ANEK LINES

Interim financial statements

(parent company & consolidated)

for the period from January 1st to March 31st 2014

CONTENTS

It is certified that the attached interim financial statements for the period from 1st of January to 31st of March 2014 are those approved by the Board of Directors of ANEK S.A. on 30th of May 2014 and posted on the internet at www.anek.gr.

It is noted that the present interim report is translated from the Greek original copy.

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REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the shareholders of

ANONIMI NAFTILIAKH ETAIREIA KRITIS S.A.

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of the Company "ANEK LINES A.E." and of its subsidiaries as at 31 March 2014 and the relative condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, as well as the selected explanatory notes, that constitute the interim financial information. Management is responsible for the preparation and presentation of this condensed interim financial information, in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and which apply to Interim Financial Reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this condensed interim 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 International Accounting Standard "IAS 34".

Emphasis of Matters

We draw your attention to note (2) to the interim financial information and in particular to the fact that the working capital of the Group is negative by Euro 298,2 mil., the capital adequacy of the Group has worsened significantly and are applicable for the Company the provisions of the article 48 of cod.

L. 2190/1920, while in parallel exist overdue liabilities to employees and third parties. The above facts indicate the existence of material uncertainty in respect of the Group's ability to continue unhindered in operation as a going concern. In note (2) to the interim financial information reference is made to the measures taken or planned by the management in order to ensure the Group's continuation in operation as a going concern. Our conclusion is not qualified in respect of this matter.

Athens, 30 May, 2014

The Certified Public Accountants

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INTERIM SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS AS OF 31st OF MARCH 2014

Any differences in totals are due to the rounding of figures.

STATEMENTS OF COMPREHENSIVE INCOME

	Note	The Group		The Company	
		01.01.14-31.03.14	**01.01.13-31.03.13**	**01.01.14-31.03.14**	**01.01.13-31.03.13**
Revenue	4	29.218	30.840	26.649	27.339
Cost of sales		(32.314)	(33.727)	(29.101)	(30.024)
Gross profit / (losses)		**(3.096)**	**(2.887)**	**(2.452)**	**(2.685)**
Other operating income		159	320	398	484
Administrative expenses		(2.171)	(2.290)	(1.971)	(2.062)
Selling and marketing expenses		(3.085)	(3.527)	(2.774)	(3.224)
Other operating expenses		(544)	(155)	(527)	(125)
Earnings / (losses) before taxes, financing and investing results (EBIT)		**(8.737)**	**(8.539)**	**(7.326)**	**(7.612)**
Financial expenses		(4.110)	(3.784)	(4.063)	(3.736)
Financial income		75	25	59	2
Results from investing activities		8	(18)	8	(18)
Profit from associates		39	133	-	-
Earnings / (losses) before taxes		**(12.725)**	**(12.183)**	**(11.322)**	**(11.364)**
Income tax	9	(17)	(31)	(26)	(26)
Earnings / (losses) after taxes		**(12.742)**	**(12.214)**	**(11.348)**	**(11.390)**
Attributable to:					
Owners of the Parent company		(12.422)	(11.998)	-	-
Minority interests		(320)	(216)	-	-
Other comprehensive income after taxes		-	-	-	-
Total comprehensive income after taxes for the period		**(12.742)**	**(12.214)**	**(11.348)**	**(11.390)**
Attributable to:					
Owners of the Parent company		(12.422)	(11.998)	-	-
Minority interests		(320)	(216)	-	-
Earnings / (losses) per share - basic (in €)	8	(0,0658)	(0,0636)	(0,0602)	(0,0604)
Earnings / (losses) before taxes, financial, investing results and depreciation (EBITDA)		(6.207)	(5.737)	(4.962)	(4.959)

