



Annual financial report

for the fiscal year

from January 1st to December 31st 2015



according to article 4 of law 3556/2007

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The annual financial report for fiscal year 2015 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 2016.

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 2015 to 31st December 2015, 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 2016

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

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FISCAL YEAR 2015

This annual report by the Board of Directors of ANEK S.A. for the fiscal year from 1st January to 31st December 2015 was drafted in accordance with the provisions of Codified Law 2190/1920 (articles 43^a, 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. 43^a, par. 3(d) of Codified Law No. 2190/1920.

I. OVERVIEW OF ACTIVITIES & FINANCIAL POSITION

Year 2015 was a peculiar year for the Greek economy, having as main features the restrictions in the movement of capital, the destabilization of the banking system and the return to recession. At the same time, the year presented a record in tourism traffic and tourism receipts, ending with a surplus in the current account balance. The formation of oil prices at a considerably lower level compared to previous years, resulted in a significant reduction in energy costs for households and businesses. The reduction in fuel prices influenced positively the results of the passenger shipping sector which seems to recover, reversing the negative trend of the recent years. This is of particular importance, given the fact that the contribution of the Greek coastal shipping in GDP is very significant, through its strategic role, since in many cases, is the only connecting link between the continental and the island region of Greece.

Group's management, during the last difficult seven years for the sector, through specific actions, such as joint venture establishment and participation, more effective management of vessels and itineraries, extraordinary charters, redeployment and sale of vessels etc., has achieved to offset to a great extent the negative effects of the general adverse economic environment, the sharp decline in passenger and freight traffic, the high fuel costs and the lack of liquidity. The reduction in operating cost has led to a gradual improvement of results during the last years, while year 2015 was characterized by the return of the Group's results to profitability for the first time since 2007.

In 2015, 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". Finally, under the scope of a more efficient management of the fleet, a vessel of the company was chartered during the summer period in a company abroad, while in do-

mestic extraordinary charters occurred.

Executing a total of 14% less itineraries compared to previous year, ANEK Group in 2015, in all routes operated, transferred in aggregate 1,0 million passengers compared to 1,4 million in 2014, 176 thousand private vehicles compared to 227 thousand in the previous year and 137 thousand trucks compared to 151 thousand. It is noted that the figures of 2015 are not fully comparable with those of 2014, due to the extension from November 2014 of the “JOINT VENTURE ANEK S.A. & SUPERFAST ENDEKA (HELLAS) INC” in the routes of Crete and Adriatic.

The Group’s consolidated turnover in 2015 amounted to € 159,8 million compared to € 169,5 million in 2014, the gross profit amounted to € 42,6 million compared to € 25,6 million and Group’s earnings before interest, tax, depreciation and amortization (EBITDA) amounted to € 29,6 million in 2015 compared to € 10,1 million in 2014. Finally, the results after taxes and minority interests amounted to profits of € 0,6 million compared to losses of € 17,8 million in 2014. In more details, the most important figures included in the Group’s financial statements and their variations are as follows:

► **Turnover**

Group’s turnover in 2015 reached at € 159,8 million, compared to € 169,5 million in 2014. Revenue from domestic shipping segment amounted to € 65,7 million, versus € 79,6 million in the previous fiscal year, revenue from shipping activities abroad amounted to € 85,8 million, compared to € 81,8 million, while revenue from the Group’s other activities during 2015 amounted to € 8,3 million versus € 8,0 million in 2014.

► **Gross profit**

Consolidated gross profit for the fiscal year 2015 showed significant improvement amounting to € 42,6 million, compared to € 25,6 million in 2014. Cost of sales shaped at € 117,2 million as opposed to € 143,9 million in the previous year. The decrease in operating cost of 2015 is mainly attributed to the reduction in fuel prices.

► **EBITDA**

Group’s profit before interest, taxes and depreciation (EBITDA) in 2015 stood at € 29,6 million versus € 10,1 million in 2014. The notable increase in EBITDA during 2015 derives mainly from the increase of gross profit before depreciation of amount € 17,4 million and the reduction in selling and administrative expenses before depreciation of amount € 2,3 million compared to 2014.

► **Financial and investment results**

The Group's net financial cost in 2015 amounted to € 16,7 million compared to € 15,9 million in 2014. The results from investing activities amounted to losses of € 0,6 million compared to losses € 2,0 million in 2014, referring mainly to security evaluations and adjustments in the book value of the Group's vessels. Furthermore, the earnings from associates amounted to € 10 thousand compared to € 84 thousand in the previous year.

► **Net results - Total comprehensive income / (expenses)**

Net results after taxes and minority interests in 2015 were formed in positive level after several years, amounting to profits of € 0,6 mil., compared to losses of € 17,8 mil. in 2014. Similarly, the total comprehensive income / (expense) after taxes and minority interests amounted to profits of € 1,0 mil. in 2015 compared to losses of € 17,9 mil. in the previous year.

► **Key information of financial position statement**

- The net book value of the Group's fixed tangible assets as of 31.12.2015 amounted to € 270,3 million, compared to € 292,4 million as at 31.12.2014. Depreciation for year 2015 amounted to € 11,5 million and additions amounted to € 4,3 million. Disposals amounted to € 13,3 million and refer to the value of a vessel for which in April 2015 was terminated the long term leasing contract, which in 2014 was recognized as financial lease and classified in fixed assets, according to IAS 17. Moreover, a Parent Company's vessel value of € 1,6 million was reclassified in current assets as a non-current asset held for sale.
- The Group's trade receivables as at 31.12.2015 showed decrease and formed at € 39,9 million compared to € 45,4 million at the end of previous year, while other short-term receivables amounted to € 6,7 million compared to € 10,4 million. The provision formed for doubtful debts for 2015 amounted to € 1,5 million, compared to € 2,2 million in 2014.
- The Group's cash and cash equivalents as of 31.12.2015 amounted to € 6,4 million compared to € 3,6 million as at 31.12.2014.
- The Group's long term bank borrowings amounted to € 3,9 million compared to € 4,3 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).
- Due to the aforementioned reclassification, the Group's short-term bank liabilities as of 31.12.2015 formed at € 279,7 million compared to € 274,2 million as at 31.12.2014. Significant decrease presented the other liabilities of the Group. More specifically, trade payables amounted to € 20,0 million compared to € 29,4 million, while other short term liabilities amounted to € 14,5 million, com-

pared to € 24,9 million at the end of previous year. Moreover, liabilities of € 7,8 million at 31.12.2015 (€ 5,6 million in 2014) 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 2015 amounted to € 20,2 million, compared to € 1,5 million in the previous year, due to the significant improvement in operating results. The investing activities showed outflows of € 7,4 million (mainly due to assets additions and securities acquisition) compared to inflows amounted to € 21,7 million in 2014 (due to vessels’ sales). Finally, the financing activities outflows amounted to € 9,9 million compared to inflows € 23,4 million in 2014, mainly, due to payments of bank borrowings.

▶ **Financial ratios**

- Significant improvement showed the Group’s gross profit margin (%) for 2015 and formed at 26,7% compared to 15,1% in 2014. Respectively, EBITDA margin for 2015 was also improved and formed at 18,5% compared to 6,0% in the previous year.
- The ratios of general liquidity ratio (:1) “Current assets / Current liabilities” and quick liquidity (:1) “(Current assets - Inventories) / Current liabilities” remained stable compared to previous year and formed at 0,20 and 0,19 respectively. 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 0,59 in 2015 compared to 0,58 in 2014. Moreover, the assets ratio (:1) “Turnover / Total assets” was 0,48 compared to 0,47 in the 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 2015, same as 2014, while the “Long and short term borrowings / (Equity + Liabilities)” ratio formed at 0,85 in 2015 compared to 0,77 in 2014. All above ratios were significantly affected by the decrease in equity, as a consequence of the negative results.

▶ **Equity adequacy**

Due to the negative results of recent years, total equity as at 31.12.2015 is negative, meeting the provisions of art. 48 of Codified Law 2190/20. The annual General Assembly of the Parent company held in 22 July 2015 (postponed from 22 June 2015) decided, among others, the adoption of measures in order to restore the ratio of equity to share capital, to no longer having the reasons to apply the subsection c of par.1 of article 48 of C.L. 2190/1920, and approved the proposal of the Board of Directors 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 ongoing discussions with the lending banks on the restructuring of long-term debt of the Company and the prevailing economic conditions.

II. SIGNIFICANT EVENTS OF FISCAL YEAR 2015 AND SUBSEQUENT

- ▶ 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 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 vessel "IERAPETRA" of subsidiary LANE, that was presented as "non-current assets held for sale" and was valued since fiscal year 2014 at its contractual sale value.
- ▶ On August 14, 2015 the Greek government, at the frame of handling the crisis created in the eastern Aegean islands due to the sudden mass arrival of thousands of third-country citizens, chartered the vessel "EL. VENIZELOS", for their transportation to the mainland. The vessel during 2015 carried a total of 116 thousand people from the islands of the eastern Aegean to Piraeus. This charter is continued in 2016.
- ▶ Referring to the development of the case of the incident of the fire in the chartered vessel "NORMAN ATLANTIC" in December 2014 (see note 29 of the annual financial report of 2014), it is noted that the investigation as to the cause of the incident is in progress by the Italian and Greek judicial authorities. The above mentioned incident has already brought claims and interim measures raised by a significant number of parties sustained damages against the Company, the owning company and the managers of the vessel, while efforts are continued for extrajudicial settlements of the claims of the parties sustained damages, with satisfactory results up to date. 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, and therefore it is not expected to have a material impact on the financial results.
- ▶ In February 2016 was concluded the sale of vessel "LATO" of the Parent company, that in 31.12.2015 was presented as "non-current assets held for sale" and was valued at its contractual sale value. The proceeds of the sale decreased the bank borrowings of the Company.

