Blue Star Ferries®

Star performance

Annual Report 2006

Blue Star Ferries · Star performance · Annual Report 2006

Blue Star Ferries®

Star performance

Annual Report 2006

Contents

Blue Star Maritime
operates modern,
car-passenger ferries
providing year-round
transportation services
for passengers, private
vehicles and freight,
in the Greek domestic
market, the Adriatic Sea,
and the North Sea.

	2002	2003	2004	2005	2006
Sailings	5,531	6,797	6,372	4,745	**4,139**
Passengers	2,944,633	3,933,516	3,853,418	3,478,082	**3,351,170**
Freight units	127,866	125,031	129,619	123,079	**143,042**
Private vehicles	444,486	556,016	533,044	422,975	**425,652**

Ships	13	12	11	8	**8***
Average Fleet age	16	15	12	10	**12**
Ports served	25	28	26	21	**24**

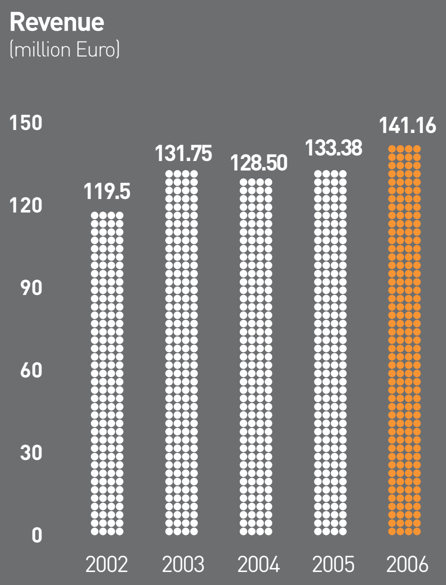
*In the course of 2006, the Group sold 1 vessel and acquired another.

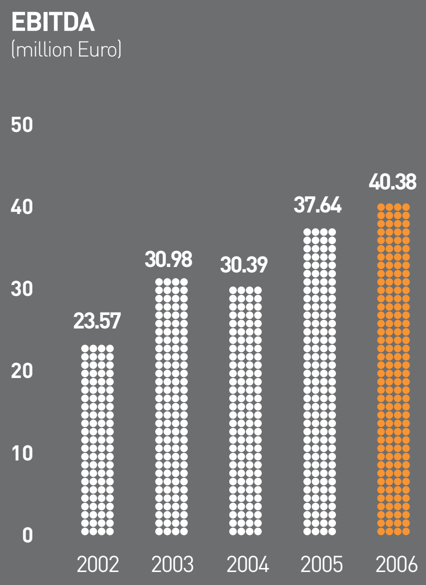
(in million Euro)	2002	2003	2004	2005	2006
Revenue	119.15	131.75	128.50	133.38	**141.16**
EBITDA	23.57	30.98	30.39	37.64	**40.83**
Depreciation	8.52	12.92	13.20	12.30	**13.02**
Net Interest Expense	-10.22	-9.54	-11.16	-7.30	**-7.42**
Net Profit after Tax and Minorities	4.05	4.94	10.52	17.50	**21.76**
EBITDA margin	19.8%	23.5%	23.6%	28.2%	**28.9%**
Net Profit margin	3.4%	3.7%	8.2%	13.1%	**15.4%**
Number of shares	105,000,000	105,000,000	105,000,000	105,000,000	**105,000,000**
EPS (Euro) after Tax and Minorities	0.04	0.05	0.10	0.17	**0.21**
Total Shareholders' Equity and Reserves	253.57	181.16	190.04	200.62	**215.03**
Total Assets	542.60	447.71	418.44	414.53	**422.01**
Net Debt[1]	218.16	200.35	169.42	148.27	**148.02**
Net Debt/Assets	40.2%	44.8%	40.5%	35.8%	**35.1%**
Cash and equivalents	43.49	43.12	44.13	49.23	**42.24**

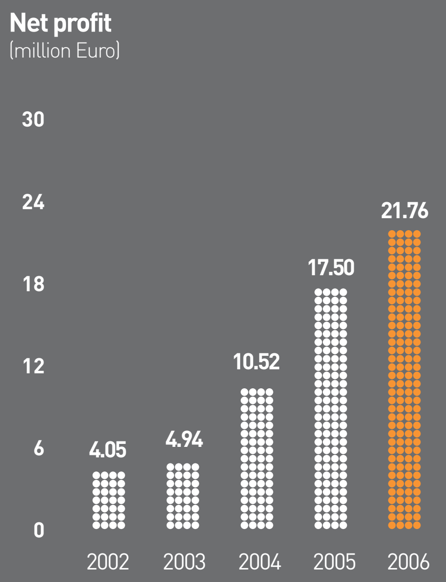
Financial years 2002 and 2003 reported under Greek GAAP.
IFRS reporting thereafter.

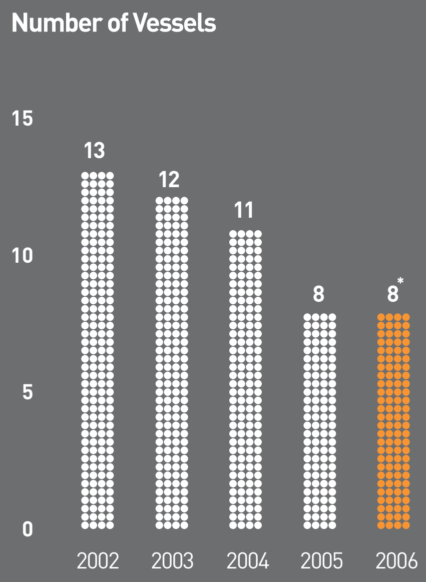
[1] Total long-term liabilities plus bank loans and overdrafts plus current portion of long-term liabilities minus cash and equivalents

1 Blue Star Maritime in figures









*In the course of 2006, the Group sold 1 vessel and acquired another.


Blue Star Ferries
Blue Star Ferries
Blue Star Ferries
Blue Star Ferries

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	900	593 / 179	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	-	- / -
Diagoras**	1990	141.5	21.0	1,170	424 / 238	75	50 / 625
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
**Diagoras acquired in July 2006

Average fleet age 12 years

The Group's Fleet

2

The Greek Islands

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

Cycladic Islands
PIRAEUS to
PAROS-NAXOS-SANTORINI
SYROS-TINOS-MYCONOS
IOS-AMORGOS-IRAKLIA-SCHINOUSSA-KOUFONISSI-DONOUSSA*
RAFINA to
ANDROS-TINOS-MYCONOS
with Blue Star Paros, Blue Star Naxos, Blue Star Ithaki and Superferry II

Dodecanese Islands
PIRAEUS to
PATMOS-LEROS-KOS-RHODES
KALYMNOS-ASTYPALAIA-NISYROS*-TILOS*
with Blue Star 2 and Diagoras

Car-passenger ferry Diagoras joined the Dodecanese routes as of 12th August, 2006.

*As of 2007

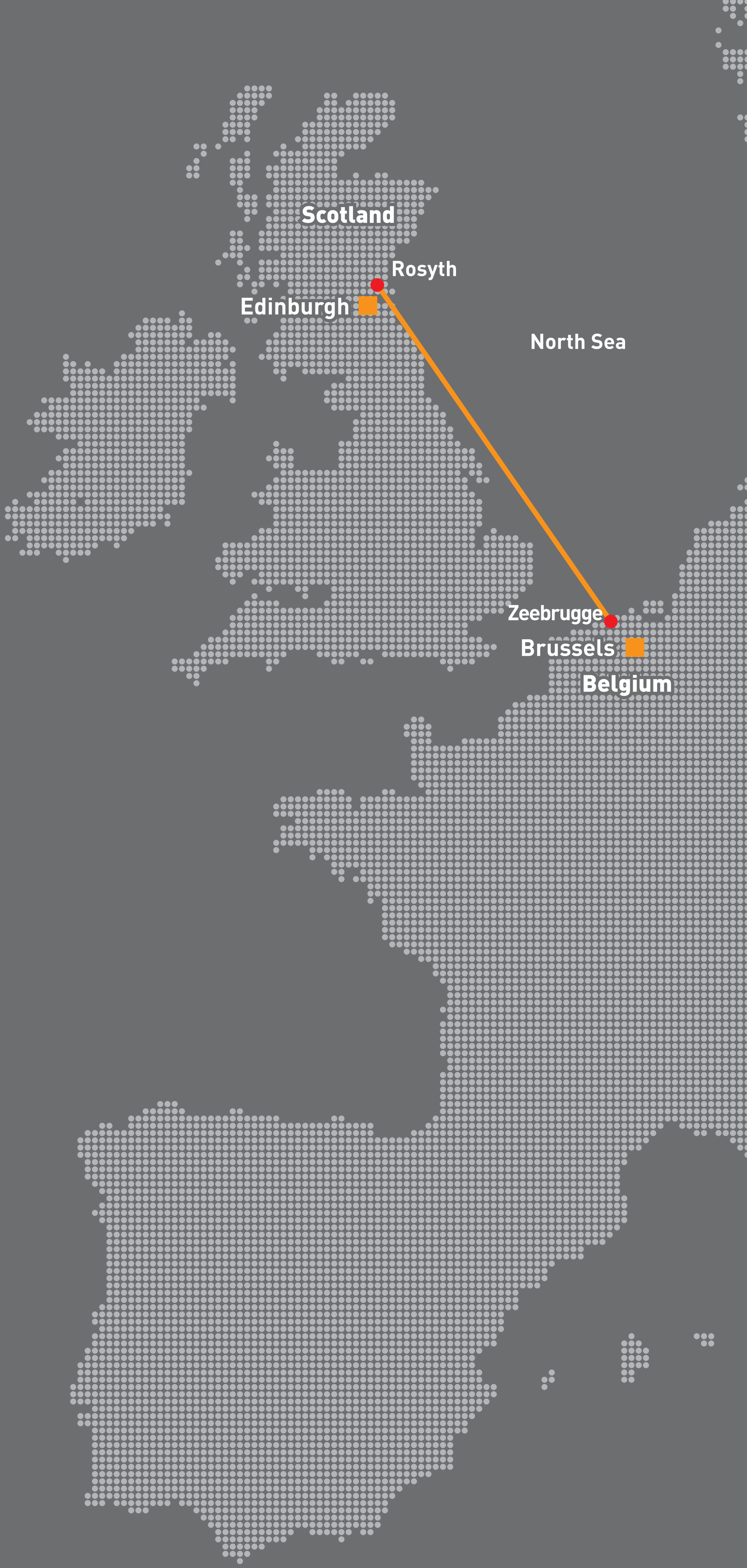
Greece - Italy

The Group operates the following routes in the Adriatic Sea market:
PATRAS-IGOUMENITSA-CORFU-BARI-CORFU-IGOUMENITSA-PATRAS
with Blue Star 1 and Blue Horizon

As of 29th January, 2007, Blue Star 1 was redeployed to the North Sea.

Scotland-Belgium

ROSYTH-ZEEBRUGGE-ROSYTH
with Blue Star 1, as of 29th January, 2007



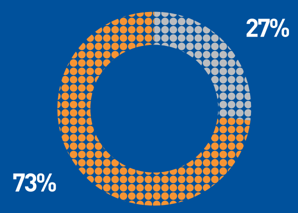
3 Itineraries and Destinations

Athens
Rafina
Piraeus
Andros
Tinos
Syros
Myconos
Patmos
Leros
Paros
Naxos
Kalymnos
Kos
Ios
Amorgos
Nisyros
Astypalaia
Tilos
Santorini
Rhodes
Adriatic Sea
Italy
Rome
Bari
Greece
Corfu
Igoumenitsa
Athens
Patras
Cyclades
Dodecanese

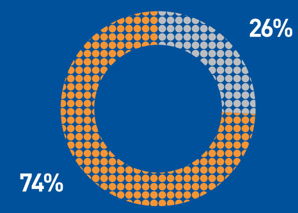

Blue Star Ferries

Market Contribution to Group Revenue

Full Year 2005



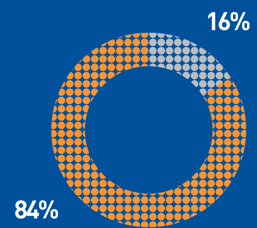
Full Year 2006



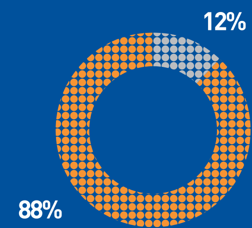
Greece – Italy   Greek Islands

Market contribution to Group EBITDA

Full Year 2005



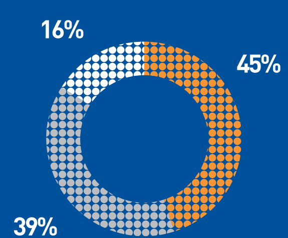
Full Year 2006



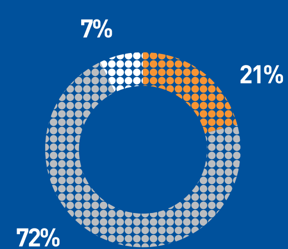
Greece – Italy   Greek Islands

Revenue Breakdown per Traffic Segment

Full Year 2006
Greece – Italy Routes



Full Year 2006
Greek Islands Routes



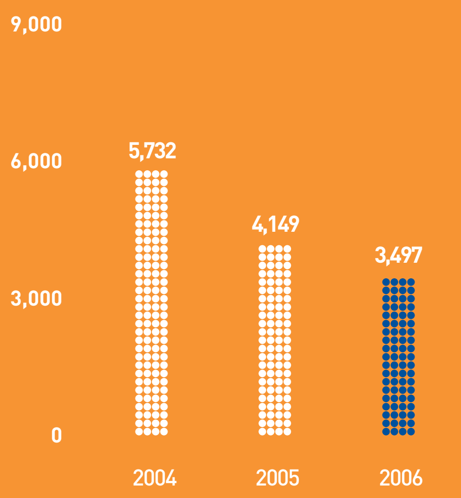
Freight Units   Passengers & Private Vehicles   On board

Review of Operations

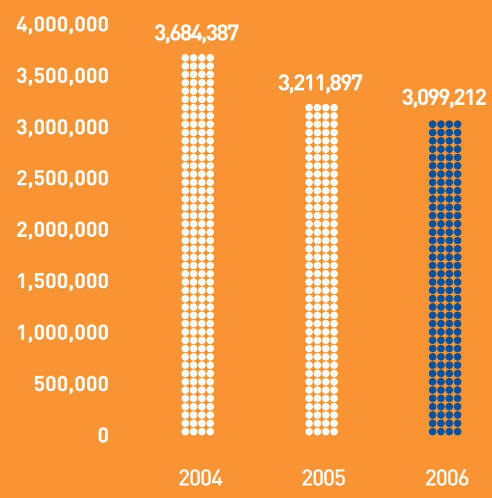
Financial Performance 2006 at a glance

Greek Domestic Market Routes 2004-2006
Blue Star Ferries Carryings

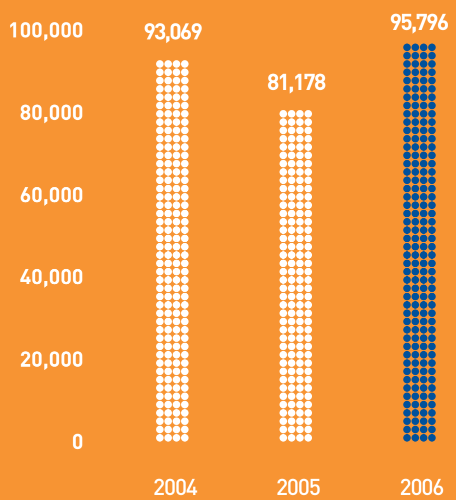
Sailings



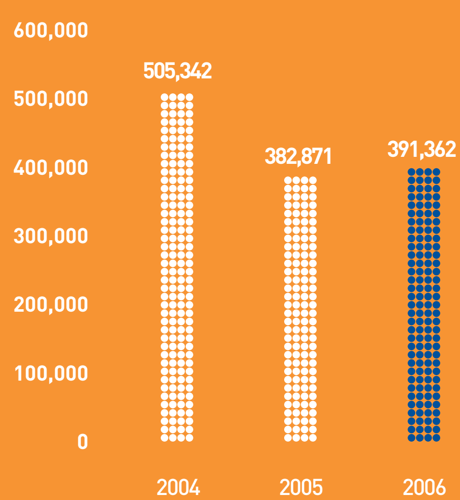
Passengers



Freight Units



Private vehicles



Source: Blue Star Group

Greek Islands

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. Blue Star Ferries operates six ships, 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.

As of May 2006, fares in the Greek domestic market have been liberalized. Until then, the operation of ferry companies active in the Greek Islands' market was stifled by price caps and anachronistic regulations impeding the full and rational exploitation of operators' assets. The liberalization of fares in the majority of the Greek domestic routes, with the exception of certain smaller remote island destinations where special provisions of service apply, in May 2006 represents a step closer towards the harmonisation of the Greek regulatory framework with European Regulation 3577/92 on maritime transport within Member States. As a result of this decision, companies in the sector are now able to apply a flexible pricing policy based on demand and supply aiming at the expansion of their customer base and dynamic yield management throughout the year. There are still many issues to be resolved until a fully liberalized environment of operation is in place such as crew employment on vessels, arrival and departure scheduling, ship's general arrangement plans and other which will allow for further efficiency gains and operational optimization.

