

ANNUAL REPORT 2003



STRINTZIS LINES SHIPPING S.A.

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Financial Statements

STRINTZIS LINES SHIPPING S.A.

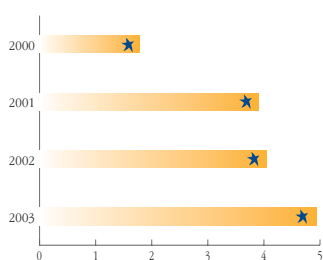
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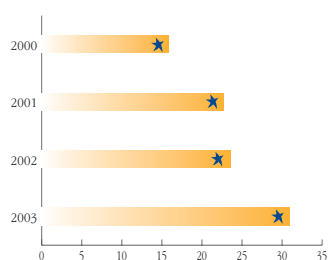
KEY FINANCIAL DATA

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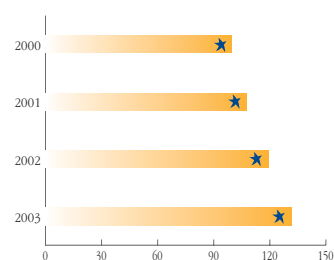
(in million Euro)	2000	2001	2002	2003
Turnover	99.56	107.75	119.15	131.75
Operating profit	8.58	14.49	15.10	18.06
EBITDA	15.81	22.75	23.57	30.98
Depreciation	7.23	8.26	8.52	12.92
Net Financials	-6.88	-10.90	-10.22	-9.54
Net Profit	1.79	3.91	4.05	4.94
EBITDA margin	15.9%	21.1%	19.8%	23.5%
Net Profit margin	1.8%	3.6%	3.4%	3.8%
Number of shares (weighted)	92,885,791	105,000,000	105,000,000	105,000,000
Earnings per share (Euro)	0.02	0.03	0.04	0.05
Shareholders' equity	251.91	254.20	253.57	181.16
Total Assets	481.60	467.23	542.60	447.71



Net Profit
(million Euro)



EBITDA
(million Euro)



Turnover
(million Euro)

DESTINATIONS 2003

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ITINERARIES 2003

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In the course of 2003 the Group's vessels served the following routes:

1. GREEK DOMESTIC MARKET ROUTES

- **RAFINA – ANDROS – TINOS – MYCONOS**
Daily with car-passenger ferry Superferry II
- **RAFINA – TINOS – MYCONOS – PAROS**
Up to twice-daily with catamaran Seajet 2
- **PIRAEUS – PAROS – NAXOS – SANTORINI**
Up to twice-daily with car-passenger ferries Blue Star Paros and Blue Star Naxos and
SYROS – IOS – AMORGOS – HERAKLIA – SCHINOUS – KOUFONISSI – DONOUSA
With up to three departures a week
- **PIRAEUS – SYROS – TINOS – MYCONOS & PAROS – NAXOS**
Daily with car-passenger ferry Blue Star Ithaki
- **PATRAS – SAMI (CEPHALONIA) – ITHACA**
Daily with car-passenger ferry Kefalonia
- **PATRAS – CORFU**
Four departures a week with car-passenger ferries Blue Sky and Blue Horizon
- **PIRAEUS – KOS – RHODES**
Four departures a week with car-passenger ferry Blue Star 1 and
PATMOS – LEROS up to twice a week
- **PIRAEUS – CHANIA**
Daily with car-passenger ferry Blue Star 2.
Blue Star 2 started operating on the route on 2nd March, 2003

2. GREECE – ITALY ROUTES

- **PATRAS – IGOUMENITSA – VENICE**
Four departures a week with car-passenger ferries Blue Horizon and Blue Sky
The Venice route was discontinued on 26th October, 2003.
- **IGOUMENITSA – CORFU – BRINDISI**
Daily with car-passenger ferry Blue Bridge.
The Brindisi route was discontinued on 17th May, 2004.
- **PATRAS – IGOUMENITSA – BARI**
Frequent departures with car-passenger ferries Blue Horizon and Blue Sky since October 2003.



THE BOARD OF DIRECTORS

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Following the resignation of Gerasimos Strintzis on 8th June, 2004, the new Board of Directors of Strintzis Lines Shipping S.A. is as follows:

CHARALAMBOS S. PASCHALIS

Chairman, Non-executive Member

MICHAEL G. GIALOURIS

Vice-Chairman, Executive Member

MICHAEL G. SAKELLIS

Managing Director, Executive Member

SPIROS CH. PASCHALIS

Authorized Director, Executive Member

ALEXANDER P. PANAGOPULOS

Director, Executive Member

ANTHONY D. STRINTZIS

Director, Executive Member

PERICLES S. PANAGOPULOS

Director, Executive Member

DIMITRIOS I. KLADOS

Director, Independent non-executive Member

EMMANOUIL E. KALPADAKIS

Director, Independent non-executive Member

REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders, Ladies and Gentlemen,

2003 was a year of modernization and financial advancement for our Group.

In the process of the fleet's modernisation and renewal, the Group sold Cesme 2 and signed an agreement for the sale of Blue Sky. At the same time, the Group strengthened its presence in the domestic services of the Aegean Sea through the deployment of Blue Star 2 on the Piraeus – Chania route.

Our Group aims to further develop new routes in the Aegean Sea, through the acquisition or building of modern conventional fast vessels and maintain the high level of services offered on board and ashore with a strong sense of responsibility of service towards visitors to the islands and islanders alike.

The Group achieved the aims set in the previous year of establishing itself as a reliable carrier offering high-quality services and at the same time contributed to the considerable increase in tourism to the destinations which it serves, in the Greek Islands market.

Among the most important issues of the past year were the problems experienced by the Greek domestic services following the entry into force of Law 2932/01 which in many points contradicts European Regulation 3577/92. The most important problems faced were the continuing imposition of obligatory price

reductions in many categories, the failure to liberalise fares and state interference in the execution of planned itineraries. All the aforementioned issues prevented the full liberalization of Greek domestic services and the ability to improve the operational efficiency of our vessels.

Our Group however believes that following the recent intervention by the European Commission and the efforts of the institutional bodies within Greek coastal shipping there will be a considerable improvement of the regulatory framework ensuring the development of full and healthy competition and at the same time



safeguarding the continuing coverage of the large Greek insular community.

Specifically, the most important events for 2003 were:

In January, 2003, the Group sold its oldest vessel, Cesme 2 (ex-Blue Galaxy), of subsidiary company Blue Galaxy Shipping Inc., to foreign buyers.

REPORT OF THE BOARD OF DIRECTORS

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In March, 2003, the Group launched a new route between the port of Piraeus and Chania, Crete, with ultra-modern car-passenger ferry Blue Star 2, with a speed of 28 knots. Sailing time is 5 hours and 45 minutes, a significant reduction in the travelling time required for the journey until the introduction of Blue Star 2. The ship has met tremendous success and has captured significant market share despite the intense competition on the route.

In January, 2004, the Group entered into an agreement with Flanmare Shipping S.A. for the sale of car-passenger ferry Blue Sky. The ship is due to be delivered to its new owners in March, 2004.



The Group successfully served the following routes:

Greece – Italy

Patras – Igoumenitsa – Corfu – Venice with Blue Horizon and Blue Sky with four round trips a week. This service was

discontinued in October, 2003, as it under-performed due to the considerable decrease in traffic. The ships were redeployed on the Patras – Igoumenitsa – Bari route which offers possibilities for improved utilization.

Igoumenitsa – Corfu – Brindisi with Blue Bridge offering daily departures.

Ionian Sea

Patras – Sami (Cephalonia) – Ithaca with Kefalonia with up to two departures a day, year-round.

