



MINOAN LINES

ANNUAL REPORT 2002

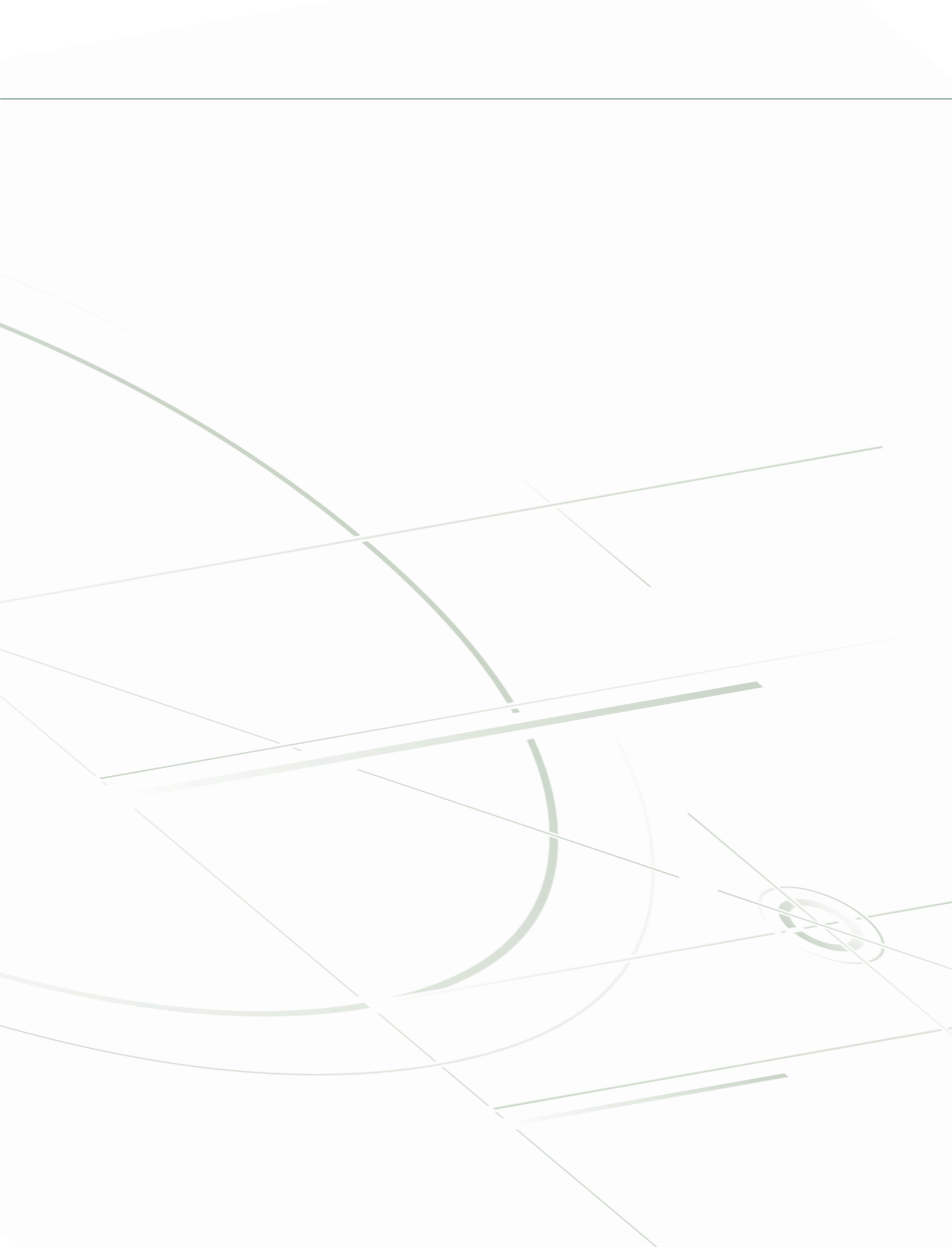




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KEY FINANCIAL DATA

KEY FINANCIAL DATA OF THE COMPANY

Results for the fiscal Years 2000 – 2002

Profit and Loss Account (in million Euro)	2000	2001	2002
Turnover	136.66	147.98	179.56
Freight fares	115.84	125.69	145.89
Trade from shops aboard	4.04	4.55	7.48
Other Income	16.78	17.74	26.19
Gross Profit (before depreciation)	42.86	43.08	69.37
Other operating income	0.17	0.25	0.32
Total	43.03	43.33	69.69
Operating result (before depreciation)	17.27	16.26	40.75
Income from Participations	0.01	0.01	0.00
Extraordinary Gain	0.00	9.54	3.72
Profits before Interest and Depreciation	28.26	26.75	26.47
Profits before Depreciation	18.26	0.74	-7.12
Profits before Taxation	8.88	-13.70	-25.96
Profits after Annual Taxation and Board of Directors emoluments	6.86	-13.81	-26.22

Weighted average shares outstanding	70,926,000	70,926,000	70,926,000
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EARNINGS PER SHARE * (in Euro)

Profits before Taxes and Depreciation	0.26	0.01	-0.10
Profits before Taxes	0.13	-0.19	-0.37
Profits after Annual Taxes and Board of Directors emoluments	0.10	-0.19	-0.37
Total Dividend (net of taxes - in million)	6.25	0.00	0.00
Dividend per Share (1)	0.09	0.00	0.00

* Based on the weighted average shares outstanding.

Notes:

(1) For the purpose of calculating the dividend per share, it has been taken into consideration the actual number of shares outstanding at the end of each fiscal year.

Financial Statements 2000 - 2002

Balance-Sheet (in million Euro)	2000	2001	2002
Formation Expenses	17.48	14.04	8.72
Intangible Fixed Assets	0.30	0.65	0.46
Tangible Fixed Assets	504.80	819.42	886.90
LESS: Depreciation	54.98	55.42	44.90
Non - Depreciated Tangible Fixed Assets	449.82	764.00	842.00
Participations and Long-term receivables	166.51	159.03	140.72
Current Assets	97.23	70.62	58.24
Prepayments and accrued income	1.38	4.20	1.86
TOTAL ASSETS	732.72	1.012.54	1.052.00
Shareholders' Equity	404.98	355.34	330.08
Provisions	4.93	4.79	5.21
Long-term debt	237.80	377.07	482.11
Current Liabilities	82.92	272.50	228.69
Total Liabilities	320.72	649.57	710.80
Accruals and deferred income	2.09	2.84	5.91
TOTAL LIABILITIES	732.72	1.012.54	1.052.00
Net Book Value per share (1)	5.71	5.01	4.65

Note:

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

FINANCIAL RATIOS	2000	2001	2002
Change in turnover	0.5%	8.3%	21.3%
Gross profit margin (before depreciation)	31.4%	29.1%	38.6%
Net profit margin (before taxes)	6.5%	-9.3%	-14.5%
General Liquidity	1.2	0.3	0.3
Financial leverage	1.2	0.5	0.5

CONSOLIDATED KEY FINANCIAL DATA

Results for the fiscal Years 2000-2002

Profit and Loss Account (in million Euro)	2000	2001	2002
Turnover	142.56	152.31	179.98
Freight fares	120.43	129.13	145.89
Trade from shops aboard	4.04	4.55	7.48
Other Income	18.09	18.63	26.61
Gross Profit (before depreciation)	45.45	44.63	67.98
Other operating income	0.12	0.22	0.39
Total	45.57	44.85	68.37
Operating result (before depreciation)	17.73	16.28	41.40
Income from participations	0.30	0.26	0.12
Extraordinary gain	0.00	9.54	3.73
Profits before Interest and Depreciation	23.07	17.05	5.24
Profits before Depreciation	12.86	-9.22	-28.47
Profits before Taxation	3.46	-24.70	-47.36
Profits after Annual Taxation and Board of Directors emoluments	1.26	-24.86	-47.78
Profits after Annual Taxation. Board of Directors emoluments and Minority interests	1.34	-23.05	-45.60
Weighted average shares outstanding	70,926,000	70,926,000	70,926,000
EARNINGS PER SHARE * (IN EURO)			
Profits before Taxes and Depreciation	0.18	-0.13	-0.40
Profits before Taxes	0.05	-0.35	-0.67
Profits after Annual Taxes and Board of Directors emoluments	0.02	-0.35	-0.67
Profits after Annual Taxes, Board of Directors emoluments and Minority Interests	0.02	-0.32	-0.64

* Based on the weighted average shares outstanding.

Notes:

(1) 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 2000 were consolidated:

(i) by the method of total consolidation the: MINOAN CRUISES S.A., MINOAN LINES HIGH SPEED FERRIES S.A., MINOAN CHANGE S.A., CRETAN FILOXENIA S.A., ANAPTIXI S.A. and ATHENA S.A.

(ii) by the method of net worth the: FORTHnet S.A., MINOAN FLYING DOLPHINS S.A. and AEGEAN AIRLINES S.A.

(b) in 2001 were consolidated:

(i) by the method of total consolidation the: MINOAN CRUISES S.A., MINOAN LINES HIGH SPEED FERRIES S.A., MINOAN CHANGE S.A., CRETAN FILOXENIA S.A., EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT AND CONSULTANTS S.A. and ATHENA S.A.

(ii) by the method of net worth the: FORTHnet S.A., HELLAS FLYING DOLPHINS S.A. and AEGEAN AIRLINES S.A. (until 11.5.2001)

(c) in 2002 were consolidated:

(iii) by the method of total consolidation the: MINOAN CRUISES S.A., MINOAN LINES HIGH SPEED 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 ATHENA S.A.

(iv) by the method of net worth consolidation the: FORTHnet S.A., HELLAS FLYING DOLPHINS S.A., MEDITERRANEAN FERRIES S. R. L. and FORTH - CRS S.A. (until 29.10.2002)

Financial Statements 2000 - 2002

Balance-Sheet (in million Euro)	2000	2001	2002
Formation Expenses	17.90	14.10	8.76
Intangible Fixed Assets	0.29	0.65	0.46
Tangible Fixed Assets	517.84	829.93	890.35
LESS: Depreciation	56.37	57.89	45.74
Non - Depreciated Tangible Fixed Assets	461.47	772.04	844.61
Participations and Long-term receivables	127.07	118.25	34.44
Current Assets	117.40	75.10	63.20
Prepayments and accrued income	1.44	4.27	1.88
TOTAL ASSETS	725.57	984.41	953.35
Shareholders' Equity	401.58	332.80	238.10
Provisions	4.94	4.79	5.23
Long-term debt	238.85	377.41	482.11
Current liabilities	78.08	266.54	221.99
Total liabilities	316.93	643.95	704.10
Accruals and deferred income	2.12	2.87	5.92
TOTAL LIABILITIES	725.57	984.41	953.35
Net Book Value of share (1)	5.66	4.69	3.36

Note:

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

FINANCIAL RATIOS	2000	2001	2002
Change in turnover	0.5%	6.8%	18.2%
Gross profit margin (before depreciation)	31.9%	29.3%	37.8%
Net profit margin (before taxes)	2.4%	-16.2%	-26.3%
General Liquidity	1.5	0.3	0.3
Financial leverage	1.2	0.5	0.3

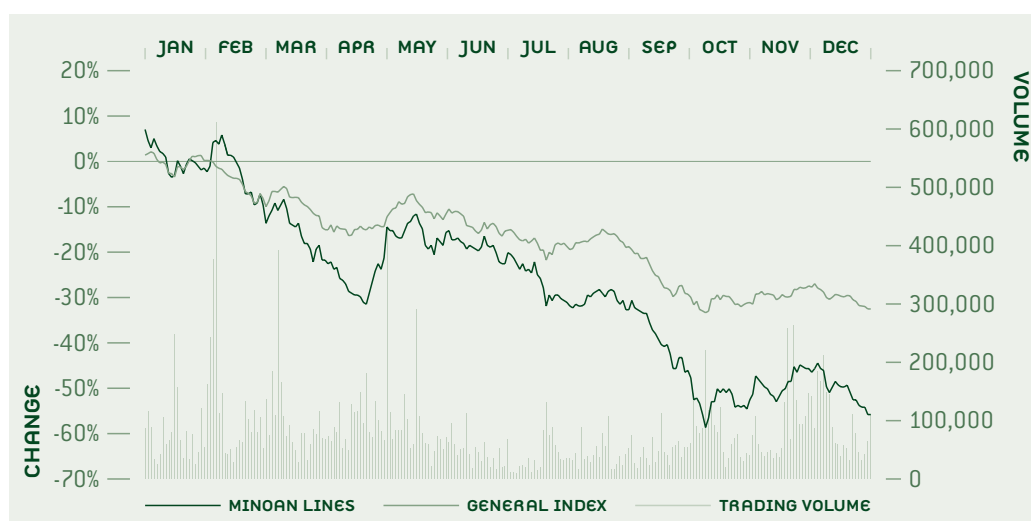
SHARE PRICE PERFORMANCE

MINOAN LINES - SHARE PRICE PERFORMANCE & TRADING VOLUME 2002

Month	Price* (in €)	Total Monthly Transaction Volume (shares)	Total Monthly Transaction Value (in €)	General Index
JANUARY	2.40	1,805,537	4,447,261.03	2,596.75
FEBRUARY	2.12	2,640,364	6,495,227.91	2,332.89
MARCH	2.00	1,856,020	3,986,977.61	2,280.72
APRIL	1.87	1,996,293	3,596,242.82	2,218.35
MAY	2.04	2,024,780	4,223,178.42	2,297.56
JUNE	2.00	1,003,608	2,028,755.45	2,237.86
JULY	1.71	899,517	1,622,089.87	2,115.39
AUGUST	1.70	873,967	1,499,903.93	2,129.06
SEPTEMBER	1.31	997,408	1,507,578.52	1,837.52
OCTOBER	1.16	1,734,444	1,999,633.68	1,785.28
NOVEMBER	1.31	2,017,339	2,582,364.23	1,872.83
DECEMBER	1.08	1,810,344	2,268,363.60	1,748.42

[*] : Closing at month end

MINOAN LINES' STOCK PERFORMANCE RELATIVE TO THE A.S.E. GENERAL INDEX FOR 2002



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SHARE DATA

Stock symbols:

- Athens Stock Exchange: MINOA
- Reuters: MILr.AT
- Bloomberg: MINOA GA

MINOAN LINES SHARE DATA 2002	(in €)
Market Capitalization	76,600,080
Share Price 31.12.2001	2.46
Share Price 31.12.2002	1.08
Performance for the year	-56.1%
Performance relative to A.S.E. Index	-32.5%
Lowest share value 2002	1.01
Average value 2002	1.79
Highest share value 2002	2.63

Description of the Business

The fleet of the company at 31.12.2002 consisted of 10, car-passenger ferries, of a total transport capacity of 12,703 passengers and 5,324 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. From June through December 2002 the company chartered the vessel ARIADNE PALACE I (ex- OCEANUS) to the company MEDITERRANEAN FERRIES S.R.L. connecting the ports of Tunisia and Malta with Genoa, Italy.

The analysis of the Company's turnover, by market activity, for the period 2000-2002 is as follows:

TURNOVER OF THE COMPANY (in million Euro)	2000	2001	2002
Income from Int'l freight rates	85.97	83.28	98.49
Income from Int'l shop sales	3.28	2.88	4.90
Int'l chartering income	0.00	0.09	2.54
Other Int'l income	12.79	11.81	15.77
Total International income	102.04	98.06	121.70
Income from domestic freight rates	29.87	42.41	47.40
Income from domestic shop sales	0.76	1.67	2.58
Domestic chartering income	0.06	0.05	0.00
Other domestic income	3.93	5.79	7.88
Total domestic income	34.62	49.92	57.86
Total Turnover	136.66	147.98	179.56

The analysis of the Group's turnover, by market activity, for the period 2000-2002 is as follows:

TURNOVER OF THE GROUP (in million Euro)	2000	2001	2002
Income from Int'l freight rates	85.97	83.28	98.49
Income from Int'l shop sales	3.28	2.88	4.90
Int'l chartering income	0.00	0.09	2.54
Other Int'l income	12.90	11.88	16.06
Total International income	102.15	98.13	121.99
Income from domestic freight rates	34.46	45.85	47.40
Income from domestic shop sales	0.76	1.67	2.58
Domestic chartering income	0.06	0.05	0.00
Other domestic income	5.13	6.61	8.01
Total domestic income	40.41	54.18	57.99
Total Turnover	142.56	152.31	179.98

Vessels

The company at 31.12.2002 had in its ownership 10 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 / -
ARIADNE PALACE I	212.00	25.00	6.60	30.00	1,000	200	550	103 / 104	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

Note : The ship ARIADNE PALACE I (ex- OCEANUS) was sold in March 2003.

Market Value - Underwriting Cover - Insurance

The market value of the fleet of MINOAN LINES, based on recent (April 2003) appraisals by the firms Brax Shipping, Master Maritime and Masters' Shipping, is as follows:

(in million Euro)

Name of Ship	Brax Shipping	Master Maritime	Masters' Shipping	Average
ARIADNE PALACE	65,000,000	68,000,000	72,000,000	68,333,333
EUROPA PALACE	88,000,000	92,000,000	97,000,000	92,333,334
OLYMPIA PALACE	88,000,000	92,000,000	96,000,000	92,000,000
ARIADNE PALACE I *				
FESTOS PALACE	83,500,000	88,000,000	96,000,000	89,166,667
PROMETHEUS	62,000,000	61,000,000	61,000,000	61,333,333
KNOSSOS PALACE	83,500,000	88,000,000	95,000,000	88,833,333
PASIPHAE PALACE	74,500,000	75,000,000	72,000,000	73,833,333
IKARUS PALACE	74,500,000	75,000,000	72,000,000	73,833,333
DAEDALUS *		5,648,654		5,648,654
TOTAL	619,000,000	644,648,654	661,000,000	645,315,320

* The ship ARIADNE PALACE I (ex-OCEANUS) was sold in March 2003 while the appraisal of the ship DAEDALUS is as of January 2003

All the ships of the fleet of MINOAN LINES are covered by insurance on the Hull and Machinery in concern of the following values:

Insured Value of the Fleet of Minoan Lines

Name of Ship	Insured value (in million USD)	Insured value (in million Euro) *
ARIADNE PALACE	95.00	90.59
EUROPA PALACE	115.00	109.66
OLYMPIA PALACE	115.00	109.66
ARIADNE PALACE I *	90.00	85.82
FESTOS PALACE	115.00	109.66
PROMETHEUS	90.00	85.82
KNOSSOS PALACE	115.00	109.66
PASIPHAE PALACE	115.00	109.66
IKARUS PALACE	115.00	109.66
DAEDALUS *	16.00	15.26
TOTAL	981.00	935.45

* Euro / USD: 1.0487 (fixing 31.12.02)

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

Guarantees and Collateral security

On the ships and the real estate of the Company as well as on the real estate of a sub-subsidiary Company there are real liens (shipping mortgages on ships and pre-notice on real estate).

