



a Grimaldi Group company

MINOAN LINES SHIPPING S.A.

Interim Financial Report **for the period ended June 30th 2015 (1/1–30/6/2015)**

In accordance with article 5 of law 3556 / 2007

TRANSLATED FROM THE GREEK ORIGINAL

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

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

Statements of the members of the Board of Directors

(In accordance with article 5 par. 2 of law 3556 / 2007)

We, the undersigned, hereby state that to the best of our knowledge:

1. The condensed interim Company stand-alone and consolidated financial statements of “MINOAN LINES SHIPPING S.A.” for the period from January 1st 2015 to June 30th 2015, as prepared in accordance with the applicable International Financial Reporting Standards, give a true view of the assets, liabilities, equity, and the financial results for the six-month period ended June 30th 2015, both of the Company “MINOAN LINES SHIPPING S.A.”, and of the companies included in the consolidation, taken as a whole, in accordance with the provisions of paragraphs 3 and 5 of article 5 of law 3556 / 2007 and,

2. The report of the Board of Directors for the first six-month period ended June 30th 2014 gives a true view of the information required in accordance with paragraph 6 of article 5 of law 3556 / 2007.

Heraklion, August 27th 2015

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

**Michail
Hatzakis**

Pass No AH 4939797

The Managing
Director

**Antonios
Maniadakis**

ID C No AI 944699

The Member
of the B.o.D.

**Georgios
Papageorgiou**

ID C No AK 469642

Report of the Board of Directors for the period ended June 30th 2015 **(1/1–30/6/2015)**

This report refers to the company as well as to the consolidated financial statements for the six months ended June 30th 2015, and has been prepared in accordance with paragraph 6 of article 5 of law 3556 / 2007.

Significant events for the six-month period of 1/1–30/6/2015 – Effect on Financial Statements

During the first six-month period of 2015 the economy has been negatively affected by the fragile economic environment and by the high economic uncertainty prevailing in the Greek economy mainly due to weakness for achieving an agreement related to finance of the Greek state debt obligations. Additionally, the expiration of Greek program on June 30th, 2015 with no agreement between Greece and creditors has led to impose a bank holiday and capital controls on the Greek banking sector. Moreover, the aforementioned developments are expected to affect negatively the whole economy being estimated to present negative growth rate during the current fiscal year.

However, the recent agreement between Greece and institutions for a new program set the conditions to reverse the economic downturn and gradually improve Greek economy. It is noted that although the subject agreement is necessary, it is not a sufficient condition to allow the Greek economy returning in growth path since it is crucial issues such as capital controls, recapitalization of banking sector; smooth financing of Greek economy, structural reforms, political uncertainty etc. should be addressed as soon as possible.

The company monitors systematically and assesses the developments in Greek economy since they affect traffic volumes, clients & suppliers financial capacity while takes all necessary measures so that its smooth and unencumbered operation can be secured.

Despite the uncertain economic conditions, the first half of 2015 was yet another period in which continued improvement in financial results of the Company was achieved after the completion of a series of measures that aims to adapt into new economic conditions prevailing not only in our country but also in broaden area. This effort is integrated to the overall strategy followed in recent years, aiming at the operating costs minimization while raising the efficiency of its fleet operation. The positive up to date results as presented in the first half period of 2015 show that the measures have taken, are deemed to be effective towards enhance of the company's value.

Financial Results

The turnover for the first half of 2015 stood at consolidated level to €78,666 compared to €72,770 in the first half of 2014, recording an increase of €5,896. Moreover, Group's operating profit (E.B.I.T.D.A.) was shaped at €15,163 in comparison with €5,962 in the corresponding period of 2014, noting a positive change of €9,201. Finally, the net results of Minoan Lines for the first half of the current year amounted to net profits of €5,838 against net losses of €4,499 in 2014.

The improved financial performance of the Company is due to the measures taken in recent years including inter alia the rescheduling its itineraries aiming at increase of its vessels capacity and efficiency of its fleet operation. In addition to this, during the first semester of 2015, there was a significant increase of turnover, drop in fuel cost due to fall in level of international fuel prices and reduction of financial expenses mainly due to both the decline of margin of short & long term borrowings and decrease of bank loans outstanding amount.

Traffic Volumes

During the first half of 2015, the Company was active on Adriatic route of Patras–Igoumenitsa–Ancona–Trieste and on the domestic line of Piraeus–Heraklion. Specifically, Minoan Lines carried 148 passengers, 33 private cars and 41 freight units. On the domestic route of Piraeus–Heraklion, the Company carried 308 passengers, 32 private cars and 29 freight cars.

Consolidated Financial Results – Balance Sheet

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

- o The “Non-Current Assets” amounts to €447,380 against €454,507 at 31/12/2014 decreased by €7,127.
- o The “Current Assets” were increased by €3,115 and reached €57,905 versus €54,790 at 31/12/2014 mainly attributable to increase in trade and other receivables, increase in other current assets and the decrease in the Company's cash and cash equivalents.
- o The “Equity” was increased by €5,838 and reached €247,682 against €241,844 at 31/12/2014. This change is due to earnings presenting at 30/06/2015.
- o The “Total Liabilities” amounted to €257,603 against €267,453 at 31/12/2014 decreased by €9,850.

With regards to the financial results, turnover increase, the fall of international fuel price fall and the reduction of net financial expenses were main factors led to the improvement of Company's financial performance.

In more detail, at the Group Level:

- The “Revenues” was increased by €5,896 and shaped at €78,666 against €72,770 during the first half of 2014.

- The “Cost of Sales” was decreased by €5,467 and was amounted to €60,740 against €66,207 compared to corresponding period of 2014.
- The “Distribution costs and Administration Expenses” were amounted to €9,599 against €8,282 in 2014.
- The “Operating results before tax, depreciation, financing and investing costs” was shaped by earnings €7,299 against losses €1,749 presenting an increase by €9,048 compared to the first half of 2014.
- The “Net Financial Results (Expenses)” presented reduction compared to those of first half period of 2014 and stood at €1,341 against €2,630. This change was primarily due to the reduction of margin rate and the repayment of long and short term bank borrowings.
- The “Net Results after Taxation” were amounted to earnings €5,838 against losses €4,499 of the first half of 2014 and was increased by €10,337.

Company's Financial Results – Balance Sheet

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

	<u>30/6/2015</u>	<u>31/12/2014</u>	<u>Change €</u>
<u>Balance Sheet</u>			
Non–Current Assets	436,806	448,368	-11,562
Current Assets	60,817	52,483	8,334
Equity	240,427	233,807	6,620
Total Liabilities	257,196	267,044	-9,848
	<u>1/1–30/6/2015</u>	<u>1/1–30/6/2014</u>	<u>Change €</u>
<u>Income Statement</u>			
Revenue	73,531	67,636	5,895
Cost of sales	57,976	63,443	-5,467
Distribution costs and Administration expenses	9,531	8,219	1,312
Operating Profit / (loss) before Taxes, Financing and Investing costs	4,998	-4,054	9,052
Net Financial expenses	1,359	2,641	-1,282
Net Profit / (loss) after Taxes	6,620	-4,400	11,020

Share price

(amounts in €)

Minoan Lines share closed at € 2.00 as of 30/6/2015 while in 2014 the respective closing price was € 1.50.

Prospects for the second half of the year 2015

During the second half of 2015 against the corresponding period of 2014, Company expects that its financial results are affected by Greek economic developments, intense competition level among companies of ferry sector, oil prices and touristic volume. According to the up to date indications, there is a decrease of domestic tourism contrary to increase international tourism towards Greece. The said development is not expected to affect negatively the Company, since the greater part of revenues derived from North Adriatic route whereas its traffic volume in summer period is mainly due to international tourism. Additionally, the further decline of international fuel prices is expected to contribute positively towards the cost of sales reduction. Furthermore, there are expectations that the trend of net financial results decline will be continued during the second semester of 2015 and will be shaped at the level more than 30% compared to the second semester of 2014. Moreover, the values of average fares are expected to present no substantial deviation compared to the respective period of 2014.

Risks and Uncertainties

Macroeconomic and operating environment

The macroeconomic and operating environment in Greece has become volatile especially after the capital controls were imposed on June 28th, 2015 which include constraints affecting domestic transactions and all transactions between Greece and abroad. The abovementioned developments in conjunction with their length could have significant effect in the national economy. Consequently, residential customers are likely to confront with liquidity issues, restrictions of commercial activities and delays to fulfil their financial obligations. Moreover, the domestic tourism being a significant source of Group's revenue could be affected especially during summer period resulting to analogues revenues reduction. The Group's bank debt service is deemed to be absolutely secure, even though the capital controls remain in force, since the revenue from foreign activities attribute a significant proportion of total revenues. Moreover, revenues from abroad are not significantly affected by Greek economy and the developments in banking sector while produce the necessary liquidity to fulfil the foreign financial obligations.

