



MINOAN LINES SHIPPING S.A. - GROUP OF COMPANIES

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE FIRST SEMESTER ENDED JUNE 30, 2002

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

ASSETS	1/01-30/06/2002 €	1/01/-30/06/2001 €	LIABILITIES & SHAREHOLDERS EQUITY	1/01-30/06/2002 €	1/01-30/06/2001 €
B. FORMATION EXPENSES	<u>11,177,477.87</u>	<u>14,427,515.79</u>	A. SHARE CAPITAL		
C. FIXED ASSETS			Issued and fully paid (70,926,000 shares of € 2.25 each)	159,583,500.00	156,110,051.36
Book Value	833,936,800.62	673,081,080.47	Share premium account	156,737,156.38	159,933,040.65
Less: Depreciation (up until 30/6/2002)	<u>41,084,672.50</u>	<u>53,061,269.13</u>	Revaluation of reserves & investment subsidies	6,049,685.08	11,490,077.08
Net Book Value	792,852,128.12	620,019,811.34	Reserves	39,745,738.86	77,147,188.01
Investments & other Long-term Assets	<u>52,696,703.56</u>	<u>118,268,164.93</u>	Retained Losses	(83,204,212.41)	(10,455,757.39)
TOTAL FIXED ASSETS EMPLOYED	<u>845,548,831.68</u>	<u>738,287,976.27</u>	Consolidation differences	<u>(4,485,893.20)</u>	<u>(93,241.32)</u>
D. CURRENT ASSETS			Total Minoan Lines' Shareholders Equity	<u>274,425,974.71</u>	<u>394,131,358.39</u>
Inventory	4,953,434.88	5,041,901.17	Minority Interests	<u>6,314,586.72</u>	<u>6,905,627.96</u>
Trade Debtors	6,514,358.36	19,612,470.47	Total Shareholders Equity	<u>280,740,561.43</u>	<u>401,036,986.35</u>
Other Debtors	34,926,336.19	27,257,509.13	Retained Losses (1/01-30/06/2002)	<u>(19,701,820.64)</u>	<u>(27,919,850.54)</u>
Marketable Securities	17,491,883.69	53,907,268.10	B. PROVISIONS	<u>5,053,701.17</u>	<u>5,002,364.98</u>
Cash & Cash equivalents	<u>2,549,047.85</u>	<u>69,043,271.62</u>	C. LIABILITIES		
Total Current Assets	<u>66,435,060.97</u>	<u>174,862,420.49</u>	Long-term Debt	447,372,697.77	368,763,154.32
E. TEMPORARY ASSETS	<u>3,317,351.36</u>	<u>2,456,077.50</u>	Current Liabilities	<u>209,283,237.92</u>	<u>179,074,805.52</u>
TOTAL ASSETS	<u>926,478,721.88</u>	<u>930,033,990.05</u>	Total Liabilities	<u>656,655,935.69</u>	<u>547,837,959.84</u>
DEBIT MEMO ACCOUNTS	<u>728,600,692.58</u>	<u>606,705,696.08</u>	D. ACCRUALS & DEFERRED INCOME	<u>3,730,344.23</u>	<u>4,076,529.42</u>
			TOTAL LIABILITIES & SHAREHOLDERS EQUITY	<u>926,478,721.88</u>	<u>930,033,990.05</u>
			CREDIT MEMO ACCOUNTS	<u>728,600,692.58</u>	<u>606,705,696.08</u>