Another step closer to the harmonization of the Greek regulatory framework regarding maritime transport with the rules of international shipping was the abolition in July 2006 of the age limit applying to vessels employed in the Greek domestic market on condition that they conform to high safety standards. This means that the economic life of the asset is determined by its quality, technical specifications and maintenance as long as it yields the expected returns and not by a terminal ceiling regardless of other parameters which as a result limited the investment horizon in any given vessel and led to its faster deterioration.

Blue Star Ferries with a young and modern fleet and having a dynamic established presence in the Greek market, is in a prime position to fully capitalize on its advantages under a free market environment. In the course of strengthening its presence in the Greek domestic market, the Group acquired the total assets of DANE Sea Line in July 2006, through an auction, including car-passenger ferry Diagoras. The vessel was deployed on 12th August to the Dodecanese Islands' routes, where our Group now offers daily sailings with two vessels: Blue Star 2 and Diagoras.

2006 was another a year of accolades for Blue Star Ferries. In February 2006, Blue Star Ferries was awarded the recognition of being one of the most important and popular brands in the Greek market, in the "Tourist Services" category of the newly founded Superbrands awards competition. This award constitutes an important recognition for our Group as it demonstrates the preference and trust shown by consumers towards the services that the Group offers.

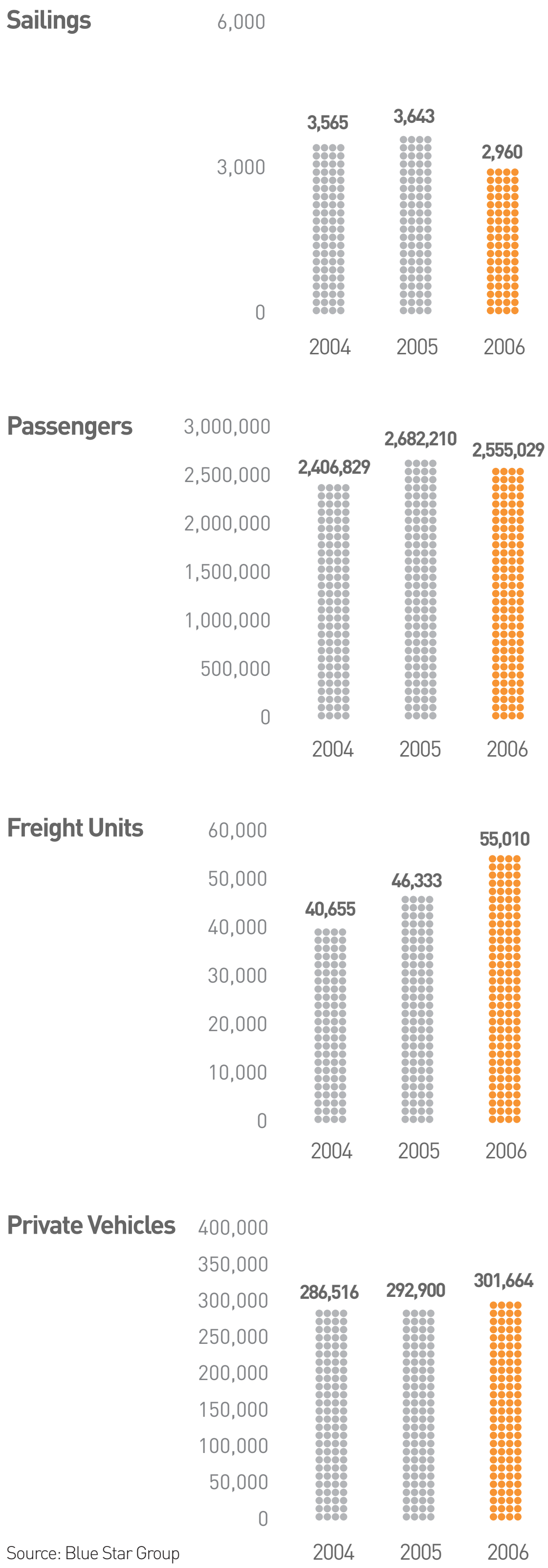
In December 2006, Blue Star Ferries was voted "Passenger Line of the Year" at Lloyd's List Greek Shipping Awards. The award constitutes one more recognition of the responsibility, consistency and reliability that characterize Blue Star Group throughout its lengthy presence in European shipping and Greek society.

In March 2007, Blue Star Ferries was voted "Best Shipping Company for traveling to the Greek Islands" by the readers of Voyager magazine for the second consecutive year. The Company, was specifically awarded top votes by the readers of the magazine across the categories of feeling of safety, cleanliness, quality of service and cabins.

Blue Star Ferries enjoyed a stellar performance in 2006, which was reflected in margins and yields and was the result of strong load factors across all its routes, more robust pricing trends and further cost-containment, a continuation of management's policies of the last few years. In total for the year 2006, Blue Star Ferries carried in the Greek domestic market 3,099,212 passengers, a 3.5% decrease over the previous year, 95,796 freight units, an 18.0% increase over the previous year and 391,362 private vehicles, a 2.2% increase over the previous year. These volumes were carried against 15.7% fewer sailings in 2006 compared to 2005 following the sale of passenger catamaran Seajet 2.

Specifically, the Group's performance in the respective islands' markets in 2006 was:

Cycladic Islands Routes 2004-2006
Blue Star Ferries Carryings



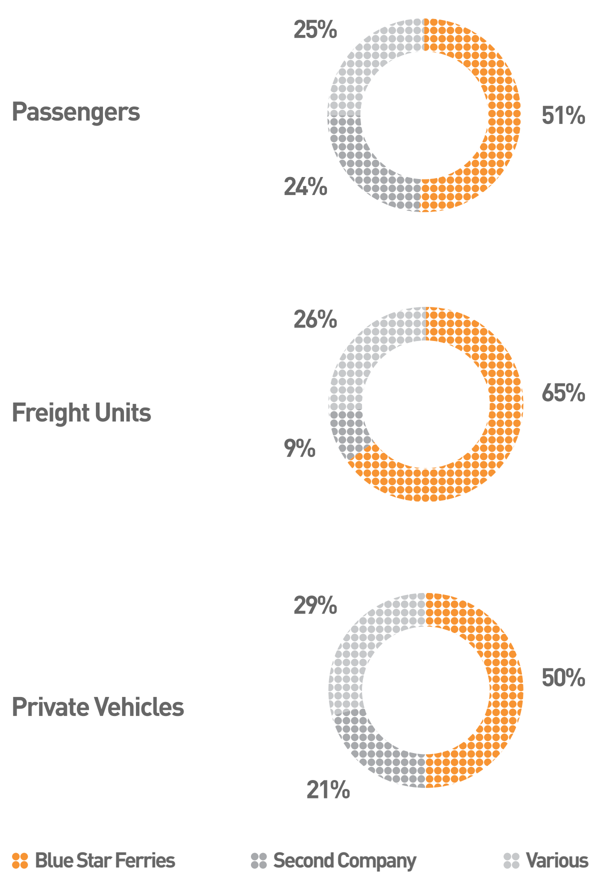
Source: Blue Star Group

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. As of 2007, Blue Star Ferries also calls at the island of Donoussa.

The Group served the Cycladic Islands market in 2006 with four vessels, Blue Star Naxos, Blue Star Paros, Blue Star Ithaki and Superferry II. Passenger catamaran Seajet 2 which also used to be deployed in the Cyclades was sold in March 2006 without having performed any sailings in the year. These four ships 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 16 years.

Specifically, on the Cycladic Islands routes, the Group's fleet carried 2,555,029 passengers, a 4.7% decrease over the previous year, 55,010 freight units, an 18.7% increase over the previous year and 301,664 private vehicles, a 3.0% increase over the previous year. These figures correspond to a 51% share in passenger traffic, 65% in freight unit traffic and 50% in private vehicle traffic, by offering 39% of total sailings in this market, as per market data. The above volumes and market shares were attained against an 18.7% decrease in sailings compared to the previous year due to the sale of passanger catamaran Seajet 2.

Cycladic Islands Market Shares 2006



Source: Market Data

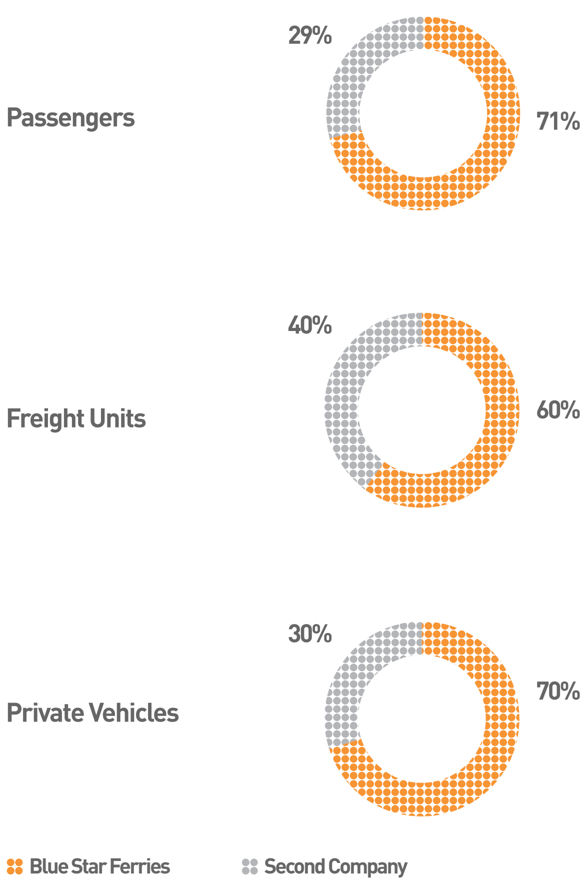
Cycladic Islands

In the Dodecanese Islands complex, Blue Star Ferries serves the islands of Astypalaia, Kalymnos, Patmos, Leros, Kos and Rhodes. As of 2007, Blue Star Ferries also calls at the islands of Nisyros and Tilos.

The Group increased its presence in this market in the course of 2006. Active in this market since 2002 with one vessel, Blue Star 2, the Group acquired in July 2006 an additional vessel, previously also employed in this market, car-passenger ferry Diagoras. Following the necessary maintenance and repair works, the ship was deployed on 12th August to the Dodecanese Islands' routes where our Group now offers daily sailings with vessels Blue Star 2 and Diagoras year-round, against two ships of one competitor. The full year operation of Diagoras in 2007 is expected to further enhance the Group's positioning in this market.

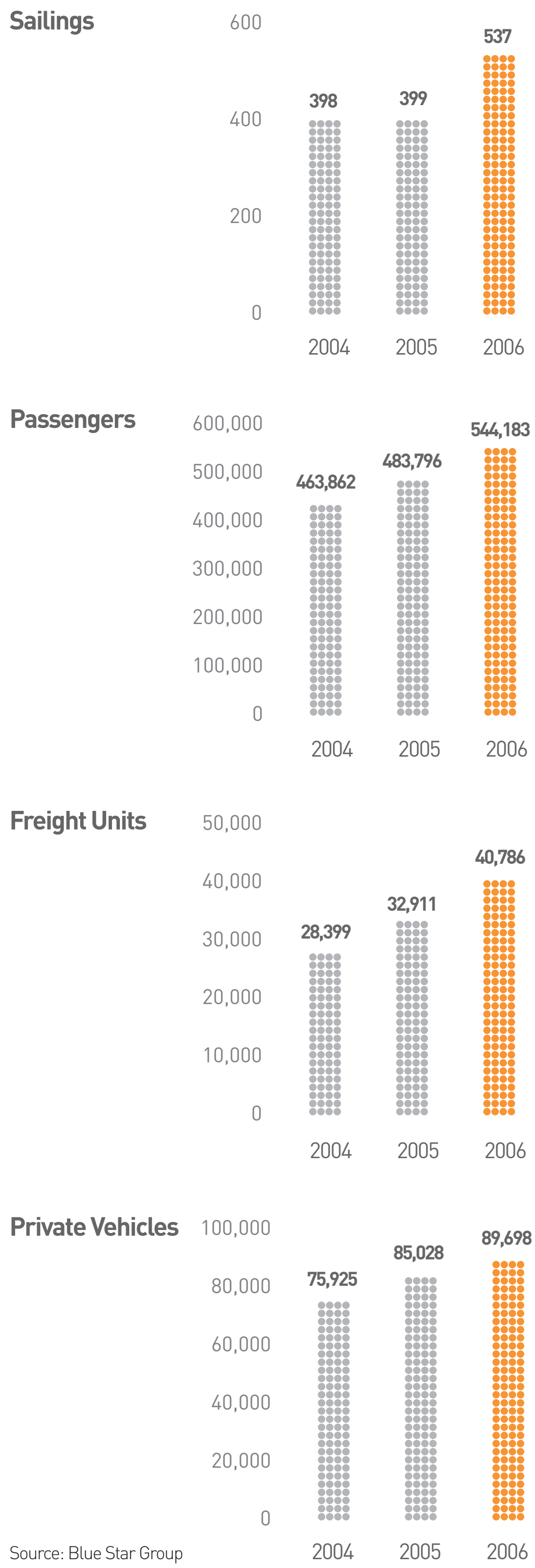
In total for 2006, Blue Star 2 and Diagoras, carried on the Dodecanese Islands routes 544,183 passengers, a 12.5% increase over the previous year, 40,786 freight units, a 23.9% increase over the previous year and 89,698 private vehicles, a 5.5% increase over the previous year. These figures correspond to a 71% share in passenger traffic, 62% in freight unit traffic and 70% in private vehicle traffic, by offering 49% of total sailings in this market, as per market data. Total sailings on the route increased by 34.6% compared to the previous year, following the deployment of Diagoras as of 12th August, 2006.

Dodecanese Islands Market Shares 2006



Source: Market Data

Dodecanese Islands Routes 2004-2006 Blue Star Ferries Carryings



Source: Blue Star Group

Dodecanese Islands


Blue Star Ferries®

In the course of 2006, 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 21.8% and 32.6% of passenger and freight unit traffic respectively and third in the private vehicle traffic segment, serving 12.7% of total private vehicle traffic between Greece and Italy.

On the Bari route, the Group, captured a 53.5% share of passenger traffic, 35.6% of freight unit traffic and 50.4% of private vehicle traffic among three operators serving the route. Overall, 2006 witnessed a shift of freight traffic from other Italian ports to Bari where a new operator entered in August 2005, with two large, yet older, vessels.

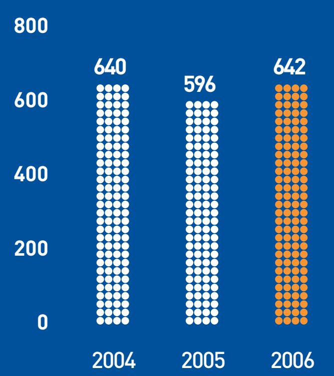
Market shares as above, are derived from the Greek port authorities of Patras and Igoumenitsa statistical data.

In total for the year 2006, Blue Star Ferries carried in the Adriatic, 251,958 passengers, 47,246 freight units and 34,290 private vehicles. These volumes correspond to an 11.0% market share in passenger traffic, 10.6% in freight unit traffic and 6.0% in private vehicle traffic on the total traffic between Greece and Italy in the Adriatic Sea.

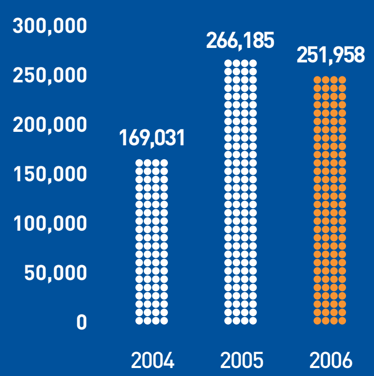
As of end January 2007, Blue Star 1 which served on the Bari route together with Blue Horizon, has been redeployed to the Scotland-Belgium route in the North Sea following the sale of Superfast X of parent Attica Group which operated the route until then. Blue Star Ferries therefore maintains its presence in the Adriatic Sea only with Blue Horizon.