TABLE OF REAL MORTGAGES ON SHIPS (31.12.2002)

	SHIP	REGISTRATION DATE	BANK	CURRENCY	AMOUNT OF MORTGAGE (in million)
1st	ARIADNE PALACE EUROPA PALACE OLYMPIA PALACE	25.10.2002 13.5.2002 17.12.2001	SYNDICATED LOAN ARRANGED BY CITIBANK	EURO	200.00
1st	ARIADNE PALACE I FESTOS PALACE PROMETHEUS KNOSSOS PALACE	17.7.2001 26.4.2001 29.3.2001 29.11.2000	SYNDICATED LOAN ARRANGED BY CITIBANK	EURO	250.00
1st	PASIPHAE PALACE IKARUS PALACE	22.6.1998 15.12.1997	SYNDICATED LOAN ARRANGED BY CITIBANK	EURO	125.00
1st	DAEDALUS	23.4.2001	ABN AMRO BANK	EURO	71.00
2nd	ARIADNE PALACE	25.10.2002	SAMSUNG	USD	6.93
2nd	EUROPA PALACE FESTOS PALACE PROMETHEUS KNOSSOS PALACE	10.10.2002 10.10.2002 10.10.2002 10.10.2002	PIRAEUS BANK	EURO	31.20
2nd	PASIPHAE PALACE	21.6.2002	ALPHA BANK	EURO	14.40
2nd	IKARUS PALACE	10.5.2002	FINCANTIERI	EURO	13.70

The pre-notice of real mortgage on the real estate of the Company and the sub-subsidiary company amount to €17.15 million and also there have been granted bank guarantee letters, commercial papers and marketable securities pledged as collateral for securing third party claims of € 44.7 million.

Investments

During the last three years the Minoan Lines realized its very intensive investment plan through the building of 7 ultra modern passenger ferries. The development of the company's investments in fixed assets and participations over the three years 2000 - 2002 is as follows:

Type of Investment (in million Euro)	2000	2001	2002	Total
Land	0.05	0.00	0.00	0.05
Buildings and Technical works	0.55	0.01	0.00	0.56
Ships	100.88	310.69	153.97	565.54
Transportation equipment	0.04	0.00	0.01	0.05
Furniture and fixtures	0.48	0.57	0.54	1.59
Tangible assets in course of construction	36.68	18.76	0.00	55.44
Total Fixed Assets	138.68	330.03	154.52	623.23
Participations	42.50	4.73	0.55	47.78

It is noted that, the total investment for the building of the seven (7) new ships, amounted to € 650 million.

Certification of Safe & Quality Services

The MINOAN LINES has attained ISO certification EN ISO 9002 : 1994, for "SAFE AND QUALITY SEA TRANSPORTATION OF PASSENGERS AND VEHICLES".

The above certification was attained on 28 July 2000, awarded by the GERMANISCHER LLOYD and it is valid for 3 years .

In July 2003 the up-grading of the quality system and the adjustment to the new standard EN ISO 9001:2000 was completed.

BUSINESS - THE SHIPPING SECTOR

General

The company since its establishment provides services in the sector of passenger shipping. The main sector of the company's activity is the International routes Greece – Italy and the line Heraklion – Piraeus in the Hellenic coastal sector.

Routes Greece - Italy

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 four Greek companies to focus their activity in Northern ports.

In general, there are two categories of companies operating in the field of passenger shipping in Adriatic sea, those which provide services all year round and those which 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.

Position of MINOAN LINES in the market of Adriatic sea

The MINOAN LINES operates successfully since 1981 in Adriatic sea and particularly in the routes connecting the ports of Patras and Igoumenitsa with the northern ports of Italy [Ancona and Venice]. The company was the pioneer of the tendency to introduce newly-built ships, that prevailed in the previous years. The introduction of these new ships which were designed especially for this market as well as the progressive retirement of the small companies from 1995 till today enforced the MINOAN LINES to put on route, in total, 8 newly-built ships in the international lines Greece – Italy renovating completely their fleet and improving significantly the level of business services. The total movement of passengers, private cars and trucks as well as the share of the market for the last three-year period is set out in the table herebelow:

Total traffic Ancona & Venice (in thousand)

	Passengers			Private cars			Trucks		
	Total	MINOAN	%	Total	MINOAN	%	Total	MINOAN	%
2002	1.545	546	35%	354	142	40%	262	100	38%
2001	1.415	451	32%	322	118	37%	243	76	31%
2000	1.335	588	44%	331	171	52%	235	77	33%

Greek Coastal Shipping

In the domestic lines were deployed in 2002 three ships of the MINOAN LINES, the newly-built KNOSSOS PALACE / FESTOS PALACE in the route Heraklion - Piraeus and the only old ship of the fleet, DAEDALUS in the route Heraklion - Thessaloniki. The ships of MINOAN LINES in 2002 carried 1,298 thousand passengers, 75 thousand private cars and 63 thousand trucks.

FINANCIAL DATA 2000-2002

Evolution of business activity

In the table, herebelow, 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 2000-2002.

EVOLUTION OF TURNOVER BY ACTIVITY

DOMESTIC ROUTES	2000	2001	2002
Number of carried passengers (in thousand)	834	1.248	1.298
Number of carried vehicles (in thousand)			
Private cars	109	151	151
TRUCKS	62	75	63
TURNOVER (in million Euro)			
Proceeds of freight fare			
Passengers	15.22	21.95	28.84
Vehicles			
Passenger cars	4.36	6.70	8.35
Trucks	10.16	13.60	10.10
Goods	0.13	0.15	0.11
On board revenues			
Restaurants - bar	3.66	5.37	6.46
Shops aboard	0.77	1.67	2.58
Other income	0.32	0.47	1.42
Total domestic turnover	34.62	49.91	57.86
OVERSEAS SERVICES – INT'L ROUTES			
Number of carried passengers (in thousand)	600	570	546
Number of carried vehicles (in thousand)			
Passenger cars	173	137	142
TRUCKS	77	79	100
TURNOVER (in million Euro)			
Proceeds of freight fare			
Passengers	39.03	35.88	32.88
Vehicles			
Passenger cars	12.98	11.32	10.84
Trucks	33.96	36.09	54.77
On board revenues			
Restaurants - bar	10.85	10.00	10.42
Shops abroad	3.27	2.88	4.90
Casino	1.35	1.28	1.65
Chartering	0.00	0.09	2.54
Other income	0.60	0.53	3.70
Total International Turnover	102.04	98.07	121.70
GRAND TOTAL TURNOVER	136.66	147.98	179.56

Domestic Lines

Owing to the two new ships put on route on the line Heraklion – Piraeus and the pioneer for Greek standards, investment of € 220 million through the ship-building of KNOSSOS PALACE and FESTOS PALACE, the traffic of the route to Crete presented a further increase in 2002, and in effect, the turnover is shown increased by 15.9% as compared to preceding year.

International Lines – Overseas Routes

The evolution of the figures in the Adriatic routes followed an obviously more dynamic course and in effect the turnover is shown increased by 24.1% in 2002 as compared to 2001. The fleet of the company on the Int'l routes consists exclusively of newly-built fast – sailing ships, three of which were put on route in the last two years. The management of new and more fast ships besides the improvement of the services provided by the company, contributed to the rationalisation and uniformity of the fleet. Therefore, the increase in the movement and the consequent increase in turnover, in conjunction with the smaller number of voyages required, owing to high speed, improved materially the capacity per each trip.

Statement of Operating Results – Profit and Loss Account

The evolution of business and results of the Company for the period 2000-2002 is presented as follows:

PROFIT AND LOSS ACCOUNT (in million Euro)	2000	2001	2002
Turnover from ships:			
Freight fares	115.84	125.69	145.89
Trade from shops aboard	4.04	4.55	7.48
Other income	16.78	17.74	26.19
Total turnover from ships	136.66	147.98	179.56
Less: Cost of sold items (before depreciation)	93.80	104.90	110.19
Gross Profits	42.86	43.08	69.37
(% of turnover)	31.4%	29.1%	38.6%
Plus: Other operating income	0.17	0.25	0.32
Total	43.03	43.33	69.69
Less: Administrative expenses (before depreciation)	6.28	7.03	8.12
Distribution costs (before depreciation)	19.48	19.26	19.56
Production cost not allocated	0.00	0.78	1.26
Total Operating Expenses	25.76	27.07	28.94
(% of turnover)	18.8%	18.3%	16.1%
Operating Results (before depreciation)	17.27	16.26	40.75
(% of turnover)	12.6%	11.0%	22.7%
Plus: Income from Participations	0.01	0.01	0.00
Income from securities	0.70	0.29	0.02
Gains on disposal of Participations - Securities	10.78	0.00	1.48
Extraordinary and Non-operating Income	4.99	7.32	1.52
Extraordinary Gain	0.00	9.54	3.72
Less: Provisions for value decline of Participations - Securities	0.00	0.00	2.37
Expenses and losses from Participations - Securities	0.78	0.11	9.24
Less: Extraordinary and Non-operating Expenses	4.71	6.56	9.41
Profits before interest and Depreciation	28.26	26.75	26.47
(% of turnover)	20.7%	18.1%	14.7%
Plus: Credit interest	0.71	0.55	0.16
Less: Debit interest and similar charges	10.71	26.56	33.75
Profits before Depreciation	18.26	0.74	-7.12
(% of turnover)	13.4%	0.5%	-4.0%
Less: Depreciation (total)	9.38	14.44	18.84
Annual profits before taxation	8.88	-13.70	-25.96
(% of turnover)	6.5%	-9.3%	-14.5%
Less: Annual taxation	2.02	0.11	0.26
Less: Board of Directors emoluments	0.00	0.00	0.00
Annual Profits after taxation and Board of Directors emoluments	6.86	-13.81	-26.22
(% of turnover)	5.0%	-9.3%	-14.6%

Analysis of the Financial Statements

The evolution of the Balance Sheet items of the Company for the period 2000-2002 is set out in the following table:

FISCAL YEAR (in million Euro)	2000	2001	2002
ASSETS			
NON-DEPRECIATED FORMATION EXPENSES	17.48	14.04	8.72
Intangible Assets	1.03	1.74	1.48
(Less: Cumulative depreciation)	0.73	1.09	1.02
INTANGIBLE ASSETS	0.30	0.65	0.46
TANGIBLE ASSETS			
Ships	411.61	771.06	876.93
(Less: Cumulative depreciation)	52.04	51.94	40.82
Other assets	93.19	48.36	9.97
(Less: Cumulative depreciation)	2.94	3.48	4.08
TANGIBLE ASSETS	449.82	764.00	842.00
Participating Interests in affiliated undertakings	166.50	159.03	140.70
Other Long-term Receivables	0.01	0.00	0.02
TOTAL FIXED ASSETS	616.63	923.68	983.18
Inventories	3.63	4.26	4.55
Agents (Trade debtors) – Notes receivable	12.83	10.23	8.11
Accounts receivable	7.86	11.38	21.33
Other Receivables	5.81	16.20	8.17
Marketable Securities	62.62	19.68	14.89
Cash and Cash equivalents	4.48	8.87	1.19
TOTAL CURRENT ASSETS	97.23	70.62	58.24
PREPAYMENTS AND ACCRUED INCOME	1.38	4.20	1.86
GRAND TOTAL ASSETS	732.72	1.012.54	1.052.00
LIABILITIES			
Share Capital	156.11	156.11	159.58
Share premium account	159.93	159.93	156.74
Revaluation Reserves and Investment Grants	11.85	6.43	5.96
Reserves and Profits Carried forward	77.09	32.87	7.80
TOTAL SHAREHOLDERS' EQUITY	404.98	355.34	330.08
PROVISIONS	4.93	4.79	5.21
TOTAL LONG-TERM DEBT	237.80	377.07	482.11
Suppliers	8.50	13.28	18.93
Cheques payable postdated	2.87	13.20	5.43
Banks	20.48	121.39	128.88
Taxes - duties – Social security	4.63	3.18	2.08
Current portion of long-term debt	25.88	93.52	39.40
Dividends payable	7.20	1.07	0.94
Other liabilities	13.36	26.86	33.03
TOTAL CURRENT LIABILITIES	82.92	272.50	228.69
ACCRUALS AND DEFERRED INCOME	2.09	2.84	5.91
GRAND TOTAL LIABILITIES	732.72	1.012.54	1.052.00

Participations

The MINOAN LINES participated at 31.12.2002 in the share capital of the following companies :

Participation in	Acquisition cost (in million Euro)
SUBSIDIARIES	
MINOAN CHANGE A.E. (under liquidation)	0.44
EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.	4.40
CRETAN PHILOXENIA S.A.	3.21
MINOAN AGENCIES S.R.L.	0.02
MINOAN LINES HIGHSPEED FERRIES S.A. (under liquidation)	7.40
MINOAN CRUISES S.A.	1.70
ASSOCIATED COMPANIES	
MEDITERRANEAN FERRIES S.R.L.	0.50
HELLAS FLYING DOLPHINS S.A.	115.29
FORTHnet S.A.	7.50
KNOSSOS TECHNOLOGY S.A. (under liquidation)	0.01
FORTH-CRS S.A.	0.22
CRETA NET S.A.	0.01

The participations of the Company at 31.12.2002 in affiliated undertakings, not listed on the A.S.E., were valued at acquisition cost pursuant to the provisions of article 28 of P.D. 186/1992, while the participations in companies listed on the Athens Stock Exchange were valued pursuant to the provisions of article 43 of c.L.2190/1920.

Analysis of the Financial Statements of the 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 2000 to 2002:

FISCAL YEAR (in million Euro)	2000	2001	2002
ASSETS			
FORMATION EXPENSES	17.90	14.10	8.76
Intangible Assets	1.03	1.74	1.48
(Less: Cumulative depreciation)	0.74	1.09	1.02
INTANGIBLE ASSETS	0.29	0.65	0.46
TANGIBLE ASSETS			
Ships	421.17	777.92	876.93
(Less: Cumulative depreciation)	52.58	53.45	40.82
Other assets	96.67	52.01	13.42
(Less: Cumulative depreciation)	3.79	4.44	4.93
TANGIBLE ASSETS	461.47	772.04	844.60
Participating Interests in affiliated undertakings	127.06	118.24	34.41
Other Long-term Receivables	0.01	0.01	0.03
TOTAL FIXED ASSETS	588.83	890.94	879.50
Inventories	3.63	4.26	4.55
Agents (Trade debtors) – Notes receivable	12.90	3.82	6.97
Accounts receivable	7.86	11.38	21.34
Other Receivables	11.37	26.70	13.96
Marketable Securities	76.55	19.68	14.90
Cash and Cash equivalents	5.09	9.26	1.48
TOTAL CURRENT ASSETS	117.40	75.10	63.20
PREPAYMENTS AND ACCRUED INCOME	1.44	4.27	1.88
GRAND TOTAL ASSETS	725.57	984.41	953.35
LIABILITIES			
Share Capital	156.11	156.11	159.58
Share premium account	159.93	159.93	156.74
Revaluation Reserves and Investment Grants	11.85	6.42	5.96
Consolidation differences	-0.09	-4.48	-4.48
Reserves and Profit / Loss Carried forward	65.50	8.36	-83.99
TOTAL SHAREHOLDERS' EQUITY	393.30	326.34	233.81
Minority interests	8.28	6.46	4.29
TOTAL SHAREHOLDERS' EQUITY OF THE GROUP	401.58	332.80	238.10
PROVISIONS	4.94	4.79	5.23
TOTAL LONG-TERM DEBT	238.85	377.41	482.11
Suppliers	8.51	13.46	19.00
Banks	22.12	122.12	129.38
Taxes - duties – Social security	4.73	3.36	2.35
Current portion of long-term debt	26.58	94.22	39.40
Dividends payable	7.22	1.07	0.94
Other liabilities	8.92	32.31	30.92
TOTAL CURRENT LIABILITIES	78.08	266.54	221.99
ACCRUALS AND DEFERRED INCOME	2.12	2.87	5.92
GRAND TOTAL LIABILITIES	725.57	984.41	953.35

PROFIT AND LOSS ACCOUNT (in million Euro)	2000	2001	2002
Freight fares	120.43	129.13	145.89
Trade from shops aboard	4.04	4.55	7.48
Other income	18.09	18.63	26.61
Total turnover from ships	142.56	152.31	179.98
Less: Cost of sold items (before depreciation)	97.11	107.68	112.00
Gross Profits	45.45	44.63	67.98
(% of turnover)	31.9%	29.3%	37.8%
Plus: Other operating income	0.12	0.22	0.39
Total	45.57	44.85	68.37
Less: Administrative expenses (before depreciation)	6.56	7.28	8.47
Distribution costs (before depreciation)	20.76	20.19	17.02
Production cost not allocated	0.52	1.10	1.48
Total Operating Expenses	27.84	28.57	26.97
(% of turnover)	19.5%	18.8%	15.0%
Operating Results (before depreciation)	17.73	16.28	41.40
(% of turnover)	12.4%	10.7%	23.0%
Plus: Income from Participations	0.00	0.00	0.00
Income from securities	0.70	0.29	0.02
Gains on participations in associated companies	0.30	0.26	0.12
Gains on disposal of Participations - Securities	10.78	0.00	1.48
Extraordinary and Non-operating Income	5.08	7.42	1.54
Extraordinary Gain	0.00	9.54	3.73
Less: Provisions for value decline of Participations - Securities	0.00	0.00	2.37
Losses from participations in associated companies	5.61	7.42	17.21
Expenses and losses from Participations - Securities	0.83	0.13	9.24
Extraordinary and Non-operating Expenses	5.08	9.19	14.23
Results before interest and Depreciation	23.07	17.05	5.24
(%of turnover)	16.2%	11.2%	2.9%
Plus: Credit interest	0.70	0.47	0.16
Less: Debit interest and similar charges	10.91	26.74	33.87
Results before Depreciation	12.86	-9.22	-28.47
(%of turnover)	9.0%	-6.1%	-15.8%
Less: Depreciation (total)	9.40	15.48	18.89
Results before taxation	3.46	-24.70	-47.36
(%of turnover)	2.4%	-16.2%	-26.3%
Less: Annual taxation	2.20	0.16	0.42
Less: Board of Directors emoluments	0.00	0.00	0.00
Results after Annual taxation and Board of Directors emoluments	1.26	-24.86	-47.78
(%of turnover)	0.9%	-16.3%	-26.5%
Less: Minority interests	-0.08	-1.81	-2.18
Results after Annual Taxation, Board of Directors emoluments, Tax from prior years' tax audit and Minority interests	1.34	-23.05	-45.60

AFFILIATED COMPANIES

The MINOAN LINES participated with a rate above 20% at 31.12.2002 in the share capital of the following companies :

