



a Grimaldi Group company

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

## **condensed interim Company stand-alone and consolidated financial statements for the period ended March 31<sup>st</sup> 2014 (1/1 – 31/3/2014)**

**in accordance with I.A.S. 34  
(interim financial reporting)**

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

Shipping Societe Anonyme  
Company's Nr in the General Electronic Commercial Registry: 77083027000  
Company's Nr in the S.As. Register 11314 / 06 / B / 86 / 13  
17, 25<sup>th</sup> August Str. – 71 202 Heraklion – Crete

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

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	The Group		The Company	
		1/1 – 31/3/2014	1/1 – 31/3/2013	1/1 – 31/3/2014	1/1 – 31/3/2013
Revenue	6	31,321	30,333	28,768	27,758
Cost of sales	7	-29,912	-30,442	-28,530	-29,060
<b>Gross (loss) / profit</b>		<b>1,409</b>	<b>-109</b>	<b>238</b>	<b>-1,302</b>
Other operating income		20	236	20	236
Selling expenses		-2,281	-2,444	-2,258	-2,422
Administrative expenses		-1,220	-1,304	-1,212	-1,270
Other operating expenses		-2	-6	-2	-6
<b>Operating (loss) before financing costs</b>		<b>-2,074</b>	<b>-3,627</b>	<b>-3,214</b>	<b>-4,764</b>
Finance income		18	17	16	16
Finance expenses		-1,695	-2,104	-1,695	-2,104
<b>Net finance results</b>		<b>-1,677</b>	<b>-2,087</b>	<b>-1,679</b>	<b>-2,088</b>
<b>(Loss) of the period before taxes</b>		<b>-3,751</b>	<b>-5,714</b>	<b>-4,893</b>	<b>-6,852</b>
Income tax	8	-59	-63	-	-
<b>(Loss) of the period after taxes (a)</b>		<b>-3,810</b>	<b>-5,777</b>	<b>-4,893</b>	<b>-6,852</b>
Other comprehensive income of the period after taxes (b)		-	-	-	-
<b>Total comprehensive income of the period after taxes (a) + (b)</b>		<b>-3,810</b>	<b>-5,777</b>	<b>-4,893</b>	<b>-6,852</b>
<b>The loss of the period after taxes is attributable to :</b>					
Owners of the parent company		-3,810	-5,777	-4,893	-6,852
Non-controlling Interests		-	-	-	-
<b>(Loss) of the period after taxes (a)</b>		<b>-3,810</b>	<b>-5,777</b>	<b>-4,893</b>	<b>-6,852</b>
<b>The total comprehensive income of the period after taxes is attributable to :</b>					
Owners of the parent		-3,810	-5,777	-4,893	-6,852
Non-controlling interests		-	-	-	-
<b>Total comprehensive income of the period after taxes (a) + (b)</b>		<b>-3,810</b>	<b>-5,777</b>	<b>-4,893</b>	<b>-6,852</b>
<b>Basic (Loss) of the period per share after taxes (in €)</b>	9	<b>-0.0398</b>	<b>-0.0815</b>	<b>-0.0512</b>	<b>-0.0966</b>

The accompanying notes on pages 6 – 17 are an integral part of the condensed interim financial statements.

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	<u>The Group</u>		<u>The Company</u>	
		<u>31/3/2014</u>	<u>31/12/2013</u>	<u>31/3/2014</u>	<u>31/12/2013</u>
<b>Assets</b>					
<b><u>Non – current assets</u></b>					
Tangible assets	10	393,845	396,906	236,018	237,696
Intangible assets	10	275	299	275	299
Investment property	11	1,329	1,340	1,329	1,340
Investments in subsidiaries	12	–	–	154,743	154,743
Available for sale financial assets	5 & 13	50,570	50,570	50,570	50,570
Other long term assets - receivables		17,535	17,535	17,535	17,535
<b>Total non – current assets</b>		<b>463,554</b>	<b>466,650</b>	<b>460,470</b>	<b>462,183</b>
<b><u>Current assets</u></b>					
Inventories		3,571	3,715	3,571	3,715
Trade and other receivables		46,448	31,158	45,151	31,292
Other current assets		6,094	8,586	3,892	6,597
Cash and cash equivalents	14	5,440	19,206	4,465	19,124
<b>Total current assets</b>		<b>61,553</b>	<b>62,665</b>	<b>57,079</b>	<b>60,728</b>
<b>Total Assets</b>		<b>525,107</b>	<b>529,315</b>	<b>517,549</b>	<b>522,911</b>
<b><u>Equity and liabilities</u></b>					
<b><u>Equity</u></b>					
Share capital	15	240,705	210,118	240,705	210,118
Share premium	15	25,742	26,171	25,742	26,171
Other reserves		60,272	60,272	60,255	60,255
Retained earnings		-88,725	-84,915	-95,633	-90,740
<b>Total Equity attributable to equity holders of the parent</b>		<b>237,994</b>	<b>211,646</b>	<b>231,069</b>	<b>205,804</b>
Non–controlling interests		–	–	–	–
<b>Total equity</b>		<b>237,994</b>	<b>211,646</b>	<b>231,069</b>	<b>205,804</b>
<b><u>Non – current liabilities</u></b>					
Loans	16	210,572	210,539	210,572	210,539
Deferred tax liabilities		201	181	–	–
Retirement benefit obligations		1,364	1,360	1,364	1,360
Deferred government grants		3,788	3,836	3,788	3,836
Other provisions		83	83	83	83
<b>Total Non – current liabilities</b>		<b>216,008</b>	<b>215,999</b>	<b>215,807</b>	<b>215,818</b>
<b><u>Current liabilities</u></b>					
Bank overdrafts		4,724	13,421	4,724	13,421
Loans–current portion of long term loans	16	16,259	16,259	16,259	16,259
Income tax obligations		160	121	–	–
Trade and other payables		49,962	71,869	49,690	71,609
<b>Total Current liabilities</b>		<b>71,105</b>	<b>101,670</b>	<b>70,673</b>	<b>101,289</b>
<b>Total liabilities</b>		<b>287,113</b>	<b>317,669</b>	<b>286,480</b>	<b>317,107</b>
<b>Total equity and liabilities</b>		<b>525,107</b>	<b>529,315</b>	<b>517,549</b>	<b>522,911</b>

The accompanying notes on pages 6 – 17 are an integral part of the condensed interim financial statements.

