MINOAN LINES

BALANCE SHEET AT 31st DECEMBER 2004 - PUBLIC LIMITED COMPANIES

ASSETS		Current Financial Year 2004 €			Previous Financial Year 2003 €	
	Book Value	Depreciation	Net Book Value	Book Value	Depreciation	Net Book Value
B. FORMATION EXPENSES						
2. Exchange rate adjustments on loans for acquisitions	2,444,533.50	611,133.38	1,833,400.12	3,202,394.72	757,861.22	2,444,533.50
3. Construction Period Interest cost	4,482,304.08	3,635,288.40	847,015.68	7,330,689.04	5,587,212.59	1,743,476.45
4. Other formation expenses	5,321,195.94	2,241,085.28	3,080,110.66	13,179,187.27	12,027,602.34	1,151,584.93
	12,248,033.52	6,487,507.06	5,760,526.46	23,712,271.03	18,372,676.15	5,339,594.88
C. FIXED ASSETS						
I. Intangible Assets						
1. Research and Development Expenses	605,399.19	466,189.84	139,209.35	605,399.19	345,110.00	260,289.19
2. Concessions, Trademarks, Rights & Licenses	29,347.03	29,347.02	0.01	29,347.03	29,347.02	0.01
5. Other Intangible Assets	172,457.20	155,638.01	16,819.19	233,396.14	157,709.95	75,686.19
	807,203.42	651,174.87	156,028.55	868,142.36	532,166.97	335,975.39
II. TANGIBLE ASSETS						
1. Land	1,580,165.36	0.00	1,580,165.36	1,580,165.36	0.00	1,580,165.36
3. Buildings and Technical works	5,046,993.30	1,827,908.34	3,219,084.96	5,046,993.30	1,686,987.21	3,360,006.09
5. Transportation means	147,214.36	107,821.01	39,393.35	135,765.66	93,131.42	42,634.24
5a. Vessels	741,727,496.35	67,660,440.43	674,067,055.92	792,733,203.75	52,793,011.51	739,940,192.24
6. Furniture and Fixtures	3,554,245.97	2,992,908.18	561,337.79	3,612,935.76	2,831,230.86	781,704.90
	752,056,115.34	72,589,077.96	679,467,037.38	803,109,063.83	57,404,361.00	745,704,702.83
TOTAL FIXED ASSETS (CI +CII)			**679,623,065.93**			**746,040,678.22**
III. Investments and other Long - Term Assets						
1. Holdings in Associated companies		11,749,336.94			11,749,336.94	
Less: Provisions for devaluation		5,283,785.47	6,465,551.47		3,841,529.56	7,907,807.38
2. Investments in other companies		116,261,244.26			123,764,649.50	
Less: Provisions for devaluation		53,706,237.19	62,555,007.07		51,530,458.77	72,234,190.73
7. Other long - term assets			26,920.07			23,248.87
			69,047,478.61			80,165,246.98
TOTAL FIXED ASSETS EMPLOYED (CI + CII + CIII)			**748,670,544.54**			**826,205,925.20**
D. CURRENT ASSETS						
I. Inventories						
1. Merchandise			2,538,888.93			2,472,054.24
4. Consumables - Spare Parts			1,184,560.99			1,405,240.69
			3,723,449.92			3,877,294.93
II. Debtors						
1. Trade Debtors			6,137,428.33			10,540,793.87
2. Bills receivable			7,117.50			99,729.69
3a. Items for collection						
- In portfolio		1,885,452.99			975,401.02	
- In Banks		26,707,980.60	28,593,433.59		18,348,618.32	19,324,019.34
5. Short - Term Receivables from associated companies			721.75			55,976.76
6. Short - Term Receivables from other affiliated companies			449,859.03			449,859.03
10. Doubtful trade debtors and receivables		1,704,449.29			1,488,348.55	
Less: Provisions for doubtful accounts		75,413.88	1,629,035.41		75,413.88	1,412,934.67
11. Other Debtors			783,216.03			2,157,932.69
			37,600,811.64			34,043,216.90
III. Marketable Securities						
1. Shares	26,110,823.76			18,957,315.69		
3. Other Securities	263,617.04	26,374,440.80		0.00	18,957,315.69	
Less: Provisions for devaluation		12,507,020.94	13,867,419.86		13,716,725.90	5,240,589.79
IV. Cash						
1. Cash in hand			162,698.30			228,986.43
3. Sight and time Deposits			835,152.55			2,624,517.51
			997,850.85			2,853,503.94
TOTAL CURRENT ASSETS (DI + DII + DIII + DIV)			**56,189,532.27**			**46,014,605.56**
E. TEMPORARY ASSETS						
1. Deferred Expenses			3,523,602.88			3,275,502.65
2. Accrued income			3,503.67			14,256.89
3. Other asset suspense accounts			29,581.20			16,244.95
			3,556,687.75			3,306,004.49
TOTAL ASSETS (B + C + D + E)			**814,177,291.02**			**880,866,130.13**
DEBIT MEMO ACCOUNTS						
2. Guarantees and collateral securities			657,557,214.71			765,696,504.65
			657,557,214.71			**765,696,504.65**

