



# **Semi annual financial report**

*For the period from January 1st to June 30th 2015*

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*The attached semiannual financial report has been prepared according to article 5 of the law 3556/2007 and has been approved for publishing by the Board of Directors of the parent company at the date of 28<sup>th</sup> August 2015 and is disclosed in the web address of the Company [www.anek.gr](http://www.anek.gr).*

*The attached semi annual financial report has been translated from the Greek original version.*

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## **STATEMENT OF BOARD OF DIRECTORS**

**(according to article 5 par.2 of Law 3556/2007)**

The members of the Board of Directors of ANEK SA:

- 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 semi-annual financial statements (separate and consolidated) for the period 1<sup>st</sup> January 2015 to 30<sup>th</sup> June 2015, prepared according to the applicable International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Company **ANEK LINES SA**, as well as of the consolidated companies according to paragraphs 3 to 5 of article 5 of Law 3556/2007, and

b) the semi-annual enclosed Report of Board of Directors presents fairly the information required according to paragraph 6 of article 5 of Law 3556/2007.

**Chania, 28 August 2015**

**The Chairman**

**The Managing Director**

**The Senior Vice-Chairman**

**GEORGIOS G. KATSANEVAKIS**  
ID Card No. N 958145

**IOANNIS I. VARDINOYANNIS**  
ID Card No. Π 966572

**SPYRIDON I. PROTOPAPADAKIS**  
ID Card No. AA 490648

## **REVIEW REPORT ON INTERIM FINANACIAL INFORMATION**

**To the Shareholders of the Company**

**ANEK LINES S.A.**

### **Introduction**

We have reviewed the accompanying condensed separate and consolidated statement of financial position of the Company "ANEK LINES A.E." as at 30 June 2015 and the relative condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, that constitute the condensed interim financial information, which is an integral part of the six-month financial report under the L. 3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of Review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard "IAS 34".

### **Emphasis of Matters**

We draw your attention to:

a) note (13) to the interim financial information where reference is made to the maritime incident of the chartered vessel Norman Atlantic that occurred on 28.12.2014. The incident, which is insured by an international Mutual Insurance Co-operative, is still under investigation and, therefore, reasonable uncertainty exists as to its progress and its contingent effects on the financial statements of the Group.

b) note (2) to the interim financial information and in particular to the fact that the working capital of the Group is negative by Euro 267,2 mil., the capital adequacy of the Group has worsened significantly and are applicable for the Company the provisions of the article 48 of cod. L. 2190/1920, while in parallel exist overdue liabilities to employees and third parties.

The above facts and the overall adverse conditions in Greek economy as referred in note (14) to the interim financial information, indicate the existence of material uncertainty in respect of the Group's ability to continue unhindered in operation as a going concern. In note (2) to the interim financial information reference is made to the measures taken or planned by the management in order to ensure the Group's continuation in operation as a going concern.

Our conclusion is not qualified in respect of these matters.

#### **Report on Other Legal and Regulatory Requirements**

Our review did not identify any inconsistency or mismatching of the other data of the provided by the article 5 of L. 3556/2007 six-month financial report with the accompanying condensed interim financial information.

**Athens, 28 August 2015**

#### **The Certified Public Accountants**

**Emmanouil N. Diamantoulakis**

**Institute of CPA (SOEL) Reg. No. 13 101**

**Konstantinos Ath. Arampatzis**

**Institute of CPA (SOEL) Reg. No 34 351**



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## **SEMI ANNUAL REPORT OF THE BOARD OF DIRECTORS**

*The attached report of the Board of Directors was prepared according to article 5 of law 3556/2007 and the decision 7/448/11.10.2007 of the Hellenic Capital Committee and regards the interim separate and consolidated financial statements as of 30 June 2015. In the attached report is included information regarding the business activities of the Group and the Company, the financial position, the financial results and the significant events during the first half of 2015. Additionally, the report includes the main risks and uncertainties that the Company may face in the second semester of the year and the most significant related party transactions.*

### **I. DEVELOPMENTS AND FINANCIAL POSITION**

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2015 is a crucial year for the Greek economy which is expected to return to recession level, according to the provisions. The bank holiday at the first 20 days of July and the continued imposition of capital controls have intensified the economic uncertainty and the pressure on the financial system and the public finance. In this difficult economic environment, the passenger shipping sector is recovering assisted by the low fuel prices that have led to reduction of operating cost, as well as, by the synergies between the sector companies. It is noted that the contribution of the sector to Greek GDP is significant with national and strategic role for the country, as in many cases, is the only connecting link between the continental and the island region of Greece.

Group's activity is characterized by strong seasonality, which has an impact on revenue and results of the interim financial statements. Higher sales of passenger shipping companies are recorded in the third quarter of each year and are not reflected in the current financial statements, and as a result the operating results for the first semester are not indicative of annual results.

During the first half of 2015, ANEK Group operated through privately owned and chartered vessels in routes in Adriatic sea (Ancona and Venice), Crete (Chania and Heraklion), Dodecanese islands 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, one vessel was chartered during the summer period in a company abroad.

Executing a total of 12% less itineraries compared to the corresponding period of 2014, the Group in the first half of 2015 in all routes operated transferred 386 thousand passengers compared to 538 thousand in the first half of 2014, 58 thousand private vehicles compared to 71 thousand the comparable period and 72 thousand trucks compared to 73 thousand the first half of 2014.

In the first half of 2015 there was a significant improvement of the operating results in relation to the corresponding period, as an outcome of the cost of sales reduction, mainly due to the decline in fuel prices. It is noted that in 6month period P&L level, the earnings before interest, taxes, depreciation and amortization (EBITDA) formed to profits for the first time since year 2007, while the net results after taxes and minority interests had the best performance of the last eight years.

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

- ▶ **Turnover** for the first half of 2015 amounted to € 62,9 million compared to € 69,2 million in the corresponding period of 2014.
- ▶ Group's **gross profits** showed a significant increase amounting to € 6,5 million versus € 1,6 million the comparable period.
- ▶ **Earnings before interest, taxes, depreciation and amortization (EBITDA)** amounted to profits € 0,4 million compared to losses € 6,6 million in the corresponding period.
- ▶ The Group's **net financial cost** for the first half of 2015 amounted to € 8,1 million versus € 8,8 million in the first half of 2014, while the **results from investing activities** amounted to losses of € 0,2 million compared to losses € 1,9 million the comparable period.
- ▶ **Net results after tax and minority interests** amounted to losses of € 13,1 million compared to losses € 21,2 million the first half of 2014.
- ▶ **Results for the second quarter of 2015:** for the period from April 1<sup>st</sup> to June 30<sup>th</sup> 2015 the Group's turnover amounted to € 35,7 million versus € 40,0 million in the corresponding period of 2014. The gross profits were increased standing at € 5,1 million compared to € 4,7 million in the 2<sup>nd</sup> quarter of 2014. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to profits of € 1,6 million compared to losses € 0,4 million while net results after tax and minority interests amounted to losses of € 4,2 million compared to losses € 8,8 million.

