



Interim financial statements

(parent company & consolidated)

for the period from January 1st to September 30th 2013

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The attached 9m period financial statements have been approved for publishing by the Board of Directors of ANEK S.A. at the date of 28th November 2013 and are disclosed in the web address of the Company www.ANEK.gr

The attached 9m financial report has been translated from the Greek original version.

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REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION OF THE INDEPENDENT AUDITORS

To the Shareholders of the Company

ANEK LINES S.A.

Introduction

We have reviewed the accompanying separate and consolidated condensed statement of financial position of “Anonymous Shipping Company of Crete S.A.” and its subsidiaries, as at September 30th 2013, and the related (separate and consolidated) condensed statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended, as well as a summary of significant accounting policies and selected explanatory notes, that comprise the interim financial information. The Company’s Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards as adopted by European Union and applied to interim financial reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

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

Conclusion

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

Emphasis on Matter

We draw your attention to note (2) of the interim financial information of the Group, which indicates that the company classified its long-term bank loans to current liabilities due its’ inability to meet the respective loan covenants. Taking the above mentioned classification into consideration the consolidated current liabilities exceed the consolidated current assets by € 274,9 million, while there are also other overdue obligations.

This matter along with the general adverse economic conditions regarding the economy and the shipping sector

indicate the existence of a material uncertainty that may cast doubt about the company's ability to continue as a going concern. In the explanatory note 2 of the interim condensed financial information of the Group the present and future actions of management to mitigate the reported risks are stated.

Our conclusion is not qualified in respect to these matters.

Athens, 28 November 2013

The Certified Public Accountants

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**INTERIM FINANCIAL STATEMENTS, SEPARATE AND
CONSOLIDATED AS OF 30 SEPTEMBER 2013**

Any differences in units in the tables are due to the rounding of figures

➡ Amounts in thousand € unless otherwise stated ◀

TOTAL COMPREHENSIVE INCOME FOR THE 9M PERIOD

	Notes	The Group		The Company	
		01.01.13- 30.09.13	01.01.12- 30.09.12*	01.01.13- 30.09.13	01.01.12- 30.09.12*
Revenue	4	144.491	160.883	124.943	134.365
Cost of sales		(120.486)	(138.634)	(105.987)	(117.093)
Gross profit / (loss)		24.005	22.249	18.956	17.272
Other operating income		1.029	671	1.553	1.325
Administrative expenses		(7.163)	(7.491)	(6.430)	(6.747)
Selling and marketing expenses		(13.699)	(14.807)	(12.146)	(13.171)
Other operating expenses		(2.455)	(2.854)	(2.151)	(2.332)
Earnings / (losses) before taxes, financing and investing results (EBIT)		1.717	(2.232)	(218)	(3.653)
Financial expenses		(12.344)	(11.918)	(12.129)	(11.690)
Financial income		222	45	123	6
Results from investing activities		(28)	(21)	92	95
Profit from associates		407	259	-	-
Earnings / (losses) before taxes		(10.026)	(13.867)	(12.132)	(15.242)
Income tax	9	(492)	(257)	(96)	(83)
Earnings / (losses) after taxes		(10.518)	(14.124)	(12.228)	(15.325)
Attributable to:					
Owners of the Parent company		(10.760)	(14.707)	-	-
Minority interests		242	583	-	-
Other comprehensive income / (expenses):					
Actuarial earnings / (losses)	13	-	(180)	-	(174)
Deferred taxes due to change in tax rate	9	(127)	-	(13)	-
Other comprehensive income / (losses) after taxes		(127)	(180)	(13)	(174)
Total comprehensive income after taxes for the period		(10.645)	(14.304)	(12.241)	(15.499)
Attributable to:					
Owners of the Parent company		(10.828)	(14.884)	-	-
Minority interests		183	580	-	-
Earnings / (losses) per share - basic (in €)	8	(0,0570)	(0,0780)	(0,0648)	(0,0812)
Earnings / (losses) before taxes, financing and investing results and depreciation (EBITDA)		10.382	7.558	7.972	5.615

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

* Adjusted amounts due to amendment of IAS 19 "Employee Benefits" (see note 13).

TOTAL COMPREHENSIVE INCOME FOR THE 3RD QUARTER

	Notes	The Group		The Company	
		01.07.13- 30.09.13	01.07.12- 30.09.12*	01.07.13- 30.09.13	01.07.12- 30.09.12*
Revenue	4	70.801	77.674	60.685	65.072
Cost of sales		(48.169)	(53.320)	(42.129)	(44.858)
Gross profit / (loss)		22.632	24.354	18.556	20.214
Other operating income		293	182	510	413
Administrative expenses		(2.355)	(2.319)	(2.110)	(2.103)
Selling and marketing expenses		(6.049)	(6.466)	(5.281)	(5.683)
Other operating expenses		(1.479)	(1.780)	(1.420)	(1.736)
Earnings / (losses) before taxes, financing and investing results (EBIT)		13.042	13.971	10.255	11.105
Financial expenses		(4.113)	(3.717)	(4.038)	(3.658)
Financial income		90	22	57	-
Results from investing activities		3	(9)	3	(9)
Profit from associates		195	231	-	-
Earnings / (losses) before taxes		9.217	10.498	6.277	7.438
Income tax	9	(275)	(205)	(26)	(27)
Earnings / (losses) after taxes		8.942	10.293	6.251	7.411
Attributable to:					
Owners of the Parent company		8.415	9.624	-	-
Minority interests		527	669	-	-
Other comprehensive income / (expenses):					
Actuarial earnings / (losses)	13	-	(57)	-	(58)
Deferred taxes due to change in tax rate	9	-	-	-	-
Other comprehensive income / (losses) after taxes		-	(57)	-	(58)
Total comprehensive income after taxes for the period		8.942	10.236	6.251	7.353
Attributable to:					
Owners of the Parent company		8.415	9.566	-	-
Minority interests		527	670	-	-
Earnings / (losses) per share - basic (in €)	8	0,0435	0,0516	0,0331	0,0393
Earnings / (losses) before taxes, financing and investing results and depreciation (EBITDA)		15.942	17.364	12.985	14.324

