MINOAN LINES SHIPPING S.A.

Consolidated Financial Statements
for the year ended 2005 (1/1-31/12/2005)

In accordance with International Financial Reporting Standards

The accompanying annual consolidated financial statements have been approved by the Board of Directors on 14/03/2006 and are uploaded to URL www.minoan.gr

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REPORT OF THE BOARD OF DIRECTORS OF 'MINOAN LINES SHIPPING S.A.' TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2005

The Board of Directors' Report of the 'MINOAN LINES SHIPPING S.A' (hereinafter refered to as 'MINOAN LINES' or 'the Company') was prepared in accordance with article 136 of the Codified Law 2190/1920 and refers to the Annual Financial Statements and Consolidated Financial Statements as of 31 December 2005 and for the year then ended, which have been prepared for the first time in accordance with International Financial Reporting Standards (I.F.R.S.)

To the Shareholders

Ladies and Gentlemen,

We present to you the financial results of both, the Group and the Parent Company, as well as the most significant events that underlined the performance of the Company's business activity within 2005.

Overview

The year 2005 was highly marked by two factors that determined, in general terms, the financial results of the Company as also of the other companies operating in the sector.

The dramatic increase in the fuel price that reached 45%, constitutes the most critical factor that limited significantly all of the companies' operational profitability, while the improvement in tourism lead to revenue increase affecting the whole sector, offsetting thus, a part of the loss resulting from the above-mentioned constant fuel price increase.

The Company

Traffic statistics

The Company managed to maintain its leading position for the year 2005 in both, the two target markets of its operation. In particular:

- ***Heraklion – Piraeus Route:*** The Company achieved to increase significantly its traffic volumes in all categories carrying in total, 950 thous. passengers (+8.6%), 124 thous. cars (+13.9%) and 61 thous. trucks (+9.5%) while the market shares for the aforementioned categories reached 70.9%, 62.3% and 49.6%, respectively.

North Adriatic Routes (Ancona – Venice Routes): The Company carried in total, 590 thous. passengers, 160 thous. cars and 92 thous. trucks while the respective market shares in the particular markets reached 37.1%, 39.8% and 34.8% moving her into the first place amongst the competition.

Analysis of the Balance Sheet – Financial Results 2005

2005 was the year that the listed companies firstly adopted the International Financial Reporting Standards.

The most significant items of the Balance Sheet and Income Statement of the Company that have been prepared in accordance with I.F.R.S., are presented below:

- The 'Non-Current Assets' amounted to €729.26 million against €748.68 of the previous year reduced by €19.42 million (-2.6%), due to the depreciation of the year and the sale of the F/B Daedalus.
- The 'Current Assets' have decreased by €11.79 million (-16.9%) and amounted to €57.86 million against €69.65 million of the previous year, a result mainly attributed to the sale of the Company's stake in FORTHnet S.A. and ANEK S.A.
- The 'Equity' increased by €2.28 million (+0.9%) and reached €248.91 million against €246.63 million of the previous year.
- The 'Total Liabilities' decreased by €33.49 million (-5.9%) and amounted to €538.21 million against €571.70 million of 2004
- The 'Revenues ' increased by €12.65 million (+6.6%) and reached €204.20 million, which is the highest level ever achieved since the beginning of the Company's operations.
- The 'Cost of Sales before depreciation' increased by €17.72 million (+17.1%) as compared to the previous year, reaching €121.59 million, a fact owing mainly to the increase in fuel price.
- The 'Other Operating Income' presented significant increase as compared to the previous year mainly due to the gain from the sale of F/B Daedalus of €2.08 million
- The 'Distribution expenses and Administration expenses before depreciation' were maintained at the previous year levels and amounted to €28.28 million. The ratio of the particular item to the Revenues reduced from 14.8% in 2004 to 13.9% in 2005.
- The 'Operating Profit before tax, depreciation, financing and investing costs' reached €56.04 million against €58.19 million of 2004 while the respective margin was shaped at 27.4%
- The 'Financial Expenses' decreased by 28.5% reaching €18.31 million against €25.62 million of the previous year. This reduction is mainly attributed to the gains from the sale of the Company's stake in FORTHnet S.A. and ANEK S.A amounting to €7.17 million
- The 'Net Profit After taxation' amounted to €17.02 million against €12.20 million of 2004 an improvement of €4.82 million (+39.5%)

2005 –Significant events

Last year MINOAN LINES:

- Liquidated, in February, its participation (6.8%) to AEGEAN AIRLINES while, at the same time, increased its participation in Hellenic Seaways by 1.7%. This amounts to 33.3% of the associated company's share capital.
- Liquidated, during the period July – August its participation in FORTHnet S.A. and ANEK S.A.
- Sold, in October, the F/B DAEDALUS that was the last and oldest vessel of the Company's fleet, which would have reached its age limit in 2006. The profit from this particular sale amounted to €2.08 million.
- Was certified, in October, according to the International Environmental Management system (model) ISO 14001:2004 , by the Germanischer Lloyd.
- Proceeded, in November, into hedging by contracting the relevant agreements with the banks in order to compensate its interest risk and protect itself from a potential increase of interest rates. These particular contracts (agreements) cover almost 50% of the balanced due of the loans for the next five years.
- Was awarded, in November, within the framework of the Greek Shipping Awards, the prize of the "Passenger Line of the Year" by the prestigious, international shipping newspaper Lloyd's List.

The Group

The tables below list the companies in which MINOAN LINES, as parent company has a majority holding and therefore consolidated by the full consolidation method (subsidiaries) as well as the companies in which the parent has neither majority holding nor control over them (associates) and therefore accounted for by the Equity method.

Companies consolidated by the method of 'full consolidation'

Name	% of participation
EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.*	100.00%
KRITIKI FILOXENIA S.A.	99.99%
ATHINA A.V.E.E..	99.99%
MINOAN AGENCIES S.r.l.	95.00%
MINOAN CRUISES S.A.	80.28%

* under liquidation

Companies accounted for under the equity method

Name	% of participation
MEDITERRANEAN FERRIES S.r.l.*	50.00%
HELLENIC SEAWAYS S.A. – GROUP OF COMPANIES	33.31%

* under liquidation

Consolidated Balance Sheet – Financial Results

The table below sets out in summary the consolidated balance sheet as well as the income statement of the Group, compared with the corresponding items of the previous year.

(in € million)	2005	2004	Change	
			€	%
Balance Sheet				
Non Current Assets	731.01	749.77	- 18.76	- 2.5 %
Current Assets	58.55	70.20	- 11.65	- 16.6 %
Total Equity	251.07	248.20	2.87	+ 1.2 %
Total Liabilities	538.49	571.77	- 33.28	- 5.8 %
Income Statement				
Revenues	**204.81**	**192.18**	**12.63**	**+ 6.6 %**
Cost of Sales	122.41	104.65	17.76	+ 17.0 %
Distribution Expenses and Administration Expenses	27.86	27.96	- 0.10	- 0.4 %
Operating Profit before tax, depreciation, financing and investing costs	**56.25**	**58.39**	**- 2.14**	**- 3.7 %**
Depreciation and Amortization	20.71	21.15	- 0.44	- 2.1 %
Financial Expenses, net	17.79	28.83	- 11.04	- 38.3 %
Net Profit after taxation	**17.61**	**9.05**	**8.56**	**+ 94.7 %**

The difference in the Group's Net Profit as compared with this of the Parent is due to the share of profit from its associated company HELLENIC SEAWAYS, of which the consolidated net profit for the year 2005 in accordance with I.F.R.S. reached approximately €2 million.

The table below provides a summary of financial data of the subsidiaries that were consolidated in the year 2005, according to their respective financial statements.

(in € million)	EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.*	KRITIKI FILOXENIA S.A.	ATHENA A.V.E.E.	MINOAN AGENCIES S.r.l.	MINOAN CRUISES S.A.
Non Current Assets	0.00	3.28	5.20	0.03	0.00
Current Assets	0.01	0.03	0.19	0.44	0.27
Equity	-0.03	3.23	5.35	0.14	0.24
Total Liabilities	0.04	0.08	0.04	0.33	0.03
Revenues	0.00	0.00	0.08	1.60	0.00
Net Profit After Taxation	-0.01	**0.02**	0.03	0.08	-0.03

* under liquidation

Events held within 2006

- In January 2006, the Company paid the fine imposed by the European General Competition Committee after the rejection of its appeal. This fact will not affect the financial results for the year 2006 since the Company has already recorded the relevant provision together with the accrued interest in previous years.
- In February 2006, the Company managed to sell its real estate in Patras instead of a price of €351 thous.

Ladies and Gentlemen,

In the 'Notes to the Financial Statements' you may find the complete financial analysis so of the Company as also of the Group. From the data presented above together with the accompanying financial statements, you will be able to obtain a full view of both, Company's and Group's financial performance for the year 2005.

The current General Assembly Meeting marks the expiration of the term in office of the Chairman of the Board Mr. Konstantinos Klironomos and the members of the Board Messrs., Ioannis Xenikakis, Minas Papadakis and Evangelos Froudakis.