Aegean Sea

Piraeus – (Syros) – Paros – Naxos – (Ios) – Santorini – (Amorgos) with Blue Star Paros and Blue Star Naxos with two round trips a day. The ships also regularly called at the islands of Heraklia – Schinoussa – Koufonissi – Donoussa.

Piraeus – Syros – Tinos – Myconos – (Paros) – (Naxos) with Blue Star Ithaki with daily departures, year-round.

Rafina – Andros – Tinos – Myconos with Superferry II with daily departures, year-round.

Rafina – Tinos – Myconos – Paros with Seajet 2 with up to two departures a day during the summer period.

Piraeus – (Cyclades) – (Patmos) – (Leros) – Kos – Rhodes with Blue Star 1 with four round-trips a week, year-round.

Piraeus – Chania, Crete with Blue Star 2 with daily round-trips as of March, 2003.

REPORT OF THE BOARD OF DIRECTORS

In total, the Group carried 3,933,516 passengers, 556,016 private vehicles and 125,031 freight units. Compared to 2002, these figures represent a 33.6% increase in passengers, a 25.1% increase in private vehicles and a slight decrease of 2.2% in freight units.

Specifically, on the Greece – Italy routes, the Group's fleet carried 238,224 passengers, 49,618 private vehicles and 46,006 freight units. Comparison with the previous year is not possible as Blue Star 1 and Blue Star 2, previously deployed on the Greece – Italy routes have been redeployed to the Greek domestic services.

In the Greek domestic services, the Group's fleet carried 3,695,292 passengers, 506,398 private vehicles and 79,025 freight units. Compared to 2002, these figures represent a 49.1% increase in passengers, a 47.4% increase in private vehicles and a 32.4% increase in freight units carried.

The large increase in volumes carried in the Greek domestic services is due to the deployment of newly-built Blue Star Paros and Blue Star Naxos for a full year on the Piraeus – Cycladic Islands routes, the deployment of Blue Star 1 on the Piraeus – Dodecanese Islands route for a full year and the deployment of Blue Star 2 on the Piraeus – Chania route as of March, 2003.

Consolidated turnover stood at Euro 131.7 million in 2003 against Euro 119.1 million in 2002, an increase of 10.6%.

Consolidated net profit stood at Euro 4.94 million against Euro 4.05 million in 2002, an increase of 22%.

The increase in turnover is mainly due to the very good operation of Blue Star Paros, Blue Star Naxos, Blue Star Ithaki and Blue Star 1 on the routes on which they are deployed. All the aforementioned vessels were very successful and won the preference of travelers, due to the high level of services, speed and punctuality they offer. Additionally, Kefalonia and Superferry II also contributed to improved sales. The ships' loading



factors improved and their operation became more profitable.

The improvement of the profitability of the Group is mainly attributed to, increased revenue, improved capacity utilization per route and the slight decrease in the average price of fuel oil (due to the exchange rate parity of

REPORT OF THE BOARD OF DIRECTORS

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USD/Euro). Profitability also increased despite the slight decrease of total passenger and private vehicle traffic in the Greece – Italy market, the continuance of the regulation of the ticket prices for the domestic ferry market and the increase in vessels' insurance premiums.

It must be noted that the Group's management has made a provision of Euro 750,000 against half of the fine imposed on parent company Strintzis Lines Shipping S.A., by the Competition Committee of the European Union in December 1998 although the company

has filed an appeal against the decision taken by the European Court on 11th December, 2003.

Finally, the Group decided to make use of the beneficial provisions of Law 3193/03 and decreased the book value of certain vessels by Euro 65.5 million approximately. This revaluation is noted in the Accounts for the year ended 31/12/03 and does not affect the Group's financial results.

Ladies and Gentlemen Shareholders,

The Group's consolidated key financials as at 31st December, 2003 are as follows:

	Euro
Establishment Expenses (net book value)	2,583,757.63
Total Fixed Assets (net book value)	366,794,615.25
Total Current Assets (net book value)	72,020,192.34
Total Shareholders' Equity and Reserves	181,157,758.52
Total Provisions	1,180,689.00
Total Liabilities	261,966,237.58

Consolidated financial results for the year 2003 for the Group are as follows:

	Euro
Total turnover	131,751,878.28
Total Gross Profit from Exploitation	40,799,458.10
Earnings Before Interest and Depreciation	30,984,679.66
Net consolidated profit for the year	4,941,035.49

REPORT OF THE BOARD OF DIRECTORS



Net consolidated (profit) loss for the Strintzis Lines Shipping S.A. Group:

	Euro
Strintzis Lines Shipping S.A.	(2,709,798.93)
Blue Star Ferries Maritime S.A.	7,533,182.62
Strintzis Lines Shipping Ltd.	339,633.81
Waterfront Navigation Co.	----
Thelmo Marine S.A.	----
Blue Star Ferries Joint Venture	----
Blue Star Ferries S.A.	----
Blue Island Shipping Inc.	(218,585.67)
TOTAL	4,944,431.83
Less: Minority Interest	(3,396.34)
TOTAL	4,941,035.49

The Authorised Director

Spyros Ch. Paschalis

We confirm that the above Report of the Board of Directors to the Annual General Meeting of Shareholders of 2004 which consists of five pages is that which is referred to in our Audit Report dated 18th February, 2004.

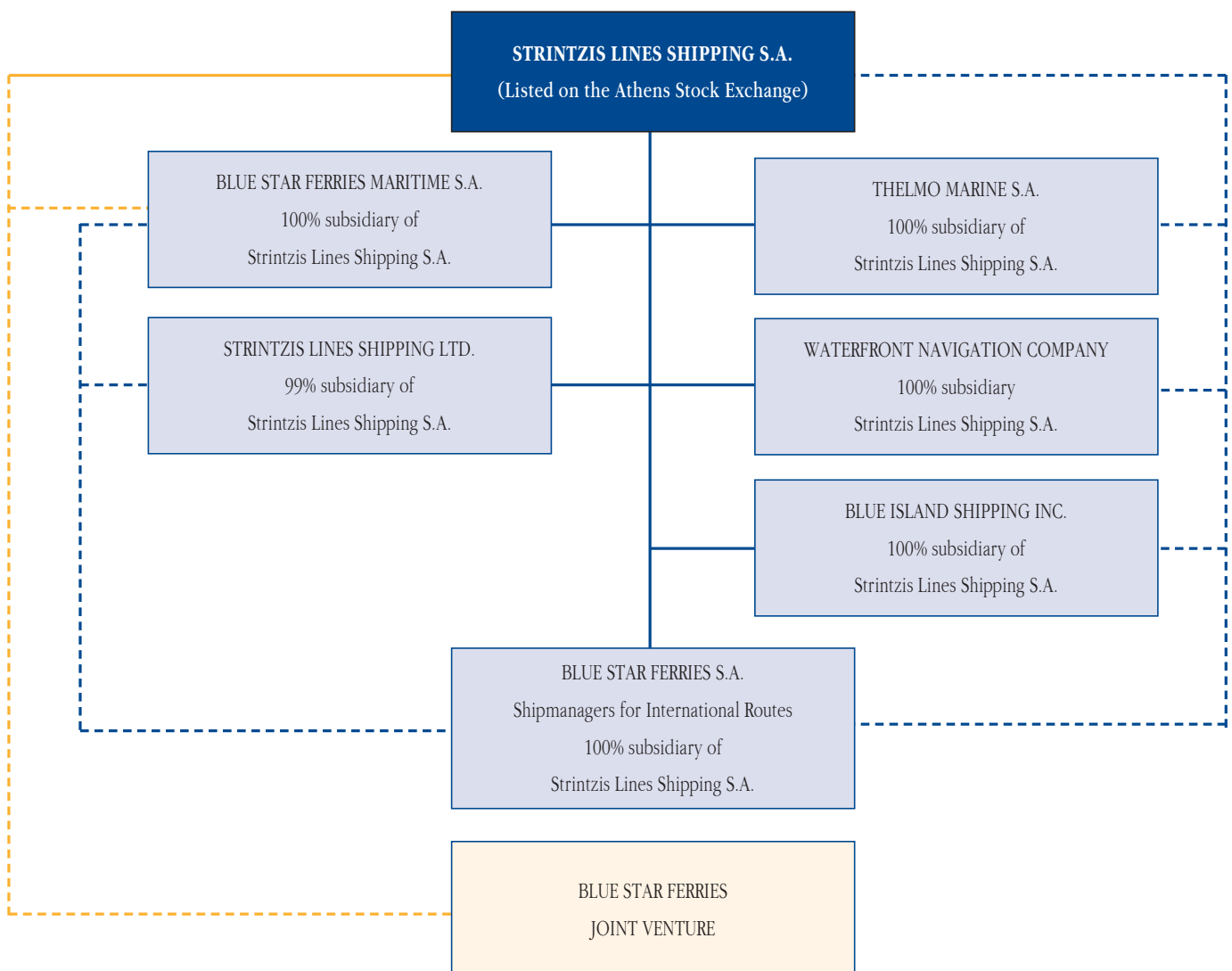
The Certified Public Accountants
Athos Stylianou, FCCA, CA (Gr)
DRM STYLIANOU S.A.
A Member Firm of RSM International

