoD, nevertheless is on the stage of setting the criteria and the method for adequate evaluation of such. Furthermore, in relation to the practice of the evaluation of the BoD every 2 years the Articles of Association of the Company provides a four year term of the BoD and the evaluation of the BoD as a collective body is subject to the authority of the highest body of the Company thus the General Meeting.

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 31.12.2014 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. 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

The shareholders holding more than 5% of all Company voting rights were the companies "VARMIN AEBE" holding 26,52% and "PIRAEUS BANK SA" holding 24,18%. It is noted that "PIRAEUS BANK SA" on 11.12.2014 acquired indirectly the control of voting rights 43.685.197 common shares, ie the 23,5661% of the total voting rights of common shares, upon termination of "SEA STAR CAPITAL PLC" loan. On 19.03.2015 "PIRAEUS BANK SA" acquired during auction the ownership of those shares. After this notification, "PIRAEUS BANK SA" owns: a) 43.685.197 common shares, corresponding to 23,5661% of the ordinary share capital of the Company and the respective voting rights and b) indirectly 1.929.210 voting rights which corresponds to 1,0407% of the total voting rights, thus a total of 24,1788% of the voting rights.

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.

The former Bishop of Kissamos and Selinos Irineos Galanakis has deceased on the 30th of April 2013 and after his deceit the number of elected members of the Board of Directors is twelve (12).

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, 31 March 2015

The Board of Directors of ANEK

INDEPENDENT AUDITOR'S REPORT

To the shareholders of

ANEK LINES S.A.

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate financial statements of **Anonymous Shipping Company of Crete S.A.** (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, 2014, 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 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, 2014, 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 Matters

We draw attention to the following matters:

a) to the explanatory note 29 of the annual consolidated financial report where reference is made to the marine incident that took place on the December 28th, 2014, involving the hired under a bareboat charter vessel *Norman Atlantic*. This incident, although covered by an international mutual insurance association, remains subject of an ongoing judicial investigation hence there exists a reasonable uncertainty regarding its development and any possible effects on the consolidated financial statements.

b) to the explanatory note 2 to the annual consolidated financial report and in particular the fact that the working capital of the Group is negative by € 263,2 million, the capital adequacy of the Group has been significantly deteriorated and the provisions of article 48 of Codified Law 2190/1920 has been effective while there are overdue obligations to employees and third parties. 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.

Reference to 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 as amended by Codified Law 3873/2010.

(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, 31 March 2015

The Certified Public Auditors – Accountants

EMMANOUIL N. DIAMANTOULAKIS **Institute of CPA (SOEL) Reg. No. 13 101** Grant Thornton An instinct for growth™ Chartered Accountants Management Consultants 56, Zefirou str., 175 64 Palaio Faliro, Greece Registry Number SOEL 127	**NIKOLAOS E. KOLLYRIS** **Institute of CPA (SOEL) Reg. No. 35 591** **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** ΣΟΛ ΟΡΚΩΤΟΙ ΛΟΓΙΣΤΕΣ Crowe Horwath.

ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS AS OF 31ST DECEMBER 2014

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 01.01.14-31.12.14	Group 01.01.13-31.12.13	Company 01.01.14-31.12.14	Company 01.01.13-31.12.13
Turnover (sales)	4	169.476	178.039	149.713	155.403
Cost of sales	5	(143.852)	(154.782)	(128.477)	(137.915)
Gross profit		**25.624**	**23.257**	**21.236**	**17.488**
Other income	7	4.446	3.295	5.323	3.958
Administrative expenses	6	(9.057)	(9.658)	(8.115)	(8.644)
Selling expenses	6	(16.308)	(17.110)	(14.208)	(15.099)
Other expenses	7	(5.741)	(4.860)	(4.106)	(3.225)
Earnings/ (losses) before taxes, financing and investing results (EBIT)		**(1.036)**	**(5.076)**	**130**	**(5.522)**
Financial expenses	8	(17.734)	(16.575)	(17.493)	(16.304)
Financial income	8	1.841	427	1.767	304
Results from investing activities	9	(2.010)	(15.313)	(859)	(15.067)
Profit from associates	11	84	347	-	-
Profits / (losses) before taxes		**(18.855)**	**(36.190)**	**(16.455)**	**(36.589)**
Income tax	20	(342)	(319)	(103)	(121)
Earnings/ (losses) after taxes		**(19.197)**	**(36.509)**	**(16.558)**	**(36.710)**
Other comprehensive income / (expenses)					
Transferred to the income statement:					
Change to assets revaluation reserves		-	(123)	-	(13)
		-	**(123)**	**-**	**(13)**
Non-transferred to the income statement:					
Profit / (loss) for employee retirement benefits	21	(73)	(121)	(70)	(116)
Deferred taxes		-	(4)	-	-
		(73)	**(125)**	**(70)**	**(116)**
Other comprehensive income / (expenses) after taxes		**(73)**	**(248)**	**(70)**	**(129)**
Total comprehensive income / (expenses) after taxes		**(19.270)**	**(36.757)**	**(16.628)**	**(36.839)**
Profit / (loss) attributable to:					
Parent's Shareholders		(17.784)	(35.713)	-	-
Minority interest		(1.413)	(796)	-	-
Total comprehensive income / (expenses) attributable to:					
Parent's Shareholders		(17.856)	(35.900)	-	-
Minority interest		(1.414)	(857)	-	-
Earnings/(losses) after taxes per share - basic (expressed in €)	25	(0,0943)	(0,1893)	(0,0878)	(0,1946)
Earnings / (losses) before taxes, financial, investing results & depreciation (EBITDA)		10.101	6.477	10.639	5.398

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

STATEMENTS OF FINANCIAL POSITION

		Group		Company	
	Σημ.	**31.12.14**	**31.12.13**	**31.12.14**	**31.12.13**
ASSETS					
Tangible fixed assets	*10*	292.429	300.964	282.067	286.098
Investment property	*10*	1.828	1.785	705	710
Intangible assets	*10*	33	47	33	46
Investments in subsidiaries	*11*	-	-	2.475	3.374
Investments in associates	*11*	1.880	1.796	46	46
Other long term receivables		77	126	53	103
Deferred tax assets	*20*	213	184	-	-
Total non-current assets		**296.460**	**304.902**	**285.379**	**290.377**
Inventories	*12*	3.129	4.520	2.138	3.132
Trade receivables	*13*	45.381	45.293	40.965	40.619
Other short-term receivables	*13*	10.415	3.982	9.243	2.414
Financial assets at fair value through profit and loss	*14*	737	843	699	787
Cash and cash equivalents	*15*	3.564	3.733	1.250	1.831
Non-current assets held for sale	*10*	2.180	-	-	-
Total current assets		**65.406**	**58.371**	**54.295**	**48.783**
TOTAL ASSETS		**361.866**	**363.273**	**339.674**	**339.160**
EQUITY AND LIABILITIES					
Share capital	*16*	56.597	56.597	56.597	56.597
Share premium account	*16*	745	745	745	745
Reserves	*17*	7.398	156.091	5.976	154.855
Results carried forward	*18*	(78.539)	(209.377)	(79.165)	(211.416)
Total company shareholders' equity		**(13.799)**	**4.056**	**(15.847)**	**781**
Minority interest		4.558	6.114	-	-
Total equity		**(9.241)**	**10.170**	**(15.847)**	**781**
Long-term bank borrowings	*19*	4.303	210	4.303	-
Deferred tax liabilities	*20*	1.189	1.200	326	326
Employee retirement benefit liabilities	*21*	2.894	2.624	2.777	2.472
Other provisions	*21*	2.006	1.722	1.536	1.320
Subsidies payable	*10*	1.070	1.267	-	-
Capital lease liabilities	*22*	25.501	-	25.501	-
Other long term liabilities	*23*	5.560	-	3.560	-
Total non-current liabilities		**42.523**	**7.023**	**38.003**	**4.118**
Short-term bank borrowings	*19*	274.215	290.540	273.729	288.374
Trade payables	*24*	29.443	30.643	24.152	23.034
Other short term liabilities	*24*	24.926	24.897	19.637	22.853
Total current liabilities		**328.584**	**346.080**	**317.518**	**334.261**
Total liabilities		**371.107**	**353.103**	**355.521**	**338.379**
TOTAL EQUITY AND LIABILITIES		**361.866**	**363.273**	**339.674**	**339.160**

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

STATEMENT OF CHANGE IN SHAREHOLDER'S EQUITY

Group	Note	Share capital	Share premium	Asset revaluation reserves	Other reserves	Results carried forward	Total	Minority interest	Total
Balance as at 01.01.2013		**56.597**	**745**	**2.183**	**154.297**	**(174.492)**	**39.330**	**7.041**	**46.371**
Effect due to amendment of IAS 19						*626*	***626***	*56*	***682***
Restated balance as at 01.01.2013		**56.597**	**745**	**2.183**	**154.297**	**(173.866)**	**39.956**	**7.097**	**47.053**
Total comprehensive income of fiscal year 2013				(66)		(35.834)	**(35.900)**	(857)	**(36.757)**
Dividends to non-controlling subsidiaries							-	(126)	**(126)**
Transfer of reserves of subsidiaries					(458)	458	-		-
Reserves formed of subsidiaries					135	(135)	-		-
Shareholders' equity as at 31.12.2013		**56.597**	**745**	**2.117**	**153.974**	**(209.377)**	**4.056**	**6.114**	**10.170**
Balance as at 01.01.2014		**56.597**	**745**	**2.117**	**153.974**	**(209.377)**	**4.056**	**6.114**	**10.170**
Total comprehensive income of fiscal year 2014						(17.856)	**(17.856)**	(1.414)	**(19.270)**
Dividends to non-controlling subsidiaries							-	(140)	**(140)**
Purchase of own shares of subsidiary						1	**1**	(2)	**(1)**
Transfer of reserves	*17*				(148.879)	148.879	-		-
Reserves formed of subsidiaries					186	(186)	-		-
Shareholders' equity as at 31.12.2014		**56.597**	**745**	**2.117**	**5.281**	**(78.539)**	**(13.799)**	**4.558**	**(9.241)**

Company	Note	Share capital	Share premium	Asset revaluation reserves	Other reserves	Results carried forward	Total
Balance as at 01.01.2013		**56.597**	**745**	**970**	**153.898**	**(175.162)**	**37.048**
Effect due to amendment of IAS 19						*572*	***572***
Restated balance as at 01.01.2013		**56.597**	**745**	**970**	**153.898**	**(174.590)**	**37.620**
Total comprehensive income of fiscal year 2013				(13)		(36.826)	**(36.839)**
Shareholders' equity as at 31.12.2013		**56.597**	**745**	**957**	**153.898**	**(211.416)**	**781**
Balance as at 01.01.2014		**56.597**	**745**	**957**	**153.898**	**(211.416)**	**781**
Total comprehensive income of fiscal year 2014						(16.628)	**(16.628)**
Transfer of reserves	*17*				(148.879)	148.879	-
Shareholders' equity as at 31.12.2014		**56.597**	**745**	**957**	**5.019**	**(79.165)**	**(15.847)**