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

6 Amounts in thousands € unless stated differently

STATEMENTS OF FINANCIAL POSITION

	Note	The Group		The Company	
		31.03.14	31.12.13	31.03.14	31.12.13
ASSETS					
Tangible fixed assets	5	298.671	300.964	283.950	286.098
Investments in property		1.784	1.785	710	710
Intangible assets		42	47	41	46
Investments in subsidiaries		-	-	3.374	3.374
Investments in associates		1.835	1.796	46	46
Other long-term receivables		126	126	103	103
Deferred tax assets		184	184	-	-
Total non-current assets		**302.642**	**304.902**	**288.224**	**290.377**
Inventories		4.168	4.520	2.560	3.132
Trade receivables		45.884	45.293	40.887	40.619
Other current receivables		5.516	3.982	3.574	2.414
Financial assets at fair value through profit & loss		851	843	795	787
Cash and cash equivalents	6	4.981	3.733	2.518	1.831
Total current assets		**61.400**	**58.371**	**50.334**	**48.783**
TOTAL ASSETS		**364.042**	**363.273**	**338.558**	**339.160**
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		156.091	156.091	154.855	154.855
Retained earnings		(221.799)	(209.377)	(222.764)	(211.416)
Equity attributable to owners of the Parent		**(8.366)**	**4.056**	**(10.567)**	**781**
Minority interests		5.794	6.114	-	-
Total equity		**(2.572)**	**10.170**	**(10.567)**	**781**
Long-term borrowings	7	210	210	-	-
Deferred tax liabilities		1.189	1.200	326	326
Retirement benefits provisions		2.650	2.624	2.495	2.472
Other provisions		1.722	1.722	1.320	1.320
Grants for assets		1.214	1.267	-	-
Total non-current liabilities		**6.985**	**7.023**	**4.141**	**4.118**
Short-term borrowings	7	291.507	290.540	289.761	288.374
Trade payables		31.723	30.643	23.500	23.034
Other current liabilities		36.399	24.897	31.723	22.853
Total current liabilities		**359.629**	**346.080**	**344.984**	**334.261**
Total liabilities		**366.614**	**353.103**	**349.125**	**338.379**
TOTAL EQUITY & LIABILITIES		**364.042**	**363.273**	**338.558**	**339.160**

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

7 Amounts in thousands € unless stated differently

STATEMENTS OF CHANGES IN EQUITY

The Group	Share Capital	Share premium	Asset re-valuation reserves	Other reserves	Retained earnings	Total	Minority interests	Total
Balance 01.01.2013	**56.597**	**745**	**2.183**	**154.297**	**(173.866)**	**39.956**	**7.097**	**47.053**
Total comprehensive income for the 1st quarter of 2013					(11.998)	**(11.998)**	(216)	**(12.214)**
Net Equity at 31.03.2013	**56.597**	**745**	**2.183**	**154.297**	**(185.864)**	**27.958**	**6.881**	**34.839**
Balance 01.01.2014	**56.597**	**745**	**2.117**	**153.974**	**(209.377)**	**4.056**	**6.114**	**10.170**
Total comprehensive income for the 1st quarter of 2014					(12.422)	**(12.422)**	(320)	**(12.742)**
Net Equity at 31.03.2014	**56.597**	**745**	**2.117**	**153.974**	**(221.799)**	**(8.366)**	**5.794**	**(2.572)**

The Company	Share Capital	Share premium	Asset re-valuation reserves	Other reserves	Retained earnings	Total
Balance 01.01.2013	**56.597**	**745**	**970**	**153.898**	**(174.590)**	**37.620**
Total comprehensive income for the 1st quarter of 2013					(11.390)	**(11.390)**
Net Equity at 31.03.2013	**56.597**	**745**	**970**	**153.898**	**(185.980)**	**26.230**
Balance 01.01.2014	**56.597**	**745**	**957**	**153.898**	**(211.416)**	**781**
Total comprehensive income for the 1st quarter of 2014					(11.348)	**(11.348)**
Net Equity at 31.03.2014	**56.597**	**745**	**957**	**153.898**	**(222.764)**	**(10.567)**