The present General Assembly Meeting is called to elect, for a term of three-years, four (4) regular Board members and two (2) substitute Board members, in accordance with Article 17 of the Articles of Association and the L. 3016/2002 as well as to appoint statutory auditors for the year 2006.

In conclusion, we wish to extend our gratitude to:

- Our shareholders, for the contribution and continuous support to our Company
- Our customers, the passenger public and the transport companies for their preference in the vessels of our Company, recompensing this way the efforts made for continuing improvement of the quality of our services.
- Particular thanks we owe to express to the agent banks, CITIBANK Shipping Bank and Piraeus Bank, to Pancreta Bank and to all the banks, which collaborate with us, for the spirit of confidence and trust towards our Company.
- All of our direct and indirect co-operators for the excellent co-operation.
- The personnel of our Company, who with dedication and professionalism contributes significantly to the progress of the Company.

Feeling confident that we have performed with loyalty and dedication the task assigned, we remain for your fair and constructive comments that might assist the new Board of Directors to continue the increasingly upward course of our Company.

Heraklion, 14 March 2006

For and on Behalf of the Board Of Directors

The Chairman	**The Chief Executive Officer**
Konstantinos Klironomos	**Antonios Maniadakis**

Translation from the Greek original

Independent Auditor's Report

To the Shareholders of MINOAN LINES S.A.

We have audited the accompanying Consolidated Financial Statements of MINOAN LINES A.E. ("the Company") which comprise the Consolidated balance sheet as at 31 December 2005 and the Consolidated income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards which are aligned with the International Standards on Auditing. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the consistency of the content of the Board of Directors' Report with the Consolidated Financial Statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying Consolidated Financial Statements give a true and fair view of the financial position of the Group as of 31 December 2005 and the result of operations, the changes in equity and the cash flows for the year then ended, in accordance with the International Financial Reporting Standards which have been adopted by the European Union and the content of the Board of Directors' report is consistent with the accompanying Consolidated Financial Statements.

Without qualifying our audit report we wish to draw your attention to Note 4.7 d of the Consolidated Financial Statements, which states that the tax obligations of the Company and its subsidiaries for various years have not been examined by the tax authorities and consequently their tax obligations relating to these years have not yet been finalized. The outcome of the tax audit can not be determined at this time

Athens, 16 March 2006
KPMG Kyriacou Certified Auditors A.E.
Marios T. Kyriacou, Certified Auditor Accountant
AM SOEL 11121

Consolidated Income Statement

	Note	1/1 - 31/12/2005	1/1 - 31/12/2004
Revenue	3.1	204.808.782,81	192.182.714,87
Cost of Sales	3.2	-141.976.881,15	-124.609.984,42
Gross Profit		**62.831.901,66**	**67.572.730,45**
Other Operating Income	3.3	2.385.925,18	549.463,52
Distribution expenses		-18.692.054,43	-18.230.161,74
Administrative expenses		-10.310.403,85	-10.920.934,84
Other Operating expenses	3.4	-672.834,18	-1.731.386,54
Operating profit before financing costs		**35.542.534,38**	**37.239.710,85**
Financial income	3.5	8.116.887,44	1.310.751,70
Financial expenses	3.6	-26.565.261,74	-28.199.617,16
Share of (Loss) Profit of associates	3.7	662.282,94	-1.940.631,81
Profit before tax		**17.756.443,02**	**8.410.213,58**
Income Tax expense	3.9	-145.725,08	636.054,66
Profit/(Loss) after tax		**17.610.717,94**	**9.046.268,24**
Attributable to :			
Equity holders of the parent		**17.612.845,90**	**9.055.632,64**
Minority Interest		**-2.127,96**	**-9.364,40**
Basic and Diluted earnings per Share after Taxation (in €)	4.2	**0,25**	**0,13**

The accompanying notes on pages 12-37 are integral part of the annual consolidated financial statements

Consolidated Balance Sheet

	Notes	31/12/2005	31/12/2004
Assets			
Property, plant and equipment	3.10	664.907.564,79	687.862.556,13
Investments in associates	3.11	66.062.812,79	61.870.911,56
Other long term assets		36.546,84	40.737,90
Total non-current assets		**731.006.924,42**	**749.774.205,59**
Inventories	3.12	4.048.037,97	3.723.449,92
Trade and other receivables	3.13	43.674.919,25	36.958.014,49
Available –for- sale securities	3.14	64.508,30	22.200.796,15
Other current assets	3.13	6.419.546,89	6.182.133,52
Cash and cash equivalents	3.15	4.342.769,57	1.135.679,00
Total current assets		**58.549.781,98**	**70.200.073,08**
Total assets		**789.556.706,40**	**819.974.278,67**
Equity and liabilities			
Equity			
Share capital	3.16	159.583.500,00	159.583.500,00
Share premium	3.16	26.942.576,38	26.942.576,38
Fair value reserves	3.14	0,00	7.648.086,10
Other reserves	3.17	69.252.152,85	69.245.866,00
Retained earnings		-4.761.880,46	-15.277.429,73
Total Equity attributable to equity holders of the parent		**251.016.348,77**	**248.142.598,75**
Minority Interest		**54.791,97**	**60.633,43**
Total Equity		**251.071.140,74**	**248.203.232,18**
Non current liabilities			
Interest-bearing loans and borrowings	3.18	425.344.867,39	476.076.736,87
Employee defined benefit obligations	3.19	2.201.038,33	2.925.281,49
Deferred government grants	3.20	5.382.506,39	5.575.626,87
Provisions	3.21	63.333,72	4.492.080,49
Total non-current liabilities		**432.991.745,83**	**489.069.725,72**
Current liabilities			
Bank overdrafts	3.18	28.083.893,59	22.868.406,02
Current portion of interest -bearing loans and borrowings	3.18	28.500.000,00	28.500.000,00
Trade and other payables	3.22	48.909.926,24	31.332.914,75
Total current liabilities		**105.493.819,83**	**82.701.320,77**
Total liabilities		**538.485.565,66**	**571.771.046,49**
Total Equity and liabilities		**789.556.706,40**	**819.974.278,67**

The accompanying notes on pages 12-37 are integral part of the annual consolidated financial statements

Consolidated Statement of changes in equity

	EQUITY HOLDERS OF THE PARENT COMPANY							
	Share Capital	Share Premium	Fair Value Reserves	Other Reserves	Retained Earnings	Total	Minority Interest	Total Equity
Balance as at 1/1/2004 according to the I.F.R.S.	**159.583.500,00**	**26.942.576,38**	**9.904.448,60**	**68.767.879,77**	**-22.436.196,21**	**242.762.208,54**	**71.007,66**	**242.833.216,20**
Changes in equity for the year 1/1 - 31/12/2004								
Change in fair value of securities available for sale	-	-	-2.256.362,50	-	-359,93	-2.256.722,43	-	-2.256.722,43
Dividends paid	-	-	-	-	-1.418.520,00	-1.418.520,00	-1.009,83	-1.419.529,83
Reserves				477.986,23	-477.986,23	0,00	-	-
Net Profir for the year 1/1 – 31 12/2004	-	-	-	-	9.055.632,64	9.055.632,64	-9.364,40	9.046.268,24
Balance as at 31/12/2004	**159.583.500,00**	**26.942.576,38**	**7.648.086,10**	**69.245.866,00**	**-15.277.429,73**	**248.142.598,75**	**60.633,43**	**248.203.232,18**
Balance as at 1/1/2005 according to the I.F.R.S.	**159.583.500,00**	**26.942.576,38**	**7.648.086,10**	**69.245.866,00**	**-15.277.429,73**	**248.142.598,75**	**60.633,43**	**248.203.232,18**
Changes in equity for the year 1/1 - 31/12/2005								
Change in fair value of securities available for sale	-	-	-7.648.086,10	-	1.590,22	-7.646.495,88	-	-7.646.495,88
Dividends paid	-	-	-	-	-7.092.600,00	-7.092.600,00	-3.713,50	-7.096.313,50
Reserves	-	-	-	6.286,85	-6.286,85	0,00	-	-
Profir for the year 1/1 – 31 12/2005	-	-	-	-	17.612.845,90	17.612.845,90	-2.127,96	17.610.717,94
Balance as at 31/12/2005	**159.583.500,00**	**26.942.576,38**	**-**	**69.252.152,85**	**-4.761.880,46**	**251.016.348,77**	**54.791,97**	**251.071.140,74**

The accompanying notes on pages 12-37 are integral part of the annual consolidated financial statements

