



MINOAN LINES SHIPPING S.A.

INTERIM FINANCIAL STATEMENTS

**As of December 31, 2004 and March 31, 2005
and for the three months ended
March 31, 2005 and March 31, 2004**

CONTENTS

1. Income statement
2. Balance sheet
3. Statement of changes in equity
4. Cash flow statement
5. Segment information
6. Reconciliation between Greek GAAP and IFRS
7. Notes to the accounts
 1. Basis of preparation
 2. Basis of consolidation
 3. Accounting policies
 4. Tax audit years
 5. Pledge of company assets
 6. Litigation
 7. Number of employees
 8. Related party transactions
 9. Contingent liabilities
 10. Other information
 1. Minoan Lines' shares
 2. Subsequent events

I. INCOME STATEMENT (Amounts in €)

	GROUP		COMPANY	
	31.03.2005	31.03.2004	31.03.2005	31.03.2004
Turnover	34,271,289.79	30,940,042.83	34,107,920.22	30,779,576.42
Less : Cost of sales	23,688,191.59	21,719,908.81	23,552,517.05	21,568,652.80
Gross Profit	10,583,098.20	9,220,134.02	10,555,403.17	9,210,923.62
Plus : Other operating income	30,009.18	29,001.67	29,872.10	28,958.82
Less : Administration expenses	2,156,523.87	2,034,322.52	2,100,378.07	1,974,830.40
Less : Sales expenses	2,757,436.54	2,456,898.22	2,856,178.26	2,531,250.43
Earnings before interest, taxes and depreciation	5,699,146.97	4,757,914.95	5,628,718.94	4,733,801.61
Less : Depreciation	5,266,147.31	5,285,232.04	5,263,879.97	5,283,008.02
Results before interest and taxes	432,999.66	-527,317.09	364,838.97	-549,206.41
Less: Financial expenses	8,143,759.38	9,225,026.41	6,130,120.07	-6,194,249.69
Less: Other income / expenses	34,307.67	19,571.31	26,933.55	19,569.73
Net result before taxes	-7,745,067.39	-9,771,914.81	-5,792,214.65	-6,763,025.83
Taxes	37,247.00	23,455.00	0.00	0.00
Net result after taxes	-7,782,314.39	-9,795,369.81	-5,792,214.65	-6,763,025.83
Attributed to:				
Shareholders	-7,781,090.70	-9,792,230.60	-5,792,214.65	-6,763,025.83
Minority interest	-1,223.69	-3,139.21	-	-
Net profit per share				

2. BALANCE SHEET (amounts in €)

	GROUP		COMPANY	
	31.03.2005	31.12.2004	31.03.2005	31.12.2004
ASSETS				
Fixed assets	746,267,845.99	749,774,205.59	747,182,266.94	748,676,409.86
Inventories	4,764,346.25	3,723,449.92	4,764,346.25	3,723,449.92
Trade debtors	9,796,570.86	6,770,175.77	9,657,276.72	6,806,270.37
Other assets	51,960,634.02	59,706,447.39	51,391,005.92	59,121,745.66
TOTAL ASSETS	812,789,397.12	819,974,278.67	812,994,895.83	818,327,875.81
EQUITY AND LIABILITIES				
Long-term debt	473,226,409.51	476,076,736.87	473,226,409.51	476,076,736.87
Other long-term liabilities	12,553,196.43	12,992,988.85	12,501,687.85	12,937,563.80
Short-term debt	50,980,700.27	51,368,406.02	50,980,700.27	51,368,406.02
Other short-term liabilities	36,804,665.54	31,332,914.75	36,649,042.28	31,314,493.13
Total liabilities (a)	573,564,971.75	571,771,046.49	573,357,839.91	571,697,199.82
Equity	239,165,015.63	248,142,598.75	239,637,055.92	246,630,675.99
Minority interests	59,409.74	60,633.43	-	-
Total shareholders equity (b)	239,224,425.37	248,203,232.18	239,637,055.92	246,630,675.99
TOTAL LIABILITIES & SHAREHOLDERS EQUITY (a) + (b)	812,789,397.12	819,974,278.67	812,994,895.83	818,327,875.81

3. STATEMENT OF CHANGES IN EQUITY (amounts in €)

	GROUP		COMPANY	
	31.03.2005	31.03.2004	31.03.2005	31.03.2004
Opening equity balance at the beginning of the period (01.01.2005 and 01.01.2004 respectively)	248,203,232.18	242,833,216.20	246,630,675.99	238,101,285.77
Share capital increase / (decrease)	0.00	0.00	0.00	0.00
Dividends	0.00	0.00	0.00	0.00
Income charged directly to equity	-1,196,492.42	1,062,919.78	-1,201,405.42	1,062,919.78
Net profit (loss) for the period ended	-7,782,314.39	-9,795,369.81	-5,792,214.65	-6,763,025.83
Purchase / (sale) of own shares	0.00	0.00	0.00	0.00
Closing equity balance at the end of the period (31.03.2005 and 31.03.2004 respectively)	239,224,425.37	234,100,766.17	239,637,055.92	232,401,179.72

