



a Grimaldi Group company

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

## **Annual Financial Report** **for the year 1/1–31/12/2014**

**In accordance with article 4 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  
17, 25<sup>th</sup> August Str.–71 202 Heraklion–Crete

## Table of Contents

## Page

<b>Statements of the members of the Board of Directors</b>	<b>1</b>
<b>Annual Report of the Company's Board of Directors on the financial statements for the year 2014 (1/1–31/12/2014)</b>	<b>2</b>
<b>Independent Auditor's report</b>	<b>11</b>
<b>Annual Financial Statements (stand alone and consolidated) as of December 31<sup>st</sup>, 2014</b>	<b>13</b>
<b>Notes and Information</b>	<b>49</b>
<b>Report on use of funds raised</b>	<b>50</b>
<b>Report of factual findings in connection with the "Table of use of funds raised"</b>	<b>51</b>
<b>Information Document for the year 2014 according to article 10 of the law 3401 / 2005</b>	<b>53</b>

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

(In accordance with article 4 par. 2 of law 3556 / 2007)

We, the undersigned, hereby state that according to our knowledge:

1. The annual separate and consolidated financial statements of the company «MINOAN LINES SHIPPING S.A.» for the period from January 1<sup>st</sup> 2014 to December 31<sup>st</sup> 2014, as prepared in accordance with the applicable International Accounting Standards, give a true view of the assets, liabilities, equity, and the financial results for the period ended, 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 the article 4, paragraphs 3–5 of the of law 3556 / 2007 and,

2. The annual report of the Board of Directors, gives a true view of the development, the performance and the financial position of the Company and the companies included in the consolidation, taken as a whole, including the description of all significant risks and uncertainties.

**Heraklion March 30<sup>th</sup> 2015**

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

**Michail**  
**Hatzakis**  
**Pass. No AH 4939797**

**The Managing**  
**Director**

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

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

**Georgios**  
**Papageorgiou**  
**ID C No AK 469642**

# Annual Report of the Company's Board of Directors on the financial statements for the year 2014 (1/1–31/12/2014)

This report refers to the annual consolidated Financial Statements and to the separate financial statements for the year 2014 and has been prepared in accordance with laws 2190 / 1920 and 3556 / 2007.

## Significant events for the year 2014–Effect on Financial Statements

The year of 2014 is considered to be a consolidation period for Greek economy since a primary surplus was held after long-term fiscal adjustment. Moreover, the economy entered into balancing period through achievement of positive economic growth after six years prolonged recession. The above mentioned developments were positive signs for the state of economy however, these are not sufficient conditions for restoration of economic equilibrium having significantly been disrupted over the last years. In particular, the real economy has not presented any substantial alteration since factors such as low disposable income, unemployment rate, high taxation and the widespread climate of uncertainty continue to negatively affect it.

Moreover, the adverse financial environment, the intense competition among companies in the sector and the fuel costs were main factors having a negative impact on ferry shipping sector during the fiscal year of 2014. Minoan Lines over the latest years took a number of important decisions in order to confront efficiently the economic downturn. Among others, Company has proceeded into following main measures in order to achieve profitability:

- Adoption of active fleet management aiming to fuel cost reduction. The said cost over the last years represents on average basis 45% of cost sales.
- The retention of chartering out of the Group's vessels to a third party, resulting to significant reduction of payroll cost, port expenses, maintenance cost and improvement of their financial performance.
- The Extraordinary General Assembly of the Company's shareholders held on January 31<sup>st</sup>, 2014 resolved on the share capital increase up to the amount of €30,586,837.50 with the issuance of 13,594,150 new, common, intangible, registered with voting shares right at a nominal value €2.25 each. Therefore, the new share capital of the Company amounts to € 240,705,112.50 split into 106,980,050 common registered shares at its nominal value € 2.25 each. The Company's equity has been increased by € 30 million approximately, improving substantially its financial solidity and structure against severe economic crisis.
- The Company has signed on February 2014 an agreement with Grimaldi Group offering agency services for its vessels calling at the port of Piraeus.

Additionally, concerning its bank borrowings, Company fulfil all its financial obligations being absolutely current on its bond loan payment schedule along with improvement of financial performance in recent years. The aforementioned in combination with the relevant provisions of the bond loan agreement, ensured the reduction of its margin during most part of fiscal year 2014 contributed significantly to the reduction of net financial expenses by 44.17% in 2014 compared to 2013.

## Traffic Volumes

Despite the fact that 2014 was a year overshadowed by negative economic downturn and high competition among firms, the company in the Adriatic market retained its top spot in the market share. Specifically, Minoan Lines in the Adriatic carried in total 431 thousand passengers, 101 thousand private vehicles and 82 thousand trucks.

In the domestic line of Heraklion–Piraeus, company retains its high ranked place. Overall, on the Heraklion–Piraeus route, the Company carried 777 thousand passengers, 97 thousand private vehicles and 55 thousand trucks.

## Consolidated Balance Sheet & Financial Results

The consolidated financial statements include both the Company and its subsidiary as well as the consolidation method is 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%

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

In € million	2014	2013	Change
			€
<b><u>Balance Sheet</u></b>			
Non-current assets	454.51	466.65	-12.14
Current Assets	54.79	62.67	-7.88
Equity	241.84	211.65	30.19
Total Liabilities	267.45	317.67	-50.22
<b><u>Income Statement</u></b>			
<b>Revenue</b>	<b>168.19</b>	<b>162.46</b>	<b>5.73</b>
Cost of sales	143.96	140.35	3.61
Distribution Costs and Administration Expenses	19.56	20.65	-1.09
<b>Profit before interest, taxes, depreciation and amortization (E.B.I.T.D.A.)</b>	<b>20.15</b>	<b>16.08</b>	<b>4.07</b>
Net Financial and Investing Results	4.32	7.73	-3.41
<b>Profit / (loss) after Taxation</b>	<b>0.08</b>	<b>-14.78</b>	<b>14.86</b>

- ✓ The 'Non-Current Assets' amounts to € 454.51 million against €466.65 million of the previous year decreased by € 12.14 million mainly due to the depreciation.
- ✓ The 'Current Assets' were decreased by €7.88 million and shaped at €54.79 million versus €62.67 million of the previous year mainly attributed to the decrease in the company's receivables and inventories.
- ✓ The 'Equity' was increased by € 30.19 million and reached € 241.84 million against € 211.65 million of the previous year. This increase is result of the share capital increase through cash payment and exercise of pre-emption rights to existing shareholders by virtue of Ordinary General Assembly dated January 31<sup>st</sup>, 2014 and there was full coverage.
- ✓ The 'Total Liabilities' amounted to €267.45 million against € 317.67 million of 31/12/2013 (€ -50.22 million). The above decrease is due to the repayment of bond loan obligations and reduction of the figure "Suppliers and other liabilities".

With regards to the financial results, they have been affected substantially by the economic turmoil in Greece, the high level of fuel prices and the intensive competition in the sector. However, despite the afore-mentioned economic condition, the Company has improved its financial results. In more detail:

- ✓ The 'Revenue' was increased by € 5.73 million and shaped at €168.19 million against €162.46 million in 2013.
- ✓ The 'Cost of Sales' was increased by €3.61 million and amounts to €143.96 million against €140.35 compared to the previous year.
- ✓ The 'Distribution costs and Administration expenses' were decreased by € 1.09 million in comparison with 2013 and shaped at € 19.56 million. This change was primarily attributed to a reduction of Distribution costs.
- ✓ The 'Profit before interest, taxes, depreciation and amortization' (E.B.I.T.D.A.) was shaped at €20.15 million as earnings against € 16.08 million in 2013.
- ✓ The 'Net Financial and Investing Results', presented a decrease and stood at € 4.32 million against €7.73 million in 2013 (€ -3.41 million). This change was primarily due to a reduction of the Group's margin.
- ✓ The '(Earnings) after taxation' amounts to € 0.08 million against loss after taxation € 14.78 million in 2013.

## **Financial Ratios**

The main financial ratios of the Group are presented here below:

		2014	2013
<b>General Liquidity</b>	$\frac{\text{Total Current Assets}}{\text{Total short term liabilities}}$	<b>0.81</b>	<b>0.62</b>
<b>Immediate Liquidity</b>	$\frac{\text{Total Current Assets}-\text{Inventories}}{\text{Total short term liabilities}}$	<b>0.78</b>	<b>0.58</b>
<b>Debt-equity Ratio</b>	$\frac{\text{Equity}}{\text{Total Liabilities}}$	<b>0.90</b>	<b>0.67</b>
<b>Leverage ratio</b>	$\frac{\text{Net Borrowings}}{\text{Net Borrowings}+\text{Equity}}$	<b>0.45</b>	<b>0.51</b>

## Stand alone Balance Sheet & Financial Results

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

In € million	2014	2013	Change
			€
<b><u>Balance Sheet</u></b>			
Non Current Assets	448.37	462.18	-13.81
Current Assets	52.48	60.73	-8.25
Equity	233.81	205.80	28.01
Total Liabilities	267.04	317.11	-50.07
<b><u>Income Statement</u></b>			
<b>Revenue</b>	<b>157.83</b>	<b>152.11</b>	<b>5.72</b>
Cost of Sales	138.43	134.83	3.60
Distribution Costs and Administration Expenses	19.43	20.51	-1.08
<b>Profit before interest, taxes, depreciation and amortization (E.B.I.T.D.A.)</b>	<b>9.92</b>	<b>5.86</b>	<b>4.06</b>
Financial Income	0.17	0.08	0.09
Financial Expenses	4.51	7.83	-3.32
<b>(Loss) after Taxation</b>	<b>-2.12</b>	<b>-17.7</b>	<b>15.58</b>

## Share price

Minoan Lines share closed at € 1.65 as of 31/12/2014. The information table of the article 10 of law 3401/2005, which refers to the company's corporate announcement in the Athens Stock Exchange is included in the Annual Report of the Board of Directors in accordance with paragraph (a), the article 1 of the decision 7 / 448 / 11-10-2007 of the Hellenic Capital Market Commission.

## Significant post balance sheet date events

There are no significant events after fiscal year of 2014.

## Prospects for the year 2015

The financial environment prevailing in the country, the disposable income, the widespread economic uncertainty, the intense competition among companies in the industry, fuel prices etc. are key factors in shaping the Company's financial results. Based on up to date available information, the Company estimates that the traffic volumes and revenues in 2015 in comparison with 2014 will present an increasing trend; both in Adriatic and domestic routes mainly due to the dynamic marketing strategy and the reduction of exchange rate Euro/Usd which is estimated to have a positive impact on tourist flows. Moreover, the cost of sales is estimated to decline compared to 2014 provided that the fuel prices will not present any significant increase in comparison with the current price levels. Additionally, the values of the average fares are not estimated to have a remarkable change due to the intense competition whereas for the fiscal year 2015 the administrative expenses are not expected to show substantial deviation from the levels of 2014.

## 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, the fuel cost is more than 45% of cost of sales. 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 is in a position to significantly reduce fuel consumption from the next fiscal year onwards.

## Interest Rates

Total Long-term borrowings of the Company have been agreed to bear interest at a floating Euribor rate plus a margin. Consequently, the exposure to the risk of interest rates increase is closely monitored and the Company calculates their effect on its operation.

The table here-below presents the effect of 0.50% fluctuation of interest rates on the company's financial results and cash flow in the years 2014 and 2013.

Interest rate fluctuation (%)	Financial Results Sensitivity (amounts in € thousand)	
	2014	2013
- 0.50%	+ 1,057	+ 1,138
+ 0.50%	- 1,057	- 1,138

Hence, the possible increase on the interest rates will have negatively affected both on the Company financial results and the cash flows.

## Liquidity

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

In particular, on December 31<sup>st</sup>, 2014, the Group's cash and cash equivalents reached €20.33 million while the maintained lines of credit amount to € 18.00 million.

## Foreign Exchange Risk

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

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

## Market Conditions

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 Company monitors closely the competition and acts accordingly.

## Credit risk

The company's revenues come from service categories such as passenger and vehicles, sales from restaurants, bars and shops on board, transport trucks and chartering ships.

Therefore, the customer base of the company has a wide range including tour operators, central agents, cargo companies, cargo owners, rental companies and shipping companies, individual travelers and passengers. In this framework, the Company makes continuous efforts to attract more potential customers, in all the above categories, aimed at boosting sales and creating loyal customer base.

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

Under the Company's set credit policy, every new customer is analysed individually for creditworthiness before the Company's standard payment and credit terms and conditions are offered. The customers that fulfil the credit requirements complete the relevant agreement. The Company overlooks the customers' open balances and assesses the possibility of creating provisions. Hence, any client's inability to meet his/her obligations, might have a negative impact on the financial results of the Company.

## Futures Risks and Uncertainties

In 2015, developments in the Greek economy are expected to focus on achieving the stabilization of the macroeconomic and financial environment, through the financial support provided by members-states of Eurozone, and also, based on the new conditions that are being formed at European level from the adoption of measures for the strengthening of liquidity and the implementation of financial growth policies, according to decisions of E.U. institutions. Given the nature of the Company's operations and its positive financial position, any negative developments are not expected to significantly affect the operations of the Company. Nevertheless, Management continuously assesses the situation and its possible impact to ensure that all necessary actions and measures are taken in order to minimize any impact on the Company's operations.

## Environmental Risk

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

## Significant transactions between the Company and the related parties

The tables below present the transactions between the Company and the related parties during the year 2014 according to I.A.S. 24 and the inter-company balances of the trade receivables/payables as of December 31<sup>st</sup> 2014.

<b>Sale of services to</b>	<b>Relation with the Company</b>	<b>Amount in € thousand</b>	<b>Type of transaction</b>
Grimaldi Compagnia di Navigazione S.p.A.	Ultimate Holding Company	368	Revenue from fuel costs of the chartered vessels
Grimaldi Compagnia di Navigazione S.p.A.	Ultimate Holding Company	238	Revenue from crew accommodation in the chartered vessels according to the charter agreements
Grimaldi Compagnia di Navigazione S.p.A.	Company of Groups Ultimate Holding Company	57	Revenue from commission in accordance with the agent agreement.
Atlantica S.p.A. di Navigazione	Company of Groups Ultimate Holding Company	6,187	Revenue from the chartered vessels in accordance with the agent agreement.
Atlantica S.p.A. di Navigazione	Company of Groups Ultimate Holding Company	1,159	Revenue from commission and payroll in accordance with the agent agreement.
Atlantica S.p.A. di Navigazione	Company of Groups Ultimate Holding Company	516	Revenue from fuel costs of the chartered vessels
Atlantica S.p.A. di Navigazione	Company of Groups Ultimate Holding Company	167	Revenue from crew accommodation in the chartered vessels according to the charter agreements
Atlantica S.p.A. di Navigazione	Company of Groups Ultimate Holding Company	69	Proportion of on board revenue in accordance with charter agreements

<b>Purchase of fixed assets and services to</b>	<b>Relation with the Company</b>	<b>Amount in € thousand</b>	<b>Type of transaction</b>
Grimaldi Compagnia di Navigazione S.p.A.	Ultimate Holding Company	12,937	Chartering cost in accordance with the charter agreements
Grimaldi Compagnia di Navigazione S.p.A.	Ultimate Holding Company	1,759	Proportion of on board revenue in accordance with charter agreements
Grimaldi Compagnia di Navigazione S.p.A.	Ultimate Holding Company	1,001	Crew payroll cost in accordance with the relevant charter agreements
Atlantica S.p.A. di Navigazione	Company of Groups Ultimate Holding Company	13,597	Chartering cost in accordance with the charter agreements
Atlantica S.p.A. di Navigazione	Company of Groups Ultimate Holding Company	1,276	Proportion of on board revenue in accordance with charter agreements
Atlantica S.p.A. di Navigazione	Company of Groups Ultimate Holding Company	1,015	Purchase of fixed assets of chartered vessels
Atlantica S.p.A. di Navigazione	Company of Groups Ultimate Holding Company	500	Crew payroll cost in accordance with the relevant charter agreements
Atlantica S.p.A. di Navigazione	Company of Groups Ultimate Holding Company	402	Purchase of fuel reserves of chartered vessel in accordance with the charter agreement
Atlantica S.p.A. di Navigazione	Company of Groups Ultimate Holding Company	-1,858	Crew payroll cost in accordance with the relevant charter agreements & Chartering cost in accordance with the charter agreements

The aforementioned transactions were made at arm's length.

Here below the most significant outstanding balances on 31/12/2014 between the parent company and the related parties are presented:

Obligations of the Company to	Relation with the Company	Amount in € thousand
Grimaldi Compagnia di Navigazione S.p.A	Ultimate Holding Company	3,469
Atlantica S.p.A. di Navigazione	Company of Groups Ultimate Holding Company	7,118

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

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

	Amount in € thousand
Executive members	507
Non-executive members	190
Directors	771
<b>Totals</b>	<b>1,468</b>

Transactions with related persons of management and directors in 2014 amounted to € 0.16 million while at 31.12.2014 the remaining unpaid amount of the said transactions was shaped at € 0.01 million. The nature of these transactions was mainly in the form of employment (payroll) and commercial cooperation (remuneration for services and goods).