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

8 Amounts in thousands € unless stated differently

STATEMENTS OF CASH FLOW

	The Group		The Company	
	01.01.14-31.03.14	01.01.13-31.03.13	01.01.14-31.03.14	01.01.13-31.03.13
Operating activities				
Earnings/(losses) before taxes	(12.725)	(12.183)	(11.322)	(11.364)
Adjustments for:				
Depreciation	2.583	2.862	2.364	2.660
Grants amortization	(53)	(60)	-	(7)
Provisions	135	(40)	133	(36)
Results of investing activities	(47)	(115)	(8)	18
Exchange differences	(18)	17	(18)	17
Financial expenses (less financial income)	4.054	3.742	4.023	3.717
	(6.071)	**(5.777)**	**(4.828)**	**(4.995)**
Adjustments for changes in working capital accounts or related to operating activities:				
Decrease / (increase) of inventories	352	463	572	643
Decrease / (increase) of receivables	(2.229)	(1.062)	(1.538)	67
Increase/ (decrease) of liabilities (excluding borrowings)	12.529	6.357	9.281	5.363
Less:				
Interest and financial expenses paid	(681)	(1.229)	(631)	(1.183)
Income tax paid	(27)	(26)	(26)	(26)
Cash flows from operating activities (a)	**3.873**	**(1.274)**	**2.830**	**(131)**
Investing activities				
Acquisition of affiliates, securities and other investments	-	-	-	-
Proceeds from disposal of securities and other investments	-	-	-	-
Purchase of tangible and intangible assets	(288)	(138)	(211)	(64)
Proceeds from the sale of property, plant & equipment	-	-	-	-
Interest received	15	23	1	-
Dividends received	-	-	-	-
Cash flows from investing activities (b)	**(273)**	**(115)**	**(210)**	**(64)**
Financing activities				
Proceeds from borrowings	-	958	-	207
Payment of borrowings	(2.350)	(14)	(1.933)	-
Dividends paid	(2)	(2)	-	-
Cash flows from financing activities (c)	**(2.352)**	**942**	**(1.933)**	**207**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**1.248**	**(447)**	**687**	**12**
Cash and cash equivalents at the beginning of the period	3.733	4.037	1.831	722
Cash and cash equivalents at the end of the period	**4.981**	**3.590**	**2.518**	**734**

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

Amounts in thousands € unless stated differently

INFORMATION AND EXPLANATORY NOTES ON THE INTERIM FINANCIAL STATEMENTS OF THE PERIOD 01.01.2014 – 31.03.2014

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 NAFTILIAKH ETAIREIA KRITIS S.A." trading as "ANEK LINES" (hereinafter "ANEK" or the "Company", or the "Parent company") and is operating in the passenger ferry shipping sector. The Company's seat is located in the municipality of Chania – Crete, and its registered offices are located on K. Karamanli Ave, Chania. ANEK is recorded in General Company Register with number 121557860000 and its website address is www.anek.gr. The Company's shares have been listed on the Athens Stock Exchange since 1999. In addition to the Company, the Group includes the following subsidiaries and affiliates with the following participation percentages:

Name	*Group percentage*	*Registered Office*	*Activity*
LANE S.A.	50,11%	Chania	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%**	Chania	Tourism - participation in other companies - consulting, etc.
AIGAION PELAGOS THALASSIES GRAMMES SHIPPING COMPANY	100%	Chania	Sailing company under Law 959/79
ANEK LINES ITALIA S.r.l.	49%	Ancona, Italy	Factoring and representation of shipping companies

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

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

The aforementioned companies in which ANEK participates by more than 50%, as well as ETANAP S.A. in which ANEK retains the control, have been included in the consolidated financial statements as of 31.03.2014 using the method of full consolidation. "ANEK LINES ITALIA S.r.l." in which the Parent company participates by 49% has been consolidated using the net equity method. "ANEK HOLDINGS S.A." participates by 100% in "ANEK ENERGY LTD", which has not commenced its activities.

The number of personnel employed as of March 31st, 2014 amounted to 715 for the Company (out of which 516 were employed as crew aboard ships) and to 803 for the Group (crew aboard ships 566). At the end of the corresponded period of 31.03.2013 the Company had a number of 815 as personnel employed and the Group 901.

The interim financial statements as of March 31st, 2014 were approved by the BoD of the Parent company at the meeting of May 30th, 2014.