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

* Adjusted amounts due to amendment of IAS 19 "Employee Benefits" (see note 13).

STATEMENTS OF FINANCIAL POSITION

	Notes	The Group		The Company	
		30.09.13	31.12.12*	30.09.13	31.12.12*
ASSETS					
Tangible fixed assets	5	314.586	320.878	299.129	304.941
Investments in property		1.787	1.791	712	715
Intangible assets		52	67	51	64
Investments in subsidiaries		-	-	4.577	4.577
Investments in associates		1.856	1.449	46	46
Other long-term receivables		123	118	103	100
Deferred tax receivables		132	107	-	-
Total non-current assets		318.536	324.410	304.618	310.443
Inventories		3.952	6.288	2.236	4.979
Trade receivables		56.641	52.739	48.437	47.898
Other receivables and prepayments		7.130	4.221	4.614	3.131
Financial assets at fair value through profit & loss		822	825	772	796
Cash and cash equivalents	6	3.438	4.037	1.295	722
Total current assets		71.983	68.110	57.354	57.526
TOTAL ASSETS		390.519	392.520	361.972	367.969
EQUITY AND LIABILITIES					
Share capital (188.654.892 shares x € 0,30)		56.597	56.597	56.597	56.597
Share premium		745	745	745	745
Reserves		156.549	156.480	154.855	154.868
Retained earnings		(184.763)	(173.866)	(186.818)	(174.590)
Equity attributable to owners of the Parent		29.128	39.956	25.379	37.620
Minority interests		7.154	7.097	-	-
Total equity		36.282	47.053	25.379	37.620
Long-term borrowings	7	420	903	-	-
Deferred tax liabilities		1.168	991	327	308
Retirement benefits provisions		2.628	2.748	2.463	2.594
Other provisions		1.600	1.645	1.200	1.200
Grants for assets		1.642	1.822	322	344
Total non-current liabilities		7.458	8.109	4.312	4.446
Short-term borrowings	7	284.627	274.948	282.268	273.675
Trade payables		33.846	36.605	25.400	27.617
Other current liabilities		28.306	25.805	24.613	24.611
Total current liabilities		346.779	337.358	332.281	325.903
Total liabilities		354.237	345.467	336.593	330.349
TOTAL EQUITY AND LIABILITIES		390.519	392.520	361.972	367.969

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

* Adjusted amounts due to amendment of IAS 19 "Employee Benefits" (see note 13).

STATEMENTS OF CHANGES IN EQUITY

The Group	Share Capital	Share premium	Asset re-valuation reserves	Other reserves	Retained earnings	Total	Minority interests	Total
Balance as of 01.01.2012	56.597	745	2.183	154.220	(113.688)	100.057	7.017	107.074
Effect of retroactive application of IAS 19					905	905	64	969
Restated balance as of 01.01.2012	56.597	745	2.183	154.220	(112.783)	100.962	7.081	108.043
Total comprehensive income for 9m 2012					(14.884)	(14.884)	580	(14.304)
Dividends in non- controlling participation						-	(127)	(127)
Reserve of subsidiary				77	(77)	-	-	-
Net equity as of 30.09.2012	56.597	745	2.183	154.297	(127.744)	86.078	7.534	93.612
Balance as of 01.01.2013	56.597	745	2.183	154.297	(174.492)	39.330	7.041	46.371
Effect of retroactive application of IAS 19					626	626	56	682
Restated balance as of 01.01.2013	56.597	745	2.183	154.297	(173.866)	39.956	7.097	47.053
Total comprehensive income for 9m 2013			(66)		(10.762)	(10.828)	183	(10.645)
Dividends in non- controlling participation						-	(126)	(126)
Reserve of subsidiary				135	(135)	-	-	-
Net equity as of 30.09.2013	56.597	745	2.117	154.432	(184.763)	29.128	7.154	36.282

The Company	Share Capital	Share premium	Asset re-valuation reserves	Other reserves	Retained earnings	Total
Balance as of 01.01.2012	56.597	745	970	153.898	(114.707)	97.503
Effect of retroactive application of IAS 19					843	843
Restated balance as of 01.01.2012	56.597	745	970	153.898	(113.864)	98.346
Total comprehensive income for 9m 2012					(15.499)	(15.499)
Net equity as of 30.09.2012	56.597	745	970	153.898	(129.363)	82.847
Balance as of 01.01.2013	56.597	745	970	153.898	(175.162)	37.048
Effect of retroactive application of IAS 19					572	572
Restated balance as of 01.01.2013	56.597	745	970	153.898	(174.590)	37.620
Total comprehensive income for 9m 2013			(13)		(12.228)	(12.241)
Net equity as of 30.09.2013	56.597	745	957	153.898	(186.818)	25.379

