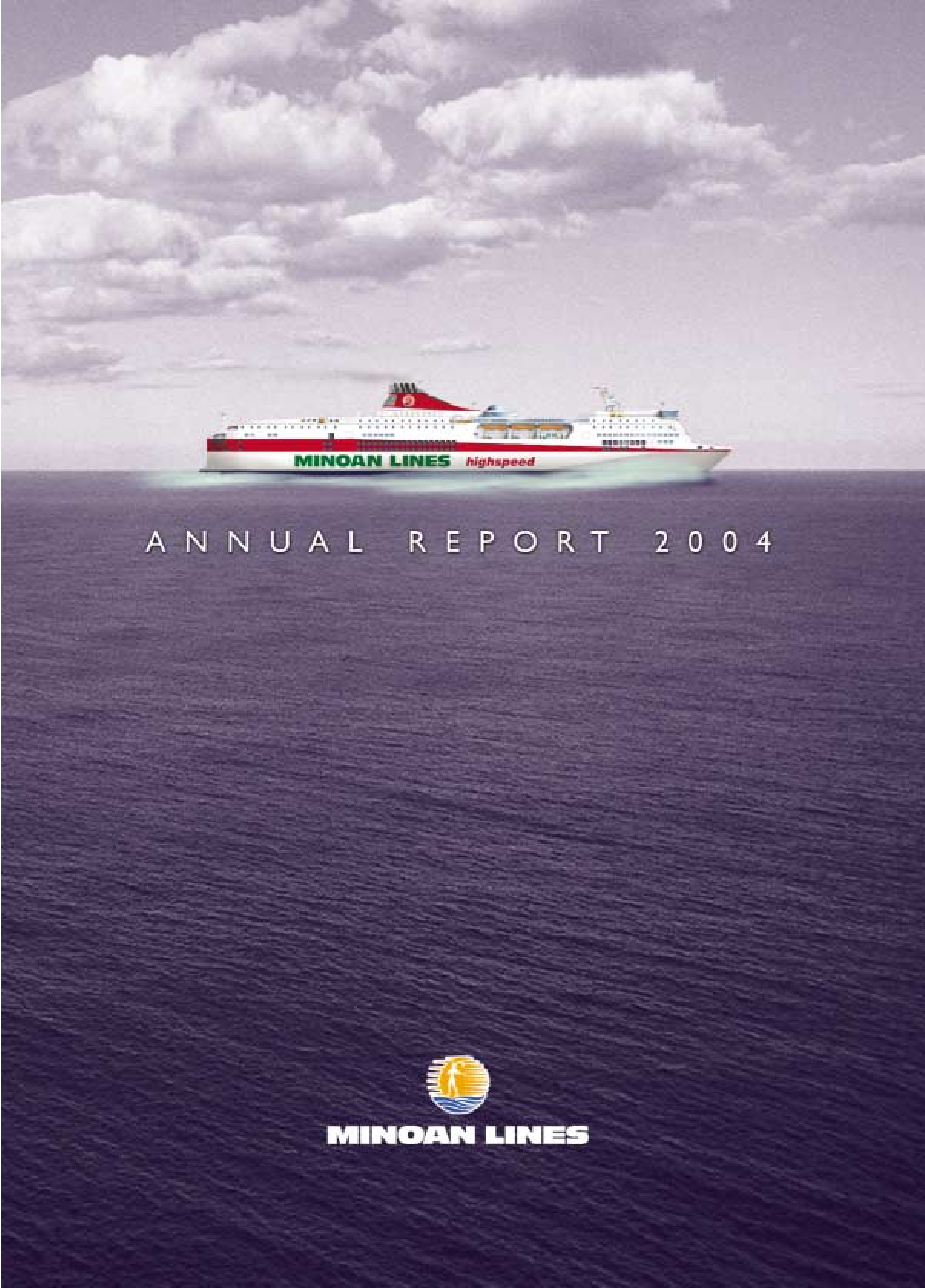
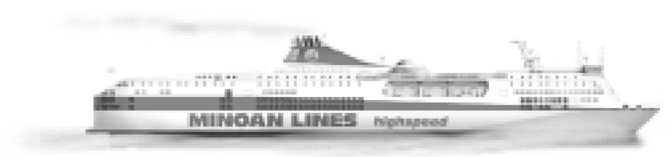

MINOAN LINES highspeed
ANNUAL REPORT 2004
MINOAN LINES

MINOAN LINES SHIPPING S.A



ANNUAL REPORT 2004

MINOAN LINES

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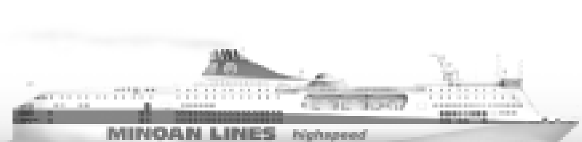


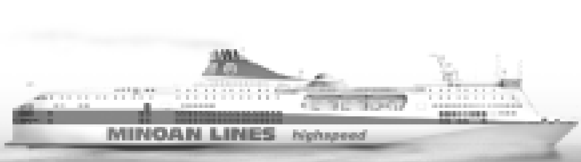
I. KEY FINANCIAL DATA

I.1 KEY FINANCIAL DATA OF THE COMPANY

I.1.1 Results for the fiscal Years 2002 - 2004

Profit and Loss Account (in € million)	**2002**	**2003**	**2004**
Turnover	**179.56**	**193.59**	**191.54**
Freight fares	145.78	160.11	160.72
Shops, restaurants & bars	24.36	27.12	27.56
Other Income	9.42	6.36	3.26
Gross Profit (before depreciation)	**69.37**	**80.07**	**86.93**
Other operating income	0.32	0.21	0.53
Total	**69.69**	**80.28**	**87.46**
Operating result (before depreciation)	40.74	50.43	60.00
Income from Participations	0.00	0.21	1.30
Extraordinary Gain	3.72	0.00	0.00
Profits before Interest and Depreciation	-63.57	51.84	56.03
Profits before Depreciation	-97.16	21.00	29.08
Profits before Taxation	**-116.00**	**3.57**	**9.51**
Profits after Annual Taxation and Board of Directors emoluments	**-116.26**	**3.54**	**9.34**
Number of shares outstanding	70,926,000	70,926,000	70,926,000

EARNINGS PER SHARE			
(in €)	2002	2003	2004
Profits before Taxes and Depreciation	-1.37	0.30	0.41
Profits before Taxes	-1.64	0.05	0.13
Profits after Annual Taxes and Board of Directors emoluments	-1.64	0.05	0.13
Total Dividend (net of taxes - in million)	0.00	1.42	7.09
Dividend per share	0.00	0.02	0.10



I.I.2 Financial Statements 2002 - 2004

Balance Sheet (in € million)	**2002**	**2003**	**2004**
Formation Expenses	8.72	5.34	5.76
Intangible Fixed Assets	0.46	0.34	0.16
Tangible Fixed Assets	864.50	803.11	752.06
LESS: Depreciation	44.90	57.40	72.59
Non - Depreciated Tangible Fixed Assets	819.60	745.71	679.47
Participations and Long-term receivables	86.86	80.16	69.04
Current Assets	47.72	46.01	56.19
Prepayments and accrued income	1.86	3.31	3.56
TOTAL ASSETS	**965.22**	**880.87**	**814.18**
Shareholders' Equity	240.04	240.48	243.31
Provisions	8.46	4.72	5.18
Long-term debt	482.11	556.42	476.08
Current Liabilities	228.70	75.10	86.01
Total Liabilities	710.81	631.52	562.09
Accruals and deferred income	5.91	4.15	3.60
TOTAL LIABILITIES	**965.22**	**880.87**	**814.18**
Net Book Value per share	3.38	3.39	3.43

FINANCIAL RATIOS	**2002**	**2003**	**2004**
Change in turnover	21.3%	7.8%	-1.1%
Gross profit margin (before depreciation)	38.6%	41.4%	45.4%
Net profit margin (before taxes)	-64.6%	1.8%	5.0%
General Liquidity	0.2	0.6	0.7
Financial leverage	0.3	0.4	0.4

I.2 CONSOLIDATED KEY FINANCIAL DATA

I.2.I Results for the fiscal Years 2002-2004

Profit and Loss Account (in € million)	2002	2003	2004
Turnover	**179.98**	**194.29**	**192.17**
Freight fares	145.78	160.11	160.72
Shops, restaurants & bars	24.36	27.12	27.56
Other Income	9.84	7.06	3.89
Gross Profit (before depreciation)	**67.98**	**80.07**	**86.85**
Other operating income	0.39	0.21	0.54
Total	**68.37**	**80.28**	**87.39**
Operating result (before depreciation)	41.40	50.62	60.25
Income from participations	0.12	2.27	0.00
Extraordinary gain	3.73	0.00	0.00
Profits before Interest and Depreciation	-30.94	52.83	56.45
Profits before Depreciation	-64.65	21.93	29.45
Profits before Taxation	**-83.54**	**4.47**	**9.86**
Profits after Annual Taxation and Board of Directors emoluments	**-83.96**	**4.29**	**9.54**
Profits after Annual Taxation, Board of Directors emoluments and Minority interests	**-81.78**	**4.30**	**9.55**
Number of shares outstanding	70,926,000	70,926,000	70,926,000

EARNINGS PER SHARE			
(in €)	2002	2003	2004
Profits before Taxes and Depreciation	-0.91	0.31	0.42
Profits before Taxes	-1.18	0.06	0.14
Profits after Annual Taxes and Board of Directors emoluments	-1.18	0.06	0.13
Profits after Annual Taxes, Board of Directors emoluments and Minority Interests	-1.15	0.06	0.13

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

(a) in 2002:

(i) by the method of total consolidation the: MINOAN CRUISES SHIPPING S.A., MINOAN LINES HIGHSPEED FERRIES S.A., MINOAN CHANGE S.A.*, EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A., MINOAN AGENCIES S.R.L., CRETAN FILOXENIA S.A., and its subsidiary company ATHINA A.V.E.E.*

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

(b) in 2003:

(i) by the method of total consolidation the: MINOAN CRUISES SHIPPING S.A., EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A., MINOAN AGENCIES S.R.L., CRETAN FILOXENIA S.A., and its subsidiary company ATHINA A.V.E.E.*

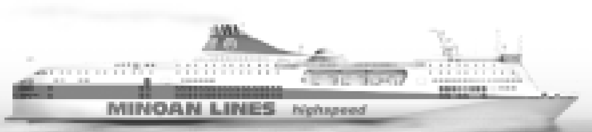
(ii) by the net worth method the: HELLAS FLYING DOLPHINS S.A., MEDITERRANEAN FERRIES S.R.L. and FORTHnet (until 29.10.2003).

(c) in 2004:

(i) by the method of total consolidation the: MINOAN CRUISES SHIPPING S.A., EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A., MINOAN AGENCIES S.R.L., CRETAN FILOXENIA S.A., and its subsidiary company ATHINA A.V.E.E.*

*(ii) by the net worth method the: HELLAS FLYING DOLPHINS S.A., MEDITERRANEAN FERRIES S.R.L.**

** under liquidation*



I.2.2 Financial Statements 2002 - 2004

Balance Sheet (in € million)	**2002**	**2003**	**2004**
Formation Expenses	8.76	5.36	5.77
Intangible Fixed Assets	0.46	0.34	0.16
Tangible Fixed Assets	867.95	806.56	755.53
LESS: Depreciation	45.74	58.25	73.44
Non - Depreciated Tangible Fixed Assets	822.21	748.31	682.09
Participations and Long-term receivables	70.83	73.22	63.28
Current Assets	52.67	46.72	56.72
Prepayments and accrued income	1.88	3.35	3.57
TOTAL ASSETS	**956.81**	**877.30**	**811.59**
Shareholders' Equity	238.32	236.65	240.65
Provisions	8.47	4.75	5.24
Long-term debt	482.11	556.42	476.08
Current liabilities	221.99	75.32	86.02
Total liabilities	704.10	631.74	562.10
Accruals and deferred income	5.92	4.16	3.60
TOTAL LIABILITIES	**956.81**	**877.30**	**811.59**
Net book value per share	3.36	3.34	3.39

FINANCIAL RATIOS	**2002**	**2003**	**2004**
Change in turnover	18.2%	8.0%	- 1.1%
Gross profit margin (before depreciation)	37.8%	41.2%	45.2%
Net profit margin (before taxes)	- 46.4%	2.3%	5.1%
General Liquidity	0.2	0.6	0.7
Financial leverage	0.3	0.4	0.4

2. MINOAN LINES - SHARE PRICE PERFORMANCE

2.1 SHARE PRICE PERFORMANCE AND TRADING VOLUME

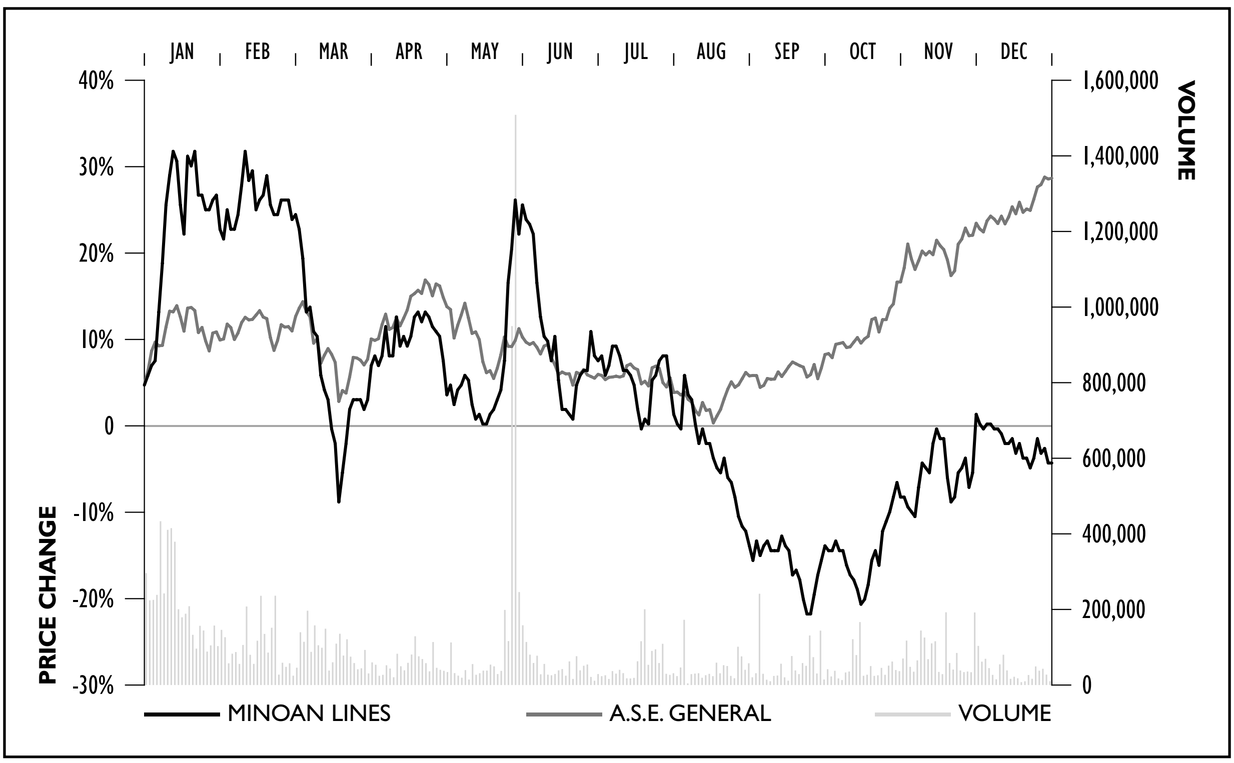
On the table below the monthly closing price, the value and volume of total monthly transactions and the monthly closing of the ASE (Athens Stock Exchange) General index are shown.