III. MAJOR RISKS & UNCERTAINTIES

Following is an analysis of the major business risks faced by the Group. 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 2015 was as follows:

Fuel price change	Effect on results and equity
±5% / metric ton	(-/+) € 2,0 million
± 10% / metric ton	(-/+) € 4,0 million
± 20% / metric ton	(-/+) € 8,0 million

The Group's fuel and lubricants cost for 2015 represented a 35% of the total cost of sales, as compared to 43% in 2014. Despite the significant reduction in international oil prices in 2015, the cost of fuel continuous to be Group's most basic operating cost. 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 2015 was as follows:

Rate change	Effect on results and equity
± 0,5%	(-/+) € 1,1 million
± 1%	(-/+) € 2,2 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. The Company has submitted a proposal which is under discussion with the lender banks and it is expected that it will soon be reached an agreement. Moreover, Group's management has already taken various measures for strengthening the working capital, 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, vessels sales etc., while the Annual General Meeting held on July 2015 accepted the proposal of the BoD for the calling of an extraordinary General Meeting with agenda's issue a share capital increase. It is also noted that the significant improvement in operating results of 2015 had an immediate impact on liquidity, something that is reflected in the substantial reduction of trade payables and other current liabilities compared to the previous year. Finally, Group's management expects a positive outcome from the legal procedure against the company "MINOAN LINES SA" in relation to the deposit forfeiture (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 optimize the allocation of vessels per route, evaluate 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 € 28,0 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 limited in relation to the total of purchases and expenses. Moreover, a small part of the short term loans of the Group obtained in foreign currency (USD) was repaid in 2016 without any significant exchange differences.

IV. PROSPECTS & EVOLUTION

The prospects of the Group and the passenger shipping sector in operational level for 2016 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 fluctuation of fuel prices in significantly lower levels than those in previous years, if kept also in 2016, will lead to a further reduction in operating costs of the Group. However, given that the trend of the international oil price is an unpredictable factor, any further assessment of their impact on the results of 2016 would be arbitrary.

Also, the Group's management estimates that within the coming period there will be reached an agreement with the lender banks regarding the restructuring of long-term loans of the Parent company, which will have direct positive impact on financial results due to the reduction of financial costs. After the positive results of 2015, the strategic objectives for the Group for 2016 are focused on improving profitability and strengthening the capital structure of the Parent.

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, ANEK HOLDINGS S.A.), its associate (ANEK LINES ITALIA) and its related parties (JV ANEK S.A. & SUPERFAST ENDEKA (HELLAS) INC., hereafter "JOINT VENTURE"), 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 2015 ANEK invoiced the subsidiary LANE with the amount of € 949 thousand (€ 337 thousand in 2014) and the subsidiary AIGAION PELAGOS with the amount of € 5.367 thousand (€ 7.963 thousand in 2014) for chartering of vessels, commissions and administrative support services.
- The subsidiary ETANAP invoiced the Parent Company for sale of products with the amount of € 140 thousand (€ 197 thousand in 2014), while the company LEFKA ORI had income for the rental of machinery to ETANAP the amount of € 185 thousand (141 thousand in 2014). LANE invoiced AIGAION PELAGOS with the amount of 360 thousand (zero in 2014) for vessels' chartering.
- The associate ANEK LINES ITALIA invoiced the Parent Company with the amount of € 396 thousand (€ 901 thousand in 2014) and the JOINT VENTURE with the amount of € 1.303 thousand (€ 1.078 thousand in 2014) both for ticket issuance commissions.

■ **Dividends**

In 2015 ANEK had income from its subsidiary ETANAP from dividends amounted to € 128 thousand, same as 2014.

■ **Receivables / Liabilities**

- As of 31.12.2015 the Parent Company had a liability to subsidiary ETANAP amounting to € 113 thousand (€ 122 thousand as at 31.12.2014), a receivable from subsidiary LANE amounting to € 2.928 thousand (€ 1.117 thousand as at 31.12.2014), a receivable amounting to € 569 thousand from AIGAION PELAGOS (a liability amounting to € 889 thousand as at 31.12.2014) and a receivable from its subsidiary ANEK HOLDINGS S.A. amounting to € 56 thousand (48 thousand as at 31.12.2014). Moreover, as of 31.12.2015 ANEK had a receivable from the associate ANEK LINES ITALIA amounting to € 334 thousand (a liability of € 1.427 thousand at the end of previous year) and a receivable from JOINT VENTURE amounting to € 11.558 thousand (€ 8.259 thousand as at 31.12.2014).
- At the end of year 2015, LANE had a liability to AIGAION PELAGOS amounting to € 1.272 thousand (€ 986 thousand at the end of previous year) and LEFKA ORI had a receivable from ETANAP amounting to 100 thousand (€ 197 thousand on 31.12.2014). Finally, ANEK LINES ITALIA as at 31.12.2015 had a liability to JOINT VENTURE amounting to € 291 thousand (€ 822 thousand at the end of previous year) and a receivable from LANE amounting to € 125 thousand (€ 127 thousand on 31.12.2014).

■ **Key management compensation**

The gross fees to Directors and BoD members for fiscal years 2015 and 2014 refer to short term benefits and are analyzed as follows:

	Group		Company	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Executive members of the BoD	710	714	415	417
Non-Executive Members of the BoD	25	37	18	29
Management executives	812	806	812	806
	1.547	1.557	1.245	1.252

At the end of fiscal year 2015, the Group and the Company had a liability to the above persons amounted to € 16 thousand and € 120 thousand respectively (€ 132 thousand for the Company and € 257 thousand for the Group as at 31.12.2014). As of the financial statements 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 could appointed himself;
- b) the Mayor of Chania may appoint himself;
- 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 he deceased 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 among its members and by absolute majority 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 convene the BoD within the above deadline, the members who have requested the convention are allowed to convene the BoD themselves within a deadline of five (5) days from the expiry of the above seven (7)-day deadline, notifying a relevant invitation to other BoD members.

2.4 PASSING RESOLUTIONS

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

2.5 BINDING THE COMPANY

The Company is bound validly and is generally represented legally on the basis of two (2) signatures affixed, the first one must be that of the Chairman of the Board of Directors and the second one must be that of the Managing Director, both of them acting personally; if they are absent or impeded, they shall be replaced by their legal substitutes. It is mandatory that these two signatures are affixed under the Company's seal. By virtue of a resolution passed by the Board of Directors, BoD members and company employees may be authorized to sign for, bind and represent the Company, without prejudice to the restrictions laid down in art. 23 of the Memorandum of Association.

2.6 CONFIGURATION OF THE BOARD OF DIRECTORS – CURRICULA VITAE

By virtue of the Resolution of the General Shareholders' Meeting held on 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*	2 nd Vice Chairman - Executive Member of the BoD
Ioannis Stavropoulos	3 rd 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, while from 1989 up to date, he has a consultancy office under the name of "Creta Consulting". He is a member of the Association of Passengers Shipping companies (SEEN) and of the Council of Shipping Coastal Transportation (SAS).

- **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 SELETE.

- **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. He is also Vice President of P.E.D. of Crete and President of DE.DI.S.A. S.A.

- **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 PED 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" and "CHITAKI BROS ABEE". At the same time, he is Vice President 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 are allowed taking part in the vote taken to relieve them of liability only on the basis of the shares they hold. The same applies to Company employees.

4. INTERNAL AUDIT SERVICE

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

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

- It monitors the implementation and continuous observance of the Company's Internal Operating Regulation and Memorandum of Association, as well as of the overall legislation relating to the Company, and in particular of the legislation on sociétés anonymes and stock exchange.
- It reports to the Company's Board of Directors any cases of conflict between the private interests of BoD members or Company executives and the Company's interests, as identified during the performance of its duties.
- Internal auditors are required to inform the Board of Directors in writing at least once a quarter about the audit performed, as well as to attend the General Meetings of shareholders.
- Internal auditors provide, following approval by the Company's Board of Directors, any information requested in writing by Supervising Authorities, cooperate with these Authorities and facilitate their monitoring, auditing and supervising work in all possible ways.

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

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

Nikolaos Xynos, Head of Internal Audit

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

According to the aforementioned during the fiscal year 2015 the Internal Audit Service has conducted fre-

quent 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 2015 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 four (4) meetings a year. Especially, for the fiscal year 2015 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. Composition

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 COMMITTEE

1. Purpose

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

- a) 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 – 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.

3. Composition

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 to 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).

6. ORGANIZATIONAL AND OPERATING COMPANY STRUCTURES

6.1 GENERAL SECRETARIAT

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

6.2 PUBLIC RELATIONS AND COMMUNICATION DEPARTMENT

- The department makes recommendations to the Managing Director and ensures the formation and implementation of the Company's communication strategy.
- It promotes good relations with the media and ensures that the Company is promoted to and by these media.