► **Key items of the statement of financial position**

- Group's fixed assets as at 30.06.2015 amounted to € 274,3 million compared to € 292,4 million at the end of the previous year. Depreciation for the period amounted to € 5,5 million, additions to € 0,7 million, while the reductions of € 13,3 million refer to a vessels' value that had been recognized as a finance lease according to IAS 17 and its long-term charter contract resolved in April 2015.
- Group's trade receivables were increased by € 7,9 million standing at € 53,3 million compared to € 45,4 million in 31.12.2014, mainly due to the seasonality of sales in the first half financial statements.
- The cash and cash equivalents as of 30.06.2015 amounted to € 3,8 million compared to € 3,6 million at the end of the previous year.
- The Group's long term bank borrowings amounted to € 4,1 million compared to € 4,3 million at the end of the previous 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 2014 Annual Report).
- Due to the aforementioned reclassification, the Group's short-term bank liabilities as of 30.06.2015 amounted to € 272,9 million compared to € 274,2 million as at 31.12.2014. Trade payables as at 30.06.2015 amounted to € 33,8 million from € 29,4 million at 31.12.2014, while other short term liabilities amounted to € 32,4 million compared to € 24,9 million, mainly, due to the seasonality of sales (significant increase of deferred income by € 9,4 million referred, mainly, to tickets for trips at a post later time of June 30<sup>th</sup>, 2015).

► **Cash flows**

Group during first half of 2015 showed significant increase of inflows from operating activities that amounted to € 11,0 million compared to € 4,0 million in the corresponding period. Investing activities showed outflows of € 1,6 million compared to € 0,7 million the first half of 2014. Finally the financing activities for the first half of 2015 showed outflows of € 9,1 million compared to € 1,9 million.

► **Financial ratios**

- The gross profit margin (%) of the Group for the first half of 2015 was significantly improved standing at 10,4%, compared to 2,3% in the corresponding period.

- Indicators of general and immediate liquidity (:1) on 30.06.2015 stood at 0,21 and 0,20, respectively, versus 0,20 and 0,19 at 31.12.2014. These indicators have been heavily influenced by the reclassification of long-term loans of the Parent to short-term bank liabilities.
- 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 1,07 on 30.06.2015 from 1,03 at the end of year 2014, while the “Long and short term borrowings / (Equity + Liabilities)” ratio formed at 0,79 compared to 0,77. All above ratios were significantly affected by the decrease in equity, as a consequence of the last years’ 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, the Company’s total equity as at 30.06.2015 is negative meeting the provisions of article 48 of the codified law 2190/20. Regarding the adoption of measures by the General Assembly in order to remove the reasons for the application of article 48, see below “Significant events”.

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## **II. SIGNIFICANT EVENTS (FIRST HALF 2015 & POST BALANCE)**

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- On April 8, 2015 was signed an agreement for the termination of the long term charter contract of the vessel “LEFKA ORI” which was returned to the owner company. This contract had been recognized as a finance lease agreement since the criteria of IAS 17 were met (see note 22 of 2014 Annual financial report). The vessel was chartered by the owner to a new charterer, while the Company retains the option to charter and buy the vessel, as defined in the initial agreement with the owner, in case of non-exercise option right by the new charterer.
- On May 20, 2015 was concluded the sale of a subsidiary’s LANE vessel that was appeared as “non-current assets held for sale” and was valued in 2014 at the contract sale value.
- The annual General Assembly that held on July 22<sup>th</sup> 2015 (postponed from June 22<sup>th</sup> 2015) decided, among others, the adoption of measures to restore the “equity / share capital” ratio in order to remove the reasons for the application of article 48, par. 1c of law 2190/1920, approving the

BoD proposal for the calling of an extraordinary General Meeting with agenda's issue a share capital increase 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.

- ▶ Regarding the fire incident of "NORMAN ATLANTIC", chartered by the Company, which took place in December 2014 (see note 29 of the Annual financial report for the year 2014), it is noted that the investigation as to the cause of the incident is in progress by the Italian and Greek judicial authorities. Due to the above mentioned incident claims were raised by parties sustained damages against the Company, the Owning Company and the Managers of the vessel, without however any civil suit or application for interim measures having been served to the Company until today. In order to manage the incident effectively, the Company has proceeded to a significant number of extrajudicial settlements regarding claims from passengers, vehicle and cargo owners and from the majority of the Greek crew. The above mentioned compensations and expenses are covered by the Mutual Insurance Association, with which the Company has a Charterers Liability Insurance Cover (Protection & Indemnity) along with FD&D.
- ▶ On August 17, 2015, Greek state, at the frame of dealing with the humanitarian crisis emerged in islands of East Aegean due to the sudden and vast entrance of a large amount of immigrants, has chartered the Company's vessel "EL. VENIZELOS" for their accommodation and transportation.

### III. MAIN RISKS AND UNCERTAINTIES FOR THE 2<sup>ND</sup> HALF

#### ■ Risk of fuel prices fluctuation

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 of the equity to a change in the average cost of fuels per metric ton -ceteris paribus- for the first half of 2015 was as follows:

Fuel price change	Effect on results and equity
± 5% / metric ton	(-/+ ) € 1,03 million
± 10% / metric ton	(-/+ ) € 2,07 million
± 20% / metric ton	(-/+ ) € 4,13 million

■ **Interest 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 interest rate changes for the first half of 2015 was as follows:

Change of interest rate	Effect in the results and equity
± 0,5%	(-/+) € 0,56 million
± 1%	(-/+) € 1,12 million

■ **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 setting 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 potential sale of vessels, while the Annual General Meeting held on June 2014 decided -according to 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 2014 Annual financial report).

- **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.

- **Competition**

The vessels of ANEK Group performed itineraries in routes where there is intensive competition, particularly in Greece-Italy and Piraeus-Crete 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.

- **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.

- **Macroeconomic conditions in Greece and capital controls**

The instability of the economic environment, the debt crisis and the restrictions on capital movements imposed (capital controls), resulted to an increase of Group's exposure to financial and operational risks. In this context, the management estimates that the capital controls effect in the operation and cash flow is limited. More specifically:

a) the smooth operation of the Company and the Group does not depend to a significant extend on imported goods,

- b) the Group's receipts and payments until today are settled normally,
- c) the impact on Company's revenue from a potential reduction in traffic, mainly in domestic routes, is estimated as slight,
- d) the Company's financing margins from the banking system were limited before the capital controls,
- e) the valuations of the Group's significant assets (vessels) are based on the international market data and are not affected by the macroeconomic conditions in Greece. Any impact on vessels' valuation will be the result of an increase of the discount rate in case those valuations are based to discounted cash flow models.

