



a Grimaldi Group company

MINOAN LINES SHIPPING S.A.

Interim Financial Report **for the period ended June 30th 2014 (1/1–30/6/2014)**

In accordance with article 5 of law 3556 / 2007

TRANSLATED FROM THE GREEK ORIGINAL

(In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document).

Shipping Societe Anonyme
Company's No in the General Electronic Commercial Registry: 77083027000
(former Company's No in the S.As. Register 11314 / 06 / B / 86 / 13)
17, 25th August Str. – 71 202 Heraklion – Crete

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The amounts of the interim financial report are presented in thousands of € unless explicitly stated otherwise. Any last digit discrepancies are due to rounding of the figures.

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 1st 2014 to June 30th 2014, 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 30th 2014, 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 30th 2014 gives a true view of the information required in accordance with paragraph 6 of article 5 of law 3556 / 2007.

Heraklion, August 28th 2014

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

Michail
Hatzakis

Pass. Nr AH 4939797

The Managing
Director

Antonios
Maniadakis

ID.C. Nr AI 944699

The Member
of the B.o.D.

Georgios
Papageorgiou

ID.C. Nr AK 469642

Report of the Board of Directors for the period ended June 30th 2014 (1/1–30/6/2014)

This report refers to the company as well as to the consolidated financial statements for the six months ended June 30th 2014, and has been prepared in accordance with paragraph 6 of article 5 of law 3556 / 2007.

Significant events for the six-month period of 1/1–30/6/2014 – Effect on Financial Statements

After six years of Greek economy recession, the first half of 2014 is considered to be a balancing period, while for this year the economy could achieve the aim of recording positive economic growth. Furthermore, long-term fiscal consolidation got the first positive results since a primary surplus in 2013 was held and its retention for 2014 is estimated. Moreover, a significant drop in yields on Greek bonds has enabled Greece to return to the markets, while share capital increases of Greek banks have been successfully completed improving their capital structure.

The above-mentioned positive developments have not been effected on the real economy having as a result that unemployment remains at the highest level, as well as expected investments have not carried out as circumstances required. Additionally, changing tax system and the level of public sector efficiency in solving various issues have a detrimental effect on attracting new investments.

The implication is that reshuffle of economic resources is processing very slowly. This adjustment of Greek economy is prerequisite for the stabilization of economic growth at positive level allowing the country to substantially improve its financial and economic situation.

Minoan Lines monitors the developments in Greek and global economy, as they affect traffic volumes, revenues and especially fuel costs which in recent years have been about half of the operating costs.

The first half of 2014 was yet another period in which continued improvement in financial results of the Company after the completion of a series of measures that aims to adapt environment prevailing in our country and the impact of the financial crisis on the ferry shipping sector. This effort is integrated to the overall strategy followed in recent years, aiming at the operating costs minimization while raising the efficiency of the fleet operation. The up to date results are considered to be effective and promising as being reflected in the financial results of the first two quarters of 2014.

Financial Results

The turnover for the first half of 2014 stood at consolidated level to € 72,770 compared to € 70,932 in the first half of 2013, recording an increase of € 1,838. Moreover, Group's operating profit (E.B.I.T.D.A.) was shaped at € 5,962 in comparison to € 2,932 in the corresponding period of 2013, noting a positive change of € 3,030. Finally, the net results of Minoan Lines S.A. for the first half of the year amounted to loss of € 4,499 against loss of € 8,975 in 2013.

The improved financial performance of the Company is due to the measures taken in recent years including inter alia the redeployment of its fleet, the withdrawal of its vessels from Patras–Igoumenitsa–Venice route and the chartering of two of the Group's vessels to a third party. Furthermore, the Company decided to expand the existing line of Patras–Igoumenitsa–Ancona by adding the port of Trieste as an additional destination aiming at increase of the traffic and vessels capacity. In addition, there was a significant reduction in financial expenses mainly due to the reduction of margin of short and long term borrowings as well as the reduction of bank loans. Moreover, the Company is in an effort to reduce fuel costs, implemented cost optimization policies, both through the rescheduling of its itineraries and establishments of technological improvements. Such measures are the upgrade of the propellers' system on both vessels operating on domestic line of Heraklion- Piraeus, as well as the silicon painting on the vessels hull which yielded significant benefits on fuel consumption.

Traffic Volumes

During the first half of 2014, the Company was active on Adriatic route of Patras–Igoumenitsa–Ancona–Trieste and on the domestic line of Piraeus–Heraklion. Specifically, Minoan Lines carried 155 passengers, 33 private cars and 40 freight units. On the domestic route of Piraeus–Heraklion, the Company carried 316 passengers, 30 private cars and 28 freight cars.

.Significant events – Share Capital Increase

(amounts in €)

On March 24th, 2014 with the admission to trading on the Athens Stock Exchange, the share capital increase of the Company through cash payment and pre-emption rights to existing shareholders resolved by Extraordinary General Assembly on January 31st, 2014 was successfully completed. The coverage of the share capital increase reached 100%. The Company's Board of Directors at their assembly on March 17th, 2014 certified the full coverage of the increase and issuance of new capital of € 30,586,837.50. Therefore, the new total share capital of the Company amounts to €240,705,112.50 split into 106,980,050 new common registered shares at its nominal value of € 2.25 each.

Consolidated Financial Results – Balance Sheet

The most important items of the Balance Sheet and Income Statement of the Group that have been prepared are presented below:

- The “Non-Current Assets” amounts to € 460,842 against € 466,650 at 31/12/2013 decreased by € 5,808.
- The “Current Assets” were decreased by € 9,393 and reached € 53,272 versus € 62,665 at 31/12/2013 mainly attributable to the decrease in the Company’s cash and cash equivalents.
- The “Equity” was increased by € 25,661 and reached € 237,307 against € 211,646 at 31/12/2013. This change is due to the share capital increase by € 30,587 that was completed at 24/03/2014.
- The “Total Liabilities” amounted to € 276,807 against € 317,669 at 31/12/2013.

With regards to the financial results, despite the stabilization of fuel prices at high levels and the intense competition among the firms of the ferry shipping sector, the Company implemented a number of significant reforms managing to achieve cost reduction while improving its financial performance.

In more detail, at the Group Level:

- The “Revenues” was increased by € 1,838 and shaped at € 72,770 against € 70,932 in 2013.
- The “Cost of Sales” was decreased by € 734 and amounts to € 66,207 against € 66,941 compared to corresponding period of 2013.
- The “Distribution costs and Administration Expenses” were decreased by € 282 in comparison with 2013 and shaped at € 8,282.
- The “Operating Loss before tax, depreciation, financing and investing costs” was reduced by € 2,946 in relation to the corresponding period of 2013 and amounts to € 1,749 against € 4,695.
- The “Net Financial Results (Expenses) presented reduction compared to those of first half period of 2013 and stood at € 2,630 against € 4,162. This change was primarily due to the significant reduction of margin rate and the repayment of long and short term bank borrowings.
- The “Net Loss after Taxation” amounts to € 4,499 against € 8,975 of the first half of 2013 and was decreased by € 4,476.

Company’s Financial Results – Balance Sheet

The table below is a summarized presentation of the consolidated balance sheet as well as the income statement of the Company:

	<u>30/6/2014</u>	<u>31/12/2013</u>	<u>Change €</u>
<u>Balance Sheet</u>			
Non-Current Assets	459,139	462,183	-3,044
Current Assets	50,671	60,728	-10,057
Equity	231,564	205,804	25,760
Total Liabilities	278,246	317,107	-38,861
	<u>1/1-30/6/2014</u>	<u>1/1-30/6/2013</u>	<u>Change €</u>
<u>Income Statement</u>			
Revenue	67,636	65,753	1,883
Cost of sales	63,443	64,177	-734
Distribution costs and Administration expenses	8,219	8,426	-207
Operating (Loss) before Tax, Financing and Investing costs	-4,054	-6,969	2,915
Net Financial expenses	2,641	4,164	-1,523
Net (Loss) after Tax	-4,400	-10,836	6,436

Share price

(amounts in €)

Minoan Lines share closed at € 1.50 as of 30/06/2014 while in 2013 the respective closing price was € 2.00.

Prospects for the second half of the year 2014

During the second half of 2014 against the corresponding period of 2013, Company expects that traffic volumes and revenues experience an upward trend in both the domestic and international lines mainly due to its dynamic sales strategy. Furthermore, both the cost of sales and the distribution expenses are expected to remain at the same level as in 2013. The values of average fares are expected to present small decline due to the intense competition on the ferry shipping sector, while the administrative expenses will not present substantial deviation compared to the levels of 2013.

Risks and Uncertainties

Fuel prices

The main risk in which the company is exposed is the sensitivity of the fuel prices. Due to the nature of the sector and as the fuel cost is more than 53% of the cost of sales before net depreciation; the company is absolutely inelastic to volatilities in fuel prices. Moreover, the Company considers several financial derivatives' strategies that will be used accordingly when the proper situation arises. Having already taken a series of actions, the Company has already succeeded in reducing substantially the fuel consumption in the current financial year.

