

ANNUAL REPORT 2002



STRINTZIS LINES SHIPPING S.A.

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Financial Statements

STRINTZIS LINES SHIPPING S.A.

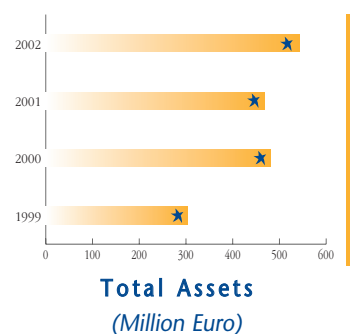
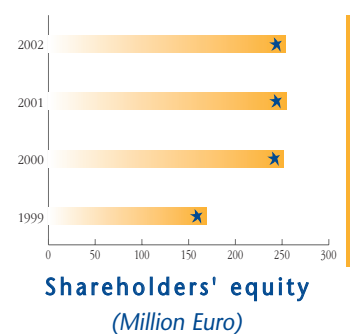
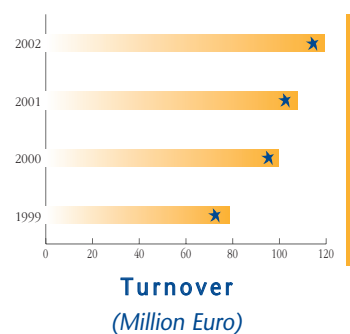
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KEY FINANCIAL DATA



(in million Euro)	2002	2001	2000	1999
Turnover	119.15	107.75	99.56	78.51
Operating profit	15.10	14.49	8.58	9.20
EBITDA	23.57	22.75	15.81	16.91
Depreciation	8.52	8.26	7.23	7.71
Net Financials	-10.22	-10.90	-6.88	-2.99
Net Profit	4.05	3.91	1.79	8.86
EBITDA margin	20%	21%	16%	22%
Net Profit margin	3%	4%	2%	11%
Number of shares (weighted)	105,000,000	105,000,000	92,885,791	74,920,501
Earnings per share (Euro)	0.04	0.04	0.03	0.03
Shareholders' equity	253.57	254.20	251.91	168.68
Total Assets	542.60	467.23	481.60	302.64





CHAIRMAN'S ADDRESS

Dear Shareholders, Ladies and Gentlemen,

The year 2002 was an important year for Greek coastal shipping as it was marked by the beginning of the process of liberalization of maritime transport.

The licensing system was abolished and ferry companies are now gradually being allowed by the system to deploy their vessels as they choose without meeting with any preferential treatment.

Within this new institutional framework our Company has entered dynamically into coastal shipping and has established itself as the leading ferry company offering a high level of on board services, respecting the passenger and haulier and setting new standards in interisland transportation. The signs of this evolution are now becoming evident.

Our Company captures large market shares on the routes which it serves, operating year-round, a fact greatly appreciated by the passengers and islanders in particular.

In terms of our Company's financial results we have increased our profitability and I am pleased to announce that the Company's Board of Directors will propose the distribution of Euro 0.03 dividend per share.

The cost of fuel oil remained at high levels in the course of 2002 having already risen significantly over 2001 by an average of 7.5%.

The high cost of oil limited the Company's profitability against turnover which increased by 10.6%.

Highlights for the Group during 2002 include:

- In March, 2002, the Company concluded the sale of 30-year old car-passenger Blue Aegean in line with its policy of fleet renewal and modernization.
- On 17th April, 2002, newly-built ultra-modern car-passenger ferry Blue Star Paros was delivered by Daewoo Shipbuilding and Marine Engineering Co., Ltd. of South Korea. The vessel was deployed to the Cycladic group of islands.
- On 26th April, 2002, the Company concluded the sale of catamaran Seajet 1.
- On 7th June, 2002, newly-built ultra-modern car-passenger ferry Blue Star Naxos was delivered by Daewoo Shipbuilding and Marine Engineering Co., Ltd. of South Korea. The vessel was deployed to the Cycladic group of islands.
- On 25th June, 2002, Strintzis Lines Shipping S.A. issued a Euro 30,000,000 three-year convertible bond. The convertible bond was taken up in full by parent company Attica Enterprises S.A.
- On 22nd July, Blue Star 1 was deployed on the Greek domestic market routes connecting the port of Piraeus to the islands of Patmos – Leros – Kos and Rhodes.
- In September, 2002, the Group successfully attained the refinancing of the Strintzis Group of companies debt. A new Euro 170,000,000 syndicated loan was agreed led by Citibank International Plc and Alpha Bank S.A. and co-arranged by Piraeus Bank S.A. and Landesbank Schleswig – Holstein Girozentrale, Kiel. Five more banks also participated in the syndicate which concluded the Group's capital restructuring.
- In September, 2002, Blue Star Ferries and its vessels were certified as per ISO 14001 Environmental Management System. Certification represents management's commitment to providing environmentally friendly transportation services with a high sense of responsibility towards environmental regulations. Auditing and certification were carried out by ABS



**GERASIMOS
D. STRINTZIS**
*Chairman of the Board of
Directors*

Quality Evaluations, a member of the international American Bureau of Shipping group.

- At the Extraordinary General Meeting of Shareholders in November, 2002, a new enlarged Board of Directors was voted in as per law 3016/2002 on corporate governance.

With the deployment of three of our vessels to the Greek domestic market routes we considerably raised the volumes of passengers and vehicles carried by our vessels. Specifically, the Company's ships carried:

1. On the Greek domestic market routes 2,478,215 passengers, 343,506 private vehicles and 59,670 freight units.
2. On the Adriatic Sea routes 466,418 passengers, 100,980 private vehicles and 68,196 freight units.

In total the Group's fleet carried in the course of 2002, 2,944,633 passengers, 444,486 private vehicles and 127,866 freight units.

Despite our expectations for total liberalization of maritime transport, there still exists strong State interference negatively affecting the sector's operation and the financial performance of ferry companies. Interference in the determination of pricing, manning and vessel deployment prohibit the existence of a free market and are contrary to European legislation.

Important steps have been taken towards the direction of market liberalization and the more efficient operation of Greek coastal shipping but our efforts will continue towards the abolition of interference in the operation of a free market.

Our Company recently deployed one more vessel to the Greek domestic market routes, namely Blue Star 2, on the Piraeus – Chania route which has already captured significant market shares in the transportation of passengers and private vehicles for the its first period of operation, March to April, 2003. Specifically, the vessel carried 48.77% of total passenger traffic and 46.98% of total private vehicle traffic on the route.

In the freight unit traffic segment our volumes are still low due to the intense antagonism and strong pressure exerted on hauliers by the competition which has enjoyed a decades old monopoly on the route.

In January, 2003, the Company's oldest vessel, Blue Galaxy, was sold as part of the Group's policy of fleet renewal and the disposal of vessels whose operation does not yield any returns. The Company's management intends to sell the remaining older vessels and streamline the Company's fleet so that it composes of modern, young vessels which offer a high level of services and are preferred by the traveling public.

The outlook for the current year is unclear due to the recent war in Iraq and the recession affecting the European economies.

Inbound tourism is expected to decrease but the effect on the Adriatic Sea routes particularly in the summer months will be small and even less on the Greek domestic market routes.

On the other hand, the significant drop in the price of fuel oil is encouraging both for the containment of the fleet's exploitation costs as well as the improvement of the state of the global economy.

Following the latest development of the price of fuel oil we believe that the moderate growth of the first months of 2003 can be accelerated and that the year proves more prosperous than 2002.

Thank you.



Gerasimos D. Strintzis
Chairman of the Board of Directors





BLUE STAR FERRIES DESTINATIONS



ITINERARIES



During 2002 the Group's vessels were deployed on the following routes:

1. GREEK DOMESTIC MARKET ROUTES

- Rafina – Andros – Tinos – Myconos, served daily by SUPERFERRY II
- Rafina – Tinos – Myconos – Paros, with 2 daily departures by Catamaran SEAJET 2
- Piraeus – Paros – Naxos – Santorini, with 2 daily departures by BLUE STAR PAROS & BLUE STAR NAXOS and Syros – Ios – Amorgos – Iraklia – Schinoussa – Koufonissi with 2 departures a week
- Piraeus – Syros – Tinos – Myconos & Paros – Naxos, served daily by BLUE STAR ITHAKI
- Patras – Sami (Cephalonia) – Ithaca, served daily by KEFALONIA
- Patras – Corfu, with 4 departures a week by BLUE SKY & BLUE HORIZON
- Piraeus – Kos – Rhodes, with 4 departures a week by BLUE STAR 1 (and Patmos – Leros once a week)

2. GREECE – ITALY ROUTES

- Patras – Igoumenitsa – Ancona, served by BLUE STAR 1 & BLUE STAR 2
- Patras – Igoumenitsa – Corfu – Venice, 4 departures a week by BLUE HORIZON & BLUE SKY
- Igoumenitsa – Corfu – Brindisi, served daily by BLUE BRIDGE

BLUE STAR 1 was redeployed from the Patras – Igoumenitsa – Ancona route to the Kos – Rhodes route on 22nd July, 2002.