Greece - Italy Routes Total Traffic 2004-2006
Blue Star Ferries Carryings

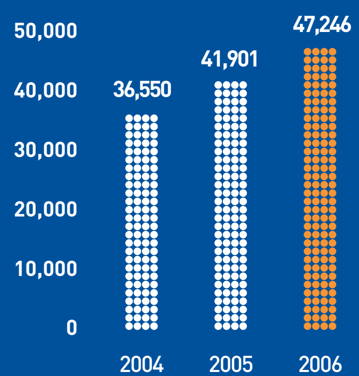
Sailings



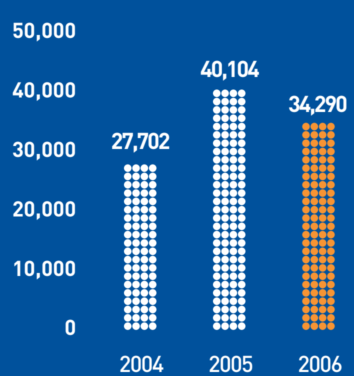
Passengers



Freight Units



Private vehicles



Source: Blue Star Group

Premium Alliance®

SUPERFAST®

Blue Star Ferries®

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Sales Network

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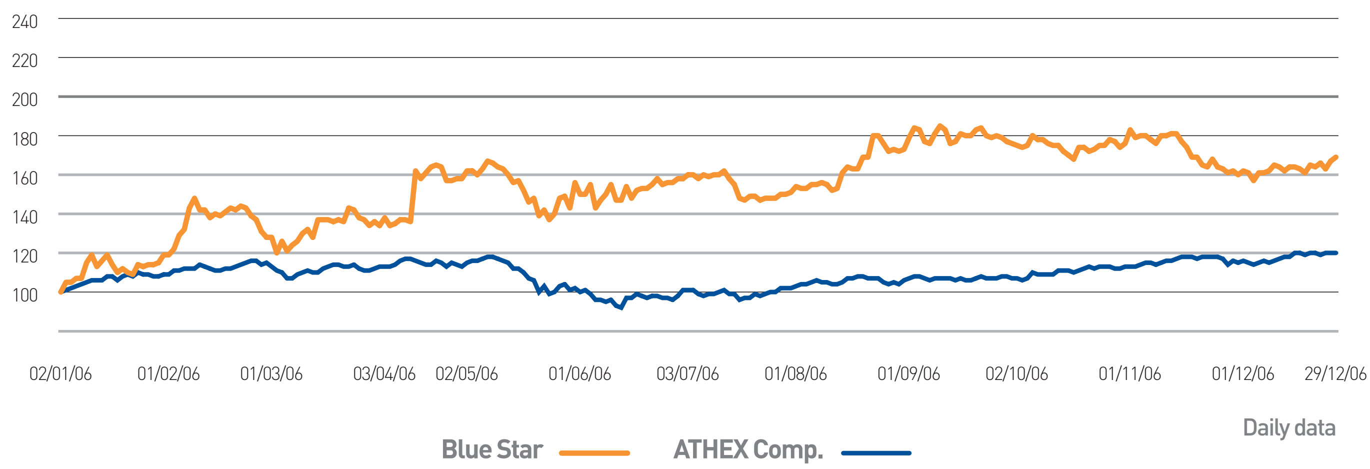
Blue S



Month 2006	Blue Star share closing price (Euro)	Volume of total transactions of Blue Star shares	Value of total transactions of Blue Star shares (Euro)	ATHEX Composite Index closing (units)	FTSE ATHEX Mid-40 Index
January	2.18	10,216,072	21,002,177	3,977.84	3,915.41
February	2.35	10,059,055	24,805,699	4,202.85	4,258.32
March	2.45	6,170,435	15,139,473	4,122.34	4,293.92
April	2.89	8,121,007	23,449,473	4,139.96	4,536.71
May	2.86	4,547,779	12,985,034	3,753.21	4,138.03
June	2.89	2,586,478	7,203,492	3,693.75	4,081.26
July	2.77	1,640,872	4,701,561	3,747.98	4,037.34
August	3.16	2,847,076	8,754,860	3,868.62	4,186.99
September	3.22	3,392,659	11,185,239	3,931.05	4,356.75
October	3.22	3,004,981	9,579,099	4,128.60	4,731.83
November	2.92	3,681,388	11,638,345	4,220.50	4,909.56
December	3.10	2,293,663	6,834,516	4,394.13	5,245.31

	2002	2003	2004	2005	2006*
Blue Star divdend payout (in Euro million)	3.15	3.81	6.30	7.35	9.45
Dividend / Share (Euro)	0.030	0.036	0.060	0.070	0.090
On Group Net Profit after Tax and Minorities	78%	77%	60%	42%	43%

*Proposed dividend payout

Share Price Performance

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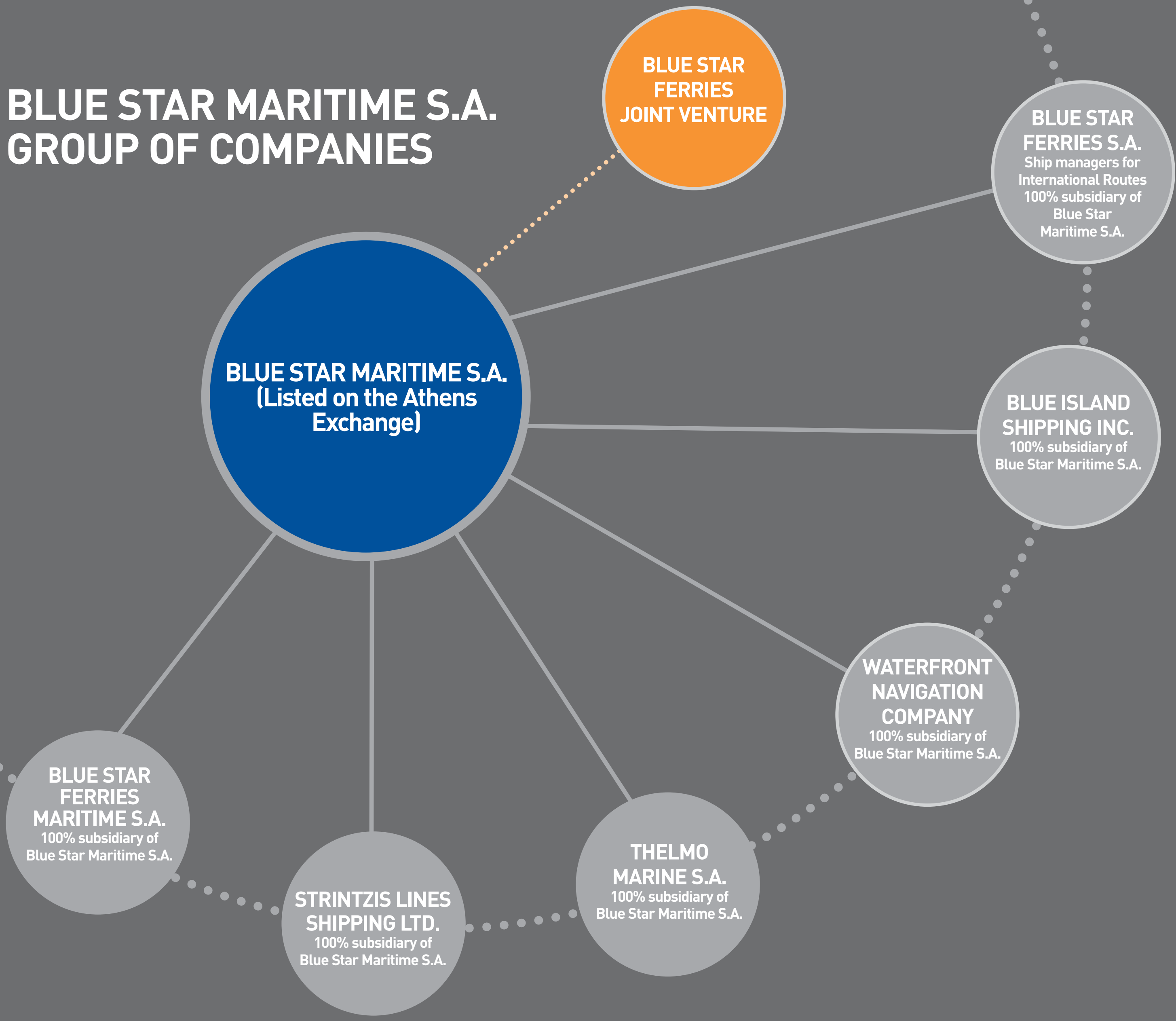
BLUE STAR MARITIME S.A. GROUP OF COMPANIES



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. Blue Star's shares trade in the Large Capitalisation Trading Category and particpate in the ATHEX Composite Share Price Index, the FTSE / ATHEX MID 40 Index and the FTSE / ATHEX International Index. The headquarters of the Blue Star Group are in Voula, Athens, Greece.

Blue Star Group is a 48.8% subsidiary of also Athens-listed Attica Group (Attica Holdings S.A.).

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

7 Corporate Structure and Governance

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 capacity of executive and non-executive members is determined by the Board of Directors. The independent members are appointed by the General Meeting of Shareholders. The remuneration and any applicable compensation of the non-executive members are determined as per common law 2190/1920 and are proportionate to their attendance of the board meetings and the fulfillment of their duties as per law 3016/2002.

The composition of the company's Board of Directors 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

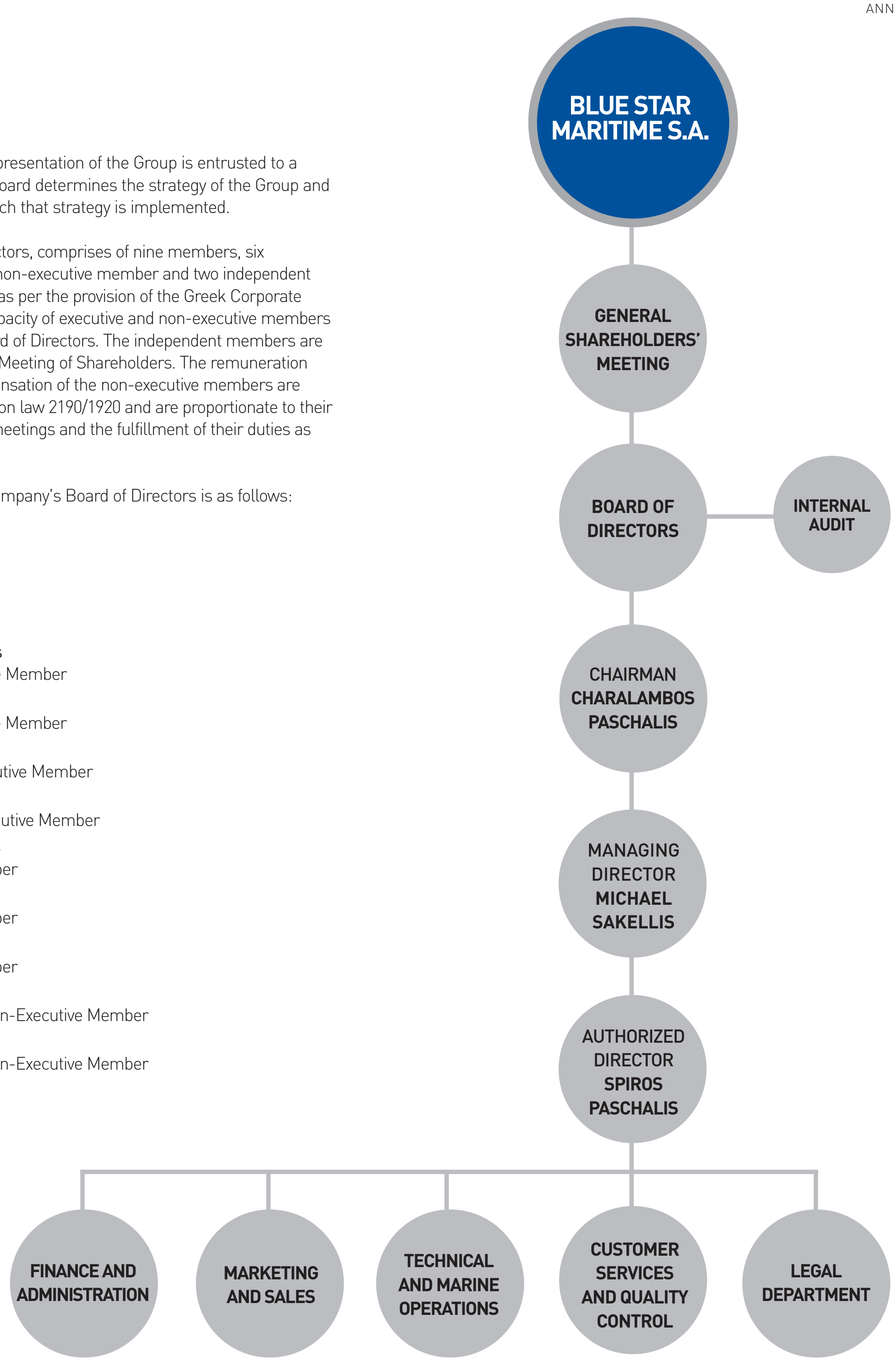
Alexander P. Panagopulos
Director / Executive Member

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



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, any two of them acting jointly.

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

The Board of Directors

Blue Star Ferries assigns particular importance to environmental matters and is committed to the protection of the environment identifying the manner in which the natural environment may be affected by the vessels' operation.

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 data 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 Ferries is committed to continuously ensuring the highest standards of operation of the Group's vessels which will guarantee high quality services for our passengers, at all times.

Certification under ISO 9001:2000 constitutes recognition of the high level of services offered by our Group. Blue Star Ferries S.A. and the fleet of the Blue Star Group certified as per ISO 9001:2000 Quality Management System. Auditing and certification was carried out by ABS Quality Evaluations, a highly respectable organisation and member of the international American Bureau of Shipping Group.

As regards food safety, Blue Star 2 is certified as per HACCP. In the course of 2007, vessels Blue Star Paros, Blue Star Naxos, Blue Star Ithaki, Blue Horizon and Diagoras are also due to receive certification as per HACCP.

The Group places great emphasis on the proper maintenance of vessels, the punctuality of sailings and aims at the best possible service for passengers by setting ever-higher levels of quality.

Environmental Policy

Blue Star Ferries assigns particular importance to environmental matters and is committed to the protection of the environment identifying the manner in which the natural environment may be affected by the vessels' operation.

The Group reviews annually all environmental matters and seeks to minimize any effect on the environment. The most important of these relate to emissions, discharge at sea, waste management, soil contamination, use of natural resources and the environmental concerns of local communities.

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 its trouble-free operational performance and by carrying out its proper maintenance and service, in a timely fashion.
- To encourage our employees, ashore and onboard, towards environmentally-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 mostly 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; a practice that was introduced much earlier 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 designated staff 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.

In the course of 2006, the company and its vessels were certified as per the new Environmental Management System standard ISO 14001:2004.

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.

In response to the increasing importance of corporate awareness of society's needs, the Blue Star Group promotes activities and applies policies, which meet such demands, over and above its basic principles of commercial operation.

Corporate Social Responsibility

In the course of 2006, 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, following policies and strategies, which add value to and respect local social conditions.

The Environment

The protection of the environment is a priority in today's society and a major challenge for our Group. In the course of 2006, the Group undertook a series of activities such as:

- **Protection of the sea turtle**
  The Group produced a t-shirt depicting the sea turtle and the slogan "Save Our Seas" which is sold in the vessels' onboard stores. The proceeds from the sale of the t-shirt go towards 'Archaelon', the society for the protection of the sea turtle.

- **AFIS - Battery Recycling Programme**
  The Group in cooperation with the non-profit organisation AFIS runs a battery-recycling programme at the Group's offices.

  All types of batteries of up to 1,500 grams, whether single-use or rechargeable and regardless of the device in which they have been used, such as mobile phones, video cameras or personal computers, are collected in three special recycle bins located in the Group's offices.

- **Used cartridges Recycling Programme**
  The Group runs a used cartridges recycling programme combining the rational use of resources and waste limitation with social contribution, as the money collected from the used cartridges given for recycling is donated annually to various charities and institutions.

Society

- **Blood dialysis equipment**
  The Group, in response to the needs of approximately 200 patients in the Cycladic Islands which have to travel two or three times a week to the island of Syros where the only blood dialysis machine existed, donated the necessary blood dialysis equipment to the Medical Centre of Naxos to serve the needs of Naxos and other Cycladic Islands.

- **Personal Computers to the Schools of the Small Cyclades**
  The Group donated to the schools on the islands of the so-called Small Cyclades complex, Schinoussa, Iraklia and Koufonissi, complete personal computer systems together with the necessary software in order to enhance the students' education and entertainment on these small islands.

- **Television Fundraising for the Children Rally**
  The Group donated an amount to the Television Fundraising for Children Rally 'Be a Child with Me' which will be used by the relevant institutions on child welfare.

Culture

The Group is particularly responsive to requests for fundraising and sponsorship of various cultural and social activities organised on the islands which it serves.

To this end, the Group has supported the activities of many cultural groups in the Cyclades and the Dodecanese thereby supporting local tradition and the cultural specificities of every island. The Group has supported a wide array of events either through the free provision of tickets or by covering 50% of transportation costs to local festivals such as the Patmos Religious Music Festival, The Amorgos Music Festival, the Kalymnos Municipality Festival, the Myconos Festival, the Tinos Festival, Korthia 2006 taking place in Andros and many others. The Group granted reduced or free transportation to local folk music and dance groups participating in festivals taking place across Greece with the aim of promoting their local cultural heritage. The Group also supported the South Aegean Theatre, the Naxos Venetian Museum, the Cultural Centre of the Municipality of Ermoupolis and the Peratinos Sculpture Museum.

