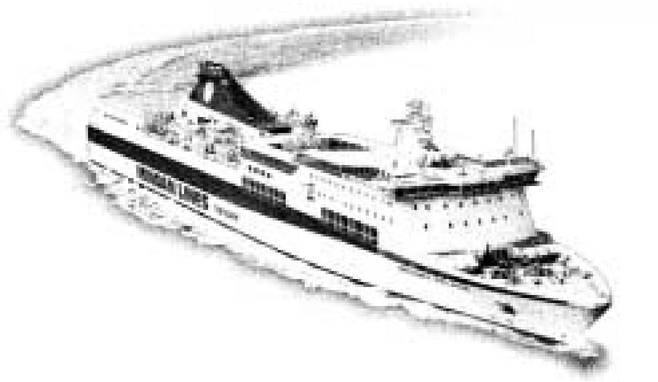
MINOAN LINES

ANNUAL REPORT

2003



MINOAN LINES SHIPPING S.A

ANNUAL REPORT

2003

MINOAN LINES

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The corresponding amounts of the preceding year are set out as they have been restated by the Annual General Meeting of Shareholders of the Company, held on June 29, 2003.

KEY FINANCIAL DATA 1.

1.1. KEY FINANCIAL DATA OF THE COMPANY

1.1.1 Results for the fiscal Years 2001 - 2003

Profit and Loss Account (in Million €)	2001	2002	2003
Turnover	**147.98**	**179.56**	**193.59**
Freight fares	125.69	145.89	160.23
Trade from shops aboard	4.55	7.48	6.60
Other Income	17.74	26.19	26.75
Gross Profit (before depreciation)	**43.08**	**69.37**	**80.07**
Other operating income	0.25	0.32	0.21
Total	**43.33**	**69.69**	**80.28**
Operating result (before depreciation)	16.26	40.74	50.43
Income from Participations	0.01	0.00	0.21
Extraordinary Gain	9.54	3.72	0.00
Profits before Interest and Depreciation	26.75	-63.57	51.84
Profits before Depreciation	0.74	-97.16	21.00
Profits before Taxation	**-13.69**	**-116.00**	**3.57**
Profits after Annual Taxation and Board of Directors emoluments	**-13.80**	**-116.26**	**3.54**
Weighted average shares outstanding	70,926,000	70,926,000	70,926,000

EARNINGS PER SHARE *(in €)			
Profits before Taxes and Depreciation	0.01	-1.37	0.30
Profits before Taxes	-0.19	-1.64	0.05
Profits after Annual Taxes and Board of Directors emoluments	-0.19	-1.64	0.05
Total Dividend (net of taxes - in million)	0.00	0.00	1.42
Dividend per share	0.00	0.00	0.02

**** Based on the weighted average shares outstanding***

1.1.2 Financial Statements 2001 - 2003

Balance Sheet (in Million €)	2001	2002	2003
Formation Expenses	14.04	8.72	5.34
Intangible Fixed Assets	0.65	0.46	0.34
Tangible Fixed Assets	819.42	864.50	803.11
LESS: Depreciation	55.42	44.90	57.40
Non - Depreciated Tangible Fixed Assets	764.00	819.60	745.71
Participations and Long-term receivables	159.03	86.86	80.16
Current Assets	70.62	47.72	46.01
Prepayments and accrued income	4.20	1.86	3.31
TOTAL ASSETS	**1.012.54**	**965.22**	**880.87**
Shareholders' Equity	355.34	240.04	240.48
Provisions	4.79	8.46	4.72
Long-term debt	377.07	482.11	556.42
Current Liabilities	272.50	228.70	75.10
Total Liabilities	649.57	710.81	631.52
Accruals and deferred income	2.84	5.91	4.15
TOTAL LIABILITIES	**1.012.54**	**965.22**	**880.87**
Net Book Value per share *	5.01	3.38	3.39

***** *For the purpose of calculating the net book value of the share. it has been taken into consideration the actual number of shares outstanding at the end of each fiscal year.*

FINANCIAL RATIOS	2001	2002	2003
Change in turnover	8.3%	21.3%	7.8%
Gross profit margin (before depreciation)	29.1%	38.6%	41.4%
Net profit margin (before taxes)	-9.3%	-64.6%	1.8%
General Liquidity	0.3	0.2	0.6
Financial leverage	0.5	0.3	0.4

1.2 CONSOLIDATED KEY FINANCIAL DATA

1.2.1 Results for the fiscal Years 2001-2003

Profit and Loss Account (in Million €)	2001	2002	2003
Turnover	**152.31**	**179.98**	**194.29**
Freight fares	129.13	145.89	160.11
Trade from shops aboard	4.55	7.48	9.60
Other Income	18.63	26.61	24.58
Gross Profit (before depreciation)	44.63	67.98	80.07
Other operating income	0.22	0.39	0.21
Total	**44.85**	**68.37**	**80.28**
Operating result (before depreciation)	16.28	41.40	50.62
Income from participations	0.26	0.12	2.27
Extraordinary gain	9.54	3.73	0.00
Profits before Interest and Depreciation	17.05	-30.94	52.83
Profits before Depreciation	-9.22	-64.65	21.93
Profits before Taxation	**-24.70**	**-83.54**	**4.47**
Profits after Annual Taxation and Board of Directors emoluments	**-24.86**	**-83.96**	**4.29**
Profits after Annual Taxation, Board of Directors emoluments and Minority interests	**-23.05**	**-81.78**	**4.30**
Weighted average shares outstanding	70,926,000	70,926,000	70,926,000

EARNINGS PER SHARE * (in €)			
Profits before Taxes and Depreciation	-0.13	-0.91	0.31
Profits before Taxes	-0.35	-1.18	0.06
Profits after Annual Taxes and Board of Directors emoluments	-0.35	-1.18	0.06
Profits after Annual Taxes, Board of Directors emoluments and Minority Interests	-0.32	-1.15	0.06

**** Based on the weighted average shares outstanding.***

The companies, besides the parent company, which are included in the consolidated financial statements per year and method of consolidation are the following:

***(a)** in 2001 were consolidated:**(i)** by the method of total consolidation the: MINOAN CRUISES SHIPPING S.A., MINOAN LINES HIGHSPEED FERRIES S.A., MINOAN CHANGE S.A., EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A., CRETAN FILOXENIA S.A., and its subsidiary company ATHINA S.A. **(ii)** by the net worth method the: FORTHnet S.A., HELLAS FLYING DOLPHINS S.A. and AEGEAN AIRLINES S.A. (until 11.5.2001).*

***(b)** in 2002 were consolidated:**(i)** by the method of total consolidation the: MINOAN CRUISES SHIPPING S.A., MINOAN LINES HIGHSPEED FERRIES S.A., MINOAN CHANGE S.A., EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A., MINOAN AGENCIES S.R.L., CRETAN FILOXENIA S.A., and its subsidiary company ATHINA S.A. **(ii)** by the net worth method the: FORTHnet S.A., HELLAS FLYING DOLPHINS S.A., MEDITERRANEAN FERRIES S.R.L. and FORTH-CRS S.A. (until 29.10.2002).*

***(c)** in 2003 were consolidated: **(i)** by the method of total consolidation the: MINOAN CRUISES SHIPPING S.A., EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A., MINOAN AGENCIES S.R.L., CRETAN FILOXENIA S.A., and its subsidiary company ATHINA S.A. **(ii)** by the net worth method the: HELLAS FLYING DOLPHINS S.A., MEDITERRANEAN FERRIES S.R.L. and FORTHnet (until 29.10.2003).*

1.2.2 Financial Statements 2001 - 2003

Balance Sheet (in Million €)	2001	2002	2003
Formation Expenses	14.10	8.76	5.36
Intangible Fixed Assets	0.65	0.46	0.34
Tangible Fixed Assets	829.93	867.95	806.56
LESS: Depreciation	57.89	45.74	58.25
Non - Depreciated Tangible Fixed Assets	772.04	822.21	748.31
Participations and Long-term receivables	118.25	70.83	73.22
Current Assets	75.10	52.67	46.72
Prepayments and accrued income	4.27	1.88	3.35
TOTAL ASSETS	**984.41**	**956.81**	**877.30**
Shareholders' Equity	332.80	238.32	236.65
Provisions	4.79	8.47	4.75
Long-term debt	377.41	482.11	556.42
Current liabilities	266.54	221.99	75.32
Total liabilities	643.95	704.10	631.74
Accruals and deferred income	2.87	5.92	4.16
TOTAL LIABILITIES	**984.41**	**956.81**	**877.30**
Net book value per share *	4.69	3.36	3.34

FINANCIAL RATIOS	2001	2002	2003
Change in turnover	6.8%	18.2%	8.0%
Gross profit margin (before depreciation)	29.3%	37.8%	41.2%
Net profit margin (before taxes)	- 16.2%	- 46.4%	2.3%
General Liquidity	0.3	0.2	0.6
Financial leverage	0.5	0.3	0.4

***** *For the purpose of calculating the book value of the share, it has been taken into consideration the actual number of shares outstanding at the end of each fiscal year*

MINOAN LINES - SHARE PRICE PERFORMANCE 2.

2.1 SHARE PRICE PERFORMANCE AND TRADING VOLUME

On the table below the monthly closing price, the value and volume of total monthly transactions and the monthly closing of the ASE (Athens Stock Exchange) General index are shown.

MINOAN LINES - SHARE PRICE PERFORMANCE AND TRADING VOLUME 2003

Month	Price* (in €)	Total monthlytransaction volume (no of shares)	Total monthlytransaction value (in €)	A.S.E. General Index*
January	1.04	1,738,396	1,818,636.35	1,683.59
February	0.99	842,438	857,608.35	1,614.06
March	0.90	1,100,752	1,008,381.99	1,467.30
April	1.16	1,368,444	1,529,433.81	1,691.52
May	1.43	7,467,986	9,684,678.05	1,707.54
June	1.46	5,027,269	8,031,797.54	1,892.04
July	2.02	4,995,630	9,057,866.91	2,158.64
August	1.85	2,313,552	4,721,332.22	2,210.57
September	1.37	3,920,010	5,938,484.50	2,019.76
October	1.84	3,442,942	5,546,091.39	2,121.06
November	1.78	1,884,832	3,355,216.47	2,170.05
December	1.96	2,758,081	5,389,533.51	2,263.58

**** closing at month end***

MINOAN LINES' STOCK PERFORMANCE RELATIVE TO THE A.S.E. GENERAL INDEX FOR 2003

2.2 SHARE DATA

MINOAN LINES' stock symbols: • **A.S.E.: MINOA** • **Reuters: MILr.AT** • **Bloomberg: MINOA GA**

MINOAN LINES - SHARE DATA 2003	**(in €)**
Market capitalization	139,014,960
Share price at 31.12.2002	1.08
Share price at 31.12.2003	1.96
Performance for the year	+ 81.5%
Performance relative to A.S.E. General Index	+ 40.2%
Lowest share value 2003	0.84
Average share value 2003	1.47
Highest share value 2003	2.14

THE COMPANY 3.

3.1 BUSINESS DESCRIPTION

The fleet of the company at 31.12.2003 consisted of 9 car-passenger ferries, of a total transport capacity of 14,865 passengers and 6,145 vehicles, with possibility of alternate loading in private cars and trucks. The ships are routed in the Aegean and Ionian Sea as well as in the Adriatic sea, covering itineraries between Greece and Italy.

The analysis of the Company's turnover, by market activity, for the period 2001-2003 is as follows:

ANALYSIS OF COMPANY'S REVENUES (in million €)	2001	2002	2003
Income from Int'l freight rates	83.28	98.49	111.97
Income from Int'l shop sales	2.88	4.90	6.34
Int'l chartering income	0.09	2.54	2.84
Other Int'l income	11.81	15.77	13.99
Total International income	**98.06**	**121.70**	**135.14**
Income from domestic freight rates	42.41	47.40	48.14
Income from domestic shop sales	1.67	2.58	3.26
Domestic chartering income	0.05	0.00	0.12
Other domestic income	5.79	7.88	6.93
Total domestic income	**49.92**	**57.86**	**58.45**
Total Turnover	**147.98**	**179.56**	**193.59**

The analysis of the Group's turnover, by market activity, for the period 2001-2003 is as follows:

ANALYSIS OF CONSOLIDATED REVENUES (in million €)	2001	2002	2003
Income from Int'l freight rates	83.28	98.49	111.97
Income from Int'l shop sales	2.88	4.90	6.34
Int'l chartering income	0.09	2.54	2.84
Other Int'l income	11.88	16.06	14.59
Total International income	**98.13**	**121.99**	**135.74**
Income from domestic freight rates	45.85	47.40	48.14
Income from domestic shop sales	1.67	2.58	3.26
Domestic chartering income	0.05	0.00	0.12
Other domestic income	6.61	8.01	7.03
Total domestic income	**54.18**	**57.99**	**58.55**
Total Turnover	**152.31**	**179.98**	**194.29**

3.2. FIXED ASSETS

3.2.1 Principal Establishments

Minoan Lines' principal establishments are as follows:

Location	Address	Size (m2)	Establishment Ownership	Building Size (m2)
Heraklion	August 25th, 17	497.65	100%	2,642.87
Heraklion	Agiou Titou 38	423	27.60%	498
Heraklion	August 25th, 78	375.26	13%	151.57
Piraeus	Thermopilon 6-10	240.16	100%	756.66
Patras	Othonos Amalias 105	274.62	100%	
Patras	Othonos Amalias 96	508.87	100%	971.1

3.2.2 Ships

The company at 31.12.2003 had in its ownership 9 car-passenger ferries with the following data specifications:

Name of Ship	Length (m.)	Breadth (m.)	Draught (m.)	Speed (K/s)	Passengers No	Beds No	Private cars (only)	Combination & Trucks Private cars	Year of Ship-building / Refurbishment
ARIADNE PALACE	212.00	25.00	6.60	30.00	1,250	412	550	103 / 104	2002 / -
EUROPA PALACE	214.00	26.40	7.10	31.60	1,912	732	821	104 / 110	2002 / -
OLYMPIA PALACE	214.00	26.40	7.10	31.60	1,912	732	821	104 / 110	2001 / -
FESTOS PALACE	214.00	26.40	7.10	31.60	2,190	758	700	113 / 100	2001 / -
PROMETHEUS*	212.00	25.00	6.60	30.00	1,000	200	550	103 / 104	2001 / -
KNOSSOS PALACE	214.00	26.40	7.10	31.60	2,190	758	700	113 / 100	2000 / -
PASIPHAE PALACE	200.65	25.80	6.60	27.00	1,500	678	819	122 / 110	1998 / -
IKARUS PALACE	200.65	25.80	6.60	27.00	1,500	700	819	122 / 110	1997 / -
DAEDALUS	144.80	22.40	6.30	19.00	1,411	794	365	41 / 100	1973 / 1991
TOTAL					**14,865**	**5,764**	**6,145**	**925**	

***** *sold in January 2004*

3.2.3 Fair value/Fleet Policy - Underwriting Cover

The market value (in €) of the fleet of MINOAN LINES, based on recent (March 2004) appraisals by the firms Brax Shipping and Master Maritime, is as follows:

Name of Ship	Brax Shipping	Master Maritime	average
DAEDALUS*			6.000.000,00
IKARUS PALACE	74,500,000.00	74,000,000.00	74,250,000.00
PASIPHAE PALACE	74,500,000.00	78,000,000.00	76,250,000.00
KNOSSOS PALACE	83,500,000.00	95,000,000.00	89,250,000.00
PROMETHEUS*			
FESTOS PALACE	83,500,000.00	95,000,000.00	89,250,000.00
OLYMPIA PALACE	88,000,000.00	98,000,000.00	93,000,000.00
EUROPA PALACE	88,000,000.00	98,000,000.00	93,000,000.00
ARIADNE PALACE	65,000,000.00	75,000,000.00	70,000,000.00
	557,000,000.00	**619,000,000.00**	**591,000,000.00**

The vessel PROMETHEUS was sold in January 2004 while the appraisal of the ship DAEDALUS is as of April 2004 from Masters' Shipping Co.

All the ships of the fleet of MINOAN LINES are covered by All Risks insurance as regards to Hull and Machinery in concern of the following values:

Insured Value of the Fleet of Minoan Line Vessel's name	(million USD)	Insured Value (million €) *
DAEDALUS	16	12.67
IKARUS PALACE	115	91.05
PASIPHAE PALACE	115	91.05
KNOSSOS PALACE	115	91.05
PROMETHEUS	90	71.26
FESTOS PALACE	115	91.05
OLYMPIA PALACE	115	91.05
EUROPA PALACE	115	91.05
ARIADNE PALACE	95	75.22
Total	**891**	**705.45**

Euro / US Dollar: 1.2630 (fixing 31.12.03

Moreover, all the ships of the fleet are insured for War Risks, Protection & Indemnity as well as for Increased Value and Loss of Hire.