### **Explanatory report of the board of directors (article 4, paragraph 7–8 of Law 3556/2007)**

The explanatory report of the board of directors to the Annual General Meeting of shareholders includes additional information in reference to the issues of paragraphs 7 & 8 of the article 4–law 3556/2007.

### **Structure of the Company's share capital**

The Company's share capital amounted to € 240,705,112.50 on December 31<sup>st</sup>, 2014 and split into 106,980,050 ordinary shares with a nominal value of € 2.25 each. The Extraordinary General Assembly of the Company's shareholders held on January 31<sup>st</sup>, 2014 resolved on the share capital increase up to the amount of €30,586,837.50 with the issuance of 13,594,150 new, common, intangible, registered with voting shares right at a nominal value €2.25 each. Each share carries all the rights and obligations set out in law.

### **Limitations on transfer of Company shares**

The Company shares may be transferred as provided by the law and there are no restrictions regarding the transfer of shares.

### **Significant direct or indirect interests in the context of articles 9 & 11 of Law 3556/2007**

On December 31<sup>st</sup> 2014, the company «GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.A.» participated in Minoan Lines share capital with 95.6% (89.9% directly and 5.7% indirectly).

### **Shares carrying special control rights**

None of the Company shares carry any special rights of control.

### **Limitations on voting rights**

There are no limitations on voting rights.

### **Agreements among Company's shareholders**

There is an agreement of the company's main shareholder for the purchase of 2,107,966 shares (1.97% of the share capital on 31/12/2014) through a financial instrument. The Company is not aware of any other agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights.

### **Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association deviating from those provided in Codified Law 2190/1920**

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Law 2190/20.

In reference to the Structure of the Board of Directors, article 15 of the Articles of Association defines that " 1. *The company is directed by a Board of Directors which consists of a number of executive and non-executive members,*

*between seven (7) and nine (9), in accordance with L. 3016/2002, as it may be in force, who may or may not be shareholders. 2. Members of the Board may always be re-elected and they remain freely revocable.”*

The members of the Board of Directors that were elected in the Annual General Meeting on 21/6/2013 are eight.

In reference to the term of office and the election of the Board of Directors the article 17 of the Articles of Association defines that *“With the exception of the provisions of article 21 of the company’s Articles of Association, the members of the Board of Directors are elected by the General Meeting of the company’s shareholders for a four-year term of office which may be extended until the Ordinary General Meeting convened after such term has elapsed.”*

Regarding the Replacement of a member of the Board of Directors, the article 21 of the Articles of Association defines the following:

*1. The Board of Directors may elect members in replacement of members that have resigned, died or lost their capacity in any other way. The above election is effective by decision of the remaining members, if they are at least three (3) and is valid for the rest of the term of the member being replaced. The decision on the election is subject to the publicity formalities of article 7b of law 2190/1920 and is announced by the Board of Directors at the next General Meeting, which can replace the elected members, even if no such subject has been recorded in the agenda.*

*2. In case of resignation, death or loss of the capacity of a member or members of the Board of Directors in any other way, the remaining members can continue the administration and the representation of the company, even without the replacement of the missing members according to the previous paragraph, on condition that their number exceeds half the number of the members as it was prior to the incurring of the above facts. In every case, such members cannot be fewer than three (3).*

*3. In any case, the remaining members of the Board of Directors, regardless of their number (even one) can convene the General Meeting for the sole purpose of electing a new Board of Directors.*

### **Authority of the Board of Directors or certain of its members to issue new shares or to purchase treasury shares of the Company pursuant to article 16 of codified Law 2190/1920**

There is no authority of the Board of Directors or certain of its members to issue new shares or to purchase treasury shares of the Company, pursuant to article 16 of Law 2190/20.

### **Significant agreements put in force amended or terminated in the event of a change in the control of the Company following a public offer.**

The Company has no agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer, except for the bond loan agreement which states that any change in the legal or ultimate beneficial ownership of any shares resulting in the change of control of the Company, constitute an event of default.

### **Significant agreements with members of the Board of Directors or employees of the Company**

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment. In case of termination of employment of a member of company’s personnel, indemnities and compensations according to the relevant legislation apply.

## **Corporate Governance**

### **I. Corporate Governance**

The Company has adopted the principles of the Corporate Governance, as they are defined by the valid Greek legislation and the international practice.

According to them the Corporate Governance is a totality of regulations, principles and auditing mechanisms, forming the basis of the organization and the administration of the company, contributing significantly to the transparency of the benefits of all the shareholders and everybody who is related with its operation.

### **II. The Corporate Governance Code**

The Company decided the compilation of the Corporate Governance Code (sling in [www.minoan.gr](http://www.minoan.gr)), according to the instructions of the Business and Industries Association concerning the listed companies.

Amendments of this Corporate Governance Code are in the absolute discretion of the company.

### **III. Deviations from the instructions of the Corporate Governance Code of the Business and Industries Association and their justification**

#### **The Board of Directors–Role and Competences**

- ✓ No distinguished committees have been established by the B.o.D., which care for the procedure of the submission of candidates for the election of its members and submit proposals, regarding the remunerations of the executive members and the administrative officers, as such decisions are taken by a plenary session.

### **The Board of Directors–Size and Composition**

- ✓ No independent vice chairman is appointed, who comes from the independent members of the B.o.D. but an executive one, considering his conjunction to the Chairman of the B.o.D during the execution of his duties.
- ✓ It is to be noted that the B.o.D according to the articles of Association no 19, has the ability to elect, by secret voting, one of its members as Managing Director, by defining, in parallel his competences.
- ✓ The status of the Chairman or the Vice Chairman of the B.o.D. is an obstacle to his election as Managing Director.

### **The Board of Directors–Duties and Behavior of its members**

- ✓ The members of the B.o.D are not obliged to give a detailed notification of their possible professional commitments (including significant non–executive commitments with companies and non–profitable foundations) before their appointment; no limitation exists regarding the number of the B.o.D of listed companies where they may participate, since they correspond efficiently to their duties.
- ✓ No approval of the B.o.D is needed for the appointment one of the executive members as non–executive member to a company that is not affiliate or bonded to the company.

### **The Board of Directors–Nomination of the candidate members**

- ✓ There is no provision for a committee for the nomination of the candidates for the election of the B. o. D., since due to the structure of the company it is not considered to be necessary.

### **The Board of Directors–Operation**

- ✓ No annual schedule/plan of the conventions of the B.o.D. is compiled, since both the call and the convention of the B.o.D. when the circumstances call it or the law imposes it, are easy.
- ✓ No meetings of the Chairman with the non–executive members, without the presence of the executive members, are provided, in order to discuss the effectiveness and the remunerations of the executive members, given that, every issue is discussed in the presence of all the members of the B.o.D.
- ✓ No schedules of preliminary information of the new members of the B.o.D. are provided, neither a prevision for a continuous professional training for the members exists, given that persons with adequate and proved experience and administrative skills are appointed for the election.
- ✓ No allocation of financial sources to the committees of the B.o.D. is foreseen, neither for the recruitment of external counsels, since relevant sources are approved occasionally, based on the current needs.
- ✓ The B.o.D. is not supported by a Corporate Secretary, given that the relevant needs are covered effectively by the Administrative Secretary Department.

### **The Board of Directors–Assessment**

- ✓ There is no prevision of an institutionalized procedure for the assessment of the effectiveness of the members of the B.o.D. and its committees, neither of the performance of the Chairman. This procedure is not considered necessary given the structure of the company.
- ✓ There is no prevision of an institutionalized procedure, according to which the regular members and non–executive members convene without the presence of the executive members, in order to assess the effectiveness of the executive members and to define their remunerations.
- ✓ In the annual Corporate Governance Statement no procedure for the assessment of the B.o.D. or its committees is provided, given that no assessment procedures are provided.

### **The Internal Audit System**

- ✓ The B.o.D. does not proceed to the assessment of the internal audit system because the Audit Committee studies and expresses its opinion (to the B.o.D.) in the annual Review of the Internal Audit System of the Internal Audit Department.

### **The Audit Committee**

- ✓ There is no prevision for the allowance of financial sources to the Committee for the use by the committee, of external counsels, given that the composition of the Committee and the specialized knowledge and the experience of its members secure its effectiveness.

### **The Board of Directors–Remunerations**

- ✓ There are no contracts of committed services between the company and the executive members of the B.o.D., according to which the refund of a part or the totality of the bonus that possibly has been awarded to them is foreseen.
- ✓ There is no prevision for a Remunerations' Committee, which exclusively consists by non–executive members, independent to their majority, which has, as objective, the definition of the remunerations of the members of the B.o.D. The creation of this committee, given the structure and the operation of the company, is not deemed necessary.
- ✓ The remuneration of the executive members of the B.o.D. is not approved by the B.o.D. after the proposal of the competent Remunerations' Committee, given that all the remunerations and the allowances to the executive members of the B.o.D. are defined by its decision and as provided by the law 2190/1920. It is possible that compensation is awarded to the members of the B.o.D., the amount of which is defined by a special decision of the Regular General Meeting of the Shareholders. Any other remuneration or compensation of the members of the B.o.D. is at the company's expenses, if it is approved by a special decision of the Regular General Meeting.

### **The General Meeting of the Shareholders**

- ✓ There is no prevision that the summary of the minutes of the general meeting of the shareholders to be published on the web site of the company. However the results of the voting, regarding every decision of the General Meeting, are notified within 5 days after the general meeting is convened, translated into the English language.

- ✓ The company does not provide voting ways via an electronic vote or via correspondence, encouraging and facilitating the presence in person of the shareholders in the general meetings.

#### **IV. Remark of the main features of the Internal Audit System and the Administration of the Risks that are related to the procedure of the compilation of the financial statements**

##### **The Internal Audit System**

The Internal Audit System is a totality of procedures that are followed by the B. o. D., the Management and the personnel of the company, so that the effectiveness and the productivity of the corporate operation, the reliability of the financial information to the investors and the compliance to the valid legislation and guidelines, are secured.

Among these procedures the monitoring of the financial information, the assessment and the improvement of the internal audit systems and the administration of the risks, are included, as well as the verification to the institutionalized policies and processes, as they are mentioned in the Internal Regulation of the Company, the Corporate Governance Code and the Works Regulations, according to the valid legislation and the normative arrangements.

#### **V. Informative data regarding the composition of the Board of Directors**

##### **Composition of the B.o.D.**

The B.o.D. of Minoan Lines S.A. consists of eight (8) members.

It consists of 3 executive and 5 non-executive members, 2 of whom fulfill the provisions to be independent, according to law 3016/2002 about the corporate governance. The executive members are occupied in the company or serve it by exerting administrative duties. The non-executive members of the B.o.D. do not exert administrative duties.

<b>Name</b>	<b>Status</b>	<b>Starting of tenure</b>	<b>Expiry of tenure</b>
<b>1. Emanuele Grimaldi</b>	Chairman-Executive member	21/6/2013	30/6/2017
<b>2. Michael Hatzakis</b>	Vice Chairman-Executive member	21/6/2013	30/6/2017
<b>3. Antonis Maniadakis</b>	Managing Director-Executive member	21/6/2013	30/6/2017
<b>4. Gianluca Grimaldi</b>	Non-Executive member	21/6/2013	30/6/2017
<b>5. Paul Kyprianou</b>	Non-Executive member & member of the Audit Committee	21/6/2013	30/6/2017
<b>6. Diego Pacella</b>	Non-Executive member & member of the Audit Committee	21/6/2013	30/6/2017
<b>7. Constantine Mamalakis</b>	Non-Executive member-independent member	21/6/2013	30/6/2017
<b>8. George Papageorgiou</b>	Non-Executive member-independent member & member of the Audit Committee	21/6/2013	30/6/2017

**Heraklion, March 30<sup>th</sup> 2015**  
**For and on Behalf of the Board of Directors**

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

**Michail**  
**Hatzakis**

**The Managing**  
**Director**

**Antonios**  
**Maniadakis**



[Translation from the original text in Greek]

## **Independent Auditor's Report**

To the Shareholders of MINOAN LINES SHIPPING S.A

### **Report on the Separate and Consolidated Financial Statements**

We have audited the accompanying separate and consolidated financial statements of MINOAN LINES SHIPPING S.A which comprise the separate and consolidated statement of financial position as of 31 December 2014 and the separate and consolidated statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Separate and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

---

*PricewaterhouseCoopers SA, 268 Kifissias Avenue, 15232 Halandri, Greece  
T: +30 210 6874400, F: +30 210 6874444, www.pwc.gr*

*260 Kifissias Avenue & Kodrou Str., 15232 Halandri, T: +30 210 6874400, F: +30 210 6874444  
17 Ethnikis Antistassis Str., 55134 Thessaloniki, T: +30 2310 488880, F: +30 2310 459487*



## Opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the MINOAN LINES SHIPPING S.A and its subsidiaries as at December 31, 2014, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

## Reference on Other Legal and Regulatory Matters

- a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.
- b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying separate and consolidated financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 31 March 2015



PricewaterhouseCoopers S.A.  
268 Kifissias Avenue  
152 32 Halandri, Greece  
SOEL Reg. No. 113

The Certified Auditor  
Konstantinos Michalatos  
SOEL Reg. No.17701

---

*PricewaterhouseCoopers SA, 268 Kifissias Avenue, 15232 Halandri, Greece  
T: +30 210 6874400, F: +30 210 6874444, www.pwc.gr*

*260 Kifissias Avenue & Kodrou Str., 15232 Halandri, T: +30 210 6874400, F: +30 210 6874444  
17 Ethnikis Antistassis Str., 55134 Thessaloniki, T: +30 2310 488880, F: +30 2310 459487*



a Grimaldi Group company

**Annual Financial Statements**  
**(stand alone and consolidated)**  
**as of December 31<sup>st</sup>, 2014**

In accordance with International Financial Reporting Standards

**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)

The accompanying Financial Statements on pages 17 to 48 have been approved by the Board of Directors on March 30<sup>th</sup> 2015 and have been uploaded to the Company's web site [www.minoan.gr](http://www.minoan.gr).

## Table of Contents

Page

Statement of Comprehensive Income	17	
Statement of Financial Position	18	
Company Statement of Changes in Equity	19	
Consolidated Statement of Changes in Equity	20	
Statement of Cash Flows	21	
Notes to the annual financial statements for the year 2014 (1/1–31/12/2014)		
<b>Note</b>		
1	General Company's information	22
2	Basis of preparation of the Financial Statements	22
2.1	Statement of Compliance	22
2.2	Basis of Preparation	22
2.3	Use of estimates	23
2.4	Macroeconomic and and operating enviroment	23
3	Significant Accounting Policies	23
3.1	Basis of Consolidation	23
3.1.1	Subsidiaries	23
3.1.2	Associates	23
3.1.3	Transactions eliminated on Consolidation	24
3.2	Foreign Currency Transactions and Functional Currency	24
3.3	Financial Instruments	24
3.3.1	Non-derivative financial instruments	24
3.3.1.a	Trade and Other receivables	24
3.3.1.b	Available for sale financial assets	24
3.3.1.c	Financial instruments at fair value through income statement	24
3.3.1.d	Cash and Cash equivalentes	24
3.3.1.e	Interest bearing loans and borrowings	25
3.3.1.f	Trade and other payables	25
3.4	Share capital	25
3.5	Tangible and intangible assets	25
3.6	Investment property	25
3.7	Leases	25
3.8	Inventories	26
3.9	Impairment	26
3.9.1	Financial assets	26
3.9.2	Non-Financial assets	26
3.10	Non-Current assets held for sale	26
3.11	Dividends	26
3.12	Employee benefits	26
3.12.1	Defined contribution plans	26
3.12.2	Defined benefit plans	26
3.12.3	Termination benefits	27
3.12.4	Short-term benefits	27
3.13	Provisions	27
3.14	Revenue	27

<b>Note</b>		<b>Page</b>
3.14.1	Operating revenue (fares–chartering–agency services)	27
3.14.2	Revenue from on–board sales	27
3.14.3	Other income	27
3.14.4	Dividend income	27
3.14.5	Government grants	27
3.15	Net Financial Results	28
3.16	Income Tax	28
3.17	Earnings per share	28
3.18	Operating Segments	28
3.19	New standards, interpretations and amendments of existing standards	28
4	Revenue	31
5	Cost of sales	32
6	Other operating income	32
7	Selling expenses	32
8	Administrative expenses	32
9	Other operating expenses	32
10	Finance income	33
11	Finance expenses	33
12	Personnel expenses	33
13	Income Tax	33
14	Tangible and intangible assets	33
15	Investment property	35
16	Investments in subsidiaries	35
17	Available for sale financial assets	35
18	Other non–current assets	36
19	Inventories	36
20	Trade and Other receivables–Other current assets	36
21	Cash and Cash equivalents	37
22	Share capital	37
23	Reserves	38
24	Dividends	38
25	Loans–Short term bank borrowings	38
26	Employee defined benefit obligations	39
27	Deferred government grants	40
28	Trade and other payables	40
29	Financial Risk Management	40
29.1	General	40
29.2	Credit risk	40
29.2.1	Credit Risk exposure	41
29.2.2	Impairment loss	41
29.3	Liquidity risk	41
29.4	Market risk	42
29.4.1	Currency risk	42
29.4.2	Interest Rate Risk	42
29.4.2.a	Sensitivity analysis on interest rate cash flows	43