SHIPPING S.A.
32nd FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2004)
REGISTRATION No.11314/06/B/86/13

LIABILITIES & SHAREHOLDERS EQUITY		Current Financial Year 2004 €		Previous Financial Year 2003 €
A. SHARE CAPITAL				
I. SHARE CAPITAL (70,926,000 shares of 2.25 euro each)				
1. Issued and fully paid		159,583,500.00		159,583,500.00
		159,583,500.00		159,583,500.00
II. Share premium account				
1. Paid - in		26,942,576.38		26,942,576.38
		26,942,576.38		26,942,576.38
III. Revaluation Reserves and Investment Grants				
1. Revaluation of investments		2,668.80		2,668.80
		0.00		0.00
3. Investment subsidies for fixed assets	6,588,798.01		6,588,798.01	
Less: Depreciation of subsidies for purchase of fixed assets	1,007,371.29	5,581,426.72	820,051.20	5,768,746.81
		5,584,095.52		5,771,415.61
IV. Reserves				
1. Ordinary Reserves	9,680,724.97		9,213,724.97	
Less: Loss from sale or value decline of participating interests and securities for offsetting	(18,149,692.67)	(8,468,967.70)	(20,602,784.12)	(11,389,059.15)
4. Extraordinary reserves		56,978,689.06		56,978,689.06
5. Tax - Free reserves under special laws		2,557,263.16		2,556,610.09
		51,066,984.52		48,146,240.00
V. Results carried forward				
1. Retained Profits		135,003.80		35,938.43
		135,003.80		35,938.43
TOTAL SHAREHOLDERS EQUITY (AI + AII + AIII + AIV + AV)		243,312,160.22		240,479,670.42
B. PROVISIONS FOR LIABILITIES AND EXPENSES				
1. Severance pay indemnities due to retirement		2,018,430.98		1,791,709.98
2. Other Provisions		3,164,816.93		2,927,438.52
		5,183,247.91		4,719,148.50
C. LIABILITIES				
I. Long - Term debt				
2. Bank Loans		476,076,736.87		556,422,127.69
		476,076,736.87		556,422,127.69
II. Current Liabilities				
1. Suppliers		15,283,980.15		13,351,948.53
2a. Post - dated cheques		3,319,708.13		3,994,023.13
3. Banks - short-term Liabilities		22,868,406.02		15,222,170.35
4. Customers advances		615,689.48		690,331.84
5. Taxes and duties payable		1,818,246.04		1,529,719.05
6. Social Security Contributions		991,507.40		467,548.04
7. Current Portion of long - term debt		28,500,000.00		30,250,000.00
8. Amounts owed to associated companies		151,778.06		133,999.95
9. Long-Term Liabilities - Other Affiliates		229,969.45		111,664.74
10. Dividends payable		7,503,113.68		2,251,300.49
11. Sundry Creditors		4,727,117.81		7,091,676.74
		86,009,516.22		75,094,382.86
Total Liabilities (CI + CII)		562,086,253.09		631,516,510.55
D. ACCRUALS AND DEFERRED INCOME				
1. Accrued income		536,686.54		653,242.64
2. Accrued expenses		3,058,943.26		3,497,178.01
3. Other Accruals		0.00		380.01
		3,595,629.80		4,150,800.66
TOTAL LIABILITIES AND SHAREHOLDERS FUNDS (A + B + C + D)		814,177,291.02		880,866,130.13
CREDIT MEMO ACCOUNTS				
2. Beneficiaries of guarantees & collateral securities collateral securities		657,557,214.71		765,696,504.65
		657,557,214.71		765,696,504.65

