



**BLUE STAR FERRIES MARITIME S.A.**

Report of the Board of Directors  
&  
Annual Consolidated and Company Financial Statements  
for the period 1-1-2007 to 31-12-2007  
Type of Auditors' opinion: Unqualified

(amounts in € thousand)

The Annual Financial Statements for the fiscal year 2007 were approved by the Board of Directors of Blue Star Ferries Maritime S.A. on March 20<sup>th</sup>, 2008.

BLUE STAR FERRIES MARITIME S.A.  
157, C. Karamanli Avenue  
Voula 166 73  
Athens, Greece

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Blue Star Ferries Maritime S.A.

#### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Blue Star Ferries Maritime S.A. which comprise the balance sheet as at 31 December 2007, and the income statement, statement of changes in shareholders' equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Blue Star Ferries Maritime S.A. as of 31 December 2007 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

***Report on Other Legal and Regulatory Requirements***

The Board of Directors' Report is consistent with the aforementioned financial statements.

Athens, 24 March 2008

The Certified Public Accountant  
Athos Stylianos, FCCA, CPA(Gr)  
A.M. SOEL 12311  
For DRM Stylianos SA (A.M. 104)  
Member of RSM International

### INCOME STATEMENT

For the fiscal years ending at December 31, 2007 & 2006

	<b>COMPANY</b>	
	<u>1/1-31/12/07</u>	<u>1/1-31/12/06</u>
Revenue	119.048	106.262
Cost of sales	(72.670)	(63.538)
<b>Gross Profit/(loss)</b>	<b>46.378</b>	<b>42.724</b>
Other operating income	129	185
Administrative expenses	(4.719)	(4.591)
Distribution expenses	(14.227)	(11.697)
<b>Earnings before taxes, investing and financial results</b>	<b>27.561</b>	<b>26.621</b>
Dividends from subsidiaries and other entities		
Interest & other similar income	7	19
Interest and other financial expenses	(8.881)	(7.437)
Foreign exchange differences	(216)	2
Financial results	(9.090)	(7.416)
Profit/(loss) from sale of tangible assets		
<b>Profit/(loss) before taxes</b>	<b>18.471</b>	<b>19.205</b>
Taxes	(46)	(117)
<b>Profit/(loss) after taxes</b>	<b>18.425</b>	<b>19.088</b>
<u>Attributable as follows:</u>		
Company Shareholders	18.425	19.088
Minority Interests in subsidiaries		
<b>Earnings After Taxes per Share - Basic (in €)</b>	<b>0,24</b>	<b>0,24</b>
<b>Proposed dividend payable per share (in €)</b>	<b>0,21</b>	<b>0,20</b>

## BALANCE SHEET

As at 31st of December 2007 and at December 31, 2006

	<b>COMPANY</b>	
	<b>31/12/2007</b>	<b>31/12/2006</b>
<b><u>ASSETS</u></b>		
<b><u>Non-current assets</u></b>		
Tangible assets	289.585	296.673
Intangible Assets	462	516
Financial assets		
Investments in subsidiaries-associated companies		
Non-Current Receivables		
	290.047	297.189
<b><u>Current assets</u></b>		
Inventories	1.288	933
Trade receivables and prepayments	5.724	3.754
Tax receivables	16	24
Receivables from subsidiaries-associated companies	418.195	259.125
Other receivables	2.253	713
Financial assets held for trading		
Cash and cash equivalents	567	946
Deferred expenses	4.442	2.814
Accrued income	258	
	432.743	268.309
Non-current assets classified as held for sale		
<b>Total assets</b>	<b>722.790</b>	<b>565.498</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b><u>Equity</u></b>		
Share Capital	229.325	229.325
Reserves	1.020	7.860
Retained Earnings	30.027	20.767
<b>Total Shareholders equity</b>	<b>260.372</b>	<b>257.952</b>
<b>Minority interests in subsidiaries</b>		
<b>Total equity</b>	<b>260.372</b>	<b>257.952</b>
<b><u>Non-current liabilities</u></b>		
Secured loans	154.858	167.253
Finance leases	23	
Deferred tax liabilities	15	15
Retirement benefit provisions	188	155
Provisions		
	155.084	167.423
<b><u>Current liabilities</u></b>		
Bank loans and overdrafts		
Current portion of long term liabilities	12.500	12.500
Trade and other payables	9.437	6.030
Payables to subsidiaries-associated companies	284.104	120.358
Tax liabilities	983	776
Deferred income		
Accrued expenses	310	459
	307.334	140.123
<b>Total equity and liabilities</b>	<b>722.790</b>	<b>565.498</b>