- It sees to it that the Press is monitored and informs the Managing Director and Board of Directors about relevant reports.
- It sees to it that the Company is promoted at a local, national or international level through sponsors and other social activities.

6.3 SHAREHOLDER SERVICE DEPARTMENT

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

6.4 CORPORATE ANNOUNCEMENT DEPARTMENT

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

6.5 LEGAL DEPARTMENT

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

7. INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

7. 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 2015:

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 31.12.2015 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" 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 could appointed himself;
- b) The Mayor of Chania may appoint himself;
- 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 he deceased 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 2016

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 and consolidated financial statements of the Company "ANEK LINES SA", which comprise the separate and consolidated statement of financial position as of 31 December 2015, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting 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 separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and for such internal controls as 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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate 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 entity's preparation and fair presentation of the separate 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 system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

accounting estimates made by management, as well as evaluating the overall presentation of the 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 separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company "ANEK LINES AE" and its subsidiaries, as of 31 December 2015 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Emphasis of Matters

We draw your attention to the following:

a) Note 29 to the annual financial report where reference is made to the maritime incident of the chartered ship Norman Atlantic that happened in December 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 annual financial report and in particular to the fact that the working capital of the Group is negative by Euro 253,3 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 overdue liabilities to banks exist.

The above facts and the overall adverse conditions and restrictions in Greek economy as referred in note (30) to the annual financial statements, indicate the existence of material uncertainty in respect of the Group's ability to continue unhindered in operation as a going concern. In the note (2) to the annual financial statements 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 opinion is not qualified in respect of these matters.



Reference to Other Legal and Regulatory Requirements

a) The Report of the Board of Directors includes a corporate governance statement which provides all information set out in paragraph 3d of article 43a of cod. L. 2190/1920.

b) We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying separate and consolidated financial statements, under the legal frame of the articles 43a (§ 3a), 108 and 37 of cod. L. 2190/1920.

Athens, 31 March 2016

The Certified Public Auditors – Accountants

<p>EMMANOUIL N. DIAMANTOULAKIS Institute of CPA (SOEL) Reg. No. 13 101</p>  <p>Grant Thornton An instinct for growth™</p> <p>Chartered Accountants Management Consultants 56, Zefirou str., 175 64 Palaio Faliro, Greece Registry Number SOEL 127</p>	<p>KONSTANTINOS ATH. ARAMPATZIS Institute of CPA (SOEL) Reg. No. 34 351</p>  <p>SOL CERTIFIED PUBLIC ACCOUNTANTS Crowe Horwath.</p> <p>Associated Certified Public Accountants s.a. member of Crowe Horwath International 3, Fok. Negri Street - 112 57 Athens, Greece Institute of CPA (SOEL) Reg. No. 125</p>
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**ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL
STATEMENTS AS OF 31ST DECEMBER 2015**

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

STATEMENT OF COMPREHENSIVE INCOME

	Note	Group		Company	
		01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Turnover (sales)	4	159.845	169.476	140.867	149.713
Cost of sales	5	(117.200)	(143.852)	(103.119)	(128.477)
Gross profit		42.645	25.624	37.748	21.236
Other income	7	1.467	4.446	2.299	5.323
Administrative expenses	6	(9.105)	(9.057)	(8.166)	(8.115)
Selling expenses	6	(13.758)	(16.308)	(11.837)	(14.208)
Other expenses	7	(2.970)	(5.741)	(2.535)	(4.106)
Earnings/ (losses) before taxes, financing and investing results (EBIT)		18.279	(1.036)	17.509	130
Financial expenses	8	(16.821)	(17.734)	(16.695)	(17.493)
Financial income	8	95	1.841	47	1.767
Results from investing activities	9	(609)	(2.010)	(276)	(859)
Profit from associates	11	10	84	-	-
Profits / (losses) before taxes		954	(18.855)	585	(16.455)
Income tax	20	(501)	(342)	(134)	(103)
Earnings/ (losses) after taxes		453	(19.197)	451	(16.558)
<u>Other comprehensive income / (expenses)</u>					
Transferred to the income statement:					
Change of tax rate of land's deferred taxation		(78)	-	(23)	-
		(78)	-	(23)	-
Non-transferred to the income statement:					
Profit / (loss) for employee retirement benefits	21	459	(73)	447	(70)
Deferred taxes		(5)	-	-	-
		454	(73)	447	(70)
Other comprehensive income / (expenses) after taxes		376	(73)	424	(70)
Total comprehensive income / (expenses) after taxes		829	(19.270)	875	(16.628)
<u>Profit / (loss) attributable to:</u>					
Parent's Shareholders		559	(17.784)	-	-
Minority interest		(106)	(1.413)	-	-
Total comprehensive income / (expenses) attributable to:		960	(17.856)	-	-
Parent's Shareholders		960	(17.856)	-	-
Minority interest		(131)	(1.414)	-	-
Earnings/(losses) after taxes per share - basic (expressed in €)	25	0,0030	(0,0943)	0,0024	(0,0878)
Earnings / (losses) before taxes, financial, investing results & depreciation (EBITDA)		29.581	10.101	28.141	10.639

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

STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		31.12.15	31.12.14	31.12.15	31.12.14
ASSETS					
Tangible fixed assets	10	270.296	292.429	260.271	282.067
Investment property	10	1.823	1.828	700	705
Intangible assets	10	20	33	20	33
Investments in subsidiaries	11	-	-	2.475	2.475
Investments in associates	11	1.890	1.880	46	46
Other long term receivables		73	77	50	53
Deferred tax assets	20	239	213	-	-
Total non-current assets		274.341	296.460	263.562	285.379
Inventories	12	2.723	3.129	1.798	2.138
Trade receivables	13	39.892	45.381	36.473	40.965
Other short-term receivables	13	6.699	10.415	8.040	9.243
Financial assets at fair value through profit and loss	14	3.585	737	1.636	699
Cash and cash equivalents	15	6.392	3.564	3.977	1.250
Non-current assets held for sale	10	1.549	2.180	1.549	-
Total current assets		60.840	65.406	53.473	54.295
TOTAL ASSETS		335.181	361.866	317.035	339.674
EQUITY AND LIABILITIES					
Share capital	16	56.597	56.597	56.597	56.597
Share premium account	16	745	745	745	745
Reserves	17	7.387	7.398	5.952	5.976
Results carried forward	18	(77.564)	(78.539)	(78.266)	(79.165)
Total company shareholders' equity		(12.835)	(13.799)	(14.972)	(15.847)
Minority interest		4.280	4.558	-	-
Total equity		(8.555)	(9.241)	(14.972)	(15.847)
Long-term bank borrowings	19	3.883	4.303	3.883	4.303
Deferred tax liabilities	20	1.299	1.189	362	326
Employee retirement benefit liabilities	21	2.620	2.894	2.505	2.777
Other provisions	21	1.152	2.006	683	1.536
Subsidies payable	10	882	1.070	-	-
Capital lease liabilities	22	11.887	25.501	11.887	25.501
Other long term liabilities	23	7.831	5.560	6.827	3.560
Total non-current liabilities		29.554	42.523	26.147	38.003
Short-term bank borrowings	19	279.678	274.215	279.362	273.729
Trade payables	24	20.004	29.443	14.935	24.152
Other short term liabilities	24	14.500	24.926	11.563	19.637
Total current liabilities		314.182	328.584	305.860	317.518
Total liabilities		343.736	371.107	332.007	355.521
TOTAL EQUITY AND LIABILITIES		335.181	361.866	317.035	339.674

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 re-serves	Results carried forward	Total	Minority interest	Total
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)
Balance as at 01.01.2015		56.597	745	2.117	5.281	(78.539)	(13.799)	4.558	(9.241)
Total comprehensive income of fiscal year 2015	17-18			(51)		1.011	960	(131)	829
Dividends to non-controlling subsidiaries								(138)	(138)
Purchase of own shares of subsidiary						4	4	(9)	(5)
Reserves formed of subsidiaries					40	(40)	-		-
Shareholders' equity as at 31.12.2015		56.597	745	2.066	5.321	(77.564)	(12.835)	4.280	(8.555)

Company	Note	Share capital	Share premium	Asset revaluation reserves	Other re-serves	Results carried forward	Total
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)
Balance as at 01.01.2015		56.597	745	957	5.019	(79.165)	(15.847)
Total comprehensive income of fiscal year 2015	17-18			(24)		899	875
Shareholders' equity as at 31.12.2015		56.597	745	933	5.019	(78.266)	(14.972)

