

**REPORT OF THE BOARD OF DIRECTORS TO
THE 88th ANNUAL GENERAL SHAREHOLDERS' MEETING OF
ATTICA HOLDINGS S.A.
FOR THE FULL YEAR CONSOLIDATED RESULTS OF 2005**

Ladies and Gentlemen,

It is our pleasure to present to you and submit for approval the consolidated and parent company accounts for financial year 2005 together with a review of developments for Attica Group throughout 2005 to date.

Attica Group, one of the most geographically diversified ferry operators in Europe, operates, through its subsidiaries, a young and modern fleet of eight Superfast ferries, eight Blue Star Ferries and two RoRo vessels which sail across four seas connecting six European countries. All Superfast vessels have been built from 2001 onwards while five out of eight Blue Star vessels have been built from 2000 onwards.

The year 2005 was marked by the high price of fuel oil, especially from May onwards, which compared to the average price of 2004 was 44% higher. This affected the Group's profitability despite the increase in the ships' revenue and the reduction of administrative expenses.

In the Adriatic Sea, the Group operates on the Patras – Ancona – Patras and Patras – Igoumenitsa – Ancona – Igoumenitsa – Patras routes with vessels Superfast V, Superfast VI, Superfast XI and Superfast XII. In this same market, Attica's subsidiary, Blue Star Group, operated on the Patras – Igoumenitsa – Corfu – Bari route with vessels Blue Star 1 (from March 2005) and Blue Horizon. The vessels of the Superfast Group increased their passenger and private vehicle volumes carried while there was a decrease in freight unit traffic. Total revenue from the ships' operation in this market was down 3.6% compared to 2004. On the Greece – Italy routes, the Superfast Group carried 528,371 passengers, 96,385 freight units and 106,066 private vehicles which correspond to 24.1%, 21.7% and 22% of the total passenger, freight unit and private vehicle traffic in this market. It

should be noted that the four Superfast vessels carried approximately a quarter of the total traffic in the Adriatic Sea market among approximately forty vessels which operate in this market.

In the Baltic Sea market, the Group operates with vessels Superfast VII and Superfast VIII, on the Rostock, Germany - Hanko, Finland route. In response to market demand, in January 2005, the Group decided to further strengthen its presence in this market through the acquisition and deployment on the route between Rostock, Germany - Uusikaupunki, Finland, of two freight-only RoRo vessels, 'M/V Marin' and 'M/V Nordia' which carry mostly unaccompanied units and other vehicles. Since November 2005 the Rostock, Germany - Hanko, Finland route was further strengthened with the addition of a third vessel, Superfast IX, which was redeployed from the North Sea market.

The year 2005 was a strong year for the Baltic Sea marked with high load factors and a significant growth in the number of freight units and trailers carried. Total revenue from the ships' operation in this market increased by 24.1%, with freight units and trailer revenue growing by 49% compared to 2004. Our vessels carried 176,744 passengers, 81,339 freight units and 56,754 private vehicles.

In the North Sea market, the Group operates with vessels Superfast IX (until November, 2005) and Superfast X on the Rosyth, Scotland – Zeebrugge, Belgium route. In this market, Superfast Ferries provides the only direct link between Scotland and the European Continent for freight and tourist movements. Following thorough and careful study of the conditions of the markets in which it operates, the Group's Management decided that it was to the benefit of the Group and its shareholders that Superfast IX be redeployed from the North Sea to the Baltic Sea market. In the North Sea, revenue remained at the same levels as 2004 despite the decrease in the number of sailings. In this market, our vessels carried 183,748 passengers, 38,578 freight units and 50,181 private vehicles.

In the Greek domestic market, Attica Group is active through its subsidiary Blue Star Group. The year 2005 was a very successful year for Blue Star Ferries with increased revenue and a very significant increase in Net Profit. The growth in the

Group's revenue, despite the decrease in the number of sailings following the profitable sale of four vessels in 2004, is due to the significant improvement in both passenger and private vehicle load factors as well as the redeployment of Blue Star 1 from the Piraeus – Chania to the Patras – Igoumenitsa – Corfu – Bari route. Operating and Net Profit for the Group grew significantly despite the large increase in the price of fuel oil which burdened the passenger shipping industry as a whole. Contributing to the increase of profitability was the growth in revenue despite the sale of four vessels in 2004. In total, Blue Star Ferries carried 3,478,082 passengers, 422,975 private vehicles and 123,079 freight units.

The breakdown of revenue, profit and financial results per market are presented at length in the annual financial statements of the Company reported under International Financial Reporting Standards (IFRS) (Chapter 6. Financial Statements Analysis).

The most important events for the Attica Holdings S.A. Group in 2005, were:

- In January, Attica proceeded to the acquisition of two freight-only RoRo vessels, 'M/V Nordia' and 'M/V Marin', for a total of Euro 14.5mln.
- In January, Attica invested Euro 13.5mln to acquire 8,974,625 shares of Hellenic Seaways Shipping S.A. representing 11.56% of its share capital. Through gradual purchases during the year, the total stake which Attica Group held in Hellenic Seaways Shipping S.A. as at 31st December, 2005 stood at 9,569,070 shares (12.33% of its share capital), acquired for Euro 14.4mln or Euro 1.51 per share.
- In January, Attica Group received an award for its "valuable contribution to the country's tourism and national economy" at the 36th 'Xenia 2005' International Tourist Exhibition.
- In February, Attica invested Euro 23.5mln in acquiring 7,191,690 shares of Athens-listed Minoan Lines Shipping S.A., representing 10.14% of its share capital. Through gradual purchases during the year, the total stake which Attica Group held in Minoan Lines Shipping S.A. stood at 8,238,000 shares (11.61% of its share capital), acquired for Euro 26.6mln.

