

Broadening our horizons
Annual Report 2005



Broadening our horizons
Annual Report 2005

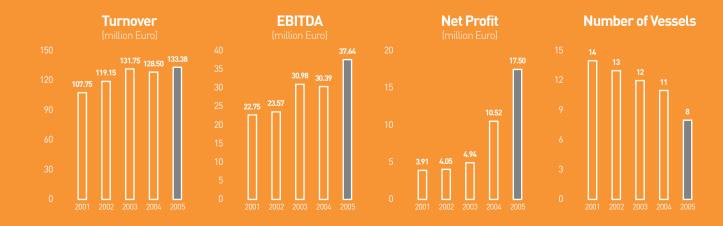


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Blue Star Maritime operates modern, car-passenger ferries providing reliable transportation services for passengers, private vehicles and freight, year-round.

Our vessels connect Greece to Italy in the Adriatic Sea and mainland Greece with the Greek Islands.



1. Blue Star Maritime in figures

	2001	2002	2003	2004	2005
Passengers	2,547,766	2,944,633	3,933,516	3,853,418	3,478,082
Freight units	138,956	127,866	125,031	129,619	123,079
Private vehicles	374,865	444,486	556,016	533,044	422,975
Ships	14	13	12	11	8
Average Fleet Age	17	16	15	12	10
Ports Served	21	25	28	26	21

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(in million Euro)	2001	2002	2003	2004	2005
Revenue	107.75	119.15	131.75	128.50	133.38
EBITDA	22.75	23.57	30.98	30.39	37.64
Depreciation	8.26	8.52	12.92	13.20	12.30
Operating Profit	14.49	15.05	18.06	17.19	25.34
Net Financials	-10.90	-10.22	-9.54	-11.16	-7.30
Net Profit after Tax and Minorities	3.91	4.05	4.94	10.52	17.50
EBITDA margin	21.1%	19.8%	23.5%	23.6%	28.2%
Net Profit margin	3.6%	3.4%	3.7%	8.2%	13.1%
Number of shares	105,000,000	105,000,000	105,000,000	105,000,000	105,000,000
EPS after Tax and Minorities (Euro)	0.04	0.04	0.05	0.10	0.17
Total Shareholders' Equity and Reserves	254.20	253.57	181.16	190.04	200.62
Total Equity excluding minorities	254.14	253.52	181.15	190.04	200.62
Total Assets	467.23	542.60	447.71	418.44	414.53
Net Debt	171.15	218.14	200.32	167.19	145.27
Net Debt/Assets	36.6%	40.2%	44.7%	40.0%	35.0%

Financial years 2001 to 2003 reported under Greek GAAP Financial years 2004 and 2005 reported under IFRS



2. The Group's Fleet

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Vessel	Built	Length overall (meters)	Speed (knots)	Passengers	Berths / Air seats	Cars	Freight units / Lane meters
Blue Star Paros	2002	124.2	24.5	1,440	104 / 378	48	30 / 360
Blue Star Naxos	2002	124.2	24.5	1,440	104 / 378	48	30 / 360
Blue Star 1	2000	176.1	28.0	1,890	430 / 184	100	100 / 1,800
Blue Star 2	2000	176.1	28.0	1,890	430 / 354	100	100 / 1,800
Blue Star Ithaki	2000	123.8	24.0	1,313	12 / 170	110	30 / 360
SeaJet 2*	1998	42.0	38.0	386	-/386	-	-/-
Blue Horizon	1987	187.1	22.5	1,502	530 / 144	70	100 / 1,800
Superferry II	1974	121.7	19.5	1,530	70 / 320	130	20 / 366

*SeaJet 2 sold in March 2006 Average fleet age 10 years



Bari

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The Greek Islands

The Group operates the following routes in the Greek domestic market:

Cycladic Islands

PIRAEUS to PAROS-NAXOS-SANTORINI and PIRAEUS to SYROS-IOS-AMORGOS-IRAKLIA-SCHINOUSSA-KOUFONISSI with **Blue Star Paros** and **Blue Star Naxos**

PIRAEUS to SYROS-TINOS-MYCONOS with Blue Star Ithaki

RAFINA to ANDROS-TINOS-MYCONOS with **Superferry II** and **SeaJet 2*** *Sold in March 2006



Dodecanese

PIRAEUS to KOS-RHODES-PATMOS-LEROS and PIRAEUS to SYROS-MYCONOS-AMORGOS with **Blue Star 2**

PIRAEUS to ASTYPALAIA-KALYMNOS via PAROS-NAXOS with **Blue Star Paros** and **Blue Star Naxos**

Greece – Italy

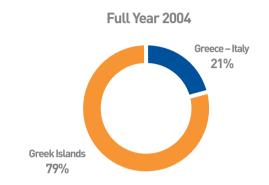
PATRAS-IGOUMENITSA-CORFU-BARI-CORFU-IGOUMENITSA-PATRAS with **Blue Star 1** and **Blue Horizon**

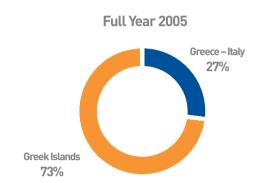


4. Review of Operations

Financial Performance 2005 at a glance

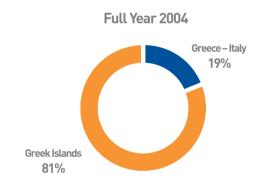
Market Contribution to Group Revenue

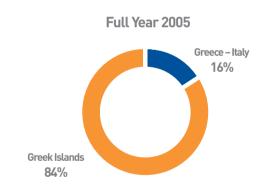




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Market contribution to Group EBITDA





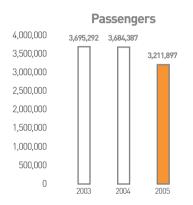
Revenue Breakdown per Traffic Segment

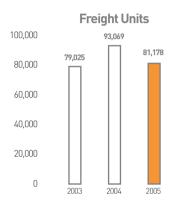


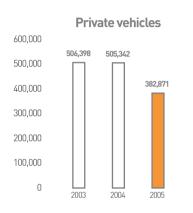




Greek Domestic Market Routes 2003-2005 Blue Star Ferries Carryings









Source: Blue Star Group

Blue Star Maritime operates its fleet under the Blue Star Ferries brand both in the Greek Islands' market and between Greece and Italy.

In the Greek Islands' market, Blue Star Ferries serves major destinations in the Cycladic Islands and the Dodecanese Islands complex, such as Paros, Myconos, Santorini and Rhodes. In the course of 2005, Blue Star Ferries operated six ships in the Greek domestic market, of which four are built post-2000, enjoying market shares of over 50%, on average, on the different routes it operates, against approximately 20 vessels of the competition with an average age of about 20 years.

The Greek domestic market comprises of a vast network of routes connecting mainland Greece with its dense insular community. Ferry transport in Greece is widely used for those travelling to and from the islands throughout the year for personal and business purposes and is vital for the supply of goods and produce to the islands. In the summer months, traffic is heightened with tourist movements to and between the islands.

The harmonisation of the Greek regulatory framework with European Regulation 3577/92 will mean that operators will be able to determine their commercial policy and strategy based on profitability and efficiency criteria as opposed to the state restrictions which exist now. Blue Star Ferries with a young and modern fleet and a dynamic presence in the Greek market already will be able to fully capitalise on its advantages under a free market environment.

In total for the year 2005, Blue Star Ferries carried in the Greek domestic market 3,211,897 passengers, a 12.8% decrease over the previous year, 81,178 freight units, a 12.8% decrease over the previous year and 382,871 private vehicles, a 24.2% decrease over the previous year. These volumes were carried against 27.6% fewer sailings in 2005 compared to 2004. This is due to the fact that compared to 2004, Blue Star Ferries discontinued two routes, selling one vessel and redeploying another to the Greece-Italy market.

Until March 2005, Blue Star 1 served on the Chania, Crete route and was thereafter redeployed to the Greece-Italy routes. Until that time, it carried on the Chania route 45,891 passengers, 1,934 freight units and 4,943 private vehicles.

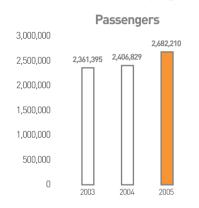
Specifically, the Group's performance in the respective islands' markets in 2005 was:

Cycladic Islands

The Group served the Cycladic Islands market in 2005 with five vessels, Blue Star Naxos, Blue Star Paros, Blue Star Ithaki, Superferry II and SeaJet 2. These five ships, with an average age of ten years, operated from the ports of Piraeus and Rafina serving 12 islands, daily, year-round, against approximately 17 ships of seven operators with an average age of about 17 years.

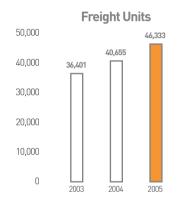
In the Cycladic Islands complex, Blue Star Ferries serves the islands of Syros, Paros, Naxos, Ios, Santorini, Amorgos, Iraklia, Schinoussa, Koufonissi, Tinos, Myconos and Andros.

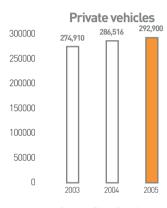
Cycladic Islands Routes 2003-2005 Blue Star Ferries Carryings



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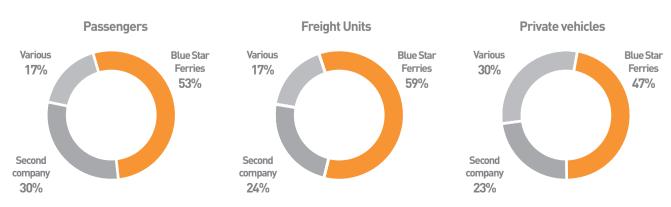




Source: Blue Star Group

On the Cycladic Islands routes, in 2005, the Group's fleet carried 2,682,210 passengers, an 11.4% increase over the previous year, 46,333 freight units, a 14.0% increase over the previous year and 292,900 private vehicles, a 2.2% increase over the previous year. These figures correspond to a 53% share in passenger traffic, 59% in freight unit traffic and 47% in private vehicle traffic, as per market data. The above volumes and market shares were attained against a 2.2% increase in sailings compared to the previous year.

Cycladic Islands 2005



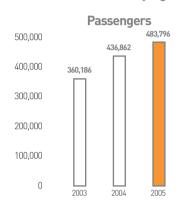
Source: Market Data

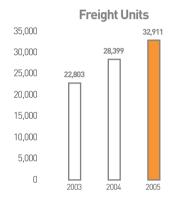
Dodecanese Islands

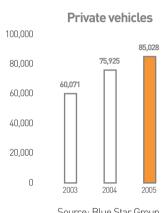
The Group has been active in this market since 2002 with one vessel, Blue Star 2, aged five years, serving the route yearround, against three ships of one competitor with an average age of 29 years.

In the Dodecanese Islands complex, Blue Star Ferries serves the islands of Astypalaia, Kalymnos, Patmos, Leros, Kos and Rhodes.

Dodecanese Islands Routes 2003-2005 Blue Star Ferries Carryings





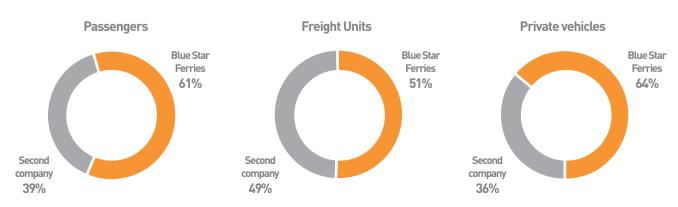


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Source: Blue Star Group

In 2005, Blue Star 2, carried on the Dodecanese Islands routes 483,796 passengers, an 10.7% increase over the previous year, 32,911 freight units, a 15.9% increase over the previous year and 85,028 private vehicles, a 12.0% increase over the previous year. These figures correspond to a 61% share in passenger traffic, 51% in freight unit traffic and 64% in private vehicle traffic, as per market data. Total sailings on the route posted a marginal increase of 0.3% compared to the previous year.

Dodecanese Islands 2005



Source: Market Data



Greece-Italy

In the course of 2005, Blue Star Ferries served the Italian port of Bari with vessels Blue Star 1 and Blue Horizon offering daily departures from the Greek ports of Patras and Igoumenitsa.

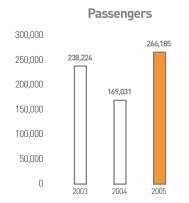
Bari is situated in the South of Italy, and in terms of traffic served, it ranks second among Italian ports serving 18.6% and 25.5% of passenger and freight unit traffic respectively and third in the private vehicle traffic segment, serving 11.7% of total private vehicle traffic between Greece and Italy.

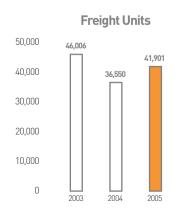
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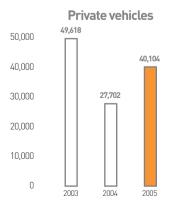
On the Bari route, the Group, captured a 62.7% share of passenger traffic, 36.6% of freight unit traffic and 58.8% of private vehicle traffic among three operators serving the route. It should be noted that the third operator entered this market as of August 2005, with two vessels. Market shares as above, are derived from the Greek port authorities of Patras and Igoumenitsa statistical data.

In total for the year 2005, Blue Star Ferries carried in the Adriatic, 266,185 passengers, 41,901 freight units and 40,104 private vehicles. These volumes correspond to an 11.7% market share in passenger traffic, 9.5% in freight unit traffic and 6.9% in private vehicle traffic on the total traffic between Greece and Italy in the Adriatic Sea.

Greece-Italy Routes 2003-2005 Blue Star Ferries Carryings







Source: Blue Star Group





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5. Sales Network

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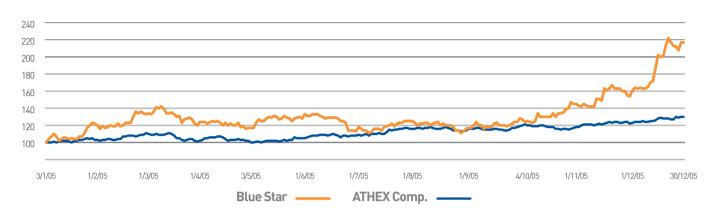
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6. Share Price Performance

Blue Star share price performance vs. ATHEX Composite Share Price Index



Month 2005 Blue Star Volume of total Value of total transactions ATHEX Composite Index of Blue Star shares closing (units) closing price transactions of Blue Star shares (Euro) (Euro) 1.01 6,421,074 6,079,477 2,919.93 January 1.10 5,881,990 February 6,161,898 3,145.16 March 1.00 3,885,450 4,319,127 2,854.91 0.97 April 1,700,307 1,721,677 2,868.45 1.06 1,613,369 1,713,244 2,959.53 May June 0.94 2,945,298 3,108,460 3,060.73 1.04 July 3,111,521 3,072,409 3,271.78 0.96 August 2,066,179 2,032,529 3,231.48 3,381.96 September 1.05 3,177,203 3,250,962 October 1.20 4,998,886 5,653,333 3,307.32 November 1.28 6,372,975 8,292,560 3,441.64 December 1.80 8,927,316 14,595,474 3,663.90

	2001	2002	2003	2004	2005*
Blue Star divdend payout (in Euro million)	-	3.15	3.81	6.30	7.35
Dividend / Share (Euro)	-	0.030	0.036	0.060	0.070

^{*}Proposed dividend payout

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7. Corporate Structure and Governance

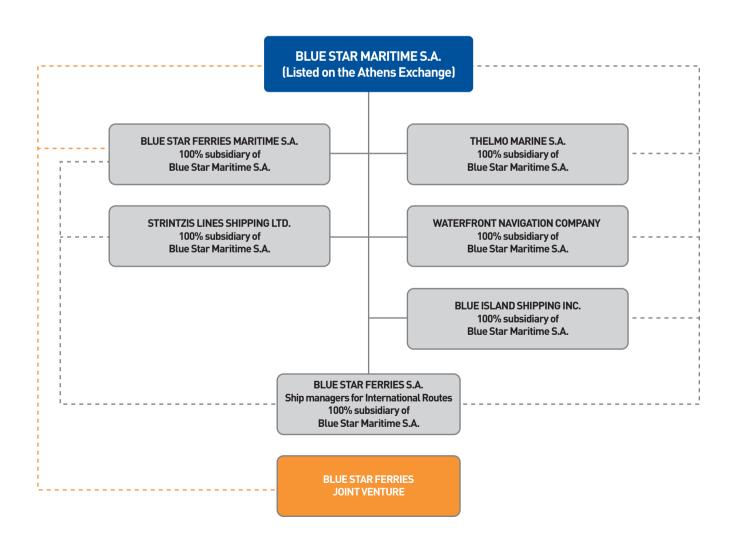
Blue Star Maritime (Blue Star Group) is listed on the Athens Exchange (ATHEX). As a public company, it is subject to the laws and regulations on reporting and disclosure, of the ATHEX and the Hellenic Capital Market Commission, and adheres to the provisions and applicable legislation of the Greek Companies Act. The headquarters of the Blue Star Group are in Voula, Greece.

Blue Star Group is a 48.8% subsidiary of also Athens-listed Attica Group (Attica Holdings S.A.). The companies of the Group report under International Financial Reporting Standards (IFRS) for the first time for the full year accounts of 2005.

