



BLUE STAR FERRIES MARITIME S.A.

Annual Company Financial Statements
for the period 1-1-2006 to 31-12-2006
Type of Auditors' opinion: Unqualified

(Amounts in thousand €)

The Annual Financial Statements for the fiscal year 2006 were approved by the Board of Directors of BLUE STAR FERRIES MARITIME S.A. on 15th February 2007.

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 2006, and the 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.

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 as these 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 Greek Auditing Standards which have been harmonised with International Standards on 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 financial statements give a true and fair view of the financial position of BLUE STAR FERRIES MARITIME S.A. as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as these have been adopted by the European Union.

Athens, 20 February 2007
The Certified Public Accountant

Athos Stylianou, FCCA, CPA(Gr)
A.M. SOEL 12311
For DRM Stylianou SA (A.M. 104)
Member of RSM International

INCOME STATEMENT

For the fiscal years ending at December 31 2006 & 2005

	COMPANY	
	<u>1/1-31/12/06</u>	<u>1/1-31/12/05</u>
Revenue	106.262	100.177
Cost of sales	(63.538)	(60.290)
Gross Profit/(loss)	42.724	39.887
Other operating income	185	31
Administrative expenses	(4.591)	(3.928)
Distribution expenses	(11.697)	(12.071)
Earnings before taxes, investing and financial results	26.621	23.919
Dividends from subsidiaries and other entities		
Interest & other similar income	19	160
Interest & other financial expenses	(7.437)	(6.764)
Foreign exchange differences	2	16
Financial results	(7.416)	(6.588)
Profit/(loss) from vessels' disposal		
Profit/(loss) before taxes	19.205	17.331
Taxes	(117)	(316)
Profit/(loss) after taxes	19.088	17.015
<u>Attributable as follows:</u>		
Company Shareholders	19.088	17.015
Minority Interest in subsidiaries		
Earnings After Taxes per Share - Basic (in €)	0,24	0,22
Proposed dividend payable per share (in €)	0,20	0,10

BALANCE SHEET

As at 31st of December 2006 and at December 31, 2005

	COMPANY	
	<u>31/12/2006</u>	<u>31/12/2005</u>
<u>ASSETS</u>		
<u>Non-current assets</u>		
Tangible assets	296.673	306.146
Intangible assets	516	524
Investments in subsidiaries-associated companies		
Non-current receivables		
	<u>297.189</u>	<u>306.670</u>
<u>Current assets</u>		
Inventories	933	1.080
Trade receivables and prepayments	3.754	2.940
Tax receivables	24	24
Receivables from subsidiaries-associated companies	259.125	500.828
Other receivables	713	874
Financial assets held for trading		
Cash and cash equivalents	946	7.638
Deferred expenses	2.814	1.775
Accrued income		11
	<u>268.309</u>	<u>515.170</u>
Total assets	<u>565.498</u>	<u>821.840</u>
<u>EQUITY AND LIABILITIES</u>		
<u>Equity</u>		
Share capital	229.325	229.325
Reserves	7.860	7.183
Retained earnings	20.767	10.183
Total Shareholders equity	<u>257.952</u>	<u>246.691</u>
Minority interests in subsidiaries		
Total equity	<u>257.952</u>	<u>246.691</u>
<u>Non-current liabilities</u>		
Secured loans	167.253	179.800
Finance leases		
Deferred tax liabilities	15	15
Retirement benefit provisions	155	155
Provisions		
	<u>167.423</u>	<u>179.970</u>
<u>Current liabilities</u>		
Bank loans and overdrafts		
Current portion of long term liabilities	12.500	12.500
Trade and other payables	6.030	6.405
Payables to subsidiaries-associated companies	120.358	374.857
Tax liabilities	776	1.007
Accrued expenses	459	410
	<u>140.123</u>	<u>395.179</u>
Total equity and liabilities	<u>565.498</u>	<u>821.840</u>

Statement of Changes in Equity
For the Period 1/1-31/12 2006 & 2005

	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Shareholders equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2006	229.325		298		10.183	6.885	246.691		246.691
Changes in Equity for the Period 1/1-31/12/2006									
Net Profit for the Period 1/1-31/12/2006			678		18.410		19.088		19.088
Dividends					(7.827)		(7.827)		(7.827)
Balance at 31 December 2006	229.325		976		20.767	6.885	257.952		257.952

	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Shareholders equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2005	229.325		298		995	6.885	237.503		237.503
Changes in Equity for the Period 1/1-31/12/2005									
Net Profit for the Period 1/1-31/12/2005					17.015		17.015		17.015
Dividends					(7.827)		(7.827)		(7.827)
Balance at 31 December 2005	229.325		298		10.183	6.885	246.691		246.691

CASH FLOW STATEMENT

For the periods ending at December 31 2006 & 2005

	COMPANY	
	<u>1/1-3/12/2006</u>	<u>1/1-31/12/2005</u>
<u>Cash flow from Operating Activities</u>		
Profit Before Taxes	19.205	17.331
Adjustments for:		
Depreciation & amortization	9.821	9.770
Provisions	295	383
Foreign exchange differences	(2)	(16)
Net (profit)/Loss from investing activities	(19)	(170)
Interest and other financial expenses	7.437	6.764
Plus or minus for Working Capital changes :		
Decrease/(increase) in Inventories	147	(288)
Decrease/(increase) in Receivables	240.023	(251.390)
(Decrease)/increase in Payables (excluding banks)	(255.961)	85.530
Less:		
Interest and other financial expenses paid	(6.764)	(4.276)
Taxes paid	(117)	(62)
Total cash inflow/(outflow) from operating activities (a)	14.065	(136.424)
<u>Cash flow from Investing Activities</u>		
Acquisition of subsidiaries, associated companies, joint ventures and other investments		
Purchase of tangible and intangible assets	(340)	(1.015)
Proceeds from sale of tangible and intangible assets		
Interest received	19	160
Dividends received		
Total cash inflow/(outflow) from investing activities (b)	(321)	(855)
<u>Cash flow from Financing Activities</u>		
Proceeds from issuance of Share Capital		
Proceeds from Borrowings		198.550
Payments of Borrowings	(12.500)	(52.125)
Payments of finance lease liabilities	(109)	(189)
Dividends paid	(7.827)	(7.827)
Total cash inflow/(outflow) from financing activities (c)	(20.436)	138.409
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	(6.692)	1.130
Cash and cash equivalents at beginning of period	7.638	6.508
Cash and cash equivalents at end of period	946	7.638

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