To the extent that the Greek government and the creditors are in a common way for the implementation of the new financing program, the situation is expected to normalize gradually, however the result of this process cannot be estimated accurately at this stage. Therefore, the management is unable to predict accurately the upcoming events and their impact on Group's activities.

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#### **IV. PROSPECTS FOR THE 2<sup>ND</sup> HALF OF 2015**

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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) and the development of tourist traffic in Greece and the international fuel price fluctuations during the second half of 2015. In case that the moderation in fuel prices in lower levels than in previous years will continue, there will be further reduction of operating cost in 2015.

In recent years, some institutional changes had contributed to solve a part of problems of coastal shipping sector, nevertheless there is a series of outstanding demands related to the reforming of the institutional framework by the state, while the recent increase in VAT of passengers tickets create barriers in the effort for the recovery of sector's competitiveness.

Finally, the Group's management considers that soon will be reached a final agreement with the lending banks on the restructuring of long-term loans.

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#### **V. RELATED PARTY TRANSACTIONS**

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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 agen-

cy, 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**

During the first half of 2015 ANEK invoiced the subsidiary AIGAION PELAGOS with the amount of € 1.265 thousand (€ 3.951 thousand the first half of 2014) and the subsidiary LANE with the amount of € 779 thousand (€ 167 thousand in the corresponding period of 2014) for chartering of vessels, management services provided and tickets issuing commissions. Moreover, the subsidiary ETANAP invoiced ANEK with the amount of € 56 thousand for the sale of goods (€ 75 thousand in the first half of 2014), while LEFKA ORI invoiced ETANAP an amount of € 106 thousand (€ 67 thousand the first half of 2014). Finally, the associated party ANEK LINES ITALIA invoiced ANEK with the amount of € 140 thousand (€ 670 thousand the comparable period) and the joint venture "ANEK – SUPERFAST" with the amount of € 522 thousand (compared to € 484 thousand) for tickets issuing commissions.

- **Dividends**

During the first half of 2015 ANEK had income from dividends of ETANAP amounted to € 128 thousand, same as in the corresponding period.

- **Receivables / Liabilities**

As at 30.06.2015 ANEK had a liability to the subsidiary ETANAP amounted to € 16 thousand (€ 122 thousand at 31.12.2014), receivables from LANE amounted to € 3.081 thousand (compared to € 1.117 thousand at 31.12.2014), a liability to AIGAION PELAGOS amounted to € 555 thousand (€ 889 thousand at the end of the previous year) and a liability to the associate ANEK LINES ITALIA amounting to € 1.455 thousand (€ 1.427 thousand at 31.12.2014). Moreover, ANEK as at 30.06.2015 had a receivable from the joint venture ANEK – SUPERFAST amounted to € 22.991 thousand (€ 8.259 thousand at 31.12.2014). At 30.06.2015 AIGAION PELAGOS had receivables from LANE amounted to € 1.248 thousand (€ 986 thousand at 31.12.2014), while ANEK LINES ITALIA had payables joint venture ANEK – SUPERFAST amounted to € 1.265 thousand (€ 822 thousand at the end of the previous year). Finally, at 30.06.2015 LEFKA ORI had receivables from ETANAP amounted to € 199 thousand (€ 197 thousand at 31.12.2014).

- **Fees of BoD members and Directors**

The gross fees of the Board of Directors and of the Company's executives for the first half of 2015 and 2014 regard in short-term benefits and are analyzed below:

	The Group		The Company	
	01.01.15- 30.06.15	01.01.14- 30.06.14	01.01.15- 30.06.15	01.01.14- 30.06.14
Executive members of BoD	350	346	201	201
Non-Executive members of BoD	8	10	3	4
Directors	412	405	412	405
	<b>770</b>	<b>761</b>	<b>616</b>	<b>610</b>

Moreover, as at 30.06.2015 the Company had liabilities to the above mentioned persons amounted to € 201 thousand and the Group € 335 thousand.

**Chania, August 28, 2015**

**The Board of Directors**

**INTERIM SEPARATE & CONSOLIDATED FINANCIAL  
STATEMENTS AS OF 30 JUNE 2015**

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*Financial statements amounts are expressed in thousands €.*

*Any differences in totals are due to the rounding of figures.*

**STATEMENTS OF COMPREHENSIVE INCOME FOR THE 1<sup>ST</sup> HALF**

	Note	The Group		The Company	
		01.01.15- 30.06.15	01.01.14- 30.06.14	01.01.15- 30.06.15	01.01.14- 30.06.14
Revenue	4	62.899	69.234	54.945	61.322
Cost of sales		(56.350)	(67.609)	(49.070)	(60.480)
<b>Gross profit</b>		<b>6.549</b>	<b>1.625</b>	<b>5.875</b>	<b>842</b>
Other operating income		509	472	936	932
Administrative expenses		(4.610)	(4.533)	(4.173)	(4.082)
Selling and marketing expenses		(5.793)	(7.085)	(5.080)	(6.257)
Other operating expenses		(1.693)	(2.286)	(1.639)	(1.353)
<b>Earnings / (losses) before taxes, financing and investing results (EBIT)</b>		<b>(5.038)</b>	<b>(11.807)</b>	<b>(4.081)</b>	<b>(9.918)</b>
Financial expenses		(8.153)	(9.063)	(8.086)	(8.926)
Financial income		58	237	27	202
Results from investing activities		(235)	(1.906)	81	131
Profit from associates		24	64	-	-
<b>Earnings / (losses) before taxes</b>		<b>(13.344)</b>	<b>(22.475)</b>	<b>(12.059)</b>	<b>(18.511)</b>
Income tax	10	(159)	(138)	(64)	(51)
<b>Earnings / (losses) after taxes</b>		<b>(13.503)</b>	<b>(22.613)</b>	<b>(12.123)</b>	<b>(18.562)</b>
<b>Attributable to:</b>					
Owners of the Parent company		(13.058)	(21.180)	-	-
Minority interests		(445)	(1.433)	-	-
Other comprehensive income / (losses) after taxes		-	-	-	-
<b>Total comprehensive income after taxes for the period</b>		<b>(13.503)</b>	<b>(22.613)</b>	<b>(12.123)</b>	<b>(18.562)</b>
<b>Attributable to:</b>					
Owners of the Parent company		(13.058)	(21.180)	-	-
Minority interests		(445)	(1.433)	-	-
Earnings / (losses) per share - basic (in €)	9	(0,0692)	(0,1123)	(0,0643)	(0,0984)
Earnings / (losses) before taxes, financing and investing results and depreciation (EBITDA)		415	(6.568)	1.060	(5.002)