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

CASH FLOW STATEMENTS

	The Group		The Company	
	01.01.13- 30.09.13	01.01.12- 30.09.12*	01.01.13- 30.09.13	01.01.12- 30.09.12*
<u>Operating activities</u>				
Profits / (losses) before taxes	(10.026)	(13.867)	(12.132)	(15.242)
<i>Plus / (less) adjustments for:</i>				
Depreciation	8.845	9.969	8.212	9.291
Grants amortization	(180)	(179)	(22)	(22)
Provisions	1.037	865	1.001	750
Results of investing activities	(379)	(238)	(92)	(95)
Profit / (loss) from sale of non-current assets	-	-	-	-
Foreign exchange differences	(56)	(4)	(66)	4
Financial expenses (less financial income)	12.188	11.861	12.072	11.679
	11.429	8.407	8.973	6.365
<i>Plus / (less) adjustments for changes of working capital accounts or related to operating activities:</i>				
Reduction / (increase) of inventories	134	1.485	541	1.703
Reduction / (increase) of receivables	(7.917)	(11.035)	(3.157)	(7.446)
Increase/(reduction) of payable accounts (except loan liabilities)	(848)	8.429	(2.280)	6.359
<i>Less:</i>				
Interest and related expenses paid	(5.617)	(3.186)	(5.397)	(2.956)
Income tax paid	(122)	(87)	(78)	(83)
Total cash flows generated from operating activities (a)	(2.941)	4.013	(1.398)	3.942
<u>Investing activities</u>				
Acquisition of affiliates, securities and other investments	(25)	-	-	-
Proceeds from the sale of securities and other investments	-	-	-	-
Acquisition of fixed assets	(332)	(817)	(182)	(782)
Proceeds from the sale of fixed assets	-	-	-	-
Interest received	90	40	2	2
Dividend received	-	-	87	87
Total cash flows generated from investing activities (b)	(267)	(777)	(93)	(693)
<u>Financing activities</u>				
Proceeds on loans issued/taken	3.202	430	2.064	-
Payments of loans	(532)	(4.035)	-	(3.696)
Proceeds from amortization	-	844	-	-
Dividends paid	(61)	(29)	-	-
Total cash flows generated from financing activities (c)	2.609	(2.790)	2.064	(3.696)
Net increase/ (decrease) in cash and cash equivalents (a) + (b) + (c)	(599)	446	573	(447)
Cash & cash equivalents, beginning of period	4.037	3.360	722	1.574
Cash & cash equivalents, end of period	3.438	3.806	1.295	1.127

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

* Adjusted amounts due to amendment of IAS 19 "Employee Benefits" (see note 13).

***INFORMATION AND EXPLANATORY NOTES ON THE INTERIM
FINANCIAL STATEMENTS FOR PERIOD
01.01.2013 – 30.09.2013***

1. General information for the Company and the Group

The Company was established in 1967 (Government Gazette 201/10.04.67) under the corporate name “Anonimi Naftiliaki Etareia Kritis S.A.” trading as “ANEK LINES” (hereinafter “ANEK” or the “Company”) and operates in the passenger shipping sector. The Company’s seat is located in the municipality of Chania, and its registered offices are located on K. Karamanli Ave, Chania. The Company’s shares have been listed in the Athens Stock Exchange since 1999. In addition to the Parent company, the Group includes the following subsidiaries and associates with the following participation percentages:

Name	Group percentage	Registered Office	Activity
LANE S.A.	50,11%	Agios Nikolaos, Lasithion	Passenger shipping
ETANAP S.A.	47,94%	Stilos, Chania	Production and sale of bottled water
LEFKA ORI S.A.	60,44%*	Stilos, Chania	Production and trade of plastic bottles and packaging products
ANEK HOLDINGS S.A.	99,48%**	El. Venizelos, Chania	Tourism- participation in other companies- consulting, etc.
AIGAION PELAGOS THALASSIES GRAMMES SHIPPING COMPANY	100%	El. Venizelos, Chania	Sailing company under Law 959/79
ANEK LINES ITALIA S.r.l.	49%	Ancona, Italy	Factoring and representation of shipping companies

* direct participation: 24% and indirect via ETANAP: 36,44%

** direct participation: 99% and indirect via ETANAP: 0,48%

The aforementioned companies, in which ANEK participates by more than 50%, as well as “ETANAP”, have been included in the consolidated financial statements as at 30th September 2013 using the full consolidation method. “ANEK LINES ITALIA S.r.l.” in which the Parent Company participates by 49% was consolidated using the equity method. “ANEK HOLDINGS SA” participates by 100% in “ANEK ENERGY LTD”, which has not commenced its activities as of today.

The number of personnel employed as at 30th September 2013 was 835 persons for the Company (out of which 634 were employed as crew aboard ships) and 936 persons for the Group (out of which 689 were employed as crew aboard ships). Respectively, at the end of corresponded period 30.09.2012 the Company had a number of 1.027 persons and the Group 1.196.

The interim financial statements as of 30th September 2013 approved by the BoD of the Parent Company at the meeting of 28th November 2013.

