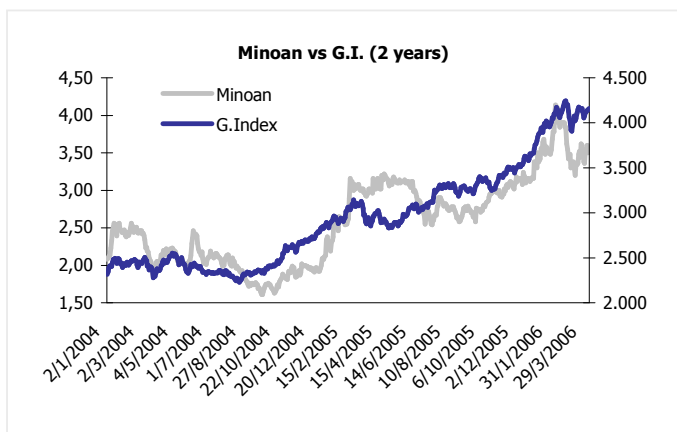


MINOAN LINES

(Reuters : MILr.AT Bloomberg : MINOA GA)

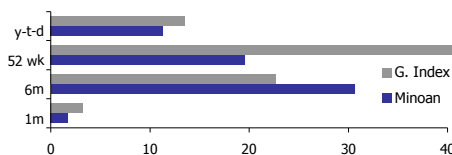
Flash Note

April 6, 2006



Price 05/04/2006 : EUR 3.54
Market Cap : EUR 251.08 million
Outstanding Shares : 70.926 million
52 week range : 2.47 – 4.28 €

Absolute performance (%)



- ❖ Minoan Lines Group ranks among the leading players in the Adriatic Sea as well as in the domestic market, aided by its 31.6% equity-consolidated subsidiary, Hellas Flying Dolphins.
- ❖ During 2005 the Group improved its turnover and net profits despite the increase of operating cost by around € 14 million due to the significant increase in fuel prices compared to 2004. Turnover increase is mostly attributed to the positive impact of the Greek tourism growth during 2005 that partially off-set the increased expenses from the fuel prices.
- ❖ During 2005, Minoan Lines proceeded with the liquidation of its participation stakes in Forthnet & ANEK companies and the sale of the oldest and last conventional vessel (Daedalus) of the fleet with total proceeds of around € 9.3 million. Additionally, the company reduced its bank debt from € 505 mil. in 2004 to € 454 mil. in 2005.
- ❖ We expect the Company to utilize its long experience and leading position in its domestic routes and implement a flexible tariff policy in order to benefit from the gradual liberalization of shipping fares in Greece (the relative tariffs for the vessels departing from Piraeus port will be released from the Greek Eastern period in 2006).
- ❖ We expect that future growth for the Group will also derive from the improvement of operating efficiency following the expected increase in passenger traffic due to further improvement of tourism in Greece.
- ❖ We expect Group turnover CAGR2005-2007 of 2.48%. In addition, we expect EBITDA CAGR2005-2007 of 4.17% and Net Income CAGR2005-2007 of 4.14%.

Company description.

Minoan Lines was established in 1972 and is the parent of a seven subsidiary Group. The parent company is active in the Ferry shipping sector both in Domestic and International sea (Adriatic Sea) routes. More specifically, it operates, through a fleet of seven vessels in the Patras – Ancona (2 vessels) and Patras – Venice (2 vessels) routes, as well as in the Heraclion, Crete – Thessalonica (1 vessel) and Piraeus – Heraclion Crete (2 vessels) routes. Hellas Flying Dolphins constitutes the most important participation of Minoan Lines (hold an equity stake of 33.31%), operating in the Aegean Sea with 34 vessels, out of which 18 are of high-speed type.

