



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

## **Interim Financial Report** **for the period ended June 30<sup>th</sup> 2012 (1/1 – 30/6/2012)**

**In accordance with article 5 of law 3556/2007**

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## **Statements of the members of the Board of Directors**

**(In accordance with article 5 par. 2 of law 3556/2007)**

We, the undersigned, hereby state that to the best of our knowledge:

1. The condensed interim Company stand-alone and consolidated financial statements of «MINOAN LINES SHIPPING S.A.» for the period from January 1<sup>st</sup> 2012 to June 30<sup>th</sup> 2012, as prepared in accordance with the applicable International Financial Reporting Standards, give a true view of the assets, liabilities, equity, and the financial results for the six-month period ended June 30<sup>th</sup> 2012, both of the Company «MINOAN LINES SHIPPING S.A.», and of the companies included in the consolidation, taken as a whole, in accordance with the provisions of paragraphs 3 and 5 of article 5 of law 3556/2007 and,
2. The report of the Board of Directors for the first six-month period ended June 30<sup>th</sup> 2012 gives a true view of the information required in accordance with paragraph 6 of article 5 of law 3556/2007.

**Heraklion, August 28<sup>th</sup> 2012**

**The Vice Chairman**  
**of the B.o.D.**

**Konstantinos**  
**Mamalakis**  
**ID C No AA 367050**

**The Managing**  
**Director**

**Antonios**  
**Maniadakis**  
**ID C No AI 944699**

**The Member**  
**of the B.o.D.**

**Georgios**  
**Papageorgiou**  
**ID C No P 314734**

**Report of the Board of Directors of**  
**«MINOAN LINES SHIPPING S.A.»**  
**on the financial statements for the period**  
**ended June 30<sup>th</sup> 2012 (1/1 – 30/6/2012)**

This report refers to the company as well as to the consolidated financial statements for the six months ended June 30<sup>th</sup> 2012, and has been prepared in accordance with paragraph 6 of article 5 of law 3556/2007.

**Significant events for the six-month period of 1/1–30/6/2012 – Effect on Financial Statements**

During the first six months of 2012, the Greek economy continued building on the recessionary cycle (5th consecutive year with negative growth) without showing any signs of recovery. The escalation of the credit crisis in combination with the uncertainty arising from the possible exit of Greece from the Eurozone area, have caused the negative review of the predictions related to the financial results and the reduction of Greece's public deficit.

The vast unemployment rise in Greece (23.1%) in combination with the newly imposed austerity measures and the lack of development measures, intensified the recession which recorded values of -6.5% for the first quarter and -6.2% for the second quarter of 2012. (Source: ELSTAT)

The second quarter of the year evolved into a static period which slowed down the effort for growth. The prolonged election period which started at the end of April and lasted till mid-June reinforced the uncertainty and political instability while the rumors claiming the country's exit from the Eurozone area were rapidly intensified. All of the above together with the limited cash liquidity coming from the negative financial results of the Greek banking sector and the need for recapitalization, adversely impacted any possible future investment in the country.

Due to the adverse economic environment and the stabilization of the fuel prices at extremely high levels, the financial results of the shipping industry adversely effected.

Despite the economic downturns and global credit crisis, Minoan Lines not only succeeded in retaining its healthy condition, but also improved its financial status. The first half of 2012 was a period in which Minoan Lines, after careful consideration, took some very important decisions which are expected to improve the company's position. The decision to withdraw its vessels from the route of Patras-Venice from the 1<sup>st</sup> of April was the outcome of the company's strategic control and reduction of operating costs. Thus, despite the expected limitations regarding total turnover, the benefits from the minimization of expenses are significant, with total operating costs before depreciation recording a decrease of 15.6% compared to the corresponding period of 2011.

The Company is not only active in a highly competitive sector of the shipping industry, but also retains its top position in the North Adriatic lines while recording extremely developed market share in the demanding line of Heraklion-Pireaus. Moreover, both the Company's EBITDA and net results noted a considerable improvement, with their loss dropping by 29.4% and 15.4% respectively.

## **Traffic Volumes**

Despite the fact that the first two quarters of 2012 were overshadowed by the global recession and high competition among companies, the Company retained its position in the North Adriatic market. In total, the Company's vessels were preferred by 126 thousand passengers, 28 thousand cars and 38 thousand trucks while the market shares added to 44.4% for the passengers, 41.0% for the private vehicles and 45.3% for the trucks.

Furthermore, the Company retained the top spot in market share in the Patras-Ancona line, while experiencing a further improvement compared to the corresponding period of 2011. Specifically, the market shares added to 52.4% for the passengers, 49.4% for the private vehicles and 54.5% for the trucks, while the Minoan Lines' vessels performed 48.5% of the total trips.

In the domestic line of Heraklion-Pireaus, Minoan Lines not only retained its high ranking position but saw its market share increased compared to the first six months of 2011. The company's vessels transported in total 334 thousand passengers, 32 thousand cars and 27 thousand trucks. These market shares also remained very high, recording 65.9% for the passengers, 60.9% for the cars and 45.0% for the trucks, respectively.

## **Financial Results – Balance Sheet**

The most important items of the Statement of Financial Position and Statement of Comprehensive Income of the Company that have been prepared in accordance with I.F.R.S. are presented below:

- «Non-Current Assets» amount to € 492.54 million compared to €499.75 million as of 31/12/2011, representing a reduction of € 7.21 million (-1.44%).
- «Current Assets» decreased by €12.35 million (-13.4%) and amount to €79.70 million versus €92.05 million as of 31/12/2011. This movement is mainly attributable to the decrease in the Company's liquidity.
- «Equity» decreased by €20.99 million (-9.26%) and reached €205.60 million compared to €226.59 million recorded at 31/12/2011. This change is due to the net loss of the six-month period.
- «Total Liabilities» amounted to € 366.65 million against € 365.21 million of 31/12/2011 (+0.39%).

With regards to the financial results, they have been affected substantially by the economic turmoil in Greece, the increase of fuel prices and the intensive competition in the sector.

In more detail:

- «Revenues» decreased by €11.83 million (-14.92%) and amount to € 67.45 million against € 79.28 million in the respective period of 2011. This decrease is due to the withdrawal of the Company's vessels from the Patra-Venice line during the second quarter of the period and also the lack of any chartering which had positive effects on the net results of 2011.
- «Cost of Sales», as a result of the cost control strategy of the Company, decreased by €12.58 million (-14.40%) and amounts to €74.77 million against €87.35 million as compared to 30/06/2011.
- «Distribution costs and Administration expenses» decreased by € 2.60 million (-23.30%) in comparison with the respective period of 2011 and amount to € 8.56 million.
- «Operating Loss before tax, depreciation, financing and investing costs» was reduced by

€3.48 million in relation to the period ended 30/06/2011 and amounts €-15.62 million against €-19.10 million.

- «Financial Expenses», presented a fall and stood at € 5.41 million against € 5.82 million (-7.04%). The reason for this change is the decrease of the Euribor, which value on the last day of June 2011 was 1.547%, whereas on the respective day of 2012 the value was 0.653%.
- «Financial Income» decreased substantially in comparison with the period ended 30/06/2011 and amounts to € 0.04 million against €0.10 million (-60.00%).
- «Net Loss After taxation» amounts to €-20.99 million against €-24.81 million as of 30/06/2011.

### The Group

The table below is a summarized presentation of the Condensed Consolidated Statement of Financial Position as well as Statement of Comprehensive Income of the Group.

Amounts in million €	<u>30/6/2012</u>	<u>31/12/2011</u>	<u>Change</u>	
			€	%
<b><u>Condensed Consolidated</u></b>				
<b><u>Statement of Financial Position</u></b>				
Non – current assets	489.22	496.43	-7.21	-1.45%
Current Assets	84.48	96.84	-12.36	-12.76%
Equity	206.65	227.65	-21.00	-9.22%
Total Liabilities	367.04	365.62	+1.42	+0.39%
	<u>30/6/2012</u>	<u>30/6/2011</u>		
<b><u>Statement of Comprehensive Income</u></b>				
Revenue	67.50	79.33	-11.83	-14.91%
Cost of sales	-74.78	-87.35	+12.57	+14.39%
Distribution Costs and Administration Expenses	-8.62	-11.21	+2.59	+23.10%
Operating Loss before tax, financing and investing costs	-15.63	-19.10	+3.47	+18.17%
Net Financial expenses	-5.37	-5.71	+0.34	-5.95%
<b>Net loss after tax and minority interests</b>	-21.01	-24.71	+3.70	+14.97%

### Share price

Minoan Lines share closed at € 2.05 as of June 29<sup>th</sup> 2012 while on June 30<sup>th</sup> 2011 the respective closing price was € 2.67.

The information table of article 10 of law 3401/2005, which refers to the Company's corporate announcement in the Athens Stock Exchange is included in the Annual Report of the Board of Directors in accordance with paragraph (a), article 1 of the decision 7 / 448 / 11–10–2007 of the Hellenic Capital Market Commission.

## **Prospects for the second six-month period of 2012**

The economic downturn, the extremely high public and fiscal deficit and the austerity measures the Greek government was forced to take in an effort for the situation to be reversed, led the Greek economy to another period of recession. The uncertainty which rose from the lack of an elected government during the second quarter of 2012 is in the past and the partnership of the political parties which formed the government is set to bring stability to the markets. However, the public deficit and vast unemployment of Greece is still unresolved, thus the prospects for the second six-month period of 2012 remain adverse.

Additionally, the high level of fuel prices during the first six months of 2012, if they remain so, are expected to play an extremely important role in the company's ongoing costs list. Moreover, the intensive competition among the sector's companies can act as a potential threat for the final economic performance of Minoan Lines.

Minoan Lines' top management is continuously monitoring the volatile economic environment and the competition within the sector and considers different alternatives in order to improve its position. Furthermore, last July the 100% subsidiary company Minoan Italia S.p.A. proceeded to the chartering of the two vessels Olympia and Europa Palace, abroad. Hence, the direct and indirect financial benefits from the agreement are expected to be very important, improving the Group's financial results and cash position.

## **Risks and Uncertainties**

### **Fuel Prices**

The main risk to which the Company is exposed is the sensitivity of the fuel prices. Due to the nature of the sector, the Company is exposed to volatilities in fuel prices. Thus, a sharp increase in the prices can affect Minoan Lines' future economic performance.

The Company considers and assesses several financial derivatives' strategies that will or could be used accordingly when the appropriate situation arises.

### **Interest Rates**

The credit crunch in combination with the global recession forced the European Central Bank to intervene and decrease the level of interest rates in the last quarter of 2008 and 2009. Moreover, the slow recovery of the economies and the debt crisis of countries mainly in the southern part of Europe maintained the level of interest rates at a steady level in 2010. 2011, however, was a year in which there were considerable changes in the Euribor levels of interest. The most significant was, the 3month Euribor which on the last day of 2011 was 0.353% higher than the respective value for 2010. During the first six months of 2012, the European Central Bank in an effort to alleviate the pressures in the markets stabilized the interest rates at low levels. Specifically, on the first day of the first quarter of 2012, the value of the 3month Euribor approached to 0.653% while on the last day of the respective period in 2011, the value was 1.547%

The Company's exposure to the risk of the increase of interest rates is closely monitored and the Company calculates their effect on its operations. Hedging activities have already been considered and financial instruments shall be used when conditions allow it.

### **Liquidity**

The Company's approach to managing liquidity is to ensure the sufficient flow of funds in order for the short term liabilities to be met. Minoan Lines experiences both normal and stressed conditions. Thus, the right combinations of cash and secured bank credit lines are used.

In particular, on June 30, 2012, the Company's cash and cash equivalents reached €4.65 million while the maintained lines of credit amount to € 21 million.

### Foreign Exchange Risk

Considering the fact that all transactions performed abroad are mainly in the Euro currency, after the adoption of the common European currency, the Company's foreign exchange risk is almost eliminated.

Furthermore, the Company is not subject to foreign currency risk regarding its loans, taking into consideration that these are denominated in Euro. Indirectly, the Company is exposed to currency risk relating to bunkers supplies.

### Market Conditions

A common feature of a perfectly competitive market is the freedom of entry and exit. Thus, the specific routes in which the Company operates are highly competitive. The Company monitors closely the competition and acts accordingly.