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

CASH FLOW STATEMENTS

	Group		Company	
	01.01.14-31.12.14	**01.01.13-31.12.13**	**01.01.14-31.12.14**	**01.01.13-31.12.13**
Operating activities				
Profits / (loss) before tax	(18.855)	(36.190)	(16.455)	(36.589)
Plus / (less) adjustments for:				
Depreciation	11.343	11.793	10.509	10.949
Grants amortization	(206)	(240)	-	(29)
Impairment of value of fixed assets	1.902	15.307	-	13.971
Profit / (loss) from sale of non-current assets	20	-	-	-
Provisions	2.674	2.142	2.486	1.910
Foreign exchange differences	387	(164)	361	(176)
Results of investing activities	24	(341)	859	1.096
Financial expenses (less financial income)	16.910	16.324	16.769	16.176
	14.199	**8.631**	**14.529**	**7.308**
Plus /(less) adjustments for changes of working capital accounts or related to operating activities:				
Reduction / (increase) of inventories	1.379	(579)	995	(356)
Reduction / (increase) of receivables	(8.597)	5.538	(9.161)	5.965
Increase/(reduction) of payable accounts (except loan liabilities)	(2.809)	(8.191)	(3.577)	(6.753)
Less:				
Interest and related expenses paid	(2.331)	(6.426)	(2.105)	(6.149)
Income tax paid	(350)	(206)	(103)	(94)
Total cash flows generated from operating activities (a)	***1.491***	***(1.233)***	***578***	***(79)***
Investing activities				
Acquisition of affiliates, securities and other investments	(2)	(25)	(2)	-
Acquisition of fixed assets	(1.337)	(4.568)	(858)	(4.196)
Proceeds from the sale of fixed assets	23.000	-	21.000	-
Interest received	79	134	3	33
Dividend received	-	-	128	87
Total cash flows generated from investing activities (b)	***21.740***	***(4.459)***	***20.271***	***(4.076)***
Financing activities				
Purchase of own shares	(1)	-	-	-
Payments for capital leases	(367)	-	(367)	-
Proceeds from borrowings	5.370	6.210	5.370	5.264
Payments of borrowings	(28.311)	(742)	(26.433)	-
Dividends paid	(91)	(80)	-	-
Total cash flows generated from financing activities (c)	***(23.400)***	***5.388***	**(21.430)**	**5.264**
Net increase/ (decrease) in cash and cash equivalents (a) + (b) + (c)	**(169)**	**(304)**	**(581)**	**1.109**
Cash & cash equivalents at beginning of the year	3.733	4.037	1.831	722
Cash & cash equivalents at end of the year	**3.564**	**3.733**	**1.250**	**1.831**

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

NOTES ON THE FINANCIAL STATEMENTS OF FISCAL YEAR 2014

-amounts in thousands € unless otherwise stated-

1. General information for the Company and the Group

The Company was established in 1967 (Government Gazette 201/10.04.67) under the corporate name “Anonimi Naftiliaki Etareia Kritis S.A.” trading as “ANEK LINES” (hereinafter “ANEK” or the “Company”) and operates in the passenger shipping sector. The Company’s seat is located in the municipality of Chania and its registered offices are located on 148 Karamanli Ave, Chania. ANEK is recorded in General Company Register with number 121557860000 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%	Chania	Passenger shipping
ETANAP S.A.	47,96%	Stilos, Chania	Production and sale of bottled water
LEFKA ORI S.A.	60,45%*	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: 36,45%*

*** 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 Parent company has the control, have been included in the consolidated financial statements as at 31st December 2014 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. During 2014 the subsidiary ETANAP acquired 648 own shares and consequently the number of its share in circulation decreased. This move resulted to an increase of the Parent company’s percentage from 47,94% to 47,96%. For the same reason the indirect participation and consequently the percentage in the subsidiary LEFKA ORI increased from 60,44% to 60,45%.

The number of personnel employed as at 31st December 2014 was 710 for the Company (out of which 515 were employed as crew aboard ships) and 787 person for the Group (out of which 563 were employed as crew aboard ships). Respectively, at the end of year 2013 the Company had a number of 730 persons and the Group 799.

The annual financial statements of year 2014 have been approved by BoD of ANEK at the meeting of March 31st 2015.

2. Preparation basis of the 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 2014 presented losses after taxes amounted to € 16,6 million, compared to € 36,7 million in 2013 and € 60,5 million in 2012. Correspondingly, the Group results after taxes and minority interests formed to losses € 17,8 million in 2014, € 35,7 million in 2013 and € 60,8 million in 2012. The results for the last years were significantly burdened by non-repeating expenses such as the impairment vessels' book value and the high fuel prices which is the Company's main cost factor. As a result of the above, the Company's Equity on 31.12.2014 was negative by € 15,8 million and the Groups' Equity by € 9,2 million. However, despite the extremely unfavorable economic environment, the Company's operating results show a steadily increasing trend and EBITDA stood at € 10,6 million profit for year 2014, compared to € 5,4 million in 2013 and € 3,5 million in 2012. Accordingly, the Group EBITDA amounted to € 10,1 million in 2014, compared to € 6,5 million in 2013 and € 4,2 million in 2012.

As detailed described in note 19, the total long-term bank borrowings of the Parent Company on 31.12.2012 in the statement of financial position was transferred to current ones, according to paragraph 74 of IAS 1, given the fact that terms of the agreements were not met, in respect of debt servicing. As a result of this reclassification, the total current liabilities of the Company as at 31.12.2014 amounted to € 317,5 million, while total current assets amounted to € 54,3 million

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

- Contacts 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. The discussions are in an advanced step and is expected that soon there will be an agreement for loans' restructuring. It is noted that on August 1st 2014, the sale of the vessels

"SOPHOCLES V." and "LEFKA ORI" was completed for a total amount of euro 21 million that decreased the Company's long-term debt.

- 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 SEAWAYS".
- After the successful opening of the joint venture in 2011 with ATTICA Group in two main routes of activity, the Group's management in May 2013 decided the renewal of the duration of the joint venture "ANEK - SUPERFAST» until 2017, while in September 2014 it was decided the expansion of joint venture operations in Adriatic and Crete routes from 1st November 2014.
- Finally, the annual General Assembly held on June 15th 2014 decided -according BoD' s proposal- the calling of an extraordinary General Meeting with agenda's issue a share capital increase of amount and according to terms that will be decided by this Meeting. The convergence of the Extraordinary General Meeting will be decided by the Board of Directors in connection with the maturity of the discussions with the lending banks on the restructuring of long-term debt of the Company and the prevailing economic conditions.

It is noted that at operational level, due to the measures have been taken in recent years, it has been achieved significant cost savings. The reduction of operational cost continued in year 2014 leading to improved results, while given the perceived decrease in fuel prices, a further improvement is expected for year 2015.

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**

IFRS 11 replaced IAS 31 «Investments in joint-ventures» and SIC 13 «Jointly Controlled Entities - Non-Monetary Contributions by Venturers». IFRS 11 refers to the accounting treatment of these investments, the rights and obligations of the venturers on these ventures. The Group's participation in «ANEK SA - SUPERFAST ENDEKA (HELLAS) INC» is identified in accordance with the requirements of IFRS 11 as «joint operation». Under IFRS 11 any member of the joint operation, recognizes in its individual financial statements:

a) its assets, including its share of any assets held jointly,

b) its liabilities, including its share of any liabilities incurred jointly,

c) its share of the revenue from the sale of the output by the joint operation and

d) its expenses, including its share of any expenses incurred jointly.

It is noted that before the adoption of IFRS 11, and in accordance with IAS 31, the Group had described the participation in «ANEK SA - SUPERFAST ENDEKA (HELLAS) INC» as «jointly controlled operating activities». The objective of the joint venture is to generate income and its distribution to the venturers as determined by contractual arrangement. According to IAS 31, each member of the joint-venture, based on its participation in a jointly controlled operating activity, would recognize the individual financial statements::

a) the assets that controls and its liabilities, and

b) the expenses occurred and its share in revenue from the sale of goods or the service provided.

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

As a result, the replacement of IAS 31 by IFRS 11, has no effect in the presentation of Group's rights and obligations and to the attribution of revenues and expenses from its participation to the joint venture.

- **New standards and interpretations, revisions and amendments to existing Standards that are effective and have been adopted by the European Union**

The International Accounting Standards Board (IASB) and the IFRIC have issued a number of new IFRS and interpretations, , which are mandatory for accounting periods beginning on January 1st 2014 or after. The most significant new standards, interpretations and revisions are presented below:

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2014)**

In May 2011, IASB issued three new Standards, namely IFRS 10, IFRS 11 and IFRS 12. IFRS 10 "Consolidated Financial Statements" sets out a new consolidation method, defining control as the basis under consolidation of all types of entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation — Special Purpose Entities". IFRS 11 "Joint Arrangements" sets out the principles regarding financial reporting of joint arrangements participants. IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 12 "Disclosure of Interests in Other Entities" unites, improves and supersedes disclosure requirements for all forms of interests in subsidiaries, under common audit, associates and non-consolidated entities. As a result of these new standards, IASB has also issued the revised IAS 27 entitled IAS 27 "Separate Financial Statements" and revised IAS 28 entitled IAS 28 "Investments in Associates and Joint Ventures". The Group adopted the above in the consolidated financial statements (see note 2).

- **Transition Guidance: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities (Amendments to IFRS 10, IFRS 11 and IFRS 12) (effective for annual periods starting on or after 01/01/2014)**

In June 2012, IASB issued this Guidance to clarify the transition provisions of IFRS 10. The amendments also provide additional accommodation during the transition to IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirements to provide adjusted comparative information to only the preceding comparative period. Furthermore, in respect to the disclosures relating to the unconsolidated entities, the amendments take away the requirement to present comparative information. This amendment has no impact on Group's consolidated financial statements.

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

In October 2012, IASB issued 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 sole business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must evaluate the return 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 under IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them while making the required disclosures. This amendments have no impact on Group's consolidated financial statements.

- **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 provide clarification on some requirements for offsetting financial assets and liabilities in the Statement of Financial Position. This amendments have no impact on Group's consolidated financial statements.

- **Amendment to IAS 36 "Impairment of Assets" - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods starting on or after 01/01/2014)**

In May 2013, IASB issued amendments to IAS 36 "Impairment of Assets". These narrow-scope amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The Group adopted this amendment in the consolidates financial statements (see note 10).

- **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" - Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods starting on or after 01/01/2014)**

In June 2013, IASB issued narrow-scope amendments to IAS 39 "Financial Instruments: Recognition and Measurement". The purpose of the amendments is to introduce a limited scope exception in respect to the suspension of accounting setting off, as per IAS 39. In particular, it allows hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is notated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in IFRS 9 "Financial Instruments". This amendments have no impact on Group's consolidated financial statements.