4. CASH FLOW STATEMENT (amounts in €)

	GROUP		COMPANY	
	1.1-31.3.05	1.1-31.3.04	1.1-31.3.05	1.1-31.3.04
Operating activities				
Net result before taxes	-7,745,067.39	-9,771,914.81	-5,792,214.65	-6,763,025.83
Adjustments for:				
Depreciation and amortization	5,266,147.31	5,285,232.04	5,263,879.97	5,283,008.02
Provisions	659,143.33	658,344.47	659,143.33	658,344.47
Unrealized exchange differences	149,672.84	-50,776.08	149,672.84	-50,776.08
Result from sale of other investments	-30,561.30	-95,632.09	-30,028.00	-95,231.43
Interest expense	6,162,971.34	6,293,259.47	6,160,148.07	6,289,481.12
Other non - cash flow expenses	1,963,069.35	3,066,258.41	-48,279.99	38,859.38
Operating profit before working capital changes	6,425,375.48	5,384,771.41	6,362,321.57	5,360,659.65
Decrease / (increase) in inventories	-1,040,896.33	-230,428.67	-1,040,896.33	-230,428.67
Decrease / (increase) in trade and other receivables	-72,210.30	-1,581,915.97	96,255.03	-2,003,879.36
Increase / (decrease) in accounts payable (excluding banks)	2,646,595.90	1,930,037.48	2,550,557.73	2,328,749.87
Interest and other financial expenses	-4,211,722.34	-3,895,608.91	-4,208,899.07	-3,891,830.56
Tax payments	0.00	0.00	0.00	0.00
Net cash from operating activities (a)	3,747,142.41	1,606,855.34	3,759,338.93	1,563,270.93
Investing activities				
Purchase of associates	0.00	0.00	0.00	0.00
Purchase of tangible and intangible assets	-236,441.90	-290,067.30	-235,041.90	-289,959.34
Proceeds from sale of tangible and intangible assets	5,085.09	49,770,860.39	5,085.09	49,770,860.39
Decrease / (increase) of long-term receivables	-1,370.65	-51.65	-1,370.65	0.00
Interest received	24,915.03	26,293.32	24,381.73	25,892.66
Dividends received	2,913.34	0.00	2,913.34	0.00
Net cash used in investing activities (b)	-204,899.09	49,507,034.76	-204,032.39	49,506,793.71
Financing activities				
Capital stock issuance	0.00	0.00	0.00	0.00
Proceeds from borrowings	0.00	0.00	0.00	0.00
Repayment of borrowings	-3,387,705.95	-52,147,138.99	-3,387,705.95	-52,147,138.99
Lease payments	-35,672.43	-17,738.90	-35,672.43	-17,738.90
Dividends paid	-52,934.64	-38,074.41	-52,934.64	-38,074.41
Net cash from financing activities (c)	-3,476,313.02	-52,202,952.30	-3,476,313.02	-52,202,952.30
Net increase in cash and cash equivalents (a) + (b) + (c)	65,930.30	-1,089,062.20	78,993.52	-1,132,887.66
Cash and cash equivalents at beginning of period	1,135,679.00	2,969,193.63	997,850.85	2,853,503.94
Cash and cash equivalents at end of period	1,201,609.30	1,880,131.43	1,076,844.37	1,720,616.28

5. SEGMENTAL ANALYSIS (amounts in €)

	GREECE		EUROPE		TOTAL PARENT	
	31.3.2005	31.12.2004	31.3.2005	31.12.2004	31.3.2005	31.12.2004
Total fixed assets	298,014,914.68	298,352,308.39	448,252,931.31	451,421,897.20	746,267,845.99	749,774,205.59
Total liabilities	181,638,358.45	181,512,695.22	391,926,613.30	390,258,351.27	573,564,971.75	571,771,046.49
	1.1-31.3.05	1.1-31.3.04	1.1-31.3.05	1.1-31.3.04	1.1-31.3.05	1.1-31.3.04
Revenue	10,391,176.70	9,453,552.90	23,880,113.09	21,486,489.93	34,271,289.79	30,940,042.83
Gross profit / (loss)	3,539,072.51	2,804,119.22	7,044,025.69	6,416,014.80	10,583,098.20	9,220,134.02