## CONDENSED INTERIM 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>
Balance as at 1/1/2013		159,584	26,943	59,921	-73,040	173,408
<b>Changes in equity 1/1 – 31/3/2013</b>						
(Loss) of the period after taxes (a)					-6,852	-6,852
Other comprehensive income of the period after taxes (b)					–	–
<b>Total comprehensive income of the period after taxes (a) + (b)</b>					-6,852	-6,852
<b>Balance as at 31/3/2013</b>		<b>159,584</b>	<b>26,943</b>	<b>59,921</b>	<b>-79,892</b>	<b>166,556</b>
Balance as at 1/1/2014		210,118	26,171	60,255	-90,740	205,804
<b>Changes in equity 1/1 – 31/3/2014</b>						
Share capital increase	15	30,587				30,587
Costs of share capital increase	15		-429			-429
(Loss) of the period after taxes (a)					-4,893	-4,893
Other comprehensive income of the period after taxes (b)					–	–
<b>Total comprehensive income of the period after taxes (a) + (b)</b>					-4,893	-4,893
<b>Balance as at 31/3/2014</b>		<b>240,705</b>	<b>25,742</b>	<b>60,255</b>	<b>-95,633</b>	<b>231,069</b>

The accompanying notes on pages 6 – 17 are an integral part of the condensed interim financial statements.

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributed to owners of the parent company							
<u>Note</u>	<u>Share capital</u>	<u>Share premium</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total Shareholders' Equity</u>	<u>Non – controlling interests</u>	<u>Total Equity</u>
Balance as at 1/1/2013	159,584	26,943	59,923	-70,098	176,352	–	176,352
<b>Changes in equity 1/1 – 31/3/2013</b>							
(Loss) of the period after taxes (a)				-5,777	-5,777	–	-5,777
Other comprehensive income of the period after taxes (b)				–	–	–	–
<b>Total comprehensive income of the period after taxes (a) + (b)</b>				<b>-5,777</b>	<b>-5,777</b>	<b>–</b>	<b>-5,777</b>
<b>Balance as at 31/3/2013</b>	<b>159,584</b>	<b>26,943</b>	<b>59,923</b>	<b>-75,875</b>	<b>170,575</b>	<b>–</b>	<b>170,575</b>
<hr/>							
Balance as at 1/1/2014	210,118	26,171	60,272	-84,915	211,646	–	211,646
<b>Changes in equity 1/1 – 31/3/2014</b>							
Share capital increase	15	30,587			30,587		30,587
Costs of share capital increase	15		-429		-429		-429
(Loss) of the period after taxes (a)				-3,810	-3,810	–	-3,810
Other comprehensive income of the period after taxes (b)				–	–	–	–
<b>Total comprehensive income of the period after taxes (a) + (b)</b>				<b>-3,810</b>	<b>-3,810</b>	<b>–</b>	<b>-3,810</b>
<b>Balance as at 31/3/2014</b>	<b>240,705</b>	<b>25,742</b>	<b>60,272</b>	<b>-88,725</b>	<b>237,994</b>	<b>–</b>	<b>237,994</b>

The accompanying notes on pages 6 – 17 are an integral part of the condensed interim financial statements.

## CONDENSED INTERIM STATEMENT OF CASH FLOWS

	Note	<b>The Group</b>		<b>The Company</b>	
		<b>1/1 – 31/3/2014</b>	<b>1/1 – 31/3/2013</b>	<b>1/1 – 31/3/2014</b>	<b>1/1 – 31/3/2013</b>
<b><u>Cash Flows from Operating Activities</u></b>					
<b>(Loss) of the period before taxes</b>		<b>-3,751</b>	<b>-5,714</b>	<b>-4,893</b>	<b>-6,852</b>
<b>plus / (less) adjustments for :</b>					
Net depreciation		3,840	3,811	2,459	2,429
Provisions		16	38	16	38
Net Foreign Exchange		-2	29	-2	29
[ (Income), / (gains) ] from other investing activities		–	-1	–	-1
Interest and other financial expenses		1,695	2,104	1,695	2,104
<b>plus / (less) Adjustments for changes in working capital or operating activities :</b>					
Decrease / (Increase) in inventories		144	-251	144	-251
(Increase) in trade and other receivables		-12,820	-6,583	-11,259	-6,209
(Decrease) / Increase in liabilities other than borrowings		-21,996	4,163	-21,927	5,619
<b>(less) :</b>					
Interest and related expenses paid		-1,558	-1,065	-1,558	-1,065
<b>Net cash (used in) operating activities (a)</b>		<b>-34,432</b>	<b>-3,469</b>	<b>-35,325</b>	<b>-4,159</b>
<b><u>Cash Flows from Investing activities</u></b>					
Purchase of tangible and intangible assets	10	-795	-672	-795	-672
Proceeds from disposal of tangible assets		–	413	–	413
<b>Net cash (used in) investing activities (b)</b>		<b>-795</b>	<b>-259</b>	<b>-795</b>	<b>-259</b>
<b><u>Cash Flows from Financing activities</u></b>					
Net proceeds from share capital increase		30,158	–	30,158	–
Repayment of long/short term borrowings		-8,697	-13,184	-8,697	-13,184
<b>Net cash flow generated by / (used in) financing activities (c)</b>		<b>21,461</b>	<b>-13,184</b>	<b>21,461</b>	<b>-13,184</b>
<b>Net (decrease) in cash and cash equivalents (a) + (b) + (c)</b>		<b>-13,766</b>	<b>-16,912</b>	<b>-14,659</b>	<b>-17,602</b>
<b>Cash and cash equivalents at the beginning of the period</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 period</b>	14	<b>5,440</b>	<b>2,742</b>	<b>4,465</b>	<b>1,907</b>

The accompanying notes on pages 6 – 17 are an integral part of the condensed interim financial statements.