Blue Star Naxos



Blue Star Paros



Blue Star Ithaki



THE BOARD OF DIRECTORS

STRINTZIS LINES SHIPPING S.A.

GERASIMOS D. STRINTZIS	Chairman and Chief Executive Officer, Executive Member
ALEXANDER P. PANAGOPULOS	Vice-Chairman, Executive Member
SPIROS CH. PASCHALIS	Authorised Director, Executive Member
PERICLES S. PANAGOPULOS	Director, Executive Member
MICHAEL G. GIALOURIS	Director, Executive Member
ANTHONY D. STRINTZIS	Director, Executive Member
CHARALAMBOS S. PASCHALIS	Director, Non-executive Member
DIMITRIOS I. KLADOS	Director, Independent non-executive Member
EMMANOUIL E. KALPADAKIS	Director, Independent non-executive Member

BLUE STAR FERRIES S.A.

GERASIMOS D. STRINTZIS	Chairman
ALEXANDER P. PANAGOPULOS	Vice-Chairman
SPIROS CH. PASCHALIS	Treasurer
NIKOLAOS I. TAPIRIS	Secretary
PERICLES S. PANAGOPULOS	Director
ANTHONY D. STRINTZIS	Director



Blue Star Naxos



Blue Star Paros



Blue Star Ithaki



REPORT OF THE BOARD OF DIRECTORS



Ladies and Gentlemen,

Last year was a year of great development, modernization and financial progress for our Group.

In the process of our fleet's modernisation and renewal, our Group took delivery of two ultra-modern newly built vessels, Blue Star Paros and Blue Star Naxos, a total investment of over Euro 85 million, and sold older vessels, Blue Aegean and SeaJet 1. The level of services offered to the traveling public was therefore upgraded in line with our Group's stated aims as these were set in the preceding year.

At the same time, our Group continues to pursue its aim for the development of new routes in Greek coastal shipping with latest technology vessels offering the highest standards of services. These, after all, were the trademarks which established our Group in the Greek domestic market during 2002 with the successful deployment of the two newbuildings, Blue Star Paros and Blue Star Naxos, on the Cycladic Islands' routes and the redeployment of Blue Star 1 to the Dodecanese routes.

Our Group aims to further develop new routes in the Aegean Sea, through the acquisition or construction of new vessels, further upgrade the level of services offered both on board and on shore as well as further establish itself as the passenger's and haulier's ferry company of choice.

An important development which took place in the course of last year was the first application of law 2932/01 regarding the freedom to provide services in maritime transport liberalizing island cabotage in Greece. The first attempt at application of the law leaves a lot of room for improvement to be expected particularly as regards the price ceiling imposed in certain categories of fares, the determination of routes, as well as the imposition of reduced fares across a wide spectrum of categories. These worked as an impediment to the full liberalization of competition and the improvement in the operational exploitation of vessels, however our Group believes that amendments to the regulatory framework already enacted as well as those proposed to the Ministry of Mercantile Marine will eventually allow for the development of full-fledged competition and the functioning of a dense transportation network connecting the islands to mainland Greece.

Highlights for Strintzis Lines Shipping S.A. in the year 2002 include:

The launching of Blue Star Naxos, on 27th February, 2002, the second of the pair of newly-built vessels deployed on the Cycladic Islands' routes in the summer of 2002, at Daewoo Shipbuilding and Marine Engineering Co., Ltd.

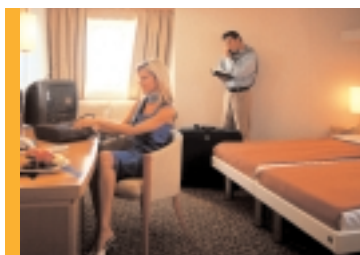
In March, 2002, the Board of Directors of Strintzis Lines Shipping S.A. and of ANEK Lines agreed to explore the financial, legal and business parameters of a potential merger of the two companies. In May, 2002, a memorandum of cooperation outlining the activities to be undertaken in the examination of a possible merger, was signed. The two companies agreed to discontinue talks as agreement was not reached.



In March, 2002, our Group sold car-passenger ferry Blue Aegean to Briarstar Limited, of Ireland. The vessel served on the Piraeus – Cycladic Islands route but the continuation of its operation was deemed unprofitable due to its old age and the vessel was sold as part of the Group's policy of fleet renewal.

On 17th April, 2002, newly-built ultra-modern car-passenger ferry Blue Star Paros was delivered by Daewoo Shipbuilding and Marine Engineering Co., Ltd. of South Korea. Blue Star Paros has a speed of 25 knots and a capacity for 1,500 passengers, 38 cabins (132 berths) for passengers and garage space for 240 private vehicles or 35 freight units and 104 private vehicles. Blue Star Paros successfully replaced Blue Star Ithaki on the Piraeus – Paros – Naxos – Santorini route enjoying the preference of the traveling public.

In April, 2002, our Group concluded the sale of passenger-only catamaran SeaJet 1 to shipping company Aegean Jet 1. The vessel was sold as part of the Group's concentration on the exploitation of modern conventional fast car-passenger ferries.



In May, 2002, the Repeat Annual General Meeting of Shareholders authorized the issuing of a Euro 30,000,000 three-year convertible bond. The convertible bond was issued on 25th June, 2002, and was taken up in full by parent company Attica Enterprises S.A. The convertible bond trades on the Athens Stock Exchange.

In June, 2002, the second of the Group's two newbuildings, ultra-modern car-passenger ferry Blue Star Naxos was delivered by Daewoo Shipbuilding and Marine Engineering Co., Ltd. of South Korea. Blue Star Naxos was successfully deployed in July, 2002, on the Piraeus – Paros – Naxos – Santorini and Amorgos route offering early evening departures from Piraeus. The ship also called regularly at the islands of Iraklia, Schinoussa, Koufonissi and Astypalaia.



Also in June, 2002, the Group inaugurated a new route with the deployment of Blue Star Ithaki on the route Piraeus – Syros – Tinos – Myconos and Paros – Naxos.

In July, 2002, the Group terminated its relationship with Hellenic Shipyards S.A. of Skaramanga, regarding the construction of two car-passenger ferries, by mutual consent. Hellenic Shipyards S.A. paid back to parent company Strintzis Lines Shipping S.A. prepayments made as well as all financial obligations deriving from the contract.



On 22nd July, 2002, the Group launched a new route on the Greek domestic market routes with the deployment of luxurious, ultra-modern Blue Star 1 on the Piraeus – Kos – Rhodes route also calling at Patmos and Leros. The ship, which had been previously deployed on the Greece – Italy routes, was redeployed to the Dodecanese routes as part of the Group's strategy of further developing its domestic network and contributed significantly to the substantial increase in passenger and vehicle traffic to and from the islands of the Dodecanese. The ship offered a considerable decrease in traveling time and a high level of services to the islanders, visitors and those trading with the islands.

In September, 2002, the Group successfully attained the refinancing of its debt. A new Euro 170,000,000 syndicated loan was agreed led by Citibank International Plc and Alpha Bank S.A. and co-arranged by Piraeus Bank S.A. and Landesbank Schleswig – Holstein Girozentrale, Kiel. Five more banks also participated in the syndicate which concluded the Group's capital restructuring.

In September, 2002, Blue Star Ferries and its vessels were certified as per ISO 14001 Environmental Management System. Certification represents management's commitment to providing environmentally friendly transportation services with a high sense of responsibility towards environmental regulations. Auditing and certification were carried out by ABS Quality Evaluations, a member of the international American Bureau of Shipping group.

At the Extraordinary General Meeting of Shareholders in November, 2002, a new enlarged Board of Directors was voted in as per law 3016/2002 on corporate governance. The Extraordinary General Meeting also decided on the launching of a buy-back program of up to 10% of the Company's shares in accordance with article 16 of law 2190/1920.

In January, 2003, the Group's oldest vessel, Cesme 2 (formerly Blue Galaxy) belonging to subsidiary company Blue Galaxy Shipping Inc., was sold to foreign buyers. The ship had been laid up during 2002 and its sale was considered to be in the Group's best interests as its operation would not yield any returns. The Group has booked a loss from the sale which will appear in the 2003 accounts.

In March, 2003, the Group will launch a new route with ultra-modern, car-passenger ferry Blue Star 2 built in 2000 with a speed of 28 knots, connecting Piraeus to Chania, Crete, in five hours and forty five minutes. Blue Star 2 will sail daily from Piraeus for Chania at 16:00 and from Chania for Piraeus at 23:30.