Interest rates risk

The long-term borrowings of the Company have agreed to be remunerated in a floating interest rate of Euribor plus margin. Therefore, the Company is exposed to interest rate risk since in case of a Euribor increase, the Company shall be incurred with additional interest expenses. During the first half of 2014, the European Central Bank in an effort of targeted contribution to the formation of growth, prosperity and limitation of market pressures, stabilizes interest rates at very low levels, contributing positively to the reduction of the Company's interest expenses. The exposure to the risk of the increase of interest rates is closely monitored and the Company calculates their effect on its operation. Hedging activities have already been considered and financial instruments shall be used when conditions allow it.

Liquidity risk

Liquidity risk is the inability of the Company and the Group to meet their financial obligations when they become due. The approach adopted by the Company and the Group for managing liquidity is to ensure the sufficient liquidity to meet their obligations. Thus, the right combinations of cash and secured bank credit lines are used.

The Company's cash and cash equivalents at 30/6/2014 are € 7,123 while maintains lines of credit amounting to € 18,000 as at 30/06/2014 and € 22,000 as at 31/12/2013, of which the unused amounts were € 13,332 and € 8,580 respectively. The interest on the credit lines charged is based on the sum of the EURIBOR rate and the banks' margin and are secured by post-dated cheques while prenotation has been registered on two properties of the Company. The negative working capital presented on the 6month 2014 results is solely due to seasonality on the ferry shipping sector.

It is worth mentioning that during holidays and summer months the passenger and private vehicles' traffic is booming while the freight units' one presents little variation throughout the year. Thus, the biggest part of the Company's revenue is recorded during the third quarter of the fiscal year. Taking into account the balances of credit lines available to the Company at 30/6/2014 and the elimination of the effect of seasonality in the next two quarters of the year, the management is in a position to claim the non-existence of short term liquidity risk.

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 under consideration that these are denominated in Euro. Indirectly, the Company is exposed to currency risk from the bunkers supplies.

Market conditions risk

A common feature of a perfectly competitive market is the freedom of entry and exit. Thus, the deliberate routes in which the Company operates are highly competitive. The effort for growth and increase of each company's market shares could possibly create an overwhelming competition reflected to the financial results of the sector. In this respect the Company reschedules its itineraries seeking efficiency and profit while remaining competitive in terms of pricing. A possible intensification of the market conditions in the routes the Company operates could lead to adverse impacts on its operating results, cash position and financial performance. The Company monitors closely the above mentioned competition and acts accordingly.

Credit risk

The Company's turnover comes from a range of categories like passenger and private vehicles transportation, on board sales (restaurants, bars and shops), transportation of freight units and vessels' chartering. Hence, the Company's customer base is analyzed as follows:

a) Those with professional collaboration such as:

- Travel Agents
- Central Agents
- Cargo Companies
- Cargo Owners
- Car rental companies
- Shipping Companies

b) Individuals-Passengers

There are ongoing efforts to attract more potential customers (in all the above categories) in order to enhance sales and develop the Company's customer base. Under the Company's set credit policy, every new customer is analyzed individually for creditworthiness before the Company's standard payment and credit terms and conditions are offered. The

Company constantly monitors the balance of its clients and examines the prospect of forming provisions. Hence, a possible failure of the clients to meet their obligations, may affect the Company's results through the creation of relevant provisions. It should be noted that the current economic conditions both in Greece and internationally, create cases of high credit risk, resulting in an increasingly imperative need for provisioning of impairment losses, having adverse effects in the financial results and financial condition of the Company.

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 related parties

The tables below present the most significant transactions between the related parties according to I.A.S. 24 for the period 1/1–30/6/2014:

<u>company</u>	<u>Minoan Lines Shipping S.A.</u>		<u>The Company</u>	<u>Minoan Italia S.p.A.</u>	<u>The Group</u>
	<u>Grimaldi Compagnia di Navigazione S.p.A. *</u>	<u>Atlantica di Navigazione S.p.A.</u>	<u>Totals</u>	<u>Grimaldi Compagnia di Navigazione S.p.A.</u>	<u>Totals</u>
Chartering cost	7,061	4,312	11,373	–	11,373
Crew wages cost of chartered vessels	314	38	352	–	352
Proportion of operating results by on-board sales of chartered vessels	914	337	1,251	–	1,251
Attributing crew wages cost of chartered owned ships	–	-178	-178	–	-178
Attributing costs of agency costs	–	-573	-573	–	-573
Other expenses	5	152	157	10	167
Totals	8,294	4,088	12,382	10	12,392
Chartering revenue	–	2,906	2,906	–	2,906
Revenue from crew cost reduction of chartered vessels	153	60	213	–	213
Revenue from services rendered	19	574	593	–	593
Other revenue	8	2	10	–	10
Totals	180	3,542	3,722	–	3,722

*Grimaldi Tours is included

The aforementioned transactions were made at arm's length.

Here below the most significant outstanding balances on 30/6/2014 between the related parties are presented:

<u>Obligation to :</u>	<u>The Company</u>	<u>The Group</u>
Grimaldi Compagnia di Navigazione S.p.A. *	812	822
Atlantica di Navigazione S.p.A.	3,835	3,835

* Grimaldi Tours is included

Compensations to Directors and members of the Board of Directors

The short-term compensations of the Company to Directors and members of the Board of Directors are presented on the table below:

Executive members	252
Non-executive members	95
Directors	328
Total	675

Heraklion, August 28th 2014
For and on behalf of the B.o.D.

The Vice–Chairman
of the B.o.D.

Michail
Hatzakis

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» (the “Company”) and its subsidiaries as of 30 June 2014 and the related condensed company and consolidated statements of 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 and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express 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 financial information is not prepared, in all material respects, in accordance with IAS 34.

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 2014



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The Certified Auditor
Kostantinos Michalatos
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a Grimaldi Group company

Condensed interim Company stand-alone and consolidated financial statements for the period ended June 30th 2014 (1/1–30/6/2014)

**IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
as adopted by the European Union**

The condensed interim Company stand-alone and consolidated financial statements were approved by the Company's Board of Directors' meeting on **August 28th 2014** and have been published to the electronic address www.minoan.gr. It is noted that the published, in the press, condensed financial data aim to provide the user with general information of the Company's and Group's financial results and position, according to International Financial Reporting Standards.

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The amounts of the condensed interim financial statements are presented in thousands of € unless explicitly stated otherwise. Any last digit discrepancies are due to rounding of the figures.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	<u>The Group</u>				<u>The Company</u>			
		<u>1/1–30/6/2014</u>	<u>1/1–30/6/2013</u>	<u>1/4–30/6/2014</u>	<u>1/4–30/6/2013</u>	<u>1/1–30/6/2014</u>	<u>1/1–30/6/2013</u>	<u>1/4–30/6/2014</u>	<u>1/4–30/6/2013</u>
Revenue *	5	72,770	70,932	41,449	40,394	67,636	65,753	38,868	37,790
Cost of sales	6	-66,207	-66,941	-36,295	-36,499	-63,443	-64,177	-34,913	-35,118
Gross Profit *		6,563	3,991	5,154	3,895	4,193	1,576	3,954	2,672
Other operating income *	7	176	57	156	26	176	58	156	28
Selling expenses	8	-5,575	-5,611	-3,294	-3,167	-5,527	-5,567	-3,269	-3,145
Administrative expenses	9	-2,707	-2,953	-1,487	-1,649	-2,692	-2,859	-1,480	-1,588
Other operating expenses		-206	-179	-204	-173	-204	-177	-202	-171
Operating (Loss) / profit before financing costs		-1,749	-4,695	325	-1,068	-4,054	-6,969	-842	-2,204
Finance income		27	30	9	14	16	28	–	12
Finance expenses	21	-2,657	-4,192	-962	-2,088	-2,657	-4,192	-962	-2,088
Net finance results		-2,630	-4,162	-953	-2,074	-2,641	-4,164	-962	-2,076
Dividend received	10	–	–	–	–	2,295	297	2,295	297
(Loss) / profit of the period before taxes		-4,379	-8,857	-628	-3,142	-4,400	-10,836	493	-3,983
Income tax	12	-120	-118	-61	-56	–	–	–	–
(Loss) / profit of the period after taxes (a)		-4,499	-8,975	-689	-3,198	-4,400	-10,836	493	-3,983
Other comprehensive income of the period after taxes (b)		–	–	–	–	–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)		-4,499	-8,975	-689	-3,198	-4,400	-10,836	493	-3,983
The (Loss) / profit of the period after taxes is attributable to :									
Owners of the parent company		-4,499	-8,975	-689	-3,198	-4,400	-10,836	493	-3,983
Non–controlling Interests		–	–	–	–	–	–	–	–
(Loss) of the period after taxes (a)		-4,499	-8,975	-689	-3,198	-4,400	-10,836	493	-3,983
The total comprehensive income of the period after taxes is attributable to :									
Owners of the parent		-4,499	-8,975	-689	-3,198	-4,400	-10,836	493	-3,983
Non–controlling interests		–	–	–	–	–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)		-4,499	-8,975	-689	-3,198	-4,400	-10,836	493	-3,983
Basic (Loss) / earnings of the period per share after taxes (in €)	11	-0.0444	-0.1265	-0.0064	-0.0451	-0.0434	-0.1528	0.0046	-0.0562

* Certain amount of the comparable 2013 period has been reclassified for comparability purposes (notes 5 & 7)
The accompanying notes on pages 16–29 are an integral part of the Interim Condensed Financial Statements