**Statement of Changes in Equity**

For the Periods 1/1-31/12 2007 and 2006

**COMPANY**

	Share Capital	Share Premium	Other Reserves	Fair value reserves from hedging	Retained Earnings	Total Shareholders equity	Minority interests in subsidiaries	Total Equity
<b>Balance at 1 January 2007</b>	<b>229.325</b>		<b>7.861</b>		<b>20.767</b>	<b>257.952</b>		<b>257.952</b>
Reserves from revaluation of investments in subsidiaries at fair value								
<b>New balance at 1 January 2007</b>	<b>229.325</b>		<b>7.861</b>		<b>20.767</b>	<b>257.952</b>		<b>257.952</b>
Changes in Equity for the Period 1/1-31/12/2007			(7.495)		7.490	(5)		(5)
Reserves from revaluation of investments in subsidiaries at fair value								
Net Profit for the Period 1/1-31/12/2007			654		17.771	18.425		18.425
Dividends					(16.000)	(16.000)		(16.000)
<b>Balance at 31 December 2007</b>	<b>229.325</b>		<b>1.020</b>		<b>30.027</b>	<b>260.372</b>		<b>260.372</b>

	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total Shareholder s equity	Minority interests in subsidiaries	Total Equity
<b>Balance at 1 January 2006</b>	<b>229.325</b>		<b>7.183</b>	<b>10.183</b>	<b>246.691</b>		<b>246.691</b>
Changes in Equity for the Period 1/1-31/12/2006							
Reserves from revaluation of investments in subsidiaries at fair value							
Net Profit for the Period 1/1-31/12/2006			678	18.410	19.088		19.088
Dividends				(7.827)	(7.827)		(7.827)
<b>Balance at 31 December 2006</b>	<b>229.325</b>		<b>7.861</b>	<b>20.767</b>	<b>257.952</b>		<b>257.952</b>

## CASH FLOW STATEMENT

For the periods ending at December 31 2007 & 2006

	<b>COMPANY</b>	
	<u>1/1-31/12/2007</u>	<u>1/1-31/12/2006</u>
<b><u>Cash flow from Operating Activities</u></b>		
Profit Before Taxes	18.471	19.205
<b>Adjustments for:</b>		
Depreciation & amortization	10.210	9.821
Provisions	371	295
Foreign exchange differences	216	(2)
Net (profit)/Loss from investing activities	(7)	(19)
Interest and other financial expenses	8.881	7.437
<b>Plus or minus for Working Capital changes:</b>		
Decrease/(increase) in Inventories	(354)	147
Decrease/(increase) in Receivables	(164.459)	240.023
(Decrease)/increase in Payables (excluding banks)	166.505	(255.961)
Less:		
Interest and other financial expenses paid	(8.609)	(6.764)
Taxes paid	(46)	(117)
<b>Total cash inflow/(outflow) from operating activities (a)</b>	<b><u>31.179</u></b>	<b><u>14.065</u></b>
<b><u>Cash flow from Investing Activities</u></b>		
Acquisition of subsidiaries, associated companies, joint ventures and other investments		
Purchase of tangible and intangible assets	(3.065)	(340)
Proceeds from sale of tangible and intangible assets		
Interest received	7	19
Dividends received		
<b>Total cash inflow/(outflow) from investing activities (b)</b>	<b><u>(3.058)</u></b>	<b><u>(321)</u></b>
<b><u>Cash flow from Financing Activities</u></b>		
Proceeds from issue of Share Capital		
Proceeds from Borrowings		
Payments of Borrowings	(12.500)	(12.500)
Payments of finance lease liabilities		(109)
Dividends paid	(16.000)	(7.827)
<b>Total cash inflow/(outflow) from financing activities (c)</b>	<b><u>(28.500)</u></b>	<b><u>(20.436)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b><u>(379)</u></b>	<b><u>(6.692)</u></b>
<b>Cash and cash equivalents at beginning of period</b>	<b><u>946</u></b>	<b><u>7.638</u></b>
<b>Cash and cash equivalents at end of period</b>	<b><u>567</u></b>	<b><u>946</u></b>

The method used for the preparation of the above Cash Flow Statement is the Indirect Method.