Sports

The Group was once again very active in supporting the efforts and activities of local athletic groups.

The Group offered financial support to the Kolossos Basket Ball Team of Rhodes, free transportation for the women's soccer team of Filinos, the athletic club of Kos and covered 50% of the transportation costs of the sailings clubs of Paros, Syros, Andros, for the annual international diving festival of the Municipality of Kalymnos, the speedboat club of Rhodes, the 'Vicelas Cup' water polo tournament of the Municipality of Ermoupolis, 'Xanthos the Patmian' Patmos Athletic Club and many others.

Other Activities

The municipalities and administrative services of the islands handle all matters of their local communities and aid the continuation of local traditions as well as address new needs of their communities as these may develop. The Group has supported many local authorities through sponsoring the production of special publications and events and conferences aimed at informing and educating local communities.

Blue Star Ferries follows a low-profile policy of supporting a variety of charities, non-profit organisations, institutions of the medical community such as the Greek Red Cross, the Hypocrates Medical Centre, Médecins du Monde, as well as the voluntary activities of 'Hermes', volunteers against cancer, 'Thesseus of Cyclades' the Centre for Prevention of use of Addictive Substances and many others.

Lastly, 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 has scheduled a list of activities for 2007 in keeping with its aforementioned commitments and the further support of local communities and the needs of students.

8


Blue Star 1
Blue Star

Financial Statements 9

I. REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS OF BLUE STAR MARITIME S.A. FOR THE FISCAL YEAR 2006

Dear Shareholders,

2006 was an important year for our Group, vindicating Management's choices for the strengthening of the Group's presence in the Greek domestic market with the deployment of modern high-quality car-passenger ferries with an emphasis on quality and all-inclusive provision of services. As a result, the revenue of the vessels employed on these routes improved and operating profit as well as profit after taxes, reached historic highs despite the considerable increase in the price of fuel oil in the course of 2006.

Specifically, our Group, in the process of reorganising its fleet, acquired in the summer of 2006 car-passenger ferry Diagoras thereby considerably enhancing its presence in the lucrative Dodecanese Islands' route where it now offers daily return sailings from Piraeus to the Dodecanese Islands. The Group also sold passenger catamaran Seajet 2 in line with its policy of focusing on the operation of high-quality car-passenger ferries. Lastly, as of 29th January, 2007 it redeployed Blue Star 1 from the Patras-Igoumenitsa-Bari route, a route characterized by intense competition to the Rosyth, Scotland - Zeebrugge, Belgium route in the North Sea, where it is expected that the ship will produce higher returns and contribute to the further improvement of the Group's results.

Review of 2006 financial results

2006 was the second year for which financial results were prepared under International Financial Reporting Standards. The accounting policies applied by the Group are presented in detail in the Notes to the Financial Statements which form an integral part of the Annual Financial Statements.

In 2006 the Blue Star Group of Companies achieved a considerable improvement in its results. Consolidated revenue stood at Euro 141.16 mln against Euro 133.38 mln the previous year, posting a 5.8% increase. Earnings before taxes, investing and financial results, depreciation and amortization (EBITDA) grew to Euro 40.83 mln from Euro 37.64 mln (an 8.5% increase) while Profit after Taxes and Minority Interests rose to Euro 21.76 mln, a significant increase from Euro 17.50 mln in 2005 (24.4% increase). Earnings per share after tax correspondingly rose to Euro 0.21 per share from Euro 0.17 per share in 2005.

Contributing to the growth in revenue was the marked improvement in load factors across the Cyclades and Dodecanese routes, where, despite 15.7% fewer sailings compared to the previous year, volumes carried per sailing increased significantly in the freight traffic segment as well as in the passenger and private vehicle traffic segments. Contributing to the increase in revenue was also the increase in yield obtained per passenger and vehicle carried following the partial liberalization of the pricing policy in the Greek domestic market routes in May 2006 and the introduction by the Group of a commercial policy matching supply and demand.

Operational profitability for the Group improved considerably despite the increase in the price of fuel oil. Total fuel and lubricants expenses for the Group rose by 20.4% compared to 2005, despite the fewer sailings performed, and stood at Euro 33.13 mln in 2006 against Euro 27.51 mln in 2005. It should be however noted that after reaching its highest levels in August 2006, the price of fuel oil has been exhibiting a downward trend and continued to do so in the beginning of the current year.

The Group, in addressing the effect of the increase in the price of fuel on operational profitability, imposed a fuel surcharge on passenger, private vehicle and freight fares on the Greece-Italy routes which was in effect throughout 2006 and reduced speed where possible on certain domestic market routes in order to reduce fuel consumption.

Factors contributing to the improved operational profitability (EBITDA) and the growth in the EBITDA margin from 28.1% to 28.9% compared to the previous year despite the aforementioned increase in the expenses for fuel and lubricants are:

- The significant revenue growth;
- The deployment of vessels on routes on which they can be fully exploited year-round;
- The decrease of some operational expenses of the vessels compared to 2005;
- The containment of distribution and administrative expenses at approximately the same levels as in 2005.

The significant increase in Profit after Taxes and Minority Interests was due, in addition to the above, to the improvement in financial expenses, despite the increase in interest rates which took the place in the course of the year and the approximately Euro 1.3 mln profit booked from the sale of vessels Seajet 2, Patmos and Rodos. The net profit margin grew to 15.4%, considerably improved from 13.1% in 2005, testifying to the Group's excellent performance.

Profit (loss) for 2006 is attributed to the Group's companies as follows:

	In Euro thousand
BLUE STAR MARITIME S.A.	1,529
BLUE STAR FERRIES MARITIME S.A.	19,087
STRINTZIS LINES SHIPPING LTD	(11)
WATERFRONT NAVIGATION LTD	
THELMO MARINE S.A.	
BLUE STAR FERRIES JOINT VENTURE	
BLUE STAR FERRIES S.A.	1,158
BLUE ISLAND SHIPPING INC.	
TOTAL	**21,763**

Balance Sheet and Cash Flow Statement for fiscal year 2006

The Group maintained high cash balances despite acquiring car-passenger ferry Diagoras, an investment in which the Group's own equity participation including expenses relating to the vessel's maintenance stood at approximately Euro 9 mln, having repaid the total of its short-term debt obligations of Euro 2.2 mln as well as the fine imposed by the European Union Competition Authorities of Euro 2.1 mln out of its own cash reserves. The aforementioned developments combined with the significant increase in operational expenses due to the increase in the price of fuel oil, testify that the Group achieved an impressive performance due to the sound management of its assets.

Total shareholders' equity stood at Euro 215 mln from Euro 200.6 mln in 2005, increased by 7.2%. Total Long-term and Short-term liabilities dropped to Euro 207 mln from Euro 213.9 mln despite the issuance of a new secured Euro 10 mln bond loan used to finance part of the acquisition cost of Diagoras. The Group's Debt-to-Equity ratio dropped to 0.96 from 1.06 in 2005, which is considerably lower than the sector average. The state of the balance sheet exhibit the Group's healthy financial standing in 2006.

Developments in the Sector

The most important developments in the sector in 2006 were:

- The increase in the price of fuel oil which in the course of the year was 22.4% higher for the heavy fuel oil (380 Cst) for bunkering at the port of Piraeus compared to the already high prices of 2005. This negative development affected all companies in the sector.

- The liberalization of fares in the majority of the Greek domestic routes in May 2006. This decision of the Greek government is a step closer towards the harmonization of the Greek regulatory framework with European Regulation 3577/92 on maritime transport within Member States, although there are still many issues to be resolved until a fully liberalized environment of operation is in place. As a result of this decision, companies in the sector are now able to apply a flexible pricing policy based on demand and supply aiming at the expansion of their customer base.

- The abolition in July 2006 of the age limit applying to vessels employed in the Greek domestic market on condition that they conform to high safety standards. This decision is one more step closer to the harmonization of the Greek regulatory framework regarding maritime transport with the rules of international shipping standards.

Developments in the Group

In addition to the above developments which characterized the sector in 2006, the most important developments for our Group were:

In February 2006, Blue Star Ferries was awarded as one of the most important and popular brands in the Greek market, in the "Tourist Services" category of the newly founded Superbrands awards competition. This award constitutes an important recognition for our Group as it demonstrates the preference and trust shown by consumers towards the services that the Group offers.

In March 2006, the Group's parent company, Blue Star Maritime S.A., sold passenger catamaran Seajet 2. The total sale price stood at Euro 2.95 mln and the profit booked stands at approximately Euro 1 mln.

In May 2006, the Annual General Meeting of Shareholders decided upon the distribution of dividend for the fiscal year 2005 of Euro 0.07 per share. The payment of the dividend began on 10th July, 2006. The Annual General Meeting also voted for a new Board of Directors with a three-year term. The members elected were the same as of the outgoing Board.

In May 2006, we were served with the decision of the European Court of Justice, which rejected our Company's appeal against the decision of the European Court of First Instance of 11/12/2003, in relation to the imposition of a Euro 1.5 mln fine on 9/12/1998 by the European Commission. Following this decision, the above amount including accrued interest (Euro 2,094,000 in total) was paid in May 2006. Our Company had made a provision for the full amount in previous financial years and therefore the financial results for 2006 will not be affected.

In July 2006, the Group's parent company, Blue Star Maritime S.A., acquired through an auction, the total assets of DANE Sea Line. Specifically, it acquired car-passenger ferries Diagoras, Patmos and Rodos and certain items of real estate in the town of Rhodes. The total acquisition cost stood at Euro 19.9 mln. Car-passenger ferry Diagoras, following the completion of the necessary maintenance and repair works, was deployed on 12th August to the Dodecanese Islands' routes, where our Group now offers daily sailings with vessels Blue Star 2 and Diagoras.

In the course of the year, the regular tax audit for all of the Group's companies up to and including fiscal year 2005, was completed. Total taxes charged amounted to Euro 304,060.55. The Group had already made a tax provision for the unaudited fiscal years (20 fiscal years) of Euro 186,450 and therefore the additional amount of Euro 117,610.55 was posted in the results of 2006.

In August 2006, Blue Star Maritime S.A. issued a new Euro 10 million secured bond loan. The proceeds of the bond loan were used to finance part of the acquisition cost of the newly acquired M/V Diagoras. The bond loan is repayable in instalments over an 8-year period and the interest rate was set at EURIBOR plus a margin of 1.25%.

In September 2006, Blue Star Maritime S.A. sold vessels Patmos and Rodos to foreign buyers. The vessels had been acquired as part of the total assets of DANE Sea Line and their operation was not deemed commercially viable due to their old age. The total sale price stood at USD 3.03 mln (Euro 2.36 mln) and the profit booked from the sale was approximately Euro 300 thousand.

In December 2006, Blue Star Ferries was voted "Passenger Line of the Year" at Lloyd's List Greek Shipping Awards. The award constitutes one more recognition of the responsibility, consistency and reliability that characterize Blue Star Group throughout its lengthy presence in European shipping and Greek society.

Lastly, in December 2005, the Board of Directors of subsidiary company Blue Star Ferries Maritime S.A. decided to redeploy Blue Star 1 to the Scotland-Belgium route as of the end of January 2007. Based on the performance of the route, Blue Star Ferries Management expects that the redeployment of Blue Star 1, from the Patras-Igoumenitsa-Bari route to the Rosyth-Zeebrugge route in the North Sea, will further enhance the financial results of the Group. Blue Star 1 commenced its service on the route on 29th January, 2007

Traffic volumes carried and market analysis

The Group was active on the following routes:

Greece-Italy market
Patras - Igoumenitsa - (Corfu) - Bari with vessels BLUE HORIZON and BLUE STAR 1 offering daily sailings throughout the year. The vessels called at Corfu only in the summer period.

Greek Domestic Market
Piraeus - (Syros) - Paros - Naxos - (Ios) - Santorini - (Amorgos) with vessels BLUE STAR PAROS and BLUE STAR NAXOS offering two return sailings per day. The vessels also regularly called at the islands of Heraklia - Schinoussa - Koufonissi - Astypalaia - Kalimnos.

Piraeus - Syros - Tinos - Myconos with BLUE STAR ITHAKI offering daily sailings throughout the year. Extra sailings were also carried out on the Piraeus - Paros route in the summer period.

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

Piraeus - (Cyclades) - (Patmos) - (Leros) - Kalimnos - Kos - Rhodes with vessels BLUE STAR 2 and DIAGORAS (as of August 2006) offering daily return sailings.

Total volumes for the Group in 2006, stood at 3,351,170 passengers, 425,652 private vehicles and 143,042 freight units. Compared to the previous year, these figures represent a 3.6% decrease in passenger volumes while private vehicle volumes grew by 0.6% and freight units volumes by 16.2%. It should be noted that the above volumes were attained against 12.8% fewer sailings compared to 2005.

In the Greek Domestic market, the Group's fleet carried 3,099,212 passengers against 3,211,897 the previous year (3.5% decrease), 391,362 private vehicles against 382,871 the previous year (2.2% increase) and 95,796 freight units against 81,178 the previous year (18.0% increase) over 15.7% fewer sailings following the sale of Seajet 2.

In the Greece - Italy routes, the Group carried 251,958 passengers against 266,185 the previous year (5.3% decrease), 34,290 private vehicles against 40,104 private vehicles the previous year (14.5% decrease) and 47,246 freight units against 41,901 freight units the previous year (12.8% increase). The above volumes were carried despite the deployment of competing vessels for the whole year on the route on which our Group operates (Patras - Igoumenitsa - Bari) and the increase in competition.

Market shares for the Group on the Greece - Italy routes stood at 11.0% in passengers (5.9% market share decrease), 6.0% in private vehicles (13.0% market share decrease) and 10.6% in freight units (11.6% market share increase). Market shares are derived from the data of the Greek port authorities of Patras and Igoumenitsa.

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, on the Rafina-Cyclades route with vessel Superferry II and as of August 2006, on the Piraeus-Dodecanese route with vessel Diagoras. Passenger-catamaran Seajet 2 was sold in March 2006, not having performed any sailings in 2006, while vessels Patmos and Rodos acquired in July 2006, as part of the total assets of DANE Sea Line were sold to foreign buyers due to their old age.

Total volumes for the Company stood at 801,625 passengers, 127,925 private vehicles and 41,731 freight units. Compared to 2005, in 28% fewer sailings, total volumes carried decreased by 16.1% in passengers while it increased by 14.8% in private vehicles and by 30.4% in freight units. The above data does not lend it itself to comparable analysis owing to the changes in fleet composition which took place in the course of the year, with the acquisition of car-passenger ferry Diagoras and the sale of passenger catamaran Seajet 2.

Revenue for the Company stood at Euro 34.51 mln against Euro 33.20 mln in 2005, increased by 3.9%. Earnings before taxes, investing and financial results, depreciation and amortization (EBITDA) stood at Euro 4.22 mln against Euro 4.31 mln in 2005 (2% decrease) while income from participations in the form of dividends from subsidiaries stood at the same levels as in 2005. Profit after taxes stood at Euro 9.36 mln from Euro 8.40 in 2005 increased by 11.35% owing primarily to the profit booked from the sale of vessels which stood at approximately Euro 1.3 mln.

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 financial performance of the Group, hold for the Parent Company as well.

Securities

The Company did not hold any securities as at 31st December, 2006.

Dividend policy

The Group's dividend policy is determined by the Group's results, the outlook for the current year and the broader macroeconomic and market conditions with a view to enhance the long-term interest of the Company and its shareholders.

For fiscal year 2006, following the improved results of the Company and the Group, the Board of Directors will propose to the Annual General Meeting of Shareholders the distribution of dividend of Euro 0.09 per share, increased by 28.5% compared to the dividend distributed in 2005 (Euro 0.07 per share). Total suggested dividend payable stands at Euro 9.45 mln.

Share price performance

The share of Blue Star Maritime S.A., exhibited a stellar performance in the Athens Exchange for a second concecutive year. The average price of the share in 2006 climbed 127.96% higher than the average price of 2005, outperforming the Composite Index whose gains based on the average price of the last two years, stood at 26.35%. As at the closing of 29th December, 2006 the market capitalisation of the Group stood at Euro 325.5 mln, a six year high.

The above testify that the investment community supported the investment choices and vision of the Management of Blue Star Group, which focused on the strengthening of its leading position on the routes it serves.

In the course of 2006 major investment houses in Greece and abroad (Citigroup, Marfin/Investment Bank of Greece, Piraeus Securities) initiated coverage of the company, releasing reports at regular intervals and thereby increasing the company's visibility among the foreign institutional investment community.

Lastly, in October 2006, following a decision of the Board of the Athens Exchange, the share of Blue Star Maritime S.A was included in the composition of the FTSE/ASE Mid 40 Index of the Athens Exchange.

Corporate Social Responsibility

In response to the increasing importance of corporate awareness of society's needs, Blue Star Group promotes activities and applies policies, which meet such demands and serve the needs of local communities of the Greek islands. These activities fall under four main themes: "Society", "Culture", "Sports" and "The Environment".