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

CASH FLOW STATEMENTS

	Group		Company	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Operating activities				
Profits / (loss) before tax	954	(18.855)	585	(16.455)
<i>Plus / (less) adjustments for:</i>				
Depreciation	11.504	11.343	10.632	10.509
Grants amortization	(202)	(206)	-	-
Impairment of value of fixed assets	91	1.902	91	-
Profit / (loss) from sale of non-current assets	(1)	20	(1)	-
Provisions	903	2.674	844	2.486
Foreign exchange differences	815	387	796	361
Results of investing activities	509	24	186	859
Financial expenses (less financial income)	15.911	16.910	15.851	16.769
	30.484	14.199	28.984	14.529
<i>Plus / (less) adjustments for changes of working capital accounts or related to operating activities:</i>				
Reduction / (increase) of inventories	372	1.379	339	995
Reduction / (increase) of receivables	7.812	(8.597)	4.178	(9.161)
Increase/(reduction) of payable accounts (except loan liabilities)	(16.097)	(2.809)	(14.350)	(3.577)
<i>Less:</i>				
Interest and related expenses paid	(1.898)	(2.331)	(1.799)	(2.105)
Income tax paid	(494)	(350)	(96)	(103)
Total cash flows generated from operating activities (a)	20.179	1.491	17.256	578
Investing activities				
Acquisition of affiliates, securities and other investments	(3.171)	(2)	(1.250)	(2)
Acquisition of fixed assets	(4.292)	(1.337)	(3.759)	(858)
Proceeds from the sale of fixed assets	1	23.000	1	21.000
Interest received	49	79	1	3
Dividend received	-	-	128	128
Total cash flows generated from investing activities (b)	(7.413)	21.740	(4.879)	20.271
Financing activities				
Purchase of own shares	(5)	(1)	-	-
Payments for capital leases	(802)	(367)	(802)	(367)
Proceeds from borrowings	-	5.370	-	5.370
Payments of borrowings	(9.018)	(28.311)	(8.848)	(26.433)
Dividends paid	(113)	(91)	-	-
Total cash flows generated from financing activities (c)	(9.938)	(23.400)	(9.650)	(21.430)
Net increase/ (decrease) in cash and cash equivalents (a) + (b) + (c)	2.828	(169)	2.727	(581)
Cash & cash equivalents at beginning of the year	3.564	3.733	1.250	1.831
Cash & cash equivalents at end of the year	6.392	3.564	3.977	1.250

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

NOTES ON THE FINANCIAL STATEMENTS OF FISCAL YEAR 2015

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.	48,01%	Stilos, Chania	Production and sale of bottled water
LEFKA ORI S.A.	60,49%*	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: 36,49%

** 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 2015 the subsidiary ETANAP acquired 2.833 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 47,96% to 48,01%. For the same reason the indirect participation and consequently the percentage in the subsidiary LEFKA ORI increased from 60,45% to 60,49%.

The number of personnel employed as at 31st December 2015 was 728 for the Company (out of which 537 were employed as crew aboard ships) and 819 for the Group (out of which 587 were employed as crew aboard ships). Respectively, at the end of year 2014 the Company had a number of 710 employees and the Group 787.

The annual financial statements of year 2015 have been approved by BoD of ANEK at the meeting of March 31st 2016.

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 2015 presented profit after tax -amounted to € 0,5 million- for the first time after fiscal year 2007. The results for the years 2008 - 2014 were significantly burdened by non-repeating expenses such as impairment of vessels' book value, provisions and high fuel prices which is the Company's main cost factor. As a result of the above, Company's and Group's Equity on 31.12.2015 were negative by € 15,0 million and € 8,6 million respectively.

Additionally, 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 were 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 31.12.2015 amounted to € 305,9 million, while total current assets amounted to € 53,5 million.

However, the improved financial results for 2015 permitted the elimination of all other due liabilities to the personnel and third parties. Indicatively the total short term liabilities (excluding banks) on 31.12.2015 amounted to € 26,5 million compared to € 43,8 million at the end of previous year.

The management of the Group has taken measures at operational, financial and capital level to deal with these problems by taking a series of actions such as:

- Contacts with creditor banks in order to agree the restructuring of the total long term debt of Parent Company. The Company has submitted a proposal which is under discussion with the banks and is expected to reach in a final agreement in the coming period. The loan restructuring is expected to significantly enhance the Company's results due to the reduction of financial cost. It is noted that in fiscal year 2014 was completed the sale of the vessels "SOPHOCLES V." and "LEFKA ORI", while in 2016 was concluded the sale of the vessel "LATO". The total amount of these vessels' sales decreased the Company's long-term debt, while is under examination the sale of other vessels that

would lead to a further reduction in of bank debt, without affecting the Group's operational capacity.

- 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 relative to the acquisition 33.35% of "HELLENIC SEAWAYS" (see note 29).
- 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 "ANEK SA – SUPERFAST ENDEKA (HELLAS) INC. & Co. JOINT VENTURE" until 2017, while from November 2014 is valid the expansion of joint venture operations in Adriatic and Crete routes.
- Finally, the annual General Assembly held on July 22th 2015 (postponed by June 22th 2015) decided - according to 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 ongoing 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 taken in recent years, it has been achieved significant cost savings and improvement of financial results. The decrease of fuel prices in year 2015 led to a further reduction in operational cost and assisted to reversing the negative course of recent years and the Group's return to profitability.

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 ENDEKA (HELLAS) INC. & Co**

Regarding the accounting policy of the presentation of «ANEK SA - SUPERFAST ENDEKA (HELLAS) INC. & Co JOINT VENTURE» (hereafter "joint venture") in Groups' financial statements, it is noted that IFRS 11 has 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 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.

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

The International Accounting Standards Board (IASB) and the IFRIC have issued a number of new IFRS and interpretations, which are either mandatory for accounting periods beginning on January 1st 2015 or after, or are not mandatory, as since the publishing date of the financial statements have not adopted by the European Union. The Group has fully adopted all IFRSs and interpretations that are effective after January 1, 2015, and examines the impact of the adoption of other IFRS and interpretations in the financial statements. The most significant new standards, interpretations and revisions are presented below:

(α) New standards and interpretations, revisions and amendments to existing Standards that are effective from 1st January 2015 and on and have been adopted by the European Union:

• **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. There was no significant effect of the implementation of above in the consolidated financial statements.

- **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 amendment is effective from July 1st, 2014. There was no significant effect of the implementation of above in the consolidated financial statements.

- **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. There was no significant effect of the implementation of above in the consolidated financial statements.

- **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 amendment is effective from January 1, 2016.

- **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.

- **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 above amendments are effective for annual periods beginning on or after 1 January 2016, and it is not expected to affect the Group's financial statements.

- **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.

- **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 above amendments are effective for annual periods beginning on or after 1 January 2016. The Group will examine the impact of the above on its financial statements.

- **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 above amendments are effective for annual periods beginning on or after 1 January 2016. The Group will examine the impact of the above on its financial statements.

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

- **IFRS 14 – Regulatory deferral accounts**

In January 2014, the IASB issued a new standard, IFRS 14. The aim of this interim Standard, which is effective for annual periods beginning on or after 1 January 2016, 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.

- **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.

- **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, that are effective for annual periods beginning on or after 1 January 2016, 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.

- **Amendment to IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses**

In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of this amendment is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The amendment is effective for annual periods starting on or after 01.01.2017. The Group will examine the impact of the above on its financial statements.

- **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 amendment is effective for annual periods starting on or after 01.01.2017.

- **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 will examine the impact of the above on its financial statements. The amendment is effective for annual periods starting on or after 01.01.2018. The Group is not going to adopt earlier the requirements of IFRS 9.

- **IFRS 16 – Leases**

In January 2016, the IASB issued a new standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognize assets and liabilities arising from a lease. The IFRS 16 effective for annual periods starting on or after 01.01.2019. The Group will examine the impact of the above on its financial statements.

3. Principal accounting policies

The principal accounting policies used in preparing the attached annual financial statements for fiscal year 2015 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 income".

(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 vessels 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 vessels, 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 vessel. It is deemed that there are no components of a different useful life other than subsequent expenses relating to additions to and improvements of vessels, which are separated and depreciated partially and based on equal amounts within a five-year period. The residual values of vessels 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 ac-

quisition 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 vessels 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 vessels are exempted from income taxes. According to the same law, the vessels 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 4334/2015 (as amended the article 58 of 4172/2013) is 29%. 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 settle-

ment 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 vessels 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 outside 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 under current 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 Level 1 that are observable for the asset or liability, either directly or indirectly.

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

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 turn-

over are included in “other activities”. The following chart presents a geographical segmentation of the activities of both the Group and the Company for 2015 and 2014:

01.01.15 - 31.12.15	Shipping activities		Other Activities	Total
	Domestic	Abroad		
Group				
Revenues from fares	62.102	78.733	-	140.835
On board revenues	3.374	6.846	-	10.220
Other	233	246	8.311	8.790
Total income	65.709	85.825	8.311	159.845
Cost of sales	53.301	59.028	4.871	117.200
Gross operating results	12.408	26.797	3.440	42.645
Vessels additions	3.481	322	-	3.803
Vessels depreciation	4.610	5.364	-	9.974
Vessels impairment	91	-	-	91
Net book value of vessels	97.130	156.672	-	253.802
Non distributed assets	-	-	-	81.379
Total Assets 31.12.15	-	-	-	335.181
Company				
Revenues from fares	51.639	78.733	-	130.372
On board revenues	3.174	6.846	-	10.020
Other	229	246	-	475
Total income	55.042	85.825	-	140.867
Cost of sales	44.091	59.028	-	103.119
Gross operating results	10.951	26.797	-	37.748
Vessels additions	3.318	321	-	3.639
Vessels depreciation	4.610	5.364	-	9.974
Vessels impairment	91	-	-	91
Net book value of vessels	94.054	156.672	-	250.726
Non distributed assets	-	-	-	66.309
Total assets 31.12.15	-	-	-	317.035

01.01.14 - 31.12.14	Shipping activities		Other Activities	Total
	Domestic	Abroad		
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

Revenue from domestic fares in 2015 includes income from state subsidies for public services routes amounting to € 9.226 thousand for the Group compared to € 9.990 thousand in the previous year 2014.