### Credit risk

Credit risk is the risk of financial loss arising from the possibility that a person or an organization will be unable to pay back money that they owe according to the contractual terms on which it was agreed. It is mainly used in terms of trade and investment activities.

Under the Company's set credit policy, every new customer is analysed individually for creditworthiness before the Company's standard payment and credit terms and conditions are offered. The customers that fulfil the credit requirements complete the relevant agreement.

In order for the credit risk to be eliminated, there are situations which interact with the Company on an advance payment basis. Credit limits, representing the maximum open amount, are set for each customer, and are reviewed regularly by the finance division.

### Environmental Risk

Minoan Lines pays great attention to environmental issues. In this context and being aware of the importance of environmental safeguard and protection for human activities, as well as of the needs arising from technology, progress and the market, has created an environmental policy, which complies with the IMO ISM Code and ISO 14001:2004.

### **Significant transactions between the Company and the related parties**

The tables below present the transactions between the Company and the related parties during the year 2011 according to I.A.S. 24 and the inter-company balances of the trade receivables/payables as of June 30<sup>th</sup> 2012.

<b>Sale of services to</b>	<b>Relation with the Company</b>	<b>Amounts in €</b>	<b>Type of transaction</b>
Atlantica di Navigazione S.p.A.	company of Ultimate holding company's group	2,712,350.00	Chartering revenue of vessels in accordance with the charter agreement
Grimaldi Compagnia di Navigazione S.p.A.	Ultimate holding company	183,224.29	Revenue from sale of fuel/lubricants of chartered vessels

<b>Purchase of services from</b>	<b>Relation with the Company</b>	<b>Amounts in €</b>	<b>Type of transaction</b>
Grimaldi Compagnia di Navigazione S.p.A.	Ultimate holding company	5,519,651.38	Chartering cost in accordance with the charter

			agreements
Grimaldi Compagnia di Navigazione S.p.A.	Ultimate holding company	765,896.25	Crew cost in accordance with the relevant charter agreements
Grimaldi Compagnia di Navigazione S.p.A.	Ultimate holding company	639,602.31	50% proportion of on board revenue in accordance with charter agreements
Atlantica di Navigazione S.p.A.	company of Ultimate holding company's group	103,795.75	Purchase of fuel reserves of chartered vessels in accordance with the charter agreements

The aforementioned transactions were made at arm's length.

The table below presents the most significant outstanding balances as of June 30<sup>th</sup> 2012 between the parent Company and the related parties:

<b>Obligations of the Company to</b>	<b>Amounts in €</b>
Grimaldi Compagnia di Navigazione S.p.A.	23,586,974.31
Atlantica di Navigazione S.p.A.	10,000,000.00
<b>Receivables of the Company from</b>	
Atlantica di Navigazione S.p.A.	769,637.65

#### Compensations to Directors and members of the Board of Directors

The compensations to Directors and members of the Board of Directors are presented on the table below:

	<b>Amounts in €</b>
Executive members	251,327.10
Non-executive members	95,021.00
Directors	314,003.24
<b>Total</b>	<b>660,351.34</b>

**Heraklion, August 28<sup>th</sup> 2012**  
**For and on behalf of the B.o.D.**

**The Vice Chairman**  
**of the B.o.D.**

**Konstantinos**  
**Mamalakis**

**The Managing**  
**Director**

**Antonios**  
**Maniadakis**



[Translation from the original text in Greek]

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

To the Shareholders of «MINOAN LINES SHIPPING S.A»

### **Introduction**

We have reviewed the accompanying condensed company and consolidated statement of financial position of «MINOAN LINES SHIPPING S.A» as of 30 June 2012 and the related condensed company and consolidated statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information, which form an integral part of the six-month financial report as required by L.3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is the expression of a conclusion on this interim condensed financial information based on our review.

### ***Scope of review***

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

### ***Conclusion***

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

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***Reference to Other Legal and Regulatory Requirements***

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Athens, 29 August 2012



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The Certified Auditor  
Konstantinos Michalatos  
SOEL Reg. No.17701

**condensed interim Company stand-alone and consolidated financial statements for the period ended June 30<sup>th</sup> 2012 (1/1 – 30/6/2012)**

**In accordance with IAS 34  
(Interim financial reporting)**

The accompanying condensed interim Company and consolidated financial statements on pages 12 - 30 have been approved by the Board of Directors on August 28<sup>th</sup> 2012 and have been uploaded to the Company's web site [www.minoan.gr](http://www.minoan.gr).

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## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	<u>The Group</u>				<u>The Company</u>			
		<u>1/1-30/6/2012</u>	<u>1/4-30/6/2012</u>	<u>1/1-30/6/2011</u>	<u>1/4-30/6/2011</u>	<u>1/1-30/6/2012</u>	<u>1/4-30/6/2012</u>	<u>1/1-30/6/2011</u>	<u>1/4-30/6/2011</u>
Revenue	5	67,504,594.92	35,869,192.64	79,326,655.17	44,792,873.59	67,454,105.53	35,844,086.72	79,277,514.36	44,768,265.76
Cost of sales	6	-74,772,679.01	-36,910,418.24	-87,352,625.48	-49,612,600.47	-74,772,679.01	-36,910,418.24	-87,352,625.48	-49,612,600.47
<b>Gross Losses</b>		<b>-7,268,084.09</b>	<b>-1,041,225.60</b>	<b>-8,025,970.31</b>	<b>-4,819,726.88</b>	<b>-7,318,573.48</b>	<b>-1,066,331.52</b>	<b>-8,075,111.12</b>	<b>-4,844,334.71</b>
Other operating income	7	309,322.57	277,078.66	162,595.22	60,976.12	310,202.99	277,518.87	164,375.64	61,716.33
Selling expenses	8	-5,321,698.65	-2,811,936.88	-7,390,844.79	-4,434,009.91	-5,321,698.65	-2,811,936.88	-7,390,844.79	-4,434,009.91
Administrative expenses		-3,300,707.04	-1,631,193.89	-3,818,385.63	-2,077,746.51	-3,239,863.76	-1,578,791.44	-3,767,399.55	-2,028,658.55
Other operating expenses		-48,769.33	-38,978.05	-28,549.20	-9,018.62	-48,179.46	-38,388.18	-27,959.33	-8,428.75
<b>Operating losses before financing costs</b>		<b>-15,629,936.54</b>	<b>-5,246,255.76</b>	<b>-19,101,154.71</b>	<b>-11,279,525.80</b>	<b>-15,618,112.36</b>	<b>-5,217,929.15</b>	<b>-19,096,939.15</b>	<b>-11,253,715.59</b>
Financial income		41,249.86	6,772.51	106,049.64	49,361.85	40,719.19	6,334.48	105,414.97	48,812.65
Financial expenses		-5,415,735.62	-2,525,509.94	-5,817,099.68	-3,110,739.52	-5,415,732.42	-2,525,506.74	-5,816,913.68	-3,110,686.52
<b>Net financial results</b>		<b>-5,374,485.76</b>	<b>-2,518,737.43</b>	<b>-5,711,050.04</b>	<b>-3,061,377.67</b>	<b>-5,375,013.23</b>	<b>-2,519,172.26</b>	<b>-5,711,498.71</b>	<b>-3,061,873.87</b>
<b>Losses before tax</b>		<b>-21,004,422.30</b>	<b>-7,764,993.19</b>	<b>-24,812,204.75</b>	<b>-14,340,903.47</b>	<b>-20,993,125.59</b>	<b>-7,737,101.41</b>	<b>-24,808,437.86</b>	<b>-14,315,589.46</b>
Income tax expense	9	-1,835.13	2,840.31	96,818.61	102,462.92	-	-	-	-
<b>Losses after tax</b>		<b>-21,006,257.43</b>	<b>-7,762,152.88</b>	<b>-24,715,386.14</b>	<b>-14,238,440.55</b>	<b>-20,993,125.59</b>	<b>-7,737,101.41</b>	<b>-24,808,437.86</b>	<b>-14,315,589.46</b>
<b>Total comprehensive losses of the period after Tax</b>		<b>-21,006,257.43</b>	<b>-7,762,152.88</b>	<b>-24,715,386.14</b>	<b>-14,238,440.55</b>	<b>-20,993,125.59</b>	<b>-7,737,101.41</b>	<b>-24,808,437.86</b>	<b>-14,315,589.46</b>
<b><u>The losses of the period are attributable to :</u></b>									
Owners of the parent company		-21,006,257.43	-7,762,152.88	-24,714,501.58	-14,237,586.24	-20,993,125.59	-7,737,101.41	-24,808,437.86	-14,315,589.46
Non-controlling Interests		-	-	-884.56	-854.31	-	-	-	-
<b>Losses of the period</b>		<b>-21,006,257.43</b>	<b>-7,762,152.88</b>	<b>-24,715,386.14</b>	<b>-14,238,440.55</b>	<b>-20,993,125.59</b>	<b>-7,737,101.41</b>	<b>-24,808,437.86</b>	<b>-14,315,589.46</b>
<b><u>The total comprehensive losses of the period after Tax are attributable to :</u></b>									
Owners of the parent company		-21,006,257.43	-7,762,152.88	-24,714,501.58	-14,237,586.24	-20,993,125.59	-7,737,101.41	-24,808,437.86	-14,315,589.46
Non-controlling interests		-	-	-884.56	-854.31	-	-	-	-
<b>Total comprehensive losses of the period after Tax</b>		<b>-21,006,257.43</b>	<b>-7,762,152.88</b>	<b>-24,715,386.14</b>	<b>-14,238,440.55</b>	<b>-20,993,125.59</b>	<b>-7,737,101.41</b>	<b>-24,808,437.86</b>	<b>-14,315,589.46</b>
<b>Basic and Diluted Losses per Share after Tax</b>		<b>-0.2962</b>	<b>-0.1094</b>	<b>-0.3485</b>	<b>-0.2007</b>	<b>-0.2960</b>	<b>-0.1091</b>	<b>-0.3498</b>	<b>-0.2018</b>

The accompanying notes on pages 17 –30 are an integral part of the Interim Condensed Financial Statements.

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	<u>The Group</u>		<u>The Company</u>	
		<u>30/6/2012</u>	<u>31/12/2011</u>	<u>30/6/2012</u>	<u>31/12/2011</u>
<u>Assets</u>					
<b>Non – current assets</b>					
Property, plant and equipment	10	409,888,690.81	417,069,399.47	409,888,690.81	417,069,399.47
Investment property	11	1,401,442.94	1,422,042.97	1,401,442.94	1,422,042.97
Intangible assets	10	388,648.56	399,932.22	388,648.56	399,932.22
Investments in subsidiaries	12	-	-	3,323,208.19	3,323,208.19
Other investments	13	77,500,000.00	77,500,000.00	77,500,000.00	77,500,000.00
Other long term assets		38,170.23	38,170.23	38,170.23	38,170.23
<b>Total non – current assets</b>		<b>489,216,952.54</b>	<b>496,429,544.89</b>	<b>492,540,160.73</b>	<b>499,752,753.08</b>
<b>Current assets</b>					
Inventories	14	9,622,253.80	9,934,785.50	9,622,253.80	9,934,785.50
Trade and other receivables	15	57,569,089.68	56,878,006.65	57,548,184.27	56,877,237.26
Available for sale securities		72,545.30	72,545.30	72,545.30	72,545.30
Other current assets	15	8,002,544.54	4,907,240.31	8,002,544.54	4,907,240.31
Cash and cash equivalents		4,651,090.65	20,495,228.11	4,458,962.21	20,260,241.52
Non - current assets held for sale	16	4,556,679.05	4,556,679.05	-	-
<b>Total current assets</b>		<b>84,474,203.02</b>	<b>96,844,484.92</b>	<b>79,704,490.12</b>	<b>92,052,049.89</b>
<b>Total Assets</b>		<b>573,691,155.56</b>	<b>593,274,029.81</b>	<b>572,244,650.85</b>	<b>591,804,802.97</b>
<u>Equity and liabilities</u>					
<b>Equity</b>					
Share capital		159,583,500.00	159,583,500.00	159,583,500.00	159,583,500.00
Share premium		26,942,576.38	26,942,576.38	26,942,576.38	26,942,576.38
Other reserves		59,918,445.73	59,918,445.73	59,916,795.73	59,916,795.73
Retained earnings		-39,797,111.62	-18,790,854.19	-40,843,686.81	-19,850,561.22
<b>Total Equity attributable to equity holders of the parent company</b>		<b>206,647,410.49</b>	<b>227,653,667.92</b>	<b>205,599,185.30</b>	<b>226,592,310.89</b>
<b>Non-controlling interests</b>		-	-	-	-
<b>Total Equity</b>		<b>206,647,410.49</b>	<b>227,653,667.92</b>	<b>205,599,185.30</b>	<b>226,592,310.89</b>
<b>Non – current liabilities</b>					
Loans	17	237,332,710.44	242,795,584.61	237,332,710.44	242,795,584.61
Deferred tax liabilities		374,521.99	374,521.99	-	-
Retirement benefit obligations		1,980,435.21	2,060,764.66	1,980,435.21	2,060,764.66
Deferred government grants		4,126,568.41	4,223,265.54	4,126,568.41	4,223,265.54
<b>Total Non – current liabilities</b>		<b>243,814,236.05</b>	<b>249,454,136.80</b>	<b>243,439,714.06</b>	<b>249,079,614.81</b>
<b>Current liabilities</b>					
Bank overdrafts	17	16,921,000.02	27,342,343.87	16,921,000.02	27,342,343.87
Loans-current portion of long term loans	17	21,786,640.00	16,258,685.00	21,786,640.00	16,258,685.00
Trade and other payables	18	84,521,869.00	72,565,196.22	84,498,111.47	72,531,848.40
<b>Total Current liabilities</b>		<b>123,229,509.02</b>	<b>116,166,225.09</b>	<b>123,205,751.49</b>	<b>116,132,877.27</b>
<b>Total Liabilities</b>		<b>367,043,745.07</b>	<b>365,620,361.89</b>	<b>366,645,465.55</b>	<b>365,212,492.08</b>
<b>Total Equity and Liabilities</b>		<b>573,691,155.56</b>	<b>593,274,029.81</b>	<b>572,244,650.85</b>	<b>591,804,802.97</b>