- **IFRIC 21 "Levies" (effective for annual periods starting on or after 01/01/2014)**

In May 2013, the IASB issued IFRIC 21. IFRIC 21 provides guidance on when a company recognizes a liability for a levy imposed by the state in its Financial Statements. IFRIC 21 is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". IAS 37 sets out criteria for the recognition of a liability, one of which is the present obligation resulting from a past event, known as an obligating event. This interpretation indicates that the obligating event is the activity that triggers the payment of the levy in accordance with the relevant legislation". This amendment has no impact on Group's consolidated financial statements.

- **New Standards and Interpretations that have not been applied yet or have not been adopted by the European Union**

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

- **IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)**

In July 2014, the IAB issued the final version of IFRS 9. This version brings together the classification and measurement, impairment and hedge accounting models and presents a new expected loss impairment model and limited amendments to classification and measurement for financial assets. The Group is not going to adopt earlier the requirements of IFRS 9.

- **IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods starting on or after 01/01/2016)**

In January 2014, the IASB issued a new standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. The Group will examine the impact of the above on its financial statements. The above have not been adopted by the European Union.

- **IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2017)**

In May 2014, the IASB issued a new standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The new standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related interpretations. The Group will examine the impact of the above on its financial statements. The above have not been adopted by the European Union.

- **Annual Improvements cycle 2010-2012 (effective for annual periods starting on or after 01/07/2014)**

In December 2013, the IASB issued Annual Improvements to IFRSs 2010-2012 Cycle, a collection of amendments to IFRSs, in response to eight issues addressed during the 2010-2012 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 2: Definition of 'vesting condition', IFRS 3: Accounting for contingent consideration in a business combination, IFRS 8: Aggregation of operating segments, IFRS 8: Reconciliation of the total of the reportable segments' assets to the entity's assets, IFRS 13: Short-term receivables and payables, IAS 7: Interest paid that is capitalized, IAS 16/IAS 38: Revaluation method—proportionate restatement of accumulated depreciation and IAS 24: Key management personnel. The Group will examine the impact of the above on its consolidated financial statements. The above have been adopted by the European Union at December 2014.

- **Annual Improvements cycle 2011-2013 (effective for annual periods starting on or after 01/07/2014)**

In December 2013, the IASB issued Annual Improvements to IFRSs 2011-2013 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2011-2013 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 1: Meaning of effective IFRSs, IFRS 3: Scope exceptions for joint ventures; IFRS 13: Scope of paragraph 52 (portfolio exception); and IAS 40: Clarifying the interrelationship of IFRS 3 Business Combinations and IAS 40 Investment Property when classifying property as investment property or owner-occupied property. The Group will examine the impact of the above on its financial statements. The above have been adopted by the European Union at December 2014.

- **Annual Improvements cycle 2012-2014 (effective for annual periods starting on or after 01/01/2016)**

In September 2014, the IASB issued Annual Improvements to IFRSs 2012-2012 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2012-2014 cycle. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 5: Changes in methods of disposal, IFRS 7: Servicing Contracts and Applicability of the amendments to IFRS 7 to Condensed Interim Financial Statements, IAS 19: Discount rate: regional market, and IAS 34: Disclosure of information elsewhere in the interim financial report. The Group will examine the impact of the above on its financial statements. The above have not been adopted by the European Union.

- **Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) (effective for annual periods starting on or after 01/07/2014)**

In November 2013, the IASB published narrow scope amendments to IAS 19 “Employee Benefits” entitled Defined Benefit Plans: Employee Contributions (Amendments to IAS 19). The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The Group will examine the impact of the above on its financial statements, though it is not expected to have any. The above have been adopted by the European Union.

- **Amendment to IAS 27: “Equity Method in Separate Financial Statements» (effective for annual periods starting on or after 01/01/2016)**

In August 2014, the IASB published narrow scope amendments to IAS 27 “Equity Method in Separate Financial Statements “. Under the amendments, entities are permitted to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate Financial Statements – an option that was not effective prior to the issuance of the current amendments. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IFRS 10 and IAS 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (effective for annual periods starting on or after 01/01/2016)**

In September 2014, the IASB published narrow scope amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture". The amendments will be applied by entities prospectively in respect of sales or contribution of assets performed in the annual periods starting on or after 01/01/2016. Earlier application is permitted, given that this fact is relatively disclosed in the financial Statements. The Group will examine the impact of the above on its financial statements. The above have not been adopted by the European Union.

- **Amendments to IAS 16 and IAS 41: «Agriculture: Bearer Plants" (effective for annual periods starting on or after 01/01/2016)**

In June 2014, the IASB published amendments that change the financial reporting for bearer plants. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16. Consequently, the amendments include bearer plants within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The Group will examine the impact of the above on its financial statements. The above have not been adopted by the European Union.

- **Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB published amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortization as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The Group will examine the impact of the above on its financial statements. The above have not been adopted by the European Union.

- **Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB issued amendments to IFRS 11. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specify the appropriate accounting treatment for such acquisitions. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have. The above have not been adopted by the European Union.

- **Amendments to IAS 1: « Disclosures Initiative»(effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB issued amendments to IAS 1.The aforementioned amendments address settling the issues pertaining to the effective presentation and disclosure requirements as well as the potential of entities to exercise judgment under the preparation of financial statements. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Amendments to IFRS 10, IFRS 12 and IAS 28: "Investment Entities: Applying the Consolidated Exception" (effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB published narrow scope amendments to IFRS 10, IFRS 11 and IAS 28. The aforementioned amendments introduce explanation regarding accounting requirements for investment entities, while providing exemptions in particular cases, which decrease the costs related to the implementation of the Standards. The Group will examine the impact of the above on its financial statements. The above have not been adopted by the European Union.

3. Principal accounting policies

The principal accounting policies used in preparing the attached annual financial statements for fiscal year 2014 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 the vessels, 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
Vessels	35 years
Buildings	20 - 50 years
Plants	66 years
Mechanical equipment	8 years
Other transport means	5 - 9 years
Furniture and fixtures	5 - 10 years
Software	3 - 5 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) Vessels: On the basis of estimates made by independent firms of assessors, the current value of each vessel 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 vessel, 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

(a) Short-term benefits: Short-term benefits to employees (except for termination or retirement) in money or in kind are recognised as an expense when they are accrued.

(b) Post-employment benefits: Post-employment benefit schemes (except for the ship's crew), comprise both defined contribution plans and defined benefit plans. The accrued cost of the defined contribution plans is recognised as an expense in the period it concerns. The liability recognised in the balance sheet in respect of defined benefit pension plans is calculated at the discounted value of future benefits to employees that have been accrued at the balance sheet date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the other comprehensive income in the period in which they occur. Past-service cost is recognised immediately in income. It is noted that in respect of the ships' crew, based on applicable laws is stated that does not accumulate rights on indemnity compensation in case of dismissal or retirement and consequently the financial statements do not include relevant provision.

(c) Termination benefits: Termination benefits are employee benefits payable as a result of a Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits. The Group recognises the termination benefits as an obligation and termination at the earlier among the following dates: a) when the entity is without realistic possibility of withdrawal and b) when the entity recognises reconstruction cost that comes under IAS 37 and entails payment of termination benefits. Where termination benefits fall due more than 12 months, after the balance sheet date, are discounted to their present value.

(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 tax rate according the law 4172/2013 (article 58) 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) Investments and other (non-derivative) financial assets

Financial assets that fall under the provisions of IAS 39 and are governed by them are classified according to their nature and characteristics into one of the following four categories:
(i) Investments available for sale, (ii) Receivables and loans, (iii) Financial assets at fair value through the profit or loss and (iv) Investments held to maturity.

Initially they are recognized at acquisition cost, which represents the fair value plus, in some cases, the direct transaction and acquisition expenses. The classification of the above financial assets is made upon their initial recognition and wherever permitted it is reviewed and reassessed on a periodic basis.

(i) Investments available for sale: Financial assets (non-derivative) that cannot be classified in any of the above categories are designated and classified as investment available for sale. After the initial recognition, available for sale investments are registered in other comprehensive income. Upon sale or write-off or impairment of the investment the accumulated gains or losses are included in the profit or loss.

*(ii) Receivables and loans: Receivables and loans created by the activities of the Group (and which fall out-*side the usual credit limits) are valued at net amortized cost using the effective interest rate method. Gains

or losses are recorded in the profit or loss when the relevant amounts are written-off or suffer impairment as well as through the amortization process.

*(iii) Financial assets at fair value through the profit and loss: This relates to the trading portfolio and com-*prises investments acquired with a view to liquidate them in the near future. Gains or losses from the valuation of such assets are recorded in the profit or loss.

(iv) Investments held to maturity: Financial assets (non-derivative) with defined flows and defined maturity are classified as held to maturity when the company is willing and able to retain them until their maturity. Investments held indefinitely or for a predetermined period cannot be classified in this category. Held to maturity investments are valued, after the initial recording, at net amortized cost using the effective interest rate method. Gains or losses are recorded in the profit or loss when the relevant amounts are written-off or suffer impairment as well as through the amortization process.

The current value of such investments that are traded in an organized exchange is derived by the exchange value of the investment at the closing date. As regards investments that are not traded in an active market, their fair value is calculated on the basis of relevant valuation techniques. These techniques are based on recent arm's-length investment transactions, with reference to the exchange value of another investment with characteristics similar to the investment valued, discounted cash-flow analysis and investment valuation models.

(xxiv) Measurement of financial assets' fair value

Fair value is the price that would be received to sell an asset (financial or non-financial) or paid to transfer a liability (financial or non-financial) in an orderly transaction between market participants at the measurement date undercurrent market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Valuation techniques used to measure fair value shall maximize the use of observable data input and minimize the use of unobservable input. Observable inputs reflect market data obtained from independent sources. Unobservable inputs reflect the Group's market assumptions. Inputs to valuation techniques used to measure fair value are categorized into three levels (fair value hierarchy) as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed shares and bonds on exchanges and exchanges traded derivatives.

Level 2: Inputs other than quoted prices included within Level1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability hat are not based on observable market data (unobservable inputs).