2. Preparation basis of the financial statements and accounting principles

The interim separate and consolidated financial statements as of 31st March, 2014 (hereinafter the "financial statements") have been prepared according to the International Financial Reporting Standards (hereinafter

11 Amounts in thousands € unless stated differently

“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 31 December 2013 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 31.12.2013, except for the new standards and interpretations which are applicable after January 1st 2014. The preparation of financial statements according to IFRS requires that the management makes estimates, assumptions and assessments, that affect the assets and liabilities, 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 described 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. As a result of this reclassification, total current liabilities of the Company as at 31.03.2014 amounted to € 345,0 million, while total current assets amounted to € 50,3 million.

The management of the Group, from year 2012, 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. The discussions are in an advanced step and is expected that soon there will be a final agreement for loans' restructuring.
- Actions for sales of vessels which will have direct positive impact on liquidity and is estimated that there will be such agreements in the near future.
- 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 SEAWAYS".
- 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 the renewal of the duration of JV "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 still considered, so as to enhance liquidity.

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**

The International Accounting Standards Board (IASB), as well as the Interpretation Committee, have issued a range of new IFRS and interpretations, which either are mandatory for accounting periods starting from January 1st 2014 and thereafter, or are not mandatory, as since the publishing date of the interim financial statements they have not been adopted from the European Union. The Group has adopted all the new IFRS and interpretations which are mandatory after January 1st 2014 and examines the effect in the financial statements of the potential adoption of the other IFRS and interpretations. The most significant new standards and interpretations are as follows:

- **IFRS 10 – Consolidated Financial Statements, IFRS 11 - Joint Arrangements, IFRS 12 - Disclosure of Interests in Other Entities, IAS 27 - Separate Financial Statements and IAS 28 - Investments in Associates and Joint Ventures**

In May 2011, IASB issued three new Standards, namely IFRS 10, IFRS 11 and IFRS 12. IFRS 10 "Consolidated Financial Statements" sets out a new consolidation method, defining control as the basis under consolidation of all types of entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation — Special Purpose Entities". IFRS 11 "Joint Arrangements" sets out the principles regarding financial reporting of joint arrangements participants. IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 12 "Disclosure of Interests in Other Entities" unites, improves and supersedes disclosure requirements for all forms of interests in subsidiaries, under common audit, associates and non-consolidated entities. As a result of these new standards, IASB has also issued the revised IAS 27 entitled IAS 27 "Separate Financial Statements" and revised IAS 28 entitled IAS 28 "Investments in Associates and Joint Ventures". The Standards are effective for annual periods beginning on or after 1st January 2014, with earlier adoption permitted. The Group will assess the impact of new standards in its consolidated financial statements.

- **Transition Guidance: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities – Amendments to IFRS 10, IFRS 11 and IFRS 12**

In June 2012, IASB issued Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) to clarify the transition guidance in IFRS 10 Consolidated Financial Statements. The amendments also provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The Transition Guidance is effective for annual periods beginning on or after 1st January 2013, but in practice is effective for annual periods beginning on or after 1st January 2014 when the relevant Standards will be effective. The Group will assess the impact of transition guidance in its consolidated financial statements. This transition guidance has been adopted by the European Union in April 2013.

- **Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27**

In October 2012, IASB issued Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). The amendments apply to a particular class of business that qualifies as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organizations, venture capital organizations, pension funds, sovereign wealth funds and other investment funds. The Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities. The amendments are effective for annual periods beginning on or after 1st January 2014, with earlier adoption permitted. The Group will assess the impact of amendments in its consolidated financial statements (Adjust accordingly). The amendments have been adopted by the European Union in November 2013.

- **Amendments to IAS 32 - Financial Instruments: Presentation, Offsetting financial assets and financial liabilities**

In December 2011, IASB issued amendments to IAS 32 "Financial Instruments: Presentation", which provides clarification on some requirements for offsetting financial assets and liabilities in the statement of financial position. The amendments are effective for annual periods beginning on or after 1st January 2014, with earlier adoption permitted. The Group will assess the impact of amendments in its consolidated financial statements (Adjust accordingly). These amendments have been adopted by the European Union in December 2012.