<b>Note</b>		<b>Page</b>
<b>29.5</b>	<b>Capital management</b>	<b>43</b>
<b>30</b>	<b>Fair value estimation</b>	<b>43</b>
<b>31</b>	<b>Operating segments</b>	<b>44</b>
<b>32</b>	<b>Earnings per share</b>	<b>45</b>
<b>33</b>	<b>Related Party transactions</b>	<b>45</b>
<b>33.1</b>	<b>Group of Ultimate Parent Company</b>	<b>45</b>
<b>33.2</b>	<b>Subsidiaries</b>	<b>46</b>
<b>33.3</b>	<b>Members of the Board of Directors and management</b>	<b>47</b>
<b>34</b>	<b>Contingent liabilities</b>	<b>47</b>
<b>35</b>	<b>Audit fees</b>	<b>48</b>
<b>36</b>	<b>Subsequent events</b>	<b>48</b>

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

## STATEMENT OF COMPREHENSIVE INCOME

	Note	<u>The Group</u>		<u>The Company</u>	
		<u>1/1–31/12/2014</u>	<u>1/1–31/12/2013</u>	<u>1/1–31/12/2014</u>	<u>1/1–31/12/2013</u>
<b><u>Continuing operations</u></b>					
Revenue	4	168,193	162,461	157,827	152,105
Cost of sales	5	–143,955	–140,354	–138,427	–134,825
<b>Gross Profit for the year</b>		<b>24,238</b>	<b>22,107</b>	<b>19,400</b>	<b>17,280</b>
Other operating income	6	808	959	808	959
Selling expenses	7	–13,984	–14,753	–13,885	–14,662
Administrative expenses	8	–5,573	–5,898	–5,541	–5,851
Other operating expenses	9	–849	–1,629	–848	–1,627
Impairment of available for sale financial assets	17	–	–7,003	–	–7,003
<b>Operating Profit / (loss) for the year before financing costs</b>		<b>4,640</b>	<b>–6,217</b>	<b>–66</b>	<b>–10,904</b>
Finance income	10	195	97	167	81
Finance expenses	11	–4,512	–7,829	–4,512	–7,829
<b>Net finance results</b>		<b>–4,317</b>	<b>–7,732</b>	<b>–4,345</b>	<b>–7,748</b>
Dividend income from participations	16	–	–	2,295	297
(Loss) / profit from sale of participations		–	–588	–	655
<b>Profit / (loss) for the year before taxes</b>		<b>323</b>	<b>–14,537</b>	<b>–2,116</b>	<b>–17,700</b>
Income tax	13	–244	–243	–	–
<b>Profit / (loss) for the year after taxes</b>		<b>79</b>	<b>–14,780</b>	<b>–2,116</b>	<b>–17,700</b>
<b><u>Other comprehensive income for the year (B)</u></b>					
<b><u>Items that will not be reclassified subsequently to profit or loss</u></b>					
Actuarial (Loss) / gain	26	–41	334	–41	334
<b>Total comprehensive income for the year after taxes (A) + (B)</b>		<b>38</b>	<b>–14,446</b>	<b>–2,157</b>	<b>–17,366</b>
<b><u>The Profit / (loss) for the year after taxes is attributable to :</u></b>					
Owners of the parent company		79	–14,780	–2,116	–17,700
Non–controlling Interests		–	–	–	–
<b>Profit / (loss) for the year after taxes</b>		<b>79</b>	<b>–14,780</b>	<b>–2,116</b>	<b>–17,700</b>
<b><u>The total comprehensive income for the year is attributable to :</u></b>					
Owners of the parent		38	–14,446	–2,157	–17,366
Non–controlling interests		–	–	–	–
<b>Total comprehensive income for the year after taxes</b>		<b>38</b>	<b>–14,446</b>	<b>–2,157</b>	<b>–17,366</b>
<b>Basic and Diluted Earnings per Share after taxes (in €)</b>	22 & 32	<b>0.0008</b>	<b>–0.2002</b>	<b>–0.0203</b>	<b>–0.2398</b>

The accompanying notes on pages 22–48 are integral part of the Financial Statements

## STATEMENT OF FINANCIAL POSITION

	Note	The Group		The Company	
		31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	384,336	396,906	230,654	237,696
Intangible assets	14	217	299	217	299
Investment property	15	1,299	1,340	1,299	1,340
Investments in subsidiaries	16	–	–	147,543	154,743
Available for sale financial assets	17	50,570	50,570	50,570	50,570
Other long term assets–receivables	18	18,085	17,535	18,085	17,535
<b>Total non-current assets</b>		<b>454,507</b>	<b>466,650</b>	<b>448,368</b>	<b>462,183</b>
<b>Current assets</b>					
Inventories	19	2,308	3,715	2,308	3,715
Trade and other receivables	20	27,353	31,158	27,669	31,292
Other current assets	20	4,801	8,586	2,286	6,597
Cash and cash equivalents	21	20,328	19,206	20,220	19,124
<b>Total current assets</b>		<b>54,790</b>	<b>62,665</b>	<b>52,483</b>	<b>60,728</b>
<b>Total Assets</b>		<b>509,297</b>	<b>529,315</b>	<b>500,851</b>	<b>522,911</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	22	240,705	210,118	240,705	210,118
Share premium	23	25,744	26,171	25,744	26,171
Other reserves	23	60,352	60,272	60,214	60,255
Retained earnings		–84,957	–84,915	–92,856	–90,740
<b>Total Equity attributable to equity holders of the parent</b>		<b>241,844</b>	<b>211,646</b>	<b>233,807</b>	<b>205,804</b>
<b>Non-controlling interests</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Equity</b>		<b>241,844</b>	<b>211,646</b>	<b>233,807</b>	<b>205,804</b>
<b>Non-current liabilities</b>					
Loans	25	194,410	210,539	194,410	210,539
Deferred tax liabilities	13	242	181	–	–
Retirement benefit obligations	26	1,362	1,360	1,362	1,360
Deferred government grants	27	3,643	3,836	3,643	3,836
Other provisions		189	83	189	83
<b>Total Non-current liabilities</b>		<b>199,846</b>	<b>215,999</b>	<b>199,604</b>	<b>215,818</b>
<b>Current liabilities</b>					
Bank overdrafts	25	8,022	13,421	8,022	13,421
Loans–current portion of long term loans	25	16,259	16,259	16,259	16,259
Income tax obligations	13	40	121	–	–
Trade and other payables	28	43,286	71,869	43,159	71,609
<b>Total Current liabilities</b>		<b>67,607</b>	<b>101,670</b>	<b>67,440</b>	<b>101,289</b>
<b>Total Liabilities</b>		<b>267,453</b>	<b>317,669</b>	<b>267,044</b>	<b>317,107</b>
<b>Total Equity and Liabilities</b>		<b>509,297</b>	<b>529,315</b>	<b>500,851</b>	<b>522,911</b>

The accompanying notes on pages 22–48 are integral part of the Financial Statements

## COMPANY STATEMENT OF CHANGES IN EQUITY

	<u>Note</u>	<u>Share Capital</u>	<u>Share Premium</u>	<u>Other Reserves</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
<b>Balance as at 1/1/2013</b>		159,584	26,943	59,921	-73,040	173,408
<b>Changes in equity 1/1–31/12/2013</b>						
Share capital increase	22	50,534				50,534
Costs of share capital increase	22		-772			-772
(Loss) for the year after taxes					-17,700	-17,700
Actuarial Gain	26			334		334
Other comprehensive income						-
<b>Total comprehensive income after taxes</b>				<b>334</b>	<b>-17,700</b>	<b>-17,366</b>
<b>Balance as at 31/12/2013</b>		<b>210,118</b>	<b>26,171</b>	<b>60,255</b>	<b>-90,740</b>	<b>205,804</b>
<b>Balance as at 1/1/2014</b>		<b>210,118</b>	<b>26,171</b>	<b>60,255</b>	<b>-90,740</b>	<b>205,804</b>
<b>Changes in equity 1/1–31/12/2014</b>						
Share capital increase	22	30,587				30,587
Costs of share capital increase	22		-427			-427
(Loss) for the year after taxes					-2,116	-2,116
Actuarial (Loss)	26			-41		-41
Other comprehensive income						-
<b>Total comprehensive income after taxes</b>				<b>-41</b>	<b>-2,116</b>	<b>-2,157</b>
<b>Balance as at 31/12/2014</b>		<b>240,705</b>	<b>25,744</b>	<b>60,214</b>	<b>-92,856</b>	<b>233,807</b>

The accompanying notes on pages 22–48 are integral part of the Financial Statements

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributed to owners of the parent company				Total Shareholders' Equity	Non-controlling interests	Total Equity
		Share Capital	Share Premium	Other Reserves	Retained Earnings			
<b>Balance as at 1/1/2013</b>		159,584	26,943	59,923	-70,098	176,352	-	176,352
<b>Changes in equity 1/1–31/12/2013</b>								
Share capital increase	22	50,534				50,534		50,534
Costs of share capital increase	22		-772			-772		-772
Change from sale of subsidiaries				-1	-21	-22	-	-22
Transfer between retained earnings and other reserves (ordinary reserve)				16	-16	-	-	-
(Loss) for the year after taxes					-14,780	-14,780	-	-14,780
Actuarial Gain	26			334		334	-	334
Other comprehensive income						-	-	-
<b>Total comprehensive income after taxes</b>				<b>334</b>	<b>-14,780</b>	<b>-14,446</b>	<b>-</b>	<b>-14,446</b>
<b>Balance as at 31/12/2013</b>		<b>210,118</b>	<b>26,171</b>	<b>60,272</b>	<b>-84,915</b>	<b>211,646</b>	<b>-</b>	<b>211,646</b>
<b>Balance as at 1/1/2014</b>		<b>210,118</b>	<b>26,171</b>	<b>60,272</b>	<b>-84,915</b>	<b>211,646</b>	<b>-</b>	<b>211,646</b>
<b>Changes in equity 1/1–31/12/2014</b>								
Share capital increase	22	30,587				30,587		30,587
Costs of share capital increase	22		-427			-427		-427
Transfer between retained earnings and other reserves (ordinary reserve)				121	-121	-	-	-
Profit for the year after taxes					79	79	-	79
Actuarial (Loss)	26			-41		-41	-	-41
Other comprehensive income						-	-	-
<b>Total comprehensive income after taxes</b>				<b>-41</b>	<b>79</b>	<b>38</b>	<b>-</b>	<b>38</b>
<b>Balance as at 31/12/2014</b>		<b>240,705</b>	<b>25,744</b>	<b>60,352</b>	<b>-84,957</b>	<b>241,844</b>	<b>-</b>	<b>241,844</b>

The accompanying notes on pages 22–48 are integral part of the Financial Statements

## **STATEMENT OF CASH FLOWS**

	<b>Note</b>	<b>The Group</b>		<b>The Company</b>	
		<b>1/1–31/12/2014</b>	<b>1/1–31/12/2013</b>	<b>1/1–31/12/2014</b>	<b>1/1–31/12/2013</b>
<b><u>Cash Flows from operating activities</u></b>					
<b>Profit / (loss) for the year before taxes</b>		<b>323</b>	<b>-14,537</b>	<b>-2,116</b>	<b>-17,700</b>
<i>Plus / Less adjustments for:</i>					
Net depreciation		15,512	15,290	9,983	9,761
Impairment loss on tangible and on available for sale financial assets		–	7,196	–	7,196
Provisions		691	2,253	691	2,253
Net Foreign Exchange loss / (gain)		34	–4	34	–4
Loss / gain from disposal of subsidiaries (Income), expenses / (gain), loss from investing activities		–	588	–	–655
		1	–1	–2,295	–298
Interest and other financial expenses		4,511	7,504	4,511	7,504
<i>Adjustments for changes in working capital or operating activities</i>					
Decrease / (increase) in inventories		1,407	–136	1,407	–136
Decrease / (increase) in trade and other receivables		6,456	–1,658	6,970	–326
(Decrease) in liabilities other than borrowings		–28,736	–30,955	–28,588	–34,841
<i>Less :</i>					
Interest and related expenses paid		–4,286	–7,342	–4,286	–7,342
Income taxes paid		–249	–39	–	–
<b>Net cash (used in) operating activities (a)</b>		<b>–4,336</b>	<b>–21,841</b>	<b>–13,689</b>	<b>–34,588</b>
<b><u>Cash Flows from investing activities</u></b>					
Return of capital from affiliate		–	–	7,032	12,446
Purchase of tangible and intangible assets		–3,013	–1,889	–3,013	–1,889
Proceeds from disposal of tangible assets		–	412	–	412
Proceeds from disposal of subsidiaries		–	933	–	1,000
Dividends received		–	–	2,295	297
<b>Net cash (used in) / generated by investing activities (b)</b>		<b>–3,013</b>	<b>–544</b>	<b>6,314</b>	<b>12,266</b>
<b><u>Cash Flows from financing activities</u></b>					
Net proceeds from share capital increase	22	30,160	49,762	30,160	49,762
Repayment of long/short term borrowings		–21,658	–27,734	–21,658	–27,734
Dividends paid		–31	–91	–31	–91
<b>Net cash flow generated by financing activities (c)</b>		<b>8,471</b>	<b>21,937</b>	<b>8,471</b>	<b>21,937</b>
<b>Net Increase / (decrease) in cash and cash equivalents (a)+(b)+(c)</b>		<b>1,122</b>	<b>–448</b>	<b>1,096</b>	<b>–385</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>19,206</b>	<b>19,654</b>	<b>19,124</b>	<b>19,509</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>20,328</b>	<b>19,206</b>	<b>20,220</b>	<b>19,124</b>

The accompanying notes on pages 22–48 are integral part of the Financial Statements

## Notes to the annual financial statements for the year 2014 (1/1–31/12/2014)

### 1. General Company's information

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

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

As at 31/12/2014 and 31/12/2013 the total number of ordinary shares outstanding was 106,980,050 and 93,385,900 respectively. The weighted average number of shares on 31/12/2014 was 104,186,732 while on 31/12/2013 was 73,818,097 (note 22). The total market capitalization on 31/12/2014 reached € 176,517. 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 June 21<sup>st</sup> 2013. On December 31<sup>st</sup> 2014, three (3) members of the board were executive, three (3) were non–executive and two (2) were non–executive–independent members.

The Annual Financial Statements for the year ended 31/12/2013 include the Company and consolidated financial statements (the “Financial Statements”) and were approved by the Board of Directors on March 28<sup>th</sup>, 2014, while are subject to the final approval by the Shareholders' Annual General Meeting. The consolidated financial statements include the Company and its subsidiary (the Group).

The subsidiary that is included in the consolidated financial statements and the ownership interest that the parent company holds, directly or indirectly, is outlined in the table below:

<u>company</u>	<u>Consolidation</u> <u>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 financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and adopted by the European Union.

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.

Specifically, during latest years the Company has taken a series of measures in order to reduce its expenses. Adopted strategies and proceeded to some upgrading techniques allowing the Company to restrain the fuel cost, its basic operating expense. These actions are supported by the rapid decline in fuel prices that began in late 2014 and expected to continue. An additional positive factor, which affects the results of the Company and its cash adequacy, is the significant rise in tourism in Greece appearing in 2014, which is expected to strengthen in the coming years. Moreover, the Company, via its subsidiary proceeded to the chartering of vessels and the up to date results seem positive while the strengthening of the company's cash position and the improvement of the net results will significantly facilitate the repayment of the Company's financial obligations, especially the bond loan. In addition, the agency has been undertaken for the vessels operated by a subsidiary of the ultimate parent company from the port of Igoumenitsa and in 2014 from the port of Piraeus, events that further improve the financial results with the received commissions and fees. Finally, the Company is absolutely consistent on the repayment schedule of its bond loan obligations, This fact, combined with the rapid deceleration of Euribor in 2014, which is expected to continue for several years, will further improve both the results and cash flows of the Company.

#### 2.2 Basis of Preparation

The financial statements are prepared on the historical cost basis except for at fair value.

## 2.3 Use of estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. The results of the aforementioned estimates form the basis of making decisions about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant estimates and critical judgements in applying accounting policies that have significant effect on the financial statements as well as those which involve potential adjustment risks for the next fiscal year or years are referred in the following notes:

- Note 3.5 Tangible and intangible assets (depreciation)
- Note 3.3.1b and 17 Available for sale financial assets
- Note 26 Employee Defined Benefit Obligation
- Note 29 Financial Risk Management (29.2.2 Impairment loss)
- Note 34 Contingent liabilities

## 2.4 Macroeconomic and operating environment

In 2015, developments in the Greek economy are expected to focus on achieving the stabilization of the macroeconomic and financial environment, through the financial support provided by members-states of Eurozone, and also, based on the new conditions that are being formed at European level from the adoption of measures for the strengthening of liquidity and the implementation of financial growth policies, according to decisions of E.U. institutions. Given the nature of the Company's operations and its positive financial position, any negative developments are not expected to significantly affect the operations of the Company. Nevertheless, Management continuously assesses the situation and its possible impact to ensure that all necessary actions and measures are taken in order to minimize any impact on the Company's operations.

## 3. Significant Accounting Policies

The significant accounting policies presented below, have been consistently adopted in all periods presented in these financial statements by all companies of the Group.