CORPORATE STRUCTURE

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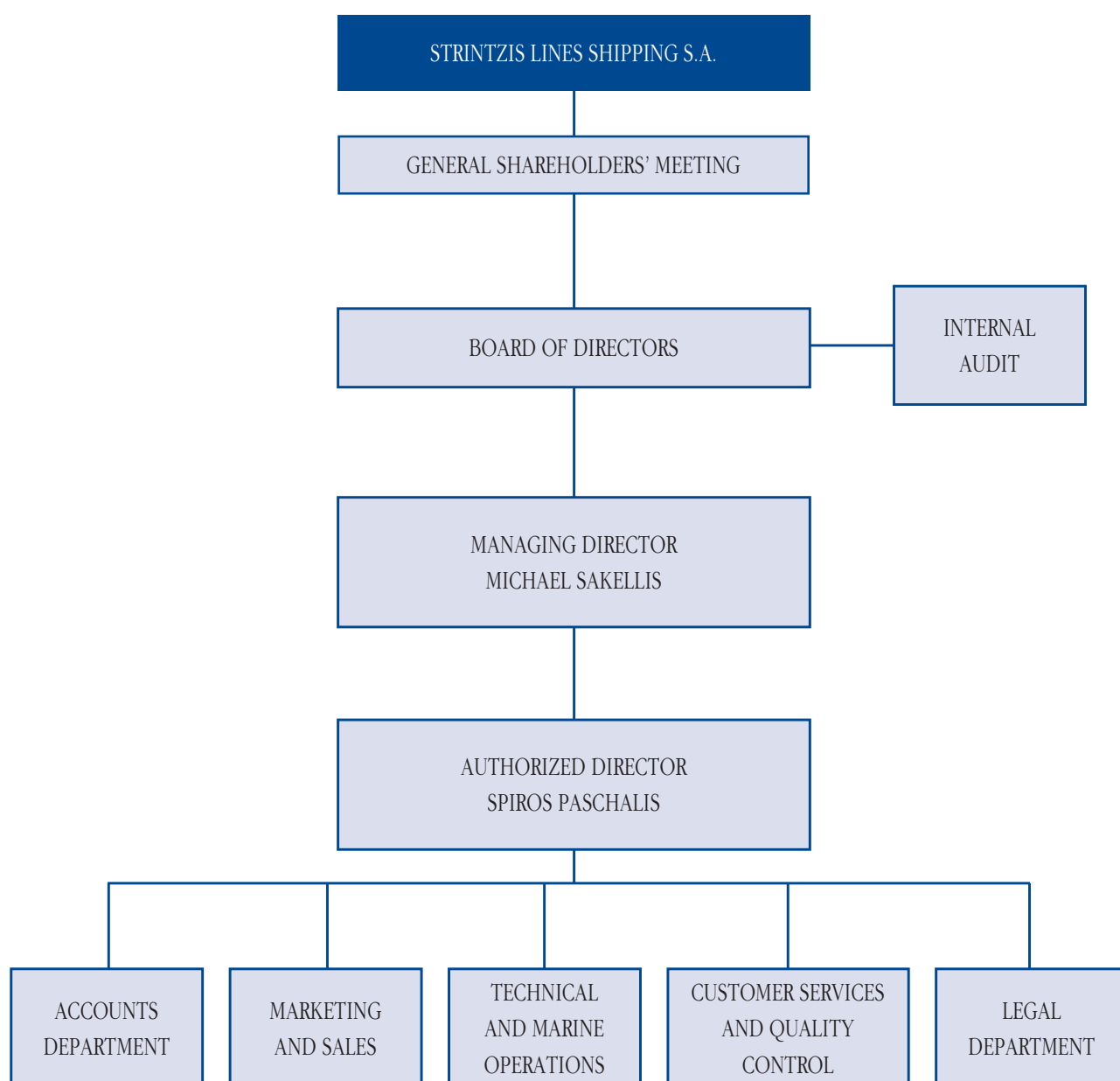


STRINTZIS LINES SHIPPING S.A. GROUP OF COMPANIES



COMPANY FLOW CHART

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THE FLEET

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In 2003 the Group's fleet consisted of twelve vessels serving the Greek Domestic Market and the Greece – Italy routes.

VESSEL	BUILT	SPEED	PASSENGERS	CARS	FREIGHT UNITS
BLUE STAR NAXOS	2002-Korea	24.5 kn	1,432	48	30
BLUE STAR PAROS	2002-Korea	24.5 kn	1,432	48	30
BLUE STAR 1	2000-The Netherlands	28.0 kn	1,890	100	100
BLUE STAR 2	2000-The Netherlands	28.0 kn	1,890	100	100
BLUE STAR ITHAKI	2000-Korea	24.0 kn	1,313	110	30
SEAJET 2	1997-Norway	38.0 kn	386	-----	-----
SUPERFERRY II	1974-Belgium	19.5 kn	1,932	130	30
KEFALONIA	1975-Japan	21.0 kn	1,136	87	30
BLUE HORIZON	1987-Japan	22.5 kn	1,502	70	100
CESME 1	1973-Japan	19.0 kn	1,226	94	45
BLUE BRIDGE	1976-Australia	19.0 kn	945	53	62
BLUE SKY	1974-Japan	22.0 kn	1,090	70	70

BLUE SKY sold in March, 2004

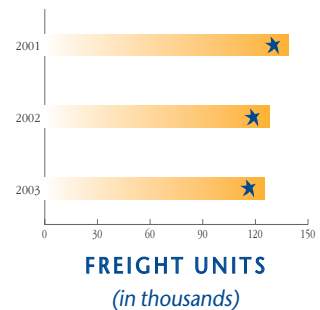
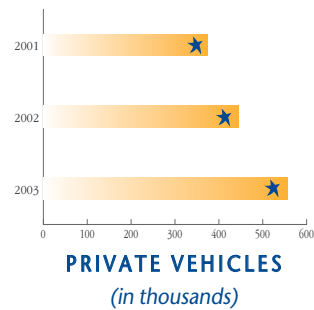
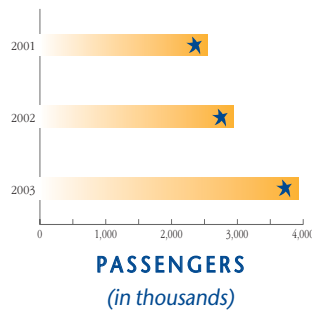
BLUE BRIDGE sold in May, 2004



TRAFFIC VOLUMES 2001-2003

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YEAR	PASSENGERS	PRIVATE VEHICLES	FREIGHT UNITS
2001	2,547,766	374,865	138,956
2002	2,944,633	444,486	127,866
2003	3,933,516	556,016	125,031



GREECE – ITALY ROUTES

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In the course of 2003, Blue Star Ferries was active in the Greece – Italy routes with three vessels. These were Blue Horizon, Blue Sky and Blue Bridge serving the Venice route from the ports of Patras, Igoumenitsa and Corfu and the Brindisi route from Igoumenitsa and Corfu.