Consolidated financial statements are published quarterly in Greek and English. Financial statements are published within two months of the end of the period for which they account.

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BLUE STAR MARITIME S.A. GROUP OF COMPANIES



The Board of Directors

The management and representation of the Group is entrusted to a Board of Directors. The Board determines the strategy of the Group and supervises the way in which that strategy is implemented.

Blue Star's Board of Directors, comprises of nine members, six executive members, one non-executive member and two independent non-executive members, as per the provision of the Greek Corporate Governance Code.

The composition of the company's Board of Directors whose term expires at the Annual General Meeting of 2006 is as follows:

Blue Star Maritime S.A.

Charalambos S. Paschalis Chairman / Non-executive Member

Michael G. Gialouris Vice-Chairman / Executive Member

Michael G. Sakellis Managing Director / Executive Member

Spiros Ch. Paschalis Authorised Director / Executive Member

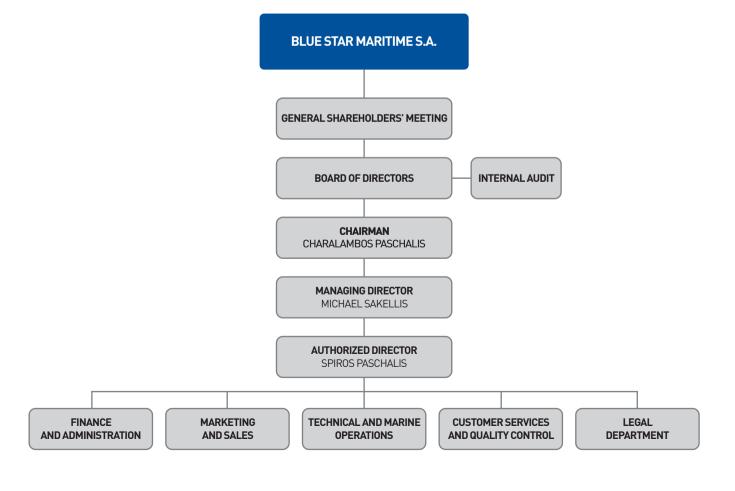
Alexander P. Panagopulos Director / Executive Member Anthony D. Strintzis
Director / Executive Member

Pericles S. Panagopulos Director / Executive Member

Dimitrios I. Klados Director / Independent Non-Executive Member

Emmanouil E. Kalpadakis Director / Independent Non-Executive Member Annual Report 2005

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With respect to the competences of the Board of Directors, the Group is legally represented by Messrs. Michael Sakellis, Michael Gialouris, Spiros Paschalis, Alexander Panagopulos, Pericles Panagopulos, acting in pairs.

As per the Corporate Governance regulations, the company operates distinct Internal Audit, Corporate Announcements and Shareholder Services Departments.

Internal Audit

The Internal Audit Department exists and operates independently and is not hierarchically under the authority of any other department.

Internal auditors are appointed by the Board of Directors and are entitled access to every document, record, bank account, financial portfolio and company department. The Board of Directors co-operates with and provides information to the internal auditors and ensures that their work is facilitated in any way necessary.

Corporate Announcements

The Corporate Announcements Department ensures that all capital markets operators are equally provided with up-to-date information on corporate developments. The issuing of announcements regarding corporate activities which are distributed to the relevant authorities, the press and the investment community also falls under the Department's remit.

Shareholder Services

The division serves as a point of contact and information for individual shareholders in relation to the exercise of their rights in accordance with the law and the Articles of Association. The main functions of Shareholder Services therefore are the dissemination of information regarding the distribution of dividend, any activity related to the issue of shares, Ordinary and Extraordinary Shareholders' Meetings and communication with the Central Securities Depository.

Quality Assurance

Blue Star Maritime S.A. and the fleet of the Blue Star Group are certified as per the International Safety Management Code (ISM), while Blue Star Ferries S.A. and the fleet of the Blue Star Group are certified as per ISO 9001:2000 Quality Management System by the international American Bureau of Shipping Group. Certification under ISO 9001:2000 constitutes recognition of the high level of services offered by our Group.

Environmental Policy

Our environmental consciousness is intertwined with our dedication to providing superior customer service and satisfaction. Our pledge and commitments are:

- To comply to all international, regional and local regulations related to environmental protection.

- To continuously invest in modern technology and implement environmentally-friendly methodologies.

- To minimize any adverse environmental effect of onboard machinery by ensuring their trouble-free operational performance and by carrying out their proper maintenance and service, in timely fashion.

- To encourage our employees, ashore and onboard, towards environmental-friendly practices and environmental responsibility through awareness and training seminars.

- To become active members in organizations that proliferate principles of safety and preservation of the environment.
- To participate in international research and development projects promoting efficiency, responsibility and emissions reduction throughout the maritime industry.
- To follow-up on environmental issues and continuously adopt new practices to that effect.

Blue Star Group's fleet consists of modern, newly-built ships abiding to a broad array of international regulations for the protection of the environment; IMO's MARPOL 73/78 being the most prominent of all.

Example areas where compliance is clearly illustrated are:

- The underwater part of the vessels' hulls are treated with non-toxic, tin-free paints that do not release harmful agents to the aqueous environment; again, a practice that was far sooner than the required time-frame for compliance.
- Ozone-depleting media have been banned from our vessels; chemical additives are selected on the basis of their environmental compatibility.

On the human-element side, Blue Star Group trains its employees for best practices and minimal interference to the environment.

Onboard each vessel, assigned Officers are responsible for the practical environmental measures being adopted. Ashore, qualified Engineers and Managers monitor such performance and establish guidelines for general purpose and task-specific training on environmental issues. On a regular basis, selected vessels along with shore-based personnel participate jointly in environmental emergency drills together with local authorities.

Blue Star Ferries S.A., was among the first Greek passenger ferry companies to receive Certification for their Environmental Management System compliant to the ISO 14001 standard; likewise, the same Certification for implementation has been awarded to the vessels controlled by our Group. The effectiveness and dynamism of the said Environmental Management is continuously audited and benchmarked by the highly-respected ABS Quality Evaluations, a member of the well-recognized American Bureau of Shipping Group.

Blue Star Ferries is an active member of HELMEPA (Hellenic Marine Environment Protection Association) the non-profit Organization dedicated to the protection of the Marine environment by disseminating information, providing education and offering publications to key people at all levels of the maritime industry.

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8. Corporate Social Responsibility

In response to the increasing importance of corporate awareness of the needs of society, the company promotes activities and applies policies, which meet such demands, especially in the island communities it serves.

Blue Star Ferries' activities in the realm of corporate social responsibility are over and above its basic principles of commercial operation. For 2005, the Company undertook a range of activities with respect to the financial, social and environmental needs of the local communities of the markets in which it operates. Blue Star Ferries ascribes a central role to the human element of its operation, both in terms of training and development as well as following policies and strategies, which add value to and respect local social conditions.

The Environment

Protecting the environment is one of the biggest challenges all of society's stakeholders face today. Our company works closely with the most technologically advanced shipyards to ensure that all its vessels are equipped with state-of-the-art machinery whose operation safeguards the priceless chain of life, which exists in our waters and skies. Blue Star Ferries participated actively in the promotion of 'keeping our beaches clean' by producing and distributing special ashtrays for use on the beach. These were supplied to all municipalities and local authorities of the islands where Blue Star Ferries calls at, to be distributed to all public beaches.

Cultural Activities

Blue Star Ferries takes an active part in supporting and sponsoring, cultural and social activities taking place on the islands it serves. Perceiving our services as vital ingredients of the life of the islands, which we serve, we aim to also play an active part in supporting the local tradition and culture of every island. As such, Blue Star Ferries, on a case-by-case basis supports such events, by offering free or reduced transportation to local festivals (Cyclades International Music Festival, Tinos Festival, Korthia 2005 and others). The company grants reduced or free transport to local folk music and dance groups which participate in festivals taking place across Greece with the aim of promoting their local cultural heritage.

Athletic Events

The company consistently supports local athletic groups and athletic activities of the islands it serves believing in the noble causes of sportsmanship, competition and the drive, especially of younger ages, to excel. Blue Star Ferries offered free transport for athletes participating in the "Kos Cup" National Mountain bike Championship, the sponsorship of the Paros Athletic Association for the construction of its stadium, and the sponsorship of the Kidon Athletic Association for the Venizelia 2005 athletic event. Free or reduced fare transport was also granted to teams from the islands traveling to take part in basketball, volleyball, women's soccer, sailing and water polo championships.

Social Awareness and Social Solidarity

At local level, municipalities and local authorities hold the responsibility of managing the affairs of local communities and ensuring the continuation of local traditions as well as meeting new needs which emerge. Blue Star Ferries supports the activities of local authorities through the sponsorship of special publications or of events and conferences, which inform and educate local communities.

In the event of a medical emergency, Blue Star Ferries calls at ports to pick up patients which require urgent transport to the mainland, outside its regular scheduling.

Blue Star Ferries maintains a quiet presence of support of associations, charities, non-profit organizations and hospitals (Special Olympics Hellas, Médecins du Monde, cancer research medical institutions and others) and the support of those ailing and in need, with the aim of facilitating the provision of assistance where necessary.

Blue Star Ferries has scheduled a list of activities for 2006 in keeping with its aforementioned commitments and the further support of local communities and the needs of students.

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9. Financial Statements

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I. Report of the Board of Directors

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Annual Report 2005

I. Report of the Board of Directors to the Shareholders of Blue Star Maritime S.A. on the full year consolidated results of 2005

Dear Shareholders.

Last year was an important year for the Group, during which the Management's decisions regarding fleet renewal, choice of routes and emphasis placed on the quality of services helped to increase the Group's returns. The above resulted in a considerable improvement in revenue across the routes on which our ships are active as well as on operational profitability for the Group despite the considerable increase in the average price of fuel oil in the course of 2005.

Specifically, following its restructuring in 2004, which included the sale of four (4) older vessels, the focus on profitable routes and the improvement in infrastructure through the installation and operation of a new Enterprise Resource Planning system (SAP), the Group achieved greater returns on its modern fleet while managed to maintain its leading position in the markets in which it operates. The year-round operation of the Group's fleet contributed once again to the continuous servicing of passenger and commercial needs between the mainland and the Greek insular community, which shows the strong social responsibility of the Group.

The most important developments for the passenger shipping sector in 2005 were:

- The rapid increase in the average price of fuel oil, which still remains at high levels through the beginning of 2006.
- The continuing delay in the harmonization of the Greek institutional framework with European Regulation 3577/92, despite the reasoned opinion sent by the European Commission to the Greek government. This delay prohibits operators from applying a flexible commercial policy that would balance the increase in operating expenses caused by the unforeseen increase in the price of fuel oil.

The current Greek institutional framework, places controls over a series of issues such as the obligation on shipping companies to submit for approval to the Ministry of Mercantile Marine the composition of their itineraries and any alteration thereof, imposes out-dated requirements on the size and allocation of accommodation classes on board vessels, on the number and length of crew's employment and imposes various non-reciprocal fees on passenger and vehicle fares thereby exorbitantly increasing fare levels. The above underline the strong state intervention which inhibits the development of full and viable competitive market conditions and prevents new investments and the renewal of vessels operating in the Greek Islands.

In addition to the aforementioned developments for the sector, the most important events for our Group in 2005 were:

In March 2005, the Group strengthened its presence on the Greece-Italy routes with the redeployment of Blue Star 1 from the Piraeus – Chania route to the Patras – Igoumenitsa – Corfu – Bari route. The Bari route was therefore served daily in tandem with Blue Horizon.

In June 2005, the Group issued a \in 200mln secured bond to be used for the prepayment of the existing bank loans as well as for the repayment of its \in 30mln convertible bond. The credit terms achieved through the reorganization of the Group's capital structure were more favorable than the existing ones.

In June 2005, the Group repaid the € 30mln convertible bond issued in 2002.

In September 2005, Blue Star Ferries was voted the "Best Ferry Company in Greece" by the readers of Voyager magazine. The company received top votes by the readers of the magazine across the categories of staff/service, cabins, feeling of security, cleanliness, length of journey.

The Group was active on the following routes:

Greece – Italy routes

Patras – Igoumenitsa – (Corfu) – Bari with vessels BLUE HORIZON and BLUE STAR 1 offering daily services throughout the year. The ships called at the port of Corfu only during the summer months.

Greek Domestic Market routes

Piraeus – (Syros) – Paros – Naxos – (Ios) – Santorini – (Amorgos) with vessels BLUE STAR PAROS and BLUE STAR NAXOS offering two round-trip sailings daily. Regular calls were also made to the islands of Iraklia – Schinoussa – Koufonissia – Astypalaia – Kalymnos.

Piraeus – Syros – Tinos – Myconos with BLUE STAR ITHAKI offering daily departures throughout the year. Extraordinary sailings were also made on the Piraeus – Paros route during the summer months.

Rafina - Andros - Tinos - Myconos with SUPERFERRY II offering daily departures throughout the year.

factors attained.

Rafina – Tinos – Myconos – Paros with SEAJET 2 offering up to two departures per day in the summer months.

Piraeus–(Cycladic Islands) – (Patmos) – (Leros) – Kos – Rhodes with BLUE STAR 2 offering four round-trip sailings per week throughout the year.

Piraeus – Chania, Crete with BLUE STAR 1 offering daily round-trip sailings. The route was discontinued in March, 2005 as the vessel was redeployed to the Greece – Italy routes.

In total, the Group's fleet carried 3,478,082 passengers, 422,975 private vehicles and 123,079 freight units which correspond to a 9.7% decrease in passengers, 20.6% in private vehicles and 5% in freight units compared to 2004.

The decrease in volumes carried is due to the decrease of the number of sailings by 25.5% following the sale of four older vessels in the course of 2004 as well as the redeployment of one ship from the Greek Islands' routes to the Greece – Italy routes. The decrease in volumes carried is smaller than the decrease in sailings executed which indicates the significant growth in load

In detail, on the Greece – Italy routes, the Group's fleet carried 266,185 passengers, 40,104 private vehicles and 41,901 freight units and on the Greek domestic market routes the fleet carried 3,211,897 passengers, 382,871 private vehicles and 81,178 freight units.

2005 was the first fiscal year reported under the International Financial Reporting Standards (IFRS). The basic accounting principles followed are described in the Notes to the Financial Statements.

Group revenue stood at Euro 133.4mln against Euro 128.5mln the previous year, increased by 3.8%. Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) rose to Euro 37.6mln from Euro 30.4mln (23.8% increase) while Net Profit after Tax rose to Euro 17.5mln against Euro 10.5mln in 2004, an impressive increase of 66.4%.

Contributing factors to the Group's increased revenue were the increase in load factors on the Dodecanese and Cycladic Islands' routes where there was a significant growth in volumes carried over approximately the same number of sailings as in the previous year as well as the growth in tourist traffic, both in passengers and in private vehicles, in the Greek Islands' market. High load factors were also achieved on the Greece – Italy routes during the summer period where the increase in volumes carried was greater than the increase in the number of sailings resulting from the addition of one more vessel to the route.

It should be noted that competition has increased on the Patras – Igoumenitsa – (Corfu) – Bari route since the summer of 2005 due to the entry into the market of a new competitor with two recently refurbished vessels with large carrying capacity. Our Group in view of the increased competition on this route has taken the necessary commercial decisions which will allow it to maintain its high volumes and market shares.

The Group's operational profitability (EBITDA) improved considerably despite the significant increase in the price of fuel oil. This is mainly attributed to:

- The sale of the fleet's older vessels whose operation had a negative contribution to the Group's results.
- The curtailment of the cost of sales, except fuel costs, as well as of administrative expenses.
- The focus on profitable routes, which allow for the vessels' optimum operational efficiency.

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The Group's management in addressing the effect of high fuel oil prices on operational profitability, undertook:

- The reduction in cruising speed on some domestic market services so as to reduce fuel oil consumption.
- The imposition of a fuel surcharge on passenger, private vehicle and freight fares on the Greece-Italy routes. The surcharge was introduced in July 2005 and revised upwards in September 2005.

The 66.4% increase in Net Profit after Tax is also due to the significant reduction in financial expenses following the successful debt refinancing of the Group and the repayment of the Group's Euro 30mln convertible bond. It should also be noted that Net Profit for 2005 does not include any profit from the sale of vessels (Euro 4.8mln in 2004), which further highlights the sound management undertaken throughout 2005.

Profit (loss) for 2005 is attributed to the Group's companies as follows:

32		In Euro thousand
Annual Report 2005	BLUE STAR MARITIME S.A.	576
	BLUE STAR FERRIES MARITIME S.A.	17,015
	STRINTZIS LINES SHIPPING LTD.	7
	WATERFRONT NAVIGATION LTD.	
	THELMO MARINE S.A.	
	BLUE STAR FERRIES JOINT VENTURE	
	BLUE STAR FERRIES S.A.	
	BLUE ISLAND SHIPPING INC.	(98)
	TOTAL	17,500

Total Equity for the Group stood at Euro 200.6mln against Euro 190mln the previous year, while Total Liabilities fell to Euro 213.9mln from Euro 228.4mln. Liabilities over Equity coverage dropped to 1.06 from 1.20 in 2004, which is very low compared to other companies of the sector. Cash and Cash Equivalents rose by 11.5% and stood at Euro 49.2mln. The above data indicate the financial strength of the Group which improved across all measures in 2005.