Among the activities carried out by Blue Star Group in 2006, were:

- Protection of the sea turtle
  The Group designed a t-shirt depicting the sea turtle with the slogan "Save our seas", which is sold through the ships' onboard shops. The proceeds from the sales are donated to "Archelon", the society for the protection of the sea turtle.

- Blood dialysis equipment
  The Group donated blood dialysis equipment to the Naxos Medical Centre, serving the needs of the patients on Naxos as well as the surrounding smaller islands.

- Personal computers to the schools of the Small Cyclades island complex
  The Group donated complete personal computer systems together with the necessary software to the schools of the islands of Heraklia, Schinoussa and Koufonissi, for the students' education and entertainment on these small islands.

- AFIS, Battery recycling programme
  The Group in cooperation with the non-profit organization AFIS, runs a battery recycling programme at its offices, contributing to the protection of the environment.

- Recycling of used colour cartridges
  The revenue collected through this scheme is donated annually by the Group to various charities and institutions, thereby combining social and environmental awareness in practice.

Information provided in accordance with article 11a of Law 3371/2005

- The Company's share capital consists of 105,000,000 common bearer shares. All of the Company's shares trade on the Athens Exchange in the Large Capitalization Trading category. All rights and obligations deriving by the ownership of the shares are as per the relevant dictates of the law.
- There are no limitations in the transfer of shares.
- Attica Holdings S.A. controls, as per Presidential Decree 51/1992, 48.795% of the Company's voting rights.
  Mitica Ltd owns 5.01% of the Company's voting rights as per its correspondence dated 12/11/2003.
- There are no shares holding special voting rights.
- There are no restrictions to the voting rights. These are exercised in the General Meetings as per the relevant dictates of the law.
- To the Company's knowledge, there are no agreements between shareholders which could result in any restrictions in the transfer of shares or the exercise of voting rights.
- The rules governing the appointment and replacement of members of the Board of Directors, as well as the amendment of the Company's articles of association do not diverge from the provisions of common law 2190/1920.
- There is no authority resting with the Board of Directors or any of its members as regards the issuance of new shares or share buy-back as per article 16 of common law 2190/1920.
- There are no important agreements in which the Company is engaged and which would come into effect, be altered or terminated in the event of a change in control of the Company following a public offering except bond loan agreements which customarily include clauses regarding a possible change in ownership.
- There are no agreements between the Company and members of the Board of Directors or members of its staff, which provide for reimbursement in the event of resignation, or dismissal for no reason or the end of duty or employment as a result of a public offer. In the event of termination of employment of members of staff on an employment contract, indemnities as dictated by the law apply.

Other information as per article 1, paragraph 7b of Law 3487/2006

The most important event after the balance sheet date and until submission of the present report was the redeployment of Blue Star 1 of subsidiary Blue Star Ferries Maritime S.A., from the Patras-Igoumenitsa-Bari route in the Adriatic Sea to the Rosyth-Zeebrugge route in the North Sea. The vessel commenced service on 29th January, 2007 and it is expected that its performance on this route will improve considerably compared to the one of 2006.

The Company does not have any branches nor has it invested any capital toward research and development in 2006.

Future Outlook

The Group exceeded the targets set for the previous year as regards financial performance, market shares and overall presence in the Passenger Shipping sector and Greek society.

The main factors guiding the development of the Group in the current year are the positive developments in the institutional framework governing the operation of the Greek domestic market due to the partial application of Regulation 3577/92 of the European Union which provides, among other matters, for the liberalization of fares, in tandem with the downward trend observed in the price of fuel oil in recent months, the full year operation of vessel Diagoras and the redeployment of vessel Blue Star 1 to the North Sea route, where operating margins are expected to be higher than those of its previous employment. Based on the above, the Group's Management expects a further improvement in the Group's financial performance.

It should also be noted that the Group's management is constantly following the developments in the Greek domestic market and studies the development of new routes, through the acquisition or building of modern conventional vessels of the highest standards, provided that suitable market conditions develop.

Dear Shareholders,

The above information together with the financial statements submitted to you for fiscal year 2006, 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 of the Group and the Company.

Thank you,

Voula, 15th February, 2006

On behalf of the Board of Directors

The Authorised Director
Spiros Ch. Paschalis

II. AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD 1st JANUARY TO 31st DECEMBER, 2006

DRM Stylianou SA
Certified Public Accountants, Management Consultants

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Blue Star Maritime S.A.

Report on the Financial Statements

We have audited the accompanying financial statements as well as the consolidated financial statements of BLUE STAR MARITIME S.A. which comprise the balance sheets as at 31st December, 2006, and the income statements, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned financial statements give a true and fair view of the financial position of the Company and of the Group respectively as of 31st December, 2006, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as these have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

In our opinion, the content of the Report of the Board of Directors which is presented on pages 1 to 11 is in agreement with the aforementioned financial statements.

Athens, 20th February, 2007
The Certified Public Accountant
Athos Stylianou, FCCA, CPA(Gr) A.M. SOEL 12311
For DRM Stylianou SA (A.M. 104), Member of RSM International

Kifissias & Ethnikis Antistaseos 84 A, GR 152 31 Athens

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DRM Stylianou SA is a correspondent member firm of RSM International, an affiliation of independent accounting and consulting firms

III. ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD 1st JANUARY TO 31st DECEMBER, 2006

INCOME STATEMENT

For the fiscal years ending on 31st December, 2006 & 31st December, 2005

	Notes	GROUP	
		1/1-31/12/06	1/1-31/12/05
Revenue	(5.1)	141,160	133,379
Cost of sales	(5.2)	(90,044)	(84,896)
Gross Profit/(loss)		**51,116**	**48,483**
Other operating income	(5.3)	337	666
Administrative expenses	(5.4)	(8,258)	(7,771)
Distribution expenses	(5.5)	(15,383)	(16,036)
Earnings before taxes, investing and financial results		**27,812**	**25,342**
Dividends from subsidiaries and other entities			
Interest & other similar income	(5.7)	1,105	820
Interest and other financial expenses	(5.7)	(8,526)	(8,120)
Foreign exchange differences	(5.7)	247	(26)
Financial results		(7,174)	(7,326)
Profit/(loss) from vessels' disposal	(5.8)	1,329	
Profit/(loss) before taxes		**21,967**	**18,016**
Taxes	(5.9)	(204)	(516)
Profit/(loss) after taxes		**21,763**	**17,500**
Attributable as follows:			
Company Shareholders		21,763	17,500
Minority Interests in subsidiaries			
Earnings After Taxes per Share - Basic (in €)		**0.21**	**0.17**
Proposed dividend payable per share (in €)			

The Notes on pages 41 to 63 are an integral part of these Financial Statements.

INCOME STATEMENT

For the fiscal years ending on 31st December, 2006 & 31st December, 2005

	Notes	COMPANY	
		1/1-31/12/06	1/1-31/12/05
Revenue	(5.1)	34,513	33,202
Cost of sales	(5.2)	(26,458)	(24,607)
Gross Profit/(loss)		**8,055**	**8,595**
Other operating income	(5.3)	152	635
Administrative expenses	(5.4)	(3,666)	(3,482)
Distribution expenses	(5.5)	(3,521)	(3,965)
Earnings before taxes, investing and financial results		**1,020**	**1,783**
Dividends from subsidiaries and other entities	(5.7)	7,827	7,827
Interest & other similar income	(5.7)	40	389
Interest and other financial expenses	(5.7)	(1,088)	(1,355)
Foreign exchange differences	(5.7)	245	(42)
Financial results		7,024	6,819
Profit/(loss) from vessels' disposal	(5.8)	1,388	
Profit/(loss) before taxes		**9,432**	**8,602**
Taxes	(5.9)	(76)	(200)
Profit/(loss) after taxes		**9,356**	**8,402**
Attributable as follows:			
Company shareholders		9,356	8,402
Minority interests in subsidiaries			
Earnings after taxes Per Share - basic (in €)		**0.09**	**0.08**
Proposed dividend payable per share (in €)		**0.09**	**0.07**

The Notes on pages 41 and 63 are an integral part of these Financial Statements.

BALANCE SHEET

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

	Notes	GROUP 31/12/06	GROUP 31/12/05	COMPANY 31/12/06	COMPANY 31/12/05
ASSETS					
Non-current assets					
Tangible assets	(5.10)	339,193	333,462	42,520	27,316
Intangible assets	(5.11)	1,603	1,915	1,087	1,391
Investments in subsidiaries-associated companies	(5.12)			228,738	228,738
Non-current receivables	(5.13)	66	63	51	50
		340,862	335,440	272,396	257,495
Current assets					
Inventories	(5.14)	1,584	1,454	651	374
Trade receivables and prepayments	(5.15)	28,727	22,352	3,070	2,638
Tax receivables	(5.16)	152	144	79	78
Receivables from subsidiaries-associated companies	(5.17)			98,381	331,917
Other receivables	(5.18)	1,678	2,983	173	685
Financial assets held for trading	(5.19)		27		27
Cash and cash equivalents	(5.20)	42,241	49,225	907	8,915
Deferred expenses	(5.21)	5,072	2,837	1,726	1,025
Accrued income			65		16
		79,454	79,087	104,987	345,675
Non-current assets classified as held for sale	(5.22)	1,698		1,698	
Total assets		**422,014**	**414,527**	**379,081**	**603,170**
EQUITY AND LIABILITIES					
Equity					
Share capital	(5.23)	105,000	105,000	105,000	105,000
Reserves	(5.23)	70,365	69,355	69,524	69,192
Retained earnings	(5.23)	39,667	26,264	10,008	8,334
Total Shareholders equity		**215,032**	**200,619**	**184,532**	**182,526**
Minority interests in subsidiaries					
Total equity		**215,032**	**200,619**	**184,532**	**182,526**
Non-current liabilities					
Secured loans	(5.24)	175,682	179,800	8,429	
Finance leases	(5.25)	304	139	304	139
Deferred tax liabilities	(5.26)	19	19	4	4
Retirement benefit provisions	(5.27)	502	438	214	178
Provisions	(5.28)	250	2,377	250	2,377
		176,757	**182,773**	**9,201**	**2,698**
Current liabilities					
Bank loans and overdrafts	(5.29)		2,219		2,219
Current portion of long term liabilities		13,500	12,500	1,000	
Trade and other payables	(5.30)	14,014	13,410	4,486	3,181
Payables to subsidiaries-associated companies	(5.31)			179,213	411,567
Tax liabilities	(5.32)	1,175	1,296	363	269
Accrued expenses	(5.33)	1,536	1,710	286	710
		30,225	31,135	185,348	417,946
Total equity and liabilities		**422,014**	**414,527**	**379,081**	**603,170**

The Notes on pages 41 to 63 are an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the Period 1/1-31/12/2006

GROUP	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Shareholders equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2006	**105,000**	**73,490**	**(5,457)**	**(3,463)**	**26,264**	**4,785**	**200,619**		**200,619**
Changes in Equity for the Period 1/1-31/12/2006									
Net Profit for the Period 1/1-31/12/2006			1,010		20,753		21,763		21,763
Dividends					(7,350)		(7,350)		(7,350)
Balance at 31 December 2006	**105,000**	**73,490**	**(4,447)**	**(3,463)**	**39,667**	**4,785**	**215,032**		**215,032**

COMPANY	Share Capital	Share Premium	Other Reserves	Impairments	Retained Earnings	IFRS Adjustment Reserves	Total Shareholders equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2006	**105,000**	**73,490**	**(5,682)**	**(4,349)**	**8,334**	**5,733**	**182,526**		**182,526**
Changes in Equity for the Period 1/1-31/12/2006					(426)		(426)		(426)
Net Profit for the Period 1/1-31/12/2006			332		9,450		9,782		9,782
Dividends					(7,350)		(7,350)		(7,350)
Balance at 31 December 2006	**105,000**	**73,490**	**(5,350)**	**(4,349)**	**10,008**	**5,733**	**184,532**		**184,532**

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 Shareholders equity	Minority interests in subsidiaries	Total Equity
Balance at 1 January 2005	**105,000**	**73,490**	**2,350**	**(4,893)**	**9,309**	**4,785**	**190,041**		**190,041**
Changes in Equity for the Period 1/1-31/12/2005			(8,687)	1,430	6,635		(622)		(622)
Net Profit for the Period 1/1-31/12/2005			880		16,620		17,500		17,500
Dividends					(6,300)		(6,300)		(6,300)
Balance at 31 December 2005	**105,000**	**73,490**	**(5,457)**	**(3,463)**	**26,264**	**4,785**	**200,619**		**200,619**

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

CASH FLOW STATEMENT

For the periods ending on 31st December, 2006 & 31st December, 2005

	Notes	GROUP 1/1-31/12/2006	GROUP 1/1-31/12/2005	COMPANY 1/1-31/12/2006	COMPANY 1/1-31/12/2005
Cash flow from Operating Activities					
Profit Before Taxes		21,967	18,016	9,432	8,602
Adjustments for:					
Depreciation & amortization	(5.6)	13,023	12,299	3,202	2,529
Deferred tax expense					
Provisions	(5.28)	520	801	225	419
Foreign exchange differences	(5.7)	(247)	26	(245)	42
Net (profit)/Loss from investing activities	(5.7)+(5.8)	(2,418)	(846)	(9,180)	(8,232)
Interest and other financial expenses	(5.7)	8,526	8,120	1,088	1,355
Plus or minus for Working Capital changes :					
Decrease/(increase) in Inventories		(131)	(350)	(277)	(61)
Decrease/(increase) in Receivables		(7,003)	147	233,174	(80,617)
(Decrease)/increase in Payables (excluding banks)		(2,405)	1,043	(233,213)	226,528
Less:					
Interest and other financial expenses paid		(7,811)	(12,712)	(1,047)	(8,436)
Taxes paid		(246)	(284)	(119)	(222)
Total cash inflow/(outflow) from operating activities (a)		**23,775**	**26,260**	**3,040**	**141,907**
Cash flow from Investing Activities					
Acquisition of subsidiaries,associated companies, joint ventures and other investments					
Purchase of tangible and intangible assets	(5.10)+(5.11)+(5.22)	(24,010)	(1,500)	(23,670)	(485)
Proceeds from sale of tangible and intangible assets	(5.8)+(5.19)	5,301		5,301	
Interest received	(5.7)	1,105	820	40	389
Dividends received	(4.1)+(5.7)			7,827	7,827
Total cash inflow/(outflow) from investing activities (b)		**(17,604)**	**(680)**	**(10,502)**	**7,731**
Cash flow from Financing Activities					
Proceeds from issuance of Share Capital					
Proceeds from Borrowings	(5.24)	9,895	198,550	9,895	
Payments of Borrowings	(5.20)	(15,219)	(212,404)	(2,719)	(160,279)
Payments of finance lease liabilities	(5.20)	(481)	(331)	(372)	(142)
Dividends paid	(5.20)	(7,350)	(6,300)	(7,350)	(6,300)
Total cash inflow/(outflow) from financing activities (c)		**(13,155)**	**(20,485)**	**(546)**	**(166,721)**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)		**(6,984)**	**5,095**	**(8,008)**	**(17,083)**
Cash and cash equivalents at beginning of period		**49,225**	**44,130**	**8,915**	**25,998**
Cash and cash equivalents at end of period		**42,241**	**49,225**	**907**	**8,915**

The method used for the preparation of the above Cash Flow Statement is the Indirect Method.
Cash and cash equivalents analysis is presented in paragraph 5.20
The Notes on pages 41 to 63 are an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

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

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

The number of employees on 31/12/2006 was 253 for the parent company and 601 for the Group, while on 31/12/2005 it was 172 and 557 respectively.

Blue Star Maritime SA shares are listed on the Athens Exchange under the code BSTAR.

The corresponding code under Bloomberg is BSTAR GA and under Reuters is STR.AT.

The total number of common bearer shares outstanding as at 31st December, 2006 was 105,000,000. Each share carries one voting right. The total market capitalization amounted to €325,500 thousand.

The Financial Statements of Blue Star Maritime SA 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 fiscal year 2006 were approved by the Board of Directors on 15th February, 2007.

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

2. Significant Group accounting policies

The accounting policies used by the Group for the preparation of the financial statements for the period 1/1-31/12/2006 are the same with those used for the preparation of the financial statements for the fiscal year 2005 and 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, the materiality principle and the accrual basis of accounting.

The expenses are recognized in the income statement based on the direct relation of the expense to the specific income that is recognised.

In preparing its financial statements for the period ending 31st December, 2006, the Group has chosen to apply accounting policies which secure that the financial statements comply with all the requirements of each applicable Standard or Interpretation taking into consideration 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 2 Share-based Payment
IFRS 3 Business Combinations
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

IFRS 6 is not applicable to the operations of the Group and IFRS 7 will be implemented as of 1/1/2007.

The Management of the Group considers that the financial statements present fairly the company's financial position, financial performance and cash flows. The General Meeting of Shareholders has the right to modify these financial statements.
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 fiscal year ending 31st December, 2006.

2.2. Consolidation

2.2.1. Basis of consolidation

The purchase method is used for the consolidation.

An acquisition is recognised at cost. The cost of an acquisition is measured as the fair value of the assets acquired, the equity instruments issued and the liabilities incurred or assumed at the date of the transaction, plus any 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 at 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 companies of the Group 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.