Consolidated Statement of Cash Flows

	1/1 - 31/12/2005	1/1 - 31/12/2004
Cash flow from Operating Activities		
Profit before Tax	17.756.443,02	8.410.213,58
Adjustments for:		
Depreciation and amortization	20.709.559,04	21.149.258,37
Provisions	741.006,09	1.898.669,40
Unrealized Foreign Exchange Differences	342.825,50	-381.847,99
Gain (Loss) from tangible asset disposal	-10.289.160,82	721.390,68
Financial expenses	25.648.839,32	27.650.266,96
Other non-monetary income (expenses)	-192.661,52	-69.015,00
Operating Results before changes in working capital	**54.716.850,63**	**59.378.936,00**
(Increase) decrease in Inventories	-324.588,05	153.845,01
Increase in Trade and other receivables	-7.795.797,61	-5.206.552,75
Decrease (Increase) in liabilities	9.620.375,89	-6.840.284,80
Interest and related expenses paid	-22.996.137,42	-25.738.160,08
Taxes paid	-145.725,08	636.054,66
Cash flows from operating activities (a)	**33.074.978,36**	**22.383.838,04**
Cash flow from Investing Activities		
Acquisition of subsidiaries and associates net of cash	-	-265.570,00
Purchase of tangible and intangible assets	-584.839,84	-864.207,99
Proceeds from tangible and intangible assets disposal	23.052.679,03	50.271.405,87
(Increase) in other long-term assets	-3.651,00	-3.722,85
Interest income received	94.331,79	224.289,93
Dividends received	166.402,74	1.278.740,65
Cash flows from investing activities (b)	**22.724.922,72**	**50.640.935,61**
Cash flow from Financing activities		
Proceeds from the issue of share capital	-	-
Proceeds from the issue of short term borrowings	-	-
Repayment of long/short term borrowings	-45.666.054,55	-72.843.109,64
Repayment of finance lease liabilities	-74.128,93	-70.945,25
Dividends paid	-6.852.627,03	-1.944.233,39
Cash Flow from Financing activities (c)	**-52.592.810,51**	**-74.858.288,28**
Net Increase/(Decrease) in cash and cash equivalents (a)+(b)+(c)	**3.207.090,57**	**-1.833.514,63**
Cash and cash equivalents at the beginning of the year	**1.135.679,00**	**2.969.193,63**
Cash and cash equivalents at the end of the year	**4.342.769,57**	**1.135.679,00**

The accompanying notes on pages 12-37 are integral part of the annual consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 2005 (1/1-31/12/2005)

1. General Company's Information

• General Information

The Parent company was established on 25/05/1972 (FEK 939/25.05.1972).
The Company's headquarters are based on the Heraklion Crete Municipality while its discrete title is "MINOAN LINES S.A."

The parent company operates in the Ferry shipping sector both in Domestic and International sea routes.

The number of the personnel employeed for the year ended 31/12/2005 was 917 persons.

Minoan Lines' shares are listed on the Athens Stock Exchange (code: MINOA). The corresponding code under Reuters is MILr.AT and under Bloomberg is MINOA GA.

The total number of common shares outstanding at 31/12/2005 was 70.926.000, while the total market capitalization reached € 225.544.680,00. Every share carries one voting right.

The parent company's share participates in the composition of the following Athens Stock Exchange indices:

Index	Code
Athex Composite Share Price Index	GD
FTSE / Athex International	FTSEI
FTSE / Athex 140	FTSEA
Athex Composite Index Total Return Index	SAGD
Eurobank Mid Cap Private Sector 50 Index	EPS50
FTSE / Athex Travel-Leisure	DTA
Athex All Share Index	DOM

• Management

The General Shareholders' Meeting elects the Board of Directors.

The Board of Directors constists of twelve members of which three are executive and nine are non-executive members.
Four among the non-executive members are acting independently.

The consolidated financial statements for the year ended 31/12/2005 were approved by the Board of Directors on 14/03/2006.

2. Significant accounting policies

The accounting policies applied during the composition of the consolidated financial statements for the fiscal year 2005 are presented below.

2.1 Basis of preparation

The annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Committee and adopted by the European Union.

An explanation of the impact of the transition to IFRS on the financial position and comparative figures previously reported in accordance with Greek generally accepted accounting principles (Greek GAAP), is included in note 4.8. This note provides reconciliations between Greek G.A.A.P. and I.F.R.S. of consolidated balance sheet, equity and income statement accounts.

Until 31/12/2004, the Company's consolidated financial statements were prepared according to the Greek Corporate Law 2190/1920 and Greek Accounting Principles which in some cases are not in line with I.F.R.S. According to the European Union legislation (1606/2002) and Greek corporate law (3229/2004), companies listed in stock exchange markets were obliged to prepare their consolidated financial statements with a starting date of 1/1/2005 in accordance with I.F.R.S.. In reference to the I.F.R.S. 1 such companies are also obliged to provide comparative consolidated financial statements for one fiscal year (31/12/2004) at least. The Parent Company has applied IFRS 1 to the opening balance sheet for the purposes of the transition to IFRS.

The consolidated financial statements are presented in Euro. They are prepared on the historical cost basis except for available-for-sale securities that are stated at their fair value.

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and relevant assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have significant effect on the consolidated financial statements refer to the useful and residual values of vessels. The estimates are not expected to be differentiated within the next 12 months.

2.2 Property, Plant and Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, and increased by the subsequent additions.

a)Land, Buildings and Vessels have been revalued to fair value which has been determined by independent appraisals on or prior to the date of transition to IFRS (1 January 2004) which fair value has been considered as deemed cost.

b)The remaining tangible assets have been recorded at historical cost.
The table below show the effect on the carrying amount of the tangible assets as stated at the transition date:

Tangible assets recorded at deemed cost	
Deemed cost for I.F.R.S.	15.707.448,70
Carrying amount at the date of transition according to previous G.A.A.P.	7.533.364,98
Adjusted carrying amount	**8.174.083,72**

The differences from the transition to I.F.R.S. for the year 2004 arise from the recalculation of the depreciations based on the recent valuation of the acquisition cost and the expected future residual lives of the assets.

For the equipment acquired through a finance lease, the relevant leased asset and liability are recognized at an amount equal to the fair value of leased asset or, if lower, the present value of the minimum lease payments. The present value is measured with the discount interest rate refering to the lease contract. After the initial recognition the leased assets are depreciated over the terms of the lease agreements. The lease payments are apportioned between the finance charge and reduction of the outstanding liability.

The depreciation of vessels is calculated on the cost less the residual value. The residual values are based on the historical data and assumptions that, at the present time, are considered reasonable.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each asset. Land is not depreciated.

The estimated useful lives are as follows:

Buildings	33 years
Vessels	35 years
Vessels' equipment	4,16 years
Transportation Means	6,66 years
Furniture and relevant equipment	6,66 years
Computers and Software	4,16 years
Leased assets (Computers and Software)	3 years

2.3 Basis of Consolidation

2.3.a Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Balances and any gains or losses arising from intragroup transactions are eliminated in the consolidated financial statements.

The subsidiaries included in the consolidated financial statements with the relevant direct or indirect participation of the Parent company are stated below :

Name	Domicile	% Participation
EUROPEAN THALASSIC AGENCIES SHIPPING MANAGEMENT & CONSULTANTS S.A.*	Panama	100,00%
KRITIKI FILOXENIA S.A.	Heraklion - Greece	99,99%
MINOAN AGENCIES S.r.l.	Ancona - Italy	95,00%
MINOAN CRUISES S.A.	Heraklion - Greece	80,28%
ATHINA A.V.E.E.	Heraklion - Greece	99,99%

*under liquidation

2.3.b Associates

Associates are those entities for which the Group has significant influence, but no control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total gains or losses of associates under the equity method, from the date that significant influence commences until the day that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the carrying amount of the investment in associates is reduced to nil and recognition of further loss is not realized.

2.4 Foreign currency transactions

The consolidated financial statements are presented in Euro.

Transactions in foreign currencies are translated to Euro at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Euro at the closing exchange rate on that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities are recognized at the exchange rate ruling at the date of the transaction.

2.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.
The cost of inventories is based on the FIFO (First In First Out) method.

2.6 Trade and Other Receivables

Trade and Other Receivables are stated at the umamortised cost with the effective interest rate method, except of the cases which an impairment indication exists. In such cases a provision is determined while the item is estimated at the recoverable amount and the relevant loss is recognized at the Consolidated income statement. Receivables with a short duration are not discounted.

2.7 Available for sale securities

Available for sale securities include investments in entities that are listed on a stock exchange and non listed and are recognized at the initial acquisition cost less any transaction costs. Subsequent to the initial recognition available for sale securities for listed entities are stated at their fair value (the quoted bid price at the balance sheet date) and any resultant gain or loss is recognized directly in equity, except for impairment losses which are recognisd directly in the Consolidated income statement. When these securities are disposed, the accumulated gain or loss that previously recognized in equity is recognized directly in the income statement. Securities not listed in the stock exchange for which there is no other method of reliably determining fair value are measured at acquisition cost (note 3.14).

2.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and in banks, as well as short term investments of high liquidity, such as short-term balances due from banks maturing within three months after the date of the consolidated financial statements.

2.9 Impairment of Assets

The carrying amounts of the Group's assets other than inventories are reviewed at each balance sheet date to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount and it is recognized in the Consolidated income statement.

2.10 Calculation of recoverable amount and reversals of impairment

The recoverable amount of the assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

2.11 Dividends

Dividends payable are recognized as a liability at the time they are declared (approved) by the General Shareholder's Meetings of the companies participating in the consolidation

2.12 Employee Benefits

The short term employee benefits are recognized as salaries expenses on an accrued basis.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive a lump sum payment on retirement.