- **Amendment to IAS 36 – Impairment of assets - Recoverable Amount Disclosures for Non-Financial Assets**

In May 2013, IASB issued amendments to IAS 36 "Impairment of Assets". These narrow-scope amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. Earlier application is permitted for periods when the entity has already applied IFRS 13. The amendments are effective for annual periods beginning on or after 1st January 2014, with earlier adoption permitted. The Group will assess the impact of amendments in its consolidated financial statements. These amendments have been adopted by the European Union in December 2013.

- **Amendment to IAS 39 - Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting**

In June 2013, IASB issued amendments to IAS 39 "Financial Instruments: Recognition and Measurement". The narrow-scope amendments 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 regulation, if specific conditions are met. Similar relief will be included in IFRS 9 Financial Instruments. The amendments are effective for annual periods beginning on or after 1st January 2014, with earlier adoption permitted. The Group assess the impact of amendments in its consolidated financial statements. These amendments have been adopted by the European Union in December 2013.

- **Interpretation 21 - Levies**

In May 2013, IASB issued Interpretation 21 that is an interpretation of IAS 37 Provisions "Contingent Liabilities and Contingent Assets". IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Interpretation is effective for annual periods beginning on or after 1st January 2014, with earlier adoption permitted. The Group will assess the impact of interpretation in its consolidated financial statements. The Interpretation has not been adopted by the European Union yet.

- **Amendment to IAS 19 - Employee Benefits, Defined Benefit Plans: Employee Contributions**

In November 2013, IASB issued amendments to IAS 19 "Employee Benefits". The narrow-scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments are effective from 1st July 2014 with earlier adoption permitted. The Group will assess the impact of amendments in its consolidated financial statements. These amendments have not been adopted by the European Union yet.

- **Annual Improvements - Cycles 2010 - 2012 & 2011 - 2013**

In December 2013, IASB issued Annual improvements to IFRSs 2010-2012 Cycle & 2011-2013 Cycle. The Cycle 2010-2012 includes improvements for IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38 and in the Cycle 2011-2013 improvements are relating to IFRS 1, IFRS 3, IFRS 13 and IAS 40. The improvements are effective from 1st July 2014 with earlier adoption permitted. The Group will assess the impact of the improvements in its consolidated financial statements. These improvements have not been adopted by the European Union yet.

- **IFRS 14 - Regulatory Deferral Accounts**

In January 2014, IASB issued an interim Standard, IFRS 14 Regulatory Deferral Accounts. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Rate regulation can have a significant impact on the timing and amount of an entity's revenue. An entity that already presents IFRS financial statements in not eligible to apply the Standard. The Standard is effective from 1st January 2016 with early application permitted. The Group will assess the impact of the Standard in its consolidated financial statements. This Standard has not been adopted by the European Union yet.

3. Seasonal nature of business activities

The activities of Group shipping companies are highly seasonal, and that 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 lowest sales take place during the first quarter of each year and this affect negatively the financial results, while on the contrary, the highest sales are during the third quarter (from 01.07 to 30.09), where the summer period is included.

4. Segmental information

The main business activity of the Group is concentrated upon passenger ferry shipping activities, servicing shipping routes both domestic and abroad. The main sources of revenue come from passenger, P.U. vehicle and truck fares, as well as other on-board activities (bar, restaurants, stores and casinos). Revenue of non-shipping Group companies which participate in the consolidated turnover are included in "other activities". The following chart presents a geographical distribution of the activities of both the Group and the Company for first quarter of 2014 and 2013:

	Shipping segment		**Other**	
01.01.14 - 31.03.14	**Domestic**	**Abroad**	**Activities**	**Total**
The Group				
Total Revenues	15.510	12.613	1.095	29.218
Gross operating results	(583)	(2.882)	369	(3.096)
Vessels' additions	6	-	-	6
Vessels' depreciation for the period	1.563	749	-	2.312
Net book value of vessels	188.904	91.613	-	280.517
Non-distributed assets	-	-	-	83.525
Total Assets 31.03.2014	**-**	**-**	**-**	**364.042**