It should be pointed out that the Group's sufficient liquidity having deposited in domestic and foreign banks, secured to meet its debt obligations due on June 30th 2015 in accordance with rules and procedures imposed by the relevant Legislative Act (L.A.) of June 28th, 2015 and the following Legislative Acts. Hence, the Group remains current and fulfils all the terms and conditions set on its bond loan agreement. Moreover, even if the currently imposed capital controls remain in force, the whole operations depending on foreign suppliers can be secured either by the provisions of Legislative Act being currently in place or the liquidity derived by foreign activities. During the period July–August 2015 in the context of long lasting and intricate negotiations with four institutions namely European commission, ECB, IMF, ESM, Greece fulfilled through a series of law makers legislations all the prior actions so that Greek government signed with European Stability Mechanism (E.S.M.) a three-year bailout program amounted to € 86 billion. The aforementioned positive developments reduce substantially the possibility of bankruptcy and exit from Eurozone while set the conditions of Greek economy to return on growth path. However, there are still issues such as political stability, the implementation of fiscal and structural reforms that should be adopted as presented in the relevant agreement. In the political and economic framework as described above, the Group's Greek operations continue without any disruption; however management is not able to accurately predict the likely developments in the Greek economy and their impact on the Group's operations. However, such impact is estimated to have a minor effect due to precautionary measures have been taken to protect the Group and the diversification of activities in domestic and international level. The Company's management monitors and assesses the developments in Greek economy since they affect traffic volumes, clients & suppliers financial capacity while takes all necessary measures so as to secure the smooth and unencumbered operation.

Fuel prices

The main risk in which the company is exposed is the sensitivity of the fuel prices. Due to the nature of the sector and as the fuel cost is the most significant part of the cost of sales; the company is exposed to the said risk. Moreover, the Company considers several financial derivatives' strategies that will be used accordingly when the proper situation arises. Having already taken a series of actions, the Company has already succeeded in reducing substantially the fuel consumption in the current financial year. It is noted that the first semester of 2015 there was a significant decline in the level of international oil prices contributed significantly to the reduction of oil and lubricants cost by 27.8% in comparison with the previous corresponding period.

Interest rates risk

The long-term borrowings of the Company have agreed to be remunerated in a floating interest rate of Euribor plus margin. Therefore, the Company is exposed to interest rate risk since in case of a Euribor increase, the Company shall be incurred with additional interest expenses. During the first half of 2015, the European Central Bank in an effort of targeted contribution to the formation of growth, prosperity and limitation of market pressures, stabilizes interest rates at very low levels, contributing positively to the reduction of the Company's interest expenses. The exposure to the risk of the increase of interest rates is closely monitored and the Company calculates their effect on its operation. Hedging activities have already been considered and financial instruments shall be used when conditions allow it.

Liquidity risk

Liquidity risk is the inability of the Company and the Group to meet their financial obligations when they become due. The approach adopted by the Company and the Group for managing liquidity is to ensure the sufficient liquidity to meet their obligations. Thus, the right combinations of cash and secured bank credit lines are used. The Company's cash and cash equivalents at 30/6/2015 are € 6,034 while maintains lines of credit amounting to € 18,000 as at 30/6/2015 and at 31/12/2014, of which the undrawn amounts were € 18,000 and € 9,978 respectively. The interest on the credit lines charged is based on the sum of the EURIBOR rate and the banks' margin and are secured by post-dated cheques while prenotation has been registered on two properties of the Company. The negative working capital presented on the 6month 2015 results is solely due to seasonality on the ferry shipping sector. It is worth mentioning that during holidays and summer months the passenger and private vehicles' traffic is booming while the freight units' one presents little variation throughout the year. Thus, the biggest part of the Company's revenue is recorded during the third quarter of the fiscal year. Taking into account the balances of credit lines available to the Company at 30/6/2015 and the elimination of the effect of seasonality in the next two quarters of the year, the management is in a position to claim the non-existence of short term liquidity risk.

Foreign exchange risk

Considering the fact that all transactions performed abroad are mainly in the Euro currency, after the adoption of the common European currency, the company's foreign exchange risk is almost eliminated. Furthermore, the Company is not subject to foreign currency risk regarding its loans, taking under consideration that these are denominated in Euro. Indirectly, the Company is exposed to currency risk from the bunkers supplies.

Market conditions risk

A common feature of a perfectly competitive market is the freedom of entry and exit. Thus, the deliberate routes in which the Company operates are highly competitive. The effort for growth and increase of each company's market shares could possibly create an overwhelming competition reflected to the financial results of the sector. In this respect the Company

reschedules its itineraries seeking efficiency and profit while remaining competitive in terms of pricing. A possible intensification of the market conditions in the routes the Company operates could lead to adverse impacts on its operating results, cash position and financial performance. The Company monitors closely the above mentioned competition and acts accordingly.

Credit risk

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

a) Those with professional collaboration such as:

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

b) Individuals-Passengers

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

Environmental risk

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

Significant transactions among the related parties

The tables below present the most significant transactions among the related parties according to I.A.S. 24 for the period 1/1–30/6/2015:

company	The Company				The Group	
	Minoan Lines Shipping S.A.			Totals	Minoan Italia	Totals
	Grimaldi	Grimaldi	Grimaldi		S.p.A.	
	Group	Euromed	Germany		Grimaldi	
	S.p.A. *	S.p.A.	GBMH		Group	
	S.p.A.				S.p.A.	
Chartering cost	6,568	6,892	–	13,460	–	13,460
Crew wages cost	189	196	–	385	–	385
Adjustment of the on-board operating result	523	507	–	1,030	–	1,030
Attributing crew wages cost of chartered owned vessels	–	-177	–	-177	–	-177
Attributing agency costs	–	-842	–	-842	–	-842
Bunkers cost	286	784	–	1,070	–	1,070
Other expenses	–	616	21	637	10	647
Totals	7,566	7,976	21	15,563	10	15,573
Chartering revenue	–	3,258	–	3,258	–	3,258
Revenue from crew coat reduction of chartered vessels	77	124	–	201	–	201
Revenue from services rendered	54	720	–	774	–	774
Adjustment of the on-board operating result	–	4	–	4	–	4
Revenue from bunker disposal	–	556	–	556	–	556
Other revenue	13	178	–	191	–	191
Totals	144	4,840	–	4,984	–	4,984

* Grimaldi Tours is included

The aforementioned transactions were made at arm's length.

Here below the most significant outstanding balances on 30/6/2015 between the related parties are presented:

<u>company</u>	<u>Minoan Lines Shipping S.A.</u>		
	<u>Grimaldi</u>	<u>Grimaldi</u>	<u>Grimaldi</u>
	<u>Group</u>	<u>Euromed</u>	<u>Germany</u>
	<u>S.p.A. *</u>	<u>S.p.A.</u>	<u>GBMH</u>
due from	–	7,445	–
payable to	604	–	21

* Grimaldi Tours is included

Compensations to Directors and members of the Board of Directors

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

Executive members	252
Non-executive members	95
Directors	401
Total	748

Heraklion, August 27th 2015
For and on behalf of the B.o.D.

The Vice–Chairman
of the B.o.D.

Michail
Hatzakis

The Managing
Director

Antonios
Maniadakis

[Translation from the original text in Greek]

Report on Review of Interim Financial Information

To the Shareholders of “MINOAN LINES SHIPPING S.A.”

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of “MINOAN LINES SHIPPING S.A.” (the “Company”) as of 30 June 2015 and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

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Conclusion

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

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Athens, 28 August 2015



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a Grimaldi Group company

Condensed interim Company stand-alone and consolidated financial statements for the period ended June 30th 2015 (1/1–30/6/2015)

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

The condensed interim Company stand-alone and consolidated financial statements were approved by the Company's Board of Directors' meeting on **August 27th 2015** and have been published to the electronic address www.minoan.gr. It is noted that the published, in the press, condensed financial data aim to provide the user with general information of the Company's and Group's financial results and position, according to International Financial Reporting Standards.