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

5. Cost of sales

The cost of appearing on the financial statements of 2015 and 2014 can be analyzed as follows:

	Group		Company	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Crew cost, crew benefits, etc.	31.546	32.911	28.370	30.366
Fuels, lubricants and consumables	47.004	68.821	39.415	58.400
Insurance, port expenses, water supply	9.889	9.613	9.089	8.937
Repair & maintenance, chartering and other operating expenses	17.962	22.048	16.271	21.084
Depreciation	10.799	10.459	9.974	9.690
	117.200	143.852	103.119	128.477

6. Administrative / Selling expenses

Administrative expenses for 2015 and 2014 are analyzed below:

	Group		Company	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Payroll cost and other personnel expenses	5.698	5.576	5.509	5.336
Other administrative expenses	3.249	3.309	2.514	2.628
Depreciation	158	172	143	151
	9.105	9.057	8.166	8.115

Respectively, the selling expenses are analyzed as follows:

	Group		Company	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Payroll cost & other personnel expenses	3.589	4.458	3.333	4.146
Sales commissions	6.679	7.867	6.261	7.326
Other selling expenses	2.943	3.271	1.728	2.068
Depreciation	547	712	515	668
	13.758	16.308	11.837	14.208

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

7. Other income / expenses

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

	Group		Company	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Provision of services to third parties, rental fees, commissions and other	589	573	1.486	1.548
Income from claims and forfeiture clause	152	3.396	120	3.396
Income from subsidies and other	726	477	693	379
	1.467	4.446	2.299	5.323

Respectively, other expenses are analyzed as follows:

	Group		Company	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Provisions (doubtful receivables and other)	1.687	2.491	1.667	2.252
Penalties for tax debts settings	-	1.060	-	1.047
Other expenses	1.283	2.190	868	807
	2.970	5.741	2.535	4.106

Concerning the formation of a provision for doubtful receivables for fiscal year 2015, see note 13 "Trade receivables and other current liabilities".

8. Financial results

Financial expenses and income are analyzed as follows:

	Group		Company	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Interest expenses	14.629	16.067	14.579	15.922
Other financial expenses	1.323	920	1.273	849
Foreign exchange difference expenses	869	747	843	722
	16.821	17.734	16.695	17.493
Interest income	41	76	1	2
Foreign exchange difference income	54	361	46	361
Income from interest write-off	-	1.404	-	1.404
	95	1.841	47	1.767

Other financial expenses in year 2015, apart from commissions and other bank expenses, include the financial costs arising from the leasing contract of a Company's vessel, as well as interest on tax regulations pertain to the current year. Financial income of 2014 included the amount of € 1,4 million pertain to write off of interest of previous years. There were no borrowing costs that were capitalized during the year.

9. Results from investing activities

The results from investing activities of the Group and the Parent Company for fiscal years 2015 and 2014 include:

	Group		Company	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Profits / (losses) from the sale and measurement of financial assets at fair value	(331)	(108)	(313)	(987)
Income from dividends	-	-	128	128
Investment on property assets value	(91)	(1.902)	(91)	-
Other losses	(187)	-	-	-
	(609)	(2.010)	(276)	(859)

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 31.12.2015, incurred losses amounting to € 313 thousand resulted. Moreover, during the year 2015 the Parent Company had income from dividends € 128 thousand from subsidiary "ETANAP". Upon the impairment test of the value of Group's vessels, which is carried out at the end of each fiscal year, as well as from the reclassification of a vessel, according to IFRS 5, in current assets (see below note 10) there was a need for further impairment of amount € 91 thousand. The respective amount for 2014 was € 1.902 thousand. Group's other losses for 2015 refer to subsidiary vessel sale liquidation expenses.

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 01.01.14	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 to IFRS 5	(8.300)	-	-	-	(8.300)
Acquisition value 31.12.14	442.986	17.929	13.124	122	474.161
Additions	3.803	76	388	26	4.293
Reductions	(13.300)	-	(18)	-	(13.318)
Transfers	-	-	122	(122)	-
Impairment	(91)	-	-	-	(91)
Reclassification to current assets according to IFRS 5	(10.671)	-	-	-	(10.671)
Acquisition value 31.12.15	422.727	18.005	13.616	26	454.374

Group	Vessels	Land and buildings	Other equipment	Property in progress	Total
Accumulated depreciation 01.01.14	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
Depreciation	9.974	671	841	-	11.486
Deductions	-	-	(18)	-	(18)
Reclassification to current assets according IFRS 5	(9.122)	-	-	-	(9.122)
Accumulated depreciation 31.12.15	168.925	3.649	11.504	-	184.078
Net book value 31.12.14	274.913	14.951	2.443	122	292.429
Net book value 31.12.15	253.802	14.356	2.112	26	270.296

Company	Vessels	Land and buildings	Other equipment	Property in progress	Total
Acquisition value 01.01.14	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
Additions	3.639	60	60	-	3.759
Reductions	(13.300)	-	(18)	-	(13.318)
Transfers	-	-	-	-	-
Impairments	(91)	-	-	-	(91)
Reclassification to current assets according IFRS 5	(10.671)	-	-	-	(10.671)
Acquisition value 31.12.15	414.459	12.406	3.013	-	429.878
Accumulated depreciation 01.01.14	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
Depreciation	9.974	595	46	-	10.615
Deductions	-	-	(18)	-	(18)
Reclassification to current assets according IFRS 5	(9.122)	-	-	-	(9.122)
Accumulated depreciation 31.12.15	163.733	2.983	2.891	-	169.607
Net book value 31.12.14	272.001	9.958	108	-	282.067
Net book value 31.12.15	250.726	9.423	122	-	260.271

Reductions of fixed assets for year 2015 of amount € 13,3 million refer to a value of a vessel for which its leasing contract was terminated in April 2015. This contract was recognized as finance lease since the criteria of IAS 17 were met (see note 22 "Capital leases liabilities"). The value of which the vessel was recorded in fixed assets was offset with the corresponding liability of finance lease.

Also, the amount of € 1,6 million (€ 10,7 million of acquisition value minus € 9,1 million of accumulated depreciation) which was reclassified in the statement of financial position under "Non-current assets held for sale" in accordance with the provisions of IFRS 5, relates to the contractual sale value of a vessel of the Parent, completed in February 2016. The impairment loss resulted from the reclassification of the vessel to current assets is included in "results from investing activities" of the Group.

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 2015 amounted to € 27 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 01.01.14	2.036	961
Additions / (reductions) for the year	49	-
Acquisition value 31.12.14	2.085	961
Additions / (reductions) for the year	-	-
Acquisition value 31.12.15	2.085	961
Accumulated depreciation 01.01.14	251	251
Depreciation for the year	5	5
Accumulated depreciation 31.12.14	256	256
Depreciation for the year	6	5
Accumulated depreciation 31.12.15	262	261
Net Book Value 31.12.14	1.828	705
Net Book Value 31.12.15	1.823	700

Intangible assets

The total of intangible assets refer to the Group's computer software, whose values for 2015 and 2014 are as follows:

	2015	2014
Acquisition value 01.01	2.066	2.062
Additions for the year	-	4
Acquisition value 31.12	2.066	2.066
Accumulated depreciation 01.01	2.033	2.015
Depreciation for the year	13	18
Accumulated depreciation 31.12	2.046	2.033
Net Book Value 31.12	20	33

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

▮ 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 31.12.2015 the total current value of the owned vessels of the Group was € 242,1 million. In a vessel that its net book value was less than its current value at the end of 2015, it was used its 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 8,4% that was also used in the corresponding previous year.

▮ Grants for assets

The non-amortized balance of the Group's grants for assets as at 31st December 2015 amounted to € 1.070 thousand of which € 882 thousand are shown under "non-current liabilities" and € 188 thousand included in "other current liabilities". The movement of grants for assets in 2015 and 2014 are analyzed as follows:

	2015	2014
Opening net book value (non-current & current liabilities)	1.272	1.478
Transfer to fixed assets	-	-
Amortization of grants	(202)	(206)
Non amortized balance of grants	1.070	1.272
Transfer to current liabilities	(188)	(202)
Grants for assets as non-current liabilities	882	1.070

▮ Existing encumbrances on fixed assets

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

- a) 1st mortgages on the vessels of € 360,2 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 € 232,1 million as at 31.12.2015.

Depreciation of fixed assets

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

	Group		Company	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Cost of sales	10.799	10.459	9.974	9.690
Administrative expenses	158	172	143	151
Selling expenses	547	712	515	668
	11.504	11.343	10.632	10.509

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	31.12.15	31.12.14
LANE	-	-
ETANAP S.A.	2.227	2.227
LEFKA ORI S.A.	248	248
ANEK HOLDINGS S.A.	-	-
AIGAION PELAGOS S.C.	-	-
	2.475	2.475

Since 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.