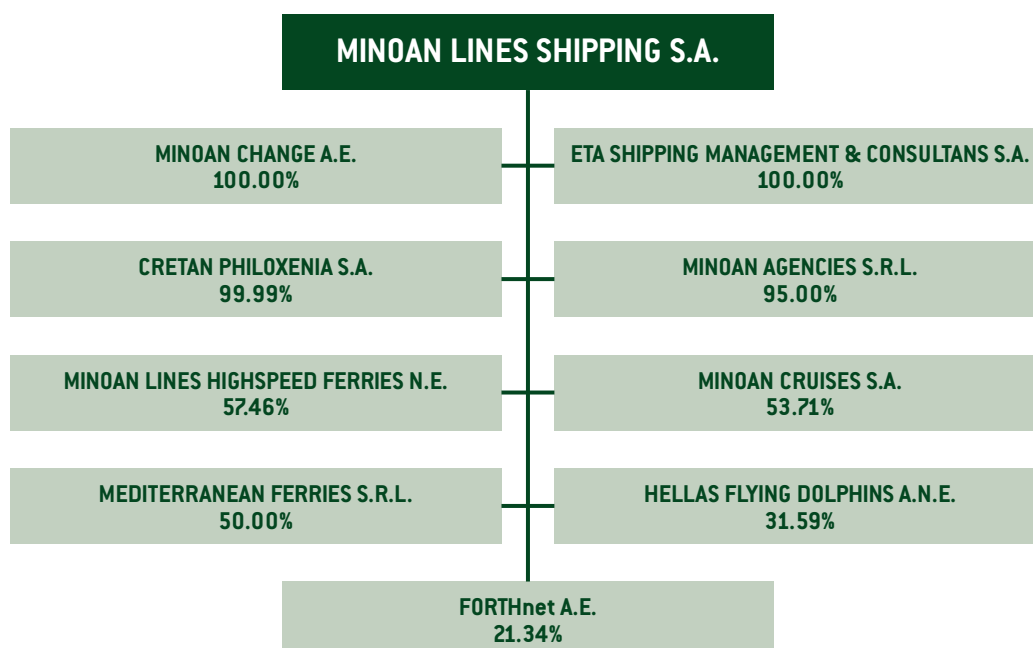


Table of Participations, in detail:

Participations (in million Euro)	Acquisition Value	Percentage of Participation
SUBSIDIARIES		
MINOAN CHANGE S.A. (under liquidation)	0.44	100.00%
EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.	4.4	100.00%
CRETAN PHILOXENIA S.A.	3.21	99.99%
MINOAN AGENCIES S.R.L.	0.02	95.00%
MINOAN LINES HIGHSPEED FERRIES S.A. (under liquidation)	7.4	57.46%
MINOAN CRUISES S.A.	1.7	53.71%
ASSOCIATED COMPANIES		
MEDITERRANEAN FERRIES S.R.L.	0.5	50.00%
HELLAS FLYING DOLPHINS S.A.	115.29	31.59%
FORTHnet S.A.	7.5	21.34%
KNOSSOS TECHNOLOGY S.A. (under liquidation)	0.01	18.12%
FORTH-CRS S.A.	0.22	13.19%[*]
CRETA NET S.A.	0.01	13.16%

[*]: The percentage of MINOAN LINES participation in the company FORTH-CRS till 29.10.2002 was 20.39% decreased by 7.2% for non exercising the pre-emption rights on the increase in the associated company's share capital, setting the new percentage at 13.2%.

Subsidiaries

MINOAN CHANGE S.A.

The Company was founded in February 1996 and its registered office is in Heraklion Crete. The objects of the company were to provide more gainful exploitation of the already operating currency exchange services aboard of the parent company as well as the extension of this activity on land. Sole shareholder of the company is the MINOAN LINES S.A. and soon after the introduction of the Euro the company was put under liquidation.

EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.

The Company, availing an organized and integrated network of agencies throughout Europe and a modern and complete automated reservations system, was bought out in July 2001 where full ownership and control passed on to MINOAN LINES. In addition to the organizational changes were also successfully renegotiated the commissions and the shipping agents' commission – fees obtaining satisfactory reductions which led to cutting down the distribution cost of tickets as disclosed in the Balance Sheet for the year 2002. By the end of 2002 was revoked the license for the company to operate in Greece and consequently the personnel and the operations were fully incorporated to the MINOAN LINES.

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 sq.m. in the city of Heraklion with the laid on it buildings.

MINOAN LINES HIGHSPEED FERRIES S.A.

The Company was founded in 1997 and its registered office is in the Municipality of Marousi, Attiki. The objects of the company are the purchase and the exploitation of Greek merchant ships. After the incorporation of the HELLAS FLYING DOLPHINS in 1999, the company was reduced inactive and put into liquidation. In January 2003 was concluded the liquidation process and the company was finally dissolved.

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.

Associated Companies

HELLAS FLYING DOLPHINS S.A.

The company was founded in March 1999 and its registered office is in Athens. The object of the company are the exploitation of ships for the transport of individuals and vehicles. Disposes of 68 ships which connect ports of continental country with Cyclades, Argosaronicos and Sporades by daily departures where the company keeps a leading position. The company in the last two years proceeded with an extensive rationalization of its fleet and a reorganization of the itinerary schedules with the intent to keep low its operating expenses and return profitable.

FORTHnet S.A.

The company was founded in October 1995 and its registered office is in Heraklion Crete. The objects of the company are:

- To provide voice telephony
- To provide Internet services
- To provide telecommunication services of data and added value
- To provide computer interconnection network through fixed wireless and wired access services
- To provide 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 Genova, 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.

Summary Financial Data of Subsidiaries and Associated Companies

Basic Financial Data of subsidiaries and associated companies for the fiscal year 2002 is set out in the table herebelow:

BASIC FINANCIAL DATA OF SUBSIDIARIES - ASSOCIATED COMPANIES (in million Euro)

	MINOAN CHANGE A.E. (under liquidation)	EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.	CRETAN PHILOXENIA S.A.	MINOAN AGENCIES S.R.L.	MINOAN LINES HIGHSPEED FERRIES N.E. (under liquidation)	MINOAN CRUISES S.A.	MEDITERRANEAN FERRIES S.R.L.	HELLAS FLYING DOLPHINS S.A.	FORTHnet S.A. GROUP OF COMPANIES
FIXED ASSETS	0.00	0.00	3.28	0.02	0.00	0.00	0.00	233.77	56.22
CURRENT ASSETS	0.52	1.86	0.03	0.41	12.83	0.91	5.73	50.86	27.49
SHAREHOLDERS' EQUITY	0.52	0.13	3.21	0.05	12.83	-1.99	-0.56	203.86	64.65
TOTAL LIABILITIES	0.00	1.73	0.15	0.36	0.00	2.89	6.27	86.86	33.08
TURNOVER	0.00	2.15	0.00	0.82	0.00	0.00	12.43	139.82	32.07
RESULTS BEFORE TAXES	-0.01	0.17	0.02	0.19	-0.04	-4.68	-1.55	-49.38	-4.10
RESULTS AFTER TAXES & BOARD OF DIRECTORS EMOLUMENTS	-0.01	0.17	0.02	0.19	-0.04	-4.68	-1.56	-49.38	-3.91

Forward-looking goals – Prospects

Within the scope of the strategic decision of the company for its financial rationalisation was decided the sale of the ship ARIADNI PALACE I, a process concluded in March 2003. After the sale of the above ship the associated company Mediterranean Ferries S.r.l. which had the management of the ship and in which the MINOAN LINES held a share of 50%, was put under liquidation.

Likewise, was completed the liquidation of the subsidiary company MINOAN LINES HIGHSPEED FERRIES.

Included among the basic priorities for the year 2003 as disclosed in the Report of the Board of Directors, are the following:

- The conclusion of the sale of the ship PROMETHEUS and of the participation in the company FORTHnet.
- The completion of the procedures concerning the restructuring of long and short-term bank loans.
- The continuation of the efforts to renovate and upgrade the trade sales network of the company.
- The link of the company's reservations system with all the international electronic tickets selling systems.
- The further reinforcement and motivation of the Marketing Department, for the development of new modern products and pioneer promotive actions.
- The continuation of the information system upgrade for a more effective information management.
- The reinforcement of the marketing communications and the advertising presence.
- The enlargement of the size and the share in the markets in which the company is active.
- The continuation of efforts for a further improvement of the company's operating profits.

MINOAN LINES

BALANCE SHEET AT 31st DECEMBER 2002

PUBLIC LIMITED COMPANIES

ASSETS

	Current Financial Year 2002			Previous Financial Year 2001		
	Book Value	Depreciation	EURO Net Book Value	Book Value	Depreciation	EURO Net Book Value
B. FORMATION EXPENSES						
2. Exchange rate adjustments on loans for acquisitions	4,849,626.00	1,647,231.28	3,202,394.72	7,990,834.55	3,141,208.55	4,849,626.00
3. Construction Period Interest cost	7,330,689.04	4,388,332.77	2,942,356.27	6,843,842.36	3,090,550.68	3,753,291.68
4. Other formation expenses	14,923,868.16	12,350,178.85	2,573,689.31	14,592,723.59	9,154,327.64	5,438,395.95
	<u>27,104,183.20</u>	<u>18,385,742.90</u>	<u>8,718,440.30</u>	<u>29,427,400.50</u>	<u>15,386,086.87</u>	<u>14,041,313.63</u>
C. FIXED ASSETS						
I. Intangible Assets						
1. Research and Development Expenses	560,075.41	224,030.16	336,045.25	560,075.41	112,015.08	448,060.33
2. Concessions, Trademarks, Rights & Licenses	29,347.03	29,347.02	0.01	29,347.03	23,477.62	5,869.41
5. Other Intangible Assets	891,414.80	766,654.51	124,760.29	1,147,967.72	952,152.60	195,815.12
	<u>1,480,837.24</u>	<u>1,020,031.69</u>	<u>460,805.55</u>	<u>1,737,390.16</u>	<u>1,087,645.30</u>	<u>649,744.86</u>
II. TANGIBLE ASSETS						
1. Land	1,362,285.04	0.00	1,362,285.04	1,362,285.04	0.00	1,362,285.04
3. Buildings and Technical works	4,952,628.74	1,548,897.01	3,403,731.73	3,803,626.39	1,376,196.80	2,427,429.59
5. Transportation means	134,603.83	80,065.07	54,538.76	122,835.66	69,409.01	53,426.65
5a. Vessels	876,928,347.04	40,823,217.83	836,105,129.21	771,064,377.38	51,941,199.37	719,123,178.01
6. Furniture and Fixtures	3,518,535.28	2,445,183.06	1,073,352.22	3,010,738.01	2,039,203.98	971,534.03
7a. Advance payments for vessels' purchase	0.00	0.00	0.00	40,057,792.63	0.00	40,057,792.63
	<u>886,896,399.93</u>	<u>44,897,362.97</u>	<u>841,999,036.96</u>	<u>819,421,655.11</u>	<u>55,426,009.16</u>	<u>763,995,645.95</u>
TOTAL FIXED ASSETS (CI + CII)			<u>842,459,842.51</u>			<u>764,645,390.81</u>
III. Investments and other						
Long - Term Assets						
1. Holdings in Associated companies		17,197,360.37			23,640,968.45	
Less: Unpaid installments		<u>33,250.00</u>	17,164,110.37		<u>0.00</u>	23,640,968.45
2. Investments in other companies			123,537,709.50			135,385,314.66
7. Other long - term assets			<u>21,959.77</u>			<u>4,328.10</u>
			<u>140,723,779.64</u>			<u>159,030,611.21</u>
TOTAL FIXED ASSETS EMPLOYED (CI + CII + CIII)			<u>983,183,622.15</u>			<u>923,676,002.02</u>
D. CURRENT ASSETS						
I. Inventories						
1. Merchandise			2,761,988.28			2,780,640.97
4. Consumables - Spare Parts			1,790,971.60			1,473,005.14
5. Advances against inventories purchase			<u>1,496.76</u>			<u>6,211.83</u>
			<u>4,554,456.64</u>			<u>4,259,857.94</u>
II. Debtors						
1. Trade Debtors			8,111,538.30			10,138,811.72
2. Bills receivable			0.00			90,034.36
3a. Items for collection						
- In portfolio		2,463,920.44			2,921,099.28	
- In Banks		<u>18,869,543.08</u>	21,333,463.52		<u>8,455,776.96</u>	11,376,876.24
5. Short - Term Receivables from associated companies			2,379,041.15			1,970,567.61
6. Short - Term Receivables from other affiliated companies			2,176,166.70			0.00
10. Doubtful trade debtors and receivables		1,282,317.79			1,219,743.28	
Less: Provisions for doubtful accounts		<u>75,413.88</u>	1,206,903.91		<u>75,413.88</u>	1,144,329.40
11. Other Debtors			2,368,952.65			13,052,119.02
12. Advances and Prepayments			<u>24,835.18</u>			<u>31,015.29</u>
			<u>37,600,901.41</u>			<u>37,803,753.64</u>
III. Marketable Securities						
1. Shares	18,734,255.69			18,117,889.98		
3. Other Securities	<u>0.00</u>	18,734,255.69		<u>19,276,289.23</u>	37,394,179.21	
Less: Provisions for devaluation		<u>3,839,309.40</u>	14,894,946.29		<u>17,716,492.48</u>	19,677,686.73
IV. Cash						
1. Cash in hand			183,702.40			188,166.46
3. Sight and time Deposits			<u>1,009,918.46</u>			<u>8,686,948.51</u>
			<u>1,193,620.86</u>			<u>8,875,114.97</u>
TOTAL CURRENT ASSETS (DI + DII + DIII + DIV)			<u>58,243,925.20</u>			<u>70,616,413.28</u>
E. TEMPORARY ASSETS						
1. Deferred Expenses			1,812,951.90			4,202,260.28
2. Accrued income			23,042.19			1,930.26
3. Other asset suspense accounts			<u>24,679.10</u>			<u>0.00</u>
			<u>1,860,673.19</u>			<u>4,204,190.54</u>
TOTAL ASSETS (B + C + D + E)			<u>1,052,006,660.84</u>			<u>1,012,537,919.47</u>
DEBIT MEMO ACCOUNTS						
2. Guarantees and collateral securities		771,243,568.16			787,483,497.54	
4. Other contra accounts		<u>1,337.00</u>	<u>771,244,905.16</u>		<u>56,803.00</u>	<u>787,540,300.54</u>

SHIPPING S.A.

- 30th FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2002)

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

LIABILITIES & SHAREHOLDERS EQUITY

	Current Financial Year 2002		Previous Financial Year 2001	
	EURO		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		156,110,051.36
		<u>159,583,500.00</u>		<u>156,110,051.36</u>
II. Share premium account				
1. Paid - in		<u>156,737,156.38</u>		<u>159,933,040.65</u>
		<u>156,737,156.38</u>		<u>159,933,040.65</u>
III. Revaluation Reserves and Investment Grants				
1. Revaluation of investments		2,668.80		2,668.80
2. Revaluation of reserves		0.00		277,564.37
3. Investment subsidies for fixed assets	6,588,798.01		12,459,418.34	
Less:				
Depreciation of subsidies for purchase				
Fixed assets	<u>634,542.45</u>	<u>5,954,255.56</u>	<u>6,319,659.33</u>	<u>6,139,759.01</u>
		<u>5,956,924.36</u>		<u>6,419,992.18</u>
IV. Reserves				
1. Ordinary Reserves	9,137,137.97		9,137,137.97	
Less: Loss from sale or value decline of participating interests and securities for offsetting	<u>(22,802,170.76)</u>	<u>(13,665,032.79)</u>	<u>(23,951,173.11)</u>	<u>(14,814,035.14)</u>
4. Extraordinary reserves		58,114,127.23		58,114,127.23
5. Tax - Free reserves under special laws		3,387,581.06		3,387,581.06
		<u>47,836,675.50</u>		<u>46,687,673.15</u>
V. Results carried forward				
1. Retained Losses		(26,221,561.18)		(13,813,946.94)
2. Loss brought forward		<u>(13,813,946.94)</u>		<u>0.00</u>
		<u>(40,035,508.12)</u>		<u>(13,813,946.94)</u>
TOTAL SHAREHOLDERS EQUITY (AI + AII + AIII + AIV + AV)		<u>330,078,748.12</u>		<u>355,336,810.40</u>
B. PROVISIONS FOR LIABILITIES AND EXPENSES				
1. Severance pay indemnities due to retirement		1,535,251.60		1,573,865.46
2. Other Provisions		<u>3,670,399.11</u>		<u>3,217,663.71</u>
		<u>5,205,650.71</u>		<u>4,791,529.17</u>
C. LIABILITIES				
I. Long - Term debt				
2. Bank Loans		<u>482,112,033.16</u>		<u>377,065,772.42</u>
		<u>482,112,033.16</u>		<u>377,065,772.42</u>
II. Current Liabilities				
1. Suppliers		18,927,134.86		13,275,183.38
2a. Post - dated cheques		5,435,028.49		13,200,304.38
3. Banks - short-term Liabilities		128,879,832.88		121,389,703.45
4. Customers advances		4,144,601.55		29,787.62
5. Taxes and duties payable		1,691,611.95		2,498,596.35
6. Social Security Contributions		389,346.29		686,458.50
7. Current Portion of long - term debt		39,402,250.00		93,521,362.81
8. Amounts owed to associated companies		7,993,067.85		7,980,361.19
9. Long-Term Liabilities - Other Affiliates		697,492.90		11,925,547.51
10. Dividends payable		937,855.93		1,068,663.23
11. Sundry Creditors		<u>20,200,229.39</u>		<u>6,921,935.38</u>
		<u>228,698,452.09</u>		<u>272,497,903.80</u>
Total Liabilities (CI + CII)		<u>710,810,485.25</u>		<u>649,563,676.22</u>
D. ACCRUALS AND DEFERRED INCOME				
1. Accrued income		381,259.81		251,436.28
2. Accrued expenses		<u>5,530,516.95</u>		<u>2,594,467.40</u>
		<u>5,911,776.76</u>		<u>2,845,903.68</u>
TOTAL LIABILITIES AND SHAREHOLDERS FUNDS (A + B + C + D)		<u>1,052,006,660.84</u>		<u>1,012,537,919.47</u>
CREDIT MEMO ACCOUNTS				
2. Beneficiaries of guarantees & collateral securities	771,243,568.16		787,483,497.54	
4. Other contra accounts	<u>1,337.00</u>	<u>771,244,905.16</u>	<u>56,803.00</u>	<u>787,540,300.54</u>

