

**Report of the Board of Directors of the societe anonyme under the corporate name "MINOAN LINES SHIPPING S.A." (hereinafter "the Company") according to the provisions of article 9 of L. 3016/2002, paras. 4.1.4.1.1 and 4.1.4.1.2 of Athex Rulebook for the share capital increase of the Company up to the amount of Euro 50.534.775,00 through payment in cash and granting of pre-emption right in favour of existing shareholders.**

The Board of Directors of the Company following the proposal of its Chairman unanimously approved the Report of the Board of Directors in accordance with the provisions of article 9 of L. 3016/2002, paras. 4.1.4.1.1 and 4.1.4.1.2 of Athex Rulebook regarding the share capital increase of the Company up to the amount of Euro 50.534.775,00 through payment in cash and granting of pre-emption right in favour of existing shareholders, as follows:

**I. Proposed share capital increase**

According to the Law and the Articles of Association of the Company, the Board of Directors by virtue of its resolution dated 29<sup>th</sup> May 2013, published an invitation for the convocation of the Ordinary General Assembly together with the issues of the agenda and proposed to the Ordinary General Assembly, which will take place on 21<sup>st</sup> June 2013, day of the week Friday at 15:00 p.m. at the offices of the Company at Heraklion Crete (17, 25<sup>th</sup> August Steet), as well as on any repeating or postponed General Assembly thereof, to resolve on the 10<sup>th</sup> issue of the agenda concerning the share capital increase of the Company as follows:

Capital increase of the Company up to the amount of Euro 50.534.775,00 with the issue of up to 22.459.900 registered shares of nominal value of two euros and twenty-five cents (€ 2,25) each through payment in cash and the granting of pre-emption right in favour of existing shareholders and the respective amendment of article 5 of the Articles of Association *re* "share capital" which shall reflect the resolutions of the same General Assembly. The shares will be granted to the shareholders of the Company through the exercise of the pre-emption right at a ratio of 19 new shares to 60 existing shares at par value.

Furthermore, the Board of Directors proposes:

- (i) The exercise of the pre-emption right within 15 days;
- (ii) The payment of the amount of the share capital increase within four (4) months starting from the date of the resolution of the General Assembly in accordance with article 11 par.3 & 4 of C.L. 2190/1920;
- (iii) The non-*isse* of fractional rights;
- (iv) The granting of authorization to the Board of Directors of the Company in order for the latter to:
  - (a) Determine the cut-off date of the pre-emption right, the period for the trading of the pre-emption right, the deadline of the payment and in general to proceed to every necessary action and to determine the details for the share capital increase and the General Assembly resolution for the listing of shares to trading

in the Athex, with the right to grant further authorization to any of its members or to the Company's employees, and

- (b) Dispose any shares that will not be subscribed by the existing shareholders following the exercise of the pre-emption right, freely, at its absolute discretion at the same price, to new or the existing shareholders of the Company.

It should be noted that the possibility for partial subscription of capital in accordance with article 13a of C.L. 2190/1920 is also provided.

## **II. Report for the proposed share capital increase in accordance with the provisions of paras 4.1.4.1.1 and 4.1.4.1.2 of the Athex Rulebook**

The present Report of the Board of Directors of the Company has been drafted in accordance with paras. 4.1.4.1.1 and 4.1.4.1.2 of the Athex Rulebook, will be submitted to the Ordinary General Assembly of the shareholders which shall take place on 21.06.2013 and to the Athex for publication together with the Invitation of the Ordinary General Assembly and will be uploaded on the Company's website (<http://www.minoan.gr>).

### **Report according to the provisions of 4.1.4.1.1 and 4.1.4.1.2 of the Athex Rulebook**

#### ***A. Information as to the use of funds raised in the previous share capital increase of the Company dated 16.05.1999 (para. 4.1.4.1.2 (1) (a) of the Athex Rulebook)***

With regard to the share capital increase of the Company which was resolved on the Second Repeat Ordinary General Assembly dated 16.05.1999 and the use of funds raised, the Table regarding the use of funds dated 23.08.2001 is cited below which was published by the Board of Directors of the Company together with the Auditor's Certificate signed by Mr. Stephanos Sarakostidis, (Membership num: 14621), attached to the said Table.