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

**STATEMENTS OF COMPREHENSIVE INCOME FOR THE 2<sup>nd</sup> QUARTER**

	The Group		The Company	
	01.04.15- 30.06.15	01.04.14- 30.06.14	01.04.15- 30.06.15	01.04.14- 30.06.14
Revenue	35.703	40.017	31.204	34.673
Cost of sales	(30.646)	(35.295)	(26.583)	(31.379)
<b>Gross profit</b>	<b>5.057</b>	<b>4.722</b>	<b>4.621</b>	<b>3.294</b>
Other operating income	366	313	553	533
Administrative expenses	(2.404)	(2.362)	(2.138)	(2.110)
Selling and marketing expenses	(3.065)	(4.000)	(2.660)	(3.483)
Other operating expenses	(1.099)	(1.742)	(1.072)	(826)
<b>Earnings / (losses) before taxes, financing and investing results (EBIT)</b>	<b>(1.145)</b>	<b>(3.069)</b>	<b>(696)</b>	<b>(2.592)</b>
Financial expenses	(3.079)	(4.953)	(3.061)	(4.863)
Financial income	44	162	27	144
Results from investing activities	(233)	(1.915)	83	123
Profit from associates	9	25	-	-
<b>Earnings / (losses) before taxes</b>	<b>(4.404)</b>	<b>(9.750)</b>	<b>(3.647)</b>	<b>(7.188)</b>
Income tax	(124)	(121)	(32)	(26)
<b>Earnings / (losses) after taxes</b>	<b>(4.528)</b>	<b>(9.871)</b>	<b>(3.679)</b>	<b>(7.214)</b>
<b>Attributable to:</b>				
Owners of the Parent company	(4.190)	(8.758)	-	-
Minority interests	(338)	(1.113)	-	-
Other comprehensive income / (losses) after taxes	-	-	-	-
<b>Total comprehensive income after taxes for the period</b>	<b>(4.528)</b>	<b>(9.871)</b>	<b>(3.679)</b>	<b>(7.214)</b>
<b>Attributable to:</b>				
Owners of the Parent company	(4.190)	(8.758)	-	-
Minority interests	(338)	(1.113)	-	-
Earnings / (losses) per share - basic (in €)	(0,0222)	(0,0465)	(0,0195)	(0,0382)
Earnings / (losses) before taxes, financing and investing results and depreciation (EBITDA)	1.595	(361)	1.889	(41)

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

## STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		30.06.15	31.12.14	30.06.15	31.12.14
<b>ASSETS</b>					
Tangible fixed assets	5	274.314	292.429	264.065	282.067
Investments in property		1.826	1.828	702	705
Intangible assets		26	33	26	33
Investments in subsidiaries		-	-	2.475	2.475
Investments in associates		1.903	1.880	46	46
Other long-term receivables		73	77	50	53
Deferred tax receivables		210	213	-	-
<b>Total non-current assets</b>		<b>278.352</b>	<b>296.460</b>	<b>267.364</b>	<b>285.379</b>
Inventories		3.471	3.129	1.964	2.138
Trade receivables		53.264	45.381	46.644	40.965
Other receivables		9.706	10.415	10.200	9.243
Financial assets at fair value through profit & loss		1.605	737	652	699
Cash and cash equivalents	6	3.834	3.564	3.000	1.250
Non-current assets for sale		-	2.180	-	-
<b>Total current assets</b>		<b>71.880</b>	<b>65.406</b>	<b>62.460</b>	<b>54.295</b>
<b>TOTAL ASSETS</b>		<b>350.232</b>	<b>361.866</b>	<b>329.824</b>	<b>339.674</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital (188.654.892 shares x € 0,30)		56.597	56.597	56.597	56.597
Share premium account		745	745	745	745
Reserves		7.438	7.398	5.976	5.976
Results carried forward		(91.636)	(78.539)	(91.288)	(79.165)
<b>Total company shareholders' equity</b>		<b>(26.856)</b>	<b>(13.799)</b>	<b>(27.970)</b>	<b>(15.847)</b>
Minority interest		3.973	4.558	-	-
<b>Total equity</b>		<b>(22.883)</b>	<b>(9.241)</b>	<b>(27.970)</b>	<b>(15.847)</b>
Long-term borrowings	7	4.158	4.303	4.158	4.303
Deferred tax liabilities		1.177	1.189	325	326
Retirement benefits provisions		2.866	2.894	2.737	2.777
Other provisions		2.006	2.006	1.536	1.536
Grants for assets		976	1.070	-	-
Capital lease liabilities		12.561	25.501	12.561	25.501
Other long term liabilities	8	10.262	5.560	8.760	3.560
<b>Total non-current liabilities</b>		<b>34.006</b>	<b>42.523</b>	<b>30.077</b>	<b>38.003</b>
Short-term bank borrowings	7	272.869	274.215	272.454	273.729
Trade payables		33.822	29.443	26.325	24.152
Other short term liabilities		32.418	24.926	28.938	19.637
<b>Total current liabilities</b>		<b>339.109</b>	<b>328.584</b>	<b>327.717</b>	<b>317.518</b>
<b>Total liabilities</b>		<b>373.115</b>	<b>371.107</b>	<b>357.794</b>	<b>355.521</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>350.232</b>	<b>361.866</b>	<b>329.824</b>	<b>339.674</b>

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

**STATEMENTS OF CHANGES IN EQUITY**

The Group	Share Capital premium	Share revaluation reserves	Asset revaluation reserves	Other reserves	Retained earnings	Total	Minority interests	Total
<b>Balance 01.01.2014</b>	<b>56.597</b>	<b>745</b>	<b>2.117</b>	<b>153.974</b>	<b>(209.377)</b>	<b>4.056</b>	<b>6.114</b>	<b>10.170</b>
Total comprehensive income for the 1 <sup>st</sup> half of 2014					(21.180)	<b>(21.180)</b>	(1.433)	<b>(22.613)</b>
Dividends to non-controlling subsidiaries						-	(140)	<b>(140)</b>
Reserves formed of subsidiaries				186	(186)	-	-	-
Offset of accumulated losses with reserves				(147.545)	147.545	-	-	-
<b>Net equity as of 30.06.2014</b>	<b>56.597</b>	<b>745</b>	<b>2.117</b>	<b>6.615</b>	<b>(83.198)</b>	<b>(17.124)</b>	<b>4.541</b>	<b>(12.583)</b>
<b>Balance 01.01.2015</b>	<b>56.597</b>	<b>745</b>	<b>2.117</b>	<b>5.281</b>	<b>(78.539)</b>	<b>(13.799)</b>	<b>4.558</b>	<b>(9.241)</b>
Total comprehensive income for the 1 <sup>st</sup> half of 2015					(13.058)	<b>(13.058)</b>	(445)	<b>(13.503)</b>
Dividends to non-controlling subsidiaries						-	(138)	<b>(138)</b>
Purchase of own shares of subsidiary					1	<b>1</b>	(2)	<b>(1)</b>
Reserves formed of subsidiaries				40	(40)	-	-	-
<b>Net equity as of 30.06.2015</b>	<b>56.597</b>	<b>745</b>	<b>2.117</b>	<b>5.321</b>	<b>(91.636)</b>	<b>(26.856)</b>	<b>3.973</b>	<b>(22.883)</b>