## Notes to the condensed interim Company stand-alone and consolidated financial statements for the period ended March 31<sup>st</sup> 2014 (1/1 – 31/3/2014)

### 1. General Company's and Group's information

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

The number of the personnel employed for the period ended 31/3/2014 and 31/3/2013 was 336 and 353, respectively. Minoan Lines' shares are listed on the Athens Stock Exchange (code: MINOA). The corresponding code under Reuters is MILr.AT and under Bloomberg is MINOA GA.

The total number of ordinary shares outstanding on 31/3/2014 was 106,980,050, while the weighted average number of shares on 31/3/2014 was 95,651,592 (note 15). The total market capitalization reached € 161,540. 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 31/3/2014, three (3) members of the board were executive, three (3) were non-executive and two (2) were non-executive-independent members.

The condensed interim financial statements for the period ended 31/3/2014, which were approved by the Board of Directors meeting on May 28<sup>th</sup> 2014, include the condensed interim Company stand-alone and consolidated financial statements (the “Financial Statements”).

The consolidated financial statements include the Company and its subsidiaries (the Group).

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

<u>company</u>	<u>Consolidation Method</u>	<u>Headquarters</u>	<u>% Interest</u>	
			<u>2014</u>	<u>2013</u>
Minoan Italia S.p.A.	Full	Palermo – Italy	100%	100%
Kritiki Filoxenia S.A. *	Full	Heraklion – Crete	–	100%
Athina A.V.E.E. *	Full	Heraklion – Crete	–	100%

\* Within the year 2013 the company has been sold

### 2. Basis of preparation of the financial statements

#### 2.1 Statement of compliance

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

The Financial Statements do not include all notes and information required and it is recommended they be read in conjunction with the Annual Financial Statements for the year ended 2013.

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

#### 2.2 Use of estimates

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

Significant estimates and critical judgements in applying accounting policies that have significant effect on the Financial Statements as well as those which involve potential risk for adjustment in the next fiscal year, do not differ than those applied in the Annual Financial Statements as of 31/12/2013.

### 3. Significant accounting policies

The significant accounting policies adopted for the preparation of the Financial Statements on 31/3/2014, with the exception of the following changes / additions, are those applied for the preparation of the Annual Financial Statements on 31/12/2013 and have been published in the Company's web site [www.minoan.gr](http://www.minoan.gr).

#### 3.1 Tangible and intangible assets

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

Buildings	33	years
Vessels	35	years
Vessels' spare parts	5	years
Vessels' equipment	4.16	years
Transportation Means	6.66	years
Furniture and relevant equipment	6.66	years
Computers and Software	4.16	years
Mobile phones & tablets	2	years

#### 3.2 New standards, interpretations and amendments of existing standards

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group is in the process of assessing the impact of the implementations of the IFRS amendments in the financial statements. In any such case, unless otherwise stated, the Group considers that the following amendments have no or insignificant effect to the interim condensed financial statements.

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

###### **IAS 32 (Amendment) “Financial Instruments: Presentation”**

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.

##### **Group of standards on consolidation and joint arrangements**

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). The main provisions are as follows.

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

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

###### **IFRS 11 “Joint Arrangements”**

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

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

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

###### **IAS 27 (Amendment) “Separate Financial Statements”**

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

**IAS 28 (Amendment) “Investments in Associates and Joint Ventures”**

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

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

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

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

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

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

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

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

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

**Standards and Interpretations effective for subsequent periods**

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

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

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

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

**IFRS 2 “Share-based payment”**

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

**IFRS 3 “Business combinations”**

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

**IFRS 8 “Operating segments”**

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

**IFRS 13 “Fair value measurement”**

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

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

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

**IAS 24 “Related party disclosures”**

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

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

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

#### **IFRS 3 “Business combinations”**

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

#### **IFRS 13 “Fair value measurement”**

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

#### **IAS 40 “Investment property”**

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

#### **IFRS 9 “Financial Instruments”**

IFRS 9 replaces part of IAS 39 which deals with the classification and measurement of financial assets and financial liabilities. The IASB (“International Accounting Standards Board”) intends to expand IFRS 9 in subsequent phases. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU.

#### **IFRS 9 “Financial Instruments: Hedge accounting and amendments to IFRS 9, IFRS7 and IAS 39”**

The IASB has published IFRS 9 Hedge Accounting, the third phase of its replacement of IAS 39 which establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The second amendment requires changes in the fair value of an entity's debt attributable to changes in an entity's own credit risk to be recognised in other comprehensive income and the third amendment is the removal of the mandatory effective date of IFRS 9. These amendments have not yet been endorsed by the EU.

#### **IFRS 7 (Amendment) “Financial Instruments: Disclosures”**

The amendment requires additional disclosures on transition from IAS 39 to IFRS 9. The amendment has not yet been endorsed by the EU.

#### **IFRIC 21 “Levies” (effective for annual periods beginning on or after 1 January 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. This interpretation has not yet been endorsed by the EU.

## **4. Financial risk management**

The Company's policies regarding the financial and capital risk management are those that have been expressively analyzed in the Annual Financial Report for the year 1/1–31/12/2013.

## **5. 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 31/3/2014 and 31/12/2013 respectively, the Group and the Company held the following financial instruments measured at fair value:

<b>Financial instruments</b>	<b>Level</b>	<b>The Group</b>		<b>The Company</b>	
		<b>31/3/2014</b>	<b>31/12/2013</b>	<b>31/3/2014</b>	<b>31/12/2013</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.