MINOAN LINES - SHARE PRICE PERFORMANCE AND TRADING VOLUME 2004

MONTH	PRICE* (in €)	TOTAL MONTHLY TRANSACTION VOLUME (no of shares)	TOTAL MONTHLY TRANSACTION VALUE (in €)	A.S.E. GENERAL INDEX*
JANUARY	2.46	4,522,555	10,705,315.98	2,432.58
FEBRUARY	2.46	2,157,701	5,282,304.71	2,451.50
MARCH	2.05	1,986,896	4,241,000.11	2,370.65
APRIL	2.20	1,197,791	2,595,292.14	2,517.62
MAY	2.13	959,464	1,987,527.14	2,423.72
JUNE	2.11	3,826,499	9,030,926.94	2,349.16
JULY	2.14	1,158,954	2,409,861.45	2,319.30
AUGUST	1.81	860,352	1,701,764.92	2,314.26
SEPTEMBER	1.69	1,146,902	1,961,931.07	2,328.24
OCTOBER	1.82	1,003,628	1,707,749.33	2,489.19
NOVEMBER	1.87	1,588,264	3,000,082.41	2,654.81
DECEMBER	1.92	1,005,826	1,977,707.28	2,786.18

(*): closing at month end

MINOAN LINES' STOCK PERFORMANCE RELATIVE TO THE A.S.E. GENERAL INDEX FOR 2004



2.2 SHARE DATA

MINOAN LINES' stock symbols:

• A.S.E.: MINOA • Reuters: MILr.AT • Bloomberg: MINOA GA

MINOAN LINES - SHARE DATA 2004 (in €)	
Market capitalization	136,177,920
Share price at 31.12.2003	1.96
Share price at 31.12.2004	1.92
Performance for the year	-2.0 %
Performance relative to A.S.E. General Index	- 20.4 %
Lowest share value 2004	1.61
Average share value 2004	2.06
Highest share value 2004	2.56

3. THE COMPANY

3.1 Business description

The fleet of the company at 31.12.2004 consisted of 8 car-passenger ferries, of a total transport capacity of 13,865 passengers and 5,595 vehicles, with the option of alternate loading in private cars and trucks. The ships are routed in the Adriatic Sea, covering itineraries between Greece and Italy and in the Aegean Sea.

The analysis of the Company's turnover, by market activity, for the period 2002-2004 is as follows:

ANALYSIS OF COMPANY'S REVENUES (in € million)	**2002**	**2003**	**2004**
Income from international freight rates	98.49	111.97	113.83
Income from shops, restaurants & bars	15.33	17.50	17.78
Int'l chartering income	2.54	2.84	0.40
Other Int'l income	5.34	2.83	2.47
Total International income	**121.70**	**135.14**	**134.48**
Income from domestic freight rates	47.29	48.14	46.89
Income from shops, restaurants & bars	9.03	9.62	9.78
Domestic chartering income	0.12	0.12	0.11
Other domestic income	1.42	0.57	0.28
Total domestic income	**57.86**	**58.45**	**57.06**
Total Turnover	**179.56**	**193.59**	**191.54**

The analysis of the Group's turnover, by market activity, for the period 2002-2004 is as follows:

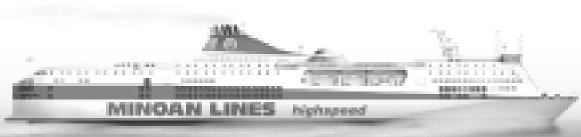
ANALYSIS OF CONSOLIDATED REVENUES (in € million)	**2002**	**2003**	**2004**
Income from Int'l freight rates	98.49	111.97	113.83
Income from shops, restaurants & bars	15.33	17.50	17.78
Int'l chartering income	2.54	2.84	0.40
Other Int'l income	5.63	3.43	3.10
Total International income	**121.99**	**135.74**	**135.11**
Income from domestic freight rates	47.29	48.14	46.89
Income from shops, restaurants & bars	9.03	9.62	9.78
Domestic chartering income	0.12	0.12	0.11
Other domestic income	1.55	0.67	0.28
Total domestic income	**57.99**	**58.55**	**57.06**
Total Turnover	**179.98**	**194.29**	**192.17**

3.2 FIXED ASSETS

3.2.1 Principal Establishments

Minoan Lines' principal establishments are as follows:

Location	Address	Establishment Size (m2)	Building Size (m2)	Ownership	Year of acquisition
Heraklion	August 25th, 17	497.65	2,642.87	100 %	1989
	Agiou Titou 38	423.00	498.00	27.6 %	1979
	August 25th, 78	375.26	151.57	13 %	1981
Piraeus	Thermopilon 6-10	208.37	645.77	100 %	1989
Patras	Othonos Amalias 105	274.62		100 %	1998
	Othonos Amalias 96	508.87	971.10	100 %	1999



3.2.2 Fleet

The company at 31.12.2004 owned 8 car-passenger ferries with the following data specifications:

Vessel	Length (m.)	Breadth (m.)	Draught (m.)	Speed (K/s)	Passengers No	Beds No	Private cars (only)	Combination Trucks & Private cars	Year of Ship-building Refurbishment
ARIADNE PALACE	212.00	25.00	6.60	30.00	1,250	412	550	103 / 104	2002 / -
EUROPA PALACE	214.00	26.40	7.10	31.60	1,912	732	821	104 / 110	2002 / -
OLYMPIA PALACE	214.00	26.40	7.10	31.60	1,912	732	821	104 / 110	2001 / -
FESTOS PALACE	214.00	26.40	7.10	31.60	2,190	758	700	113 / 100	2001 / -
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

3.2.3 Fair value/Fleet Policy - Underwriting Cover

The market value of the fleet of MINOAN LINES, based on recent (April 2005) appraisals by the firms Brax Shipping and Masters' Cruise & Ferry Shipbroking, is as follows:

(in € million)

Vessel	Brax Shipping	Masters' Cruise	average
DAEDALUS	4.00	5.00	4.50
IKARUS PALACE	73.50	77.00	75.25
PASIPHAE PALACE	73.50	77.00	75.25
KNOSSOS PALACE	81.50	93.00	87.25
FESTOS PALACE	81.50	93.50	87.50
OLYMPIA PALACE	86.00	93.00	89.50
EUROPA PALACE	86.00	93.00	89.50
ARIADNE PALACE	64.00	72.00	68.00
TOTAL	**550.00**	**603.50**	**576.75**

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

Insured Value of the Fleet of Minoan Lines

Vessel's name	(million USD)	(million €) *
DAEDALUS	16.00	11.75
IKARUS PALACE	115.00	84.43
PASIPHAE PALACE	115.00	84.43
KNOSSOS PALACE	115.00	84.43
FESTOS PALACE	115.00	84.43
OLYMPIA PALACE	115.00	84.43
EUROPA PALACE	115.00	84.43
ARIADNE PALACE	95.00	69.75
Total	**891.00**	**654.15**

** Euro / US Dollar: 1.3621 (fixing 31.12.04)*

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

3.2.4 Guarantees and Collateral securities

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

TABLE OF SHIPS' MORTGAGES ON (31.12.2004)

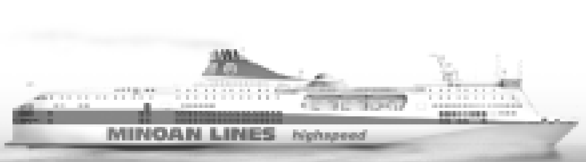
Mortgage type	VESSEL	REGISTRATION DATE	BANK	CURRENCY	AMOUNT OF MORTGAGE (in million)
1st	ARIADNE PALACE EUROPA PALACE OLYMPIA PALACE FESTOS PALACE KNOSSOS PALACE PASIPHAE PALACE IKAROS PALACE	15.07.2004	SYNDICATED LOAN ARRANGED BY CITIBANK	€	408.67
1st	DAEDALUS	15.07.2004	SYNDICATED LOAN ARRANGED BY PIRAEUS BANK & ABN AMRO	€	41.29
2nd	ARIADNE PALACE EUROPA PALACE FESTOS PALACE DAEDALUS KNOSSOS PALACE PASIPHAE PALACE IKAROS PALACE			€ USD	150.00 8.00

The pre-notices of real mortgage on the real estate assets of the Company and of the sub-subsidiary company amount to € 17.15 million. Moreover, the shares of the companies HELLAS FLYING DOLPHINS, ANEK, FORTHnet and AEGEAN are pledged.

3.4 SHARE CAPITAL - BOOK VALUE PER SHARE

The Company's share capital and the book value per share at December 31, 2004 consisted of:

Share Capital (in €)	**Company**	**Group**
Number of shares outstanding	70,926,000	70,926,000
Nominal value per share	2.25	2.25
Total Share Capital	159,583,500.00	159,583,500.00
Reserves		
Share premium	26,942,576.38	26,942,576.38
Revaluation reserves & investments grants	5,584,095.52	5,584,095.52
Ordinary reserves	9,680,724.97	9,704,683.49
Loss from sale or value decline of participating interests and securities for offsetting	-18,149,692.67	-18,149,692.67
Extraordinary reserves	56,978,689.06	56,978,689.06
Tax free reserves under special laws	2,557,263.16	2,560,099.67
Retained profits	135,003.80	1,939,283.25
Consolidation differences		-4,547,470.25
Total capital and reserves (bef. minority interests)	**243,312,160.22**	**240,595,764.45**
Minority interest		60,169.15
TOTAL CAPITAL & RESERVES		**240,665,933.60**
Book value per share	3,43	3,39



3.5 INVESTMENTS

Minoan Lines' fleet, among the youngest in Europe, consists of new, fast, modern vessels constructed in the 1997-2002 period (excluding the F/B Daedalus). Minoan Lines planned and executed a very intensive investment program, which peaked over the years 2001-2002 with the delivery of six (6) vessels. With the delivery of ARIADNE PALACE in October 2002 this investment program was completed.

The development of the company's investments in fixed assets and participations over the three years 2002 - 2004 is as follows:

Type of Investment (in € million)	2002	2003	2004	Total
Land	0.00	0.00	0.00	0.00
Buildings and Technical works	0.00	0.00	0.00	0.00
Ships	153.97	2.91	0.66	157.54
Transportation equipment	0.01	0.00	0.02	0.03
Furniture and fixtures	0.54	0.10	0.12	0.76
Tangible assets in course of construction	0.00	0.00	0.00	0.00
Total Fixed Assets	**154.52**	**3.01**	**0.80**	**158.33**
Participations	**0.55**	**0.00**	**0.26**	**0.81**

4.1. MANAGEMENT

4.1.1 Board of Directors

In accordance with its Articles of Association, Minoan Lines is managed by a Board of Directors, which consist of twelve (12) directors, three (3) of which are executive and nine (9) are non -executive members. Three (3) of the non-executive members are fully independent.

	Name		Term of office until
1.	Konstantinos Klironomos	Chairman	AGM 2006
2.	Emmanuel Koulendakis	Vice Chairman	AGM 2005
3.	Antonios Maniadakis	Chief Executive Officer	AGM 2007
4.	Michael Vavourakis	Director - Non Executive Member	AGM 2007
5.	Konstantinos Mamalakis	Director - Non Executive Member	AGM 2007
6.	Ioannis Xenikakis	Director - Non Executive Member	AGM 2006
7.	Minas Papadakis	Director - Independent non executive Member	AGM 2006
8.	Stilianos Sarris	Director - Non Executive Member	AGM 2005
9.	Nikolaos Serpetsidakis	Director - Non Executive Member	AGM 2005
10.	Ioannis Sbokos	Director - Non Executive Member	AGM 2005
11.	Pantelis Tzortzakis	Director - Independent non executive Member	AGM 2007
12.	Evangelos Froudakis	Director - Independent non executive Member	AGM 2006

Board Committees

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

The committees are:

a) Audit committee*

b) Financial and remuneration committee

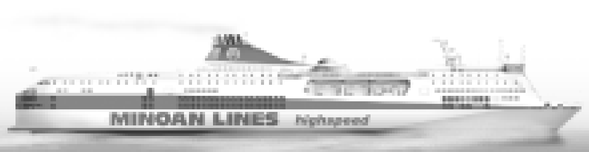
c) Technical committee

d) Supply committee

e) Sales & Public relations committee

f) Research & Development committee

* *The internal audit committee consists of non - executive Directors.*



4.1.2 Dissemination of Information

Investor Relations Department

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

Shareholder Service Department

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

Company Announcements Department

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

Internal Audit Department

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

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

4.2 EMPLOYEES

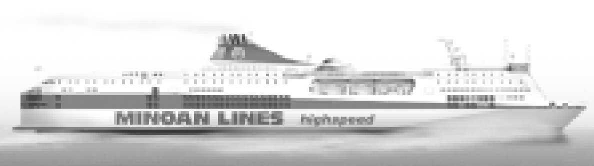
The following table provides a breakdown of the average number of employees of the Company and the Group by function and the personnel expenses for the 3-years ended December 31, 2004:

MINOAN LINES	**2002**		**2003**		**2004**	
(in € million)	**Persons**	**Salaries**	**Persons**	**Salaries**	**Persons**	**Salaries**
Land based personnel	209	6.78	245	8.27	245	8.75
Technicians	10	0.48	9	0.44	10	0.51
Officers and crew	1,001	35.18	947	35.02	821	32.61
Total	**1,220**	**42.44**	**1,201**	**43.73**	**1,076**	**41.87**