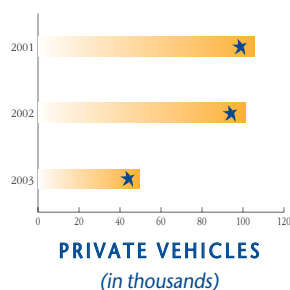
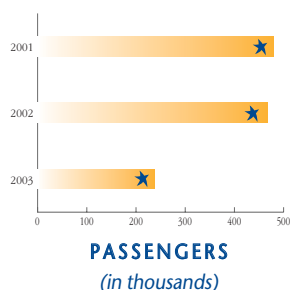
Between 1st and 15th January, car-passenger ferry Blue Star 2 served the Patras – Igoumenitsa – Bari route and was thereafter redeployed to the Greek Domestic Market routes.

In 2003 the Group's fleet carried on the Greece – Italy routes 238,224 passengers, 49,618 private vehicles and 46,006 freight units.

According to the statistical data released by the port authorities of Patras and Igoumenitsa, the Group's market shares in the traffic between Greece and Italy, excluding traffic to/from Corfu, were 7.82% in passengers, 9.47% in freight units and 9.37% in private vehicles.

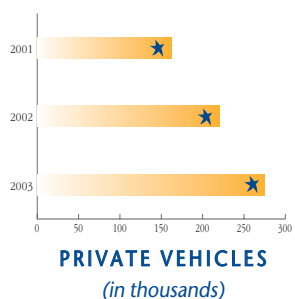
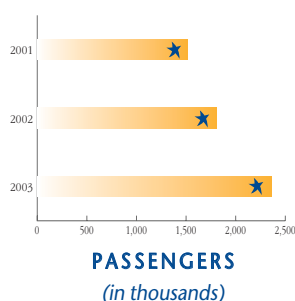
As part of the Group's reorganisation and focusing on the Greek Domestic Market routes, the Venice route operated by Blue Horizon and Blue Sky was discontinued on 26th October, 2003 and Blue Sky was sold in March 2004. The Brindisi route operated by Blue Bridge was discontinued on 17th May, 2004 and Blue Bridge was sold.

YEAR	PASSENGERS	PRIVATE VEHICLES	FREIGHT UNITS
2001	479,138	105,772	74,584
2002	466,418	100,980	68,196
2003	238,224	49,618	46,006



GREEK DOMESTIC MARKET ROUTES

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Blue Star Ferries is active in the Greek Domestic Market routes, more particularly in the Ionian Sea serving the islands of

- Cephalonia – Ithaca and Corfu

and in the Aegean Sea serving the islands of

- Andros – Tinos – Myconos – Syros – Paros – Naxos – Ios – Santorini – Amorgos – Heraklia – Schinoussa – Koufonissi – Donoussa – Patmos – Leros – Kos – Rhodes – Crete (Chania)

1. Cycladic Islands Routes

Brand new car-passenger ferries Blue Star Paros and Blue Star Naxos operated successfully throughout 2003 together with Blue Star Ithaki, Superferry II and Seajet 2.

YEAR	PASSENGERS	PRIVATE VEHICLES	FREIGHT UNITS
2001	1,515,812	162,477	34,689
2002	1,803,522	220,117	33,527
2003	2,361,395	274,910	36,401

2. Dodecanese Islands Routes

Car-passenger ferry Blue Star 1 started operating on the Dodecanese Islands routes on 22nd July, 2002.

2003 was the first full year of operation of the vessel on the particular routes. The deployment of Blue Star 1 to the Dodecanese routes set new standards in the transportation services to the islands.

YEAR	PASSENGERS	PRIVATE VEHICLES	FREIGHT UNITS
2002*	131,972	23,044	7,959
2003	360,186	60,071	22,803

*Blue Star 1 commenced operation on 22nd July, 2002.

GREEK DOMESTIC MARKET ROUTES

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3. Piraeus - Chania Route (Crete)

Car-passenger ferry Blue Star 2 started operating on the Piraeus - Chania route on 2nd March, 2003.

YEAR	PASSENGERS	PRIVATE VEHICLES	FREIGHT UNITS
2003	455,306	69,408	5,321

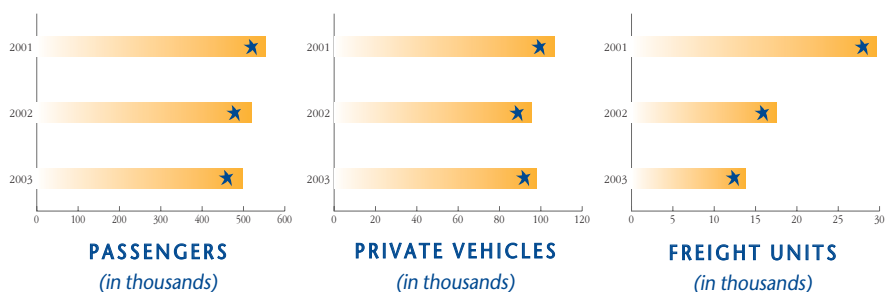
4. Ionian Sea Routes

In 2003 the Group was active on the Cephalonia – Ithaca route with car-passenger ferry Kefalonia connecting daily the port of Patras to Sami (Cephalonia) and Ithaca.

2003 was a year of intense competition on the route following the entry of new operators but Blue Star Ferries retained its market shares on the route.

It should be noted that until September 2001 the Group had two vessels deployed on these routes.

YEAR	PASSENGERS	PRIVATE VEHICLES	FREIGHT UNITS
2001	552,816	106,616	29,683
2002	519,780	95,545	17,522
2003	499,997	98,112	13,805



SOCIAL RESPONSIBILITY

Blue Star Ferries' aim is to offer comfortable and fast transportation of passengers to the destinations served by the Group's vessels offering the highest level of services. At the same time, it is the Group's policy to support social, cultural and athletic activities taking place in the regions in which the Group is active.

- **Sponsors** major cultural events taking place in the islands which it serves.
- **Contributes** to the tourist development of the destinations it serves, by contributing to the promotion of the islands through the Group's advertising campaigns in Greece and abroad as well as sponsoring promotional material of the tourist agencies of the islands it serves.

- **Has established** an annual prize of Euro 2,950 for two students from the island of Cephalonia who achieve the highest score in the region for entry into university.
- **Executes** extraordinary sailings in the event of a medical emergency even for a single patient.
- **Takes an active part** in events taking place in the islands by offering discounted and complimentary tickets to music, athletic and theatrical groups, taking part in athletic and cultural activities.



SALES NETWORK

PREMIUM SALES AGENTS BLUE STAR FERRIES

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Portugal



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Spain



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SALES NETWORK

Switzerland



ARGO TRAVEL

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ALEXCO AGENCIES/POLYPLAN

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CT SEABRIDGES B.V.

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VIAMARE TRAVEL Ltd.

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U.S.A.



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ATTICA PREMIUM BALTIC

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Piraeus

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PREMIUM SALES AGENTS BLUE STAR FERRIES

Peloponese and South-West Greece (Also Port Agent)

FERRY CENTER

12 Othonos & Amalias Str.
262 23 Patras
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Crete

ECO WORLD S.A.