The Group has successfully been serving the following routes:

Greece – Italy routes

Patras – Igoumenitsa – Ancona with Blue Star 1 and Blue Star 2 daily. Blue Star 1 was redeployed to the Piraeus – Dodecanese route as of 22nd July, 2002.

Patras – Igoumenitsa – Corfu – Venice with Blue Horizon and Blue Sky with four return trips weekly.

Igoumenitsa – Corfu – Brindisi with Blue Bridge daily.

Ionian Sea routes

Patras – Sami – Ithaca with Kefalonia twice daily throughout the year.

Aegean Sea routes

Piraeus – (Syros) – Paros – Naxos – (Ios) – Santorini – (Amorgos) with Blue Star Paros and Blue Star Naxos with two return trips daily.

Piraeus – Syros – Tinos – Myconos – (Paros) – (Naxos) with Blue Star Ithaki daily as of June, 2002.

Rafina – Andros – Tinos – Myconos with Superferry II daily throughout the year.

Rafina – Tinos – Myconos – Paros with Seajet 2 twice daily during the summer period.

Piraeus – (Patmos) – (Leros) – Kos – Rhodes with Blue Star 1 with four return trips weekly as of July, 2002.



In total the Group's fleet carried 2,944,633 passengers, 444,486 private vehicles and 127,866 freight units.

Specifically, on the Greece – Italy routes the Group's fleet carried 466,418 passengers, 100,980 private vehicles and 68,196 freight units. Compared to 2001 this represents a 2.65% decline in passengers carried, 4.53% in private vehicles and 8.56% in freight units.

It should be noted that the Group's ships carried out less sailings compared to 2001 due to the redeployment of Blue Star 1 to the Piraeus – Dodecanese route as of July, 2002. Consequently, the volumes carried by the Group's ships on the Greece – Italy routes are considered very satisfactory.

On the Adriatic Sea routes, according to the data released by the port authorities of Patras and Igoumenitsa (excluding traffic to and from the port of Corfu) our Group carried 15.86% of total passenger traffic, 17.72% of total private vehicle traffic and 15.01% of total freight unit traffic transported between Greece and Italy.



On the Greek domestic market routes, the Group's ships carried a total of 2,478,215 passengers, 343,506 private vehicles and 59,670 freight units. Compared to 2001 this represents a 19.80% increase in passengers, a 27.65% increase in private vehicles and a 7.30% decline in freight units. The sharp increase in the volumes carried in the passenger and private vehicle traffic segments is due to the deployment of newly-built car-passenger ferries Blue Star Paros and Blue Star Naxos on the Piraeus – Cycladic Islands route as of summer 2002.

Consolidated turnover for 2002 stood at Euro 119.1 million against Euro 107.7 million in 2001, increased by 10.58%. Net consolidated profit stood at Euro 4 million against Euro 3.9 million in 2001, increased by 3.48%.



The increase in turnover is to be mainly attributed to the deployment of newly-built Blue Star Paros and Blue Star Naxos on the Cycladic Islands routes as of summer 2002. Both vessels were extremely successful and popular with passengers due to the high level of services offered, their speed and punctuality. It should also be noted that the increase in turnover was attained despite the reduction in the total number of sailings made by 21% compared to 2001. This implies an improvement in capacity utilization and operational efficiency of the vessels.

Furthermore, it is also noteworthy that the improvement in the Group's profitability took place against the less than favourable conditions which characterized the sector during the year such as the high price of fuel oil which was 8% higher compared to 2002, the continuous interference by the Ministry of Mercantile Marine in the determination of price levels in economy class fares and the increase in the vessels' insurance costs.



An important factor in the increase of the Group's profitability was the Group's concentration on the Greek domestic market routes together with a focus of sales promotion towards the same direction, the establishment of the Group's new trademark - Blue Star Ferries – as well as the containment of the Group's non-exploitation costs.

The Group's key financials as at 31st December, 2002 are as follows:

	Euro
Establishment Expenses	3,284,212.88
Total Fixed Assets	451,600,683.90
Total Current Assets	81,524,308.69
Total Shareholders' Equity and Reserves	253,568,315.73
Total Provisions	2,189,522.85
Total Liabilities	282,249,362.51

Consolidated financial results for the year 2002 for the Group are as follows:

	Euro
Total turnover	119,148,115.37
Total Gross Profit from Exploitation	33,714,890.46
Earnings Before Interest Tax, Depreciation and Amortisation	23,573,560.72
Net consolidated profit for the year	4,049,235.99

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

	Euro
Strintzis Lines Shipping S.A.	1,867,898.34
Blue Star Ferries Maritime S.A.	3,949,620.62
Strintzis Lines Shipping Ltd.	(812,559.95)
Waterfront Navigation Co.	—
Thelmo Marine S.A.	—
Blue Star Ferries Joint Venture	—
Blue Star Ferries S.A.	—
Blue Galaxy Shipping Inc.	(570,599.83)
Blue Island Shipping Inc.	(391,707.69)
TOTAL	4,042,651.49
Less: Minority Interest	(6,584.50)
TOTAL	4,049,235.99

Authorised Director

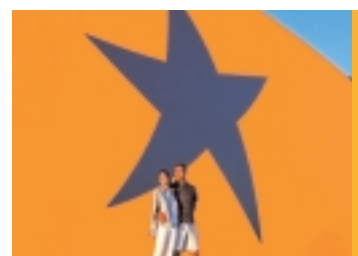
Spyros Ch. Paschalis

We confirm that the above Report of the Board of Directors to the Annual General Meeting of Shareholders of 2003 which consists of seven pages is that which is referred to in our Audit Report dated 17th February, 2003.

The Certified Public Accountants
Athos Stylianos, FCCA, CA (Gr)
DRM STYLIANOU S.A.