Amounts in thousands € unless stated differently

	Shipping segment		Other	
01.01.14 - 31.03.14	**Domestic**	**Abroad**	**Activities**	**Total**
The Company				
Total Revenues	14.036	12.613	-	26.649
Gross operating results	430	(2.882)	-	(2.452)
Vessels' additions	6	-	-	6
Vessels' depreciation for the period	1.563	749	-	2.312
Net book value of vessels	181.920	91.613	-	273.533
Non-distributed assets	-	-	-	65.025
Total Assets 31.03.2014	**-**	**-**	**-**	**338.558**

	Shipping segment		Other	
01.01.13 - 31.03.13	**Domestic**	**Abroad**	**Activities**	**Total**
The Group				
Total Revenues	14.986	14.829	1.025	30.840
Gross operating results	(1.096)	(2.151)	360	(2.887)
Vessels' additions	17	-	-	17
Vessels' depreciation for the period	1.440	1.166	-	2.606
Net book value of vessels	179.490	120.157	-	299.647
Non-distributed assets	-	-	-	90.510
Total Assets 31.03.2013	**-**	**-**	**-**	**390.157**
The Company				
Total Revenues	12.510	14.829	-	27.339
Gross operating results	(534)	(2.151)	-	(2.685)
Vessels' additions	17	-	-	17
Vessels' depreciation for the period	1.440	1.166	-	2.606
Net book value of vessels	171.907	120.157	-	292.064
Non-distributed assets	-	-	-	72.589
Total Assets 31.03.2013	**-**	**-**	**-**	**364.653**

Revenue from domestic fares includes income from state subsidies for public services routes amounting to € 2.053 thousand for the Group. In the previous corresponded period the relevant amount was € 2.582 thousand.

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, given the fact that the above services and sources of income and cost were resulted from commonly used items of assets and equity and cannot be broken down in segments.

Amounts in thousands € unless stated differently

5. Tangible assets

The tables of tangible assets for the first quarter of 2014 and year 2013 for the Group and the Company are shown below:

The Group	Vessels	Land & buildings	Other equipment	Assets under construction	Total
Acquisition value 01.01.13	**498.159**	**14.602**	**12.760**	**2.606**	**528.127**
Additions	4.625	26	173	328	5.152
Reductions	(344)	-	(7)	-	(351)
Transfers	2.347	-	-	-	2.347
Impairments	(15.307)	-	-	-	(15.307)
Acquisition value 31.12.13	**489.480**	**14.628**	**12.926**	**2.934**	**519.968**
Additions	6	117	54	111	288
Reductions	-	-	-	(4)	(4)
Transfers	-	2.856	-	(2.856)	-
Acquisition value 31.03.14	**489.486**	**17.601**	**12.980**	**185**	**520.252**
Accumulated depreciation 01.01.13	**195.923**	**1.986**	**9.340**	**-**	**207.249**
Depreciation	10.734	211	818	-	11.763
Deductions	-	-	(8)	-	(8)
Accumulated depreciation 31.12.13	**206.657**	**2.197**	**10.150**	**-**	**219.004**
Depreciation	2.312	52	213	-	2.577
Deductions	-	-	-	-	-
Accumulated depreciation 31.03.14	**208.969**	**2.249**	**10.363**	**-**	**221.581**
Net book value 31.12.13	**282.823**	**12.431**	**2.776**	**2.934**	**300.964**
Net book value 31.03.14	**280.517**	**15.352**	**2.617**	**185**	**298.671**