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 to assure bank loans the balance of which at 31.12.2002 amounts present year, based on the option provided by the provisions of article 28, L. 3091/2002, was readjusted the, at 31.12.2002, net carrying value of certain privately owned real estate of approximately € 1.20 million to the decline of participating interests and securities for offsetting". 3. The personnel employed by the Company at 31.12.2002 amount to 1,103 persons. 4. In the items "Extraordinary profit" and "Extraordinary losses" of the statements were the following: a) For the fine imposed by the European Competition Committee plus interest of € 3.90 million for which a provision was set up of € 2.64 million. b) For prior years' tax differences of € 1.77 with the other shipping companies of Crete, from its collaboration with them in 1991, which are likely to burden the Company with the amount of approximately € 0.29 million, in the event its views are not proven right yet. 6. Following a decision of the Ordinary General Meeting of shareholders held on 30.6.2002, the share capital of the Company increased by € 3,473,448.64 with the simultaneous increase of the par value of each the par value of each share of the Company's share capital was converted into EURO according to Law 2842/2000. 7. The distribution of the raised funds from the increase of the share capital, which was resolved by totalling € 227,091,668.67 and were issued 17,731,500 new registered shares of nominal value € 2.2 each, from which their listing for dealing in the main market of the Athens Stock Exchange began at 28.07.1999. The relevant certification from the Company's Certified Public Accountant – Auditor, was issued, according to the resolution 58/28.12.2000 of the Board of Directors of the Athens Stock Exchange with the interim Financial accumulated set up provision until 31.12.1997 far exceeds the minimum amount provided for by L. 2190/1920. 9. The Company has been controlled by the tax authorities up until and including the year 1996.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st DECEMBER 2002

At December 31, 2002 (1 January - 31 December 2002)

	Current Financial Year 2002		Previous Financial Year 2001	
	EURO		EURO	
I. OPERATING RESULTS				
Net Turnover (Sales)		179,563,855.65		147,977,923.66
LESS: Cost of Sales		<u>124,467,065.39</u>		<u>114,714,973.26</u>
Gross operating results (profits)		55,096,790.26		33,262,950.40
PLUS: Other operating income		<u>321,662.57</u>		<u>247,746.25</u>
Total		55,418,452.83		33,510,696.65
LESS: 1. Administrative expenses	12,620,255.50		11,597,361.74	
3. Sales expenses	19,632,508.26		19,317,138.17	
4. Research and Development expenses	<u>1,263,500.80</u>	<u>33,516,264.56</u>	<u>779,463.90</u>	<u>31,693,963.81</u>
Subtotal (profits)		21,902,188.27		1,816,732.84
PLUS: 1. Income from participation	0.00		15,847.40	
2. Income from marketable securities	21,307.42		288,682.18	
3. Profit from sales of Participations and Marketable Securities	1,481,015.86		0.00	
4. Interest income and similar income	<u>156,814.12</u>	1,659,137.40	<u>548,593.55</u>	853,123.13
LESS: 1. Valuation differences from Equity participations & Securities	2,372,075.34		0.00	
2. Expenses & Losses from participations and marketable Securities	9,239,471.01		111,470.33	
3. Interest expense and similar expense	<u>33,748,792.88</u>	<u>45,360,339.23</u>	<u>26,561,559.03</u>	<u>26,673,029.36</u>
Total Operating results (loss) before depreciation		(21,799,013.56)		(24,003,173.39)
II. PLUS: Extraordinary Items				
1. Extraordinary & non operating revenue	820,957.14		6,897,867.50	
2. Extraordinary Profits	3,720,567.64		9,543,360.23	
3. Prior financial years' income	<u>701,590.77</u>	5,243,115.55	<u>424,308.71</u>	16,865,536.44
LESS: 1. Extraordinary & non-operating expenses	5,909,096.75		5,073,121.73	
2. Extraordinary Losses	1,068,538.12		136,779.39	
3. Prior years' expenses	<u>2,428,154.97</u>	<u>9,405,789.84</u>	<u>1,350,347.33</u>	<u>6,560,248.45</u>
Operating and extraordinary results (loss)		(25,961,687.85)		(13,697,885.40)
LESS: Total Depreciation of Fixed Assets and Start - Up Expenses	18,843,427.76		14,434,812.18	
LESS: Depreciation included in operating results	<u>18,843,427.76</u>	<u>0.00</u>	<u>14,434,812.18</u>	<u>0.00</u>
NET RESULTS (LOSS) FOR THE YEAR BEFORE TAXES		(25,961,687.85)		(13,697,885.40)

to € 611,955,031.82 and b) On certain ships mortgages of €13,703,000 and USD 6,928,350 to assure bank loans the balance of which at 31.12.2002 amounts €10,470,241.83 and USD 5,057,740 respectively. **2.** In the assessed value which amounted to approx. € 2.35 million, owing to which increased their acquisition cost by approximately € 1.15 million. The surplus amount is disclosed in the net equity item "Loss from sale or value Income Statement for the period are respectively included profit of € 3.58 million and loss of € 1.02 million from sale of ships. **5.** The Company's pending cases up until the drawing up date of the summary financial 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. c) For disputes and d) 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 which has not been heard share to EURO 2.25 through the capitalization of (a) reserves of € 3,195,884.27 arising from the issuance of shares above par and (b) € 277,564.37 arising from the revaluation of real property as per L.2065/1992, and the 2nd repeated Ordinary General Meeting of, its shareholders held on 16.05.1999, was completed until 30.06.2001. From the above increase which was realized from 16.06.1999 until 16.07.1999 were raised funds payment of the increase was certified during the Assembly of the Company's Board Meeting held on 21 July 1999. The expenses of the aforementioned issue amounted to € 7,148,761.20. The full analysis and the Statements of the b' trimester 2001, in the newspaper "IMERISSIA" with the No. 16152 page at 31.08.2001 **8.** As in the previous year, a provision for staff retirement benefits has not been set up, as the existing

APPROPRIATION ACCOUNT

	<u>Current Financial Year 2002</u> <u>EURO</u>	<u>Previous Financial Year 2001</u> <u>EURO</u>
Net results (loss) for the year	(25,961,687.85)	(13,697,885.40)
PLUS: Prior year retained losses	<u>(13,813,946.94)</u>	<u>0.00</u>
Total	(39,775,634.79)	(13,697,885.40)
PLUS: 2. Other Taxes not included in the operating cost	<u>(259,873.33)</u>	<u>(116,061.54)</u>
Retained Losses	<u>(40,035,508.12)</u>	<u>(13,813,946.94)</u>

Heraklion, 22 April 2003

THE CHAIRMAN OF THE BOARD

KONSTANTINOS KLIROMOS
ID C No K 980430

THE VICE CHAIRMAN

EMMANUIL KOULENDAKIS
ID C No F 251786

THE GENERAL MANAGER

PANAGIOTIS KASSAPAKIS
ID C No P 831611

THE CHIEF ACCOUNTANT

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 S.A." for the year ended December 31,2002. We conducted our audit, within the scope of which we obtained also a full accounting report of the Company's Branch operations, in accordance with the provisions of art. 37 of the Companies' Act of Greece (c.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 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. It is noted that the items of the preceding year are expressed in Euro on the basis of the corresponding items in GRD that were disclosed in the published financial statements for that year. We have verified that the Board of 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 (Companies' Act of Greece). As a result of our audit it is noted that: **1)** The total debit exchange differences of approx € 2,20 million that incurred in the year 2000 from the valuation of the liabilities in foreign currency (USD) did not burden this year but it was included in the Assets item B4 "Other formation expenses" and amortized equally within three successive years, in accordance with the provisions of AYO 1112072/11332/B0012/Pol. 1294/8.12.2000. **2)** The company did not carry out provision for devaluation of tangible fixed assets (ship ARIADNE PALACE I) of approx. € 22,00 million (more details are stated in the Notes on the Accounts). **3)** The participations in associated and other companies the shares of which are not listed in the Athens Stock Exchange were valued at their acquisition cost as provided by the provisions of par. 5 of article 28 of P.D. 186/1992 (B.R.C.). The as per par. 6 article 43 of c.L. 2190/1920 valuation of these shares, based on the last statutory balance sheets, would be lower to their total acquisition cost by approx. € 56,97 million with an equal in amount effect on the results for the year. **4)** The portfolio of the Company that includes shares listed and unlisted in the A.S.E. was valued in accordance with the provisions of par. 5, article 28 of P.D. 186/1992 (B.R.C.). The as per par. 6 article 43 of c.L. 2190/1920 valuation of this portfolio would be lower to its total acquisition cost by approx. € 11,00 million with an equal in amount effect on the results for the year. **5)** Up to the 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 Competition European Committee, in the year 1998, fine plus interest amounting to € 3,90 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 part of which were heard and the company was proven right in first instance for a total amount of approx. € 1,31 million. The accumulated in prior years provision in this case amounts to approx. € 0,32 million c) for disputes with the other shipping companies of Grete, following their collaboration in the year 1991, which may burden the company with approx. € 0,29 million in case where it is not proven right and d) for the imposed by the Competition Committee, fine of € 4,50 million. Against the above sentence a recourse has been brought before the Athens Administrative Court of Appeal which has not been heard yet. In respect of the case d afore, the company has not set up a relative provision. 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, 2002 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, 2003

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 SHIPPING S.A." TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS ON 29th JUNE 2003

To the Shareholders

Ladies and Gentlemen,

We present to you the financial results as well as the most significant parts of the work performed by the Management of the Company during the financial year 2002.

The year left behind, continued being influenced negatively from the unfavourable circumstances already developed since the year 2001, mainly distinguished by the excessive increase of the ship insurance premiums and of the fuel prices which reached new historical levels hitting the sector of coastal shipping and transport.

In addition, it was continued and culminated the significant downfall of the capital markets, which commenced the end of 2000, with the Athens Stock Exchange General Index reaching by the end of March 2003 the 1,467 points. In fact, this event coincided with the time period when almost all the companies of the sector had initiated investment plans for the renewal of their fleets and, owing to the impossibility to raise the necessary funds through the stock exchange market for their financing, had to seek bank borrowing.

The excessive borrowing, in conjunction with the higher depreciation of the new ships, affected negatively the profitability of all the passenger shipping companies and as regards to our company, it is still a critical issue, the loan arrangement which is among the imminent priorities of the Management.

Despite however the unfavourable economic environment and the negative conjuncture that prevailed, we accomplished to achieve important progress in all the sectors of the company's activity strengthening its position in all the markets where it operates.

Upon delivery, in May 2002, of the EUROPA PALACE from the shipyards of FINCANTIERI, Italy and in October of the same year, of the ARIADNE PALACE from the shipyards of SAMSUNG, South Korea, was concluded one of the most outstanding and considerable investment plans, that had ever been realized in the sector of passenger shipping business.

The investment plan for the building of 10 new ships, of a total cost € 920 million, commenced back in 1995 and it was progressively materialized in three different time phases where by its completion it has reinforced to a great degree the ability to face demanding competition while at the same time it created optimistic prospects and inspired high self-confidence for the future course and effectiveness of the company.

The MINOAN LINES today, after the modernization of their fleet, dispose, so in the coastal shipping as in the Adriatic routes of the most new, fast and luxury ships.

The growth in the market share and the improvement of operating profitability of the ships is now visible in all the lines and the whole range of the company's activities.

In 2002 increased to a satisfactory degree the market share of the company in the routes of Adriatic sea which continues to be the most significant in size market among all the categories of transports while in the sea route Heraklion – Piraeus, the respective share has reached and persists in particularly high levels, mainly in the field of carrying passengers.

In fact, this had as a result the remarkable improvement of the income from the exploitation of ships, which amounted to € 179.6 million against € 148 millions in 2001 and it is increased by 21.3%.

The operating expenses of the ships, despite the excessive increase of fuel prices and insurance premiums increased just by 5.5%, rate that falls perceptibly short of the increase in income.

The distribution costs and administration expenses, despite the increase in turnover rose only by 5.3%, a fact mainly due to the reduction of commissions achieved thanks to the re-negotiation of the shipping agents' commission-fees in the Adriatic routes further to keeping low the other expenses which make part of the administrative and distribution cost.

The debit interest increased by 27.1% and amounted to € 33.7 million, against € 26.6 million of prior year. This increase is due to the increase of borrowing for financing the investment plan.

The profits of the company, before interest, taxes and depreciation (EBITDA), amount to € 42.5 million and are increased by approximately € 25.3 million or by 146.7%, in comparison to the preceding year, while the gross profit margin increased by 12 percentage points from 11.6% to 23.6%.

On a level of net result, the loss of the company amounts to € 26 millions as against € 13.7 million of preceding year, a fact that is only due to extraordinary losses of € 11.6 million on disposal of shares from its portfolio and the valuation of participating interests in other activities.

Reduction in borrowing

Having finalized the investment plan and deployment of the new ships, we now focus our efforts on rearranging the financial operation and thus stabilize the capital structure of the company.

The exceeding increase in bank borrowing, a problem which, to a different degree, almost all the companies of the sector have to cope with, demands an immediate and decisive solution to be found out that will lead to the reduction of the size of the loans with a parallel redrafting of the repayment schedule. This is an one way move to follow enabling the company to return on a profitable course that will yield dividend and at the same time it will reinforce its liquidity.

Therefore, the necessary reduction of bank borrowing under the present circumstances could be accomplished only through the disposal of certain property assets and the liquidation of participations in non-shipping activities.

Within the scope of the above planning was decided the sale of the ships PROMETHEUS and ARIADNE PALACE I (ex-OCEANUS), as well as the liquidation of the participation in the company FORTHnet S.A..

In March 2003 was concluded the sale of the ship ARIADNE PALACE I to the Italian company S.I.M.E. TRE S.p.A., subsidiary of the CORSICA SARDINIA FERRIES, for US\$ 67 million. This action besides the reduction in bank loans reinforced to a satisfactory degree the liquidity of the company. In addition, the sale of the ship PROMETHEUS and the participation in the company FORTHnet S.A. is in process and we want to believe that it will be accomplished very soon.

Furthermore, we have opened discussions with the banks which participate in the long and short-term loans contracted by the company, aiming at their reorganization as well as to an arrangement of the sinking-fund installments at such levels where, the service of the loan could be easily met by the liquidity of the company.

Co-operation with the Grimaldi Group

The expansion of our business in the Western Mediterranean sea market was realized in June 2002, when the ARIADNE PALACE I (ex-OCEANUS) was deployed on the route Genoa-Tunisia, in co-operation with the Italian shipping Group Grimaldi. The ARIADNE PALACE I was chartered in by the company MEDITERRANEAN FERRIES S. R. L. in which, our company holds the 50% and GRANDI TRAGHETTI S.p.A. the other 50%.

The ship was engaged on this route up until the beginning of January 2003, where significant and useful conclusion so for a prospective expansion of the business in Western Mediterranean, as for the prospects of concluding in co-operations / consortiums with other companies of the sector beyond the Greek bounds. Eventhough the outcome of this business venture is deemed satisfactory it was decided the interruption of this co-operation and the withdrawal of the ship from this itinerary. In taking such a decision, the need to sell the ship for the reduction of the bank borrowing was more than imperative .

HELLAS FLYING DOLPHINS

This company continues the efforts for its organizational update, having at the same time taken important steps towards rationalization of the fleet and reorganization of the itineraries, while it has achieved a great cut in its operating expenses.

Unfortunately, despite all the remarkable efforts made, the company has not succeeded yet to joint a profitable course. The reasons for this perpetual loss are associated with the negative effects suffered owing to the excessive increase in fuel prices and ship insurance premiums in conjunction with the Ministry of Merchant Marine persistence to impose compulsory discounts for several categories of passengers and to decline the freight tariff deregulation.

The management of our company examines seriously, for strategic reasons only, the eventuality of absorbing this company maintaining though its legal and financial independence and integrity while, at the same time, considers also other solutions.

With this motive was recently submitted to the Management a relative report on the valuation of the H.F.D. carried out by a major banking institution which was assigned the performance of this assessment.

The officers of our company are now evaluating the records and the findings of this study and pretty soon the Management, in the light of our shareholders' long-term interests, will be invited to take a final decision, in concern.

Anyway, the General Meeting of Shareholders will be the one to take the final and resolute decision.

Financial results of the Group

The analysis of the financial results of the group is set out in the following table, in comparison to the respective items of the preceding year:

FINANCIAL RESULTS (In thousand Euro)	2002	2001	Change %
OPERATING REVENUE	179,982	152,310	18.2%
LESS :			
OPERATING COST	113,476	108,782	4.3%
OPERATING PROFIT	66,506	43,528	52.8%
PLUS :			
OTHER REVENUE	7,441	18,200	-59.1%
PARTIAL OPERATING PROFIT	73,947	61,728	19.8%
LESS :			
ADMINISTRATION & SALES EXPENSES	25,487	27,469	-7.2%
OTHER EXPENSES	31,445	16,609	89.3%
PROFITS BEFORE INTEREST & DEPRECIATION	17,015	17,651	-3.6%
LESS :			
FINANCIAL EXPENSES	45,481	26,872	69.3%
NET RESULTS BEFORE DEPRECIATION	-28,466	-9,221	
LESS :			
DEPRECIATION	18,890	15,479	22.0%
NET RESULTS	-47,356	-24,701	
LESS :			
MINORITY INTERESTS	-2,178	-1,812	
NET RESULTS FOR THE GROUP	-45,178	-22,889	

Other significant events of the year 2002

- At the end of 2002 ceased the operation of the company EUROPEAN THALASSIC AGENCIES. The continuation of its independent operation deemed that it would not further serve any purpose and therefore was decided the total incorporation of its personnel and operations to the MINOAN LINES.
- Within 2003 will be concluded the liquidation of the company MINOAN EXCHANGE S.A.
- The company MINOAN CRUISES S.A., after the sale of the second ship MINOAN PRINCE, ceased its operation and it will soon be put into liquidation.
- Within 2002 was completed the liquidation of almost all the investments in shares and mutual funds.
- Remain till today in our portfolio our participation in the company FORTHnet S.A. as well as the shares of A.N.E.K and AEGEAN AIRLINES S.A.
- The company CRETAN FILOXENIA S.A., which holds 100% of the shares of "ATHENA S.A.", owner of the historic kernel-oil factory, under the same name, at Ikarou Street in Heraklion, remains in our holdings, as well.

- In May 2002 we founded in Italy, with registered office in Ancona, a subsidiary company under the name MINOAN AGENCIES S. R. L., and assigned the factorage of our ships in this port.

Basic priorities for the year 2003

Among the basic priorities for the year 2003 are included:

- The conclusion of the sale of the ship PROMETHEUS and of the participation in the company FORTHnet.
- The completion of the procedures concerning the reorganization the long and short-term bank loans.
- The continuation of the efforts to renovate and upgrade the trade sales network of the company.
- The link of the company's reservations system with all the international electronic of tickets selling systems.
- The further reinforcement and motivation of the Marketing Department, for the development of new modern products and pioneer promotive actions.
- The continuation of the informative system upgrade for a more effective information management.
- The reinforcement of the marketing communications and the advertising presence.
- The enlargement of the size and the share in the markets in which the company is active.
- The continuation of efforts for a further improvement of the company's operating profits.
- The put on route of a Ro/Ro ship in the line Heraklion – Piraeus.

Dear Shareholders,

In the year passed by the Management of the company under difficult and unfavourable circumstances, took critical and outstanding decisions in order to push the matters of the company.

Indeed, in the atmosphere of exchange market euphoria, that prevailed in 1999 and beginning of 2000, some excesses and maybe mistakes took place. Nevertheless, what really matters is the balance of positive and negative results from the performance of the present management and we consider that the final result achieved in the case our office, leans to the positive side.

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

The above records support our confidence in a quick recovery and a future prosperity of the Company.