- In March, subsidiary Blue Star Group strengthened its presence in the Adriatic Sea routes with the redeployment of Blue Star 1 to the Patras – Igoumenitsa – Bari route.
- In June, the Blue Star Group proceeded with a successful debt refinancing through the issuing of a Euro 200mln bond under very favourable credit terms.
- In June, the Blue Star Group repaid the Euro 30mln convertible bond issued on 25th June, 2002 by Blue Star Maritime S.A.
- In July, Superfast Ferries received the highest award of a four-star grading by VisitScotland for the high level of service and facilities offered by the ships serving the Scotland – Belgium route.
- In September, Blue Star Ferries was voted the ‘Best Ferry Company in Greece’ by the readers of Voyager magazine. The company received top votes by the readers of the magazine across the categories of staff/service, cabins, feeling of security, cleanliness, length of journey.
- In September, Superfast Ferries was voted ‘Best Ferry Company’ by the readers of the Guardian and Observer newspapers as well as the Guardian Unlimited online service for the services offered on the Scotland – Belgium route.

Information on parent company Attica Holdings S.A.

The source of revenue for Attica, as a holding company, is derived mainly from its holdings as well as securities held and interest received as per below:

Income from investment in subsidiaries

During fiscal year 2005, the Company received dividend from Superfast Ferries Maritime S.A. of approximately Euro 10.3mln and from Blue Star Maritime S.A. to the order of Euro 3.1mln.

Securities

As at 31st December, 2005, Attica held:

- a. 500,000 shares of Arrow Closed End Investment Fund S.A. acquired at Euro 2.93 per share.
- b. 250,000 shares of Diolkos Closed End Fund S.A. acquired at Euro 2.93 per share.

In the course of 2005, Attica sold all its shares in Motor Oil S.A. (91,570 shares) and those held in Hellenic Exchanges S.A. (113,760 shares) booking a total profit of Euro 450,077.

Attica's investment in subsidiaries in 2005 amounted to Euro 168,434,000 against Euro 184,756,000 in 2004.

The above decrease is mainly attributed to the reduction in the share capital of 100% subsidiary Superfast Ferries Maritime S.A. by Euro 26,019,000 through the write-off of 17,493,000 shares, as decided in the Extraordinary General Meeting of its shareholders held in April, 2005. The capital was returned to Attica Holdings S.A. in the course of the year.

Events in 2006

- In January, 2006, Attica liquidated all of its shares in Arrow Closed End Investment Fund S.A. which was absorbed by Proton Investment Bank and its shares converted to shares of Proton Investment Bank, booking a profit of Euro 529,959.
- In February, 2006, Attica liquidated all of its shares in Hellenic Seaways Shipping S.A. booking a profit of Euro 6,589,477.

The Group's dividend policy, is determined with consideration to the Group's results and the broader macroeconomic and market conditions to the long-term benefit of the Company and its shareholders.

The financial information for the Group and the accounting principles followed are described in detail in the Notes to the Financial Statements which are an integral part of the Annual Financial Statements. It is noted that 2005 was the first fiscal year reported under International Financial Reporting Standards (IFRS).

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

(In Euro thousand)

ATTICA HOLDINGS S.A.	(1,885)
SUPERFAST MARITIME S.A. GROUP	13,933
BLUE STAR MARITIME S.A. GROUP	18,016
SUPERFAST EPTA M.C.	3,886
SUPERFAST OKTO M.C.	2,968
SUPERFAST ENNEA M.C.	(533)
SUPERFAST DEKA M.C.	1,026
SUPERFAST EPTA INC.	-
SUPERFAST OKTO INC.	-
SUPERFAST ENNEA INC.	-
SUPERFAST DEKA INC.	-
NORDIA M.C.	(322)
MARIN M.C.	(197)
ATTICA PREMIUM S.A.	<u>1,169</u>
Net profit before tax	38,061
Less: Tax	1,019
Minority Interests after Tax	<u>8,961</u>
Net Profit after Tax and Minority Interests	28,081

Tangible Assets for the Group include the Superfast and Blue Star vessels. For year 2005 the only change was the acquisition of RoRos 'M/V Nordia' and 'M/V Marin'.

Total Equity for the Group under IFRS stood at Euro 389mln as at 31st December, 2005 against Euro 373mln in 2004.

The Group's long-term Debt stood at Euro 703mln as at 31st December, 2005 against Euro 725mln in 2004. The long-term Debt to Equity ratio stood at 1.8, a satisfactory rate for the sector.

Current liabilities for the Group decreased mainly due to the reduction in the current portion of long-term loans.

Total Revenue for the Group stood at Euro 385mln against Euro 371mln in 2004. The increase in revenue came mainly from the Baltic Sea and Greek Domestic markets. In appraising revenue and financial results for the Group, it should be noted that in the course of 2004 five (5) car-passenger ferries were sold and in the course of 2005 two (2) RoRos were acquired.

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) for 2005 stood at Euro 99mln against Euro 104mln in 2004. The Group's operational profitability was significantly affected by the considerably high price of fuel oil, especially from May 2005 onwards. This negative factor persists to date.

Net Profit after Tax and Minority Interests stood at Euro 28mln in 2005 against Euro 35mln in 2004 which however included extraordinary profit from the sale of vessels to the order of Euro 8mln.

Dear Shareholders,

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

Thank you,

Voula, 20th February, 2006
The Authorised Director

Charalambos Zavitsanos

AUDITORS' NOTE

We confirm that the above Report of the Board of Directors to the Annual General Shareholders' Meeting which consists of 9 pages is that which is referred to in our Audit Report dated 22nd February, 2006.

Athens, 22nd February, 2006

The Certified Public Accountants

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