Affiliates

The participation value in the associate “ANEK LINES ITALIA S.r.l.” in the consolidated financial statements stands at € 1.890 thousand on 31.12.2015 and in comparison to the previous year, is increased by the part of earnings for the year 2015 that corresponds to the Group. The main figures of the financial statements of associate “ANEK LINES ITALIA S.r.l.” for year 2015 are as follows:

Total assets	7.906	Total turnover	4.549
Less: Total liabilities	<u>(4.050)</u>	Earnings before taxes	155
Total equity	3.856	Earnings after taxes	19

During the year 2015, “ANEK LINES ITALIA S.r.l.” did not distribute any dividends. The “earnings from associates” in the consolidated results of amount € 10 thousand represent the Group’s share on the total comprehensive income after taxes of an affiliate for fiscal year 2015. The corresponding amount for year 2014 was € 84 thousand.

12. Inventories

Inventories as at 31.12.2015 and 31.12.2014 are analyzed as follows:

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
Fuel and lubricants	1.749	2.072	1.564	1.784
Merchandise, products, raw and auxiliary materials and packaging materials	974	1.057	234	354
	2.723	3.129	1.798	2.138

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	
	31.12.15	31.12.14	31.12.15	31.12.14
Trade (outstanding balances)	36.923	35.414	34.216	31.617
Cheques and notes	31.004	36.495	29.005	34.575
	67.927	71.909	63.221	66.192
Less: provisions for doubtful receivables	(28.035)	(26.528)	(26.748)	(25.227)
	39.892	45.381	36.473	40.965

During the impairment test on accounts receivables of 31.12.2015 the necessity emerged to form a provision for doubtful receivables amounting to € 1.521 thousand for the Company and the Group. The accumulative provisions as at 31.12.2015 are considered 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 2015 is as follows:

	Group	Company
Opening balance	26.528	25.227
Additional provision	1.521	1.521
Used provision	(14)	-
	28.035	26.748

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:

	Group	Company
Fully paid receivables	24.686	21.863
<u>Non-impaired receivables in arrears</u>		
< 90 days	494	187
90 - 180 days	6.838	6.783
> 180 days	7.874	7.640
	39.892	36.473
Impaired receivables	28.035	26.748
	67.927	63.221

Other short-term receivables as of 31.12.2015 and 31.12.2014 are analyzed as follows:

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
Other state receivables	656	512	222	174
Prepayments to suppliers	1.054	1.004	781	961
Accrued expenses & prepaid expenses	1.493	1.111	1.410	1.029
Sundry debtors	3.496	7.788	5.627	7.080
	6.699	10.415	8.040	9.243

In “sundry debtors” as at 31.12.2015 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	
	31.12.15	31.12.14	31.12.15	31.12.14
Shares of companies listed on the ASE	273	72	258	62
Other investments	3.312	665	1.378	637
	3.585	737	1.636	699

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

15. Cash and cash equivalents

The cash and cash equivalents analysis is as follows:

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
Cash on hand	1.446	257	845	237
Bank accounts	4.946	3.307	3.132	1.013
	6.392	3.564	3.977	1.250

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 2015 and 2014 are analyzed as follows:

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
Legal reserve	179	139	-	-
Statutory reserves	225	225	-	-
Property revaluation reserves	2.066	2.117	933	957
Other reserves	4.917	4.917	5.019	5.019
	7.387	7.398	5.952	5.976

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.

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. These reserves during 2015 were decreased by € 51 thousand for the Group and € 24 thousand for the Company due to the change on the tax calculation rate of deferred tax. These amounts are recorded in "other comprehensive income" for the year 2015 as figures transferred to the income statement.

Other reserves

Other reserves include, mainly, reserves from special taxation regime which are subject to tax in case they are distributed, but due to accumulated losses are not going to be distributed, and therefore the relative deferred taxes were not computed.

18. Results carried forward

The movement during 2015 of the «results carried forward» account for the Group and the Company is as follows:

	Group	Company
Opening balance	(78.539)	(79.165)
Net results for fiscal year 2015	559	451
Profit / (loss) for employee retirement benefits	452	447
Formation of legal reserve	(40)	-
Other movements (own shares purchases from a subsidiary)	4	-
Result carried forward at the end of year	(77.564)	(78.266)

19. Long term and short term bank borrowings

Long term loans

The total long term loans of the Group on 31.12.2015 amounted to € 3.883 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 is in contact with the lender banks in order to modify the terms and conditions of the total of long-term debt. The Company has submitted a proposal which is under discussion with the lender

banks and it is expected that it will soon be reached an agreement.

Company's syndicated loans initially amounting to a total of € 245 million were obtained in 2008, from a group of banks, on the basis of a floating interest rate (Euribor plus margin) for a period of 8 years (with the end maturity date set at 31st March 2016). 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 took place the sale of two vessels at the price of € 21 million en block, with which long term loan decreased, while it was concluded a long term bilateral loan of € 5,4 million.

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

According to the terms and conditions of the relevant agreements, the Company may repay these debts earlier free of charge. The loan agreements also lay down the conditions for termination thereof, including not in-time payment, non-compliance with the general and financial guarantees provides. 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 2015 was 5,86%.

The total interest expenses for the Company's long-term loans, for years 2015 and 2014 amounted to € 13.108 thousand and € 13.544 thousand, respectively.

Short term loans

In Group's «short term bank borrowings» on 31.12.2015 are included the long-term loans that have been reclassified amounted to € 214,8 million and the interest due of long term debts amounted to € 47,0 million. The respective amount for the balance of long term loans, including interest due, on 31.12.2014 was € 249,1 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 31.12.2015 amounted to € 17.837 thousand compared to € 25.115 thousand on 31.12.2014, while the Company's amounted to € 17.521 thousand compared to € 24.628 thousand in the previous year.

The total interest expense for the Parent Company's short term loans for years 2015 and 2014 amounted to € 1.471 thousand and € 2.051 thousand, respectively.

20. Deferred tax and income tax

The Parent company and its subsidiaries operating in 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 vessels). The unaudited fiscal years of the Parent Company and of the consolidated subsidiaries are presented in the following table:

Company	Unaudited years
ANEK	2008 – 2010
LANE	–
ETANAP S.A.	2009 – 2010
LEFKA ORI S.A.	2010
ANEK HOLDINGS S.A.	2008 – 2010 & 2014-2015
AIGAION PELAGOS SC	2011 – 2015

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 - 2014 did not reveal major 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 year 2014 has been audited according to POL. 1124/15, and is pending the finalization of the audit by tax authorities. The tax audit of 2015 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 for tax differences of previous years are amounted to € 218 thousand for the Company and € 386 thousand for the Group.

The income tax appearing in profit and loss account for the years 2015 and 2014 for the Company and the Group is analyzed as follows:

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
Income tax on taxable income	376	276	-	-
Tax under Law 27/1975	124	105	121	104
Deferred taxes of temporary differences	(31)	(39)	(1)	(1)
Difference in deferred taxes due to change in tax rate	32	-	14	-
	501	342	134	103

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 ex-

pected to be used as a basis for settling receivables and liabilities in the future. During 2015, because of the change in tax rate, cost was resulted included in the income statement of amount € 32 thousand for the Group and € 14 thousand for the Company. Respectively, with € 78 thousand for the Group and € 23 thousand for the Company was burdened the other comprehensive income due to change in deferred tax calculation rate of land.

The balance of the Group's deferred tax liabilities as at 31.12.2015 amounted to € 1.299 thousand (€ 362 thousand for the Company), resulted 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 31.12.2015 amounting to € 239 thousand resulted, mainly, from provisions for doubtful debts.

21. Employee benefits / Other provisions

Payroll cost

As at 31.12.2015 the Group employed a total of 819 persons as on board and offices personnel. Payroll cost included in the financial statements is analyzed as follows:

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
Wages and salaries	34.865	36.702	31.747	33.907
Other employee benefits	1.256	1.308	1.204	1.262
Employer contributions for social security	4.603	5.017	4.160	4.579
	40.724	43.027	37.111	39.748
Plus: Retirement cost of plans in results	264	110	255	100
	40.988	43.137	37.366	39.848

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 2015 and 2014, as well as, the movement of the liabilities for employee compensations.

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

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
Opening balance	2.894	2.625	2.777	2.472
Benefits paid	(129)	(236)	(129)	(203)
Provision recognized in income statement	314	432	304	438
Provision recognized in equity	(459)	73	(447)	70
Net balance at the end of year	2.620	2.894	2.505	2.777

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 vessel 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	
	31.12.15	31.12.14	31.12.15	31.12.14
Current service cost	109	110	100	100
Interest cost	52	89	50	84
Termination benefits	(28)	32	(27)	53
Past service cost	181	201	181	201
Total employee benefits cost	314	432	304	438

According the revised IAS 19, the actuarial results arising from the re-calculation of the present value of the defined benefit obligation and the fair value of assets is now recognized in equity. The movement of actuarial results in equity statement is as follows:

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
Opening balance	(620)	(693)	(504)	(575)
Actuarial gains / (losses) recognized in other comprehensive income	(459)	73	(447)	70
Ending balance	(1.079)	(620)	(952)	(504)

The main actuarial assumptions are the following:

Average annual long-term growth of inflation	2%
Discount rate.....	2%
Average annual long-term payroll increase	2%
Average years of working life.....	13,61 years

The actuarial results are depended 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 5,8%, while the opposite movement, ie the use of lower discount rate by 0,5%, would result to a

higher liability by 5,8%.

- Respectively, 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 5,8% while the opposite movement would result to a lower liability by 5,8%.