The accompanying notes on pages 17 –30 are an integral part of the Interim Condensed Financial Statements.

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Other Reserves</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
<b>Balance as at 1/1/2011</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>59,916,795.73</b>	<b>19,516,206.10</b>	<b>265,959,078.21</b>
<b><u>Changes in equity 1/1 – 30/6/2011</u></b>					
Total comprehensive income after tax for the period 1/1-30/6/2011	-	-	-	-24,808,437.86	-24,808,437.86
<b>Balance as at 30/6/2011</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>59,916,795.73</b>	<b>-5,292,231.76</b>	<b>241,150,640.35</b>
<b>Balance as at 1/1/2012</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>59,916,795.73</b>	<b>-19,850,561.22</b>	<b>226,592,310.89</b>
<b><u>Changes in equity 1/1 – 30/6/2012</u></b>					
Total comprehensive income after tax for the period 1/1-30/6/2012	-	-	-	-20,993,125.59	-20,993,125.59
<b>Balance as at 30/6/2012</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>59,916,795.73</b>	<b>-40,843,686.81</b>	<b>205,599,185.30</b>

The accompanying notes on pages 17 –30 are an integral part of the Interim Condensed Financial Statements.

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Attributed to owners of the parent company</u>				<u>Total Shareholders' Equity</u>	<u>Non-controlling Interest</u>	<u>Total Equity</u>
	<u>Share Capital</u>	<u>Share Premium</u>	<u>Other Reserves</u>	<u>Retained Earnings</u>			
<b>Balance as at 1/1/2011</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>59,918,445.73</b>	<b>20,950,342.91</b>	<b>267,394,865.02</b>	<b>1,387.63</b>	<b>267,396,252.65</b>
<b><u>Changes in equity 1/1 – 30/6/2011</u></b>							
Total comprehensive income after taxes for the period 1/1-30/6/2011	-	-	-	-24,714,501.58	-24,714,501.58	-884.56	-24,715,386.14
<b>Balance as at 30/6/2011</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>59,918,445.73</b>	<b>-3,764,158.67</b>	<b>242,680,363.44</b>	<b>503.07</b>	<b>242,680,866.51</b>
<b>Balance as at 1/1/2012</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>59,918,445.73</b>	<b>-18,790,854.19</b>	<b>227,653,667.92</b>	-	<b>227,653,667.92</b>
<b><u>Changes in equity 1/1 – 30/6/2012</u></b>							
Total comprehensive income after taxes for the period 1/1-30/6/2012	-	-	-	-21,006,257.43	-21,006,257.43	-	-21,006,257.43
<b>Balance as at 30/6/2012</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>59,918,445.73</b>	<b>-39,797,111.62</b>	<b>206,647,410.49</b>	-	<b>206,647,410.49</b>

The accompanying notes on pages 17 –30 are an integral part of the Interim Condensed Financial Statements.

## CONDENSED INTERIM STATEMENT OF CASH FLOWS

	<u>The Group</u>		<u>The Company</u>	
	<u>1/1-30/6/2012</u>	<u>1/1-30/6/2011</u>	<u>1/1-30/6/2012</u>	<u>1/1-30/6/2011</u>
<b><u>Cash Flows from Operating Activities</u></b>				
(Losses) before taxes	-21,004,422.30	-24,812,204.75	-20,993,125.59	-24,808,437.86
<i>Adjustments for:</i>				
Depreciation and amortization	7,245,634.22	7,232,388.34	7,245,634.22	7,232,388.34
Provisions	120,332.21	148,116.62	120,332.21	148,116.62
Net Foreign Exchange	28,312.19	-40,832.69	28,312.19	-40,832.69
(Income), (gains) from investing activities	-771.71	-6,464.37	-771.71	-6,464.40
Interest and other financial expenses	5,415,735.62	5,817,099.68	5,415,732.42	5,816,913.68
<b><u>Adjustments for changes in working capital or operating activities</u></b>				
(Increase) / Decrease in inventories	312,531.70	-1,408,984.60	312,531.70	-1,408,984.60
(Increase) in trade and other receivables	-3,787,525.51	-12,689,903.67	-3,767,389.49	-12,698,663.90
Increase in liabilities other than borrowings	11,665,569.65	19,576,429.69	11,696,566.57	19,574,193.11
Less :				
Interest and related expenses paid	-5,308,100.39	-4,027,364.71	-5,308,097.19	-4,027,178.71
Income taxes paid	19,571.50	-538,249.68	-	-506,845.64
<b>Net cash flow (used in) operating activities (a)</b>	<b><u>-5,293,132.82</u></b>	<b><u>-10,749,970.14</u></b>	<b><u>-5,250,274.67</u></b>	<b><u>-10,725,796.05</u></b>
<b><u>Cash Flows from Investing activities</u></b>				
Purchase of property, plant and equipment	-136,967.29	-270,489.77	-136,967.29	-270,489.77
Advances from disposal of other investments	8,000.00	-	8,000.00	-
Dividends received	-	6,464.54	-	6,464.54
<b>Net cash flow (used in) investing activities (b)</b>	<b><u>-128,967.29</u></b>	<b><u>-264,025.23</u></b>	<b><u>-128,967.29</u></b>	<b><u>-264,025.23</u></b>
<b><u>Cash Flows from Financing activities</u></b>				
Repayment of long/short term borrowings	-10,421,343.85	-6,273,082.19	-10,421,343.85	-6,273,082.19
Dividends paid	-693.50	-427,177.58	-693.50	-427,177.58
<b>Net cash flows used in financing activities (c)</b>	<b><u>-10,422,037.35</u></b>	<b><u>-6,700,259.77</u></b>	<b><u>-10,422,037.35</u></b>	<b><u>-6,700,259.77</u></b>
<b>Net (Decrease) in cash and cash equivalents(a)+(b)+(c)</b>	<b><u>-15,844,137.46</u></b>	<b><u>-17,714,255.14</u></b>	<b><u>-15,801,279.31</u></b>	<b><u>-17,690,081.05</u></b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b><u>20,495,228.11</u></b>	<b><u>22,648,789.60</u></b>	<b><u>20,260,241.52</u></b>	<b><u>22,372,498.20</u></b>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>4,651,090.65</u></b>	<b><u>4,934,534.46</u></b>	<b><u>4,458,962.21</u></b>	<b><u>4,682,417.15</u></b>

The accompanying notes on pages 17 –30 are an integral part of the Interim Condensed Financial Statements.

## **Notes to the condensed interim Company stand-alone and consolidated financial statements for the period ended June 30<sup>th</sup> 2012 (1/1 - 30/6/2012)**

### **1. General Company's information**

The Company was established on May 25<sup>th</sup> 1972 (FEK 939–25/5/1972), is based in the Municipality of Heraklion-Crete and its discrete name is «MINOAN LINES S.A.». It operates in the Ferry shipping sector both in Domestic and International sea routes.

The number of the personnel employed during the six-month periods ended June 30<sup>th</sup> 2012 and June 30<sup>th</sup> 2011 was 457 and 643, respectively.

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

The total number of ordinary shares outstanding on June 30<sup>th</sup> 2012 was 70,926,000, while the total market capitalization reached € 145,398,300.00. Every share carries one voting right.

The General Shareholders' Meeting elects the Board of Directors which consists of 7-9 members. The current structure of the Board of Directors is comprised by eight (8) members, who were elected by the General Shareholders' Meeting held on June 19<sup>th</sup> 2009. On June 30<sup>th</sup> 2012, three (3) members of the board were executive, three (3) were non-executive and two (2) were non-executive-independent members.

The condensed interim financial statements for the period ended June 30<sup>th</sup> 2012, which were approved by the Board of Directors meeting on August 28<sup>th</sup> 2012, include the condensed interim Company stand-alone and the consolidated financial statements (the «Financial Statements»).

The condensed interim consolidated financial statements include the Company and its subsidiaries (the Group), as well as the interest of the Group in the associates.

The subsidiaries and associates that are included in the consolidated financial statements and the ownership interests that the parent Company holds, directly or indirectly, are outlined in the table below:

<b><u>Name</u></b>	<b><u>Consolidation</u></b>		<b><u>% Interest</u></b>	
	<b><u>Method</u></b>	<b><u>Headquarters</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
Kritiki Filoxenia S.A.	Full	Heraklion-Crete	100%	100%
Athina A.V.E.E.	Full	Heraklion-Crete	100%	100%
Minoan Italia S.p.A.	Full	Palermo-Italy	100%	100%
Mediterranean Ferries S.r.l.*	Equity	Genova-Italy	50%	50%

\* The company is in liquidation.

### **2. Basis of preparation of the Financial Statements**

#### **2.1 Statement of compliance**

The Financial Statements have been prepared in accordance with International Accounting Standard 34 (IAS 34 Interim Financial Reporting).

The Financial Statements do not include all notes and information required and it is recommended they be read in conjunction with the annual Financial Statements for the year ended December 31<sup>st</sup> 2011 which have been prepared in accordance with IFRSs.

This financial information has been prepared on the basis that the Group operates as a going concern which implies that it has sufficient financial resources to meet its financial and operating obligations for the foreseeable future.

## **2.2 Use of estimates**

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Significant estimates and critical judgements in applying accounting policies that have significant effect on the Financial Statements as well as those which involve potential risk for adjustment in the next fiscal year, do not differ from those applied in the Annual Financial Statements as of December 31<sup>st</sup> 2011.

## **3. Significant accounting policies**

The significant accounting policies adopted for the preparation of the Financial Statements on June 30<sup>th</sup> 2012, are those applied for the preparation of the Annual Financial Statements on December 31<sup>st</sup> 2011 and have been published in the Company's web site [www.minoan.gr](http://www.minoan.gr).

### **3.1 New standards, interpretations and amendments of existing standards**

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

#### **Standards and Interpretations effective for the current financial year**

**IFRS 7 (Amendment) «Financial Instruments: Disclosures» – transfers of financial assets** (effective for annual periods beginning on or after 1 July 2011)

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. The amendment will be applied in the annual financial statements.

**IAS 12 (Amendment) «Income Taxes»** (effective for annual periods beginning on or after 1 January 2012)

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". This amendment has not yet been endorsed by the EU, and therefore has not been applied by the Group.