RSM
international

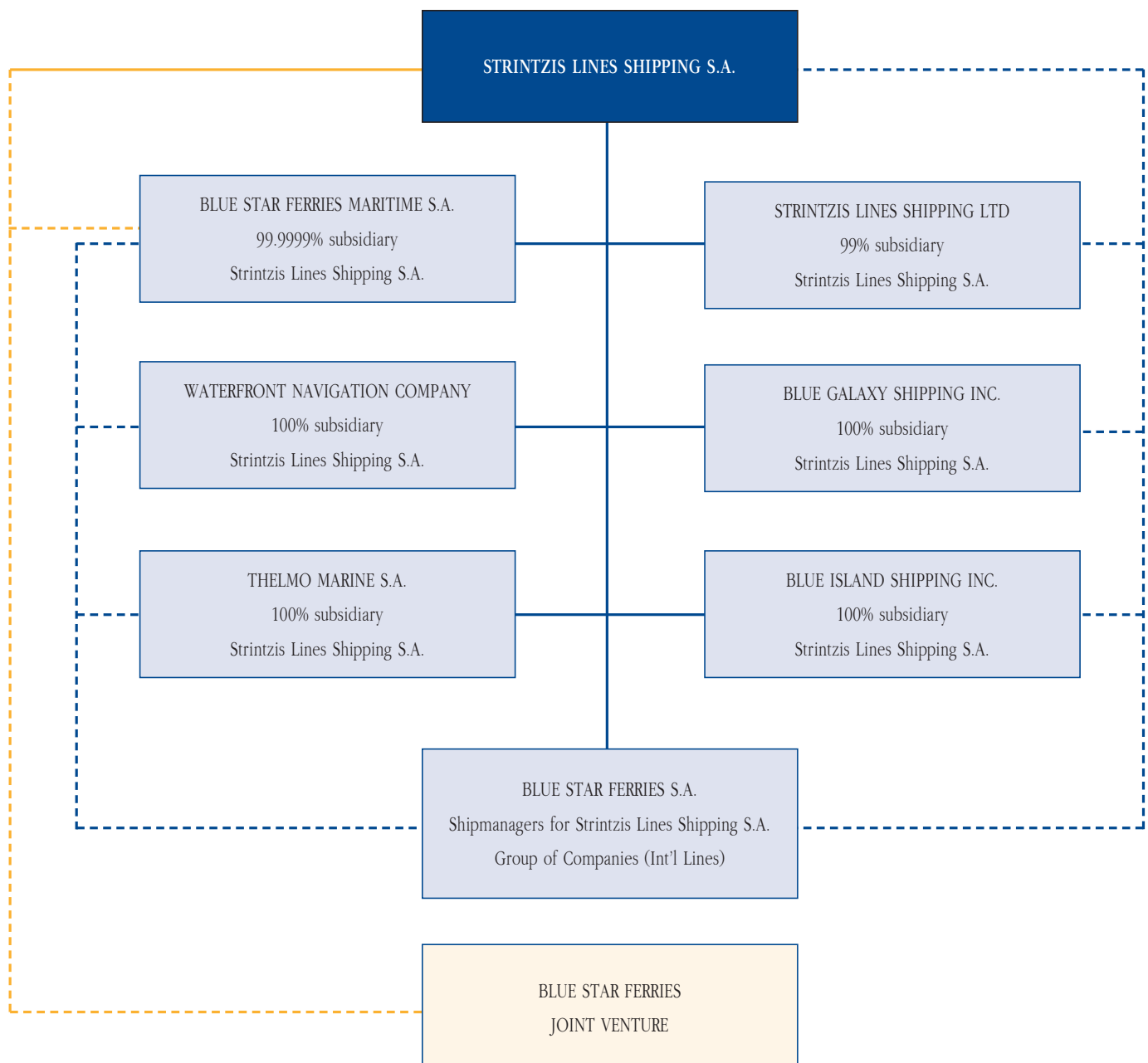
A Member Firm of RSM International



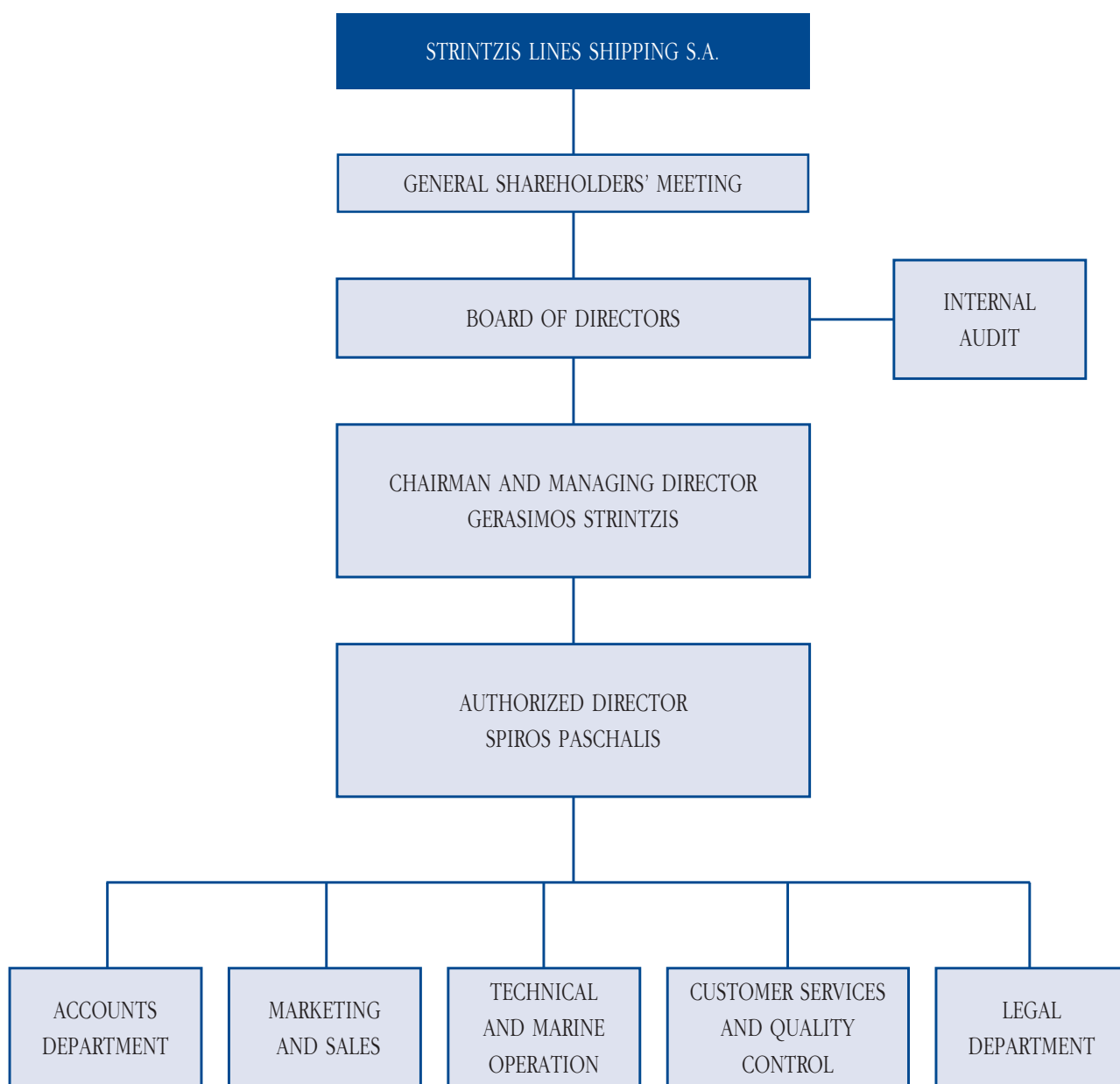


CORPORATE STRUCTURE

STRINTZIS LINES SHIPPING S.A. GROUP OF COMPANIES



COMPANY FLOW CHART





THE FLEET

In 2002 the Group's fleet comprised of 13 vessels serving the Greek domestic market and the Adriatic Sea routes.

2002 was an important year for the Group as it took delivery on 17th April and on 6th June, 2002, of two more new buildings from Daewoo Shipbuilding and Marine Engineering, Blue Star Paros and Blue Star Naxos which were successfully deployed on 12th June and 1st July, 2002, respectively on the Cycladic Islands' routes.

The technical specifications of Blue Star Paros και Blue Star Naxos are:

Overall length 123.8m – moulded breadth 18.9m – scantling draught 5.10m – 23,700 HP engine power – 10,400 Gross tonnage – Capacity for 1,500 passengers, 240 private vehicles or 35 freight units and 104 private vehicles at a speed of 24.5 knots.

The total capacity of the Group's fleet is 16,356 passengers and 4,866 vehicles.



Blue Star 1



Blue Star 2



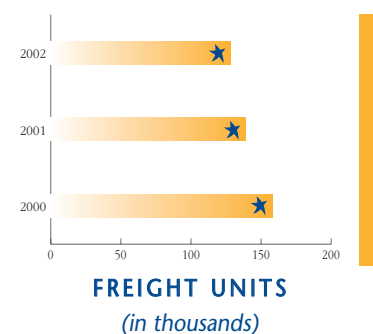
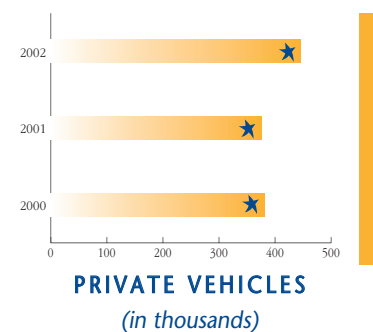
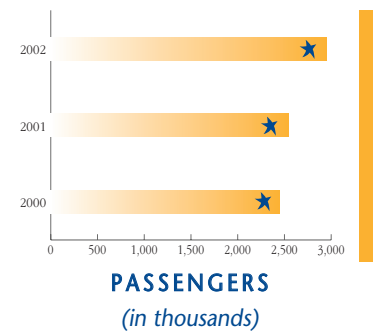
Blue Horizon

VESSEL	BUILT	SPEED	PASSENGERS	CARS	FREIGHT UNITS
BLUE STAR NAXOS	2002-Korea	26.0 kn	1,432	110	22
BLUE STAR PAROS	2002-Korea	26.0 kn	1,432	110	22
BLUE STAR 1	2000-The Netherlands	28.0 kn	1,600	100	100
BLUE STAR 2	2000-The Netherlands	28.0 kn	1,600	100	100
BLUE STAR ITHAKI	2000-Korea	24.0 kn	1,313	110	22
SEA JET 2	1998-Norway	38.0 kn	386	—	—
SUPERFERRY II	1974-Belgium	19.5 kn	2,072	130	30
KEFALONIA	1975-Japan	21.0 kn	1,137	87	30
BLUE BRIDGE	1976-Australia	19.0 kn	945	53	62
BLUE HORIZON	1987-Japan	23.5 kn	1,510	70	100
BLUE ISLAND	1973-Japan	19.0 kn	1,505	94	45
BLUE SKY	1974-Japan	22.0 kn	1,090	70	70

TRAFFIC VOLUMES BLUE STAR FERRIES 2000-2002



YEAR	PASSENGERS	PRIVATE VEHICLES	FREIGHT UNITS
2000	2,443,209	380,725	158,367
2001	2,547,766	374,865	138,956
2002	2,944,633	444,486	127,866





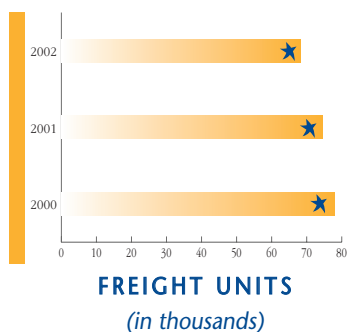
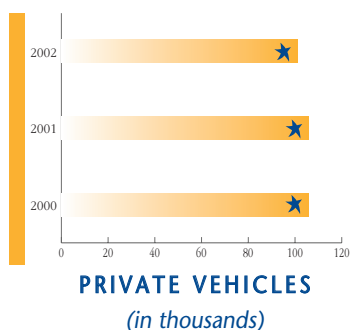
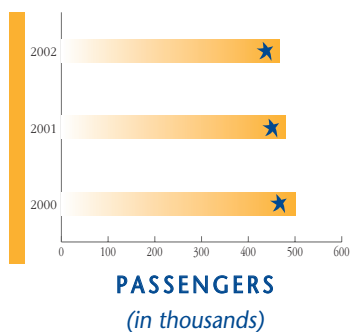
GREECE – ITALY ROUTES

During 2002, Blue Star Ferries was active with five vessels on the Adriatic Sea routes until 20th July, 2002, when Blue Star 1 was redeployed from the Patras – Igoumenitsa – Ancona route to the Greek domestic market routes and specifically to the Piraeus – Kos – Rhodes and Patmos – Leros routes.