The Company	Vessels	Land & buildings	Other equipment	Assets under construction	Total
Acquisition value 01.01.13	**479.264**	**9.079**	**3.105**	**2.606**	**494.054**
Additions	4.033	-	19	139	4.191
Reductions	(344)	-	-	-	(344)
Transfers	2.202	-	-	-	2.202
Impairments	(13.971)	-	-	-	(13.971)
Acquisition value 31.12.13	**471.184**	**9.079**	**3.124**	**2.745**	**486.132**
Additions	6	86	8	111	211
Reductions	-	-	-	-	-
Transfers	-	2.856	-	(2.856)	-
Acquisition value 31.03.14	**471.190**	**12.021**	**3.132**	**-**	**486.343**
Accumulated depreciation 01.01.13	**184.611**	**1.544**	**2.958**	**-**	**189.113**
Depreciation	10.734	137	50	-	10.921
Deductions	-	-	-	-	-
Accumulated depreciation 31.12.13	**195.345**	**1.681**	**3.008**	**-**	**200.034**
Depreciation	2.312	35	12	-	2.359
Deductions	-	-	-	-	-
Accumulated depreciation 31.03.14	**197.657**	**1.716**	**3.020**	**-**	**202.393**
Net book value 31.12.13	**275.839**	**7.398**	**116**	**2.745**	**286.098**
Net book value 31.03.14	**273.533**	**10.305**	**112**	**-**	**283.950**

Amounts in thousands € unless stated differently

Existing liens

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

a) a' mortgages on vessels amounting to € 364,7 million

b) b' mortgages on vessels amounting to € 256,9 million and

c) mortgages burdening amounting to € 18,7 million as well as pledges on machinery (of the subsidiaries "ETANAP" and "LEFKA ORI") amounting to € 2,5 million.

The above liens exist to secure borrowing liabilities of total amount of € 247,0 million on 31.03.2014.

6. Cash and cash equivalents

The cash and cash equivalents analysis is as follows:

	The Group		The Company	
	31.03.14	**31.12.13**	**31.03.14**	**31.12.13**
Cash on hand	331	290	315	271
Bank accounts	4.650	3.443	2.203	1.560
	4.981	**3.733**	**2.518**	**1.831**

The main part of the Group's cash and cash equivalents is in Euro.

7. Long term borrowings

The long term borrowings for the Group as at 31.03.2014 remained stable in relation with 31.12.2013 amounting to € 210 thousand. It is noted that on 31.12.2012 in the statement of Company's financial position there had been reclassification of the total of long-term loans to short-term ones, according to par.74 of IAS 1, given the fact that terms of the agreements were not met, in respect of debt servicing. According to the contracts, the lack of debt servicing is considered as fail of the Company to meet the terms and conditions undertaken, therefor the Company is obliged to repay the loans to the banks. However, Group's management has already begun contacts with the lender banks in order to modify the terms and conditions of the total of long-term debt. The discussions are in an advanced step and is appreciated to reach final agreement for the loans restructuring soon.

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

Collaterals have been provided to secure the aforementioned syndicated loans (shipping mortgages on vessels, assignment of the insurance covenants) to the lender banks (see note 5). The residual balances of the aforementioned loans appearing in the balance sheets were valued in the net book value using the effective interest rate method and do not defer significantly from their fair value.

Amounts in thousands € unless stated differently

8. Earnings / (losses) per share

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

	The Group		The Company	
	01.01.14-31.03.14	01.01.13-31.03.13	01.01.14-31.03.14	01.01.13-31.03.13
Earnings / (losses) after taxes attributable to Equity holders of the Company	(12.422)	(11.998)	(11.348)	(11.390)
Weighted average number of shares	*188.654.892*	*188.654.892*	*188.654.892*	*188.654.892*
Earnings / (losses) after taxes attributable to Equity holders of the Company	(0,0658)	(0,0636)	(0,0602)	(0,0604)

9. Income tax

The Company and the subsidiaries operating in 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), thus the results of the first quarter of 2014 of the Group were charged by taxes € 27 thousand. The Group results also include € 10 thousand referred to deferred taxes. The fiscal years of the parent company and subsidiaries not subject to tax audit, are presented in the following table:

Company	Unaudited years
ANEK S.A.	2008 – 2013
LANE S.A.	2002 – 2013
ETANAP S.A.	2009 – 2013
LEFKA ORI S.A.	2010 – 2013
ANEK HOLDINGS S.A.	2008 – 2013
AIGAION PELAGOS S.C.	2011 – 2013

It is noted that from year 2011 and on the Group companies came under the tax audit of the certified auditors in regard to article 82, par. 5 of Law 2238/1994. The audit of fiscal years 2011 and 2012 did not reveal differences and the auditors' reports issued unqualified. The tax audit of 2013 is in progress and the relevant tax certificates are going to be provided after publishing the financial statements. However, no significant tax differences are expected to arise. The fiscal year is considered tax finalized eighteen months after the issuance of tax compliance report and provided that no tax violations identified by the tax authorities.