Goodwill is not amortized. Goodwill is subject to an impairment test at the end of each year.

Negative goodwill which, prior to the first application of IFRS, was shown as a deduction from equity, 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 need to be impaired.

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

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

These investments 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.

Acquisition cost includes expenses that are 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 arise for 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 are 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 safety rules and regulations, are capitalised separately and are depreciated over 5 years. Furthermore, costs incurred subsequent to extensive additions and improvements of the vessels, are capitalised separately and are depreciated over 5 years.

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

2.6. Intangible assets

The Group considers that the useful life of its intangible assets is not indefinite. The intangible assets of the Group are the following:

a) Trademarks

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

The cost of trademarks includes expenses 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 includes, in addition to the licenses, all installation, customizing and development expenses.

Subsequent expenses which enhance or extend the performance of computer software programs beyond their original specifications are recognised as capital expenditure and are 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, namely the present value of the estimated future cash flows that are expected to flow into the entity by the use of the asset.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less associated costs of selling the asset and its value when used by the entity.

As a cash generating unit is defined the geographical segment to which each vessel operates, as it is reported in paragraph 2.16.

Impairment losses are recognised in the income statement.

2.8. Investment property

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

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

2.9. Inventories

Inventories are stated at the lower value between 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 impaiment 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 calculated when there is a delay in collection of a trade receivable, 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.

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 issuance of new shares are shown in equity as a deduction from the share premium, net of tax.

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

The cost of treasury stock 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 of goods and services. The Group also has income from credit 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 to the recognition of income between international and domestic routes is due to the fact that tickets for domestic routes issued in a specific month that are due to travel in a subsequent month are not of a substantial amount compared to total income. Besides this, the cost of tracking changes of tickets for 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 those that are provided to entities 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 attached to these grants.
b) The grants will be received.

Government grants related to assets are recognised as deferred income, on a systematic basis, during the useful life of a non-current asset.

2.15.2. Government grants related to income

Government grants related to income are recognised as income over the accounting 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 for the fiscal year 2006 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 discount or premium occurring out of the issuance or repayment of 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 an additional cost to interest costs.

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 in an asset 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 used for leased assets, when at the end of the leasing period the ownership remains to the Company, is similar to the method used for the other assets of the Company. 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" apply. When at the end of the leasing period the ownership does not remain with the Company, the depreciation is calculated by using the shorter period between the duration of the lease and the useful life of the asset.

2.17.3.2. Operating leases

The lease payments for an operating lease are recognised as an expense and are charged to the income statement. In case that according to the leasing contract, at the end of the lease period repairs are required on damages occurred out of usual wear and tear of the leased asset then these expenses are recognised in the income statement of the year when the lease contract is terminated.

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) 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, but they are disclosed in the notes to the financial statements, when the possibility of an outflow or inflow of economic benefit is remote.

2.17.5. Allocation of revenue and expenses

2.17.5.1. Allocation of joint revenue and expenses

As reported in paragraph 4.1 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 gross registered tonnage of each vessel.

2.17.5.2. Allocation of expenses on a monthly basis

The Group recognises insurance expenses and annual survey (dry docking) expenses in the income statement on a monthly basis because the above expenses are incurred once every year but relate to a complete fiscal year of operation.

2.18. Current and deferred income taxes

For a better understanding of the way 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, shipowning companies whose vessels are carrying the 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 financial 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 tax difference will result and a deferred tax liability will be recognised until the distribution of these revenues.

The following sources of revenue are exempted:
a) The interest on deposits which is taxable under the general taxation rules.
b) The dividends received from other companies which are not subject to taxation and therefore are not taken into account for the calculation of deferred tax.

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. When calculation of deferred tax is required, it will be done 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 of that date.
Exchange differences arising in the above case are recognised in profit or loss in the period in which they arise.
b) Non-monetary items in foreign currency that are measured using historical cost are translated by using the exchange rate at the date oftransaction. These items at each balance sheet date are translated into home currency by using the closing rate of that date.

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

2.20. Financial instruments

The basic financial instruments of the Group are:

a) Cash, bank deposits, short-term receivables and payables.
Given the short-term nature of these instruments, the Group's Management considers 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 them 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 at current prices.

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 considers 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 fair value of the actual amount received including issuance expenses. Subsequently these are valued at the carrying amount as it is calculated by the application of the effective interest rate method.

Any difference between the amount received at the issuance date, net of related expenses, and the amount that is finally repaid is recognised in the income statement using the effective interest rate method over the period of the Bond Loan.

The recognition of sales and purchases is effected at the transaction date and not at the settlement date.

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 preferred 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 countries that belong to the European Monetary Union (Eurozone).

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

The amount spent for provisions of spare parts and other materials or services in foreign currencies outside the Eurozone 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 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 the Blue Star Group in the financial statements of Attica Holdings S.A. and therefore there is no credit risk.

The Group has defined credit limits and specific credit policies 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 four 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 in each market at the balance sheet date.

The asking price is used for the determination of the fair value of the financial assets and the bid price is used for the financial liabilities.

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

4. Related Party disclosures

4.1. Intercompany transactions

The company consolidates a Joint Venture and a Management 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 the Blue Star Group, for the revenue and common expenses of vessels. Blue Star Ferries Joint Venture is responsible for the revenue and common 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 2006, Blue Star Maritime S.A. did not perform any intercompany transactions with its subsidiaries that create commercial revenue.

The capital transactions of the Company during 2006 with its subsidiaries as well as with other companies of the Attica Group are:

-The company received the amount of €7,827 thousand as dividend for the fiscal year 2005 from its 100% subsidiary Blue Star Ferries Maritime S.A.

-The company paid the amount of €3,586 thousand as dividend for the fiscal year 2005 to its parent company ATTICA HOLDINGS S.A.

Furthermore, the Group BLUE STAR MARITIME S.A. purchased tourism related services amounting to €1,002 thousand from ATTICA PREMUM S.A. which is 100% subsidiary of ATTICA HOLDINGS S.A. These services were purchased at usual market prices.

The Group's receivables from its indirectly related entities for the period 1/1 - 31/12/2006 stood at €6,271 thousand.

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 on 31/12/06 between BLUE STAR MARITIME S.A. and the Group's companies can be obtained from the following table:

Intercompany Balances of Blue Star Group

COMPANY	THELMO MARINE S.A.		WATERFRONT NAVIGATION CO.		BLUE STAR FERRIES S.A.		STRINTZIS LINES SHIPPING LTD.	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
BLUE STAR MARITIME S.A.		68		1	51,565	81,351	10,935	
THELMO MARINE S.A.					8			
WATERFRONT NAVIGATION CO.								
STRINTZIS LINES SHIPPING LTD.					9,650			
BLUE STAR FERRIES MARITIME S.A.					92,578	36,833		10
BLUE STAR FERRIES S.A.		8						9,650
BLUE STAR FERRIES JOINT VENTURE					1,499			798
BLUE ISLAND SHIPPING INC.					1,054	98		488
TOTAL		**76**		**1**	**156,355**	**118,282**	**10,935**	**10,946**

COMPANY	BLUE STAR MARITIME S.A.		BLUE STAR FERRIES JOINT VENTURE		BLUE STAR FERRIES MARITIME S.A		BLUE ISLAND SHIPPING INC	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
BLUE STAR MARITIME S.A.			35,418	97,761	22	32	440	
THELMO MARINE S.A.	68							
WATERFRONT NAVIGATION CO.	1							
STRINTZIS LINES SHIPPING LTD.		10,935	798		10		488	
BLUE STAR FERRIES MARITIME S.A.	32	22	166,514	83,492				
BLUE STAR FERRIES S.A.	81,351	51,565		1,499	36,833	92,578	98	1,054
BLUE STAR FERRIES JOINT VENTURE	97,761	35,418			83,492	166,514		
BLUE ISLAND SHIPPING INC.		440						
TOTAL	**179,213**	**98,381**	**202,730**	**182,752**	**120,357**	**259,124**	**1,026**	**1,054**

Reconciliation of Intercompany Balances

Total debit:	670,617
Total credit:	670,617
Balance	0

4.2. Participation of the members of the Board of Directors in 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 the Superfast Group and of 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 the Superfast Group, of Attica Premium S.A., of 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 S.A., 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 1/1-31/12/2006 totalled an amount of €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.

g) Mr. Nikolaos Tapiris, the Group's financial director is a member of the Board of Directors of subsidiary companies of BLUE STAR MARITIME S.A.

4.3. Guarantees

The parent company has guaranteed the repayment of the bond loan of its 100% subsidiary company Blue Star Ferries Maritime S.A.

4.4. Board of Directors and Executive Directors' Fees

Executive Directors' Fees (Managing Director, Authorized Director, Financial Director, Sales Director, Technical Director, Hotel Director) totaled an amount of €752 thousand approximately.

Board of Directors' Fees for the period 2005, are as follows:
Executive members: €115 thousand
Non Executive members: €67 thousand

5. Financial statements analysis

The figures of the period 1/1 - 31/12/2006 are not fully comparable with the corresponding figures of the previous year due to the sale of passenger catamaran Seajet 2 and the deployment of car passenger ferry Diagoras in August 2006.

5.1. 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 2006 and 2005 are as follows:

	GROUP					
	1/1-31/12/2006			1/1-31/12/2005		
Geographical Segment	Domestic Routes	Adriatic Sea	Total	Domestic Routes	Adriatic Sea	Total
Revenue from Fares	96,861	31,285	128,145	90,066	30,746	120,812
On-board Sales	7,575	5,439	13,015	7,190	5,377	12,567
Total Revenue	104,436	36,724	141,160	97,256	36,123	133,379
Gross profit	44,529	6,587	51,116	39,931	8,552	48,483
Financial results	(4,820)	(2,354)	(7,174)	(5,092)	(2,234)	(7,326)
Earnings before taxes, investing and financial results, depreciation and amortization	35,884	4,950	40,834	31,462	6,179	37,641
Profit/(Loss) before Taxes	23,601	(1,634)	21,967	17,856	160	18,016
Profit/(Loss) after Taxes	23,490	(1,727)	21,763	17,537	(37)	17,500
Vessels' Book Value at 01/01	217,972	114,168	332,140	224,632	118,057	342,689
Improvements / Additions	21,992		21,992	714	383	1,097
Vessels' Disposals	(3,815)		(3,815)			
Depreciation for the Period	(8,010)	(4,272)	(12,282)	(7,374)	(4,272)	(11,646)
Net Book Value of vessels at 31/12	228,139	109,896	338,035	217,972	114,168	332,140
Secured loans	115,745	59,937	175,682	115,385	64,415	179,800

Revenue from Fares includes the grants received for public services performed under contracts with the Ministry of Mercantile Marine and the Ministry of Aegean and Island Policy amounting to €1,975 thousand for 2006 and €1,628 thousand for 2005.

	COMPANY					
	1/1-31/12/2006			1/1-31/12/2005		
Geographical Segment	Domestic Routes	Adriatic Sea	Total	Domestic Routes	Adriatic Sea	Total
Revenue from Fares	14,658	15,964	30,621	14,385	15,043	29,428
On-board Sales	1,307	2,585	3,892	1,095	2,679	3,774
Total Revenue	15,965	18,549	34,513	15,480	17,722	33,202
Gross profit	3,232	4,823	8,055	3,737	4,858	8,595
Financial results	3,337	3,687	7,024	7,479	(660)	6,819
Earnings before taxes, investing and financial results, depreciation and amortization	1,632	2,590	4,222	1,498	2,814	4,312
Profit/(Loss) before Taxes	4,797	4,635	9,432	6,980	1,622	8,602
Profit/(Loss) after Taxes	4,768	4,588	9,356	6,878	1,524	8,402
Vessels' Book Value at 01/01	3,486	22,640	26,126	4,119	23,800	27,919
Improvements / Additions	21,762		21,762	75	202	277
Vessels' Disposals	(3,815)		(3,815)			
Depreciation for the Period	(1,299)	(1,361)	(2,660)	(708)	(1,362)	(2,070)
Net Book Value of vessels at 31/12	20,134	21,279	41,413	3,486	22,640	26,126
Secured loans	8,429		8,429			

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

The vessels' values represent the tangible assets in the geographical segments where the vessels operate in.

Secured loans are the Bond Loans issued 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 - 31/12/2006 belong to the following Business Activity Categories:

Sea & Coastal Transportation	128,145
Restaurants on board	2,924
Bars on board	7,966
Casino on board	1,086
Shops on board	1,039
Total	**141,160**

5.2. Cost of sales

Below can be obtained the Cost of Sales analysis as stated in the Income Statement for the fiscal years ended 31/12/06 and 31/12/05.

	GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Crew Expenses	23,225	21,498	7,558	6,058
Fuel-Lubricants	33,135	27,508	9,255	7,732
Insurance Premia	2,142	2,138	525	617
Repairs-Maintenance-Spare Parts	11,245	15,058	3,282	5,351
Port Expenses	5,739	4,906	2,318	1,880
On-board Cost of Goods Sold	2,276	2,142	860	899
Vessels depreciation	12,282	11,646	2,660	2,070
Total	90,044	84,896	26,458	24,607

5.3. Other Operating Income

The item "Other Operating Income", amounting €377 thousand, refer mainly to subventions received by the Ministry of Mercantile Marine for employing and training officer cadets and to amounts received from insurance claims.

5.4. Administrative Expenses

	GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Personnel Expenses	4,777	3,711	1,777	1,383
Employee Benefits	119	148	50	60
Rent and related Expenses	618	796	372	430
Telecommunication Expenses	78	169	34	83
Stationery	56	97	8	34
Office Repair-Maintenance Expenses	353	404	100	122
Third Party Services & Expenses	553	797	356	531
Other	963	996	427	380
Office depreciation	741	653	542	459
Total	8,258	7,771	3,666	3,482

5.5. Distribution Expenses

	GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Advertising Expenses	1,892	2,288	466	547
Sales Promotional Expenses	47	183	20	66
Sales Commissions	11,606	12,357	2,548	2,757
Other	1,838	1,208	487	595
Total	15,383	16,036	3,521	3,965

5.6. Depreciation

	GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Vessels	12,282	11,646	2,660	2,070
Office	741	653	542	459
Total	13,023	12,299	3,202	2,529

5.6.1 Reclassified items - Change in Presentation

The Group was presenting the depreciation expenses as a separate item in each period's income statement in order for the reader to have a direct access to the EBITDA information. By the interim period 1/1-30/06/2006 the depreciation expenses are distributed on the cost of sales and the administrative expenses according to their origin. From this change in presentation there was and there is no effect neither to any period's result nor to the balance sheet or to the earnings after taxes per share or to the shareholders equity. The above reclassifications had as a result the increase (or the decrease) of the following items:

	GROUP	
	1/1-31/12/2006	1/1-31/12/2005
Cost of sales	12,282	11,646
Administration expenses	741	653
Depreciation	(13,023)	(12,299)

	COMPANY	
	1/1-31/12/2006	1/1-31/12/2005
Cost of sales	2,660	2,070
Administration expenses	542	459
Depreciation	(3,202)	(2,529)

5.7. Financial Results

a) Dividend Income

The parent company had income from dividends amounting approximately €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 2.8%, net of taxes.

c) Interest and Other Financial Expenses

They refer mainly to the interest paid on loans.

d) Foreign Exchange Differences

They were created from the revaluation of the balances of the cash and cash equivalents, receivables and payables in foreign currencies.

The analysis of the financial results is the following:

	GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Interest on Long-Term Borrowings		(2,966)		(439)
Interest on Bonds	(8,331)	(4,552)	(1,018)	(575)
Interest on Short-Term Borrowings		(192)		(185)
Other Financial Expenses	(195)	(410)	(70)	(156)
Interest Income	1,105	820	40	389
Dividend Income			7,827	7,827
Foreign Exchange Differences	247	(26)	245	(42)
Total	(7,174)	(7,326)	7,024	6,819

Other Financial Expenses include profit of €154 thousand that arose from the interest rate hedging contract of the Group.

5.8. Profit / (Loss) from vessels' disposal

Profit / (Loss) from vessels' disposal arose:

a) from the sale of passenger-catamaran Seajet 2 which took place in March 2006. The agreed sale price was Euro 2,950,000. Part of the sale price was paid on the vessel's delivery while the credited amount of Euro 2,550,000 was to be paid in monthly installments until September 2006.

Within April and May the Group received the amount of €500,000. After the above receipt the outstanding balance of the receivable was €2,050,000.

In June 2006 the Group agreed with the buyer to receive the amount of €1,996,673 as a full early prepayment of the outstanding amount.

The difference which resulted from the above agreement, amounting €53,327, was posted as a decrease in the profit from the sale of the vessel. The profit from the sale of the vessel was €1,029 thousand.

b) from the sale, in September 2006, of car-passenger ferries Patmos and Rodos, at a price of €2.3 mln approximately. These vessels were acquired as part of the total assets of DANE SEA LINE. The profit from the sale of the vessels was €300 thousand.