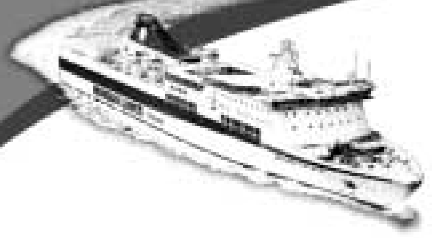
3.2.4 Guarantees and Collateral securities

On the ships and the real estate assets of the Company as well as on the real estate assets of a sub-subsidiary Company there are real liens as detailed below:

TABLE OF SHIPS' MORTGAGES ON (31.12.2003)

	Vessel	Registration Date	Bank	Currency	Amount of mortage (in million)
	ARIADNE PALACE	25.10.2002			
	EUROPA PALACE	13.5.2002	SYNDICATED LOAN		
1st	OLYMPIA PALACE	17.12.2001	ARRANGED BY CITIBANK	€	200.00
	FESTOS PALACE	26.4.2001			
	PROMETHEUS	29.3.2001	SYNDICATED LOAN		
1st	KNOSSOS PALACE	29.11.2000	ARRANGED BY CITIBANK	€	250.00
	PASIPHAE PALACE	22.6.1998	SYNDICATED LOAN		
1st	IKARUS PALACE	15.12.1997	ARRANGED BY CITIBANK	€	125.00
1st	DAEDALUS	23.4.2001	ABN AMRO BANK	€	71.00
2nd	ARIADNE PALACE	25.10.2002	SAMSUNG	USD	6.93
	EUROPA PALACE	10.10.2002			
	FESTOS PALACE	10.10.2002			
	PROMETHEUS	10.10.2002			
2nd	KNOSSOS PALACE	10.10.2002	PIRAEUS BANK	€	31.20
2nd	PASIPHAE PALACE	21.6.2002	ALPHA BANK	€	14.40
2nd	IKARUS PALACE	10.5.2002	FINCANTIERI	€	13.70

The pre-notices of real mortgage on the real estate assets of the Company and of the sub-subsidiary company amount to € 17.15 million.



3.3 SHARE CAPITAL - BOOK VALUE PER SHARE

The Company's share capital and the book value per share at December 31, 2003 consisted of:

Share Capital (in €)	**Company**	**Group**
Number of shares outstanding	70,926,000	70,926,000
Nominal value per share	2.25	2.25
Total Share Capital	159,583,500.00	159,583,500.00
Reserves		
Share premium	26,942,576.38	26,942,576.38
Revaluation reserves & investments grants	5,771,415.61	5,771,415.61
Ordinary reserves	-11,389,059.15	-11,373,021.23
Extraordinary reserves	56,978,689.06	56,978,689.06
Tax free reserves under special laws	2,556,610.09	2,559,069.10
Retained profits	35,938.43	671,105.51
Consolidation differences		-4,547,470.25
Total capital and reserves (bef. minority interests)	**240,479,670.42**	**236,585,864.18**
Minority interest		70,219.64
TOTAL CAPITAL & RESERVES		**236,656,083.82**
Book value per share	3.39	3.34

3.4 INVESTMENTS

Since 1995 Minoan Lines planned and executed a very intensive investment program through the building of 10 ultra modern passenger ferries of total cost € 950 million, which peaked over the years 2001-2002 with the delivery of six (6) vessels. With the delivery of ARIADNE PALACE in October 2002 this investment program was completed.

The development of the company's investments in fixed assets and participations over the three years 2001 - 2003 is as follows:

Type of Investment (in million €)	**2001**	**2002**	**2003**	**Total**
Land	0.00	0.00	0.00	0.00
Buildings and Technical works	0.01	0.00	0.00	0.01
Ships	310.69	153.97	2.91	467.57
Transportation equipment	0.00	0.01	0.00	0.01
Furniture and fixtures	0.57	0.54	0.10	1.21
Tangible assets in course of construction	18.76	0.00	0.00	18.76
Total Fixed Assets	**330.03**	**154.52**	**3.01**	**487.56**
Participations	**4.73**	**0.55**	**0.00**	**5.28**

INFORMATION ON MANAGEMENT & EMPLOYEES 4.

4.1. MANAGEMENT

4.1.1 Board of Directors

In accordance with its Articles of Association, Minoan Lines is managed by a Board of Directors, which consist of 12 directors, 2 of which are executive and 10 are non - executive members. Two of the non-executive members are fully independent.

The Board at 31.12.2003 comprised of:

	Name		Term of office until
1.	Konstantinos Klironomos	Chairman	AGM 2006
2.	Emmanuel Koulendakis	Vice Charmain	AGM 2005
3.	Michael Vavourakis	Director - Non Executive Member	AGM 2004
4.	Theofilos Koumandakis	Director - Non Executive Member	AGM 2004
5.	Stavros Makridakis	Director - Non Executive Member	AGM 2004
6.	Konstantinos Mamalakis	Director - Non Executive Member	AGM 2004
7.	Ioannis Xenikakis	Director - Non Executive Member	AGM 2006
8.	Minas Papadakis	Director - Independent non executive Member	AGM 2006
9.	Stilianos Sarris	Director - Non Executive Member	AGM 2005
10.	Nikolaos Serpetsidakis	Director - Non Executive Member	AGM 2005
11.	Ioannis Sbokos	Director - Non Executive Member	AGM 2005
12.	Evangelos Froudakis	Director - Independent non executive Member	AGM 2006

Board Committees

The members of the Board of Directors participate in several committees that assist and facilitate their work.

The committees are:

a. Audit committee*
b. Financial committee
c. Technical committee
d. IT committee
e. Supply committee
f. Public relations committee
g. Sales committee

***** The internal audit committee consists of non-executive Directors. Its main responsibilities are the following:**

- ***To review and coordinate the functions of the Internal Audit Department, to evaluate and approve the taking of corrective procedures after the review of relative findings,***
- ***To review the effectiveness of the internal control system as well as the existing functional structure of the company so as to be ensured its objectives and to recommend to the Board of Directors the taking of appropriate corrective measures***

4.1.2 Dissemination of Information

Investor Relations Department

This department provides systematic and symmetrical information to institutional and private investors through press releases, newsletters, disclosures of financial data as well as business and financial reviews and prospects of the Company. It is noted that under the qualitative promotion criteria rating of all the listed on the Athens Stock Exchange companies, The Company was among the 23 listed companies that initially met these criteria.

Shareholder Service Department

The department is of service to shareholders responsible for their prompt information as well as assistance on issues concerning the exercise of their rights based on current legislation and the Articles of Association of the Company.

Company Announcements Department

The release of corporate announcements is the responsibility of this department that was established following the decision 5/204/14.11.2000 of the Capital Market Committee. The responsibilities of this department are the reporting to competent authorities of significant business developments as well as the anticipated announcement and acknowledgement of the transactions of persons subject to the provisions of article 8 of the no. 5/204/14.11.2000 decision of the Capital Market Committee.

Internal Audit Department

In the Company operates an Internal Audit department, centrally controlled, that reports to the Board of Directors. The work of the internal audit function is under the supervision of the Internal Audit Committee, which consists of non-executive Directors. The key procedures established are designed to provide effective internal control and accord with the Law 3016/2002 about corporate governance and the decision 5/204/14.11.2000 of the Capital Market Committee.

Among its main responsibilities this department has to monitor the implementation and compliance with the Internal Rules and Guidance and the Articles of Association of the company and make continuous efforts for the development and establishment of a complete internal control system with the intent to improve the organisation of the Company's departments and services.

4.2 EMPLOYEES

The following table provides a breakdown of the average number of employees of the Company and the Group by function and the personnel expenses for the 3-years ended December 31, 2003:

MINOAN LINES	**2001**		**2002**		**2003**	
(amounts in million €)	**Persons**	**Salaries**	**Persons**	**Salaries**	**Persons**	**Salaries**
Land based personnel	143	5.89	209	6.78	245	8.27
Technicians	10	0.48	10	0.48	9	0.44
Officers and crew	1.006	35.98	1.001	35.18	947	35.02
Total	**1,159**	**42.35**	**1,220**	**42.44**	**1,201**	**43.73**
GROUP	**2001**		**2002**		**2003**	
(amounts in million €)	**Persons**	**Salaries**	**Persons**	**Salaries**	**Persons**	**Salaries**
Total	**1,303**	**43.72**	**1,292**	**44.00**	**1,216**	**44.20**

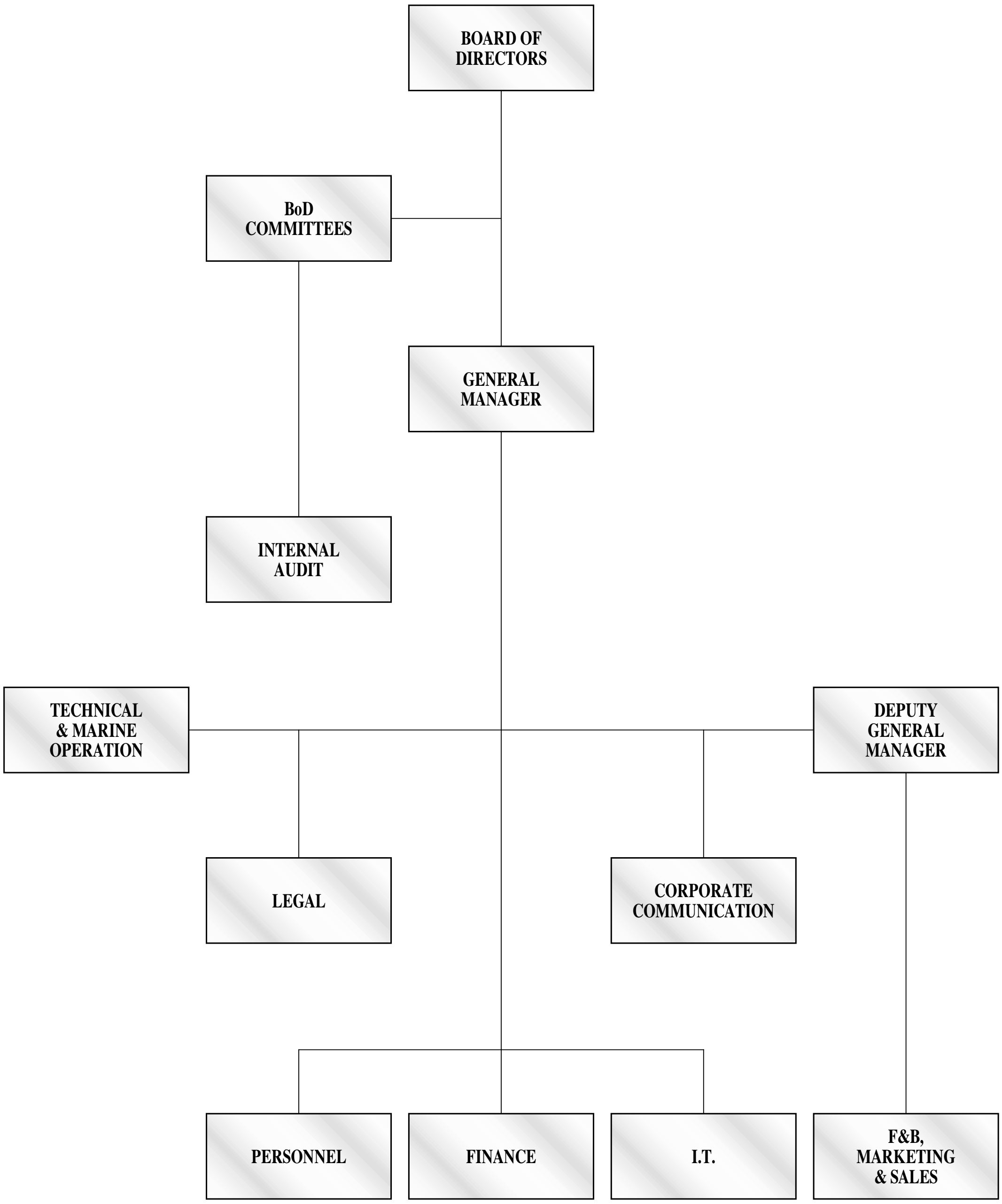
4.3 CERTIFICATION OF QUALITY IN SERVICES

MINOAN LINES has attained ISO certification EN ISO 9002: 1994, for «SAFE AND QUALITY TRANSPORT OF PASSENGERS AND VEHICLES BY SEA».

The above certification was attained for the first time on 28 July 2000, awarded by the GERMANISCHER LLOYD. In July 2003 the quality system was upgraded and conformed to the new EN ISO 9001:2000.

In 2003, MINOAN LINES received a HACCP (Hazard Critical Control Point) certification, for all the new ships, within the framework of measures implemented in order to protect the hygiene of food and consequently to secure and improve the quality of the services the company renders to passengers on board.

4.4 CORPORATE STRUCTURE



GENERAL MARKET & COMPANY OVERVIEW 5.

5.1 BUSINESS - THE SHIPPING SECTOR

The Company's business comprises the operation of ferries carrying passengers, vehicles and trucks in two principal markets: the Adriatic Sea routes between Italy and Greece and domestic routes to certain Greek islands. The Company's revenues are generated principally by ticket sales

Adriatic

The market of Adriatic Sea is known for the strong competition between the companies operating in the sector as well as for the net preference of the big four Greek companies to focus their activity in Northern ports.

The Adriatic market can be subdivided into a northern corridor comprising routes between Greece and the Italian ports of Ancona, Venice and Trieste, and the southern corridor comprising routes between Greece and the Italian ports of Bari and Brindisi. The market segments covered by these two corridors overlap. The introduction of the newbuildings on the northern routes helped to stimulate demand and contributed to the increased volumes.

In general, there are two categories of companies operating in the field of passenger shipping in Adriatic Sea, those that provide services all year round and those that provide services over the period of high tourist demand for passengers and automobiles. The latter are inclined to offer services of lower quality using old ships, which are withdrawn during winter season.

Minoan Lines - Adriatic 2003

MINOAN LINES are successfully operating in the Adriatic Sea since 1981, emphasising on the routes between Patras and the northern Italian ports of Ancona and Venice. The company introduced several newbuildings on the Greece - Italy routes since 1995, strengthening and expanding its presence on the market.

Despite the fact that the beginning of the year was marked by a series of negative events (war in Iraq, SARS) the interest for the Greek tourist market was quickly picked up and the fewer number of trips to the northern ports secured higher occupancy rates for the company.

Total traffic Ancona & Venice **(in thousand)**

	Passengers			Private Vehicles			Trucks		
	Total	Minoan	%	Total	Minoan	%	Total	Minoan	%
2003	1,418	534	37.7%	339	148	43.9%	258	96	37.3%
2002	1,545	546	35.4%	354	142	40.0%	262	100	38.2%
2001	1,415	451	31.8%	322	118	36.7%	243	76	31.4%

Greek domestic market

Minoan Lines operates the two newbuilings KNOSSOS PALACE and FESTOS PALACE on the route covering Heraklion - Piraeus and the conventional ferry DAEDALUS on the Heraklion - Thessaloniki route. The volumes on the domestic routes for 2003 were 1,191 thousand passengers, 137 thousand cars and 66 thousand trucks.

FINANCIAL DATA 2001 - 2003 6.

6.1. EVOLUTION OF BUSINESS ACTIVITY

In the table, here below is set out the evolution of the number of passengers and vehicles carried by the ships of the Company in the domestic lines during the period 2001-2003.

EVOLUTION OF TURNOVER BY ACTIVITY

DOMESTIC LINES - ROUTES	**2001**	**2002**	**2003**
Number of carried passengers (in '000)	1,248	1,298	1,191
Number of carried vehicles (in '000)	226	214	203
Private cars	151	151	137
TRUCKS	75	63	66
TURNOVER (in million €)			
Fare revenues			
Passengers	21.87	28.72	28.88
Vehicles	20.30	18.46	19.06
Passenger cars	6.70	8.35	7.38
Trucks	13.60	10.10	11.68
Goods	0.15	0.11	0.20
Proceeds of trade business			
Restaurants - bar	0.09	0.12	0.12
Shops aboard	5.37	6.46	6.40
Other income	1.67	2.58	3.22
Total domestic turnover	0.47	1.43	0.83
Proceeds of trade business	**49.92**	**57.86**	**58.71**
OVERSEAS SERVICES - INT'L ROUTES	**2001**	**2002**	**2003**
Number of carried passengers (in '000)	571	546	579
Number of carried vehicles (in '000)	217	241	260
Passenger cars	137	142	157
TRUCKS	79	100	103
TURNOVER (in million €)			
Fare revenues			
Passengers	35.88	32.88	34.80
Vehicles	47.41	65.61	77.17
Passenger cars	11.32	10.84	12.96
Trucks	36.09	54.77	64.22
Proceeds of trade business			
Restaurants - bar	10.00	10.42	14.11
Shops abroad	2.88	4.90	3.39
Casino	1.28	1.65	2.00
Chartering	0.09	2.54	3.11
Other income	0.53	3.70	0.30
Total International Turnover	**98.06**	**121.70**	**134.88**
GRAND TOTAL TURNOVER	**147.98**	**179.56**	**193.59**

6.2 STATEMENT OF OPERATING RESULTS - PROFIT AND LOSS ACCOUNT

The evolution of business and results of the Company for the period 2001-2003 is presented as follows:

PROFIT AND LOSS ACCOUNT (in million €)	2001	2002	2003
Turnover from ships:			
Freight fares	125.69	145.89	160.23
Trade from shops aboard	4.55	7.48	6.60
Other income	17.74	26.19	26.75
Total turnover from ships	**147.98**	**179.56**	**193.59**
Less: Cost of sold items (before depreciation)	104.90	110.19	113.52
Gross Profits	**43.08**	**69.37**	**80.07**
(% of turnover)	29.1%	38.6%	41.4%
Plus: Other operating income	0.25	0.32	0.21
Total	**43.33**	**69.69**	**80.28**
Less: Administrative expenses (before depreciation)	7.03	8.12	8.30
Distribution costs (before depreciation)	19.26	19.56	18.74
Production cost not allocated	0.78	1.26	2.81
Total Operating Expenses	**27.07**	**28.94**	**29.85**
(% of turnover)	18.3%	16.1%	15.4%
Operating Results (before depreciation)	**16.26**	**40.74**	**50.43**
(% of turnover)	11.0%	22.7%	26.0%
Plus: Income from Participations	0.01	0.00	0.21
Income from securities	0.29	0.02	0.01
Gains on disposal of Participations - Securities	0.00	1.48	0.00
Extraordinary and Non-operating Income	7.32	1.52	4.62
Extraordinary profits	9.54	3.72	0.00
Less: Provisions for value decline of Participations - Securities	0.00	66.76	0.04
Expenses and losses from Participations - Securities	0.11	9.24	0.03
Less: Extraordinary and Non-operating Expenses	6.56	35.05	3.36
Profits before interest and Depreciation	**26.75**	**-63.57**	**51.84**
(% of turnover)	18.1%	-35.4%	26.8%
Plus: Credit interest	0.55	0.16	0.10
Less: Debit interest and similar charges	26.56	33.75	30.94
Profits before Depreciation	**0.74**	**-97.16**	**21.00**
(% of turnover)	0.5%	-54.1%	10.8%
Less: Depreciation (total)	14.44	18.84	17.43
Annual profits before taxation	**-13.70**	**-116.00**	**3.57**
(% of turnover)	-9.3%	-64.6%	1.8%
Less: Annual taxation	0.11	0.26	0.03
Less: Board of Directors emoluments	0.00	0.00	0.00
Annual Profits after taxation and Board of Directors emoluments	**-13.81**	**-116.26**	**3.54**
(% of turnover)	-9.3%	-64.7%	1.8%

Revenues

The upgrading and renewal of the company's fleet resulted to higher market shares for 2003. Revenues presented an increase by 7.8% versus 2002, while the compounded annual growth rate for the three-year period 2001-2003 was 14.4%.