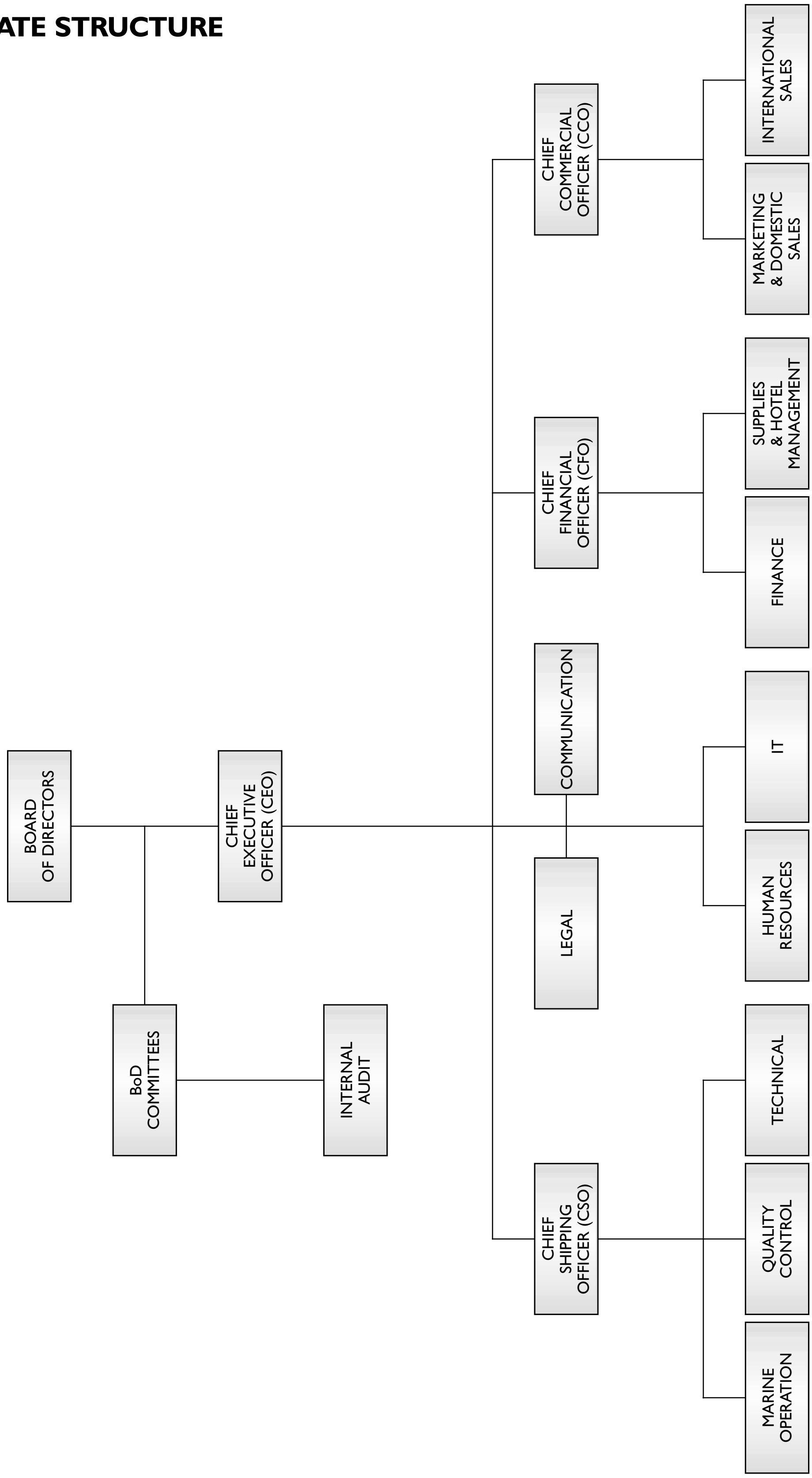
GROUP	**2002**		**2003**		**2004**	
(in € million)	**Persons**	**Salaries**	**Persons**	**Salaries**	**Persons**	**Salaries**
Total	**1,292**	**44.00**	**1,216**	**44.20**	**1,091**	**42.33**

4.3 CERTIFICATION OF QUALITY IN SERVICES

The company takes into consideration as an important part of the daily operations the high degree of services offered on board. The company has been certified in accordance with the ISO 9001 Certification awarded by the Germanischer Lloyd. Additionally the vessels have also been awarded in 2004 with Hazard Critical Control Point (H.A.C.C.P.) by TUV Hellas, which warrants the hygiene in storage, production and disposal of food and beverages on board.



4.4 CORPORATE STRUCTURE



5.1 BUSINESS - THE SHIPPING SECTOR

General

The Greek shipping business constitutes since long time one of the most significant sectors of Greek economy. In particular, for the sector of coastal shipping beyond the financial contribution in home economy, of great importance are also the services that it renders connecting our country with the other countries of Europe as also the hundreds of islands of the Greek archipelago. The sector of Greek coastal shipping has shown a potential progress in the last decades, with continuous improvements of the existing fleet and large investments in building new ships.

In 2004 despite the initially optimistic prospects owing to the performance of the Olympic Games in Greece, so the tourist sector as also the sector of passenger shipping were seriously hit by remarkable decrease in tourist traffic, a fact that affected drastically the income of the companies. The decrease in tourist traffic was worst during the two-month period, July-August that of high tourist demand, which in fact is the most productive season for the sector.

Adriatic Routes

The market of Adriatic sea is known for its seasonal tourist traffic since the demand for transport of passengers and private cars is higher in summer months while the transport of goods by trucks remains invariable throughout the year.

The routes Greece-Italy as also all the other pure international routes operate in a regime of full deregulation under-strong competition between the companies operating in the field.

In general, there are two categories of companies operating in shipping, 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.

Greek coastal shipping

In the domestic sea lines are deployed conventional (ferry boats) as well as ships of new technology.

Greek coastal shipping has recorded considerable progress over the last years, through a progressive improvement and renovation of the old ships and mainly by putting on route newly built modern ships. In addition, it has been improved the quality of the services provided with more frequent and fast itineraries.

From the 1st of January 2004 the legal framework within which is invited to operate the Greek coastal market has changed. The current institutional framework is governed by the recent L. 2932/2001, which introduces the free and easy provision of services in maritime traffic and transport in domestic sea lines.

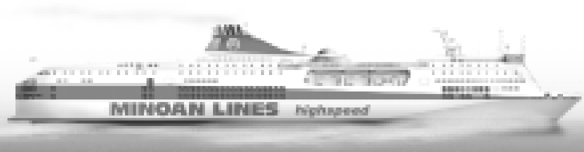
Position of MINOAN LINES in the market of Adriatic Sea

International lines

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.

From 1995 till today the MINOAN LINES have put on route, in total, 8 newly built ships in the international lines between Greece and Italy renovating completely their fleet and improving significantly the level of service rendering.

The Company restructured its fleet following the sale of the two ships PROMETHEUS and ARIADNE PALACE I (OCEANUS) and despite the fact of the decrease in tourist traffic improved the volume of its business. The total movement of passengers, private cars and trucks as well as the share of the market, in the ports where the



Company operates, for the last three-year period is set out in the table herebelow:

Total Traffic Ancona and Venice* (in '000)

Year	Passengers			Private Cars			Trucks		
	Total	MINOAN	%	Total	MINOAN	%	Total	MINOAN	%
2004	1,260	536	42.6%	303	147	48.6%	251	95	38.0%
2003	1,418	534	37.7%	344	148	43.1%	258	96	37.3%
2002	1,545	546	35.4%	354	142	40.0%	262	100	38.2%

**Source: Greek Port Authorities*

Domestic Lines

In the domestic lines, in 2004, the MINOAN LINES were present operating the newly built KNOSSOS PALACE and FESTOS PALACE in the Piraeus - Heraklion sea route and the only old ship of its fleet, DAEDALUS in the line Heraklion - Thessaloniki, and Carried 1,111 thousand passengers, 136 thousand private cars and 70 thousand trucks.

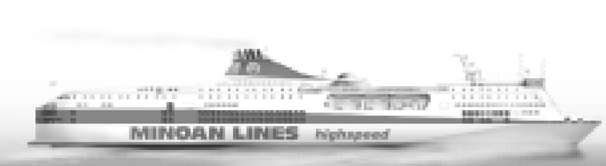
6.I. EVOLUTION OF BUSINESS ACTIVITY

In the table, here below is set out the evolution of revenues and the number of passengers, vehicles and trucks carried by the ships of the Company during the period 2002-2004.

EVOLUTION OF TURNOVER BY ACTIVITY

DOMESTIC LINES - ROUTES	**2002**	**2003**	**2004**
Number of carried passengers (in ’000)	1,298	1,191	1,111
Number of carried vehicles (in ’000)	214	203	206
Private cars	151	137	136
Trucks	63	66	70
TURNOVER (in € million)			
Fare revenues			
Passengers	28.72	28.88	27.19
Vehicles	18.46	19.06	19.46
Passenger cars	8.35	7.38	6.74
Trucks	10.10	11.68	12.72
Goods	0.11	0.20	0.24
Proceeds of trade business			
Cruises	0.12	0.12	0.11
Restaurants - bar	6.45	6.40	6.06
Shops aboard	2.58	3.22	3.72
Other income	1.42	0.57	0.28
Total domestic turnover	**57.86**	**58.45**	**57.06**

OVERSEAS SERVICES - INT’L ROUTES	**2002**	**2003**	**2004**
Number of carried passengers (in ’000)	546	579	536
Number of carried vehicles (in ’000)	242	260	242
Passenger cars	142	157	147
Trucks	100	103	95
TURNOVER (in € million)			
Fare revenues			
Passengers	32.88	34.80	35.32
Vehicles	65.61	77.17	78.51
Passenger cars	10.84	12.96	13.55
Trucks	54.77	64.22	64.97
Proceeds of trade business			
Restaurants - bar	10.43	14.11	14.17
Shops abroad	4.90	3.39	3.61
Casino	1.65	2.00	1.95
Chartering	2.54	2.84	0.40
Other income	3.69	0.83	0.52
Total International Turnover	**121.70**	**135.14**	**134.48**
GRAND TOTAL TURNOVER	**179.56**	**193.59**	**191.54**



6.2 STATEMENT OF OPERATING RESULTS - PROFIT AND LOSS ACCOUNT

The evolution of business and results of the Company for the period 2002-2004 is presented as follows:

PROFIT AND LOSS ACCOUNT (in € million)

Turnover from ships:	**2002**	**2003**	**2004**
Freight fares	145.78	160.11	160.72
Shops, restaurants & bars	24.36	27.12	27.56
Other income	9.42	6.36	3.26
Total turnover from ships	**179.56**	**193.59**	**191.54**
Less: Cost of operation (before depreciation)	110.19	113.52	104.61
Gross Profits	**69.37**	**80.07**	**86.93**
(% of turnover)	38.6%	41.4%	45.4%
Plus: Other operating income	0.32	0.21	0.53
Total	**69.69**	**80.28**	**87.46**
Less: Administrative expenses (before depreciation)	8.13	8.30	8.71
Distribution costs (before depreciation)	19.56	18.74	18.75
Production cost not allocated	1.26	2.81	0.00
Total Operating Expenses	**28.95**	**29.85**	**27.46**
(% of turnover)	16.1%	15.4%	14.3%
Operating Results (before depreciation)	**40.74**	**50.43**	**60.00**
(% of turnover)	22.7%	26.0%	31.3%
Plus: Income from Participations	0.00	0.21	1.30
Income from securities	0.02	0.01	0.05
Gains on disposal of Participations - Securities	1.48	0.00	0.46
Extraordinary and Non-operating Income	1.52	4.62	3.76
Extraordinary profits	3.72	0.00	0.00
Less: Provisions for value decline of Participations - Securities	66.76	0.04	4.40
Expenses and losses from Participations - Securities	9.24	0.03	0.01
Less: Extraordinary and Non-operating Expenses	35.05	3.36	5.13
Profits before interest and Depreciation	**-63.57**	**51.84**	**56.03**
(% of turnover)	-35.4%	26.8%	29.3%
Plus: Credit interest	0.16	0.10	0.22
Less: Debit interest and similar charges	33.75	30.94	27.17
Profits before Depreciation	**-97.16**	**21.00**	**29.08**
(% of turnover)	-54.1%	10.8%	15.2%
Less: Depreciation (total)	18.84	17.43	19.57
Annual profits before taxation	**-116.00**	**3.57**	**9.51**
(% of turnover)	-64.6%	1.8%	5.0%
Less: Annual taxation	0.26	0.03	0.17
Less: Board of Directors emoluments	0.00	0.00	0.00
Annual Profits after taxation and Board of Directors emoluments	**-116.26**	**3.54**	**9.34**
(% of turnover)	-64.7%	1.8%	4.9%

Revenues

The Company's revenue in 2004, amounted to € 191.54 million over € 193.59 million in 2003 reduced by 1,1%. This reduction is mainly due to the sale of vessels PROMETHEUS and ARIADNE PALACE I (OCEANUS) and their withdrawal from the Patras-Bari route where these two vessels were operating in 2003.

Cost of revenue - gross profit margin

The completion of the investment program and the renewal of the fleet paired with the optimal deployment of the vessels delivered the targeted results. Operating margins increased in the Adriatic as well as in the Heraklion - Piraeus routes. This improvement largely depended on the cost containment efforts maximised in 2004.

In 2004, while revenues decreased by 1.1% over the previous year, cost of operation decreased significantly by 7.8% resulting to a higher gross profit which reached € 86.93 million over € 80.07 million while the respective margin increased to 45.4% versus 41.4% in 2003.

COST OF REVENUE (before depreciation) (in € million)

Cost elements	**2002**	**2003**	**2004**
Crew	33.39	34.42	32.56
Bunkers - Lubricants	46.38	44.73	39.91
On board supplies	10.06	11.22	11.57
Port expenses	7.66	8.63	7.56
Maintenance	4.52	3.95	5.16
Insurance premiums	3.32	3.42	3.04
Deck supplies	1.34	0.89	1.01
Other	3.52	6.26	3.80
Total	**110.19**	**113.52**	**104.61**
Revenues	179.56	193.59	191.54
Gross profit margin	**38.6%**	**41.4%**	**45.4%**

COST TO SALES RATIO

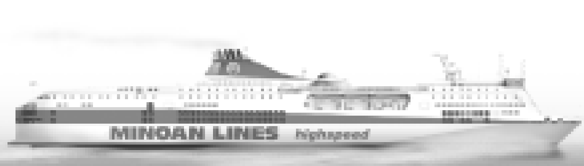
Cost elements	**2002**	**2003**	**2004**
Crew	30.3%	30.3%	31.1%
Bunkers - Lubricants	42.1%	39.4%	38.1%
On board supplies	9.1%	9.9%	11.1%
Port expenses	6.9%	7.6%	7.2%
Maintenance	4.1%	3.5%	4.9%
Insurance premiums	3.0%	3.0%	2.9%
Deck supplies	1.2%	0.8%	1.0%
Other	3.3%	5.5%	3.7%
Total	**100.0%**	**100.0%**	**100.0%**

General operating costs

The administrative and sales expenses remained in the 2003 levels, following the broad cost cutting efforts.

ADMINISTRATIVE EXPENSES (before depreciation, in € million)

Cost elements	**2002**	**2003**	**2004**
Staff costs	4.84	5.07	5.25
Other	3.29	3.23	3.46
Total	8.13	8.30	8.71
as % on Turnover	**4.5%**	**4.3%**	**4.5%**



SALES EXPENSES (before depreciation, in €million)			
Cost elements	**2002**	**2003**	**2004**
Wages	1.81	3.00	3.31
Commissions	13.70	12.15	11.96
Marketing expenses	2.99	2.62	2.47
Other	1.06	0.97	1.01
Total	**19.56**	**18.74**	**18.75**
as % on Turnover	**10.9%**	**9.7%**	**9.8%**

Finance cost

The reduction in the finance cost for 2004 is attributed primarily to the reduction of the financial obligations following the sale of the vessel PROMETHEUS in January 2004 and the repayment of the respective debt obligation as well as the successful company's debt restructuring.

EXPENSE (in € million)	2002	2003	2004
Interest on long term debt	22.84	20.39	20.19
Interest on short term debt	6.71	6.76	3.59
Other bank charges	4.20	3.79	3.39
Total	**33.75**	**30.94**	**27.17**

Extraordinary income - expense

In the extraordinary and non-operating results are included the items "Extraordinary and non-operating expenses", "Extraordinary and non-operating income", "Extraordinary losses", "Income from prior years' provisions", "Prior years' expenses" και "Prior years' income".