2. Preparation basis of the financial statements and accounting principles

The interim separate and consolidated financial statements as of 30th September 2013 (hereinafter the “financial statements”) have been prepared according to the International Financial Reporting Standards (hereinafter “IFRS”), as issued by the International Accounting Standards Board (IASB) and adopted by the European Union, and

more specifically to the IAS 34 "interim financial reporting". Therefore, they do not include all the information required for the annual financial statements and should be read in conjunction with the published statements as of 31st December 2012 which have been posted on the Company's website at www.anek.gr.

The basic accounting principles adopted in the preparation of the interim financial statements are the same as those followed in the preparation of the annual financial statements as of 31.12.2012, except for the new standards and interpretations which are applicable after January 1st 2013. The preparation of financial statements according to IFRS requires that the management makes estimates, assumptions and assessments, which affect the assets and liabilities, as well as the disclosures of contingent receivables and liabilities as of the date of the financial statements, as well as the published amounts of income and expenses. The actual results may differ from these estimates.

➤ **Ability to smoothly continue performing activities (going concern)**

As mentioned in note 7, the total of long-term bank borrowings of the Parent on 31.12.2012 was transferred to current ones, as terms and conditions of the loan agreements were not met, in terms of loans' servicing. The total current liabilities of the Company as at 30.09.2013 amounted to € 332.281 thousand, while total current assets amounted to € 57.354 thousand. Respectively, the total current liabilities of the Group as at 30.09.2013 amounted to € 346.779 thousand, while total current assets amounted to € 71.983 thousand.

The management of the Group has already taken measures to deal with liquidity problems by taking a series of actions such as:

- Contacts with creditor banks in order to agree the restructure in repayment terms of the entire loans, the positive outcome of which will enhance liquidity of the Company due to displacement of payment installments at a later time, extension of the repayment period and, possible, reduction in the financial cost.
- Actions for sales of vessels which will have direct positive impact on liquidity.
- The management of the Group expects a positive outcome on the arbitration proceedings that has commenced in arbitration court in London against the company "MINOAN LINES" for the forfeiture deposit amounted to € 47,5 million to acquire 33.35% of "HELLENIC SEEWAYS".
- After the successful opening of the joint venture in 2011 with the Group ATTICA in two main routes of activity, the Group's management considers the potential of developing further partnerships to achieve economies of scale. It is noted that in May 2013 it was decided to renew the duration of the joint venture "ANEK - SUPERFAST» until 2017. Also, at operational level, measures already have been taken such as reducing the wage costs of administrative & selling employees, cutting itineraries, reducing speed to conserve fuel and withdrawal of vessels from unprofitable routes. Moreover, through the imminent reforming of the institutional framework and the resolving of a number of pending issues, such as the mandatory deductions, V.A.T. reduction, abolition of non-contributory charges in favor of third parties,

it is expected to further reduce operating costs and to improve liquidity.

- Finally, the possibility of share capital increase is considered, so as to enhance liquidity.

It is noted that during the 9m period of 2013, it was agreed with the lender banks to grant a new short-term loan of € 7,7 million for cash flow's enhancement. At operational level, further reducing costs led to improvement of 9m 2013 results, which is something that is expected to be reflected also on the annual results.

Considering the above facts, the financial statements have been prepared under the principle of going concern, as management believes that these measures will eliminate the problems of liquidity and enable the Company to continue its' uninterrupted operation.

Nevertheless, the possibility of a non-successful completion of the above actions suggests the existence of uncertainty about the ability of smooth continuation of the activities of the Company.

➤ **New standards and interpretations, revisions and amendments that are adopted by E.U.**

The International Accounting Standards Board (IASB) and the IFRIC have issued a number of new IFRS and interpretations that are either mandatory for accounting periods beginning on or after January 1st 2013, or are not mandatory until the date of the interim financial statements and had not been adopted by the European Union. The Group has fully adopted all IFRSs and interpretations that are effective after January 1st 2013, while examining the possible effects of the adoption of other IFRS and interpretations on the financial statements. An assessment of the most significant new standards, interpretations and revisions is given below:

- **Amendments to IAS 1 - Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income**

effective for annual periods beginning on or after 01/07/2012

This amendment changes the grouping of items presented in other comprehensive income. The data could be reclassified in the income statement at some time in the future will be presented separately from other items which will not be reclassified ever.

- **IFRS 1 - First adoption - Government loans**

effective for annual periods beginning on or after 01/01/2013

According to this amendment, in financial statements adopting first time IFRS having government loans at a below-market rate of interest, is given the opportunity of non-retrospective adjustment of IFRS on the presentation of these loans during the transition.

- **Amendments to IFRS 7 "Financial Instruments: Disclosures" - Offsetting Financial Assets and Financial Liabilities**

effective for annual periods beginning on or after 01/01/2013

In December 2011, IASB published new requirements for disclosures that enable users of Financial Statements to make better comparison between IFRS and US GAAP based financial statements. This amendment has no impact on Group's consolidated financial statements.

- **Amendments to IAS 19 - Employee Benefits**

It applies for annual accounting periods beginning on or after 01/01/2013

By modifying the standard removes the option regarding the recognition of gains and losses, through the method «corridor». Also, changes from revaluation of assets and liabilities arising from defined benefit plans, will be presented in the statement of other comprehensive income. In addition, extra data will be provided about the characteristics of defined benefit plans and the risks to which operators are exposed to through participation in those plans. The impact on the consolidated financial statements from the application of this amendment are disclosed in note 13.

- **IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine**

effective for annual periods starting on or after 01/01/2013

The Interpretation clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognized as an asset, how the asset is initially recognized, and subsequent measurement.