The Group's vessels which were active on Greece – Italy routes were Blue Star 1, Blue Star 2, Blue Horizon, Blue Sky and Blue Bridge connecting the ports of Patras, Igoumenitsa and Corfu to the ports of Ancona and Venice and the ports of Igoumenitsa and Corfu to the port of Brindisi.

In 2002 on the Greece – Italy routes the Group's ships carried 466,418 passengers, 100,980 private vehicles and 68,196 freight units.

According to the data released by the port authorities of Patras and Igoumenitsa the Group's market shares in the Adriatic Sea market are 15.86% in the passenger traffic segment, 17.72% in the private vehicle traffic segment and 15.01% in the freight unit traffic segment.



YEAR	PASSENGERS	PRIVATE VEHICLES	FREIGHT UNITS
2000	501,886	105,764	77,887
2001	479,138	105,772	74,584
2002	466,418	100,980	68,196



GREEK DOMESTIC MARKET ROUTES



Blue Star Ferries is active in Greek coastal shipping in the Ionian Sea sailing to the islands of Cephalonia, Ithaca and Corfu and the Aegean Sea sailing to the islands of:

Andros, Tinos, Myconos, Syros, Paros, Naxos, Santorini, Amorgos, Schinoussa, Koufonissi, Iraklia, Patmos, Leros, Kos and Rhodes.

1. Cycladic Islands' Routes

In the second half of 2002 the Group deployed two more newly-built vessels to the Cycladic Islands' routes, Blue Star Paros and Blue Star Naxos which met with great commercial success.

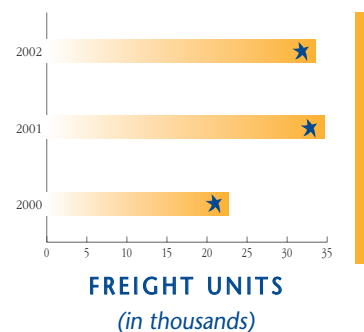
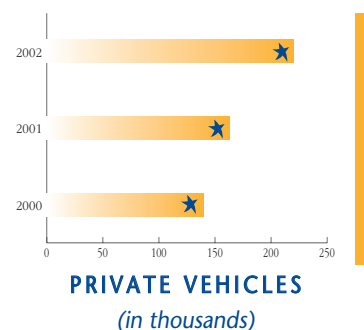
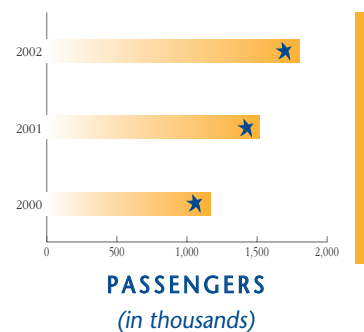
YEAR	PASSENGERS	PRIVATE VEHICLES	FREIGHT UNITS
2000	1,166,903	139,501	22,666
2001	1,515,812	162,477	34,689
2002	1,803,522	220,117	33,527

2. Dodecanese Routes

Blue Star Ferries deployed as of 22nd July, 2002, car-passenger ferry Blue Star 1 on the Piraeus – Kos – Rhodes route offering four departures a week whilst also calling once a week at Patmos and Leros.

The deployment of Blue Star 1 to the Dodecanese routes set new standards in the transportation services to the islands. The ship offering a high level of services in terms of comfort, speed and punctuality, soon became a favourite on the route and led to an increase in the total traffic on the route by 28.46% in passengers, 3.45% in private vehicle and 3.36% in freight unit traffic.

As at 31st December, 2002, the ship had carried 131,972 passengers, 23,044 I.X. private vehicles and 7,959 freight units.

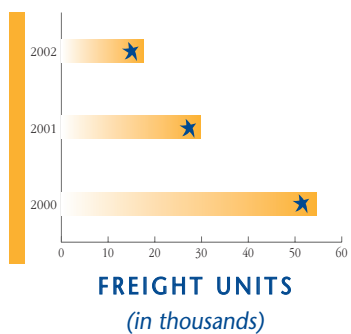
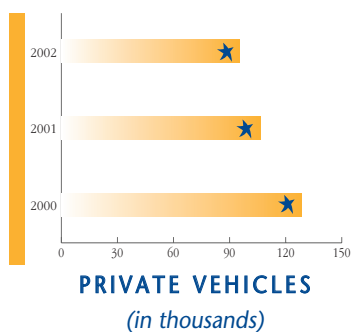
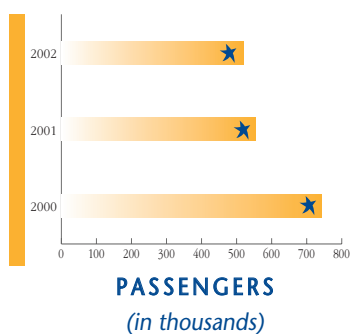


3. Ionian Sea Routes

During 2002 the Group was active on the Cephalonia – Ithaca route with car-passenger ferry Kefalonia connecting daily the port of Patras with Sami (Cephalonia) and Ithaca.

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

YEAR	PASSENGERS	PRIVATE VEHICLES	FREIGHT UNITS
2000	742,112	128,653	54,507
2001	552,816	106,616	29,683
2002	519,780	95,545	17,522



SOCIAL RESPONSIBILITY



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

- Sponsors major cultural events taking place in the islands which it serves
- Contributes to the tourist development of the destinations it serves, by contributing to the promotion of the islands through the Group's advertising campaigns in Greece and abroad as well as sponsoring promotional material of the tourist agencies of the islands it serves.
- Has established an annual prize of Euro 2,950 for two students from the island of Cephalonia who achieve the highest score in the region for entry into university.
- Executes extraordinary sailings in the event of a medical emergency even for a single patient.
- Takes an active part in cultural events taking place in the islands by offering reduced price and complimentary tickets to music, athletic and theatrical groups, taking part in athletic and cultural activities.



Kefalonia



Blue Sky



Blue Island



SALES NETWORK

Australia



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STRINTZIS LINES SHIPPING S.A. - GROUP OF COMPANIES

TENTH CONSOLIDATED BALANCE SHEET

As at 31st December 2002 (in euro)