-amounts in thousands € unless otherwise stated-

4. Segmental information

As mentioned above in 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 2014 and 2013:

	Shipping activities		Other	
01.01.14 - 31.12.14	**Domestic**	**Abroad**	**Activities**	**Total**
Group				
Revenues from fares	75.366	74.195	-	147.561
On board revenues	5.828	6.671	-	12.499
Other	434	945	8.037	9.416
Total income	**79.628**	**81.811**	**8.037**	**169.476**
Cost of sales	**69.368**	**69.911**	**4.573**	**143.852**
Gross operating results	**10.260**	**11.900**	**3.464**	**25.624**
Vessels additions / (disposals)	2.928	2.934	-	5.862
Vessels depreciation	5.896	3.794	-	9.690
Vessels impairment	1.902	-	-	1.902
Net book value of vessels	169.217	105.696	-	274.913
Non distributed assets	-	-	-	86.953
Total Assets 31.12.14	**-**	**-**	**-**	**361.866**
Company				
Revenues from fares	61.827	74.194	-	136.021
On board revenues	5.643	6.671	-	12.314
Other	433	945	-	1.378
Total income	**67.903**	**81.810**	**-**	**149.713**
Cost of sales	**58.567**	**69.910**	**-**	**128.477**
Gross operating results	**9.336**	**11.900**	**-**	**21.236**
Vessels additions / (disposals)	2.918	2.934	-	5.852
Vessels depreciation	5.896	3.794	-	9.690
Vessels impairment	-	-	-	-
Net book value of vessels	166.305	105.696	-	272.001
Non distributed assets	-	-	-	67.673
Total assets 31.12.14	**-**	**-**	**-**	**339.674**

-amounts in thousands € unless otherwise stated-

01.01.13 - 31.12.13	Shipping activities Domestic	Shipping activities Abroad	Other Activities	Total
Group				
Revenues from fares	75.271	80.749	-	156.020
On board revenues	6.089	6.861	-	12.950
Other	377	700	7.992	9.069
Total income	**81.737**	**88.310**	**7.992**	**178.039**
Cost of sales	**69.515**	**80.553**	**4.714**	**154.782**
Gross operating results	**12.222**	**7.757**	**3.278**	**23.257**
Vessels additions / (disposals)	1.613	5.015	-	6.628
Vessels depreciation	5.473	5.261	-	10.734
Vessels impairment	1.336	13.971	-	15.307
Net book value of vessels	164.522	118.302	-	282.824
Non distributed assets	-	-	-	80.449
Total Assets 31.12.13	**-**	**-**	**-**	**363.273**
Company				
Revenues from fares	60.859	80.750	-	141.609
On board revenues	5.878	6.861	-	12.739
Other	355	700	-	1.055
Total income	**67.092**	**88.311**	**-**	**155.403**
Cost of sales	**57.361**	**80.554**	**-**	**137.915**
Gross operating results	**9.731**	**7.757**	**-**	**17.488**
Vessels additions / (disposals)	876	5.015	-	5.891
Vessels depreciation	5.473	5.261	-	10.734
Vessels impairment	-	13.971	-	13.971
Net book value of vessels	157.537	118.302	-	275.839
Non distributed assets	-	-	-	63.321
Total Assets 31.12.13	**-**	**-**	**-**	**339.160**

Revenue from domestic fares in 2014 includes income from state subsidies for public services routes amounting to € 9.990 thousand for the Group compared to € 10.899 thousand in the previous year 2013.

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.

-amounts in thousands € unless otherwise stated-

5. Cost of sales

The cost of appearing on the financial statements of 2014 and 2013 can be analyzed as follows:

	Group		Company	
	01.01.14-31.12.14	01.01.13-31.12.13	01.01.14-31.12.14	01.01.13-31.12.13
Crew cost, crew benefits, etc.	32.911	35.138	30.366	32.172
Fuels, lubricants and consumables	68.821	77.307	58.400	65.351
Insurance, port expenses, water supply	9.613	9.863	8.937	9.152
Repair & maintenance, chartering and other operating expenses	22.048	20.961	21.084	20.506
Depreciation	10.459	11.513	9.690	10.734
	143.852	**154.782**	**128.477**	**137.915**

6. Administrative / Selling expenses

Administrative expenses for 2014 and 2013 are analyzed below:

	Group		Company	
	01.01.14-31.12.14	01.01.13-31.12.13	01.01.14-31.12.14	01.01.13-31.12.13
Payroll cost and other personnel expenses	5.576	6.018	5.336	5.578
Other administrative expenses	3.309	3.464	2.628	2.909
Depreciation	172	176	151	157
	9.057	**9.658**	**8.115**	**8.644**

Respectively, the selling expenses are analyzed as follows:

	Group		Company	
	01.01.14-31.12.14	01.01.13-31.12.13	01.01.14-31.12.14	01.01.13-31.12.13
Payroll cost & other personnel expenses	4.458	4.891	4.146	4.597
Sales commissions	7.867	8.887	7.326	8.248
Other selling expenses	3.271	3.228	2.068	2.196
Depreciation	712	104	668	58
	16.308	**17.110**	**14.208**	**15.099**

"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:

-amounts in thousands € unless otherwise stated-

	Group		Company	
	01.01.14-31.12.14	**01.01.13-31.12.13**	**01.01.14-31.12.14**	**01.01.13-31.12.13**
Provision of services to third parties, rental fees, commissions and other	573	515	1.548	1.246
Income from claims and forfeiture clause	3.396	1.730	3.396	1.730
Income from subsidies and other	477	1.050	379	982
	4.446	**3.295**	**5.323**	**3.958**

Respectively, other expenses are analyzed as follows:

	Group		Company	
	01.01.14-31.12.14	**01.01.13-31.12.13**	**01.01.14-31.12.14**	**01.01.13-31.12.13**
Provisions (doubtful receivables and other)	2.491	2.338	2.252	2.028
Penalties for tax debts settings	1.060	739	1.047	527
Other expenses	2.190	1.783	807	670
	5.741	**4.860**	**4.106**	**3.225**

Concerning the formation of a provision for doubtful receivables for fiscal year 2014, see note 13 “Trade receivables and other current liabilities”.

8. Financial results

Financial expenses and income are analyzed as follows:

	Group		Company	
	01.01.14-31.12.14	**01.01.13-31.12.13**	**01.01.14-31.12.14**	**01.01.13-31.12.13**
Interest expenses	16.067	15.424	15.922	15.208
Other financial expenses	920	1.056	849	1.001
Foreign exchange difference expenses	747	95	722	95
	17.734	**16.575**	**17.493**	**16.304**
Interest income	76	144	2	33
Foreign exchange difference income	361	283	361	271
Income from interest write-off	1.404	-	1.404	-
	1.841	**427**	**1.767**	**304**

After the Company’s bank debt reduction with the inflow from vessels sales and the new long term bilateral loan (see note 19), it was written off an amount of € 2 m. concerning by € 0,6 m. to interest due of year 2014 and by € 1,4 m. to interest of previous years.

-amounts in thousands € unless otherwise stated-

9. Results from investing activities

The results from investing activities of the Group and the Parent Company for fiscal years 2014 and 2013 include:

	Group		Company	
	01.01.14-31.12.14	01.01.13-31.12.13	01.01.14-31.12.14	01.01.13-31.12.13
Profits / (losses) from the sale and measurement of financial assets at fair value	(108)	(6)	(987)	(1.212)
Income from dividends	-	-	128	116
Impairment of property assets value	(1.902)	(15.307)	-	(13.971)
	(2.010)	**(15.313)**	**(859)**	**(15.067)**

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 31.12.2014, incurred losses amounting to € 89 thousand resulted, while there has been impairment of the value of participation to subsidiary "LANE" amounted to € 836 thousand, "ANEK HOLDINGS" amounted to € 52 thousand and "AIGAION PELAGOS" » amounted to € 10 thousand. Moreover, during the year 2014, the Parent Company had income from dividends € 128 thousand from subsidiary "ETANAP". Since the reclassification of "LANE" vessel in current assets, as defined in IFRS 5 (see below note 10), arose an impairment loss of € 1.902 thousand. Upon the impairment test of the value of vessels, which is carried out at the end of each fiscal year, there was no need for further impairment. The respective provision for vessels' impairment for 2013 was € 15.307 thousand.

10. Fixed assets / Investments in property

- **Privately-used tangible 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 01.01.13	**498.159**	**14.602**	**12.760**	**2.606**	**528.127**
Additions	4.625	26	173	328	5.152
Reductions	(344)	-	(7)	-	(351)
Transfers	2.347	-	-	-	2.347
Impairment	(15.307)	-	-	-	(15.307)
Acquisition value 31.12.13	**489.480**	**14.628**	**12.926**	**2.934**	**519.968**
Additions	26.862	487	304	233	27.886
Reductions	(63.154)	(42)	(295)	-	(63.491)
Transfers	-	2.856	189	(3.045)	-
Impairment	(1.902)	-	-	-	(1.902)
Reclassification to current assets according IFRS 5	(8.300)	-	-	-	(8.300)
Acquisition value 31.12.14	**442.986**	**17.929**	**13.124**	**122**	**474.161**

-amounts in thousands € unless otherwise stated-

Group	Vessels	Land and buildings	Other equipment	Property in progress	Total
Accumulated depreciation 01.01.13	**195.923**	**1.986**	**9.340**	**-**	**207.249**
Depreciation	10.734	211	818	-	11.763
Deductions	-	-	(8)	-	(8)
Accumulated depreciation 31.12.13	**206.657**	**2.197**	**10.150**	**-**	**219.004**
Depreciation	9.690	823	806	-	11.319
Deductions	(42.154)	(42)	(275)	-	(42.471)
Reclassification to current assets according IFRS 5	(6.120)	-	-	-	(6.120)
Accumulated depreciation 31.12.14	**168.073**	**2.978**	**10.681**	**-**	**181.732**
Net book value 31.12.13	**282.823**	**12.431**	**2.776**	**2.934**	**300.964**
Net book value 31.12.14	**274.913**	**14.951**	**2.443**	**122**	**292.429**

Company	Vessels	Land and buildings	Other equipment	Property in progress	Total
Acquisition value 01.01.13	**479.264**	**9.079**	**3.105**	**2.606**	**494.054**
Additions	4.033	-	19	139	4.191
Reductions	(344)	-	-	-	(344)
Transfers	2.202	-	-	-	2.202
Impairment	(13.971)	-	-	-	(13.971)
Acquisition value 31.12.13	**471.184**	**9.079**	**3.124**	**2.745**	**486.132**
Additions	26.852	452	41	111	27.456
Reductions	(63.154)	(41)	(194)	-	(63.389)
Transfers	-	2.856	-	(2.856)	-
Acquisition value 31.12.14	**434.882**	**12.346**	**2.971**	**-**	**450.199**
Accumulated depreciation 01.01.13	**184.611**	**1.544**	**2.958**	**-**	**189.113**
Depreciation	10.734	137	50	-	10.921
Deductions	-	-	-	-	-
Accumulated depreciation 31.12.13	**195.345**	**1.681**	**3.008**	**-**	**200.034**
Depreciation	9.690	748	49	-	10.487
Deductions	(42.154)	(41)	(194)	-	(42.389)
Accumulated depreciation 31.12.14	**162.881**	**2.388**	**2.863**	**-**	**168.132**
Net book value 31.12.13	**275.839**	**7.398**	**116**	**2.745**	**286.098**
Net book value 31.12.14	**272.001**	**9.958**	**108**	**-**	**282.067**

- **Additions and reductions for the year**

Reductions of fixed assets for year 2014 include the value of two vessels sold for € 21 million en bloc. This amount reduced Company's long term debt. The sale was made in the vessels' net book value and had no impact in 2014 results. At the same time long term leasing contracts with repurchase right were signed for the vessels, for which the new owners are committed for upgrading and retrofit works. These contract meet the criteria of IAS 17 concerning its recognition as finance leases. Therefore the two vessels are presenting as assets in the financial statements and their net book value as at 31.12.2014 amounted to € 26,2 million. In note 28 is presenting the distribution of the future payments due to these finance leases.