The obligation recognized in respect of defined benefit pension plans is the present value of the future benefit that employees have earned in return for their service in the current and prior years. The calculation is determined by discounting the expected future cash flows at a rate that reflects the weighted average interest of the Government bonds.

The defined benefit obligation is calculated annually based on actuarial valuation performed by independent actuaries using the projected unit credit method.

Cumulative actuarial gains and losses arising from experience adjustments and changes, and actuarial assumption variations to the extent that they exceed 10 per cent of the greater of the accrued obligations and the fair value of plan assets are amortized in a period equal to the average remaining working lives of the employees.

2.13 Interest bearing borrowings

The Group's interest bearing borrowings are initially measured at their fair value. Subsequent to initial recognition, the loans are stated at amortized cost.

2.14 Provisions

A provision is recognized when the Group has a present contractual or legal obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount has been reliably estimated.

Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money.

At each reporting period provisions are re-assessed.

2.15 Suppliers and other short term liabilities

Suppliers and other short-term liabilities are stated at cost.

2.16 Revenue

2.16.a Operating Revenue

Income from vessel's services (fares from passengers vehicles and trucks) is recognized in the consolidated income statement when the trip is completed which coincides when the services are rendered.

2.16.b Revenue from on-board services

Income from on-board services (shops, bars and restaurants services) is recognized in the consolidated income statement when the risks and rewards of ownership have been transferred to the buyer and the collection is reasonably assured.

2.16.c Other income

Other income is recognized as revenue in the consolidated income statement when the services have been rendered.

2.16.d Dividend income

Dividend income is recognized as revenue at the date the dividends are approved from the General Shareholder's Meeting.

2.16.e Government Grants

Government grants are recognized in the consolidated balance sheet initially as deferred income where there is reasonable assurance that it will be received and that the Group will comply with the conditions attaching to it. Grants that compensate the Group for expenses incurred are recognized as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognized in the consolidated income statement as other operating income on a systematic basis over the useful life of the asset.

2.17 Expenses

2.17.a Net Financing result

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, foreign exchange gains and losses, dividends income, gains or losses from the sale of other investments and securities , and gains or losses on hedging instruments that are recognized in the consolidated income statement.

2.17.b Income Tax

Income Tax comprises current and deferred taxes. Current Tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent they will not reverse in the forseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

No deferred taxes are recognized in the Company's consolidated financial statements by reason of the special fiscal regime (shipping company) according to the law 27/1975 indicating that no tax is imposed to the revenues acquired by vessels with greek flag. For other than vessel's profits the computation of taxable income is made after deducting the tax free amount which equals to the ratio of vessel's profit to the total gross profits of the Company. The applicable rates are 32% in 2005, 29% in 2006 and 25% in 2007.

Income tax is recognized in the consolidated income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Any tax benefit recognized at the consolidated financial statements relates to the reimbursement of income tax of prior years from the tax authorities

2.18 Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognized initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-assessment to fair value is recognized directly in the consolidated income statement.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

3. Financial statement analyses

3.1. Revenue

Revenue is analyzed as follows:

	31/12/2005	31/12/2004
Revenue from Vessel Operations	171.501.462,09	161.998.832,80
Revenue from restaurant - bars	19.223.661,82	17.114.193,27
Revenue from shops on board	11.576.347,90	10.443.681,78
Revenue from slot machines	1.876.438,87	1.977.677,23
Other revenue	555.428,19	568.700,79
Revenue from rent owned assets	75.443,94	79.629,00
Totals	**204.808.782,81**	**192.182.714,87**

3.2. Cost of Sales

Cost of sales is analyzed as follows:

	31/12/2005	31/12/2004
Crew Salaries and employer's contribution	32.383.812,38	32.565.148,03
Bunkers and Lubricants	53.650.970,91	39.910.115,50
Repairs – Maintenance - Consumables – Salaries and technical work expenses	8.517.289,15	5.589.327,93
Food – Beverages – Shops merchandize	12.590.341,89	11.567.038,89
Other Costs	15.268.340,42	15.015.578,24
Depreciation	19.566.126,40	19.962.775,83
Totals	**141.976.881,15**	**124.609.984,42**

3.3. Other Income

Other income is analyzed as follows:

	31/12/2005	31/12/2004
Gains from disposal of vessel (note 3.10)	2.083.587,36	-
Commissions	142.838,21	137.178,92
Rental revenue	36.155,28	66.361,90
Revenue from Grants	10.396,93	314.223,16
Other revenue	112.947,40	31.699,54
Totals	**2.385.925,18**	**549.463,52**

3.4 Other expenses

Other expenses are analyzed as follows:

	31/12/2005	31/12/2004
Impairment loss on trade Receivables	400.817,65	1.258.764,22
Third party claims	-	193.000,00
Other Expenses	272.016,53	279.622,32
Totals	**672.834,18**	**1.731.386,54**

3.5. Financial Income

Financial income is analyzed as follows:

	31/12/2005	31/12/2004
Dividend Income from securities	166.402,74	101.211,05
Gain on disposal of available for sale securities (note 3.14)	7.798.658,96	450.724,86
Foreign exchange gains	57.493,95	534.525,86
Interest and related income	64.319,02	224.289,93
Interest rate swap income	30.012,77	-
Totals	**8.116.887,44**	**1.310.751,70**

3.6 Financial Expenses

Financial expenses are analyzed as follows:

	31/12/2005	31/12/2004
Loss on disposal of available for sale securities	516.102,97	91.510,57
Interest expenses & bank commissions	24.776.212,81	27.237.624,82
Commissions on Letters of Guarantee	53.918,41	63.759,83
Credit card commissions	134.813,77	115.279,40
Foreign Exchange Losses	400.319,45	275.551,30
Amortization of Loans Restructuring Cost	503.768,79	233.602,91
Interest Expense on European Committee's Fine	180.125,54	182.288,33
Totals	**26.565.261,74**	**28.199.617,16**

3.7 Net result from investment in associates

The profit/loss from associates are analysed as follows :

	31/12/2005	31/12/2004
Share on profit (loss) of associate Hellenic Seaways S.A.	662.282,94	-1.940.631,81
Totals	**662.282,94**	**-1.940.631,81**

3.8 Employee benefits

Employee benefits are analyzed as follows:

	31/12/2005	31/12/2004
Crew salaries	29.655.531,34	29.777.045,74
Crew social security contribution	2.728.281,04	2.788.102,29
Personnel salaries	7.999.132,41	7.349.343,60
Personnel social security contribution	1.814.890,06	1.759.940,93
Technical staff salaries	516.596,20	431.033,57
Technical staff social security contribution	90.218,34	83.755,06
Totals	**42.804.649,39**	**42.189.221,19**

3.9 Income taxes

Income taxes are analyzed as follows :

	31/12/2005	31/12/2004
Income taxes returned	209.162,84	773,704,25
Prior years' tax differences	-211.664,65	-
Current tax provision	-140.308,00	-134.539,50
Deferred taxes	-2.915,27	-3.110,09
Totals	**-145.725,08**	**636.054,66**

3.10 Property, Plant and Equipment

Property, Plant and Equipment are analyzed as follows:

	Land	Buildings Technical works	Transportation Equipment	Vessels	Furniture and Other Equipmnet	Computer Software	Totals
Cost 1/1/2004	**8.144.535,60**	**8.378.973,40**	**138.101,66**	**743.387.849,05**	**3.876.281,78**	**2.497.055,57**	**766.422.797,06**
Accumulated Depreciation 1/1/2004	-	816.060,30	94.007,42	3.447.656,81	2.871.583,45	1.557.941,54	**8.787.249,52**
Acquisitions and additions 2004	-	-	42.249,23	658.402,83	143.431,12	132.857,78	**976.940,96**
Disposals for the year 2004	-	-	15.872,21	51.664.110,23	190.078,95	458.174,16	**52.328.235,55**
Less: Disposed assets depreciation	-	-	7.037,89	2.085.367,54	177.757,19	457.398,93	**2.727.561,55**
Depreciation for the year 2004	-	343.688,99	23.009,52	19.962.775,83	396.651,35	423.132,68	**21.149.258,37**
Carrying amounts 31/12/2004	**8.144.535,60**	**7.219.224,11**	**54.499,63**	**671.057.076,55**	**739.156,34**	**648.063,90**	**687.862.556,13**
Cost 1/1/2005	**8.144.535,60**	**8.378.973,40**	**164.478,68**	**692.382.141,65**	**3.829.633,95**	**2.171.739,19**	**715.071.502,47**
Accumulated Depreciation 1/1/2005	-	1.159.749,29	109.979,05	21.325.065,10	3.090.477,61	1.524.678,92	**27.209.949,97**
Acquisitions and additions for the year 2005	-	-	9.915,00	344.656,43	135.280,10	94.988,30	**584.839,83**
Disposals for the year 2005	-	-	-	4.699.629,82	23.044,72	-	**4.722.674,54**
Less: Disposed assets depreciation	-	-	-	1.870.415,82	22.990,22	-	**1.893.406,04**
Depreciation for the year 2005	-	343.689,00	17.509,35	19.566.126,40	311.099,40	471.134,89	**20.709.559,04**
Carrying amounts 31/12/2005	**8.144.535,60**	**6.875.535,11**	**46.905,28**	**649.006.392,58**	**563.282,54**	**270.913,68**	**664.907.564,79**

- On 26/10/2005 the Parent Company sold the F/B DAEDALUS to the ADRIA FERRIES L.T.D. for total proceeds amounting to € 4,88 million. The gain from the aforementioned sale amounted to approximately € 2 million and is recorded in the consolidated income statement under Other Income.