We should all be optimistic and continue to provide our support to the company.

The work performed and now put for your consideration is the result of joint effort and dedication of the Management and all the individuals who work for our company.

At the present general meeting expires the term in office of the speaking and of the Directors Messrs Stylianos Makrakis, Ioannis Xenikakis and Evangelos Froudakis 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 outstanding sense of responsibility demonstrated 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 Board of Directors and with a term of office of three-years, two (2) ordinary – non independent, two (2) ordinary – independent and two (2) substitute members. Moreover, one (1) statutory and one (1) substitute Sworn-in Auditor Accountant for the fiscal year 2003.

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 and continue to contribute to our company.
- The passengers, for their 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 the Public Departments for their spirit of 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 officers for the spirit of confidence and trust towards our company.
- All of our co-operators, agents, drivers, suppliers, shipyards, etc for their excellent co-operation.
- The personnel of our company on land and at 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.

Heraklion, 22 April 2003

The Chairman of the Board of Directors

Konstantinos Klironomos

CERTIFICATION:

It is certified that the above Board of Directors Report of the limited shipping company MINOAN LINES S.A. which consists of eleven (11) pages, is what is referred to in the Auditors' Report (short-term), dated 23 April 2003.

The Certified Public Accountant - Auditor

Stefanos P. Sarakostidis

S.O.E.L. Reg. No. 14621

SOL S.A. - Certified Auditors Accountants

MINOAN LINES SHIPPING S.A.

FIFTH CONSOLIDATED BALANCE SHEET

PUBLIC LIMITED COMPANIES

ASSETS

	Current Financial Year 2002			Previous Financial Year 2001		
	Book Value	Depreciation	EURO Net Book Value	Book Value	Depreciation	EURO Net Book Value
B. FORMATION EXPENSES						
1. Start - up costs	43,236.36	26,947.06	16,289.30	42,167.30	17,444.55	24,722.75
2. Exchange rate adjustments on loans for acquisitions	5,525,373.82	2,322,979.10	3,202,394.72	8,666,582.37	3,816,956.37	4,849,626.00
3. Construction Period Interest cost	7,330,689.04	4,388,332.77	2,942,356.27	6,843,842.36	3,090,550.68	3,753,291.68
4. Other formation expenses	15,223,338.92	12,622,369.48	2,600,969.44	14,906,498.57	9,431,434.83	5,475,063.74
	<u>28,122,638.14</u>	<u>19,360,628.41</u>	<u>8,762,009.73</u>	<u>30,459,090.60</u>	<u>16,356,386.43</u>	<u>14,102,704.17</u>
C. FIXED ASSETS						
I. Intangible Assets						
1. Research and Development expenses	560,075.41	224,030.16	336,045.25	560,075.41	112,015.08	448,060.33
2. Concessions Trademarks, Rights & Licenses	29,347.03	29,347.02	0.01	29,347.03	23,477.62	5,869.41
5. Other Intangible Assets	891,414.80	766,654.51	124,760.29	1,147,967.72	952,152.61	195,815.11
	<u>1,480,837.24</u>	<u>1,020,031.69</u>	<u>460,805.55</u>	<u>1,737,390.16</u>	<u>1,087,645.31</u>	<u>649,744.85</u>
II. Tangible Assets						
1. Land	3,955,478.52	0.00	3,955,478.52	3,955,478.52	0.00	3,955,478.52
3. Buildings and technical work	5,778,295.82	2,374,564.04	3,403,731.78	4,629,293.46	2,193,181.88	2,436,111.58
5. Transportation means	136,939.83	80,357.07	56,582.76	122,835.66	69,409.01	53,426.65
5a. Vessels	876,928,347.04	40,823,217.83	836,105,129.21	777,916,230.95	53,447,464.63	724,468,766.32
6. Furniture and Fixture	3,552,911.41	2,467,137.39	1,085,774.02	3,242,383.44	2,180,520.09	1,061,863.35
7a. Advance payments for vessels' purchase	0.00	0.00	0.00	40,057,792.63	0.00	40,057,792.63
	<u>890,351,972.62</u>	<u>45,745,276.33</u>	<u>844,606,696.29</u>	<u>829,924,014.66</u>	<u>57,890,575.61</u>	<u>772,033,439.05</u>
TOTAL FIXED ASSETS (CI + CII)			<u>845,067,501.84</u>			<u>772,683,183.90</u>
III. Investments and other Long - Term Assets						
1. Holdings in Associated companies			34,406,537.71			118,239,047.15
7. Other Long - Term Assets			27,780.00			15,899.93
			<u>34,434,317.71</u>			<u>118,254,947.08</u>
TOTAL FIXED ASSETS EMPLOYED (CI + CII + CIII)			<u>879,501,819.55</u>			<u>890,938,130.98</u>
D. CURRENT ASSETS						
I. Inventories						
1. Merchandise			2,761,988.28			2,780,640.97
4. Consumables - Spare Parts			1,790,971.60			1,473,005.14
5. Advances against inventories purchase			1,496.76			6,211.83
			<u>4,554,456.64</u>			<u>4,259,857.94</u>
II. Debtors						
1. Trade Debtors			6,972,359.42			3,731,388.63
2. Bills receivable			0.00			90,034.36
3a. Items for collection						0.00
- In portfolio		2,470,461.07			2,921,099.28	
- In Banks		<u>18,869,543.08</u>	21,340,004.15		<u>8,455,776.96</u>	11,376,876.24
6. Short - Term Receivables from associated companies			2,176,166.70			
10. Doubtful trade debtors and receivables		1,282,317.79			1,295,002.00	
Less: Provisions for doubtful accounts		<u>75,413.88</u>	1,206,903.91		<u>75,413.88</u>	1,219,588.12
11. Other Debtors			10,552,408.75			25,446,842.15
12. Advances and Prepayments			24,835.18			31,015.29
			<u>42,272,678.11</u>			<u>41,895,744.79</u>
III. Marketable Securities						
1. Shares	18,734,255.69			22,973,944.96		
3. Other Securities	<u>0.00</u>	18,734,255.69		<u>19,276,289.23</u>	42,250,234.19	
Less: Provisions for devaluation		<u>3,839,309.40</u>	14,894,946.29		<u>22,569,706.67</u>	19,680,527.52
IV. Cash						
1. Cash in hand			186,947.54			212,815.76
3. Sight and time Deposits			<u>1,292,239.36</u>			<u>9,050,407.07</u>
			<u>1,479,186.90</u>			<u>9,263,222.83</u>
TOTAL CURRENT ASSETS (DI + DII + DIII + DIV)			<u>63,201,267.94</u>			<u>75,099,353.08</u>
E. TEMPORARY ASSETS						
1. Deferred Expenses			1,820,497.21			4,260,417.98
2. Accrued income			35,869.76			13,949.94
3. Other asset suspense accounts			24,679.10			0.00
			<u>1,881,046.07</u>			<u>4,274,367.92</u>
TOTAL ASSETS (B + C + D + E)			<u>953,346,143.29</u>			<u>984,414,556.15</u>
DEBIT MEMO ACCOUNTS						
1. Third parties assets		12,286.13			0.00	
2. Guarantees and collateral securities		776,100,033.58			788,340,401.20	
4. Other contra accounts		<u>1,337.00</u>	<u>776,113,656.71</u>		<u>56,803.00</u>	<u>788,397,204.20</u>

- GROUP OF COMPANIES

AS AT 31st DECEMBER 2002 (1 JANUARY - 31 DECEMBER 2002)

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

LIABILITIES & SHAREHOLDERS EQUITY

	Current Financial Year 2002 EURO		Previous Financial Year 2001 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		156,110,051.36
		<u>159,583,500.00</u>		<u>156,110,051.36</u>
II. Share premium account				
1. Paid - in		156,737,156.38		159,933,040.65
		<u>156,737,156.38</u>		<u>159,933,040.65</u>
III. Revaluation Reserves and Investments Grants				
1. Revaluation of investments		2,668.80		2,668.80
2. Revaluation of reserves		0.00		277 564.37
3. Government Grants for Fixed Assets	6,588,798.01		12,459,418.34	
Less:				
Depreciation of subsidies				
for purchase of fixed assets	634,542.45	5,954,255.56	6,319,659.33	6,139,759.01
		<u>5,956,924.36</u>		<u>6,419,992.18</u>
IV. Reserves				
1. Ordinary reserves	9,160,524.59		9,151,737.68	
Less: Loss from sale or value decline of participating interests and securities for offsetting	(22,802,170.76)	(13,641,646.17)	(28,804,629.10)	(19,652,891.42)
4. Extraordinary reserves		58,114,127.23		58,114,127.23
5. Tax - Free reserves under special law		3,438,908.61		3,438,531.10
		<u>47,911,389.67</u>		<u>41,899,766.91</u>
V. Results carried forward				
1. Retained Losses		(131,895,993.47)		(33,544,846.72)
		<u>(131,895,993.47)</u>		<u>(33,544,846.72)</u>
VIII. Consolidation Differences				
		<u>(4,485,010.33)</u>		<u>(4,483,948.74)</u>
TOTAL SHAREHOLDERS EQUITY				
(AI + AII + AIII + AIV + AV + AVIII)		<u>233,807,966.61</u>		<u>326,334,055.64</u>
IX. Minority Interests				
		<u>4,286,525.95</u>		<u>6,463,276.47</u>
Total Shareholders Equity (AI + AII + AIII + AIV + AV+ AVIII + AIX)				
		<u>238,094,492.56</u>		<u>332,797,332.11</u>
B. PROVISIONS FOR LIABILITIES AND EXPENSES				
1. Severance pay indemnities due to retirement		1,545,265.98		1,573,865.46
2. Other provisions		3,681,401.74		3,218,460.16
		<u>5,226,667.72</u>		<u>4,792,325.62</u>
C. LIABILITIES				
I. Long - Term debt				
2. Bank Loans		482,112,033.16		377,413,937.04
		<u>482,112,033.16</u>		<u>377,413,937.04</u>
II. Short - Term Liabilities				
1. Suppliers		19,001,435.36		13,464,353.77
2a. Post - dated cheques		5,462,019.66		13,201,082.58
3. Banks - short-term liabilities		129,379,832.88		122,124,083.60
4. Customers advances		3,868,832.99		29,787.62
5. Taxes and duties payable		1,910,997.18		2,608,964.56
6. Social Security Contributions		438,587.68		747,756.28
7. Current portion of long - term debt		39,402,250.00		94,217,692.03
9. Liabilities to other affiliates		697,492.90		11,925,547.51
10. Dividends payable		937,855.93		1,068,663.23
11. Sundry Creditors		20,896,629.45		7,155,072.50
		<u>221,995,934.03</u>		<u>266,543,003.68</u>
Total Liabilities (CI + CII)				
		<u>704,107,967.19</u>		<u>643,956,940.72</u>
D. ACCRUALS AND DEFERRED INCOME				
1. Accrued income		383,677.98		251,436.28
2. Accrued expenses		5,533,337.84		2,616,521.42
		<u>5,917,015.82</u>		<u>2,867,957.70</u>
TOTAL LIABILITIES (A + B + C + D)				
		<u>953,346,143.29</u>		<u>984,414,556.15</u>
CREDIT MEMO ACCOUNTS				
1. Beneficiaries of third parties assets	12,286.13		0.00	
2. Beneficiaries of guarantees and collateral securities	776,100,033.58		788,340,401.20	
4. Other contra accounts	1,337.00	776,113,656.71	56,803.00	788,397,204.20

NOTES: 1. In the above-consolidated Financial Statements 1.01-31.12.2002 are included, apart from the parent company, the subsidiary companies MINOAN CRUISES-SHIPPING S.A., MINOAN CHANGE-Currency Exchange 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 mortgages: a) Mortgages of € 708,755,000 to assure bank loans the balance of which at 31.12.2002 amounts to € 614,955,031.82 and b) On certain ships mortgages of € 13,703,000 and USD 6,928,350 to assure bank loans value of certain privately owned by the parent company real estate of approximately € 1.20 million to the assessed value which amounted to approx. € 2.35 million, owing to which increased their acquisition cost by approximately of the parent company held on 30.6.2002, the share capital was increased by € 3,473,448.64 with the simultaneous increase of the par value of each share to EURO 2.25 through the capitalization of (a) reserves of € 3,195,884.27 EURO according to Law 2842/2000. 5. In the items "Extraordinary profit" and "Extraordinary losses" of the Consolidated Income statement for the period are respectively included profit of € 3.58 million and loss of € 5.37 million parent company as for its local subsidiaries. As for the parent company the existing, accumulated set up provision, until 31.12.1997, far exceeds the minimum amount provided for by c.L.2190/1920. As regards to the domestic Session of the Administrator Legal Advisors. Had the domestic subsidiary companies of the group set up such a provision would not have been significant. Foreign subsidiary company sets up provision for staff retirement benefits Committee plus interest of € 3.90 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 likely to burden the Company with the amount of approximately € 0.29 million, in the event its views are not proven right and d) For the fine imposed by the Antitrust Commission of € 4.50 million for which the Company has filed (equal to € 533,400.39) 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

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST DECEMBER 2002

At December 31, 2002 (1 January - 31 December 2002)

	Current Financial Year 2002		Previous Financial Year 2001	
	EURO		EURO	
I. OPERATING RESULTS				
Turnover (Sales)		179,982,729.91		152,310,486.10
Less: Cost of sales		<u>126,273,361.08</u>		<u>117,808,169.63</u>
Gross operating results		53,709,368.83		34,502,316.47
Plus: 1. Other operating income		<u>394,111.05</u>		<u>218,334.59</u>
Total		54,103,479.88		34,720,651.06
Less: 1. Administration expenses	13,005,318.33		11,867,462.52	
3. Sales expenses	17,092,449.99		20,251,625.51	
4. Uncosted Production Cost (under - utilization / vessel lay - up)	<u>1,479,268.22</u>	<u>31,577,036.54</u>	<u>1,099,110.75</u>	<u>33,218,198.78</u>
Operating results (profit)		22,526,443.34		1,502,452.28
Plus:				
1a. Revenue from affiliates	116,452.20		263,920.09	
2. Revenues from marketable securities	21,307.42		288,682.18	
3. Profits from sales of Participations and marketable securities	1,481,015.86		0.00	
4. Interest income and related income	<u>159,361.98</u>	<u>1,778,137.46</u>	<u>467,743.16</u>	<u>1,020,345.43</u>
Less:				
1. Valuation differences from Equity participations & Securities	2,372,075.34		0.00	
1a. Losses from affiliates	17,212,874.71		7,418,069.44	
2. Expenses and losses from participations and marketable securities	9,240,170.25		130,316.13	
3. Debit interest and similar charges	<u>33,869,652.89</u>	<u>62,694,773.19</u>	<u>26,741,658.05</u>	<u>34,290,043.62</u>
Total operating results (loss)		(38,390,192.39)		(31,767,245.91)
II. Plus: Non operating items				
1. Extraordinary & Non - Operating revenues	829,550.83		6,973,455.49	
2. Extraordinary Revenues	3,731,428.32		9,543,360.23	
3. Revenues from previous years' provisions	<u>707,360.31</u>	<u>5,268,339.46</u>	<u>444,812.32</u>	<u>16,961,628.04</u>
Less:				
1. Extraordinary & non - operating expenses	6,359,906.98		5,458,891.00	
2. Extraordinary losses	5,415,885.75		2,328,248.11	
3. Prior years' losses	<u>2,457,794.72</u>	<u>14,233,587.45</u>	<u>1,403,535.79</u>	<u>9,190,674.90</u>
Operating and extraordinary results (loss)		(47,355,440.38)		(23,996,292.77)
Less:				
1. Total depreciation of Fixed Assets and Start - Up expenses	18,890,243.21		15,479,290.56	
Less: Depreciation included in operating results	<u>18,890,243.21</u>	<u>0.00</u>	<u>14,774,961.87</u>	<u>704,328.69</u>
NET RESULTS (LOSS) FOR THE YEAR BEFORE TAXES		(47,355,440.38)		(24,700,621.46)
Less: Income taxes		149,582.40		42,110.16
Other taxes not included in operating cost		277,405.86		116,061.54
NET RESULTS (LOSS) FOR THE YEAR AFTER TAXES		<u>(47,782,428.64)</u>		<u>(24,858,793.16)</u>
LESS: Minority shares not included in operating cost		<u>(2,177,482.60)</u>		<u>(1,811,895.85)</u>
NET CONSOLIDATED RESULTS (LOSS) FOR THE GROUP		(45,604,946.04)		(23,046,897.31)

S.A. (under liquidation), MINOAN LINES HIGH SPEED FERRIES-SHIPING Co. (under liquidation), EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A., MINOAN AGENCIES S.R.L., FLYING DOLPHINS SHIPPING S.A., MEDITERRANEAN FERRIES S.R.L. and the associated up until 29.10.2002 company FORTH-CRS S.A. 2. On the fixed assets of the companies of the Group there are the following the balance of which at 31.12.2002 amounts €10,470,241.83 and USD 5,057,740. 3. In the present year, based on the option provided by the provisions of article 28, L. 3091/2002, was readjusted the, at 31.12.2002, net carrying € 1.15 million. The surplus amount is disclosed in the net equity item "Loss from sale or value decline of participating interests and securities for offsetting". 4. Following a decision of the Ordinary General Meeting of shareholders arising from the issuance of shares above par and (b) € 277,564.37 arising from the revaluation of real property as per L.2065/1992, and the par value of each share of the parent Company's share capital was converted into from sale of ships. 6. The personnel employed by the companies of the Group at 31.12.2002 amount to 1,128 persons. 7. As in the previous year, a provision has not been set up for staff retirement benefits so much for the subsidiary companies, a provision was not set up because no member of the staff of these companies does not meet the requirements for retirement in the following year, according to the opinion No. 205/1988 of the Plenary according to foreign legislation. 8. 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 Competition heard, the Court of the First Instance proved the Company right, for a total amount of approximately € 1.31 million. c) For disputes with the other shipping companies of Crete, from its collaboration with them in 1991, which are an appeal against this decision before the Administrative Court of Appeals of Athens which has not been heard yet. 9. The charge or not of the results for the period of a subsidiary company with the amounts of USD 559,377 the legal actions which NAT has already proceeded to and the aforesaid Subsidiary undertaking will proceed with.