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	The Group				The Company			
		1/1–30/6/2015	1/1–30/6/2014	1/4–30/6/2015	1/4–30/6/2014	1/1–30/6/2015	1/1–30/6/2014	1/4–30/6/2015	1/4–30/6/2014
Continuing operations									
Revenue	5	78,666	72,770	44,580	41,449	73,531	67,636	41,999	38,868
Cost of sales	6	-60,740	-66,207	-33,603	-36,295	-57,976	-63,443	-32,221	-34,913
Gross Profit		17,926	6,563	10,977	5,154	15,555	4,193	9,778	3,955
Other operating income	7	206	176	186	156	206	176	186	156
Selling expenses	8	-6,885	-5,575	-4,506	-3,294	-6,834	-5,527	-4,480	-3,269
Administrative expenses	9	-2,714	-2,707	-1,416	-1,487	-2,697	-2,692	-1,406	-1,480
Other operating expenses	10	-1,234	-206	-1,151	-204	-1,232	-204	-1,150	-202
Operating Profit / (loss) before financing costs		7,299	-1,749	4,090	325	4,998	-4,054	2,928	-840
Finance income		52	27	43	9	34	16	29	–
Finance expenses		-1,393	-2,657	-589	-962	-1,393	-2,657	-589	-962
Net finance results		-1,341	-2,630	-546	-953	-1,359	-2,641	-560	-962
Dividend received	11	–	–	–	–	2,981	2,295	2,981	2,295
Profit / (loss) / profit of the period before taxes		5,958	-4,379	3,544	-628	6,620	-4,400	5,349	493
Income tax	12	-120	-120	-61	-61	–	–	–	–
Profit / (loss) of the period after taxes (a)		5,838	-4,499	3,483	-689	6,620	-4,400	5,349	493
Other comprehensive income of the period after taxes (b)		–	–	–	–	–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)		5,838	-4,499	3,483	-689	6,620	-4,400	5,349	493
The Profit / (loss) of the period after taxes is attributable to :									
Owners of the parent company		5,838	-4,499	3,483	-689	6,620	-4,400	5,349	493
Non–controlling interests		–	–	–	–	–	–	–	–
Profit / (loss) of the period after taxes (a)		5,838	-4,499	3,483	-689	6,620	-4,400	5,349	493
The total comprehensive income of the period after taxes is attributable to :									
Owners of the parent		5,838	-4,499	3,483	-689	6,620	-4,400	5,349	493
Non–controlling interests		–	–	–	–	–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)		5,838	-4,499	3,483	-689	6,620	-4,400	5,349	493
Basic and Diluted Earnings / (losses) of the period after taxes per Share after Taxes (in €)	13	0.0546	-0.0444	0.0326	-0.0064	0.0619	-0.0434	0.0500	0.0046

The accompanying notes on pages 17–30 are an integral part of the Condensed Interim Financial Statements

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		<u>Note</u>	<u>The Group</u>		<u>The Company</u>	
			<u>30/6/2015</u>	<u>31/12/2014</u>	<u>30/6/2015</u>	<u>31/12/2014</u>
<u>Assets</u>						
<u>Non-current assets</u>						
Tangible assets	14		377,800	384,336	226,883	230,654
Intangible assets	14		149	217	149	217
Investment property	15		1,278	1,299	1,278	1,299
Investments in subsidiaries	16		–	–	140,343	147,543
Available for sale financial assets	17		50,570	50,570	50,570	50,570
Other long term assets - receivables	18		17,583	18,085	17,583	18,085
Total non-current assets			447,380	454,507	436,806	448,368
<u>Current assets</u>						
Inventories	19		3,060	2,308	3,060	2,308
Trade and other receivables	20		40,737	27,353	46,479	27,669
Other current assets	20		8,074	4,801	5,486	2,286
Cash and cash equivalents	21		6,034	20,328	5,792	20,220
Total current assets			57,905	54,790	60,817	52,483
Total Assets			505,285	509,297	497,623	500,851
<u>Equity and liabilities</u>						
<u>Equity</u>						
Share capital	22		240,705	240,705	240,705	240,705
Share premium			25,744	25,744	25,744	25,744
Other reserves			60,509	60,352	60,214	60,214
Retained earnings			-79,276	-84,957	-86,236	-92,856
Total Equity attributable to equity holders of the parent			247,682	241,844	240,427	233,807
Non-controlling interests			–	–	–	–
Total equity			247,682	241,844	240,427	233,807
<u>Non-current liabilities</u>						
Loans	23		188,947	194,410	188,947	194,410
Deferred tax liabilities			263	242	–	–
Retirement benefit obligations			1,413	1,362	1,413	1,362
Deferred government grants			3,546	3,643	3,546	3,643
Other provisions			191	189	191	189
Total Non-current liabilities			194,360	199,846	194,097	199,604
<u>Current liabilities</u>						
Bank overdrafts	23		–	8,022	–	8,022
Loans-current portion of long term loans	23		17,689	16,259	17,689	16,259
Income tax obligations			27	40	–	–
Trade and other payables	24		45,527	43,286	45,410	43,159
Total Current liabilities			63,243	67,607	63,099	67,440
Total liabilities			257,603	267,453	257,196	267,044
Total equity and liabilities			505,285	509,297	497,623	500,851

The accompanying notes on pages 17–30 are an integral part of the Condensed Interim Financial Statements

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Other Reserves</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
Balance as at 1/1/2014	210,118	26,171	60,255	-90,740	205,804
Changes in equity 1/1–30/6/2014					
Funds raised from share capital increase	30,587				30,587
Costs of share capital increase		-427			-427
(Loss) of the period after taxes (a)				-4,400	-4,400
Other comprehensive income of the period after taxes (b)				–	–
Total comprehensive income of the period after taxes (a) + (b)				-4,400	-4,400
Balance as at 30/6/2014	240,705	25,744	60,255	-95,140	231,564
Balance as at 1/1/2015	240,705	25,744	60,214	-92,856	233,807
Changes in equity 1/1–30/6/2015					
Profit of the period after taxes (a)				6,620	6,620
Other comprehensive income of the period after taxes (b)				–	–
Total comprehensive income of the period after taxes (a) + (b)				6,620	6,620
Balance as at 30/6/2015	240,705	25,744	60,214	-86,236	240,427

The accompanying notes on pages 17–30 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					Non– controlling interests	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Shareholders' Equity		
Balance as at 1/1/2014	210,118	26,171	60,272	-84,915	211,646	–	211,646
Changes in equity 1/1–30/6/2014							
Funds raised from share capital increase	30,587				30,587	–	30,587
Costs of share capital increase		-427			-427	–	-427
Transfer between retained earnings and other reserves (ordinary reserve)			121	-121	–	–	–
(Loss) of the period after taxes (a)				-4,499	-4,499	–	-4,499
Other comprehensive income of the period after taxes (b)				–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)				-4,499	-4,499	–	-4,499
Balance as at 30/6/2014	240,705	25,744	60,393	-89,535	237,307	–	237,307
Balance as at 1/1/2015	240,705	25,744	60,352	-84,957	241,844	–	241,844
Changes in equity 1/1–30/6/2015							
Transfer between retained earnings and other reserves (ordinary reserve)			157	-157	–	–	–
Profit of the period after taxes (a)				5,838	5,838	–	5,838
Other comprehensive income of the period after taxes (b)				–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)				5,838	5,838	–	5,838
Balance as at 30/6/2015	240,705	25,744	60,509	-79,276	247,682	–	247,682

The accompanying notes on pages 17–30 are an integral part of the Condensed Interim Financial Statements

CONDENSED INTERIM STATEMENT OF CASH FLOWS

	<u>Note</u>	<u>The Group</u>		<u>The Company</u>	
		<u>1/1–30/6/2015</u>	<u>1/1–30/6/2014</u>	<u>1/1–30/6/2015</u>	<u>1/1–30/6/2014</u>
<u>Cash Flows from Operating Activities</u>					
Profit / (loss) of the period before taxes		5,958	-4,379	6,620	-4,400
<i>plus / (less) adjustments for :</i>					
Net depreciation	14 & 15	7,864	7,711	5,101	4,947
Provisions		1,051	130	1,051	130
Net Foreign Exchange		7	4	7	4
[(Income), (gains) / Expenses, losses] from other investing activities		–	–	-2,981	-2,295
Interest and other financial expenses		1,393	2,657	1,393	2,657
<i>plus / (less) Adjustments for changes in working capital or operating activities :</i>					
(Increase) in inventories		-752	-126	-752	-126
(Increase) in trade and other receivables		-17,258	-2,525	-17,187	-1,939
Increase / (decrease) in liabilities other than borrowings		2,235	-26,574	2,244	-24,632
<i>(less) :</i>					
Interest and related expenses paid		-1,221	-2,503	-1,221	-2,503
Income taxes paid		-113	-178	–	–
Net cash (used in) Operating activities (a)		-836	-25,783	-5,725	-28,157
<u>Cash Flows from Investing activities</u>					
Participation in share capital increases of subsidiaries		–	–	1,774	–
Purchase of tangible and intangible assets	14	-1,339	-2,149	-1,339	-2,149
Dividends received	11	–	–	2,981	2,295
Net cash (used in) / generated by Investing activities (b)		-1,339	-2,149	3,416	146
<u>Cash Flows from Financing activities</u>					
Net funds raised from share capital increase		–	30,160	–	30,160
Repayment of long / short term borrowings		-12,119	-14,280	-12,119	-14,280
Dividends paid		–	-31	–	-31
Net cash (used in) / generated by Financing activities (c)		-12,119	15,849	-12,119	15,849
Net (decrease) in cash and cash equivalents (a) + (b) + (c)		-14,294	-12,083	-14,428	-12,162
Cash and cash equivalents at the beginning of the period		20,328	19,206	20,220	19,124
Cash and cash equivalents at the end of the period	21	6,034	7,123	5,792	6,962

The accompanying notes on pages 17–30 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 June 30th 2015 (1/1–30/6/2015)

1. General Company's information

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

The number of the personnel employed during the six-month periods ended June 30th 2015 and June 30th 2014 was 436 and 420, respectively.