### 3.1 Basis of Consolidation

#### 3.1.1 Subsidiaries

Subsidiaries are entities managed and controlled directly or indirectly by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Company's financial statements, investment in subsidiaries is presented at the acquisition cost less any impairment loss.

When the Group sells a subsidiary, this action is measured at its net selling price less cost of disposal, at the date of disposal or when the control is lost, with the change in carrying amount recognized as profit or loss.

#### 3.1.2 Associates

Associates are those entities in which the Company has significant influence, but not control, over their financial and operating policies and do not meet the requirements to consider them as subsidiaries. They are initially recognized at cost plus any goodwill arising on acquisition. In the consolidated financial statements, associates are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. In the individual consolidated financial statements of the parent company, investments in associates are accounted at cost less any possible impairment.

### **3.1.3 Transactions eliminated on Consolidation**

Intra–group balances and transactions, and any income and expenses arising from intra–group transactions, are eliminated in preparing the consolidated financial statements. Gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

## **3.2 Foreign Currency Transactions and Functional Currency**

The companies of the Group maintain their books in Euro and the financial statements are presented in Euro (functional currency). Transactions in foreign currencies are translated to Euro at the exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Euro at the closing exchange rate on that date. Foreign exchange differences arising out of transaction are recognized in the income statement. Non–monetary assets that are accounted for at cost are translated at the exchange rate at the date of the transaction.

## **3.3 Financial Instruments**

### **3.3.1 Non–derivative financial instruments**

Non–derivative financial instruments comprise of: financial instruments at fair value through profit or loss, available for sale securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non–derivative financial instruments are initially recognized at fair value plus (for instruments not at fair value through profit or loss) any directly attributable transaction costs. Subsequent to initial recognition, non–derivative financial instruments are measured as described below.

Non–derivative financial instruments are recognized in the financial statements when the Company and the Group transact as parties with scope these financial instruments. Financial assets are derecognized, when the Group's contractual rights on the financial assets cash flows expire, or the financial assets are transferred to a third party without retaining control or material benefit or risk. The financial assets purchases and sales in the ordinary course of business are recorded in the financial statements at the transaction date which corresponds to the date of purchasing or selling by the Group. Financial liabilities are derecognized in the financial statements at the time that the contractual obligations of the Group is expired or cancelled.

#### **3.3.1.a Trade and Other receivables**

Trade and Other Receivables are stated at amortized cost using the effective interest rate, except of the cases in which indications of impairment exist. In such cases, a provision is determined for the estimated impairment loss. Receivables whose recovery is estimated to take place in a period of less or equal than a year are classified as short term receivables, while those ones with an estimated recovery period of more than a year are classified as long term receivables. Receivables with a short–term duration are not discounted.

#### **3.3.1.b Available for sale financial assets**

Available for sale financial assets include investments in non–listed entities which are classified as financial instruments available for sale and are recognized at the acquisition cost plus any transaction costs. Subsequent to the initial recognition, available for sale financial assets for listed entities are stated at their fair value (the quoted bid price at the balance sheet date) and any changes therein are recognized directly in equity, except for cases with indications of permanent impairment loss which are recognized directly in the income statement (accounting policy 3.9.1). Impairment is considered permanent and probably irrecoverable by the Administration when cumulatively exceeds 35% of a security's cost. When these securities are derecognized, the accumulated gain or loss that was previously recognized in equity is recognized directly in the income statement.

The fair value of securities not listed in the stock exchange can be reliably determined by a valuation method while on the other hand, those ones whose fair value cannot be reliably determined, are measured at cost.

#### **3.3.1.c Financial instruments at fair value through income statement**

The Company classifies as financial instruments at fair value through profit or loss, the financial assets held for trading. A financial asset is classified in this category if principally acquired for the purpose of being sold in the short term. Assets in this category are classified as current assets if expected to be realized within 12 months, otherwise they are classified as non–current.

Financial assets at fair value are presented at the profit and loss account and are initially recognized at fair value while transaction costs are recorded in the income statement. Gains or losses arising from changes in fair value are presented in the income statement. The Company in the current year has no such elements.

#### **3.3.1.d Cash and Cash equivalents**

Cash and cash equivalents comprise of cash in hand and in banks, as well as short term investments of high liquidity, such as time deposits maturing within three months.

### 3.3.1.e Interest bearing loans and borrowings

The interest bearing loans and borrowings are initially measured at their fair value that represents the amount of cash borrowed after reducing any direct transaction costs. Subsequent to initial recognition, the loans are measured at amortized cost using the effective interest rate method.

### 3.3.1.f Trade and other payables

The trade and other payables are recognized primarily at their fair value. They are subsequently measured at amortized cost using the effective interest method.

## 3.4 Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issuance of ordinary shares are recognized as a deduction from share premium.

## 3.5 Tangible and intangible assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The carrying amount of the above items is increased by the subsequent expenditures incurred only if there is probability that the future economic benefits embodied within these expenditures will flow to the Group companies and its cost can be measured reliably. All other costs are recognized in the income statement.

Borrowing costs directly attributable to the acquisition or construction of property, for assets that are necessarily required for a substantial period of time to get ready for use are capitalized as part of the cost of ownership of the asset till the time that the assets are substantially ready for use or sale, comes. All other costs are recognized in the profit or loss as incurred.

The net result from the assets disposal is determined by comparing the net sale proceeds reduced with the carrying value of the asset and the gain or loss is recognized in the income statement as other operating income/expense.

Depreciation is recognized in the income statement on a straight–line basis over the estimated useful life of each asset. Land is not depreciated. The residual and useful lives of assets are reviewed on an annual basis.

The depreciation of the vessels is calculated on the cost less the residual value, estimated at 15% of the acquisition cost. Management’s estimates that may have an effect in the future on the financial statements relate to the useful lives and the residual value of vessels. The useful lives and the residual value are based on historical data and assumptions that, at the present time, are considered reasonable. The aforementioned assumptions are not expected to change within the next 12 months.

Applying the amendment of I.A.S. 16 “Tangible Assets”, due to the fact that the ships’ spare parts are used for more than one fiscal year, from 1/1/2014, as indicated by the standard, they were reclassified from inventory to tangible assets. After having taken into account the opinion of the competent department, the Management indicates that the useful life of the aforementioned category is 5 years.

The estimated useful lives 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

## 3.6 Investment property

The Investment Property includes assets which are no longer self–own–used by the companies of the Group, is initially recognized and subsequently measured at cost, reduced by the relevant depreciation and increased by the subsequent additions. Depreciation is recorded in the income statement on a straight–line basis over the estimated useful lives of the property (33 years).

## 3.7 Leases

Leases in terms of which the Company and the Group assume substantially all the risks and rewards of ownership are classified as finance leases. For the property, plant and equipment acquired through a finance lease, the relevant leased asset and liability are initially recognized at an amount equal to the fair value of leased asset or, if lower, the present value of the minimum lease payments that have been agreed to be paid to the lessor at the beginning of the lease. After the initial recognition the leased assets are depreciated over the shorter of the term of the lease agreement or the asset’s useful life. The lease payments are apportioned between the finance charge and reduction of the outstanding liability for the duration of the lease agreement.

Other leases that do not fulfill the criteria of a finance lease, are operating leases and the leased assets are not recognized in the Company and Group's balance sheet. The lease payments to the lessor are recognized systematically in the income statement over the term of the lease agreement.

## **3.8 Inventories**

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the F.I.F.O. (First In First Out) method. Net realisable value is the estimated selling price in the ordinary course of business, less the selling expenses.

## **3.9 Impairment**

### **3.9.1 Financial assets**

The financial assets—except those measured at fair value through the profit or loss—are valued at each reporting date to determine whether there is any objective indication of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the effective interest rate (accounting policy 3.3.1a). Impairment losses are recognized in the income statement.

In a subsequent period, an impairment loss is reversed in the financial results if the reversal can be related objectively to an event occurring after the impairment loss was recognized. In the calculation of the impairment of investments classified as available for sale, a significant or prolonged decline in the fair value of the investment below its cost is considered. Where such evidence exists for available for sale financial assets, the cumulative loss which is measured as the difference between the acquisition cost and the current fair value less any impairment loss on the financial asset previously recognized in the income statement, is transferred from equity to results. Impairment losses on stocks which have been recognized as expenses in the income statement cannot be reversed through the income statement.

### **3.9.2 Non–Financial assets**

The carrying amounts of non–financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication that their carrying value is greater than their recoverable amount. The impairment loss of non–financial assets is recognized directly in the income statement.

The recoverable amount of an asset is the greater of its fair value (decreased by selling costs) and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

## **3.10 Non–Current assets held for sale**

Non–current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. These assets are measured at the lower of their carrying amount and fair value (decreased by selling costs). The Company during the end of current use does not possess such assets.

## **3.11 Dividends**

Dividends payable are recognized as a liability at the time they are approved by the General Shareholder's Meeting of the companies that are included in the consolidation.

## **3.12 Employee benefits**

### **3.12.1 Defined contribution plans**

A defined contribution plan relates to contributions by the Company to independent pension funds for retirement benefits of the employees for which an entity will have no legal or constructive obligation to pay further future amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss on an accrual basis.

### **3.12.2 Defined benefit plans**

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive a lump sum payment on retirement. The liability recognized in respect of defined benefit pension plans is the present value of the future benefit that employees have earned in return for their service in the current and prior

years. The calculation is determined by discounting the expected future cash flows at the weighted average yield of high quality European corporate bonds which have an expiration date approaching the time limits of the obligations of the Company and the Group. The defined benefit obligation is calculated annually based on actuarial valuation performed by independent actuaries using the projected unit credit method.

Actuarial profit or loss are recognized directly in other comprehensive income aggregates for the period in which they occur and not be transferred to the income statement in a subsequent period but are recognized directly in equity of the Company and the Group.

### **3.12.3 Termination benefits**

Termination benefits are payable when the employees leave prior to retirement. The Group recognizes these benefits when committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or upon provision of these benefits as an incentive for voluntary redundancy. Termination benefits falling due 12 months after the balance sheet date are discounted. Upon termination of employment and in cases where there is inability in determining the number of employees that will make use of these benefits, there is no accounting recording made, however need to be disclosed as a contingent liability.

### **3.12.4 Short-term benefits**

Short-term employee benefits are expensed as incurred.

## **3.13 Provisions**

A provision is recognized when the Company and the Group have a present contractual or legal obligation as a result of a past event and it is probable that an outflow will be required to settle the obligation and the amount can be reliably estimated. Provisions are recognized at a discounted base with the use of a pre-tax rate which reflects current market assessments of the time value of money and the risks associated with the liability. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money. At each reporting period, provisions are re-assessed.

## **3.14 Revenue**

The Revenues consist of the following:

### **3.14.1 Operating revenue (fares–chartering–agency services)**

Income from vessel's services (passengers, vehicles and truck fares) is recognized in the income statement when the trip is realized which coincides with the time the services are rendered.

The Company implements the customer loyalty program "Minoan Lines Bonus Club", according to which each member, from any service rendered by the Company, receives points that can be redeemed as free tickets. The allocation of fares from each sale, in actual and un-realized future services, is based on the fair value of the earned points and calculated by the estimated rate of redemption according to historical data. The fair value amount is recognized as deferred income and recorded in the income statement at the time the points are redeemed. Similarly, depending on the time of the service provided, are recognized in the income statement also the revenue from agency services. Income from chartering is recognized in the income statement on a straight line the chartering period.

### **3.14.2 Revenue from on-board sales**

Revenue from on-board sales (shops, bars and restaurant services) is recognized in the income statement at their fair value less discounts and returns, when the risks and rewards of ownership have been transferred to the buyer and the collection is reasonably assured.

### **3.14.3 Other income**

Other income is recognized in the income statement when the services have been rendered except for revenues from slot machines that are recognized in the income statement at the time that the money is collected. Additionally the income coming from dividends and profit from sale of securities is included.

### **3.14.4 Dividend income**

Dividend income is recognized as income at the date the dividends are approved by the General Shareholder's Meeting.

### **3.14.5 Government grants**

Government grants are recognized in the financial statements if there is reasonable assurance that they will be received and that the companies of the Group will comply with the conditions attaching to them. Grants that compensate the Company and the Group for expenses incurred are recognized as income in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Company and the Group for the acquisition cost of an asset are recognized in the income statement as deferred income on a systematic basis over the useful life of the asset.

### **3.15 Net Financial Results**

Net financial results, comprise of accrued interest expense on borrowings recognized in the income statement using the effective interest rate method, interest income on funds invested and foreign exchange gains and losses.

### **3.16 Income Tax**

Income tax on profits is calculated in accordance with the tax laws established at the date of the publishing of the balance sheet in the countries where the Group of companies are registered and is recognized as an expense in the period in which profits arise. Income tax comprises current and deferred taxes. Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Current tax is measured at the tax rates that are applicable to the taxable income of each financial year.

The Company is a shipping company that operates self-owned vessels under Greek flag and chartered vessels. According to the article 72 par. 14 of the law 4172/2013, revenue from self-owned vessels operation are income tax exempted, and are subjected to a special fiscal regime related to the law 27/1975. The above exemption also applies to any dividend distribution.

For revenues derived apart from the self-owned vessels' operation, (i.e. chartering, rental income, interest income etc.), the provisions of article 2 paragraph 3 of the Law 27/1975 apply. In reference to the above paragraph, if a domestic or a foreign shipping company, which owns vessels under Greek flag, operates additionally to other activities, the tax exemption on the net profits or dividends equals to the ratio of vessels' revenue to the total gross revenue of the Company. The tax rate that applies in the computation of the income tax expense for profits other than vessels' operation is 26% for the year 2014 (art. 58 par. 1 of the law 4172/2013). On the distribution of profits that derive from income other than vessels' operation, a 10% withholding tax is applied (art. 64 par. 1 of the law 4172/2013).

In addition to the above mentioned, according to the art. 48 of tax law 4172/2013, as modified by art. 1 par. D subpar. D1 note 11<sup>a</sup> of the law 4254/2014, in any dividend distribution takes place between companies of a group, since January 2014 and then, not only applies an income tax exemption, but a withholding tax exemption too. For all these to be at force, it is absolutely necessary the Company to be involved in the company that distributes the dividend at least 10% for two consecutive years.

Deferred income tax is the expected future tax that will be paid or recovered from income or expenses occurred during the closing period and considered deferred taxable income or expenses (temporary differences). Deferred tax is calculated using the tax rates expected to be applied in the period of which the taxable income or expense will be recognized. Temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not accounted for. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the corresponding temporary differences can be deducted. Due to the specific tax regime, no deferred taxes are recognized in the Company's financial statements.

### **3.17 Earnings per share**

The Group and the Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilute potential ordinary shares, which comprise convertible notes and share options granted to employees.

### **3.18 Operating Segments**

A segment of the operations of the Group is a distinguishable business component that comprises of specific features related to the nature of the business and the related business risks. The Group has one primary business segment which is that of the parent company's shipping operations. The geographical segments are based on the geographical location of the routes of the vessels that is Greece and the Adriatic Sea. The financial results of these segments are periodically monitored by the Board of Directors. The results, the assets and the liabilities of each geographic segment disclosed include amounts that are attributed directly to each segment and those that can be reasonably allocated.

### **3.19 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 evaluates the following subsequent amendments to standards and interpretations and considers that they will have no effect to its 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 Group considers that these new standards and amendments to standards have no effect to its financial statements. The main provisions are as follows.

### **IFRS 10 “Consolidated Financial Statements”**

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

### **IFRS 11 “Joint Arrangements”**

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

### **IFRS 12 “Disclosure of Interests in Other Entities”**

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

### **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.

### **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**

**IFRS 9 “Financial Instruments” and subsequent amendments to IFRS 9 and IFRS 7** (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss

impairment model used today. IFRS 9 Hedge Accounting 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 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 Group is currently investigating the impact of IFRS 15 on its financial statements. **The standard has not yet 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.

**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.

**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.**

**IAS 27 (Amendment) “Separate financial statements”** (effective for annual periods beginning on or after 1 January 2016)

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements. **This amendment has not yet been endorsed by the EU.**

**IFRS 10 and IAS 28 (Amendments) “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”** (effective for annual periods beginning on or after 1 January 2016)

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. **The amendments have not yet been endorsed by the EU.**

**IAS 1 (Amendments) “Disclosure initiative”** (effective for annual periods beginning on or after 1 January 2016)

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. **The amendments have not yet been endorsed by the EU.**

**IFRS 10, IFRS 12 and IAS 28 (Amendments) “Investment entities: Applying the consolidation exception”** (effective for annual periods beginning on or after 1 January 2016)

These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. **The amendments have not yet been endorsed by the EU.**

#### **Annual Improvements to IFRSs 2012** (effective for annual periods beginning on or after 1 February 2015)

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.

##### ***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 January 2015)**

The amendments set out below describe the key changes to three IFRSs following the publication of the results of the IASB’s 2011–13 cycle of the annual improvements project.

**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.

**Annual Improvements to IFRSs 2014 (effective for annual periods beginning on or after 1 January 2016)**

The amendments set out below describe the key changes to four IFRSs. The improvements have not yet been endorsed by the EU.