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		<u>The Group</u>		<u>The Company</u>	
	<u>Note</u>	<u>30/6/2014</u>	<u>31/12/2013</u>	<u>30/6/2014</u>	<u>31/12/2013</u>
<u>Assets</u>					
<u>Non-current assets</u>					
Tangible assets	13	391,271	396,906	234,825	237,696
Intangible assets	13	295	299	295	299
Investment property	14	1,319	1,340	1,319	1,340
Investments in subsidiaries	15	–	–	154,743	154,743
Available for sale financial assets	16	50,570	50,570	50,570	50,570
Other long term assets–receivables		17,387	17,535	17,387	17,535
Total Non-current assets		460,842	466,650	459,139	462,183
<u>Current assets</u>					
Inventories	17	3,841	3,715	3,841	3,715
Trade and other receivables	18	34,889	31,158	34,867	31,292
Other current assets	18	7,419	8,586	5,001	6,597
Cash and cash equivalents	19	7,123	19,206	6,962	19,124
Total Current assets		53,272	62,665	50,671	60,728
Total Assets		514,114	529,315	509,810	522,911
<u>Equity and Liabilities</u>					
<u>Equity</u>					
Share capital	20	240,705	210,118	240,705	210,118
Share premium		25,744	26,171	25,744	26,171
Other reserves		60,393	60,272	60,255	60,255
Retained earnings		-89,535	-84,915	-95,140	-90,740
Total Equity attributable to equity holders of the parent		237,307	211,646	231,564	205,804
Non-controlling interests		–	–	–	–
Total equity		237,307	211,646	231,564	205,804
<u>Non-current liabilities</u>					
Loans	21	205,076	210,539	205,076	210,539
Deferred tax liabilities		221	181	–	–
Retirement benefit obligations		1,380	1,360	1,380	1,360
Deferred government grants		3,740	3,836	3,740	3,836
Other provisions		153	83	153	83
Total Non-current liabilities		210,570	215,999	210,349	215,818
<u>Current liabilities</u>					
Bank overdrafts	21	4,668	13,421	4,668	13,421
Loans–current portion of long term loans	21	16,259	16,259	16,259	16,259
Income tax obligations		22	121	–	–
Trade and other payables	22	45,288	71,869	46,970	71,609
Total urrent liabilities		66,237	101,670	67,897	101,289
Total liabilities		276,807	317,669	278,246	317,107
Total Equity and Liabilities		514,114	529,315	509,810	522,911

The accompanying notes on pages 16–29 are an integral part of the Interim Condensed Financial Statements

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	<u>Note</u>	<u>Share Capital</u>	<u>Proceeds against forthcoming share capital increase</u>	<u>Share Premium</u>	<u>Other Reserves</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
Balance as at 1/1/2013		159,584	–	26,943	59,921	-73,040	173,408
Changes in equity 1/1–30/6/2013							
Proceeds against forthcoming share capital increase			38,500				38,500
Costs of forthcoming share capital increase				-755			-755
(Loss) of the period after taxes (a)						-10,836	-10,836
Other comprehensive income of the period after taxes (b)						–	–
Total comprehensive income of the period after taxes (a) + (b)						-10,836	-10,836
Balance as at 30/6/2013		159,584	38,500	26,188	59,921	-83,876	200,317
Balance as at 1/1/2014		210,118	–	26,171	60,255	-90,740	205,804
Changes in equity 1/1–30/6/2014							
Funds raised from share capital increase	20	30,587					30,587
Costs of share capital increase	20			-427			-427
(Loss) of the period after taxes (a)						-4,400	-4,400
Other comprehensive income of the period after taxes (b)						–	–
Total comprehensive income of the period after taxes (a) + (b)						-4,400	-4,400
Balance as at 30/6/2014		240,705	–	25,744	60,255	-95,140	231,564

The accompanying notes on pages 16–29 are an integral part of the Interim Condensed Financial Statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributed to owners of the parent company

	<u>Note</u>	<u>Share Capital</u>	<u>Payments against forthcoming share capital increase</u>	<u>Share Premium</u>	<u>Other Reserves</u>	<u>Retained Earnings</u>	<u>Total Shareholders' Equity</u>	<u>Non- controlling interests</u>	<u>Total Equity</u>
Balance as at 1/1/2013		159,584	–	26,943	59,922	-70,098	176,351	–	176,351
Changes in equity 1/1–30/6/2013									
Proceeds against forthcoming share capital increase			38,500				38,500		38,500
Costs of forthcoming share capital increase				-755			-755		-755
Transfer between retained earnings and other reserves (ordinary reserve)					16	-16	–		–
(Loss) of the period after taxes (a)						-8,975	-8,975	–	-8,975
Other comprehensive income of the period after taxes (b)						–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)						-8,975	-8,975	–	-8,975
Balance as at 30/6/2013		159,584	38,500	26,188	59,938	-79,089	205,121	–	205,121
Balance as at 1/1/2014		210,118	–	26,171	60,272	-84,915	211,646	–	211,646
Changes in equity 1/1–30/6/2014									
Funds raised from share capital increase	20	30,587					30,587		30,587
Costs of share capital increase	20			-427			-427		-427
Transfer between retained earnings and other reserves (ordinary reserve)					121	-121	–		–
(Loss) of the period after taxes (a)						-4,499	-4,499	–	-4,499
Other comprehensive income of the period after taxes (b)						–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)						-4,499	-4,499	–	-4,499
Balance as at 30/6/2014		240,705	–	25,744	60,393	-89,535	237,307	–	237,307

The accompanying notes on pages 16–29 are an integral part of the Interim Condensed Financial Statements

CONDENSED INTERIM STATEMENT OF CASH FLOWS

	<u>Note</u>	<u>The Group</u>		<u>The Company</u>	
		<u>1/1–30/6/2014</u>	<u>1/1–30/6/2013</u>	<u>1/1–30/6/2014</u>	<u>1/1–30/6/2013</u>
<u>Cash Flows from Operating activities</u>					
(Loss) of the period before taxes		-4,379	-8,857	-4,400	-10,836
plus / (less) adjustments for :					
Net depreciation		7,711	7,627	4,947	4,862
Provisions		130	232	130	232
Net Foreign Exchange		4	15	4	15
[(Income), / (gains)] from other investing activities		–	-1	-2,295	-298
Interest and other financial expenses		2,657	4,192	2,657	4,192
plus / (less) Adjustments for changes in working capital or operating activities :					
(Increase) / Decrease in inventories		-126	60	-126	60
(Increase) in trade and other receivables		-2,525	-9,625	-1,939	-8,772
(Decrease) in liabilities other than borrowings		-26,574	-19,561	-24,632	-15,576
(less) :					
Interest and related expenses paid		-2,503	-4,080	-2,503	-4,080
Dividend received		-178	-18	–	–
Net cash (used in) Operating activities (a)		-25,783	-30,016	-28,157	-30,201
<u>Cash Flows from Investing activities</u>					
Participation in share capital increases of subsidiaries		–	–	–	-68
Purchase of tangible and intangible assets	13	-2,149	-1,049	-2,149	-1,049
Proceeds from disposal of tangible assets		–	414	–	414
Advances on sales of non - current assets held for sale		–	500	–	500
Dividends received	10	–	–	2,295	297
Net cash (used in) / generated by Investing activities (b)		-2,149	-135	146	94
<u>Cash Flows from Financing activities</u>					
Net funds raised from share capital increase	20	30,160	–	30,160	–
Net proceeds against forthcoming share capital increase		–	37,745	–	37,745
Repayment of long / short term borrowings		-14,280	-22,329	-14,280	-22,329
Dividend paid		-31	-91	-31	-91
Net cash generated by Financing activities (c)		15,849	15,325	15,849	15,325
Net (decrease) in cash and cash equivalents (a) + (b) + (c)		-12,083	-14,826	-12,162	-14,782
Cash and cash equivalents at the beginning of the period		19,206	19,654	19,124	19,509
Cash and cash equivalents at the end of the period	19	7,123	4,828	6,962	4,727

The accompanying notes on pages 16–29 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 30th 2014 (1/1–30/6/2014)

1. General Company's information

The Company was established on May 25th 1972 (FEK 939–25/5/1972), is based in the Municipality of Heraklion – Crete and its discrete name is “MINOAN LINES”. 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 30th 2014 and June 30th 2013 was 420 and 385, 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 30/6/2014 was 106,980,050, while the weighted average number of shares on 30/6/2014 was 101,347,115 (note 20). The total market capitalization on 30/6/2014 reached € 160,470. Every share carries one voting right.

From 2008, the majority of the Company's shares are held by “GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.A.”, a member of the “Grimaldi Group” which is based in Palermo–Italy and became overlying parent company which has control of both the Company and the Group.

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 21/6/2013. On 30/6/2014, 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 30th 2014, which were approved by the Board of Directors meeting on August 28th 2014, 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).

The subsidiaries 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:

<u>company</u>	<u>Consolidation Method</u>	<u>Headquarters</u>	<u>% Interest</u>	
			<u>2014</u>	<u>2013</u>
Minoan Italia S.p.A.	Full	Palermo–Italy	100%	100%

2. Basis of preparation of the Financial Statements

2.1 Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 (interim financial reporting).