Cost of revenue - gross profit margin

The completion of the investment in new vessels and the effort in fleet restructuring with selective vessel decommissioning, delivered direct results. Gross profit margin increased on all the routes. Increasing fleet profitability largely depends on cost containment such as crew costs and bunker costs.

In 2003, while revenues increased by 7.8% over the previous year, cost of operation increased by a modest 3.0% resulting to a higher gross profit which reached € 80.07 million over € 69.37 million while the respective margin increased to 41.4% versus 38.6%.

COST OF REVENUE BEFORE DEPRECIATION (in € million)

COST ELEMENT	2001	2002	2003
Crew	34.33	33.39	34.42
Bunkers - Lubricants	41.20	46.38	44.73
On board supplies	9.09	10.06	11.22
Port expenses	7.64	7.66	8.63
Maintenance	4.39	4.52	3.95
Insurance premiums	2.47	3.32	3.42
Deck supplies	1.49	1.34	0.89
Other	4.30	3.52	6.28
TOTAL	**104.90**	**110.19**	**113.52**
Revenues	147.98	179.56	193.59
Gross profit margin	**29.1%**	**38.6%**	**41.4%**

COST TO SALES RATIO

COST ELEMENT	2001	2002	2003
Crew	32.7%	30.3%	30.3%
Bunkers - Lubricants	39.3%	42.1%	39.4%
On board supplies	8.7%	9.1%	9.9%
Port expenses	7.3%	6.9%	7.6%
Maintenance	4.2%	4.1%	3.5%
Insurance premiums	2.4%	3.0%	3.0%
Deck supplies	1.4%	1.2%	0.8%
Other	4.1%	3.2%	5.5%
TOTAL	**100.0%**	**100.0%**	**100.0%**

Other cost of operation, sales and administration

Sales expenses present significant decreases since 2001 in relation to the company's revenues, following the adaptation of innovative marketing practices. In addition administrative expenses has also been contained representing 4.3% on the company's revenues for 2003.

SALES EXPENSES (before depreciation) (in € million)

COST ELEMENT	2001	2002	2003
Staff costs	4.24	4.84	5.07
Other	2.79	3.29	3.23
TOTAL	**7.03**	**8.13**	**8.30**
as % on Turnover	**4.8%**	**4.5%**	**4.3%**

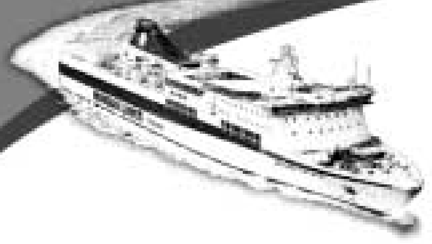
ADMINISTRATIVE EXPENSES (before depreciation) (in € million)

COST ELEMENT	2001	2002	2003
Wages	1.53	1.81	3.00
Commissions	13.92	13.70	12.15
Marketing expenses	3.26	2.99	2.62
Other	0.53	1.06	0.98
TOTAL	**19.26**	**19.56**	**18.74**
as % on Turnover	**13.0%**	**10.9%**	**9.7%**

Finance cost

The reduction in the finance cost for 2003 is attributed primarily to the reduction of the financial obligations following the sale of the vessel ARIADNE PALACE 1 (ex OCEANUS) in March 2003 and the repayment of the respective debt obligation.

EXPENSE (in € million)	2001	2002	2003
Interest on long & short term debt	25.92	29.55	27.15
Other bank charges	0.64	4.20	3.79
Total	**26.56**	**33.75**	**30.94**



Extraordinary income - expense

These items usually include foreign exchange differences and valuation of the company's participations and securities.

(in € million)	2001	2002	2003
Extraordinary income	6.90	0.82	2.08
Extraordinary profits	9.54	3.72	0.01
Income form prior years' provisions	0.00	0.00	2.26
Prior financial years' income	0.43	0.70	0.27
TOTAL	**16.87**	**5.24**	**4.62**
Extraordinary expenses	5.07	5.91	2.15
Extraordinary losses	0.14	1.07	0.02
Prior years' expenses	1.35	2.43	1.19
Provisions for special risks	0.00	25.65	0.00
TOTAL	**6.56**	**35.06**	**3.36**
EXTRAORDINARY RESULTS	**10.31**	**-29.82**	**1.26**

The extraordinary profits in the years 2001 and 2002 are mainly derived from the sale of the vessels N. KAZANTZAKIS (2001) and KING MINOS and EL GRECO (2002) while extraordinary losses for 2002 include the loss from the value decline of the vessel ARIADNE PALACE I (ex-OCEANUS).

Depreciation and amortization

Depreciation and amortization in 2003, on the vessels and the other fixed assets of the company reached € 17.43 million.

More specifically, depreciation on vessels is calculated using the straight - line method over the estimated useful life of the vessels (thirty years) after taking into consideration the estimated salvage value of the vessels (calculated at 20% of the book value). For the first three-year period, depreciation is calculated at a 50% rate of the relevant amount.

Depreciation charges on vessels over the three-year period were as follows:

DEPRECIATION ON VESSELS (in € million)	2001	2002	2003
EROTOKRITOS	0.02		
KING MINOS	0.13		
EL GRECO	0.21		
AGIA GALINI	0.13	0.00	
DAEDALUS	0.99	1.02	1.03
IKAROS PALACE	2.45	2.46	2.46
PASIPHAE PALACE	1.87	2.67	2.67
KNOSSOS PALACE	1.69	1.72	1.69
PROMETHEUS	0.82	1.11	0.06
FESTOS PALACE	1.01	1.56	1.53
ARIADNE PALACE I (ex-OCEANUS)	0.48	1.18	0.01
OLYMPIA PALACE	0.00	1.50	1.49
EUROPE PALACE		0.96	1.50
ARIADNE PALACE		0.10	1.20
TOTAL	**9.81**	**14.27**	**13.65**

On the Company's financial statements, depreciation charges for the year are included in the cost of operation, while the depreciation on the other fixed assets are charged against the cost of sales and administration as follows:

DEPRECIATION CHARGED (in € million)	2001	2002	2003
Cost of vessel's operation	9.81	14.27	13.65
G & A expenses	4.57	4.49	3.70
Sales expenses	0.06	0.07	0.08
TOTAL	**14.43**	**18.84**	**17.43**

Profit before tax

The results of operations for 2003, is the evidence of the company's definitive recovery after a difficult period that occurred at the same time with the completion of one of the biggest investment plans in passenger shipping.

The net profits for the year amounted to € 3,6 million over a loss of € 116 million of the previous year.

6.3 ANALYSIS OF FINANCIAL STATEMENTS

The evolution of the Balance Sheet items of the Company for the period 2001-2003 is set out in the following table:

FISCAL YEAR (in € million)	2001	2002	2003
ASSETS			
NON-DEPRECIATED FORMATION EXPENSES	14.04	8.72	5.34
Intangible Assets	1.74	1.48	0.87
(Less: Cumulative depreciation)	1.09	1.02	0.53
INTANGIBLE ASSETS	0.65	0.46	0.34
TANGIBLE ASSETS			
Ships	771.06	854.53	792.73
(Less: Cumulative depreciation)	51.94	40.82	52.79
Other assets	48.36	9.97	10.38
(Less: Cumulative depreciation)	3.48	4.08	4.61
TANGIBLE ASSETS	764.00	819.60	745.71
Participating Interests in affiliated undertakings	159.03	86.84	80.14
Other Long-term Receivables	0.00	0.02	0.02
TOTAL FIXED ASSETS	923.68	906.92	826.21
Inventories	4.26	4.55	3.88
Agents (Trade debtors) - Notes receivable	10.23	8.11	10.54
Accounts receivable	11.38	21.33	19.32
Other Receivables	16.20	8.17	4.18
Marketable Securities	19.68	4.37	5.24
Cash and Cash equivalents	8.87	1.19	2.85
TOTAL CURRENT ASSETS	70.62	47.72	46.01
PREPAYMENTS AND ACCRUED INCOME	4.20	1.86	3.31
GRAND TOTAL ASSETS	**1,012.54**	**965.22**	**880.87**
LIABILITIES			
Share Capital	156.11	159.58	159.58
Share premium account	159.93	156.74	26.95
Revaluation Reserves and Investment Grants	6.43	5.96	5.77
Reserves and Profits Carried forward	32.87	-82.24	48.18
TOTAL SHAREHOLDERS' EQUITY	355.34	240.04	240.48
PROVISIONS	4.79	8.46	4.72
TOTAL LONG-TERM DEPT	**377.07**	**482.11**	**556.42**
Suppliers	13.28	18.93	13.35
Cheques payable postdated	13.20	5.44	3.99
Banks	121.39	128.88	15.22
Taxes - duties - Social security	3.18	2.08	2.00
Current portion of long-term debt	93.52	39.40	30.25
Dividends payable	1.07	0.94	2.25
Other liabilities	26.86	33.03	8.04
TOTAL CURRENT LIABILITIES	272.50	228.70	75.10
ACCRUALS AND DEFERRED INCOME	2.84	5.91	4.15
GRAND TOTAL LIABILITIES	**1,012.54**	**965.22**	**880.87**

Formation expenses

Formation expenses include foreign exchange differences on loans (in foreign currency) for the acquisition of ships as well as expenses for share capital increases.

(in € million)	Book Value 31.12.2000	Additions Deletions 2001-2003	Total Book Value 31.12.2000	Deprec. 31.12.2000	Deprec. 2001-2003	Toatal Deprec. 31.12.2003	Net book Value 31.12.2003
Exchange rate adjustments on acquisition loans	10.65	-0.44	10.21	2.22	5.55	7.77	2.44
Construction period interest cost	3.58	3.75	7.33	1.72	3.87	5.59	1.74
Other formation expenses	13.24	2.14	15.38	6.04	8.18	14.22	1.16
Total	**27.47**	**5.45**	**32.92**	**9.98**	**17.60**	**27.58**	**5.34**

a. Assets

a.1. Tangible assets

Over the years 2001-2002 the Company completed the extensive investments for the renewal of the fleet taking delivery of six (6) new vessels. At 31.12.2003 the net book value of the vessels corresponded to approximately 84% of the total assets. The difference (decrease) of the tangible assets by 9% over 2002 was mainly due to the sale of the vessel ARIADNE PALACE I (ex-OCEANUS).

b. Participations

The MINOAN LINES participated at 31.12.2003 in the share capital of the following companies:

Participations	Book value (in € million)	%		Total
SUBSIDIARY COMPANIES				
EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANS S.A. (under liquidation)	4.40	100.00%		
CRETAN PHILOXENIA S.A.	3.19	99.99%		
MINOAN AGENCIES S.R.L.	0.05	95.00%		
MINOAN CRUISES S.A.	0.27	80.28%	7.91	
ASSOCIATED COMPANIES				
MEDITERRANEAN FERRIES S.R.L (under liquidation)	0.00	50.00%		
HELLAS FLYING DOLPHINS S.A.	64.72	31.59%		
FORTHnet S.A.	7.50	19.30%		
KNOSSOS TECHNOLOGY S.A. (under liquidation)	0.00	18.13%		
CRETA NET S.A.	0.01	10.52%	72.23	**80.14**

c. Current assets

Inventories (bunkers, lubricants, consumables) are reflected at the lower cost determined by the first-in, first-out method. Inventories in 2003 represented the 0.4% of the company's total assets.

Other short-term receivables at 31.12.2003 amounted to € 4.08 million.

d. Bank debt

The bank borrowing contracted by the Company, reached its peak over the years 2000-02 following the delivery of the new vessels. Minoan Lines' loan portfolio consists predominantly of syndicated bank loans for ship financing, primarily floating rate loans and the Euro as currency.

In 2003 the efforts for reduction in bank borrowing and the strengthening of the cash flow were initiated. The results were instant with the ratio Debt to Equity decreasing to 2.5 over 2.7 in 2002.

The long-term debt reached € 586.7 million in 2003 while the short-term borrowings amounted to € 15.2 million.

e. Creditors

The trade accounts payable have decreased from € 18.9 million in 2002 to € 13.3 million in 2003.

f. Other payables

Other payables at 31.12.2003 reached € 31.49 million over € 41.49 million in 2002, decreased by 24.1%. Mostly include accrued liabilities and other creditors.

g. Provisions

Provisions maintained by the company at 31.12.2003 reached € 4.72 million. This amount includes provision for retirement indemnities of € 1.79 million and other provisions of € 2.93 million analysed as follows:

	(in € million)
FX differences	0.15
Legal contingency	2.64
Other	0.14
TOTAL	**2.93**

h. Equity

At the end of 2003 equity was calculated at € 240.5 million at the same levels as in 2002.

6.4 FINANCIAL ANALYSIS - GROUP

In the table below, is set out, in summary, the evolution of the items of the Balance Sheet and Profit and Loss Account of the Group over the three-year period from 2001 to 2003:

FISCAL YEAR (in € million)	2001	2002	2003
ASSETS			
FORMATION EXPENSES	14.10	8.76	5.36
Intangible Assets	1.74	1.48	0.87
(Less: Cumulative depreciation)	1.09	1.02	0.53
INTANGIBLE ASSETS	0.65	0.46	0.34
TANGIBLE ASSETS			
Ships	777.92	854.53	792.73
(Less: Cumulative depreciation)	53.45	40.82	52.79
Other assets	52.01	13.42	13.83
(Less: Cumulative depreciation)	4.44	4.92	5.46
TANGIBLE ASSETS	772.04	822.21	748.31
Participating Interests in affiliated undertakings	118.24	70.80	73.19
Other Long-term Receivables	0.01	0.03	0.03
TOTAL FIXED ASSETS	890.94	893.50	821.87
Inventories	4.26	4.55	3.88
Agents (Trade debtors) - Notes receivable	3.82	6.97	10.42
Accounts receivable	11.38	21.34	19.48
Other Receivables	26.70	13.96	4.73
Marketable Securities	19.68	4.37	5.24
Cash and Cash equivalents	9.26	1.48	2.97
TOTAL CURRENT ASSETS	75.10	52.67	46.72
PREPAYMENTS AND ACCRUED INCOME	4.27	1.88	3.35
GRAND TOTAL ASSETS	**984.41**	**956.81**	**877.30**
LIABILITIES			
Share Capital	156.11	159.58	159.58
Share premium account	159.93	156.74	26.94
Revaluation Reserves and Investment Grants	6.42	5.96	5.77
Consolidation differences	8.36	-83.77	48.84
Reserves and Profit / Loss Carried forward	-4.48	-4.48	-4.55
TOTAL SHAREHOLDERS' EQUITY	326.34	234.03	236.58
Minority interests	6.46	4.29	0.07
TOTAL SHAREHOLDERS' EQUITY OF THE GROUP	332.80	238.32	236.65
PROVISIONS	4.79	8.47	4.75
TOTAL LONG-TERM DEPT	377.41	482.11	556.42
Suppliers	13.46	19.00	13.42
Banks	122.12	129.38	15.22
Taxes - duties - Social security	3.36	2.35	2.18
Current portion of long-term debt	94.22	39.40	30.25
Dividends payable	1.07	0.94	2.25
Other liabilities	32.31	30.92	12.00
TOTAL CURRENT LIABILITIES	266.54	221.99	75.32
ACCRUALS AND DEFERRED INCOME	2.87	5.92	4.16
GRAND TOTAL LIABILITIES	**984.41**	**956.81**	**877.30**