Reference to parent company Blue Star Maritime S.A.

The Company with a fleet of three (3) vessels, was active on the Greece–Italy routes with vessel Blue Horizon and on the Rafina–Cycladic Islands routes with vessels Superferry II and Seajet 2.

The Company's vessels carried 955,917 passengers, 111,385 private vehicles and 31,992 freight units. Compared to 2004 volumes carried dropped by 24% in passengers, 42.4% in private vehicles and 27.2% in freight units.

It should be noted that traffic volumes carried dropped due to the decrease by 37.8% in the number of sailings executed, following the sale of three vessels in 2004.

Consequently, Company's Revenue has dropped, as were the Earnings before Interest, Tax, Depreciation and Amortization, while Dividend received from subsidiaries increased considerably. Net Profit after Tax rose to Euro 8.4mln increased by 20.7% compared to 2004.

Further analysis of the financial data of the Parent Company is not deemed necessary as the same factors and conditions which affect and determine the financials of the Group, hold for the Parent Company as well.

Securities

The financial assets held for trading by the company as at 31st December, 2005 were:

1,679,272 shares of "HERMES" Dynamic Domestic Equity Fund acquired at Euro 46.16 each and valued at Euro 27.4 thousand at 31st December, 2005. These shares were sold in January 2006 for Euro 41.1 thousand. The profit from this transaction will be posted in the first guarter results of 2006.

Future Outlook for the Group

The Group achieved the goals set in the previous year and continues to examine the development of new routes in the Greek domestic services and abroad through the acquisition or building of modern conventional fast vessels, provided market conditions allow. The Group's Management continuously examines developments in the Greek domestic market and the trends of the shipbuilding industry and studies the possible deployment of vessels on new routes with a view to further increase the Group's results.

As regards the Group's dividend policy, this will be determined in consideration to the Group's results, the outlook for the current year and the broader macroeconomic and market conditions, to the long-term benefit of the Company and its shareholders.

Dear Shareholders.

The above information together with the financial statements submitted to you for year 2005, provide a complete assessment of the Group's operations and of the Board of Directors activities during the period under review, allowing you to decide on the approval of the financial statements.

Voula, 14th February, 2006 The Authorised Director

Spiros Ch. Paschalis

AUDITORS' NOTE

We confirm that the above Report of the Board of Directors to the Annual General Shareholders' Meeting which consists of 6 pages is that which is referred to in our Auditor's Report dated 21st February, 2006.

Athens, 21st February, 2006

The Certified Public Accountant

Athos Stylianou SOEL No.: 12311 DRM STYLIANOU S.A. Member of RSM International 33

II. Auditors' Report on the Annual Financial Statements for the period 1st January to 31st December, 2005

DRM Stylianou S.A. Certified Public Accountants Management Consultants

RSM.

Auditors' Report

To the Shareholders of "BLUE STAR MARITIME S.A."

We have audited the accompanying financial statements as well as the consolidated financial statements of BLUE STAR MARITIME S.A. as of and for the year ended 31st December, 2005. These financial statements are the responsibility of the Company's management. 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 the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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, evaluating the overall financial statement presentation as well as assessing the consistency of the Board of Directors' report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements give a true and fair view of the financial position of the Company and that of the Group (of which this Company is the holding company), as of 31st December, 2005, and of the results of its operations and those of the Group and their cash flows and changes in shareholders' equity for the year then ended in accordance with the International Financial Reporting Standards that have been adopted by the European Union and the Board of Directors' Report is consistent with the aforementioned financial statements.

21st February, 2006 For DRM Stylianou S.A. (SOEL Reg. no: 104)

Athos Stylianou, FCCA Certified Public Accountant SOEL Reg. no: 12311

Kifissias & Ethnikis Antistaseos 84 A, GR 152 31 Athens

III. Annual Financial Statements for the period 1st January to 31st December, 2005

Income Statement

For the year ending at 31/12/2005 & 2004 and the 4th quarter of 2005 and 2004

		GROUP				
	Notes	1/10-31/12/05	1/10-31/12/04	1/1-31/12/05	1/1-31/12/04	
Revenue	(6.1)	25,100	21,578	133,379	128,495	
Cost of sales	(6.2)	(17,432)	(13,594)	(73,250)	(76,782)	
Gross Profit/(loss)		7,668	7,984	60,129	51,713	
Other operating income	(6.3)	4	124	666	124	
Administrative expenses	(6.4)	(2,035)	(1,721)	(7,118)	(7,647)	
Distribution expenses	(6.5)	(2,397)	(2,520)	(16,036)	(13,801)	
Earnings before taxes, investing and financial						
results,depreciation and amortization		3,240	3,867	37,641	30,389	
Depreciation and amortization	(6.6)	(3,074)	(2,948)	(12,299)	(13,200)	
Earnings before taxes, investing and financial results		166	919	25,342	17,189	
Dividends from subsidiaries and other entities						
Interest & other similar income	(6.7)	265	208	820	779	
Interest and other financial expenses	(6.7)	(1,895)	(2,780)	(8,120)	(11,940)	
Foreign exchange differences	(6.7)			(26)		
Financial results		(1,630)	(2,572)	(7,326)	(11,161)	
Profit/(loss) from vessels' disposal			3,647		4,828	
Profit/(loss) before taxes		(1,464)	1,994	18,016	10,856	
Taxes	(6.8)	(276)	(164)	(516)	(339)	
Profit/(loss) after taxes		(1,740)	1,830	17,500	10,517	
Attributable as follows:						
Company Shareholders		(1,740)	1,830	17,500	10,517	
Minority Interests in Subsidiaries						
Earnings After Taxes per Share - Basic (in €)		(0.02)	0.02	0.17	0.10	
Proposed dividend payable per share (in €)						

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The Notes on pages 39 to 61 are an integral part of these Financial Statements.

Income StatementFor the year ending at 31/12/2005 & 2004 and the 4th quarter of 2005 and 2004

		COMPANY				
	Notes	1/10-31/12/05	1/10-31/12/04	1/1-31/12/05	1/1-31/12/04	
Revenue	(6.1)	5,466	5,439	33,202	41,745	
Cost of sales	(6.2)	(5,189)	(4,801)	(22,537)	(27,734)	
Gross Profit/(loss)		277	638	10,665	14,011	
Other operating income	(6.3)	3		635		
Administrative expenses	(6.4)	(672)	(1,092)	(3,023)	(3,480)	
Distribution expenses	(6.5)	(456)	(670)	(3,965)	(4,791)	
Earnings before taxes, investing and financial						
results,depreciation and amortization		(848)	(1,124)	4,312	5,740	
Depreciation and amortization	(6.6)	(629)	(604)	(2,529)	(3,362)	
Earnings before taxes, investing and financial results		(1,477)	(1,728)	1,783	2,378	
Dividends from subsidiaries and other entities	(6.7)		6,364	7,827	6,364	
Interest & other similar income	(6.7)	4	150	389	568	
Interest and other financial expenses	(6.7)	(308)	(1,467)	(1,355)	(5,974)	
Foreign exchange differences	(6.7)	[1]		(42)		
Financial results		(305)	5,047	6,819	958	
Profit/(loss) from vessels' disposal			3,647		3,897	
Profit/(loss) before taxes		(1,782)	6,966	8,602	7,233	
Taxes	(6.8)	(34)	(67)	(200)	(275)	
Profit/(loss) after taxes		(1,816)	6,899	8,402	6,958	
Attributable as follows:						
Company shareholders		(1,816)	6,899	8,402	6,958	
Minority interests in subsidiaries						
Earnings after taxes Per Share - basic (in €)		(0.02)	0.07	0.08	0.07	
Proposed dividend payable per share (in €)				0.07	0.06	

The Notes on pages 39 and 61 are an integral part of these Financial Statements.

Balance Sheet As at 31st December, 2005 and at 31st December, 2004

		GR	0UP	COMPANY		
	Notes	31/12/05	31/12/04	31/12/05	31/12/04	
ASSETS						
Non-current assets						
Tangible assets	(6.9)	333,462	344,235	27,316	29,096	
Intangible Assets	(6.10)	1,915	1,442	1,391	1,156	
Investments in subsidiaries-associated companies	(6.11)		9	228,738	228,747	
Non-Current Receivables	(6.12)	63	62	50	49	
		335,440	345,748	257,495	259,048	
Current assets	(, , , ,)					
Inventories	(6.13)	1,454	1,104	374	312	
Trade receivables and prepayments	(6.14)	22,352	17,975	2,638	2,907	
Tax receivables	(6.15)	144	152	78	82	
Receivables from subsidiaries-associated companies	(6.16)			331,917	248,783	
Other receivables	(6.17)	2,983	4,931	685	2,422	
Financial assets held for trading	(6.18)	27	27	27	27	
Cash and cash equivalents	(6.19)	49,225	44,130	8,915	25,998	
Deferred expenses	(6.20)	2,837	4,372	1,025	1,549	
Accrued income	(6.20)	65		16		
		79,087	72,691	345,675	282,080	
Total assets		414,527	418,439	603,170	541,128	
EQUITY AND LIABILITIES						
Equity						
Share Capital	[6,21]	105,000	105,000	105,000	105,000	
Reserves	(6.21)		75,732	69,192	75,923	
	(0.21)	69,355	75,732 9.309	8,334	75,923 127	
Retained Earnings		26,264 200,619	190,041	182,526	181,050	
Total equity Minority interests in subsidiaries		200,619	170,041	182,326	181,050	
Minority interests in subsidiaries						
Non-current liabilities						
Secured loans	[6.22]	179,800	152,625		110,500	
Finance leases	[6.23]	139	326	139	103	
Deferred tax liabilities	[6.24]	19		4		
Retirement benefit provisions	(6.25)	438	376	178	156	
Other provisions	(6.26)	2,377	1,500	2,377	1,500	
	(=:==,	182,773	154,827	2,698	112,259	
Current liabilities						
Bank loans and overdrafts	(6.27)	2,219	3,393	2,219	3,393	
Current portion of long term liabilities		12,500	55,328		51,578	
Trade and other payables	(6.28)	13,410	10,795	3,181	3,114	
Payables to subsidiaries-associated companies	(6.29)			411,567	187,615	
Tax liabilities	(6.30)	1,296	949	269	236	
Accrued expenses	(6.31)	1,710	3,106	710	1,883	
		31,135	73,571	417,946	247,819	
Total equity and liabilities		414,527	418,439	603,170	541,128	

The Notes on pages 39 and 61 are an integral part of these Financial Statements.

Statement of Changes in Equity For the Period 1/1-31/12/2004

GROUP	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Equity
Balance at 1st January, 2004							
according to Greek GAAP	157,500	79,097	10,942	(72,545)	6,164		181,158
Adjustments for transition to IFRS						442	442
Balance at 1st January, 2004	157,500	79,097	10,942	(72,545)	6,164	442	181,600
Changes in Equity for the Period 1/1-31/12/2004	(52,500)	(5,607)	(8,592)	67,652		778	1,731
Net Profit for the Period 1/1-31/12/2004					3,145	7,372	10,517
Dividends						(3,807)	(3,807)
Balance at 31st December, 2004	105,000	73,490	2,350	(4,893)	9,309	4,785	190,041

COMPANY	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Equity
Balance at 1st January, 2004							
according to Greek GAAP	157,500	79,097	9,963	(67,688)			178,872
Adjustments for transition to IFRS						1,679	1,679
Balance at 1st January, 2004	157,500	79,097	9,963	(67,688)		1,679	180,551
Changes in Equity for the Period 1/1-31/12/2004	(52,500)	(5,607)	(8,914)	63,339		1,030	(2,652)
Net Profit for the Period 1/1-31/12/2004					127	6,831	6,958
Dividends						(3,807)	(3,807)
Balance at 31st December, 2004	105,000	73,490	1,049	(4,349)	127	5,733	181,050

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

GROUP	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Equity
Balance at 1st January, 2005							
according to Greek GAAP	105,000	73,490	2,350	(4,893)	9,309		185,256
Adjustments for transition to IFRS						4,785	4,785
Balance at 1st January, 2005	105,000	73,490	2,350	(4,893)	9,309	4,785	190,041
Changes in Equity for the Period 1/1-31/12/2005			(8,687)	1,430	6,635		(622)
Net Profit for the Period 1/1-31/12/2005			880		16,620		17,500
Dividends					(6,300)		(6,300)
Balance at 31st December, 2005	105,000	73,490	(5,457)	(3,463)	26,264	4,785	200,619

COMPANY	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Equity
Balance at 1st January, 2005							
according to Greek GAAP	105,000	73,490	1,049	(4,349)	127		175,317
Adjustments for transition to IFRS						5,733	5,733
Balance at 1st January, 2005	105,000	73,490	1,049	(4,349)	127	5,733	181,050
Changes in Equity for the Period 1/1-31/12/2005			(7,022)		6,396		(626)
Net Profit for the Period 1/1-31/12/2005			291		8,111		8,402
Dividends					(6,300)		(6,300)
Balance at 31st December, 2005	105,000	73,490	(5,682)	(4,349)	8,334	5,733	182,526

Cash Flow Statement For the period 1/1/-31/12/2005 & 2004

	GR 1/1-31/12/2005	OUP 1/1-31/12/2004	COMPANY 1/1-31/12/2005 1/1-31/12/2004		
Cash flow from Operating Activities	1,1 01,12,2000	1,1 01,12,2004	1,1 01,12,2000	17 1 0 17 12/2004	
Profit Before Taxes	18,016	10,856	8.602	7,233	
Adjustments for:		,	-,	.,	
Depreciation & amortization	12,299	13,200	2,529	3,362	
Deferred tax expense	,	.5,===	_,	-,	
Net profit/(Loss) from investing activities	(846)	(1,711)	(8,232)	(6,932)	
Provisions	801	(4,634)	419	[4,634]	
Foreign exchange differences	26	, , , , ,	42	, , , ,	
Interest and other financial expenses	8,120	11,940	1,355	5,974	
Plus or minus for Working Capital changes:	,	,	,	,	
Decrease/(increase) in Receivables	147	7,340	(80,617)	(51,605)	
Decrease/lincrease) in Inventories	(350)	466	(61)	221	
(Decrease)/increase in Payables (excluding banks)	1,043	(6,048)	226,528	66,947	
Less:	,	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	.,.	,	
Interest and other financial expenses paid	(12,712)	(7,993)	[8,436]	(2,032)	
Taxes paid	(284)	(206)	(222)	(150)	
Total cash inflow/(outflow) from operating activities (a)	26,260	23,210	141,907	18,384	
Cash flow from Investing Activities					
Acquisition of subsidiaries, associated companies,					
joint ventures and other investments					
Purchase of tangible and intangible assets	(1,500)	(872)	(485)	(4,417)	
Proceeds from sale of tangible and intangible assets		16,060		11,885	
Interest received	820	779	389	568	
Dividends received			7,827	6,364	
Total cash inflow/(outflow) from investing activities (b)	(680)	15,967	7,731	14,400	
Cash flow from Financing Activities					
Proceeds from issue of Share Capital					
Proceeds from Borrowings	198,550		(
Payments of Borrowings	(212,404)	(34,360)	(160,279)	(30,610)	
Payments of finance lease liabilities	(331)		(142)		
Dividends paid	(6,300)	(3,807)	(6,300)	(3,807)	
Total cash inflow/(outflow) from financing activities (c)	(20,485)	(38,167)	(166,721)	(34,417)	
Not increased/(degreesed) in each and each aguital ante (-), (b), (-)	5,095	1.010	(17 000)	(1 (22)	
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	44,130	1,010 43,120	(17,083) 25,998	(1,633) 27,631	
Cash and cash equivalents at beginning of period	44,130	43,120	25,778	27,031	
Cash and cash equivalents at end of period	49,225	44,130	8,915	25,998	

The method used for the preparation of the above Cash Flow Statement is the Indirect Method. Cash and cash equivalents ananlysis is presented in paragraph 6.19

The Notes on pages 39 and 61 are an integral part of these Financial Statements.

Notes to the Financial Statements

1. General information

Blue Star Maritime S.A. is a Company which operates exclusively in passenger shipping

The headquarters of the Company are in Athens, C. Karamanli Avenue 157, 16673, Voula, Athens, Greece.

At period end, the Company had 172 employees and the Group 557 employees.

Blue Star Maritime S.A. shares are listed on the Athens Stock Exchange under the code BSTAR.

The corresponding codes under Bloomberg is STRIK.GA and under Reuters is STR.AT.

The total number of common bearer shares outstanding as at 31st December, 2005 was 105,000,000. Each share carries one voting right. The total market capitalization amounted to approximately \in 189 million.

The Financial Statements of Blue Star Maritime S.A. are included in the consolidated financial statements of Attica Holdings S.A. which owns 48.795% of the share capital of Blue Star Maritime S.A.

The financial statements of the Company and the Group for the period ending 31st December, 2005 were approved by the Board of Directors on 20th February, 2006.

Due to rounding there may be minor differences in some amounts.

2. Significant Group accounting policies

The significant Group accounting policies are as follows:

2.1. Basis of preparation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) which have been issued by the International Accounting Standards Board (IASB) and the interpretations which have been issued by the International Financial Reporting Interpretations Committee as adopted by the European Union.