Other provisions

The Group's other provisions as at 31.12.2015 amounting to € 1.152 thousand (€ 683 thousand for the Company) pertain to tax audit differences of previous years of amount € 386 thousand, additional social security contributions of amount € 312 thousand, and litigious disputes or disputes in arbitration of amount € 454 thousand.

22. Capital leases liabilities

The Company during 2014 proceeded with the sale of two vessels, while at the same time 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. In April 2015 was signed the termination of the long-term charter settlement agreement of one vessel which was returned to the owner company. The vessel was chartered from the owner to new charterer, while the Company retains the rights of chartering and purchase of the vessel, as identified in the initial agreement with the owner in the event of non-exercise of its right from the new charterer. The total liability under the relevant contract as at 31.12.2015 amounted to € 12,8 million of which an amount of € 11,9 million is including in non-current liabilities. The aging of the capital leases liabilities as at 31.12.2015 is as follows:

Within next year	874
Between 2 – 5 years	4.390
After 5 years	7.497
Total	12.761

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

23. Other long term liabilities

On 31.12.2015 an amount of € 6,8 million which referred on regulated tax obligations of the Parent Company (acc. to law 4305/2014), as well as, an amount of € 1,0 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. The respective amounts at the end of previous year were € 3,6 million and € 2,0 million.

24. Trade and other current liabilities

Trade liabilities include the following:

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
Trade liabilities	18.407	27.914	13.536	23.388
Cheques payable	1.597	1.529	1.399	764
	20.004	29.443	14.935	24.152

Respectively, the other current liabilities are as follows:

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
Taxes and social security	7.951	9.416	6.861	8.498
Customer prepayments	602	3.274	240	1.008
Sundry creditors	3.266	8.575	2.051	6.921
Accrued expenses	172	1.344	149	1.221
Deferred income	2.509	2.317	2.262	1.989
	14.500	24.926	11.563	19.637

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 € 726 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	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Earnings / (losses) after taxes corresponding to Parent shareholders	559	(17.784)	451	(16.558)
<i>Weighted number of shares</i>	<i>188.654.892</i>	<i>188.654.892</i>	<i>188.654.892</i>	<i>188.654.892</i>
Earnings / (losses) after taxes per share - basic (expressed in €)	0,0030	(0,0943)	0,0024	(0,0878)

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 2015 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 2015 and 2014 are as follows:

	Group		Company	
	31.12.15	31.12.14	31.12.15	31.12.14
Receivables from:				
- subsidiaries	-	-	3.554	1.165
- affiliates	351	5	334	-
- other related parties	11.558	8.258	11.558	8.258
- executives & BoD members	-	-	-	-
	11.909	8.263	15.446	9.423
Liabilities to:				
- subsidiaries	-	-	113	1.011
- affiliates	125	1.554	-	1.427
- other related parties	-	2	-	-
- executives & BoD members	120	257	16	132
	245	1.813	129	2.570

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

	Group		Company	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Purchases of goods & services from:				
- subsidiaries	-	-	140	197
- affiliates	399	904	396	901
- other related parties	-	-	-	-
	399	904	536	1.098
Sales of services to:				
- subsidiaries	-	-	6.336	8.326
- other related parties	-	-	-	-
	-	-	6.336	8.326

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.

Intercompany dividends

The Parent Company's results for the fiscal year 2015 include income from dividends of subsidiary "ETANAP" amounting to € 128 thousand, same as 2014.

Key management compensation

The gross fees to Directors and BoD members for fiscal years 2015 and 2014 refer to short term benefits and are analyzed as follows

	Group		Company	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Executive members of the BoD	710	714	415	417
Non-Executive Members of the BoD	25	37	18	29
Management executives	812	806	812	806
	1.547	1.557	1.245	1.252

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 2015 for the mandatory audit of the Group's annual accounts, as well as, the tax audit, amounted to € 207 thousand and no other services were provided.

28. Commitments and contractual liabilities

Operating leases

As at 31.12.2015 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 2020). The lease and charter expenses included in the attached profit and loss account for 2015 amounted to € 6.379 thousand, while in 2013 were € 11.100 thousand. The minimum future payable lease and charter fees for buildings and vessels on non-reversible operating leases at 31st December 2015 are as follows:

In the following year	9.508
From the 2 nd to the 5 th year	11.402
Total	20.910

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

▮ **Capital leases**

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

Within next year	1.249
Between 2 – 5 years	5.479
After 5 years	5.126
Total	11.854

▮ **Capital commitments**

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

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 31.12.2015 the relevant provisions that have been formed amounting to € 454 thousand.

▮ **Contingent liabilities / receivables**

The Group's contingent liabilities as at 31.12.2015 arising from its normal activity pertain to guarantees granted to secure liabilities (mainly in connection with subsidized routes) and performance bonds amounting to € 5.769 thousand. Respectively, the Group has received guarantees for receivables amounting to € 20.912 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**

Referring to the development of the case of the incident of the fire in the chartered vessel “NORMAN ATLANTIC” in December 2014 (see note 29 of the annual financial report of 2014), it is noted that the investigation as to the cause of the incident is in progress by the Italian and Greek judicial authorities. The above mentioned incident has already brought claims and interim measures raised by a significant number of parties sustained damages against the Company, the owning company and the managers of the vessel, while efforts are continued for extrajudicial settlements of the claims of the parties sustained damages, with satisfactory results up to date. The above mentioned compensations and expenses are covered by the

Mutual Insurance Association, with which the Company has signed Protection & Indemnity insurance cover and legal protection (FD&D), therefore, it is not expected to burden the financial results.

▮ Legal procedure against "MINOAN LINES SA"

Regarding the arbitration process that the Company has initiated before an arbitration court in London against the company "MINOAN LINES SA" (see note 29 of Annual Financial Report of 2014) the management of the Group anticipates a positive result.

On 13.12.2015, the company "MINOAN LINES SA" against that action by ANEK, brought by the «Amended Defense and Counterclaim Submissions» and «Schedule to Amended Defense», by calling to be recognized to her the right to keep the deposit, and on the other hand to be given, in its capacity as shareholder, compensation for poor management of "HELLENIC SEEWAYS SA" by the board of directors of the latter. Ancillary, is requesting a fair compensation.

In appreciation of the Company's legal advisors:

a) the treatment of ANEK has significant chances of success

b) the counterclaim of "MINOAN LINES SA" has no real chance of success both on procedural grounds and on grounds relating to the substance. Finally, ANEK has filed before the arbitration court in London procedural request which requests a declaration that the counterclaim of "MINOAN LINES SA" does not fall within the arbitration clause. The chances of success of the procedural request are extremely high.

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 € 28,0 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	
	01.01.15- 31.12.15	01.01.14- 31.12.14	01.01.15- 31.12.15	01.01.14- 31.12.14
Trade receivables	39.892	45.381	36.473	40.965
Other receivables	6.699	10.415	8.040	9.243
Cash and cash equivalents	6.392	3.564	3.977	1.250
	52.983	59.360	48.490	51.458

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".

■ **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. The Company has submitted a proposal which is under discussion with the lender banks and it is expected that it will soon be reached an agreement. Moreover, Group's management has already taken various measures for strengthening the working capital, 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, vessels sales etc., while the Annual General Meeting held on July 2015 accepted the proposal of the BoD for the calling of an extraordinary General Meeting with agenda's issue a share capital increase. It is also noted that the significant improvement in operating results of 2015 had an immediate impact on liquidity, something that is reflected in the substantial reduction of trade payables and other current liabilities compared to the previous year. Finally, Group's management expects a positive outcome from the legal procedure against the company "MINOAN LINES SA" in relation to the advance forfeiture (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 31.12.2015 is as follows:

	up to 6 months	6 to 12 months	above 1 year
Trade liabilities	19.506	498	1.004
Other current liabilities	10.469	1.350	6.827

■ **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 short-term loans of the Group concluded in foreign currency (USD) was repaid during the year 2016 without any significant exchange differences.

■ 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 2015 was as follows:

Rate change	Effect on results and equity
± 0,5%	(-/+) € 1,1 million
± 1%	(-/+) € 2,2 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 2015 was as follows:

Fuel price change	Effect on results and equity
±5% / metric ton	(-/+) € 2,0 million
± 10% / metric ton	(-/+) € 4,0 million
± 20% / metric ton	(-/+) € 8,0 million

The Group's fuel and lubricants cost for 2015 represented a 35% of the total cost of sales, as compared to 43% in 2014. Despite the significant decrease in fuel prices in 2015, fuel cost remains the most key factor for Group's operating cost. 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.

■ **Macroeconomic conditions in Greece and restrictions on movements of capital (capital controls)**

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

- a) the smooth operation of the Company and the Group does not depend largely on imported goods,
- b) receipts and payments of the Group up to date are settled smoothly,
- c) the effect on the Company's revenues from a possible reduction in traffic, especially in domestic, is small valued,
- d) the Company's financing margins from the banking system were already limited before the capital controls,
- e) the valuations of major assets of the Group, ie vessels, are based primarily on the international market data and are not affected by the macroeconomic conditions in Greece.

To the extent that the Greek government and the international creditors are in a common course for the implementation of the financing plan, the situation is expected to be gradually normalized, but the result of such a process cannot be accurately estimated at this stage.