In particular:

• The item "Extraordinary and non-operating expenses" of € 1,449,841.76 includes debit exchange differences of € 886,684.68, fees and expenses to various third parties of € 525,104.71 and other extraordinary expenses of € 38,052.37.

• The item "Extraordinary and non-operating income" of € 1,084,936.76 includes credit exchange differences of € 297,147.45, proportion of the years' depreciation of the ship grant (navigation bounty) of € 187,320.09 collection of ship guarantees of € 585,560.22 and other extraordinary income of € 14,909.00.

• The item "Extraordinary losses" of € 591,943.44 includes loss from uncollected receivables of € 321,508.87 and other extraordinary losses of € 270,434.57.

• The item "Income from prior years' provisions" of € 2,044,063.75 includes income from value adjustment of provisions for value decline of participations and securities, according to article 43 par 6 case d' of c. L. of 2190/1920 of € 1,997,401.03 and income from other provisions of € 46,662.72.

• The item "Prior years' expenses" of € 3,085,971.20 includes contributions and bank charges of € 1,952,325.67, fees and expenses to various third parties of € 689,321.53 and sundry expenses of € 444,324.00.

• The item "Prior years' income" of € 627,615.80 includes collection of grants that concerned prior years and settlement of idle credit balance of accounts.

Depreciation and amortization

Depreciation and amortization in 2004, on the vessels and the other fixed assets of the company reached €19.57 million increased by 12.3% relative to 2003.

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

Depreciation charges on vessels were € 16.95 million increased by 24.2% over the previous year due the higher charges on the vessels KNOSSOS PALACE and FESTOS PALACE that concluded the three-year period during which depreciation charges are at calculated at a lower rate as described above. Detailed amounts over the 2002-2004 periods are as follows:

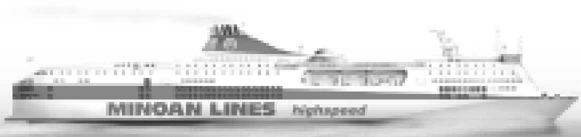
DEPRECIATION ON VESSELS (in € million)	2002	2003	2004
DAEDALUS	1.02	1.03	1.04
IKARUS PALACE	2.46	2.46	2.62
PASIPHAE PALACE	2.67	2.67	2.67
KNOSSOS PALACE	1.72	1.69	3.47
PROMETHEUS	1.10	0.07	
FESTOS PALACE	1.56	1.53	2.90
ARIADNE PALACE I (ex-OCEANUS)	1.18	0.01	
OLYMPIA PALACE	1.50	1.49	1.53
EUROPA PALACE	0.96	1.50	1.52
ARIADNE PALACE	0.10	1.20	1.20
Total	**14.27**	**13.65**	**16.95**

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

DEPRECIATION CHARGED (in € million)	2002	2003	2004
Cost of vessel's operation	14.27	13.65	16.95
G & A expenses	4.49	3.70	2.53
Sales expenses	0.07	0.08	0.09
Total	**18.84**	**17.43**	**19.57**

Profit before tax

The steady application of the cost containment strategy, the rationalisation of itineraries and the significant reduction of bank debt after the sale of the two vessels, were the main factors that led to the significant improvement in profitability. Thus, the net profit before tax was increased by 166.2% and reached € 9.51 million over € 3.57 million in 2003.



6.3 ANALYSIS OF FINANCIAL STATEMENTS

The evolution of the Balance Sheet items of the Company for the period 2002-2004 is set out in the following table:

FISCAL YEAR (in € million)	2002	2003	2004
ASSETS			
NON-DEPRECIATED FORMATION EXPENSES	**8.72**	**5.34**	**5.76**
Intangible Assets	1.48	0.87	0.81
(Less: Cumulative depreciation)	1.02	0.53	0.65
INTANGIBLE ASSETS	0.46	0.34	0.16
TANGIBLE ASSETS			
Ships	854.53	792.73	741.73
(Less: Cumulative depreciation)	40.82	52.79	67.66
Other assets	9.97	10.38	10.33
(Less: Cumulative depreciation)	4.08	4.61	4.93
TANGIBLE ASSETS	819.60	745.71	679.47
Participating Interests in affiliated undertakings	86.84	80.14	69.02
Other Long-term Receivables	0.02	0.02	0.02
TOTAL FIXED ASSETS	**906.92**	**826.21**	**748.67**
Inventories	4.55	3.88	3.72
Agents (Trade debtors) - Notes receivable	8.11	10.54	6.14
Accounts receivable	21.33	19.32	28.60
Other Receivables	8.17	4.18	2.86
Marketable Securities	4.37	5.24	13.87
Cash and Cash equivalents	1.19	2.85	1.00
TOTAL CURRENT ASSETS	**47.72**	**46.01**	**56.19**
PREPAYMENTS AND ACCRUED INCOME	**1.86**	**3.31**	**3.56**
TOTAL ASSETS	**965.22**	**880.87**	**814.18**
LIABILITIES			
Share Capital	159.58	159.58	159.58
Share premium account	156.74	26.95	26.95
Revaluation Reserves and Investment Grants	5.96	5.77	5.58
Reserves and Profits Carried forward	-82.24	48.18	51.20
TOTAL SHAREHOLDERS' EQUITY	**240.04**	**240.48**	**243.31**
PROVISIONS	**8.46**	**4.72**	**5.18**
TOTAL LONG-TERM DEPT	**482.11**	**556.42**	**476.08**
Suppliers	18.93	13.35	15.28
Cheques payable postdated	5.44	3.99	3.32
Banks	128.88	15.22	22.87
Taxes - duties - Social security	2.08	2.00	2.82
Current portion of long-term debt	39.40	30.25	28.50
Dividends payable	0.94	2.25	7.50
Other liabilities	33.03	8.04	5.72
TOTAL CURRENT LIABILITIES	**228.70**	**75.10**	**86.01**
ACCRUALS AND DEFERRED INCOME	**5.91**	**4.15**	**3.60**
TOTAL LIABILITIES	**965.22**	**880.87**	**814.18**

Formation expenses

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

(in € million)	BOOK VALUE 31.12.2001	ADDITIONS/ DELETIONS 2002-2004	TOTAL BOOK VALUE 31.12.2004	DEPREC. 31.12.2001	DEPREC. 2002-2004	TOTAL DEPREC. 31.12.2004	NET BOOK VALUE 31.12.2004
Exchange rate adjustments on acquisition loans	7.99	-5.54	2.45	3.14	-2.53	0.61	1.84
Construction period interest cost	6.85	-2.37	4.48	3.09	0.55	3.64	0.84
Other formation expenses	14.59	-9.27	5.32	9.16	-6.92	2.24	3.08
Total	**29.43**	**-17.18**	**12.25**	**15.39**	**-8.90**	**6.49**	**5.76**

a. Assets

Tangible assets

At 31.12.2004 the net book value of the vessels corresponded to approximately 82.8% of the total assets. The difference (decrease) of the tangible assets by 8.9% over 2003 was due to the sale of the vessel PROMETHEUS and the depreciation charged for the year.

b. Participations

The MINOAN LINES participated at 31.12.2004 in the share capital of the following companies:

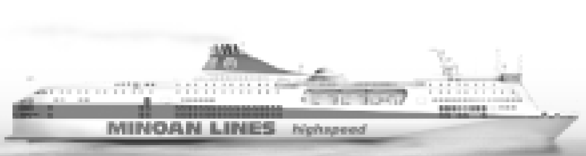
Participations	Book value (in € million)	%
SUBSIDIARY COMPANIES		
EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANS S.A.*	3.00	100.0%
CRETAN PHILOXENIA S.A.	3.20	100.0%
MINOAN AGENCIES S.R.L.	0.05	95.0%
MINOAN CRUISES S.A.	0.21	80.3%
Total	**6.46**	
ASSOCIATED COMPANIES		
MEDITERRANEAN FERRIES S.R.L*	0.00	50.0%
HELLAS FLYING DOLPHINS S.A.	62.55	31.6%
Total	**62.56**	
Total	**69.02**	

**(under liquidation)*

c. Current assets

Inventories (bunkers, lubricants, consumables) are reflected at the lower cost determined by the first-in, first-out method. Inventories in 2004 represented the 0.5% of the company's total assets.

Other short-term receivables and debtors at 31.12.2004 amounted to € 2.86 million.



d. Bank debt

At 31.12.2004 long term debt amounted to € 504.58 million, lower by € 82.1 million in relation to 2003. The decreased amount was due to the sale of the vessel PROMETHEUS and the repayment of its debt as well as the scheduled annual payments. The short term bank debt obligations amounted to € 22.87 million.

In June 2004 the debt restructuring process was concluded aiming mainly to the enhancement of the company's liquidity.

Facility	**Outstanding amount 31.12.2004 (in million)**
Long term syndicated loan arranged by CITIBANK	€ 397.43
Medium term syndicated loan arranged by PIRAEUS BANK & ABN AMRO BANK	€ 104.47
	USD 3.65 / € 2.68

e. Creditors

The trade accounts payable have increased from € 13.35 million in 2003 to € 15.28 million in 2004.

f. Other payables

Other payables at 31.12.2004 have increased from € 16.28 million in 2003 to € 19.36 million in 2004, mainly due to the dividends payable amounting to € 7.09 million.

g. Provisions

Provisions maintained by the company at 31.12.2004 reached € 5.18 million. This amount includes provision for retirement indemnities of € 2.02 million and other provisions of € 3.16 million analysed as follows:

	(in € million)
FX differences	0.38
Legal contingency	2.64
Other	0.14
Total	**3.16**

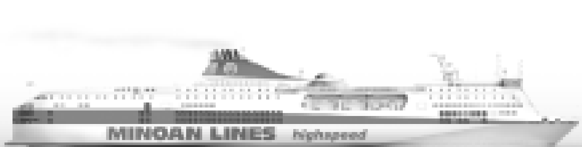
h. Equity

At the end of 2004 equity was € 243.31 million increased by € 2.83 million (1,2%) in relation to 2003.

6.4 FINANCIAL ANALYSIS - GROUP

In the table below, is set out, in summary, the evolution of the items of the Balance Sheet and Profit and Loss Account of the Group over the three-year period from 2002 to 2004:

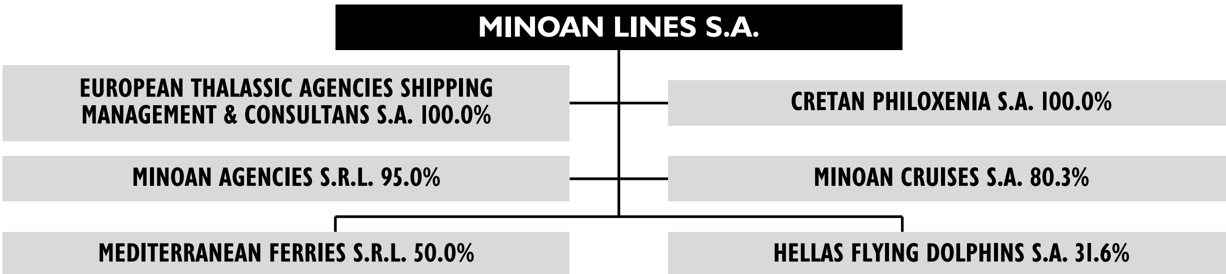
FISCAL YEAR (in € million)	2002	2003	2004
ASSETS			
FORMATION EXPENSES	**8.76**	**5.36**	**5.77**
Intangible Assets	1.48	0.87	0.81
(Less: Cumulative depreciation)	1.02	0.53	0.65
INTANGIBLE ASSETS	0.46	0.34	0.16
TANGIBLE ASSETS			
Ships	854.53	792.73	741.73
(Less: Cumulative depreciation)	40.82	52.79	67.66
Other assets	13.42	13.83	13.80
(Less: Cumulative depreciation)	4.92	5.46	5.78
TANGIBLE ASSETS	822.21	748.31	682.09
Participating Interests in affiliated undertakings	70.80	73.19	63.25
Other Long-term Receivables	0.03	0.03	0.03
TOTAL FIXED ASSETS	**893.50**	**821.87**	**745.53**
Inventories	4.55	3.88	3.72
Agents (Trade debtors) - Notes receivable	6.97	10.42	6.10
Accounts receivable	21.34	19.48	28.61
Other Receivables	13.96	4.73	3.28
Marketable Securities	4.37	5.24	13.87
Cash and Cash equivalents	1.48	2.97	1.14
TOTAL CURRENT ASSETS	**52.67**	**46.72**	**56.72**
PREPAYMENTS AND ACCRUED INCOME	**1.88**	**3.35**	**3.57**
TOTAL ASSETS	**956.81**	**877.30**	**811.59**
LIABILITIES			
Share Capital	159.58	159.58	159.58
Share premium account	156.74	26.94	26.94
Revaluation Reserves and Investment Grants	5.96	5.77	5.58
Consolidation differences	-83.77	48.84	53.04
Reserves and Profit / Loss Carried forward	-4.48	-4.55	-4.55
TOTAL SHAREHOLDERS' EQUITY	**234.03**	**236.58**	**240.59**
Minority interests	4.29	0.07	0.06
TOTAL SHAREHOLDERS' EQUITY OF THE GROUP	**238.32**	**236.65**	**240.65**
PROVISIONS	**8.47**	**4.75**	**5.24**
TOTAL LONG-TERM DEPT	**482.11**	**556.42**	**476.08**
Suppliers	19.00	13.42	15.33
Banks	129.38	15.22	22.87
Taxes - duties - Social security	2.35	2.18	3.00
Current portion of long-term debt	39.40	30.25	28.50
Dividends payable	0.94	2.25	7.50
Other liabilities	30.92	12.00	8.82
TOTAL CURRENT LIABILITIES	**221.99**	**75.32**	**86.02**
ACCRUALS AND DEFERRED INCOME	**5.92**	**4.16**	**3.60**
TOTAL LIABILITIES	**956.81**	**877.30**	**811.59**