#### **Standards and Interpretations effective from periods beginning on or after 1 January 2013**

**IFRS 9 «Financial Instruments»** (effective for annual periods beginning on or after 1 January 2015)

IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2015.

**IFRS 13 «Fair Value Measurement»** (Effective for annual periods beginning on or after 1 January 2013)

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair

value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

**IFRIC 20 «Stripping costs in the production phase of a surface mine»** (Effective for annual periods beginning on or after 1 January 2013)

This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. IFRIC 20 applies only to stripping costs that are incurred in surface mining activity during the production phase of the mine, while it does not address underground mining activity or oil and natural gas activity. This interpretation has not yet been endorsed by the EU.

**IAS 1 (Amendment) «Presentation of Financial Statements»** (effective for annual periods beginning on or after 1 July 2012)

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future.

**IAS 19 (Amendment) «Employee Benefits»** (effective for annual periods beginning on or after 1 January 2013)

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between «short-term» and «other long-term» benefits.

**IFRS 7 (Amendment) «Financial Instruments: Disclosures»** (effective for annual periods beginning on or after 1 January 2013)

The IASB has published this amendment to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This amendment has not yet been endorsed by the EU.

**IAS 32 (Amendment) «Financial Instruments: Presentation»** (effective for annual periods beginning on or after 1 January 2014)

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This amendment has not yet been endorsed by the EU.

**Group of standards on consolidation and joint arrangements** (effective for annual periods beginning on or after 1 January 2013)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire «package» of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

**IFRS 10 «Consolidated Financial Statements»**

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This

definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

### **IFRS 11 «Joint Arrangements»**

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

### **IFRS 12 «Disclosure of Interests in Other Entities»**

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

### **IFRS 10, IFRS 11 and IFRS 12 (Amendment) «Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance»**

The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

### **IAS 27 (Amendment) «Separate Financial Statements»**

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 “*Consolidated and Separate Financial Statements*”. The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 “*Investments in Associates*” and IAS 31 “*Interests in Joint Ventures*” regarding separate financial statements.

### **IAS 28 (Amendment) «Investments in Associates and Joint Ventures»**

IAS 28 «*Investments in Associates and Joint Ventures*» replaces IAS 28 “*Investments in Associates*”. The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

### **Amendments to standards that form part of the IASB’s 2011 annual improvements project**

The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB’s annual improvements project. These amendments are effective for annual periods beginning on or after 1 January 2013 and have not yet been endorsed by the EU.

### **IAS 1 «Presentation of financial statements»**

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 “Accounting policies, changes in accounting estimates and errors” or (b) voluntarily.

### IAS 16 «Property, plant and equipment»

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

### IAS 32 «Financial instruments: Presentation»

The amendment clarifies that income tax related to distributions is recognized in the income statement and income tax related to the costs of equity transactions is recognized in equity, in accordance with IAS 12.

### IAS 34, «Interim financial reporting»

The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 «Operating segments».

## 4. Financial risk management

The Company's policies regarding the financial and capital risk management are those that have been extensively analysed in the Annual Financial Statements as of December 31<sup>st</sup> 2011.

## 5. Revenue

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2012</u>	<u>30/6/2011</u>	<u>30/6/2012</u>	<u>30/6/2011</u>
Revenue from Vessel Operations (fares)	60,135,870.41	68,354,511.07	60,135,870.41	68,354,511.07
Revenue from on board services	6,739,980.10	10,217,686.37	6,739,980.10	10,217,686.37
Other Revenue	628,744.41	754,457.73	578,255.02	705,316.92
<b>Totals</b>	<b>67,504,594.92</b>	<b>79,326,655.17</b>	<b>67,454,105.53</b>	<b>79,277,514.36</b>

The revenue decrease is due to the fall of the total trips operated by the Company on the Adriatic routes in relation to 2011 and the revenue from extraordinary vessels' chartering in 2011.

## 6. Cost of sales

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2012</u>	<u>30/6/2011</u>	<u>30/6/2012</u>	<u>30/6/2011</u>
Payroll cost - Bunkers and lubricants	51,431,805.61	58,766,211.63	51,431,805.61	58,766,211.63
Port expenses – Maintenances	4,701,061.26	6,645,627.63	4,701,061.26	6,645,627.63
Food – Beverages – Shops merchandise	2,933,363.56	4,328,219.00	2,933,363.56	4,328,219.00
Vessel chartering cost	5,519,651.38	6,991,859.79	5,519,651.38	6,991,859.79
Other expenses	3,249,671.08	3,664,957.83	3,249,671.08	3,664,957.83
Depreciation	7,033,823.25	7,052,430.44	7,033,823.25	7,052,430.44
Amortisation of government grant	-96,697.13	-96,680.84	-96,697.13	-96,680.84
<b>Totals</b>	<b>74,772,679.01</b>	<b>87,352,625.48</b>	<b>74,772,679.01</b>	<b>87,352,625.48</b>

## 7. Other operating income

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2012</u>	<u>30/6/2011</u>	<u>30/6/2012</u>	<u>30/6/2011</u>
Commissions	95,929.58	54,619.17	95,929.58	54,619.17
Income from government grants	186,660.31	55,456.94	186,660.31	55,456.94
Income from services to third parties	12,920.00	-	12,920.00	-
Rental income	13,175.45	48,780.00	13,175.45	50,560.42
Other Income	637.23	3,739.11	1,517.65	3,739.11
<b>Totals</b>	<b>309,322.57</b>	<b>162,595.22</b>	<b>310,202.99</b>	<b>164,375.64</b>

## 8. Selling expenses

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2012</u>	<u>30/6/2011</u>	<u>30/6/2012</u>	<u>30/6/2011</u>
Payroll cost	2,223,754.43	2,556,974.53	2,223,754.43	2,556,974.53
Commissions	2,048,757.56	3,192,548.42	2,048,757.56	3,192,548.42
Advertising and promotion expenses	719,454.01	1,202,037.85	719,454.01	1,202,037.85
Other expenses	329,732.65	439,283.99	329,732.65	439,283.99
<b>Totals</b>	<b>5,321,698.65</b>	<b>7,390,844.79</b>	<b>5,321,698.65</b>	<b>7,390,844.79</b>

## 9. Income tax

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2012</u>	<u>30/6/2011</u>	<u>30/6/2012</u>	<u>30/6/2011</u>
Deferred taxes due to reduction of tax rate	-	-100,637.23	-	-
Income tax provision for the period ended	1,835.13	3,818.62	-	-
<b>Totals</b>	<b>1,835.13</b>	<b>-96,818.61</b>	<b>-</b>	<b>-</b>

## 10. Tangible and intangible assets

	<u>The Group</u>						<u>Totals</u>
	<u>Land</u>	<u>Buildings Technical works</u>	<u>Transportation equipment</u>	<u>Vessels</u>	<u>Furniture and Other Equipment</u>	<u>Computer Software</u>	
<b>Cost at 1/1/2011</b>	1,797,913.00	5,778,138.76	144,608.18	523,414,971.47	3,844,445.89	2,627,651.52	537,607,728.82
Acquisitions and additions 1/1-31/12/2011	-	-	-	65,764.61	286,659.76	321,639.14	674,063.51
Less: Disposals-Write offs 1/1-31/12/2011	-	-	-	128,947.34	974,422.26	0.03	1,103,369.63
<b>Cost at 31/12/2011</b>	<b>1,797,913.00</b>	<b>5,778,138.76</b>	<b>144,608.18</b>	<b>523,351,788.74</b>	<b>3,156,683.39</b>	<b>2,949,290.63</b>	<b>537,178,422.70</b>
<b>Cost at 1/1/2012</b>	1,797,913.00	5,778,138.76	144,608.18	523,351,788.74	3,156,683.39	2,949,290.63	537,178,422.70
Acquisitions and additions 1/1-30/6/2012	-	-	-	46,949.49	31,179.26	58,838.54	136,967.29
Less: Disposals-Write offs 1/1-30/6/2012	-	-	30,406.43	-	876.89	-	31,283.32
<b>Cost at 30/6/2012</b>	<b>1,797,913.00</b>	<b>5,778,138.76</b>	<b>114,201.75</b>	<b>523,398,738.23</b>	<b>3,186,985.76</b>	<b>3,008,129.17</b>	<b>537,284,106.67</b>
<b>Accumulated Depreciation at 1/1/2011</b>	-	1,609,338.22	113,410.36	98,686,202.03	3,228,338.73	2,435,616.75	106,072,906.09
Depreciation for the year 1/1-31/12/2011	-	238,105.03	9,327.89	14,068,574.44	206,076.23	113,741.66	14,635,825.25
Less: Disposed assets accumulated depreciation 1/1-31/12/2011	-	-	-	98,256.86	901,383.47	-	999,640.33
<b>Accumulated Depreciation at 31/12/2011</b>	<b>-</b>	<b>1,847,443.25</b>	<b>122,738.25</b>	<b>112,656,519.61</b>	<b>2,533,031.49</b>	<b>2,549,358.41</b>	<b>119,709,091.01</b>
<b>Accumulated Depreciation at 1/1/2012</b>	<b>-</b>	<b>1,847,443.25</b>	<b>122,738.25</b>	<b>112,656,519.61</b>	<b>2,533,031.49</b>	<b>2,549,358.41</b>	<b>119,709,091.01</b>
Depreciation for the period 1/1-30/6/2012	-	119,052.52	2,730.04	7,018,191.91	111,634.65	70,122.20	7,321,731.32
Less: Disposed assets accumulated depreciation 1/1-30/6/2012	-	-	23,178.15	-	876.88	-	24,055.03
<b>Accumulated Depreciation at 30/6/2012</b>	<b>-</b>	<b>1,966,495.77</b>	<b>102,290.14</b>	<b>119,674,711.52</b>	<b>2,643,789.26</b>	<b>2,619,480.61</b>	<b>127,006,767.30</b>
<b>Net book value at :</b>							
1/1/2011	1,797,913.00	4,168,800.54	31,197.82	424,728,769.44	616,107.16	192,034.77	431,534,822.73
31/12/2011	1,797,913.00	3,930,695.51	21,869.93	410,695,269.13	623,651.90	399,932.22	417,469,331.69
30/6/2012	1,797,913.00	3,811,642.99	11,911.61	403,724,026.71	543,196.50	388,648.56	410,277,339.37

	<u>The Company</u>						<u>Totals</u>
	<u>Land</u>	<u>Buildings Technical works</u>	<u>Transportation equipment</u>	<u>Vessels</u>	<u>Furniture and Other Equipment</u>	<u>Computer Software</u>	
<b>Cost at 1/1/2011</b>	1,797,913.00	5,778,138.76	144,608.18	523,414,971.47	3,844,445.89	2,627,651.49	537,607,728.79
Acquisitions and additions 1/1-31/12/2011	-	-	-	65,764.61	286,659.76	321,639.14	674,063.51
Less: Disposals-Write offs 1/1-31/12/2011	-	-	-	128,947.34	974,422.26	-	1,103,369.60
<b>Cost at 31/12/2011</b>	<b>1,797,913.00</b>	<b>5,778,138.76</b>	<b>144,608.18</b>	<b>523,351,788.74</b>	<b>3,156,683.39</b>	<b>2,949,290.63</b>	<b>537,178,422.70</b>
<b>Cost at 1/1/2012</b>	1,797,913.00	5,778,138.76	144,608.18	523,351,788.74	3,156,683.39	2,949,290.63	537,178,422.70
Acquisitions and additions 1/1-30/6/2012	-	-	-	46,949.49	31,179.26	58,838.54	136,967.29
Less: Disposals-Write offs 1/1-30/6/2012	-	-	30,406.43	-	876.89	-	31,283.32
<b>Cost at 30/6/2012</b>	<b>1,797,913.00</b>	<b>5,778,138.76</b>	<b>114,201.75</b>	<b>523,398,738.23</b>	<b>3,186,985.76</b>	<b>3,008,129.17</b>	<b>537,284,106.67</b>

**Minoan Lines Shipping S.A. –condensed interim Company stand-alone and consolidated financial statements for the period 1/1 – 30/6/2012**  
**(amounts in €)**