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Igoumenitsa (Also Port Agent)

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Brindisi (Also Port Agent)

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GRAND SEA SERVICES

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PORT AGENTS BLUE STAR FERRIES

Bari

PORTRANS SRL

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As at 31st December 2003

ASSETS		2003		2002		LIABILITIES AND SHAREHOLDERS' EQUITY / SHAREHOLDERS' EQUITY AND RESERVES		2003		2002	
ESTABLISHMENT EXPENSES		Cost	Depreciation	Net book value	Cost	Depreciation	Net book value				
Exchange differences on currency loans		290,053.81	-116,021.52	174,032.29	290,053.81	-58,010.76	232,043.05	157,500,000.00		157,500,000.00	
Interest pertaining to construction period		218,933.05	-164,014.81	54,918.24	218,933.05	-124,775.74	94,157.31	79,097,203.82		79,097,203.82	
Other establishment expenses		6,886,785.09	-4,531,977.99	2,354,807.10	5,945,931.19	-2,987,918.67	2,958,012.52				
		7,395,771.95	-4,812,014.32	2,583,757.63	6,454,918.05	-3,170,705.17	3,284,212.88				
FIXED ASSETS											
Intangible assets											
Registered trade marks		242,439.77	-154,265.29	88,174.48	242,439.77	-109,421.08	133,018.69	-7,412,953.32		-	
								-65,514,993.00		382,092.83	
								-72,545,853.49		382,092.83	
Tangible assets											
Vessels		417,255,717.21	-51,868,835.28	365,386,881.93	500,044,354.85	-52,405,893.09	447,638,461.76	3,146,792.35		2,769,578.35	
Vessels under construction								0.00		0.00	
Buildings and technical installations		1,426,706.30	-494,465.66	932,240.64	1,426,706.30	-384,912.97	1,041,793.33	10,756,433.98		14,156,537.02	
Motor vehicles								13,903,226.33		16,926,115.37	
Technical installations											
Furniture and other equipment		1,615,686.43	-1,299,709.77	315,976.66	1,511,349.63	-1,094,713.61	416,636.02	6,164,156.88		2,565,533.97	
		420,298,109.94	-53,663,010.71	366,635,099.23	502,982,410.78	-53,885,519.67	449,096,891.11	6,164,156.88		2,565,533.97	
		420,540,549.71	-53,817,276.00	366,723,273.71	503,224,850.55	-53,994,940.75	449,229,909.80	-2,956,245.76		-2,954,739.82	
								-4,729.26		52,109.56	
										253,568,315.73	
Investments in affiliated companies											
Less: Provisions for adjustments											
Long term receivables											
Total fixed assets								181,157,758.52			
CURRENT ASSETS											
Inventories								430,689.00		373,504.00	
Trade receivables								750,000.00		1,816,018.85	
Bills receivables								1,180,689.00		2,189,522.85	
Post dated cheques											
Cheques overdue											
Other receivables											
Bad and doubtful debts											
Less: Provisions								30,000,000.00		30,000,000.00	
Sundry debtors								194,125,880.00		212,279,268.70	
Sundry advances								224,125,880.00		242,279,268.70	
								9,943,845.95		14,338,830.35	
								3,393,025.11		3,399,235.37	
								1,842,743.56		1,589,129.25	
								1,276,950.89		915,563.89	
								15,950,248.00		15,969,092.22	
								3,937,640.45		3,167,745.39	
								1,895,903.62		610,497.34	
								37,840,357.58		39,970,093.81	
								261,966,237.58		282,249,362.51	

STRINTZIS LINES SHIPPING S.A. - GROUP OF COMPANIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31st December 2003

	2003	2002
RESULTS FROM EXPLOITATION		
Total turnover	131,751,675.28	119,148,115.37
Less: Direct exploitation costs	90,952,420.18	85,433,224.91
Gross profit from exploitation	40,799,458.10	33,714,890.46
Plus: Sundry income	-	-
Total gross profit from exploitation	40,799,458.10	33,714,890.46
Less: Expenses:		
Administration expenses	8,011,103.78	5,828,550.81
Operating and distribution expenses	14,725,025.83	12,835,097.59
	22,736,129.61	18,663,648.40
	18,063,328.49	15,051,242.06
Operating profit		
Other income/expenses		
Plus: Income from participations	-	1,297,895.92
Income from securities		
Interest income	936,417.28	742,401.67
Expenses and losses of investments and securities	-	-
Interest expense	10,477,828.33	10,960,771.37
	-9,541,411.05	-8,920,773.70
Extraordinary income:		
Extraordinary income	190,320.45	6,710,013.92
Extraordinary profit	-	-
Prior year income	944,614.75	508,091.75
Income from prior year provisions	-	-
	1,134,935.20	7,218,105.67
Less:		
Extraordinary expenses:		
Extraordinary expenses	2,119,482.51	2,194,553.01
Extraordinary costs	201,101.66	2,421,235.19
Prior year expenses	1,363,376.25	2,835,159.58
Sundry provisions	1,028,460.39	1,855,274.68
	4,712,420.81	9,306,222.46
	4,944,431.83	4,042,651.49
Profit including extraordinary items		
Total depreciation of fixed assets	12,921,351.17	8,523,318.66
Less: Depreciation included in exploitation costs	-12,921,351.17	-8,523,318.66
	-	-
Net profit for the year	4,944,431.83	4,042,651.49
Less: Minority interest	3,395.34	-6,584.50
Net consolidated profit for the year	4,941,035.49	4,049,235.99

Chairman of the
Board of Directors

Gerasimos D. Strintzis

Voula, 17th February, 2004

Authorized Director

Spiros Ch. Paschalis

Financial Director

Nicholas J. Taphiris

REPORT OF THE CERTIFIED PUBLIC ACCOUNTANTS
To the Shareholders of STRINTZIS LINES SHIPPING SA AND ITS SUBSIDIARIES

We have audited, in accordance with the provisions of article 108 of Company Law 2190/1920, the 11th consolidated balance sheet and the consolidated profit and loss account as well as the related notes to the financial statements of STRINTZIS LINES SHIPPING SA and its subsidiaries for the year ended 31 December 2003. We applied the auditing procedures which we deemed necessary for the purpose of our audit and which are in accordance with the principles and standards of auditing of the Institute of Certified Public Accountants of Greece and we verified the contents of the consolidated directors report with the related consolidated financial statements.

The following matters resulted from our audit:

- 1). In accordance with the provisions of article 12 of L. 3193/2003, during the current year the Group reduced the purchase prices of its vessels. The difference which resulted from the revaluation of € 65 million was transferred directly to the account "Differences arising from the revaluation of sundry fixed assets". In accordance with Company Law 2190/1920 this amount should have been transferred to Profit and Loss account.
- 2). The Group companies have not made a provision for receivables totaling € 726,000 which are in our view doubtful.
- 3). The company has not made a provision of € 1.8 million (of which € 1.2 million relates to the current year) which relates to the possible cost of repayment of the Bond Loan in case the option to convert the loan into shares is not exercised, because management believe that it is very likely that at the expiry date the conversion option will be preferred.
- 4). In December 1998 the Competition Committee of the European Union levied a fine on a number of shipping companies operating the route Greece-Italy during the period 1987- 1993. The fine which was finally imposed on the company based on a decision of the European Court amounts to approximately Euro 1.5 million, against which a provision of € 750,000 was made because the company's legal counsel believes that a positive outcome is possible on the appeal which will be filed by the company.
- 5). The companies of the Group have not been audited by the tax authorities for the years 2002 to 2003, with the exception of BLUE STAR FERRIES SHIPPING SA which has not been audited for the years 1993 to 2003 and as a result of this, their tax liabilities for these years have not become definite.