- **IAS 27 (Amended) - Separate financial statements**

It applies for annual accounting periods beginning on or after 01/01/2014

The amendment clarifies the amendments arising from IFRS 10. IAS 27 will deal exclusively with the separate financial statements, the requirements of which remain essentially unchanged.

- **Amendment to IAS 28 - Investments in associates and joint ventures**

effective for annual periods beginning on or after 01/01/2014

The purpose of this revised standard is to define the policies to be implemented because of changes resulting from the publication of IFRS 11. The revised standard continues to define the mechanisms accounting of the equity method.

- **Amendments to IAS 32 – Offsetting financial assets and financial liabilities**

effective for annual periods beginning on or after 01/01/2014

The amendment provides clarification on some requirements for offsetting financial assets and liabilities in the statement of financial position.

- **IFRS 9 – Financial Instruments**

effective for annual periods starting on or after 01/01/2015

The IASB plans to completely replace IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 9 is the first phase of work to replace it. Applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The first phase of IFRS 9 will have a significant impact on the classification and

measurement of financial assets and the change in reporting for companies that have designated financial liabilities using the fair value through profit or loss. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets.

- **IFRS 10 - Consolidated financial statements**
effective for annual periods beginning on or after 01/01/2014

This standard replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special purpose entities". The new standard changes the definition that the control is the determining factor in whether an entity should be included in the consolidated financial statements of the parent. The standard provides additional guidance to assist in determining control, where it is difficult to assess. Furthermore, the Group will be conducting a series of disclosures on the companies consolidated subsidiaries as well as non-consolidated companies in which shareholder relationship exists. The standard should lead to changes in the structures of conventional clusters and the effects can sometimes be significant.

- **IFRS 11 - Joint Activities**
effective for annual periods beginning on or after 01/01/2014

The new standard replaces IAS 31 "Investments in Joint Ventures". Under the new principles, these agreements are treated more according to the rights and obligations under such an agreement, than on the basis of the legal form that surrounds it. The new model removes the proportional consolidation for joint ventures and removes the terminology of IAS 31 for "jointly controlled operations" or "jointly controlled assets". Most ventures will involve "joint operations". The application of the new standard does not change the recognition of income / (expenses) and assets and liabilities of the joint venture "ANEK - SUPERFAST ENDEKA (HELLAS) INC», which according to IFRS 11 is designated as "joint enterprise" .

- **IFRS 12 - Notification of participation in other entities**
effective for annual periods beginning on or after 01/01/2014

The standard combines the requirements of notifications of subsidiaries, joint ventures, associates and non-consolidated entities, within an overall standard disclosure. It also provides greater transparency and helps investor to assess the extent to which the reporting entity has participated in the creation of special structures and risks that is exposed.

- **IFRS 13 - Fair Value Measurement**
effective for annual periods starting on or after 01/01/2014

IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and required disclosures about fair value measurements. The measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value. IFRS 13 does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Neither does it change the requirements of other IFRS regarding the items measured at fair value nor makes no reference to the way the changes in fair value are presented in the Financial Statements. In addition, disclosures are broadened and cover all assets and

liabilities measured at fair value and not just financial.

3. Seasonal nature of business activities

The activities of Group shipping companies are highly seasonal, which affects the income and results of the interim financial statements. More specifically, the transportation of passengers and vehicles is particularly increased during summer months – due to tourism – and holidays, while the transportation of trucks demonstrates slight fluctuations during the year. Therefore, the highest sales take place during the third quarter of each year (from 01.07 to 30.09) which includes the summer months.

4. Segmental information

The basic business activity of the Group is concentrated upon passenger ferry shipping activities, both domestic and abroad. The main sources of revenue are generate from passengers, vehicles and truck fares, as well as other on-board activities (bar, restaurants, stores). Revenues of non-shipping Group companies are included in the figure “Other activities”. The following tables show the geographic allocation of activities of both the Group and the Company for the 9m period of 2013 and 2012:

01.01.13 - 30.09.13	Shipping segment		Other activities	Total
	Domestic	Abroad		
The Group				
Total Revenues	66.036	71.737	6.718	144.491
Gross Operating Results	10.484	10.457	3.064	24.005
Additions in vessels	891	1.376	-	2.267
Depreciation of vessels	4.123	3.927	-	8.050
Net book value of vessels	167.100	129.353	-	296.453
Non-distributed assets	-	-	-	94.066
Total Assets as of 30.09.13	-	-	-	390.519
The Company				
Total Revenues	53.206	71.737	-	124.943
Gross Operating Results	8.499	10.457	-	18.956
Additions in vessels	888	1.376	-	2.264
Depreciation of vessels	4.123	3.927	-	8.050
Net book value of vessels	159.514	129.353	-	288.867
Non-distributed assets	-	-	-	73.105
Total Assets as of 30.09.13	-	-	-	361.972

01.01.12 - 30.09.12	Shipping segment		Other activities	Total
	Domestic	Abroad		
<u>The Group</u>				
Total Revenues	83.172	72.019	5.692	160.883
Gross Operating Results	10.889	8.781	2.579	22.249
Additions in vessels	29	10	-	39
Depreciation of vessels	5.067	3.997	-	9.064
Net book value of vessels	211.687	128.014	-	339.701
Non-distributed assets	-	-	-	101.114
Total Assets as of 30.09.12	-	-	-	440.815

The Company

Total Revenues	62.346	72.019	-	134.365
Gross Operating Results	8.491	8.781	-	17.272
Additions in vessels	28	10	-	38
Depreciation of vessels	5.067	3.997	-	9.064
Net book value of vessels	203.720	128.014	-	331.734
Non-distributed assets	-	-	-	80.137
Total Assets as of 30.09.12	-	-	-	411.871

In the figure "Total Revenues" in domestic segment is included income from state subsidies for public transportation services, amounted to € 7.776 thousand for the Group (€ 0 for the Company). Correspondingly, in the relevant previous period the revenues from subsidies were € 14.105 thousand for the Group and € 3.997 thousand for the Company.