<b>Accumulated Depreciation at 1/1/2011</b>	-	<b>1,609,338.22</b>	<b>113,410.36</b>	<b>98,686,202.03</b>	<b>3,228,338.73</b>	<b>2,435,616.75</b>	<b>106,072,906.09</b>
Depreciation for the year 1/1-31/12/2011	-	238,105.03	9,327.89	14,068,574.44	206,076.23	113,741.66	14,635,825.25
Less: Disposed assets accumulated depreciation 1/1-31/12/2011	-	-	-	98,256.86	901,383.47	-	999,640.33
<b>Accumulated Depreciation at 31/12/2011</b>	-	<b>1,847,443.25</b>	<b>122,738.25</b>	<b>112,656,519.61</b>	<b>2,533,031.49</b>	<b>2,549,358.41</b>	<b>119,709,091.01</b>
<b>Accumulated Depreciation at 1/1/2012</b>	-	<b>1,847,443.25</b>	<b>122,738.25</b>	<b>112,656,519.61</b>	<b>2,533,031.49</b>	<b>2,549,358.41</b>	<b>119,709,091.01</b>
Depreciation for the period 1/1-30/6/2012	-	119,052.52	2,730.04	7,018,191.91	111,634.65	70,122.20	7,321,731.32
Less: Disposed assets accumulated depreciation 1/1-30/6/2012	-	-	23,178.15	-	876.88	-	24,055.03
<b>Accumulated Depreciation at 30/6/2012</b>	-	<b>1,966,495.77</b>	<b>102,290.14</b>	<b>119,674,711.52</b>	<b>2,643,789.26</b>	<b>2,619,480.61</b>	<b>127,006,767.30</b>
<b>Net book value at :</b>							
<b>1/1/2011</b>	<b>1,797,913.00</b>	<b>4,168,800.54</b>	<b>31,197.82</b>	<b>424,728,769.44</b>	<b>616,107.16</b>	<b>192,034.74</b>	<b>431,534,822.70</b>
<b>31/12/2011</b>	<b>1,797,913.00</b>	<b>3,930,695.51</b>	<b>21,869.93</b>	<b>410,695,269.13</b>	<b>623,651.90</b>	<b>399,932.22</b>	<b>417,469,331.69</b>
<b>30/6/2012</b>	<b>1,797,913.00</b>	<b>3,811,642.99</b>	<b>11,911.61</b>	<b>403,724,026.71</b>	<b>543,196.50</b>	<b>388,648.56</b>	<b>410,277,339.37</b>

## 11. Investment property

The movement of investment property is presented in the table below:

	<b>The Company</b>		<b>Totals</b>
	<b>Land</b>	<b>Buildings</b>	
<b>Cost at 1/1/2011</b>	<b>556,842.00</b>	<b>1,194,801.36</b>	<b>1,751,643.36</b>
Acquisition and Additions 1/1-31/12/2011	-	-	-
<b>Cost at 31/12/2011</b>	<b>556,842.00</b>	<b>1,194,801.36</b>	<b>1,751,643.36</b>
<b>Cost at 1/1/2012</b>	<b>556,842.00</b>	<b>1,194,801.36</b>	<b>1,751,643.36</b>
Acquisition and Additions 1/1-30/6/2012	-	-	-
<b>Cost at 30/6/2012</b>	<b>556,842.00</b>	<b>1,194,801.36</b>	<b>1,751,643.36</b>
<b>Accumulated Depreciation at 1/1/2011</b>	-	<b>288,400.34</b>	<b>288,400.34</b>
Depreciation 1/1-31/12/2011	-	41,200.05	41,200.05
<b>Accumulated Depreciation at 31/12/2011</b>	-	<b>329,600.39</b>	<b>329,600.39</b>
<b>Accumulated Depreciation at 1/1/2012</b>	-	<b>329,600.39</b>	<b>329,600.39</b>
Depreciation 1/1-30/6/2012	-	20,600.03	20,600.03
<b>Accumulated Depreciation at 30/6/2012</b>	-	<b>350,200.42</b>	<b>350,200.42</b>
<b>Net Book Value at 1/1/2011</b>	<b>556,842.00</b>	<b>906,401.02</b>	<b>1,463,243.02</b>
<b>Net Book Value at 31/12/2011</b>	<b>556,842.00</b>	<b>865,200.97</b>	<b>1,422,042.97</b>
<b>Net Book Value at 30/6/2012</b>	<b>556,842.00</b>	<b>844,600.94</b>	<b>1,401,442.94</b>

## 12. Investments in subsidiaries

Investments in subsidiaries are as follows:

<b>Name</b>	<b>Participation amount</b>	
	<b>30/6/2012</b>	<b>31/12/2011</b>
Kritiki Philoxenia S.A.	3,203,208.19	3,203,208.19
Minoan Italia S.p.A.	120,000.00	120,000.00
<b>Totals</b>	<b>3,323,208.19</b>	<b>3,323,208.19</b>

Furthermore, the company Athina A.V.E.E. is 100% subsidiary of the Company's subsidiary Kritiki Filoxenia S.A.

### 13. Other investments

Other investments concern the participation of the Company in Hellenic Seaways S.A. which is measured at cost according to IAS 39 clause 54, after the Company's statement of retraction contractually foreseen in the agreement for the sale of the shares, dated May 18<sup>th</sup> 2009, of the above participation to A.N.E.K. S.A.

Furthermore, the Company's participation in its affiliate company Mediterranean Ferries S.r.l. has been fully impaired.

### 14. Inventories

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2012</u>	<u>31/12/2011</u>	<u>30/6/2012</u>	<u>31/12/2011</u>
Merchandise	1,782,530.65	1,862,088.80	1,782,530.65	1,862,088.80
Consumables	7,839,723.15	8,072,696.70	7,839,723.15	8,072,696.70
<b>Totals</b>	<b>9,622,253.80</b>	<b>9,934,785.50</b>	<b>9,622,253.80</b>	<b>9,934,785.50</b>

### 15. Trade and Other receivables – Other current assets

	<u>Trade and Other Receivables</u>			
	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2012</u>	<u>31/12/2011</u>	<u>30/6/2012</u>	<u>31/12/2011</u>
Customers – cheques receivable – promissory notes	52,778,353.29	52,661,290.73	52,770,433.73	52,661,290.73
Trade receivables due from affiliates and associates	46,454.03	46,454.03	104,743.58	103,949.54
Other Receivables	4,744,282.36	4,170,261.89	4,673,006.96	4,111,996.99
<b>Totals</b>	<b>57,569,089.68</b>	<b>56,878,006.65</b>	<b>57,548,184.27</b>	<b>56,877,237.26</b>

	<u>Other Current Assets</u>			
	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2012</u>	<u>31/12/2011</u>	<u>30/6/2012</u>	<u>31/12/2011</u>
Prepaid Expenses	3,668,280.88	2,426,180.30	3,668,280.88	2,426,180.30
Accrued Income	4,334,263.66	2,363,976.51	4,334,263.66	2,363,976.51
Other	-	117,083.50	-	117,083.50
<b>Totals</b>	<b>8,002,544.54</b>	<b>4,907,240.31</b>	<b>8,002,544.54</b>	<b>4,907,240.31</b>

### 16. Non – Current assets held for sale

Non-current assets held for sale include land and buildings of a subsidiary with a fair value of € 4,556,679.05, for which a decision for disposal has been taken by the Company's management. This property has been pledged to secure borrowings of the Company.

### 17. Loans – Short-term bank borrowings

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

	<u>Average</u>	<u>30/6/2012</u>	<u>Average</u>	<u>31/12/2011</u>
	<u>Interest Rate</u>		<u>Interest Rate</u>	
Bond Loan - Agent National Bank of Greece	3.33%	260,138,945.00	3.46%	260,138,945.00
Less : Net book value of transaction costs		-1,019,594.56		-1,084,675.39
<b>Total loan</b>		<b>259,119,350.44</b>		<b>259,054,269.61</b>
Less : current portion of long-term loan		-21,786,640.00		-16,258,685.00
<b>Total Long term debt</b>		<b>237,332,710.44</b>		<b>242,795,584.61</b>

The bond loan agreement is denominated in Euro with a variable interest rate (Euribor), plus a spread as defined in the particular agreement. The loan is repayable by 2019. Nevertheless, a partial or full early

repayment of the loan is permitted. The interest expense of the above long-term debt for the periods ended June 30<sup>th</sup> 2012 and 2011, amounted to € 4,378,637.03 and €4,608,970.75 respectively.

In order to secure the aforementioned debt, first preferred mortgages amounting to € 375,000,000.00 have been registered on the Company's vessels (net book value € 403,724,026.71).

The short term borrowings amounted to € 16,921,000.02 and € 27,342,343.87 at June 30<sup>th</sup> 2012 and December 31<sup>st</sup> 2011 respectively, are secured by postdated checks and, at June 30<sup>th</sup> 2012, first preferred mortgages have been registered on two of the Company's properties. The average interest rates for the periods 1/1-30/6/2012 and 1/1-30/6/2011 were 7.86% and 5.32% respectively.

## 18. Trade and Other payables

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2012</u>	<u>31/12/2011</u>	<u>30/6/2012</u>	<u>31/12/2011</u>
Suppliers – cheques payable – promissory notes	29,024,636.60	30,862,985.01	29,024,636.60	30,862,985.01
Withholding taxes-social security contributions payable	4,423,195.22	3,381,756.25	4,414,058.88	3,350,380.91
Dividends payable	124,331.25	125,024.75	124,331.25	125,024.75
Sundry creditors	37,701,065.63	31,569,847.99	37,686,444.44	31,568,875.51
Accrued expenses	2,862,656.62	2,820,273.74	2,862,656.62	2,819,273.74
Customer advances	644,928.96	432,857.88	644,928.96	432,857.88
Deferred income	9,741,054.72	3,372,450.60	9,741,054.72	3,372,450.60
<b>Totals</b>	<b>84,521,869.00</b>	<b>72,565,196.22</b>	<b>84,498,111.47</b>	<b>72,531,848.40</b>

The item «sundry creditors» includes an obligation of vessel's charter hire amounting to € 23.59 million approximately which is payable to the ultimate parent company. Moreover an advance for the sale of a vessel amounting to € 10.00 million is included in the above figure. The completion of the sale of the vessel, requires both the consent of the Company's lenders as well as the approval of the shareholders of the Company.

## 19. Operating segments

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

Due to the nature of its business activities, the Company encounters the effect of seasonality relating to the revenue from passengers' and private cars' fares as well as the revenue from on-board services (bars – restaurants, shops etc).

Thus, the revenue recorded from the two fares categories is 33.0% of the period's total revenue, while 10.9% corresponds to the on-board services turnover. On the contrary, the revenue from truck fares is evenly spread throughout the year and represents 52.1% of the total revenue for the six months ended June 30<sup>th</sup> 2012. Finally, the turnover from chartering of vessels constitutes 4.0% of the period's total revenue and it is included in the unallocated items.