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

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

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

## 6. Revenue

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2014</u>	<u>31/3/2013</u>	<u>31/3/2014</u>	<u>31/3/2013</u>
Revenue from Vessel Operations (fares-chartering) and agency fees	28,596	27,538	26,043	24,963
Revenue from on board sales	2,725	2,795	2,725	2,795
<b>Totals</b>	<b>31,321</b>	<b>30,333</b>	<b>28,768</b>	<b>27,758</b>

## 7. Cost of sales

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2014</u>	<u>31/3/2013</u>	<u>31/3/2014</u>	<u>31/3/2013</u>
Payroll cost	2,363	2,703	2,363	2,703
Bunkers and lubricants – on board sales costs	16,498	16,333	16,498	16,333
Port expenses – Maintenances – Consumables	1,822	2,046	1,822	2,046
Vessels chartering cost	4,912	4,664	3,530	3,282
Depreciation – Various other costs	4,317	4,696	4,317	4,696
<b>Totals</b>	<b>29,912</b>	<b>30,442</b>	<b>28,530</b>	<b>29,060</b>

## 8. Income tax

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2014</u>	<u>31/3/2013</u>	<u>31/3/2014</u>	<u>31/3/2013</u>
Income tax expense estimation for the period ended	39	33	–	–
Deferred tax	20	30	–	–
<b>Totals</b>	<b>59</b>	<b>63</b>	<b>–</b>	<b>–</b>

## 9. Earnings per share

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2014</u>	<u>31/3/2013</u>	<u>31/3/2014</u>	<u>31/3/2013</u>
(Loss) of the period attributable to shareholders of the Parent	-3,810	-5,777	-4,893	-6,852
Weighted average number of shares outstanding	95,651,592	70,926,000	95,651,592	70,926,000
Basic (Loss) of the period per share after taxes (in €)	-0.0398	-0.0815	-0.0512	-0.0966

## 10. Tangible and intangible assets

	<u>The Group</u>						
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Vessels – Spare parts – Vessels' other equipment</u>	<u>Furniture – Computers – Other equipment – Mobile phones &amp; tablets</u>	<u>Software</u>	<u>Totals</u>
Cost at 1/1/2013	2,110	6,450	38	527,414	3,153	3,043	542,208
Acquisitions and additions 1/1 – 31/12/2013	–	21	–	1,633	138	97	1,889
Less / (plus): Disposals – Transfers – Write	–	–	30	-2,597	12	–	-2,555

Minoan Lines Shipping S.A. – condensed interim Company stand-alone and consolidated financial statements for the period 1/1 – 31/3/2014  
(amounts in thousands of €)

offs 1/1 – 31/12/2013								
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>3,279</b>	<b>3,140</b>	<b>546,459</b>	
<b>Cost at 1/1/2014</b>	<b>2,110</b>	<b>6,278</b>	<b>8</b>	<b>531,644</b>	<b>3,279</b>	<b>3,140</b>	<b>546,459</b>	
Acquisitions and additions 1/1 – 31/3/2014	–	–	–	750	32	13	795	
Less / (plus): Disposals – Transfers – Write offs 1/1 – 31/3/2014	–	–	–	1	-1	–	–	
<b>Costs at 31/3/2014</b>	<b>2,110</b>	<b>6,278</b>	<b>8</b>	<b>532,393</b>	<b>3,312</b>	<b>3,153</b>	<b>547,254</b>	
<b>Accumulated Depreciation at 1/1/2013</b>	<b>–</b>	<b>2,091</b>	<b>29</b>	<b>126,349</b>	<b>2,685</b>	<b>2,709</b>	<b>133,863</b>	
Depreciation for the period 1/1 – 31/12/2013	–	262	2	14,828	218	132	15,442	
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1 – 31/12/2013	–	–	26	14	11	–	51	
<b>Accumulated Depreciation at 31/12/2013</b>	<b>–</b>	<b>2,353</b>	<b>5</b>	<b>141,163</b>	<b>2,892</b>	<b>2,841</b>	<b>149,254</b>	
<b>Accumulated Depreciation at 1/1/2014</b>	<b>–</b>	<b>2,353</b>	<b>5</b>	<b>141,163</b>	<b>2,892</b>	<b>2,841</b>	<b>149,254</b>	
Depreciation for the period 1/1 – 31/3/2014	–	64	–	3,730	49	37	3,880	
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1 – 31/3/2014	–	–	–	3	-3	–	–	
<b>Accumulated Depreciation at 31/3/2014</b>	<b>–</b>	<b>2,417</b>	<b>5</b>	<b>144,890</b>	<b>2,944</b>	<b>2,878</b>	<b>153,134</b>	
<b>Net book value at :</b>								
<b>1/1/2013</b>	<b>2,110</b>	<b>4,359</b>	<b>9</b>	<b>401,065</b>	<b>468</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>390,481</b>	<b>387</b>	<b>299</b>	<b>397,205</b>	
<b>31/3/2014</b>	<b>2,110</b>	<b>3,861</b>	<b>3</b>	<b>387,503</b>	<b>368</b>	<b>275</b>	<b>394,120</b>	

The Company

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Vessels – Spare parts – Vessels' other equipment</u>	<u>Furniture – Computers – Other equipment – Mobile phones &amp; tablets</u>	<u>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>3,153</b>	<b>3,043</b>	<b>328,487</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>3,279</b>	<b>3,140</b>	<b>332,738</b>
<b>Cost at 1/1/2014</b>	<b>2,110</b>	<b>6,278</b>	<b>8</b>	<b>317,923</b>	<b>3,279</b>	<b>3,140</b>	<b>332,738</b>
Acquisitions and additions 1/1 – 31/3/2014	–	–	–	750	32	13	795
Less / (plus): Disposals – Transfers – Write offs 1/1 – 31/3/2014	–	–	–	1	-1	–	–
<b>Costs at 31/3/2014</b>	<b>2,110</b>	<b>6,278</b>	<b>8</b>	<b>318,672</b>	<b>3,312</b>	<b>3,153</b>	<b>333,533</b>
<b>Accumulated Depreciation at 1/1/2013</b>	<b>–</b>	<b>2,091</b>	<b>29</b>	<b>77,366</b>	<b>2,685</b>	<b>2,709</b>	<b>84,880</b>
Depreciation for the period 1/1 – 31/12/2013	–	262	2	9,300	218	132	9,914
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1 – 31/12/2013	–	–	26	14	11	–	51
<b>Accumulated Depreciation at 31/12/2013</b>	<b>–</b>	<b>2,353</b>	<b>5</b>	<b>86,652</b>	<b>2,892</b>	<b>2,841</b>	<b>94,743</b>
<b>Accumulated Depreciation at 1/1/2014</b>	<b>–</b>	<b>2,353</b>	<b>5</b>	<b>86,652</b>	<b>2,892</b>	<b>2,841</b>	<b>94,743</b>
Depreciation for the period 1/1 – 31/3/2014	–	64	–	2,347	49	37	2,497
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1 – 31/3/2014	–	–	–	3	-3	–	–
<b>Accumulated Depreciation at 31/3/2014</b>	<b>–</b>	<b>2,417</b>	<b>5</b>	<b>88,996</b>	<b>2,944</b>	<b>2,878</b>	<b>97,240</b>