The sale of these vessels is part of Group's policy to focus on the operation of fast, modern conventional vessels.

5.9. 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 income taxes.

	GROUP	COMPANY
	1/1-31/12/2006	1/1-31/12/2006
Dividend distribution Tax		
Tax according to Law 27/75	57	18
Provision for unaudited fiscal years	30	10
Taxes charged from the Taxation audit	117	48
Total	204	76

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.

The Group's companies have been audited by tax authorities until fiscal year 2005. Total taxes charged amount €304,060.55. The Group had already made a tax provision for unaudited fiscal years of €186,450 and therefore the additional amount of €117,610.55 was posted in the current year's result.

The Group uses different depreciation policies from those that the tax law determines. Due to the above, tax differences arise which however do not affect the taxable profits.

5.10. Tangible assets

The vessels of the Group have been mortgaged as security of the long-term borrowings for the amount of €212 mil.

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

The depreciation analysis can be found in paragraph 5.6

Consolidated Figures	**Vessels**	**Land**	**Buildings**	**Furniture & Other Fixtures**	**Improvements In Third Parties Property**	**Vehicles**	**Fixed Assets Under Construction**	**Total**
Initial Cost at 01.01.2006	380,303	274	765	1,924	387			383,653
Acquisitions - Additions	21,992			75		31		22,098
Disposals / Write-offs	(6,327)							(6,327)
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added to the Income Statement								
Cost at 31.12.2006	395,968	274	765	1,999	387	31		399,424
Accumulated Depreciation at 01.01.2006	48,163		179	1,626	224			50,191
Depreciation for the Period	12,282		26	184	58	2		12,552
Disposals / Write-offs	(2,512)							(2,512)
Accumulated Depreciation at 31.12.2006	57,933		205	1,810	282	2		60,231
Net Book Value at 31.12.2006	338,035	274	560	189	105	29		339,193
Initial Cost at 01.01.2005	379,206	274	765	1,686	387			382,318
Acquisitions - Additions	1,097			238				1,335
Disposals / Write-offs								
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			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

Company Figures	Vessels	Land	Buildings	Furniture & Other Fixtures	Improvements In Third Parties Property	Vehicles	Fixed Assets Under Construction	Total
Initial Cost at 01.01.2006	43,040	274	765	1,281	387			45,747
Acquisitions - Additions	21,762			60		31		21,853
Disposals / Write-offs	(6,327)							(6,327)
Adjustments-Impairments added to the Net Equity								
Adjustments-Impairments added to the Income Statement								
Cost at 31.12.2006	58,475	274	765	1,341	387	31		61,273
Accumulated Depreciation at 01.01.2006	16,914		179	1,114	224			18,431
Depreciation for the Period	2,660		26	88	58	2		2,834
Disposals / Write-offs	(2,511)							(2,511)
Accumulated Depreciation at 31.12.2006	17,063		205	1,202	282	2		18,754
Net Book Value at 31.12.2006	41,412	274	560	139	105	29		42,519
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			2,246
Disposals / Write-offs								
Accumulated Depreciation at 31.12.2005	16,914		179	1,114	224			18,431
Net Book Value at 31.12.2005	26,126	274	586	167	163			27,316

The table below analyzes the tangible and intangible assets held by the Group under finance leases. These assets are included in table 5.10. "Tangible Assets" and table 5.11. "Intangible Assets".

Leased Assets	GROUP	COMPANY
Net Book Value 2005	387	142
Additions 01/01-31/12/06	768	768
Depreciation 01/01-31/12/06	(250)	(145)
Net Book Value 31/12/06	905	765

The most important assets acquired under finance lease are: the vessels' satellite antennas purchased for €784 thousand, software programs purchased for €571 thousand and various office electronic equipment purchased for €243 thousand.

5.11. Intangible assets

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

Consolidated Figures	**Trademarks**	**Software**	**Total**
Initial Cost at 01.01.2006	141	4,499	4,640
Acquisitions - Additions		200	200
Disposals / Write-offs			
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement		(53)	(53)
Cost at 31.12.2006	141	4,646	4,787
Accumulated Depreciation at 01.01.2006	60	2,664	2,724
Depreciation for the Period	10	450	460
Disposals / Write-offs			
Accumulated Depreciation at 31.12.2006	70	3,114	3,184
Net Book Value at 31.12.2006	71	1,532	1,603
Initial Cost at 01.01.2005	141	3,649	3,790
Acquisitions - Additions		850	850
Disposals / Write-offs			
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement			
Cost at 31.12.2005	141	4,499	4,640
Accumulated Depreciation at 01.01.2005	51	2,294	2,345
Depreciation for the Period	9	370	379
Disposals / Write-offs			
Accumulated Depreciation at 31.12.2005	60	2,664	2,724
Net Book Value at 31.12.2005	81	1,835	1,916

Company figures	**Trademarks**	**Software**	**Total**
Initial Cost at 01.01.2006	141	2,716	2,857
Acquisitions - Additions		106	106
Disposals / Write-offs			
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement		(53)	(53)
Cost at 31.12.2006	141	2,769	2,910
Accumulated Depreciation at 01.01.2006	60	1,405	1,466
Depreciation for the Period	10	346	356
Disposals / Write-offs			
Accumulated Depreciation at 31.12.2006	70	1,751	1,822
Net Book Value at 31.12.2006	71	1,018	1,088
Initial Cost at 01.01.2005	141	2,197	2,338
Acquisitions - Additions		519	519
Disposals / Write-offs			
Adjustments-Impairments added to the Net Equity			
Adjustments-Impairments added to the Income Statement			
Cost at 31.12.2005	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

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 Enterprise Resource Planning System.

5.12. Investments in subsidiaries - associated companies

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

	COMPANY	GROUP
Initial Cost at 01.01.2006	228,738	
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Adjustments-Impairments added to the Income Statement		
Value at 31.12.2006	228,738	0
Initial Cost at 01.01.2005	228,747	9
Acquisitions - Additions		
Disposals/Write-offs		
Adjustments-Impairments added to Net Equity		
Adjustments-Impairments added to the Income Statement	(9)	(9)
Value at 31.12.2005	228,738	0

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

Company Name	Cost	Impairment	Net Book Value	Registered in	Participation
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		

Also, the under common management company BLUE STAR FERRIES JOINT VENTURE is consolidated with the use of the full consolidation method.

The companies STRINTZIS LINES SHIPPING LTD, WATERFRONT NAVIGATION COMPANY, THELMO MARINE S.A. and BLUE ISLAND SHIPPING INC. are inactive.

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

5.13. Non-current receivables

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

5.14. Inventories

The "Inventories" account includes the following items:

	31/12/06		31/12/05	
	GROUP	COMPANY	GROUP	COMPANY
Food-Beverages-Tobacco	262	153	229	66
Fuel-Lubricants	805	301	788	210
Hotel Equipment	517	197	437	98
Total	1,584	651	1,454	374

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

5.15. Trade receivables and prepayments

	31/12/06		31/12/05	
	GROUP	COMPANY	GROUP	COMPANY
Trade Receivables	19,018	3,240	15,933	2,803
Post Dated Cheques	12,103		8,848	5
Less: Provisions for Bad Debts	3,838	170	3,769	170
Trade Receivables (net)	27,283	3,070	21,012	2,638
Prepayments to Suppliers - Creditors	1,444		1,340	
Total	28,727	3,070	22,352	2,638

The Group recognized a loss for bad debts of approximately €140 thousand for the period 1/1-31/12/2006. The amount of this provision has been charged to the income statement of the year.

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 very low.

5.16. Tax receivables

	31/12/06		31/12/05	
	GROUP	COMPANY	GROUP	COMPANY
Income Tax Prepayment	102	78	102	78
Withholding Tax on Interest Income	43	1	42	
VAT Receivable	7			
Total	152	79	144	78

5.17. Receivables from subsidiaries - associated companies

The company's receivables from the subsidiaries and associated companies amount approximately €98,381 thousand and they are written-off on consolidated level. These receivables do not represent sales among companies (see § 4.1).

5.18. Other receivables

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

	31/12/06		31/12/05	
	GROUP	COMPANY	GROUP	COMPANY
Prepayments to Employees	156		133	
Receivables from the Greek State	590		861	
Receivables from Insurance Companies	243	23	275	10
Masters' General Accounts	60	22	16	21
Other Receivables	629	128	1,698	654
Total	1,678	173	2,983	685

5.19. Financial assets held for trading

This refers to the Hermes Mutual Fund that at 31/12/05 was valued at €27.4 thousand. This asset was sold in January 2006 at a price of €41.1 thousand. The profit from this disposal amounted approximately €13.7 thousand and was recorded in current period's results. It is included in paragraph 5.7. under the heading "Interest income".

5.20. Cash and cash equivalents

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

	31/12/06		31/12/05	
	GROUP	COMPANY	GROUP	COMPANY
Cash in hand	34	3	29	4
Cash at banks	4,689	904	7,993	746
Short-term Time Deposits	37,518		41,203	8,165
Total	42,241	907	49,225	8,915

During the fiscal year, the Group has paid the amount of €15,219 thousand against scheduled installments of its long-term and short-term borrowings.

Furthermore, the Group paid the amount of €481 thousand against finance leases and €7,350 thousand as dividend for the fiscal year 2005.

In addition, the Group paid the amount of €10 mln as equity contribution for the acquisition - through an auction - of the total assets of DANE SEA LINE.

5.21. Deferred expenses - Accrued income

	31/12/06		31/12/05	
	GROUP	**COMPANY**	**GROUP**	**COMPANY**
Insurance Premia	251	95	206	51
Drydocking Expenses	4,002	1,492	2,477	941
Other	819	139	154	33
Total	5,072	1,726	2,837	1,025

5.22. Non - current assets classified as held for sale

It concerns a building in the town of Rhodes that was acquired in August 2006 through an auction as part of the total assets of DANE SEA LINE.

	Building at the city of Rhodes
Initial Cost at 01.01.2006	
Acquisitions - Additions	1,711
Cost at 31.12.2006	1,711
Accumulated Depreciation at 01.01.2006	
Depreciation for the Period before the classification of the asset as held for sale	13
Accumulated Depreciation at 31.12.2006	13
Net Book Value at 31.12.2006	1,698

5.23. Share capital - Reserves - Retained earnings

a) Share Capital

The company's Share Capital amounts €105,000,000 and is divided in 105,000,000 common bearer shares with a nominal value of €1 each. There was no change in the number of shares or in the share capital, within 2006.

b) Reserves

The Reserves are stated in the statement of Changes in Equity.

The nature and the scope of each reserve are as follows:

i) Share premium account

Is the difference between the share's nominal value and the price at which the share capital increase took place. This stands both for the parent company and the companies consolidated in the Group.

ii) Impairments

Refer to the impairment of investments in subsidiaries for the period before the application of I.F.R.S. The management of the Group has set as historical participation cost the value of investments in subsidiaries and other entities as at 31/12/2004.

iii) I.F.R.S. Adjustment Reserves

Refer to the reserves created from the first time adoption of I.F.R.S.

iv) Other reserves

Refer to reserves created from tax-free or special taxable revenue.

The proposed dividend by the Board of Directors to the Annual General Meeting of Shareholders amounting €9,450 thousand, is included in retained earnings and not in liabilities.

5.24. Secured loans

Long-term secured loans analysis:

	31/12/06		31/12/05	
	GROUP	COMPANY	GROUP	COMPANY
Bank Loans				
Bond Loans	175,682	8,429	179,800	
Total	175,682	8,429	179,800	

The Company issued a €10 mln secured bond loan in order to finance part of the acquisition cost of the newly acquired car - passenger ferry Diagoras. An amount of €1 mln has been transferred to the "Current portion of long term liabilities" account.

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 Loans are discounted.

The average weighted interest rate of the Bond Loans is Euribor plus 1.28%.
The loan payments are as follows:

	31/12/06	
Loans	GROUP	COMPANY
Payments within the next two years	27,000	2,000
Payments from 3 to 5 years	40,500	3,000
Payments beyond 5 years	123,250	4,500

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

5.25. Finance - Operating leases

a) 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:

	31/12/06	
Finance Leases	GROUP	COMPANY
Payments up to 1 year	451	451
Payments up to 5 years	304	304
Payments beyond 5 years		

The leases that are recognized in the income statement amount to €335 thousand.

b) Operating leases
The company paid for operating leases within 2006 the amount of €252 thousand while the Group paid the amount of €314 thousand.

The operating leases refer to office rent and have been contracted in market terms.

5.26. Deferred tax liabilities

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

	31/12/06	
	GROUP	COMPANY
Tax-free Reserves	19	4
Special taxable Reserves		
Total	19	4

5.27. 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 assumptions used for the calculation of retirement benefit provisions for the fiscal years 2006 and 2005 are as follows:

Discount Rate:	3.7%
Personnel turnover on a long - term basis:	1%
Annual average salary increase considered for the reimbursement of L.2112/20:	4%

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

The analysis of this liability is as follows:

	31/12/06		31/12/05	
	GROUP	COMPANY	GROUP	COMPANY
Outstanding Balance at the Beginning of the period	438	178	377	156
Current period's cost	43	27	44	15
Interest cost	21	9	17	7
Compensation paid				
Provisions over and above the actuarial valuation				
	502	214	438	178

5.28. Provisions

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

The reduction in the "Provisions" account, is due to the fact that the Group after the rejection by the European Court of Justice of our Company's appeal in relation to the imposition of a Euro 1.5 mln fine by the European Competition Commission Authorities, paid in full the imposed fine as well as the accrued interest.

It should be noted that with the above provision the Group had cover the entire liability to the European Commission and therefore there was no effect to the financial results of year 2006.

5.29. Bank loans and overdrafts

Within 2006 the Group has fully repaid the total amount of its short-term bank loan from its own cash & cash equivalents.

5.30. Trade and other payables

	31/12/06		31/12/05	
	GROUP	COMPANY	GROUP	COMPANY
Suppliers - Creditors	10,850	3,232	9,813	2,542
Social Security Contributions	142	39	119	34
Greek Seamens' Pension Fund (NAT)	492	225	276	37
Passengers' & Vehicles' Insurance Contribution (NAT)	863		1,345	
Insurance Brokers	138	135	158	158
Wages payable	842	344	746	219
Other	687	511	953	191
Total	14,014	4,486	13,410	3,181

5.31. Payables to subsidiaries - associated companies

The company's payables to subsidiaries and associated companies amount €179,213 thousand and they are written-off on consolidated level. These payables do not represent sales among companies (see § 4.1)

5.32. Tax liabilities

	31/12/06		31/12/05	
	GROUP	COMPANY	GROUP	COMPANY
Value Added Tax	558	129	481	53
Wages Tax	141	59	105	46
Income Tax			144	115
Taxes on crew wages	404	117	381	49
Other	72	58	185	6
Total	1,175	363	1,296	269

5.33. Accrued expenses

	31/12/06		31/12/05	
	GROUP	COMPANY	GROUP	COMPANY
Interest Expense Provision	294	37	84	
Travel Agents' Commissions	776		584	
Tax Provision for Unaudited Fiscal Years	30	10	184	75
Operating Expenses Provisions	436	239	858	635
Total	1,536	286	1,710	710

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

6. Proposed Dividend Payable

Group's management has decided to propose to the Annual General Meeting of Shareholders the distribution of €9,450 thousand or €0.09 per share as dividend for the fiscal year 2006.

7. Events after the Balance Sheet date

As of 29th January, 2007, vessel Blue Star 1 has been redeployed to the Rosyth-Zeebrugge route in the North Sea.

Voula, 9th February, 2007

MANAGING DIRECTOR	AUTHORISED DIRECTOR	FINANCIAL DIRECTOR
MICHAEL SAKELLIS	**SPIROS PASCHALIS**	**NIKOLAOS TAPIRIS**

IV. REPORT ON INTERCOMPANY TRANSACTIONS

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

Intercompany transactions

The company consolidates a Joint Venture and a Management Company operating as per article 25 of Law 25/75 creating intercompany transactions.

Blue Star Ferries Joint Venture and the management Company Blue Star Ferries S.A. are responsible, under a contractual agreement with the subsidiaries of the Blue Star Group, for the revenue and common expenses of vessels. Blue Star Ferries Joint Venture is responsible for the revenue and common 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 2006, Blue Star Maritime S.A. did not perform any intercompany transactions with its subsidiaries that create commercial revenue.

The capital transactions of the Company during 2006 with its subsidiaries as well as with other companies of the ATTICA HOLDINGS S.A. Group are:

-The company received the amount of €7,827 thousand as dividend for the fiscal year 2005 from its 100% subsidiary Blue Star Ferries Maritime S.A.

-The company paid the amount of €3,586 thousand as dividend for the fiscal year 2005 to its parent company ATTICA HOLDINGS S.A.

Furthermore, the Group BLUE STAR MARITIME S.A. purchased tourism related services amounting to €1,002 thousand from ATTICA PREMIUM S.A. which is a 100% subsidiary of ATTICA HOLDINGS S.A. These services were purchased at usual market prices.

The Group's receivables from its indirectly related entities for the period 1/1 - 31/12/2006 stood at €6,271 thousand.