■ **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. The Group still aims at maintaining a high level of solvency and, as part of adapting its capital structure, it can 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:

	31.12.2015	31.12.2014
Total debt	283.561	278.518
Less: cash equivalents	(6.392)	(3.564)
Net borrowing (a)	277.169	274.954
Total equity	(8.555)	(9.241)
Total capital employed (b)	268.614	265.713
Leverage ratio (a) / (b)	103,18%	103,48%

It is noted that the annual General Assembly held in July 2015 approved the proposal of the Board of

Directors 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 and the prevailing economic conditions. Also, the sale of two vessels in 2014 and one in 2016 resulted to a reduction of the Company's debt, while the possibility for further sale of vessels is considered, with which further reduction in debt would be incurred.

■ 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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Current assets				
Trade receivables	39.892	45.381	36.473	40.965
Other receivables	6.699	10.415	8.040	9.243
Cash and cash equivalents	6.392	3.564	3.977	1.250
Financial assets at fair value	3.585	737	1.636	699
	56.568	60.097	50.126	52.157
Non-current liabilities				
Financial liabilities measured at amortized cost	3.883	4.303	3.883	4.303
Capital leases liabilities	11.887	25.501	11.887	25.501
Other long term liabilities	7.831	5.560	6.827	3.560
Current liabilities				
Financial liabilities measured at amortized cost	279.678	274.215	279.362	273.729
Capital leases liabilities	874	907	874	907
Trade & other liabilities	30.949	49.800	23.213	39.672
Total liabilities	335.102	360.286	326.046	347.672

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 31.12.2015 amounts to € 3.585 thousand, are relating to shares of listed companies, shares in cooperative banks and mutual funds, 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

In February 2016, the sale of vessel "LATO" was concluded. There are no facts subsequent to 31st December 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, 31 March 2016

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

Stylios I. Stamos
ID Card No. M 068570

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

DATA AND INFORMATION FOR FISCAL YEAR 2015

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 2015 to 31 December 2015 (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 required, 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 31, 2016 Certified auditors - accountants: Diamantoulakis Emmanouil (SOEL Reg. No. 13101), Arampatzis Konstantinos (SOEL Reg. No. 34351) Auditing Firms: GRANT THORNTON (Reg. No 127), SOL SA (Reg. No 125) Type of auditors' report: Unqualified opinion (emphasis of matters)		BOARD OF DIRECTORS Katsanavakis Georgios (Chairman) Archontakis Georgios (Deputy Managing Director) Krasanakis Adamantios (M&A)C Protopoulos Spyridon (Senior Vice Chairman) Achlioptas Konstantinos (Member) Malandrakis Ioannis (Member) Apostolakis Emmanouil (B' Vice Chairman) Vamvoukas Anastasios (Member) Mararakis Michael (Member) Stavropoulos Ioannis (C' Vice Chairman) Georvakakis Michael (Member) Markantonakis Alexandros (Member) Vardinoyannis Ioannis (Managing Director) Kantiliarakis Dimitrios (Member) Fragkiadakis Georgios (Member)		
STATEMENT OF FINANCIAL POSITION (parent company and consolidated) (Amounts in € thousand)		TOTAL COMPREHENSIVE INCOME (parent company and consolidated) (Amounts in € thousand)		
	Group	Company	Group	Company
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
ASSETS			from 01.01 to	from 01.01 to
			31.12.2015	31.12.2014
Tangible assets	270.296	292.429	260.271	282.067
Investments in property	1.823	1.828	700	705
Intangible assets	20	33	20	33
Other non-current assets	2.202	2.170	2.571	2.574
Inventories	2.723	3.129	1.798	2.138
Trade receivables	39.892	45.381	36.473	40.965
Other current assets	10.284	11.152	9.676	9.942
Cash & cash equivalents	6.392	3.564	3.977	1.250
Non current assets held for sale	1.540	2.180	1.540	-
TOTAL ASSETS	335.181	361.866	317.035	339.674
EQUITY & LIABILITIES				
Share capital	56.597	56.597	56.597	56.597
Other equity items	(69.432)	(70.396)	(71.569)	(72.444)
Equity attributable to shareholders of the parent (a)	(12.835)	(13.799)	(14.972)	(15.847)
Minority interests (b)	4.280	4.558	-	-
Total Equity (c) = (a) + (b)	(8.555)	(9.241)	(14.972)	(15.847)
Long-term borrowings	3.883	4.303	3.883	4.303
Provisions and other long-term liabilities	25.671	38.220	22.264	33.700
Short-term borrowings	279.678	274.215	279.362	273.729
Other short-term liabilities	34.504	54.369	26.498	43.789
Total liabilities (d)	343.736	371.107	332.007	355.521
TOTAL EQUITY AND LIABILITIES (c) + (d)	335.181	361.866	317.035	339.674
STATEMENT OF CHANGES IN EQUITY (parent company and consolidated) (Amounts in € thousand)		CASH FLOW STATEMENT (parent company and consolidated) (Amounts in € thousand)		
	Group	Company	Group	Company
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
			from 01.01 to	from 01.01 to
			31.12.2015	31.12.2014
Equity at the beginning of the year (01.01.2015 and 01.01.2014, respectively)	(9.241)	10.170	(15.847)	781
Total comprehensive income after taxes	829	(19.270)	875	(16.628)
Increase / (decrease) of share capital	-	-	-	-
Dividends paid	(138)	(140)	-	-
Other equity movements	(5)	(1)	-	-
Equity at the end of the year (31.12.2015 and 31.12.2014, respectively)	(8.555)	(9.241)	(14.972)	(15.847)
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 31.12.2015 including locations, percentage Group ownership and consolidation method. 2. The basic accounting principles adopted in the financial statements, are consistent with those of the annual financial statements as at 31.12.2014 adjusted with the revisions to IFRS. 3. 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 € 454 thousand and for the Company € 300 thousand. 4. The number of employees at 31.12.2015 was 819 persons for the Group (728 for the Company) and at 31.12.2014 was 797 (710 for the Company). 5. 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. 6. Group other comprehensive income for year 2015 refer by € 454 thousand to actuarial profits and by € 78 thousand (negative) to deferred taxes from land revaluation due to change of tax rate. Other comprehensive income for 2014 referred to actuarial losses. "Other equity movements" in statement of changes in equity refers to a subsidiary's own shares acquisition. 7. 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 € 386 thousand (€ 218 thousand for the Company). The accumulated provisions for doubtful debts amounted to € 28.035 thousand for the Group and € 26.748 thousand for the Company, while the provisions for retirement benefits amounted to € 2.620 thousand for the Group and € 2.505 thousand for the Company. Other provisions amounted to € 313 thousand for the Group and € 145 thousand for the Company. 8. The ratio "Earnings / (losses) after taxes per share basic - (in €)" are calculated based on the weighted average number of total shares. 9. The emphasis of matters paragraph in the auditors' report refer that: "We draw your attention to the following: a) Note 29 to the annual financial report where reference is made to the maritime incident of the chartered ship Norman Atlantic that happened in December 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 annual financial report and in particular to the fact that the working capital of the Group is negative by Eur. 253.3 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 overdue liabilities to banks exist. The above facts and the overall adverse conditions and restrictions in Greek economy as referred in note 30) to the annual financial statements, indicate the existence of material uncertainty in respect of the group's ability to continue as a going concern. In the note (2) to the annual financial statements 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 opinion is not qualified in respect to these matters. 10. Intercompany transactions (inflows and outflows) since the beginning of the current year and intercompany balances as of 31.12.2015 that have resulted from the transactions with the related parties, as defined by IAS 24, are as follows:				
	Group	Company		
a) Inflows	-	6.464		
b) Outflows	399	536		
c) Receivables	11.909	15.446		
d) Payables	125	113		
e) Key management compensations	1.547	1.245		
f) Receivables from key management	-	-		
g) Payables to key management	120	16		
Chania, 31 March 2016				
THE SENIOR VICE-CHAIRMAN	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT	
SPYRIDON I. PROTOPAPADAKIS ID. No. AA 490648	IOANNIS I. VARDINOYANNIS ID. No. I1966572	STYLIANOS I. STAMOS ID. No. M 068570	IOANNIS E. SPANOUDAKIS H.E.C. License No. 205991A' CLASS	

INFORMATION PROVIDED UNDER ART. 10 OF LAW 3401/2005

The above disclosures and announcements made by ANEK in 2015 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 website at www.anek.gr.

DATE	SUBJECT:
20.02.15	Announcement for change of Board of Directors
10.03.15	Reply to Hellenic Capital Market Commission
24.03.15	Announcement of law 3556
30.03.15	Announcement for financial calendar 2015
31.03.15	Financial results for the fiscal year 2014
31.03.15	Announcement according art. 4.1.4.4 of A.S.E.
30.04.15	Amendment to financial calendar of 2015
27.05.15	1 st quarter 2015 financial results
27.05.15	Announcement according art. 4.1.4.4 of A.S.E.
27.05.15	Preliminary Announcement for the Ordinary General Meeting
22.06.15	Postponing of Ordinary General Meeting
23.07.15	Ordinary General Meeting's decisions
28.08.15	1 st semester 2015 financial results
28.08.15	Announcement according art. 4.1.4.4 of A.S.E.
16.11.15	3 rd quarter 2015 financial results
16.11.15	Announcement according art. 4.1.4.4 of A.S.E.