PROFIT AND LOSS ACCOUNT (in € million)	2001	2002	2003
Freight fares	129.13	145.89	160.11
Income from shops on-board	4.55	7.48	9.60
Other income	18.63	26.61	24.58
Total turnover from ships	**152.31**	**179.98**	**194.29**
Less: Cost of sold items (before depreciation)	107.68	112.00	114.22
Gross Profits	**44.63**	**67.98**	**80.07**
(% of turnover)	29.3%	37.8%	41.2%
Plus: Other operating income	0.22	0.39	0.21
Total	**44.85**	**68.37**	**80.28**
Less: Administrative expenses (before depreciation)	7.28	8.47	8.56
Distribution costs (before depreciation)	20.19	17.02	18.29
Production cost not allocated	1.10	1.48	2.81
Total Operating Expenses	**28.57**	**26.97**	**29.66**
(% of turnover)	18.8%	15.0%	15.3%
Operating Results (before depreciation)	**16.28**	**41.40**	**50.62**
(% of turnover)	10.7%	23.0%	26.1%
Plus: Income from Participations	0.00	0.00	0.12
Income from securities	0.29	0.02	0.01
Gains on participations in associated companies	0.26	0.12	2.27
Gains on disposal of Participations - Securities	0.00	1.48	0.00
Extraordinary and Non-operating Income	7.42	1.54	3.38
Extraordinary Profits	9.54	3.73	0.00
Less: Provisions for value decline of Participations - Securities	0.00	12.90	0.02
Losses from participations in associated companies	7.42	17.21	0.00
Expenses and losses from Participations - Securities	0.13	9.24	0.03
Extraordinary and Non-operating Expenses	9.19	14.23	3.52
Provisions for special risks	0.00	25.65	0.00
Results before interest and Depreciation	**17.05**	**-30.94**	**52.83**
(%of turnover)	11.2%	-17.2%	27.2%
Plus: Credit interest	0.47	0.16	0.12
Less: Debit interest and similar charges	26.74	33.87	31.02
Results before Depreciation	**-9.22**	**-64.65**	**21.93**
(%of turnover)	-6.1%	-35.9%	11.3%
Less: Depreciation (total)	15.48	18.89	17.46
Results before taxation	**-24.70**	**-83.54**	**4.47**
(%of turnover)	-16.2%	-46.4%	2.3%
Less: Annual taxation	0.16	0.42	0.18
Less: Board of Directors emoluments	0.00	0.00	0.00
Results after Annual taxation and Board of Directors emoluments	**-24.86**	**-83.96**	**4.29**
(%of turnover)	-16.3%	-46.6%	2.2%
Less: Minority interests	-1.81	-2.18	-0.01
Results after Annual Taxation. Board of Directors emoluments, Tax from prior years' tax audit and Minority interests	**-23.05**	**-81.78**	**4.30**

AFFILIATED COMPANIES 7.

MINOAN LINES participated with a stake above 10% at 31.12.2003 in the share capital of the following companies:

MINOAN LINES SHIPPING S.A.

- **CRETAN PHILOXENIA S.A. 99.99%**
- **MINOAN AGENCIES S.R.L. 95.00%**
- **MINOAN CRUISES S.A. 80.28%**
- **HELLAS FLYING DOLPHINS S.A. 31.59%**
- **FORTHnet S.A. 19.30%**

Detailed table of participations:

Participations (in million €)	**Book value**	**Percentage of participation**
SUBSIDIARIES		
EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.*	4.40	100.00%
CRETAN PHILOXENIA S.A.	3.19	99.99%
MINOAN AGENCIES S.R.L.	0.05	95.00%
MINOAN CRUISES S.A.	0.27	80.28%
ASSOCIATED COMPANIES		
MEDITERRANEAN FERRIES S.R.L. *	0.00	50.00%
HELLAS FLYING DOLPHINS S.A.	64.72	31.59%
FORTHnet S.A.	7.50	19.30%
KNOSSOS TECNOLOGY S.A. *	0.00	18.13%
CRETA NET S.A.	0.01	10.52%

**** under liquidation***

7.1 SUBSIDIARIES

EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.

The company was bought out in July 2001 where full ownership and control passed on to MINOAN LINES. By the end of 2002 the personnel and the operations were fully incorporated to the MINOAN LINES and in 2003 the company was put into liquidation.

CRETAN PHILOXENIA S.A.

The Company was founded in November 1999 and its registered office is in Heraklion Crete. The objects of the company are to operate in activities relating to tourism aiming to expand the business lines of the parent company and to offer integrated tourist packages to its extensive clientele. In 2000 the CRETAN PHILOXENIA acquired the total shares of the company ATHENA S.A., which also owns a plot of 8,801 m2 in the city of Heraklion with the laid on it buildings.

MINOAN CRUISES S.A.

The Company was founded in April 1995 and its registered office is in Heraklion Crete. The objects of the company are the exploitation of cruise ships. The company after the sale of the ship M/V MINOAN PRINCE, ceased its operation and is about to be put into liquidation.

MINOAN AGENCIES S.R.L.

The Company was founded in May 2002 and its registered office is in Ancona, Italy. The objects of the company are to provide factorage services of the ships in this port.

7.2 ASSOCIATED COMPANIES

HELLAS FLYING DOLPHINS

The company, which was founded in March 1999, has a fleet of 60 ships that connect ports of the continental country with Cyclades, Argosaronicos and Sporades islands by daily departures. On these routes the company keeps a leading position. Additionally Ro/Ro vessels are operated in the Adriatic Sea (Corinth - Venice).

The company over the last two-years has proceeded in an extensive rationalisation of its fleet and routes aiming to reduce cost and return to profitability. The management efforts to restructure the route network were successfully executed in the two-year period of 2002 and 2003.

In 2003 the company operated 43 ferries (20 conventional and 23 high speed) on the coastal routes of Cyclades, Saronikos, Sporades and 3 Ro/Ro vessels on the international route Corinth-Venice. The ferries of the company transported 6,702,000 passengers, 767,000 cars and 140,000 lorries. The net income for the year 2003 amounted to € 7.1 million. The reasons for the beneficial business development were:

- The continued restructuring and reduction of the fleet and routes reduced the cost of the company, despite the fact that in 2003 some of the main cost elements (bunkers, wage cost) moved contrary to expectations.
- The cutback of the land-bound organisation and staff as well as the close monitoring of the idle vessels' costs, reduced the sales and administration expenses.
- The significant reduction in depreciation charges, provisions and extraordinary expenses following the restatement of several balance sheet items that took place in 2001 and 2002.

FORTHnet

FORTHnet was formed in 1995 as a result of a spin-off from the Foundation for Research & Technology Hellas (FORTH). FORTHnet offers the following services:

- Voice telephony
- Internet services
- Telecommunication services of data and added value
- Computer interconnection network through fixed wireless and wired access services
- Electronic information systems

MEDITERRANEAN FERRIES S.R.L.

The company was founded in cooperation between MINOAN LINES and GRANDI TRAGHETTI, in May 2002 and its registered office is in Genoa, Italy. The objects of the company are the exploitation of the route Genoa - Tunisia - Malta. The company chartered the ship ARIADNE PALACE I from MINOAN LINES which sailed in this route up until January 2003. After the withdrawal and sale of the above ship from West Mediterranean the company was put under liquidation.

7.3 KEY FINANCIAL DATA - SUBSIDIARIES AND ASSOCIATED COMPANIES

Basic Financial Data of subsidiaries and associated companies for the fiscal year 2003 is set out in the table below:

BASIC FINANCIAL DATA OF SUBSIDIARIES - ASSOCIATED COMPANIES (in € million)	**EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.***	**CRETAN FILOXENIA S.A.**	**MINOAN AGENCIES S.R.L.**	**MINOAN CRUISES S.A.**	**MEDITERRANEAN FERRIES S.R.L.***	**HELLAS FLYING DOLPHINS S.A. – GROUP OF COMPANIES**	**FORTHnet S.A. GROUP OF COMPANIES**
Fixed Assets	0.00	3.28	0.02	0.00	0.00	209.92	66.76
Current Assets	0.03	0.00	0.42	0.34	1.23	72.00	35.22
Shareholders' Equity	-0.02	3.19	0.06	0.34	0.05	207.14	63.70
Total Liabilities	0.05	0.12	0.36	0.00	1.15	79.78	51.80
Turnover	0.00	0.00	1.57	0.00	0.46	134.09	75.34
Results before taxes	-0.15	-0.02	0.12	-0.06	-0.29	7.13	0.22
Results after taxes and Board of Directors remuneration	**-0.15**	**-0.02**	**0.03**	**-0.06**	**-0.29**	**7.12**	**0.11**

***** *under liquidation***

INVITATION
TO THE SHAREHOLDERS OF THE SOCIETE ANONYME "MINOAN LINES SHIPPING S.A."

to the Ordinary General Meeting

Upon resolution of the Board of Directors of the company "MINOAN LINES Shipping S.A." which has its registered office at Heraklion Crete (17, 25th August Str.) and in accordance with the law and its corporation charter, the shareholders are called to the Ordinary General Meeting which will take place on Sunday 20th June, 2004, at 09.00 hours, at the Candia Maris hotel, in the area of Amoudara, Heraklion, for the discussion and decision making of the subjects placed on the agenda below:

1. *Submission for approval of the Annual Financial Statements of the Company of the fiscal year from 1st January 2003 to 31st December 2003, the Management Report of the Board of Directors and the Report of the Certified Auditors.*
2. *Release of the members of the Board of Directors and the Auditors from any responsibility for compensation for the financial statements and the management of the Company for the abovementioned fiscal year.*
3. *Approval of the compensation and expenses paid to the Members of the Board of Directors and the General Manager for the fiscal year 2003*
4. *Approval of the annual salary of the Chairman of the Board of Directors for the year from 1st July 2004 to 30th June 2005.*
5. *Election of four (4) ordinary and two (2) substitute members of the Board of Directors pursuant to article 17 of the Company's Article of Association and L. 3016/2002.*
6. *Election and remuneration of the Sworn-in Auditors for the fiscal year 2004.*

Shareholders who have dematerialised their shares and wish to participate to the General Meeting, should block the total number or a designated part of their shares, through their Stock Broker, receive the relevant Certificate issued by the Central Securities Depository and deposit this Certificate to the Company, five (5) days prior to the date of the convocation of the General Meeting, i.e. on or before Monday, 14 June 2004).

For dematerialised shares deposited in the Special Account, Shareholders should block the total number or a designated part of their shares by declaration at the Central Securities Depository (CSD), receive the relevant Certificate issued by the Central Securities Depository and deposit this Certificate to the Company, at least five (5) days prior the date of the convocation of the General Meeting.

As far as for shareholders who have not dematerialised their shares, they should deposit their certificates to the Company's cashier desk within the abovementioned deadline or deliver a receipt verifying the deposit of the shares to the Treasury collateral and Loans Fund or any Bank in Greece.

Lastly, the Shareholders who would like to participate by proxy must deposit their proxy papers with the Company, five (5) days before the General Meeting.

Heraklion, April 20, 2004

The Chairman of the Board of Directors

Konstantinos E. Klironomos

MINOAN LINES

BALANCE SHEET AT 31st DECEMBER 2003

PUBLIC LIMITED COMPANIES

ASSETS

		Current Financial Year 2003 EURO				Previous Financial Year 2002 EURO		
		Book Value	**Depreciation**	**Net Book Value**		**Book Value**	**Depreciation**	**Net Book Value**
B. FORMATION EXPENSES								
2. Exchange rate adjustments on loans for acquisitions		3,202,394.72	757,861.22	2,444,533.50		4,849,626.00	1,647,231.28	3,202,394.72
3. Construction Period Interest cost		7,330,689.04	5,587,212.59	1,743,476.45		7,330,689.04	4,388,332.77	2,942,356.27
4. Other formation expenses		13,179,187.27	12,027,602.34	1,151,584.93		14,923,868.16	12,350,178.85	2,573,689.31
		23,712,271.03	18,372,676.15	5,339,594.88		27,104,183.20	18,385,742.90	8,718,440.30
C. FIXED ASSETS								
I. Intangible Assets								
1. Research and Development Expenses		605,399.19	345,110.00	260,289.19		560,075.41	224,030.16	336,045.25
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		233,396.14	157,709.95	75,686.19		891,414.80	766,654.51	124,760.29
		868,142.36	532,166.97	335,975.39		1,480,837.24	1,020,031.69	460,805.55
II. TANGIBLE ASSETS								
1. Land		1,580,165.36	0.00	1,580,165.36		1,362,285.04	0.00	1,362,285.04
3. Buildings and Technical works		5,046,993.30	1,686,987.21	3,360,006.09		4,952,628.74	1,548,897.01	3,403,731.73
5. Transportation means		135,765.66	93,131.42	42,634.24		134,603.83	80,065.07	54,538.76
5a. Vessels	792,733,203.75				876,928,347.04			
Less: Provisions for devaluation	0.00	792,733,203.75	52,793,011.51	739,940,192.24	22,400,000.00	854,528,347.04	40,823,217.83	813,705,129.21
6. Furniture and Fixtures		3,612,935.76	2,831,230.86	781,704.90		3,518,535.28	2,445,183.06	1,073,352.22
		803,109,063.83	57,404,361.00	745,704,702.83		864,496,399.93	44,897,362.97	819,599,036.96
TOTAL FIXED ASSETS (CI +CII)				746,040,678.22				820,059,842.51
III. Investments and other Long -Term Assets								
1. Holdings in Associated companies			11,749,336.94				17,197,360.37	
Less: Unpaid installments			0.00				33,250.00	
Provisions for devaluation			3,841,529.56	7,907,807.38			1,705,037.00	15,459,073.37
2. Investments in other companies			123,764,649.50				123,537,709.50	
Less: Provisions for devaluation			51,530,458.77	72,234,190.73			52,158,955.70	71,378,753.80
7. Other long - term assets				23,248.87				21,959.77
				80,165,246.98				86,859,786.94
TOTAL FIXED ASSETS EMPLOYED (CI + CII + CIII)				826,205,925.20				906,919,629.45
D. CURRENT ASSETS								
I. Inventories								
1. Merchandise				2,472,054.24				2,761,988.28
4. Consumables - Spare Parts				1,405,240.69				1,790,971.60
5. Advances against inventories purchase				0.00				1 496.76
				3,877,294.93				4,554,456.64
II. Debtors								
1. Trade Debtors				10,540,793.87				8,111,538.30
2. Bills receivable				99,729.69				0.00
3a. Items for collection								
- In portfolio			975,401.02				2,463,920.44	
- In Banks			18,348,618.32	19,324,019.34			18,869,543.08	21,333,463.52
5. Short - Term Receivables from associated companies				55,976.76				2,379,041.15
6. Short - Term Receivables from other affiliated companies				449,859.03				2,176,166.70
10. Doubtful trade debtors and receivables			1,488,348.55				1,282,317.79	
Less: Provisions for doubtful accounts			75,413.88	1,412,934.67			75,413.88	1,206,903.91
11. Other Debtors				2,157,932.69				2,368,952.65
12. Advances and Prepayments				1,970.85				24,835.18
				34,043,216.90				37,600,901.41
III. Marketable Securities								
1. Shares			18,957,315.69				18,734,255.69	
Less: Provisions for devaluation			13,716,725.90	5,240,589.79			14,363,345.29	4,370,910.40
IV. Cash								
1. Cash in hand				228,986.43				183,702.40
3. Sight and time Deposits				2,624,517.51				1,009,918.46
				2,853,503.94				1,193,620.86
TOTAL CURRENT ASSETS (DI + DII + DIII + DIV)				46,014,605.56				47,719,889.31
E. TEMPORARY ASSETS								
1. Deferred Expenses				3,275,502.65				1,812,951.90
2. Accrued income				14,256.89				23,042.19
3. Other asset suspense accounts				16,244.95				24,679.10
				3,306,004.49				1,860,673.19
TOTAL ASSETS (B + C + D + E)				**880,866,130.13**				**965,218,632.25**
DEBIT MEMO ACCOUNTS								
2. Guarantees and collateral securities				765,696,504.65				771,243,568.16
4. Other contra accounts				0.00				1,337.00
				765,696,504.65				**771,244,905.16**

SHIPPING S.A.