In addition, the Group has prepared the financial statements in compliance with the historical cost principle, the going concern principle, the accrual basis principle, the consistency principle and the materiality principle.

In preparing its financial statements for the period ending 31st December, 2005, the Group complied with the following standards:

- IAS 1 Presentation of Financial Statements
- IAS 2 Inventories
- IAS 7 Cash Flow Statements
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events after the Balance Sheet Date
- IAS 11 Construction Contracts
- IAS 12 Income Taxes
- IAS 14 Segment Reporting
- IAS 16 Property, Plant and Equipment
- IAS 17 Leases
- IAS 18 Revenue
- IAS 19 Employee Benefits
- IAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- IAS 21 The Effects of Changes in Foreign Exchange Rates
- IAS 23 Borrowing Costs
- IAS 24 Related Party Disclosures
- IAS 26 Accounting and Reporting by Retirement Benefit Plans
- IAS 27 Consolidated and Separate Financial Statements
- IAS 28 Investments in Associates
- IAS 29 Financial Reporting in Hyperinflationary Economies
- IAS 31 Interests in Joint Ventures
- IAS 32 Financial Instruments: Disclosure and Presentation
- IAS 33 Earnings per share
- IAS 34 Interim Financial Reporting
- IAS 36 Impairment of Assets
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS 38 Intangible Assets
- IAS 39 Financial instruments: Recognition and measurement
- IAS 40 Investment Property
- IFRS 1 First-time Adoption of International Financial Reporting Standards

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- IFRS 2 Share-based Payment
- IFRS 3 Business Combinations
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The preparation of the financial statements calls for the use of estimates and assumptions which must be in line with the provisions of generally accepted accounting principles. The above estimates are based on the knowledge and the information available to the Management of the Group until the date of approval of the financial statements for the period ending 31st December, 2005.

2.2. Consolidation

2.2.1. Basis of consolidation

The purchase method is used for the consolidation.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus cost directly attributable to the acquisition.

2.2.2. Subsidiaries

Subsidiaries are the entities which are controlled by another Company. Control exists when a Company has the power to govern the financial and operating policies of an entity.

In the Company's financial statements, participation in subsidiaries is presented in the acquisition cost less any impairment loss, if such case arises

2.2.3 Consolidated financial statements

The consolidated financial statements include the Company and its subsidiaries. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that the parent company ceases to control the subsidiary.

Intercompany transactions, balances and gains or losses on transactions between Group companies are eliminated unless the transaction relates to an asset which provides evidence of impairment.

The subsidiaries' accounting policies are consistent with the policies adopted by the Group.

Minority interests are presented separately from the shareholders' equity of the Group.

2.3. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of identifiable assets and liabilities of the acquired subsidiary or associated company, at the time of acquisition. The goodwill is not amortized. The goodwill is subject to an impairment test at the end of each year.

The negative goodwill which, prior to the first application of IFRS, was shown as a deduction from equity, it cannot be recognised as an asset. The Company shall not recognise that goodwill in profit or loss if it disposes of all or part of the business to which that goodwill relates.

2.4. Investments

The investments are classified according to their scope as follows:

a) Long-term investments

These investments are recognised at cost plus any cost directly attributable to the investment and are reported as non-current assets. The company, annually, shall assess whether there is any indication that an investment may be impaired.

If any such indication exists, impairment losses are recognised in the shareholders' equity.

b) Investments available for sale (short-term investments)

These investment are initially recorded at cost plus any cost attributable to the investment. Subsequently, these investments are re-measured at fair value and gains or losses are recorded under shareholders' equity until these are disposed of or considered impaired. When these are disposed of or considered impaired, gains or losses are recognised in the income statement.

2.5. Tangible assets

Tangible assets are stated at acquisition cost less accumulated depreciation and any impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are added in the asset's carrying amount or recognised as a separate asset, only when it is probable that additional future economic benefits, associated with the asset, will flow to the Group.

All other expenses are charged to the income statement as they are considered as repairs and maintenance.

Land is not depreciated.

Depreciation is calculated on a straight line basis over the estimated useful life of each asset.

The estimated useful lives are as follows:

1. Conventional vessels	30 years
2. High-speed vessels (Catamaran)	15 years
3. Buildings	60 years
4. Harbor establishments	10 years
5. Motor Vehicles	5 years
6. Furniture and fixtures	5 years
7. Hardware equipment	3 years

The residual value of the vessels is estimated at 20% of the acquisition cost. For the other fixed assets no residual value is calculated. The residual value and the useful life of fixed assets is reviewed annually.

Costs incurred subsequent to the acquisition of a vessel for the purpose of increasing the future economic benefits from the operation of the vessel or for compliance with new rules and safety regulations, are capitalised separately and are depreciated in 5 years.

Once the sale of a tangible asset is completed, the difference between the selling price and the net book value less any expenditure related to the sale, is recognised as gain or loss in the income statement.

2.6. Intangible assets

a) Trademarks

Trademarks are recognised at cost less accumulated depreciation and any impairment loss.

The cost of trademarks includes expenditure related to the development and registration of the trademarks in Greece and abroad. The useful life of trademarks is 15 years and depreciation is calculated on a straight line basis.

b) Computer software

Computer software programs are recognised at cost less accumulated depreciation and any impairment loss.

The initial cost recognition, in addition to the licenses, includes installation, customizing and development expenses.

Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital expenditure and added to the original cost of the software.

Useful life of computer software is 8 years and depreciation is calculated on a straight line basis.

2.7. Impairment of assets

At each reporting date the assets are assessed as to whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset. The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell the asset and its value in use.

Impairment losses are recognised in the income statement.

2.8. Investments in property

An investment in property is initially recognised at cost. Transaction costs are included in the initial cost. Subsequent expenditure is added to the cost only if it is probable that future economic benefits are expected.

Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and any accumulated impairment losses.

2.9. Inventories

Inventories are stated at the lower value of cost and net realizable value. Net realizable value is the estimated selling price less applicable variable selling expenses. The cost of inventories is determined using the weighted average method.

2.10. Trade receivables

Trade receivables are short-term receivables to be collected in less than 12 months from the date of recognition and are initially recognised at fair value.

Subsequently, if the collection is delayed, trade receivables are measured at amortized cost using the effective interest rate, less any impairment loss.

Impairment loss is established when there is objective evidence that the Group will not be able to collect all the amounts due.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows.

The discounting of the above difference is calculated using the effective interest rate.

The amount of the provision is recognised in the income statement.

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2.11. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits in banks, other short-term highly liquid investments maturing within three months and bank overdrafts.

2.12. Share capital

Share capital consists of common ordinary shares and is included in shareholders' equity.

Costs directly attributable to the issue of new shares are shown in equity as a deduction from the share premium, net of tax.

Costs directly attributable to the issue of new shares for the acquisition of a new entity are recognised in the cost of the acquired entity.

The cost of treasury shares is deducted from equity until the shares are cancelled or disposed of. In this case profit or loss, net from direct costs, is included in shareholders' equity.

2.13. Dividends

Dividends payable are recognised as a liability when these are approved by the Shareholders' General Assembly.

2.14. Revenue

The revenue of the Group is derived from cargo, passengers and vehicles fares, as well as from on board sales. The Group also has income from interest and dividends.

2.14.1. Revenue from fares

Revenue from fares is recognised as follows:

- a) For international routes: when the customer travels.
- b) For domestic routes: when the ticket is issued.

The above difference with regard to the recognition of income between international and domestic markets respectively, is due to the fact that tickets of domestic routes issued in a specific month but concerning the following months are not substantial compared with total income. Besides this, the cost of tracking changes of tickets between the period from the date of issuance to the date of traveling would be very significant compared with the benefit of such information.

2.14.2. Revenue from on board sales

Revenue from sales of goods and services on board is recognised upon delivery of goods or services.

Regarding the services provided by the Group through concessions, revenue is recognised when the invoice is issued for services relating to the period.

All the above revenue is recognised when the collection of the related receivables is reasonably assured.

2 14 3 Interest income

Interest income is recognised on an accrual basis using the effective interest method.

2.14.4. Dividend income

Dividend income is recognised as revenue on the date the dividends are approved from the Shareholders' General Assembly of the entity which declares these.

2.15. Accounting for Government grants and disclosure of Government assistance

2.15.1. Government grants related to assets

Government grants that relate to assets are provided subject to the condition that the entity will purchase or construct long-term assets.

Government grants are recognised when it is certain that:

- a) The entity will comply with the conditions attaching to these.
- b) The grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis, independently from the receipt of them.

2.15.2. Government grants related to income

Government grants related to income are recognised as income over the periods, on a systematic basis, in order to match the relevant costs.

2.16. Segment reporting

A business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services which are subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and which is subject to risks and returns that are different from those of components operating in other economic environments.

The Group operates in sea transportation services for passengers, private vehicles and cargo in several geographical areas. For this reason geographical segmentation is used.

The Group's geographical segments are the following:

- a) Greek Domestic Market
- b) Adriatic Sea

The Group's vessels provide transportation services to passengers, private vehicles and cargo. The Company's sales are highly seasonal. The highest traffic for passengers and vehicles is observed during the months July, August and September while the lowest traffic for passengers and vehicles is observed between November and February. On the other hand, cargo sales are not affected significantly by seasonality.

2.17. Expenses

2.17.1. Borrowing costs

Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds.

Borrowing costs include:

- a) Interest on bank overdrafts and interest on short-term and long-term borrowings.
- b) Amortisation of discounts or premium relating to borrowings.
- c) Amortisation of ancillary costs incurred in connection with the arrangement of borrowings.
- d) Finance charges in respect of finance leases recognised in accordance with IAS 17 "Leases".
- e) Exchange differences arising from foreign currency borrowings to the extent that these are regarded as a cost additional to interest costs.

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2.17.1.1. Recognition of borrowing cost

Borrowing costs are recognised as an expense in the period in which these are incurred unless these are related to the acquisition or construction of a qualifying asset. In this case, these are capitalised.

2.17.1.2. Capitalisation procedures of borrowing costs

The capitalisation of borrowing cost:

- a) Commences when the investment in an asset is taking place and borrowing cost exists.
- b) Is suspended when the investment is suspended for a long period.
- c) Ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are completed.

2.17.2. Employee benefits

2.17.2.1. Short-term benefits

The current obligations of the Group towards its personnel, in cash or in non-monetary items are recognised as expenses as soon as they are incurred unless these relate to services that are included in the cost of an asset.

2.17.2.2. Defined benefit plans

Defined benefit plan is a legal obligation of the Group that defines an amount of pension benefit that an employee will receive on retirement. The defined benefit obligation is calculated annually based on actuarial valuation performed by independent actuaries using the projected unit credit method. Actuarial gains or losses are recognised in the income statement.

2.17.3. Leases

2.17.3.1. Finance leases

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, to the present value of the minimum lease payments.

The depreciation method of leased assets is similar to the method used for the other assets of the Group. Depreciation is calculated in accordance with IAS 16 "Property, plant and equipment" and IAS 38 "Intangible assets". Therefore, paragraphs 2.5. "Tangible assets", 2.6. "Intangible assets" and 2.7. "Impairment of assets" refer.

2.17.3.2. Operating leases

The lease payments for an operating lease are recognised as an expense and charged to the income statement.

2.17.4. Provisions, contingent liabilities and contingent assets

Provisions are recognised when:

- a) The Group has a present obligation, legal or construed, as result of a past event.
- b) It is probable that an outflow of resources embodying economic benefits will be required to settle an obligation.
- c) It is possible that a reliable estimation of the obligation can be made.

Provisions should be reviewed at each balance sheet date.

Contingent liabilities or contingent assets are not recognised in the financial statements and are noted in the notes to the financial statements, provided the possibility of an outflow or inflow of economic benefits is remote.

2.17.5. Allocation of revenue and expenses

2.17.5.1. Allocation of joint revenue and expenses

As reported in paragraph 5.1 the consolidated joint venture and management company of the Group, transfer all revenue and expenses related to specific companies to these shipowning companies. This means that when revenue or expenses are incurred which are not related to specific shipowning companies, these expenses are allocated to the shipowning companies based on percentages arising from historical data.

2.17.5.2. Allocation of expenses on a monthly basis

The Group recognises insurance expenses and annual survey expenses in the income statement on a monthly basis because the above expenses relate to the whole year.

2.18. Current and deferred income taxes

For a better understanding of the manner in which the Group's income is taxed, the profits are classified based on their origin.

2.18.1. Income tax on profit from shipping activities

According to Law 27/1975, article 6, the shipowning companies carrying a Greek flag pay taxes based on the gross tonnage of the vessels, regardless of profits or losses. This tax is in effect an income tax which is readjusted according to the above law.

The payment of the above tax covers all obligations which are related to income tax with regard to shipping activities.

In this case, a permanent difference exists between taxable and accounting results, which will not be taken into consideration for the calculation of deferred taxation.

2.18.2. Income tax on profit from financial revenues

This category includes capital revenue which is recognised as taxable when it is distributed or capitalised.

For the portion of the revenue which will not be distributed, a temporary taxable difference will result and

a deferred tax liability will be recognised until the distribution of these profits.

The following are exempted:

- a) The interest on deposits which is taxable under the general rules of taxation.
- b) The dividends receivable from other companies which are not subject to Taxation and which are not taken into account for the calculation of deferred taxation.

2.18.3. Income tax on profit from non-shipping activities

In that case, the profits are subject to the provisions of the tax law and on occasions of calculation of deferred taxation, they will be estimated in accordance with IAS 12.

2.19. The effect of changes in foreign exchange rates

The functional currency of the Group is Euro.

Transactions in foreign currencies are translated into Euro at the exchange rate applying at the date of the transaction.

At each balance sheet date:

- a) Monetary items are translated using the closing rate.
- b) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

Exchange differences arising in the above cases are recognised in profit or loss in the period in which they are arise.

Exchange differences arising on the settlement of non-monetary items are recognised directly in shareholders' equity.

2.20. Financial instruments

Basic financial instruments of the Group are:

a) Cash, bank deposits, short-term receivables and liabilities.

Given the short-term nature of these instruments, Group Management believe that their fair value is essentially identical to the value at which these are recorded in the accounting books of the Group.

b) Securities

Securities are titles that embody rights on specific financial assets which can be valued in cash.

Securities are initially recognised at cost which is the market price plus expenses related to the transaction.

Securities are held by the Group for trading purposes. This means that these are acquired with the intention of selling for a profit.

Subsequently securities are measured at fair value and any profit or loss is recognised in the income statement.

Fair values of listed securities in active markets are calculated with current prices.

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For non negotiable securities, fair values are defined through various valuation methods such as the analysis of recent comparative transactions, estimation of future cash flows, etc.

c) Bank loans

Management believe that the interest rates of bank loans are almost equal to current market interest rates and therefore, it is not appropriate to adjust the value of these liabilities.

d) Bond Loans

Bond Loans are initially recognised at cost which is the true value including issuance expenses. Subsequently these are recognised at the carrying amount based on the effective interest rate method. Any difference between the amount collected at the issuance date, net of related expenses, and the amount repaid is recognised in the income statement using the effective interest rate method.

2.21. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the period, attributable to ordinary equity shareholders, adjusted for the payment of dividends to preference shares, by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating basic earnings per share for the consolidated financial statements the numerator includes profit or loss attributable to equity shareholders of the parent company and the denominator includes the weighted average number of ordinary shares outstanding during the period.

3. Financial risk management

3.1. Financial risk factors

a) Market risk

The Group operates in the European Monetary Union (Eurozone).

The Group rarely buys foreign currencies in advance or enters into forward contracts.

Provisions for spare parts, other materials or services in foreign currencies outside the Euro-zone are not substantial compared to the total amounts spent for provisions.

b) Credit risk

The Group has established credit control procedures in order to minimize the possibility of credit risk.

The Group estimates that there is no considerable concentration of trade receivables except in the case of "Attica Premium S.A." and "Superfast Dodeka (Hellas) Inc and Co. Joint Venture" which are consolidated together with Blue Star Group at the financial statements of Attica Holdings SA and therefore there is no credit risk.

The Group has defined credit limits and specific credit conditions for all of its customers.

Furthermore, the Group has obtained bank guarantees from major customers, in order to secure its trade receivables.

c) Liquidity risk

The liquidity risk is at a very low level because the Group maintains sufficient cash and also has a high credit rating from banks.

d) Interest rate risk

The borrowings of the Group are linked to floating interest rates.

In order to manage the interest rate risk, the Group has entered an interest rate hedge for the next five years covering the largest part of the long-term borrowings.

3.2. Determination of fair values

The fair value of financial instruments which are negotiable in active markets is calculated by using the closing price published at the balance sheet date.

The asking price is used for financial assets and the bid price is used for financial liabilities.

Nominal value of trade receivables, after related provisions, is approaching their fair value.

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4. Transition to IFRS

4.1. Accounting policies of transition

These financial statements have been prepared on the basis of the International Accounting Standards. The date of transition to IAS is the beginning of business on 1st January, 2004.

You will find more information about the preparation of these financial statements in paragraph 2.1. of these notes.