-amounts in thousands € unless otherwise stated-

Non-current assets held for sale

In this item of the financial position statement was classified the value of a subsidiary's "LANE" vessel, according to IFRS 5, after an agreement with a foreign shipping company to charter the vessel with a purchase obligation until 31.03.2015. Since this reclassification in current assets at the contractual value, an impairment loss of € 1.902 thousand arose, which is included in Group's "results from investing activities".

Investment property

"Investment property" includes the Parent Company's privately-owned offices, which are leased, as well as the value of lands of subsidiaries 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 2014 amounted to € 26 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 01.01.13	**2.036**	**961**
Additions / (reductions) for the year	-	-
Acquisition value 31.12.13	**2.036**	**961**
Additions / (reductions) for the year	49	-
Acquisition value 31.12.14	**2.085**	**961**
Accumulated depreciation 01.01.13	**245**	**245**
Depreciation for the year	6	6
Accumulated depreciation 31.12.13	**251**	**251**
Depreciation for the year	5	5
Accumulated depreciation 31.12.14	**256**	**256**
Net Book Value 31.12.13	**1.785**	**710**
Net Book Value 31.12.14	**1.828**	**705**

Intangible assets

All intangible assets include the Group's computer software, whose values for 2014 and 2013 are as follows:

	2014	2013
Acquisition value 01.01	2.062	2.058
Additions for the year	4	4
Acquisition value 31.12	**2.066**	**2.062**
Accumulated depreciation 01.01	2.015	1.991
Depreciation for the year	18	24
Accumulated depreciation 31.12	**2.033**	**2.015**
Net Book Value 31.12	**33**	**47**

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

-amounts in thousands € unless otherwise stated-

Fair value of vessels – 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. If it is identified that the net book value is higher than the current value of a vessel, the value in use of a cash flow unit is determined to find out whether there are reasons for impairment.

In accordance with relevant estimations performed on 31.12.2014 the total current value of the vessels of the Group were € 244,1 million. For three vessels that their net book value was less than their current value at the end of 2014, it was used their value in use as a retrievable value and there was no need for impairment. The cash flow projections are based on approved management's budgets covering the useful life of the vessels. Moreover a sensitivity analysis was performed on the basic model assumptions (discount rates and residual values) in order to examine the adequacy of the margin value. According the sensitivity analysis the retrievable value exceeds the net book value. The discount rate used for the determination of value in use was the weighted average cost of capital after tax that stood at 8,0% compared to 9,6% that was in the corresponding previous year. The lower discount rate is due to the different composition of the total capital employed (capital structure).

Grants for assets

The non-amortized balance of the Group's grants for assets as at 31st December 2014 amounted to € 1.272 thousand of which € 1.070 thousand are shown under "non-current liabilities"» and € 202 thousand included in "other current liabilities". The movement of grants for assets in 2014 are analyzed as follows:

	2014	2013
Opening net book value (non-current & current liabilities)	1.478	2.062
Transfer to fixed assets	-	(344)
Amortization of grants	(206)	(240)
Non amortized balance of grants	**1.272**	**1.478**
Transfer to current liabilities	(202)	(211)
Grants for assets as non-current liabilities	**1.070**	**1.267**

Existing encumbrances on fixed assets

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

a) 1st mortgages on the vessels of € 364,5 million and $ 8,2 million,

b) 2nd mortgages on the vessels of € 256,9 million and

c) Pre-notations on property of € 18,7 million pledges on machinery (of the subsidiary companies ETANAP and LEFKA ORI) of € 2,5 million.

The above liens exist to secure borrowing liabilities of a total amount of € 232,3 million as at 31.12.2014.

-amounts in thousands € unless otherwise stated-

- **Depreciation of fixed assets**

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

	Group		Company	
	01.01.14-31.12.14	01.01.13-31.12.13	01.01.14-31.12.14	01.01.13-31.12.13
Cost of sales	10.459	11.513	9.690	10.734
Administrative expenses	172	176	151	157
Selling expenses	712	104	668	58
	11.343	**11.793**	**10.509**	**10.949**

11. Investments in subsidiaries & affiliates

- **Subsidiaries**

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

Company	**31.12.14**	**31.12.13**
LANE	-	837
ETANAP S.A.	2.227	2.227
LEFKA ORI S.A.	248	248
ANEK HOLDINGS S.A.	-	52
AIGAION PELAGOS S.C.	-	10
	2.475	**3.374**

On 31.12.2014 there has been a total impairment of the value of participation to subsidiaries "LANE", "ANEK HOLDINGS S.A." and "AIGAION PELAGOS S.C." due to their negative equity amounted to € 898 thousand and is included in "results from investment activities".

- **Affiliates**

The participation value in the associate "ANEK LINES ITALIA S.r.l." in the consolidated financial statements stands at € 1.880 thousand on 31.12.2014 and in comparison to the previous year, is increased by the part of earnings for the year 2014 that corresponds to the Group. The main figures of the financial statements of associate "ANEK LINES ITALIA S.r.l." for year 2014 are as follows:

Total assets	8.477	Total turnover	5.062
Less: Total liabilities	4.640	Earnings before taxes	445
Total equity	3.837	Earnings after taxes	204

During the year, "ANEK LINES ITALIA S.r.l." did not distribute any dividends. The "earnings from associates" amount included in the consolidated results € 84 thousand represent the Group's share on the total comprehensive income for fiscal year 2014. The corresponding amount for year 2013 was € 347 thousand.

-amounts in thousands € unless otherwise stated-

12. Inventories

Inventories as at 31.12.2014 and 31.12.2013 are analyzed as follows:

	Group		Company	
	31.12.14	31.12.13	31.12.14	31.12.13
Fuel and lubricants	2.072	3.384	1.784	2.880
Merchandise, products, raw and auxiliary materials and packaging materials	1.057	1.136	354	252
	3.129	**4.520**	**2.138**	**3.132**

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	
	31.12.14	31.12.13	31.12.14	31.12.13
Trade (outstanding balances)	35.414	32.399	31.617	28.378
Cheques and notes	36.495	37.866	34.575	36.062
	71.909	**70.265**	**66.192**	**64.440**
Less: provisions for doubtful receivables	(26.528)	(24.972)	(25.227)	(23.821)
	45.381	**45.293**	**40.965**	**40.619**

During the impairment test on accounts receivables of 31.12.2014 the necessity emerged to form a provision for doubtful receivables amounting to € 2.035 thousand for the Company and € 2.185 for the Group. The accumulative provisions as at 31.12.2014 are considered as adequate for covering any losses could emerge. It is noted that a significant part of Group's trade receivables is covered with guarantees received (see note 29 "Contingent liabilities/ receivables").

The movement of provisions for doubtful receivables for 2014 is as follows:

	Group	Company
Opening balance	24.972	23.821
Additional provision	2.185	2.035
Used provision	(629)	(629)
	26.528	**25.227**

The Group's credit policy relating to trade receivables ranges, as the case may be, from 2 to 4 months. The ageing of trade receivables maturing is as follows:

-amounts in thousands € unless otherwise stated-

	Group	Company
Fully paid receivables	28.667	24.744
Non-impaired receivables in arrears		
< 90 days	3.339	3.016
90 - 180 days	3.756	3.698
> 180 days	9.619	9.507
	45.381	**40.965**
Impaired receivables	26.528	25.227
	71.909	**66.192**

Other short-term receivables as of 31.12.2014 and 31.12.2013 are analyzed as follows:

	Group		Company	
	31.12.14	**31.12.13**	**31.12.14**	**31.12.13**
Other state receivables	512	439	174	176
Prepayments to suppliers	1.004	487	961	248
Accrued expenses & prepaid expenses	1.111	1.158	1.029	1.047
Sundry debtors	7.788	1.898	7.080	943
	10.415	**3.982**	**9.243**	**2.414**

In “sundry debtors” as at 31.12.2014 are included, mainly, receivables from claims. 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	
	31.12.14	**31.12.13**	**31.12.14**	**31.12.13**
Shares of companies listed on the ASE	72	116	62	89
Other investments	665	727	637	698
	737	**843**	**699**	**787**

“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:

-amounts in thousands € unless otherwise stated-

	Group		Company	
	31.12.14	31.12.13	31.12.14	31.12.13
Cash on hand	257	290	237	271
Bank accounts	3.307	3.443	1.013	1.560
	3.564	**3.733**	**1.250**	**1.831**

The main part of the Group's cash and cash equivalents is in euro.

16. Share capital / Share premium account

- **Share capital**

The Company's share capital amounted to € 56.596.467,60 divided into 188.654.892 common and preferred voting shares with a nominal value of € 0,30 each. The last share capital increase of the Parent Company amounted to € 16.271.669,70 was completed in May of 2011.

- **Share premium account**

There was not any difference resulted in share premium account from the last share capital increase, while the related expenses have been deducted from the specific account the balance of which amounts to € 745 thousand.

17. Reserves

The reserves as at 31st December 2014 and 2013 are analyzed as follows:

	Group		Company	
	31.12.14	31.12.13	31.12.14	31.12.13
Legal reserve	139	14.272	-	14.153
Statutory reserves	225	12.642	-	12.417
Property revaluation reserves	1.659	1.659	957	957
Special reserve from share capital decrease	-	120.974	-	120.974
Other reserves	5.375	6.544	5.019	6.354
	7.398	**156.091**	**5.976**	**154.855**

According the decision of the Annual General Meeting of the Parent held on June 15, 2014, a part of accumulated losses amounted to € 147,6 million was offset with the legal reserve amounted to € 14,2 million, the statutory reserves amounted to € 12,4 million and the special reserve from share capital decrease formed under article 4 par 4a of c.l. 2190/1920 amounted to € 121,0 million.

- **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%. Distribution of legal reserve is prohibited.

-amounts in thousands € unless otherwise stated-

- **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 of lands at their fair value, as determined by an independent assessor.

- **Other reserves**

Other reserves include, mainly, reserves from special taxation regime amounted to € 5,0 million which 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. During 2014 reserves formed from tax-free income amounted to € 1,3 million that were under the provisions of article 72 of law 4172/13 and POL 1007/2014 were offset with tax losses for which no deferred taxes were recognized and transferred to «results carried forward».

18. Results carried forward

The movement during 2014 of the «results carried forward» account for the Group and the Company is as follows:

	Group	Company
Opening balance	(209.377)	(211.416)
Formation of legal reserve	(20)	-
Formation of tax-free reserve	(166)	-
Profit / (loss) for employee retirement benefits	(71)	(70)
Transfer from assets revaluation reserve	148.879	148.879
Net results for fiscal year 2014	(17.784)	(16.558)
Result carried forward at the end of year	**(78.539)**	**(79.165)**

19. Long term and short term bank borrowings

- **Long term loans**

The total long term loans of the Group on 31.12.2014 amounted to € 4.303 thousand, while on 31.12.2013 was € 210 thousand. It is noted that from 31.12.2012 in the statement of Company's financial position there has been a reclassification of the total of long-term loans to short term loans according to par. 74 of IAS 1, given the fact that terms of the agreements were not met, in respect of debt servicing. 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. The discussions are in an advanced step and is expected soon to reach an agreement for the loans restructuring.