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

The total number of ordinary shares outstanding on 30/6/2015 and on 30/6/2014 was 106,980,050. The weighted average number of shares on 30/6/2015 was 106,980,050 while on 30/6/2014 was 101,347,115. The total market capitalization reached € 213,960. Every share carries one voting right.

From 2008, the majority of the Company's shares are held by “Grimaldi Group S.p.A.” (within the current period the overlying parent company changed its previous name–note 26), a member of the Grimaldi Group which is based in Palermo–Italy and became overlying parent company which has control of both the Company and the Group.

The General Shareholders' Meeting elects the Board of Directors which consists of 7–9 members. The current structure of the Board of Directors is comprised by eight (8) members, who were elected by the General Shareholders' Meeting held on 21/6/2013. On 30/6/2015, three (3) members of the board were executive, three (3) were non-executive and two (2) were non-executive-independent members.

The condensed interim financial statements for the period ended June 30th 2015, which were approved by the Board of Directors meeting on August 27th 2015, include the condensed interim Company stand-alone and the consolidated financial statements (the «Financial Statements»).

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

The subsidiary that is 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</u> <u>Method</u>	<u>Headquarters</u>	<u>% Interest</u>	
			<u>2015</u>	<u>2014</u>
Minoan Italia S.p.A.	Full	Palermo–Italy	100%	100%

2. Basis of preparation of the Financial Statements

2.1 Statement of compliance

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

The condensed interim financial statements do not include all notes and information required and it is recommended they be read in conjunction with the Annual Financial Statements for the year ended December 31st 2014.

These financial statements have been prepared on the basis that the Group operates as a going concern which implies that it takes all necessary measures and proceeds to all the necessary actions and negotiations in order to has sufficient financial resources to meet its financial and operating obligations for the foreseeable future. More specifically, the Group through the measures taken by the Management in the previous years as well as in the current period has generated profitable results, which are constantly improved from period to period. The Group exhibits an increase in turnover and a corresponding significant reduction in the cost of sales, mainly due to the decline of fuel prices, which is expected to remain at current levels. These factors are fully reflected in the final result which presents equally significant improvement. Moreover, despite the difficulties created by the recent imposition of capital controls in Greece, the Group is fully consistent with its debt obligations as well as its obligations to the Social Security's Organizations, to the Tax Authorities, to its employees and to its suppliers. This fact enables the Group to smoothly continue its activities.

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

2.2 Use of estimates

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

Significant estimates and critical judgements in applying accounting policies that have significant effect on the Financial Statements as well as those which involve potential risk for adjustment in the next fiscal year do not differ from those applied in the Annual Financial Statements as of December 31st 2014.

3. Significant accounting policies

The significant accounting policies adopted for the preparation of the Financial Statements on 30/6/2015 are those applied for the preparation of the Annual Financial Statements on 31/12/2014 and have been published in the Company's web site www.minoan.gr.

3.1 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

IFRIC 21 “Levies”

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.

Annual Improvements to IFRSs 2013

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

IFRS 3 “Business combinations”

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

IFRS 13 “Fair value measurement”

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

IAS 40 “Investment property”

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

Standards and Interpretations effective for subsequent periods

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

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as **it has not yet been endorsed by the EU**.

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

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

IAS 19R (Amendment) “Employee Benefits” (effective for annual periods beginning on or after 1 February 2015)

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The amendments set out below describe the key changes to certain IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project.

IFRS 2 “Share-based payment”

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

IFRS 3 “Business combinations”

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

IFRS 8 “Operating segments”

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

IFRS 13 “Fair value measurement”

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

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

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

IAS 24 “Related party disclosures”

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

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

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

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

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

IFRS 7 “Financial instruments: Disclosures”

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

IAS 19 “Employee benefits”

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

IAS 34 “Interim financial reporting”

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

4. Financial risk management

4.1 General

The Company and the Group are exposed mainly to the following financial risks which might possibly be affected by the macroeconomic and operating environment as analyzed below:

- Liquidity
- Credit
- Market conditions

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

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

4.2 Macroeconomic and operating environment

The macroeconomic and financial environment in Greece has become volatile especially after the capital controls were imposed on June 28th, 2015 which include constraints affecting domestic transactions and all transactions between Greece and abroad. The abovementioned developments in conjunction with their length could have significant effect in the national economy. Consequently, residential customers are likely to confront with liquidity issues, restrictions of commercial activities and delays to fulfil their financial obligations. Moreover, the domestic tourism being a significant source of Group's revenue could be affected especially during summer period resulting to analogues revenues reduction. The Group's bank debt service is deemed to be absolutely secure, even though the capital controls remain in force, since the revenue from foreign activities attribute a significant proportion of total revenues. Moreover, revenues from abroad are not significantly affected by Greek economy and the developments in banking sector while produce the necessary liquidity to fulfil the foreign financial obligations.

It should be pointed out that the Group's sufficient liquidity having deposited in domestic and foreign banks, secured to meet its debt obligations due on June 30th 2015 in accordance with rules and procedures imposed by the relevant Legislative Act (L.A.) of June 28th, 2015 and the following Legislative Acts.

Hence, the Group remains current and fulfils all the terms and conditions set on its bond loan agreement. Moreover, even if the currently imposed capital controls remain in force, the whole operations depending on foreign suppliers can be secured either by the provisions of Legislative Act being currently in place or the liquidity derived by foreign activities. During the period July–August 2015 in the context of long lasting and intricate negotiations with four institutions namely European commission, E.C.B., I.M.F., E.S.M., Greece fulfilled through a series of law makers legislations all the prior actions so that Greek government signed with European Stability Mechanism (E.S.M.) a three-year bailout program amounted to € 86 billion. The aforementioned positive developments reduce substantially the possibility of bankruptcy and exit from Eurozone while set the conditions of Greek economy to return on growth path. However, there are still issues such as political stability, the implementation of fiscal and structural reforms that should be adopted as presented in the relevant agreement. In the political and economic framework as described above, the Group's Greek operations continue without any disruption; however management is not able to accurately predict the likely developments in the Greek economy and their impact on the Group's operations. However, such impact is estimated to have a minor effect due to precautionary measures have been taken to protect the Group and the diversification of activities in domestic and international level. The Company's management monitors and assesses the developments in Greek economy since they affect traffic volumes, clients & suppliers financial capacity while takes all necessary measures so as to secure the smooth and unencumbered operation. Consequently, the Company's Management has assessed that at 30/6/2015 no

additional provisions for impairment of financial and non-financial assets are required than those conducted and reported in note 10.

4.3 Liquidity risk

The liquidity risk is referred to the Company's or the Group's ability to meet their financial obligations as they fall due. The approach adopted by the Company and the Group regarding liquidity management is to ensure the necessary liquidity to meet their liabilities when due. Therefore, it has ensured an appropriate combination of cash, cash equivalents and approved bank credits.

At 30/6/2015 the Group's cash and cash equivalents amounted to € 6,034 while maintaining credit lines with cooperating banks, which as at 30/6/2015 and 31/12/2014 amounting to € 18,000, of which the unused amounts were € 18,000 and € 9,978 respectively. The interest on the credit lines charged is based on the sum of the EURIBOR rate and the banks' margin and are mainly secured by post-dated cheques. Moreover, a lien has been registered on two of the Company's properties. Moreover, a lien has been registered on two of the Company's properties. The negative working capital presented on the six-month 2015 results is solely to the seasonality (note 25). The main factor which affects the working capital is the increase in "Deferred Income" which is due to the revenue from passengers and vehicles during the presale ticket for the summer period (note 24). The passengers and private vehicles is booming both in summer and during festive periods, due to tourist traffic, while freight traffic is relatively minor variation throughout the year, resulting in the majority of the Company's revenue be done in the third quarter of each fiscal year. Considering that the available to the Company bank credits balance as of 30/6/2015 and the elimination of the seasonality effect in the remaining quarters of the year, the management is in a position to claim the non-existence of liquidity risk in the foreseeable future.

4.4 Credit risk

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

A) Those with professional collaboration such as:

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

B) Individuals-Passengers

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

4.5 Market conditions risk

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

4.6 Interest rate risk

The long-term borrowings of the Company have agreed to be remunerated in a floating interest rate of Euribor plus margin. Therefore, the Company is exposed to interest rate risk since in case of a Euribor increase, the Company shall be incurred with additional interest expenses. During the first half of 2015, European Central Bank continued its policy to develop a growth path of the economy and alleviate the pressures of the markets through the stabilization of the interest rates at very low levels, contributing positively to the reduction of the Company's borrowing costs. The exposure to the risk of the increase of interest rates is closely monitored and the Company calculates their effect on its operation. Hedging activities have already been considered and financial instruments shall be used when conditions allow it.