NOTES: 1. In the above-consolidated Financial Statements 1.01-30.06.2002 are included, apart from the parent company, the subsidiary companies MINOAN CRUISES-SHIPPING S.A., MINOAN CHANGE-Currency Exchange S.A., MINOAN LINES HIGHSPEED FERRIES-SHIPPING Co. (under liquidation), EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT AND CONSULTANTS S.A., CRETAN FILOXENIA S.A. and its subsidiary ATHENA S.A. which were consolidated with the full consolidation method. Also included with the net worth method are the associated undertakings FORTHNET S.A., FORTH-CRS S.A., HELLAS FLYING DOLPHINS SHIPPING S.A. and the MEDITERRANEAN FERRIES S.R.L.. 2. Following a decision of the Ordinary General Meeting of shareholders held on 30.6.2002, the share capital of the Company increased by EURO 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 arising from the issuance of shares above par and (b) EURO 277,564.37 arising from the revaluation of real property as per L.2065/1992, and the par value of each share of the Company's share capital was converted into EURO according to Law 2842/2000. 3. On the company's ships there are shipping mortgages of, € 660,400,000 and USD 9,500,000 to assure bank loans the balance of which at 30.06.2002 amounts to € 522,413,422.37. 4. The personnel employed by the Company at 30.06.2002 amount to 1,320 persons. 5. As in the previous year, a provision has not been set up for staff retirement benefits so much for the parent company as for its 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 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 Session of the Administrator Legal Advisors. Had the subsidiary companies of the group set up such a provision would not have been significant. 6. The Company's pending cases up until the drawing up date of the Consolidated financial statements were the following: a) For the fine imposed by the European Commission of € 3.26 million for which a provision was set up of € 2.64 million. b) For prior years' tax differences of € 1.77 million, for which a provision has been set up of € 0.32 million. For the cases, which were heard, the Court of the First Instance proved the Company right, for a total amount of approximately € 1.31 million. c) For disputes 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 and d) For the fine imposed by the Antitrust Commission of € 4.5 million for which the Company has filed an appeal against this decision before the Administrative Court of Appeals of Athens. The charge or not of the results for the period of a subsidiary company with the amounts of USD 559,377 (equal to € 560,778.95) and € 210,162.45 in the circumstance of the forfeiture of guarantee letters, in favor of a subsidiary company, of respective amounts which have been issued in favor of NAT, is related to the outcome of the legal actions which the aforesaid Subsidiary undertaking will proceed with. It is noted that NAT has already been proven right by the Supreme Court for the amount of USD 342,754 (equal to € 343,613.03) and € 21,502.64 and the case has committed for further hearing at the Court of Appeal of Crete.

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD (JANUARY 1 - JUNE 30, 2002)			Heraklion, August 22, 2002	THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN OF THE BOARD
	1/01-30/06/2002 €	1/01/-30/06/2001 €			
TURNOVER				KOSTAS KLIRONOMOS	EMMANUIL KOULENDAKIS
Turnover (Sales)	71,810,501.32	59,380,558.77		ID C.No K 980430	ID C.No F 251786
Less: Cost of Sales	57,967,471.30	53,322,236.20			
Plus: Other Operating Income	125,766.18	79,026.57		THE GENERAL MANAGER	THE CHIEF ACCOUNTANT
Gross Operating Results (profits)	13,968,796.20	6,137,349.14			
Less: Administrative Expenses	6,175,883.91	5,730,732.85		PANAGIOTIS KASSAPAKIS	DIMITRA BATSI
Sales Expenses	5,929,535.21	6,752,530.29		ID C.No P 831611	ID C.No P 487723
Research & Development expenses	861,240.50	547,411.56			
Subtotal	1,002,136.58	(6,893,325.56)			
Less: Financial Expenses	19,803,616.47	24,362,050.27			
Total Operating Results	(18,801,479.89)	(31,255,375.83)			
Plus: Extraordinary Income-Profits	5,161,377.67	11,341,510.20			
Less: Extraordinary Expenses-Losses	6,211,158.28	9,376,135.37			
Operating & extraordinary results	(19,851,260.50)	(29,290,001.00)			
Less: Total depreciation of Fixed Assets	9,276,105.47	7,505,355.69			
Less: Depreciation included in operating costs	9,276,105.47	7,505,355.69			
NET RESULTS BEFORE TAXES	<u>(19,851,260.50)</u>	<u>(29,290,001.00)</u>			
Less: Minority Interests	(149,439.86)	(1,370,150.46)			
NET CONSOLIDATED RESULTS FOR THE GROUP	<u>(19,701,820.64)</u>	<u>(27,919,850.54)</u>			