	GREECE		EUROPE		TOTAL PARENT	
	31.3.2005	31.12.2004	31.3.2005	31.12.2004	31.3.2005	31.12.2004
Total fixed assets	298,939,536.03	297,254,512.66	448,242,730.91	451,421,897.20	747,182,266.94	748,676,409.86
Total liabilities	181,619,734.13	181,532,377.68	391,738,105.78	390,164,822.14	573,357,839.91	571,697,199.82
	1.1-31.3.05	1.1-31.3.04	1.1-31.3.05	1.1-31.3.04	1.1-31.3.05	1.1-31.3.04
Revenue	10,372,300.13	9,433,907.49	23,735,620.09	21,345,668.93	34,107,920.22	30,779,576.42
Gross profit / (loss)	3,520,195.94	2,784,473.81	7,035,207.23	6,426,449.81	10,555,403.17	9,210,923.62

6. RECONCILIATION OF EQUITY AT THE BEGINNING OF THE PERIOD (I.I.2005 AND I.I.2004 RESPECTIVELY) BETWEEN GREEK GENERAL ACCEPTED ACCOUNTING PRINCIPLES AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.) (amounts in €)

	GROUP		COMPANY	
	I.I.2005	I.I.2004	I.I.2005	I.I.2004
Equity balance at the beginning of the period, excluding minority interests (I.I.2005 and I.I.2004 respectively) according to Greek G.A.A.P.	240,595,764.45	236,585,864.18	243,312,160.22	240,479,670.42
Derecognition of formation expenses	-2,661,760.74	-4,761,428.46	-2,652,967.43	-4,736,456.24
Valuation of fixed assets to fair values and restatement of depreciation charged	4,961,075.81	8,173,823.04	2,354,529.97	5,567,277.20
Adjustment due to valuation of participations and marketable securities	6,960,516.59	11,246,983.80	5,333,376.29	5,272,347.40
Revision of government grants from equity to deferred income	-5,575,626.87	-5,768,746.81	-5,575,626.87	-5,768,746.81
Adjustment of provisions according to I.F.R.S.	-3,243,557.22	-4,125,122.99	-3,243,557.22	-4,123,641.98
Reclassification of dividends from liabilities to equity	7,092,600.00	1,418,520.00	7,092,600.00	1,418,520.00
Other adjustments	13,586.73	-7,684.22	10,161.03	-7,684.22
Equity balance at the beginning of the period, excluding minority interests (I.I.2005 and I.I.2004 respectively) restated to I.F.R.S.	248,142,598.75	242,762,208.54	246,630,675.99	238,101,285.77

7. NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The unaudited interim financial statements for the Company and the Group for the first quarter of 2005 are prepared in accordance with the International Financial Reporting Standards (IFRS) and specifically with IAS 34 -Interim Financial Reporting.

The accounting policies used in the preparation and presentation of the interim financial statements are consistent with those used in the consolidated and company financial statements for the year ended December 31, 2004.

There were no significant changes in accounting policies or estimates or in any provisions or impairment charges from those disclosed in the annual financial statements.

At the end of 2003 and during 2004 the International Accounting Standards Board (IASB) published a series of new International Financial Reporting Standards (IFRS) and reviewed a number of existing International Accounting Standards (IAS). Most of the aforementioned International Standards apply from January 1, 2005. The application of the International Standards by the company did not materially effect the financial position and results of the parent company and the companies of the Group.

2. Basis of consolidation

The companies that are included in the financial statements the respective countries of incorporation and the ownership interest are as follows:

Full consolidation method

Company	Country of Incorporation	Ownership Interest
EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.*	Panama	100.00%
CRETAN FILOXENIA S.A.	Greece	99.99%
ATHENA A.B.E.E.	Greece	99.99%
MINOAN AGENCIES S.R.L.	Italy	95.00%
MINOAN CRUISES SHIPPING S.A.	Greece	80.28%

Net equity consolidation method

Company	Country of Incorporation	Ownership Interest
MEDITERRANEAN FERRIES S.R.L.*	Italy	50.00%
HELLAS FLYING DOLPHINS S.A.	Greece	33.31%

*under liquidation

3. Accounting policies

The accounting policies have been consistently applied by and are consistent with those used in the previous year.

4. Tax audit

The parent company has not been audited by the tax authorities for the years 1997 to 2004. The subsidiaries included in the consolidation have not been audited by the tax authorities from their establishment date, except for the company Athena ABEE and the related company Hellas Flying Dolphins S.A., which have not been audited for the years 2000 to 2004. Consequently, tax obligations for these years have not yet been finalized.

5. Pledges on company assets

The loans the balance of which at 31.3.2005 amount to € 501.7 million are secured as follows based on the vessels to which they relate:

Mortgage type	Vessel	Amount of mortgage (in € million)
A	ARIADNE PALACE	
	EUROPA PALACE	
	OLYMPIA PALACE	
	FESTOS PALACE	408.67
	KNOSSOS PALACE	
	PASIPHAE PALACE	
	IKARUS PALACE	
A	DEDALUS	41.29
B	ARIADNE PALACE	
	EUROPA PALACE	
	OLYMPIA PALACE	
	FESTOS PALACE	158.00
	DEDALUS	
	KNOSSOS PALACE	
	PASIPHAE PALACE	
	IKARUS PALACE	

The above mentioned liabilities are also secured by pre-notice of real mortgage on the real estate assets of the companies of the Group amounting to € 17.15 million. Moreover 31,335,858 shares of the companies Hellas Flying Dolphins S.A., FORTHnet S.A. and ANEK S.A. are pledged.