Heraklion, 22 April 2003

THE CHAIRMAN OF THE BOARD

KONSTANTINOS KLIROMOS
ID C No K 980430

THE VICE CHAIRMAN

EMMANUIL KOULENDAKIS
ID C No F 251786

THE GENERAL MANAGER

PANAGIOTIS KASSAPAKIS
ID C No P 831611

THE CHIEF ACCOUNTANT

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 fifth 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, 2002. 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 other, beyond the parent, companies, which are included in the consolidation and represent 2.03% and 1.70% 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. Likewise we have not extended our audit to the examination of the Financial Statements for the other subsidiaries, which are included in the consolidation and represent a minus rate of the consolidated total assets and turnover. These Financial Statements have been prepared by the respective Management of each Company and we were furnished with all the necessary explanations that we considered appropriate for the audit concerning the correct preparation of Consolidated Financial Statements. As a result of our audit it is noted that: **1)** The consolidated prior years' results should have been charged with debit exchange differences of approx. € 2,20 million that incurred at the valuation of the liabilities of the parent company in foreign currency (USD). This amount was included in the item B4 "Other formation expenses" and amortized in accordance with the provisions of AYO 1112072/11332/B0012/Pol. 1294/8.12.2000. **2)** The parent company did not carry out provision for devaluation of tangible fixed assets (ship ARIADNI PALACE I) of approx. € 22,00 million (more details are stated in the Notes on the Accounts). **3)** The portfolio of the parent company in securities was valued in accordance with the provisions of par. 5, article 28 of P.D. 186/1992 (B.R.C.) The as per par. 6 article 43 of c.L. 2190/1920 valuation of this portfolio would be lower to its total acquisition cost by approx. € 11,00 million with an equal in amount effect on the consolidated results. **4)** Up to the date of the above consolidated financial statements had not been heard nor judged without appeal the following pending cases of the parent Company: a) for the imposed by the Competition European Committee, in the year 1998, fine plus interest amounting to € 3,90 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 part of which were heard and the company was proven right in first instance for a total amount of approx. € 1,31 million. The accumulated in prior years provision in this case amounts to approx. € 0,32 million c) for disputes with the other shipping companies of Grete, following their collaboration in the year 1991, which may burden the company with approx. € 0,29 million in case where it is not proven right and d) for the imposed by the Competition Committee, fine of € 4,50 million. Against the above sentence a recourse has been brought before the Athens Administrative Court of Appeal which has not been heard yet. In respect of the case d afore, the company has not set up a relative provision. **5)** The surcharge or not, of the consolidated results with the amounts, USD 559.377,00 (equal in Euro 533.400,39) and € 210.162,44 in case of forfeiture of guarantees, in favour of a subsidiary company, letters of respective amounts which have been issued towards NAT, is associated with the outcome of the legal action that the subsidiary company will take as well as with the legal action already commenced by the NAT. In our opinion, after taking into consideration our foregoing notes, as well as the 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, 2002. It is further noted that the items of the preceding year are expressed in Euro on the basis of the corresponding items in GRD, which were included in the published consolidated financial statements for that fiscal year.

Athens, 23 April, 2003

The Certified Public Accountant – Auditor

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

MINOAN LINES SHIPPING S.A.
STATEMENT OF CASH FLOWS
FROM 1.1.2002 MEXPI 31.12.2002
Company Registration No 11314/06/B/86/13

		FOR THE YEAR ENDED 1.1.2002 - 31.12.2002	FOR THE YEAR ENDED 1.1.2001 - 31.12.2001
		€	€
	DESCRIPTION		
A	Cash Flows from Ordinary (Operating) Activities		
A	100 Cash Inflows		
	101 Sales (turnover)	179,563,855.65	147,977,923.66
	102 Other operating income	321,662.57	247,746.24
	103 Extraordinary and non-operating income	1,088,189.09	1,358,890.56
	104 Prior years' income	701,590.77	395,460.22
	105 Interest income (from deposits etc)	156,814.12	548,593.54
	106 Income from securities	20,989.13	288,682.18
	107 Sale of marketable securities	11,972,511.87	23,201,233.95
	108 Decrease in accounts payable	202,852.23	0.00
	Less:		
	109 Purchase of marketable securities	1,925.47	6,965,003.41
	110 Increase in debtors	0.00	11,300,134.62
	Total Cash Inflows (A100)	194,026,539.96	155,753,392.32
A	200 Cash Outflows		
	201 Cost of sales (less depreciation & provisions)	110,190,072.59	104,904,630.00
	202 Administration expenses	8,164,385.01	7,031,402.25
	203 R & D expenses	0.00	0.00
	204 Sales expenses	19,560,557.65	19,258,628.74
	205 Non operation / Idle expenses	1,263,500.80	779,463.90
	206 Other expenses	5,995,320.21	2,684,638.92
	207 Increase in inventories	294,598.70	630,127.87
	208 Increase in transitory debit balances	0.00	2,827,886.97
	209 Decrease in transitory credit balances	0.00	0.00
	210 Decrease in short-term liabilities (excepting banks)	0.00	0.00
	Less:		
	211 Decrease in inventories	0.00	0.00
	212 Decrease in transitory debit balances	2,343,517.35	0.00
	213 Increase in transitory credit balances	3,065,873.08	758,908.46
	214 Increase in current liabilities (excepting banks)	3,767,323.38	28,917,769.16
	Total Cash Outflows (A200)	136,291,721.15	108,440,101.03
A	300 Tax Cash Outflows		
	301 Income Tax	0.00	0.00
	302 Tax not incorporated to operating cost	259,873.33	116,061.54
	303 Tax adjustments	0.00	0.00
	304 Tax reductions	806,984.40	1,761,341.74
	Less:		
	305 Increase in tax obligations	0.00	0.00
	Total Tax Cash Outflows	1,066,857.73	1,877,403.28
	Cash Flows from Ordinary (Operating) Activities (A100-A200-A300)=A	56,667,961.08	45,435,888.01
B	Cash Flows from Investment Activities		
B	100 Cash Inflows		
	101 Sale of intangible assets	140,865.73	0.00
	102 Sale of tangible assets	65,762,346.94	22,461,360.56
	103 Sale of participations and intangible titles	2,060,532.11	8,317,118.61
	104 Decrease in long-term demands	0.00	2,603.84
	105 Income from participations and intangible titles	0.00	15,847.40
	106 Interest (long-term and other demands)	0.00	0.00
	Total Cash Inflows (B100)	67,963,744.78	30,796,930.41

DESCRIPTION		FOR THE YEAR ENDED 1.1.2002 - 31.12.2002 €	FOR THE YEAR ENDED 1.1.2001 - 31.12.2001 €
B	200 Cash Outflows		
201	Purchase of intangible assets	0.00	706,252.96
202	Purchase of tangible assets	154,961,864.85	337,427,469.28
203	Purchase of participations and intangible titles	1,053,389.42	4,650,688.53
204	Increase in long-term debtors	17,631.67	0.00
205	Increase in establishment expenses	817,991.21	4,178,271.71
	Total Cash Outflows (B200)	156,850,877.15	346,962,682.48
	Total Cash Flows from Investment Activities (B100-B200)=B	-88,887,132.37	-316,165,752.07
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	50,927,147.93	206,907,906.65
104	Increase in current liabilities	7,490,129.43	100,910,497.41
	Total Cash Inflows (C100)	58,417,277.36	307,818,404.06
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	0.00	0.00
204	Decrease in short-term liabilities (bank accounts)	0.00	0.00
205	Interest paid	33,748,792.88	26,561,559.03
206	Dividends paid	130,807.30	6,131,629.49
207	Distribution of profits to staff	0.00	0.00
208	Directors' remunerations from period profits	0.00	0.00
	Total Cash Outflows (C200)	33,879,600.18	32,693,188.52
	Cash Flows from Financial Activities (C100-C200)=C	24,537,677.18	275,125,215.54
	TOTAL CASH FLOWS (add A + B + C)	-7,681,494.11	4,395,351.48
	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	8,875,114.97	4,479,763.49
	CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,193,620.86	8,875,114.97

Heraklion, 22 April 2003

The Chairman of the Board	The Vice-Chairman of the Board	The General Manager	Head of Accounts
Konstantinos Klironomos I.D.C No K 980430	Emmanuel Koulentakis I.D.C.No Ø 251786	Panagiotis Kassapakis I.D.C No P 831611	Dimitra Batsi 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 1.1.2002 - 31.12.2002. 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 2003. 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 2003

The Certified Public Accountant-Auditor

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

MINOAN LINES SHIPPING S.A.

CONSOLIDATED STATEMENT OF CASH FLOWS
FROM 1.1.2002 MEXPI 31.12.2002

Company Registration No 11314/06/B/86/13

		FOR THE YEAR ENDED 1.1.2002 - 31.12.2002	FOR THE YEAR ENDED 1.1.2001 - 31.12.2001
		€	€
	DESCRIPTION		
A	Cash Flows from Ordinary (Operating) Activities		
A	100 Cash Inflows		
	101 Sales (turnover)	179,982,729.91	152,310,486.10
	102 Other operating income	394,111.05	218,334.59
	103 Extraordinary and non-operating income	1,107,122.16	1,433,274.80
	104 Prior years' income	707,360.31	415,963.83
	105 Interest income (from deposits etc)	159,361.98	467,743.16
	106 Income from securities	20,989.13	288,682.18
	107 Sale of marketable securities	11,974,255.70	27,776,919.27
	108 Decrease in accounts payable	0.00	0.00
	Less:		
	109 Purchase of marketable securities	1,925.47	6,965,003.41
	110 Increase in debtors	427,370.73	9,766,860.43
	Total Cash Inflows (A100)	193,916,634.04	166,179,540.09
A	200 Cash Outflows		
	201 Cost of sales (less depreciation & provisions)	111,986,353.90	107,683,280.58
	202 Administration expenses	8,502,731.37	7,276,684.32
	203 R & D expenses	0.00	0.00
	204 Sales expenses	17,020,499.38	20,193,116.08
	205 Non operation / Idle expenses	1,479,268.22	1,099,110.74
	206 Other expenses	6,475,770.19	2,767,313.59
	207 Increase in inventories	294,598.70	630,127.87
	208 Decrease in transitory credit balances	0.00	2,833,995.98
	209 Decrease in short-term liabilities (excepting banks)	0.00	0.00
	210 Μείωση βραχυπρόθεσμων υποχρεώσεων (πλην Τραπεζών)	0.00	0.00
	Less:		
	211 Decrease in inventories	0.00	0.00
	212 Decrease in transitory debit balances	2,393,321.86	0.00
	213 Increase in transitory credit balances	3,049,058.12	750,686.56
	214 Increase in current liabilities (excepting banks)	3,841,270.66	28,713,670.12
	Total Cash Outflows (A200)	136,475,571.12	113,019,272.48
A	300 Tax Cash Outflows		
	301 Income Tax	149,582.40	42,110.16
	302 Tax not incorporated to operating cost	277,405.86	116,131.67
	303 Tax adjustments	0.00	0.00
	304 Tax reductions	673,828.41	1,787,858.67
	Less:		
	305 Increase in tax obligations	0.00	0.00
	Total Tax Cash Outflows (A 300)	1,100,816.67	1,946,100.50
	Cash Flows from Ordinary (Operating) Activities (A100-A200-A300)=A	56,340,246.25	51,214,167.11
B	Cash Flows from Investment Activities		
B	100 Cash Inflows		
	101 Sale of intangible assets	140,865.73	0.00
	102 Sale of tangible assets	67,107,029.60	22,996,611.91
	103 Sale of participations and intangible titles	2,060,532.11	8,317,118.61
	104 Decrease in long-term demands	0.00	2,586.24
	105 Income from participations and intangible titles	0.00	0.00
	106 Interest (long-term and other demands)	0.00	0.00
	Total Cash Inflows (B100)	69,308,427.44	31,316,316.76

DESCRIPTION		FOR THE YEAR ENDED 1.1.2002 - 31.12.2002 €	FOR THE YEAR ENDED 1.1.2001 - 31.12.2001 €
B	200 Cash Outflows		
201	Purchase of intangible assets	0.00	715 898.15
202	Purchase of tangible assets	155,240,585.93	337,575,391.42
203	Purchase of participations and intangible titles	1,059,752.30	4,697,680.38
204	Increase in long-term debtors	11,880.07	0.00
205	Increase in establishment expenses	818,936.82	4,212,070.74
	Total Cash Outflows (B200)	157,131,155.12	347,201,040.69
	Total Cash Flows from Investment Activities (B100-B200)=B	-87,822,727.68	-315,884,723.93
C	Cash Flows from Financial Activities		
C	100 Cash Inflows		
101	Income from share capital increase & par value difference	560,502.32	46,991.85
102	Income from fixed assets subsidies	0.00	0.00
103	Increase in long-term liabilities	49,882,654.09	206,195,668.63
104	Increase in current liabilities	7,255,749.28	100,008,103.84
	Total Cash Inflows (C100)	57,698,905.69	306,250,764.32
C	200 Cash Outflows		
201	Decrease (return) of share capital	0.00	4,534,115.93
202	Return of fixed assets subsidies	0.00	0.00
203	Decrease in long-term liabilities	0.00	0.00
204	Decrease in short-term liabilities (bank accounts)	0.00	0.00
205	Interest paid	33,869,652.89	26,741,658.05
206	Dividends paid	130,807.30	6,131 629.49
207	Distribution of profits to staff	0.00	0.00
208	Directors' remunerations from period profits	0.00	0.00
	Total Cash Outflows (C200)	34,000,460.19	37,407,403.47
	Cash Flows from Financial Activities (C100-C200)=C	23,698,445.50	268,843,360.85
	TOTAL CASH FLOWS (add A + B + C)	-7,784,035.93	4,172,804.03
	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	9,263,222.83	5,090,418.80
	CASH AND CASH EQUIVALENTS AT END OF THE YEAR	1,479,186.90	9,263,222.83

Heraklion, 22 April 2003

The Chairman of the Board	The Vice-Chairman of the Board	The General Manager	Head of Accounts
Konstantinos Klironomos I.D.C No K 980430	Emmanuel Koulentakis I.D.C.No Φ 251786	Panagiotis Kassapakis I.D.C No P 831611	Dimitra Batsi 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 1.1.2002 - 31.12.2002. 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 2003. 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 2003

The Certified Public Accountant-Auditor

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

Restated results – General Assembly 29.06.2003 - decisions

The general assembly of the company's shareholders that took place on Sunday 29th 2003 approved all the subjects included in the meeting's agenda.

More specifically:

The Annual Financial Statements of the Company of the fiscal year from 1st January 2002 to 31st December 2002 were approved, with a restatement in order to incorporate the following notes included in the Report of the Certified Auditors.

The main notes, which are included in the short-form "Auditors Report", read as follows:

- i) The company did not carry out a provision for the depreciation of tangible fixed property asset (ship ARIADNE PALACE I) of approximately € 22.00 million (more details are stated in the Notes on the Accounts).
- ii) The participations in affiliated and other undertakings the shares of which are not listed on the A.S.E., were valued at their acquisition cost as provided by the provisions of par. 5, article 28 of P.D. 186/1992 (B.R.C.). The valuation, pursuant to par. 6, article 43 of c.L. 2190/1920, of these participations, based on the last published balance sheets, would be shorter to their total value acquisition cost by approximately € 56.97 million with an equal in amount effect on the year's results.
- iii) The company portfolio, which includes shares listed and unlisted on the Athens Stock Exchange, was valued in accordance with the provisions of par. 5, article 28 of P.D.186/1992 (B.R.C.). The valuation, pursuant to par. 6, article 43, c.L. 2190/1920, of this portfolio would be shorter to its total acquisition cost by approximately € 11.00 million with an equal in amount effect on the year's results.
- iv) For imposed by the Competition Committee fine of € 4.50 million. Against the above decision recourse has been filed with the Athens Administrative Court of Appeal, which has not been heard yet.

As regards to the last of the above notes, we state that, the company is convinced to have never committed any infringement of those charged upon by the Competition Committee and that it expects of be entirely proven right after the means of appeal duly filed.

If the company had added up the sums stated in the above notes (i, ii and iii), the year's results would have been charged with extraordinary and non-operating expenses of € 90 million and would have result in loss of approximately € 116 million (table 1).

Table 1

Results for the period (in € '000)		
Results for the year 2002		- 25,962.70
Analysis of extraordinary items (losses)		
Devaluation of ARIADNE PALACE I	- 22,400.00	
Valuation of stake in HFD	- 51,659.00	
Valuation of stake in AEGEAN AIRLINES	- 10,524.00	
Loss from MINOAN CRUISES	- 4,003.60	
Loss from MEDITERRANEAN FERRIES	- 1,450.00	- 90,036.60
Restated results for the year 2002		-115,998.20

Table 2

EQUITY (in € '000)	2002	2002*
Share capital 70,926,000 x € 2.25	159,583.50	159,583.50
Share premium account	156,737.20	156,737.20
Revaluation reserves	5,956.90	5,956.90
Other reserves	47,836.70	47,836.70
Retained results	- 40,035.50	- 130,072.10*
TOTAL EQUITY	330,078.70	240,042.20
Book value per share	€ 4.65	€ 3.38

Also approved the reduction of the company share capital with decrease of the nominal value of each share by offsetting accumulated losses carried forward, with the intent to achieve the financial restoration of the company and the reorganization of the balance sheet structure. 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 by capitalization of the share premium account that is the result of shares issued above par and afterwards the amendment of article 5 of the Company's Articles of Association.

EQUITY (in € '000)	2002*	Decrease of Share Capital	Increase of Share Capital
Share capital	159,583.50	29,788.90	159,583.50
Nominal value per share	€ 2.25	€ 0.42	€ 2.25
Share premium	156,737.20	156,737.20	26,942.60
Revaluation reserves	5,956.90	5,956.90	5,956.90
Reserves	47,836.70	47,836.70	47,836.70
Retained results	- 130,072.10	- 277.50	- 277.50
TOTAL EQUITY	240,042.20	240,042.20	240,042.20

Following the approval of the abovementioned decisions by the stock market authorities and the Ministry of Development, restated financial statements for the fiscal year 2002 were republished, for the prompt and complete update of the company's shareholders and the investing public.

