MINOAN LINES SHIPPING S.A. - GROUP OF COMPANIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE FIRST SEMESTER ENDED JUNE 30, 2003

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

ASSETS	1/01-30/06/2003	1/01/-30/06/2002
	€	€
Formation expenses	6,593,723.48	11,177,477.87
Fixed Assets	809,267,086.72	833,936,800.62
Less: Depreciation (up until 30/6/2003)	52,947,927.44	41,084,672.50
Net Book Value	756,319,159.28	792,852,128.12
Investments & other Long-term Assets	69,291,659.60	52,696,703.56
Inventory	5,056,889.50	4,953,434.88
Trade Debtors	15,108,018.85	6,514,358.36
Other Debtors	29,796,448.63	34,926,336.19
Marketable Securities	4,593,970.40	17,491,883.69
Cash & Cash equivalents	2,751,533.35	2,549,047.85
Temporary assets	2,459,923.88	3,317,351.36
TOTAL ASSETS	**891,971,326.97**	**926,478,721.88**
DEBIT MEMO ACCOUNTS	**772,174,919.02**	**728,600,692.58**

LIABILITIES & SHAREHOLDERS EQUITY	1/01-30/06/2003	1/01-30/06/2002
	€	€
Issued and fully paid		
(70,926,000 shares of 2.25 Euro each)	159,583,500.00	159,583,500.00
Share premium account & other reserves	80,658,049.75	202,532,580.32
Retained Losses	(475,535.43)	(83,204,212.41)
Losses for the period (01/01-30/06/2003)	(14,221,571.70)	(19,701,820.64)
Consolidation differences	(4,547,470.25)	(4,485,893.20)
Minority interests	75,419.96	6,314,586.72
Provisions	5,734,196.54	5,053,701.17
Long-term Debt	419,503,658.16	447,372,697.77
Current Liabilities	240,081,216.66	209,283,237.92
Accruals & deferred income	5,579,863.28	3,730,344.23
TOTAL LIABILITIES & SHAREHOLDERS EQUITY	**891,971,326.97**	**926,478,721.88**
CREDIT MEMO ACCOUNTS	**772,174,919.02**	**728,600,692.58**

NOTES: 1. In the above-consolidated condensed Financial Statements 1.01-30.06.2003 are included, apart from the parent company, the subsidiary companies MINOAN CRUISES-SHIPPING S.A., EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A. (under liquidation), MINOAN AGENCIES S.R.L., CRETAN FILOXENIA S.A. and its subsidiary ATHENA A.V.E.E., which were consolidated with the full consolidation method. Also included with the net worth method are the associated undertakings FORTHNET S.A., HELLAS FLYING DOLPHINS SHIPPING S.A., MEDITERRANEAN FERRIES S.R.L. (under liquidation). **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 30.06.2003 amounts to € 554,865,658.16 and **b)** On ships mortgages of € 13,703,000 and USD 6,928,350 to assure bank loans the balance of which at 30.06.2003 amounts € 10,653,627.56 and USD 5,057,740. **3.** The personnel employed by the companies of the Group at 30.06.2003 amount to 1,355 persons. **4.** The parent Company's pending cases up until the drawing up date of the summary consolidated financial statements were the following: **a)** For the fine imposed by the European Commission plus interest of € 4.04 million for which a provision was set up of € 2.64 million. **b)** For prior years' tax differences of € 1.77 million, for which a provision has been set up of € 0.32 million. For the cases, which were heard, the Court of the First Instance proved the Company right, for a total amount of approximately € 1.31 million 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, for which the decision is pending. **5.** The charge or not of the results for the period of a subsidiary company with the amounts of USD 559,377 (equal to € 489,522.18) and € 210,162.45 in the circumstance of the forfeiture of guarantee 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 will proceed with.

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD (JANUARY 1 - JUNE 30, 2003)