	<u>The Group</u>			<u>Totals</u>	
	<u>at 30/6/2012</u>	<u>Greece routes</u>	<u>Adriatic routes</u>		<u>Unallocated items</u>
Revenue		20,413,179.46	44,275,076.04	2,816,339.42	<b>67,504,594.92</b>
Gross Profit / (Loss)		-2,046,816.92	-2,760,608.42	-2,460,658.75	<b>-7,268,084.09</b>
Profits / (Losses) before depreciation, taxation, financing and investment costs (E.B.I.T.D.A.)		661,447.54	-2,995,871.18	-6,049,878.68	<b>-8,384,302.32</b>
Net depreciation		-3,084,229.22	-1,384,432.87	-2,776,972.13	<b>-7,245,634.22</b>
Losses before taxation, financing and		-2,422,781.68	-4,380,304.05	-8,826,850.81	<b>-15,629,936.54</b>

investment costs (E.B.I.T.)				
Financial income	-	-	41,249.86	<b>41,249.86</b>
Financial expense	-1,442,406.03	-753,954.61	-3,219,374.98	<b>-5,415,735.62</b>
Losses before tax	-3,865,187.71	-5,134,258.66	-12,004,975.93	<b>-21,004,422.30</b>
Income tax expense	-	-	-1,835.13	<b>-1,835.13</b>
Losses after tax	-3,865,187.71	-5,134,258.66	-12,006,811.06	<b>-21,006,257.43</b>
Total Assets	178,616,097.82	82,287,368.78	312,787,688.96	<b>573,691,155.56</b>
Total Liabilities	85,694,699.21	68,380,126.93	212,968,918.93	<b>367,043,745.07</b>
Capital expenditure	13,715.24	2,554.61	120,697.44	<b>136,967.29</b>

	<u>Greece</u>	<u>Adriatic</u>	<u>Unallocated</u>	
<u>at 30/6/2011</u>	<u>routes</u>	<u>routes</u>	<u>items</u>	<u>Totals</u>
Revenue	19,635,142.85	50,200,169.59	9,491,342.73	<b>79,326,655.17</b>
Gross Profit / (Loss)	-2,532,224.10	-8,618,925.84	3,125,179.63	<b>-8,025,970.31</b>
Profits / (Losses) before depreciation, taxation, financing and investment costs (E.B.I.T.D.A.)	-158,487.72	-8,880,020.25	-2,830,258.40	<b>-11,868,766.37</b>
Net depreciation	-3,017,082.31	-2,181,061.19	-2,034,244.84	<b>-7,232,388.34</b>
Profits / Losses before taxation, financing and investment costs (E.B.I.T.)	-3,175,570.03	-11,061,081.44	-4,864,503.24	<b>-19,101,154.71</b>
Financial income	-	-	106,049.64	<b>106,049.64</b>
Financial expense	-1,497,887.85	-1,230,133.21	-3,089,078.62	<b>-5,817,099.68</b>
Profits / (Losses) before tax	-4,673,457.88	-12,291,214.64	-7,847,532.23	<b>-24,812,204.75</b>
Income tax expense	-	-	96,818.61	<b>96,818.61</b>
Profits / (Losses) after tax	-4,673,457.88	-12,291,214.64	-7,750,713.62	<b>-24,715,386.14</b>
<u>at 31/12/2011</u>				
Total Assets	181,686,611.80	167,224,478.69	244,362,939.32	<b>593,274,029.81</b>
Total Liabilities	85,602,833.33	87,868,256.54	192,149,272.02	<b>365,620,361.89</b>
Capital expenditure	4,009.65	30,972.87	536,054.57	<b>571,037.09</b>

The non-allocated items are closely monitored by management and are analyzed as follows:

- Total profit/loss before depreciation, tax, financing and investing costs, mainly relate to administrative and selling expenses which cannot be reasonably allocated.
- Total financial expenses refer to interest related to vessels chartered to third parties, are inactive and loan expenses not related to specific vessels.
- Total assets relate to all assets other than the value of the vessels operating in the Greece and the Adriatic routes.
- Total liabilities relate to all liabilities other than loans related to the owned vessels operating on the routes of Greece and the Adriatic and obligations to the ultimate parent company related to the vessels chartered by the Company.

## 20. Related party transactions

During 2008, the company «GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.A.» having its registered address in Palermo Italy, acquired the majority of the Company's shares, and thus became the ultimate controlling party exercising control on the Company and the Group.

Related parties are considered the Group of the ultimate parent company, the members of the Board of Directors and management of subsidiaries of the Group, as well as the financially dependent members and first-degree relatives of the members of the Board of Directors and management, and the associate companies.

Presented in the tables below are the receivable and payable balances between the related parties on June 30<sup>th</sup> 2012 and December 31<sup>st</sup> 2011, as well as purchases (services received) and sales (services provided) for the six-month periods ended June 30<sup>th</sup> 2012 and 2011 respectively:

## 20.1 Group of ultimate parent company

<u>30/6/2012</u> <u>Company</u>	<u>Grimaldi</u> <u>Compagnia</u> <u>di</u> <u>Navigazione</u> <u>S.p.A.</u>	<u>Atlantica di</u> <u>Navigazione</u> <u>S.p.A.</u>	<u>Finnlines</u> <u>P.l.c.</u>	<u>Grimaldi</u> <u>Tours</u>	<u>Totals</u>
Minoan Lines S.A. (due from)	-	769,637.65	854.60	6,791.04	777,283.29
Minoan Lines S.A. (payable to)	23,586,974.31	10,000,000.00	-	-	33,586,974.31
<u>31/12/2011</u> <u>Company</u>	<u>Grimaldi</u> <u>Compagnia</u> <u>di</u> <u>Navigazione</u> <u>S.p.A.</u>	<u>Atlantica di</u> <u>Navigazione</u> <u>S.p.A.</u>	<u>Finnlines</u> <u>P.l.c.</u>	<u>Grimaldi</u> <u>Tours</u>	<u>Totals</u>
Minoan Lines S.A. (due from)	-	-	854.60	118.14	972.74
Minoan Lines S.A. (payable to)	17,873,229.19	10,452,569.63	-	-	28,325,798.82
<u>1/1-30/6/2012</u> <u>Company</u>	<u>Grimaldi</u> <u>Compagnia di</u> <u>Navigazione</u> <u>S.p.A.</u>	<u>Atlantica di</u> <u>Navigazione</u> <u>S.p.A.</u>	<u>Totals</u>		
<b>Minoan Lines S.A.</b>					
Chartering cost	5,519,651.38	-	5,519,651.38		
Crew wages cost	765,896.25	-	765,896.25		
50% on-board operating result	639,602.31	-	639,602.31		
Bunkers cost	-	103,795.75	103,795.75		
Other operating cost	-	1,785.52	1,785.52		
<b>Totals</b>	<b>6,925,149.94</b>	<b>105,581.27</b>	<b>7,030,731.21</b>		
Chartering revenue	-	2,712,350.00	2,712,350.00		
Bunkers revenue	183,224.29	-	183,224.29		
Other revenue	191,805.74	61,880.00	253,685.74		
<b>Totals</b>	<b>375,030.03</b>	<b>2,774,230.00</b>	<b>3,149,260.03</b>		
<u>1/1-30/6/2011</u> <u>Company</u>	<u>Grimaldi</u> <u>Compagnia di</u> <u>Navigazione</u> <u>S.p.A.</u>	<u>Atlantica di</u> <u>Navigazione</u> <u>S.p.A.</u>	<u>Totals</u>		
<b>Minoan Lines S.A.</b>					
Chartering cost	6,991,859.79	-	6,991,859.79		
Crew wages cost	267,549.79	-	267,549.79		
50% on-board operating result	831,978.30	153,727.14	985,705.44		
Bunkers cost	-	417,267.05	417,267.05		
Other operating cost	36,637.10	47,212.73	83,849.83		
<b>Totals</b>	<b>8,128,024.98</b>	<b>618,206.92</b>	<b>8,746,231.90</b>		
Chartering revenue	-	4,712,024.70	4,712,024.70		

Revenue from crew cost reduction of chartered vessels	189,890.35	249,545.17	<b>439,435.52</b>
Other revenue	32,966.50	36,610.20	<b>69,576.70</b>
<b>Totals</b>	<b>222,856.85</b>	<b>4,998,180.07</b>	<b>5,221,036.92</b>

## 20.2 Subsidiaries

<u>Company</u>	<u>30/6/2012</u>	
	<u>Kritiki</u> <u>Filoxenia S.A.</u>	<u>Totals</u>
Minoan Lines S.A. (due from)	58,289.55	<b>58,289.55</b>
Athina A.V.E.E. (due from)	42,893.69	<b>42,893.69</b>

<u>Company</u>	<u>31/12/2011</u>		
	<u>Athina</u> <u>A.V.E.E.</u>	<u>Kritiki</u> <u>Filoxenia S.A.</u>	<u>Totals</u>
Minoan Lines S.A. (due from)	118.08	57,377.43	<b>57,495.51</b>
Athina A.V.E.E. (due from)	-	38,704.35	<b>38,704.35</b>

<u>Company</u>	<u>1/1-30/6/2012</u>	
	<u>Kritiki</u> <u>Filoxenia S.A.</u>	<u>Totals</u>
Minoan Lines S.A.		
Revenue from rentals and other	880.42	<b>880.42</b>
<b>Totals</b>	<b>880.42</b>	<b>880.42</b>

<u>Company</u>	<u>1/1-30/6/2011</u>			<u>Totals</u>
	<u>Minoan</u> <u>Escape S.A. *</u>	<u>Kritiki</u> <u>Filoxenia S.A.</u>	<u>Minoan</u> <u>Cruises S.A. *</u>	
Minoan Lines S.A.				
Revenue from rentals and other	600.00	880.42	300.00	<b>1,780.42</b>
<b>Totals</b>	<b>600.00</b>	<b>880.42</b>	<b>300.00</b>	<b>1,780.42</b>

\* During 2011 the companies were liquidated.

## 20.3 Associates

<u>Company</u>	<u>30/6/2012</u>
	<u>Mediterranean</u> <u>Ferries S.r.l.</u>
Minoan Lines S.A. (due from)	46,454.03
<b>Totals</b>	<b>46,454.03</b>

<u>Company</u>	<u>31/12/2011</u>
	<u>Mediterranean</u> <u>Ferries S.r.l.</u>
Minoan Lines S.A. (due from)	46,454.03
<b>Totals</b>	<b>46,454.03</b>

All the above transactions, as referred to notes 20.1 and 20.2, were entered into at arm's length.

## 20.4 Members of the Board of Directors and management

The remuneration to the Members of the Board of Directors and the Company's management are analysed as follows:

	<u>30/6/2012</u>	<u>30/6/2011</u>
Executive directors	251,327.10	251,562.70
Non – executive directors	95,021.00	95,341.00
Management	314,003.24	456,918.23
<b>Totals</b>	<b>660,351.34</b>	<b>803,821.93</b>

Of the total remuneration above for the current period, an amount of € 65,158.61 remains unpaid as at June 30<sup>th</sup> 2012. In addition, as at June 30<sup>th</sup> 2012, an amount of € 86,338.67 is receivable from one of the members of the Board of Directors, resulting from commercial activities.

## **21. Contingent liabilities**

By virtue of Decision No. 210/III/2002 of the Competition Committee, a penalty was imposed on the Company amounting of € 4.5 million. The Company was justified by the Court of Appeal of Athens with Decision 1011/2005. An appeal by the Greek Government and the Competition Committee had been filed against the final instance courts. With the 2812/2012 Decision by the Council of State (B' section 7-membered), the Company was justified definitively and the case was closed since the cancellation of the Decision No. 210/III/2002 of the Competition Committee has become irreversible.

Following an extraordinary audit by the Heraklion B' Tax Office, on the issue of tax items (bills of landing) of the Company's existing transactions, but which incorrectly displayed information relating to the recipients of the transport service, decisions and acts against the Company have been issued amounting in total, according to the Tax Authority's notification documents, to € 498 thousand. The Company believes that it has no liability and intends to appeal against those decisions and acts, estimating that will be fully justified thus no relevant provision has been established.

Beyond the above mentioned, there are no other changes in contingent liabilities of the Company and the Group to those referred in the Annual Financial Statements of 2011.

The unaudited tax years for the Companies that are included in the Financial Statements are presented below:

<u>Company</u>	<u>Unaudited tax years</u>
Minoan Lines S.A.	2006 - 2011
Kritiki Filoxenia S.A.	2007 - 2011
Athina A.V.E.E.	2007 - 2011
Minoan Italia S.p.A.	2009 - 2011
Mediterranean Ferries S.r.l.	2002 - 2011

From the financial year 2011 and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an «Annual Tax Certificate» as provided for by paragraph 5 of Article 82 of L.2238/1994. This «Annual Tax Certificate» must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a «Tax Compliance Report» which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This «Tax Compliance Report» must be submitted to the Ministry of Finance, within ten days from the end of the seventh month following the end of the financial year. The Ministry of Finance will subsequently select a sample of at least 9% of all companies for which a «Tax Compliance Report» has been submitted for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within a period of eighteen months from the date when the «Tax Compliance Report» was submitted to the Ministry of Finance. For the parent Company and the subsidiaries «Kritiki Filoxenia S.A.» and «Athina A.V.E.E.», the «Tax Compliance Report» for the financial year 2011 has been issued with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the annual financial statements for 2011. According to the relevant

legislation, the financial year 2011 will be considered final for tax audit purposes after eighteen months from the submission of the «Tax Compliance Report» to the Ministry of Finance.