Additions, depreciation and net book value of vessels were allocated to geographic activities depending on the time of operation of each vessel in domestic and abroad lines. Any further allocation would be arbitrary based on the fact that other figures of assets and liabilities, from which the relevant sales and costs are generated, are common and cannot be separated in segments.

5. Tangible assets

The tables of tangible fixed assets for the 9m period of 2013 and year 2012 for the Group and the Company are shown below:

The Group	Vessels	Land & buildings	Other equipment	Assets under construction	Total
Acquisition value as of 01.01.12	532.562	14.597	12.639	1.777	561.575
Additions	51	5	127	829	1.012
Disposals	-	-	(6)	-	(6)
Impairment	(34.454)	-	-	-	(34.464)
Acquisition value as of 31.12.12	498.159	14.602	12.760	2.606	528.127
Additions	66	26	139	97	328
Transfers*	2.201	-	-	-	2.201
Disposals	-	-	-	-	-
Acquisition value as of 30.09.13	500.426	14.628	12.899	2.703	530.656
Accumulated depreciation 01.01.12	183.836	1.765	8.425	-	194.026
Depreciation charge	12.087	221	921	-	13.229
Disposals	-	-	(6)	-	(6)
Accumulated depreciation 31.12.12	195.923	1.986	9.340	-	207.249
Depreciation charge	8.050	158	613	-	8.821
Disposals	-	-	-	-	-
Accumulated depreciation 30.09.13	203.973	2.144	9.953	-	216.070
Net book value 31.12.12	302.236	12.616	3.420	2.606	320.878
Net book value 30.09.13	296.453	12.484	2.946	2.703	314.586

The Company	Vessels	Land & buildings	Other equipment	Assets under construction	Total
Acquisition value as of 01.01.12	513.284	9.074	3.052	1.773	527.183
Additions	46	5	53	833	937
Disposals	-	-	-	-	-
Impairment	(34.066)	-	-	-	(34.066)
Acquisition value as of 31.12.12	479.264	9.079	3.105	2.606	494.054
Additions	63	-	19	97	179
Transfers*	2.201	-	-	-	2.201
Disposals	-	-	-	-	-
Acquisition value as of 30.09.12	481.528	9.079	3.124	2.703	496.434
Accumulated depreciation 01.01.12	172.524	1.395	2.857	-	176.776
Depreciation charge	12.087	149	101	-	12.337
Disposals	-	-	-	-	-
Accumulated depreciation 31.12.12	184.611	1.544	2.958	-	189.113
Depreciation charge	8.050	104	38	-	8.192
Disposals	-	-	-	-	-
Accumulated depreciation 30.09.12	192.661	1.648	2.996	-	197.305
Net book value 31.12.12	294.653	7.535	147	2.606	304.941
Net book value 30.09.12	288.867	7.431	128	2.703	299.129

* Due to the implementation of the amendment to IAS 16 "Property and equipment" from 01.01.2013, spare parts of vessels amounting to € 2.201 thousand were reclassified from the category of inventory to tangible assets.

Existing liens

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

- a) 1st mortgages on the vessels of € 364,7 million,
- b) 2nd mortgages on the vessels of € 256,9 million and
- c) Pre-notations on property of € 12,6 million and pledges on machinery (of the subsidiary companies ETANAP and LEFKA ORI) of € 2,5 million.

The above liens exist to secure borrowing liabilities of total amount of € 247,2 million as of 30th September 2013.

6. Cash and cash equivalents

The cash and cash equivalents analysis is as follows:

	The Group		The Company	
	30.09.13	31.12.12	30.09.13	31.12.12
Cash	354	223	333	195
Bank accounts (current and deposit)	3.084	3.814	962	527
	3.438	4.037	1.295	722

The total of cash and cash equivalent are in euro.

7. Long term borrowings

Long-term borrowings as at 30.09.2013 amounted to € 420 thousand, while in 31.12.2012 amounted to € 903 thousand. It is noted that at 31.12.2012 in the statement of financial position there has been reclassification of long-term loans of the Parent company to short-term loans, according to paragraph 74 of IAS 1, given the fact that at the specific date the terms of loan agreements were not met, in terms of debt servicing. Based on the loan agreements governed by terms and conditions, in case of non-compliance with the terms and obligations, loans may be declared immediately required and the company may be obliged to make full repayment of its loans to lender banks. However, Group's management has already began contacts with the lender banks in order to proceed to an agreement of restructuring of repayment terms of the total of long-term loans, and expects that the relevant agreement will be achieved. It is noted that during the 9m period of 2013, it was agreed with the lender banks to grant a new short-term of € 7,7 million for cash flow's enhancement.