NOTES: 1. On the fixed assets of the company there are the following mortgages: a) On the ships there are first preferred mortgages of € 449,961,783 and second preferred mortgages of € 150,000,000 and USD 8,000,000 31.12.2004 amount to 967 persons. **3.** Up until the drawing up date of the above financial statements the company's pending cases were the following: a) For the imposed by the European Competition Committee fine plus a provision of approx. € 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 € 1.18 million the judgment is definitive appeal, it has been issued by the Administrative Court of Appeals the decision no. 3734/2003 which imposes the Greek State to provide further information in concern. In respect of this case the company has not set up a relative of nominal value € 2.20 each. The abovementioned increase was realized until 16.07.1999 and their listing for dealing in the main market of the Athens Stock Exchange began at 28.07.1999. The expenses of the aforementioned no surplus occurred according to the provisions of L. 2065/1992. **6.** The basic accounting principles of 31.12.2003 have been adopted. **7.** The Company has been controlled by the tax authorities up until and including the year from restaurants on board € 10,678,084.78, 521.4 Shops on board € 10,443,681.78, 554.1 Bars € 6,436,108.49, 927.1 Games € 1,946,959.25.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST DECEMBER 2004

At December 31, 2004 (1 January - 31 December 2004)

		Current Financial Year 2004	€	Previous Financial Year 2003	€
I. OPERATING RESULTS					
Net Turnover (Sales)			191,537,439.18		193,586,457.54
LESS:	Cost of Sales		121,565,202.87		127,168,396.99
	Gross operating results (profits)		69,972,236.31		66,418,060.55
PLUS:	Other operating income		530,939.88		212,718.71
Total			70,503,176.19		66,630,779.26
LESS:	1. Administrative expenses	11,234,462.51		11,993,977.66	
	3. Sales expenses	18,836,169.30		18,828,765.86	
	4. Uncosted Production Costs (under-utilization / vessel lay - up)	0.00	30,070,631.81	2,810,958.72	33,633,702.24
Subtotal (profits)			40,432,544.38		32,997,077.02
PLUS:					
	1. Income from participation	1,300,240.39		214,296.90	
	2. Income from marketable securities	52,868.40		11,778.00	
	3. Profit from sales of participations and marketable securities	455,690.42		0.00	
	4. Interest income and similar income	223,673.25	2,032,472.46	102,297.47	328,372.37
LESS:					
	1. Valuation differences from equity participations & securities	4,405,730.40		39,972.42	
	2. Expenses & Losses from participations and marketable Securities	5,538.15		30,562.42	
	3. Interest expense and similar expense	27,172,240.51	31,583,509.06	30,944,459.98	31,014,994.82
Total Operating results (profits)			10,881,507.78		2,310,454.57
II. PLUS: Extraordinary Items					
	1. Extraordinary & non operating revenue	1,084,936.76		2,078,397.44	
	2. Extraordinary Profits	0.00		3,615.24	
	3. Prior financial years' income	627,615.80		274,748.22	
	4. Income from prior years' provisions	2,044,063.75	3,756,616.31	2,263,035.30	4,619,796.20
LESS:					
	1. Extraordinary & non-operating expenses	1,449,841.76		2,149,777.26	
	2. Extraordinary Losses	591,943.44		18,672.77	
	3. Prior years' expenses	3,085,971.20	5,127,756.40	1,189,570.93	3,358,020.96
Operating and extraordinary results (profit)			9,510,367.69		3,572,229.81
LESS:					
Total Depreciation of Fixed Assets and Start - Up Expenses		19,568,013.00		17,428,046.48	
LESS: Depreciation included in operating results		19,568,013.00	0.00	17,428,046.48	0.00
NET RESULTS (PROFIT) FOR THE YEAR BEFORE TAXES			9,510,367.69		3,572,229.81

and b) on the buildings there are mortgages of € 13,154,748.66 to assure liabilities the balance of which at 31.12.2004 amounts to € 501,898,821.40 and USD 3,647,588.66. **2.** The personnel employed by the Company at interest amounting to approx. € 4.31 million in respect of which it has been accumulated a provision of approx. € 2.64 million, b) for past years' tax differences of approx. € 1.77 million in respect of which it has been accumulated and c) by decision of the Competition Committee was imposed a fine 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 provision chargeable to the results. **4.** The General Meeting of shareholders held on 16.05.1999 resolved on the increase of the share capital, raising funds totaling € 227,091,668.67 by issuing 17,731,500 new registered shares issue amounted to € 7,148,761.20. **5.** The last adjustment in the net carrying value of certain freehold property of the parent company occured in 31.12.2003 according to the provisions of article 28 of L. 3091/2002 and therefore 1996. **8.** The turnover of the financial statements 1.1.2004-31.12.2004 belong to the following categories of financial activity of STACOD 2003: 611.0 Revenues from Sea and coastal transportation € 162,032,604.88, 533.1 Sales