MINOAN LINES

BALANCE SHEET AT 31st DECEMBER 2002

(AS RESTATED BY THE ANNUAL GENERAL MEETING

PUBLIC LIMITED COMPANIES

ASSETS

	Current Financial Year 2002			Previous Financial Year 2001		
	Book Value	Depreciation	EURO Net Book Value	Book Value	Depreciation	EURO Net Book Value
B. FORMATION EXPENSES						
2. Exchange rate adjustments on loans for acquisitions	4,849,626.00	1,647,231.28	3,202,394.72	7,990,834.55	3,141,208.55	4,849,626.00
3. Construction Period Interest cost	7,330,689.04	4,388,332.77	2,942,356.27	6,843,842.36	3,090,550.68	3,753,291.68
4. Other formation expenses	14,923,868.16	12,350,178.85	2,573,689.31	14,592,723.59	9,154,327.64	5,438,395.95
	<u>27,104,183.20</u>	<u>18,385,742.90</u>	<u>8,718,440.30</u>	<u>29,427,400.50</u>	<u>15,386,086.87</u>	<u>14,041,313.63</u>
C. FIXED ASSETS						
I. Intangible Assets						
1. Research and Development Expenses	560,075.41	224,030.16	336,045.25	560,075.41	112,015.08	448,060.33
2. Concessions, Trademarks, Rights & Licenses	29,347.03	29,347.02	0.01	29,347.03	23,477.62	5,869.41
5. Other Intangible Assets	891,414.80	766,654.51	124,760.29	1,147,967.72	952,152.60	195,815.12
	<u>1,480,837.24</u>	<u>1,020,031.69</u>	<u>460,805.55</u>	<u>1,737,390.16</u>	<u>1,087,645.30</u>	<u>649,744.86</u>
II. TANGIBLE ASSETS						
1. Land	1,362,285.04	0.00	1,362,285.04	1,362,285.04	0.00	1,362,285.04
3. Buildings and Technical works	4,952,628.74	1,548,897.01	3,403,731.73	3,803,626.39	1,376,196.80	2,427,429.59
5. Transportation means	134,603.83	80,065.07	54,538.76	122,835.66	69,409.01	53,426.65
5a. Vessels	876,928,347.04					
Less: Provisions for devaluation	<u>22,400,000.00</u>					
	854,528,347.04	40,823,217.83	813,705,129.21	771,064,377.38	51,941,199.37	719,123,178.01
6. Furniture and Fixtures	3,518,535.28	2,445,183.06	1,073,352.22	3,010,738.01	2,039,203.98	971,534.03
7a. Advance payments for vessels' purchase	0.00	0.00	0.00	40,057,792.63	0.00	40,057,792.63
	<u>864,496,399.93</u>	<u>44,897,362.97</u>	<u>819,599,036.96</u>	<u>819,421,655.11</u>	<u>55,426,009.16</u>	<u>763,995,645.95</u>
TOTAL FIXED ASSETS (CI + CII)			<u>820,059,842.51</u>			<u>764,645,390.81</u>
III. Investments and other Long - Term Assets						
1. Holdings in Associated companies	17,197,360.37			23,640,968.45		
Less: Unpaid installments	<u>33,250.00</u>	17,164,110.37		<u>0.00</u>	23,640,968.45	
Provisions for devaluation		<u>1,705,037.00</u>	15,459,073.37		<u>0.00</u>	23,640,968.45
2. Investments in other companies		123,537,709.50			135,385,314.66	
Less: Provisions for devaluation		<u>52,158,955.70</u>	71,378,753.80		<u>0.00</u>	135,385,314.66
7. Other long - term assets			21,959.77			4,328.10
			<u>86,859,786.94</u>			<u>159,030,611.21</u>
TOTAL FIXED ASSETS EMPLOYED (CI + CII + CIII)			<u>906,919,629.45</u>			<u>923,676,002.02</u>
D. CURRENT ASSETS						
I. Inventories						
1. Merchandise			2,761,988.28			2,780,640.97
4. Consumables - Spare Parts			1,790,971.60			1,473,005.14
5. Advances against inventories purchase			1,496.76			6,211.83
			<u>4,554,456.64</u>			<u>4,259,857.94</u>
II. Debtors						
1. Trade Debtors			8,111,538.30			10,138,811.72
2. Bills receivable			0.00			90,034.36
3a. Items for collection						
- In portfolio		2,463,920.44			2,921,099.28	
- In Banks		<u>18,869,543.08</u>	21,333,463.52		<u>8,455,776.96</u>	11,376,876.24
5. Short - Term Receivables from associated companies			2,379,041.15			1,970,567.61
6. Short - Term Receivables from other affiliated companies			2,176,166.70			0.00
10. Doubtful trade debtors and receivables		1,282,317.79			1,219,743.28	
Less: Provisions for doubtful accounts		<u>75,413.88</u>	1,206,903.91		<u>75,413.88</u>	1,144,329.40
11. Other Debtors			2,368,952.65			13,052,119.02
12. Advances and Prepayments			24,835.18			31,015.29
			<u>37,600,901.41</u>			<u>37,803,753.64</u>
III. Marketable Securities						
1. Shares	18,734,255.69			18,117,889.98		
3. Other Securities	<u>0.00</u>	18,734,255.69		<u>19,276,289.23</u>	37,394,179.21	
Less: Provisions for devaluation		<u>14,363,345.29</u>	4,370,910.40		<u>17,716,492.48</u>	19,677,686.73
IV. Cash						
1. Cash in hand			183,702.40			188,166.46
3. Sight and time Deposits			1,009,918.46			8,686,948.51
			<u>1,193,620.86</u>			<u>8,875,114.97</u>
TOTAL CURRENT ASSETS (DI + DII + DIII + DIV)			<u>47,719,889.31</u>			<u>70,616,413.28</u>
E. TEMPORARY ASSETS						
1. Deferred Expenses			1,812,951.90			4,202,260.28
2. Accrued income			23,042.19			1,930.26
3. Other asset suspense accounts			24,679.10			0.00
			<u>1,860,673.19</u>			<u>4,204,190.54</u>
TOTAL ASSETS (B + C + D + E)			<u>965,218,632.25</u>			<u>1,012,537,919.47</u>
DEBIT MEMO ACCOUNTS						
2. Guarantees and collateral securities		771,243,568.16			787,483,497.54	
4. Other contra accounts		<u>1,337.00</u>	<u>771,244,905.16</u>		<u>56,803.00</u>	<u>787,540,300.54</u>

SHIPPING S.A.

- 30th FINANCIAL YEAR (1 JANUARY - 31 DECEMBER 2002)

OF SHAREHOLDERS OF JUNE 29, 2003)

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

LIABILITIES & SHAREHOLDERS EQUITY

	Current Financial Year 2002 EURO		Previous Financial Year 2001 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		156,110,051.36
		<u>159,583,500.00</u>		<u>156,110,051.36</u>
II. Share premium account				
1. Paid - in		156,737,156.38		159,933,040.65
		<u>156,737,156.38</u>		<u>159,933,040.65</u>
III. Revaluation Reserves and Investment Grants				
1. Revaluation of investments		2,668.80		2,668.80
2. Revaluation of reserves		0.00		277,564.37
3. Investment subsidies for fixed assets	6,588,798.01		12,459,418.34	
Less:				
Depreciation of subsidies for purchase				
Fixed assets	<u>634,542.45</u>	<u>5,954,255.56</u>	<u>6,319,659.33</u>	<u>6,139,759.01</u>
		<u>5,956,924.36</u>		<u>6,419,992.18</u>
IV. Reserves				
1. Ordinary Reserves	9,137,137.97		9,137,137.97	
Less: Loss from sale or value decline of participating interests and securities for offsetting	<u>(22,802,170.76)</u>	<u>(13,665,032.79)</u>	<u>(23,951,173.11)</u>	<u>(14,814,035.14)</u>
4. Extraordinary reserves		58,114,127.23		58,114,127.23
5. Tax - Free reserves under special laws		3,387,581.06		3,387,581.06
		<u>47,836,675.50</u>		<u>46,687,673.15</u>
V. Results carried forward				
1. Retained Losses		(116,258,107.77)		(13,813,946.94)
2. Loss brought forward		<u>(13,813,946.94)</u>		<u>0.00</u>
		<u>(130,072,054.71)</u>		<u>(13,813,946.94)</u>
TOTAL SHAREHOLDERS EQUITY (AI + AII + AIII + AIV + AV)		<u>240,042,201.53</u>		<u>355,336,810.40</u>
B. PROVISIONS FOR LIABILITIES AND EXPENSES				
1. Severance pay indemnities due to retirement		1,535,251.60		1,573,865.46
2. Other Provisions		<u>6,918,917.11</u>		<u>3,217,663.71</u>
		<u>8,454,168.71</u>		<u>4,791,529.17</u>
C. LIABILITIES				
I. Long - Term debt				
2. Bank Loans		482,112,033.16		377,065,772.42
		<u>482,112,033.16</u>		<u>377,065,772.42</u>
II. Current Liabilities				
1. Suppliers		18,927,134.86		13,275,183.38
2a. Post - dated cheques		5,435,028.49		13,200,304.38
3. Banks - short-term Liabilities		128,879,832.88		121,389,703.45
4. Customers advances		4,144,601.55		29,787.62
5. Taxes and duties payable		1,691,611.95		2,498,596.35
6. Social Security Contributions		389,346.29		686,458.50
7. Current Portion of long - term debt		39,402,250.00		93,521,362.81
8. Amounts owed to associated companies		7,993,067.85		7,980,361.19
9. Long-Term Liabilities - Other Affiliates		697,492.90		11,925,547.51
10. Dividends payable		937,855.93		1,068,663.23
11. Sundry Creditors		<u>20,200,229.39</u>		<u>6,921,935.38</u>
		<u>228,698,452.09</u>		<u>272,497,903.80</u>
Total Liabilities (CI + CII)		<u>710,810,485.25</u>		<u>649,563,676.22</u>
D. ACCRUALS AND DEFERRED INCOME				
1. Accrued income		381,259.81		251,436.28
2. Accrued expenses		<u>5,530,516.95</u>		<u>2,594,467.40</u>
		<u>5,911,776.76</u>		<u>2,845,903.68</u>
TOTAL LIABILITIES AND SHAREHOLDERS FUNDS (A + B + C + D)		<u>965,218,632.25</u>		<u>1,012,537,919.47</u>
CREDIT MEMO ACCOUNTS				
2. Beneficiaries of guarantees & collateral securities	771,243,568.16		787,483,497.54	
4. Other contra accounts	<u>1,337.00</u>	<u>771,244,905.16</u>	<u>56,803.00</u>	<u>787,540,300.54</u>

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 to assure bank loans the balance of which at 31.12.2002 amounts present year, based on the option provided by the provisions of article 28, L. 3091/2002, was readjusted the, at 31.12.2002, net carrying value of certain privately owned real estate of approximately € 1.20 million to the decline of participating interests and securities for offsetting". 3. The personnel employed by the Company at 31.12.2002 amount to 1,103 persons. 4. In the items "Extraordinary profit" and "Extraordinary losses" of the statements were the following: a) For the fine imposed by the European Competition Committee plus interest of € 3.90 million for which a provision was set up of € 2.64 million. b) For prior years' tax differences of € 1.77 with the other shipping companies of Crete, from its collaboration with them in 1991, which are likely to burden the Company with the amount of approximately € 0.29 million, in the event its views are not proven right yet. 6. Following a decision of the Ordinary General Meeting of shareholders held on 30.6.2002, the share capital of the Company increased by € 3,473,448.64 with the simultaneous increase of the par value of each the par value of each share of the Company's share capital was converted into EURO according to Law 2842/2000. 7. The distribution of the raised funds from the increase of the share capital, which was resolved by totalling € 227,091,668.67 and were issued 17,731,500 new registered shares of nominal value € 2.2 each, from which their listing for dealing in the main market of the Athens Stock Exchange began at 28.07.1999. The relevant certification from the Company's Certified Public Accountant – Auditor, was issued, according to the resolution 58/28.12.2000 of the Board of Directors of the Athens Stock Exchange with the interim Financial accumulated set up provision until 31.12.1997 far exceeds the minimum amount provided for by L. 2190/1920. 9. The Company has been controlled by the tax authorities up until and including the year 1996.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st DECEMBER 2002

At December 31, 2002 (1 January - 31 December 2002)

		<u>Current Financial Year 2002</u>		<u>Previous Financial Year 2001</u>
		<u>EURO</u>		<u>EURO</u>
I. OPERATING RESULTS				
Net Turnover (Sales)		179,563,855.65		147,977,923.66
LESS: Cost of Sales		<u>124,467,065.39</u>		<u>114,714,973.26</u>
Gross operating results (profits)		55,096,790.26		33,262,950.40
PLUS: Other operating income		<u>321,662.57</u>		<u>247,746.25</u>
Total		55,418,452.83		33,510,696.65
LESS: 1. Administrative expenses	12,620,255.50		11,597,361.74	
3. Sales expenses	19,632,508.26		19,317,138.17	
4. Research and Development expenses	<u>1,263,500.80</u>	<u>33,516,264.56</u>	<u>779,463.90</u>	<u>31,693,963.81</u>
Subtotal (profits)		21,902,188.27		1,816,732.84
PLUS: 1. Income from participation	0.00		15,847.40	
2. Income from marketable securities	21,307.42		288,682.18	
3. Profit from sales of Participations and Marketable Securities	1,481,015.86		0.00	
4. Interest income and similar income	<u>156,814.12</u>	1,659,137.40	<u>548,593.55</u>	853,123.13
LESS: 1. Valuation differences from Equity participations & Securities	66,760,103.93		0.00	
2. Expenses & Losses from participations and marketable Securities	9,239,471.01		111,470.33	
3. Interest expense and similar expense	<u>33,748,792.88</u>	<u>109,748,367.82</u>	<u>26,561,559.03</u>	<u>26,673,029.36</u>
Total Operating results (loss) before depreciation		(86,187,042.15)		(24,003,173.39)
II. PLUS: Extraordinary Items				
1. Extraordinary & non operating revenue	820,957.14		6,897,867.50	
2. Extraordinary Profits	3,720,567.64		9,543,360.23	
3. Prior financial years' income	<u>701,590.77</u>	5,243,115.55	<u>424,308.71</u>	16,865,536.44
LESS: 1. Extraordinary & non-operating expenses	5,909,096.75		5,073,121.73	
2. Extraordinary Losses	1,068,538.12		136,779.39	
3. Prior years' expenses	2,428,154.97		1,350,347.33	
4. Provisions for special risks	<u>25,648,518.00</u>	<u>35,054,307.84</u>	<u>0.00</u>	<u>6,560,248.45</u>
Operating and extraordinary results (loss)		(115,998,234.44)		(13,697,885.40)
LESS: Total Depreciation of Fixed Assets and Start - Up Expenses	18,843,427.76		14,434,812.18	
LESS: Depreciation included in operating results	<u>18,843,427.76</u>	<u>0.00</u>	<u>14,434,812.18</u>	<u>0.00</u>
NET RESULTS (LOSS) FOR THE YEAR BEFORE TAXES		<u>(115,998,234.44)</u>		<u>(13,697,885.40)</u>

to € 611,955,031.82 and b) On certain ships mortgages of €13,703,000 and USD 6,928,350 to assure bank loans the balance of which at 31.12.2002 amounts €10,470,241.83 and USD 5,057,740 respectively. **2.** In the assessed value which amounted to approx. € 2.35 million, owing to which increased their acquisition cost by approximately € 1.15 million. The surplus amount is disclosed in the net equity item "Loss from sale or value Income Statement for the period are respectively included profit of € 3.58 million and loss of € 1.02 million from sale of ships. **5.** The Company's pending cases up until the drawing up date of the summary financial 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. c) For disputes and d) 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 which has not been heard share to EURO 2.25 through the capitalization of (a) reserves of € 3,195,884.27 arising from the issuance of shares above par and (b) € 277,564.37 arising from the revaluation of real property as per L.2065/1992, and the 2nd repeated Ordinary General Meeting of, its shareholders held on 16.05.1999, was completed until 30.06.2001. From the above increase which was realized from 16.06.1999 until 16.07.1999 were raised funds payment of the increase was certified during the Assembly of the Company's Board Meeting held on 21 July 1999. The expenses of the aforementioned issue amounted to € 7,148,761.20. The full analysis and the Statements of the b' trimester 2001, in the newspaper "IMERISSIA" with the No. 16152 page at 31.08.2001 **8.** As in the previous year, a provision for staff retirement benefits has not been set up, as the existing

APPROPRIATION ACCOUNT

	<u>Current Financial Year 2002</u> <u>EURO</u>	<u>Previous Financial Year 2001</u> <u>EURO</u>
Net results (loss) for the year	(115,998,234.44)	(13,697,885.40)
PLUS: Prior year retained losses	<u>(13,813,946.94)</u>	<u>0.00</u>
Total	(129,812,181.38)	(13,697,885.40)
PLUS: 2. Other Taxes not included in the operating cost	<u>(259,873.33)</u>	<u>(116,061.54)</u>
Retained Losses	<u>(130,072,054.71)</u>	<u>(13,813,946.94)</u>

Heraklion, 7 July 2003

THE CHAIRMAN OF THE BOARD

KONSTANTINOS KLIROMOS
ID C No K 980430

THE VICE CHAIRMAN

EMMANUIL KOULENDAKIS
ID C No F 251786

THE GENERAL MANAGER

PANAGIOTIS KASSAPAKIS
ID C No P 831611

THE CHIEF ACCOUNTANT

DIMITRA BATSI
A 0023944

AUDITOR'S REPORT

To the Shareholders of "MINOAN LINES SHIPPING S.A."

We have audited the above Financial Statements, as restated by the decision of the Annual General Meeting of Shareholders of the 29th June 2003, as well as the related Notes on the Accounts as restated accordingly, of "MINOAN LINES S.A." for the year ended December 31,2002. We conducted our audit, within the scope of which we obtained also a full accounting report of the Company's Branch operations, in accordance with the provisions of art. 37 of the Companies' Act of Greece (c.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 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. It is noted that the items of the preceding year are expressed in Euro on the basis of the corresponding items in GRD that were disclosed in the published financial statements for that year. We have verified that the restated accordingly Board of 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 (Companies' Act of Greece) . As a result of our audit following the relevant restatements it is noted that: **1.** The total debit exchange differences of approx € 2.20 million that incurred in the year 2000 from the valuation of the liabilities in foreign currency (USD) did not burden this year but it was included in the Assets item B4 "Other formation expenses" and amortized equally within three successive years, in accordance with the provisions of A.Y.O. 1112072/11332/B0012/Pol. 1294/8.12.2000. **2.** Up to the 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 Competition European Committee, in the year 1998, fine plus interest amounting to € 3.90 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 part of which were heard and the company was proven right in first instance for a total amount of approx. € 1.31 million. The accumulated in prior years provision in this case amounts to approx. € 0.32 million **c)** for disputes with the other shipping companies of Grete, following their collaboration in the year 1991, which may burden the company with approx. € 0.29 million in case where it is not proven right and **d)** for the imposed by the Competition Committee, fine of € 4.50 million. Against the above sentence a recourse has been brought before the Athens Administrative Court of Appeal which has not been heard yet. In respect of the case (d) afore, the company has not set up a relative provision. 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, 2002 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, 8 July, 2003

The Certified Public Accountant – Auditor

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

MINOAN LINES SHIPPING S.A.