The condensed interim 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 31st 2013.

These financial statements have been prepared on the basis that the Group operates as a going concern which implies that it takes all necessary measures and proceeds to all the necessary actions and negotiations in order to has sufficient financial resources to meet its financial and operating obligations for the foreseeable future.

The amounts of the condensed interim financial statements are presented in thousands of €, unless explicitly stated otherwise. Any last digit discrepancies are due to the rounding of the figures.

2.2 Use of estimates

The preparation of the Financial Statements in conformity with IFRSs 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 31st 2013.

3. Significant accounting policies

The significant accounting policies adopted for the preparation of the Financial Statements on 30/6/2014, with the exception of the following changes / additions, are those applied for the preparation of the Annual Financial Statements on 31/12/2013 and have been published in the Company's web site www.minoan.gr.

3.1 Tangible and intangible assets

The estimated useful lives of the tangible and intangible assets are as follows:

<u>Asset</u>	<u>Years</u>
Buildings	33
Vessels	35
Vessels' spare parts	5
Vessels' equipment	4.16
Transportation Means	6.66
Furniture and relevant equipment	6.66
Computers and Software	4.16
Mobile phones & tablets	2

3.2 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 is in the process of assessing the impact of the implementations of the IFRS amendments in the financial statements. In any such case, unless otherwise stated, the Group considers that the following amendments have no or insignificant effect to the interim condensed financial statements.

Standards and Interpretations effective for the current financial year

IAS 32 (Amendment) “Financial Instruments: Presentation”

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.

Group of standards on consolidation and joint arrangements

The International Accounting Standards Board (“IASB”) has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). 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.

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.

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.

IFRS 10, IFRS 12 and IAS 27 (Amendment) “Investment entities”

The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

IAS 36 (Amendment) “Recoverable amount disclosures for non-financial assets”

This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment.

IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement”

This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

Standards and Interpretations effective for subsequent periods

IAS 19R (Amendment) “Employee Benefits” (effective for annual periods beginning on or after 1 July 2014)

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments have not yet been endorsed by the EU.

Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project. **The improvements have not yet been endorsed by the EU.**

IFRS 2 “Share-based payment”

The amendment clarifies the definition of a ‘vesting condition’ and separately defines ‘performance condition’ and ‘service condition’.

IFRS 3 “Business combinations”

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 “Financial instruments: Presentation”. It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 “Operating segments”

The amendment requires disclosure of the judgements made by management in aggregating operating segments.

IFRS 13 “Fair value measurement”

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

IAS 16 “Property, plant and equipment” and IAS 38 “Intangible assets”

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 “Related party disclosures”

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project. **The improvements have not yet been endorsed by the EU.**

IFRS 3 “Business combinations”

This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

IFRS 13 “Fair value measurement”

The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

IAS 40 “Investment property”

The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

IFRS 9 “Financial Instruments” and subsequent amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date and Transition Disclosures” and IFRS 9 “Hedge Accounting” and amendments to IFRS 9, IFRS 7 and IAS 39

IFRS 9 replaces part of IAS 39 which deals with the classification and measurement of financial assets and financial liabilities. The IASB has also published IFRS 9 Hedge Accounting, the third phase of its replacement of IAS 39 which establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. 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.**

IFRIC 21 “Levies” (effective for annual periods beginning on or after 17 June 2014)

This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date.

IFRS 11 (Amendment) “Joint Arrangements” (effective for annual periods beginning on or after 1 January 2016)

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a ‘business’. **This amendment has not yet been endorsed by the EU.**

IAS 16 and IAS 38 (Amendments) “Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016)

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. **These amendments have not yet been endorsed by the EU.**

IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods beginning on or after 1 January 2017)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. **The standard has not yet been endorsed by the EU.**

IAS 16 and IAS 41 (Amendments) “Agriculture: Bearer plants” (effective for annual periods beginning on or after 1 January 2016)

These amendments change the financial reporting for bearer plants, such as grape vines and fruit trees. The bearer plants should be accounted for in the same way as self-constructed items of property, plant and equipment. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. **The amendments have not yet been endorsed by the EU.**

4. Financial risk management

4.1 General

The Company and the Group are exposed mainly to the following financial risks:

- Liquidity
- Credit
- Market conditions

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company’s and the Group’s risk management framework. The Board has delegated authority to the finance division for monitoring of financial risks. The Company’s and Group’s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks, adherence to limits and to hedge such risk depending on the prevailing market conditions each period of time. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. Cash and cash equivalents are also elements with high credit risk as the current conditions in Greece exert considerable pressure on domestic banks. In order for the risk to be reduced, the Company’s and Group’s cash and cash equivalents are only deposited for a short amount of time.

4.2 Liquidity risk

Liquidity risk is the risk that the Company or the Group will not be able to meet their financial obligations as they fall due. The Company’s and Group’s approach to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s or Group’s reputation.

The Company ensures that it has sufficient cash on demand with a combination of cash and bank overdraft facilities to meet the expected obligations for a period of 12 months. The Company ensures the sufficiency in cash on demand with a combination of cash and bank overdraft facilities to meet the expected obligations for a period of 12 months.

In addition, the Company maintains lines of credit amounting to € 18,000 as at 30/6/2014 and € 22,000 as at 31/12/2013, of which the unused amounts were € 13,332 and € 8,880 respectively. The interest on the credit lines charged is based on the sum of the EURIBOR rate and the banks' margin and are mainly secured by post-dated cheques. Moreover, a lien has been registered on two of the Company's properties. The negative working capital presented on the six-month 2014 results is solely to the seasonality (note 23). A main factor which affects the working capital is the increase in "Deferred Income" which is due to the revenue from passengers and vehicles during the presale ticket for the summer period (note 22). It is worth mentioning that the first two quarters of the year are traditionally less productive in terms of revenue recorded compared to the second ones. Taking into account the amount of unused credit lines available to the Company and the elimination of the seasonality factor, the management is in a position to claim the non-existence of short term liquidity risk.

4.3 Credit risk

The Company's turnover comes from a range of categories like passenger and private vehicles transportation, on board sales (restaurants, bars and shops), transportation of freight units and vessels' chartering. Hence, the Company's customer base is analyzed as follows:

a) Those with professional collaboration such as:

- Travel Agents
- Central Agents
- Cargo Companies
- Cargo Owners
- Car rental companies
- Shipping Companies

b) Individuals-Passengers

There are ongoing efforts to attract more potential customers (in all the above categories) in order to enhance sales and develop the Company's customer base. Under the Company's set credit policy, every new customer is analyzed individually for creditworthiness before the Company's standard payment and credit terms and conditions are offered. The Company constantly monitors the balance of its clients and examines the prospect of forming provisions. Hence, a possible failure of the clients to meet their obligations, may affect the Company's results through the creation of relevant provisions. It should be noted that the current economic conditions both in Greece and internationally, create cases of high credit risk, resulting in an increasingly imperative need for provisioning of impairment losses, having adverse effects in the financial results and financial condition of the Company.

4.4 Market conditions risk

A common feature of a perfectly competitive market is the freedom of entry and exit. Thus, the deliberate routes in which the Company operates are highly competitive. The effort for growth and increase of each company's market shares could possibly create an overwhelming competition reflected to the financial results of the sector. In this respect the Company reschedules its itineraries seeking efficiency and profit while remaining competitive in terms of pricing. A possible intensification of the market conditions in the routes the Company operates could lead to adverse impacts on its operating results, cash position and financial performance. The Company monitors closely the above mentioned competition and acts accordingly.

4.5 Interest rate risk

The long-term borrowings of the Company have agreed to be remunerated in a floating interest rate of Euribor plus margin. Therefore, the Company is exposed to interest rate risk since in case of a Euribor increase, the Company shall be incurred with additional interest expenses. During the first half of 2014, the European Central Bank in a targeted effort to contribute to building a growth path of the economy and alleviate the pressures of the market reduced the basic interest rate (Euribor) at extremely low levels, which contribute positively to reducing costs debt of the Company.

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

4.6 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 under consideration that these are denominated in Euro. Indirectly, the Company is exposed to currency risk from the bunkers supplies.

4.7 Fair value estimation

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all data with significant effect on the recorded fair value are visible, either directly or indirectly.

Level 3: techniques which use data with significant effect on the recorded fair value and are based on apparent market data.

On 30/6/2014 and 31/12/2013 respectively, the Group and the Company held the following financial instruments measured at fair value:

	<u>Level</u>	<u>The Group</u>		<u>The Company</u>	
		<u>30/6/2014</u>	<u>31/12/2013</u>	<u>30/6/2014</u>	<u>31/12/2013</u>
Financial instruments					
Available for sale financial assets	3	50,570	50,570	50,570	50,570

During the period there were no transfers into and out of Level 3 fair value measurement. Available for sale financial assets are mainly concerned with the Company's investment to Hellenic Seaways S.A. The Company's management bases the valuation on a study by an independent appraiser who takes into account all available appraising methods in order to reach the fair value of the investment. The methodology being used is the discounted cash flow method (D.C.F.). Finally, the Company's management uses its experience in the sector to take into account all other qualitative factors which due to the specific features in the company's operation, shall be included in the fair value estimation in order for it to be considered reliable and objective.