The adjustments made by the Group in order to apply IFRS are presented in the table that follows:

IFRS ADJUSTMENTS IN NET EQUITY AT THE BEGINNING OF THE PERIOD (1/1/2005 & 1/1/2004 RESPECTIVELY) FOR THE TRANSITION FROM GREEK GAAP TO IFRS

		GROUP
	1/1/05	1/1/04
Net equity as previously reported under Greek GAAP	185,256	181,158
Change in economic useful life of tangible and intangible assets	1,515	1,374
Write-off of long-term depreciation expenses	(925)	(2,027)
Presentation of Bond Loan according to IFRS	(912)	(1,325)
Presentation of sale of tangible assets on credit according to IFRS	170	136
Adjustment of leasing contracts according to IFRS	127	(66)
Derecognition of dividends as a liability until approved by the Annual General Assembly	6,300	3,807
Recognition of provision for staff termination	54	86
Other adjustments	(1,544)	(1,543)
Net equity at the beginning of the period, excluding minority interests, according to IFRS	190,041	181,600

	COMPANY	
	1/1/05	1/1/04
Net equity as previously reported under Greek GAAP	175,318	178,872
Change in economic useful life of tangible and intangible assets	1,287	1,162
Write-off of long-term depreciation expenses	(892)	(1,896)
Presentation of Bond Loan according to IFRS	(912)	(1,325)
Presentation of sale of tangible assets on credit according to IFRS	170	136
Adjustment of leasing contracts according to IFRS	1	
Derecognition of dividends as a liability until approved by the Annual General Assembly	6,300	3,807
Recognition of provision for staff termination	22	39
Other adjustments	(244)	(244)
Net equity at the beginning of the period, excluding minority interests, according to IFRS	181,050	180,551

4.2. Exemptions

4.2.1. Exemption of business combinations

The Group has applied the exemption of business combinations according to IFRS 1.

4.2.2. Employee benefits exemption

The Group has elected to recognise all cumulative actuarial gains and losses as at 1st January, 2004.

4.2.3. Estimates

Estimates under IFRS at 1st January, 2004 are consistent with estimates made for the same date under previous Greek GAAP, unless there is evidence that those estimates were wrong.

4.2.4. Reconciliation between IFRS and Greek GAAP

The following reconciliation provide an overview of the impact of IFRS adjustments as at 1st January, 2004 and 31st December, 2004.

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		GROUP	
	GREEK	IFRS	IFRS
	GAAP	Adjustments	
ASSETS			
Non-current assets			
Tangible assets	366,635	740	367,375
Intangible assets	2,672	(937)	1,735
Investments in subsidiaries-associated companies	9		9
Non-current receivables	62	(405)	62
	369,378	(197)	369,181
Current assets			
Inventories	1,571		1,571
Trade receivables and prepayments	23,905		23,905
Tax receivables	254		254
Receivables from subsidiaries-associated companies			
Other receivables	5,806	136	5,942
Financial assets held for trading	27		27
Cash and cash equivalents	43,120		43,120
Deferred expenses	6,265		6,265
Accrued income	50		50
	80,998	136	81,134
Total assets	450,376	(61)	450,315
EQUITY AND LIABILITIES			
Equity Sham conital	157,500		157,500
Share capital Reserves	21,305	(945)	20,360
	2,358	1,387	3,745
Retained Earnings Total equity	181,163	442	181,605
Minority interests in subsidiaries	(5)	442	(5)
Millority interests in Substitutines	(5)		(5)
Non-current liabilities			
Secured loans	224,126	1,726	225,852
Retirement benefit provisions	431	(86)	345
Other provisions	3,412	238	3,650
	227,969	1,878	229,847
Common tick liking			
Current liabilities Bank loans and overdrafts	3,393		3,393
	· ·		
Current portion of long term liabilities	15,950	(2,020)	15,950
Trade and other payables	16,655	(2,938)	13,717
Payables to subsidiaries-associated companies Tax liabilities	1 0/2		1 0/0
Deferred income	1,843		1,843
	151 3,257	557	151 3,814
Accrued expenses	41,249	(2,381)	38,868
Total equity and liabilities	41,249 450,376	(61)	450,315
iotat equity and tiabitities	430,370	(01)	400,010

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Non-current assets 39,794 267 40,061 1		COMPANY				
ASSETS Non-current assets Inangible assets 39,794 267 40,061 Intangible assets 2,399 (1,000) 1,399 Investments in subsidiaries-associated companies 228,696 228,696 Non-current receivables 49 49 Current assets Inventories 533 533 Irade receivables and prepayments 4,807 4,807 Isar receivables 182 182 Receivables from subsidiaries-associated companies 193,558 193,558 Dither receivables from subsidiaries-associated companies 193,558 193,558 Dither receivables 1,909 136 2,045 Tinancial assets held for trading 27 27 Assh and cash equivalents 27,631 27,631 Deferred expenses 2,505 2,505 Accrued income 50 50 Courrent assets 502,140 (597) 501,543 Intervention of the property of the pr		GREEK	IFRS	IFRS		
Non-current assets 39,794 267 40,061 1		GAAP	Adjustments			
Tangible assets 39,794 267 40,061 Intangible assets 2,399 [1,000] 1,399 Investments in subsidiaries-associated companies 228,696 228,696 Non-current receivables 49 49 Current assets 49 49 Proposition of the control	ASSETS					
ntangible assets 2,399 (1,000) 1,399 nvestments in subsidiaries-associated companies 228,696 228,696 Non-current receivables 49 49 249 Current assets 270,938 (733) 270,205 Current assets 533 533 533 Irade receivables and prepayments 4,807 4,807 4,807 Iax receivables from subsidiaries-associated companies 193,558 193,558 182 Receivables from subsidiaries-associated companies 193,558 193,558 193,558 Other receivables 1,909 136 2,045 Financial assets held for trading 27 27 2ash and cash equivalents 2,505 2,505 Accrued income 50 50 Accrued income 50 50 Accrued income 50 136 231,338 Total assets 502,140 (597) 501,543 EQUITY AND LIABILITIES 4 4 4 4 4 4 4 4						
A	Tangible assets					
Non-current receivables		·	(1,000)	,		
Current assets Page						
Current assets 533 533 niventories 533 533 Trade receivables and prepayments 4,807 4,807 Fax receivables 182 182 Receivables from subsidiaries-associated companies 193,558 193,558 Other receivables 1,909 136 2,045 Financial assets held for trading 27 27 27 Cash and cash equivalents 27,631 27,631 27,631 Deferred expenses 2,505 2,505 2,505 Accrued income 50 50 50 Accrued income 231,202 136 231,338 Total assets 502,140 1597) 501,543 EQUITY AND LIABILITIES Equity 157,500 157,500 Reserves 21,372 1,679 23,051 Retained Earnings 178,872 1,679 180,551 Minority interests in subsidiaries 178,872 1,679 180,551 Mon-current liabilities 178,251 1,225 179,576 <th>Non-current receivables</th> <th></th> <th>(===)</th> <th></th>	Non-current receivables		(===)			
Process of the content of the cont		270,938	(733)	270,205		
Sample	Current accete					
Trade receivables and prepayments 4,807 4,807 Fax receivables from subsidiaries associated companies 182 182 Receivables from subsidiaries associated companies 193,558 193,558 Other receivables 1,909 136 2,045 Financial assets held for trading 27 27 Cash and cash equivalents 27,631 27,631 Deferred expenses 2,505 2,505 Accrued income 50 50 Social assets 502,140 (597) 501,543 EQUITY AND LIABILITIES 50 50 50 Equity 50 50 50 50 Reserves 21,372 1,679 23,051 Retained Earnings 178,872 1,679 180,551 Minority interests in subsidiaries 178,872 1,679 180,551 Non-current liabilities 178 139 138 Other provisions 178 139 138 Other provisions 756 164 920 <t< td=""><td></td><td>522</td><td></td><td>522</td></t<>		522		522		
Tax receivables 182						
Receivables from subsidiaries-associated companies 193,558 193,558 2,045						
1,909 136 2,045						
Property			134	,		
Cash and cash equivalents 27,631 27,631 Deferred expenses 2,505 2,505 Accrued income 50 50 231,202 136 231,338 FOLITY AND LIABILITIES EQUITY AND LIABILITIES Equity 500,743 Reserves 21,372 1,679 23,051 Reserves 21,372 1,679 23,051 Retained Earnings Total equity 178,872 1,679 180,551 Minority interests in subsidiaries Non-current liabilities Secured loans 178,251 1,325 179,576 Retirement benefit provisions 178 [39] 138 Other provisions 756 164 920 Current liabilities		· ·	130			
Deferred expenses 2,505						
Accrued income 50 50 50 50 50 50 50 50 50 50 50 50 50		· ·		,		
231,202 136 231,338 231,338						
Total assets 502,140 (597) 501,543	rice ded income		136			
EQUITY AND LIABILITIES Equity Share capital 157,500 157,500 Reserves 21,372 1,679 23,051 Retained Earnings Total equity 178,872 1,679 180,551 Minority interests in subsidiaries Non-current liabilities Secured loans 178,251 1,325 179,576 Retirement benefit provisions 178 (39) 138 Other provisions 756 164 920 179,185 1,449 180,634 Current liabilities	Total assets					
Equity Share capital 157,500 157,500 Reserves 21,372 1,679 23,051 Retained Earnings Total equity 178,872 1,679 180,551 Minority interests in subsidiaries Non-current liabilities Secured loans 178,251 1,325 179,576 Retirement benefit provisions 178 (39) 138 Other provisions 756 164 920 Current liabilities Current liabilities						
157,500	EQUITY AND LIABILITIES					
Reserves 21,372 1,679 23,051 Retained Earnings Total equity 178,872 1,679 180,551 Minority interests in subsidiaries Non-current liabilities Secured loans 178,251 1,325 179,576 Retirement benefit provisions 178 (39) 138 Other provisions 756 164 920 179,185 1,449 180,634	Equity					
Retained Earnings Total equity 178,872 1,679 180,551 Minority interests in subsidiaries Non-current liabilities Secured loans 178,251 1,325 179,576 Retirement benefit provisions 178 (39) 138 Other provisions 756 164 920 179,185 1,449 180,634 Current liabilities	Share capital	157,500		157,500		
Non-current liabilities 178,872 1,679 180,551 Non-current liabilities 178,251 1,325 179,576 Retirement benefit provisions 178 (39) 138 Other provisions 756 164 920 179,185 1,449 180,634	Reserves	21,372	1,679	23,051		
Minority interests in subsidiaries Non-current liabilities 178,251 1,325 179,576 Secured loans 178 (39) 138 Other provisions 756 164 920 179,185 1,449 180,634 Current liabilities	Retained Earnings					
Non-current liabilities Secured loans 178,251 1,325 179,576 Retirement benefit provisions 178 (39) 138 Other provisions 756 164 920 179,185 1,449 180,634 Current liabilities	Total equity	178,872	1,679	180,551		
Secured loans 178,251 1,325 179,576 Retirement benefit provisions 178 (39) 138 Other provisions 756 164 920 179,185 1,449 180,634 Current liabilities	Minority interests in subsidiaries					
Secured loans 178,251 1,325 179,576 Retirement benefit provisions 178 (39) 138 Other provisions 756 164 920 179,185 1,449 180,634 Current liabilities	Man annual California					
Retirement benefit provisions 178 [39] 138 Other provisions 756 164 920 179,185 1,449 180,634 Current liabilities		170 251	1 225	170 574		
Other provisions 756 164 920 179,185 1,449 180,634 Current liabilities			,			
179,185 1,449 180,634 Current liabilities						
Current liabilities	Other provisions					
		177,100	1,/	100,004		
Bank loans and overdrafts 3 393	Current liabilities					
	Bank loans and overdrafts	3,393		3,393		
	Current portion of long term liabilities			12,200		
	Trade and other payables		(3,805)			
	Payables to subsidiaries-associated companies	118,765				
	Tax liabilities			412		
Accrued expenses 2,184 80 2,264	Accrued expenses	2,184	80	2,264		
144,083 (3,725) 140,358		144,083	(3,725)	140,358		
Total equity and liabilities 502,140 (597) 501,543	Total equity and liabilities	502,140	(597)	501,543		

GROUP				
	GREEK	IFRS	IFRS	
	GAAP	Adjustments		
ASSETS				
Non-current assets				
Tangible assets	343,472	763	344,235	
Intangible assets	1,156	286	1,442	
Investments in subsidiaries-associated companies	9		9	
Non-current receivables	62 344,699	1,049	345,748	
	044,077	1,047	040,740	
Current assets				
Inventories	1,104		1,104	
Trade receivables and prepayments	18,985	(1,010)	17,975	
Tax receivables	152		152	
Receivables from subsidiaries-associated companies	0.740	0.400		
Other receivables	2,748	2,183	4,931	
Financial assets held for trading	27		27	
Cash and cash equivalents	44,130	(EO)	44,130	
Deferred expenses Accrued income	4,424	(52)	4,372	
Acci ded income	71,570	1,121	72,691	
Total assets	416,269	2,170	418,439	
	,,,	,		
EQUITY AND LIABILITIES				
Equity				
Share capital	105,000		105,000	
Reserves	70,947	4,785	75,732	
Retained Earnings	9,309		9,309	
Total equity	185,256	4,785	190,041	
Minority interests in subsidiaries				
Non-current liabilities				
Secured loans	152,625		152,625	
Finance leases		326	326	
Deferred tax liabilities				
Retirement benefit provisions	431	(55)	376	
Other provisions	1,518	(18)	1,500	
	154,574	252	154,827	
Current liabilities				
Bank loans and overdrafts	3,393		3,393	
Current portion of long term liabilities	52,355	2,973	55,328	
Trade and other payables	14,670	(3,875)	10,795	
Payables to subsidiaries-associated companies				
Tax liabilities	1,029	(80)	949	
Accrued expenses	4,992	(1,886)	3,106	
	76,439	(2,868)	73,571	
Total equity and liabilities	416,269	2,170	418,439	

		COMPANY				
	GREEK	IFRS	IFRS			
	GAAP	Adjustments				
ASSETS						
Non-current assets						
Tangible assets	28,699	397	29,096			
Intangible assets	1,053	103	1,156			
Investments in subsidiaries-associated companies	228,747		228,747			
Non-current receivables	49		49			
	258,548	500	259,048			
Current assets						
Inventories	312		312			
Trade receivables and prepayments	3,066	(159)	2,907			
Tax receivables	82	(137)	2,707			
Receivables from subsidiaries-associated companies	248,783		248,783			
Other receivables	1.137	1,285	2,422			
Financial assets held for trading	27	1,200	2,422			
Cash and cash equivalents	25,998		25,998			
Deferred expenses	1,549		1,549			
Accrued income	1,047		1,047			
7 (6) (6) (7)	280,954	1,126	282,080			
Total assets	539,502	1,626	541,128			
EQUITY AND LIABILITIES						
Equity						
Share capital	105,000		105,000			
Reserves	70,190	5,733	75,923			
Retained Earnings	127		127			
Total equity	175,317	5,733	181,050			
Minority interests in subsidiaries						
Non-current liabilities						
Secured loans	110,500		110,500			
Finance leases	110,000	103	103			
Deferred tax liabilities		100	100			
Retirement benefit provisions	178	(22)	156			
Other provisions	1,500	(22)	1,500			
σαιο, μιστισίους	112,178	81	112,259			
Current liabilities						
Bank loans and overdrafts	3,393		3,393			
Current portion of long term liabilities	48,605	2,973	51,578			
Trade and other payables	7,965	(4,851)	3,114			
Payables to subsidiaries-associated companies	187,615		187,615			
Tax liabilities	236		236			
Accrued expenses	4,193	(2,310)	1,883			
	252,007	(4,188)	247,819			
Total equity and liabilities	539,502	1,626	541,128			

4.2.4.6. Company's Income Statement Reconciliation for the period 1/1-31/12/2004

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	COMPANY				
	Greek	IFRS	IFRS		
	GAAP	Adjustments			
Revenue	41,745		41,745		
Cost of sales	(27,002)	(732)	(27,734)		
Gross Profit/(loss)	14,743	(732)	14,011		
Other operating income					
Administrative expenses	(3,420)	(60)	(3,480)		
Distribution expenses	(4,831)	41	(4,791)		
Earnings before taxes, investing and financial results,					
depreciation and amortization	6,492	(752)	5,740		
Depreciation and amortization	(4,490)	1,128	(3,362)		
Earnings before taxes, investing and financial results	2,002	376	2,378		
Dividends from subsidiaries and other entities	6,364		6,364		
Interest & other similar income	568		568		
Interest and other financial expenses	(5,097)	(877)	(5,974)		
Foreign exchange differences					
Financial results	1,835	(877)	958		
Profit/(loss) from vessels' disposal	3,897		3,897		
Profit/(loss) before taxes	7,734	(501)	7,233		
Taxes		(275)	(275)		
Profit/(loss) after taxes	7,734	(776)	6,958		

5. Related Party disclosures

5.1. Intercompany transactions

The company consolidates a joint venture and a company that operates under Law 378/68. These companies create intercompany transactions with shipowning companies.

Blue Star Ferries Joint Venture and the management Company Blue Star Ferries S.A. are responsible, under a contractual agreement with the subsidiaries of Blue Star Group, for the revenue and common expenses of vessels. Blue Star Ferries Joint Venture is responsible for the revenue and expenses of the vessels that operate in domestic routes and Blue Star Ferries S.A. is responsible for the revenue and common expenses of the vessels that operate in international routes. At the end of each month the above mentioned revenue and expenses are transferred to the shipowning companies.