FIFTH CONSOLIDATED BALANCE SHEET

(AS RESTATED BY THE ANNUAL GENERAL MEETING

PUBLIC LIMITED COMPANIES

ASSETS

	Current Financial Year 2002			Previous Financial Year 2001		
	Book Value	Depreciation	Net Book Value	Book Value	Depreciation	Net Book Value
B. FORMATION EXPENSES						
1. Start - up costs	43,236.36	26,947.06	16,289.30	42,167.30	17,444.55	24,722.75
2. Exchange rate adjustments on loans for acquisitions	5,525,373.82	2,322,979.10	3,202,394.72	8,666,582.37	3,816,956.37	4,849,626.00
3. Construction Period Interest cost	7,330,689.04	4,388,332.77	2,942,356.27	6,843,842.36	3,090,550.68	3,753,291.68
4. Other formation expenses	15,223,338.92	12,622,369.48	2,600,969.44	14,906,498.57	9,431,434.83	5,475,063.74
	<u>28,122,638.14</u>	<u>19,360,628.41</u>	<u>8,762,009.73</u>	<u>30,459,090.60</u>	<u>16,356,386.43</u>	<u>14,102,704.17</u>
C. FIXED ASSETS						
I. Intangible Assets						
1. Research and Development expenses	560,075.41	224,030.16	336,045.25	560,075.41	112,015.08	448,060.33
2. Concessions Trademarks, Rights & Licenses	29,347.03	29,347.02	0.01	29,347.03	23,477.62	5,869.41
5. Other Intangible Assets	891,414.80	766,654.51	124,760.29	1,147,967.72	952,152.61	195,815.11
	<u>1,480,837.24</u>	<u>1,020,031.69</u>	<u>460,805.55</u>	<u>1,737,390.16</u>	<u>1,087,645.31</u>	<u>649,744.85</u>
II. Tangible Assets						
1. Land	3,955,478.52	0.00	3,955,478.52	3,955,478.52	0.00	3,955,478.52
3. Buildings and technical work	5,778,295.82	2,374,564.04	3,403,731.78	4,629,293.46	2,193,181.88	2,436,111.58
5. Transportation means	136,939.83	80,357.07	56,582.76	122,835.66	69,409.01	53,426.65
5a. Vessels	876,928,347.04					
Less: Provisions for devaluation	<u>22,400,000.00</u>					
6. Furniture and Fixture	854,528,347.04	40,823,217.83	813,705,129.21	777,916,230.95	53,447,464.63	724,468,766.32
7a. Advance payments for vessels' purchase	3,552,911.41	2,467,137.39	1,085,774.02	3,242,383.44	2,180,520.09	1,061,863.35
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>40,057,792.63</u>	<u>0.00</u>	<u>40,057,792.63</u>
	<u>867,951,972.62</u>	<u>45,745,276.33</u>	<u>822,206,696.29</u>	<u>829,924,014.66</u>	<u>57,890,575.61</u>	<u>772,033,439.05</u>
TOTAL FIXED ASSETS (CI + CII)			<u>822,667,501.84</u>			<u>772,683,183.90</u>
III. Investments and other						
Long - Term Assets						
1. Holdings in Associated companies		70,797,566.92			118,239,047.15	
Less: Unpaid installments		0.00	70,797,566.92		0.00	118,239,047.15
7. Other Long - Term Assets			27,780.00			15,899.93
			<u>70,825,346.92</u>			<u>118,254,947.08</u>
TOTAL FIXED ASSETS EMPLOYED (CI + CII + CIII)			893,492,848.76			890,938,130.98
D. CURRENT ASSETS						
I. Inventories						
1. Merchandise			2,761,988.28			2,780,640.97
4. Consumables - Spare Parts			1,790,971.60			1,473,005.14
5. Advances against inventories purchase			1,496.76			6,211.83
			<u>4,554,456.64</u>			<u>4,259,857.94</u>
II. Debtors						
1. Trade Debtors			6,972,359.42			3,731,388.63
2. Bills receivable			0.00			90,034.36
3a. Items for collection						0.00
- In portfolio		2,470,461.07			2,921,099.28	
- In Banks		<u>18,869,543.08</u>	21,340,004.15		<u>8,455,776.96</u>	11,376,876.24
6. Short - Term Receivables from associated companies			2,176,166.70			
10. Doubtful trade debtors and receivables		1,282,317.79			1,295,002.00	
Less: Provisions for doubtful accounts		<u>75,413.88</u>	1,206,903.91		<u>75,413.88</u>	1,219,588.12
11. Other Debtors			10,552,408.75			25,446,842.15
12. Advances and Prepayments			24,835.18			31,015.29
			<u>42,272,678.11</u>			<u>41,895,744.79</u>
III. Marketable Securities						
1. Shares	18,734,255.69			22,973,944.96		
3. Other Securities	<u>0.00</u>	18,734,255.69		<u>19,276,289.23</u>	42,250,234.19	
Less: Provisions for devaluation		<u>14,363,345.29</u>	4,370,910.40		<u>22,569,706.67</u>	<u>19,680,527.52</u>
IV. Cash						
1. Cash in hand			186,947.54			212,815.76
3. Sight and time Deposits			<u>1,292,239.36</u>			<u>9,050,407.07</u>
			<u>1,479,186.90</u>			<u>9,263,222.83</u>
TOTAL CURRENT ASSETS (DI + DII + DIII + DIV)			<u>52,677,232.05</u>			<u>75,099,353.08</u>
E. TEMPORARY ASSETS						
1. Deferred Expenses			1,820,497.21			4,260,417.98
2. Accrued income			35,869.76			13,949.94
3. Other asset suspense accounts			24,679.10			0.00
			<u>1,881,046.07</u>			<u>4,274,367.92</u>
TOTAL ASSETS (B + C + D + E)			<u>956,813,136.61</u>			<u>984,414,556.15</u>
DEBIT MEMO ACCOUNTS						
1. Third parties assets		12,286.13			0.00	
2. Guarantees and collateral securities		776,100,033.58			788,340,401.20	
4. Other contra accounts		<u>1,337.00</u>	<u>776,113,656.71</u>		<u>56,803.00</u>	<u>788,397,204.20</u>

- GROUP OF COMPANIES

AS AT 31st DECEMBER 2002 (1 JANUARY - 31 DECEMBER 2002)

OF SHAREHOLDERS OF JUNE 29, 2003)

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

LIABILITIES & SHAREHOLDERS EQUITY

	Current Financial Year 2002 EURO		Previous Financial Year 2001 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		156,110,051.36
		<u>159,583,500.00</u>		<u>156,110,051.36</u>
II. Share premium account				
1. Paid - in		156,737,156.38		159,933,040.65
		<u>156,737,156.38</u>		<u>159,933,040.65</u>
III. Revaluation Reserves and Investments Grants				
1. Revaluation of investments		2,668.80		2,668.80
2. Revaluation of reserves		0.00		277 564.37
3. Government Grants for Fixed Assets	6,588,798.01		12,459,418.34	
Less:				
Depreciation of subsidies				
for purchase of fixed assets	634,542.45	5,954,255.56	6,319,659.33	6,139,759.01
		<u>5,956,924.36</u>		<u>6,419,992.18</u>
IV. Reserves				
1. Ordinary reserves	9,160,524.59		9,151,737.68	
Less: Loss from sale or value decline of participating interests and securities for offsetting	(22,802,170.76)	(13,641,646.17)	(28,804,629.10)	(19,652,891.42)
4. Extraordinary reserves		58,114,127.23		58,114,127.23
5. Tax - Free reserves under special law		3,438,908.61		3,438,531.10
		<u>47,911,389.67</u>		<u>41,899,766.91</u>
V. Results carried forward				
1. Retained Losses		(131,677,518.15)		(33,544,846.72)
		<u>(131,677,518.15)</u>		<u>(33,544,846.72)</u>
VIII. Consolidation Differences				
		<u>(4,485,010.33)</u>		<u>(4,483,948.74)</u>
TOTAL SHAREHOLDERS EQUITY				
(AI + AII + AIII + AIV + AV + AVIII)		<u>234,026,441.93</u>		<u>326,334,055.64</u>
IX. Minority Interests				
		<u>4,286,525.95</u>		<u>6,463,276.47</u>
Total Shareholders Equity (AI + AII + AIII + AIV + AV+ AVIII + AIX)				
		<u>238,312,967.88</u>		<u>332,797,332.11</u>
B. PROVISIONS FOR LIABILITIES AND EXPENSES				
1. Severance pay indemnities due to retirement		1,545,265.98		1,573,865.46
2. Other provisions		6,929,919.74		3,218,460.16
		<u>8,475,185.72</u>		<u>4,792,325.62</u>
C. LIABILITIES				
I. Long - Term debt				
2. Bank Loans		482,112,033.16		377,413,937.04
		<u>482,112,033.16</u>		<u>377,413,937.04</u>
II. Short - Term Liabilities				
1. Suppliers		19,001,435.36		13,464,353.77
2a. Post - dated cheques		5,462,019.66		13,201,082.58
3. Banks - short-term liabilities		129,379,832.88		122,124,083.60
4. Customers advances		3,868,832.99		29,787.62
5. Taxes and duties payable		1,910,997.18		2,608,964.56
6. Social Security Contributions		438,587.68		747,756.28
7. Current portion of long - term debt		39,402,250.00		94,217,692.03
9. Liabilities to other affiliates		697,492.90		11,925,547.51
10. Dividends payable		937,855.93		1,068,663.23
11. Sundry Creditors		20,896,629.45		7,155,072.50
		<u>221,995,934.03</u>		<u>266,543,003.68</u>
Total Liabilities (CI + CII)				
		<u>704,107,967.19</u>		<u>643,956,940.72</u>
D. ACCRUALS AND DEFERRED INCOME				
1. Accrued income		383,677.98		251,436.28
2. Accrued expenses		5,533,337.84		2,616,521.42
		<u>5,917,015.82</u>		<u>2,867,957.70</u>
TOTAL LIABILITIES (A + B + C + D)				
		<u>956,813,136.61</u>		<u>984,414,556.15</u>
CREDIT MEMO ACCOUNTS				
1. Beneficiaries of third parties assets	12,286.13		0.00	
2. Beneficiaries of guarantees and collateral securities	776,100,033.58		788,340,401.20	
4. Other contra accounts	1,337.00	776,113,656.71	56,803.00	788,397,204.20

NOTES: 1. In the above-consolidated Financial Statements 1.01-31.12.2002 are included, apart from the parent company, the subsidiary companies MINOAN CRUISES-SHIPPING S.A., MINOAN CHANGE-Currency Exchange 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 mortgages: a) Mortgages of € 708,755,000 to assure bank loans the balance of which at 31.12.2002 amounts to € 614,955,031.82 and b) On certain ships mortgages of € 13,703,000 and USD 6,928,350 to assure bank loans value of certain privately owned by the parent company real estate of approximately € 1.20 million to the assessed value which amounted to approx. € 2.35 million, owing to which increased their acquisition cost by approximately of the parent company held on 30.6.2002, the share capital was increased by € 3,473,448.64 with the simultaneous increase of the par value of each share to EURO 2.25 through the capitalization of (a) reserves of € 3,195,884.27 EURO according to Law 2842/2000. 5. In the items "Extraordinary profit" and "Extraordinary losses" of the Consolidated Income statement for the period are respectively included profit of € 3.58 million and loss of € 5.37 million parent company as for its local subsidiaries. As for the parent company the existing, accumulated set up provision, until 31.12.1997, far exceeds the minimum amount provided for by c.L.2190/1920. As regards to the domestic Session of the Administrator Legal Advisors. Had the domestic subsidiary companies of the group set up such a provision would not have been significant. Foreign subsidiary company sets up provision for staff retirement benefits Committee plus interest of € 3.90 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 likely to burden the Company with the amount of approximately € 0.29 million, in the event its views are not proven right and d) For the fine imposed by the Antitrust Commission of € 4.50 million for which the Company has filed (equal to € 533,400.39) 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

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST DECEMBER 2002

At December 31, 2002 (1 January - 31 December 2002)

	Current Financial Year 2002		Previous Financial Year 2001	
	EURO		EURO	
I. OPERATING RESULTS				
Turnover (Sales)		179,982,729.91		152,310,486.10
Less: Cost of sales		<u>126,273,361.08</u>		<u>117,808,169.63</u>
Gross operating results		53,709,368.83		34,502,316.47
Plus: 1. Other operating income		<u>394,111.05</u>		<u>218,334.59</u>
Total		54,103,479.88		34,720,651.06
Less: 1. Administration expenses	13,005,318.33		11,867,462.52	
3. Sales expenses	17,092,449.99		20,251,625.51	
4. Uncosted Production Cost (under - utilization / vessel lay - up)	<u>1,479,268.22</u>	<u>31,577,036.54</u>	<u>1,099,110.75</u>	<u>33,218,198.78</u>
Operating results (profit)		22,526,443.34		1,502,452.28
Plus:				
1a. Revenue from affiliates	116,452.20		263,920.09	
2. Revenues from marketable securities	21,307.42		288,682.18	
3. Profits from sales of Participations and marketable securities	1,481,015.86		0.00	
4. Interest income and related income	<u>159,361.98</u>	<u>1,778,137.46</u>	<u>467,743.16</u>	<u>1,020,345.43</u>
Less:				
1. Valuation differences from Equity participations & Securities	12,896,111.23		0.00	
1a. Losses from affiliates	17,212,874.71		7,418,069.44	
2. Expenses and losses from participations and marketable securities	9,240,170.25		130,316.13	
3. Debit interest and similar charges	<u>33,869,652.89</u>	<u>73,218,809.08</u>	<u>26,741,658.05</u>	<u>34,290,043.62</u>
Total operating results (loss)		(48,914,228.28)		(31,767,245.91)
II. Plus: Non operating items				
1. Extraordinary & Non - Operating revenues	829,550.83		6,973,455.49	
2. Extraordinary Revenues	3,731,428.32		9,543,360.23	
3. Revenues from previous years' provisions	<u>707,360.31</u>	<u>5,268,339.46</u>	<u>444,812.32</u>	<u>16,961,628.04</u>
Less:				
1. Extraordinary & non - operating expenses	6,359,906.98		5,458,891.00	
2. Extraordinary losses	5,415,885.75		2,328,248.11	
3. Prior years' losses	2,457,794.72		1,403,535.79	
4. Provisions for special risks	<u>25,648,518.00</u>	<u>39,882,105.45</u>	<u>0.00</u>	<u>9,190,674.90</u>
Operating and extraordinary results (loss)		(83,527,994.27)		(23,996,292.77)
Less:				
1. Total depreciation of Fixed Assets and Start - Up expenses	18,890,243.21		15,479,290.56	
Less: Depreciation included in operating results	<u>18,890,243.21</u>	<u>0.00</u>	<u>14,774,961.87</u>	<u>704,328.69</u>
NET RESULTS (LOSS) FOR THE YEAR BEFORE TAXES		(83,527,994.27)		(24,700,621.46)
Less: Income taxes		149,582.40		42,110.16
Other taxes not included in operating cost		277,405.86		116,061.54
NET RESULTS (LOSS) FOR THE YEAR AFTER TAXES		<u>(83,954,982.53)</u>		<u>(24,858,793.16)</u>
LESS: Minority shares not included in operating cost		<u>(2,177,482.60)</u>		<u>(1,811,895.85)</u>
NET CONSOLIDATED RESULTS (LOSS) FOR THE GROUP		(81,777,499.93)		(23,046,897.31)

S.A. (under liquidation), MINOAN LINES HIGHSPEED FERRIES-SHIPING Co. (under liquidation), EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A., MINOAN AGENCIES S.R.L., FLYING DOLPHINS SHIPPING S.A., MEDITERRANEAN FERRIES S.R.L. and the associated up until 29.10.2002 company FORTH-CRS S.A. 2. On the fixed assets of the companies of the Group there are the following the balance of which at 31.12.2002 amounts €10,470,241.83 and USD 5,057,740. 3. In the present year, based on the option provided by the provisions of article 28, L. 3091/2002, was readjusted the, at 31.12.2002, net carrying € 1.15 million. The surplus amount is disclosed in the net equity item "Loss from sale or value decline of participating interests and securities for offsetting". 4. Following a decision of the Ordinary General Meeting of shareholders arising from the issuance of shares above par and (b) € 277,564.37 arising from the revaluation of real property as per L.2065/1992, and the par value of each share of the parent Company's share capital was converted into from sale of ships. 6. The personnel employed by the companies of the Group at 31.12.2002 amount to 1,128 persons. 7. As in the previous year, a provision has not been set up for staff retirement benefits so much for the subsidiary companies, a provision was not set up because no member of the staff of these companies does not meet the requirements for retirement in the following year, according to the opinion No. 205/1988 of the Plenary according to foreign legislation. 8. 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 Competition heard, the Court of the First Instance proved the Company right, for a total amount of approximately € 1.31 million. c) For disputes with the other shipping companies of Crete, from its collaboration with them in 1991, which are an appeal against this decision before the Administrative Court of Appeals of Athens which has not been heard yet. 9. The charge or not of the results for the period of a subsidiary company with the amounts of USD 559,377 the legal actions which NAT has already proceeded to and the aforesaid Subsidiary undertaking will proceed with.

Heraklion, 7 July 2003

THE CHAIRMAN OF THE BOARD

KONSTANTINOS KLIROMOS
ID C No K 980430

THE VICE CHAIRMAN

EMMANUIL KOULENDAKIS
ID C No F 251786

THE GENERAL MANAGER

PANAGIOTIS KASSAPAKIS
ID C No P 831611

THE CHIEF ACCOUNTANT

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 fifth 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, 2002 as restated by the decision of the Annual General Meeting of Shareholders of the 29th June 2003 of the parent company. 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 other, beyond the parent, companies, which are included in the consolidation and represent 2,03% and 1,70% 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. Likewise we have not extended our audit to the examination of the Financial Statements for the other subsidiaries, which are included in the consolidation and represent a minus rate of the consolidated total assets and turnover. These Financial Statements have been prepared by the respective Management of each Company and we were furnished with all the necessary explanations that we considered appropriate for the audit concerning the correct preparation of Consolidated Financial Statements. As a result of our audit it is noted that: **1)** The consolidated prior years' results should have been charged with debit exchange differences of approx. € 2,20 million that incurred at the valuation of the liabilities of the parent company in foreign currency (USD). This amount was included in the item B4 "Other formation expenses" and amortized in accordance with the provisions of AYO 1112072/11332/B0012/Pol. 1294/8.12.2000. **2)** Up to the date of the above consolidated financial statements had not been heard nor judged without appeal the following pending cases of the parent Company: a) for the imposed by the Competition European Committee, in the year 1998, fine plus interest amounting to € 3,90 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 part of which were heard and the company was proven right in first instance for a total amount of approx. € 1,31 million. The accumulated in prior years provision in this case amounts to approx. € 0,32 million c) for disputes with the other shipping companies of Grete, following their collaboration in the year 1991, which may burden the company with approx. € 0,29 million in case where it is not proven right and d) for the imposed by the Competition Committee, fine of € 4,50 million. Against the above sentence a recourse has been brought before the Athens Administrative Court of Appeal which has not been heard yet. In respect of the case d afore, the company has not set up a relative provision. **3)** The surcharge or not, of the consolidated results with the amounts, USD 559.377,00 (equal in Euro 533.400,39) and € 210.162,44 in case of forfeiture of guarantees, in favour of a subsidiary company, letters of respective amounts which have been issued towards NAT, is associated with the outcome of the legal action that the subsidiary company will take as well as with the legal action already commenced by the NAT. In our opinion, after taking into consideration our foregoing notes, as well as the Company's notes the above restated 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 restated results of operations of all the companies which are included in the consolidation, as at 31 December, 2002. It is further noted that the items of the preceding year are expressed in Euro on the basis of the corresponding items in GRD, which were included in the published consolidated financial statements for that fiscal year.

Athens, 8 July, 2003

The Certified Public Accountant – Auditor

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





MINOAN LINES

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