For the years that have not yet been subject to tax audit, Group companies have formed relevant provisions for additional taxes that might arise following a future tax audit for the relevant years. The accumulated provisions stand at € 25 thousand for the Company and at € 192 thousand for the Group.

20 Amounts in thousands € unless stated differently

10. Related party transactions

Balances (receivables / liabilities) with related parties, according the IAS 24, as of 31 March 2014 and 31 December 2013 are as follows:

	The Group		The Company	
	31.03.14	**31.12.13**	**31.03.14**	**31.12.13**
Receivables from:				
- subsidiaries	-	-	198	209
- associates	1	5	-	-
- other related parties	4.591	3.388	4.591	3.388
- executives & members of the BoD	-	-	-	-
	4.592	**3.393**	**4.789**	**3.597**
Payable to:				
- subsidiaries	-	-	762	1.970
- associates	2.283	1.231	1.263	1.231
- other related parties	2	-	-	-
- executives & members of the BoD	254	187	169	126
	2.539	**1.418**	**2.194**	**3.327**

Purchases and sales transactions with related parties during the 1st quarter of 2014 and 2013 are as follows:

	The Group		The Company	
	01.01.14-31.03.14	**01.01.13-31.03.13**	**01.01.13-31.03.13**	**01.01.13-31.03.13**
Purchases of goods & services from:				
- subsidiaries	-	-	33	29
- associates	307	339	307	339
- other related parties	-	121	-	121
	307	**460**	**340**	**489**
Sales of services to:				
- subsidiaries	-	-	2.041	1.518
- other related parties	-	5	-	1
	-	**5**	**2.041**	**1.519**

Fees paid to BoD members and executives

The gross fees paid to Company executives and BoD members for the first quarter of 2014 and 2013 refer to short-term benefits and are analyzed as follows:

	The Group		The Company	
	01.01.14-31.03.14	**01.01.13-31.03.13**	**01.01.14-31.03.14**	**01.01.13-31.03.13**
Executive members of the BoD	167	160	100	101
Non-Executive Members of the BoD	2	-	2	-
Management executives	174	174	174	174
	343	**334**	**276**	**275**

11. Commitments

21 Amounts in thousands € unless stated differently

Operating lease: Group companies have signed operating lease agreements mainly regarding lease of buildings and chartering that are going to be terminated on various dates within the next five years. The minimum future payable lease for building and chartering of vessels based on the operating leases agreements on March 31st 2014 are as follows:

Within a year	9.689
From 2 to 5 years	6.170

Capital commitments: There were no capital commitments for the Company or the Group as at 31st March 2014.

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 – litigation matters

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 € 99 thousand.

Contingent liabilities / receivables: The Group's contingent liabilities as at 31.3.2014 arising from its normal activity pertain to guarantees granted to secure liabilities (mainly in connection with subsidized routes) and performance bonds amounting to € 8.354 thousand. Respectively, the Group has received guarantees for receivables amounting to € 22.286 thousand.

13. Post Balance events

There are no postdate events as at 31st of March 2014, that could affect significantly the financial position and the financial statements of the Group and the company, and should have been reported in the notes of the financial statements.

Chania, 30 May 2014

Senior Vice-Chairman	**Managing Director**
Spyridon I. Protopapadakis **ID Card No. AA 490648**	**Ioannis I. Vardinoyannis** **ID Card No. Π 966572**
Chief Financial Officer	**Chief Accountant**
Stylianos I. Stamos **ID Card No. M 068570**	**Ioannis E. Spanoudakis** **Economic Chamber License No. 20599, Class A**

Amounts in thousands € unless stated differently