During 2005, Blue Star Maritime S.A. had not performed any intercompany transactions with its subsidiaries that create commercial revenue.

The capital transactions of the Company during 2005 are the following:

The company paid to its parent entity ATTICA HOLDINGS S.A. through EUROBANK S.A. (acting as Agent) the following amounts:
 The amount of € 993,958.33 that refers to the interest payable for the third interest period of the convertible bond loan.
 An additional payment of € 3,585,000 payable at the end of the loan, as well as the amount of € 30 mil. which represents the capital repayment of the convertible bond loan.

- The company paid to ATTICA HOLDINGS S.A. as dividend for the year 2004 the amount of € 3,074,100.

The intercompany balances arising between BLUE STAR MARITIME S.A. and the other Group's entities do not originate from commercial activities.

The intercompany balances at 31/12/05 between BLUE STAR MARITIME S.A. and the Group's companies can be obtained from the following table.

Intercompany Balances of Blue Star Group

intercompany buttinees of blue star or oup								
		THELMO WATERFRONT						
COMPANY		NE S.A.	NAVIGAT		FERRII		SHIPPING LTD.	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
BLUE STAR MARITIME S.A.		68		1	160,131	198,976	11,082	147
THELMO MARINE S.A.					8			
WATERFRONT NAVIGATION CO.								
STRINTZIS LINES SHIPPING LTD.					31,635	21,989		
BLUE STAR FERRIES MARITIME S.A.					179,747	125,277	8	19
BLUE STAR FERRIES S.A.		8					21,989	31,635
BLUE STAR FERRIES JOINT VENTURE					3,031	1,532	690	1,487
BLUE ISLAND SHIPPING INC.					6,023	5,067		488
TOTAL		76		1	380,575	352,841	33,769	33,776
	BLUE	STAR	BLUE STAF	R FERRIES	BLUE STAI	R FERRIES	BLUEI	SLAND
COMPANY	MARIT	IME S.A.	JOINT VE	ENTURE	MARITI	MES.A.	SHIPPII	NG INC.
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
BLUE STAR MARITIME S.A.			150,092	201,951	133	384	10,479	10,039
THELMO MARINE S.A.	68							
WATERFRONT NAVIGATION CO.	1							
STRINTZIS LINES SHIPPING LTD.	147	11,082	1,487	690	19	8	488	
BLUE STAR FERRIES MARITIME S.A.	384	133	320,689	249,428				
BLUE STAR FERRIES S.A.	198,976	160,131	1,532	3,031	125,277	179,747	5,067	6,023
BLUE STAR FERRIES JOINT VENTURE	201,951	150,092			249,428	320,689		
BLUE ISLAND SHIPPING INC.	10,039	10,479						
TOTAL	411.566	331.917	473.800	455.100	374.857	500.828	16.033	16.062

Reconciliation of Intercompany Balances

 Total debit :
 1,690,601

 Total credit :
 1,690,601

 Balance
 0

5.2. Participation of the members of the Board of Directors to the Board of Directors of other companies

- a) Mr Charalambos Paschalis, a non executive member of the Board of Directors, is also the President non executive member of the Board of Directors of Blue Star Ferries Maritime S.A. and a non-executive member of the Board of Directors of Attica Holdings S.A.
- b) Mr Michael Gialouris, member of the Board of Directors, is also a member of the Boards of Directors in subidiaries of Blue Star Maritime S.A. and member of the Boards of Directors of the shipowing companies of Superfast Group and in Attica Premium S.A.
- c) Mr Michael Sakellis, Mr Spiros Paschalis and Mr Anthony Strintzis, members of the Board of Directors are also members of the Boards of Directors of subsidiaries of Blue Star Maritime S.A.
- d) Mr Pericles S. Panagopulos and Mr Alexander P. Panagopulos members of the Board of Directors, participate in the Boards of Directors of all the companies of Superfast Group, in Attica Premium S.A., in Attica Holdings S.A. and in the Boards of Directors of subsidiaries of Blue Star Maritime S.A.
- e) Additionally, Mr Pericles S. Panagopulos and Mr Alexander P. Panagopulos participate in the management of a number of foreign companies, mainly shipping companies, that are represented by Magna Marine Inc., which is established in Greece under Law 378/68.

No other business exists between these companies and Blue Star Maritime SA, except with Odyssey Maritime Inc and Pellucid Trade Inc owners of the buildings on 157 C. Karamanli Avenue and 139 Vasileos Pavlou in Voula, where the headquarters of the Group are located. Rent paid by the Group to the above companies for the period 1/1-31/12/2005 totalled an amount of \odot 98 thousand.

f) Mr Dimitrios Klados and Mr Emmanouil Kalpadakis, non-executive members of the Board of Directors, are also members of the Board of Directors of Attica Holdings S.A.

6. Financial statements analysis

Due to the disposal of 4 old vessels during 2004, the financial data of the years 2005 and 2004 are not comparable.

6.1. Revenue Analysis and Geographical Segments Report

As already stated in paragraph 2.16, the Group has decided to provide information based on the geographical segmentation of its operations.

The consolidated results and other information per segment for the period 1/1 - 31/12/2005 and 2004 are as follows:

GROUP							
	1	/1-31/12/200	2/2005 1/1-31/12/2			2004	
Geographical Segment	Domestic	Adriatic	Total	Domestic	Adriatic	Total	
	Routes	Sea		Routes	Sea		
Revenue from Fares	90,066	30,746	120,812	92,034	24,222	116,256	
On-board Sales	7,190	5,377	12,567	9,032	3,207	12,239	
Total Revenue	97,256	36,123	133,379	101,065	27,429	128,495	
Financial results	(5,092)	(2,234)	(7,326)	(9,477)	(1,684)	(11,161)	
Profit/(Loss) before Taxes Profit/(Loss) after Taxes	17,856 17,537	160 (37)	18,016 17,500	8,022 7,752	2,834 2,765	10,856 10,517	
Vessels' Book Value at 01/01 Improvements / Additions	224,632 714	118,057 383	342,689 1,097	330,767 723	35,075	365,842 723	
Vessels' Disposals				(2,186)	(9,093)	(11,279)	
Depreciation for the Period	(7,374)	(4,272)	(11,646)	(10,393)	(2,204)	(12,597)	
Net Book Value of vessels at 31/12	217,972	114,168	332,140	318,911	23,778	342,689	
Secured loans	115,385	64,415	179,800	136,346	16,279	152,625	

	COMPANY					
		1/1-31/12/200	5		1/1-31/12/200)4
Geographical Segment	Domestic	Adriatic	Total	Domestic	Adriatic	Total
	Routes	Sea		Routes	Sea	
Revenue from Fares	14,385	15,043	29,428	18,872	18,626	37,498
On-board Sales	1,095	2,679	3,774	1,482	2,765	4,247
Total Revenue	15,480	17,722	33,202	20,354	21,391	41,745
Financial results	7,479	(660)	6,819	2,013	(1,055)	958
Profit/(Loss) before Taxes	6,980	1,622	8,602	4,119	3,114	7,233
Profit/(Loss) after Taxes	6,878	1,524	8,402	3,896	3,062	6,958
Vessels' Book Value at 01/01	4,119	23,800	27,919	7,306	31,477	38,783
Improvements / Additions	75	202	277	106		106
Vessels' Disposals				(2,186)	(5,763)	(7,949)
Depreciation for the Period	(708)	(1,362)	(2,070)	(1,107)	(1,914)	(3,021)
Net Book Value of vessels at 31/12	3,486	22,640	26,126	4,119	23,800	27,919
Secured loans				94,221	16,279	110,500

There are no transactions related to income and expenses between segments.

 $The \ vessels' \ values \ represent \ the \ tangible \ assets \ in \ the \ geographical \ segments, \ which \ the \ vessels \ operate \ in.$

Secured loans are the loans obtained by the Group for the acquisition and construction of vessels.

The Revenues that appear in the Group's Consolidated Financial Statements for the period 01/01 - 31/12/2005 belong to the following Business Activity Categories:

Sea & Coastal Transportation	121,227
Restaurants on board	2,852
Bars on board	7,239
Casino on board	1,050
Shops on board	1,011
Total	133,379

6.2. Cost of sales

Below can be obtained the Cost of Sales Analysis as stated in the Income Statement for the fiscal years ended 31/12/2005 and 31/12/2004.

	0	ROUP	COMPANY		
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004	
Crew Expenses	21,498	25,045	6,058	8,870	
Fuel-Lubricants	27,508	22,640	7,732	8,008	
Insurance Premia	2,138	2,524	617	778	
Repairs-Maintenance-Spare Parts	15,058	20,014	5,351	7,070	
Port Expenses	4,906	4,611	1,880	2,039	
On-board Cost of Goods Sold	2,142	1,948	899	969	
Total	73,250	76,782	22,537	27,734	

6.3. Other Operating Income

The item "Other Operating Income", amounting € 666 thousand, refers mainly to subventions received by:

- a) The Ministry of Development for the conversion of a vessel in Greek Shipyards.
- b) The Ministry of Mercantile Marine for employing and training officer cadets.

6.4. Administrative Expenses

	(ROUP	COMPANY		
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004	
Personnel Expenses	3,859	3,623	1,443	1,559	
Rent and related Expenses	796	699	430	257	
Telecommunication Expenses	169	135	83	54	
Stationery	97	177	34	66	
Office Repair-Maintenance Expenses	404	359	122	97	
Third Party Services & Expenses	797	642	531	382	
Other	996	2,012	380	1,065	
Total	7,118	7,647	3,023	3,480	

6.5. Distribution Expenses

	GRO	UP	COMPANY		
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004	
Advertising Expenses	2,288	2,212	547	642	
Sales Promotional Expenses	183	64	66	11	
Sales Commissions	12,357	10,851	2,757	3,655	
Other	1,208	674	595	483	
Total	16,036	13,801	3,965	4,791	

6.6. Depreciation

	GRO)UP	COMPANY		
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004	
Vessels	11,646	12,597	2,070	3,021	
Office	653	603	459	341	
Total	12,299	13,200	2,529	3,362	

6.7. Financial Results

al Dividend Income

The parent company had income from dividends amounting approximately \odot 7,827 thousand, originating from the 100% subsidiary BLUE STAR FERRIES MARITIME S.A.

b) Interest and similar Income

The Group has invested its cash in time deposits with an average interest rate of 1.8%, net of taxes.

c) Interest and Other Financial Expenses

They refer mainly to the interest paid on loans.

The analysis of the financial results is the following:

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	GRO)UP	COMPANY		
	1/1-31/12/2005	1/1-31/12/2004	1/1-31/12/2005	1/1-31/12/2004	
Interest on Long-Term Borrowings	(2,966)	(6,701)	(439)	(952)	
Interest on Bonds	(4,552)	(4,274)	(575)	(4,274)	
Interest on Short-Term Borrowings	(192)	[144]	(185)	(127)	
Other Financial Expenses	(410)	(821)	(156)	(621)	
Interest Income	820	779	389	568	
Dividend Income			7,827	6,364	
Foreign Exchange Differences	(26)		(42)		
Total	(7,326)	(11,161)	6,819	958	

6.8. Income taxes

As already stated in paragraph 2.18, special taxation policies apply on the Group's profits. Consequently, it is believed that the following analysis provides a better understanding of the taxes due.

	GROUP	COMPANY
	1/1-31/12/2005	1/1-31/12/2005
Dividend distribution Tax	233	106
Tax according to Law 27/75	99	19
Provision for unaudited fiscal years	184	75
Total	516	200

The tax rate that applied on the profits for the fiscal year 2005 is 2.95%, while the one for the fiscal year 2004 was 3.23%.

A comparison between the tax rates is not possible, because, as already stated in paragraph 2.18, the income tax is related to the profits that do not stem from the shipping operation.

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The companies of BLUE STAR Group have been audited by the tax authorities until fiscal year 2001, with the exception of BLUE STAR FERRIES MARITIME S.A. that has been audited until fiscal year 1999.

6.9. Tangible assets

The vessels of the Group have been mortgaged as a security of the long-term borrowings for the amount of € 200 mil.

There is no indication of impairment for the below-mentioned tangible assets.

The depreciation analysis can be found in paragraph 6.6.

Consolidated Figures	Vessels	Land	Buildings	Furniture & Other Fixtures	Improvements In Third Party Property	Vehicles	Fixed Assets Under Construction	Total
Initial Cost at 01.01.2005	379,206	274	765	1,686	387		185	382,503
Acquisitions - Additions	1,097			238				1,335
Disposals / Write-offs							(185)	(185)
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added								
to the Income Statement								
Cost at 31.12.2005	380,303	274	765	1,924	387		0	383,653
Accumulated Depreciation at 01.01.2005	36,517		153	1,434	166			38,270
Depreciation for the Period	11,646		26	192	58			11,921
Disposals / Write-offs								
Accumulated Depreciation at 31.12.2005	48,163		179	1,626	224			50,191
Net Book Value at 31.12.2005	332,140	274	586	298	163			333,462
Initial Cost at 01.01.2004	417.781	274	765	1.616	387			420,823
Acquisitions - Additions	723	2/4	700	70	307		185	978
Disposals / Write-offs	(39.298)			70			103	(39,298)
Adjustments-Impairments added to the Net Equity	(07,270)							(07,270)
Adjustments-Impairments added								
to the Income Statement								
Cost at 31.12.2004	379.206	274	765	1.686	387		185	382.503
Accumulated Depreciation at 01.01.2004	51,939		127	1,272	110			53,448
Depreciation for the Period	12,597		26	162	56			12,841
Disposals / Write-offs	(28,019)							(28,019)
Accumulated Depreciation at 31.12.2004	36,517		153	1,434	166			38,270
	· ·							
Net Book Value at 31.12.2004	342,689	274	612	252	221		185	344,233

Company Figures	Vessels	Land	Buildings	Furniture & Other Fixtures	Improvements In Third Party Property	Vehicles	Fixed Assets Under Construction	Total
Initial Cost at 01.01.2005	42,763	274	765	1,092	387			45,281
Acquisitions - Additions	277			189				466
Disposals / Write-offs								
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added								
to the Income Statement								
Cost at 31.12.2005	43,040	274	765	1,281	387			45,747
Accumulated Depreciation at 01.01.2005	14,844		153	1,022	166			16,185
Depreciation for the Period	2,070		26	92	58			2,245
Disposals / Write-offs								
Accumulated Depreciation at 31.12.2005	16,914		179	1,114	224			18,430
Net Book Value at 31.12.2005	26,126	274	586	167	163			27,317
Initial Cost at 01.01.2004	74,557	274	765	1.075	387			77,058
Acquisitions - Additions	106	2/4	700	1,073	307			123
Disposals / Write-offs	(31,900)			17				(31.900)
Adjustments-Impairments added	(01,700)							(01,700)
to the Net Equity								
Adjustments-Impairments added								
to the Income Statement								
Cost at 31.12.2004	42,763	274	765	1,092	387			45,281
Accumulated Depreciation at 01.01.2004	35,774		127	987	110			36,998
Depreciation for the Period	3,021		26	35	56			3,138
Disposals / Write-offs	(23,951)							(23,951)
Accumulated Depreciation at 31.12.2004	14,844		153	1,022	166			16,185
Net Book Value at 31.12.2004	27,919	274	612	70	221			29,096

The below table analyzes the tangible assets held by the Group under finance leases. These assets are included in the above tangible assets table.

Leased Assets	GROUP	COMPANY
Net Book Value 2004	455	105
Additions 01/01-31/12/05	74	74
Depreciation 01/01-31/12/05	(141)	(36)
Net Book Value 31/12/05	388	143

6.10. Intangible assets

There is no indication of impairment for the following intangible assets.

Consolidated Figures Initial Cost at 01.01.2005 Acquisitions - Additions Disposals / Write-offs Adjustments-Impairments added to the Net Equity	Trademarks 141	Software 3,649 850	Total 3,790 850
Adjustments-Impairments added to the Income Statement Cost at 31.12.2005	141	/ /00	/ / / 0
	54	4,499	2,348
Accumulated Depreciation at 01.01.2005	9	2,294 368	378
Depreciation for the Period	7	300	3/6
Disposals / Write-offs	63	2//2	2.72/
Accumulated Depreciation at 31.12.2005		2,662	2,726
Net Book Value at 31.12.2005	78	1,837	1,914
Initial Cost at 01.01.2004 Acquisitions - Additions Disposals / Write-offs	141	3,649	3,790
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement			
Cost at 31.12.2004	141	3,649	3,790
Accumulated Depreciation at 01.01.2004	42	1,947	1,989
Depreciation for the Period	12	347	359
Disposals / Write-offs			
Accumulated Depreciation 31.12.2004	54	2,294	2,348
Net Book Value at 31.12.2004	87	1,355	1,442

Company figures Initial Cost at 01.01.2005 Acquisitions - Additions Disposals / Write-offs Adjustments-Impairments added to the Net Equity	Trademarks 141	Software 2,197 519	Total 2,338 519
Adjustments-Impairments added to the Income Statement Cost at 31.12.2005	1/1	0.71/	2.057
	141	2,716	2,857
Accumulated Depreciation at 01.01.2005	51	1,130	1,181
Depreciation for the Period	9	275	285
Disposals / Write-offs			
Accumulated Depreciation at 31.12.2005	60	1,405	1,466
Net Book Value at 31.12.2005	81	1,311	1,391
Initial Cost at 01.01.2004 Acquisitions - Additions Disposals / Write-offs Adjustments-Impairments added to the Net Equity Adjustments-Impairments added to the Income Statement	141	2,197	2,338
Cost at 31.12.2004	141	2,197	2,338
Accumulated Depreciation at 01.01.2004	42	915	957
Depreciation for the Period	9	215	224
Disposals / Write-offs			
Accumulated Depreciation at 31.12.2004	51	1,130	1,181
Net Book Value at 31.12.2004	90	1,067	1,157

As per the above table, the intangible assets of the Group include:

a) The trademarks, the cost of which include the cost of development and registration both in Greece and abroad.

b) The software, the cost of which include the cost of the booking systems as well as the cost of purchase and development of the Group's integrated Management Information System.