The Company	Share Capital premium	Share revaluation reserves	Asset revaluation reserves	Other reserves	Retained earnings	Total
<b>Balance 01.01.2014</b>	<b>56.597</b>	<b>745</b>	<b>957</b>	<b>153.898</b>	<b>(211.416)</b>	<b>781</b>
Total comprehensive income for the 1 <sup>st</sup> half of 2014					(18.562)	<b>(18.562)</b>
Offset of accumulated losses with reserves				(147.544)	147.544	-
<b>Net equity as of 30.06.2014</b>	<b>56.597</b>	<b>745</b>	<b>957</b>	<b>6.354</b>	<b>(82.434)</b>	<b>(17.781)</b>
<b>Balance 01.01.2015</b>	<b>56.597</b>	<b>745</b>	<b>957</b>	<b>5.019</b>	<b>(79.165)</b>	<b>(15.847)</b>
Total comprehensive income for the 1 <sup>st</sup> half of 2015					(12.123)	<b>(12.123)</b>
<b>Net equity as of 30.06.2015</b>	<b>56.597</b>	<b>745</b>	<b>957</b>	<b>5.019</b>	<b>(91.288)</b>	<b>(27.970)</b>

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

## STATEMENTS OF CASH FLOW

	The Group		The Company	
	01.01.15- 30.06.15	01.01.14- 30.06.14	01.01.15- 30.06.15	01.01.14- 30.06.14
<b>Operating activities</b>				
Earnings/(losses) before taxes	(13.344)	(22.475)	(12.059)	(18.511)
<i>Adjustments for:</i>				
Depreciation	5.554	5.341	5.141	4.916
Impairment of value of fixed assets	-	1.902	-	-
Grants amortization	(101)	(102)	-	-
Provisions	1	237	(30)	215
Results of investing activities	211	(60)	(81)	(131)
Foreign exchange differences	652	(86)	640	(94)
Financial expenses (less financial income)	7.443	8.920	7.418	8.817
	<b>416</b>	<b>(6.323)</b>	<b>1.029</b>	<b>(4.788)</b>
<i>Plus/(less) adjustments for changes of working capital accounts or related to operating activities:</i>				
Reduction / (increase) of inventories	(360)	665	173	692
Reduction / (increase) of receivables	(7.189)	(7.909)	(6.642)	(7.087)
Increase/(reduction) of payable accounts (except loan liabilities)	18.842	19.475	17.136	14.760
<i>Less:</i>				
Interest and related expenses paid	(640)	(1.622)	(594)	(1.481)
Income tax paid	(85)	(298)	(82)	(51)
<b>Total cash flows generated from operating activities (a)</b>	<b>10.984</b>	<b>3.988</b>	<b>11.020</b>	<b>2.045</b>
<b>Investing activities</b>				
Acquisition of affiliates, securities and other investments	(916)	-	-	-
Acquisition of fixed assets	(729)	(729)	(429)	(552)
Proceeds from the sale of fixed assets	-	-	-	-
Interest received	31	40	-	2
Dividend received	-	-	128	128
<b>Total cash flows generated from investing activities (b)</b>	<b>(1.614)</b>	<b>(689)</b>	<b>(301)</b>	<b>(422)</b>
<b>Financing activities</b>				
Payments for capital leases	(360)	-	(360)	-
Proceeds from borrowings	-	-	-	-
Payment of borrowings	(8.681)	(1.848)	(8.609)	(968)
Dividends paid	(59)	(17)	-	-
<b>Cash flows from financing activities (c)</b>	<b>(9.100)</b>	<b>(1.865)</b>	<b>(8.969)</b>	<b>(968)</b>
<b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>270</b>	<b>1.434</b>	<b>1.750</b>	<b>655</b>
Cash and cash equivalents at the beginning of the period	3.564	3.733	1.250	1.831
<b>Cash and cash equivalents at the end of the period</b>	<b>3.834</b>	<b>5.167</b>	<b>3.000</b>	<b>2.486</b>

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

***INFORMATION AND EXPLANATORY NOTES ON THE INTERIM  
FINANCIAL STATEMENTS OF THE PERIOD 01.01.2015 – 30.06.2015***

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## 1. General information for the Company and the Group

The Parent company was established in 1967 (Government Gazette 201/10.04.67) under the corporate name “ANONIMI NAFTILIAKH ETAIREIA KRITIS S.A.” trading as “ANEK LINES” (hereinafter “ANEK” or the “Company”, or the “Parent company”) and is operating in the passenger ferry shipping sector. The Company’s seat is located in the municipality of Chania – Crete, and its registered offices are located on 148 Karamanli Ave. ANEK is recorded in General Company Register under number 121557860000 and its website address is [www.anek.gr](http://www.anek.gr). The Company’s shares have been listed since 1999 on the Athens Stock Exchange.

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 30<sup>th</sup> June 2015 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.

The number of personnel employed as at 30 June 2015 was 809 for the Company (out of which 600 were employed as vessels’ crew) and 909 for the Group (out of which 654 were employed as vessels’ crew). Respectively, at the end of the comparative period of 2014 the Company had a number of 900 and the Group 998.

**The interim financial statements as of 30<sup>th</sup> June 2015 were approved by the BoD of the Parent Company at the meeting of 28<sup>th</sup> August 2015.**

## 2. Preparation basis of the financial statements and accounting principles

The interim separate and consolidated financial statements as of 30<sup>th</sup> June, 2015 (hereinafter the “financial statements”) have been prepared according to the International Financial Reporting Standards (hereinafter “IFRS”), as issued by the International Accounting Standards Board (IASB) and adopted by the European Union, and more specifically to the IAS 34 “Interim financial reporting”. Therefore, they do not include all the information required for the annual financial statements and should be read in conjunction with the published statements as of 31 December 2014 that have been posted on the Company’s website at [www.anek.gr](http://www.anek.gr).

The basic accounting principles adopted in the preparation of the interim financial statements are the same as those followed in the preparation of the annual financial statements as of 31.12.2014, except for the new standards and interpretations which are applicable after January 1<sup>st</sup> 2015. The preparation of financial statements according to IFRS requires that the management makes estimates, assumptions and assessments that affect the assets and liabilities, the disclosures of contingent receivables and liabilities as of the date of the financial statements, as well as the published amounts of income and expenses. The actual results may differ from these estimates.