ASSETS

	2002			2001		
	Cost	Depreciation	Net book value	Cost	Depreciation	Net book value
ESTABLISHMENT EXPENSES						
Exchange differences on currency loans	290,053.81	(58,010.76)	232,043.05	10,411,708.55	(9,551,224.25)	860,484.30
Interest pertaining to construction period	218,933.05	(124,775.74)	94,157.31	406,618.91	(276,336.66)	130,282.25
Other establishment expenses	5,945,931.19	(2,987,918.67)	2,958,012.52	9,576,421.90	(8,609,913.93)	966,507.97
	<u>6,454,918.05</u>	<u>(3,170,705.17)</u>	<u>3,284,212.88</u>	<u>20,394,749.36</u>	<u>(18,437,474.83)</u>	<u>1,957,274.52</u>
FIXED ASSETS						
<u>Intangible assets</u>						
Registered trade marks	242,439.77	(109,421.08)	133,018.69	349,106.84	(107,788.67)	241,318.17
	<u>242,439.77</u>	<u>(109,421.08)</u>	<u>133,018.69</u>	<u>349,106.84</u>	<u>(107,788.67)</u>	<u>241,318.17</u>
<u>Tangible assets</u>						
Vessels	500,044,354.85	(52,405,893.09)	447,638,461.76	424,332,495.27	(57,422,121.61)	366,910,373.66
Vessels under construction			0.00	39,062,610.06		39,062,610.06
Buildings and technical installations	1,426,706.30	(384,912.97)	1,041,793.33	1,426,706.30	(330,081.73)	1,096,624.58
Motor vehicles	0.00	0.00	0.00	26,094.46	(22,066.39)	4,028.07
Furniture and other equipment	1,511,349.63	(1,094,713.61)	416,636.02	1,399,936.69	(962,552.45)	437,384.24
	<u>502,982,410.78</u>	<u>(53,885,519.67)</u>	<u>449,096,891.11</u>	<u>466,247,842.77</u>	<u>(58,736,822.18)</u>	<u>407,511,020.60</u>
	<u>503,224,850.55</u>	<u>(53,994,940.75)</u>	<u>449,229,909.80</u>	<u>466,596,949.61</u>	<u>(58,844,610.85)</u>	<u>407,752,338.77</u>
Investments in affiliated companies			1,145,033.11			1,145,033.11
Long term receivables			1,225,740.99			1,224,665.27
			<u>2,370,774.10</u>			<u>2,369,698.38</u>
Total fixed assets			<u>451,600,683.90</u>			<u>410,122,037.15</u>
CURRENT ASSETS						
Inventories			1,558,264.66			2,411,407.26
Trade receivables			25,478,062.12			16,588,789.33
Post dated cheques			2,719,698.68			2,406,708.28
Cheques overdue			379,599.32			335,061.87
Other receivables		420,442.96	0.00			0.00
Less: Provisions		325,000.00	95,442.96			101,771.36
Sundry debtors			7,389,869.94			6,111,948.84
Sundry advances			395,258.90			931,028.20
			<u>38,016,196.58</u>			<u>28,886,715.14</u>
<u>Securities</u>						
Sundry securities			22,082.43			33,840.01
<u>Cash and banks</u>						
Cash			17,333.29			4,151.64
Banks			43,468,696.39			19,958,768.23
			<u>43,486,029.68</u>			<u>19,962,919.87</u>
Total current assets			<u>81,524,308.69</u>			<u>48,883,475.02</u>
PREPAYMENTS AND ACCRUED INCOME						
Prepaid expenses			6,195,286.10			6,263,660.08
			<u>6,195,286.10</u>			<u>6,263,660.08</u>
TOTAL ASSETS			<u>542,604,491.57</u>			<u>467,226,446.77</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

	2002	2001
SHAREHOLDERS' EQUITY AND RESERVES		
Share capital		
Paid up capital		
(105,000,000 shares at Euro 1.50)	157,500,000.00	157,500,000.00
Share premium account	79,097,203.82	79,097,203.82
Revaluation reserves		
Government grants	382,092.83	382,092.83
Reserves		
Statutory reserve	2,769,578.35	2,427,337.15
Special tax free reserve	14,156,537.02	15,748,189.43
Total reserves	<u>16,926,115.37</u>	<u>18,175,526.58</u>
Results carried forward		
Profit and loss account	2,565,533.97	1,937,145.52
	<u>2,565,533.97</u>	<u>1,937,145.52</u>
Differences on consolidation	(2,954,739.82)	(2,954,739.82)
Minority interests	52,109.56	58,694.06
Total shareholders' equity and reserves	<u>253,568,315.73</u>	<u>254,195,922.99</u>
PROVISIONS		
Provision for termination indemnities	373,504.00	312,152.68
Sundry provisions	1,816,018.85	23,567.85
Total provisions	<u>2,189,522.85</u>	<u>335,720.53</u>
LIABILITIES		
<u>Long term liabilities</u>		
Convertible bonds	30,000,000.00	0.00
Bank loans	212,279,268.70	160,744,372.15
	<u>242,279,268.70</u>	<u>160,744,372.15</u>
<u>Current liabilities</u>		
Suppliers	14,338,830.35	12,070,450.76
Post dated cheques		
Bank overdrafts	3,399,235.37	8,775,510.35
Taxes and other dues	1,569,129.25	2,466,107.84
Social security contributions	915,563.89	762,884.84
Current portion of long term loans	15,969,092.22	21,623,057.49
Dividends payable	3,167,745.39	20,572.68
Sundry creditors	610,497.34	522,596.45
Total current liabilities	<u>39,970,093.81</u>	<u>46,241,180.41</u>
Total liabilities	<u>282,249,362.51</u>	<u>206,985,552.56</u>
DEFERRED INCOME AND ACCRUED EXPENSES		
Accrued expenses	3,454,283.57	3,581,856.35
Other accruals	1,143,006.91	2,127,394.34
	<u>4,597,290.48</u>	<u>5,709,250.69</u>
TOTAL EQUITY AND LIABILITIES	<u>542,604,491.57</u>	<u>467,226,446.77</u>

STRINTZIS LINES SHIPPING S.A. - GROUP OF COMPANIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31st December 2002

	<u>2002</u>	<u>2001</u>
RESULTS FROM EXPLOITATION		
Total turnover	119,148,115.37	107,749,452.04
Less: Direct exploitation costs	<u>85,433,224.91</u>	<u>80,107,936.39</u>
Gross profit from exploitation	33,714,890.46	27,641,515.65
Total gross profit from exploitation	<u>33,714,890.46</u>	<u>27,641,515.65</u>
Less: Expenses:		
Administration expenses	5,828,550.81	4,540,217.73
Operating and distribution expenses	<u>12,835,097.59</u>	<u>8,615,096.71</u>
	18,663,648.40	13,155,314.44
Operating profit	15,051,242.06	14,486,201.21
Other income/expenses		
Plus: Income from participations	1,297,895.92	0.00
Interest income	742,401.67	1,059,617.23
Less: Interest expense	<u>10,960,771.37</u>	<u>11,961,679.18</u>
	(8,920,473.78)	(10,902,061.95)
Extraordinary income:		
Extraordinary income	6,710,013.92	1,999,085.16
Extraordinary profit	0.00	4,695.52
Prior year income	<u>508,091.75</u>	<u>218,241.31</u>
	7,218,105.67	2,222,021.99
Less: Extraordinary expenses:		
Extraordinary expenses	2,194,553.01	1,717,392.91
Extraordinary costs	2,421,235.19	
Prior year expenses	2,835,159.58	
Sundry provisions	<u>1,855,274.68</u>	<u>175,253.73</u>
	9,306,222.46	1,892,646.64
Profit including extraordinary items	<u>4,042,651.49</u>	<u>3,913,514.61</u>
Total depreciation of fixed assets		
Less: Depreciation included in exploitation costs	8,522,318.66	8,261,110.10
	<u>(8,522,318.66)</u>	<u>(8,261,110.10)</u>
Net profit for the year	4,042,651.49	3,913,514.61
Less: Minority interest	<u>(6,584.50)</u>	<u>407.43</u>
Net consolidated profit for the year	<u>4,049,235.99</u>	<u>3,913,107.18</u>

Voula, 14th February, 2003

Chairman of the
Board of Directors

Gerasimos D. Strintzis

Authorized Director

Spiros Ch. Paschalidis

Financial Director

Nicholas J. Tapiris

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS
To the Shareholders of STRINTZIS LINES SHIPPING S.A. AND ITS SUBSIDIARIES

We have audited, in accordance with the provisions of article 108 of Company Law 2190/1920, the 10th consolidated balance sheet and the consolidated profit and loss account as well as the related notes to the financial statements of STRINTZIS LINES SHIPPING SA and its subsidiaries for the year ended 31 December 2002. We applied the auditing procedures which we deemed necessary for the purpose of our audit and which are in accordance with the principles and standards of auditing of the Institute of Certified Public Accountants of Greece and we verified the contents of the consolidated directors report with the related consolidated financial statements. The following matters resulted from our audit:

- 1) As mentioned in note 10 of the Group, the values of the vessels of the parent company are shown at cost or at the value arrived at by the Committee of article 9 of Law 2190/1920 and the losses, if any, which result from the sale of the vessels are charged in the year in which the sale is effected.
- 2) The Group companies have not made a provision for doubtful receivables totaling Euro 2.8 million which are in our view doubtful.
- 3) The parent company has not made a provision of Euro 600.000 which relates to the possible cost of repayment of the Convertible Bond in case the bank does not exercise its option to convert the loan into shares because management believe that it is very likely that at the expiry date the conversion option will be preferred.
- 4) As mentioned in note 9 under the Group's balance sheet, as a result of the policy followed with regard to the depreciation of the vessels, the accumulated depreciation not provided for is Euro 8.8 million of which Euro 3.3 million relates to the current year.
- 5) In December 1998 the Competition Committee of the European Union levied a fine on a number of companies operating the route Greece-Italy during the period 1987-1993. The fine which was imposed on the parent company amounts to approximately Euro 1.5 million, against which no provision was made because the Company challenges this decision and has already referred this case to the European Court.
- 6) The companies of the Group have not been audited by the tax authorities for the years 2000 to 2002 with the exception of BLUE STAR FERRIES SHIPPING SA which has not been audited for the years 1993 to 2002 and as a result of this their tax liabilities have not become definite.