AUDITOR'S REPORT

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

We have audited the above financial statements in accordance with the requirements of art. 6 of P.D. 360/1985, as modified by art. 90 of L.2533/1997, and also in conformity with the standards of auditing followed by the Institute of Certified Auditors-Accountants in Greece and such other auditing procedures as we considered necessary in the circumstances, in order to verify that the above Consolidated Financial Statements of "MINOAN LINES" SHIPPING S.A. covering the period from 1.1.2002 till 30.06.2002 do not contain omissions or inaccuracies which, may materially alter the view of the consolidated assets, liabilities and financial position of the parent company and of the subsidiaries which are included in the consolidation. We have not extended our audit to the examination of the Financial Statements of the other companies, besides the parent company, which are included in the consolidation and represent 3.33% and 0.09% of the consolidated total assets and turnover. The Financial Statements of the subsidiary companies, which have been furnished to us are not audited by recognized auditors, they were prepared by the Management of these companies and we obtained all the information and explanations which we needed for the purpose of our audit, concerning the fairness on Consolidated Financial Statements presentation. The associated companies, which are included in the consolidation with the equity method, have brought to our consideration temporary financial statements. From our audit it is noted that: 1) The total debit exchange differences of approximately € 2.2 million from the valuation of liabilities of the parent company in foreign currency (USD), should have burdened the financial results of the previous year. The aforementioned amount is included in the item "formation expenses" and amortized according to the degree of the Ministry of Finance 1112072/11332/B0012/POL1294/8.12.2000. 2) The item "marketable securities" of the parent company was valued at acquisition cost, according to the provisions of para. 5 of article 28 of the P.D. 186/1992 (B.R.C.), includes shares listed and non-listed in the Athens Stock Exchange. In the case that the above item was valued according to the provisions of para. 6 of article 43 of c.L. 2190/1920, for the listed in the A.S.E. shares, the occurred loss would not be material for the consolidated results of the period, while the intrinsic book value of the non-listed company is shorter to that of the acquisition cost by approximately € 11 million. 3) The consolidated results of the present year were not charged with the loss from the sale of shares and other investments (shares of mutual funds) of the parent company, of € 2.15 million approximately, but this amount was transferred, directly in the decrease of the consolidated Capital and Reserves. 4) Up until the drawing up date of the Consolidated Financial Statements, the parent company's following pending cases had not been heard of finally judged: a) For the fine imposed by the European Commission in the year 1998, of € 3.26, for which a provision was set up of € 2.64 million in the previous years', b) For prior years' tax differences of € 1.77 million, part of which was heard and the company was proven right by the Court of the first instance for a total amount of approximately € 1.31 million. The provision set up in previous years' for this case amounts to € 0.32 million, c) For disputes 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 € 0.29 million approximately, in the event its views are not proven right. d) For the fine imposed by the Antitrust Commission of € 4.5 million for which the Company has filed an appeal against this decision before the Administrative Court of Appeals of Athens, to be discussed in the month of September 2002. For the last case relevant provision has not been set up. 5) The charge or not of the results for the year of a Subsidiary Company with the amount of USD 559,377 (equal to € 560,788.95) and € 210,162.45 in the circumstance of the forfeiture of guarantee letters in favour of a subsidiary company, of respective amounts which have been issued in favour of NAT, is related to the outcome of the petitions of appeal and of the legal actions the aforesaid subsidiary company will proceed with. It is noted that NAT has already proven right by the Supreme Court for the amount of USD 342,754 (equal to € 343,613.03) and € 21,502.64 and the case has committed for further hearing at the Court of Appeal of Crete. In our opinion, after taking into consideration our foregoing notes and the Company's notes under the balance sheet, the above Consolidated Financial Statements have been prepared according to the provisions of L.2190/1920, in conformity with legal requirements and generally accepted accounting principles applied by the parent company on a basis of a consistent with that of the preceding year, except for the case of our aforesaid note no. 3.

Athens, 23 August 2002
The Certified Public Accountant Auditor

STEFANOS P. SARAKOSTIDES
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SOL S.A. - Certified Auditors