- 31th FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2003)

REGISTRATION No.11314/06/B/86/13

LIABILITIES & SHAREHOLDERS EQUITY

	Current Financial Year 2003 EURO		Previous Financial Year 2002 EURO	
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		156,737,156.38
		26,942,576.38		156,737,156.38
III. Revaluation Reserves and Investment Grants				
1. Revaluation of investments		2,668.80		2,668.80
3. Investment subsidies for fixed assets	6,588,798.01		6,588,798.01	
Less:				
Depreciation of subsidies for purchase				
Fixed assets	820,051.20	5,768,746.81	634,542.45	5,954,255.56
		5,771,415.61		5,956,924.36
IV. Reserves				
1. Ordinary Reserves	9,213,724.97		9,137,137.97	
Less: Loss from sale or value decline of participating interests and securities for offsetting	(20,602,784.12)	(11,389,059.15)	(22,802,170.76)	(13,665,032.79)
4. Extraordinary reserves		56,978,689.06		58,114,127.23
5. Tax - Free reserves under special laws		2,556,610.09		3,387,581.06
		48,146,240.00		47,836,675.50
V. Results carried forward				
1. Retained Profits		35,938.43		0.00
2. Retained Losses		0.00		(116,258,107.77)
3. Loss brought forward		0.00		(13,813,946.94)
		35,938.43		(130,072,054.71)
TOTAL SHAREHOLDERS EQUITY (AI + AII + AIII + AIV + AV)		240,479,670.42		240,042,201.53
B. PROVISIONS FOR LIABILITIES AND EXPENSES				
1. Severance pay indemnities due to retirement		1,791,709.98		1,535,251.60
2. Other Provisions		2,927,438.52		6,918,917.11
		4,719,148.50		8,454,168.71
C. LIABILITIES				
I. Long - Term debt				
2. Bank Loans		556,422,127.69		482,112,033.16
		556,422,127.69		482,112,033.16
II. Current Liabilities				
1. Suppliers		13,351,948.53		18,927,134.86
2a. Post - dated cheques		3,994,023.13		5,435,028.49
3. Banks - short-term Liabilities		15,222,170.35		128,879,832.88
4. Customers advances		690,331.84		4,144,601.55
5. Taxes and duties payable		1,529,719.05		1,691,611.95
6. Social Security Contributions		467,548.04		389,346.29
7. Current Portion of long - term debt		30,250,000.00		39,402,250.00
8. Amounts owed to associated companies		133,999.95		7,993,067.85
9. Long -Term Liabilities - Other Affiliates		111,664.74		697,492.90
10. Dividends payable		2,251,300.49		937,855.93
11. Sundry Creditors		7,091,676.74		20,200,229.39
		75,094,382.86		228,698,452.09
Total Liabilities (CI + CII)		631,516,510.55		710,810,485.25
D. ACCRUALS AND DEFERRED INCOME				
1. Accrued income		653,242.64		381,259.81
2. Accrued expenses		3,497,178.01		5,530,516.95
3. Other Accruals		380.01		0.00
		4,150,800.66		5,911,776.76
TOTAL LIABILITIES AND SHAREHOLDERS FUNDS (A + B + C + D)		**880,866,130.13**		**965,218,632.25**
CREDIT MEMO ACCOUNTS				
2. Beneficiaries of guarantees & collateral securities		765,696,504.65		771,243,568.16
4. Other contra accounts		0.00		1,337.00
		765,696,504.65		**771,244,905.16**

NOTES: 1. On the fixed assets of the company there are the following mortgages: a) On the buildings and ships there are mortgages of € 704,755,000.00 to assure bank loans the balance of which at 31.12.2003 amounts year was adjusted the net carrying value of certain freehold property according to the provisions of article 28 of L. 3091/2002 and occurred a surplus of approx. € 0,31 million. The surplus amount is included in the item the shareholders held on 29.6.2003 approved the reduction of the company share capital by € 129,794,580 with decrease of the nominal value of each share. At the same time approved an increase of the company's drawing up date of the above financial statements had not been heard nor judged without appeal the following pending cases of the company: a) For the imposed by the European Competition Committee fine plus accumulated 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 totaling € 1.15 million the 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. In respect of this reorganization – refinancing. Owing to this, the amounts of long – term and current liabilities are disclosed in the above financial statements in conformity with the imminent settlement. **7.** The General Meeting of 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 issue amounted to € 7,148,761.20. **8.** In adopted. **10.** The corresponding amounts of the preceding year are set out as they have been restated by the Annual General Meeting of Shareholders of company, held on 29 June 2003. **11.** The Company has been

ANALYSIS OF REVENUES UNDER STAKOD - 2003

CODE	DESCRIPTION	€
611.0	FARES	164,421,288.32
553.1	RESTAURANTS	10,827,524.32
521.4	ON-BOARD SHOPS	9,598,951.79
554.1	BARS	6,693,928.92
927.1	CASINO - GAMES	2,044,764.19
	TOTAL	193,586,457.54

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st DECEMBER 2003

At December 31, 2003 (1 January - 31 December 2003)

	Current Financial Year 2003	EURO	Previous Financial Year 2002	EURO
I. OPERATING RESULTS				
Net Turnover (Sales)		193,586,457.54		179,563,855.65
LESS: Cost of Sales		127,168,396.99		124,467,065.39
Gross operating results (profits)		66,418,060.55		55,096,790.26
PLUS: Other operating income		212,718.71		321,662.57
Total		66,630,779.26		55,418,452.83
LESS: 1. Administrative expenses	11,993,977.66		12,620,255.50	
3. Sales expenses	18,828,765.86		19,632,508.26	
4. Uncosted Production Costs (under - utilization / vessel lay - up)	2,810,958.72	33,633,702.24	1,263,500.80	33,516,264.56
Subtotal (profits)		32,997,077.02		21,902,188.27
PLUS:				
1. Income from participation	214,296.90		0.00	
2. Income from marketable securities	11,778.00		21,307.42	
3. Profit from sales of Participations and Marketable Securities	0.00		1,481,015.86	
4. Interest income and similar income	102,297.47	328,372.37	156,814.12	1,659,137.40
LESS:				
1. Valuation differences from Equity participations & Securities	39,972.42		66,760,103.93	
2. Expenses & Losses from participations and marketable Securities	30,562.42		9,239,471.01	
3. Interest expense and similar expense	30,944,459.98	31,014,994.82	33,748,792.88	109,748,367.82
Total Operating results (loss) before depreciation		2,310,454.57		(86,187,042.15)
II. PLUS: Extraordinary Items				
1. Extraordinary & non operating revenue	2,078,397.44		820,957.14	
2. Extraordinary Profits	3,615.24		3,720,567.64	
3. Prior financial years' income	274,748.22		701,590.77	
4. Income from prior years' provisions	2,263,035.30	4,619,796.20	0.00	5,243,115.55
LESS:				
1. Extraordinary & non-operating expenses	2,149,777.26		5,909,096.75	
2. Extraordinary Losses	18,672.77		1,068,538.12	
3. Prior years' expenses	1 189 570.93		2 428 154.97	
4. Provisions for special risks	0.00	3,358,020.96	25,648,518.00	35,054,307.84
Operating and extraordinary results (profit)		3,572,229.81		(115,998,234.44)
LESS:				
Total Depreciation of Fixed Assets and Start - Up Expenses	17,428,046.48		18,843,427.76	
LESS: Depreciation included in operating results	17,428,046.48	0.00	18,843,427.76	0.00
NET RESULTS (PROFIT) FOR THE YEAR BEFORE TAXES		**3,572,229.81**		**(115,998,234.44)**

to € 555,520,406.82 and b) On ships mortgages of €13,703,000.00 and USD 6,928,350.00 to assure other liabilities the balance of which at 31.12.2003 amounts to € 9,632,152.71 and USD 5,563,657.00. **2.** In the current "Loss from sale or value decline of participating interests and securities for offsetting". **3.** The personnel employed by the Company at 31.12.2003 amount to 1,062 persons. **4.** The Annual Ordinary General Meeting of share capital by a corresponding to the decrease amount with increase of the nominal value of each share by capitalization of the share premium account that is the result of shares issued above par. **5.** Up until the interest amounting to approx. € 4.13 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 judgment is definitive 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 case the company has not set up a relative provision chargeable to the results. **6.** Liabilities in bank loans (long – term and current) and to third parties, totalling approx. € 546,00 million, are at a final stage of their 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 of nominal value € 2.20 each. The abovementioned the current year was performed depreciation of fixed assets (except for the ships) on the basis of the lower rates which are provided by the P.D. 299/2003. **9.** The basic accounting principles of 31.12.2002 have been controlled by the tax authorities up until and including the year 1996.

APPROPRIATION ACCOUNT

			Current Financial Year 2003 EURO		Previous Financial Year 2002 EURO
Net results (profits) for the year			**3,572,229.81**		**(115,998,234.44)**
LESS:	Amount transferred in the item "Loss from sale or value decline of participating interests and securities for offsetting"				
	Income from unused provision from prior years' valuation of participations & securities	1,927,114.18		0.00	
	Less: Provisions for devaluation of participations & securities	39,972.42	1,887,141.76	0.00	0.00
	Total		**1,685,088.05**		**(115,998,234.44)**
PLUS:	Prior years' retained earnings (losses)		(277,474.71)		(13,813,946.94)
PLUS:	Prior years' tax differences		157,599.22		0.00
TOTAL			**1,565,212.56**		**(129,812,181.38)**
LESS:	2. Other taxes not incorporated in the operating cost	33,486.10	33,486.10	(259,873.33)	(259,873.33)
	Profit for appropriation		**1,531,726.46**		**(130,072,054.71)**
Appropriated as follows:					
1. Statutory Reserves			76,587.00		0.00
2. Dividends			1,418,520.00		0.00
6. Tax free reserves:					
-per art 110 of Law 2238/94			681.03		0.00
8. Profit carried forward			35,938.43		0.00
			1,531,726.46		**0.00**

Heraklion, 20 April 2004

THE CHAIRMAN OF THE BOARD	THE VICE CHAIRMAN	THE GENERAL MANAGER	THE CHIEF ACCOUNTANT
KONSTANTINOS KLIRONOMOS **ID C No K 980430**	**EMMANUIL KOULENDAKIS** **ID C No F 251786**	**PANAGIOTIS KASSAPAKIS** **ID C No P 831611**	**DIMITRA BATSI** **A 0023944**

AUDITOR'S REPORT
To the shareholders of "MINOAN LINES" SHIPPING S.A.

We have audited the above Financial Statements as well as the related Notes on the Accounts of "MINOAN LINES" SHIPPING S.A. for the year ended December 31, 2003. Our examination, within the scope of which we obtained also a full accounting report of the Company's Branch operations, was made in accordance with the requirements of art. 37 of the Companies' Act of Greece (L. 2190/1920) and also in conformity with the standards of auditing followed by the Institute of Certified Auditors - Accountants in Greece and accordingly included such tests of the accounting records and such other auditing procedures, as we considered necessary in the circumstances. We have examined the books of account and records kept by the Company and we obtained all the information and explanations, which we needed for the purpose of our audit. The Company has applied properly the Hellenic General Accounting Plan. No change in the inventory valuation method has been made, as compared with that of the previous year. We have verified that the Directors' Report to the annual General Meeting of Shareholders is consistent with the related Financial Statements. The notes on the accounts include the information required by the par. 1 art 43a L. 2190/1920. As a result of our audit it is noted that: 1. The acquisition cost of certain ships was adjusted to the market value, in accordance with the provisions of article 12 L. 3193/2003, and owing to this value adjustment, based on the respective Appraisal Reports issued by the Chamber of Shipping, occurred an offsetting negative difference of approx. € 1.97 million the amount of which was, in deduction, included in the items "Extraordinary Reserves" and "Tax free reserves under special laws" by € 1.14 million and € 0.83 million respectively. To be noted that for the ship H/S/F Prometheus has not been carried out depreciation of approx. € 1,00 million. In the case where this depreciation had been carried out then, the results would be equally in amount decreased and the negative difference amount would have amounted to approx. € 0,97 million. 2. In the item "Participating interests in affiliated undertakings" is included also a participation in a subsidiary company, acquisition cost approx. € 4.40 million, which was measured at cost, pursuant to the provisions of article 28 of P.D. 186/1992, as amended by article 32 of L. 3229/2004. Had the required valuation been performed according to the provisions of the par. 6 of article 43 of the c.L. 2190/1920 there would have arisen an equal in amount reduction of the shareholders' Equity. 3. For bad debts and disputed claims totalling approx. € 1,50 million it has been set up a provision of approx. € 0,08 million which is deemed insufficient by approx. € 0,50 million. In our opinion, the above Financial Statements, which are in agreement with the books and records of the Company, together with the Notes on the Accounts, after taking into consideration our foregoing notes as well as the company's notes under the Balance Sheet, give a true and fair view of the Company's assets, liabilities and financial position as at December 31, 2003 and of the results of its operations for the year ended on that date, in conformity with legal requirements and generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Athens, 23 April 2004
The Certified Public Accountant - Auditor

STEPHANOS P. SARAKOSTIDIS
SOEL Reg. No. 14621
SOL S.A. - Certified Auditors Accountants

REPORT
OF THE BOARD OF DIRECTORS
OF "MINOAN LINES" S.A.

to the ordinary General Meeting of shareholders on 20th June 2004

To the Shareholders

Ladies and Gentlemen,

We present to you the balance sheet, the results of operations as well as the most significant events that underlined the performance of the company's business activity in the year just ended.

The overall political and economic environment developed in 2003, was influenced by a chain of negative events that had unfavourable effects so on the world economy as also on the economy of the Euro zone countries.

The war in Iraq and the fear of terrorist attacks created a sense of insecurity and uncertainty in the market and caused an unsteady state affecting all the sectors of economic activity.

The prevailing anxiety is even made worse due to the prices of oil, which are kept at very high levels, with a further rising tendency, a fact that causes strong agitation and intense inflationary pressures on the world economy.

Moreover, the rate of growth of the Euro - zone countries remained particularly low, hardly reaching 0,4% and this fact, in conjunction with the strong Euro caused a diminution of exports of the European countries with the effect to be limited the disposable household income, to be decreased the private consumption and to give rise to unemployment problems.

The aforementioned events affected in a negative way all the sectors of economic activity in particular, however, badly hit the sensitive sector of tourism, coastal shipping and transports, namely the sector where our company performs its business activity which beyond the above factors, continues to face difficulties owing to high bank borrowing that the companies of the sector had to seek in order to finance their investment plans.

Despite however this changeable international economic and geopolitical environment and its indirect effects on the domestic market, the management of MINOAN LINES achieved in the year just ended to strengthen the position of the company and at the same time to realize its strategic decision to reduce the bank borrowing radically and to lead the company to return profitable.

The results of operations for 2003, after the impressive improvement of all the economic magnitudes and the efficiency ratios in concern, is the evidence of the company's definitive recovery after a difficult period that occurred at the same time with the conclusion of a large but absolutely necessary investment plan.

The new ships built and the comparative acquired advantages they can offer (high - speed, luxury, provision of new services), fortified the company, made it one of the most strong and competitive companies of the sector and at the same time dissuaded the intention of competitors from coming into the route Heraklion - Piraeus, one of the most significant itineraries where our company is active.

Without the ships that we dispose of today our company might have been left aside, unable to follow the developments and to react to persistent competition.

The net profits for the year amounted to € 3.6 million, a fact that makes it possible for the Board of Directors to propose at the General Meeting the distribution of a symbolic dividend of 0.02 per share, that corresponds to a dividend yield of 1.4%, based on the average price of the share in 2003.

Results of operations in 2003			**Change**	
Financial results analysis (in € thousand)	**2003**	**2002**	**€**	**%**
Revenues	193,586	179,564	14,022	7.8%
Operating cost	113,522	110,190	3,332	3.0%
Gross operating profit	**80,064**	**69,374**	**10,690**	**15.4%**
Administration & Sales expenses	27,041	27,687	-646	- 2.3%
Other revenue	213	322	-109	- 33.9%
Earnings before interest & depreciation (EBITDA)	**53,236**	**42,009**	**11,227**	**26.7%**
Financial expenses	31,015	109,748	-78,733	- 71.7%
Operating result	**22,221**	**-67,739**	**89,960**	
Other / extraordinary gain	4,948	6,902	-1,954	- 28.3%
Other / extraordinary loss	6,169	36,318	-30,149	- 83.0%
Results before depreciation	**21,000**	**-97,155**	**118,155**	
Depreciation	17,428	18,843	-1,415	- 7.5%
Net results before taxes	**3,572**	**-115,998**	**119,570**	

From the records disclosed in the above table, arise the following conclusions:

- During the twelve-month period, that ended on 31.12.2003, the operating income from ships amounted to € 193.6 million, an increase of 7.8% over the previous year. This satisfactory increase of income despite the decrease in the number of the actual trips is mainly due to the rise of the ships rate of completeness, a fact that further strengthened the company share in the routes of Northern Adriatic sea in all the categories of transports.
- The operating expenses of ships increased just by 3% and rose to € 113.5 million, an increase much lower than the corresponding increase of turnover.
- The distribution costs and administration expenses rose in total to € 27 million, significantly decreased by 2.3% as compared to 2002, despite the considerable increase in income, result of the great effort to keep low such kind of expenditures.