**Net book value at :**

1/1/2013	2,110	4,359	9	236,327	468	334	243,607
31/12/2013	2,110	3,925	3	231,271	387	299	237,995
31/3/2014	2,110	3,861	3	229,676	368	275	236,293

## 11. 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>	5,114	2,011	7,125	557	1,195	1,752
Less : Disposals 1/1 – 31/12/2013	4,557	816	5,373	–	–	–
<b>Costs at 31/12/2013</b>	557	1,195	1,752	557	1,195	1,752
<b>Cost at 1/1/2014</b>	557	1,195	1,752	557	1,195	1,752
	–	–	–	–	–	–
<b>Costs at 31/3/2014</b>	557	1,195	1,752	557	1,195	1,752
<b>Accumulated Depreciation at 1/1/2013</b>	–	1,187	1,187	–	371	371
Depreciation for the period 1/1 – 31/12/2013	–	41	41	–	41	41
Less : Disposed assets accumulated depreciation 1/1 – 31/12/2013	–	816	816	–	–	–
<b>Accumulated Depreciation at 31/12/2013</b>	–	412	412	–	412	412
<b>Accumulated Depreciation at 1/1/2014</b>	–	412	412	–	412	412
Depreciation for the period 1/1 – 31/3/2014	–	11	11	–	11	11
<b>Accumulated Depreciation at 31/3/2014</b>	–	423	423	–	423	423
<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
31/3/2014	557	772	1,329	557	772	1,329

## 12. Investments in subsidiaries

Investments in subsidiaries are as follows:

<b>company</b>	<u>Participation amount</u>	
	<u>31/3/2014</u>	<u>31/12/2013</u>
Minoan Italia S.p.A.	154,743	154,743
<b>Totals</b>	<b>154,743</b>	<b>154,743</b>

## 13. Available for sale financial assets

The term “available for sale financial assets” refers mainly to the Company’s investment in the non-listed company Hellenic Seaways Shipping S.A. The share owned by the Company in Hellenic Seaways Shipping S.A. is 33.35%. The Company believes that it has no significant influence in the management / financial policy of the company. The reasons for which the Company has documented that does not exercise significant influence over the management / financial policy of this company are described in detail in the Annual Financial Report for the year 1/1 – 31/12/2013 and have not changed in the current period. Therefore, the Company believes that no significant / material influence is exercised to Hellenic Seaways Shipping S.A. as defined in I.A.S. 28 and thus, the investment was valued in accordance with I.A.S. 39.

## 14. Cash and cash equivalents

	<u>The Group</u>		<u>The Company</u>	
	<u>31/3/2014</u>	<u>31/12/2013</u>	<u>31/3/2014</u>	<u>31/12/2013</u>
Cash on hand	307	245	245	245
Cash in banks and time deposits	5,133	18,961	4,220	18,879
<b>Totals</b>	<b>5,440</b>	<b>19,206</b>	<b>4,465</b>	<b>19,124</b>

## 15. Share capital

(The amounts of note 15 are presented in €)

The share capital of the Company is divided into 106,980,050 ordinary shares with a nominal value of €2.25 each. The equity holders of ordinary shares receive dividend when it is approved for distribution by the General Shareholders' Meeting. Every ordinary share carries one voting right at the General Shareholders' Meetings. On 31/1/2014 at an Extraordinary General Meeting of Shareholders decided the Capital increase of the Company up to the amount of € 30,586,837.50 with the issue of up to 13,594,150 registered shares of nominal value of € 2.25 each through payment in cash and the granting of pre-emption right in favor of existing shareholders. The shares will be granted to the shareholders of the Company through the exercise of the pre-emption right at a ratio of 23 new shares to 158 existing shares at par value. The funds raised by virtue of the share capital increase will be used until 31/12/2014, following the respective deduction of the expenses related to the increase, for the payment by priority of intercompany callable obligations and more specific to the companies GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.A. and ATLANTICA DI NAVIGAZIONE S.p.A. and / or obligations to third parties of the Company. On March 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 as at 31/3/2014 are amounted to € 428,592.63 and are presented as a deduction of total equity, as defined by the standards.

The calculation of the weighted average number of shares outstanding as at 31/3/2014 is presented below:

<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	0.833	93,385,900	77,821,583
17/3/2014 – 31/3/2014	15	0.167	106,980,050	17,830,008
	<b>90</b>	<b>1.000</b>		<b>95,651,592</b>

## 16. Long-term bank borrowings

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

	<u>Average interest rate 3m 2014</u>	<u>31/3/2014</u>	<u>Average interest rate 3m 2013</u>	<u>31/3/2013</u>
Bond Loan – Agent National Bank of Greece	2.48%	227,622	2.43%	243,880
Less : Net book value of transaction costs		-791		-922
<b>Total bond loan</b>		<b>226,831</b>		<b>242,958</b>
Less : current portion of long-term loan		-16,259		-16,259
<b>Total Long term debt</b>		<b>210,572</b>		<b>226,699</b>

The payment schedule of the bond loan agreement on 31/3/2014 is the following:

Within the next year	16,259
2-3 years	32,517
4-5 years	32,517
5 years or more	146,329
<b>Totals</b>	<b>227,622</b>

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 € 165,000.

## 17. 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). On the contrary, the revenue from truck fares is evenly spread throughout the year. Finally, the turnover from chartering of vessels is included in the unallocated items.