The remaining available for sale financial assets of Level 3 are related to investments in stocks of two non-listed cooperative banks and one non-listed domestic company in which the Group holds negligible shares. Their valuation is based on their financial statements, which reflect the assets at fair value.

Finally, the fair value of the following financial assets and liabilities is reflected in their book value:

- Trade and other receivables
- Other current assets
- Cash and cash equivalents (other than bank overdrafts)
- Trade and other payables
- The following assets and liabilities of the Group are held for sale:
 - Cash and cash equivalents
 - Other current assets
 - Trade and other payables
 - Other current liabilities

5. Revenue

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2014</u>	<u>30/6/2013</u>	<u>30/6/2014</u>	<u>30/6/2013</u>
Revenue from vessels' operations (fares, chartering & agency fees *)	65,501	64,916	60,367	59,782
Revenue from restaurant-bars	4,949	4,023	4,949	4,023
Revenue from shops on-board	2,320	1,948	2,320	1,948
Income from property rental	–	45	–	–
Totals	72,770	70,932	67,636	65,753

* Certain amount of the comparable 2013 period has been reclassified for comparability purposes. More specifically reclassified a total amount of € 438 which in 2013 included in the item "Other operating income" (note 7).

6. Cost of sales

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2014</u>	<u>30/6/2013</u>	<u>30/6/2014</u>	<u>30/6/2013</u>
Payroll cost	5,566	5,950	5,566	5,950
Bunkers and lubricants – on-board sales costs	34,176	34,842	34,176	34,842
Port expenses – Maintenances – Consumables	4,132	4,410	4,132	4,410
Vessels chartering cost	11,373	11,629	11,373	11,629
Depreciation – Various other costs	10,960	10,110	8,196	7,346
Totals	66,207	66,941	63,443	64,177

7. Other operating income

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2014</u>	<u>30/6/2013</u>	<u>30/6/2014</u>	<u>30/6/2013</u>
Commissions received & Income from services to third parties *	38	37	38	37
Rental income	5	1	5	1
Various other Income	133	19	133	20
Totals	176	57	176	58

* Certain amount of the comparable 2013 period has been reclassified for comparability purposes (note 5).

8. Selling expenses

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2014</u>	<u>30/6/2013</u>	<u>30/6/2014</u>	<u>30/6/2013</u>
Payroll cost	2,207	2,063	2,207	2,063
Commissions paid – Advertising and promotion expenses	2,917	3,039	2,869	2,996
Depreciation – Various other expenses	451	509	451	508
Totals	5,575	5,611	5,527	5,567

9. Administrative expenses

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2014</u>	<u>30/6/2013</u>	<u>30/6/2014</u>	<u>30/6/2013</u>
Payroll cost	1,330	1,400	1,330	1,400
Third parties fees and expenses	676	749	672	731
Depreciation – Various other expenses	701	804	690	728
Totals	2,707	2,953	2,692	2,859

10. Dividends income from subsidiaries

The amounts presented are dividends for the fiscal years 2013 and 2012 respectively received by the parent from the subsidiary Minoan Italia S.p.A. The decision for the year 2013 was taken in the regular General Assembly of the company held in April 2014.

11. Income tax

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2014</u>	<u>30/6/2013</u>	<u>30/6/2014</u>	<u>30/6/2013</u>
Deferred tax	80	59	–	–
Income tax expense estimation for the period ended	40	59	–	–
Totals	120	118	–	–

12. Earnings per share

	<u>The Group</u>				<u>The Company</u>			
	<u>30/6/2014</u>	<u>30/6/2013</u>	<u>1/4 – 30/6/2014</u>	<u>1/4 – 30/6/2013</u>	<u>30/6/2014</u>	<u>30/6/2013</u>	<u>1/4 – 30/6/2014</u>	<u>1/4 – 30/6/2013</u>
(Loss) / profit of the period attributable to shareholders of the Parent	-4,499	-8,975	-689	-3,198	-4,400	-10,836	493	-3,983
Weighted average number of shares outstanding	101,347,115	70,926,000	106,980,050	70,926,000	101,347,115	70,926,000	106,980,050	70,926,000
Basic (Loss) / earnings of the period per share after taxes (in €)	-0.0444	-0.1265	-0.0064	-0.0451	-0.0434	-0.1528	0.0046	-0.0562

13. Tangible and intangible assets

The Group

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Vessels - Spare parts - Vessels' other equipment</u>	<u>Furniture - Computers - Other equipment - Mobile phones & tablets</u>	<u>Software</u>	<u>Totals</u>
Cost at 1/1/2013	2,110	6,450	38	527,414	3,154	3,043	542,209
Acquisitions and additions 1/1–31/12/2013	–	21	–	1,633	138	97	1,889
Less / (plus): Disposals – Transfers – Write offs 1/1–31/12/2013	–	–	30	-2,597	12	–	-2,555
Less: Impairment loss	–	193	–	–	–	–	193
Costs at 31/12/2013	2,110	6,278	8	531,644	3,280	3,140	546,460
Cost at 1/1/2014	2,110	6,278	8	531,644	3,280	3,140	546,460
Acquisitions and additions 1/1–30/6/2014	–	–	–	2,025	49	75	2,149
Less / (plus): Disposals – Transfers – Write offs 1/1–30/6/2014	–	–	–	11	25	–	36
Costs at 30/6/2014	2,110	6,278	8	533,658	3,304	3,215	548,573
Accumulated Depreciation at 1/1/2013	–	2,091	29	126,350	2,685	2,709	133,864
Depreciation for the period 1/1–31/12/2013	–	262	2	14,828	218	132	15,442
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1–31/12/2013	–	–	26	14	11	–	51
Accumulated Depreciation at 31/12/2013	–	2,353	5	141,164	2,892	2,841	149,255
Accumulated Depreciation at 1/1/2014	–	2,353	5	141,164	2,892	2,841	149,255
Depreciation for the period 1/1–30/6/2014	–	128	–	7,485	96	78	7,787
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1–30/6/2014	–	–	–	12	23	–	35
Accumulated Depreciation at 30/6/2014	–	2,481	5	148,637	2,965	2,919	157,007
Net book value at :							
1/1/2013	2,110	4,359	9	401,064	469	334	408,345
31/12/2013	2,110	3,925	3	390,480	388	299	397,205
30/6/2014	2,110	3,797	3	385,021	339	296	391,566

The Company

	<u>Land</u>	<u>Buildings</u>	<u>Transportatio n equipment</u>	<u>Vessels - Spare parts - Vessels' other equipment</u>	<u>Furniture - Computers - Other equipment - Mobile phones & tablets</u>	<u>Software</u>	<u>Totals</u>
Cost at 1/1/2013	2,110	6,450	38	313,693	3,154	3,043	328,488
Acquisitions and additions 1/1–31/12/2013	–	21	–	1,633	138	97	1,889
Less / (plus): Disposals – Transfers – Write offs 1/1–31/12/2013	–	–	30	-2,597	12	–	-2,555
Less: Impairment loss	–	193	–	–	–	–	193
Costs at 31/12/2013	2,110	6,278	8	317,923	3,280	3,140	332,739
Cost at 1/1/2014	2,110	6,278	8	317,923	3,280	3,140	332,739
Acquisitions and additions 1/1–30/6/2014	–	–	–	2,025	49	75	2,149
Less / (plus): Disposals – Transfers – Write offs 1/1–30/6/2014	–	–	–	11	25	–	36
Costs at 30/6/2014	2,110	6,278	8	319,937	3,304	3,215	334,852
Accumulated Depreciation at 1/1/2013	–	2,091	29	77,367	2,685	2,709	84,881
Depreciation for the period 1/1–31/12/2013	–	262	2	9,300	218	132	9,914
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1–31/12/2013	–	–	26	14	11	–	51
Accumulated Depreciation at 31/12/2013	–	2,353	5	86,653	2,892	2,841	94,744
Accumulated Depreciation at 1/1/2014	–	2,353	5	86,653	2,892	2,841	94,744
Depreciation for the period 1/1–30/6/2014	–	128	–	4,721	96	78	5,023
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1–30/6/2014	–	–	–	12	23	–	35
Accumulated Depreciation at 30/6/2014	–	2,481	5	91,362	2,965	2,919	99,732
Net book value at :							
1/1/2013	2,110	4,359	9	236,326	469	334	243,607
31/12/2013	2,110	3,925	3	231,270	388	299	237,995
30/6/2014	2,110	3,797	3	228,575	339	296	235,120

In order to secure the bond loan obligations, first preferred mortgages amounting to € 375,000 million have been registered on the Company's vessels (note 21). In addition, in order to secure short-term bank borrowings, a lien on two Company's properties is recorded (note 21).