By virtue of the decision of the Athex Board of Directors num. 34/05-11-1999 it is communicated to the public that, from the share capital increase of the Company in cash that took place by virtue of the decision of the Second Repeat Ordinary General Assembly dated 16.05.1999 and the resolution of the Athex Board of Directors dated 03.06.1999, funds amounting to 74.945 mln drachmas (219,95 mln Euros) were raised, which in accordance with the Prospectus were used until 30.06.2001 as follows:

(Amounts in million)									
USE OF FUNDS ACCORDING TO THE PROSPECTUS		FUNDS RAISED		TOTAL INVESTMENT UNTIL 31/3/2001		TOTAL INVESTMENT 01.4/30.6.2001		UNALLOCATED BALANCE AS AT 30.6.2001	
		DRA	EURO	DRA	EURO	DRA	EURO	DRA	EURO
A	Own funding of the construction of the vessels	24,000	70.43	24,000	70.43	0	0.00	0	0.00
B	Participation in the share capital increase of AIR GREECE & MINOAN FLYING DOLPHINS	7,700	22.60	7,700	22.60	0	0.00	0	0.00
C	Additional participation in the share capital increase of MINOAN FLYING DOLPHINS	13,400	39.33	13,400	39.33	0	0.00	0	0.00
D	Working capital enhancement	10,000	29.35	10,000	29.35	0	0.00	0	0.00
E	Enhancement of investment programs of other subsidiaries or expansion to other activities or temporary reduction of short-term borrowing	19,845	58.24	19,640	57.64	205	0.60	0	0.00
		<b>74,945</b>	<b>219.95</b>	<b>74,740</b>	<b>219.35</b>	<b>205</b>	<b>0.60</b>	<b>0</b>	<b>0.00</b>

Heraklion, 23 August 2001

The President

The General Manager

The Chief Financial Officer

### **AUDITOR'S CERTIFICATE**

We have audited the above financial data of the societe anonyme "MINOAN LINES SHIPPING S.A." in accordance with the accounting principles and rules followed by the Certified Body of Auditors. Following our review we certify that the above financial data derive from the books of the Company and from the Prospectus, which has been approved by the Athex Board.

Athens, 28 August 2001

#### ***B. Information as to the Company's investment plan, the timeframe for its implementation and a breakdown of how the funds are going to be used. (para. 4.1.4.1.2 (1) (b) of Athex Rulebook)***

The funds raised by virtue of the share capital increase in accordance with the decision of the Ordinary General Assembly of the Company's shareholders will be used for the repayment of the Company's obligations, following the respective deduction of the expenses related to the increase.

More particularly:

- 1) Funds up to 5,6 mln euros will be used for the repayment of the Company's obligations deriving from the Bond Loan Agreement dated 11.12.2007 re the issue by the Company

of a Bond Loan amounting to 375 mln euros, as amended by virtue of the Supplemental Agreement dated 13.10.2010.

- 2) The residual amount will be used for the repayment of intra-group payables and/or third-party payables.

The Company will use the funds for the purposes mentioned above within the current fiscal year, i.e. by 31/12/2013.

**C. Declaration of the major shareholders of the Company (para. 4.1.4.1.2 (1) (e) of Athex Rulebook)**

The Company's major shareholder, GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.a. has declared that GRIMALDI COMPAGNIA DI NAVIGAZIONE S.p.a intends to maintain its participating interest (held directly or indirectly) in the Company: (i) until the completion of the share capital increase and the listing of the new shares, (ii) for a six month period following the commencement of trading of the new shares.

**D. Issue Price (para. 4.1.4.1.2 (1) (f) of Athex Rulebook)**

The Board of Directors proposes that the issue price is equal to the par value of the shares (currently Euro 2,25).

The Board of Directors proposes to the General Assembly that the issue price of the new shares may be higher than the market price at the cut -off date of the pre-emption rights or any other critical point in time according to legislation in force.

Heraklion Crete, 29 May 2013

The Board of Directors