<b>The Group</b>					
	<b><u>1/1 – 31/3/2014</u></b>	<b><u>Greece routes</u></b>	<b><u>Adriatic routes</u></b>	<b><u>Unallocated items</u></b>	<b><u>Totals</u></b>
Revenue		8,220	18,599	4,502	<b>31,321</b>
Gross Profit / (loss)		-122	-73	1,604	<b>1,409</b>
Profit / (loss) before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)		1,295	-462	933	<b>1,766</b>
Net depreciation		-1,673	-5	-2,162	<b>-3,840</b>
(Loss) before taxation, financing and investment costs		-378	-467	-1,229	<b>-2,074</b>
Financial income		–	–	18	<b>18</b>
Financial expense		-460	–	-1,235	<b>-1,695</b>
(Loss) of the period before taxes		-838	-467	-2,446	<b>-3,751</b>
Income tax		–	–	-59	<b>-59</b>
	<b>(Loss) of the period after taxes</b>	<b>-838</b>	<b>-467</b>	<b>-2,505</b>	<b>-3,810</b>
	<b><u>31/3/2014</u></b>				
Total assets		171,788	3,523	349,796	<b>525,107</b>
Total liabilities		74,721	3,638	208,754	<b>287,113</b>
Capital expenditure		457	–	338	<b>795</b>

<b>The Group</b>					
	<b><u>1/1 – 31/3/2013</u></b>	<b><u>Greece routes</u></b>	<b><u>Adriatic routes</u></b>	<b><u>Unallocated items</u></b>	<b><u>Totals</u></b>
Revenue		8,482	17,905	3,946	<b>30,333</b>
Gross profit / (Loss)		-833	-484	1,208	<b>-109</b>
Profit / (loss) before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)		771	-1,082	495	<b>184</b>
Net depreciation		-1,721	-7	-2,083	<b>-3,811</b>
(Loss) before taxation, financing and investment costs		-950	-1,089	-1,588	<b>-3,627</b>
Financial income		–	–	17	<b>17</b>
Financial expense		-506	–	-1,598	<b>-2,104</b>
(Loss) of the period before taxes		-1,456	-1,089	-3,169	<b>-5,714</b>
Income tax		–	–	-63	<b>-63</b>
	<b>(Loss) of the period after taxes</b>	<b>-1,456</b>	<b>-1,089</b>	<b>-3,232</b>	<b>-5,777</b>
	<b><u>31/12/2013</u></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>

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

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

## **18. 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 31/3/2014 and 31/12/2013, as well as purchases (services received) and sales (services provided) for the periods 1/1 – 31/3/2014 and 1/1 – 31/3/2013 respectively:

## 18.1 Group of ultimate parent company

31/3/2014

<u>company</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>Grimaldi Compagnia di Navigazione S.p.A. *</u>	<u>Atlantica di Navigazione S.p.A.</u>	<u>Finnlines Plc</u>	<u>Totals</u>	<u>Compagnia di Navigazione S.p.A.</u>	<u>Totals</u>
due from	3,506	–	1	3,507	–	3,507
payable to	–	3,638	–	3,638	5	3,643

\* Grimaldi Tours is included

31/12/2013

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

\* Grimaldi Tours is included

In the obligation towards the company Atlantica di Navigazione S.p.A. as at 31/12/2013 an amount of €28,000 is included, concerning advance of disposal of vessel, which has been cancelled.

1/1 – 31/3/2014

<u>company</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>Grimaldi Compagnia di Navigazione S.p.A. *</u>	<u>Atlantica di Navigazione S.p.A.</u>	<u>Finnlines Plc</u>	<u>Totals</u>	<u>Compagnia di Navigazione S.p.A.</u>	<u>Totals</u>
Chartering cost	2,441	1,877	–	4,318	–	4,318
Crew wages cost	110	16	–	126	–	126
Attributing crew wages cost of chartered owned vessels	280	110	–	390	–	390
Bunkers cost	–	92	–	92	–	92
Other expenses	–	51	–	51	5	56
<b>Totals</b>	<b>2,830</b>	<b>2,147</b>	<b>–</b>	<b>4,977</b>	<b>5</b>	<b>4,982</b>
Chartering revenue	–	1,504	–	1,504	–	1,504
Revenue from crew coat reduction of chartered vessels	75	29	–	104	–	104
Other revenue from services rendered	6	264	–	270	–	270
Other revenue	2	–	–	2	–	2
<b>Totals</b>	<b>83</b>	<b>1,797</b>	<b>–</b>	<b>1,880</b>	<b>–</b>	<b>1,880</b>

\* Grimaldi Tours is included

1/1 – 31/3/2013

<u>company</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>Grimaldi Compagnia di Navigazione S.p.A. *</u>	<u>Atlantica di Navigazione S.p.a</u>	<u>Finnlines Plc</u>	<u>Totals</u>	<u>Compagnia di Navigazione S.p.A.</u>	<u>Totals</u>
Chartering cost	3,168	1,528	–	4,696	–	4,696
Crew wages cost	105	15	–	120	–	120
Bunkers cost	142	62	–	204	–	204
50% on-board operating result	–	209	–	209	–	209
Other expenses	–	2	–	2	5	7
<b>Totals</b>	<b>3,415</b>	<b>1,816</b>	<b>–</b>	<b>5,231</b>	<b>5</b>	<b>5,236</b>
Chartering revenue	–	1,335	–	1,335	–	1,335
Revenue from bunker disposal	–	640	–	640	–	640
Revenue from crew coat reduction of chartered vessels	79	27	–	106	–	106

**Minoan Lines Shipping S.A. – condensed interim Company stand-alone and consolidated financial statements for the period 1/1 – 31/3/2014**  
**(amounts in thousands of €)**

Other revenue from services rendered	9	200	<b>209</b>	–	<b>209</b>
Other revenue	88	2,201	<b>2,289</b>	–	<b>2,289</b>
<b>Totals</b>	<b>176</b>	<b>4,403</b>	<b>4,579</b>	–	<b>4,579</b>

\* Grimaldi Tours is included

## 18.2 Subsidiaries

### 31/3/2014

<u>company</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
Minoan Lines Shipping S.A. (payable to)	1,275	<b>1,275</b>

### 31/12/2013

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

### 1/1 – 31/3/2014

<u>company</u>		<u>Totals</u>
–	–	–
<b>Totals</b>	<b>–</b>	<b>–</b>

### 1/1 – 31/3/2013

<u>company</u>	<u>Kritiki Filoxenia S.A. *</u>	<u>Totals</u>
<b>Minoan Lines Shipping S.A.</b>		
Revenue from rentals	-1	<b>-1</b>
<b>Totals</b>	<b>-1</b>	<b>-1</b>

\* Within the year 2013 the company has been sold

All the above transactions, as referred in notes 18.1 and 18.2, were entered into at arm's length.