14. Investment property

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

	<u>The Group</u>			<u>The Company</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Totals</u>	<u>Land</u>	<u>Buildings</u>	<u>Totals</u>
Cost at 1/1/2013	5,114	2,011	7,125	557	1,195	1,752
Less : Disposals 1/1–31/12/2013	4,557	816	5,373	–	–	–
Costs at 31/12/2013	557	1,195	1,752	557	1,195	1,752
Cost at 1/1/2014	557	1,195	1,752	557	1,195	1,752
Costs at 30/6/2014	557	1,195	1,752	557	1,195	1,752
Accumulated Depreciation at 1/1/2013	–	1,187	1,187	–	371	371
Depreciation for the period 1/1–31/12/2013	–	41	41	–	41	41
Less : Disposed assets accumulated depreciation 1/1–31/12/2013	–	816	816	–	–	–
Accumulated Depreciation at 31/12/2013	–	412	412	–	412	412
Accumulated Depreciation at 1/1/2014	–	412	412	–	412	412
Depreciation for the period 1/1–30/6/2014	–	21	21	–	21	21
Accumulated Depreciation at 30/6/2014	–	433	433	–	433	433
Net book value at :						
1/1/2013	5,114	824	5,938	557	824	1,381
31/12/2013	557	783	1,340	557	783	1,340
30/6/2014	557	762	1,319	557	762	1,319

In order to secure obligations of the Company, a mortgage has been registered on the property (note 22).

15. Investments in subsidiaries

Investments in subsidiaries are as follows:

<u>company</u>	<u>Participation amount</u>	
	<u>30/6/2014</u>	<u>31/12/2013</u>
Minoan Italia S.p.A.	154,743	154,743
Totals	154,743	154,743

In order for the bond loan to be secured, the shares of Minoan Italia S.p.A. have been pledged for an amount of € 152,400 (note 21).

16. Available for sale financial assets

The available for sale financial assets refer mainly to the Company's investment in the non-listed company Hellenic Seaways Shipping S.A. The share owned by the Company in Hellenic Seaways Shipping S.A. is 33.35%. The Company believes that it has no significant influence in the management / financial policy of the company. The reasons for which the Company has documented that does not exercise significant influence over the management / financial policy of this company are described in detail in the Annual Financial Report for the year 1/1–31/12/2013 and have not changed in the current period. Therefore, the Company believes that no significant / material influence is exercised to Hellenic Seaways Shipping S.A. and thus, the investment was valued in accordance with IAS 39.

17. Inventories

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2014</u>	<u>31/12/2013</u>	<u>30/6/2014</u>	<u>31/12/2013</u>
Merchandise	1,844	1,397	1,844	1,397
Consumables	1,997	2,318	1,997	2,318
Totals	3,841	3,715	3,841	3,715

18. Trade and other receivables – Other current assets

	Trade and Other Receivables			
	The Group		The Company	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Customers – Cheques Receivable	32,949	29,459	32,949	29,459
Trade receivables due from affiliates	–	–	–	154
Other Receivables	1,940	1,699	1,918	1,679
Totals	34,889	31,158	34,867	31,292
	Other current assets			
	The Group		The Company	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Prepaid Expenses	3,853	1,066	3,853	1,066
Accrued Income	3,566	7,520	1,148	5,531
Totals	7,419	8,586	5,001	6,597

19. Cash and Cash equivalents

	The Group		The Company	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	Cash on hand	495	245	342
Cash in banks and time deposits	6,628	18,961	6,620	18,879
Totals	7,123	19,206	6,962	19,124

20. Share capital

(the amounts of note 20 are presented in €)

The share capital of the Company is divided into 106,980,050 ordinary shares with a nominal value of € 2.25 each. The equity holders of ordinary shares receive dividend when it is approved for distribution by the General Shareholders' Meeting. Every ordinary share carries one voting right at the General Shareholders' Meetings. On 31/1/2014 at an Extraordinary General Meeting of Shareholders decided the Capital increase of the Company up to the amount of € 30,586,837.50 with the issue of up to 13,594,150 registered shares of nominal value of € 2.25 each through payment in cash and the granting of pre-emption right in favor of existing shareholders. The shares will be granted to the shareholders of the Company through the exercise of the pre-emption right at a ratio of 23 new shares to 158 existing shares at par value. The funds raised by virtue of the share capital increase will be used until 31/12/2014, following the respective deduction of the expenses related to the increase, for the payment by priority of intercompany callable obligations and more specific to the companies GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.A. and ATLANTICA DI NAVIGAZIONE S.p.A. and / or obligations to third parties of the Company. On March 17th, 2014 the share capital increase of the Company through cash payment and pre-emption rights to existing shareholders resolved by the Extraordinary General Meeting of Shareholders on January 31st, 2014, was completed. The coverage of the share capital increase reached 100%. The Company's Board of Directors at their assembly certified the full coverage of the increase and issuance of new capital of €30,586,837.50. Therefore, the new total share capital of the Company amounts to € 240,705,112.50 split into 106,980,050 ordinary shares at a nominal value 2.25 € each. Additionally the expenses related to the increase are amounted to € 427,262.43 and are presented as a deduction of total equity, as defined by the standards.

The calculation of the weighted average number of shares outstanding as at 30/6/2014 is presented below:

Period		Days	Weighting factor	Number of shares outstanding	Weighted average number of shares outstanding
1/1/2014	16/3/2014	75	0.414	93,385,900	38,695,815
17/3/2014	30/6/2014	106	0.586	106,980,050	62,651,300
		181	1.000		101,347,115

21. Loans – Short-term bank borrowings

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

	Average interest rate 1/1–30/6/2014	30/6/2014	Average interest rate 1/1–30/6/2013	31/12/2013
	Bond Loan – Agent National Bank of Greece	1.93%	222,094	2.42%
Less : Net book value of transaction costs		-759		-824
Total bond loan		221,335		226,798
Less : current portion of long-term loan		-16,259		-16,259
Total long-term debt		205,076		210,539

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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 30th 2014 and 2013, amounted to € 2,212 and € 2,965 respectively.

In order to secure the aforementioned debt, first preferred mortgages amounting to € 375,000 have been registered on the Company's vessels. Moreover, the shares of Minoan Italia S.p.A. have been pledged for an amount of € 152,400.

The short-term borrowings amounted to € 4,668 and € 13,421 at June 30th 2014 and December 31st 2013 respectively, are secured by first preferred mortgages have been registered on two of the Company's properties. The average interest rates for the periods 1/1–30/6/2014 and 1/1–30/6/2013 were 6.27% and 7.34% respectively.

22. Trade and other payables

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2014</u>	<u>31/12/2013</u>	<u>30/6/2014</u>	<u>31/12/2013</u>
Suppliers – cheque payables	16,212	17,060	16,203	17,057
Withholding taxes–social security contributions payable	4,142	3,806	4,142	3,806
Dividends payable	–	31	–	31
Payables to affiliated companies	–	–	1,933	–
Sundry creditors	7,537	43,272	7,527	43,272
Accrued expenses	4,448	4,006	4,448	4,006
Customer advances	790	959	790	959
Deferred income	12,159	2,735	11,927	2,478
Totals	45,288	71,869	46,970	71,609

23. 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 29.2% of the period's total consolidated revenue, while 10.2% corresponds to the on-board services turnover. On the contrary, the revenue from truck fares is evenly spread throughout the year and represents 48.4% of the total consolidated revenue for the six months ended June 30th 2014. Finally, the turnover from chartering of vessels and the agency fees and commissions constitutes 12.2% of the period's total consolidated revenue and it is included in the unallocated items.

The Group

	<u>1/1–30/6/2014</u>	<u>Greece</u>	<u>Adriatic</u>	<u>Unallocated</u>	<u>Totals</u>
		<u>routes</u>	<u>routes</u>	<u>items</u>	
Revenue		19,006	44,567	9,197	72,770
Gross Profit		695	2,863	3,005	6,563
Profit before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)		3,563	1,375	1,024	5,962
Net depreciation		-3,364	-11	-4,336	-7,711
(Loss) / profit before taxation, financing and investment costs		199	1,364	-3,312	-1,749
Financial income		–	–	27	27
Financial expense		-729	–	-1,928	-2,657
(Loss) / profit of the period before taxes		-530	1,364	-5,213	-4,379
Income tax		–	–	-120	-120
(Loss) / profit of the period after taxes		-530	1,364	-5,333	-4,499
	<u>30/6/2014</u>				
Total assets		170,225	12	343,877	514,114
Total liabilities		72,912	4,647	199,248	276,807
Capital expenditure		585	–	1,564	2,149

The Group

	<u>1/1–30/6/2013</u>	<u>Greece</u>	<u>Adriatic</u>	<u>Unallocat</u>	<u>Totals</u>
		<u>routes</u>	<u>routes</u>	<u>ed items</u>	
Revenue *		19,390	42,888	8,654	70,932
Gross Profit / (loss) *		-235	1,645	2,581	3,991
Profit / (loss) before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)		2,830	-200	302	2,932
Net depreciation		-3,385	-15	-4,227	-7,627
(Loss) before taxation, financing and investment costs		-555	-215	-3,925	-4,695
Financial income		–	–	30	30
Financial expense		-993	–	-3,199	-4,192
(Loss) of the period before taxes		-1,548	-215	-7,094	-8,857
Income tax		–	–	-118	-118
(Loss) of the period after taxes		-1,548	-215	-7,212	-8,975

31/12/2013

Total assets	173,109	23	356,183	529,315
Total liabilities	74,711	13,913	229,045	317,669
Capital expenditure	1,177	3	709	1,889

* Certain amount of the comparable 2013 period has been reclassified for comparability purposes (notes 5 & 7).

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 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.