PROFIT AND LOSS ACCOUNT (in € million)	2002	2003	2004
Freight fares	145.78	160.11	160.72
Shops, restaurants & bars	24.36	27.12	27.56
Other income	9.84	7.06	3.89
Total turnover from ships	**179.98**	**194.29**	**192.17**
Less: Cost of operation (before depreciation)	112.00	114.22	105.32
Gross Profits	**67.98**	**80.07**	**86.85**
(% of turnover)	37.8%	41.2%	45.2%
Plus: Other operating income	0.39	0.21	0.54
Total	**68.37**	**80.28**	**87.39**
Less: Administrative expenses (before depreciation)	8.47	8.56	9.01
Distribution costs (before depreciation)	17.02	18.29	18.13
Production cost not allocated	1.48	2.81	0.00
Total Operating Expenses	**26.97**	**29.66**	**27.14**
(% of turnover)	15.0%	15.3%	14.1%
Operating Results (before depreciation)	**41.40**	**50.62**	**60.25**
(% of turnover)	23.0%	26.1%	31.4%
Plus: Income from Participations	0.00	0.12	0.05
Income from securities	0.02	0.01	0.05
Gains on participations in associated companies	0.12	2.27	0.00
Gains on disposal of Participations - Securities	1.48	0.00	0.46
Extraordinary and Non-operating Income	1.54	3.38	3.74
Extraordinary Profits	3.73	0.00	0.00
Less: Provisions for value decline of Participations - Securities	12.90	0.02	0.78
Losses from participations in associated companies	17.21	0.00	2.18
Expenses and losses from Participations - Securities	9.24	0.03	0.01
Extraordinary and Non-operating Expenses	14.23	3.52	5.13
Provisions for special risks	25.65	0.00	0.00
Results before interest and Depreciation	**-30.94**	**52.83**	**56.45**
(%of turnover)	-17.2%	27.2%	29.4%
Plus: Credit interest	0.16	0.12	0.22
Less: Debit interest and similar charges	33.87	31.02	27.22
Results before Depreciation	**-64.65**	**21.93**	**29.45**
(%of turnover)	-35.9%	11.3%	15.3%
Less: Depreciation (total)	18.89	17.46	19.59
Results before taxation	**-83.54**	**4.47**	**9.86**
(%of turnover)	-46.4%	2.3%	5.1%
Less: Annual taxation	0.42	0.18	0.32
Less: Board of Directors emoluments	0.00	0.00	0.00
Results after Annual taxation and Board of Directors emoluments	**-83.96**	**4.29**	**9.54**
(%of turnover)	-46.6%	2.2%	5.0%
Less: Minority interests	-2.18	-0.01	-0.01
Results after Annual Taxation, Board of Directors emoluments, Tax from prior years' tax audit and Minority interests	**-81.78**	**4.30**	**9.55**

7. AFFILIATED COMPANIES

MINOAN LINES participated with a stake above 20% at 31.12.2004 in the share capital of the following companies:



Detailed table of participations:

Participations	Book value (in million €)	Percentage of participation
SUBSIDIARIES		
EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.*	3.00	100.0%
CRETAN PHILOXENIA S.A.	3.20	100.0%
MINOAN AGENCIES S.R.L.	0.05	95.0%
MINOAN CRUISES S.A.	0.21	80.3%
ASSOCIATED COMPANIES		
MEDITERRANEAN FERRIES S.R.L. *	0.00	50.0%
HELLAS FLYING DOLPHINS S.A.	62.55	31.6%
Total	**69.02**	

** under liquidation*

7.1 SUBSIDIARIES

EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.

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

CRETAN PHILOXENIA S.A.

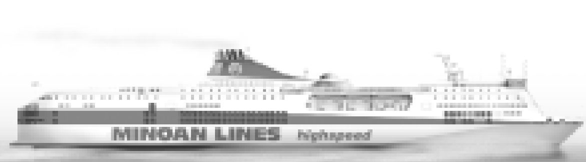
The Company was founded in November 1999 and its registered office is in Heraklion Crete. The objects of the company are to operate in activities relating to tourism aiming to expand the business lines of the parent company and to offer integrated tourist packages to its extensive clientele. In 2000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

MINOAN CRUISES S.A.

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

MINOAN AGENCIES S.R.L.

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



7.2 ASSOCIATED COMPANIES

HELLAS FLYING DOLPHINS

Hellas Flying Dolphins constitutes the biggest and most important participation of Minoan Lines, with a stake of 31.6% at year end.

Hellas Flying Dolphins achieved to renew in a large extent its fleet, with intensive efforts starting in the year 2000 onwards. It also succeeded to decrease considerably the average age of its vessels and to exploit its strong financial structure, that are mainly the low leverage and the high liquidity, for the planning of the new investment program.

The year 2004' projections were based on optimistic scenarios as the company operates mainly in the domestic market, waiting to fully exploit the Olympic year. However, the decreased tourist volumes in the markets of Cyclades, Sporades and Saronikos especially in the summer months, as well as the sharp increase in the fuel price affected negatively its financial results. The net result at the end of the year was negative with the loss reaching € 7.05 millions.

In 2004, the company planned its new investment program aiming to upgrade its existing fleet, broaden its presence and further improve of the services provided. In detail the investment program includes:

• the construction of one (1) highspeed catamaran vessel, the HIGHSPEED 5, in AUSTAL shipyards in Australia. The vessel is scheduled for delivery in May 2005 and will be deployed on the Cyclades routes in June.

• the purchase of two (2) catamaran type vessels (Flyingcat 5 and Flyingcat 6) replacing aged dolphin type vessels

• the purchase of two (2) Ro-Pax ferries currently under construction in Hellenic shipyards, the first of which will be delivered in July 2005

• and the purchase of one (1) Ro-Ro type vessel, built in 1987, scheduled to be deployed on the Corinth - Venice route in which two more Ro-RO type ferries are currently serving the route.

MEDITERRANEAN FERRIES S.R.L.

The company was founded in cooperation between MINOAN LINES and GRANDI TRAGHETTI, in May 2002 and its registered office is in Genoa, Italy. The company's business aim was the exploitation of the route Genoa - Tunisia - Malta. After the withdrawal and sale of the ship deployed on this route in the Western Mediterranean the company was put under liquidation.

7.3 KEY FINANCIAL DATA - SUBSIDIARIES AND ASSOCIATED COMPANIES

Basic Financial Data of subsidiary companies for the fiscal year 2004 is set out in the table below:

BASIC FINANCIAL DATA OF SUBSIDIARIES

(in € million)	EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.*	CRETAN PHILOXENIA S.A.	ATHINA S.A.	MINOAN AGENCIES S.R.L.	MINOAN CRUISES S.A.
Fixed Assets	0.00	3.28	2.59	0.04	0.00
Current Assets	0.03	0.04	0.17	0.44	0.27
Shareholders' Equity	-0.02	3.21	2.72	0.06	0.27
Total Liabilities	0.05	0.12	0.05	0.33	0.00
Turnover	0.00	0.00	0.08	1.58	0.00
Results before taxes	0.00	0.08	0.07	0.19	-0.06
Results after taxes and Board of Directors' Fees	0.00	0.08	0.03	0.08	-0.06

**under liquidation*

APPENDIX - FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF THE SOCIETE ANONYME "MINOAN LINES SHIPPING S.A." to the Ordinary General Meeting

Upon resolution of the Board of Directors of the company "MINOAN LINES Shipping S.A." which has its registered office at Heraklion Crete (17, 25th August Str.) and in accordance with the law and its corporation charter, the shareholders are called to the Ordinary General Meeting which will take place on Sunday 12th June, 2005, at 09.00 hours, at the Candia Maris hotel, in the area of Amoudara, Heraklion, for the discussion and decision making of the subjects placed on the agenda below:

1. *Submission for approval of the Annual Financial Statements of the Company of the fiscal year from 1st January 2004 to 31st December 2004, the Management Report of the Board of Directors and the Report of the Certified Auditors.*

2. *Release of the members of the Board of Directors and the Auditors from any responsibility for compensation for the financial statements and the management of the Company for the abovementioned fiscal year.*

3. *Approval of the compensation and expenses paid to the Members of the Board of Directors and the General Manager for the fiscal year 2004.*

4. *Election of four (4) ordinary and two (2) substitute members of the Board of Directors pursuant to article 17 of the Company's Article of Association and L. 3016/2002.*

5. *Election and remuneration of the Sworn-in Auditors for the fiscal year 2005.*

6. *Amendment of articles 16 to 33 of the Company's Article of Association (chapter D, Management - Board of Directors).*

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

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

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

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

Heraklion, May 10, 2005

By order of the Board of Directors

The Chairman of the Board of Directors

Konstantinos E. Klironomos

MINOAN LINES
BALANCE SHEET AT 31st DECEMBER 2004 -
PUBLIC LIMITED COMPANIES

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

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

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

NOTES: 1. On the fixed assets of the company there are the following mortgages: a) On the ships there are first preferred mortgages of € 449,961,783 and second preferred mortgages of € 150,000,000 and USD 8,000,000 31.12.2004 amount to 967 persons. **3.** Up until the drawing up date of the above financial statements the company's pending cases were the following: a) For the imposed by the European Competition Committee fine plus a provision of approx. € 0.32 million. For all of the aforementioned cases, the Court of the First Instance proved the Company right, and as regards to VAT and income tax cases totalling € 1.18 million the judgment is definitive appeal, it has been issued by the Administrative Court of Appeals the decision no. 3734/2003 which imposes the Greek State to provide further information in concern. In respect of this case the company has not set up a relative of nominal value € 2.20 each. The abovementioned increase was realized until 16.07.1999 and their listing for dealing in the main market of the Athens Stock Exchange began at 28.07.1999. The expenses of the aforementioned no surplus occurred according to the provisions of L. 2065/1992. **6.** The basic accounting principles of 31.12.2003 have been adopted. **7.** The Company has been controlled by the tax authorities up until and including the year from restaurants on board € 10,678,084.78, 521.4 Shops on board € 10,443,681.78, 554.1 Bars € 6,436,108.49, 927.1 Games € 1,946,959.25.

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

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

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

and b) on the buildings there are mortgages of € 13,154,748.66 to assure liabilities the balance of which at 31.12.2004 amounts to € 501,898,821.40 and USD 3,647,588.66. **2.** The personnel employed by the Company at interest amounting to approx. € 4.31 million in respect of which it has been accumulated a provision of approx. € 2.64 million, b) for past years' tax differences of approx. € 1.77 million in respect of which it has been accumulated and c) by decision of the Competition Committee was imposed a fine of € 4.50 million for which the company has filed an appeal against this decision before the Administrative Court of Appeals of Athens. In respect of the above provision chargeable to the results. **4.** The General Meeting of shareholders held on 16.05.1999 resolved on the increase of the share capital, raising funds totaling € 227,091,668.67 by issuing 17,731,500 new registered shares issue amounted to € 7,148,761.20. **5.** The last adjustment in the net carrying value of certain freehold property of the parent company occured in 31.12.2003 according to the provisions of article 28 of L. 3091/2002 and therefore 1996. **8.** The turnover of the financial statements 1.1.2004-31.12.2004 belong to the following categories of financial activity of STACOD 2003: 611.0 Revenues from Sea and coastal transportation € 162,032,604.88, 533.1 Sales

APPROPRIATION OF PROFITS

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

Heraklion, February 22, 2005

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

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

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

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

REPORT

OF THE BOARD OF DIRECTORS OF “MINOAN LINES” S.A. TO THE ORDINARY GENERAL MEETING OF SHAREHOLDERS ON 12th JUNE 2005

To the Shareholders

Ladies and Gentlemen,

We present to you the financial results as well as the most significant events that underlined the performance of the company’s business activity during the year 2004.

After a period of extended economic depression and uncertainty in the market, the year just ended marked the economic recovery of global economy, given that the rate of growth was particularly high, reaching by the end of the year 5,1%. This fact is, mainly, owing to the increase in the volume of the international trade transactions and to the gradual decline of the geopolitical tensions that over the last years became the main factors causing instability of the broader political and economic environment.

Similar evolution was noted also in the economy of the Euro-zone countries but at a lower rate of growth, i.e. 2% mainly due to decrease in home demand, particularly in the economically developed European countries. Contrary our country, once again, managed to rank among the countries with the higher percentage of development, reaching 3,7%, mainly owing to works performed for carrying out the Olympic Games.

However, the sector of Passenger Shipping was badly hit, as also the sector of tourism, by the remarkable decrease in tourist traffic, despite all the optimistic prospects due to Olympic Games.

This fact in conjunction with the explosive course of oil prices limited the size of profitability of all the companies of this sector.

In particular, the international oil prices exceeded any preceding price level and thus upset the initial business planning of almost all the companies and charged, to a great degree, their operating costs.

Moreover, the tourist traffic showed a significant decrease, so before as during the performance of the Olympic Games, a fact that drastically affected in limiting the earnings of the companies, given that the two - month period of July - August, owing to its seasonal aspect, is the most productive time for the sector.

“MINOAN LINES” implementing firmly the strategy planned by the Management, which among other includes measures for keeping low the costs and rationalizing the itineraries, met with particular success all the above-mentioned difficulties and achieved an outstanding increase in the operational profitability and its net profits as well as an impressive improvement of all the financial indicators.

The high profitability shown by the company allows the Management to propose the distribution of dividend of € 0.10 per share (against € 0.02 per share in 2003) that shows the dividend yield for 2004 at 5.2%.

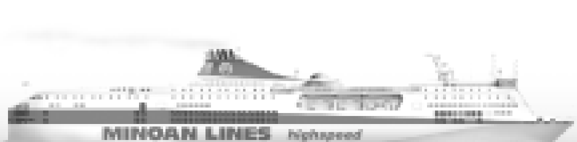
ANALYSIS OF THE BALANCE SHEET - FINANCIAL RESULTS 2004

The implementation of the company strategy planned to reduce bank borrowing, to keep low the operating expenses and to increase the profitability, affected the most significant figures of the balance sheet.

Thus, after the sale of the ships and the transfer of our participation in the company FORTHnet S.A. to the account “Securities”, the total fixed assets amounted to € 748.7 million, decreased by 9.4% as compared to the previous year while, respectively, the total current assets increased by 22.1% and rose to € 56.2 million.

The total liabilities are shown decreased in 2004 by € 69.4 million a fact mainly due to reduction in borrowing.

The shareholders’ equity increased by € 2.8 million and rose to € 243.3 million as against € 240.5 million in 2003. This increase is attributed to the impressive improvement of the operational profitability.



Analysis of Results (in € million)	2004	2003	CHANGE €	%
Operating income (turnover)	191.5	193.6	-2.1	-1.1%
Cost of sales	104.6	113.5	-8.9	- 7.8%
Gross operating results	**86.9**	**80.1**	**6.8**	**8.6%**
Administration expenses & distribution costs	27.4	27.1	0.3	1.5%
Other operating income	0.5	0.2	0.3	149.3%
Results before income. taxes and depreciation (EBITDA)	**60.0**	**53.2**	**6.8**	**12.7%**
Financial costs	31.6	31.0	0.6	1.8%
Total results	**28.4**	**22.2**	**6.2**	**27.9%**
Other / Extraordinary income	5.8	5.0	0.8	17.0%
Other / Extraordinary expenses	5.1	6.2	-1.1	- 16.9%
Net Results before depreciation	**29.1**	**21.0**	**8.1**	**38.5%**
Depreciation	19.6	17.4	2.2	12.3%
Net results before taxes	**9.5**	**3.6**	**5.9**	**166.2%**

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

• During the twelve-month period, that ended on 31.12.2004, the operating income from ships amounted to € 191.5 million, showing a marginal decrease by 1.1% as compared to the previous year, a fact owing to the withdrawal from the routes of the sold ships ARIADNE PALACE I (OCEANUS) and PROMETHEUS.

• The decreased number of the actual trips, due to withdrawal from the routes of the above ships, along with the great efforts made for keeping low the total expenditure, limited the operating expenses of ships to € 104.6 million, showing a decrease by 7.8%.

• The distribution costs and administration expenses rose in total to € 27.4 million, increased by 1.5% as compared to 2003.