In our opinion, subject to the effect of the matters referred to above, the consolidated financial statements have been prepared in accordance with the provisions of the Company Law 2190/1920 and present the property structure, the financial position and the results of all the companies which are included in the consolidation of 31 December 2002, in accordance with the related statutes and the accounting methods and principles which are applied by the parent Company and which have been generally accepted and do not differ from those applied in the previous year.

Athens, 17th February, 2003

The Certified Public Accountants

Athos Stylianou, FCCA, CA(Gr)

RSM
international

SOEL no: 12311
DRM STYLIANOU S.A.
A Member Firm of RSM International

STRINTZIS LINES SHIPPING S.A.**TENTH BALANCE SHEET**

As at 31st December 2002 (in euro)

ASSETS

	Cost	2002 Depreciation	Net book value	Cost	2001 Depreciation	Net book value
ESTABLISHMENT EXPENSES						
Exchange differences on currency loans	290,053.81	(58,010.76)	232,043.05	10,411,708.55	(9,551,224.25)	860,484.30
Interest pertaining to construction period	196,195.29	(102,037.98)	94,157.31	383,881.16	(262,900.70)	120,980.46
Other establishment expenses	4,561,941.05	(1,655,781.82)	2,906,159.23	8,126,373.45	(7,207,944.11)	918,429.34
	<u>5,048,190.15</u>	<u>(1,815,830.56)</u>	<u>3,232,359.59</u>	<u>18,921,963.16</u>	<u>(17,022,069.06)</u>	<u>1,899,894.10</u>
FIXED ASSETS						
<u>Intangible assets</u>						
Registered trade marks	140,752.32	(73,500.30)	67,252.02	231,845.49	(70,351.25)	161,494.24
	<u>140,752.32</u>	<u>(73,500.30)</u>	<u>67,252.02</u>	<u>231,845.49</u>	<u>(70,351.25)</u>	<u>161,494.24</u>
<u>Tangible assets</u>						
Vessels	93,952,144.59	(19,722,081.96)	74,230,062.63	117,218,591.49	(28,757,919.49)	88,460,672.00
Vessels under construction			0.00	13,396,345.11		13,396,345.11
Buildings and technical installations	1,426,706.30	(384,912.97)	1,041,793.33	1,426,706.30	(330,081.73)	1,096,624.57
Motor vehicles	0.00	0.00	0.00	5,956.05	(1,927.99)	4,028.06
Furniture and other equipment	1,068,820.55	(920,490.81)	148,329.74	1,036,593.54	(864,126.15)	172,467.39
	<u>96,447,671.44</u>	<u>(21,027,485.74)</u>	<u>75,420,185.70</u>	<u>133,084,192.49</u>	<u>(29,954,055.36)</u>	<u>103,130,137.13</u>
	<u>96,588,423.76</u>	<u>(21,100,986.04)</u>	<u>75,487,437.72</u>	<u>133,316,037.98</u>	<u>(30,024,406.61)</u>	<u>103,291,631.37</u>
Investments in affiliated companies			247,788,511.54			243,653,862.92
Long term receivables			49,703.10			48,627.38
			<u>247,838,214.64</u>			<u>243,702,490.30</u>
Total fixed assets			<u>323,325,652.36</u>			<u>346,994,121.67</u>
CURRENT ASSETS						
Inventories			614,280.96			1,497,979.79
Trade receivables			8,208,012.63			0.00
Post dated cheques			0.00			729,736.11
Cheques overdue			11,457.28			27,107.72
Due from subsidiaries			141,884,773.32			74,516,100.40
Other receivables			753,740.83			337,490.83
Bad and doubtful debts			57,370.39			76,525.68
Sundry debtors			8,578,620.59			3,578,415.64
Sundry advances			10,625.75			47,640.65
			<u>160,118,881.75</u>			<u>80,810,996.82</u>
Securities						
Sundry securities			22,082.43			33,840.01
<u>Cash and banks</u>						
Cash			870.59			261.00
Banks			31,742,918.38			18,717,993.51
			<u>31,743,788.97</u>			<u>18,718,254.51</u>
Total current assets			<u>191,884,753.15</u>			<u>99,563,091.34</u>
PREPAYMENTS AND ACCRUED INCOME						
Prepaid expenses			3,059,769.17			3,396,664.56
			<u>3,059,769.17</u>			<u>3,396,664.56</u>
TOTAL ASSETS			<u>521,502,534.27</u>			<u>451,853,771.67</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

	2002	2001
SHAREHOLDERS' EQUITY AND RESERVES		
Share capital		
Paid up capital	157,500,000.00	157,500,000.00
(105,000,000 shares at Euro 1.50)		
Share premium account	<u>79,097,203.82</u>	<u>79,097,203.82</u>
Revaluation reserves		
Government grants	<u>382,092.83</u>	<u>382,092.83</u>
Reserves		
Statutory reserve	2,378,581.84	2,354,110.11
Special tax free reserve	<u>7,452,664.88</u>	<u>10,098,783.59</u>
Total reserves	<u>9,831,246.72</u>	<u>12,452,893.70</u>
Results carried forward		
Profit and loss account	0.00	(1,162,826.92)
	<u>0.00</u>	<u>(1,162,826.92)</u>
Total shareholders' equity and reserves	<u>246,810,543.37</u>	<u>248,269,363.43</u>
PROVISIONS		
Provision for termination indemnities	91,103.00	65,944.01
Sundry provisions	<u>23,567.85</u>	<u>23,567.85</u>
Total provisions	<u>114,670.85</u>	<u>89,511.86</u>
LIABILITIES		
<u>Long term liabilities</u>		
Convertible bonds	30,000,000.00	0.00
Bank loans	<u>161,651,128.00</u>	<u>160,744,372.15</u>
	<u>191,651,128.00</u>	<u>160,744,372.15</u>
<u>Current liabilities</u>		
Suppliers	6,590,033.76	6,616,276.23
Post dated cheques		
Bank overdrafts	3,399,235.37	8,775,510.35
Taxes and other dues	917,863.18	2,013,516.61
Social security contributions	48,299.79	199,767.73
Current portion of long term loans	12,200,248.00	21,623,057.49
Liabilities in affiliated companies	53,160,400.42	0.00
Dividends payable	3,167,745.39	20,572.68
Sundry creditors	<u>399,548.11</u>	<u>182,582.20</u>
Total current liabilities	<u>79,883,374.02</u>	<u>39,431,283.29</u>
Total liabilities	<u>271,534,502.02</u>	<u>200,175,655.44</u>
DEFERRED INCOME AND ACCRUED EXPENSES		
Accrued expenses	3,042,772.57	3,277,905.81
Other accruals	<u>45.46</u>	<u>41,335.13</u>
	<u>3,042,818.03</u>	<u>3,319,240.94</u>
TOTAL EQUITY AND LIABILITIES	<u>521,502,534.27</u>	<u>451,853,771.67</u>

STRINTZIS LINES SHIPPING S.A. - GROUP OF COMPANIES
PROFIT AND LOSS ACCOUNT
For the year ended 31st December 2002

DISTRIBUTION OF PROFITS

	<u>2002</u>	<u>2001</u>		<u>2002</u>	<u>2001</u>
RESULTS FROM EXPLOITATION			Net profit for the year	1,867,898.34	463,052.08
Total turnover	43,467,851.55	46,326,892.48	Prior year losses	(1,162,826.92)	(14.71)
Less: Direct exploitation costs	<u>34,143,866.28</u>	<u>37,758,517.90</u>	Differences on tax auditing	0.00	(1,625,864.29)
Gross profit from exploitation	<u>9,323,985.27</u>	<u>8,568,374.58</u>	Reserves for appropriation	<u>2,646,118.71</u>	<u>--</u>
Total gross profit from exploitation	9,323,985.27	8,568,374.58	Total	<u>3,351,190.13</u>	<u>(1,162,826.92)</u>
Less: Expenses:			Less: Income tax	<u>107,818.40</u>	<u>--</u>
Administration expenses	1,555,410.60	1,570,236.85	Net profit available for distribution	<u>3,243,371.73</u>	<u>(1,162,826.92)</u>
Operating and distribution expenses	<u>4,797,328.32</u>	<u>3,796,344.29</u>			
	<u>6,352,738.92</u>	<u>5,366,581.14</u>	The distribution of the profit is as follows:		
Operating profit	2,971,246.35	3,201,793.44	Statutory reserve	<u>24,471.73</u>	<u>--</u>
Other income/expenses			First dividend	<u>246,774.99</u>	<u>--</u>
Plus: Income from participations	3,747,895.92	0.00	Additional dividend	<u>2,903,225.01</u>	<u>--</u>
Interest income	603,093.96	1,041,045.44		<u>3,150,000.00</u>	<u>--</u>
Less: Interest expense	<u>2,991,848.79</u>	<u>3,183,744.87</u>	Directors' fees	<u>68,900.00</u>	<u>--</u>
	<u>1,359,141.09</u>	<u>(2,142,699.43)</u>		<u>3,243,371.73</u>	<u>--</u>
Extraordinary income:					
Extraordinary income	904,890.73	967,526.74			
Extraordinary profit	0.00	4,695.52			
Prior year income	<u>453,829.98</u>	<u>263,542.88</u>			
	1,358,720.71	1,235,765.14			
Less: Extraordinary expenses:					
Extraordinary expenses	374,343.45				
Extraordinary costs	2,421,235.19	1,717,392.92			
Prior year expenses	998,245.76	114,414.15			
Sundry provisions	<u>27,385.41</u>	<u>0.00</u>			
	<u>3,821,209.81</u>	<u>1,831,807.07</u>			
Profit including extraordinary items	<u>1,867,898.34</u>	<u>463,052.08</u>			
Total depreciation of fixed assets					
Less: Depreciation included in exploitation costs	4,390,491.79	4,420,229.85			
	<u>(4,390,491.79)</u>	<u>(4,420,229.85)</u>			
Net profit for the year	<u>1,867,898.34</u>	<u>463,052.08</u>			