**IFRS 5 “Non–current assets held for sale and discontinued operations”**

The amendment clarifies that, when an asset (or disposal group) is reclassified from ‘held for sale’ to ‘held for distribution’, or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

**IFRS 7 “Financial instruments: Disclosures”**

The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, ‘Disclosure–Offsetting financial assets and financial liabilities’ is not specifically required for all interim periods, unless required by IAS 34.

**IAS 19 “Employee benefits”**

The amendment clarifies that, when determining the discount rate for post–employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

**IAS 34 “Interim financial reporting”**

The amendment clarifies what is meant by the reference in the standard to ‘information disclosed elsewhere in the interim financial report’.

## 4. Revenue

	<b>The Group</b>		<b>The Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Revenue from Vessel Operations (fares–chartering)	148,711	146,194	138,345	135,838
Revenue from restaurant–bars	12,014	10,457	12,014	10,457
Revenue from shops on board	5,686	4,920	5,686	4,920
Revenue from agency services *	1,782	890	1,782	890
<b>Totals</b>	<b>168,193</b>	<b>162,461</b>	<b>157,827</b>	<b>152,105</b>

\* The amount of the comparable year 2013 has been reclassified for comparability purposes. The specific amount which has been reclassified, in 2013 had been included in the item “Other operating income” (note 6).

## 5. Cost of sales

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Payroll cost	11,825	12,042	11,825	12,042
Bunkers and lubricants	66,024	69,584	66,024	69,584
Port expenses–Maintenances–Consumables	9,262	10,471	9,262	10,470
Food–Beverages–Shops merchandise	6,574	6,128	6,574	6,128
Vessels chartering cost	8,841	4,766	8,841	4,766
Various other costs	26,534	22,700	26,534	22,700
Depreciation	15,088	14,856	9,560	9,328
Amortisation of government grant	-193	-193	-193	-193
<b>Totals</b>	<b>143,955</b>	<b>140,354</b>	<b>138,427</b>	<b>134,825</b>

## 6. Other operating income

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Income from services rendered *	139	137	139	137
Income from government grants	58	2	58	2
Rental income	11	2	11	2
Gain from sale of tangible assets	-	3	-	3
Income from reversal of impairment loss due to debt recovery	25	10	25	10
Other income	575	805	575	805
<b>Totals</b>	<b>808</b>	<b>959</b>	<b>808</b>	<b>959</b>

\* An amount of the comparable year 2013 has been reclassified for comparability purposes (note 4).

## 7. Selling expenses

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Payroll cost	4,591	4,219	4,591	4,219
Commissions paid	7,111	7,926	7,013	7,835
Advertising and promotion expenses	1,550	1,685	1,550	1,685
Impairment loss of tangible assets	-	193	-	193
Depreciation–Various other expenses	732	730	731	730
<b>Totals</b>	<b>13,984</b>	<b>14,753</b>	<b>13,885</b>	<b>14,662</b>

## 8. Administrative expenses

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Payroll cost	2,706	3,061	2,706	3,061
Third parties fees and expenses	1,371	1,722	1,361	1,698
Depreciation–Various other expenses	1,496	1,115	1,474	1,092
<b>Totals</b>	<b>5,573</b>	<b>5,898</b>	<b>5,541</b>	<b>5,851</b>

## 9. Other operating expenses

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Impairment loss on trade receivables	475	1,288	475	1,288
Write off of receivables	28	123	28	123
Loss from sale of tangible assets	-	2	-	2
Discount cost of long–term receivables at present value	24	63	24	63
Various other expenses	322	153	321	151
<b>Totals</b>	<b>849</b>	<b>1,629</b>	<b>848</b>	<b>1,627</b>

## 10. Finance income

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Income from time deposits	58	61	30	48
Interest and other related income	133	19	133	17
Foreign exchange gains	4	17	4	16
<b>Totals</b>	<b>195</b>	<b>97</b>	<b>167</b>	<b>81</b>

## 11. Finance expenses

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Interest on bank overdraft and loans	3,809	7,020	3,809	7,020
Commissions–Bank charges and other expenses	127	114	127	114
Commissions on Letters of Guarantee and Credit Cards	195	163	195	163
Foreign exchange losses	78	17	78	17
Amortization of deferred financing & waiver fees– expenses of special authorizations & loan management	303	515	303	515
<b>Totals</b>	<b>4,512</b>	<b>7,829</b>	<b>4,512</b>	<b>7,829</b>

## 12. Personnel expenses

The number of personnel employed at the end of the years ended 31/12/2014 and 31/12/2013 was 356 and 327, respectively.

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Salaries and wages	16,202	16,214	16,202	16,214
Social security contributions	2,487	2,591	2,487	2,591
Other personnel benefits	173	482	173	482
Employee defined benefit obligations (note 26)	260	35	260	35
<b>Totals</b>	<b>19,122</b>	<b>19,322</b>	<b>19,122</b>	<b>19,322</b>

## 13. Income Tax

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Income tax expense	183	141	–	–
Deferred tax	61	102	–	–
<b>Totals</b>	<b>244</b>	<b>243</b>	<b>–</b>	<b>–</b>

The current fiscal framework for the Company is described in note 3.16. Regarding the foreign Group Company, the tax rate applicable in the country that operates and for the purpose of its activity is 5.50%.

In the statement of financial position under current liabilities are shown the amounts of the "Income Taxes" which on 31/12/2014 and 31/12/2013 amounted to € 40 and €121 respectively. Finally, in the long–term liabilities of financial position are shown the amounts of "Deferred tax liabilities" of the Company which at 31/12/2014 were amounted to € 242 while on 31/12/2013 at € 181, and because of the special tax regime no deferred taxes in the parent company (note 3.16).

## 14. Tangible and intangible assets

	<u>The Group</u>						<u>Totals</u>
	<u>Land</u>	<u>Buildings Technical works</u>	<u>Transportation equipment</u>	<u>Vessels– Spare parts– Vessels' other equipment</u>	<u>Furniture – Computers– Other equipment– Mobile phones &amp; tablets</u>	<u>Computer Software</u>	
<b>Cost at 1/1/2013</b>	<b>2,110</b>	<b>6,450</b>	<b>38</b>	<b>527,414</b>	<b>3,154</b>	<b>3,043</b>	<b>542,209</b>
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
<b>Costs at 31/12/2013</b>	<b>2,110</b>	<b>6,278</b>	<b>8</b>	<b>531,644</b>	<b>3,280</b>	<b>3,140</b>	<b>546,460</b>

**Minoan Lines Shipping S.A.–Annual Financial Statements (stand alone and consolidated) as of December 31<sup>st</sup>, 2014**  
**(amounts in thousands of €)**

<b>Cost at 1/1/2014</b>	<b>2,110</b>	<b>6,278</b>	<b>8</b>	<b>531,644</b>	<b>3,280</b>	<b>3,140</b>	<b>546,460</b>
Acquisitions and additions 1/1–31/12/2014	–	–	–	2,851	82	79	3,012
Less / (plus): Disposals–Transfers– Write offs 1/1–31/12/2014	–	–	–	13	42	–	55
<b>Costs at 31/12/2014</b>	<b>2,110</b>	<b>6,278</b>	<b>8</b>	<b>534,482</b>	<b>3,320</b>	<b>3,219</b>	<b>549,417</b>
<b>Accumulated Depreciation at 1/1/2013</b>	<b>–</b>	<b>2,091</b>	<b>29</b>	<b>126,350</b>	<b>2,685</b>	<b>2,709</b>	<b>133,864</b>
Depreciation for the year 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
<b>Accumulated Depreciation at 31/12/2013</b>	<b>–</b>	<b>2,353</b>	<b>5</b>	<b>141,164</b>	<b>2,892</b>	<b>2,841</b>	<b>149,255</b>
<b>Accumulated Depreciation at 1/1/2014</b>	<b>–</b>	<b>2,353</b>	<b>5</b>	<b>141,164</b>	<b>2,892</b>	<b>2,841</b>	<b>149,255</b>
Depreciation for the year 1/1–31/12/2014	–	255	1	15,070	176	161	15,663
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1–31/12/2014	–	–	–	15	39	–	54
<b>Accumulated Depreciation at 31/12/2014</b>	<b>–</b>	<b>2,608</b>	<b>6</b>	<b>156,219</b>	<b>3,029</b>	<b>3,002</b>	<b>164,864</b>
<b>Net book value at :</b>							
<b>1/1/2013</b>	<b>2,110</b>	<b>4,359</b>	<b>9</b>	<b>401,064</b>	<b>469</b>	<b>334</b>	<b>408,345</b>
<b>31/12/2013</b>	<b>2,110</b>	<b>3,925</b>	<b>3</b>	<b>390,480</b>	<b>388</b>	<b>299</b>	<b>397,205</b>
<b>31/12/2014</b>	<b>2,110</b>	<b>3,670</b>	<b>2</b>	<b>378,263</b>	<b>291</b>	<b>217</b>	<b>384,553</b>

**The Company**

	<u>Land</u>	<u>Buildings Technical works</u>	<u>Transportation equipment</u>	<u>Vessels– Spare parts– Vessels' other equipment</u>	<u>Furniture – Computers– Other equipment– Mobile phones &amp; tablets</u>	<u>Computer Software</u>	<u>Totals</u>
<b>Cost at 1/1/2013</b>	<b>2,110</b>	<b>6,450</b>	<b>38</b>	<b>313,693</b>	<b>3,154</b>	<b>3,043</b>	<b>328,488</b>
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
<b>Costs at 31/12/2013</b>	<b>2,110</b>	<b>6,278</b>	<b>8</b>	<b>317,923</b>	<b>3,280</b>	<b>3,140</b>	<b>332,739</b>
<b>Cost at 1/1/2014</b>	<b>2,110</b>	<b>6,278</b>	<b>8</b>	<b>317,923</b>	<b>3,280</b>	<b>3,140</b>	<b>332,739</b>
Acquisitions and additions 1/1–31/12/2014	–	–	–	2,851	82	79	3,012
Less / (plus): Disposals / Transfers / Write offs 1/1–31/12/2014	–	–	–	13	42	–	55
<b>Costs at 31/12/2014</b>	<b>2,110</b>	<b>6,278</b>	<b>8</b>	<b>320,761</b>	<b>3,320</b>	<b>3,219</b>	<b>335,696</b>
<b>Accumulated Depreciation at 1/1/2013</b>	<b>–</b>	<b>2,091</b>	<b>29</b>	<b>77,367</b>	<b>2,685</b>	<b>2,709</b>	<b>84,881</b>
Depreciation for the year 1/1–31/12/2013	–	262	2	9,300	218	132	9,914
Less : Disposed / Transferred assets accumulated depreciation 1/1–31/12/2013	–	–	26	14	11	–	51
<b>Accumulated Depreciation at 31/12/2013</b>	<b>–</b>	<b>2,353</b>	<b>5</b>	<b>86,653</b>	<b>2,892</b>	<b>2,841</b>	<b>94,744</b>
<b>Accumulated Depreciation at 1/1/2014</b>	<b>–</b>	<b>2,353</b>	<b>5</b>	<b>86,653</b>	<b>2,892</b>	<b>2,841</b>	<b>94,744</b>
Depreciation for the year 1/1–31/12/2014	–	255	1	9,542	176	161	10,135
Less : Disposed / Transferred assets accumulated depreciation 1/1–31/12/2014	–	–	–	15	39	–	54
<b>Accumulated Depreciation at 31/12/2014</b>	<b>–</b>	<b>2,608</b>	<b>6</b>	<b>96,180</b>	<b>3,029</b>	<b>3,002</b>	<b>104,825</b>
<b>Net book value at :</b>							
<b>1/1/2013</b>	<b>2,110</b>	<b>4,359</b>	<b>9</b>	<b>236,326</b>	<b>469</b>	<b>334</b>	<b>243,607</b>
<b>31/12/2013</b>	<b>2,110</b>	<b>3,925</b>	<b>3</b>	<b>231,270</b>	<b>388</b>	<b>299</b>	<b>237,995</b>
<b>31/12/2014</b>	<b>2,110</b>	<b>3,670</b>	<b>2</b>	<b>224,581</b>	<b>291</b>	<b>217</b>	<b>230,871</b>

The fair value of the Company's vessels on December 31<sup>st</sup> 2014, as determined by independent appraiser, amounted to approximately € 383,500, while the fair value of the property is € 7,376. Was examined whether there are any indications of impairment and no reason for impairment arisen. Information relating to mortgages and liens on assets is included in note 25.

The depreciation of property plant and equipment is recorded in the following captions of the income statement:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2013</u>	<u>31/12/2012</u>
Cost of sales	15,088	14,856	9,560	9,328
Administrative expenses	165	193	165	193
Selling expenses	410	393	410	393
<b>Totals</b>	<b>15,663</b>	<b>15,442</b>	<b>10,135</b>	<b>9,914</b>

## 15. Investment Property

The movement of the above caption is presented on 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>
<b>Cost at 1/1/2013</b>	<b>5,114</b>	<b>2,011</b>	<b>7,125</b>	<b>557</b>	<b>1,195</b>	<b>1,752</b>
Acquisitions–additions 1/1–31/12/2013	–	–	–	–	–	–
Less : Disposals 1/1–31/12/2013	4,557	816	5,373	–	–	–
<b>Costs at 31/12/2013</b>	<b>557</b>	<b>1,195</b>	<b>1,752</b>	<b>557</b>	<b>1,195</b>	<b>1,752</b>
<b>Cost at 1/1/2014</b>	<b>557</b>	<b>1,195</b>	<b>1,752</b>	<b>557</b>	<b>1,195</b>	<b>1,752</b>
Acquisitions–additions 1/1–31/12/2014	–	–	–	–	–	–
<b>Costs at 31/12/2014</b>	<b>557</b>	<b>1,195</b>	<b>1,752</b>	<b>557</b>	<b>1,195</b>	<b>1,752</b>
<b>Accumulated Depreciation at 1/1/2013</b>	<b>–</b>	<b>1,187</b>	<b>1,187</b>	<b>–</b>	<b>371</b>	<b>371</b>
Depreciation for the year 1/1–31/12/2013	–	41	41	–	41	41
Less : Disposed assets accumulated depreciation 1/1–31/12/2013	–	816	816	–	–	–
<b>Accumulated Depreciation at 31/12/2013</b>	<b>–</b>	<b>412</b>	<b>412</b>	<b>–</b>	<b>412</b>	<b>412</b>
<b>Accumulated Depreciation at 1/1/2014</b>	<b>–</b>	<b>412</b>	<b>412</b>	<b>–</b>	<b>412</b>	<b>412</b>
Depreciation for the year 1/1–31/12/2014	–	41	41	–	41	41
<b>Accumulated Depreciation at 31/12/2014</b>	<b>–</b>	<b>453</b>	<b>453</b>	<b>–</b>	<b>453</b>	<b>453</b>
<b>Net book value at :</b>						
1/1/2013	5,114	824	5,938	557	824	1,381
31/12/2013	557	783	1,340	557	783	1,340
31/12/2014	557	742	1,299	557	742	1,299

After an impairment test was carried out by the Company based on a study by an independent appraiser the property's fair value at 31/12/2014 is € 1,334 while there was no reason for any impairment of the property. The above properties are recorded liens to secure the obligations of the Company.

## 16. Investments in subsidiaries

Investments in subsidiaries are as follows :

<u>company</u>	<u>Participation amount</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>
Minoan Italia S.p.A.	147,543	154,743
<b>Totals</b>	<b>147,543</b>	<b>154,743</b>

At December 16<sup>th</sup>, 2014 a decision was taken by the Extraordinary General Meeting of 100% subsidiary Minoan Italia S.p.A. to reduce its share capital by the amount of € 7,200 and the return of that amount to the parent company. At 31/12/2014 an amount of € 323 was remaining to complete this return (note 20).

The amount of € 2,295 included in the Company's results in the category "Dividend income from participations" is dividend for the fiscal year 2013 received by the parent from the subsidiary Minoan Italia S.p.A. The decision was taken in the regular General Assembly of the company held in April 2014.

## 17. Available for sale financial assets

Available for sale financial assets are mainly concerned with the value of 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 does not and neither has the ability to exercise significant influence in the management / financial policy of the company. According to I.A.S. 28, the existence of significant influence by an investor is usually evidenced in one or more of the following ways: (a) representation on the

board of directors or equivalent governing body of the investee, (b) participation in the policy-making process, (c) material transactions between the investor and the investee, (d) interchange of managerial personnel, (e) provision of essential technical information. From the above mentioned criteria, (c), (d) and (e) are not met, while in respect to criteria (a) and (b), we note the following:

- 1) the minority shareholding of the Company to the Board of Directors of Hellenic Seaways Shipping S.A. cannot be described as 'active' in the sense of necessary partnership in decision-making of the Board and this beyond essence, awards representation and management of the Board of Directors to other members and comes in accordance with art. 22 par. 3 of Law 2190/1920 while it is considered applicable. The significant influence cannot be achieved in the form of prevention of the majority to take its desirable decisions and manage the company in accordance with its own interests, which may be achieved through statutory provisions providing increased majority for certain key issues while requiring the consent of the minority for the decision to be taken and also considering necessary the participation of the undertaking involved active minority,
- 2) the exercise of significant influence is being prevented by another investor who holds substantial or majority ownership,
- 3) the lack of adequate or provision of selective information through its minority participation in the Board of the company,
- 4) the repeated distress arising from the lack of influence by the Company's management and economic policy in Hellenic Seaways Shipping S.A. was evident both by the repeated interference of the Company in receiving necessary financial figures from the company and by
- 5) the exercise of the Company's right to provide information in accordance with art. 39 par. 4 and 5 of the Law 2190/1920 regarding the company's affairs.