The intercompany balances at 31/12/06 between BLUE STAR MARITIME S.A. and the Group's companies relate to the management of shipping companies and do not create any commercial revenue. The above-mentioned intercompany balances as at 31/12/06 appear in the Annual Financial Statements for the period 1/1/2006 - 31/12/2006 (Section 4.1., Intercompany Transactions) which have been approved by the Board of Directors on 15th February, 2007.

V. INFORMATION AS PER ARTICLE 10 OF LAW 3401/2005

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

In the course of the period 01/01/2006-28/02/2007, 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 for analysts on the full year 2006 results of Blue Star Maritime S.A. - 23/02/07**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=37008

2 **Full Year 2006 results - 21/02/07**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=36897

3 **Financial Calendar 2007 - 17/01/07**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=34140

4 **Deployment of BLUE STAR 1 to the Scotland-Belgium route - 21/12/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=33382

5 **Blue Star Ferries voted "Passenger Line of the Year" - 11/12/06**
http://www.bluestarferries.com/news_finance/ShowNews.asp?Newid=142&lang=EN

6 **Nine month 2006 results - 21/11/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=31938

7 **Completion of sale of M/V PATMOS & RODOS - 26/09/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=30066

8 **Sale Agreement of M/V PATMOS & RODOS - 11/09/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=27123

9 **First half 2006 results - 25/08/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=26600

10 **Issuance of a Euro 10 million secured bond loan - 18/08/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=26472

11 **F/B DIAGORAS starts sailings on the Dodecanese islands route from 12th August, 2006 - 11/08/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=26408

12 **Completion of taxation audit - 10/08/06**
http://www.bluestarferries.com/news_finance/ShowNews.asp?Newid=128&lang=EN

13 **Four years anniversary for Blue Star Ferries on the Dodecanese route - 24/07/06**
http://www.bluestarferries.com/news_finance/ShowNews.asp?Newid=125&lang=EN

14 **Completion of taxation audit - 19/07/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=25756

15 **Acquisition of the total assets of DANE SEA LINE - 05/07/06**
http://www.bluestarferries.com/news_finance/ShowNews.asp?Newid=123&lang=EN

16 **Payment of dividend for year 2005 - 20/06/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=24380

17 **First quarter 2006 results - 26/05/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=23179

18 **Rejection of the appeal against the decision of the European Court of First Instance dated 11/12/03 - 18/05/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=22844

19 **Composition of new board of directors - 18/05/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=22798

20 **Decisions of Annual General Shareholders' Meeting of 17/5/2006 - 17/05/06**
http://www.bluestarferries.com/news_finance/ShowNews.asp?Newid=116&lang=EN

21 **Dividend for fiscal year 2005 - 17/05/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=22782

22 **Annual Report - 03/05/06**
http://www.bluestarferries.com/ENGLISH/09-the-company/04-news/03-Annual-Report/BlueStarAR05.zip

23 **Invitation to Annual General Shareholders' Meeting of 17/05/06 - 14/04/06**
http://www.bluestarferries.com/news_finance/ShowNews.asp?Newid=149&lang=EN

24 **Delivery of M/V Catamaran SEAJET 2 - 27/03/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=21004

25 **Information as per Article 10 of Law 3401/2005 - 24/03/06**
http://www.bluestarferries.com/ENGLISH/09-the-company/04-news/06-Articles/top.htm

26 **Sale Agreement Signed for the Sale of M/V Catamaran SEAJET 2 - 21/03/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=20823

27 **Conference call on full year 2005 financial results - 24/02/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=20060

28 **Full Year 2005 results - 21/02/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=19936

29 **Financial Calendar 2006 - 15/02/06**
http://www.ase.gr/content/en/Announcements/CompaniesPress/new/Press.asp?anid=19755

30 **Reply to Athens Stock Exchange - 13/01/06**
http://www.ase.gr/content/gr/Announcements/CompaniesPress/new/Press.asp?anid=18951

31 **Disclosure of transactions of persons as per Article 13 of Law 3340/05**
http://www.bluestarferries.gr/GREEK/09-H-etairia/04-Ta-Nea/08-Stock-market/top.htm

32 **Consolidated and Company Information for the period 01/01/06-31/12/06**
http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-Statements/pdf/2006/BSF_12_2006_engl.pdf

33 **Report of the Board of Directors & Annual Consolidated and Company Financial Statements for the period 01/01/06-31/12/06**
http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-Statements/pdf/2006/BSNAE_12MONTH_ENG2006.pdf

34 **Consolidated and Company Information for the period 01/01/06-30/09/06**
http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-Statements/pdf/2006/BS_%2009_2006_en.pdf

35 **Interim Financial Statements for the period 01/01/06-30/09/06**
http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-Statements/pdf/2006/BSNAE_09_2006_EN.pdf

36 **Consolidated and Company Information for the period 01/01/06-30/06/06**
http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-Statements/pdf/2006/BSF_6MONTH_en2006(2).pdf

37 **Interim Financial Statements for the period 01/01/06-30/06/06**
http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-Statements/pdf/2006/BSNAE_06_2006_ENGL.pdf

38 **Consolidated and Company Information for the period 01/01/06-31/03/06**
http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-Statements/pdf/2006/BS_MARITIME_SA-1ST_QUARTER_2006.pdf

39 **Interim Financial Statements for the period 01/01/06-31/03/06**
http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-Statements/pdf/2006/BSNAE_03_2006%20ENGL.PDF

40 **Consolidated and Company Information for the period 01/01/05-31/12/05**
http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-Statements/pdf/BS_MARITIME_SA-CONSOLIDATED_2005.pdf

41 **Annual Financial Statements for the period 01/01/05-31/12/05**
http://www.bluestarferries.com/ENGLISH/09-The-Company/04-News/05-Fin-Statements/pdf/BS_MARITIME_SA-ANNUAL_FIN_STAT_2005.pdf

VI. CONCISE CONSOLIDATED AND COMPANY INFORMATION FOR THE PERIOD FROM 1st JANUARY TO 31st DECEMBER, 2006

COMPANY INFORMATION

Domicile:	157, C. Karamanli Avenue - 16673 Voula , Greece
Registration Number:	27574/06/B/92/34
Pertinent Supervising Authority:	Ministry of Development
Board of Directors:	Ch.Paschalis - President, M.Gialouris - Vice-president, M.Sakellis - Managing Director, S.Paschalis - Authorized Director, P.Panagopulos - Director, A.Panagopulos - Director, A.Strintzis - Director, D.Klados - Director, E.Kalpadakis - Director.

Date of Board of Directors approval of annual financial statements: 15/2/07
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
Internet Domain: www.bluestarferries.com

The following information provides 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 Standards (IFRS) as well as the relevant certified auditor's report, to navigate at the domain of the company.

(Amounts in thousand €)

BALANCE SHEET

	GROUP		COMPANY	
ASSETS	**31/12/06**	**31/12/05**	**31/12/06**	**31/12/05**
Non-current assets	340,862	335,440	272,396	257,495
Inventories	1,584	1,454	651	374
Trade receivables and prepayments	28,727	22,352	3,070	2,638
Other current assets	50,841	55,281	102,964	342,663
Total assets	**422,014**	**414,527**	**379,081**	**603,170**
EQUITY AND LIABILITIES				
Non-current liabilities	176,757	182,773	9,201	2,698
Short-term bank liabilities	13,500	14,719	1,000	2,219
Other short-term liabilities	16,725	16,416	184,348	415,727
Total liabilities (a)	206,982	213,908	194,549	420,644
Share capital	105,000	105,000	105,000	105,000
Reserves and retained earnings	110,032	95,619	79,532	77,526
Total shareholders equity (b)	215,032	200,619	184,532	182,526
Minority interests in subsidiaries (c)				
Total equity (d)=(b)+(c)	215,032	200,619	184,532	182,526
Total equity and liabilities (e)=(a)+(d)	**422,014**	**414,527**	**379,081**	**603,170**

INCOME STATEMENT FOR THE FISCAL YEAR

	GROUP		COMPANY	
	1/1-31/12/2006	**1/1-31/12/2005**	**1/1-31/12/2006**	**1/1-31/12/2005**
Total Revenue	**141,160**	**133,379**	**34,513**	**33,202**
Gross Profit/(loss)	**51,116**	**48,483**	**8,055**	**8,595**
Earnings before taxes, investing and financial results, depreciation and amortization	**40,834**	**37,641**	**4,222**	**4,312**
Earnings before taxes, investing and financial results	**27,812**	**25,342**	**1,020**	**1,783**
Total profit/(loss) before taxes	**21,967**	**18,016**	**9,432**	**8,602**
Less taxes	204	516	76	200
Total Profit/(loss) after taxes	**21,763**	**17,500**	**9,356**	**8,402**
Attributable as follows:				
Company shareholders	21,763	17,500	9,356	8,402
Minority shareholders				
Earnings after taxes Per Share - basic (in €)	0.21	0.17	0.09	0.08
Proposed dividend payable per share (in €)			0.09	0.07

CASH FLOW STATEMENT FOR THE FISCAL YEAR

	GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Cash flow from Operating Activities				
Profit/(Loss) Before Taxes	21,967	18,016	9,432	8,602
Adjustments for:				
Depreciation	13,023	12,299	3,202	2,529
Provisions	520	801	225	419
Foreign exchange differences	(247)	26	(245)	42
Net (profit)/loss from investing activities	(2,418)	(846)	(9,180)	(8,232)
Interest and other financial expenses	8,526	8,120	1,088	1,355
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	(131)	(350)	(277)	(61)
Decrease/(increase) in Receivables	(7,003)	147	233,174	(80,617)
(Decrease)/increase in Payables (excluding banks)	(2,405)	1,043	(233,213)	226,528
Less:				
Interest and other financial expenses paid	(7,811)	(12,712)	(1,047)	(8,436)
Taxes paid	(246)	(284)	(119)	(222)
Total cash inflow/(outflow) from operating activities (a)	23,775	26,260	3,040	141,907
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments				
Purchase of tangible and intangible assets	(24,010)	(1,500)	(23,670)	(485)
Proceeds from sale of tangible and intangible assets	5,301		5,301	
Interest received	1,105	820	40	389
Dividends received			7,827	7,827
Total cash inflow/(outflow) from investing activities (b)	(17,604)	(680)	(10,502)	7,731
Cash flow from Financing Activities				
Proceeds from issuance of Share Capital				
Proceeds from Borrowings	9,895	198,550	9,895	
Payments of Borrowings	(15,219)	(212,404)	(2,719)	(160,279)
Payments of finance lease liabilities	(481)	(331)	(372)	(142)
Dividends paid	(7,350)	(6,300)	(7,350)	(6,300)
Total cash inflow/(outflow) from financing activities (c)	(13,155)	(20,485)	(546)	(166,721)
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**(6,984)**	**5,095**	**(8,008)**	**(17,083)**
Cash and cash equivalents at beginning of period	**49,225**	**44,130**	**8,915**	**25,998**
Cash and cash equivalents at end of period	**42,241**	**49,225**	**907**	**8,915**

STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	31/12/06	31/12/05	31/12/06	31/12/05
Equity Opening Balance (1/1/2006 and 1/1/2005)	200,619	190,041	182,526	181,050
Profit/(loss) for the period, after taxes	21,763	17,500	9,356	8,402
	222,382	**207,541**	**191,882**	**189,452**
Increase/(decrease) of share capital				
Dividends paid	(7,350)	(6,300)	(7,350)	(6,300)
Net income charged directly to equity		(622)		(626)
Purchase/(Sale) of treasury stock				
Equity Closing Balance (31/12/2006 and 31/12/2005)	**215,032**	**200,619**	**184,532**	**182,526**

NOTES :

1. The companies which have been consolidated in the Financial Statements of 31.12.2006, can be found in the following table with the respective participation percentages:

Company Name	Registered in	Participation Percentage	Method of Consolidation	Nature of Relationship	Unaudited Fiscal Years
BLUE STAR MARITIME S.A.	Greece	Parent			2006
BLUE STAR FERRIES MARITIME S.A.	Greece	100%	Full	Direct	2006
BLUE STAR FERRIES JOINT VENTURE	Greece		Full	Under common management	2006
BLUE STAR FERRIES S.A.	Liberia	100%	Full	Direct	2006
WATERFRONT NAVIGATION COMPANY	Liberia	100%	Full	Direct	
THELMO MARINE S.A.	Liberia	100%	Full	Direct	
BLUE ISLAND SHIPPING INC.	Panama	100%	Full	Direct	
STRINTZIS LINES SHIPPING LTD.	Cyprus	100%	Full	Direct	2006

For the subsidiaries registered outside the European Union, which do not have an establishment in Greece, there is no liability for taxation audit.

2. The accounting principles are the same as those used on 31/12/2005.
3. The number of employees, at period end, was 253 for the parent company and 601 for the Group, while on 31/12/2005 it was 172 and 557 respectively.
4. The total revenue of the financial statements of the Group belongs to the following business activity categories:

(Amounts in thousand €)

"Sea and coastal transportation"	128.145
'Restaurants on board"	2,924
'Bars on board"	7,966
"Casino on board"	1,086
"Shops on board"	1,039

5. The vessels owned by the Company and the Group have been mortgaged as security of long term borrowings for an amount of Euro 12 mln. and Euro 212 mln. approximately respectively.
6. There are no legal or arbitration cases pending which could have a significant effect on the financial position or operation of the Company or the Group.
7. Amounts concerning sales and purchases, cumulatively, from the beginning of the current period and the outstanding balances of receivables and payables of the parent Company and the Group at the end of the current period, arising from transactions with related parties in accordance with IAS 24, are as follows:

(Amounts in thousand €)

	Group	Company
a) Sales of goods and services	0	0
b) Purchases of goods and services	1,002	0
c) Receivables	833	101,378
d) Payables	0	179,213
e) Transactions and Board of Directors and Executive Directors' Fees	935	828
f) Receivables from Board of Directors and Executive Directors	0	0
g) Payables to Board of Directors and Executive Directors	0	0
h) Dividend received	0	7,827
i) Dividend paid	3,586	3,586

8. Earnings per share were calculated using the weighted average method.
9. There are no any overdue liabilities, or liabilities that are about to become due, that cannot be paid.
10. The Company is consolidated with the full consolidation method in the consolidated financial statements of ATTICA HOLDINGS S.A., which is registered in Greece and holds 48.795% of the Company's share capital.
11. In July 2006, the Company acquired at an auction the total assets of DANE SEA LINE. The total amount paid was €19.9 mln.
12. In August 2006, the Company issued a new €10 mln. secured bond loan in order to finance part of the acquisition cost of M/V DIAGORAS.
13. The Company sold passenger - catamaran SEAJET 2 and car - passenger ferries PATMOS and RODOS, within 2006. The profit from these sales, amounting €1.3 million approximately is included in the income statement.

14. The depreciation expenses were presented as a separate item in each period's income statement. By the interim period 1/1-30/06/2006 the depreciation expenses are distributed on the cost of sales and the administrative expenses according to their origin.From this change in presentation there is no effect neither to the balance sheet's items nor to any period's result or to the shareholders equity (note 5.6.1. of the annual financial statements).
15. In December 2006 the Board of Directors of the subsidiary company BLUE STAR FERRIES MARITIME S.A. decided to redeploy Blue Star 1 from the Patras – Igoumenitsa – Bari route to the Rosyth – Zeebrugge route in the North Sea. The vessel started its new itineraries on 29/01/2007.

Voula, 9th February, 2007

Managing Director	Authorized Director	Financial Director
Michael Sakellis	**Spiros Paschalis**	**Nikolaos Tapiris**

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'.

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 Thursday 14th June, 2007, 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 reports of the Board of Directors and the Certified Auditors for the year 2006.
2. Discharge of the members of the Board of Directors and the Certified Auditors from any responsibility for the year 2006.
3. Approval of the distribution of profits for the year 2006.
4. Approval of the Directors' fees.
5. Appointment of Certified Auditors for the year 2007 and determination of their remuneration.

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 Blue Star Maritime S.A., 157 C. Karamanli Avenue, Voula, not less than five (5) days from the day of the Annual General Meeting.

Voula, 16 May, 2007

The Board of Directors

Tickers

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

Investor Enquiries

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Internet Site

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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
drmstyl@otenet.gr

Annual General Meeting

Blue Star Maritime S.A.: 14th June, 2007

Financial Calendar Blue Star Group

- Wednesday 21/2/2007: Release of full year 2006 financial results
- Thursday 22/2/2007: Conference call for analysts and investors on the full year 2006 financial results
- Friday 25/5/2007: Release of first quarter 2007 financial results
- Wednesday 14/6/2007: Annual General Meeting of Shareholders
- Friday 29/6/2007: Ex-dividend date
- Monday 9/7/2007: Payment of dividend
- Thursday 9/8/2007: Release of first half 2007 financial results
- Wednesday 14/11/2007: Release of nine month 2007 financial results

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 ir@bluestarferries.com

10 Investor Information

Blue Star Maritime S.A.

A MEMBER OF THE GROUP

Attica®

Quality Shipping Transportation Leisure Group

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