In our opinion, subject to the effect of the matters referred to above, the consolidated financial statements have been prepared in accordance with the provisions of the Company Law 2190/1920 and present the property structure, the financial position and the results of all the companies which are included in the consolidation of 31 December 2003, in accordance with the related statutes and the accounting methods and principles which are applied by the parent Company and which have been generally accepted and do not differ from those applied in the previous year.

Athens, 18th February 2004

The Certified Public Accountants

Althos Stylianou, FCCA, CA (Gr)
 DRM Stylianou SA
 Member of RSM International



Notes to the Full Year 2003 Consolidated Accounts:

1. The following companies have been consolidated in the financial statements of 2003 using the method of "full consolidation", except for the parent company:
 a) BLUE STAR FERRIES SHIPPING SA, BLUE STAR FERRIES S.A., WATERFRONT NAVIGATION COMPANY, THELMO MARINE S.A., BLUE ISLAND SHIPPING INC which are all owned 100%.
 b) STRINTZIS LINES SHIPPING LIMITED 99% subsidiary.
 c) Under common group management: JOINT VENTURE BLUESTAR FERRIES.
 2. The accounting principles are the same as those of 31st December, 2002.
 3. The Group employed during the year an average of 787 people.
 4. The total turnover of the consolidated financial statements of the Group belongs to the following categories of financial activity:
 (STAKOD 03) 611.0 "Sea and coastal transportation" € 120,963,595.95
 (STAKOD 03) 553.1 "Restaurants on board" € 7,623,579.43
 (STAKOD 03) 554.1 "Bars on board" € 3,164,702.90
 5. Certain numbers of the financial statements of year 2002 have been reclassified so as to correspond with those of 2003.
 6. The vessels of the Group have been mortgaged to the amount of approximately Euro 312 million for the security of long-term liabilities.
 7. The Group has adjusted the values of certain vessels in accordance with article 12 of Law 3193/2003. Because the international standard practice is to value vessels in US dollars, the Group has not reduced the values of its vessels for that part of the difference in the valuation which is due to the current disadvantageous position of the dollar against the Euro.
 8. During the year 2003, the vessel CESME 2 was sold.
 9. The Group has signed a sale agreement for the vessel BLUE SKY.

STRINTZIS LINES SHIPPING S.A.
ELEVENTH BALANCE SHEET
As at 31st December 2003

ASSETS	2003			2002		
	Cost	Depreciation	Net book value	Cost	Depreciation	Net book value
ESTABLISHMENT EXPENSES						
Exchange differences on currency loans	290,063.81	-116,021.52	174,032.29	290,063.81	-58,010.76	232,043.05
Interest pertaining to construction period	196,195.29	-141,277.05	54,918.24	196,195.29	-102,037.98	94,157.31
Other establishment expenses	5,239,274.30	-3,112,608.56	2,126,665.74	4,561,941.05	-1,655,781.82	2,906,159.23
	<u>5,725,523.40</u>	<u>-3,369,907.13</u>	<u>2,355,616.27</u>	<u>5,048,190.15</u>	<u>-1,815,830.56</u>	<u>3,232,359.59</u>
FIXED ASSETS						
Intangible assets						
Registered trade marks	140,752.32	-98,007.03	42,745.29	140,752.32	-73,500.30	67,252.02
Tangible assets						
Vessels	74,557,493.65	-35,774,311.27	38,783,182.38	93,952,144.59	-19,722,081.96	74,230,062.63
Vessels under construction						
Buildings and technical installations	1,426,706.30	-494,465.66	932,240.64	1,426,706.30	-384,912.97	1,041,793.33
Motor vehicles						
Technical installations	1,074,738.19	-996,175.55	78,562.64	1,068,820.55	-920,490.81	148,329.74
Furniture and other equipment	<u>77,058,938.14</u>	<u>-37,264,952.46</u>	<u>39,793,985.66</u>	<u>96,447,671.44</u>	<u>-21,027,485.74</u>	<u>75,420,185.70</u>
	<u>77,199,690.46</u>	<u>-37,362,959.51</u>	<u>39,836,730.95</u>	<u>96,588,423.76</u>	<u>-21,100,986.04</u>	<u>75,487,437.72</u>
Investments in affiliated companies	226,696,126.35		226,696,126.35	247,788,511.54		247,788,511.54
Long term receivables	49,313.65		49,313.65	49,703.10		49,703.10
	<u>228,745,440.00</u>		<u>228,745,440.00</u>	<u>247,838,214.64</u>		<u>247,838,214.64</u>
Total fixed assets			<u>266,582,170.95</u>			<u>323,325,652.36</u>
CURRENT ASSETS						
Inventories	533,260.44		533,260.44	614,280.96		614,280.96
Trade receivables	4,640,821.42		4,640,821.42	8,208,012.63		8,208,012.63
Bills receivables						
Post dated cheques						
Cheques overdue	11,457.28		11,457.28	11,457.28		11,457.28
Due from subsidiaries	193,557,711.24		193,557,711.24	141,884,773.32		141,884,773.32
Other receivables						
Bad and doubtful debts	165,800.16		165,800.16	753,740.83		753,740.83
Sundry debtors	1,955,760.33		1,955,760.33	57,370.39		57,370.39
Sundry advances	123,881.74		123,881.74	8,578,620.59		8,578,620.59
	<u>200,988,692.61</u>		<u>200,988,692.61</u>	<u>10,625.75</u>		<u>10,625.75</u>
Securities						
Shares						
Less: Provisions for adjustments	27,393.80		27,393.80	22,082.43		22,082.43
Sundry securities	<u>27,393.80</u>		<u>27,393.80</u>	<u>22,082.43</u>		<u>22,082.43</u>
Cash and banks						
Cash	2,114.31		2,114.31	870.59		870.59
Banks	27,629,081.96		27,629,081.96	31,742,918.38		31,742,918.38
	<u>27,631,196.27</u>		<u>27,631,196.27</u>	<u>31,743,788.97</u>		<u>31,743,788.97</u>
Total current assets			<u>228,647,282.68</u>			<u>191,884,753.15</u>
PREPAYMENTS AND ACCRUED INCOME						
Prepaid expenses	2,505,550.39		2,505,550.39	3,059,769.17		3,059,769.17
Income receivable	49,648.59		49,648.59	0.00		0.00
Other deferred amounts						
	<u>2,555,198.98</u>		<u>2,555,198.98</u>	<u>3,059,769.17</u>		<u>3,059,769.17</u>
TOTAL ASSETS			<u>502,140,268.88</u>			<u>521,502,534.27</u>
LIABILITIES AND SHAREHOLDERS' EQUITY						
SHAREHOLDERS' EQUITY AND RESERVES						
Share capital	157,500,000.00		157,500,000.00	157,500,000.00		157,500,000.00
Paid up capital (105,000,000 shares at Euro 1.50)						
Share premium account	79,097,203.82		79,097,203.82	79,097,203.82		79,097,203.82
Revaluation reserves						
Reserves from value adjustments of investments and securities	-25,428,113.19		-25,428,113.19	-25,428,113.19		-25,428,113.19
Reserves from value adjustments of other assets	-42,642,934.00		-42,642,934.00	-42,642,934.00		-42,642,934.00
Government grants	<u>382,092.83</u>		<u>382,092.83</u>	<u>382,092.83</u>		<u>382,092.83</u>
	<u>-67,688,954.36</u>		<u>-67,688,954.36</u>	<u>-67,688,954.36</u>		<u>-67,688,954.36</u>
Reserves						
Statutory reserve	2,510,965.84		2,510,965.84	2,510,965.84		2,510,965.84
Extraordinary reserve	0.00		0.00	0.00		0.00
Special tax free reserve	7,452,664.88		7,452,664.88	7,452,664.88		7,452,664.88
Total reserves	<u>9,963,630.72</u>		<u>9,963,630.72</u>	<u>9,963,630.72</u>		<u>9,963,630.72</u>
Total shareholders' equity and reserves	<u>178,871,880.18</u>		<u>178,871,880.18</u>	<u>178,871,880.18</u>		<u>178,871,880.18</u>
PROVISIONS						
Provision for termination indemnities	177,554.00		177,554.00	177,554.00		177,554.00
Sundry provisions	<u>756,872.48</u>		<u>756,872.48</u>	<u>756,872.48</u>		<u>756,872.48</u>
Total provisions	<u>934,426.48</u>		<u>934,426.48</u>	<u>934,426.48</u>		<u>934,426.48</u>
LIABILITIES						
Long term liabilities						
Convertible bonds	30,000,000.00		30,000,000.00	30,000,000.00		30,000,000.00
Bank loans	148,250,880.00		148,250,880.00	148,250,880.00		148,250,880.00
Other long term liabilities						
	<u>178,250,880.00</u>		<u>178,250,880.00</u>	<u>178,250,880.00</u>		<u>178,250,880.00</u>
Current liabilities						
Suppliers	2,860,439.53		2,860,439.53	2,860,439.53		2,860,439.53
Bank overdrafts	3,393,025.11		3,393,025.11	3,393,025.11		3,393,025.11
Taxes and other dues	412,440.26		412,440.26	412,440.26		412,440.26
Social security contributions	54,790.96		54,790.96	54,790.96		54,790.96
Current portion of long term loans	12,200,248.00		12,200,248.00	12,200,248.00		12,200,248.00
Liabilities in affiliated companies	118,764,532.05		118,764,532.05	118,764,532.05		118,764,532.05
Dividends payable	3,837,640.45		3,837,640.45	3,167,745.39		3,167,745.39
Sundry creditors	376,073.34		376,073.34	399,548.11		399,548.11
Total current liabilities	<u>141,899,189.70</u>		<u>141,899,189.70</u>	<u>141,899,189.70</u>		<u>141,899,189.70</u>
Total liabilities	<u>320,150,069.70</u>		<u>320,150,069.70</u>	<u>320,150,069.70</u>		<u>320,150,069.70</u>
DEFERRED INCOME AND ACCRUED EXPENSES						
Accrued expenses	2,183,508.39		2,183,508.39	3,042,772.57		3,042,772.57
Other accruals	<u>384.13</u>		<u>384.13</u>	<u>45.46</u>		<u>45.46</u>
	<u>2,183,892.52</u>		<u>2,183,892.52</u>	<u>3,042,818.03</u>		<u>3,042,818.03</u>
TOTAL EQUITY AND LIABILITIES	<u>502,140,268.88</u>		<u>502,140,268.88</u>	<u>521,502,534.27</u>		<u>521,502,534.27</u>