4.7 Foreign exchange risk

Considering the fact that all transactions performed abroad are mainly in the Euro currency, after the adoption of the common European currency, the company's foreign exchange risk is almost eliminated. Furthermore, the Company is not subject to foreign currency risk regarding its loans, taking under consideration that these are denominated in Euro. Indirectly, the Company is exposed to currency risk from the bunkers supplies.

4.8 Fair value estimation

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

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

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

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

On 30/6/2015 and 31/12/2014 respectively, the Group and the Company held the following financial instruments measured at fair value:

		<u>The Group</u>		<u>The Company</u>	
	<u>Level</u>	<u>30/6/2015</u>	<u>31/12/2014</u>	<u>30/6/2015</u>	<u>31/12/2014</u>
Financial instruments					
Available for sale financial assets	3	50,570	50,570	50,570	50,570

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

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

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

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

5. Revenue

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2015</u>	<u>30/6/2014</u>	<u>30/6/2015</u>	<u>30/6/2014</u>
Revenue from vessels' operations (fares, chartering & agency fees)	71,416	65,501	66,281	60,367
Revenue from restaurants-bars	4,757	4,949	4,757	4,949
Revenue from shops on board	2,493	2,320	2,493	2,320
Totals	78,666	72,770	73,531	67,636

6. Cost of sales

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2015</u>	<u>30/6/2014</u>	<u>30/6/2015</u>	<u>30/6/2014</u>
Payroll cost	5,640	5,566	5,640	5,566
Bunkers and lubricants-on board sales costs	25,562	34,176	25,562	34,176
Port expenses-Maintenances-Consumables	4,493	4,132	4,493	4,132
Vessels chartering cost	13,460	11,373	13,460	11,373
Various other costs-Net Depreciation	11,585	10,960	8,821	8,196
Totals	60,740	66,207	57,976	63,443

7. Other operating income

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2015</u>	<u>30/6/2014</u>	<u>30/6/2015</u>	<u>30/6/2014</u>
Commissions received & Income from services to third parties	38	38	38	38
Rental income	5	5	5	5
Various other income	163	133	163	133
Totals	206	176	206	176

8. Selling expenses

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2015</u>	<u>30/6/2014</u>	<u>30/6/2015</u>	<u>30/6/2014</u>
Payroll cost	2,069	2,207	2,069	2,207
Commissions paid–Advertising and promotion expenses	4,397	2,917	4,347	2,869
Various other costs–Net Depreciation	419	451	418	451
Totals	6,885	5,575	6,834	5,527

9. Administrative expenses

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2015</u>	<u>30/6/2014</u>	<u>30/6/2015</u>	<u>30/6/2014</u>
Payroll cost	1,455	1,330	1,455	1,330
Third parties fees and expenses	646	676	641	672
Various other costs–Net Depreciation	613	701	601	690
Totals	2,714	2,707	2,697	2,692

10. Other operating expenses

As at 30/6/2015 is included mainly an impairment provision for certain clients which conducted amounting € 999, whilst has reduced the item "Receivables" of the condensed interim financial statements (note 20). As at 30/6/2014 the respective amount was € 28.

11. Dividends income from subsidiaries

The amounts presented are dividends for the fiscal years 2014 and 2013 respectively received by the parent from the subsidiary Minoan Italia S.p.A. The decision for the year 2014 was taken in the regular General Assembly of the company held in April 2015.

12. Income tax

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2015</u>	<u>30/6/2014</u>	<u>30/6/2015</u>	<u>30/6/2014</u>
Income tax expense estimation for the period ended	100	80	–	–
Deferred tax	20	40	–	–
Totals	120	120	–	–

13. Earnings per share

	<u>The Group</u>				<u>The Company</u>			
	<u>30/6/2015</u>	<u>30/6/2014</u>	<u>1/4– 30/6/2015</u>	<u>1/4– 30/6/2014</u>	<u>30/6/2015</u>	<u>30/6/2014</u>	<u>1/4– 30/6/2015</u>	<u>1/4– 30/6/2014</u>
Profit / (loss) of the period attributable to shareholders of the Parent	5,838	-4,499	3,483	-689	6,620	-4,400	5,349	493
Weighted average number of shares outstanding	106,980,050	101,347,115	106,980,050	106,980,050	106,980,050	101,347,115	106,980,050	106,980,050
Basic and Diluted Earnings / (losses) of the period per share (in €)	0.0546	-0.0444	0.0326	-0.0064	0.0619	-0.0434	0.0500	0.0046

14. Tangible and intangible assets

The Group

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Vessels - Spare parts - Vessels' other equipment</u>	<u>Furniture - Computers - Other equipment - Mobile phones & tablets</u>	<u>Software</u>	<u>Totals</u>
Cost at 1/1/2014	2,110	6,278	8	531,644	3,280	3,140	546,460
Acquisitions and additions 1/1–31/12/2014	–	–	–	2,851	82	79	3,012
Less / (plus): Disposals–Transfers–Write offs 1/1–31/12/2014	–	–	–	13	42	–	55
Costs at 31/12/2014	2,110	6,278	8	534,482	3,320	3,219	549,417
Cost at 1/1/2015	2,110	6,278	8	534,482	3,320	3,219	549,417
Acquisitions and additions 1/1–30/6/2015	–	–	–	1,195	135	9	1,339
Less / (plus): Disposals–Transfers–Write offs 1/1–30/6/2015	–	–	–	1	257	–	258
Costs at 30/6/2015	2,110	6,278	8	535,676	3,198	3,228	550,498
Accumulated Depreciation at 1/1/2014	–	2,353	5	141,164	2,892	2,841	149,255
Depreciation for the period 1/1–31/12/2014	–	255	1	15,070	176	161	15,663
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1–31/12/2014	–	–	–	15	39	–	54
Accumulated Depreciation at 31/12/2014	–	2,608	6	156,219	3,029	3,002	164,864
Accumulated Depreciation at 1/1/2015	–	2,608	6	156,219	3,029	3,002	164,864
Depreciation for the period 1/1–30/6/2015	–	128	1	7,660	76	77	7,942
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1–30/6/2015	–	–	–	1	256	–	257
Accumulated Depreciation at 30/6/2015	–	2,736	7	163,878	2,849	3,079	172,549
Net book value at :							
1/1/2014	2,110	3,925	3	390,480	388	299	397,205
31/12/2014	2,110	3,670	2	378,263	291	217	384,553
30/6/2015	2,110	3,542	1	371,798	349	149	377,949

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 & tablets</u>	<u>Software</u>	<u>Totals</u>
Cost at 1/1/2014	2,110	6,278	8	317,923	3,280	3,140	332,739
Acquisitions and additions 1/1–31/12/2014	–	–	–	2,851	82	79	3,012
Less / (plus): Disposals–Transfers–Write offs 1/1–31/12/2014	–	–	–	13	42	–	55
Costs at 31/12/2014	2,110	6,278	8	320,761	3,320	3,219	335,696
Cost at 1/1/2015	2,110	6,278	8	320,761	3,320	3,219	335,696
Acquisitions and additions 1/1–30/6/2015	–	–	–	1,195	135	9	1,339
Less / (plus): Disposals–Transfers–Write offs 1/1–30/6/2015	–	–	–	1	257	–	258
Costs at 30/6/2015	2,110	6,278	8	321,955	3,198	3,228	336,777
Accumulated Depreciation at 1/1/2014	–	2,353	5	86,653	2,892	2,841	94,744
Depreciation for the period 1/1–31/12/2014	–	255	1	9,542	176	161	10,135
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1–31/12/2014	–	–	–	15	39	–	54
Accumulated Depreciation at 31/12/2014	–	2,608	6	96,180	3,029	3,002	104,825
Accumulated Depreciation at 1/1/2015	–	2,608	6	96,180	3,029	3,002	104,825
Depreciation for the period 1/1–30/6/2015	–	128	1	4,895	76	77	5,177
Less / (plus) : Disposed / Transferred assets accumulated depreciation 1/1–30/6/2015	–	–	–	1	256	–	257
Accumulated Depreciation at 30/6/2015	–	2,736	7	101,074	2,849	3,079	109,745
Net book value at :							
1/1/2014	2,110	3,925	3	231,270	388	299	237,995
31/12/2014	2,110	3,670	2	224,581	291	217	230,871
30/6/2015	2,110	3,542	1	220,881	349	149	227,032

Information on mortgages, liens on the above mentioned assets is included in note 23. It was examined whether there are any indications of impairment in their value as at 30/6/2015 and no reason for impairment arisen.