APPROPRIATION OF PROFITS

		Current Financial Year 2004 €	Previous Financial Year 2003 €
Net results (profits) for the year		**9,510,367.69**	**3,572,229.81**
LESS:	Amount transferred in the item "Loss from sale or value decline of participating interests and securities for offsetting"	2,453,091.45	1,887,141.76
	Total	**7,057,276.24**	**1,685,088.05**
PLUS:	1. Prior years' retained results (profits)	35,938.43	(277,474.71)
	2. Prior years' tax differences	773,704.25	157,599.22
TOTAL		**7,866,918.92**	**1,565,212.56**
LESS:	2. Other taxes not incorporated in the operating cost	**171,662.05**	**33,486.10**
	Profit for appropriation	**7,695,256.87**	**1,531,726.46**
Appropriated as follows:			
	1. Statutory Reserves	467,000.00	76,587.00
	2. Dividends	7,092,600.00	1,418,520.00
	6. Tax free reserves: -per art 110 of Law 2238/94	653.07	681.03
	8. Profit carried forward	135,003.80	35,938.43
		7,695,256.87	**1,531,726.46**

Heraklion, February 22, 2005

THE CHAIRMAN OF THE BOARD	THE CHIEF EXECUTIVE OFFICER	THE FINANCE MANAGER	THE CHIEF ACCOUNTANT
KONSTANTINOS KLIRONOMOS ID C No K 980430	ANTONIOS MANIADAKIS ID C No X 850531	GEORGE VASSILOKONSTANDAKIS ID C No Ξ 945118	DIMITRA BATSI A 0023944

Independent Auditors' Report
To the shareholders of MINOAN LINES SHIPPING S.A.

We have audited the above financial statements and the relevant notes thereon of MINOAN LINES SHIPPING A.N.E. for the year ended 31 December 2004. Our audit in the course of which we received full account of the activities of the Company's Branch, was carried out in accordance with article 37 of Codified Law 2190/1920 relating to Anonymes Eteries and included the procedures we deemed appropriate under the auditing standards adopted by the Institute of Certified Auditors Accountants. The books and records maintained by the Company were placed at our disposal and we were provided with the necessary information and explanations for the purpose of our audit. The Company correctly applied the Greek Chart of Accounts. The financial statements have been prepared on a consistent basis and the cost of sales has been calculated according to generally accepted costing principles. We verified that the contents of the Directors' Report to the Annual General Meeting of the Shareholders are in agreement with the related financial statements. The notes to the financial statements contain the information required under paragraph 1 of article 43a of Codified Law 2190/1920. Our audit revealed the following: **1.** The Company's Investments in Affiliates account, includes an investment balance which is higher than the investee's net book value by EUR 3 million and is related to prior year. Consequently, the accounts Investments in Affiliates and Equity are overstated by EUR 3 million, respectively. **2.** The Company did not make a provision for doubtful debts, of approximately EUR 0.8 million related to prior years. Consequently, the Accounts Receivable and Equity are overstated by the above mentioned amount. **3.** The issues, that are referred to fully and clearly in note 3 by the Company, which are disclosed under the Balance Sheet, of which their outcome can not be determined. **4.** The Company has not been audited by the tax authorities for the years 1997 to 2004. Consequently, tax obligations for these years have not yet been finalized. In our opinion, the financial statements referred to above, are in agreement with the Company's books and records and together with the relevant notes thereon, after taking into consideration the matters described in the preceding paragraphs, present fairly in all material respects, the financial position of the Company as of 31 December 2004 and the results of its operations for the year then ended in accordance with the related regulations and accounting principles which have been generally accepted in Greece and which have been applied on a consistent basis.

Athens, February 24 2005
KPMG Kyriacou Certified Auditors A.E.
Marios T. Kyriacou, Certified Auditor Accountant
AM SOEL 11121