The account also includes a provision of \in 500 thousand for the above-mentioned purchase and development of the Group's integrated Management Information System (SAP).

6.11. Investments in subsidiaries – associated companies

The following table depicts the development of the investment in subsidiaries and associated companies:

	COMPANY	GROUP
Initial Cost at 01.01.2005	228,747	9
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Adjustments-Impairments charged to the Income Statement	(9)	(9)
Value at 31.12.2005	228,738	0
Initial Cost at 01.01.2004 Acquisitions - Additions Disposals/Write-offs Adjustments-Impairments added to Net Equity	228,747	9
Adjustments-Impairments charged to the Income Statement		
Value at 31.12.2004	228,747	9

The following fully owned subsidiaries are being consolidated using the full consolidation method.

Company Name	Cost	Impairment	Net Book Value	Registered in	Participation
DI LIE CTAD EEDDIEC MADITIME CA	000 (0)			ODEFOR	4.000/
BLUE STAR FERRIES MARITIME S.A.	228,684		228,684	GREECE	100%
BLUE STAR FERRIES S.A.	1		1	LIBERIA	100%
STRINTZIS LINES SHIPPING LTD.	50		50	CYPRUS	100%
WATERFRONT NAVIGATION COMPANY	1		1	LIBERIA	100%
THELMO MARINE S.A.	1		1	LIBERIA	100%
BLUE ISLAND SHIPPING INC.	1		1	PANAMA	100%
Total	228,738		228,738		

There is no indication of impairment for the above-mentioned subsidiaries.

Non-current receivables consist of guarantees given against office rent and public companies such as P.P.C. (Public Power Corporation) and H.T.O. (Hellenic Telecommunications Organization).

6.13. Inventories

The "Inventories" account includes the following items:

	31/12	/05	31/12/04		
	GROUP	COMPANY	GROUP	COMPANY	
Food-Beverages-Tobacco	229	66	212	64	
Fuel-Lubricants	788	210	537	165	
Hotel Equipment	437	98	355	83	
Total	1,454	374	1,104	312	

There is no indication of impairment for the above-mentioned inventories.

6.14. Trade receivables and prepayments

	31/12	2/05	31/12/04	
	GROUP	COMPANY	GROUP	COMPANY
Trade Receivables	15,933	2,803	14,588	3,073
Post Dated Cheques	8,848	5	7,052	5
Less: Provisions for Bad Debts	3,769	170	3,823	326
Trade Receivables (net)	21,012	2,638	17,817	2,752
Prepayments to Suppliers - Creditors	1,340		158	155
Total	22,352	2,638	17,975	2,907

The Group recognized a loss for provision of bad debts of approximately € 292 thousand for the period 1/1-31/12/2005. The amount of this provision has been charged to the income statement.

The short-term receivables need not be discounted at the end of the period. The Group has a very wide spectrum of clientele in Greece, as well as abroad, thus the credit risk is fairly dispersed.

6.15. Tax receivables

	31/12/05		31/12/04	
	GROUP	COMPANY	GROUP	COMPANY
Income Tax Prepayment	102	78	113	82
Retained Tax on Interest Income	42		39	
Total	144	78	152	82

6.16. Receivables from subsidiaries – associated companies

The company's receivables from the subsidiaries and associated companies amount approximately \in 332 mil., and they are written-off on consolidated level. These receivables do not represent sales among companies.

6.17. Other receivables

There is no need for other receivable to be discounted at the end of the period since they are short-term receivables.

	31/12/05		31/1:	31/12/04	
	GROUP	COMPANY	GROUP	COMPANY	
Prepayments to Employees	133		171		
Receivables from the Greek State	861		643		
Receivables from Insurance Companies	275	10	585	226	
Masters' General Accounts	16	21	53	41	
Other Receivables	1,698	654	3,479	2,155	
Total	2,983	685	4,931	2,422	

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6.18. Financial assets held for trading

This refers to the Hermes Mutual Fund that at 31/12/05 was valued at \odot 27.4 thousand. This asset was sold in January 2006 at a price of \odot 41.1 thousand. The profit from this disposal amounted approximately \odot 13.7 thousand and will be recorded in the Financial Statements of the 1st quarter of 2006.

6.19. Cash and cash equivalents

This account includes all cash and cash equivalents that the Group can liquidate within three months.

	31/12/05		31/12/04	
	GROUP	COMPANY	GROUP	COMPANY
Cash in hand	29	4	25	4
Cash at banks	7,993	746	2,876	427
Short-term Bank Deposits	41,203	8,165	41,229	25,567
Total	49,225	8,915	44,130	25,998

6.20. Deferred expenses - Accrued income

	31/12/05		31/12/04	
	GROUP	COMPANY	GROUP	COMPANY
Insurance Premia	206	51	841	284
Drydocking Expenses	2,477	941	3,531	1,265
Other	154	33		
Total	2,837	1,025	4,372	1,549

The accrued income relates to interest revenue.

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6.21. Share capital - Reserves

a) Share Capital

The company's Share Capital amounts to € 105,000,000 and is divided in 105,000,000 common bearer shares with a nominal value of € 1 each.

b) Reserves

As per statement of Changes in Equity.

6.22. Secured loans

Long-term secured loans analysis:

	31/12/05		31/12/04	
	GROUP	COMPANY	GROUP COMPA	NY
Bank Loans			152,625 110,5	500
Bond Loans	179,800			
Total	179,800		152,625 110,5	500

During June 2005, the Group has issued a € 200 mil. secured bond loan.

During June 2005, the Group has fully repaid the € 30 mil. convertible bond loan.

There are no overdue liabilities, or liabilities that are about to become due, that cannot be paid.

All loans are denominated in Euro. The bond loan is discounted.

The average weighted interest rate of the bond loan is Euribor plus 1.28%.

The loan payments are as follows:

	31/12/	05
Loans	GROUP	COMPANY
Payments within the next two years	25,000	
Payments from 3 to 5 years	37,500	
Payments beyond 5 years	131,250	

The above table does not include any costs that incurred in connection with the bond loan issue, while it includes the current portion of the long-term debt.

6.23. Finance leases

The average weighted interest rate of the finance leases is Euribor plus 2.35%.

The payments of the Group's finance leases can be found in the following table:

	31	1/12/05
Finance Lease	GROUP	COMPANY
Payments within the next two years	366	282
Payments from 3 to 5 years		

6.24. Deferred tax liabilities

The deferred tax liabilities involve the tax free reserves and other special taxable reserves that will be taxed only when distributed.

	31/12/05	
	GROUP	COMPANY
Tax-free Reserves	19	4
Special taxable Reserves		
Total	19	4

6.25. Retirement benefit provisions

These provisions refer to personnel compensation due to retirement.

As already stated in paragraph 2.17.2 of the present report, the Group has the legal obligation of paying to its employees a compensation at their first date of retirement on a pension.

The above-mentioned obligation is a defined benefit plan according to IAS 19.

The analysis of this liability is as follows:

	31/12/05		31/12/04	4
	GROUP	COMPANY	GROUP	COMPANY
Outstanding Balance at the Beginning of the period	377	156	317	133
Expenses recognised in the Income Statement	61	22	59	23
	438	178	376	156

6.26. Other provisions

There are no legal or arbitration cases pending that could have a significant effect on the financial position of the Group.

The provisions mainly regard the penalty, including the relevant interest, imposed to BLUE STAR MARITIME S.A. by the Competition Authorities of the European Union in 1998.

6.27. Bank loans and overdrafts

The fair value of the short-term borrowings is approximately equal to the book value. During January 2006 the Group has fully repaid the total amount of its short-term bank loan from its own cash & cash equivalents.

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6.28. Trade and other payables

	31/12/05		3	1/12/04
	GROUP	COMPANY	GROUP	COMPANY
Suppliers - Creditors	9,813	2,542	8,889	2,571
Social Security Contributions	119	34	113	33
Greek Seamens' Pension Fund (NAT)	276	37	257	59
Passengers' & Vehicles' Insurance Contribution (NAT)	1,345		551	
Insurance Brokers	158	158	210	207
Wages payable	746	219	33	7
Other	953	191	742	237
Total	13,410	3,181	10,795	3,114

6.29. Payables to subsidiaries - associated companies

The company's payables to subsidiaries and associated companies amount approximately to \bigcirc 412 mil., and they are written-off on consolidated level. These payables do not represent sales among companies.

6.30. Tax liabilities

	31/12/05		3	31/12/04	
	GROUP	COMPANY	GROUP	COMPANY	
Value Added Tax	481	53	236		
Wages Tax	105	46	82	43	
Income Tax	144	115	210	104	
Crew Taxes/Charges	381	49	391	76	
Other	185	6	30	13	
Total	1,296	269	949	236	

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6.31. Accrued expenses

	31/12/05		3	31/12/04	
	GROUP	COMPANY	GROUP	COMPANY	
Interest Expense Provision	84		1,945	1,831	
Provision for Travel Agents' Commissions	584		589		
Tax Provisions for unaudited fiscal year	184	75			
Provisions for Operating Expenses	858	635	572	52	
Total	1,710	710	3,106	1,883	

The Group has the adequate cash and cash equivalents to cover the above-mentioned liabilities.

7. Proposed Dividend Payable

Group's management has decided to propose to the Annual General Meeting of Shareholders the distribution of \bigcirc 7,350,000 or \bigcirc 0.07 per share as dividend for the fiscal year 2005.

8. Events after the Balance Sheet date

There are no post Balance Sheet events that relate to the Group.

Voula, 14th February, 2006

MANAGING DIRECTOR AUTHORISED DIRECTOR

MICHAEL SAKELLIS SPIROS PASCHALIS NIKOLAOS TAPIRIS

FINANCIAL DIRECTOR

IV. Report on intercompany transactions

between the parent company and its subsidiaries, as per law 3016/17.05.2002, article 2, par. 4

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Intercompany transactions

The company consolidates a joint venture and a company that operates under Law 378/68. These companies create intercompany transactions with shipowning companies.

Blue Star Ferries Joint Venture and the management Company Blue Star Ferries SA are responsible, under a contractual agreement with the subsidiaries of Blue Star Group, for the revenue and common expenses of vessels. Blue Star Ferries Joint Venture is responsible for the revenue and expenses of the vessels that operate in domestic routes and Blue Star Ferries SA is responsible for the revenue and common expenses of the vessels that operate in international routes. At the end of each month the above mentioned revenue and expenses are transferred to the shipowning companies.

During 2005, Blue Star Maritime S.A. had not performed any intercompany transactions with its subsidiaries that create commercial revenue.

The capital transactions of the Company during 2005 are the following:

- The company paid to its parent entity ATTICA HOLDINGS S.A. through EUROBANK S.A. (acting as Agent) the following amounts:
 The amount of € 993,958.33 that refers to the interest payable for the third interest period of the convertible bond loan.
 An additional payment of € 3,585,000 payable at the end of the loan, as well as the amount of € 30 mil. which represents the capital repayment of the convertible bond loan.
- The company received the amount of € 7,826,798.50 as dividend of fiscal year 2004 from its 100% subsidiary Blue Star Ferries Maritime S.A.
- The company paid to ATTICA HOLDINGS S.A. as dividend for the year 2004 the amount of € 3,074,100.

The intercompany balances arising between BLUE STAR MARITIME S.A. and the other Group's entities do not originate from commercial activities.

The intercompany balances at 31/12/05 between BLUE STAR MARITIME S.A. and the Group's companies relate to management of shipping companies and do not create any commercial revenue. The above mentioned intercompany balances as at 31/12/05 appear in the Annual Financial Statements for the period 1/1/2005 – 31/12/2005 (Section 5.1., Intercompany Transactions) which have been approved by the Board of Directors on 20th February, 2006.

V. Information as per Article 10 of Law 3401/2005

Documents available to the public by reference to the Company and Athens Exchange websites

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In the course of the period 01/01/2005-28/02/2006, BLUE STAR MARITIME S.A. published as per its legal requirements, the following information which can be found on the company website and/or the website of the Athens Exchange.

1	Conference call with investors on full year 2005 results	http://www.ase.gr/content/en/announcements/companiespress/Press.asp?press_id=1525#23
2	Full Year 2005 results (Part 1) – (Part 2)	http://www.bluestarferries.com/news/ShowNews.asp?Newid=112⟨=EN and
		http://www.bluestarferries.com/news/ShowNews.asp?Newid=111⟨=EN
3	Consolidated and Company Information	http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-
	for the period 01/01/05-31/12/05	Statements/pdf/BS_MARITIME_SA-CONSOLIDATED_2005.pdf
4	Annual Financial Statements	http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-
	for the period 01/01/05-31/12/05	Statements/pdf/BS_MARITIME_SA-ANNUAL_FIN_STAT_2005.pdf
5	Report of the Board of Directors for full year 2005	http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-
	,	Statements/pdf/REPORT_OF_THE_BOD_BSTAR_2005.pdf
6	Financial Calendar 2006	http://www.ase.gr/content/en/announcements/companiespress/Press.asp?press_id=1518#11
7	Nine month 2005 results	http://www.bluestarferries.com/news/ShowNews.asp?Newid=109⟨=EN
8	Consolidated and Company Information	http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-
	for the period 1/1-30/9/05	Statements/pdf/CONSOLIDATED%20&%20COMPANY%20INFO%209MONTHS%202005.pdf
9	Interim Financial Statements	http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-
	for the period 01/01/05-30/9/05	Statements/pdf/BLUE%20STAR%20MARITIME%20SA-9MONTH%202005.pdf
10	First half 2005 results	http://www.bluestarferries.gr/news/ShowNews.asp?Newid=107⟨=
11	Consolidated and Company Information	http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-
	for the period 01/01/05-30/6/05	Statements/pdf/financial%20statements%2006.2005%20EGL%20BSF.pdf
12	Interim Financial Statements for the period 1/1-30/6/05	http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-
		Statements/pdf/BSF%20ENGL%2006.2005.pdf
13	First quarter 2005 results	http://www.bluestarferries.com/news/ShowNews.asp?Newid=103⟨=EN
14	Consolidated and Company Information	http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-
	for the period 01/01/05-31/3/05	Statements/pdf/BSNAE%20EN%2003.pdf
15	Interim Financial Statements	http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-
	for the period 01/01/05-31/3/05	Statements/pdf/BSF%20ENGL%20Q105.pdf
16	Commentary on press articles	http://www.ase.gr/content/gr/announcements/companiespress/Press.asp?press_id=1495#24
17	Payment of dividend for year 2004	http://www.ase.gr/content/gr/announcements/companiespress/Press.asp?press_id=1324#65
18	End of trading of corporate bond	http://www.ase.gr/content/gr/announcements/companiespress/Press.asp?press_id=1325#3
19	Pay back of corporate bond	http://www.ase.gr/content/gr/announcements/companiespress/Press.asp?press_id=1325#3
20	Debt refinancing	http://www.bluestarferries.com/news/ShowNews.asp?Newid=102⟨=EN
21	Decisions of Annual General Shareholders'	http://www.bluestarferries.com/news/ShowNews.asp?Newid=101⟨=EN
	Meeting of 18/5/2005	
22	Annual Report 2004	http://www.bluestarferries.com/ENGLISH/09-the-company/04-news/03-Annual-
		Report/BlueStarAR2004_new.pdf
23	Invitation to Annual General Shareholders'	http://www.bluestarferries.com/news/ShowNews.asp?Newid=114⟨=EN
	Meeting of 18/5/2005	
24	Financial Calendar 2005	http://www.ase.gr/content/gr/announcements/companiespress/
		Press.asp?press_id=1239#123
25	Full Year 2004 results	http://www.bluestarferries.com/news/ShowNews.asp?Newid=100⟨=EN

VI. Consolidated and Company Information for the period from January 1 to December 31, 2005

The following information provide a general overview of the financial position and financial results of BLUE STAR MARITIME S.A. We advise readers, who wish to find a complete set of the annual financial statements issued according to the International Financial Reporting Standars (IFRS) as well as the relevant certified auditor's report, to navigate at the domain www.bluestarferries.com.