Company's syndicated loans initially amounting to a total of € 245 million were obtained in 2008, from a group of banks, on the basis of a floating interest rate (Euribor plus margin) for a period of 8 years (with the end maturity date set at 31st March 2016). Moreover, during the fiscal year 2010, a new three-year long-term loan, based on a floating interest rate, was obtained amounting to € 40 million.

Collaterals have been provided to secure the loans of the Group (shipping mortgages on vessels) to the banks (see note 5). The residual balance of the aforementioned loans were valued in the net book value with the actual rate method and do not vary significantly from the fair value.

8. Earnings / (losses) per share

Basic earnings / (losses) per share are calculated by dividing the earnings corresponding to the Company's shareholders by the weighted number of shares in circulation during the period. The diluted earnings / (losses) per share are equal to the basic, given that do not exist any potential ordinary shares convertible to ordinary shares.

	The Group		The Company	
	01.01.13- 30.09.13	01.01.12- 30.09.12	01.01.13- 30.09.13	01.01.12- 30.09.12
Earnings / (losses) after taxes attributable to Equity holders of the Company	(10.760)	(14.707)	(12.228)	(15.325)
Weighted average number of shares	188.654.892	188.654.892	188.654.892	188.654.892
Earnings / (losses) per share - basic (in €)	(0,0570)	(0,0780)	(0,0648)	(0,0812)

9. Income tax

Parent company and its subsidiaries operating in passenger shipping sector are not subject to income tax for the profits arising from this business activity. As income tax is considered the tax in regard to Law 27/1975 (tax applied to the shipping tons of the total tonnage of the vessel), and the results of the first half of the Group were charged by taxes of € 82 thousand. The taxes for the results of the non-shipping companies of the Group amounted to € 372 thousands, while additional provision pertain mainly to tax audit differences was posted amounted to € 38 thousands.

During the 9m period of 2013 tax rate has been adjusted to 26% (based on the new tax law 4110/2013) with consequent burden of income taxes - from the recalculation of deferred tax - in the consolidated income statement of € 76 thousand. Also, because of the change in the tax rate, in the consolidated statement of comprehensive income in "other comprehensive income" it was registered the debit amount of € 127 thousand (€ 13 thousand for the Company) which refers by € 123 thousand in land deferred tax and by € 4 thousand in deferred tax actuarial profits. From this move the revaluation reserves of the Group were decreased by € 66 thousand (€ 13 thousand for the Company).

The unaudited fiscal years of the Parent Company and of the consolidated subsidiaries are presented in the following table:

Company	Unaudited years
ANEK	2008 – 2012
LANE	1994 – 2012
ETANAP S.A.	2009 – 2012
LEFKA ORI S.A.	2010 – 2012
ANEK HOLDINGS S.A.	2008 – 2012
AIGAION PELAGOS SC	2011 – 2012

It is noted that, for fiscal years 2011 and 2012, the Group companies have been included in the tax audit of

the certified auditors in regard to article 82, par. 5 of Law 2238/1994 and no tax differences were revealed. In accordance with relevant legislation such fiscal years are considered tax concluded after eighteen months from the issuance of tax compliance reports.

For the unaudited tax years (before 2011) Group companies have formed provisions for extra taxes that might arise after the tax audit. Accumulated provisions amounted to € 25 thousand for the Company and € 192 thousand for the Group.

10. Balances and transactions with related parties

Balances (receivables/liabilities) with associated parties, as defined by IAS 24, as at 30th June 2012 and 31st December 2012 are as follows:

	The Group		The Company	
	30.09.13	31.12.12	30.09.13	31.12.12
Receivables from:				
- subsidiaries	-	-	93	86
- affiliates	5	-	-	-
- other related parties	8.384	8.118	8.384	8.091
- executives & BoD members	-	2	-	2
	8.389	8.120	8.477	8.179
Liabilities to:				
- subsidiaries	-	-	1.318	3.018
- affiliates	1.321	166	1.321	166
- other related parties	-	9.945	-	6.995
- executives & BoD members	162	187	77	158
	1.483	10.298	2.716	10.337

Purchases and sales transactions with related parties for the 9m period of 2013 and 2012 are as follows:

	The Group		The Company	
	01.01.13- 30.09.13	01.01.12- 30.09.12	01.01.13- 30.09.13	01.01.12- 30.09.12
Purchases of goods & services from:				
- subsidiaries	-	-	143	267
- affiliates	1.211	1.663	1.208	1.659
- other related parties	-	1.443	-	1.019
	1.211	3.106	1.351	2.945
Sales of goods & services to:				
- subsidiaries	-	-	4.659	4.794
- other related parties	-	131	-	58
	-	131	4.659	4.852

In the inter-company transactions and balances of the previous year and the corresponding period the "other related parties" included the company HELLENIC SEAWAYS. Following changes in the composition of its board of directors since June 2013, the aforementioned company ceased to be a related party in accordance with the provisions of IAS 24.

Fees of BoD members and directors

The gross fees regarding the members of the Board and the Company's directors for the 9m period of 2013 and 2012 regard short term benefits to executives and are analyzed below:

	The Group		The Company	
	01.01.13- 30.09.13	01.01.12- 30.09.12	01.01.13- 30.09.13	01.01.12- 30.09.12
Executive members of BoD	493	475	310	302
Non-Executive members of BoD	11	21	11	21
Directors	582	630	582	630
	1.086	1.126	903	953

11. Commitments

Operating leases: The Company has signed operating lease agreements mostly pertaining to the lease of buildings and chartering, and terminate on different dates within the next five years. The minimum future payable leases for buildings and chartering based on the relevant contracts as of 30.09.13 are as follows:

Within a year	6.808
From 2 to 5 years	684

Capital commitments: There were no capital commitments for the Company or the Group as of 30 September 2013.