STRINTZIS LINES SHIPPING S.A.
PROFIT AND LOSS ACCOUNT
For the year ended 31st December 2003

RESULTS FROM EXPLOITATION

	2003	2002
Total turnover	47,542,003.11	43,467,851.55
Less: Direct exploitation costs	34,897,988.55	34,143,866.28
Gross profit from exploitation	12,644,014.56	9,323,985.27
Plus: Sundry income	-	-
Total gross profit from exploitation	12,644,014.56	9,323,985.27
Less: Expenses:		
Administration expenses	3,951,859.52	1,555,410.60
Operating and distribution expenses	5,594,169.15	4,797,328.32
	9,546,028.67	6,352,738.92
	3,087,965.89	2,371,246.35
	6,783,153.60	3,747,895.92

Operating profit

Other income/expenses		
Plus: Income from participations		
Income from securities		
Interest income	746,914.37	603,093.96
Less: Expenses and losses of investments and securities	-	-
Interest expense	3,241,158.63	2,991,848.79
	4,288,909.34	1,359,141.09

Extraordinary income:

Extraordinary income	32,853.61	904,890.73
Extraordinary profit	-	-
Prior year income	258,545.71	453,829.98
Income from prior year provisions	291,399.32	1,358,720.71
Less:		

Extraordinary expenses:

Extraordinary expenses	1,689,434.69	374,343.45
Extraordinary costs	201,101.66	2,421,235.19
Prior year expenses	716,259.21	998,245.76
Sundry provisions	998,144.32	27,385.41
	3,604,939.88	3,821,209.81
	4,073,354.67	1,867,898.34

Profit including extraordinary items

Total depreciation of fixed assets	5,208,950.44	4,390,491.79
Less: Depreciation included in exploitation costs	-5,208,950.44	-4,390,491.79

Net profit for the year

	4,073,354.67	1,867,898.34
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Chairman of the
Board of Directors

Gerasimos D. Strintzis

Voula, 17th February, 2004

Authorized Director

Spiros Ch. Paschalis

REPORT OF THE CERTIFIED PUBLIC ACCOUNTANTS
To the Shareholders of STRINTZIS LINES SHIPPING SA

We have audited the above financial statements and the related notes to the financial statements of STRINTZIS LINES SHIPPING SA for the year ended 31 December 2003. Our audit was performed in accordance with the provisions of the article 37 of the Company Law 2190/1920 and the auditing procedures which we considered necessary, in accordance with the principles and auditing standards of the Institute of Certified Public Accountants of Greece, which are in turn in line with the International Auditing Standards. The books and vouchers of the Company were made available to us and we were provided with all the necessary information and explanations which we required. The Company applied correctly the General Accounting Plan. The accounting principles applied are the same as those of the previous year. We verified the contents of the Report of the Board of Directors to the Annual General Meeting of Shareholders with the related financial statements. The notes to the financial statements include all the information provided by paragraph 1 of article 43a of Company Law 2190/1920.

- The following matters resulted from our audit:
- 1). In accordance with the provisions of article 12 of L. 3193/2003, during the current year, the company reduced the purchase prices of its vessels. The difference which resulted from the revaluation of € 42 million was transferred directly to the account "Differences arising from the revaluation of sundry fixed assets". In accordance with Company Law 2190/1920 this amount should have been transferred to Profit and Loss account.
 - 2). The Company valued its participations in subsidiaries whose shares are not traded on the Athens Stock Exchange in accordance with the provisions of Company Law 2190/1920. Subsequently, in accordance with the provisions of L. 2238/1994, article 38, paragraph 3, the company transferred the loss which resulted from the valuation of € 25 million directly to the account "Differences arising on the adjustment of values of participations and shares". From this loss, an amount of € 24.2 million relates to the current year and in accordance with Company Law 2190/1920 should have been charged to Profit and Loss account.
 - 3). The company has not made a provision of € 1.8 million (of which € 1.2 million relates to the current year) which relates to the possible cost of repayment of the Bond Loan in case the option to convert the loan into shares is not exercised, because management believe that it is very likely that at the expiry date the conversion option will be preferred.
 - 4). In December 1998 the Competition Committee of the European Union levied a fine on a number of shipping companies operating the route Greece-Italy during the period 1987-1993. The fine which was finally imposed on the company based on a decision of the European Court amounts to approximately Euro 1.5 million, against which a provision of € 750,000 was made because the company's legal account believes that a positive outcome is possible on the appeal which will be filed by the company.
 - 5). The company has not been audited by the tax authorities for the years 2002 to 2003, and as a result of this, its tax liability for these years has not become definite.
- In our opinion, subject to the effect of the matters referred to above, the financial statements which result from the books and records of the Company reflect, together with the notes to the financial statements, the financial position of the Company at 31 December 2003 and the results of its operations for the year then ended, in accordance with the related statutes and the accounting principles which have been generally adopted and accepted and do not differ from those which the Company applied in the previous year.