• The profit before interest, taxes and depreciation (EBITDA) rose to € 60.0 million as against € 53.2 million in 2003, increased by 12.7%, while the gross profit margin increased from 27.5% in 2003 to 31.3% in 2004 and it is the higher among the companies of the passenger shipping sector.

• The financial expenses are shown increased by 1.8% as against 2003 and rose to € 31.6 million. The slight increase noted (€ 0.5 million) is only owing to the value measurement of the company's participations in other companies due to losses that these companies have presented for the year. Instead, the interest decreased by 12.2% amounted to € 27.2 million as against € 30.9 million in 2003 a result obtained so with the reorganization as also the reduction of bank borrowing, mainly owing to the sale of the two ships.

• The net profits of the company arose to € 9.5 million as against € 3.6 million in the previous year, increased by 166.2%. The earnings per share (EPS) stands at 0.13 as against 0.05 in 2003.

• The profit for appropriation amounts to € 7.7 million and it is proposed by the Board of Directors to the General Meeting to approve its appropriation as follows:

	(in € million)
Legal reserve	0.5
Tax-free and other reserves	0.0
Dividend € 0.10 x 70,926,000 shares	7.1
Profit carried forward (Retained earnings)	0.1
TOTAL	**7.7**

CONCLUSION OF LOANS REORGANIZATION

The company, in the frame of the strategy adopted and followed over the last years, aiming to reduce its loan liabilities and to reinforce its liquidity, in June 2004, concluded with success the negotiations with the involved credit institutions for the reorganization of its borrowing. This positive development, contributes catalytically to a reduction of its financial expenses providing in parallel the possibility to repay its loan liabilities through the liquidity that arises from its operating profitability.

In particular, it should be highlighted the outstanding confidence and trust towards our company, expressed by all the banks, which participate in our syndicated loans, as well as the overall consideration demonstrated that to a high degree is owing to the excellent relations that have finally been established through a long lasting co-operation.

OTHER SIGNIFICANT EVENTS IN 2004

Minoan Ev πλω*

Our company's main concern to provide the best and most complete service to our passenger public caused us to realize a new pioneer customer - core programme for frequent passengers, launched under the distinctive name "MINOAN EN ΠΛΩ". The specific product concerns the provision of particular advantages and special offers to our customers and generally the improvement of their overall traveling experience.

This way our company expects to develop additional incentives aiming on the one hand to maintain the already existing customers and on the other hand to attract new travelers, which till now were using other shipping or airline companies for their transportation.

Moreover, we hope to reinforce the degree of our competitive power, providing high-class facilities and services, thus acquiring evident comparative advantages against direct or indirect competition. The privileges that may enjoy a passenger who is a member of the "MINOAN EN ΠΛΩ" project, like free tickets to all of our destinations and discounts for services rendered on our ships, contribute to establish a solid, deeply personal relation between a customer and our company.

*Ev πλω = on board

H.A.C.C.P.

Following the attained ISO 9001 Certification in 2000 awarded by the Germanisher Lloyd, the I.S.M. Code and the I.S.P.S. Code that was awarded to our company by the Merchant Ship Survey of the Ministry of Merchant Marine for safe and quality transport of passengers and vehicles by sea, the "MINOAN LINES" in 2004 attained certification for Hazard Critical Control Point (H.A.C.C.P.) by TUV Hellas that warrants the hygiene in storage, production and disposal of food and beverages on board, securing on the best authority the high quality of rendered services.

It is worth mentioning that our company is the first shipping company in Greece that has been awarded such a certification by this system, proving in fact its responsible and serious attitude in matters of hygiene and security.

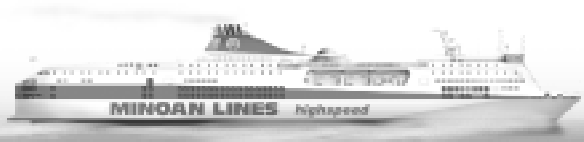
Sale of our participation in Aegean Airlines - Increase of our participation in Hellas Flying Dolphins (H.F.D.).

Implementing the general strategy plan as to focus our business activities in the core shipping sector we managed to agree to sell our participation in Aegean Airlines, that was in fact concluded in February 2005. The proceeds from the sale were invested in shares of the H.F.D., increasing our participation to 33,31% and thus leaving no doubts about our firm attitude in concern of the strategic aspect of this investment.

Developments in Hellas Flying Dolphins (H.F.D.)

The H.F.D. with intensive efforts from 2000 and henceforth has achieved to reorganize its fleet, to reduce significantly the average age of the ships and to take advantage of its powerful financial size, arising from low borrowings and high liquidity, in order to prepare a new investment plan.

The decrease in tourist traffic during the 2004 Olympic Games as well as the high increase in oil prices, particularly of the fuel consumed by the high-speed ships of the company, affected negatively the business and the results for



2004 show a loss of approximately € 7 million. This negative development, arising from the above unfavorable conjuncture, is considered as fully reversible in 2005 since the fleet shall be enlarged with new ships, which will be put on route to the lines of Cyclades islands and Crete, and the old ships, the operation of which is deemed unprofitable, shall be disposed, soon.

Strategic Investor

On 21 February 2005, the "ATTICA S.A. Holdings" proceeded with the purchase of 9,51% of the share capital of "MINOAN LINES" from prior holder i.e. a company of Italian interests.

The B. of D. of the company accepted with particular satisfaction this important change in its capital structure since it perceives that this is a strategic investment made by a holding company with remarkable investments in the shipping sector.

Retirement of the General Manager

On the 31st of January 2005 the B. of D. of the company, accepted the notice of resignation, submitted by Mr. Panayiotis Kasapakis, from the post of General Manager and at the same time approved this resignation to be treated as a voluntary retirement. On the other hand, by a unanimous resolution, Mr Antonis Maniadakis was appointed as a Chief Executive Officer. Mr Maniadakis has served the company for many years as Executive Director in charge of the Shipping sector.

The B. of D. wishes to express thanks to Mr. Panayiotis Kasapakis for diligence, consistency and honesty demonstrated throughout his long-term of service in the company achieving at the same time to develop a sincere relation of co-operation and respect so with the Management as also with the staff of the company.

NEW PRIORITIES FOR THE YEAR 2005 - CHALLENGES AND PROSPECTS

Dear shareholders,

In a particularly changeable competitive environment the Management of the company, focusing on its strategy, aims to vest "MINOAN LINES" with power and vision towards future challenges.

In this way, by steady and progressive steps, the modernization process attempted in all the sectors of our activity, we deem that, shall continue being also in the current year the potential carrier for further development and prosperity to our Company.

Modernization with emphasis on the trade and shipping sector but also on the overall aspect of the company was pursued with the provision of high quality services, as appropriate to modern-day requirements.

At the same time the company continues to care for decreasing the operating expenses, without affecting its consolidated presence, gained in coastal transport.

This tailored strategy, that conducts and will continue to conduct the company to a further growth, is implemented through a strict and sober schedule, which relies on the excellent co-operation of the Members of the Board and the personnel of the company in which we, indeed, invest a lot.

This unique, systematic endeavor as, mentioned afore gave MINOAN LINES support and energy to proceed its successful course.

Further to this strategy, which was followed in 2004, recognizing the current-day trends in the global market becomes imperative for our company's success the satisfaction of our customers and the establishment of more solid and broad customer relations.

Focusing on the upgrade of the services rendered to passengers, we deem that for 2005 beyond the existing and most efficient sales policy, an expansion of the volume of sales could be accomplished with the satisfaction of those needs that identify the customer and strengthen the degree of his confidence to the company.

Ladies and Gentlemen,

The year 2005 is expected to improve considerably the picture presented in 2004. Prospects are optimistic. The first message comes from the interim results for the Ist quarter, which are improved as compared to the respective quarter of 2004.

The firm implementation of the company strategy, the rational exploitation of our ships as well as our intensive efforts for a more effective promotion of our sales in the market of our activities, contribute decisively to the prospects for a successful course in the current year and henceforth.

The work performed and now put for your consideration is the result of joint effort and dedication of the Board and all the employees of the company, as well as of the spirit of trust, respect and excellent co-operation that prevails among the management and all the executives.

At the present General Meeting expires the term in office of the members of the Board, Messrs Emmanuel Koulentakis, Stylianos Sarris, Nikolaos Serpetsidakis and Ioannis Sbokos. I owe to express appreciation to them all as well as to the other members of the Board for their wonderful co-operation and positive contribution to the job performed at all events, while, at the same time I want to wish this constructive atmosphere, that we have achieved, to be maintained since I consider it an asset for future growth.

The present General Meeting is called to elect, for making up the Board of Directors and for a term of office of tree-years, four (4) regular members and two (2) substitute members, in accordance with Article I7 of the Articles of Association and the L. 3016/2002 as well as to appoint statutory auditors for the year 2005.

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

• Our shareholders, the authorities, the mass media of Crete and all the simple people, who contributed at difficult moments and continue to contribute to our company.

• Our customers, the passenger public for its preference in the ships of our company, recompensing this way the efforts made for continuing improvement of the quality of our services.

• The Ministry of Merchant Marine and the Public Departments for their comfort and willingful co-operation demonstrated in matters affecting the company.

• Particular thanks we owe to express to all the banks, which collaborate with us and, mainly, to the CITIBANK Shipping Bank and its staff for the spirit of confidence and trust towards our company.

• All of our direct and indirect co-operators, agents, vehicle drivers, suppliers, shipyards, attorneys at law, etc. for excellent co-operation.

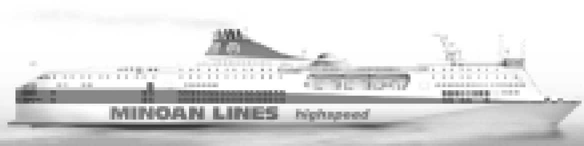
• The personnel of our company on land and in the sea, who with zeal, dedication and conscientiousness contributes significantly to the progress of the company.

Feeling confident that we have 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 the increasingly upward course of our company.

Heraklion, 22 February 2005

The Chairman of the Board of Directors

Konstantinos Klironomos



CERTIFICATION

The above Board of Directors' Report of the shipping company "MINOAN LINES" S.A. that consists of eleven (11) pages is what is referred to in the Auditors' Report, dated 24 February 2005.

Athens, 24 February 2005

KPMG Kyriakou Certified Auditors S.A.

Marios T. Kyriakou

Certified Auditor Accountant

SOEL Reg. No.11121

MINOAN LINES SHIPPING S.A.
7th CONSOLIDATED BALANCE SHEET AS AT 31st
PUBLIC LIMITED COMPANIES

ASSETS		Current Financial Year 2004 €			Previous Financial Year 2003 €	
	Book Value	Depreciation	Net Book Value	Book Value	Depreciation	Net Book Value
B. FORMATION EXPENSES						
1. Start - up costs	42,167.30	42,167.30	0.00	43,236.36	35,380.53	7,855.83
2. Exchange rate adjustments on loans for acquisitions	2,444,533.50	611,133.38	1,833,400.12	3,202,394.72	757,861.22	2,444,533.50
3. Construction Period Interest cost	4,482,304.08	3,635,288.40	847,015.68	7,330,689.04	5,587,212.59	1,743,476.45
4. Other formation expenses	5,375,198.33	2,285,842.58	3,089,355.75	13,230,262.98	12,061,559.16	1,168,703.82
	12,344,203.21	6,574,431.66	5,769,771.55	23,806,583.10	18,442,013.50	5,364,569.60
C. FIXED ASSETS						
I. Intangible Assets						
1. Research and Development expenses	605,399.19	466,189.84	139,209.35	605,399.19	345,110.00	260,289.19
2. Concessions Trademarks, Rights & Licenses	29,347.03	29,347.02	0.01	29,347.03	29,347.02	0.01
5. Other Intangible Assets	172,457.20	155,638.01	16,819.19	233,396.14	157,709.95	75,686.19
	807,203.42	651,174.87	156,028.55	868,142.36	532,166.97	335,975.39
II. Tangible Assets						
1. Land	4,173,358.84	0.00	4,173,358.84	4,173,358.84	0.00	4,173,358.84
3. Buildings and technical work	5,863,053.65	2,643,968.64	3,219,085.01	5,863,053.65	2,503,047.51	3,360,006.14
5. Transportation means	164,478.68	109,979.05	54,499.63	138,101.66	94,007.42	44,094.24
5a. Vessels	741,727,496.35	67,660,440.43	674,067,055.92	792,733,203.75	52,793,011.51	739,940,192.24
6. Furniture and Fixtures	3,608,383.95	3,028,527.61	579,856.34	3,655,031.78	2,862,733.45	792,298.33
	755,536,771.47	73,442,915.73	682,093,855.74	806,562,749.68	58,252,799.89	748,309,949.79
TOTAL FIXED ASSETS (CI + CII)			682,249,884.29			748,645,925.18
III. Investments and other Long - Term Assets						
1a. Holdings in Associated companies			63,237,916.41			73,180,210.60
2. Investments in other companies		25,314.38			25,314.38	0.00
Less: Provisions for devaluation		17,079.98	8,234.40		14,846.61	10,467.77
7. Other Long - Term Assets			32,503.50			28,780.65
			63,278,654.31			73,219,459.02
TOTAL FIXED ASSETS EMPLOYED (CI + CII + CIII)			745,528,538.60			821,865,384.20
D. CURRENT ASSETS						
I. Inventories						
1. Merchandise			2,538,888.93			2,472,054.24
4. Consumables - Spare Parts			1,184,560.99			1,405,240.69
			3,723,449.92			3,877,294.93
II. Debtors						
1. Trade Debtors			6,101,333.73			10,425,440.68
2. Bills receivable			7,117.50			99,729.69
3a. Items for collection						
- In portfolio		1,896,515.95			1,027,416.88	
- In Banks		26,707,980.60	28,604,496.55		18,348,618.32	19,376,035.20
6. Short - Term Receivables from associated companies			449,859.03			449,859.03
10. Doubtful trade debtors and receivables		1,704,449.29			1,488,348.55	
Less: Provisions for doubtful accounts		75,413.88	1,629,035.41		75,413.88	1,412,934.67
11. Other Debtors			1,205,188.23			2,864,956.28
12. Advances and prepayments			0.00			1,970.85
			37,997,030.45			34,630,926.40
III. Marketable Securities						
1. Shares	30,964,037.95			23,810,529.88		
3. Other Securities	263,617.04	31,227,654.99		0.00	23,810,529.88	
Less: Provisions for devaluation		17,360,235.13	13,867,419.86		18,569,940.09	5,240,589.79
IV. Cash						
1. Cash in hand			164,156.16			230,937.87
3. Sight and time Deposits			972,606.89			2,739,339.81
			1,136,763.05			2,970,277.68
TOTAL CURRENT ASSETS (DI + DII + DIII + DIV)			56,724,663.28			46,719,088.80
E. TEMPORARY ASSETS						
1. Deferred Expenses			3,528,513.49			3,296,522.04
2. Accrued income			13,153.23			36,928.25
3. Other asset suspense accounts			29,581.20			16,244.95
			3,571,247.92			3,349,695.24
TOTAL ASSETS (B + C + D + E)			811,594,221.35			877,298,737.84
DEBIT MEMO ACCOUNTS						
2. Guarantees and collateral securities			662,337,107.72			770,349,562.56
			662,337,107.72			770,349,562.56