- In Furniture and Other Equipment is included computer equipment held under a finance lease. Upon the expiry of the contract the Company has the right to purchase the equipment at a bargain purchase option. At the 31/12/2005 its net book value amounted to € 106.200,00.

The analysis of depreciation of property plant and equipment charged to the various captions in the consolidated income statement is as follows :

	31/12/2005	31/12/2004
Cost of Sales	19.566.126,40	19.962.775,83
Distribution Expenses	125.705,49	127.581,14
Administrative Expenses	1.017.727,15	1.058.901,40
Totals	**20.709.559,04**	**21.149.258,37**

3.11 Investments in associates

The investments in associates are analyzed as follows:

Name	Headquarter	Participation %		Amount	
		31/12/2005	31/12/2004	31/12/2005	31/12/2004
Mediterranean Ferries S.r.L	Genova, Italy	50,00%	50,00%	-	-
Hellenic Seaways S.A.	Piraeus	33,31%	31,59%	66.062.812,79	61.870.911,56
Totals				**66.062.812,79**	**61.870.911,56**

Presented below is a summary of the consolidated financial information of the associate company Hellenic Seaways S.A as at 31/12/2005 in accordance with IFRS.

	31/12/2005
Total assets	312.269.809,47
Total liabilities	113.942.542,02
Total equity	198.327.267,45
Total Revenue	141.084.798,38
Net consolidated profit for the year ended	1.988.240,59

3.12 Inventories

The inventories are analyzed as follows:

	31/12/2005	31/12/2004
Merchandise	2.515.669,75	2.538.888,93
Consumables	1.532.368,22	1.184.560,99
Totals	**4.048.037,97**	**3.723.449,92**

3.13 Trade and other receivables

Trade and other receivables and other current assets are analyzed as follows:

Account Receivables

	31/12/2005	31/12/2004
Customers	15.296.178,33	6.770.175,77
Cheques Receivable (post dated)	26.684.789,57	28.604.496,55
Trade receivables due from affiliates and associates	193.954,03	449.859,03
Other Accounts Receivable	1.499.997,32	1.133.483,14
Totals	**43.674.919,25**	**36.958.014,49**

Other current assets

	31/12/2005	31/12/2004
Prepaid expenses	6.308.954,64	6.126.804,04
Accrued income	51.698,78	25.748,28
Other prepayments and accrued income	58.893,47	29.581,20
Totals	**6.419.546,89**	**6.182.133,52**

3.14 Available for sale securities

The available for sale securities are analyzed as follows:

		Carrying amount	Fair Value Reserves
Equity Securities in Listed Companies	Balance as at 1/1/2004 (a)	20.660.262,44	9.904.448,60
	Balance as at 31/12/2004 (b)	18.050.618,55	7.646.082,25
	Balance as at 31/12/2005 (c)	-	-
Other Equity Securities	Balance as at 1/1/2004 (d)	3.971.880,95	-
	Balance as at 31/12/2004 (e)	4.150.177,60	2.003,85
	Balance as at 31/12/2005 (f)	64.508,30	-
Total Available for Sale Securities	**Total as at 1/1/2004 (a+d)**	**24.632.143,39**	**9.904.448,60**
	Totals as at 31/12/2004 (b+e)	**22.200.796,15**	**7.648.086,10**
	Totals as at 31/12/2005 (c+f)	**64.508,30**	**-**

The Fair Value Reserve includes the cummulative change on the fair value of the available for sale securities until their disposal.

During 2005, securities listed in the A.S.E. and mutual funds were sold resulting in a gain of € 7.195.720,32. Also, non-listed securities (total carrying amount of € 3.819.665,45) were sold resulting in a gain of € 85.677,73.

3.15 Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	31/12/2005	31/12/2004
Cash on hand	233.363,75	163.907,66
Cash in banks and time deposits	4.109.405,82	971.771,34
Totals	**4.342.769,57**	**1.135.679,00**

3.16 Share Capital-Share Premium

Share capital is divided into 70.926.000 common shares with a nominal value of 2,25 euros each. The Share Premium is a result of the the increase of share capital which was approved by the Regular General Meeting of the Company's shareholders held on 16/5/1999. Every share carries one voting right.

3.17 Other Reserves

The other reserves are analyzed as follows:

	31/12/2005	31/12/2004
Statutory Reserve	9.706.752,07	9.704.682,39
Special Reserve	56.978.689,06	56.978.689,06
Tax-free reserves	2.566.711,72	2.562.494,55
Totals	**69.252.152,85**	**69.245.866,00**

Statutory reserve : According to the Greek and the Italian corporate law, Companies are required to transfer 5% at least of their net profit to the statutory reserve, until such a reserve reaches 1/3 or 1/5 respectively of the issued share capital. This reserve can be used exclusively before any distribution of dividends to off-set a deficit.

Special reserve: The reserve is established in accordance with the Parent Company's Articles of Association. This reserve results from the balance of the annual earnings which remains after deducting the statutory reserve and the dividends.

Tax-free Reserves: Represent reserves formed from income taxed in a special way or tax-free reserves that were not distributed. In reference to the Parent company and according to the decisions of the Admistrative Courts (special fiscal regime law N.27/1975) in case of such reserves are distributed no income tax is calculated. In reference to the subsidiaries in case of these reserves are distributed, they undergo taxation based on the general terms of the income tax law.The subsidiaries do not intent to distribute these reservses therefore according to I.A.S.12 no deffered tax was calculated in them.

3.18 Long term -bank overdrafts - and current portion of interest bearing loans and borrowings

Interest – bearing loans and borrowings are analyzed as follows :

	31/12/2005		31/12/2004		
	Currency	Amounts in €	Currency		Amounts in €
Syndicate Loan - Agent Citibank	€	352.425.783,00	€	-	374.925.783,00
Syndicate Loan - Agent Piraeus Bank	€	72.919.084,39	€	-	98.622.990,33
Syndicate Loan - Agent Piraeus Bank		-	USD	3.443.339,14	2.527.963,54
Totals		**425.344.867,39**			**476.076.736,87**

The current portion of the Interest – bearing loans and borrowings are analyzed as follows:

	31/12/2005		31/12/2004		
	Currency	Amounts in €	Currency		Amounts in €
Syndicate Loan - Agent Citibank	€	22.500.000,00	€	-	22.500.000,00
Syndicate Loan - Agent Piraeus Bank	€	6.000.000,00	€	-	5.850.048,07
Syndicate Loan - Agent Piraeus Bank		-	USD	204.249,52	149.951,93
Totals		**28.500.000,00**			**28.500.000,00**

The weighted average interest rate of interest bearing loans and borrowings for the years ended 31/12/2005 and 31/12/2004 was approximately 4,31% and 4,36%, respectively.
The Syndicate Loan agreements include certain covenants and the Parent Company is required to provide information on a constant basis to the agent bank regarding its business activities.
The breakdown of the Syndicate Loans payments is analyzed below:

	31/12/2005
Payments within the next year	28.500.000,00
Payments from 1 to 5 years	215.340.117,39
Payments over 5 years	210.004.750,00
Totals	**453.844.867,39**

The following mortgages have been registered in order to secure the aforementioned debt of amount of **€ 453.844.867,39** :

Mortgage	Vessel	Banks	Amount of Mortgage (€)
1st preferred	ARIADNE PALACE EUROPA PALACE OLYMPIA PALACE FESTOS PALACE KNOSSOS PALACE PASIPHAE PALACE IKARUS PALACE	Syndicate Loan - Agent Citibank	**408.675.783,00**
2nd preferred	ARIADNE PALACE EUROPA PALACE OLYMPIA PALACE FESTOS PALACE KNOSSOS PALACE PASIPHAE PALACE IKARUS PALACE	Syndicate Loan - Agent Piraeus bank	**158.000.000,00**

Furthermore, pre-notations of **€ 17.154.748,66** have been registered on the Group's Land and Buildings and **25.850.775** shares of HELLENIC SEAWAYS MARITIME S.A, which the Parent company owns as at 31/12/2005, have been pledged.
Bank overdrafts at 31/12/2005 and 31/12/2004 amounted to € 28.083.893,59 and € 22.868.406,02 respectively while both are covered by post dated checks. The weighted average interest as at 31/12/2005 and 31/12/2004 was approximately 5,54% and 5,67% respectively.