- The financial expenses are shown reduced by 71.7% as against 2002 and rose to € 31 million. At this point we should notice that in 2002 in the financial expenses were included the extraordinary losses of € 76 million, incurred from the full restatement of certain balance sheet items.
- The extraordinary and non-operating income and expenses were reduced significantly as compared to the previous year. The amounts that are included in these items derive mainly form exchange differences as well as from the valuation of participations and securities held by the company.
- The profit before interest taxes and depreciation (EBITDA) exceeded € 53.2 million as against € 42 million in 2002, presenting an increase by 26.7%, while the gross profit margin increased from 23.4% in 2002 to 27.5% in 2003 and it is the higher among the companies of the sector of passenger shipping.
- After deduction of interest and depreciation, the net profits of the company amount to € 3.6 million, as against loss of € 116 million of the previous year.
- The profits for appropriation amount to € 1.5 million and it is proposed by the Board of Directors to the General Meeting to approve its appropriation as follows:

Legal reserve	€ 76,587.00
Tax-free and other reserves	€ 681.03
Dividend 0,02 Euro x 70.926.000 shares	€ 1,418,520.00
Profit carried forward	€ 35,938.43
T O T A L	€ 1,531,726.46

Consolidated Financial Results			**Change**	
Financial results analysis (in € thousand)	**2003**	**2002**	**€**	**%**
Revenues	194,292	179,983	14,309	8.0%
Operating cost	114,225	111,995	2,230	2.0%
Gross operating profit	**80,067**	**67,988**	**12,079**	**17.8%**
Administration & Sales expenses	26,855	25,486	1,369	5.4%
Other revenue	213	394	-181	- 45.9%
Earnings before interest & depreciation (EBITDA)	**53,425**	**42,896**	**10,529**	**24.5%**
Financial expenses	31,067	73,219	-42,152	- 57.6%
Operating Result	**22,358**	**-30,323**	**52,681**	
Other / extraordinary gain	5,900	7,046	-1,146	- 16.3%
Other / extraordinary loss	6,331	41,361	-35,030	- 84.7%
Results before depreciation	**21,927**	**-64,638**	**86,565**	
Depreciation	17,458	18,890	-1,432	- 7.6%
Net result for the Group before minority interest & taxes	**4,469**	**-83,528**	**87,997**	
Minority interest	-10	-2,177	2,167	- 99.5%
Net Consolidated result before taxes	**4,479**	**-81,351**	**85,830**	

Reduction in borrowing - Loan restructuring

The bank borrowing contracted by the company - long and short term - reached in 2002, along with the completion of the investment plan, the € 630 million. The reduction of bank borrowing to the current size of € 530 million is owing to the repayment of the sinking-fund installments for the mean time however, it is mainly the result of the disposal of certain property assets of the company among which the ships PROMETHEUS and OCEANUS.

The reduction in bank borrowing in addition to the restructuring of the loans, that is expected to be concluded in the near future with the signing of new contracts, makes it possible for the company to pay off its loan liabilities without difficulty by the liquidity that flows from its operating profits. The successful outcome of the negotiations for the restructuring of the loans is to a great degree owing to esteem and confidence that the company enjoys.

Hellas Flying Dolphins

The H.F.D., as also stated in the past, constitutes the most significant, by means of quantity and strategic importance, investment of MINOAN LINES. The great efforts made over the last years for the organizational update of the company were supported by the rationalization of the fleet and yielded the prospective results by achieving a great improvement of the economic efficiency and rentability of this company.

More than pleased we ascertained that the past negative aspects have changed completely thanks to the slow but firm steps taken towards a successful return on a profitable course that reached in the year 2003, on a consolidated basis, profits of € 7.1 million, as against losses of € 49.3 million in 2002. This fact gives the possibility to the B. of D. to propose at the G.M. of H.F.D. the distribution of dividend for a total amount of € 3.9 million, namely 0.05 Euro per share.

The stategy planned and followed by H.F.D. that bears the seal of MINOAN LINES was realized with great success thanks to the generous efforts made with zeal by the management and the staff of the company.

The very solid shareholding structure, the firm steps of development and modernization of the trade sales network, the rational management of expenditures and the implementation of a 5-year business planning that commenced with the order for the building of one more High-speed ship - which shall be added to the fleet of the company in June 2005 - constitute the most significant factors that shall lead to a course of further improvement of its profitability.

We note that the cash and cash equivalents of H.F.D. amount to € 31.5 million, while the bank borrowing that hardly exceeds € 60 million (reduced by 12.1% as compared to last year), are records that make it to be one of the most strong and solid companies of the sector.

Other significant events in 2003

To hit the target of providing to our passenger public complete services we realized in 2003 two new, pioneer and extremely customer - core services: the bookings and payment of fares by phone and or via Internet.

Indeed, since last June we provide the possibility to our customers to make their bookings by phone and to pay for the tickets fare, easily and quickly, by credit card, on delivery of their tickets in places of their choice.

Moreover, making the most of the advantages offered by technology and the Internet in particular we proceeded since 2 December with the introduction of booking services via Internet. Through the website of MINOAN LINES (www.minoan.gr) by six simple easy and safe steps our customers may search for itineraries, look for fares and afterwords proceed with booking and purchase of tickets using a credit card. By all these new customer - core services we help making travelling more easy providing high class facilities towards our customers also on land while we manage to reduce the cost of sales.

In August 2003, MINOAN LINES attained certification, for all the ships of new technology, for Hazard Critical Control Point (HACCP), within the framework of measures implemented in order to protect the hygiene of food and consequently to secure and improve the quality of the services the company renders to passengers on board.

To be noted that we are the only company of the sector that has been awarded such a certification.

Accident at KNOSSOS PALACE

An event that came to mark the year left behind was the fire broken out in the lower deck of our ship KNOSSOS PALACE caused by a truck in the garage area, on 19.11.2003 afloat from Piraeus to Heraklion.

Today, recalling this accident we wonder what could have had happened, whether had not function perfectly all the fire-safety system of our ship as well as all the other procedures for fire fighting by the crew.

The immediate and effective intervention of the crew prevented the extension of fire that could have had unforeseen consequences for the passengers and the ship itself. The automatic fire-safety, fire proof and fire extinguish systems that our ship disposes of are the most modern and safe and their efficient function made them to be the outstanding factor for the safety of the hull and the avoidance of similar risks.

The damage caused in the ship was fully repaired in a very short time without any additional charge for our company since the insurance companies covered the total cost incurred for the repairs of the ship and the other trucks found in the garage area. Moreover, the company collected an amount of U.S. $ 630 thousand for loss of income sustained by the ship for the time period it was put out of operation thanks to the special insurance "Loss of Hire", which provides compensation against such kind of risks.

Priorities for the year 2004 - Strategic Planning

The strengthening of the company by steady and continued steps, the modernization process attempted in all the sectors of our activity first highlighting those of trade and Marketing, the emphasis on cutting down the operating expenses and the further strengthening of the operating profitability, form the guide lines and the objective intent of the strategy that we shall follow in the next years.

According to our estimates for 2004, despite all the reserves arising from the unprecedented prices of fuel, the gross proceeds of the company is expected to exceed € 200 million, the operating profit € 65 million and the net profit € 14 million.

This planning that will lead the company to improve its profitability shall be strictly implemented, through collective efforts, that shall render prominent and shall strengthen the relations of cooperation and friendly understanding so at a Board of Directors level as also, at level of management and staff of the company.

These collective sustained efforts are the driving and directive force by which the MINOAN LINES for so many years supported the development and the successful course of the business and it is our duty to protect, as if a pupil, these steadying and development factors.

In particular and with reference to the strategic planning followed in 2003, and appreciating the trends and the needs of the current market it becomes a fundamental factor for the company's success the satisfaction of the customer and the development of constant customer relations.

Basic target for the sales of 2004 is to maximize the total lent prestige to customer. This shall be achieved by the:

- Creation of a credit customer program and development of a sales service department.
- Development and implementation of e-commerce services which can provide information and disposal of the product via Internet and mobile telephony.
- Creation of integrated vacation packages for our clients offering a combination of transport and sojourn.

Among other priorities for the year 2004 are included:

- Full advantage to the benefit of our company of the Olympic Games that shall be performed in our country in the summer of 2004, with the intent to capitalize this worldwide unique opportunity to promote our country as one of the most safe and by means of tourism attractive destinations. In this spirit we shall focus on making known our presence and participation as a national sponsor of the "Greek Swimming Federation".

- Liquidation of our participations in non-shipping investments for a further reduction of borrowings.
- Strengthening of our marketshare in domestic lines and its increase in the Adriatic sea lines.
- Drastic reduction of operating expenses both on land and in the sea.

Dear shareholders,

Planning our next steps to take always focusing on the steady and perpetual development of our company we pay due attention to a continuous upgrade of our services quality level, to an always increasing satisfaction of our customers, to an enlargement of our earnings from new trade services in our ships and to a safe movement of the passengers and the vehicles.

In the year passed by it has been achieved an important progress that has to continue and become even more intensive within the frame of a collective action and cooperation with all those factors that contributed to the development and progress of the company.

The MINOAN LINES today possess a leading and more competitive fleet, have the most sound and modern organization and provide services of outstanding quality.

At the present General Meeting expires the office of the Directors Messrs Michalis Vavourakis, Theofilos Koumantakis, Stavros Makrydakis and Kostas Mamalakis and I owe to express appreciation to all of them as well as to the other members of the Board of Directors for their wonderful co-operation and positive contribution performed at all events while at the same time I wish the same constructive atmosphere that we have successfully reached to be carried on since I consider it a significant factor for an increasing profitable course of the business.

The present General Meeting is called to elect, for making up the B. of D. and with a term of office of three - years, four (4) regular and two (2) assistant members, pursuant to article 17 of the Articles of Association and the L. 3016/2002, as well as to appoint statutory auditors for the year 2004.

Concluding the Annual Report on the work performed during the year just ended I wish, on behalf of the Board of Directors, to extend our gratitude to:

- Our shareholders, the authorities, the mass media of Crete and all the simple people who contributed at difficult moments and continue to contribute to our company.
- Our customers the passenger public for its preference in the ships of our company, recompensing this way the efforts made for a continuing improvement of the quality of our services.
- The Ministry of Merchant Marine and all the Public Departments, the Banks and Credit Institutions for their comfort and willingful co-operation demonstrated in matters affecting the company.

- Particular thanks we owe to express to all the banks, which collaborate with us and, mainly to the CITIBANK Shipping Bank and its staff for the spirit of confidence and trust towards our company.
- All of our direct and indirect co-operators, agents, vehicle drivers, suppliers, shipyards, attorneys at law, etc. for excellent co-operation.
- The personnel of our company on land and in the sea, who with zeal, dedication and conscientiousness contributes significantly to the progress of the company.

Feeling confident that we performed with loyalty and dedication the task assigned to us we remain for your fair, benevolent and constructive comments along with any proposals that might assist the new Board of Directors to continue an increasingly upward trend of our company.

Iraklion, 22 April 2004

The Chairman of the Board of Directors

Constantinos Clironomos

CERTIFICATION

It is certified that the above Board of Directors Report of the limited shipping company "MINOAN LINES S.A." which consists of twelve (12) pages, is what is referred to in the Auditor's Report (short-form), dated 23 April 2004.

Athens, 23 April 2004

The Certified Public Accountant Auditor

Stefanos P. Sarakostidis

SOEL Reg. No.14621

" SOL S.A." Associated Certified Public Accountants

MINOAN LINES SHIPPING S.A.

SIXTH CONSOLIDATED BALANCE SHEET

PUBLIC LIMITED COMPANIES

ASSETS

		Current Financial Year 2003 EURO Book Value	Depreciation	Net Book Value		Previous Financial Year 2002 EURO Book Value	Depreciation	Net Book Value
B. FORMATION EXPENSES								
1. Start - up costs		43,236.36	35,380.53	7,855.83		43,236.36	26,947.06	16,289.30
2. Exchange rate adjustments on loans for acquisitions		3,202,394.72	757,861.22	2,444,533.50		5,525,373.82	2,322,979.10	3,202,394.72
3. Construction Period Interest cost		7,330,689.04	5,587,212.59	1,743,476.45		7,330,689.04	4,388,332.77	2,942,356.27
4. Other formation expenses		13,230,262.98	12,061,559.16	1,168,703.82		15,223,338.92	12,622,369.48	2,600,969.44
		23,806,583.10	18,442,013.50	5,364,569.60		28,122,638.14	19,360,628.41	8,762,009.73
C. FIXED ASSETS								
I. Intangible Assets								
1. Research and Development expenses		605,399.19	345,110.00	260,289.19		560,075.41	224,030.16	336,045.25
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		233,396.14	157,709.95	75,686.19		891,414.80	766,654.51	124,760.29
		868,142.36	532,166.97	335,975.39		1,480,837.24	1,020,031.69	460,805.55
II. Tangible Assets								
1. Land		4,173,358.84	0.00	4,173,358.84		3,955,478.52	0.00	3,955,478.52
3. Buildings and technical work		5,863,053.65	2,503,047.51	3,360,006.14		5,778,295.82	2,374,564.04	3,403,731.78
5. Transportation means		138,101.66	94,007.42	44,094.24		136,939.83	80,357.07	56,582.76
5a. Vessels	792,733,203.75				876,928,347.04			
Less: Provisions for devaluation	0.00	792,733,203.75	52,793,011.51	739,940,192.24	22,400,000.00	854,528,347.04	40,823,217.83	813,705,129.21
6. Furniture and Fixtures		3,655,031.78	2,862,733.45	792,298.33		3,552,911.41	2,467,137.39	1,085,774.02
		806,562,749.68	58,252,799.89	748,309,949.79		867,951,972.62	45,745,276.33	822,206,696.29
TOTAL FIXED ASSETS (CI + CII)				748,645,925.18				822,667,501.84
III. Investments and other Long - Term Assets								
1a. Holdings in Associated companies				73,180,210.60				70,772,252.54
2. Investments in other companies			25,314.38				25,314.38	0.00
Less: Provisions for devaluation			14,846.61	10,467.77			0.00	25,314.38
7. Other Long - Term Assets				28,780.65				27,780.00
				73,219,459.02				70,825,346.92
TOTAL FIXED ASSETS EMPLOYED (CI + CII + CIII)				821,865,384.20				893,492,848.76
D. CURRENT ASSETS								
I. Inventories								
1. Merchandise				2,472,054.24				2,761,988.28
4. Consumables - Spare Parts				1,405,240.69				1,790,971.60
5. Advances against inventories purchase				0.00				1,496.76
				3,877,294.93				4,554,456.64
II. Debtors								
1. Trade Debtors				10,425,440.68				6,972,359.42
2. Bills receivable				99,729.69				0.00
3a. Items for collection								
- In portfolio			1,027,416.88				2,470,461.07	
- In Banks			18,348,618.32	19,376,035.20			18,869,543.08	21,340,004.15
6. Short - Term Receivables from associated companies				449,859.03				2,176,166.70
10. Doubtful trade debtors and receivables			1,488,348.55				1,282,317.79	
Less: Provisions for doubtful accounts			75,413.88	1,412,934.67			75,413.88	1,206,903.91
11. Other Debtors				2,864,956.28				10,552,408.75
12. Advances and prepayments				1,970.85				24,835.18
				34,630,926.40				42,272,678.11
III. Marketable Securities								
1. Shares			23,810,529.88				18,734,255.69	
Less: Provisions for devaluation			18,569,940.09	5,240,589.79			14,363,345.29	4,370,910.40
IV. Cash								
1. Cash in hand				230,937.87				186,947.54
3. Sight and time Deposits				2,739,339.81				1,292,239.36
				2 970 277.68				1 479 186.90
TOTAL CURRENT ASSETS (DI+ DII+ DIII+ DIV)				46,719,088.80				52,677,232.05
E. TEMPORARY ASSETS								
1. Deferred Expenses				3,296,522.04				1,820,497.21
2. Accrued income				36,928.25				35,869.76
3. Other asset suspense accounts				16,244.95				24,679.10
				3,349,695.24				1,881,046.07
TOTAL ASSETS (B + C + D + E)				**877,298,737.84**				**956,813,136.61**
DEBIT MEMO ACCOUNTS								
1. Third parties assets				0.00				12,286.13
2. Guarantees and collateral securities				770,349,562.56				776,100,033.58
4. Other contra accounts				0.00				1,337.00
				770,349,562.56				776,113,656.71

- GROUP OF COMPANIES

AS AT 31st DECEMBER 2003 (1 JANUARY - 31 DECEMBER 2003)

REGISTRATION No.11314/06/B/86/13

LIABILITIES & SHAREHOLDERS EQUITY

		Current Financial Year 2003 EURO		Previous Financial Year 2002 EURO
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		156,737,156.38
		26,942,576.38		156,737,156.38
III. Revaluation Reserves and Investments Grants				
1. Revaluation of investments		2,668.80		2,668.80
3. Government Grants for Fixed Assets	6,588,798.01		6,588,798.01	
Less:				
Depreciation of subsidies for purchase of fixed assets	820,051.20	5,768,746.81	634,542.45	5,954,255.56
		5,771,415.61		5,956,924.36
IV. Reserves				
1. Ordinary reserves	9,229,762.89		9,160,524.59	
Less: Loss from sale or value decline of participating interests and securities for offsetting	(20,602,784.12)	(11,373,021.23)	(22,802,170.76)	(13,641,646.17)
4. Extraordinary reserves		56,978,689.06		58,114,127.23
5. Tax - Free reserves under special law		2,559,069.10		3,438,908.61
		48,164,736.93		47,911,389.67
V. Results carried forward				
1. Retained Profits		671,105.51		(131,677,518.15)
		671,105.51		(131,677,518.15)
VIII. Consolidation Differences		(4,547,470.25)		(4,485,010.33)
Total MINOAN LINES' Shareholders Equity (AI + AII + AIII + AIV + AV+AVIII)		236,585,864.18		234,026,441.93
IX. Minority Interests		70,219.64		4,286,525.95
Total Shareholders Equity (AI + AII + AIII + AIV + AV+ AVIII + AIX)		236,656,083.82		238,312,967.88
B. PROVISIONS FOR LIABILITIES AND EXPENSES				
1. Severance pay indemnities due to retirement		1,822,958.29		1,545,265.98
2. Other provisions		2,927,438.52		6,929,919.74
		4,750,396.81		8,475,185.72
C. LIABILITIES				
I. Long - Term debt				
2. Bank Loans		556,422,127.69		482,112,033.16
		556,422,127.69		482,112,033.16
II. Short - Term Liabilities				
1. Suppliers		13,424,124.76		19,001,435.36
2a. Post - dated cheques		3,994,023.13		5,462,019.66
3. Banks - short-term liabilities		15,222,170.35		129,379,832.88
4. Customers advances		690,331.84		3,868,832.99
5. Taxes and duties payable		1,684,657.29		1,910,997.18
6. Social Security Contributions		492,230.69		438,587.68
7. Current portion of long - term debt		30,250,000.00		39,402,250.00
9. Liabilities to other affiliates		111,664.74		697,492.90
10. Dividends payable		2,251,300.49		937,855.93
11. Sundry Creditors		7,195,223.31		20,896,629.45
		75,315,726.60		221,995,934.03
Total Liabilities (CI + CII)		631,737,854.29		704,107,967.19
D. ACCRUALS AND DEFERRED INCOME				
1. Accrued income		653,242.64		383,677.98
2. Accrued expenses		3,500,780.27		5,533,337.84
3. Other liabilities suspense accounts		380.01		0.00
		4,154,402.92		5,917,015.82
TOTAL LIABILITIES (A + B + C +D)		877,298,737.84		956,813,136.61
CREDIT MEMO ACCOUNTS				
1. Beneficiaries of third parties assets		0.00		12,286.13
2. Beneficiaries of guarantees and collateral securities		770,349,562.56		776,100,033.58
4. Other contra accounts		0.00		1,337.00
		770,349,562.56		776,113,656.71