15. Investment property

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

	<u>The Group</u>			<u>The Company</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Totals</u>	<u>Land</u>	<u>Buildings</u>	<u>Totals</u>
Cost at 1/1/2014	557	1,195	1,752	557	1,195	1,752
Costs at 31/12/2014	557	1,195	1,752	557	1,195	1,752
Cost at 1/1/2015	557	1,195	1,752	557	1,195	1,752
Costs at 30/6/2015	557	1,195	1,752	557	1,195	1,752
Accumulated Depreciation at 1/1/2014	–	412	412	–	412	412
Depreciation for the period 1/1–31/12/2014	–	41	41	–	41	41
Accumulated Depreciation at 31/12/2014	–	453	453	–	453	453
Accumulated Depreciation at 1/1/2015	–	453	453	–	453	453
Depreciation for the period 1/1–30/6/2015	–	21	21	–	21	21
Accumulated Depreciation at 30/6/2015	–	474	474	–	474	474
Net book value at :						
1/1/2014	557	783	1,340	557	783	1,340
31/12/2014	557	742	1,299	557	742	1,299
30/6/2015	557	721	1,278	557	721	1,278

In order to secure obligations of the Company, a mortgage has been registered on the property (note 24). It was examined whether there are any indications of impairment in its value as at 30/6/2015 and no reason for impairment arisen.

16. Investments in subsidiaries

Investments in subsidiaries are as follows:

<u>company</u>	<u>Participation amount</u>	
	<u>30/6/2015</u>	<u>31/12/2014</u>
Minoan Italia S.p.A.	140,343	147,543
Totals	140,343	147,543

At 30/6/2015 a decision was taken by the Extraordinary General Meeting of 100% subsidiary Minoan Italia S.p.A. to reduce its share capital by the amount of € 7,200 and the return of that amount to the parent company. An amount of € 5,749 was remaining to complete this return (note 20). In order for the bond loan to be secured, the shares of Minoan Italia S.p.A. have been pledged (note 23).

17. Available for sale financial assets

The available for sale financial assets refer mainly to the Company's investment in the non-listed company Hellenic Seaways Shipping S.A. The share owned by the Company in Hellenic Seaways Shipping S.A. is 33.35%. The Company believes that it has no significant influence in the management / financial policy of the company. The reasons for which the Company has documented that does not exercise significant influence over the management / financial policy of this company are described in detail in the Annual Financial Report for the year 1/1–31/12/2014 and have not changed in the current period. Therefore, the Company believes that no significant / material influence is exercised to Hellenic Seaways Shipping S.A. and thus, the investment was valued in accordance with IAS 39. It was examined whether there are any indications of impairment in its value as at 30/6/2015 and no reason for impairment arisen.

18. Other non-current assets

In the other non-current assets, receivables of the Company mainly included which are expected to be collected in a period exceeding one year. The present value of these receivables, which is expected to be recovered, amounts to € 17,547 as at 30/6/2015 and € 18,051 as at 31/12/2014 respectively.

19. Inventories

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2015</u>	<u>31/12/2014</u>	<u>30/6/2015</u>	<u>31/12/2014</u>
Merchandise	1,894	1,444	1,894	1,444
Consumables	1,166	864	1,166	864
Totals	3,060	2,308	3,060	2,308

20. Trade and other receivables–Other current assets

	Trade and Other Receivables			
	The Group		The Company	
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
Customers–Cheques receivable	39,002	25,673	39,002	25,673
Trade receivables due from affiliates	–	–	5,749	323
Other receivables	1,735	1,680	1,728	1,673
Totals	40,737	27,353	46,479	27,669

	Other current assets			
	The Group		The Company	
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
Prepaid expenses	5,326	1,458	5,326	1,458
Accrued income	2,748	3,343	160	828
Totals	8,074	4,801	5,486	2,286

21. Cash and Cash equivalents

	The Group		The Company	
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
Cash on hand	888	253	651	145
Cash in banks and time deposits	5,146	20,075	5,141	20,075
Totals	6,034	20,328	5,792	20,220

22. Share capital

(the amounts of note 22 are presented in €)

The share capital of the Company is divided into 106,980,050 ordinary shares with a nominal value of € 2.25 each. The equity holders of ordinary shares receive dividend when it is approved for distribution by the General Shareholders' Meeting. Every ordinary share carries one voting right at the General Shareholders' Meetings. The weighted average number of shares on 30/6/2015 was 106,980,050 while on 30/6/2014 was 101,347,115.

23. Loans – Short-term bank borrowings

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

	Average	30/6/2015	Average	31/12/2014
	interest rate		interest rate	
	1/1–30/6/2015		1/1–30/6/2014	
Bond Loan–Agent National Bank of Greece	1.00%	207,265	1.93%	211,363
Less : Net book value of transaction costs		-629		-694
Total bond loan		206,636		210,669
Less : current portion of long-term loan		-17,689		-16,259
Total long-term debt		188,947		194,410

The bond loan agreement is denominated in Euro with a variable interest rate (Euribor), plus a spread as defined in the particular agreement. The loan is repayable by 2019. Nevertheless, a partial or full early repayment of the loan is permitted according to the bond loan agreement. The interest expense of the above long-term debt for the periods ended June 30th 2015 and 2014 amounted to € 1,067 and € 2,212 respectively. It is noted that the indicated increase of the current portion of the loan of 30/6/2015 is solely due to the rules which had been imposed on the banking transactions with the bank holiday application from 28/6–19/7/2015. Thus, although the Company had ordered for the timely disbursement of the 30/6/2015 bond loan tranche, part of this delayed to be received by certain banks–creditors, without thereby incurring any consequence for the Company.

In order to secure the aforementioned debt, first preferred mortgages amounting to € 375,000 have been registered on the Company's vessels (note 14). Moreover, the shares of subsidiary Minoan Italia S.p.A. have been pledged for an amount of € 145,200 (note 16). As at 30/6/2015 the Group had no short-term borrowings, whilst as at 31/12/2014 the respective amount was € 8,022. To secure those short-term borrowings two of the Company's properties have been mortgaged (note 14). The average interest rates for the periods 1/1–30/6/2015 and 1/1–30/6/2014 were 4.75% and 6.27% respectively. Information related to the exposure of the Company to financial risk is included in note 4.

24. Trade and other payables

	<u>The Group</u>		<u>The Company</u>	
	<u>30/6/2015</u>	<u>31/12/2014</u>	<u>30/6/2015</u>	<u>31/12/2014</u>
Suppliers–cheque payables	13,490	13,623	13,478	13,620
Withholding taxes–social security contributions payable	6,034	4,010	6,034	4,010
Sundry creditors	5,084	14,460	5,074	14,460
Accrued expenses	7,552	8,279	7,552	8,279
Customer advances	942	672	942	672
Deferred income	12,425	2,242	12,330	2,118
Totals	45,527	43,286	45,410	43,159

25. Operating segments

The Group operates its business mainly in the passenger ferry shipping industry while the geographical segment is based on the vessels' operations of the parent in both coastal (Greece) and international (Adriatic) routes.

Due to the nature of its business activities, the Company encounters the effect of seasonality relating to the revenue from passengers' and private cars' fares as well as the revenue from on–board services (bars–restaurants, shops etc).

Thus, the revenue recorded from the two fares categories is 28.3% of the period's total consolidated revenue, while 11.1% corresponds to the on–board services turnover. On the contrary, the revenue from truck fares is evenly spread throughout the year and represents 48.5% of the total consolidated revenue for the six months ended June 30th 2015. Finally, the turnover from chartering of vessels and the agency fees and commissions constitutes 12.1% of the period's total consolidated revenue and it is included in the unallocated items.

The Group

	<u>1/1–30/6/2015</u>	<u>Greece routes</u>	<u>Adriatic routes</u>	<u>Unallocated items</u>	<u>Totals</u>
Revenue		20,321	47,131	11,214	78,666
Gross Profit		3,947	10,003	3,976	17,926
Profit before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)		7,147	6,991	1,025	15,163
Net depreciation		-3,472	-1	-4,391	-7,864
Profit before taxation, financing and investment costs		3,675	6,990	-3,366	7,299
Financial income		–	–	52	52
Financial expense		-373	–	-1,020	-1,393
Profit / (loss) of the period before taxes		3,302	6,990	-4,334	5,958
Income tax		–	–	-120	-120
Profit / (loss) of the period after taxes		3,302	6,990	-4,454	5,838
	<u>30/6/2015</u>				
Total assets		164,896	4	340,385	505,285
Total liabilities		68,070	437	189,096	257,603
Capital expenditure		1,049	2	288	1,339

The Group

	<u>1/1-30/6/2014</u>	<u>Greece routes</u>	<u>Adriatic routes</u>	<u>Unallocated items</u>	<u>Totals</u>
Revenue		19,006	44,567	9,197	72,770
Gross Profit		695	2,863	3,005	6,563
Profit before depreciation, taxation, financing and investment costs (e.b.i.t.d.a.)		3,563	1,375	1,024	5,962
Net depreciation		-3,364	-11	-4,336	-7,711
(Loss) / profit before taxation, financing and investment costs		199	1,364	-3,312	-1,749
Financial income		–	–	27	27
Financial expense		-729	–	-1,928	-2,657
(Loss) / profit of the period before taxes		-530	1,364	-5,213	-4,379
Income tax		–	–	-120	-120
(Loss) / profit of the period after taxes		-530	1,364	-5,333	-4,499
	<u>31/12/2014</u>				
Total assets		167,319	4	341,974	509,297
Total liabilities		69,398	10,587	187,468	267,453
Capital expenditure		1,091	1	1,920	3,012

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

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

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

26. Related party transactions

During 2008, the company “GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.A.” having its registered address in Palermo Italy, acquired the majority of the Company's shares, and thus became the ultimate controlling party exercising control on the Company and the Group.