3.19 Employee defined benefit obligations

The employee defined benefit obligations are analyzed as follows:

Balance as at 1/1/2004	**2.030.857,65**
Current service cost	168.711,10
Interest cost	80.152,44
Effect of early termination of plan	-362.434,00
Defined benefit obligations	1.148.721,25
Benefits paid	-140.726,95
Balance as at 31/12/2004	**2.925.281,49**
Balance as at 1/1/2005	**2.925.281,49**
Current service cost	227.229,41
Interest cost	117.665,84
Benefits paid	-1.069.138,41
Balance as at 31/12/2005	**2.201.038,33**

The amount recorded as an expense for the years ended 31/12/2005 and 31/12/2004 is analyzed as follows:

	31/12/2005	31/12/2004
Current service cost	227.229,41	168.711,10
Interest cost	117.665,84	80.152,44
Defined benefit obligations	-	830.528,72
Totals	**344.895,25**	**1.079.392,26**

The above expenditure is included in the following categories of the consolidated income statement:

	31/12/2005	31/12/2004
Distribution expenses	115.978,81	82.006,88
Administrative expenses	209.075,13	978.997,57
Cost of sales	19.841,31	18.387,81
Totals	**344.895,25**	**1.079.392,26**

The main assumptions used for the year ended 31/12/2005 are as follows:

- Discounted Rate 3,63%
- Long term average annual salaries increase 5%

3.20 Deferred Government Grants

The deferred government grant relates to the subsidy received by the Parent company from the Norwegian Government for the vessel IKARUS PALACE during the period of its shipbuilding.
It is recognized as revenue in the consolidated income statement on a systematic basis over the useful life of the vessel.
The amounts recorded in the consolidated income statement for the period ended 31/12/2005 and 31/12/2004 are €193.120,48 and €193.119,94 , respectively.

3.21 Provisions

Provisions are analyzed as follows:

	31/12/2005	31/12/2004
European Competition Committee fine (interest included)	-	4.311.395,28
Other Provisions	63.333,72	180.685,21
Totals	**63.333,72**	**4.492.080,49**

The Directorate General of the European Committee has commenced administrative proceedings against the Parent company and six other companies which were operating in the sea line Greece – Italy between 1987 and 1993 for breach of article 85§1 of the E.C. Treaty. In particular, it was considered that there was an agreement between the aforementioned companies regarding the ferry prices.

The European Committee commenced an administrative investigation and, in accordance with its decision issued on 9th December, 1998, imposed a penalty to the Parent company in the amount of € 3,26 million plus interest.

The Parent company recorded a provision for the penalty including interest by charging to the consolidated income statement over the years 1998 - 2005 with the total amount of € 4.491.520,82.

An unfavorable judgment was passed against the Parent Company, the above amount paid in January 2006 and the amount is recorded in the account Trade and Other Payables (note 3.22).

3.22 Trade and Other payables

Trade and other payables are analyzed as follows:

	31/12/2005	31/12/2004
Suppliers	11.768.299,94	15.333.181,58
Postdated Checks payable	18.135.114,68	3.319.708,13
Income Tax payable	349.929,86	134.539,50
Withholding Taxes-Social Security Contributions payable	3.985.367,34	2.862.747,24
Dividends payable	654.207,80	410.513,68
Sundry creditors	4.404.919,18	4.961.921,61
European Competition Committee fine (interest included)	4.491.520,82	-
Accrued expenses	3.083.669,39	3.097.884,71
Customer advances	1.181.335,98	437.174,21
Deffered income	698.959,77	545.274,64
Payables to affiliates and associates	156.601,48	229.969,45
Totals	**48.909.926,24**	**31.332.914,75**

4.Additional Information

4.1. Analysis of business activities by geographical segment

A segment is a distinguishable component of the Group that is engaged in providing specific services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from other segments. The Group has one primary business segment that is that of its shipping operations. The Group's geographical segments are the following based on the geographical location of the routes of the vessels:

- Greece
- Europe

	Greece		Europe		Totals	
	31/12/2005	31/12/2004	31/12/2005	31/12/2004	31/12/2005	31/12/2004
Total non-current assets	292.763.830,87	298.352.308,39	438.243.093,55	451.421.897,20	**731.006.924,42**	**749.774.205,59**
Capital expenditure	247.137,39	222.301,24	337.702,44	754.639,72	**584.839,83**	**976.940,96**
Total Liabilities	172.089.505,22	181.512.695,22	366.396.060,44	390.258.351,27	**538.485.565,66**	**571.771.046,49**
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004
Revenue	65.945.913,99	57.140.328,87	138.862.868,82	135.042.386,00	**204.808.782,81**	**192.182.714,87**
Gross Profit (*)	23.379.632,79	17.849.443,44	39.452.268,87	49.723.287,01	**62.831.901,66**	**67.572.730,45**
Profit before tax, financing costs and depreciation	25.024.354,75	18.405.567,05	31.227.738,62	39.983.402,17	**56.252.093,37**	**58.388.969,22**

* including depreciation

The revenue of the Parent Company represents the 99,7% of the total consolidated revenue and due to the nature of its business activities, encounters intensive seasonality relating to the revenue from passengers' and private cars' fares and the revenue from on-board services (bars – restaurants, shops) that represent 43,6% and 16,5% of the total annual revenue, respectively. The revenue that results from truck fares represents 39,9% of the total annual revenue and it is evenly earned throughout the year.

4.2. Earnings per share

The earnings per share are calculated on the basis of profit or loss from continuing operations after tax divided by the weighted average number of shares outstanding during the period. There is no current obligation for issuing new shares in the future, thus it is not necessary to provide any other earnings ratio.

	31/12/2005	31/12/2004
Profit attributable to shareholders of the the Parent Company	17.612.845,90	9.055.632,64
Weighted average number of shares outstanding	70.926.000	70.926.000
Basic and diluted earnings per share	0,25	0,13

4.3 Dividends per share

The Annual General Shareholders' Meeting of the Parent company that was held on 12 June 2005, approved the distribution of a dividend of 10 cents per share of total amount of € 7.092.600,00 from profits of the year 2004. The dividend is recorded as a payable in trade and other payables, and the outstanding amount at 31/12/2005 is € 388.265,80.

4.4. Related-party transactions

Related parties are considered the a) members of the Board of Directors and Management of the Company, b) members of the Board of Directors and Management of subsidiaries of the Group, c) financially dependent members and first-degree relatives (spouses, children etc) of the members of the Board of Directors and Management, and d) companies engaged with transactions with the Group, as long as the investment in them exceeds 20%.
Taking under consideration the fact that balances and transactions between the Parent Company and its subsidiaries, as well as dividend received from associates have been fully eliminated on consolidation, related party balances and transactions between the parent company and its associates are stated below :

4.4 a. Associates

Assets	31/12/2005	31/12/2004
Trade and other receivables	193.954,03	449.859,03
Liabilities		
Trade and other payables	156.601,48	229.969,45
Revenue		
Other operating income	39.985,83	70.520,98

4.4.b Members of the Board of Directors

The compensations paid to the members of the Board of Directors of the Parent Company are as follows:

	31/12/2005	31/12/2004
Executive members	316.744,82	179.987,29
Non-executive members	217.408,09	241.348,12
Totals	**534.152,91**	**421.335,41**

4.5 Interest rate-credit-foreign currency risks

- Interest rate risks

The loans are linked to variable interest rates and are consequently influenced by changing market conditions. In November 2005, the Parent company signed hedging agreements with several financial institutions, in order to hedge its exposure to interest rate risks. These agreements cover approximately 50% of the weighted average balance of the Company's loans outstanding for the next 5 years.

- Credit risks

Credit evaluations are performed on all customers requiring credit and a credit limit is established for each customer. The accounts receivable's balances are evaluated so that the granted credit per customer does not exceed his determined credit limit.
The Group's maximum exposure to credit risks in case all customers do not pay their debts reaches, at the year ended 31/12/2005, the amount of the accounts receivable as stated in the consolidated balance sheet, decreased by the received Letters of Guarantee amounting to € 2.354.821,67 . At the balance sheet date, there were no significant concentrations of credit risk.

- Foreign currency risks

After the entrance of Greece in the Euro-Zone, the Group's foreign currency risk was almost eliminated given the fact that the transactions abroad are mainly realized in Euro. Furthermore, the Group is not subject to foreign currency risk regarding its loans, taking under consideration that these are denominated in Euro.

4.6 Subsequent events

On 21/2/2006, the Parent company sold its real estate in Patra at the price of € 351.000,00 while its acquisition cost as at 31/12/2005 was € 282.858,60. The proceeds will be paid within 50 days from the signing of the agreement.

Except for the aforementioned matter, no other subsequent events relating to the Group which have occurred need to be disclosed under the International Financial Reporting Standards (I.F.R.S.).