- GROUP OF COMPANIES
DECEMBER 2004 (1 JANUARY - 31 DECEMBER 2004)
REGISTRATION No.11314/06/B/86/13

LIABILITIES & SHAREHOLDERS EQUITY	Current Financial Year 2004	€	Previous Financial Year 2003	€
A. SHARE CAPITAL				
I. SHARE CAPITAL (70,926,000 shares of 2.25 euro each)				
1. Issued and fully paid		159,583,500.00		159,583,500.00
		159,583,500.00		159,583,500.00
II. Share premium account				
1. Paid - in		26,942,576.38		26,942,576.38
		26,942,576.38		26,942,576.38
III. Revaluation Reserves and Investments Grants				
1. Revaluation of investments		2,668.80		2,668.80
3. Government Grants for Fixed Assets	6,588,798.01		6,588,798.01	
Less: Depreciation of subsidies for purchase of fixed assets	1,007,371.29	5,581,426.72	820,051.20	5,768,746.81
		5,584,095.52		5,771,415.61
IV. Reserves				
1. Ordinary reserves	9,704,683.49		9,229,762.89	
Less: Loss from sale or value decline of participating interests and securities for offsetting	(18,149,692.67)	(8,445,009.18)	(20,602,784.12)	(11,373,021.23)
4. Extraordinary reserves		56,978,689.06		56,978,689.06
5. Tax - Free reserves under special law		2,560,099.67		2,559,069.10
		51,093,779.55		48,164,736.93
V. Results carried forward				
1. Retained Profits		1,939,283.25		671,105.51
		1,939,283.25,		671,105.51
VIII. Consolidation Differences		(4,547,470.25)		(4,547,470.25)
TOTAL SHAREHOLDERS EQUITY (AI + AII + AIII + AIV + AV+AVIII)		240,595,764.45		236,585,864.18
IX. Minority Interests		60,169.15		70,219.64
Total Shareholders Equity (AI + AII + AIII + AIV + AV+ AVIII + AIX)		240,655,933.60		236,656,083.82
B. PROVISIONS FOR LIABILITIES AND EXPENSES				
1. Severance pay indemnities due to retirement		2,070,745.94		1,822,958.29
2. Other provisions		3,166,739.30		2,927,438.52
		5,237,485.24		4,750,396.81
C. LIABILITIES				
I. Long - Term debt				
2. Bank Loans		476,076,736.87		556,422,127.69
		476,076,736.87		556,422,127.69
II. Short - Term Liabilities				
1. Suppliers		15,333,181.58		13,424,124.76
2a. Post - dated cheques		3,319,708.13		3,994,023.13
3. Banks - short-term liabilities		22,868,406.02		15,222,170.35
4. Customers advances		437,174.21		690,331.84
5. Taxes and duties payable		1,978,399.42		1,684,657.29
6. Social Security Contributions		1,019,385.32		492,230.69
7. Current portion of long - term debt		28,500,000.00		30,250,000.00
9. Liabilities to other affiliates		229,969.45		111,664.74
10. Dividends payable		7,503,113.68		2,251,300.49
11. Sundry Creditors		4,830,015.77		7,195,223.31
		86,019,353.58		75,315,726.60
Total Liabilities (CI + CII)		562,096,090.45		631,737,854.29
D. ACCRUALS AND DEFERRED INCOME				
1. Accrued income		545,274.64		653,242.64
2. Accrued expenses		3,059,437.42		3,500,780.27
3. Other liabilities suspense accounts		0.00		380.01
		3,604,712.06		4,154,402.92
TOTAL LIABILITIES (A + B + C +D)		811,594,221.35		877,298,737.84
CREDIT MEMO ACCOUNTS				
2. Beneficiaries of guarantees and collateral securities		662,337,107.72		770,349,562.56
		662,337,107.72		770,349,562.56

NOTES: 1. In the above-consolidated financial statements 1.01-31.12.2004 are included, apart from the parent company, the subsidiary companies MINOAN CRUISES-SHIPPING S.A., EUROPEAN THALASSIC AGENCIES SHIPPING the net worth method are the associated undertakings HELLAS FLYING DOLPHINS SHIPPING S.A. and MEDITERRANEAN FERRIES S.R.L. (under liquidation). **2.** On the fixed assets of the companies of the Group and the ships of are mortgages of € 17,154,748.66 to assure liabilities the balance of which at 31.12.2004 amounts to € 501,898,821.40 and USD 3,647,588.66. **3.** The personnel employed by the companies of the Group at 31.12.2004 amount 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 all of the aforementioned cases, the Court of the First has filed an appeal against this decision before the Administrative Court of Appeals of Athens. In respect of the above appeal, it has been issued by the Administrative Court of Appeals the decision no. 3734/2003 which imposes with the amounts of USD 559,377 and € 210,162.44 for which guarantee letters of respective amounts have been issued in favor of NAT, is related to the outcome of the legal actions which NAT and the subsidiary company has value of certain freehold property of the group occured in 31.12.2003 according to the provisions of article 28 of L. 3091/2002 and therefore no surplus occurred according to the provisions of L. 2065/1992. **7.** The consolidated on board € 10,678,084.78, 521.4 Sales from shops on board € 10,443,681.78, 554.1 Bars € 6,436,108.49, 927.1 Games € 1,946,959.25, 634.0 Other revenues € 568.700.79, 702.0 Rent income € 79,629.00.

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

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

		Current Financial Year 2004 €		Previous Financial Year 2003 €
I. OPERATING RESULTS				
Turnover (Sales)		192,170,131.97		194,291,855.61
Less: Cost of sales		122,274,152.78		127,871,262.88
Gross operating results		69,895,979.19		66,420,592.73
Plus: 1. Other operating income		538,553.46		213,219.04
Total		70,434,532.65		66,633,811.77
Less: 1. Administration expenses	11,561,777.82		12,289,608.04	
3. Sales expenses	18,221,817.80		18,377,139.39	
4. Uncosted Production Costs (under - utilization / vessel lay - up)	0.00	29,783,595.62	2,810,958.72	33,477,706.15
Operating results (profit)		40,650,937.03		33,156,105.62
Plus:				
1. Income from participation	48,342.65		124,339.72	
1a. Revenues from affiliates	0.00		2,264,770.75	
2. Revenues from marketable securities	52,868.40		11,778.00	
3. Profits,from sales of participations and marketable securities	455,690.42		0.00	
4. Interest income and related income	224,257.02	781,158.49	120,481.05	2,521,369.52
Less:				
1. Valuation differences from equity participations & securities	776,228.17		23,104.34	
1a. Losses from affiliates	2,182,803.53		0.00	
2. Expenses and losses from participations and marketable securities	5,538.15		30,562.42	
3. Debit interest and similar charges	27,219,354.32	30,183,924.17	31,013,451.70	31,067,118.46
Total operating results (profits)		11,248,171.35		4,610,356.68
II. Plus: Non operating items				
1. Extraordinary & non - operating revenues	1,085,958.58		2,100,032.57	
2. Extraordinary revenues	0.00		3,615.24	
3. Revenues from previous years' provisions	627,615.80		284,229.08	
4. Income from previous years' provisions	2,030,362.48	3,743,936.86	990,798.24	3,378,675.13
Less:				
1. Extraordinary & non - operating expenses	1,449,993.51		2,286,017.76	
2. Extraordinary losses	591,943.44		18,672.77	
3. Prior years' losses	3,087,613.14	5,129,550.09	1,214,908.76	3,519,599.29
Operating and extraordinary results (profits)		9,862,558.12		4,469,432.52
Less:				
1. Total depreciation of Fixed Assets and Start - Up expenses	19,595,838.01		17,457,651.66	
Less: Depreciation included in operating results	19,595,838.01	0.00	17,457,651.66	0.00
NET RESULTS (PROFIT) FOR THE YEAR BEFORE TAXES		9,862,558.12		4,469,432.52
Less: Income taxes		138,147.59		129,145.17
Other taxes not included in operating cost		186,761.98		48,586.03
NET RESULTS (PROFIT) FOR THE YEAR AFTER TAXES		9,537,648.55		4,291,701.32
LESS: Minority interest		(8,680.72)		(10,216.99)
NET CONSOLIDATED RESULTS (PROFIT) FOR THE GROUP		9,546,329.27		4,301,918.31

MANAGEMENT & CONSULTANTS S.A. (under liquidation), MINOAN AGENCIES S.R.L., CRETAN FILOXENIA S.A. and its subsidiary ATHENA A.V.E.E., which were consolidated with the full consolidation method. Also included with the parent company there are the following mortgages: a) On the ships there are first preferred mortgages of € 449,961,783 and second preferred mortgages of € 150,000,000 and USD 8,000,000 and b) on the buildings there to 981 persons. **4.** Up until the drawing up date of the consolidated financial statements the pending cases for the parent company were the following: a) The fine imposed by the European Commission plus interest of € 4.31 Instance proved the Company right, and as regards to VAT and income tax cases totalling € 1.18 million the judgment is definitive and c) For the fine imposed by the Antitrust Commission of € 4.50 million for which the Company the Greek State to provide further information in concern. In respect of this case the company has not set up a relative provision chargeable to the results. **5.** The charge or not of the results for the year of a subsidiary company already proceeded to. In respect of this case the subsidiary company has not set up a relative provision chargeable to the results believing that the courts will prove the company right. **6.** The last adjustment in the net carrying turnover of the financial statements 1.1.2004-31.12.2004 belong to the following categories of financial activity of STACOD 2003: 611.0 Revenues from Sea and coastal transportation €162,016,967.88, 533.1 Sales from restaurants

Heraklion, February, 22 2005

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

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

We have audited, in accordance with article 108 of Codified Law 2190/1920 relating to Anonymes Eteries, the seventh consolidated balance sheet and the consolidated results, and the relevant consolidated notes thereon of MINOAN LINES SHIPPING A.N.E. and its subsidiaries for the year ended 31 December 2004. Our audit was carried out and included the procedures we deemed appropriate under the auditing standards adopted by the Institute of Certified Auditors Accountants and we verified the contents of the consolidated Directors' Report with the related consolidated financial statements. We did not audit the financial statements of the subsidiaries included in the consolidation, which represent 0.84% and 2.84% of the consolidated assets and consolidated turnover, respectively and which have not been audited by other Certified Auditors Accountants. We did not audit the financial statements of these subsidiaries due to their insignificance to the consolidated financial statements as a whole. The affiliate company, which is included in the consolidation under the equity method represents approximately 22.1% of the consolidated pre-tax results, is based on financial information which has not, yet, been audited by Certified Auditors Accountants. Our audit revealed the following: **1.** The parent Company did not make a provision for doubtful debts, of approximately EUR 0.8 million related to prior years. Consequently, the Accounts Receivable and Equity are overstated by the above mentioned amount. **2.** The issues, that are referred to fully and clearly in notes 4 and 5 by the Company, which are disclosed under the Consolidated Balance Sheet, of which their outcome can not be determined. **3.** The Company has not been audited by the tax authorities for the years 1997 to 2004. The subsidiaries included in the consolidation have not been audited by the tax authorities from their establishment date, except for the company Athena ABEE and the related company Hellas Flying Dolphins ANE, which have not been audited for the years 2000 to 2004. Consequently, tax obligations for these years have not yet been finalized. In our opinion, after taking into consideration the matters described in the preceding paragraphs, the consolidated financial statements referred to above, have been prepared in accordance with the regulations of Codified Law 2190/1920 and present fairly, in accordance with the related regulations and accounting principles which are applied by the parent company and have been generally accepted in Greece and which have been applied on a consistent basis, the financial position and the results of the companies included in the consolidation for the year ended 31 December 2004.

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

REPORT

OF THE BOARD OF DIRECTORS OF "MINOAN LINES" S.A. ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

To the Shareholders

Ladies and Gentlemen,

The Board of Directors of MINOAN LINES presents and puts for your consideration the Consolidated Financial Statements for the year ended 31 December 2004.

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

Companies consolidated by the method of "full consolidation"

Subsidiaries	Holdings
EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A. *	100.0 %
CRETAN FILOXENIA S.A.	100.0 %
ATHENA S.A.	100.0 %
MINOAN AGENCIES S.R.L.	95.0 %
MINOAN CRUISES S.A.	80.3 %

* *under liquidation*

Companies integrated by the method of "net equity"

Associated companies	Holdings
MEDITERRANEAN FERRIES S.R.L. *	50.0 %
HELLAS FLYING DOLPHINS S.A. - GROUP OF COMPANIES	31.6 %

* *under liquidation*

Over the year 2004 no change in holdings percentage has occurred.

CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

CONSOLIDATED BALANCE SHEET

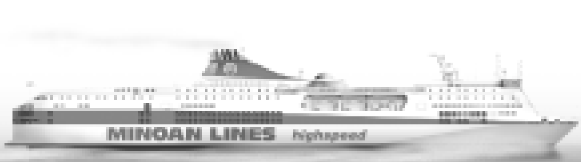
The Balance Sheet of the Group, represents fairly the figures, on a consolidated basis, of the parent and of its subsidiary companies as well as of the companies, in which the parent has a significant holding and contributes to assess the financial data and the assets of the Group, disclosed therein.

In particular:

• The fixed assets on a Group basis amounted to € 745.53 million as against € 821.87 million in 2003, i.e. a decrease of 9.3%, result mainly owing to the sale, by the parent company, of the ship PROMETHEUS, the depreciation for the year and the transfer of the Group's participation in the associated company "FORTHnet" S.A. to the account "Securities". Therefore, the current assets increased by 21.4% as compared to the previous year and rose to € 56.72 million.

• The total assets on a Group basis amounted to € 811.59 million as against € 877.30 million in 2003, decreased by 7.5%.

• The total equity on a Group basis rose to € 240.66 million as against € 236.66 million in the previous year. This



increase is attributed to the impressive improvement of the operational profitability, mainly that of the parent company.

• The total non-current and current liabilities are shown limited to € 562.10 million as against € 631.74 million in 2003, due to reduction in borrowing that was achieved with the sale of the ship and the payment of the annual sinking - fund installments.

FINANCIAL RESULTS

In the table here below are set out in detail the financial results of the Group, compared with the corresponding items of the previous year.

Analysis of Results (in € million)	**2004**	**2003**	**CHANGE €**	**%**
Operating income (turnover)	192.17	194.29	-2.12	-1.1%
Cost of sales	105.32	114.22	-8.90	-7.8%
Gross operating results	**86.85**	**80.07**	**6.78**	**8.5%**
Administration expenses & distribution costs	27.14	26.85	0.29	1.1%
Other operating income	0.54	0.21	0.33	157.1%
Results before income, taxes and depreciation (EBITDA)	**60.25**	**53.43**	**6.82**	**12.8%**
Financial costs	30.18	31.07	-0.89	-2.9%
Total results	**30.07**	**22.36**	**7.71**	**34.5%**
Other / Extraordinary income	4.52	5.90	-1.38	-23.4%
Other / Extraordinary expenses	5.13	6.33	-1.20	-19.0%
Net Results before depreciation	**29.46**	**21.93**	**7.53**	**34.3%**
Depreciation	19.60	17.46	2.14	12.3%
Net results of the group before minority interests & taxes	**9.86**	**4.47**	**5.39**	**120.6%**
Attributable to Minority Shareholders	-0.01	-0.01	0.00	0.0%
Net results of the group before taxes	**9.87**	**4.48**	**5.39**	**120.3%**

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

• The consolidated turnover, after deduction of inter-company transactions, amounted to € 192.17 million decreased by 1.1% as compared to the previous year, result owing to decrease in income of the parent company, due to withdrawal from the routes of the sold ships ARIADNE PALACE I (OCEANUS) and PROMETHEUS.