## **22. Subsequent events**

On June 25<sup>th</sup> 2012, a decision about a share capital increase of € 164.88 million was taken during the extraordinary General Assembly of the 100% subsidiary company Minoan Italia S.p.A., in which the Company, according to the decision, will participate with the contribution in kind of the vessels Olympia Palace and Europa Palace.

A necessary and essential condition for the aforementioned share capital increase participation by the Company and the transfer of the vessels in question was the consent of the Company's bondholder and mortgagees over the vessels. This consent, as well as the final terms and conditions which were posed, was notified to the Company on July 3<sup>rd</sup> by the Agent bank «National Bank of Greece S.A.».

Subsequently, following the aforementioned approval, the Company's Board of Directors, with a decision taken on the same day (July 3<sup>rd</sup> 2012), was committed to its participation in the share capital increase and the transfer of the vessels Olympia Palace and Europa Palace to the subsidiary company.

This decision was finally implemented on July 23<sup>rd</sup> 2012, the same day as the transfer of the ownership of the vessels to the subsidiary company was concluded, while the share capital increase was covered by the Company with the contribution in kind of the vessels Olympia Palace and Europa Palace at their December 31<sup>st</sup> 2011 book value (167.23 million Euros). A reserve premium was created by the subsidiary company to cover the difference between the amount of the capital increase and the book value of the vessels. Following the transfer, the vessels have been chartered to the company «Compagnia Italiana di Navigazione (C.I.N.)».

There are no other subsequent events relating to the Company or the Group that have occurred and need to be disclosed according to International Accounting Standard 34.

**Heraklion, August 28<sup>th</sup> 2012**

**The Vice Chairman**  
**of the B.o.D.**

**The Managing**  
**Director**

**The Accounting**  
**Manager**

**The Accountant**

**Konstantinos**  
**Mamalakis**  
ID C No AA 367050

**Antonios**  
**Maniadakis**  
ID C No AI 944699

**Isidoros**  
**Manolakis**  
ID C No AE 961838

**Georgios**  
**Avgoustakis**  
ID C No AB 478295  
ID OEE 0051530 First Class



**MINOAN LINES SHIPPING S.A.**  
**SHIPPING SOCIETE ANONYME**  
 Company's Number in the S.As. Register 11314/06/B/86/13  
 Domicile : 17, 25th August Str. 71202 - Heraklion Crete  
 Notes and Information for the period ended June 30<sup>th</sup>, 2012 (1/1 - 30/6/2012)  
 In accordance with the decision 4/307/28.04.2009 of the Hellenic Capital Market Commission

The financial information set out below provides a general presentation of the financial position and results of MINOAN LINES SHIPPING S.A. and its Group. We recommend to the reader, before any investment decision or transaction is performed with the Company, to visit the web site (at www.minoan.gr), where the financial statements are presented and the type of the auditor's report is required.