## 18.3 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>31/3/2014</u>	<u>31/3/2013</u>
Executive Directors	126	126
Non – executive Directors	48	48
management	151	151
<b>Totals</b>	<b>325</b>	<b>325</b>

Of the total remunerations above, an amount of € 61 and € 60 remains unpaid as at 31/3/2014 and 31/3/2013 respectively. In addition, as at 31/3/2014 and 31/3/2013, amounts of € 23 and € 71 were receivable from one of the members of the Board of Directors, resulting from commercial activities. Finally, transactions with relatives of the Management and executives for the period ended 31/3/2014 amounted to € 38 while remains unpaid as at 31/3/2014 € 9. The nature of these transactions was mainly labor (payroll) and commercial cooperation (fees for goods and services received).

## 19. Contingent liabilities

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

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

<u>company</u>	<u>Unaudited tax years</u>
Minoan Lines S.A.	2006 – 2014
Minoan Italia S.p.A.	2009 – 2014

From the financial year 2011 and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an Annual Tax Certificate as provided for by paragraph 5 of Article 82 of L.2238/1994. This Annual Tax Certificate must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This "Tax Compliance Report" must be submitted to the Ministry of Finance, within ten days from the end of the seventh month following the end of the financial year. The Ministry of Finance will subsequently select a sample of at least 9% of all companies for which a "Tax Compliance Report" has been submitted for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within a period

of eighteen months from the date when the “Tax Compliance Report” was submitted to the Ministry of Finance. According to the relevant legislation, a financial year is considered final for tax audit purposes after eighteen months from the submission of the “Tax Compliance Report” to the Ministry of Finance. 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» for the year 2011 has been issued by the auditing company Deloitte. For the Company the «Tax Compliance Report» for the year 2012 has 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 2013 is still in progress by PwC S.A. No additional tax liabilities apart from those depicted on the financial statements of the year are expected to arise up to the completion of the tax audit

## **20. Subsequent events**

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

**Heraklion, May 28<sup>th</sup> 2014**

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

**Michail**  
**Chatzakis**  
Pspt No AH 4939797

**The Managing**  
**Director**

**Antonios**  
**Maniadakis**  
IdC No AI 944699

**The Accounting**  
**Manager**

**Isidoros**  
**Manolakis**  
IdC No AE 961838

**The Head**  
**Accountant**

**Georgios**  
**Avgoustakis**  
IDC No AB 478295  
H.E.C. Lcnc No 0051530 A' Class



a Grimaldi Group company

**MINOAN LINES  
SHIPPING SOCIETE ANONYME**

Company's Nr in the : General Electronic Commercial Registry: 77083027000 – S.As. Register 11314 / 06 / B / 86 / 13  
Domicile : 17, 25th August Str. 71202 - Heraklion Crete

**NOTES AND INFORMATION for the period ended March 31<sup>st</sup>, 2014 (1/1 – 31/3/2014)**  
(In accordance with the decision 4 / 507 / 28.4.2009 of the Hellenic Capital Market Commission)

The financial information set out below provides a general presentation of the financial position and results of MINOAN LINES SHIPPING S.A. and its Group. Therefore, we recommend the users of the financial data and information, before making any investment decision or proceeding to any transaction with the Company or the Group, to obtain the necessary information from the website, where the stand-alone and consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the E.U., are available together with the auditors' report, when required.

(Amounts in Thousand €)

**COMPANY'S INFORMATION**

Company's Web Site : [www.minoan.gr](http://www.minoan.gr)

Date of approval of financial statements from the Board of Directors: May 28<sup>th</sup> 2014

**STATEMENT OF CHANGES IN EQUITY**

	The Group		The Company	
	31/3/2014	31/3/2013	31/3/2014	31/3/2013
Total equity (1/1/2014 and 1/1/2013 respectively)	211,646	176,352	205,804	173,408
Share capital increase	30,587	-	30,587	-
Costs of share capital increase	-429	-	-429	-
(Loss) of the period after taxes (a)	-3,810	-5,777	-4,893	-6,852
Other comprehensive income of the period after taxes (b)	-	-	-	-
Total comprehensive income of the period after taxes (a) + (b)	-3,810	-5,777	-4,893	-6,852
Total equity at the end of the period (31/3/2014 and 31/3/2013 respectively)	237,994	170,676	231,069	166,556

**STATEMENT OF FINANCIAL POSITION**

Assets	The Group		The Company	
	31/3/2014	31/12/2013	31/3/2014	31/12/2013
Property, plant and equipment	393,845	396,906	236,018	237,696
Intangible assets	275	299	275	299
Investment property	1,329	1,340	1,329	1,340
Investments in subsidiaries	-	-	154,743	154,743
Available for sale financial assets	50,570	50,570	50,570	50,570
Other non-current assets	17,536	17,535	17,535	17,535
Inventories	3,571	3,715	3,571	3,715
Trade receivables	46,448	31,158	45,151	31,292
Other current assets	11,534	27,792	8,357	25,721
<b>Total assets</b>	<b>626,107</b>	<b>629,316</b>	<b>617,649</b>	<b>622,911</b>
<b>Equity and liabilities</b>				
Share Capital	240,705	210,118	240,705	210,118
Retained Earnings and other Reserves	-2,711	1,528	-9,636	-4,314
Total Shareholders Equity (a)	237,994	211,646	231,069	205,804
Non-controlling interests (b)	-	-	-	-
Total equity (c) = (a) + (b)	237,994	211,646	231,069	205,804
Long-term borrowings	210,572	210,539	210,572	210,539
Provisions / other long-term liabilities	5,436	5,460	5,235	5,279
Bank overdrafts and current portion of long term borrowings	20,983	29,680	20,983	29,680
Other current liabilities	50,122	71,990	49,690	71,609
Total liabilities (d)	287,113	317,669	286,480	317,107
<b>Total equity and liabilities (c) + (d)</b>	<b>626,107</b>	<b>629,316</b>	<b>617,649</b>	<b>622,911</b>