• Respectively the cost of sales is shown decreased as compared to 2003 by 7.8% owing to the decrease in the number of the actual trips, of the parent company, as well as to the efforts made for keeping low the total expenditure.

• The distribution costs and administration expenses rose, in total, to € 27.14 million, increased by 1.1% as compared to 2003.

• The financial costs are shown decreased by 2.9% as compared to 2003 and amounted to € 30.18 million. The debit interest is decreased by 12.2% and limited to € 27.22 million as against € 31.01 million in 2003 as a result obtained so by the reorganization as also by the reduction of bank borrowing, achieved by the parent company.

• The net profits before taxes of the Group rose to € 9.87 million as against € 4.48 million of the previous year, increased by 120.3%.

SUMMARY FINANCIAL DATA OF SUBSIDIARIES

The table hereunder provides summary financial data of the subsidiaries that were consolidated by the method of full consolidation in the year 2004, according to their respective financial statements.

Table 1: Basic Financial Data

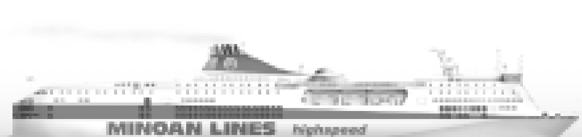
(in € thousand)	EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.*	CRETAN PHILOXENIA S.A.	ATHINA S.A.	MINOAN AGENCIES S.R.L.	MINOAN CRUISES S.A.
Fixed Assets	0	3,282	2,593	39	0
Current Assets	27	44	170	398	271
Shareholders' Equity	-20	3,210	2,721	60	270
Total Liabilities	47	123	53	330	4
Turnover	0	0	80	1,582	0
Results before taxes	0	80	69	194	-65
Results after taxes and Board of Directors' Fees	0	63	28	82	-65

* *under liquidation*

Heraklion, 22 February 2005

The Chairman of the Board of Directors

Konstantinos Klironomos



CERTIFICATION

The above Consolidated Report of the Board of Directors of the parent company "MINOAN LINES S.A.", which consists of four (4) pages is what is referred to in the Auditors' Report, dated 24 February 2005.

Athens, 24 February 2005

KPMG Kyriakou Certified Auditors S.A.

Marios T. Kyriakou

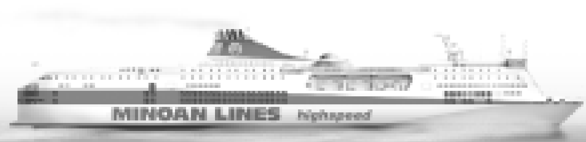
Certified Auditor Accountant

SOEL Reg. No.11121

STATEMENT OF CASH FLOWS FROM 1.1.2004 UNTIL 31.12.2004

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

	DESCRIPTION	For the year ended 1.1.2004 - 31.12.2004 €	For the year ended 1.1.2003 - 31.12.2003 €
A	***Cash Flows from Ordinary (Operating) Activities***		
A	***100 Cash Inflows***		
	101 Sales (turnover)	191,537,439.18	193,586,457.54
	102 Other operating income	530,939.88	212,718.71
	103 Extraordinary and non-operating income	865,125.96	1,551,260.39
	104 Prior years' income	627,615.80	274,748.22
	105 Interest income (from deposits etc)	223,673.25	102,297.47
	106 Income from securities	52,868.40	11,778.00
	107 Sale of marketable securities	802,002.40	0.00
	108 Decrease in accounts payable	0.00	815,679.26
	Less:		
	109 Purchase of marketable securities	265,570.00	0.00
	110 Increase in debtors	3,603,763.09	0.00
	Total Cash Inflows (A100)	***190,770,331.78***	***196,554,939.59***
A	***200 Cash Outflows***		
	201 Cost of sales (less depreciation & provisions)	104,612,406.41	113,521,991.09
	202 Administration expenses	8,532,615.78	8,100,687.02
	203 R & D expenses	0.00	0.00
	204 Sales expenses	18,649,415.77	18,638,292.04
	205 Non operation / Idle expenses	0.00	2,810,958.72
	206 Other expenses	4,443,675.15	2,717,547.77
	207 Increase in inventories	0.00	0.00
	208 Increase in transitory debit balances	250,683.26	1,445,331.30
	209 Decrease in transitory credit balances	555,170.86	1,328,226.58
	210 Decrease in short-term liabilities (excepting banks)	1,801,560.59	12,628,339.65
	Less:		
	211 Decrease in inventories	153,845.01	677,161.71
	212 Decrease in transitory debit balances	0.00	0.00
	213 Increase in transitory credit balances	0.00	0.00
	214 Increase in current liabilities (excepting banks)	0.00	0.00
	Total Cash Outflows (A200)	***138,691,682.81***	***160,514,212.46***
A	***300 Tax Cash Outflows***		
	301 Income Tax	0.00	0.00
	302 Tax not incorporated to operating cost	171,662.05	33,486.10
	303 Tax adjustments	-773,704.25	-157,599.22
	304 Tax reductions	0.00	155,581.46
	Less:		
	305 Increase in tax obligations	288,526.99	0.00
	Total Tax Cash Outflows (A 300)	***890,569.19***	***31,468.34***
	Cash Flows from Ordinary (Operating) Activities (A100-A200-A300)=A	***52,969,218.16***	***36,009,258.79***
B	***Cash Flows from Investment Activities***		
B	***100 Cash Inflows***		
	101 Sale of intangible assets	0.00	0.00
	102 Sale of tangible assets	49,469,403.47	61,047,757.31
	103 Sale of participations and intagible titles	0.00	63,058.27
	104 Decrease in long-term demands	0.00	0.00
	105 Income from participations and intagible titles	1,251,897.74	147,988.80
	106 Interest (long-term and other demands)	0.00	0.00
	Total Cash Inflows (B100)	***50,721,301.21***	***61,258,804.38***



	DESCRIPTION	For the year ended 1.1.2004 - 31.12.2004 €	For the year ended 1.1.2003 - 31.12.2003 €
B	***200 Cash Outflows***		
	201 Purchase of intangible assets	0.00	45,323.78
	202 Purchase of tangible assets	704,379.93	2,984,344.09
	203 Purchase of participations and intangible titles	0.00	123,113.22
	204 Increase in long-term debtors	3,671.20	1,289.10
	205 Increase in establishment expenses	2,981,984.37	457,217.56
	Total Cash Outflows (B200)	***3,690,035.50***	***3,611,287.75***
	Total Cash Flows from Investment Activities (B100-B200)=B	***47,031,265.71***	***57,647,516.63***
C	***Cash Flows from Financial Activities***		
C	***100 Cash Inflows***		
	101 Income from share capital increase & par value difference	0.00	0.00
	102 Income from fixed assets subsidies	0.00	0.00
	103 Increase in long-term liabilities	0.00	0.00
	104 Increase in current liabilities	7,646,235.67	0.00
	Total Cash Inflows (C100)	***7,646,235.67***	***0.00***
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	80,489,345.31	56,434,625.00
	204 Decrease in short-term liabilities (bank accounts)	0.00	4,512,731.92
	205 Interest paid	27,172,240.51	30,944,459.98
	206 Dividends paid	1,840,786.81	105,075.44
	207 Distribution of profits to staff	0.00	0.00
	208 Directors' remunerations from period profits	0.00	0.00
	Total Cash Outflows (C200)	***109,502,372.63***	***91,996,892.34***
	Cash Flows from Financial Activities (C100-C200)=C	***-101,856,136.96***	***-91,996,892.34***
	TOTAL CASH FLOWS (add A+B+C)	***-1,855,653.09***	***1,659,883.08***
	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	***2,853,503.94***	***1,193,620.86***
	CASH AND CASH EQUIVALENTS AT END OF THE YEAR	***997,850.85***	***2,853,503.94***

Heraklion, February 22, 2005

THE CHAIRMAN OF THE BOARD	THE CHIEF EXECUTIVE OFFICER	THE FINANCE MANAGER	THE CHIEF ACCOUNTANT
KONSTANTINOS KLIRONOMOS ID C No K 980430	ANTONIOS MANIADAKIS ID C No X 850531	GEORGE VASSILOKONSTANDAKIS ID C No Ξ 945118	DIMITRA BATSI I.D.C No P 487723

AUDITORS REPORT

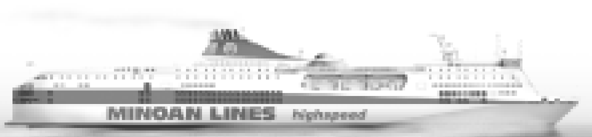
This is to certify that we have audited the cash flow statements of MINOAN LINES SHIPPING S.A. for the period from 1.1.2004 - 31.12.2004. The said statement was drawn on the basis of the Company's books and account statements which we also audited and issued a report on 24th February 2005. It is our 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, February 25 2005
KPMG Kyriacou Certified Auditors A.E.
Marios T. Kyriacou, Certified Auditor Accountant
AM SOEL 11121

CONSOLIDATED STATEMENT OF CASH FLOWS FROM 1.1.2004 UNTIL 31.12.2004

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

	DESCRIPTION	For the year ended 1.1.2004 - 31.12.2004 €	For the year ended 1.1.2003 - 31.12.2003 €
A	***Cash Flows from Ordinary (Operating) Activities***		
A	***100 Cash Inflows***		
	101 Sales (turnover)	192,170,131.97	194,291,855.61
	102 Other operating income	538,553.46	213,219.04
	103 Extraordinary and non-operating income	866,147.78	1,561,892.89
	104 Prior years' income	627,615.80	284,229.08
	105 Interest income (from deposits etc)	224,257.02	120,481.05
	106 Income from securities	52,868.40	11,778.00
	107 Sale of marketable securities	802,002.40	0.00
	108 Decrease in accounts payable	0.00	0.00
	Less:		
	109 Purchase of marketable securities	265,570.00	0.00
	110 Increase in debtors	3,412,272.40	8,327,832.04
	Total Cash Inflows (A100)	***191,603,734.43***	***188,155,623.63***
A	***200 Cash Outflows***		
	201 Cost of sales (less depreciation & provisions)	105,300,289.67	114,203,713.38
	202 Administration expenses	8,830,183.31	8,366,712.22
	203 R & D expenses	0.00	0.00
	204 Sales expenses	18,035,064.27	18,186,665.57
	205 Non operation / Idle expenses	0.00	2,810,958.72
	206 Other expenses	4,445,468.84	2,879,126.10
	207 Increase in inventories	0.00	0.00
	208 Increase in transitory debit balances	221,552.68	1,468,649.17
	209 Decrease in transitory credit balances	549,690.86	1,329,863.38
	210 Decrease in short-term liabilities (excepting banks)	2,022,051.93	2,958,198.65
	Less:		
	211 Decrease in inventories	153,845.01	677,161.71
	212 Decrease in transitory debit balances	0.00	0.00
	213 Increase in transitory credit balances	0.00	0.00
	214 Increase in current liabilities (excepting banks)	0.00	0.00
	Total Cash Outflows (A200)	***139,250,456.55***	***151,526,725.48***
A	***300 Tax Cash Outflows***		
	301 Income Tax	138,147.59	129,145.17
	302 Tax not incorporated to operating cost	186,761.98	48,586.03
	303 Tax adjustments	-773,704.25	-157,599.22
	304 Tax reductions	0.00	220,028.45
	Less:		
	305 Increase in tax obligations	293,742.13	0.00
	Total Tax Cash Outflows (A 300)	***742,536.81***	***240,160.43***
	Cash Flows from Ordinary (Operating) Activities (A100-A200-A300)=A	***53,095,814.69***	***36,388,737.72***
B	***Cash Flows from Investment Activities***		
B	***100 Cash Inflows***		
	101 Sale of intangible assets	0.00	0.00
	102 Sale of tangible assets	49,469,403.47	61,047,757.31
	103 Sale of participations and intagible titles	0.00	63,058.27
	104 Decrease in long-term demands	0.00	0.00
	105 Income from participations and intagible titles	1,353,974.56	147,988.80
	106 Interest (long-term and other demands)	0.00	0.00
	Total Cash Inflows (B100)	***50,823,378.03***	***61,258,804.38***



	DESCRIPTION	For the year ended 1.1.2004 - 31.12.2004 €	For the year ended 1.1.2003 - 31.12.2003 €
B	***200 Cash Outflows***		
	201 Purchase of intangible assets	0.00	45,323.78
	202 Purchase of tangible assets	731,350.21	2,992,063.98
	203 Purchase of participations and intangible titles	0.00	123,113.22
	204 Increase in long-term debtors	3,722.85	1,000.65
	205 Increase in establishment expenses	2,984,911.05	457,487.07
	Total Cash Outflows (B200)	***3,719,984.11***	***3,618,988.70***
	Total Cash Flows from Investment Activities (B100-B200)=B	***47,103,393.92***	***57,639,815.68***
C	***Cash Flows from Financial Activities***		
C	***100 Cash Inflows***		
	101 Income from share capital increase & par value difference	0.00	123,113.22
	102 Income from fixed assets subsidies	0.00	0.00
	103 Increase in long-term liabilities	0.00	0.00
	104 Increase in current liabilities	7,646,235.67	0.00
	Total Cash Inflows (C100)	***7,646,235.67***	***123,113.22***
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	80,489,345.31	56,434,625.00
	204 Decrease in short-term liabilities (bank accounts)	0.00	5,012,731.92
	205 Interest paid	27,219,354.72	31,013,451.70
	206 Dividends paid	1,970,258.88	199,767.22
	207 Distribution of profits to staff	0.00	0.00
	208 Directors' remunerations from period profits	0.00	0.00
	Total Cash Outflows (C200)	***109,678,958.91***	***92,660,575.84***
	Cash Flows from Financial Activities (C100-C200)=C	***-102,032,723.24***	***-92,537,462.62***
	TOTAL CASH FLOWS (add A+B+C)	***-1,833,514.63***	***1,491,090.78***
	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	***2,970,277.68***	***1,479,186.90***
	CASH AND CASH EQUIVALENTS AT END OF THE YEAR	***1,136,763.05***	***2,970,277.68***

Heraklion, February 22, 2005

THE CHAIRMAN OF THE BOARD	THE CHIEF EXECUTIVE OFFICER	THE FINANCE MANAGER	THE CHIEF ACCOUNTANT
KONSTANTINOS KLIRONOMOS ID C No K 980430	ANTONIOS MANIADAKIS ID C No X 850531	GEORGE VASSILOKONSTANDAKIS ID C No Ξ 945118	DIMITRA BATSI I.D.C No P 487723

AUDITORS REPORT

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Athens, February 25, 2005
KPMG Kyriacou Certified Auditors A.E.
Marios T. Kyriacou, Certified Auditor Accountant
AM SOEL 11121

MINOAN LINES

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