24. 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 30/6/2014 and 31/12/2013, as well as purchases (services received) and sales (services provided) for the six-month periods 1/1–30/6/2014 and 1/1–30/6/2013 respectively:

24.1 Group of ultimate parent company

<u>30/6/2014</u>				<u>The Company</u>	<u>The Group</u>	
<u>Minoan Lines Shipping S.A.</u>					<u>Minoan Italia S.p.A.</u>	
<u>company</u>	<u>Grimaldi Compagnia di Navigazione S.p.A. *</u>	<u>Atlantica di Navigazione S.p.A.</u>	<u>Finnlines Plc</u>	<u>Totals</u>	<u>Grimaldi Compagnia di Navigazione S.p.A.</u>	<u>Totals</u>
due from	–	–	1	1	–	1
payable to	812	3,835	–	4,647	10	4,657
* Grimaldi Tours is included						
<u>31/12/2013</u>				<u>The Company</u>	<u>The Group</u>	
<u>Minoan Lines Shipping S.A.</u>						
<u>company</u>	<u>Grimaldi Compagnia di Navigazione S.p.A. *</u>	<u>Atlantica di Navigazione S.p.A.</u>	<u>Finnlines Plc</u>	<u>Totals</u>		<u>Totals</u>
due from	–	–	1	1		1
payable to	2,313	37,791	–	40,104		40,104
* Grimaldi Tours is included						
<u>1/1–30/6/2014</u>				<u>The Company</u>	<u>The Group</u>	
<u>Minoan Lines Shipping S.A.</u>					<u>Minoan Italia S.p.A.</u>	
<u>company</u>	<u>Grimaldi Compagnia di Navigazione S.p.A. *</u>	<u>Atlantica di Navigazione S.p.A.</u>		<u>Totals</u>	<u>Grimaldi Compagnia di Navigazione S.p.A.</u>	<u>Totals</u>
Chartering cost	7,061	4,312		11,373	–	11,373
Crew wages cost	314	38		352	–	352
Adjustment of the on-board operating result	914	337		1,251	–	1,251
Attributing crew wages cost of chartered owned vessels	–	-178		-178	–	-178
Attributing agency costs	–	-573		-573	–	-573
Other expenses	5	152		157	10	167
Totals	8,294	4,088		12,382	10	12,392
Chartering revenue	–	2,906		2,906	–	2,906

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Revenue from crew coat reduction of chartered vessels	153	60	213	–	213
Revenue from agency	19	574	593	–	593
Other revenue	8	2	10	–	10
Totals	180	3,542	3,722	–	3,722

* Grimaldi Tours is included

1/1–30/6/2013

<u>company</u>	<u>The Company</u>			<u>The Group</u>	
	<u>Minoan Lines Shipping S.A.</u>		<u>Totals</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
	<u>Grimaldi Compagnia di Navigazione S.p.A.*</u>	<u>Atlantica di Navigazione S.p.A.</u>		<u>Grimaldi Compagnia di Navigazione S.p.A.</u>	
Chartering cost	7,441	4,188	11,629	–	11,629
Crew wages cost	332	42	374	–	374
Adjustment of the on-board operating result	582	245	827	–	827
Bunkers cost	–	209	209	–	209
Other expenses	–	38	38	10	48
Totals	8,355	4,722	13,077	10	13,087
Chartering revenue	–	2,881	2,881	–	2,881
Revenue from bunker disposal	–	640	640	–	640
Revenue from crew coat reduction of chartered vessels	157	55	212	–	212
Revenue from agency	8	429	437	–	437
Other revenue	39	–	39	–	39
Totals	204	4,005	4,209	–	4,209

* Grimaldi Tours is included

24.2 Subsidiaries

30/6/2014

<u>company</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
Minoan Lines Shipping S.A. (payable to)	1,933	1,933

31/12/2013

<u>company</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
Minoan Lines Shipping S.A. (due from)	154	154

1/1–30/6/2014

<u>company</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
<u>Minoan Lines Shipping S.A.</u>		
Dividend received	2,295	2,295
Totals	2,295	2,295

1/1–30/6/2013

<u>company</u>	<u>Minoan Italia S.p.A.</u>	<u>Kritiki Filoxenia S.A.*</u>	<u>Totals</u>
<u>Minoan Lines Shipping S.A.</u>			
Dividend received	297	–	297
Revenue from rentals	–	1	1
Totals	297	1	298

* Within the year 2013 the company has been sold

All the above transactions, as referred to notes 24.1 and 24.2, were entered into at arm's length.

24.3 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>30/6/2014</u>	<u>30/6/2013</u>
Executive directors	252	251
Non-executive directors	95	96
Management	328	328
Totals	675	675

Of the total remunerations above, an amount of € 61 and € 72 remains unpaid as at 30/6/2014 and 30/6/2013 respectively. In addition, transactions with relatives of the Management and executives for the period ended 30/6/2014 amounted to € 80 while remains unpaid as at 30/6/2014 € 7. The nature of these transactions was mainly labor (payroll) and commercial cooperation (fees for goods and services received).

25. Contingent liabilities

(the amounts of note 25 are presented in millions €)

There are no changes in contingent liabilities of the Company and the Group to those referred to the Annual Financial Statements of 2013.

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.	2006–2014
Minoan Italia S.p.A.	2009–2014

The Company has not been audited by the tax authorities for the years 2006 to 2010. Respective the Italian subsidiary Minoan Italia S.p.A. has not been checked for the years 2009 to 2014. During these checks, the management of the Company believes that no additional taxes and surcharges will be imposed and therefore no provision has been established. The Company on 18/12/2013 was informed by the competent tax authorities that has been selected for tax audit for the year 2006.

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. 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. Based on decision 1236/2013 issued by the Ministry of Finance, financial year 2011 will be considered final on April 30th, 2014.

The Company's «Tax Compliance Report» for the year 2011 has been issued by the auditing company Deloitte and for the years 2012–2013 has been issued by the auditing company PwC S.A. For all these years no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the annual financial statements of those years, have arisen.

26. Subsequent events

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 28th 2014

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

**Michail
Hatzakis**
Pspt No AH 4939797

**The Managing
Director**

**Antonios
Maniadakis**
IdC No AI 944699

**The Accounting
Manager**

**Isidoros
Manolakis**
IdC No AE 961838

**The
Accountant**

**Astrinos
Kyrarakis**
IdC No AH 966183
H.E.C. Lcnc No 79324 A' Class

**Minoan Lines Shipping S.A. – Financial data and Information for the period 1/1–30/6/2014
(amounts in thousands of €)**



a Grimaldi Group company

**MINOAN LINES
SHIPPING SOCIETE ANONYME**

Company's No in the General Electronic Commercial Registry: 77083027000 – (former Company's No 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 30th, 2014 (1/1 – 30/6/2014)

(In accordance with the decision 4 / 507 / 28.4.2009 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. Therefore, we recommend the users of the financial data and information, before making any investment decision or proceeding to any transaction with the Company or the Group, to obtain the necessary information from the website, where the stand-alone and consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the E.U., are available together with the auditors' report, when required.

(Amounts in Thousand €)

COMPANY'S INFORMATION

STATEMENT OF CHANGES IN EQUITY

	The Group		The Company	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Company's Web Site : www.minoan.gr				
Date of approval of financial statements from the Board of Directors: August 28 th 2014				
Certified Auditor Accountant: Michalalos Konstantinos Reg. No. ICPA (GR) 17701				
Audit Firm: PricewaterhouseCoopers S.A. Reg. No. ICPA (GR) 113				
Type of auditor's report: Unqualified opinion				
Total equity (1/1/2014 and 1/1/2013 respectively)	211,646	176,351	205,804	173,408
Funds raised from share capital increase	30,587	-	30,567	-
Costs of share capital increase	-427	-	-427	-
Proceeds against forthcoming share capital increase	-	38,500	-	38,500
Costs of forthcoming share capital increase	-	-755	-	-755
(Loss) of the period after taxes (a)	-4,499	-8,975	-4,400	-10,838
Other comprehensive income of the period after taxes (b)	-	-	-	-
Total comprehensive income of the period after taxes (a) + (b)	-4,499	-8,975	-4,400	-10,838
Total equity at the end of the period (30/6/2014 and 30/6/2013 respectively)	237,307	205,121	231,664	200,817