Related parties are considered the Group of the ultimate parent company, the members of the Board of Directors and management of subsidiaries of the Group, as well as the financially dependent members and first-degree relatives of the members of the Board of Directors and management, and the associate companies.

Presented in the tables below are the receivable and payable balances between the related parties on 30/6/2015 and 31/12/2014, as well as purchases (services received) and sales (services provided) for the six-month periods 1/1–30/6/2015 and 1/1–30/6/2014 respectively:

26.1 Group of ultimate parent company

<u>30/6/2015</u>	<u>The Company</u>					<u>The Group</u>
<u>company</u>	<u>Minoan Lines Shipping S.A.</u>				<u>Minoan</u>	
					<u>Italia S.p.A.</u>	
	<u>Grimaldi</u>	<u>Grimaldi</u>	<u>Grimaldi</u>	<u>Finnlines</u>	<u>Grimaldi</u>	
	<u>Group</u>	<u>Euromed</u>	<u>Germany</u>	<u>Plc</u>	<u>Group</u>	<u>Totals</u>
	<u>S.p.A. *</u>	<u>S.p.A.</u>	<u>GMBH</u>		<u>S.p.A.</u>	
due from	–	7,445	–	1	–	7,446
payable to	604	–	21	–	10	635
* Grimaldi Tours is included						

* Grimaldi Tours is included

<u>31/12/2014</u>		<u>The Company</u>				<u>The Group</u>	
<u>company</u>	<u>Minoan Lines Shipping S.A.</u>			<u>Totals</u>	<u>Totals</u>	<u>Minoan Italia S.p.A.</u>	
	<u>Grimaldi</u>	<u>Atlantica di</u>	<u>Finnlines</u>			<u>Grimaldi</u>	<u>Totals</u>
	<u>Compagnia di</u>	<u>Navigazione</u>	<u>Plc</u>			<u>Group</u>	
	<u>S.p.A. *</u>	<u>S.p.A.</u>				<u>S.p.A.</u>	
due from	–	–	1	1	1	–	1
payable to	3,469	7,118	–	10,587	10,587	–	10,587

* Grimaldi Tours is included

<u>1/1–30/6/2015</u>	<u>The Company</u>				<u>The Group</u>	
	<u>Minoan Lines Shipping S.A.</u>				<u>Minoan Italia S.p.A.</u>	
<u>company</u>	<u>Grimaldi Group S.p.A. *</u>	<u>Grimaldi Euromed S.p.A.</u>	<u>Grimaldi Germany GMBH</u>	<u>Totals</u>	<u>Grimaldi Group S.p.A.</u>	<u>Totals</u>
Chartering cost	6,568	6,892	–	13,460	–	13,460
Crew wages cost	189	196	–	385	–	385
Adjustment of the on-board operating result	523	507	–	1,030	–	1,030
Attributing crew wages cost of chartered owned vessels	–	-177	–	-177	–	-177
Attributing agency costs	–	-842	–	-842	–	-842
Bunkers cost	286	784	–	1,070	–	1,070
Other expenses	–	616	21	637	10	647
Totals	7,566	7,976	21	15,563	10	15,573
Chartering revenue	–	3,258	–	3,258	–	3,258
Revenue from crew coat reduction of chartered vessels	77	124	–	201	–	201
Revenue from services rendered	54	720	–	774	–	774
Adjustment of the on-board operating result	–	4	–	4	–	4
Revenue from bunker disposal	–	556	–	556	–	556
Other revenue	13	178	–	191	–	191
Totals	144	4,840	–	4,984	–	4,984

* Grimaldi Tours is included

<u>1/1–30/6/2014</u>	<u>The Company</u>			<u>The Group</u>	
<u>company</u>	<u>Minoan Lines Shipping S.A.</u>			<u>Minoan Italia S.p.A.</u>	
	<u>Grimaldi Compagnia di Navigazione S.p.A. *</u>	<u>Atlantica di Navigazione S.p.A.</u>	<u>Totals</u>	<u>Grimaldi Compagnia di Navigazione S.p.A.</u>	<u>Totals</u>
Chartering cost	7,061	4,312	11,373	–	11,373
Crew wages cost	314	38	352	–	352
Adjustment of the on-board operating result	914	337	1,251	–	1,251
Attributing crew wages cost of chartered owned vessels	–	-178	-178	–	-178
Attributing agency costs	–	-573	-573	–	-573
Other expenses	5	152	157	10	167
Totals	8,294	4,088	12,382	10	12,392
Chartering revenue	–	2,906	2,906	–	2,906
Revenue from crew coat reduction of chartered vessels	153	60	213	–	213
Revenue from agency	19	574	593	–	593
Other revenue	8	2	10	–	10
Totals	180	3,542	3,722	–	3,722

* Grimaldi Tours is included

26.2 Subsidiaries

<u>30/6/2015</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
<u>company</u>		
<u>Minoan Lines Shipping S.A.</u>		
due from	5,749	5,749

<u>31/12/2014</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
<u>company</u>		
<u>Minoan Lines Shipping S.A.</u>		
due from	323	323

<u>1/1–30/6/2015</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
<u>company</u>		
<u>Minoan Lines Shipping S.A.</u>		
2014 Dividend received	2,981	2,981
Totals	2,981	2,981

<u>1/1–30/6/2014</u>	<u>Minoan Italia S.p.A.</u>	<u>Totals</u>
<u>company</u>		
<u>Minoan Lines Shipping S.A.</u>		
2013 Dividend received	2,295	2,295
Totals	2,295	2,295

All the above transactions, as referred to notes 26.1 and 26.2, were entered into at arm's length.

26.3 Members of the Board of Directors and management

The remuneration to the Members of the Board of Directors and the Company's management are analysed as follows:

	<u>30/6/2015</u>	<u>30/6/2014</u>
Executive directors	252	252
Non-executive directors	95	95
Management	401	328
Totals	748	675

Of the total remunerations above, an amount of € 68 and € 61 remains unpaid as at 30/6/2015 and 30/6/2014 respectively. In addition, transactions with relatives of the Management and executives for the period ended 30/6/2015 amounted to € 210 while remains unpaid as at 30/6/2015 € 11. The nature of these transactions was mainly labor (payroll) and commercial cooperation (fees for goods and services received).

27. Contingent liabilities

Beyond the below mentioned there are no changes in contingent liabilities of the Company and the Group to those referred to the Annual Financial Statements of 2014:

By letter dated 15/6/2015, the Greek Capital Market Commission informed the Company, that as a consequence of its shareholding structure as of 31 December 2014, falls under par. 4 of article 7 of the Ministerial Decision 54138/B' 2197 (Government Gazette 1913B'–09/12/2010) provided an increased periodical contribution, amounting, for the year 2015, to € 246. The Company, by calling into question that the conditions for being subject to the said provisions are met, has taken legal steps against this decision before the competent Administrative Courts. The Company is convinced that the Courts will rule in its favor, and for that reason no relevant provision has been established.

.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 Shipping S.A.	2006–2015 (except year 2011)
Minoan Italia S.p.A.	2009–2015

The Company has not been audited by the tax authorities for the years 2006 to 2010. Respective the Italian subsidiary Minoan Italia S.p.A. has not been checked for the years 2009 to 2015. During these checks, the management of the Company believes that no additional taxes and surcharges will be imposed and therefore no provision has been established. The Company on 18/12/2013 was informed by the competent tax authorities that has been selected for tax audit for the year 2006.

The tax audits For the Company of the financial years 2012–2014 have been performed by PricewaterhouseCoopers S.A. For the financial years 2012 and 2013 upon completion respective Tax Compliance Reports issued with unqualified opinion. For the financial year 2014 the Tax Compliance Report will be issued in the second semester of 2015. Upon completion of the tax audit the Company's management does not expect that significant additional tax liabilities will arise in excess of those provided for and disclosed in the financial statements.