Minoan's ownership structure

Attica Enterprises	11.61%
Panagiotis Laskaridis	5.2%
Free Float	83.19%
Total	100.00%

Strong increase in traffic volume

In the Heraclion - Piraeus route, during 2005, the Minoan achieved to increase significantly its traffic volumes in all categories carrying in total, 950 thous. passengers (+8.6%), 124 thous. cars (+13.9%) and 61 thous. trucks (+9.5%) while the market shares for the aforementioned categories reached 70.9%, 62.3% and 49.6%, respectively. In North Adriatic Routes Minoan Lines managed to increase the traffic volumes in Passengers from 536,000 in 2004 to 590,000 in 2005 (+10.1% growth, 37.1% market share) in Cars from 147,000 in 2004 to 160,000 in 2005 (+8.3% growth, 39.8% market share) while in Trucks the traffic volumes decreased from 95,000 in 2004 to 92,000 in 2005 (-3.9% decrease, 34.8% market share). We should mention that the overall reduction in North Adriatic routes, namely Patra – Ancona and Patra – Venice, was 8% approximately.

(in mn €)	Geographical Breakdown					
	Total		Greece		Adriatic	
	2004	2005	2004	2005	2004	2005
Sales	192.2	204.8	57.1	65.9	135.0	138.9
% Change		6.6%		15.4%		2.8%
EBITDA	58.4	56.3	25.0	18.4	31.2	40.0
EBITDA margin %	30.4%	27.5%	43.8%	27.9%	23.1%	28.8%

Majority turnover derives from international operations

Adriatic routes constitute 67.7% of the group's turnover, while the remaining comes from the domestic market. The revenue of the Parent Company represents the 99,7% of the total consolidated revenue and due to the nature of its business activities, encounters intensive seasonality relating to the revenue from passengers' and private cars' fares and the revenue from on-board services (bars – restaurants, shops) that represent 43,6% and 16,5% of the total annual revenue, respectively. The revenue that results from truck fares represents 39,9% of the total annual revenue and it is evenly earned throughout the year.

Balance Sheet structure

in mil €	2004a	2005a	2006e	2007p
Net Fixed Assets	749.8	731.0	719.3	701.6
Current Assets	69.1	54.2	68.1	62.0
Cash & Equivalent	1.1	4.3	3.8	4.3
Total Assets	820.0	789.6	791.2	767.9
Equity	248.2	251.07	265.12	269.9
Liabilities	72.8	85.1	101.1	102.0
Fin. Liabilit.	498.9	453.4	425.0	396.0
Total Liability	820.0	789.6	791.2	767.9

Profit & Loss Accounts

in mil €	2004a	2005a	2006e	2007p
Revenues	192.2	204.8	210.0	215.1
Gross Profit	87.5	82.4	89.1	91.3
OPEX	28.0	27.9	28.4	29.6
EBITDA	58.4	56.3	60.1	61.0
EBITDA Margin	30.4%	27.5%	28.6%	28.4%
Finan. Results	28.8	17.8	20.7	19.7
EBT	8.4	17.8	17.9	19.3
EAT & Minorities	9.1	17.6	17.7	19.1

Valuation Ratios

in mil €	2004a	2005a	2006e	2007p
P/E	27.7	14.3	14.2	13.1
P/BV	1.0	1.0	0.9	0.9
EV/EBITDA	12.8	12.4	11.2	10.5
D/Y	2.9%	-	4.4%	3.1%

Financial Ratios

in mil €	2004a	2005a	2006e	2007p
EPS	0.13	0.25	0.25	0.27
ROE	3.6%	7.0%	6.7%	7.1%
ROIC	4.6%	4.5%	4.8%	5.1%
Net debt/equity	2.0	1.8	1.6	1.5

Growth Ratios

in mil €	2004a	2005a	2006e	2007p
Revenues	n/a	6.6%	2.5%	2.4%
Gross Profit	n/a	-5.9%	8.1%	2.5%
EBITDA	n/a	-3.7%	6.8%	1.6%
EBT	n/a	111.1%	0.8%	7.8%
EAT	n/a	94.5%	0.4%	8.0%

DISCLOSURE STATEMENT

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