(Amounts in thousand €)

BALANCE SHEET

BALANCE SHEET	0	ROUP	(COMPANY
ASSETS	31/12/05	31/12/04	31/12/05	31/12/04
Non-current assets				
Tangible assets	333,462	344,235	27,316	29,096
Intangible assets	1,915	1,442	1,391	1,156
Investments in subsidiaries-associated companies		9	228,738	228,747
Non-current receivables	63	62	50	49
	335,440	345,748	257,495	259,048
Current assets				
Inventories	1,454	1,104	374	312
Trade receivables and prepayments	22,352	17,975	2,638	2,907
Tax receivables	144	152	78	82
Receivables from subsidiaries-associated companies			331,917	248,783
Other receivables	2,983	4,931	685	2,422
Financial assets held for trading	27	27	27	27
Cash and cash equivalents	49,225	44,130	8,915	25,998
Deferred expenses	2,837	4,372	1,025	1,549
Accrued income	65		16	
	79,087	72,691	345,675	282,080
Total assets	414,527	418,439	603,170	541,128
EQUITY AND LIABILITIES				
Equity				
Share capital	105,000	105,000	105,000	105,000
Reserves	69,355	75,732	69,192	75,923
Retained Earnings	26,264	9,309	8,334	127
Total equity	200,619	190,041	182,526	181,050
Minority interests in subsidiaries				
Non-current liabilities				
Secured loans	179,800	152,625		110,500
Finance leases	139	326	139	103
Deferred tax liabilities	19		4	
Retirement benefit provisions	438	376	178	156
Other provisions	2,377	1,500	2,377	1,500
	182,773	154,827	2,698	112,259
Current liabilities				
Bank loans and overdrafts	2,219	3,393	2,219	3,393
Current portion of long term liabilities	12,500	55,328		51,578
Trade and other payables	13,410	10,795	3,181	3,114
Payables to subsidiaries-associated companies			411,567	187,615
Tax liabilities	1,296	949	269	236
Accrued expenses	1,710	3,106	710	1,883
·	31,135	73,571	417,946	247,819
Total equity and liabilities	414,527	418,439	603,170	541,128

COMPANY INFORMATION

Corporate Name: BLUE STAR MARITIME S.A.

Domicile: 157, C. Karamanli Avenue - 16673 Voula , Greece

Date of Incorporation: 10/11/92

Registration Number: 27574/06/B/92/34 (Ministry of Development)

V.A.T. Number: EL094087727

Board of Directors: Ch.Paschalis - Chairman, M.Gialouris - Vice- Chairman, M.Sakellis - Managing Director, S.Paschalis - Authorised Director,

P.Panagopulos - Director, A.Panagopulos - Director, A.Strintzis - Director, D.Klados - Director, E.Kalpadakis - Director.

Fiscal Year ends: 31/12/05

Date of Board of Directors approval of annual financial results: 20/2/06 Certified Public Accountant: Athos Stylianou - SOEL No. 12311 Audit Firm: DRM STYLIANOU S.A. - member firm of RSM International

Type of auditor's opinion: Unqualified

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INCOME STATEMENT

INCOME STATEMENT								
GROUP			COMPANY					
1/10-31/12/05	1/10-31/12/04	1/1-31/12/05	1/1-31/12/04	1/10-31/12/05	1/10-31/12/04	1/1-31/12/05	1/1-31/12/04	
25,100	21,578	133,379	128,495	5,466	5,439	33,202	41,745	
(17,432)	(13,594)	(73,250)	(76,782)	(5,189)	(4,801)	(22,537)	(27,734)	
7,668	7,984	60,129	51,713	277	638	10,665	14,011	
4	124	666	124	3		635		
(2,035)	(1,721)	(7,118)	(7,647)	(672)	(1,092)	(3,023)	(3,480)	
(2,397)	(2,520)	(16,036)	(13,801)	(456)	(670)	(3,965)	(4,791)	
3,240	3,867	37,641	30,389	(848)	(1,124)	4,312	5,740	
(3,074)	(2,948)	(12,299)	(13,200)	(629)	(604)	(2,529)	(3,362)	
166	919	25,342	17,189	(1,477)	(1,728)	1,783	2,378	
					6,364	7,827	6,364	
265	208	820	779	4	150	389	568	
(1,895)	(2,780)	(8,120)	(11,940)	(308)	(1,467)	(1,355)	(5,974)	
		(26)		(1)		(42)		
(1,630)	(2,572)	(7,326)	(11,161)	(305)	5,047	6,819	958	
	3,647		4,828		3,647		3,897	
(1,464)	1,994	18,016	10,856		6,966	8,602	7,233	
(276)	(164)	(516)	(339)	(34)	(67)	(200)	(275)	
(1,740)	1,830	17,500	10,517	(1,816)	6,899	8,402	6,958	
(1,740)	1,830	17,500	10,517	(1,816)	6,899	8,402	6,958	
(0.02)	0.02	0.17	0.10	(0.02)	0.07	0.08	0.07	
						0.07	0.06	
	25,100 (17,432) 7,668 4 (2,035) (2,397) 3,240 (3,074) 166 265 (1,895) (1,630)	1/10-31/12/05 1/10-31/12/04 25,100 21,578 (17,432) (13,594) 7,668 7,984 4 124 (2,035) (1,721) (2,397) (2,520) 3,240 3,867 (3,074) (2,948) 166 919 265 208 (1,895) (2,780) (1,630) (2,572) 3,647 (1,464) 1,994 (276) (164) (1,740) 1,830	1/10-31/12/05 1/10-31/12/04 1/1-31/12/05 25,100 21,578 133,379 (17,432) (13,594) (73,250) 7,668 7,984 60,129 4 124 666 (2,035) (1,721) (7,118) (2,397) (2,520) (16,036) (3,074) (2,948) (12,299) (16,036) (1,895) (2,780) (8,120) (26) (1,630) (2,572) (7,326) (1,640) (1,640) (1,740) 1,830 17,500 (1,740) 1,830 17,500 (1,740) 1,830 17,500 (1,740) 1,830 17,500 (1,740) 1,830 17,500 (1,740) 1,830 17,500 (1,740) 1,830 17,500 (1,740) 1,830 17,500 (1,740) 1,830 17,500 (1,740) 1,830 17,500 (1,740) 1,830 17,500 (1,740) 1,830 17,500 (1,740) 1,830 17,500 (1,740) 1,830 17,500 (1,740)	1/10-31/12/05 1/10-31/12/04 1/1-31/12/05 1/1-31/12/04 25,100 21,578 133,379 128,495 (17,432) (13,594) (73,250) (76,782) 7,668 7,984 60,129 51,713 4 124 666 124 (2,035) (1,721) (7,118) (7,647) (2,397) (2,520) (16,036) (13,801) (13,200) (166 919 25,342 17,189 (13,200) (16,895) (2,780) (8,120) (11,940) (26) (16,30) (2,572) (7,326) (11,161) (3,647 4,828 (12,464) (1,464) (1,994 18,016 (1,630) (2,760) (1,640) (1,740) (1,740) (1,830 17,500 10,517 (1,740) 1,830 17,500 10,517	1/10-31/12/05 1/10-31/12/04 1/1-31/12/05 1/1-31/12/04 1/10-31/12/05 25,100 21,578 133,379 128,495 5,466 (17,432) (13,594) (73,250) (76,782) (5,189) 7,668 7,984 60,129 51,713 277 4 124 666 124 3 (2,035) (1,721) (7,118) (7,647) (672) (2,397) (2,520) (16,036) (13,801) (456) (3,074) (2,948) (12,299) (13,200) (629) (629) (1,895) (2,780) (8,120) (11,940) (308) (2,572) (7,326) (11,161) (305) (1,464) 1,994 18,016 10,856 (1,782) (276) (164) (516) (339) (34) (1,740) 1,830 17,500 10,517 (1,816)	1/10-31/12/05 1/10-31/12/04 1/1-31/12/05 1/1-31/12/04 1/10-31/12/05 1/10-31/12/04 25,100 21,578 133,379 128,495 5,466 5,439 (17,432) (13,594) (73,250) (76,782) (5,189) (4,801) 7,668 7,984 60,129 51,713 277 638 4 124 666 124 3 (2,035) (1,721) (7,118) (7,647) (672) (1,092) (2,397) (2,520) (16,036) (13,801) (456) (670) 3,240 3,867 37,641 30,389 (848) (1,124) (3,074) (2,948) (12,299) (13,200) (629) (604) 166 919 25,342 17,189 (1,477) (1,728) 265 208 820 779 4 150 (1,895) (2,780) (8,120) (11,940) (308) (1,467) (1,630) (2,572) (7,326) (1	1/10-31/12/05 1/10-31/12/04 1/1-31/12/05 1/10-31/12/05 1/10-31/12/04 1/1-31/12/05 1/10-31/12/04 1/1-31/12/05 1/10-31/12/04 1/1-31/12/05 1/10-31/12/04 1/1-31/12/05 1/10-31/12/04 1/1-31/12/05 1/10-31/12/04 1/1-31/12/05 1/10-31/12/04 1/1-31/12/05 1/10-31/12/04 1/1-31/12/05 1/10-31/12/04 1/10-31/12/05 1/10-	

CASH FLOW STATEMENT

GROUP COMPANY 1/1-31/12/2005 1/1-31/12/2004 1/1-31/12/2005 1/1-31/12/2004 Cash flow from Operating Activities Profit Before Taxes 18,016 10,856 8,602 7,233 Adjustments for: Depreciation & amortization 12,299 13,200 2,529 3,362 Deferred tax expense Net profit/(Loss) from investing activities (1.711) (8.232) [6.932] [846] Provisions 801 [4,634] 419 (4,634) Foreign exchange differences 42 26 Interest and other financial expenses 8,120 11,940 1,355 5,974 Plus or minus for Working Capital changes: Decrease/(increase) in Receivables 147 7,340 (80,617) (51,605) Decrease/(increase) in Inventories (350)466 (61) 221 (Decrease)/increase in Payables (excluding banks) 1,043 (6,048) 66,947 226,528 (7,993) Interest and other financial expenses paid [12,712](8,436) (2,032)(206) [222](150) Taxes paid (284)Total cash inflow/(outflow) from operating activities (a) 26,260 23,210 141,907 18,384 Cash flow from Investing Activities Acquisition of subsidiaries, associated companies, joint ventures and other investments (1,500) (485) (872) (4,417) Purchase of tangible and intangible assets Proceeds from sale of tangible and intangible assets 16,060 11,885 Interest received 820 779 389 568 Dividends received 7,827 6,364 Total cash inflow/(outflow) from investing activities (b) (680)15,967 7,731 14,400 Cash flow from Financing Activities Proceeds from issue of Share Capital Proceeds from Borrowings 198,550 (160,279) Payments of Borrowings (212,404) (34,360) (30,610) Payments of finance lease liabilities (331) [142] Dividends paid (6,300)(3.807)(6,300) (3.807)Total cash inflow/(outflow) from financing activities (c) (20,485) (38,167) (166,721) (34,417) Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c) 5,095 1,010 (17,083) (1,633) 44,130 43,120 Cash and cash equivalents at beginning of period 25,998 27,631 Cash and cash equivalents at end of period 49,225 44,130 8,915 25,998

CTATEMENT OF CHANGES IN FOILITY

STATEMENT OF OTTANGES IN EXOTT		GROUP		
	31/12/05	31/12/04	31/12/05	31/12/04
Net Equity Opening Balance (1.1.2005 and 1.1.2004)	190,041	181,600	181,050	180,551
Dividends paid	(6,300)	(3,807)	(6,300)	(3,807)
Net income charged directly to equity	(622)	1,731	(626)	(2,652)
Profit/ (loss) for the period, after taxes	17,500	10,517	8,402	6,958
Net Equity Closing Balance	200,619	190,041	182,526	181,050

IFRS ADJUSTMENTS IN NET EQUITY

	GROUP			COMPANY	
	1/1/05	1/1/04	1/1/05	1/1/04	
Net equity as previously reported under Greek GAAP	185,256	181,158	175,318	178,872	
Change in economic useful life of tangible and intangible assets	1,515	1,374	1,287	1,162	
Write-off of long-term depreciation expenses	(925)	(2,027)	(892)	(1,896)	
Presentation of Bond Loan according to IFRS	(912)	(1,325)	(912)	(1,325)	
Presentation of sale of tangible assets on credit according to IFRS	170	136	170	136	
Adjustment of leasing contracts according to IFRS	127	(66)	1		
Derecognition of dividends as a liability until approved					
by the Annual General Assembly	6,300	3,807	6,300	3,807	67
Recognition of provision for staff termination	54	86	22	39	Annual Report 2005
Other adjustments	(1,544)	(1,543)	(244)	(244)	
Net equity at the beginning of the period,					_
excluding minority interests, according to IFRS	190,041	181,600	181,050	180,551	

Voula, 14th February, 2006

Michael Sakellis Spiros Paschalis Nikolaos Tapiris
Managing Director Authorised Director Financial Director

NOTES:

- 1. In addition to the parent company the following subsidiaries have been fully consolidated in the Financial Statements of 31.12.2005:
 - Registered in Greece: BLUE STAR FERRIES MARITIME S.A. The under common management company BLUE STAR FERRIES JOINT VENTURE.

Registered in Cyprus: STRINTZIS LINES SHIPPING LTD.

Registered in Liberia: BLUE STAR FERRIES S.A. - WATERFRONT NAVIGATION COMPANY - THELMO MARINE S.A.

Registered in Panama: BLUE ISLAND SHIPPING INC.

- 2. The accounting principles are the same as those used on 31.12.2004, except for cases that are referred in the IFRS Adjustments in Net Equity Statement.
- 3. Number of employees is 172 for the parent company and 557 for the group.
- 4. The total revenue of the consolidated financial statements of the Group belongs to the following categories of financial activities:

(Amounts in thousand €)

"Sea and coastal transportation" 121,227
"Restaurants on board" 2,852
"Bars on board" 7,239
"Casino on board" 1,050
"Shops on board" 1,011

- 5. The vessels of the Group have been mortgaged as security of long term borrowings for the amount of Euro 200 million.
- 6. The Group's companies have been audited by tax authorities until fiscal year 2001, except for the subsidiary BLUE STAR FERRIES MARITIME S.A. which has been audited until fiscal year 1999.
- 7. There are no legal or arbitration cases pending which could have a significant effect on the financial position of the Group.
- 8. There are no amounts concerning sales and purchases between the Company and associates. The outstanding balances of receivables and payables of the parent Company from and to its subsidiaries as at 31/12/2005 were € 332 mln. and € 412 mln. respectively.
- 9. Earnings per share were calculated using the weighted average method.
- 10. During June 2005, the Group has issued a € 200 mln secured bond loan.
- 11. During June 2005, the Group has fully repaid the € 30 mln convertible bond loan.
- 12. There are no any overdue liabilities, or liabilities that are about to become due, that cannot be paid.

VII. Financial Statements of the Companies included in the consolidated Annual Financial Statements

The financial statements of the companies consolidated in the annual financial statements of the Company, the corresponding auditors' reports and reports of the board of directors, where applicable, appear on the Company's website www.bluestarferries.com under 'Financial Statements'.

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VIII. Invitation to the Annual General Meeting

INVITATION TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The shareholders of Blue Star Maritime S.A., are invited to the Annual General Meeting of Shareholders on Wednesday 17th May, 2006, at 09.00 hrs at Divani Apollon Palace Hotel, 10 Agiou Nikolaou and Heliou str., Vouliagmeni, Greece.

AGENDA

- 1. Submission and approval of the annual financial accounts, and approval of the Poard of Directors and the Certified Auditors for the year 2005.
- 2. Discharge of the members of the Board of Directors and the Certified Auditors from any responsibility for the year 2005.
- 3. Approval of the distribution of profits for the year 2005.
- 4. Approval of the Directors' fees.
- $5. \ \ Appointment of Certified \ Auditors for the year \ 2006 \ and \ determination \ of their remuneration.$
- 6. Election of a new Board of Directors and appointment of independent non executive members.

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, 14th April, 2006

The Board of Directors

10. Investor Information

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Tickers

Reuters: STR.AT Bloomberg: STRIK GA ATHEX: BSTAR Tenfore: BSTAR.at

Investor Enquiries

BLUE STAR GROUP 157, C. Karamanli Avenue 16673 Voula, Athens Greece

Tel.: +30 210 891 9840 Fax: +30 210 891 9849 e-mail: ir@bluestarferries.com

Internet Site

www.bluestarferries.com

drmstyl@otenet.gr

Certified Auditors

DRM STYLIANOU S.A. A member of RSM International Kifissias Avenue & 84, Ethn. Antistasseos Street 15231 Athens, Greece Tel.: +30 210 674 7819 Fax: +30 210 672 6099

Annual General Meeting

Blue Star Maritime S.A.: 17th May, 2006



The Blue Star Group Annual Report is also available from the company's website www.bluestarferries.com

Requests for printed Annual Reports can be sent to in abluest arferries. com

Financial Calendar

- Wednesday 22nd February, 2006: Release of full year 2005 financial results.
- Thursday 23rd February, 2006: Conference call for analysts and investors for the full year 2005 financial results.
- Wednesday 17th May, 2006: Annual General Meeting of Shareholders.
- Friday 26th May, 2006: Release of first quarter financial results.
- Friday 30th June, 2006: Ex-dividend date.
- Monday 10th July, 2006: Payment of dividend.
- Friday 25th August, 2006: Release of first half financial results.
- Tuesday 21sst November, 2006: Release of nine month financial results.

Blue Star Maritime S.A.

A MEMBER OF THE GROUP