28. Subsequent events

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

Heraklion, August 27th 2015

<u>The Vice–Chairman of the B.o.D.</u>	<u>The Managing Director</u>	<u>The Chief Financial Officer</u>	<u>The Accounting Manager</u>	<u>The Accountant</u>
Michail Chatzakis Pass No AH 4939797	Antonios Maniadakis ID C No AI 944699	Nikolaos Artemis ID C No AK 004796	Isidoros Manolakis ID C No AE 961838	Astrinos Kyrarakis ID C No AM 465753 H.E.C. Lcnc No 79324 A' Class



a Grimaldi Group company

MINOAN LINES
SHIPPING SOCIETE ANONYME

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

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

NOTES AND INFORMATION for the period ended June 30th, 2015 (1/1 – 30/6/2015)

(In accordance with the decision 4 / 507 / 28.4.2009 of the Hellenic Capital Market Commission)

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

(Amounts in Thousand €)

COMPANY'S INFORMATION**STATEMENT OF CHANGES IN EQUITY**

Company's Web Site : www.minoan.gr
 Date of approval of financial statements from the Board of Directors: August 27th 2015
 Certified Auditor Accountant: Marinou Despina Reg. No. ICPA (GR) 17681
 Audit Firm: PricewaterhouseCoopers S.A. Reg. No. ICPA (GR) 113
 Type of auditor's report: Unqualified opinion

	The Group		The Company	
	30/6/2016	30/6/2014	30/6/2016	30/6/2014
Total equity (1/1/2015 and 1/1/2014)	241,844	211,646	233,807	205,804
Funds raised from share capital increase	–	30,587	–	30,587
Costs of share capital increase	–	-427	–	-427
Profit / (loss) of the period after taxes (a)	5,838	-4,499	6,620	-4,400
Other comprehensive income of the period after taxes (b)	–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)	5,838	-4,499	6,620	-4,400
Total equity at the end of the period (30/6/2016 and 30/6/2014)	247,682	237,307	240,427	231,664

STATEMENT OF FINANCIAL POSITION**STATEMENT OF CASH FLOWS**

	The Group		The Company	
	30/6/2016	31/12/2014	30/6/2016	31/12/2014
Assets				
Property, plant and equipment	377,800	384,336	226,883	230,654
Intangible assets	149	217	149	217
Investment property	1,278	1,299	1,278	1,299
Investments in subsidiaries	–	–	140,343	147,543
Available for sale financial assets	50,570	50,570	50,570	50,570
Other non-current assets	17,583	16,085	17,583	16,085
Inventories	3,060	2,308	3,060	2,308
Trade receivables	40,737	27,363	46,479	27,669
Other current assets	14,108	25,129	11,278	22,506
Total assets	606,286	609,297	497,623	600,851
Equity and liabilities				
Share Capital	240,705	240,705	240,705	240,705
Retained Earnings and other Reserves	6,977	1,139	-278	-6,898
Total Shareholders Equity (a)	247,682	241,844	240,427	233,807
Non-controlling interests (b)	–	–	–	–
Total equity (c) = (a) + (b)	247,682	241,844	240,427	233,807
Long-term borrowings	188,947	194,410	188,947	194,410
Provisions / other long-term liabilities	5,413	5,436	5,150	5,194
Bank overdrafts and current portion of long term borrowings	17,689	24,281	17,689	24,281
Other current liabilities	45,554	43,326	45,410	43,159
Total liabilities (d)	257,603	267,453	257,196	267,044
Total equity and liabilities (c) + (d)	606,286	609,297	497,623	600,851

	The Group		The Company	
	1/1–30/6/2016	1/1–30/6/2014	1/1–30/6/2016	1/1–30/6/2014
Cash flows from Operating activities				
Profit / (loss) of the period before taxes	5,958	-4,379	6,620	-4,400
plus / (less) adjustments for :				
Net depreciation	7,864	7,711	5,101	4,947
Provisions	1,051	130	1,051	130
Net Foreign Exchange	7	4	7	4
(Income), (gains) / Expenses, losses from other investing activities	–	–	-2,981	-2,295
Interest and other financial expenses	1,393	2,657	1,393	2,657
plus / (less) adjustments for changes in working capital or operating activities :				
(Increase) in inventories	-752	-126	-752	-126
(Increase) in trade and other receivables	-17,258	-2,525	-17,187	-1,939
(Increase) / (decrease) in liabilities other than borrowings	2,235	-26,574	2,244	-24,632
(less) :				
Interest and related expenses paid	-1,221	-2,503	-1,221	-2,503
Income tax paid	-113	-178	–	–
Net cash (used in) Operating activities (a)	-836	-25,783	-5,725	-28,157
Cash flows from Investing activities				
Return of capital from affiliate	–	–	1,774	–
Purchase of tangible and intangible assets	-1,339	-2,149	-1,339	-2,149
Dividends received	–	–	2,981	2,295
Net cash (used in) / generated by investing activities (b)	-1,339	-2,149	3,416	148
Cash flows from Financing activities				
Net funds raised from share capital increase	–	30,160	–	30,160
Repayment of long/short term borrowings	-12,119	-14,280	-12,119	-14,280
Dividends paid	–	-31	–	-31
Net cash (used in) / generated by Financing activities (c)	-12,119	15,849	-12,119	15,849
Net (decrease) / increase in cash and cash equivalents (a)+(b)+(c)	-14,294	-12,083	-14,428	-12,189
Cash and cash equivalents at the beginning of the period	20,328	19,206	20,220	19,124
Cash and cash equivalents at the end of the period	6,034	7,123	6,792	6,935

STATEMENT OF COMPREHENSIVE INCOME

	The Group				The Company			
	1/1–30/6/2016	1/1–30/6/2014	1/4–30/6/2016	1/4–30/6/2014	1/1–30/6/2016	1/1–30/6/2014	1/4–30/6/2016	1/4–30/6/2014
Revenue	78,666	72,770	44,580	41,449	73,531	67,636	41,999	38,868
Gross Profit	17,926	6,563	10,977	5,154	15,555	4,193	9,778	3,955
Operating Profit / (loss) / profit before tax, financing and investing costs	7,299	-1,749	4,090	325	4,998	-4,054	2,928	-840
Profit / (loss) / profit of the period before taxes	5,958	-4,379	3,544	-628	6,620	-4,400	5,349	493
Profit / (loss) / profit of the period after taxes (a)	6,838	-4,499	3,483	-689	6,620	-4,400	5,349	493
- Equity holders of the parent	5,838	-4,499	3,483	-689	6,620	-4,400	5,349	493
- Non-controlling interests	–	–	–	–	–	–	–	–
Other comprehensive income of the period after taxes (b)	–	–	–	–	–	–	–	–
Total comprehensive income of the period after taxes (a) + (b)	6,838	-4,499	3,483	-689	6,620	-4,400	5,349	493
- Equity holders of the parent company	5,838	-4,499	3,483	-689	6,620	-4,400	5,349	493
- Non-controlling interests	–	–	–	–	–	–	–	–
Basic and Diluted Earnings / (losses) of the period after taxes per share after taxes (in €)	0.0546	-0.0444	0.0326	-0.0064	0.0619	-0.0434	0.0500	0.0046
Operating Profit / (loss) of the period before taxes, depreciation, financing and investing costs	16,163	5,962	8,036	4,196	10,099	892	5,492	1,646

NOTES AND INFORMATION

- The amounts are presented in thousands of € unless explicitly stated otherwise. Any last digit discrepancies are due to rounding of the figures.
- 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 GROUP S.p.A." (domicile : Palermo Italy) which at the period ended June 30th, 2015 participated in the share capital of the Company with 95.69% (call option of 1.97% included).
- The unaudited tax years of the Company and of the companies of the Group are analyzed in note 27 of the condensed interim financial statements.
- For securing the long-term debt, first preferred mortgages have been registered on the Group's vessels and have been pledged the shares of the subsidiary company Minoan Italia S.p.A. (note 23 of the condensed interim financial statements).
- 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	16,169	16,169
Provisions for unaudited tax years	–	–
Other provisions	191	191

- The number of the personnel employed by the Group at the period ended 30/6/2015 and 30/6/2014 was 436 and 420, respectively.
- Basic earnings per share were calculated based on the weighted average number of shares outstanding as of 30/6/2015 and 30/6/2014 respectively (notes 13 and 22 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 analyzed in note 26 of the condensed interim financial statements and are as follows:

	The Group	The Company
a) Inflows	4,984	4,984
b) Outflows	15,573	15,563
c) Receivables	7,446	13,195
d) Payables	635	625
e) Transactions and compensations of directors and members of B.o.D.	748	748
f) Receivables from directors and members of B.o.D.	–	–
g) Payables to directors and members of B.o.D.	79	79

Heraklion, August 27th 2015The Vice-Chairman of the B.O.D.Michael Hatzakis
Pass. No AH 489797The Managing DirectorAntoniou Maniadas
ID C No AI 944699The Chief Financial OfficerNikolaos Artemis
ID C No AK 004796The Accounting ManagerIsidoros Manolakis
ID C No AE 961838The AccountantAstrinos Kyralakis
ID C No AM 466763
H.E.C. Lone No 79324 A' Class