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). Moreover, during the fiscal year 2010, a new mortgage loan, based on a floating interest rate, was obtained initially 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").

In August 2014 the sale of the vessels «SOPHOCLES V.» and «LEFKA ORI» was concluded at a price of € 21 million en bloc reducing the Company's long term debt. More specifically, the Syndicated loans decreased by € 28,4 million (capital and interest), while concluded a new long term bilateral loan of € 5,4 million and was written off an amount of € 2,0 million concerning interest due for 2014 and prior years.

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 2014 was 5,82%.

The total interest expenses for the Company's long-term loans, for years 2014 and 2013 amounted to € 13.544 thousand and € 12.721 thousand, respectively.

- **Short term loans**

In Group's «short term bank borrowings» on 31.12.2014 include the long-term loans that have been reclassified amounted to € 214,9 million and the interest due of long term debts amounted to € 34,2 million.

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 31.12.2014 amounted to € 25.115 thousand compared to € 27.516 thousand on 31.12.2013, while the Company's amounted to € 24.628 thousand compared to € 25.781 thousand in the previous year.

-amounts in thousands € unless otherwise stated-

The total interest expense for the Parent Company's short term loans for years 2014 and 2013 amounted to € 2.051 thousand and € 1.972 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:

Company	Unaudited years
ANEK	2008 – 2014
LANE	2002 – 2014
ETANAP S.A.	2009 – 2014
LEFKA ORI S.A.	2010 – 2014
ANEK HOLDINGS S.A.	2008 – 2014
AIGAION PELAGOS SC	2011 – 2014

It is noted that from year 2011 and on the Group companies came under the tax audit of the certified auditors in regard to article 82 of law 2238/94 and to article 65[a] of law 4174/13. The audit of the fiscal years 2011 - 2013 did not reveal differences and the auditors' reports issued unqualified. According the legislation, these fiscal years are considered tax finalized eighteen months after the issuance of tax compliance report and provided that no tax violations identified by the tax authorities. The tax audit of 2014 is in progress and the relevant tax certificates are going to be provided after publishing the financial statements. However, no significant tax differences are expected to arise.

For the other 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 2014 and 2013 for the Company and the Group is analyzed as follows:

	Group		Company	
	31.12.14	**31.12.13**	**31.12.14**	**31.12.13**
Income tax on taxable income	276	192	-	-
Tax under Law 27/1975	105	110	104	104
Deferred taxes of temporary differences	(39)	17	(1)	17
	342	**319**	**103**	**121**

-amounts in thousands € unless otherwise stated-

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 31.12.2014 amounting to € 1.189 thousand (€ 326 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, the balance of the Group's deferred tax liabilities as at 31.12.2014 amounting to € 213 thousand resulted, mainly, from provisions for doubtful debts.

21. Employee benefits / Other provisions

- **Payroll cost**

As at 31.12.2014 the Group employed a total of 787 persons in vessels and offices. Payroll cost included in the financial statements is analyzed as follows:

	Group		Company	
	31.12.14	**31.12.13**	**31.12.14**	**31.12.13**
Wages and salaries	36.702	39.073	33.907	35.665
Other employee benefits	1.308	1.597	1.262	1.578
Employer contributions for social security	5.017	5.486	4.579	4.958
Compensations	-	13	-	-
	43.027	**46.169**	**39.748**	**42.201**
Plus: Retirement cost of plans in results	110	259	100	245
	43.137	**46.428**	**39.848**	**42.446**

Short-term benefits to executives are referred to below (note 27 "Balances and transactions with related parties").

- **Staff retirement indemnity**

The liabilities of the Group resulting from its obligation to pay retirement indemnities are determined through an actuarial study prepared by independent actuarial. The tables below present the composition of the net cost included in income statement for years 2014 and 2013, as well as, the movement of the liabilities for employee compensations.

Liabilities' movement recognized in the statement of financial position is as follows:

-amounts in thousands € unless otherwise stated-

	Group		Company	
	31.12.14	31.12.13	31.12.14	31.12.13
Opening balance	2.625	2.748	2.472	2.594
Benefits paid	(236)	(91)	(203)	(70)
Provision recognized in income statement	432	(154)	438	(168)
Provision recognized in equity	73	121	70	116
Net balance at the end of year	**2.894**	**2.625**	**2.777**	**2.472**

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

The amounts included in the income statement are as follows:

	Group		Company	
	31.12.14	31.12.13	31.12.14	31.12.13
Current service cost	110	153	100	146
Interest cost	89	100	84	96
Termination benefits	32	6	53	3
Past service cost	201	(413)	201	(413)
Total employee benefits cost	**432**	**(154)**	**438**	**(168)**

According the revised IAS 19, actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the other comprehensive income in the period in which they occur. The movement of actuarial results in equity statement is as follows:

	Group		Company	
	31.12.14	31.12.13	31.12.14	31.12.13
Opening balance	(693)	(814)	(575)	(691)
Actuarial gains / (losses) recognized in other comprehensive income	73	121	70	116
Ending balance	**(620)**	**(693)**	**(504)**	**(575)**

The main actuarial assumptions are the following:

Average annual long-term growth of inflation 2%

Discount rate 1,8%

Average annual long-term payroll increase …………... .... 2%

Average years of working life…………………. 13,69

The actuarial results are dependent on the actuarial assumptions. The effect of changes in significant actuarial assumption are as follows:

- The use of a higher discount rate by 0,5% would result the liability for retirement benefits to be lower 6,4%, while the opposite movement, ie the use of lower discount rate by 0,5%, would result to a higher liability by 6,4%.

-amounts in thousands € unless otherwise stated-

- The use of an average annual long-term payroll increase higher by 0,5% would result the liability for retirement benefits to be higher by 5,6% while the opposite movement would result to a lower liability by 5,6%.

- **Other provisions**

The Group's other provisions as at 31.12.2014 amounting to € 2.006 thousand (€ 1.536 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. Capital leases liabilities

As mentioned above in note 10, at the same time with the sale of two vessels, long term leasing contracts with repurchase right were signed. These contract meet the criteria of IAS 17 concerning its recognition as finance leases . Therefore the two vessels are presenting as assets in the financial statements and the total liability under the relevant contracts as at 31.12.2014 amounted to € 26,4 million of which an amount of € 25,5 million is including in non-current liabilities. The aging of the capital leases liabilities as at 31.12.2014 is as follows:

Within next year	907
Between 2 – 5 years	8.032
After 5 years	17.469
Total	**26.408**

Moreover, in note 28 is presenting the distribution of the future payments due to these finance leases.

23. Other long term liabilities

On 31.12.2014 an amount of € 3,6 million which dealt on regulated tax obligations of the Parent Company, as well as, an amount of € 2,0 million concerning to a subsidiary's regulated trade liabilities, the repayment of which extends beyond one year, are shown in "other long term liabilities" item in the financial position statement.

24. Trade and other current liabilities

Trade liabilities include the following:

-amounts in thousands € unless otherwise stated-

	Group		Company	
	31.12.14	**31.12.13**	**31.12.14**	**31.12.13**
Trade liabilities	27.914	28.344	23.388	21.252
Cheques payable	1.529	2.299	764	1.782
	29.443	**30.643**	**24.152**	**23.034**

Respectively, the other current liabilities are as follows:

	Group		Company	
	31.12.14	**31.12.13**	**31.12.14**	**31.12.13**
Taxes and social security	9.416	11.873	8.498	10.740
Customer prepayments	3.274	715	1.008	492
Sundry creditors	8.575	8.771	6.921	8.494
Accrued expenses	1.344	986	1.221	902
Deferred income	2.317	2.552	1.989	2.225
	24.926	**24.897**	**19.637**	**22.853**

All the above liabilities are current and, as a result, there is no need to proceed with discounting at the balance sheet date. As mentioned above in note 23 the non-current part of the regulated tax and trade obligations transferred to “other long term liabilities”. Deferred income of the Company and the Group includes the amount € 858 thousand relating to deferred income from customer loyalty program implementation.

25. 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	
	01.01.14-31.12.14	**01.01.13-31.12.13**	**01.01.14-31.12.14**	**01.01.13-31.12.13**
Earnings / (losses) after taxes corresponding to Parent shareholders	(17.784)	(35.713)	(16.558)	(36.710)
Weighted number of shares	*188.654.892*	*188.654.892*	*188.654.892*	*188.654.892*
Earnings / (losses) after taxes per share - basic (expressed in €)	(0,0943)	(0,1893)	(0,0878)	(0,1946)

-amounts in thousands € unless otherwise stated-

26. 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. For fiscal year 2014 the Company is not able to distribute dividends.

27. Balances and transactions with related parties

Balances (receivables / liabilities) with associated parties, as defined by IAS 24, as at 31st December 2014 and 2013 are as follows:

	Group		Company	
	31.12.14	**31.12.13**	**31.12.14**	**31.12.13**
Receivables from:				
- subsidiaries	-	-	1.165	209
- affiliates	5	5	-	-
- other related parties	8.258	3.388	8.258	3.388
- executives & BoD members	-	-	-	-
	8.263	**3.393**	**9.423**	**3.597**
Liabilities to:				
- subsidiaries	-	-	1.011	1.970
- affiliates	1.554	1.231	1.427	1.231
- other related parties	2	-	-	-
- executives & BoD members	257	187	132	126
	1.813	**1.418**	**2.570**	**3.327**

The purchases and the sales with associated parties are as follows:

	Group		Company	
	01.01.14-31.12.14	**01.01.13-31.12.13**	**01.01.14-31.12.14**	**01.01.13-31.12.13**
Purchases of goods & services from:				
- subsidiaries	-	-	197	176
- affiliates	904	1.237	901	1.234
- other related parties	-	-	-	-
	904	**1.237**	**1.098**	**1.410**
Sales of services to:				
- subsidiaries	-	-	8.326	6.527
- other related parties	-	-	-	-
	-	**-**	**8.326**	**6.527**

The invoicing of transactions between Group companies was done in accordance with the arm's 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 of BoD members and executives referred to below.

-amounts in thousands € unless otherwise stated-

Intercompany dividends

The Parent Company's results for the fiscal year 2014 include income from dividends of subsidiary "ETANAP" amounting to € 128 thousand compared to € 116 thousand for 2013.

Key management compensation

The gross fees to Directors and BoD members for fiscal years 2014 and 2013 refer to short term benefits and are analyzed as follows

	Group		Company	
	01.01.14-31.12.14	01.01.13-31.12.13	01.01.14-31.12.14	01.01.13-31.12.13
Executive members of the BoD	714	663	417	410
Non-Executive Members of the BoD	37	15	29	15
Management executives	806	820	806	820
	1.557	**1.498**	**1.252**	**1.245**

The fees of 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 2014 for the mandatory audit of the Group's annual accounts, as well as, the tax audit, amounted to € 212 thousand and no other services were provided.