Other commitments: There are certain commitments for the Group which are subject to Hellenic State subsidized investment plans, as well as liabilities arising from agreements entered into for the servicing of public services routes (letters of guarantee, etc.).

12. Contingent liabilities / receivables - litigious disputes or disputes in arbitration

Litigations: There are no disputes in litigation or arbitration, or other liabilities burdening the Group, which could significantly affect its financial condition. Relevant provisions have been formed amounting to € 113 thousand.

Contingent liabilities / receivables: The Group's contingent liabilities as at 30.09.2013 arising from its normal activity pertain to guarantees granted to secure liabilities (mainly in connection with subsidized routes) and performance bonds amounting to € 10.520 thousand. Respectively, the Group has received guarantees for receivables amounting to € 22.354 thousand.

13. Adjustments and reclassifications

Amendment to IAS 19: Due to the implementation from 01.01.2013 of the amendment to IAS 19 "Employee Benefits" on the immediate recognition of retirement benefits, the Group adjusted the retirement benefits provisions, equity, deferred taxes and statement of comprehensive income of comparable periods as follows:

The Group 30.09.2012	Published	Impact (IAS 19)	Reformatted
Profits / (losses after taxes)	(14.087)	(37)	(14.124)
Other comprehensive income / (expenses)	-	(180)	(180)
Total comprehensive income	(14.087)	(217)	(14.304)
Retirement benefits provisions	3.548	(752)	2.796
Equity to owners of the Parent	85.383	695	86.078
Minority interests	7.477	57	7.534
Total Equity	92.860	752	93.612

The Group 31.12.2012	Published	Impact (IAS 19)	Reformatted
Profits / (losses after taxes)	(60.568)	(44)	(60.612)
Other comprehensive income / (expenses)	(8)	(242)	(250)
Total comprehensive income	(60.576)	(286)	(60.862)
Retirement benefits provisions	3.444	(696)	2.748
Equity to owners of the Parent	39.330	626	39.956
Minority interests	7.041	56	7.097
Total Equity	46.371	682	47.053
Deferred tax liabilities	977	14	991

The Company 30.09.2012	Published	Impact (IAS 19)	Reformatted
Profits / (losses after taxes)	(15.296)	(29)	(15.325)
Other comprehensive income / (expenses)	-	(174)	(174)
Total comprehensive income	(15.296)	(203)	(15.499)
Retirement benefits provisions	3.254	(640)	2.614
Total Equity	82.207	640	82.847

The Company 31.12.2012	Published	Impact (IAS 19)	Reformatted
Profits / (losses after taxes)	(60.455)	(39)	(60.494)
Other comprehensive income / (expenses)	-	(232)	(232)
Total comprehensive income	(60.455)	(271)	(60.726)
Retirement benefits provisions	3.166	(572)	2.594
Total Equity	37.048	572	37.620

Corresponding adjustments in the affected funds were in cash flow statements and in statement of changes in equity.

Amendment to IAS 16: Due to the implementation of the amendment to IAS 16 "Property and equipment" from 01.01.2013, vessels' spare parts amounting to € 2.201 thousand were reclassified in the statement of financial position from inventory to tangible assets, as they are used for more than one accounting periods.

14. Financial assets at fair value

IAS 34 requires the interim financial reports to include certain disclosures regarding the fair value of financial instruments, according to the requirements of IFRS 13 "Fair Value Measurement" and IFRS 7 "Financial Instruments: Disclosures". These disclosures include the classification of fair value in three (3) levels. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments per valuation technique:

Level 1: Investments that are valued at fair value based on quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Investments that are valued at fair value, using valuation techniques for which all inputs, which have a significant fair value, are based (either directly or indirectly) on observable market data.

Level 3: Investments that are valued at fair value, using valuation techniques, in which the data, significantly affecting the fair value, are not based on observable market data.

The Group, in accordance with the requirements of IAS 39 "Financial Instruments: Recognition and Measurement" at the end of each reporting period of the financial statements performs the calculations required in relation to the fair value of financial instruments. The financial assets held by the Group, the fair value of which at 30.09.2013 amounts to € 822 thousand are relating to shares of listed companies and shares in cooperative banks and are classified in Level 1.

The carrying value of the following financial assets and liabilities is considered to be a reasonable approximation of fair value:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables.

15. Subsequent events

During November 2013, the Group's management successfully achieved to resolve any and all occurred issues in relation to vessels "LEFKA ORI" and "SOPHOCLES V." by removing enforcement measures that had been forced against the vessels due to charterers' obligations to third parties, derived mainly from retrofit works within the period of chartering to a foreign shipping company (see note 27 of the Annual financial report). Due to the Group's management handling the Company successfully managed to secure its assets and the vessels are expected to arrive within 2013.

There are no other facts subsequent to 30th September 2013 which could substantially affect the financial standing and the results of the Group and the Company, or that should be mentioned in the notes on the financial statements.

Chania, 28 November 2013

1st Vice-Chairman

Managing Director

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Ioannis I. Vardinogiannis
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