6. Disputes under litigation or arbitration

I. There are no outstanding disputes at court or arbitration against the Company and companies that are controlled by the Company, which may have substantial effects in their financial condition.

It should be additionally mentioned that the Company is covered by “West of England Ship Owners Mutual Insurance Association” (Club) for risks, including Protection and Indemnity Risks for the Company’s liability and the indemnities that the Company may be called to pay to third persons for loss or damage in connection with the operation of the Company’s vessels.

II. The Directorate General of the European Committee has commenced administrative proceedings against the Company and six other companies which were activated in the sea line Greece - Italy between 1987 and 1993 for breach of article 85§1 of the E.C. Treaty. In particular, it was considered that there was an agreement between the afore mentioned companies regarding the ferry prices for roll-on/roll-off services between Patra and Ancona as well as a mutual fixing of freight levels for the trucks in the lines of Patra to Bari and Brindisi. The European Committee has ex-officio commenced administrative investigation and, in accordance with its decision issued on 9th December, 1998, imposed a penalty to the Company in the amount of € 3.26 million which was increased by the respective interest. The Company filed before the E.C. Tribunal Court an action dated 2nd March, 1999 which was dismissed on 11th December, 2003 by the respective decision. The Company filed before the E.C. Courts an appeal dated 5th March, 2004 against the decision of the Tribunal Court and the Company expects to be justified. However, in order to be able to face a probable penalty in case the Company’s arguments would not be accepted, the Company has made provisions for the penalty including interest by burdening the operating results of the years 1998, 1999, 2000, 2003 and 2004 up to the total amount of approximately €4.36 million.

III. By virtue of Decision No. 210/III/2002 of the Competition Commission, which is based on two reports of the Competition Secretariat, a penalty was imposed on the Company in the total amount of € 4.5 million for:

- (i) not making notification and proceeding with consolidation by the Company with the businesses of the joint venture named “JOINT VENTURE HYDROFOIL” and
- (ii) not making notification and proceeding with twenty (20) business consolidations on coastal section the period between 3.3.1999 and 31.12.1999 by HELLAS FLYING DOLPHINS S.A. which was controlled by the Company.

The Company has filed before the Administrative Court of Appeal of Athens an appeal dated 19-4-2002 against the above decision for legal false and vague and conflicting valuation of the facts and arguments that were presented before the Competition Commission; furthermore, the Company filed before the afore mentioned Court an application dated 22.4.2002 by virtue of which the execution of the above judgment of the Competition Commission was suspended until the issue of the decision on the appeal against such Decision. Estimating that the appropriate Administrative Courts will issue a decision justifying the Company, the Company has not made any respective provision.

By virtue of Decision No. II01/2005 of the Administrative Court of Appeal of Athens, the above mentioned Decision No. 210/III/2002 of the Competition Commission was cancelled with regard to the section that is connected with the Company.

IV. The Company has set up a provision amounting to approximately € 0.32 for tax control disputes of previous operating results regarding income and Value Added Tax on the amount of € 1.77 million.

It should be mentioned that the Company has filed actions for the said disputes before the Administrative Courts and has been justified at first instance for all disputes and finally (at second instance) for the disputes that have been judged until today.

V. The provision or not of the operating results of subsidiary Company by the amounts of USD 559,377.00 and € 210,162.44 for which letters of guarantee have been issued to the Seamen's Pension Fund depends on the results of the legal proceedings commenced by both the subsidiary Company and the Seamen's Pension Fund. The subsidiary Company has not made any provision estimating that it will be justified by the appropriate Courts.

7. Number of employees

The number of employees at the end of the period: Group: 1,071, Parent Company: 1,057

8. Related party transactions

The company purchase services from related companies in the ordinary course of business. These intercompany transactions for the period are as follows: Sales (provision of services) €9,300.5, Purchases (services) € 385,592.68, Receivables € 464,315.75 and Payables € 440,846.31.

9. Contingent liabilities

There are no significant contingent liabilities.

10. Other information

(1) Minoan Lines' shares

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.

Every share carries one voting right.

The total market capitalization of MINOAN LINES S.A. was € 212.8 million at March 31, 2005.

(2) Subsequent events

Further to the abovementioned matters, there are no subsequent events relating to the parent company and the companies of the Group, need to be referenced under the International Financial Reporting Standards.