Voula, 12th February, 2003

Chairman of the
Board of Directors

Gerasimos D. Strintzis

Authorized Director

Spiros Ch. Paschalis

Financial Director

Nicholas J. Tapiris

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS
To the Shareholders of STRINTZIS LINES SHIPPING S.A.

We have audited the above financial statements and the related notes to the financial statements of STRINTZIS LINES SHIPPING SA for the year ended 31 December 2002. Our audit was performed in accordance with the provisions of the article 37 of the Company Law 2190/1920 and the auditing procedures which we considered necessary, in accordance with the principles and auditing standards of the Institute of Certified Public Accountants of Greece, which are in turn in line with the International Auditing Standards. The books and vouchers of the Company were made available to us and we were provided with all the necessary information and explanations which we required. The Company applied correctly the General Accounting Plan. The accounting principles applied are the same as those of the previous year. We verified the contents of the Report of the Board of Directors to the Annual General Meeting of Shareholders with the related financial statements. The notes to the financial statements include all the information provided by paragraph 1 of article 43a of Company Law 2190/1920. The following matters resulted from our audit:

- 1) As mentioned in note 8 of the Company, the vessels are presented either at cost or at the values arrived at by the Committee of article 9 of Law 2190/1920 and the losses, if any, which result upon their sale are charged to the year in which the sale is effected.
 - 2) The Company has presented its participations in subsidiaries whose shares are not traded on the Athens Stock Exchange at cost in accordance with P.D. 186/1992. If the Company followed the provisions of Law 2190/1920 and the valuation of these participations was made based on the net equity value of these subsidiaries, the loss which would have resulted of approximately Euro 830.000 would have been charged to the results of the current year.
 - 3) The Company has not made a provision for receivables totaling Euro 2 million which are in our view doubtful.
 - 4) The Company has not made a provision of Euro 600.000 which represents the cost of repayment of the Convertible Bond in the case where the bond holders may opt not to exercise the option to convert to shares, because management believe that it is likely that at the maturity date of the bond the conversion will be preferred.
 - 5) In December 1998 the Committee of Competition of the European Union levied a fine on a number of shipping companies operating the route Greece - Italy during the period 1987 to 1993. The fine which was imposed on the Company amounts to Euro 1.5 million, against which no provision has been made because the Company is challenging this decision and has already referred this case to the European Court.
 - 6) The Company has not been audited by the tax authorities for the years 2000 to 2002 and as a result of this its tax liabilities have not become definite.
- In our opinion, subject to the effect of the matters referred to above, the financial statements which result from the books and records of the Company reflect, together with the notes to the financial statements, the financial position of the Company at 31 December 2002 and the results of its operations for the year then ended, in accordance with the related statutes and the accounting principles which have been generally adopted and accepted and do not differ from those which the Company applied in the previous year.

Athens, 17th February, 2003

The Certified Public Accountants

RSM
international

Athos Stylianou, FCCA
SOEL no: 12311
DRM STYLIANOU S.A.
A Member Firm of RSM International



Group Cash Flow Statement

STRINTZIS LINES SHIPPING S.A.

Group Cash Flow Statement 1/1/2002 - 31/12/2002

	Amounts in EURO
Cash flow from operation	
Operating cash inflow	
Turnover (sales)	119,148,115.37
Sundry income	
Extraordinary income	6,710,013.92
Prior year income	508,091.75
Interest income	742,401.67
Less:	
Increase in debtors	9,982,624.04
Total operating cash inflow	117,125,998.67
Operating cash outflow	
Cost of sales	77,776,323.91
Administration expenses	4,963,133.15
Operation and distribution expenses	12,835,097.59
Other expenses	5,204,392.26
Deduction in deferred income and accrued expenses	1,111,960.21
Deduction in current liabilities (except banks)	
Less:	
Deduction in inventories	853,142.60
Deduction in prepayments and accrued income	68,373.98
Increase in deferred income and accrued expenses	253,622.82
Increase in current liabilities (except banks)	2,508,959.53
Total operation cash outflow	98,206,808.19
Tax cash outflow	
Income taxes	152,049.64
Decrease in liabilities due to taxes	896,978.59
Less:	
Increase in liabilities due to taxes	
Total tax cash outflow	1,049,028.23
Cash flow from operation	17,870,162.25

Cash flow from investment activities	
Investment cash inflow	
Sale of tangible assets	22,861,278.54
Income from investment in subsidiaries	1,297,895.92
Interest income	
Total investment cash inflow	24,159,174.46
Investment cash outflow	
Increase in tangible assets	74,847,851.83
Increase in long term receivables	1,075.72
Increase in establishment expenses	2,875,834.17
Total investment cash outflow	77,724,761.72
Cash flow from investment activities	
	-53,565,587.26
Cash flow from financial activities	
Cash inflow	
Increase in long term liabilities	81,534,896.55
Increase in current liabilities (bank accounts)	
Total cash inflow	81,534,896.55
Cash outflow	
Deduction in long term liabilities	5,653,965.27
Deduction in short term liabilities (bank accounts)	5,376,274.98
Debit interest	11,214,394.19
Divident paid	2,827.29
Directors' fees from net profit	68,900.00
Total cash outflow	22,316,361.73
Cash flow from financial activities	59,218,534.82
GROUP CASH FLOW	23,523,109.81
PLUS: CASH AND BANKS 1/1/2002	19,962,919.87
CASH AND BANKS 31/12/2002	43,486,029.68

Voula, 12th February, 2003

Gerasimos D. Strintzis
Chairman of the Board
of Directors

Spiros Ch. Paschalis
Authorised Director

Nikolaos I. Tapiris
Financial Director

REPORT OF THE CERTIFIED PUBLIC ACCOUNTANTS

We have audited the above Consolidated Cash Flow Statement of Strintzis Lines Shipping S.A. and its subsidiaries for the year ended 31st December, 2002, which has been prepared based on the Audited Consolidated Financial Statements for which we have issued our Audit Report on 17th February, 2003. In our opinion, the abovementioned Consolidated Cash Flow Statement presents the Cash outflow and inflows of the activities for the year of all the companies which are included in the consolidation of 31st December, 2002.

Athens, 17th February, 2003
The Certified Public Accountants

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



INVITATION TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS



STRINTZIS LINES SHIPPING S.A.

INVITATION TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The shareholders of Stintzis Lines Shipping S.A. are invited to the Annual Ordinary Meeting of Shareholders on Wednesday 28th May, 2003, at 11:00 hrs at Divani Apollon Palace Hotel, 10 Agiou Nikolaou and Heliou str., 166 71 Vouliagmeni, Greece.

AGENDA

1. Submission and approval of the annual financial accounts and the annual consolidated financial accounts for the year ended 31st December, 2002 and of the reports of the Board of Directors and the Certified Auditors.
2. Approval of the distribution of profits for the year ended 31st December, 2002.
3. Discharge of the Board of Directors and the Certified Auditors from any responsibility for the year 2002.
4. Appointment of Certified Auditors for the year 2003 and determination of their remuneration.
5. Approval of the Directors' fees for the year 2002.

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

Voula, 6th May, 2003
The Board of Directors



INVESTOR INFORMATION

STOCK SYMBOL

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

INTERNET SITE

www.bluestarferries.com

CERTIFIED AUDITORS

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ANNUAL GENERAL MEETING

Strintzis Lines Shipping S.A.: 28th May, 2003.



Printed on environmentally preferred paper

STRINTZIS LINES SHIPPING S.A.

A MEMBER OF THE GROUP



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