NOTES: 1. In the above-consolidated financial statements 1.01-31.12.2003 are included, apart from the parent company, the subsidiary companies MINOAN CRUISES-SHIPPING S.A., EUROPEAN THALASSIC AGENCIES
Also included with the net worth method are the associated undertakings HELLAS FLYING DOLPHINS SHIPPING S.A., MEDITERRANEAN FERRIES S.R.L. (under liquidation) and the up until 29.10.2003 associated company
and b) On ships mortgages of €13,703,000 and USD 6,928,350 to assure bank loans the balance of which at 31.12.2003 amounts €9,632,152.71 and USD 5,563,657. **3.** The personnel employed by the companies of the Group
surplus of approx. € 0,31 million. The surplus amount is included in the item "Loss from sale or value decline of participating interests and securities for offsetting". **5.** Liabilities of the parent company in bank loans (long – term
financial statements in conformity with the imminent settlement. **6.** The Annual Ordinary General Meeting of the parent company's shareholders held on 29.6.2003 approved the reduction of the company share capital by €
by capitalization of the share premium account that is the result of shares issued above par. **7.** Up until the drawing up date of the consolidated financial statements the pending cases for the parent company and the subsidiaries
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
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. In respect of this case the company has not set up a relative
letters, in favor of a subsidiary company, of respective amounts which have been issued in favor of NAT, is related to the outcome of the legal actions which NAT has already proceeded to and the aforesaid Subsidiary undertaking

ANALYSIS OF REVENUES UNDER STAKOD - 2003

CODE	DESCRIPTION	€
611.0	FARES	164,403,817.32
553.1	RESTAURANTS	10,827,524.32
521.4	ON-BOARD SHOPS	9,598,951.79
554.1	BARS	6,693,928.92
927.1	CASINO - GAMES	2,044,764.19
634.0	OTHER	618,788.58
702.0	RENT	104,080.49
	TOTAL	194,291,855.61

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST DECEMBER 2003

At December 31, 2003 (1 January - 31 December 2003)

	Current Financial Year 2003 EURO		Previous Financial Year 2002 EURO	
I. OPERATING RESULTS				
Turnover (Sales)		194,291,855.61		179,982,729.91
Less: Cost of sales		127,871,262.88		126,273,361.08
Gross operating results		66,420,592.73		53,709,368.83
Plus: 1. Other operating income		213,219.04		394,111.05
Total		66,633,811.77		54,103,479.88
Less: 1. Administration expenses	12,289,608.04		13,005,318.33	
3. Sales expenses	18,377,139.39		17,092,449.99	
4. Uncosted Production Costs (under - utilization / vessel lay - up)	2,810,958.72	33,477,706.15	1,479,268.22	31,577,036.54
Operating results (profit)		33,156,105.62		22,526,443.34
Plus:				
1. Income from participation	124,339.72		0.00	
1a. Revenues from affiliates	2,264,770.75		116,452.20	
2. Revenues from marketable securities	11,778.00		21,307.42	
3. Profits from sales of Participations and marketable securities	0.00		1,481,015.86	
4. Interest income and related income	120,481.05	2,521,369.52	159,361.98	1,778,137.46
Less:				
1. Valuation differences from Equity participations & Securities	23,104.34		12,896,111.23	
1a. Losses from affiliates	0.00		17,212,874.71	
2. Expenses and losses from participations and marketable securities	30,562.42		9,240,170.25	
3. Debit interest and similar charges	31,013,451.70	31,067,118.46	33,869,652.89	73,218,809.08
Total operating results (profit)		**4,610,356.68**		**(48,914,228.28)**
II. Plus: Non operating items				
1. Extraordinary & Non - Operating revenues	2,100,032.57		829,550.83	
2. Extraordinary Revenues	3,615.24		3,731,428.32	
3. Revenues from previous years' provisions	284,229.08		707,360.31	
4. Income from previous years' provisions	990,798.24	3,378,675.13	0.00	5,268,339.46
Less:				
1. Extraordinary & non - operating expenses	2,286,017.76		6,359,906.98	
2. Extraordinary losses	18,672.77		5,415,885.75	
3. Prior years' losses	1,214,908.76		2,457,794.72	
4. Provisions for special risks	0.00	3,519,599.29	25,648,518.00	39,882,105.45
Operating and extraordinary results (profit)		**4,469,432.52**		**(83,527,994.27)**
Less:				
1. Total depreciation of Fixed Assets and Start - Up expenses	17,457,651.66		18,890,243.21	
Less: Depreciation included in operating results	17,457,651.66	0.00	18,890,243.21	0.00
NET RESULTS (PROFIT) FOR THE YEAR BEFORE TAXES		**4,469,432.52**		**(83,527,994.27)**
Less: Income taxes		129,145.17		149,582.40
Other taxes not included in operating cost		48,586.03		277,405.86
NET RESULTS (PROFIT) FOR THE YEAR AFTER TAXES		**4,291,701.32**		**(83,954,982.53)**
LESS: Minority interest		**(10,216.99)**		**(2,177,482.60)**
NET CONSOLIDATED RESULTS (PROFIT) FOR THE GROUP		**4,301,918.31**		**(81,777,499.93)**

SHIPPING MANAGEMENT & CONSULTANTS S.A. (under liquidation), MINOAN AGENCIES S.R.L., CRETAN FILOXENIA S.A. and its subsidiary ATHENA A.V.E.E., which were consolidated with the full consolidation method. FORTHnet S.A. **2.** On the fixed assets of the companies of the Group there are the following mortgages: a) Mortgages of €708,755,000 to assure bank loans the balance of which at 31.12.2003 amounts to € 558,520,406.82 at 31.12.2003 amount to 1,077persons. **4.** In the current year was adjusted the net carrying value of certain freehold property of the parent company according to the provisions of article 28 of L. 3091/2002 and occurred a and current) and to third parties, totalling approx. € 546,00 million, are at a final stage of their reorganization – refinancing. Owing to this, the amounts of long – term and current liabilities are disclosed in the above consolidated 129,794,580 with decrease of the nominal value of each share. At the same time approved an increase of the company share capital by a corresponding to the decrease amount with increase of the nominal value of each share were the following: 1. Parent: a) The fine imposed by the European Commission plus interest of € 4.13 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 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 provision chargeable to the results. 2. Subsidiary: a)The charge or not of the results for the year with the amounts of USD 559,377 (equal to € 442,895.49) and € 210,162.44 in the circumstance of the forfeiture of guarantee will proceed with. **8.**The corresponding amounts of the preceding year are set out as they have been restated by the Annual General Meeting of Shareholders of the parent company, held on 29 June 2003.

Heraklion, 20 April 2004

THE CHAIRMAN OF THE BOARD	THE VICE CHAIRMAN	THE GENERAL MANAGER	THE CHIEF ACCOUNTANT
KONSTANTINOS KLIRONOMOS ID C No K 980430	EMMANUIL KOULENDAKIS ID C No F 251786	PANAGIOTIS KASSAPAKIS ID C No P 831611	DIMITRA BATSI A 0023944

AUDITOR'S REPORT
To the Shareholders of "MINOAN LINES" SHIPPING S.A. and its subsidiaries

We have audited according to the provisions of art. 108 of L. 2190/1920 the sixth consolidated Financial Statements, as well as the related Notes on the Accounts of "MINOAN LINES S.A." and its subsidiary undertakings, for the year ended December 31, 2003. Our examination included such auditing procedures as we considered necessary in the circumstances for the purpose of our audit, which are in conformity with the standards of auditing followed by the Institute of Certified Auditors - Accountants in Greece and lastly we verified that the Directors' Consolidated Report is consistent with the related Consolidated Financial Statements. We have not extended our audit to the examination of the Financial Statements of the subsidiary companies, which are included in the consolidation and represent 0.80% and 0.86% of consolidated total assets and turnover. The Financial Statements of the first subsidiary, that is stated in the Company's note No. 1, are audited by another Certified Auditor, on whose "Auditor's Report" we have relied on, in order to express our opinion hereof, insofar as it relates to the items included in the consolidation of the aforesaid subsidiary. Due to the minor significance of the other subsidiaries we did not carry out an audit thereof. These Financial Statements have been prepared by the respective Management of each Company and we were provided with all the necessary explanations that we considered appropriate for the correct preparation of the above Consolidated Financial Statements. As a result of our audit it is noted that: 1) The acquisition cost of certain ships of the parent company was adjusted to the market value, in accordance with the provisions of article 12 L. 3193/2003, and owing to this value adjustment, based on the respective Appraisal Reports issued by the Chamber of Shipping, occurred an offsetting negative difference of approx. € 1.97 million the amount of which was, in deduction, included in the items "Extraordinary Reserves" and "Tax free reserves under special laws" by € 1.14 million and € 0.83 million respectively. To be noted that for a ship of the parent company (H/S/F Prometheus) has not been carried out depreciation of approximately € 1.00 million. In the case where this depreciation had been carried out then, the results would be equally in amount decreased and the negative difference amount would have amounted to approximately € 0.97 million. 2) For bad debts and disputed claims of the parent company totaling approx. € 1.50 million it has been set up a provision of approx. € 0.08 million which is deemed insufficient by approx. € 0.50 million. 3) The surcharge or not of the consolidated results with the amounts USD 559,377.00 (equal in € 442,895.49) and € 210,162.44 in the case of forfeiture of letters of guarantee, in favour of a subsidiary, of relative amounts which have been issued to "NAT", is connected with the outcome of the legal action that the subsidiary will take as well as with the legal action already taken by the "NAT". In our opinion, after taking into consideration our foregoing notes, as well as the parent Company's notes the above Consolidated Financial Statements, have been prepared according to the provisions of c.L. 2190/1920 and in conformity with legal requirements and generally accepted accounting principles applied by the parent company on a basis consistent with that of the preceding year, give, a true and fair view of the assets, liabilities and financial position, and of the results of operations of all the companies which are included in the consolidation, as at 31 December, 2003.

Athens, 23 April 2004
The Certified Public Accountant-Auditor

STEPHANOS P. SARAKOSTIDIS
SOEL Reg. No. 14621
SOL S.A. – Certified Auditors Accountants

REPORT
OF THE BOARD OF DIRECTORS
OF "MINOAN LINES" S.A.
on the Consolidated Financial Statements of the year 2003

To the Shareholders

Ladies and Gentlemen,

The Board of Directors of MINOAN LINES presents and puts for your consideration the Consolidated Financial Statements for the year 2003.

In the tables below are set out the subsidiary companies in which the MINOAN LINES, as parent company, has a holding of more than 50%, integrated by the full consolidation method. Moreover, are set out the companies in which the parent has a holding between 20% and 50%, integrated by the net equity method.

Table 1: Companies integrated by the method of "full consolidation"

Subsidiaries	Holdings
MINOAN CRUISES S.A.	80.28%
EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A. *	100%
MINOAN AGENCIES S.R.L.	95%
CRETAN FILOXENIA S.A.	99.99%
ATHENA S.A.	99.99%

**** under liquidation***

Table 2: Companies integrated by the method of "net equity"

Associated companies	Holdings
FORTHnet S.A. - GROUP OF COMPANIES (till 29.10.2003)	21.13%
HELLAS FLYING DOLPHINS S.A. - GROUP OF COMPANIES	31.59%
MEDITERRANEAN FERRIES S.R.L. *	50%

**** under liquidation***

CHANGES IN THE STRUCTURE OF THE COMPANIES WHICH ARE CONSOLIDATED IN THE YEAR 2003

Hereunder are set out the changes realized in the structure of the consolidated companies during the past year.

- The of 29.10.2003 increase of share capital (by private placement) of the company FORTHnet S.A., had as a result the decrease of the parent company's share in the associated company, setting thus the new percentage at 19.3%.

- Upon conclusion of the liquidation process the subsidiary companies MINOAN LINES HIGHSPEED FERRIES S.A. and MINOAN CHANGE S.A. were finally dissolved.
- The subsidiary company EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A. as well as the associated company MEDITERRANEAN FERRIES S.R.L. were put under final liquidation.

CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Balance Sheet of the company is now presented for the sixth year on a consolidated basis together with the balance sheets of the subsidiary companies and also of the companies in which the parent company holds a significant share in their share capital. This consolidation contributes to a systematic examination of all the events that definitely affected the formation of all the economical magnitudes of the group.

In particular, are presented in detail all the factors that contributed to the current financial position of the group including, among others, the overall span of its economic activities, the business steps taken throughout the past year as well as the financial performance that conduced to its present status.

In the table herebelow are set out in detail the financial results of the group compared with corresponding items of the preceding year.

Table 3: Analysis of results

(in thousand Euro)	**2003**	**2002**	**Change €**	**%**
Operating income (turnover)	194,292	179,983	14,309	8%
Cost of operation	114,225	111,995	2,230	2%
Gross operating results	**80,067**	**67,988**	**12,079**	**17.8%**
Administration expenses & distribution costs	26,855	25,486	1,369	5.4%
Other operating income	213	394	-181	-45.9%
Results before income, taxes and depreciation (EBITDA)	**53,425**	**42,896**	**10,529**	**24.5%**
Financial expenses	31,067	73,219	-42,152	-57.6%
Total results	**22,358**	**-30,323**	**52,681**	
Other / Extraordinary income	5,900	7,046	-1,146	-16.3%
Other / Extraordinary expenses	6,331	41,361	-35,030	-84.7%
Net Results before depreciation	**21,927**	**-64,638**	**86,565**	
Depreciation	17,458	18,890	-1,432	-7.6%
Net results of the group before minority interests & taxes	**4,469**	**-83,528**	**87,997**	
Minority Shareholders' Share	-10	-2,177	2,167	-99.5%
Net results of the group before taxes	**4,479**	**-81,351**	**85,830**	

From the records disclosed in the consolidated financial statements arise the following conclusions:

- The operating income (turnover) of the companies of the group in the year 2003 increased by 8% as compared to 2002 and amounted to € 194.3 million. The increase of income was positively

affected from the readjustment and reorganization of the itinerary schedules carried out by the parent company that definitely conduced to an increase of the company's turnover.

- The operating expenses recorded a small increase of about 2% as compared to 2002 and rose to € 114.2 million.
- The distribution costs and administration expenses increased by 5.4% (26.8 million Euro), obviously by a lower rate than the respective increase of the group's turnover. This in fact reflects mainly the continuous efforts made for keeping low the total expenditure that consists of administration expenses and distribution costs.
- The financial expenses changed significantly as compared to the previous year, presenting reduction of 57.6%. Significant in this impressive change was the incorporation in the financial expenses of 2002 of the extraordinary losses incurred from full settlement of certain items of the parent company's balance sheet. The debit interest reduced by 8.2% and fell to € 31 million as against € 33.9 million in the previous year. This change is mainly owing to the reduction of bank borrowing achieved by the parent company and on the other hand due to the fall of the interest rates.
- Remarkable is the increase by 24.5% of the group's profit before interest, taxes and depreciation (EBITDA), which rose to € 53.4 million as against € 42.9 million in the previous year.

The improvement so of the net outcome of the parent company as also of the respective operating results of the companies HELLAS FLYING DOLPHINS S.A. and FORTHnet S.A., raised the net profit of the group to € 4.4 million as against loss of € 81.4 million of the previous year.

HELLAS FLYING DOLPHINS S.A.

Over the last years is made a great effort by this company that aims at the modernization of its organization in addition to the rationalization of the fleet and the reorganization of the itinerary schedules. Result of this effort was the total inversion of the negative climate and the return, to a profitable course.

The profits rose on a consolidated basis to € 7.1 million as against loss of € 49.3 million in 2002, giving the possibility to the B. of D. to propose at the forthcoming G.M. a distribution of dividend for a total amount of € 3.9 million, namely 0.05 Euro per share.