COMPANY'S INFORMATION				STATEMENT OF CHANGES IN EQUITY																																																																																																																																																																																																																																																																					
Web site address:		www.minoan.gr		The Group		The Company																																																																																																																																																																																																																																																																			
Date of the interim financial statements approval by the BoD:		August 28 <sup>th</sup> , 2012		30/6/2012		30/6/2011																																																																																																																																																																																																																																																																			
Certified Auditor/Accountant:		Mehalides Konstantinos Reg. No. ICFA (GR) 17701		30/6/2012		30/6/2011																																																																																																																																																																																																																																																																			
Auditor Firm:		PricewaterhouseCoopers S.A. Reg. No. ICFA (GR) 113		30/6/2012		30/6/2011																																																																																																																																																																																																																																																																			
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<p><b>STATEMENT OF FINANCIAL POSITION</b></p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;">The Group</th> <th colspan="2" style="text-align: center;">The Company</th> </tr> <tr> <th style="text-align: center;">30/6/2012</th> <th style="text-align: center;">31/12/2011</th> <th style="text-align: center;">30/6/2012</th> <th style="text-align: center;">31/12/2011</th> </tr> </thead> <tbody> <tr> <td><b>ASSETS</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Property, plant and equipment</td> <td>409,888,690.81</td> <td>417,069,399.47</td> <td>409,888,690.81</td> <td>417,069,399.47</td> </tr> <tr> <td>Investment property</td> <td>1,401,442.94</td> <td>1,422,942.97</td> <td>1,401,442.94</td> <td>1,422,942.97</td> </tr> <tr> <td>Intangible assets</td> <td>388,648.56</td> <td>399,932.22</td> <td>388,648.56</td> <td>399,932.22</td> </tr> <tr> <td>Other non-current assets</td> <td>77,538,170.23</td> <td>77,538,170.23</td> <td>80,861,278.42</td> <td>80,861,278.42</td> </tr> <tr> <td>Intangible assets</td> <td>9,622,253.80</td> <td>9,934,785.50</td> <td>9,622,253.80</td> <td>9,934,785.50</td> </tr> <tr> <td>Trade receivables</td> <td>57,569,089.68</td> <td>56,878,006.65</td> <td>57,548,184.27</td> <td>56,877,237.26</td> </tr> <tr> <td>Other current assets</td> <td>12,726,180.49</td> <td>25,475,013.72</td> <td>12,534,052.05</td> <td>25,240,027.13</td> </tr> <tr> <td>Non-current assets held for sale</td> <td>4,536,679.05</td> <td>4,536,679.05</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>TOTAL ASSETS</b></td> <td><b>573,691,155.56</b></td> <td><b>593,274,029.81</b></td> <td><b>572,244,650.85</b></td> <td><b>591,804,802.97</b></td> </tr> <tr> <td><b>EQUITY AND LIABILITIES</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Share Capital</td> <td>159,583,500.00</td> <td>159,583,500.00</td> <td>159,583,500.00</td> <td>159,583,500.00</td> </tr> <tr> <td>Retained Earnings and other Reserves</td> <td>47,063,910.49</td> <td>68,070,167.92</td> <td>46,015,685.30</td> <td>67,008,810.89</td> </tr> <tr> <td>Total Shareholders' Equity (a)</td> <td>206,647,410.49</td> <td>227,653,667.92</td> <td>205,599,185.30</td> <td>226,592,310.89</td> </tr> <tr> <td>Non-controlling Interests (b)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>TOTAL EQUITY (c) = (a) + (b)</b></td> <td><b>206,647,410.49</b></td> <td><b>227,653,667.92</b></td> <td><b>205,599,185.30</b></td> <td><b>226,592,310.89</b></td> </tr> <tr> <td>Long-term borrowings</td> <td>237,332,710.44</td> <td>242,795,584.61</td> <td>237,332,710.44</td> <td>242,795,584.61</td> </tr> <tr> <td>Provisions/other long-term liabilities</td> <td>6,481,325.61</td> <td>6,658,552.19</td> <td>6,107,003.62</td> <td>6,284,000.30</td> </tr> <tr> <td>Bank overdrafts and current portion of long-term borrowing</td> <td>38,707,640.02</td> <td>43,601,028.87</td> <td>38,707,640.02</td> <td>43,601,028.87</td> </tr> <tr> <td>Other current liabilities</td> <td>84,521,869.00</td> <td>72,565,196.32</td> <td>84,498,111.47</td> <td>72,531,848.40</td> </tr> <tr> <td><b>TOTAL LIABILITIES (d)</b></td> <td><b>367,043,745.07</b></td> <td><b>365,620,361.89</b></td> <td><b>366,645,465.55</b></td> <td><b>365,212,492.08</b></td> </tr> <tr> <td><b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b></td> <td><b>573,691,155.56</b></td> <td><b>593,274,029.81</b></td> <td><b>572,244,650.85</b></td> <td><b>591,804,802.97</b></td> </tr> </tbody> </table>					The Group		The Company		30/6/2012	31/12/2011	30/6/2012	31/12/2011	<b>ASSETS</b>					Property, plant and equipment	409,888,690.81	417,069,399.47	409,888,690.81	417,069,399.47	Investment property	1,401,442.94	1,422,942.97	1,401,442.94	1,422,942.97	Intangible assets	388,648.56	399,932.22	388,648.56	399,932.22	Other non-current assets	77,538,170.23	77,538,170.23	80,861,278.42	80,861,278.42	Intangible assets	9,622,253.80	9,934,785.50	9,622,253.80	9,934,785.50	Trade receivables	57,569,089.68	56,878,006.65	57,548,184.27	56,877,237.26	Other current assets	12,726,180.49	25,475,013.72	12,534,052.05	25,240,027.13	Non-current assets held for sale	4,536,679.05	4,536,679.05	-	-	<b>TOTAL ASSETS</b>	<b>573,691,155.56</b>	<b>593,274,029.81</b>	<b>572,244,650.85</b>	<b>591,804,802.97</b>	<b>EQUITY AND LIABILITIES</b>					Share Capital	159,583,500.00	159,583,500.00	159,583,500.00	159,583,500.00	Retained Earnings and other Reserves	47,063,910.49	68,070,167.92	46,015,685.30	67,008,810.89	Total Shareholders' Equity (a)	206,647,410.49	227,653,667.92	205,599,185.30	226,592,310.89	Non-controlling Interests (b)	-	-	-	-	<b>TOTAL EQUITY (c) = (a) + (b)</b>	<b>206,647,410.49</b>	<b>227,653,667.92</b>	<b>205,599,185.30</b>	<b>226,592,310.89</b>	Long-term borrowings	237,332,710.44	242,795,584.61	237,332,710.44	242,795,584.61	Provisions/other long-term liabilities	6,481,325.61	6,658,552.19	6,107,003.62	6,284,000.30	Bank overdrafts and current portion of long-term borrowing	38,707,640.02	43,601,028.87	38,707,640.02	43,601,028.87	Other current liabilities	84,521,869.00	72,565,196.32	84,498,111.47	72,531,848.40	<b>TOTAL LIABILITIES (d)</b>	<b>367,043,745.07</b>	<b>365,620,361.89</b>	<b>366,645,465.55</b>	<b>365,212,492.08</b>	<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>	<b>573,691,155.56</b>	<b>593,274,029.81</b>	<b>572,244,650.85</b>	<b>591,804,802.97</b>	<p><b>STATEMENT OF CASH FLOWS</b></p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;">The Group</th> <th colspan="2" style="text-align: center;">The Company</th> </tr> <tr> <th style="text-align: center;">1/1-30/6/2012</th> <th style="text-align: center;">1/1-30/6/2011</th> <th style="text-align: center;">1/1-30/6/2012</th> <th style="text-align: center;">1/1-30/6/2011</th> </tr> </thead> <tbody> <tr> <td><b>Cash flows from operating activities</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Net cash (used in) operating activities (a)</td> <td>-21,004,422.30</td> <td>-24,812,204.75</td> <td>-20,993,125.59</td> <td>-24,808,437.86</td> </tr> <tr> <td>Net depreciation and amortization</td> <td>7,245,634.22</td> <td>7,232,388.34</td> <td>7,245,634.22</td> <td>7,232,388.34</td> </tr> <tr> <td>Provisions</td> <td>120,332.21</td> <td>148,116.62</td> <td>120,332.21</td> <td>148,116.62</td> </tr> <tr> <td>Net foreign exchange (gain) / losses (Income), (gain) from investing activities</td> <td>28,312.19</td> <td>-40,832.69</td> <td>28,312.19</td> <td>-40,832.69</td> </tr> <tr> <td>Interest and other financial expenses</td> <td>-771.71</td> <td>-6,464.37</td> <td>-771.71</td> <td>-6,464.40</td> </tr> <tr> <td>Plus/ Less adjustments for changes in working capital or operating activities</td> <td>5,415,735.62</td> <td>5,817,099.68</td> <td>5,415,735.62</td> <td>5,816,913.68</td> </tr> <tr> <td>Decrease / (Increase) in inventories</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>(Increase) in trade and other receivables</td> <td>312,531.70</td> <td>-1,408,994.60</td> <td>312,531.70</td> <td>-1,408,994.60</td> </tr> <tr> <td>Increase in liabilities other than borrowings</td> <td>-2,787,525.51</td> <td>-12,689,903.67</td> <td>-3,767,389.49</td> <td>-12,698,663.90</td> </tr> <tr> <td>Less:</td> <td>11,663,569.65</td> <td>19,376,429.69</td> <td>11,696,566.57</td> <td>19,574,193.11</td> </tr> <tr> <td>Interest and related expenses paid</td> <td>-5,308,100.39</td> <td>-4,027,364.71</td> <td>-5,308,097.19</td> <td>-4,027,178.71</td> </tr> <tr> <td>Income taxes paid</td> <td>19,571.50</td> <td>-538,249.68</td> <td>-</td> <td>-506,845.64</td> </tr> <tr> <td>Net cash (used in) operating activities (a)</td> <td>-5,293,132.82</td> <td>-10,749,970.14</td> <td>-5,230,274.87</td> <td>-10,725,796.05</td> </tr> <tr> <td><b>Cash flows from investing activities</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Purchase of property, plant and equipment</td> <td>-136,967.29</td> <td>-270,489.77</td> <td>-136,967.29</td> <td>-270,489.77</td> </tr> <tr> <td>Proceeds from property, plant and equipment disposal</td> <td>8,000.00</td> <td>-</td> <td>8,000.00</td> <td>-</td> </tr> <tr> <td>Dividends received</td> <td>-</td> <td>6,464.54</td> <td>-</td> <td>6,464.54</td> </tr> <tr> <td>Net cash (used in) investing activities (b)</td> <td>-128,967.29</td> <td>-264,025.23</td> <td>-128,967.29</td> <td>-264,025.23</td> </tr> <tr> <td><b>Cash flows from financing activities</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Repayment of long/short term borrowings</td> <td>-10,421,343.85</td> <td>-6,273,082.19</td> <td>-10,421,343.85</td> <td>-6,273,082.19</td> </tr> <tr> <td>Dividends paid</td> <td>-493.50</td> <td>427,177.58</td> <td>-493.50</td> <td>427,177.58</td> </tr> <tr> <td>Net Cash (used in) financing activities (c)</td> <td>-10,421,837.35</td> <td>-6,702,597.77</td> <td>-10,421,837.35</td> <td>-6,702,597.77</td> </tr> <tr> <td>Net (decrease) in cash and cash equivalents (a)+(b)+(c)</td> <td>-15,844,437.46</td> <td>-17,714,255.14</td> <td>-15,801,279.51</td> <td>-17,690,081.05</td> </tr> <tr> <td>Cash and cash equivalents at the beginning of the year</td> <td>20,495,228.11</td> <td>22,648,789.60</td> <td>20,260,241.52</td> <td>22,372,498.20</td> </tr> <tr> <td>Cash and cash equivalents at the end of the year</td> <td>4,650,790.65</td> <td>4,934,534.46</td> <td>4,458,962.01</td> <td>4,682,417.15</td> </tr> </tbody> </table>					The Group		The Company		1/1-30/6/2012	1/1-30/6/2011	1/1-30/6/2012	1/1-30/6/2011	<b>Cash flows from operating activities</b>					Net cash (used in) operating activities (a)	-21,004,422.30	-24,812,204.75	-20,993,125.59	-24,808,437.86	Net depreciation and amortization	7,245,634.22	7,232,388.34	7,245,634.22	7,232,388.34	Provisions	120,332.21	148,116.62	120,332.21	148,116.62	Net foreign exchange (gain) / losses (Income), (gain) from investing activities	28,312.19	-40,832.69	28,312.19	-40,832.69	Interest and other financial expenses	-771.71	-6,464.37	-771.71	-6,464.40	Plus/ Less adjustments for changes in working capital or operating activities	5,415,735.62	5,817,099.68	5,415,735.62	5,816,913.68	Decrease / (Increase) in inventories	-	-	-	-	(Increase) in trade and other receivables	312,531.70	-1,408,994.60	312,531.70	-1,408,994.60	Increase in liabilities other than borrowings	-2,787,525.51	-12,689,903.67	-3,767,389.49	-12,698,663.90	Less:	11,663,569.65	19,376,429.69	11,696,566.57	19,574,193.11	Interest and related expenses paid	-5,308,100.39	-4,027,364.71	-5,308,097.19	-4,027,178.71	Income taxes paid	19,571.50	-538,249.68	-	-506,845.64	Net cash (used in) operating activities (a)	-5,293,132.82	-10,749,970.14	-5,230,274.87	-10,725,796.05	<b>Cash flows from investing activities</b>					Purchase of property, plant and equipment	-136,967.29	-270,489.77	-136,967.29	-270,489.77	Proceeds from property, plant and equipment disposal	8,000.00	-	8,000.00	-	Dividends received	-	6,464.54	-	6,464.54	Net cash (used in) investing activities (b)	-128,967.29	-264,025.23	-128,967.29	-264,025.23	<b>Cash flows from financing activities</b>					Repayment of long/short term borrowings	-10,421,343.85	-6,273,082.19	-10,421,343.85	-6,273,082.19	Dividends paid	-493.50	427,177.58	-493.50	427,177.58	Net Cash (used in) financing activities (c)	-10,421,837.35	-6,702,597.77	-10,421,837.35	-6,702,597.77	Net (decrease) in cash and cash equivalents (a)+(b)+(c)	-15,844,437.46	-17,714,255.14	-15,801,279.51	-17,690,081.05	Cash and cash equivalents at the beginning of the year	20,495,228.11	22,648,789.60	20,260,241.52	22,372,498.20	Cash and cash equivalents at the end of the year	4,650,790.65	4,934,534.46	4,458,962.01	4,682,417.15
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Proceeds from property, plant and equipment disposal	8,000.00	-	8,000.00	-																																																																																																																																																																																																																																																																					
Dividends received	-	6,464.54	-	6,464.54																																																																																																																																																																																																																																																																					
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Net Cash (used in) financing activities (c)	-10,421,837.35	-6,702,597.77	-10,421,837.35	-6,702,597.77																																																																																																																																																																																																																																																																					
Net (decrease) in cash and cash equivalents (a)+(b)+(c)	-15,844,437.46	-17,714,255.14	-15,801,279.51	-17,690,081.05																																																																																																																																																																																																																																																																					
Cash and cash equivalents at the beginning of the year	20,495,228.11	22,648,789.60	20,260,241.52	22,372,498.20																																																																																																																																																																																																																																																																					
Cash and cash equivalents at the end of the year	4,650,790.65	4,934,534.46	4,458,962.01	4,682,417.15																																																																																																																																																																																																																																																																					
<p><b>STATEMENT OF COMPREHENSIVE INCOME</b></p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="4" style="text-align: center;">The Group</th> <th colspan="4" style="text-align: center;">The Company</th> </tr> <tr> <th style="text-align: center;">1/1-30/6/2012</th> <th style="text-align: center;">1/1-30/6/2011</th> <th style="text-align: center;">1/4-30/6/2012</th> <th style="text-align: center;">1/4-30/6/2011</th> <th style="text-align: center;">1/1-30/6/2012</th> <th style="text-align: center;">1/1-30/6/2011</th> <th style="text-align: center;">1/4-30/6/2012</th> <th style="text-align: center;">1/4-30/6/2011</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>67,504,594.92</td> <td>79,336,655.17</td> <td>35,869,192.64</td> <td>44,792,873.59</td> <td>67,454,105.53</td> <td>79,277,514.36</td> <td>35,844,086.72</td> <td>44,768,265.76</td> </tr> <tr> <td>Gross loss</td> <td>-7,268,084.09</td> <td>-8,025,970.31</td> <td>-1,041,225.60</td> <td>-4,819,726.88</td> <td>-7,318,573.48</td> <td>-8,075,111.12</td> <td>-1,066,331.52</td> <td>-4,844,334.71</td> </tr> <tr> <td>Operating loss before tax, financing and investing costs</td> <td>-15,629,936.54</td> <td>-19,101,154.71</td> <td>-5,246,255.76</td> <td>-11,279,525.80</td> <td>-15,618,412.36</td> <td>-19,096,939.15</td> <td>-5,217,929.15</td> <td>-11,253,715.59</td> </tr> <tr> <td>Loss before taxes</td> <td>-21,004,422.30</td> <td>-24,812,204.75</td> <td>-7,764,993.19</td> <td>-14,340,903.47</td> <td>-20,993,125.59</td> <td>-24,808,437.86</td> <td>-7,737,101.41</td> <td>-14,315,589.46</td> </tr> <tr> <td>Loss after taxes (A)</td> <td>-21,006,257.43</td> <td>-24,715,386.14</td> <td>-7,762,152.88</td> <td>-14,238,440.55</td> <td>-20,993,125.59</td> <td>-24,808,437.86</td> <td>-7,737,101.41</td> <td>-14,315,589.46</td> </tr> <tr> <td>Equity holders of the parent</td> <td>-21,006,257.43</td> <td>-24,714,501.58</td> <td>-7,762,152.88</td> <td>-14,237,586.24</td> <td>-20,993,125.59</td> 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costs	-15,629,936.54	-19,101,154.71	-5,246,255.76	-11,279,525.80	-15,618,412.36	-19,096,939.15	-5,217,929.15	-11,253,715.59	Loss before taxes	-21,004,422.30	-24,812,204.75	-7,764,993.19	-14,340,903.47	-20,993,125.59	-24,808,437.86	-7,737,101.41	-14,315,589.46	Loss after taxes (A)	-21,006,257.43	-24,715,386.14	-7,762,152.88	-14,238,440.55	-20,993,125.59	-24,808,437.86	-7,737,101.41	-14,315,589.46	Equity holders of the parent	-21,006,257.43	-24,714,501.58	-7,762,152.88	-14,237,586.24	-20,993,125.59	-24,808,437.86	-7,737,101.41	-14,315,589.46	Non-controlling Interests	-	-884.56	-	-854.31	-	-	-	-	Other Comprehensive income after taxes (B)	-	-	-	-	-	-	-	-	Total comprehensive income after taxes (A)+(B)	-21,006,257.43	-24,715,386.14	-7,762,152.88	-14,238,440.55	-20,993,125.59	-24,808,437.86	-7,737,101.41	-14,315,589.46	Equity holders of the parent	-21,006,257.43	-24,714,501.58	-7,762,152.88	-14,237,586.24	-20,993,125.59	-24,808,437.86	-7,737,101.41	-14,315,589.46	Non-controlling Interests	-	-884.56	-	-854.31	-	-	-	-	Basic and diluted earnings per share after taxation in (€)	-0.2962	-0.3485	-0.1094	-0.2007	-0.2960	-0.3498	-0.1091	-0.2018	Operating loss before tax, depreciation, financing and investing costs	-8,384,302.32	-11,868,766.37	-1,620,457.57	-7,660,881.55	-8,372,478.14	-11,864,550.81	-1,592,130.96	-7,635,071.34																																																																																																																												
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<p><b>Notes and information:</b></p> <ol style="list-style-type: none"> <li>The Companies that are included in the above stated financial statements with their locations, the Group interest and the consolidation method are presented in note 1 of the interim financial statements.</li> <li>The consolidated financial statements are included in the consolidated financial statements of the company "GRIMALDI COMPAGNIA di NAVIGAZIONE S.p.a." (domicile: Palermo Italy) which at the period ended March 31<sup>st</sup>, 2012 participated in the share capital of the parent company with 91.82% (call option of 4.11% include).</li> <li>The unaudited tax years of the Company and of the companies of the Group are analyzed in note 21 of the interim financial statements.</li> <li>The main accounting principles of 31/12/2011 have been consistently applied.</li> <li>For securing the long-term debt, first preferred mortgages have been registered on the vessels of the above stated financial statements amounting to € 375,000,000. Furthermore, the short-term borrowings are secured by postdated checks and first preferred mortgages have been registered on two of the Company's properties.</li> <li>There are no outstanding disputes in the courts or any arbitration against the Company and consolidated Subsidiaries, which could have substantial effects on the financial position. The relevant provisions included in the above stated financial statements are the following: <table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">The Group</th> <th style="text-align: center;">The Company</th> </tr> </thead> <tbody> <tr> <td>Provisions for debtors' balances legally pursued</td> <td style="text-align: center;">12,550,685.38</td> <td style="text-align: center;">12,550,685.38</td> </tr> <tr> <td>Provisions for unaudited tax years</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Other Provisions</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> </li> </ol>									The Group	The Company	Provisions for debtors' balances legally pursued	12,550,685.38	12,550,685.38	Provisions for unaudited tax years	-	-	Other Provisions	-	-																																																																																																																																																																																																																																																						
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