TURNOVER	1/01-30/06/2003	1/01/-30/06/2002
	€	€
Turnover (Sales)	78,117,746.80	71,810,501.32
Less: Cost of Sales	58,132,886.13	57,967,471.30
Plus: Other operating income	101,362.91	125,766.18
Gross Operating Results (Profits)	20,086,223.58	13,968,796.20
Less: Administrative expenses	6,345,926.21	6,175,883.91
Sales expenses	7,554,441.53	5,929,535.21
Research & Development expenses	2,784,607.72	861,240.50
Subtotal	3,401,248.12	1,002,136.58
Less: Financial expenses	17,566,305.53	19,803,616.47
Total Operating Results	(14,165,057.41)	(18,801,479.89)
Plus: Extraordinary Income - Profits	883,406.84	5,161,377.67
Less: Extraordinary Expenses - Losses	947,922.38	6,211,158.28
Operating & extraordinary results	(14,229,572.95)	(19,851,260.50)
Less: Total depreciation of fixed assets	9,718,923.99	9,276,105.47
Less: Depreciation included in operating cost	9,718,923.99	9,276,105.47
NET RESULTS BEFORE TAXES	**(14,229,572.95)**	**(19,851,260.50)**
Less: Minority Interest	(8,001.25)	(149,439.86)
NET CONSOLIDATED RESULTS BEF. TAXES	**(14,221,571.70)**	**(19,701,820.64)**

Heraklion, August 20, 2003

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN OF THE BOARD
KOSTAS KLIRONOMOS ID C.No K 980430	EMMANUIL KOULENDAKIS ID C.No F 251786
THE GENERAL MANAGER	**THE CHIEF ACCOUNTANT**
PANAGIOTIS KASSAPAKIS ID C.No P 831611	DIMITRA BATSI ID C.No P 487723

AUDITOR'S REPORT

To the Board of Directors of "MINOAN LINES" SHIPPING S.A.

We have audited the above financial statements in accordance with the requirements of art. 6 of P.D. 360/1985, as modified by art. 90 of L.2533/1997, and also in conformity with the standards of auditing followed by the Institute of Certified Auditors-Accountants in Greece and such other auditing procedures as we considered necessary in the circumstances, in order to verify that the above Consolidated Financial Statements of "MINOAN LINES" SHIPPING S.A. covering the period from 1.1.2003 till 30.06.2003 do not contain omissions or inaccuracies which, may materially alter the view of the consolidated assets, liabilities and financial position of the parent company and of the subsidiaries which are included in the consolidation. We have not extended our audit to the examination of the Financial Statements of the other companies, besides the parent company, which are included in the consolidation and represent 0.86% and 1.00% of the consolidated total assets and turnover. The Financial Statements of the subsidiary companies, which have been furnished to us they were prepared by the Management of these companies. The associated companies, which are included in the consolidation with the equity method, have brought to our consideration temporary financial statements. From our audit it is noted that: **1.** In the liabilities the results (loss) brought forward are shown at 30.06.2003 reduced by approximately € 129.79 million, with an equal in amount reduction of the reserves and the other accounts of shareholders' equity, following a resolution of the annual ordinary General Meeting of Shareholders of the parent company held on 29.06.2003, by which was approved the amendment of the article 5 of the company's Articles of Association "concerning share capital". It is noted that this resolution was approved by the Ministry of Development on 29.07.2003 (decision K2-9584/28.7.2003). **2.** The accumulated provision for staff retirement benefits of the group of approx. € 1.50 million falls short of the provided by law amount by approx. € 0.22 million **3.** Up until the drawing up date of the above consolidated interim financial statements had not been heard nor judged without appeal the following pending cases of the parent company: **a)** For the imposed by the European Competition Committee, in the year 1998, fine plus interest amounting to approx. € 4.04 million in respect of which it has been accumulated a provision of approx. € 2.64 million over prior years, **b)** for past years' tax differences of approx. € 1.77 million where the company was proven right in first instance for all o these cases while was judged without appeal (second hearing) for cases concerning V.A.T. totalling approx. € 0.34 million. The accumulated in prior years provision for this case amounts to approx. € 0.32 million, and **c)** by decision of the Competition Committee was imposed a fine of € 4.50 million. Against the above decision a recourse has been brought before the Athens Administrative Court of Appeal the sentence of which, is still pending. In respect of this case the parent company has not set up a relative provision chargeable to the results. **4.** The charge or not of the results for the year with the amount of USD 559,377.00 (equal to € 489,522.18) and € 210,162.45 in the circumstance of the forfeiture of guarantee letters in favour of a subsidiary company, of respective amounts which have been issued in favour of NAT, is related to the outcome of the petitions of appeal and of the legal actions the subsidiary company will proceed with. In our opinion, after taking into consideration our foregoing notes and the Company's notes under the balance sheet, the above Consolidated Financial Statements have been prepared according to the provisions of L.2190/1920, in conformity with legal requirements and generally accepted accounting principles applied by the parent company on a basis of a consistent with that of the preceding year.

Athens, August 22, 2003
The Certified Public Accountant-Auditor
Stefanos P. Sarakostidis
SOEL Reg. No. 14621
SOL, S.A.-Certified Auditors