Indicatively, in order to support the described lack of exercised influence, specific events which took place on the 2012 Annual General Assembly of Hellenic Seaways Shipping S.A., for which the Company has issued an official announcement on 26/7/2012 describing in detail everything happened in this General Assembly, while an official supportive statement by the Chairman of the Company on the happenings is being included. This announcement is published on the Company's internet website ([www.minoan.gr](http://www.minoan.gr)) under "Investor Relations / Financial Press Releases".

Therefore, based on the above, the Company believes that no significant / material influence is or has the ability to exercise to Hellenic Seaways Shipping S.A. as defined in I.A.S. 28 and thus, the investment was valued in accordance with I.A.S. 39.

To determine the fair value of this investment and based on a study by an independent qualified valuator conducted by the Company on 31/12/2014 no impairment arisen.

## 18. Other non-current assets

In the other non-current assets, receivables of value € 28,495 which are expected to be collected in a period of over a year, have been transferred. For these receivables during the previous and the current fiscal years, the Company has respectively recorded provisions and adjustments to present value amounting to € 10,444.

## 19. Inventories

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Merchandise	1,444	1,397	1,444	1,397
Consumables	864	2,318	864	2,318
<b>Totals</b>	<b>2,308</b>	<b>3,715</b>	<b>2,308</b>	<b>3,715</b>

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

	<u>Trade and Other Receivables</u>			
	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Customers–Cheques Receivable	25,673	29,459	25,673	29,459
Trade receivables due from affiliates	–	–	323	154
Other Receivables	1,680	1,699	1,673	1,679
<b>Totals</b>	<b>27,353</b>	<b>31,158</b>	<b>27,669</b>	<b>31,292</b>
	<u>Other current assets</u>			
	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Prepaid Expenses	1,458	1,066	1,458	1,066
Accrued Income	3,343	7,520	828	5,531
<b>Totals</b>	<b>4,801</b>	<b>8,586</b>	<b>2,286</b>	<b>6,597</b>

The Company and the Group's exposure to credit risks, as well as the impairment losses related to trade and other receivables are analyzed in note 29.

## 21. Cash and Cash equivalents

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Cash on hand	253	245	145	245
Cash in banks and time deposits	20,075	18,961	20,075	18,879
<b>Totals</b>	<b>20,328</b>	<b>19,206</b>	<b>20,220</b>	<b>19,124</b>

## 22. Share capital

(The amounts of note 22 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 S.p.A. di Navigazione and / or obligations to third parties of the Company. On March 17<sup>th</sup>, 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 31<sup>st</sup>, 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.

Analysis of the evolution of the share capital, the shares and the calculation of the weighted average number of shares are shown below:

	<u>Share capital</u>	<u>Share Premium</u>	<u>Totals</u>
<b>Balance as at 1/1/2013</b>	<b>159,583,500.00</b>	<b>26,942,576.38</b>	<b>186,526,076.38</b>
Increase of share capital	50,534,775.00		<b>50,534,775.00</b>
Share capital issue costs		-771,789.79	<b>-771,789.79</b>
<b>Total funds raised net of share capital issue costs</b>	<b>50,534,775.00</b>	<b>-771,789.79</b>	<b>49,762,985.21</b>
<b>Balance as at 31/12/2013</b>	<b>210,118,275.00</b>	<b>26,170,786.59</b>	<b>236,289,061.59</b>
<b>Balance as at 1/1/2014</b>	<b>210,118,275.00</b>	<b>26,170,786.59</b>	<b>236,289,061.59</b>
Increase of share capital	30,586,837.50		<b>30,586,837.50</b>
Share capital issue costs		-427,262.43	<b>-427,262.43</b>
<b>Total funds raised net of share capital issue costs</b>	<b>30,586,837.50</b>	<b>-427,262.43</b>	<b>30,159,575.07</b>
<b>Balance as at 31/12/2014</b>	<b>240,705,112.50</b>	<b>25,743,524.16</b>	<b>266,448,636.66</b>
	<u>Issued shares</u>	<u>Number of shares outstanding</u>	
<b>Balance as at 1/1/2013</b>	<b>70,926,000</b>	<b>70,926,000</b>	
Increase of share capital	22,459,900	<b>22,459,900</b>	
<b>Balance as at 31/12/2013</b>	<b>93,385,900</b>	<b>93,385,900</b>	
<b>Balance as at 1/1/2014</b>	<b>93,385,900</b>	<b>93,385,900</b>	
Increase of share capital	13,594,150	<b>13,594,150</b>	
<b>Balance as at 31/12/2014</b>	<b>106,980,050</b>	<b>106,980,050</b>	

<u>Period</u>		<u>Days</u>	<u>Weighting factor</u>	<u>Number of shares outstanding</u>	<u>Weighted average number of shares outstanding</u>
1/1/2014	16/3/2014	75	0.205	93,385,900	19,188,884
17/3/2014	31/12/2014	290	0.795	106,980,050	84,997,848
		<b>365</b>	<b>1.000</b>		<b>104,186,732</b>

## 23. Reserves

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Statutory reserve	12,917	12,796	12,779	12,779
Accumulated actuarial results recognized in equity	297	339	297	339
Other reserves	47,138	47,137	47,138	47,137
<b>Totals</b>	<b>60,352</b>	<b>60,272</b>	<b>60,214</b>	<b>60,255</b>

**Statutory reserve:** According to the Greek corporate law, the Company is required to transfer an amount equal to at least 5% of its net realized profit to a statutory reserve, until such a reserve equals 1/3 of the issued share capital. This reserve can be used exclusively before any distribution of dividends to off-set a deficit.

**Accumulated actuarial results recognized in equity:** As defined in IAS 19 are recognized directly in the other comprehensive income of the period in which they occur and not be transferred to the income statement in a subsequent period but are recognized directly in equity of the Company and the Group (note 26).

**Other reserves:** These reserves are established in accordance with the companies Article of Associations from the remaining annual earnings after transfer to the statutory reserve and dividends.

## 24. Dividends

According to the Greek Corporate law, companies must distribute as dividend to their shareholders an amount equal to 35% of the annual net realized profits (after the deduction of the statutory reserve). Nil dividend distribution can be approved by the General Assembly by shareholders representing the 70% of the paid-in share capital.

## 25. Loans–Short term bank borrowings

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

	<u>Average interest rate</u>	<u>31/12/2014</u>	<u>Average interest rate</u>	<u>31/12/2013</u>
	<u>2014</u>		<u>2013</u>	
Bond Loan–Agent National Bank of Greece	1.56%	211,363	2.40%	227,622
Less : Net book value of transaction costs		-694		-824
<b>Total bond loan</b>		<b>210,669</b>		<b>226,798</b>
Less : current portion of long-term loan		-16,259		-16,259
<b>Total Long term debt</b>		<b>194,410</b>		<b>210,539</b>

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

The above bond loan agreement sets certain terms and limitations (the prior consent of the participated banks is required) regarding the following: change of business, mergers, negative pledge, disposals and acquisitions, additional or repayment of borrowings, dividends distribution (other than minimum required by law), reducing or repurchasing the share capital. Failure to comply with the terms of the agreement or breach of any of its obligations may result in a mandatory full repayment of the loan and accrued interest. Furthermore, the bond loan agreement sets certain financial covenants that the Company must meet at the end of each financial year. These financial covenants are: a) the ratio of total consolidated liabilities (government grants excluded) to total consolidated assets (adjusted to market value of the vessels) shall not exceed 0.65:1.0 , b) the ratio of total consolidated earnings before interest, taxes, depreciation and amortization to net interest expenses shall not be less that 2.0:1.0 and c) the liquid funds shall not be less that € 15.000. On 31/12/2014, the Company complied with all the above covenants.

The interest expenses of the above long term debt for the period ended 1/1–31/12/2014 and 1/1–31/12/2013, amounted to € 3,559 and € 5,866 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 € 8,022 at 31/12/2014, are secured by two of the Company's properties which have been mortgaged. At 31/12/2013 the specific amount stood to € 13,421. The average interest rates for the years 1/1–31/12/2014 and 1/1–31/12/2013 reached 6.18% and 7.61% respectively.

Information regarding the Company's liquidity and interest rate risk exposure is included in note 29.

## 26. Employee defined benefit obligations

According to the Greek Labour Law, employees upon retirement are entitled to compensation which amounts to 40% of the amount that would become payable upon dismissal.

The table below shows the present value of the employee defined benefit obligations:

	<u>31/12/2014</u>	<u>31/12/2013</u>
Present value of defined benefit obligations	1,362	1,360
<b>Total liability</b>	<b>1,362</b>	<b>1,360</b>

The amount, recorded as an expense at 31/12/2014 and 31/12/2013 respectively, is analyzed as follows:

	<u>The Group</u>	<u>The Company</u>
<b>Balance as at 1/1/2013</b>	<b>1,727</b>	<b>1,727</b>
Current Service Cost	104	104
Past service costs due to modifications	-164	-164
Interest Cost	60	60
Benefits paid	-68	-68
Cost of settlement	35	35
Actuarial (gain) recognized in the statement of changes in equity	-334	-334
<b>Balance as at 31/12/2013</b>	<b>1,360</b>	<b>1,360</b>

<b>Balance as at 1/1/2014</b>	<b>1,360</b>	<b>1,360</b>
Current Service Cost	67	67
Past service costs due to modifications	-31	-31
Interest Cost	45	45
Benefits paid	-299	-299
Cost of settlement	179	179
Actuarial loss recognized in the statement of changes in equity	41	41
<b>Balance as at 31/12/2014</b>	<b>1,362</b>	<b>1,362</b>

The amount, recorded as an expense at 31/12/2014 and 31/12/2013 respectively, is analyzed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Current Service Cost	67	104	67	104
Past service costs due to modifications	-31	-164	-31	-164
Interest Cost	45	60	45	60
Benefits paid	179	35	179	35
<b>Totals</b>	<b>260</b>	<b>35</b>	<b>260</b>	<b>35</b>

The above expenditure is included in the following categories of the income statement:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Administrative expenses	58	25	58	25
Selling expenses	200	10	200	10
Cost of sales	2	0	2	0
<b>Totals</b>	<b>260</b>	<b>35</b>	<b>260</b>	<b>35</b>

The movement of the defined benefit obligations for the years 2010–2014 is presented below:

	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2012</u>	<u>31/12/2011</u>	<u>31/12/2010</u>
Defined Benefit Obligations	1,362	1,360	1,727	2,061	2,648

The total amount of Employee Defined Benefit Obligations is unfunded.

The main assumptions used are as follows:

- Discount Rate at 31/12/2014 and 31/12/2013, 1.90% and 3.30% respectively
- Long-term average annual salaries increase by 2% at 31/12/2014 and by 3% at 31/12/2013
- The average annual long term inflation rate for both 2014 and 2013 is 2%
- Average expected future employee services 17.00 years.

The benefits payments expected to take place during the next 5 years for the Company amount to € 54.

If the discount rate used in the valuation was 0.50% higher, then the defined benefit obligation for staff retirement indemnities for the Company would decrease by € 83. If the discount rate used in the valuation was 0.50% lower, then the defined benefit obligation for staff retirement indemnities for the Company would increase by € 90.

## 27. Deferred Government grants

The deferred government grants relate to the subsidy received by the Company from the Norwegian Government for the vessel IKARUS PALACE during the period of its shipbuilding. It is recognized as revenue in the income statement on a systematic basis over the useful life of the vessel. The amount recorded in the income statement against cost of sales was € 193 for each of the years 2014 and 2013.

## 28. Trade and Other payables

	<b>The Group</b>		<b>The Company</b>	
	<b>31/12/2014</b>	<b>31/12/2013</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Suppliers–cheque payables	13,623	17,060	13,620	17,057
Withholding taxes–social security contributions payable	4,010	3,806	4,010	3,806
Dividends payable	–	31	–	31
Sundry creditors	14,460	43,272	14,460	43,272
Accrued expenses	8,279	4,006	8,279	4,006
Customer advances	672	959	672	959
Deferred income	2,242	2,735	2,118	2,478
<b>Totals</b>	<b>43,286</b>	<b>71,869</b>	<b>43,159</b>	<b>71,609</b>

## 29. Financial Risk Management

### 29.1 General

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

- Credit
- Liquidity
- 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.

### 29.2 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.

## 29.2.1 Credit risk exposure

The carrying value of “Trade and Other Receivables” and “Other investments” indicate the maximum exposure to credit risk. In order to secure the aforementioned trade risk exposure, the Company receives letters of guarantee, pre-notations and shares pledged from its customers. The carrying value of ‘Trade and Other Receivables’ along with the received guarantees, are presented below:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Long term receivables	18,050	17,501	18,050	17,501
Short term receivables	27,353	31,158	27,669	31,292
Guarantees received	-9,505	-9,471	-9,505	-9,471

For securing doubtful receivables amounting to € 11,821, the Company has received pledges on shares of non-listed companies. Moreover, legal proceedings are in progress against property of the debtors and property pre-notations have received.

The maximum exposure to credit risk per customer group is as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Port Agents	776	1,146	776	1,146
Travel agencies	2,754	3,974	2,754	3,974
Truck customers *	19,127	23,087	19,127	23,087
Agency services customers *	2,332	1,018	2,332	1,018
Other receivables	2,364	1,933	2,680	2,067
<b>Totals</b>	<b>27,353</b>	<b>31,158</b>	<b>27,669</b>	<b>31,292</b>
Long term receivables	18,050	17,501	18,050	17,501
<b>Totals</b>	<b>45,403</b>	<b>48,659</b>	<b>45,719</b>	<b>48,793</b>

\* An amount of the comparable year 2013 has been reclassified for comparability purposes (note 4).

## 29.2.2 Impairment loss

The aging of the trade and other receivables, at the balance sheet dates were as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Short term receivables				
Not past due	14,410	15,309	14,726	15,443
Past due 1–30 days	3,444	4,015	3,444	4,015
Past due 31–120 days	3,751	5,642	3,751	5,642
Past due 121–365 days	1,440	3,154	1,440	3,154
Past due over a year *	4,308	3,038	4,308	3,038
<b>Totals</b>	<b>27,353</b>	<b>31,158</b>	<b>27,669</b>	<b>31,292</b>
Long term receivables*	18,050	17,501	18,050	17,501
<b>Totals</b>	<b>45,403</b>	<b>48,659</b>	<b>45,719</b>	<b>48,793</b>

\* including debtors in litigation and settlement agreements

The allowance for impairment losses which has reduced the “Trade and Other Receivables” caption, relates to receivables that are past due for over one year. The movement of the allowance is analysed in the table below:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
<b>Opening Balance</b>	14,780	13,502	14,780	13,502
Plus : Impairment loss	475	1,288	475	1,288
Less : Transfer of impairment on long-term receivables	99	105	99	105
Less : Write off of Impairment loss	54	–	54	–
Less: Reversal of impairment loss due to debt recovery	25	10	25	10
<b>Closing Balance</b>	<b>15,077</b>	<b>14,675</b>	<b>15,077</b>	<b>14,675</b>
Impairment on long-term receivables	99	105	99	105
<b>Closing Balance</b>	<b>15,176</b>	<b>14,780</b>	<b>15,176</b>	<b>14,780</b>

The allowance for impairment is used to record impairment losses, unless the Company estimates that no recovery of the pending amount is expected, where in such cases the non-recoverable amounts are directly written-off against the receivables. In the current year receivables amounting to € 82 were written-off from the consolidated and company receivables, while in the previous year € 123 were written-off from the consolidated and company receivables respectively.

## 29.3 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 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. The Company maintains lines of credit amounting to € 18,000 as at 31/12/2014 and € 22,000 as at 31/12/2013, of which the unused amounts were € 9,978 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 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 12month 2014 results is mainly due to the following fact. In the Company's obligations is included an amount of € 10,587 due to the ultimate parent company and to a subsidiary of the ultimate parent company which concerns vessels' chartering. For the reimbursement of the above amount, the Company's Management is exploring all financing resources available and as the transactions are intercompany, no issue will be faced. Thereby taking into consideration the significant unused balance of the banks credits lines as of 31/12/2014 and the size of its main shareholder (who completely covered and almost exclusively both the recent share capital increases in which the Company has proceeded paying a total amount of approximately € 81,000) the Management believes that there is no reason for a specific risk in the foreseeable future

The contractual expiry dates of the Company's financial liabilities based on the agreements effective on the balance sheet date and also based on the negotiations with the lending banks are as follows :

<u>31/12/2014</u>	<u>Total</u>	<u>within one year</u>	<u>2-3 years</u>	<u>4-5 years</u>	<u>over 5 years</u>
Bank overdrafts*	<b>8,022</b>	8,022	–	–	–
Trade and other payables	<b>39,149</b>	39,149	–	–	–
Bond loan*	<b>211,363</b>	16,259	32,517	162,587	–
*excluded future interest payments					
<u>31/12/2013</u>	<u>Total</u>	<u>within one year</u>	<u>2-3 years</u>	<u>4-5 years</u>	<u>over 5 years</u>
Bank overdrafts*	<b>13,421</b>	13,421	–	–	–
Trade and other payables	<b>67,803</b>	67,803	–	–	–
Bond loan*	<b>227,622</b>	16,259	32,517	32,517	146,329
*excluded future interest payments					

The table below presents the contractual expiry dates of the Bond Loan Agreement of the Company, and the relevant interests (1–month euribor at 31/12/2014 plus the specified spread rate under the terms of the bond loan agreement) until the maturity of the facility commencing from 2015 and thereafter based on management estimations:

	<u>Total</u>	<u>within one year</u>	<u>2-3 years</u>	<u>4-5 years</u>	<u>over 5 years</u>
Bond loan	<b>219,272</b>	18,252	35,764	165,256	–

## **29.4 Market 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.

### **29.4.1 Currency 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.

### **29.4.2 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 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.