4.7 Contingent liabilities and commitments

The Group's contingent liabilities and commitments are the following :

a. By virtue of Decision No. 210/III/2002 of the Competition Committee, which is based on two reports of the Competition Secretariat, a penalty was imposed to the Parent company in the total amount of € 4,5 million for:
(i) not making notification, and proceeding to concentration of business by the Parent company with the businesses of the joint venture named "JOINT VENTURE HYDROFOIL" and
(ii) not making notification and proceeding with twenty (20) business concentrations on coastal business the period between 3-3-1999 and 31-12-1999 by Hellenic Flying Dolphins A.N.E. (HELLENIC SEAWAYS A.N.E.) which was controlled by the Company.

The Company has filed before the Administrative Court of Appeal of Athens an appeal dated 19-4-2002 against the above Decision for legal falses and vague and conflicting valuation of the facts and arguments that were presented before the Competition Committee; furthermore, the Company filed before the aforementioned Court an application dated 22-4-2002 by virtue of which the execution of the above decision of the Competition Committee was suspended until the issuance of the court decision on the appeal against such Decision. Estimating that the appropriate Administrative Courts will issue a decision justifying the Company, the Company has not recorded any respective provision.

By virtue of Decision No. 1101/2005 of the Administrative Court of Appeal of Athens, the above mentioned Decision No. 210/III/2002 of the Competition Committee was nulled with regard to the section that is connected with the Company.

b. The Parent company has recorded provision amounting to approximately € 0,04 million included in Provisions in the consolidated financial statements for tax audit differences of prior years (1985-1996) regarding income tax and Value Added Tax of total amount of € 1,77 million. It should be mentioned that the Company has filed actions for the above disputes before the Administrative Courts and has been justified at first instance courts for all disputes and finally (at second instance courts) for the disputes that have been judged until today.

c. For tax audit differences (1998-1999) regarding income tax and Value Added Tax, amounting to € 724 thousand, resulting from a tax audit realized in the current financial year, the Parent company has filed an appeal to the Administrative Courts. No provision was recorded for the aforementioned amount since the Company expects that it will finally be justified on these disputes.

d. The companies participating in the consolidated fianancial statements for the year ended 2005, have not been audited by the tax authorities for the financial years presented below :

Company	Open tax years
Minoan Lines Shipping S.A.	2000 – 2005
Minoan Cruises S.A.	2000 – 2005
Kritiki Filoxenia S.A.	2000 – 2005
Athina A.V.E.E.	2000 – 2005
European Thalassic Agencies Shipping Management & Consultants S.A.	none
Minoan Agencies S.r.l.	2002 – 2005
Mediterranean Ferries S.r.l.	2002 – 2005
Hellenic Seaways S.A.	2000 – 2005

e. The adverse effect on the operating results of one of the subsidiaries by the amounts of USD 0,56 mil. and € 0,21 mil. for which letters of guarantee have been issued to the Seamen's Pension Fund depends on the results of the legal proceedings commenced by both the subsidiary and the Seamen's Pension Fund. The subsidiary has not made any provision estimating that it will be justified by the appropriate Courts.

4.8 Effects on the consolidated financial statements from transition to International Financial Reporting Standards (I.F.R.S)

According to the Regulation of the European Union (EU) 1606/2002 and the corporate law 2190/1920, which was modified and is in force by the law 3301/2004, from 1/1/2005 the companies listed to the Athens Stock Exchange are obliged to prepare their consolidated financial statements in accordance with the International Financial Reporting Standards.

Due to the obligation for presentation of comparatives for the financial year 2004, using consistent accounting policies, the beginning of the comparative period (1/1/2004) is determined as the date of transition to I.F.R.S., which is the date that the opening I.F.R.S. balance sheet is prepared according to I.F.R.S. 1 (regarding first time adoption of I.F.R.S.). More specifically, I.F.R.S. 1 indicates the retroactive implementation of the International Accounting Standards and related interpretations in force during the first year of adoption. However, in some cases, I.F.R.S. 1 allows limited exceptions from the obligation, which are distinguished to obligatory exceptions and exceptions about which, the selection of the adoption is optional.

Obligatory exceptions of retroactive adoption of the I.F.R.S.

a) Estimates
The estimates based on which the consolidated financial statements are prepared at the transition date, must be consistent with the estimates made in the same periods according to the previous Generally Accepted Accounting Principles, unless there are objective reasons that these estimates were incorrect.

Optional exceptions of retroactive adoption of the I.F.R.S.

a) Use of fair value as deemed cost
The Company chose, at the date of transition, to recognize the land, the buildings and the vessels at their fair values considering these values as deemed cost. The depreciation is calculated based on the vessels' useful life on this cost, after subtracting the residual value (of the vessels) estimated by the Company,. The resulting adjustment was transferred to the Retained Earnings.

b) Consolidations
The company chose for the consolidation of companies that were recognized before the transition date to maintain the accounting treatment that was previously followed according to the Greek Accounting Standards.

c) Employee benefits
The liabilities for employee benefits, were calculated on 1/1/2004 and recognized fully, including the accumulative actuarial loss that would not be recognized in case the Company chose the retroactive application of the IAS 19.

d) Assets and liabilities of subsidiaries and associates
In order to be consolidated, the subsidiaries and associates' financial statements are adjusted in accordance with the I.F.R.S. and the Group's accounting principles as well.

Presented below are the reconciliation tables of equity, balance sheets, and income statements that are required by IFRS, as well as their explanatory notes.

4.8.a Transition Consolidated Balance Sheet to I.F.R.S. as at (1/1/2004)

		The Group			
	Note	Greek G.A.P.	Reclassifications	Adjustments	I.F.R.S.
Assets					
Non current-assets	a,b	754.010.494,78	-	3.625.052,76	757.635.547,54
Investments in associates	c	73.180.210,60	-7.503.405,24	-639.389,74	65.037.415,62
Other long term assets		39.248,42	-	-	39.248,42
Total non-current assets		**827.229.953,80**	**-7.503.405,24**	**2.985.663,02**	**822.712.211,58**
Inventories		3.877.294,93	-	-	3.877.294,93
Trade and other receivables	d	34.630.926,40	-	-101.759,61	34.529.166,79
Available for sale Securities	e	5.240.589,79	7.503.405,24	11.888.148,36	24.632.143,39
Other current assets	f	3.349.695,24	-	627.615,80	3.977.311,04
Cash and cash equivalents	g	2.970.277,68	-	-1.084,05	2.969.193,63
Total current assets		**50.068.784,04**	**7.503.405,24**	**12.412.920,50**	**69.985.109,78**
Total assets		**877.298.737,84**	**0,00**	**15.398.583,52**	**892.697.321,36**
Equity and liabilities					
Equity					
Share Capital		159.583.500,00	-	-	159.583.500,00
Share Premium		26.942.576,38	-	-	26.942.576,38
Fair value reserves	e	-	-	9.904.448,60	9.904.448,60
Other Reserves	h	53.936.152,54	14.831.727,23	-	68.767.879,77
Retained Earnings	i	-3.876.364,74	-19.181.955,25	622.123,78	-22.436.196,21
Total Equity attributable to equity holders of the parent		**236.585.864,18**	**-4.350.228,02**	**10.526.572,38**	**242.762.208,54**
Minority Interest		70.219,64	1,21	786,81	71.007,66
Total Equity		**236.656.083,82**	**-4.350.226,81**	**10.527.359,19**	**242.833.216,20**
Non current liabilities					
Interest-bearing loans and borrowings		556.422.127,69	-	-	556.422.127,69
Employee defined benefit obligations	j	1.822.958,29	-	207.899,36	2.030.857,65
Deferred Government Grants	h	-	5.768.746,81	-	5.768.746,81
Provisions	k	2.927.438,52	-	1.508.176,15	4.435.614,67
Total non-current liabilities		**561.172.524,50**	**5.768.746,81**	**1.716.075,51**	**568.657.346,82**
Current liabilities					
Bank overdrafts		15.222.170,35	-	-	15.222.170,35
Current portion of interest-bearing loans and borrowings		30.250.000,00	-	-	30.250.000,00
Trade and other payables	l	33.997.959,17	-1.418.520,00	3.155.148,82	35.734.587,99
Total current liabilities		**79.470.129,52**	**-1.418.520,00**	**3.155.148,82**	**81.206.758,34**
Total liabilities		**640.642.654,02**	**4.350.226,81**	**4.871.224,33**	**649.864.105,16**
Total Equity and liabilities		**877.298.737,84**	**0,00**	**15.398.583,52**	**892.697.321,36**

4.8 b Reconciliation of Consolidated Equity for the opening balances 1/1/2005 and 1/1/2004 between Greek G.A.A.P and I.F.R.S.