STATEMENT OF FINANCIAL POSITION

STATEMENT OF CASH FLOWS

Assets	The Group		The Company			The Group		The Company	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013		1/1–30/6/2014	1/1–30/6/2013	1/1–30/6/2014	1/1–30/6/2013
Property, plant and equipment	391,271	396,906	234,825	237,696	Cash flows from Operating activities				
Intangible assets	296	299	296	299	(Loss) of the period before taxes	-4,379	-8,857	-4,400	-10,838
Investment property	1,319	1,340	1,319	1,340	plus / (less) adjustments for :				
Investments in subsidiaries	-	-	154,743	154,743	Net depreciation	7,711	7,827	4,947	4,882
Available for sale financial assets	50,570	50,570	50,570	50,570	Provisions	130	232	130	232
Other non-current assets	17,387	17,535	17,387	17,535	(Income) / (gains) from other investing activities	4	15	4	15
Inventories	3,841	3,715	3,841	3,715	Interest and other financial expenses	-	-1	-	-2,295
Trade receivables	34,889	31,158	34,867	31,292	plus / (less) Adjustments for changes in working capital or operating activities :	2,657	4,192	2,657	4,192
Other current assets	14,542	27,792	11,963	25,721	(Increase) / Decrease in inventories	-126	60	-126	60
Total assets	614,114	629,316	609,810	622,911	(Increase) in trade and other receivables	-2,525	-9,825	-1,939	-8,772
					(Decrease) in liabilities other than borrowings	-26,574	-19,561	-24,632	-15,576
Equity and liabilities					(less) :				
Share Capital	240,705	210,118	240,705	210,118	Interest and related expenses paid	-2,503	-4,080	-2,503	-4,080
Retained Earnings and other Reserves	-3,398	1,528	-9,141	-4,314	Income tax paid	-178	-18	-	-
Total Shareholders Equity (a)	237,307	211,646	231,564	205,804	Net cash (used in) Operating activities (a)	-25,783	-30,016	-28,157	-30,201
Non-controlling interests (b)	-	-	-	-	Cash Flows from Investing activities				
Total equity (c) = (a) + (b)	237,307	211,646	231,564	205,804	Participation in share capital increases of subsidiaries	-	-	-	-68
Long-term borrowings	205,076	210,539	205,076	210,539	Purchase of tangible and intangible assets	-2,149	-1,049	-2,149	-1,049
Provisions / other long-term liabilities	5,494	5,460	5,273	5,279	Proceeds from disposal of tangible assets	-	414	-	414
Bank overdrafts and current portion of long term borrowings	20,927	29,680	20,927	29,680	Advances on sales of non-current assets held for sale	-	500	-	500
Other current liabilities	46,310	71,990	46,970	71,609	Dividends received	-	-	2,295	297
Total liabilities (d)	276,807	317,689	278,246	317,107	Net cash (used in) / generated by investing activities (b)	-2,149	-135	146	94
Total equity and liabilities (c) + (d)	614,114	629,316	609,810	622,911	Cash Flows from Financing activities				
					Net funds raised from share capital increase	30,160	-	30,160	-
					Net proceeds against forthcoming share capital increase	-	37,745	-	37,745
					Repayment of long/short term borrowings	-14,280	-22,329	-14,280	-22,329
					Dividends paid	-31	-91	-31	-91
					Net cash generated by Financing activities (c)	15,849	15,325	15,849	15,325
					Net (decrease) in cash and cash equivalents (a)-(b)+(c)	-12,083	-14,826	-12,162	-14,782
					Cash and cash equivalents at the beginning of the period	19,206	19,654	19,124	19,509
					Cash and cash equivalents at the end of the period	7,123	4,828	6,962	4,727

STATEMENT OF COMPREHENSIVE INCOME

	The Group			The Company		
	1/1–30/6/2014	1/1–30/6/2013	1/4–30/6/2014	1/1–30/6/2014	1/1–30/6/2013	1/4–30/6/2014
Revenue	72,770	70,932	41,449	67,636	65,753	38,868
Gross Profit	6,563	3,991	5,154	4,193	1,576	3,955
Operating (Loss) / profit before tax, financing and investing costs	-1,749	-4,695	325	-4,054	-6,969	-840
(Loss) / profit of the period before taxes	-4,379	-8,857	-628	-4,400	-10,836	493
(Loss) / profit of the period after taxes (a)	-4,499	-8,975	-689	-4,400	-10,836	493
Equity holders of the parent	-4,499	-8,975	-689	-4,400	-10,836	493
Non-controlling interests	-	-	-	-	-	-
Other comprehensive income of the period after taxes (b)	-	-	-	-	-	-
Total comprehensive income of the period after taxes (a) + (b)	-4,499	-8,975	-689	-4,400	-10,836	493
Equity holders of the parent company	-4,499	-8,975	-689	-4,400	-10,836	493
Non-controlling interests	-	-	-	-	-	-
Basic (Loss) / profit of the period per share after taxes (in €)	-0.0444	-0.1265	-0.0064	-0.0451	-0.0494	0.0046
Operating Profit / (loss) of the period before taxes, depreciation, financing and investing costs	6,962	2,932	4,196	2,748	892	1,646

NOTES AND INFORMATION

- The amounts are presented in thousands of € unless explicitly stated otherwise. Any last digit discrepancies are due to rounding of the figures. Furthermore, certain amount of the 2013 period has been reclassified for comparability purposes. This reclassification has no impact on the equity or on the results of the Group and the Company and presented in notes 5 and 7 of the condensed interim financial statements.
- 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 condensed interim financial statements.
- 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 June 30th, 2014 participated in the share capital of the Company with 95.4% (call option of 2.7% included).
- The unaudited tax years of the Company and of the companies of the Group are analyzed in note 25 of the condensed interim financial statements.
- 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 thousand and have been pledged the shares of the subsidiary company "Minoan Italia S.p.A.". Furthermore, the short-term borrowings are secured by first preferred mortgages registered on two of the Company's properties.
- There are no outstanding disputes in the courts or any arbitration against the Company and the companies of the Group, which could have substantial effects on the financial position. The relevant provisions included in the above stated financial statements are the following:

	The Group	The Company
Provisions for debtors balances legally pursued	14,808	14,808
Provisions for unaudited tax years	-	-
Other provisions	153	153
- The number of the personnel employed by the Group at the period ended 30/6/2014 and 30/6/2013 was 420 and 385, respectively.
- The Extraordinary General Shareholders' Assembly of the Company of January 31st 2014 resolved on the increase of the share capital of the Company up to the amount of € 30,587 through payment in cash with the issue of up to 13,594,150 registered shares of nominal value of € 2.25 each which will be allocated to the shareholders of the Company through the exercise of their pre-emption right at a ratio of 23 new shares to 158 existing shares at par value. The coverage of the share capital increase reached 100% and was finalized on 17/3/2014 with the certification of capital by the Company's Board of Directors. Therefore, the new total share capital of the Company amounts to € 240,705 split into 106,980,050 ordinary shares at a nominal value 2.25 € each (note 20 of the condensed interim financial statements).
- Basic earnings per share were calculated based on the weighted average number of shares outstanding as of 30/6/2014 and 30/6/2013 respectively (notes 12 and 20 of the condensed interim financial statements).
- The total inflows and outflows, as well as the receivables and payables, resulting from transactions among the related parties in accordance with the I.A.S. 24 are as follows:

	The Group	The Company
a) Inflows	3,722	3,722
b) Outflows	12,392	12,392
c) Receivables	1	1
d) Payables	4,657	6,580
e) Transactions and compensations of directors and members of B.o.D.	675	675
f) Receivables from directors and members of B.o.D.	-	-
g) Payables to directors and members of B.o.D.	68	68

Heraklion, August 28th 2014

The Vice-Chairman of the B.O.D.

The Managing Director

The Accounting Manager

The Accountant

Michail Hatzakis
Pepi No AH 4939797

Antonios Maniadiakis
IdC No AI 944699

Isidoros Manolakis
IdC No AE 961838

Astrinos Kyralkis
IDC No AH 966183
H.E.C. Licn No 79324 A' Class

Report on Use of Funds Raised for the period ended June 30th 2014 (1/1–30/6/2014)

MINOAN LINES SHIPPING S.A.

Company's No in the General Electronic Commercial Registry : 77083027000

Domicile : 17, 25th August Str. 71202 – Heraklion Crete

USE OF FUNDS RAISED FROM SHARE CAPITAL INCREASE IN CASH WITH PRE-EMPTION RIGHTS OF THE EXISTING SHAREHOLDERS, IN ACCORDANCE WITH THE DECISION OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS HELD ON JANUARY 31st 2014.

In accordance with article 4.1.2 of the Athens Exchange (ATHEX) Regulation and decisions 25/17.7.2008 of the Board of Directors of ATHEX and 7/448/11.10.2007 of the Board of Directors of the Hellenic Capital Market Commission (H.C.M.C.), it is hereby announced that the Company's share capital was increased by the issue of 13,594,150 new ordinary registered shares with voting rights while the total funds raised amounted to € 30,586,837.50. Total expenses associated with the share capital increase amounted to € 427,262.43 and were fully covered by the proceeds of the above mentioned share capital increase. Thus, total funds raised net of share capital issue costs amounted to € 30,159,575.07. The Company's Board of Directors approved the share capital increase at its meeting date 17.3.2014. The Board of Directors of ATHEX approved on 20.3.2014 the admission to trading on the ATHEX of the 13,594,150 new shares. The new shares commenced trading on ATHEX on 24.3.2014.

TABLE OF USE OF FUNDS RAISED

Use of funds raised	Total funds raised	Use of funds as of 30.6.2014	Balance of funds as of 30.6.2014
1. Repayment of intragroup due liabilities	30,159,575.07	30,158,244.87	1,330.20
2. Issue costs	427,262.43	427,262.43	–
Total	30,586,837.50	30,585,507.30	1,330.20

Heraklion, August 28th 2014

The Vice–Chairman
of the B.o.D.

Michail
Hatzakis

Pspt No AH 4939797

The Managing
Director

Antonios
Maniadakis

IdC No AI 944699

The Finance and
Payments Manager

Konstantinos
Chroniaris

IdC No AH 962430

The Accounting
Manager

Isidoros
Manolakis

IdC No AE 961838