MINOAN LINES SHIPPING S.A. - GROUP OF COMPANIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE FIRST HALF ENDED JUNE 30, 2004

PLC Reg. No. 11314/06/B/86/13

ASSETS	30/06/2004	30/06/2003
	€	€
Formation expenses (net book value)	4,536,561.37	6,593,723.48
Fixed Assets	756,300,628.91	809,267,086.72
Less: Depreciation (up until 30/6/2004)	65,271,172.21	52,947,927.44
Net Book Value	691,029,456.70	756,319,159.28
Investments & other Long-term Assets	69,309,492.52	69,291,659.60
Inventory	4,505,322.94	5,056,889.50
Trade Debtors	13,545,677.07	15,108,018.85
Other Debtors	29,515,085.64	29,796,448.63
Marketable Securities	4,898,230.79	4,593,970.40
Cash & Cash equivalents	2,070,622.88	2,751,533.35
Temporary assets	4,241,568.26	2,459,923.88
TOTAL ASSETS	**823,652,018.17**	**891,971,326.97**
DEBIT MEMO ACCOUNTS	770,370,976.49	772,174,919.02

LIABILITIES & SHAREHOLDERS EQUITY	30/06/2004	30/06/2003
	€	€
Issued and fully paid		
(70,926,000 shares of 2.25 Euro each)	159,583,500.00	159,583,500.00
Share premium account & other reserves	80,785,091.68	80,658,049.75
Retained Results	990,519.57	(475,535.43)
Results for the period (01/01-30/06/2004)	(7,149,734.84)	(14,221,571.70)
Consolidation differences	(4,547,470.25)	(4,547,470.25)
Minority interests	69,158.64	75,419.96
Provisions	4,694,402.23	5,734,196.54
Long-term Debt	491,136,179.59	419,503,658.16
Current Liabilities	94,262,973.25	240,081,216.66
Accruals & deferred income	3,827,398.30	5,579,863.28
TOTAL LIABILITIES & SHAREHOLDERS EQUITY	**823,652,018.17**	**891,971,326.97**
CREDIT MEMO ACCOUNTS	770,370,976.49	772,174,919.02

NOTES: 1. In the above-consolidated condensed financial statements 1.01-30.6.2004 are included, apart from the parent company, the subsidiary companies MINOAN CRUISES-SHIPPING S.A., EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A. (under liquidation), MINOAN AGENCIES S.R.L., CRETAN FILOXENIA S.A. and its subsidiary ATHENA S.A., which were consolidated with the full consolidation method. Also included with the net worth method are the associated undertakings HELLAS FLYING DOLPHINS SHIPPING S.A. and MEDITERRANEAN FERRIES S.R.L. (under liquidation). **2.** On the ships and fixed assets of the companies of the Group there are mortgages of € 722,458,000 and USD 6,928,350 to assure bank loans the balance of which at 30.6.2004 amounts to € 527,865,256.81 and USD 5,968,889. **3.** The personnel employed by the companies of the Group at 30.06.2004 amount to 1,166 persons. **4.** Up until the drawing up date of the consolidated condensed financial statements the pending cases for the parent company were the following: a) The fine imposed by the European Commission plus interest of €4.20 million for which a provision was set up of € 2.64 million. b) For prior years' tax differences of € 1.77 million, for which a provision has been set up of € 0.32 million. For all of the aforementioned cases, the Court of the First Instance proved the Company right, and as regards to VAT and income tax cases totalling € 1.15 million the judgment is definitive and c) For the fine imposed by the Antitrust Commission of € 4.50 million for which the Company has filed an appeal against this decision before the Administrative Court of Appeals of Athens. In respect of the above appeal, it has been issued by the Administrative Court of Appeals the decision no. 3732/2003 which imposes the Greek State to provide further information in concern. The Company has not set up additional provisions chargeable to the results. **5.** The charge or not of the results for the period of a subsidiary company with the amounts of USD 559,377 (equal to € 460,203.21) and € 210,162.44 in the circumstance of the forfeiture of guarantee letters, in favour of a subsidiary company, of respective amounts which have been issued in favour of NAT, is related to the outcome of the legal actions which NAT has already proceeded to and the aforesaid Subsidiary undertaking will proceed with. The subsidiary company has not set up any provisions in relation.