At the balance sheet date, the financial instruments of the Company and the Group, subject to interest rate fluctuations, were as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
<b>Fixed rate instruments</b>				
Cash and cash equivalents	20,328	19,206	20,220	19,124
<b>Floating rate instruments</b>				
Long term borrowings and bank overdrafts	218,691	240,219	218,691	240,219

### 29.4.2.a Sensitivity analysis on interest rate cash flows

At the balance sheet date, a 0.50% fluctuation of the interest rates, would have proportionally increased or decreased the financial results of the Company, as presented by the amounts below :

	<u>Financial Results</u>	
	<u>Sensitivity</u>	
	<u>0,50%</u> <u>increase</u>	<u>0,50%</u> <u>decrease</u>
<u>31/12/2014</u>		
Long term borrowings and bank overdrafts	-1,057	1,057
<b>Cash flow sensitivity</b>	<b>-1,057</b>	<b>1,057</b>
<u>31/12/2013</u>		
Long term borrowings and bank overdrafts	-1,138	1,138
<b>Cash flow sensitivity</b>	<b>-1,138</b>	<b>1,138</b>

The table above does not include the positive effect from interest rate fluctuations on cash deposits.

## 29.5 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on invested capital, aiming to its maximization so as to ensure the distribution of dividends according to the relevant legislation and meeting its borrowing commitments.

The Company, in order to meet its borrowing commitments and the relation with the operating results under the loan agreement, monitors the following ratios:

- Total Assets / Total Liabilities
- Consolidated Earnings Before Interest Taxes Depreciation and Amortization / Net Consolidated Interest Expense.

## 30. 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 31/12/2014 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>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
<b>Financial instruments</b>					
Available for sale financial assets	3	50,570	50,570	50,570	50,570

During the year 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. To determine the fair value of this investment and based on a study by an independent qualified valuator conducted by the Company on 31/12/2014 no impairment loss arisen.

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. On 31/12/2014 these financial assets no impairment loss arisen.

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

## 31. 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 37% of the year's total consolidated revenue, while 12% corresponds to the on-board services turnover. On the contrary, the revenue from truck fares is evenly spread throughout the year and represents 40% of the total consolidated revenue for the year ended December 31<sup>st</sup> 2014. Finally, the turnover from chartering of vessels and agency services constitutes 11% of the year's total consolidated revenue and it is included in the unallocated items.

### The Group

	<u>31/12/2014</u>	<u>Greece routes</u>	<u>Adriatic routes</u>	<u>Unallocated items</u>	<u>Totals</u>
Revenue		44,179	103,670	20,344	<b>168,193</b>
Gross Profit for the year		4,900	11,923	7,415	<b>24,238</b>
<b>Profit for the year before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)</b>		<b>10,659</b>	<b>6,554</b>	<b>2,939</b>	<b>20,152</b>
Net depreciation		-6,776	-18	-8,718	<b>-15,512</b>
Profit / (loss) for the year before taxation, financing and investment costs		3,883	6,536	-5,779	<b>4,640</b>
Financial income		-	-	195	<b>195</b>
Financial expense		-1,099	-	-3,413	<b>-4,512</b>
Profit / (loss) for the year before taxes		2,784	6,536	-8,997	<b>323</b>
Income tax		-	-	-244	<b>-244</b>
<b>Profit / (loss) for the year after taxes</b>		<b>2,784</b>	<b>6,536</b>	<b>-9,241</b>	<b>79</b>
Total assets		167,319	4	341,974	<b>509,297</b>
Total liabilities		69,398	10,587	187,468	<b>267,453</b>
Capital expenditure		1,091	1	1,920	<b>3,012</b>

### The Group

	<u>31/12/2013</u>	<u>Greece routes</u>	<u>Adriatic routes</u>	<u>Unallocated items</u>	<u>Totals</u>
Revenue *		44,729	100,142	17,590	<b>162,461</b>
Gross Profit / (loss) for the year *		3,303	13,926	4,878	<b>22,107</b>
<b>Profit / (loss) for the year before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)</b>		<b>8,562</b>	<b>7,679</b>	<b>-165</b>	<b>16,076</b>
Net depreciation		-6,721	-27	-8,542	<b>-15,290</b>
Impairment of available for sale financial assets		-	-	-7,003	<b>-7,003</b>
Profit / (loss) for the year before taxation, financing and investment costs		1,841	7,652	-15,710	<b>-6,217</b>
Financial income		-	-	97	<b>97</b>
Financial expense		-1,949	-	-5,880	<b>-7,829</b>
Profit / (loss) from sale of participations		-	-	-588	<b>-588</b>
Profit / (loss) for the year before taxes		-108	7,652	-22,081	<b>-14,537</b>
Income tax		-	-	-243	<b>-243</b>
<b>Profit / (loss) for the year after taxes</b>		<b>-108</b>	<b>7,652</b>	<b>-22,324</b>	<b>-14,780</b>
Total assets		173,109	23	356,183	<b>529,315</b>
Total liabilities		74,711	13,913	229,045	<b>317,669</b>
Capital expenditure		1,177	3	709	<b>1,889</b>

\* An amount has been reclassified for comparability purposes (note 4).

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

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

- Total liabilities relate to all liabilities other than loans related to the owned vessels operating on the routes of Greece and the Adriatic and obligations to the ultimate parent company and a subsidiary of the ultimate parent company related to the vessels chartered by the Company.

## 32. Earnings per share

Earnings per share (after income taxes) are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of shares outstanding during the year including (for the diluted earnings per share) the number of share options outstanding at the end of the year that have a dilutive effect on earnings per share.

Earnings per share are analyzed as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>31/12/2014</u>	<u>31/12/2013</u>	<u>31/12/2014</u>	<u>31/12/2013</u>
Profit / (loss) for the year attributable to shareholders of the Parent	79	-14,780	-2,116	-17,700
Weighted average number of shares outstanding	104,186,732	73,818,097	104,186,732	73,818,097
Basic and Diluted Earnings per Share (in €)	0.0008	-0.2002	-0.0203	-0.2398

## 33. 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 December 31<sup>st</sup> 2014 and December 31<sup>st</sup> 2013, as well as purchases (services received) and sales (services provided) for the years 2014 and 2013:

### 33.1 Group of Ultimate Parent Company

<u>31/12/2014</u>	<u>Minoan Lines Shipping S.A.</u>			<u>The Company</u>	<u>The Group</u>
<u>company</u>	<u>Grimaldi Compagnia di Navigazione S.p.A. *</u>	<u>Atlantica S.p.A. di Navigazione</u>	<u>Finnlines Plc</u>	<u>Totals</u>	<u>Totals</u>
due from	–	–	1	1	1
payable to	3,469	7,118	–	10,587	10,587
* Grimaldi Tours is included					
<u>1/1–31/12/2014</u>	<u>Minoan Lines Shipping S.A.</u>			<u>The Company</u>	<u>The Group</u>
<u>company</u>	<u>Grimaldi Compagnia di Navigazione S.p.A. *</u>	<u>Atlantica S.p.A. di Navigazione</u>		<u>Totals</u>	<u>Minoan Italia S.p.A. Grimaldi Compagnia di Navigazione S.p.A.</u>
Chartering cost	12,937	13,597		26,534	–
Crew wages cost	1,001	500		1,501	–
Adjustment of the on-board operating result	1,759	1,276		3,035	–
Attributing crew wages cost of chartered owned vessels	–	-345		-345	–
Attributing agency costs	–	-1,513		-1,513	–
Bunkers cost	–	402		402	–
Purchase of vessels' fixed equipment	–	1,015		1,015	–
Other expenses	7	347		354	20
<b>Totals</b>	<b>15,704</b>	<b>15,279</b>		<b>30,983</b>	<b>20</b>
Chartering revenue	–	6,187		6,187	–
Revenue from crew coat reduction of chartered vessels	238	167		405	–
Other revenue from services rendered	57	1,159		1,216	–
					<b>1,216</b>

**Minoan Lines Shipping S.A.–Annual Financial Statements (stand alone and consolidated) as of December 31<sup>st</sup>, 2014**  
**(amounts in thousands of €)**

Adjustment of the on-board operating result	–	69	69	–	69
Revenue from bunker disposal	368	516	884	–	884
Other revenue	20	240	260	–	260
<b>Totals</b>	<b>683</b>	<b>8,338</b>	<b>9,021</b>	<b>–</b>	<b>9,021</b>

\* Grimaldi Tours is included

<u>31/12/2013</u>	<u>Minoan Lines Shipping S.A.</u>			<u>The Company</u>	<u>The Group</u>
<u>company</u>	<u>Grimaldi Compagnia di Navigazione S.p.A. *</u>	<u>Atlantica S.p.A. di Navigazione</u>	<u>Finnlines Plc</u>	<u>Totals</u>	<u>Totals</u>
due from payable to	–	–	1	1	1
	2,313	37,791	–	40,104	40,104

\* Grimaldi Tours is included

<u>1/1–31/12/2013</u>	<u>Minoan Lines Shipping S.A.</u>			<u>The Company</u>	<u>Minoan Italia S.p.A. Grimaldi Compagnia di Navigazione S.p.A.</u>	<u>The Group</u>
<u>company</u>	<u>Grimaldi Compagnia di Navigazione S.p.A. *</u>	<u>Atlantica S.p.A. di Navigazione</u>	<u>Grimaldi Germany GBMH</u>	<u>Totals</u>	<u>Totals</u>	<u>Totals</u>
Chartering cost	13,788	8,912	–	22,700	–	22,700
Crew wages cost	1,199	98	–	1,297	–	1,297
Bunkers cost	–	–358	–	–358	–	–358
Adjustment of the on-board operating result	522	150	–	672	–	672
Other expenses	2	171	42	215	20	235
<b>Totals</b>	<b>15,511</b>	<b>8,973</b>	<b>42</b>	<b>24,526</b>	<b>20</b>	<b>24,546</b>
Chartering revenue	–	6,010	–	6,010	–	6,010
Revenue from bunker disposal	655	639	–	1,294	–	1,294
Revenue from crew coat reduction of chartered vessels	–	132	–	132	–	132
Other revenue from services rendered	322	875	–	1,197	–	1,197
	32	858	–	890	–	890
Other revenue	44	–	–	44	–	44
<b>Totals</b>	<b>1,053</b>	<b>8,514</b>	<b>–</b>	<b>9,567</b>	<b>–</b>	<b>9,567</b>

\* Grimaldi Tours is included

## **33.2 Subsidiaries**

### 31/12/2014

<u>company</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
<u>Minoan Lines Shipping S.A.</u> due from	323	323

### 1/1–31/12/2014

<u>company</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
<u>Minoan Lines Shipping S.A.</u> Dividend received for the year 2013	2,295	2,295
<b>Totals</b>	<b>2,295</b>	<b>2,295</b>

### 31/12/2013

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

1/1–31/12/2013

<u>company</u>	<u>Minoan Italia</u> <u>S.p.A.</u>	<u>Totals</u>
<u>Minoan Lines Shipping S.A.</u>		
Dividend received for the year 2012	297	297
<b>Totals</b>	<b>297</b>	<b>297</b>

All the above transactions, as referred in notes 33.1 and 33.2, were entered into at arm's length.

### 33.3 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>31/12/2014</u>	<u>31/12/2013</u>
Executive directors	507	477
Non-executive directors	190	217
Management	771	705
<b>Totals</b>	<b>1,468</b>	<b>1,399</b>

Of the total 2014 and 2013 remunerations above, an amount of € 71 and € 59 remains unpaid as at 31/12/2014 and 31/12/2013 respectively. Finally, transactions with relatives of the Management and executives for the year 2014 amounted to € 157 while remains unpaid as at 31/12/2014 € 14. The nature of these transactions was mainly labor (payroll) and commercial cooperation (fees for goods and services received).

### 34. Contingent liabilities

(amounts of note 34 are presented in millions €)

The contingent liabilities are the following:

**(a)** A court order was issued whereby the Company was imposed to pay an amount of € 0.8 plus interest. The nature of the contingent liability is commercial (claim for damages by a former port agent of the Company). The Company has not established any provision against this liability as the Company has filed for appeal, the outcome of which is still outstanding, and estimating that will be fully justified.

**(b)** Following an extraordinary audit by the Heraklion B' Tax Office, on the issue of tax items (bills of landing) of the Company's existing transactions, but which incorrectly displayed information relating to the recipients of the transport service, decisions and acts against the Company have been issued amounting in total, according to the Tax Authority's notification documents, to € 0.5. The Company believes that it has no liability and intends to appeal against those decisions and acts, estimating that will be fully justified thus no relevant provision has been established.

**(c)** There is existence of pending lawsuits amounting to € 1.1 and pertain to V.A.T differences between financial years 1998–2005 arising from regular tax audit in parent company concluded in 2006. The company has been vindicated by the Council of State for comparable VAT differences in previous financial years before 1998. In fact the company was acquitted for eight of the aforesaid cases by First Instance Court and the Greek State did not take any further legal action. The legal department of the company assesses that there will be vindication for the aforementioned legal cases in total, thus no relevant provision has been formed.

**(d)** On 30/11/2012, the Company received notification from the company A.N.E.K. S.A. that the latter appealed against arbitration before the London Maritime Arbitration Association. The arbitration alleges claims against the Company by the contract of selling shares of Hellenic Seaways Shipping S.A, dated 18/5/2009. After completion of the selection of the arbitrators, A.N.E.K. S.A. tabled in June 2013 a Claim Submission for this arbitration proceeding against the Company which shall deliver its demands. Specifically, A.N.E.K. S.A invokes alleged loss on behalf of the Company termination / cancellation of the above memorandum of sale of shares. It is noted that the Company was forced to withdraw from the agreement because of A.N.E.K. S.A being unable to pay the balance of the agreed amount. Subsequently, the Company withheld as clearly stated in a special clause of the relevant agreement, the deposited amount of € 47.5. A.N.E.K. S.A. is requesting the payment of twice the amount given as deposit or alternatively the same amount or further alternatively whichever amount is deemed reasonable by the Arbitration Court to be withhold by the seller. Furthermore, A.N.E.K. S.A. is not only requesting the legitimate interest on the amount to be awarded but also its legal expenses. The Company on 11/10/2013 submitted its own response and currently is preparing its own claims against A.N.E.K. The Company acted in accordance with what was explicitly committed by the parties at the completion of the private agreement. Furthermore, the legal advisors of the Company consider that A.N.E.K. S.A. claim submission will be dismissed thus would not have any impact on the Company. Hence, no relevant provision has been formed.

e. The companies of the Group, which are either consolidated or integrated by the equity method in the financial statements, have not been audited and consequently their tax obligations have not yet been finalized by the tax authorities, for the financial years presented below:

<u>company</u>	<u>Unaudited tax years</u>
Minoan Lines Shipping S.A.	2006–2014 (except year 2011)
Minoan Italia S.p.A.	2009–2014

The Company has not been audited by the tax authorities for the financial 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.

For the financial years 2011–2013, 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 art. 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, not later than the tenth day of the seventh month following of 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.

Within a period of eighteen months from the date when the «Tax Compliance Report» was submitted to the Ministry of Finance and if not selected to be audited as mentioned above, the financial year is considered final. Based on decision 1236/2013 issued by the Ministry of Finance, financial year 2011 is considered final as from April 30<sup>th</sup>, 2014. Additionally, the Company on 18/12/2013 was informed by the competent tax authorities that has been selected for tax audit for the year 2006.

For the Company the «Tax Compliance Report» of the years 2012 and 2013 have been issued by the auditing company PwC S.A. For both 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.

The aforementioned audit for the year 2014 is still in progress by PwC S.A. according to art. 65<sup>a</sup> of L. 4172/2013. The related «Tax Compliance Report» will be provided after the publication of 2014 financial statements. If the completion of the tax audit bring additional tax liabilities the Company's management considers that these will have no material impact on the financial statements.

## **35. Audit fees**

The total fees for the statutory auditors for the obligatory control of the financial statements according to the law 2190 / 1920 and for the special tax audit insisted by P.O.L. 1159 / 2011 for the year ended December 31<sup>st</sup>, 2014 amounted to € 130 and for other non–audit services provided amounted to € 50.

## **36. Subsequent events**

There are no other subsequent events relating to the Company or the Group that have occurred and need to be disclosed under the International Financial Reporting Standards (I.F.R.S.).