The very solid shareholding structure, the firm steps of development and modernization of the trade sales network, the rational management of expenditures and the implementation of a 5-year business plan that commenced with the order for the building of one more Highspeed ship - which shall be added to the fleet of the company in June 2005 - constitute the most significant factors that shall lead the company to a course of further improvement of its operational profitability.

FORTHnet S.A.

The FORTHnet in the last two years proceeded with undertaking strategic business initiatives that brought it to rank first among all the other providers of telecommunication services in Greece. After its successful course as an Internet services provider, the FORTHnet extended the range of its activities strengthening in particular that of providing fixed telephony services.

This investment was soon proven particularly well - aimed since, it increased significantly the turnover of the company and conduced to return profitable. Exactly, the turnover on a consolidated basis rose to € 75.3 million increased by 134.9% as against the corresponding turnover in 2002.

The net results of the group FORTHnet present total profit of € 0.1 million for the year 2003 as against loss of € 3.9 million recorded in the preceding year.

CRETAN FILOXENIA S.A.

The object of the company is to operate in activities relating to tourism. To this intent proceeded with investments acquiring in 2000 the total shares of the company ATHENA S.A., which also owned a plot of 8.801 m2 in the city of Heraklion with the laid on it buildings. However, the effort of the parent company to focus its business strategy in the sector of shipping business had as a consequence the decision of the B. of D. for the sale of the specific participation. The efforts for its liquidation are in progress.

MINOAN CRUISES S.A.

The Minoan Cruises S.A. had as exclusive object the performance of services in the daily cruises sector carrying out trips on regular basis from ports of Crete to the isle of Santorini.

The company concluding its life, proceeded in December 2002, with the sale of the only property assets in possession, the ship M/V MINOAN PRINCE that was in inactivity, while in 2003 remained inactive for a second consecutive year. The company is about to be put under liquidation.

MINOAN AGENCIES S.R.L.

The company was founded in May 2002 and its registered office is in Ancona, Italy. The objects of the company are to provide factorage services of the ships and to promote the sales of the company at the port of Ancona, which constitutes an entrance gate towards Central Europe thus, conducing to impose a new strong and dynamic presence in the area of Adriatic Sea.

Indeed since the first period of its operation the company traces a successful course clearly evinces the profitability recorded in the year results.

MEDITERRANEAN FERRIES S.R.L.

The company has its registered office in Genova, Italy, and was founded in 2002 in cooperation between MINOAN LINES and the Italian shipping group Grimaldi. The main objects of the company were at first the exploitation of the route Genova - Tunisia via Malta and afterwards the exploitation of other routes.

This business venture yielded a satisfactory return. However, it was decided the interruption of this cooperation and the withdrawal of the ship from this route owing to its sale. The company is put under liquidation.

EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.

The company was bought out in July 2001, where full ownership and control passed to MINOAN LINES. By the end of 2002 the personnel and the operations were fully incorporated to the MINOAN LINES, while during the year 2003 the company was put under liquidation.

SUMMARY FINANCIAL DATA OF SUBSIDIARIES AND ASSOCIATED COMPANIES

In the table hereunder is set out in summary the basic financial data of subsidiaries and of associated companies of the group in which the parent company's holdings exceed 20%.

Table 4: Basic Financial Data

(in € million)	EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.*	CRETAN FILOXENIA S.A.	MINOAN AGENCIES S.R.L.	MINOAN CRUISES S.A.	MEDITERRANEAN FERRIES S.R.L.*	HELLAS FLYING DOLPHINS S.A. – GROUP OF COMPANIES	FORTHnet S.A. GROUP OF COMPANIES
Fixed Assets	0.00	3.28	0.02	0.00	0.00	209.92	66.76
Current Assets	0.03	0.00	0.42	0.34	1.23	72.00	35.22
Shareholders' Equity	-0.02	3.19	0.06	0.34	0.05	207.14	63.70
Total Liabilities	0.05	0.12	0.36	0.00	1.15	79.78	51.80
Turnover	0.00	0.00	1.57	0.00	0.46	134.09	75.34
Results before taxes	-0.15	-0.02	0.12	-0.06	-0.29	7.13	0.22
Results after taxes and Board of Directors remuneration	**-0.15**	**-0.02**	**0.03**	**-0.06**	**-0.29**	**7.12**	**0.11**

**** under liquidation***

Iraklion, 22 April 2004
The Chairman of the Board of Directors
Constantinos Clironomos

CERTIFICATION

It is certified that the above Board of Directors Consolidated Report of the parent limited shipping company "MINOAN LINES S.A." which consists of six (6) pages, is what is referred to in the Auditor's Report (short-form), dated 23 April 2004.

Athens, 23 April 2004
The Certified Public Accountant Auditor

Stefanos P. Sarakostidis
SOEL Reg. No.14621
" SOL S.A." Associated Certified Public Accountants

MINOAN LINES SHIPPING S.A. - Company Registration No 11314/06/B/86/13

STATEMENT OF CASH FLOWS

FROM 1.1.2003 UNTIL 31.12.2003

A\A		DESCRIPTION	For the year ended 1.1.2003 - 31.12.2003 €	For the year ended 1.1.2002 - 31.12.2002 €
A	**Cash Flows from Ordinary (Operating) Activities**			
A	**100**	**Cash Inflows**		
	101	Sales (turnover)	193,586,457.54	179,563,855.65
	102	Other operating income	212,718.71	321,662.57
	103	Extraordinary and non-operating income	1,551,260.39	1,088,189.09
	104	Prior years' income	274,748.22	701,590.77
	105	Interest income (from deposits etc)	102,297.47	156,814.12
	106	Income from securities	11,778.00	20,989.13
	107	Sale of marketable securities	0.00	11,972,511.87
	108	Decrease in accounts payable	815,679.26	202,852.23
		Less:		
	109	Purchase of marketable securities	0.00	1,925.47
	110	Increase in debtors	0.00	0.00
	Total Cash Inflows (A100)		**196,554,939.59**	**194,026,539.96**
A	**200**	**Cash Outflows**		
	201	Cost of sales (less depreciation & provisions)	113,521,991.09	110,190,072.59
	202	Administration expenses	8,100,687.02	8,164,385.01
	203	R & D expenses	0.00	0.00
	204	Sales expenses	18,638,292.04	19,560,557.65
	205	Non operation / Idle expenses	2,810,958.72	1,263,500.80
	206	Other expenses	2,717,547.77	5,995,320.21
	207	Increase in inventories	0.00	294,598.70
	208	Increase in transitory debit balances	1,445,331.30	0.00
	209	Decrease in transitory credit balances	1,328,226.58	0.00
	210	Decrease in short-term liabilities (excepting banks)	12,628,339.65	0.00
		Less:		
	211	Decrease in inventories	677,161.71	0.00
	212	Decrease in transitory debit balances	0.00	2,343,517.35
	213	Increase in transitory credit balances	0.00	3,065,873.08
	214	Increase in current liabilities (excepting banks)	0.00	3,767,323.38
	Total Cash Outflows (A200)		**160,514,212.46**	**136,291,721.15**
A	**300**	**Tax Cash Outflows**		
	301	Income Tax	0.00	0.00
	302	Tax not incorporated to operating cost	33,486.10	259,873.33
	303	Tax adjustments	-157,599.22	0.00
	304	Tax reductions	155,581.46	806,984.40
		Less:		
	305	Increase in tax obligations	0.00	0.00
	Total Tax Cash Outflows (A 300)		**31,468.34**	**1,066,857.73**
	Cash Flows from Ordinary (Operating) Activities (A100-A200-A300)=A		**36,009,258.79**	**56,667,961.08**
B	**Cash Flows from Investment Activities**			
B	**100**	**Cash Inflows**		
	101	Sale of intangible assets	0.00	140,865.73
	102	Sale of tangible assets	61,047,757.31	65,762,346.94
	103	Sale of participations and intagible titles	63,058.27	2,060,532.11
	104	Decrease in long-term demands	0.00	0.00
	105	Income from participations and intagible titles	147,988.80	0.00
	106	Interest (long-term and other demands)	0.00	0.00
	Total Cash Inflows (B100)		**61,258,804.38**	**67,963,744.78**

A\A	DESCRIPTION		For the year ended 1.1.2003 - 31.12.2003 €	For the year ended 1.1.2002 - 31.12.2002 €
B	**200**	**Cash Outflows**		
	201	Purchase of intangible assets	45,323.78	0.00
	202	Purchase of tangible assets	2,984,344.09	154,961,864.85
	203	Purchase of participations and intangible titles	123,113.22	1,053,389.42
	204	Increase in long-term debtors	1,289.10	17,631.67
	205	Increase in establishment expenses	457,217.56	817,991.21
	Total Cash Outflows (B200)		**3,611,287.75**	**156,850,877.15**
	Total Cash Flows from Investment Activities (B100-B200)=B		**57,647,516.63**	**-88,887,132.37**
C	**Cash Flows from Financial Activities**			
C	**100**	**Cash Inflows**		
	101	Income from share capital increase & par value difference	0.00	0.00
	102	Income from fixed assets subsidies	0.00	0.00
	103	Increase in long-term liabilities	0.00	50,927,147.93
	104	Increase in current liabilities	0.00	7,490,129.43
	Total Cash Inflows (C100)		**0.00**	**58,417,277.36**
C	**200**	**Cash Outflows**		
	201	Decrease (return) of share capital	0.00	0.00
	202	Return of fixed assets subsidies	0.00	0.00
	203	Decrease in long-term liabilities	56,434,625.00	0.00
	204	Decrease in short-term liabilities (bank accounts)	4,512,731.92	0.00
	205	Interest paid	30,944,459.98	33,748,792.88
	206	Dividends paid	105,075.44	130,807.30
	207	Distribution of profits to staff	0.00	0.00
	208	Directors' remunerations from period profits	0.00	0.00
	Total Cash Outflows (C200)		**91,996,892.34**	**33,879,600.18**
	Cash Flows from Financial Activities (C100-C200)=C		**-91,996,892.34**	**24,537,677.18**
	TOTAL CASH FLOWS (add A+B+C)		**1,659,883.08**	**-7,681,494.11**
	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**1,193,620.86**	**8,875,114.97**
	CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**2,853,503.94**	**1,193,620.86**

Heraklion, 20 April 2004

The Chairman of the Board	The Vice-Chairman of the Board	The General Manager	Head of Accounts
Konstantinos Klironomos	Emmanuel Koulentakis	Panagiotis Kassapakis	Dimitra Batsi
I.D.C No K 980430	I.D.C.No Φ 251786	I.D.C No P 831611	I.D.C No P487723

AUDITORS REPORT

This is to certify that we have audited the cash flow statements of MINOAN LINES SHIPPING S.A. for the period from 1.1.2003 - 31.12.2003. The said statement was drawn on the basis of the Company's books and account statements which we also audited and issued a report on 23rd April 2004. It is our opinion that the aforementioned cash flow statement reflects the true cash inflows and outflows of the company in the period closing as first written above.

Athens, 23 April 2004
The Certified Public Accountant-Auditor
Stephanos P. Sarakostidis
SOEL Reg. No. 14621
SOL, S.A.- Certified Auditors

MINOAN LINES SHIPPING S.A. - Company Registration No 11314/06/B/86/13

CONSOLIDATED STATEMENT OF CASH FLOWS
FROM 1.1.2003 UNTIL 31.12.2003

A\A	DESCRIPTION		For the year ended 1.1.2003 - 31.12.2003 €	For the year ended 1.1.2002 - 31.12.2002 €
A	**Cash Flows from Ordinary (Operating) Activities**			
A	**100**	**Cash Inflows**		
	101	Sales (turnover)	194,291,855.61	179,982,729.91
	102	Other operating income	213,219.04	394,111.05
	103	Extraordinary and non-operating income	1,561,892.89	1,107,122.16
	104	Έσοδα προηγούμενων χρήσεων	284,229.08	707,360.31
	105	Interest income (from deposits etc)	120,481.05	159,361.98
	106	Income from securities	11,778.00	20,989.13
	107	Sale of marketable securities	0.00	11,974,255.70
	108	Decrease in accounts payable	0.00	0.00
		Less:		
	109	Purchase of marketable securities	0.00	1,925.47
	110	Increase in debtors	8,327,832.04	427,370.73
	Total Cash Inflows (A100)		**188,155,623.63**	**193,916,634.04**
A	**200**	**Cash Outflows**		
	201	Cost of sales (less depreciation & provisions)	114,203,713.38	111,986,353.90
	202	Administration expenses	8,366,712.22	8,502,731.37
	203	R & D expenses	0.00	0.00
	204	Sales expenses	18,186,665.57	17,020,499.38
	205	Non operation / Idle expenses	2,810,958.72	1,479,268.22
	206	Other expenses	2,879,126.10	6,475,770.19
	207	Increase in inventories	0.00	294,598.70
	208	Increase in transitory debit balances	1,468,649.17	0.00
	209	Decrease in transitory credit balances	1,329,863.38	0.00
	210	Decrease in short-term liabilities (excepting banks)	2,958,198.65	0.00
		Less:		
	211	Decrease in inventories	677,161.71	0.00
	212	Decrease in transitory debit balances	0.00	2,393,321.86
	213	Increase in transitory credit balances	0.00	3,049,058.12
	214	Increase in current liabilities (excepting banks)	0.00	3,841,270.66
	Total Cash Outflows (A200)		**151,526,725.48**	**136,475,571.12**
A	**300**	**Tax Cash Outflows**		
	301	Income Tax	129,145.17	149,582.40
	302	Tax not incorporated to operating cost	48,586.03	277,405.86
	303	Tax adjustments	-157,599.22	0.00
	304	Tax reductions	220,028.45	673,828.41
		Less:		
	305	Increase in tax obligations	0.00	0.00
	Total Tax Cash Outflows (A 300)		**240,160.43**	**1,100,816.67**
	Cash Flows from Ordinary (Operating) Activities (A100-A200-A300)=A		**36,388,737.72**	**56,340,246.25**
B	**Cash Flows from Investment Activities**			
B	**100**	**Cash Inflows**		
	101	Sale of intangible assets	0.00	140,865.73
	102	Sale of tangible assets	61,047,757.31	67,107,029.60
	103	Sale of participations and intagible titles	63,058.27	2,060,532.11
	104	Decrease in long-term demands	0.00	0.00
	105	Income from participations and intagible titles	147,988.80	0.00
	106	Interest (long-term and other demands)	0.00	0.00
	Total Cash Inflows (B100)		**61,258,804.38**	**69,308,427.44**

A\A	DESCRIPTION		For the year ended 1.1.2003 - 31.12.2003 €	For the year ended 1.1.2002 - 31.12.2002 €
B	**200**	**Cash Outflows**		
	201	Purchase of intangible assets	45,323.78	0.00
	202	Purchase of tangible assets	2,992,063.98	155,240,585.93
	203	Purchase of participations and intangible titles	123,113.22	1,059,752.30
	204	Increase in long-term debtors	1,000.65	11,880.07
	205	Increase in establishment expenses	457,487.07	818,936.82
	Total Cash Outflows (B200)		**3,618,988.70**	**157,131,155.12**
	Total Cash Flows from Investment Activities (B100-B200)=B		**57,639,815.68**	**-87,822,727.68**
C	**Cash Flows from Financial Activities**			
C	**100**	**Cash Inflows**		
	101	Income from share capital increase & par value difference	123,113.22	560,502.32
	102	Income from fixed assets subsidies	0.00	0.00
	103	Increase in long-term liabilities	0.00	49,882,654.09
	104	Increase in current liabilities	0.00	7,255,749.28
	Total Cash Inflows (C100)		**123,113.22**	**57,698,905.69**
C	**200**	**Cash Outflows**		
	201	Decrease (return) of share capital	0.00	0.00
	202	Return of fixed assets subsidies	0.00	0.00
	203	Decrease in long-term liabilities	56,434,625.00	0.00
	204	Decrease in short-term liabilities (bank accounts)	5,012,731.92	0.00
	205	Interest paid	31,013,451.70	33,869,652.89
	206	Dividends paid	199,767.22	130,807.30
	207	Distribution of profits to staff	0.00	0.00
	208	Directors' remunerations from period profits	0.00	0.00
	Total Cash Outflows (C200)		**92,660,575.84**	**34,000,460.19**
	Cash Flows from Financial Activities (C100-C200)=C		**-92,537,462.62**	**23,698,445.50**
	TOTAL CASH FLOWS (add A+B+C)		**1,491,090.78**	**-7,784,035.93**
	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**1,479,186.90**	**9,263,222.83**
	CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**2,970,277.68**	**1,479,186.90**

Heraklion, 20 April 2004

The Chairman of the Board	The Vice-Chairman of the Board	The General Manager	Head of Accounts
Konstantinos Klironomos	Emmanuel Koulentakis	Panagiotis Kassapakis	Dimitra Batsi
I.D.C No K 980430	I.D.C.No Φ 251786	I.D.C No P 831611	I.D.C No P 487723

AUDITORS REPORT

This is to certify that we have audited the consolidated cash flow statements of MINOAN LINES SHIPPING S.A. for the period from 1.1.2003 - 31.12.2003. The said statement was drawn on the basis of the Company's books and account statements which we also audited and issued a report on 23rd April 2004. It is our opinion that the aforementioned cash flow statement reflects the true cash inflows and outflows of the company in the period closing as first written above.

Athens, 23 April 2004
The Certified Public Accountant-Auditor

Stephanos P. Sarakostidis
SOEL Reg. No. 14621
SOL, S.A.- Certified Auditors

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