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD (JANUARY 1 - JUNE 30, 2004)

	1/01-30/06/2004	1/01/-30/06/2003
	€	€
Turnover (Sales)	79,774,780.27	78,117,746.80
Less: Cost of Sales	57,459,083.47	58,132,886.13
Plus: Other operating income	359,105.03	101,362.91
Gross Operating Results (Profits)	22,674,801.83	20,086,223.58
Less: Administrative expenses	5,256,619.81	6,345,926.21
Sales expenses	7,139,466.15	7,554,441.53
Research & Development expenses	0.00	2,784,607.72
Subtotal	10,278,715.87	3,401,248.12
Less: Financial expenses	15,772,165.06	17,566,305.53
Total Operating Results	**(5,493,449.19)**	**(14,165,057.41)**
Plus: Extraordinary Income - Profits	463,838.12	883,406.84
Less: Extraordinary Expenses - Losses	2,119,815.01	947,922.38
Operating & extraordinary results	**(7,149,426.08)**	**(14,229,572.95)**
Less: Total depreciation of fixed assets	9,223,841.09	9,718,923.99
Less: Depreciation included in operating cost	9,223,841.09	9,718,923.99
NET RESULTS BEFORE TAXES	(7,149,426.08)	(14,229,572.95)
Less: Minority Interest	308.76	(8,001.25)
NET CONSOLIDATED RESULTS BEF. TAXES	**(7,149,734.84)**	**(14,221,571.70)**

Heraklion, August 18, 2004

THE CHAIRMAN OF THE BOARD
KOSTAS KLIRONOMOS
ID C.No K 980430

THE VICE-CHAIRMAN OF THE BOARD
EMMANUIL KOULENDAKIS
ID C.No F 251786

THE GENERAL MANAGER
PANAGIOTIS KASSAPAKIS
ID C.No P 831611

THE CHIEF ACCOUNTANT
DIMITRA BATSI
ID C.No P 487723

(Translated from the original in Greek)

Independent Auditors' Report

The Board of Directors MINOAN LINES SHIPPING S.A.

We conducted the audit as required by the provisions of article 6 of PD 360/1985, as amended by article 90 of L. 2533/1997, including the procedures we deemed appropriate under the auditing standards adopted by the Institute of Certified Auditors Accountants, to ensure that the above condensed consolidated financial statements of MINOAN LINES SHIPPING S.A. and its subsidiaries for the period 1 January to 30 June 2004, do not include inaccuracies or omissions which would materially affect the consolidated financial position or consolidated results of the above parent company and its subsidiaries included in the consolidation. We did not audit the financial statements of the subsidiaries included in the consolidation, which represent 0.85% and 1.00% of the consolidated assets and consolidated turnover, respectively and which have not been audited by other Certified Auditors Accountants. We did not audit the financial statements of these subsidiaries due to their insignificance to the consolidated financial statements as a whole. The related company, which is included in the consolidation under the equity method represents approximately 39% of the consolidated pre-tax results, is based on interim financial statements and has not been audited by Certified Auditors Accountants. From our audit we noted the following: **1.** The parent Company has not recorded in prior years a provision for doubtful debts amounting to approximately € 0.7 million. Consequently, Other Receivables and Equity are overstated by the aforementioned amount. **2.** The issues that are referred to fully and clearly in notes 4 and 5 by the Company and which are disclosed under the condensed consolidated financial statements. **3.** The parent Company has not been audited by the tax authorities for the years 1997 to 2003. 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, which have not been audited for the years 2000 to 2003. Consequently, tax obligations for these years have not yet been finalized. Based on the audit conducted, we verified that the condensed consolidated financial statements referred to above have been compiled in accordance with the provision of Codified Law 2190/1920 and after taking into consideration, the matters in the preceding paragraphs, do not contain inaccuracies or omissions which would materially affect the consolidated financial position of the Group as of 30 June 2004 and the consolidated results for the period then ended, in accordance with the related regulations and accounting principles and methods that the parent Company applies, which have been generally accepted in Greece and which have been applied on a consistent basis with the respective period of the prior year.

Athens, August 20, 2004
KPMG Kyriakou Certified Auditors A.E.
Marios T. Kyriakou, Certified Auditor Accountant
AMSOEL 111 21