### ► Ability to smoothly continue performing activities (going concern)

The results for the last years were significantly burdened by extraordinary expenses such as the impairment vessels’ book value, as well as, the high fuel cost which is the Company’s main cost factor. As a result of the above, the Company’s and Group’s Equity is negative. Moreover, as described in Note 7, the total of long-term bank borrowings of the Parent on 31.12.2012 in the statement of financial position was transferred to current ones, according to paragraph 74 of IAS 1, as terms and conditions of the loan agreements were not met, in terms of loans’ servicing. As a result of this reclassification, total current liabilities of the Company as at 30.06.2015 amounted to € 327,7 million, while total current assets amounted to € 62,5 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 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 in year 2014 the vessels “SOPHOCLES V.” and “LEFKA ORI” were sold 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 since September 2014 came into force the expansion of joint venture operations in Adriatic and Crete routes.
- Finally, the annual General Assembly held on July 22<sup>th</sup> 2015 (postponed from June 22<sup>th</sup> 2015), approved the BoD's proposal for 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.

It is noted that at operational level, due to the measures have been taken in recent years, it has been achieved significant cost savings and improving of operating results. The reduction of operational cost continued in the first half of 2015 as a result, mainly, of the decreased fuel prices. Provided that the fuel prices will remain at these levels, is expected a further improvement in 2015 financial results.

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.

► **New standards and interpretations, revisions and amendments**

The International Accounting Standards Board (IASB), as well as the Interpretation Committee has issued a range of new IFRS and interpretations, which either are mandatory for accounting periods starting from January 1<sup>st</sup> 2015 and thereafter, or are not mandatory, as since the publishing date of the interim financial statements they have not been adopted from the European Union. The Group has adopted all the new IFRS and interpretations which are mandatory after January 1<sup>st</sup> 2015 and examines the effect in the financial statements of the potential adoption of the other IFRS and interpretations. The most significant new standards and interpretations are as follows:

***(α) New revised standards and interpretations that are effective from 1<sup>st</sup> January 2015 and have no impact on Group's and Company's financial statement:***

• **Annual improvements – Cycle 2011 - 2013**

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 above have been adopted by the European Union at December 2014.

- **IFRIC 21 – Levies**

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”.

***(B) New standards and interpretations that have been published but are not in force or adopted earlier by the Group and the Company:***

- **IFRS 9 – Financial instruments**

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**

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**

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.

- **Amendment to IAS 19 – Defined Benefit Plans: Employee Contributions**

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**

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**

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**

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 amendments will not affect the Group’s 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**

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**

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**

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**

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.

- **Annual improvements – Cycle 2010 - 2012**

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 2012 - 2014**

In September 2014, the IASB issued Annual Improvements to IFRSs 2012-2014 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.

### 3. Seasonal nature of business activities

The activities of Group shipping companies are highly seasonal, which affects the income and results of the interim financial statements. More specifically, the transportation of passengers and vehicles is particularly increased during summer months – due to tourism – and holidays, while the transportation of trucks demonstrates slight fluctuations during the year. Therefore, the highest sales take place during the third quarter of each year (from 01.07 to 30.09), which includes the summer months and the operating results of the first semester are not indicative of the annual results.

### 4. Segmental information

The basic business activity of the Group is concentrated upon passenger ferry shipping activities, both domestic and abroad. The main sources of revenue are generated from passengers, vehicles and truck fares, as well as other on-board activities (bar, restaurants, stores and casinos). Revenues of non-shipping Group companies are included in the figure “Other activities”. The following tables show the geographic allocation of activities of both the Group and the Company for the first half of 2015 and 2014:

01.01.15 - 30.06.15	Shipping segment		Other activities	Total
	Domestic	Abroad		
<b><u>The Group</u></b>				
Total Revenues	25.833	33.572	3.494	62.899
Gross results	(953)	6.171	1.331	6.549
Additions in vessels	68	4	-	72
Depreciation of vessels	2.513	2.298	-	4.811
Net book value of vessels	119.184	137.689	-	256.873
Non-distributed assets	-	-	-	93.359
<b>Total Assets as of 30.06.15</b>	-	-	-	<b>350.232</b>
<b><u>The Company</u></b>				
Total Revenues	21.373	33.572	-	54.945
Gross results	(296)	6.171	-	5.875
Additions in vessels	63	4	-	67
Depreciation of vessels	2.513	2.298	-	4.811
Net book value of vessels	116.267	137.689	-	253.956
Non-distributed assets	-	-	-	75.868
<b>Total Assets as of 30.06.15</b>	-	-	-	<b>329.824</b>

01.01.14 - 30.06.14	Shipping segment		Other activities	Total
	Domestic	Abroad		
<b><u>The Group</u></b>				
Total Revenues	34.449	31.408	3.377	69.234
Gross results	1.130	(940)	1.435	1.625
Additions in vessels	14	107	-	122
Depreciation of vessels	3.293	1.329	-	4.622
Net book value of vessels	182.730	91.511	-	274.241
Non-distributed assets	-	-	-	91.012
<b>Total Assets as of 30.06.14</b>	-	-	-	<b>365.253</b>

#### **The Company**

Total Revenues	29.914	31.408	-	61.322
Gross results	1.782	(940)	-	842
Additions in vessels	14	107	-	122
Depreciation of vessels	3.293	1.329	-	4.622
Net book value of vessels	179.827	91.512	-	271.339
Non-distributed assets	-	-	-	70.300
<b>Total Assets as of 30.06.14</b>	-	-	-	<b>341.639</b>

Revenue from domestic fares includes income from state subsidies for public services routes amounting to € 3.909 thousand for the Group. In the previous corresponded period the relevant amount was € 4.747 thousand.

Additions, depreciation and net book value of vessels were allocated to geographic activities depending on the time of operation of each vessel in domestic and abroad routes. Any further allocation would be arbitrary, given the fact that the above services and sources of income and cost were resulted from commonly used items of assets and equity and cannot be broken down into segments.