28. Commitments and contractual liabilities

Operating leases

As at 31.12.2014 Group companies had entered into operating lease agreements mainly for leasing buildings and chartering vessels; the agreements will expire at different dates in the following five years (up to 2019). The lease and charter expenses included in the attached profit and loss account for 2014 amounted to € 11.100 thousand, while in 2013 were € 10.274 thousand. The minimum future payable lease and charter fees for buildings and vessels on non-reversible operating leases at 31st December 2014 are as follows:

In the following year	6.441
From the 2nd to the 5th year	1.416
Total	**7.857**

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

-amounts in thousands € unless otherwise stated-

- **Capital leases**

The Parent Company has signed lease agreements for two vessels as mentioned above in note 22. The future lease payments according the relevant contracts as at 31.12.2014 are as follows:

Within next year	1.678
Between 2 – 5 years	10.589
After 5 years	13.120
Total	**25.387**

- **Capital commitments**

There were no capital commitments for the Company or the Group as at 31st December 2014.

- **Other commitments**

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

29. 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. Until 31.12.2014 the relevant provisions that have been formed amounting to € 354 thousand.

- **Contingent liabilities / receivables**

The Group's contingent liabilities as at 31.12.2014 arising from its normal activity pertain to guarantees granted to secure liabilities (mainly in connection with subsidized routes) and performance bonds amounting to € 8.602 thousand. Respectively, the Group has received guarantees for receivables amounting to € 22.231 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.

- **"NORMAN ATLANTIC" case**

On December 28, 2014, while the chartered by the Company vessel "NORMAN ATLANTIC" executed trip from Igoumenitsa to Ancona, a fire broke out in it, resulting in loss of passengers life, causing injuries, loss of baggage and the partial or total loss of trucks, P.U. vehicles and cargo. This fact will lead to rising demands, inter alia, against us as charterer and the owner of the vessel. The Company had concluded insurance charterer coverage (Protection & Indemnity) and legal protection (FD&D) with mutual insurance company which will cover all claims may arise against it. In this case the maximum deductible amount on the insurance coverage may be $ 245 thousand and therefore this event is not expected to have a material impact on the financial results. At this time the causes of the accident are under investigation by the Italian authorities According the above insurance coverage, any damage suffered by the Company from loss of its assets on board will be covered from the above mutual to the amount of $ 500 thousand, while at the same time, according the provisions of the charter contract, the Company in the future may proceed to the component arbitration courts in London, claiming by the owners to cover any further damages suffered by this case.

-amounts in thousands € unless otherwise stated-

- **Legal procedure against "MINOAN LINES SA"**

ANEK has initiated a legal procedure before an arbitration court in London against the company "MINOAN LINES SA" in relation to the acquisition of the percentage of 33,35% of the share capital of "HELLENIC SEAWAYS SA", the overall implementation of this agreement, and the claim of € 47,5 million which ANEK has paid the company "MINOAN LINES SA", including interest and other expenses. The arbitration procedure is in progress and the management of the Group anticipates a positive result.

30. 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 defining credit limits and specific credit policies for all the customer categories. Where it is necessary, it has obtained additional guarantees to secure the credit granted even more. The accumulative provisions formed have reached the amount of € 26,5 million, and it is considered adequate to deal with credit risk, while, 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**	
	01.01.14-31.12.14	**01.01.13-31.12.13**	**01.01.14-31.12.14**	**01.01.13-31.12.13**
Trade receivables	45.381	45.293	40.965	40.619
Other receivables	10.415	3.982	9.243	2.414
Cash and cash equivalents	3.564	3.733	1.250	1.831
	59.360	**53.008**	**51.458**	**44.864**

The maturing of the balances of trade receivables and the changes to impairment provisions are listed in note 13 "Trade receivables and other current receivables".

-amounts in thousands € unless otherwise stated-

- **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. However, in order to avoid possible inadequate liquidity, Group's management has placed efforts to secure that there is available bank credit at all times to cover any extraordinary needs during low liquidity periods. In the event 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, it may have a significantly adverse effect on the Group's business activity, operating results, cash flows and financial position. Given the fact that from 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 is in contacts with the lender banks in order to modify the terms and conditions of the total of long-term debt. These contacts are in advanced stage and it is expected that it will soon be reached an agreement for loans restructuring, with which the Company's liquidity will be reinforced through the modification of the debt repayment terms by putting off the installments to a later time, extension of time for repayment, and decrease of financial cost. Moreover, at the scope of strengthening the working capital, Group's management has already taken various measures, such as the further cutting down on operating costs through the redeployment of fleet, the settlement of tax and trade liabilities to a later time, the planned sale of vessels, while the Annual General Meeting held on June 2014 decided -according BoD' s proposal- the calling of an extraordinary General Meeting with agenda's issue a share capital increase Finally, 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 (see note 29).

The Company prepares short-term and long-term cash plans from which cash needs result in time. The maturity of Group's trade and other liabilities as at 31.12.2014 is as follows:

	up to 6 months	**6 to 12 months**	**above 1 year**
Trade liabilities	27.492	1.951	2.000
Other current liabilities	13.373	4.331	3.560

- **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, a small part of the loans obtained by the Group is in foreign currency (USD) and thus there is no significant foreign exchange risk associated with repayment thereof.

-amounts in thousands € unless otherwise stated-

- **Competition**

The vessels of ANEK Group performed itineraries 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.

- **Rate fluctuation risk**

ANEK 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 2014 was as follows:

Rate change	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 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 prices. The sensitivity of the results and equity to fuel cost changes per metric ton – ceteris paribus- in 2014 was as follows:

Fuel price change	Effect on results and equity
±5% / metric ton	(-/+) € 3,1 million
± 10% / metric ton	(-/+) € 6,2 million
± 20% / metric ton	(-/+) € 12,4 million

The Group's fuel and lubricants cost for 2014 represented a 43% of the total cost of sales, as compared to 45% in 2013. 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.

-amounts in thousands € unless otherwise stated-

- **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. Nevertheless the negative results of recent years affected materially the equity that have become negative and accordingly the leverage ratio:

	31.12.2014	**31.12.2013**
Total debt	278.518	290.749
Less: cash equivalents	(3.564)	(3.733)
Net borrowing (a)	**274.954**	**287.016**
Total equity	(9.241)	10.170
Total capital employed (b)	**265.713**	**297.186**
Leverage ratio (a) / (b)	**103,48%**	**96,58%**

It is noted that the annual General Assembly held on June 15th 2014 decided -according BoD’ s proposal- the calling of an extraordinary General Meeting with agenda’s issue a share capital increase of amount and according to terms that will be decided by this Meeting. The convergence of the Extraordinary General Meeting will be decided by the Board of Directors in connection with the maturity of the discussions with the lending banks on the restructuring of long-term debt of the Company and the prevailing economic conditions. Also the sale of vessels in 2014 resulted to a reduction of the Company’s debt, while a further reduction is expected if the management succeed to sell other vessels.

- **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**	
	31.12.2014	**31.12.2013**	**31.12.2014**	**31.12.2013**
<u>**Current assets**</u>				
Trade receivables	45.381	45.293	40.965	40.619
Other receivables	10.415	3.982	9.243	2.414
Cash and cash equivalents	3.564	3.733	1.250	1.831
Financial assets at fair value	737	843	699	787
	60.097	**53.851**	**52.157**	**45.651**

-amounts in thousands € unless otherwise stated-

	Group		Company	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Non-current liabilities				
Financial liabilities measured at amortized cost	4.303	210	4.303	-
Capital leases liabilities	25.501	-	25.501	-
Other long term liabilities	5.560	-	3.560	-
Current liabilities				
Financial liabilities measured at amortized cost	274.215	290.540	273.729	288.374
Capital leases liabilities	907	-	907	-
Trade & other liabilities	49.800	52.002	39.672	42.760
Total liabilities	**360.286**	**342.752**	**347.672**	**331.134**

31. Financial assets at fair value

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments per valuation technique according to the requirements of IFRS 7 "Financial Instruments: Disclosures”:

Level 1: Investments that are valued at fair value based on quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Investments that are valued at fair value, using valuation techniques for which all inputs, which have a significant fair value, are based (either directly or indirectly) on observable market data.

Level 3: Investments that are valued at fair value, using valuation techniques, in which the data, significantly affecting the fair value, are not based on observable market data.

The Group, in accordance with the requirements of IAS 39 "Financial Instruments: Recognition and Measurement" at the end of each reporting period of the financial statements performs the calculations required in relation to the fair value of financial instruments. The financial assets held by the Group, the fair value of which at 31.12.2014 amounts to € 737 thousand, are relating to shares of listed companies and shares in cooperative banks and are classified in Level 1.

The carrying value of the following financial assets and liabilities is considered to be a reasonable approximation of fair value:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables.

32. Subsequent events

There are no facts subsequent to 31st December 2014 which could substantially affect the financial standing and the results of the Group and the Company, or that should be mentioned in the notes on the financial statements.

Chania, 31 March 2015

Senior Vice-Chairman	**Managing Director**
Spyridon I. Protopapadakis **ID Card No. AA490648**	**Ioannis I. Vardinoyannis** **ID Card No. Π 966572**
Chief Financial Officer	**Chief Accountant**
Stylianos I. Stamos **ID Card No. M 068570**	**Ioannis E. Spanoudakis** **Economic Chamber License No. 20599, Class A**

DATA AND INFORMATION FOR FISCAL YEAR 2014

ANEK LINES S.A.

No of G.E.C.R.: 121557860000
Registered Office: 148 Karamanli Avenue, Chania

Financial data and information for the period from 1 January 2014 to 31 December 2014

(according to L. 2190, 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 reqiuired, are published.