	Note	The Group 1/1/2005	1/1/2004
Equity at the beginning of the years,excluding minority interest (1/1/2005 and 1/1/2004 respectively) according to Greek G.A.P.		240.595.764,45	236.585.864,18
Write-off of establishment costs and various intangible assets	**a,b**	-2.661.760,74	-4.761.428,46
Valuation of fixed assets to deemed cost and recomputation of depreciation charged and recognition of property, plant and equipment under finance leases	**a**	4.971.236,84	8.166.138,82
Adjustment due to valuation of investments and equity securities	**c,e**	6.963.942,29	11.246.983,80
Reclassification of government grants from equity to deferred income	**h**	-5.575.626,87	-5.768.746,81
Adjustment to provision according to I.F.R.S.	**f,k,l**	-3.243.557,22	-4.125.122,99
Reclassification of divedends from liabilities to equity	**1**	7.092.600,00	1.418.520,00
Equity at the beginning of the year,excluding minority interest (1/1/2005 and 1/1/2004 respectively) adjusted to I.F.R.S.		**248.142.598,75**	**242.762.208,54**

4.8.c Consolidated Balance Sheet for the year ended 31/12/2004

		The Group			
	Note	Greek G.A.P.	Reclassifications	Adjustments	I.F.R.S.
<u>Assets</u>					
Non current-assets	a,b	688.019.655,84	-2.849.126,59	2.692.026,88	687.862.556,13
Investments in associates	c	63.237.916,41	-	-1.367.004,85	61.870.911,56
Other long term assets		40.737,90	-	-	40.737,90
Total non-current assets		**751.298.310,15**	**-2.849.126,59**	**1.325.022,03**	**749.774.205,59**
Inventories		3.723.449,92	-	-	3.723.449,92
Trade and other receivables	d	37.997.030,45	-	-1.039.015,96	36.958.014,49
Available for sale Securities	e	13.867.419,86	-	8.333.376,29	22.200.796,15
Other current assets	f	3.571.247,92	2.849.126,59	-238.240,99	6.182.133,52
Cash and cash equivalents	g	1.136.763,05	-	-1.084,05	1.135.679,00
Total current assets		**60.295.911,20**	**2.849.126,59**	**7.055.035,29**	**70.200.073,08**
Total assets		**811.594.221,35**	**0,00**	**8.380.057,32**	**819.974.278,67**
<u>**Equity and liabilities**</u>					
Equity					
Share Capital		159.583.500,00	-	-	159.583.500,00
Share Premium		26.942.576,38	-	-	26.942.576,38
Fair value reserves	e	-	-	7.648.086,10	7.648.086,10
Other Reserves	h	56.677.875,07	12.567.990,93	-	69.245.866,00
Retained Earnings	i	-2.608.187,00	-11.056.817,65	-1.612.425,08	-15.277.429,73
Total Equity		**240.595.764,45**	**1.511.173,28**	**6.035.661,02**	**248.142.598,75**
Minority Interest		60.169,15	-	464,28	60.633,43
Total Equity attributable to equity holders of the parent		**240.655.933,60**	**1.511.173,28**	**6.036.125,30**	**248.203.232,18**
Non current liabilities					
Interest-bearing loans and borrowings		476.076.736,87	-	-	476.076.736,87
Employee defined benefit obligations	j	2.070.745,94	-	854.535,55	2.925.281,49
Deferred Government Grants	h	-	5.581.426,72	-5.799,85	5.575.626,87
Provisions	k	3.166.739,30	-	1.325.341,19	4.492.080,49
Total non-current liabilities		**481.314.222,11**	**5.581.426,72**	**2.174.076,89**	**489.069.725,72**
Current liabilities					
Bank overdrafts		22.868.406,02	-	-	22.868.406,02
Current portion of interest-bearing loans and borrowings		28.500.000,00	-	-	28.500.000,00
Trade and other payables	l	38.255.659,62	-7.092.600,00	169.855,13	31.332.914,75
Total current liabilities		**89.624.065,64**	**-7.092.600,00**	**169.855,13**	**82.701.320,77**
Total liabilities		**570.938.287,75**	**-1.511.173,28**	**2.343.932,02**	**571.771.046,49**
Total Equity and liabilities		**811.594.221,35**	**0,00**	**8.380.057,32**	**819.974.278,67**

4.8.d Consolidated Income Statement for the year ended 31/12/2004

		The Group			
	Note	Greek G.A.P.	Reclassifications	Adjustments	I.F.R.S.
Revenue		192.170.131,97	-	12.582,90	192.182.714,87
Cost of Sales	m,n	-122.274.152,78	772.880,31	-3.108.711,95	-124.609.984,42
Gross Profit		**69.895.979,19**	**772.880,31**	**-3.096.129,05**	**67.572.730,45**
Other Operating Income	n	538.553,46	10.910,06	-	549.463,52
Distribution expenses	m,n	-18.221.817,80	-	-8.343,94	-18.230.161,74
Administrative expenses	m,n	-11.561.777,82	-186.763,68	827.606,66	-10.920.934,84
Other Operating expenses	n	-	-1.094.397,73	-636.988,81	-1.731.386,54
Operating profit before financing costs		**40.650.937,03**	**-497.371,04**	**-2.913.855,14**	**37.239.710,85**
Financial income	n,o	781.158,49	534.525,86	-4.932,65	1.310.751,70
Financial expenses	n,p	-28.001.120,64	-495.551,30	297.054,78	-28.199.617,16
Share of (Loss) Profit of associates	q	-2.182.803,53	-	242.171,72	-1.940.631,81
Extraordinary Income/Expense	n	-1.385.613,23	271.634,50	1.113.978,73	-
Profit/Loss before tax		**9.862.558,12**	**-186.761,98**	**-1.265.582,56**	**8.410.213,58**
Income Tax expense	r	-324.909,57	186.761,98	774.202,25	636.054,66
Profit/Loss after tax		**9.537.648,55**	**0**	**-491.380,31**	**9.046.268,24**
Attributable to :					
Equity holders of the parent		**9.546.329,27**			**9.055.632,64**
Minority Interest		**-8.680,72**			**-9.364,40**
Basic and Diluted Earnings per Share after Taxation (in €)		**0,13**			**0,13**

Explanatory notes

a. Plant, Property and Equipment
Independent appraisers assessed the fair values of the real estate and the vessels of the Group, which was considered at the transition date as the deemed cost. The increase in property, plant and equipment that resulted from the revaluation was recognized in the item "Retained Earnings". Additionally leased assets are recognized as finance leases according to I.A.S.17.

b. Intangible Assets
The intangible assets that did not fill the recognition conditions of I.A.S. 38 were written off to Retained Earnings and amounts that were allowed to be capitalized in accordance with I.F.R.S. were reclassified to other captions.

c. Investments in Associates
The account was affected by the adjustments in the financial statements of the associates according to I.F.R.S..

d. Trade and Other Receivables
After testing for impairment of the trade and other receivables, the relevant impairment loss was charged to Retained Earnings.

e. Available for sale securities
The listed shares were measured at fair values in accordance with I.A.S. 39, while the non listed shares were measured at cost. The gains and the losses that resulted from the valuation were recorded to Fair Value Reserves. Additionally an investment in associate was transferred to this category because it was management's intention to sell its participation and the entire sale was finally concluded in August 2005.

f. Other current assets
This account was affected by the reclassification of deferred charges relating to the cost of debt in accordance with I.A.S.39 and the recognition of accrued income which was collected in the forth-coming year.

g. Cash and cash equivalents
The account was affected by the foreign currency translation adjustment of cash and cash equivalents of one of the subsidiaries.

h. Other Reserves
Items that according to I.F.R.S. are not recognized in these categories were transferred either to the item Retained Earnings or to the item "Deferred Government Grants".

i. Retained Earnings
The account was affected by transfers, reclassifications and re-adjustments in accordance with I.F.R.S..

j. Employee defined benefit obligations
This account was affected by the differences arising from the actuarial valuation obtained by the Company in accordance with I.A.S. 19. In one of the subsidiaries, the accumulated amount of the employee defined benefit obligations was already calculated according to I.F.R.S..

k. Provisions
This account was affected by the Group recording its provisions as required by I.F.R.S..

l. Trade and other payables
This item was affected by reversing the dividends not declared, recording the finance lease obligations and other adjustments relating to accrued expenses as required by I.F.R.S..

m. Cost of sales-Distribution expenses-Administration expenses
The accounts were primarily affected from changes in the depreciation charges which were computed on the deemed cost based on the estimated useful lives, recognition of accrued expenses, reversal of amortisation on intangible assets that were written off for I.F.R.S. purposes, transfer of cost from extraordinary expenses and higher charges resulting from the employee defined benefit obligation which was based on an actuarial valuation.

n. Extraordinary Income/Expenses
According to the I.F.R.S. the recognition of extraordinary items is not permitted. On that basis the extraordinary items were reclassified and transferred to the relevant categories of the consolidated income statement.

o. Financial Income
The account was affected by the transfers of the extraordinary items and the re-adjustment of the gains arising from the sale of associate companies and available for sale securities.

p. Financial expense
This account was affected by the reclassification of the extraordinary items,the amortization of deferred charges, the reversal of the losses on available for sale securities and interest on the capital leases.

q. Profit/Loss from associates
The account was affected by the changes in equity of the associates in accordance with I.F.R.S.

r. Income Taxes
According to I.A.S.12 income taxes are recognized as tax expense in the consolidated income statement, while according to the Greek G.A.A.P. they are recorded directly to equity.

Heraklion March 14th 2006

THE CHAIRMAN OF THE BOARD	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER	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 ID C No P 487723 ID 23944 FIRST CLASS