#### **5. Fixed assets**

The tables of tangible assets for the first half of 2015 and year 2014 for the Group and the Company are shown below:

The Group	Vessels	Land and buildings	Other equipment	Property in progress	Total
<b>Acquisition value 01.01.14</b>	<b>489.480</b>	<b>14.628</b>	<b>12.926</b>	<b>2.934</b>	<b>519.968</b>
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)
<b>Acquisition value 31.12.14</b>	<b>442.986</b>	<b>17.929</b>	<b>13.124</b>	<b>122</b>	<b>474.161</b>
Additions	72	35	330	293	730
Reductions	(13.301)	-	(441)	-	(13.742)
Transfers	-	-	122	(122)	-
<b>Acquisition value 30.06.15</b>	<b>429.757</b>	<b>17.964</b>	<b>13.135</b>	<b>293</b>	<b>461.149</b>
<b>Accumulated depreciation 01.01.14</b>	<b>206.657</b>	<b>2.197</b>	<b>10.150</b>	<b>-</b>	<b>219.004</b>
Depreciation	9.690	823	806	-	11.319
Reductions	(42.154)	(42)	(275)	-	(42.471)
Reclassification to current assets according IFRS 5	(6.120)	-	-	-	(6.120)
<b>Accumulated depreciation 31.12.14</b>	<b>168.073</b>	<b>2.978</b>	<b>10.681</b>	<b>-</b>	<b>181.732</b>
Depreciation	4.811	334	399	-	5.544
Reductions	-	-	(441)	-	(441)
<b>Accumulated depreciation 30.06.15</b>	<b>172.884</b>	<b>3.312</b>	<b>10.639</b>	<b>-</b>	<b>186.835</b>
<b>Net book value 31.12.14</b>	<b>274.913</b>	<b>14.951</b>	<b>2.443</b>	<b>122</b>	<b>292.429</b>
<b>Net book value 30.06.15</b>	<b>256.873</b>	<b>14.652</b>	<b>2.496</b>	<b>293</b>	<b>274.314</b>

The Company	Vessels	Land and buildings	Other equipment	Property in progress	Total
<b>Acquisition value 01.01.14</b>	<b>471.184</b>	<b>9.079</b>	<b>3.124</b>	<b>2.745</b>	<b>486.132</b>
Additions	26.852	452	41	111	27.456
Reductions	(63.154)	(41)	(194)	-	(63.389)
Transfers	-	2.856	-	(2.856)	-
<b>Acquisition value 31.12.14</b>	<b>434.882</b>	<b>12.346</b>	<b>2.971</b>	<b>-</b>	<b>450.199</b>
Additions	67	35	35	293	430
Reductions	(13.301)	-	-	-	(13.301)
Transfers	-	-	-	-	-
<b>Acquisition value 30.06.15</b>	<b>421.648</b>	<b>12.381</b>	<b>3.006</b>	<b>-</b>	<b>437.328</b>
<b>Accumulated depreciation 01.01.14</b>	<b>195.345</b>	<b>1.681</b>	<b>3.008</b>	<b>-</b>	<b>200.034</b>
Depreciation	9.690	748	49	-	10.487
Reductions	(42.154)	(41)	(194)	-	(42.389)
<b>Accumulated depreciation 31.12.14</b>	<b>162.881</b>	<b>2.388</b>	<b>2.863</b>	<b>-</b>	<b>168.132</b>
Depreciation	4.811	296	24	-	5.131
Reductions	-	-	-	-	-
<b>Accumulated depreciation 30.06.15</b>	<b>167.692</b>	<b>2.684</b>	<b>2.887</b>	<b>-</b>	<b>173.263</b>
<b>Net book value 31.12.14</b>	<b>272.001</b>	<b>9.958</b>	<b>108</b>	<b>-</b>	<b>282.067</b>
<b>Net book value 30.06.15</b>	<b>253.956</b>	<b>9.697</b>	<b>119</b>	<b>293</b>	<b>264.065</b>

Reductions for the first half 2015 include the value of a vessel for which a long-term charter contract resolved in April 2015. This contract had been recognized as a finance lease since the criteria of IAS 17 were fulfilling (see note 22 of the annual financial report 2014). The vessels' value in fixed assets was offset by a corresponding leasing liability.

#### Existing encumbrances on fixed assets

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

- a) 1<sup>st</sup> mortgages on the vessels of € 360,2 million and \$ 8,2 million,
- b) 2<sup>nd</sup> 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 € 230,5 million as at 30.06.2015.

### 6. Cash and cash equivalents

The cash and cash equivalents analysis is as follows:

	The Group		The Company	
	30.06.15	31.12.14	30.06.15	31.12.14
Cash on hand	469	257	436	237
Bank accounts	3.365	3.307	2.564	1.013
	<b>3.834</b>	<b>3.564</b>	<b>3.000</b>	<b>1.250</b>

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

### 7. Long term bank borrowings

The total long term loans of the Group on 30.06.2015 amounted to € 4.158 thousand, while on 31.12.2014 was € 4.303 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, therefore 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 are 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 31<sup>st</sup> 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. In 2014 was concluded the sale of the vessels «SOPHOCLES V.» and «LEFKA ORI» at a price of € 21 million en bloc reducing the Company's long term debt.

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 5 "Fixed assets"). 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.

#### 8. Other long term liabilities

Group's "other long term liabilities" as at 30.06.2015 amounting to € 10,3 million, include Parent Company's regulated tax obligations, as well as a subsidiary's regulated trade liabilities, the repayment of which extends beyond one year.

#### 9. 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.

	The Group		The Company	
	01.01.15- 30.06.15	01.01.14- 30.06.14	01.01.15- 30.06.15	01.01.14- 30.06.14
Earnings / (losses) after taxes corresponding to Parent shareholders	(13.058)	(21.180)	(12.123)	(18.562)
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 €)	(0,0692)	(0,1123)	(0,0643)	(0,0984)

#### 10. Income tax

The Company and the subsidiaries operating in 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 vessel), thus the results of the first half of the Group were charged by € 68 thousand. Moreover, the income tax for the Group's non-shipping companies amounted to € 101 thousand, while an amount of € 10 thousand referred to deferred taxes (revenue). The fiscal years of the parent company

and subsidiaries not subject to tax audit, are presented in the following table:

<b>Company</b>	<b>Unaudited years</b>
ANEK S.A.	2008 – 2014
LANE S.A.	2014
ETANAP S.A.	2009 – 2014
LEFKA ORI S.A.	2010 – 2014
ANEK HOLDINGS S.A.	2008 – 2014
AIGAION PELAGOS S.C.	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<sup>a</sup> 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 semi-annual 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.

### 11. Balances and transactions with related parties

Balances (receivables / liabilities) with associated parties, as defined by IAS 24, as at 30<sup>th</sup> June 2015 and 31<sup>st</sup> December 2014 are as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>30.06.15</b>	<b>31.12.14</b>	<b>30.06.15</b>	<b>31.12.14</b>
<b>Receivables from:</b>				
- subsidiaries	-	-	3.134	1.165
- affiliates	16	5	-	-
- other related parties	22.991	8.258	22.991	8.258
	<b>23.007</b>	<b>8.263</b>	<b>26.125</b>	<b>9.423</b>
<b>Liabilities to:</b>				
- subsidiaries	-	-	570	1.011
- affiliates	1.580	1.554	1.455	1.427
- other related parties	3	2	-	-
- executives & BoD members	335	257	201	132
	<b>1.918</b>	<b>1.813</b>	<b>2.226</b>	<b>2.570</b>

Correspondingly, the purchases and the sales with associated parties for the first half of 2015 and 2014 are as follows:

	The Group		The Company	
	01.01.15- 30.06.15	01.01.14- 30.06.14	01.01.15- 30.06.15	01.01.14- 30.06.14
<b>Purchases of goods &amp; services from:</b>				
- subsidiaries	-	-	56	75
- affiliates	141	671	139	669
- other related parties	-	-	-	-
	<b>141</b>	<b>671</b>	<b>195</b>	<b>744</b>
<b>Sales of services to:</b>				
- subsidiaries	-	-	2.046	4.121
- other related parties	-	-	-	-
	-	-	<b>2.046</b>	<b>4.121</b>

The Parent Company's results include income from dividends of subsidiary "ETANAP" amounting to € 128 thousand same as in the corresponding period.