COMPANY INFORMATION

Supervising authority: Ministry of Development, Societe Anonyme & Credit Division
Company's website: www.anek.gr
Date of approval of the annual financial statements: March 31st, 2015
Certified auditors - accountants: Diamantoulakis Emmanouil (SOEL Reg. No. 13101), Kollyris Nikolaos (SOEL Reg. No. 35591)
Auditing Firms: GRANT THORNTON (Reg. No 127), SOL SA (Reg. No 125)
Type of auditors' report: Unqualified opinion (emphasis of matters)

BOARD OF DIRECTORS

Katsanevakis Georgios (Chairman)	Archontakis Georgios (Deputy Managing Director)	Krasanakis Adamantios (Μέλος)
Protopapadakis Spyridon (Senior Vice Chairman)	Achlioptas Konstantinos (Member)	Malandrakis Ioannis (Member)
Apostolakis Emmanouil (B΄ Vice Chairman)	Vamvoukas Anastasios (Member)	Marakakis Michael (Member)
Stavropoulos Ioannis (C΄ Vice Chairman)	Georvasakis Michael (Member)	Markantonakis Alexandros (Member)
Vardinoyannis Ioannis (Managing Director)	Kantilierakis Dimitrios (Member)	Fragkiadakis Georgios (Member)

STATEMENT OF FINANCIAL POSITION (parent company and consolidated)

(Amounts in € thousand)	Group		Company	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
ASSETS				
Tangible assets	292.429	300.964	282.067	286.098
Investments in property	1.828	1.785	705	710
Intangible assets	33	47	33	46
Other non-current assets	2.170	2.106	2.574	3.523
Inventories	3.129	4.520	2.138	3.132
Trade receivables	45.381	45.293	40.965	40.619
Other current assets	11.152	4.825	9.942	3.201
Cash & cash equivalents	3.564	3.733	1.250	1.831
Non current assets held for sale	2.180	-	-	-
TOTAL ASSETS	**361.866**	**363.273**	**339.674**	**339.160**
EQUITY & LIABILITIES				
Share capital	56.597	56.597	56.597	56.597
Other equity items	(70.396)	(52.541)	(72.444)	(55.816)
Equity attributable to shareholders of the parent (a)	**(13.799)**	**4.056**	**(15.847)**	**781**
Minority interests (b)	4.558	6.114	-	-
Total Equity (c) = (a) + (b)	**(9.241)**	**10.170**	**(15.847)**	**781**
Long-term borrowings	4.303	210	4.303	-
Provisions and other long-term liabilities	38.220	6.813	33.700	4.118
Short-term borrowings	274.215	290.540	273.729	288.374
Other short-term liabilities	54.369	55.540	43.789	45.887
Total liabilities (d)	**371.107**	**353.103**	**355.521**	**338.379**
TOTAL EQUITY AND LIABILITIES (c) + (d)	**361.866**	**363.273**	**339.674**	**339.160**

TOTAL COMPREHENSIVE INCOME (parent company and consolidated)

(Amounts in € thousand)	Group		Company	
	from 01.01 to		from 01.01 to	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Turnover	169.476	178.039	149.713	155.403
Gross profit / (loss)	25.624	23.257	21.236	17.488
Earnings / (losses) before taxes, financing and investing results (EBIT)	(1.036)	(5.076)	130	(5.522)
Earnings / (losses) before taxes (EBT)	(18.855)	(36.190)	(16.455)	(36.589)
Earnings / (losses) after taxes (A)	(19.197)	(36.509)	(16.558)	(36.710)
Owners of the parent	*(17.784)*	*(35.713)*	-	-
Minority interests	*(1.413)*	*(796)*	-	-
Other comprehensive income after taxes (B)	(73)	(248)	(70)	(129)
Total comprehensive income after taxes (A) + (B)	(19.270)	(36.757)	(16.628)	(36.839)
Owners of the parent	*(17.856)*	*(35.900)*	-	-
Minority interests	*(1.414)*	*(857)*	-	-
Earnings / (losses) after taxes per share basic - (in €)	(0,0943)	(0,1893)	(0,0878)	(0,1946)
Proposed dividend per share (in €)	-	-	-	-
Earnings / (losses) before taxes, financing and investing results, depreciation and amortization (EBITDA)	10.101	6.477	10.639	5.398

STATEMENT OF CHANGES IN EQUITY (parent company and consolidated)

(Amounts in € thousand)	Group		Company	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Equity at the beginning of the year (01.01.2014 and 01.01.2013, respectively)	10.170	47.053	781	37.620
Total comprehensive income after taxes	(19.270)	(36.757)	(16.628)	(36.839)
Increase / (decrease) of share capital	-	-	-	-
Dividends paid	(140)	(126)	-	-
Other equity movements	(1)	-	-	-
Equity at the end of the year (31.12.2014 and 31.12.2013, respectively)	**(9.241)**	**10.170**	**(15.847)**	**781**

CASH FLOW STATEMENT (parent company and consolidated)

(Amounts in € thousand)	Group		Company	
	from 01.01 to		from 01.01 to	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Operating activities				
Earnings / (losses) before taxes	(18.855)	(36.190)	(16.455)	(36.589)
Adjustments for:				
Depreciation	11.343	11.793	10.509	10.949
Grants amortization	(206)	(240)	-	(29)
Assets impairment / (reversal)	1.902	15.307	-	13.971
(Gain) / loss from disposal of property, plant and equipment	20	-	-	-
Provisions	2.674	2.142	2.486	1.910
Exchange differences	387	(164)	361	(176)
Results of investing activity	24	(341)	859	1.096
Financial expenses (less financial income)	16.910	16.324	16.769	16.176
	14.199	8.631	14.529	7.308
Adjustments for changes in working capital:				
Decrease / (increase) of inventories	1.379	(579)	995	(356)
Decrease / (increase) of receivables	(8.597)	5.538	(9.161)	5.965
Increase / (decrease) of liabilities (other than borrowings)	(2.809)	(8.191)	(3.577)	(6.753)
Less:				
Interest and financial expenses paid	(2.331)	(6.426)	(2.105)	(6.149)
Income tax paid	(350)	(206)	(103)	(94)
Cash flows from operating activities (a)	***1.491***	***(1.233)***	***578***	***(79)***
Investing activities				
Acquisition of affiliates, securities and other investments	(2)	(25)	(2)	-
Purchase of tangible and intangible assets	(1.337)	(4.568)	(858)	(4.196)
Proceeds from the sale of property, plant and equipment	23.000	-	21.000	-
Interest received	79	134	3	33
Dividends received	-	-	128	87
Cash flow from investing activities (b)	***21.740***	***(4.459)***	***20.271***	***(4.076)***
Financing activities				
Purchase of treasury shares	(1)	-	-	-
Payments of capital leases	(367)	-	(367)	-
Proceeds from borrowings	5.370	6.210	5.370	5.264
Payment of borrowings	(28.311)	(742)	(26.433)	-
Dividends paid	(91)	(80)	-	-
Cash flow from financing activities (c)	***(23.400)***	***5.388***	***(21.430)***	***5.264***
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**(169)**	**(304)**	**(581)**	**1.109**
Cash and cash equivalents at beginning of the year	3.733	4.037	1.831	722
Cash and cash equivalents at the end of the year	**3.564**	**3.733**	**1.250**	**1.831**

ADDITIONAL DATA & INFORMATION

1. Group entities that are included in the consolidated financial statements are presented in note 1 in the annual financial statement of 31.12.2014 including locations, percentage Group ownership and consolidation method. **2.** The financial statements of the Group have been consolidated under the equity method by SEA STAR CAPITAL PLC that holds 23,16% of ANEK share capital and is registered in Cyprus. It is noted that on 19.03.2015 "PIRAEUS BANK S.A." acquired through auction the shares held by SEA STAR CAPITAL PLC. **3.** The basic accounting principles adopted in the financial statements, are consistent with those of the annual financial statements as at 31.12.2013 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 € 354 thousand and for the Company € 220 thousand. **5.** The number of employees at 31.12.2014 was 787 persons for the Group (710 for the Company) and at 31.12.2013 was 799 (730 yfor 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 comprehensive income for year 2014 amounted to € 73 thousand for the Group refer to actuarila losses, while the previous year referred to change of assets revaluation reserves by € 123 thousand, to actuarial losses by € 121 thousand and to deferred taxes by € 4 thousand. **8.** The provisions for the un-audited tax years of the Group companies,which are presented in note 20 of the annual financial statements, amount to € 192 thousand (€ 25 thousand for the Company). The accumulated provisions for doubtful debts amounted to € 26.528 thousand for the Group and € 25.227 thousand for the Company, while the provisions for retirement benefits amounted to € 2.894 thousand for the Group and € 2.777 thousand for the Company. Other provisions amounted to € 1.459 thousand for the Group and € 1.292 thousand for the Company. **9.** The ratio "Earnings / (losses) after taxes per share basic - (in €)" are calculated based in the weighted average number of total shares. **10.** The emphasis of matters paragraph in the auditors' report refer that: *"We draw attention to the following matters: a) to the explanatory note 29 of the annual consolidated financial report where reference is made to the marine incident that took place on the December 28th, 2014, involving the hired under a bareboat charter vessel Norman Atlantic. This incident, although covered by an international mutual insurance association, remains subject of an ongoing judicial investigation hence there exists a reasonable uncertainty regarding its development and any possible effects on the consolidated financial statements. b) to the explanatory note 2 to the annual consolidated financial report and in particular the fact that the working capital of the Group is negative by € 263,2 million, the capital adequacy of the Group has been significantly deteriorated and the provisions of article 48 of Codified Law 2190/1920 has been effective while there are overdue obligations to employees and third parties. 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."* **11.** Intercompany transactions (inflows and outflows) since the beginning of the current year and intercompany balances as of 31.12.2013 that have resulted from the transactions with the related parties, as defined by IAS 24, are as follows:

(Amounts in € thousand)	Group	Company
a) Inflows	-	8.454
b) Outflows	904	1.098
c) Receivables	8.263	9.423
d) Payables	1.556	2.438
e) Key management compensations	1.557	1.252
f) Receivables from key management	-	-
g) Payables to key management	257	132

Chania, 31 March 2015

THE SENIOR VICE-CHAIRMAN	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFICCER	THE CHIEF ACCOUNTANT
SPYRIDON I. PROTOPAPADAKIS **ID. No. AA 490648**	**IOANNIS I. VARDINOYANNIS** **ID. No. Π 966572**	**STYLIANOS I. STAMOS** **ID. No. M 068570**	**IOANNIS E. SPANOUDAKIS** **H.E.C. License No. 20599/A' CLASS**

INFORMATION PROVIDED UNDER ART. 10 OF LAW 3401/2005

The above disclosures and announcements made by ANEK in 2014 have been published in the daily official list of the Athens Stock Exchange and are posted on ASE's website at www.helex.gr and at the Company's web-site at www.anek.gr.

DATE	SUBJECT:
28/03/14	Announcement for financial calendar 2014
28/03/14	Financial results for the fiscal year 2013
28/03/14	Announcement according art. 4.1.4.4 of A.S.E.
23/05/14	Preliminary Announcement for the Ordinary General Meeting
23/05/14	Announcement for change of Board of Directors
30/05/14	1st quarter 2014 financial results
30/05/14	Announcement according art. 4.1.4.4 of A.S.E.
16/06/14	Ordinary General Meeting's decisions
09/07/14	Announcement for 2013 tax audit results
04/08/14	Completion of sale of vessels «SOPHOCLES V.» and «LEFKA ORI»
29/08/14	1st semester 2014 financial results
29/08/14	Announcement according art. 4.1.4.4 of A.S.E.
29/09/14	Replacement of Board of Directors member
29/09/14	Change of Board of Directors composition
29/09/14	Expansion of JV "ANEK-SUPERFAST"
27/11/14	3rd quarter 2014 financial results
27/11/14	Announcement according art. 4.1.4.4 of A.S.E..
16/12/14	Announcement of law 3556/2007
17/12/14	Announcement of law 3556/2007
29/12/14	Announcement for other significant events