Athens, 18th February 2004

The Certified Public Accountants

Athos Stylianou, FCCA
SOEL no: 12311
DRM Stylianou SA
Member of RSM International

RSM
international

Notes to the Full Year 2003 Accounts:

1. The accounting principles are the same as those of 31st December, 2002.
2. The Company employed during the year an average of 292 people.
3. The total turnover of the financial statements of the Company belongs to the following categories of financial activity:
(STAKOD 03 611.0 "Sea and coastal transportation" € 43,496,846.74
(STAKOD 03 553.1 "Restaurants on board" € 1,561,649.23
(STAKOD 03 554.1 "Bars on board" € 2,483,507.14
4. Certain numbers of the financial statements of year 2002 have been reclassified so as to correspond with those of 2003.
5. The vessels of the Group have been mortgaged to the amount of approximately Euro 178 million for the security of long-term liabilities.
6. The Group has adjusted the values of certain vessels in accordance with article 12 of Law 3193/2003. Because the international standard practice is to value vessels in US dollars the Group has not reduced the values of its vessels for that part of the difference in the valuation which is due to the current disadvantageous position of the dollar against the Euro.
7. The Group has signed a sale agreement for the vessel BLUE SKY.

DISTRIBUTION OF PROFITS

	2003	2002
Net profit for the year	4,073,354.67	1,867,898.34
Prior year losses		-1,162,826.92
Differences on tax auditing		0.00
Reserves for appropriation		2,646,118.71
Total	4,073,354.67	3,351,190.13
Less: Income tax	134,393.02	107,818.40
Net profit available for distribution	3,938,961.65	3,243,371.73
The distribution of the profit is as follows:		
Statutory reserve	132,384.00	24,471.73
First dividend	3,806,577.65	246,774.99
Additional dividend	3,806,577.65	2,903,225.01
		3,150,000.00
Directors' fees		68,900.00
	3,938,961.65	3,243,371.73

Financial Director

Nicholas J. Tapiris

STRINTZIS LINES SHIPPING S.A.

Group Cash Flow Statement

1/1/2003 - 31/12/2003

	Amounts in EURO
Cash flow from operation	
Operating cash inflow	
Turnover (sales)	131.751.878,28
Extraordinary income	190.320,45
Prior year income	537.884,84
Interest income	936.417,28
Deduction in debtors	6.311.578,45
Less:	
Increase in securities	5.311,37
Increase in debtors	
Total operating cash inflow	139.722.767,93
Operating cash outflow	
Cost of sales	80.491.772,18
Administration expenses	5.550.400,61
Operation and distribution expenses	14.725.025,83
Other expenses	3.683.960,42
Increase in inventories	12.249,41
Increase in prepayments and accrued income	119.891,03
Deduction in deferred income and accrued expenses	1.019.988,07
Deduction in current liabilities (except banks)	3.067.035,34
Less:	
Deduction in inventories	
Increase in current liabilities (except banks)	
Total operation cash outflow	108.670.322,89
Tax cash outflow	
Income taxes	209.040,00
Less:	
Increase in liabilities due to taxes	273.614,31
Total tax cash outflow	-64.574,31
Cash flow from operation	31.117.019,35
Cash flow from investment activities	
Investment cash inflow	
Sale of tangible assets	1.173.132,73
Reserves from value adjustments of other assets Government grants	65.514.993,00
Deduction in investments in subsidiaries	1.136.317,04
Deduction in long term receivables	1.163.115,52
Income from investment in subsidiaries	
Interest income	
Total investment cash inflow	68.987.558,29

Investment cash outflow	
Increase in tangible assets	2.071.995,14
Reserves from value adjustments of other assets Government grants	65.514.993,00
Increase in establishment expenses	940.853,90
Total investment cash outflow	68.527.842,04
Cash flow from investment activities	459.716,25
Cash flow from financial activities	
Cash in flow	
Increase in long term liabilities	
Increase in current liabilities (bank accounts)	
Total cash inflow	0,00
Cash outflow	
Deduction in long term liabilities	18.153.388,70
Deduction in short term liabilities (bank accounts)	6.210,26
Debit interest	10.646.073,49
Dividend paid	3.136.682,59
Directors' fees from net profit	
Total cash outflow	31.942.355,04
Cash flow from financial activities	-31.942.355,04
GROUP CASH FLOW	
	-365.619,44
PLUS: CASH AND BANKS 1/1/2003	43.486.029,68
CASH AND BANKS 31/12/2003	43.120.410,24

Voula , 17th February, 2004

Gerasimos D. Strintzis
Chairman of the Board
of Directors

Spiros Ch. Paschalis
Authorised Director

Nikolaos I. Tapiris
Financial Director

REPORT OF THE CERTIFIED PUBLIC ACCOUNTANTS

We have audited the above Consolidated Cash Flow Statement of Strintzis Lines Shipping S.A. and its subsidiaries for the year ended 31 December 2003 which has been prepared based on the Audited Consolidated Financial Statements for which we have issued our Audit Report on 18 February 2004. In our opinion, the abovementioned Consolidated Cash Flow Statement presents the Cash outflow and inflows of the activities for the year of all the companies which are included in the consolidation of 31 December 2003.

Athens, 18th February, 2004
The Certified Public Accountants

RSM
international

Athos Stylianou, FCCA, CA (GR)
DRM STYLIANOY S.A.
A Member Firm of RSM International



INVITATION TO THE ANNUAL GENERAL SHAREHOLDERS' MEETING



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STRINTZIS LINES SHIPPING S.A.

INVITATION TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The shareholders of Strintzis Lines Shipping S.A., are invited to the Annual General Meeting of Shareholders on Thursday 3rd June 2004, at 09.00 hrs at Divani Apollon Palace Hotel, 10 Ag. Nikolaou and Heliou str., Vouliagmeni, Greece, in order to discuss and resolve upon the following matters:

AGENDA

1. Submission and approval of the annual financial accounts, and the annual consolidated financial accounts for the fiscal year 2003, submission and approval of the reports of the Board of Directors and the Certified Auditors.
2. Discharge of the members of the Board of Directors and the Certified Auditors from any responsibility for the fiscal year 2003.
3. Approval of the distribution of profits for the fiscal year 2003.
4. Approval of the Directors' fees.
5. Appointment of Certified Auditors for the fiscal year 2004 and determination of their remuneration.
6. Change of Name and Distinctive Title of the Company and amendment of article 1 of the Articles of Incorporation.
7. Adjustment of share capital accounts through increase/decrease of par value of the shares in line with Law 3193/03 on asset valuation. Amendment of article 5 par.1 of the Articles of Incorporation.
8. Amendment of the articles 5,9,15 and 20 of the Articles of Incorporation and adjustment to the provisions of Law 3156/2003 for corporate bonds.
9. Approval of the equity contribution of the Company to the conversion cost of the vessel "Blue Horizon" which has been completed in 1999 according to the provisions of the Law 2601/1998.

The Shareholders who wish to attend the Annual General Meeting of Shareholders are requested to pledge all or part of their shares with their stockbroker or with the Central Security Depository and submit the deposit receipt and any documents of representation to the Company, 157 C. Karamanli Avenue, Voula, not less than five (5) days from the day of General Meeting.

Voula, 3rd May, 2004
The Board of Directors

INVESTOR INFORMATION

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STOCK SYMBOL

Reuters	:	STR.AT
Bloomberg	:	STRIK GA
Telerate	:	STRIK
Euroamerican	:	STRIKa

INTERNET SITE

www.bluestarferries.com

CERTIFIED AUDITORS

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ANNUAL GENERAL MEETING

Srintzis Lines Shipping S.A.: 3rd June, 2004



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STRINTZIS LINES SHIPPING S.A.

A MEMBER OF THE GROUP



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