**STATEMENT OF CASH FLOWS**

	The Group		The Company	
	1/1-31/3/2014	1/1-31/3/2013	1/1-31/3/2014	1/1-31/3/2013
<b>Cash flows from operating activities</b>				
(Loss) of the period before taxes	-3,751	-5,714	-4,893	-6,852
plus / (less) adjustments for :				
Net depreciation	3,840	3,811	2,459	2,429
Provisions	16	38	16	38
Net Foreign Exchange	-2	29	-2	29
(Income), expenses / (gains), loss from other investing activities	-	-1	-	-1
Interest and other financial expenses	1,695	2,104	1,695	2,104
plus / (less) Adjustments for changes in working capital or operating activities :				
(Increase) / Decrease in inventories	144	-251	144	-251
(Increase) / Decrease in trade and other receivables	-12,820	-6,583	-11,259	-6,209
(Decrease) / Increase in liabilities other than borrowings	-21,996	4,163	-21,927	5,619
(**)				
Interest and related expenses paid	-1,558	-1,055	-1,558	-1,055
Net cash (used in) / generated by operating activities (a)	-34,432	-3,469	-35,325	-4,159
<b>Cash Flows from Investing activities</b>				
Purchase of tangible and intangible assets	-795	-672	-795	-672
Proceeds from disposal of tangible assets	-	413	-	413
Net cash (used in) / generated by investing activities (b)	-795	-259	-795	-259
<b>Cash Flows from Financing activities</b>				
Net proceeds from share capital increase	30,158	-	30,158	-
Repayment of long/short term borrowings	-8,697	-13,184	-8,697	-13,184
Net cash flow generated by / (used in) financing activities (c)	21,461	-13,184	21,461	-13,184
Net (decrease) in cash and cash equivalents (a)+(b)+(c)	-13,766	-16,912	-14,659	-17,602
Cash and cash equivalents at the beginning of the period	19,206	19,654	19,124	19,509
Cash and cash equivalents at the end of the period	6,440	2,742	4,465	1,907

**STATEMENT OF COMPREHENSIVE INCOME**

	The Group		The Company	
	1/1-31/3/2014	1/1-31/3/2013	1/1-31/3/2014	1/1-31/3/2013
Revenue	31,321	30,333	28,768	27,758
Gross Profit / (Loss)	1,409	-109	238	-1,302
Operating (Loss) before tax, financing and investing costs	-2,074	-3,627	-3,214	-4,764
(Loss) of the period before taxes	-3,751	-5,714	-4,893	-6,852
(Loss) of the period after taxes (a)	-3,810	-5,777	-4,893	-6,852
- Equity holders of the parent	-3,810	-5,777	-4,893	-6,852
- Non-controlling interests	-	-	-	-
Other comprehensive income of the period after taxes (b)	-	-	-	-
Total comprehensive income of the period after taxes (a) + (b)	-3,810	-5,777	-4,893	-6,852
- Equity holders of the parent company	-3,810	-5,777	-4,893	-6,852
- Non-controlling interests	-	-	-	-
Basic (Loss) of the period per share after taxes (in €)	-0.0398	-0.0616	-0.0612	-0.0966
Operating Profit / (Loss) of the period before taxes, depreciation, financing and investing costs	1,766	184	-754	-2,335

**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 condensed interim financial statements.
- The consolidated financial statements are included in the consolidated financial statements of the company "GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.A." (domicile : Palermo Italy) which at the period ended March 31<sup>st</sup>, 2014 participated in the share capital of the Company with 95.3% (call option of 2.7% included).
- The unaudited full years of the Company and of the companies of the Group are analyzed in note 19 of the condensed interim financial statements.
- For securing the long-term debt, first preferred mortgages have been registered on the vessels of the above stated financial statements amounting to € 375,000 thousand and have been pledged the shares of the subsidiary company "Minoan Italia S.p.A.". Furthermore, the short-term borrowings are secured by first preferred mortgages registered on two of the Company's properties.
- There are no outstanding disputes in the courts or any arbitration against the Company and the companies of the Group, which could have substantial effects on the financial position. The relevant provisions included in the above stated financial statements are the following:
 

	The Group	The Company
Provisions for debtors balances legally pursued	14,760	14,760
Provisions for unaudited tax years	-	-
Other provisions	83	83
- The number of the personnel employed by the Group at the period ended 31/3/2014 and 31/3/2013 was 336 and 353, 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.
- Basic earnings per share were calculated based on the weighted average number of shares outstanding as of 31/3/2014 and 31/3/2013 respectively (notes 9 and 15 of the condensed interim financial statements).
- The total inflows and outflows, as well as the receivables and payables, resulting from transactions among the related parties in accordance with the I.A.S. 24 are as follows:
 

	The Group	The Company
a) Inflows	1,880	1,880
b) Outflows	4,982	4,977
c) Receivables	3,507	3,507
d) Payables	3,643	4,913
e) Transactions and compensations of directors and members of B.o.D.	325	325
f) Receivables from directors and members of B.o.D.	23	23
g) Payables to directors and members of B.o.D.	70	70

Heraklion, May 28<sup>th</sup> 2014

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

Michail Hatzakis  
Pspt No AH 4939797

**The Managing Director**

Antonios Maniadiakis  
IdC No AI 944699

**The Accounting Manager**

Isidoros Manolakis  
IdC No AE 961838

**The Head Accountant**

Georgios Avgoustakis  
IDC No AB 478296  
H.E.C. Lonc No 0061630 A' Class