**Heraklion, March 30<sup>th</sup> 2015**

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

**Michail**  
**Hatzakis**  
Pass. No AH 4939797

**The Managing**  
**Director**

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

**The Chief**  
**Financial Officer**

**Nikolaos**  
**Artemis**  
ID C No AK 004796

**The Accounting**  
**Manager**

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

**The**  
**Accountant**

**Astrinos**  
**Kyralakis**  
ID C No AM 465753  
H.E.C. Lcnc No 79324 A' Class



Grimaldi Group company

**MINOAN LINES**  
**SHIPPING SOCIETE ANONYME**

Company's No in the : General Electronic Commercial Registry: 77083027000  
Domicile : 17, 25th August Str. 71202 - Heraklion Crete

NOTES AND INFORMATION for the year ended December 31<sup>st</sup> 2014 (1/1 – 31/12/2014 )

(Published in accordance with law 2190/1920, art.135 for Companies preparing annual consolidated and separate financial statements, in accordance with I.F.R.S.)

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**

Supervising Authority : Ministry of Economy, Infrastructure, Marine and Tourism, Corporate and General Electronic Commercial Registry Division  
Company's Web Site : [www.minoan.gr](http://www.minoan.gr)  
Board of Directors: E. Grimaldi-Chairman, M. Hatzakis-Vice Chairman, A. Maniadiakis-Managing Director, G. Grimaldi-Member, P. Kyprianos-Member, D. Pacella-Member, K. Mamalakis-Member, G. Papageorgiou-Member

Date of approval of financial statements from the Board of Directors: March 30<sup>th</sup> 2015

Certified Auditor Accountant: Michalatos Konstantinos Reg. No. ICPA (GR) 17701

Member/Auditing Company: PricewaterhouseCoopers S.A. Certified Auditors - Accountants SOEL REG. No 113

Type of Auditor's Report : Unqualified opinion

**STATEMENT OF CHANGES IN EQUITY**

	The Group		The Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Total equity (1/1/2014 and 1/1/2013 respectively)	211,646	176,252	205,804	173,408
Share capital increase	30,587	50,534	30,587	50,534
Costs of share capital increase	-427	-772	-427	-772
Change from sale of subsidiaries	-	-	-	-
Profit / (loss) of the year after taxes (A)	79	-14,780	-2,116	-17,700
Other comprehensive income of the year after taxes (B)	-41	334	-41	334
Total comprehensive income of the year after taxes (A) + (B)	38	-14,446	-2,157	-17,366
Total equity at the end of the year (31/12/2014 and 31/12/2013 respectively)	241,844	211,646	233,607	205,804

**STATEMENT OF FINANCIAL POSITION**

	The Group		The Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
<b>Assets</b>				
Property, plant and equipment	384,336	396,906	230,654	237,666
Intangible assets	217	299	217	299
Investment property	1,299	1,340	1,299	1,340
Investments in subsidiaries	-	-	147,543	154,743
Available for sale financial assets	50,570	50,570	50,570	50,570
Other non-current assets	18,085	17,535	18,085	17,535
Inventories	2,308	3,715	2,308	3,715
Trade receivables	27,353	31,158	27,609	31,282
Other current assets	25,129	27,792	22,506	25,721
<b>Total assets</b>	<b>509,297</b>	<b>529,315</b>	<b>500,851</b>	<b>522,911</b>
<b>Equity and liabilities</b>				
Share Capital	240,705	210,118	240,705	210,118
Retained Earnings and other Reserves	1,139	1,528	-8,898	-4,314
Total Shareholders Equity (a)	241,844	211,646	233,807	205,804
Non-controlling interests (b)	-	-	-	-
Total equity (c) = (a) + (b)	241,844	211,646	233,807	205,804
Long-term borrowings	194,410	210,539	194,410	210,539
Provisions / other long-term liabilities	5,436	5,400	5,194	5,279
Bank overdrafts and current portion of long term borrowings	24,281	29,680	24,281	29,680
Other current liabilities	43,326	71,990	43,159	71,609
Total liabilities (d)	287,493	317,669	287,044	317,107
<b>Total equity and liabilities (c) + (d)</b>	<b>509,297</b>	<b>529,315</b>	<b>500,851</b>	<b>522,911</b>

**STATEMENT OF CASH FLOWS**

	The Group		The Company	
	1/1-31/12/2014	1/1-31/12/2013	1/1-31/12/2014	1/1-31/12/2013
<b>Cash flows from operating activities</b>				
Profit / (loss) for the year before taxes	323	-14,537	-2,116	-17,700
plus / (less) adjustments for :				
Net depreciation	15,512	15,200	9,983	9,761
Impairment loss on tangible and on available for sale financial assets	-	7,196	-	7,196
Provisions	691	2,233	691	2,233
Net Foreign Exchange (gains) / loss	34	-4	34	-4
(Gains) / loss from disposal of subsidiaries	-	588	-	-603
(Income), expenses / (gains), loss from other investing activities	1	-1	-2,295	-208
Interest and other financial expenses	4,511	7,504	4,511	7,504
plus / (less) Adjustments for changes in working capital or operating activities :				
Decrease / (increase) in inventories	1,407	-136	1,407	-136
Decrease / (increase) in trade and other receivables	6,456	-1,658	6,970	-320
(Decrease) in liabilities other than borrowings	-28,738	-30,955	-28,588	-34,841
(/less) :				
Interest and related expenses paid	-4,286	-7,342	-4,286	-7,342
Income taxes paid	-249	-39	-	-
Net cash (used in) operating activities (a)	-4,338	-21,841	-13,689	-34,268
<b>Cash Flows from investing activities</b>				
Return of capital from affiliate	-	-	7,032	12,449
Purchase of tangible and intangible assets	-3,013	-1,889	-3,013	-1,889
Proceeds from disposal of tangible assets	-	412	-	412
Proceeds from disposal of subsidiaries	-	933	-	1,000
Dividends received	-	-	2,295	297
Net cash (used in) generated by investing activities (b)	-3,013	-544	6,314	12,269
<b>Cash Flows from Financing activities</b>				
Net proceeds from share capital increase	30,180	49,762	30,180	49,762
Repayment of long/short term borrowings	-21,658	-27,734	-21,658	-27,734
Dividends paid	-31	-91	-31	-91
Net cash flow generated by financing activities (c)	8,471	21,937	8,471	21,937
Net Increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	1,122	-448	1,096	-385
Cash and cash equivalents at the beginning of the year	19,205	19,654	19,124	19,509
Cash and cash equivalents at the end of the year	20,328	19,206	20,220	19,124

**STATEMENT OF COMPREHENSIVE INCOME**

	The Group		The Company	
	1/1-31/12/2014	1/1-31/12/2013	1/1-31/12/2014	1/1-31/12/2013
Revenue	168,193	162,461	157,827	152,105
Gross Profit for the year	24,238	22,107	19,400	17,280
Operating Profit / (loss) for the year before tax, financing and investing costs	4,640	-8,217	-66	-10,904
Profit / (loss) for the year before taxes	323	-14,537	-2,116	-17,700
Profit / (loss) for the year after taxes (A)	79	-14,780	-2,116	-17,700
- Equity holders of the parent	79	-14,780	-2,116	-17,700
- Non-controlling interests	-	-	-	-
Other comprehensive income for the year after taxes (B)	-41	334	-41	334
Total comprehensive income for the year after taxes (A) + (B)	38	-14,446	-2,157	-17,366
- Equity holders of the parent company	38	-14,446	-2,157	-17,366
- Non-controlling interests	-	-	-	-
Basic and diluted Profit / (loss) for the year per share after taxes (in €)	0.0008	-0.2002	-0.0203	-0.2398
Operating Profit for the year before taxes, depreciation, financing and investing costs	20,152	16,076	9,917	5,861

**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.
- 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 annual financial report.
- 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 year ended December 31<sup>st</sup> 2014 participated in the share capital of the Company with 95.57% (call option of 1.97% included).
- The unaffiliated tax years of the Company and of the companies of the Group are analyzed in note 34 of the annual financial report.
- 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	15,176	15,176
Provisions for unaudited tax years	-	-
Other provisions	189	189

- The number of the personnel employed by the Group at the year ended 31/12/2014 and 31/12/2013 was 356 and 327, respectively.
  - The Extraordinary General Shareholders' Assembly of the Company of January 31<sup>st</sup> 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 22 of the annual financial report).
  - Basic earnings per share were calculated based on the weighted average number of shares outstanding as of 31/12/2014 and 31/12/2013 respectively (notes 1 and 22 of the annual financial report).
  - 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 analyzed in note 33 of the annual financial report and are as follows:
- |  | The Group | The Company |
|--|-----------|-------------|
| a) Inflows   | 9,021     | 9,021       |
| b) Outflows  | 31,003    | 30,983      |
| c) Receivables   | 1         | 324         |
| d) Payables  | 10,587    | 10,587      |
| e) Transactions and compensations of directors and members of B.o.D. | 1,825     | 1,825       |
| f) Receivables from directors and members of B.o.D.                  | -         | -           |
| g) Payables to directors and members of B.o.D.                       | 85        | 85          |

Heraklion, March 30<sup>th</sup> 2015

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

The Managing Director

The Chief Financial Officer

The Accounting Manager

The Accountant

Michail Hatzakis  
Pass. No AH 4939797

Antonios Maniadiakis  
ID C No AI 944699

Nikolaos Artemis  
ID C No AK 004796

Isidoros Manolakis  
ID C No AE 961838

Astrinos Kyralakis  
ID C No AM 465753  
H.E.C. Lonc No 79324 A' Class

# **REPORT ON USE OF FUNDS RAISED**

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

**Company's Nr 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 31<sup>st</sup> 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.

<b>TABLE OF USE OF FUNDS RAISED</b>			
<b>(Amounts in €)</b>			
<b>Use of funds raised</b>	<b>Total funds raised</b>	<b>Use of funds as of 31.12.2014</b>	<b>Balance of funds as of 31.12.2014</b>
1. Repayment of intragroup due liabilities	30,159,575.07	30,159,575.07	–
2. Issue costs	427,262.43	427,262.43	–
<b>Total</b>	<b>30,586,837.50</b>	<b>30,586,837.50</b>	<b>–</b>

**Heraklion, January 20<sup>th</sup> 2015**

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

**Michail  
Hatzakis  
Pass. No AH 4939797**

**The Managing  
Director**

**Antonios  
Maniadakis  
ID C No AI 944699**

**The Chief  
Financial Officer**

**Nikolaos  
Artemis  
ID C No AK 004796**

**The Finance and  
Payments Manager**

**Konstantinos  
Chroniaris  
ID C No AH 962430**

**The Accounting  
Manager**

**Isidoros  
Manolakis  
ID C No AE 961838**

[Translation from the original text in Greek]

## **Report of factual findings in connection with the “TABLE OF USE OF FUNDS RAISED”**

To the Board of Directors of “MINOAN LINES Shipping S.A.”

We have performed the procedures prescribed and agreed with the Board of Directors of “MINOAN LINES Shipping S.A.” and enumerated below with respect to the ‘TABLE OF USE OF FUNDS RAISED’ which has been performed in 2015 and relates to the share capital increase in accordance with the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Committee. The Board of Directors of “MINOAN LINES Shipping S.A.” is responsible for preparing the aforementioned table. Our engagement was undertaken in accordance with the International Standard on Related Services 4400 applicable to agreed-upon-procedures engagements. Our responsibility is solely for performing the procedures described below and for reporting to you on our findings.

Procedures:

1. We compared the amounts referred to as use of funds in the accompanying ‘TABLE OF USE OF FUNDS RAISED FROM SHARE CAPITAL INCREASE of MINOAN LINES Shipping S.A.’ with the relevant amounts recorded in the company’s books and records in the respective timeframe.
2. We examined the content of the Table and its consistency with what is referred to in the relevant Prospectus issued by the company for this purpose and the relevant company’s decisions and announcements.

Findings:

- a) The amounts which appear, per usage of funds, as disbursements in the accompanied ‘TABLE OF USE OF FUNDS RAISED’ are derived from the company’s books and records in the relevant timeframe.
- b) The content of the Table includes the information which is at minimum required for this purpose from the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Committee and is consistent with what is referred to in the respective Prospectus and the relevant company’s decisions and announcements.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the report beyond what we have referred to above.

Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention that would have been reported to you, in addition to the ones reported above.

Our report is solely for the purpose set forth in the first paragraph of this report and is addressed exclusively to the Board of Directors of the company, so that the later can fulfill its responsibilities in accordance with the legal framework of the Athens Stock Exchange and the relevant regulatory framework of the Hellenic Capital Markets Commission.



This report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the financial information prepared by the company for the period from 01/01/2014 to 30/06/2014, for which we have issued a separate review report, as of 29 August 2014.

Athens, 21 January 2015

PricewaterhouseCoopers S.A.  
268 Kifissias Avenue  
152 32 Halandri, Greece  
SOEL Reg. No. 113

The Certified Auditor  
Kostantinos Michalatos  
SOEL Reg. No.17701

**Information Document for the year 2014**  
**according to article 10 of the law 3401 / 2005**

<b><u>Announcement</u></b>	<b><u>Website</u></b>	<b><u>Date</u></b>
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.ase.gr">www.ase.gr</a>	3/1/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.ase.gr">www.ase.gr</a>	8/1/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.ase.gr">www.ase.gr</a>	9/1/2014
ANNOUNCEMENT OF SHARE CAPITAL INCREASE	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.ase.gr">www.ase.gr</a>	10/1/2014
INVITATION TO EXTRAORDINARY GENERAL ASSEMBLY	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.ase.gr">www.ase.gr</a>	10/1/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.ase.gr">www.ase.gr</a>	14/1/2014
ANNOUNCEMENT OF RESULTS OF EXTRAORDINARY GENERAL ASSEMBLY	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	31/1/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	11/2/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	13/2/2014
ANNOUNCEMENT FOR THE AVAILABILITY OF THE PROSPECTUS	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	18/2/2014
Announcement for share capital increase by cash payment with pre-emption right to the existing shareholders: cutoff date and pre-emption rights trading date. (Correct Repetition)	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	20/2/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	21/2/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	24/2/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	27/2/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	7/3/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	13/3/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	17/3/2014
FULL COVERAGE OF SHARE CAPITAL INCREASE	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	18/3/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	19/3/2014
LISTING OF SHARES FROM SHARE CAPITAL INCREASE	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	20/3/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	20/3/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	24/3/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	24/3/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	24/3/2014

<b><u>Announcement</u></b>	<b><u>Website</u></b>	<b><u>Date</u></b>
ANNOUNCEMENT FOR OTHER SIGNIFICANT EVENTS	www.minoan.gr, www.helex.gr	24/3/2014
Financial Calendar 2014	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	31/3/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	4/4/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	10/4/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	10/4/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	11/4/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	14/4/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	16/4/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	17/4/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	30/4/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	2/5/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	9/5/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	12/5/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	12/5/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	14/5/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	15/5/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	16/5/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	19/5/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	20/5/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	27/5/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	28/5/2014
SHAREHOLDERS INVITATION TO ANNUAL GENERAL ASSEMBLY	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	28/5/2014
3M 2014 FINANCIAL RESULTS– PRESS RELEASE	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	30/5/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	31/5/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	4/6/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	4/6/2014

<b><u>Announcement</u></b>	<b><u>Website</u></b>	<b><u>Date</u></b>
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	5/6/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	12/6/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	13/6/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	16/6/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	17/6/2014
RESULTS OF THE VOTING OF THE ANNUAL GENERAL ASSEMBLY OF 20th JUNE 2014 (Correct Repetition)	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	20/6/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	20/6/2014
RESULTS OF THE VOTING OF THE ANNUAL GENERAL ASSEMBLY OF 20th JUNE 2014	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	20/6/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	20/6/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	24/6/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	25/6/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	27/6/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	2/7/2014
Announcement 8419/2014 (no English translation available)	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	8/7/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	8/7/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	8/7/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	9/7/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	10/7/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	11/7/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	16/7/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	16/7/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	18/7/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	21/7/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	22/7/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	24/7/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	28/7/2014



<b><u>Announcement</u></b>	<b><u>Website</u></b>	<b><u>Date</u></b>
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	26/9/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	29/9/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	30/9/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	7/10/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	10/10/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	13/10/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	15/10/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	16/10/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	22/10/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	23/10/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	3/11/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	6/11/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	7/11/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	12/11/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	13/11/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	17/11/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	18/11/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	19/11/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	20/11/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	25/11/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	25/11/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	28/11/2014
REVIEW ON THE FINANCIAL RESULTS FOR THE PERIOD OF 1/1–30/9/2014	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	28/11/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	2/12/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	4/12/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	5/12/2014

<b><u>Announcement</u></b>	<b><u>Website</u></b>	<b><u>Date</u></b>
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	10/12/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	12/12/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	15/12/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	18/12/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	19/12/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	22/12/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	23/12/2014
Announcement of change of internal auditor	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	23/12/2014
Announcement of change of internal auditor	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	23/12/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	24/12/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	24/12/2014
Announcement of regulated information according to Law 3556/2007	<a href="http://www.minoan.gr">www.minoan.gr</a> <a href="http://www.helex.gr">www.helex.gr</a>	30/12/2014