#### Key management compensation

The gross fees paid to Company executives and BoD members for the first half of 2015 and 2014 refer to short-term benefits and are analyzed as follows:

	The Group		The Company	
	01.01.15- 30.06.15	01.01.14- 30.06.14	01.01.15- 30.06.15	01.01.14- 30.06.14
Executive members of the BoD	350	346	201	201
Non-Executive Members of the BoD	8	10	3	4
Management executives	412	405	412	405
	<b>770</b>	<b>761</b>	<b>616</b>	<b>610</b>

## 12. Commitments

#### Operating leases

Group companies have signed operating lease agreements mainly regarding lease of buildings and chartering that are going to be terminated on various dates within the next five years. The minimum future payable lease for building and chartering of vessels based on the operating leases agreements on June 30<sup>th</sup> 2015 are as follows:

Within next year	4.107
From the 2 <sup>nd</sup> to the 5 <sup>th</sup> year	599
<b>Total</b>	<b>4.706</b>

#### Capital leases

The Parent Company has signed lease agreements for a vessel and the future lease payments according the relevant contract as at 30.06.2015 are as follows:

Within next year	1.001
From the 2 <sup>nd</sup> to the 5 <sup>th</sup> year	5.479
After 5 <sup>th</sup> year	5.816
<b>Total</b>	<b>12.296</b>

#### **Capital commitments**

There were no capital commitments for the Company or the Group as at 30<sup>th</sup> June 2015.

#### **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.).

### **13. 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. The relevant provisions that have been formed are amounting to € 354 thousand.

#### **Contingent liabilities / receivables**

The Group's contingent liabilities as at 30.06.2015 arising from its normal activity pertain to guarantees granted to secure liabilities and performance bonds amounting to € 6.687 thousand. Respectively, the Group has received guarantees for receivables amounting to € 21.095 thousand.

#### **"NORMAN ATLANTIC" case**

Regarding the fire incident of "NORMAN ATLANTIC", chartered by the Company, which took place in December 2014 (see note 29 of the Annual financial report for the year 2014), it is noted that the investigation as to the cause of the incident is in progress by the Italian and Greek judicial authorities. Due to the above mentioned incident claims were raised by parties sustained damages against the Company, the Owning Company and the Managers of the vessel, without however any civil suit or application for interim measures having been served to the Company until today. In order to manage the incident effectively, the Company has proceeded to a significant number of extrajudicial settlements regarding claims from passengers, vehicle and cargo owners and from the majority of the Greek crew. The above mentioned compensations and expenses are covered by the Mutual Insurance Association, with which the Company has a Charterers Liability Insurance Cover (Protection & Indemnity) along with FD&D cover.

## 14. Post balance events

### Macroeconomic conditions in Greece and capital controls

The bank holiday at the first 20 days of July and the continued imposition of capital controls have intensified the economic uncertainty and the pressure on the financial system and public finance. In this context the Greek government on July 8, 2015 submitted a three year funding request to ESM. On July 12, 2015 the European Council issued a report mentioning that the Greek government should enact a series of measures as prerequisite for the beginning of the negotiations aiming the drafting of a new financial assistance program under ESM. The Greek parliament on 15 & 23 of July approved a part of the prerequisites with the passing of the law 4333/2015 «for the negotiation and conclusion of a loan agreement under ESM and the law 4334/2015 «urgent arrangements for the negotiation and conclusion of an agreement with ESM», while on 14 of August was concluded the voting of the law 4336/2015 “Provisions regarding pensions - Ratification of the Draft Agreement on the Financial Assistance by the European Stability Mechanism (E.S.M.) regarding the implementation of the Financing Agreement”. To the extent that the Greek government and the creditors are in a common way for the implementation of a new financing program, the situation is expected to normalize gradually, however the result of this process cannot be estimated accurately at this stage. A possible failure to reach in an agreement could lead to an extension and worsening of the current situation, additional restrictions to capital movements and have an adverse effect on Group’s operation and cash flow.

### Tax issues

- Under the law 4334/2015 passed on July 16<sup>th</sup> 2015, the income tax rate for the Greek tax residents increased from 26% to 29% for the profits arising from January 1<sup>st</sup> 2015. This change is considering as a non-adjusting event after the reporting period and it is not presented in the interim financial statements. Due to the special tax framework for the Group’s shipping companies, the impact on deferred taxes of the tax rate change is limited. More specifically, it is estimated an increase of deferred tax liabilities by € 37,5 thousand for the Company (€ 14,0 thousand decrease of earnings and € 23,5 thousand decrease of other comprehensive income) and by € 111,5 thousand for the Group (€ 31,0 thousand decrease of earnings and € 80,5 thousand decrease of other comprehensive income).
- Under the law 4336/2015 passed on August 14<sup>th</sup> 2015, the tax amount according the law 27/1975 (tax applied to the shipping tons of the total tonnage of the vessel) are increased by 4% annually for the years 2016-2020.
- According the provisions of article 1 of the above law, from July 20<sup>th</sup> 2015 the passenger shipping services transferred to the VAT rate 23%, while under the law 4336/2015 since August 21<sup>st</sup>, 2015 the fuel surcharge of 3% on passenger and car tickets was abolished.

### General Assembly decision

The annual General Assembly held on July 22<sup>th</sup> 2015 (postponed from June 22<sup>th</sup> 2015). The Assembly decided the adoption of measures according to article 48, par.1c of law 2190/1920 and approved the BoD proposal for

the calling of an extraordinary General Meeting with agenda's issue a share capital increase 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.

#### **Other events**

On August 17, 2015, Greek state, at the frame of dealing with the humanitarian crisis emerged in islands of East Aegean due to the sudden and vast entrance of a large amount of immigrants, has chartered the Company's vessel "EL. VENIZELOS" for their accommodation and transportation.

There are no other facts subsequent to June 30<sup>th</sup> 2015 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, 28 August 2015**

**Senior Vice-Chairman**

**Spyridon I. Protopapadakis**  
ID Card No. AA490648

**Chief Financial Officer**

**Stylios I. Stamos**  
ID Card No. M 068570

**Managing Director**

**Ioannis I. Vardinoyannis**  
ID Card No. Π 966572

**Chief Accountant**

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

