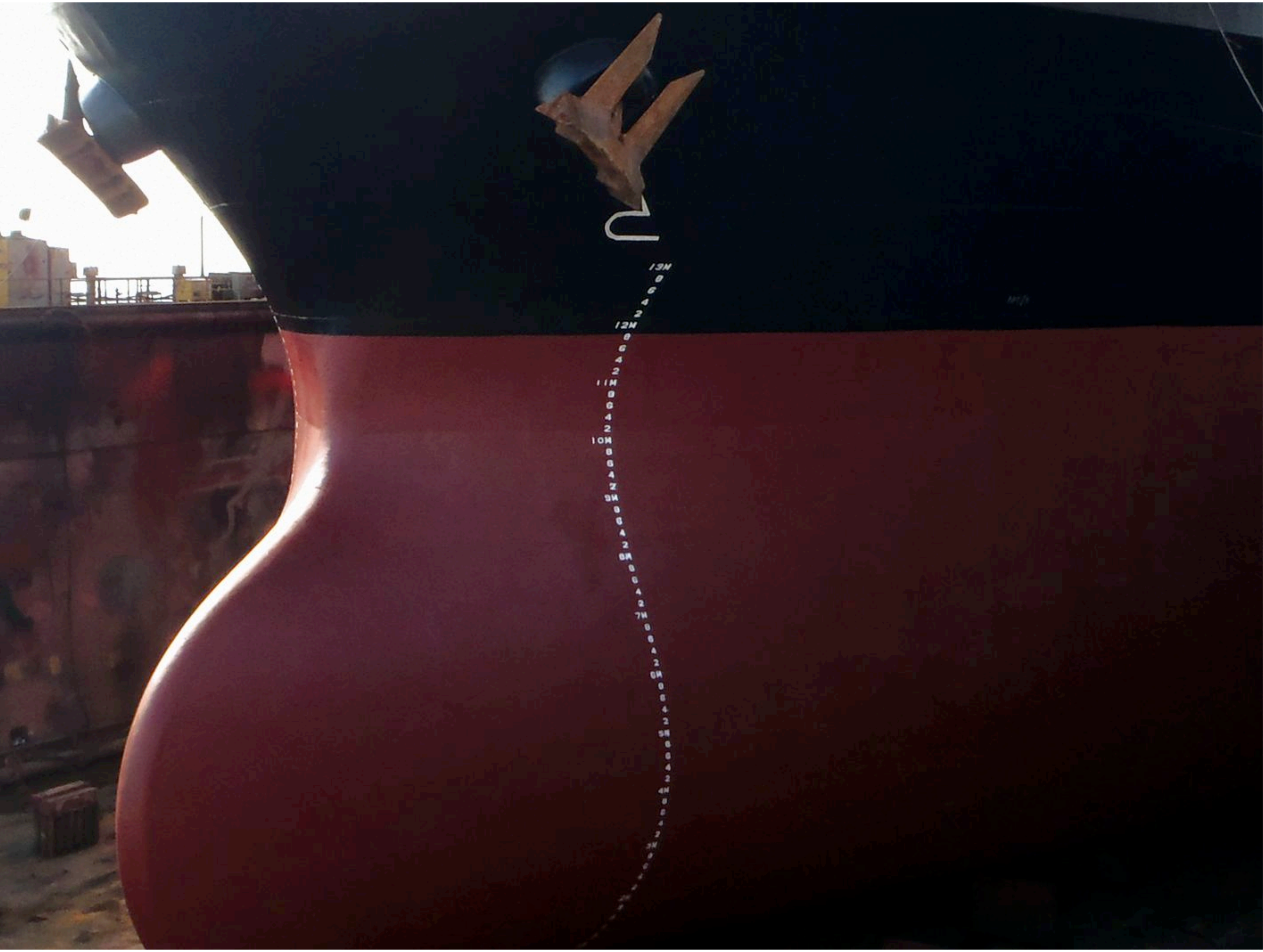
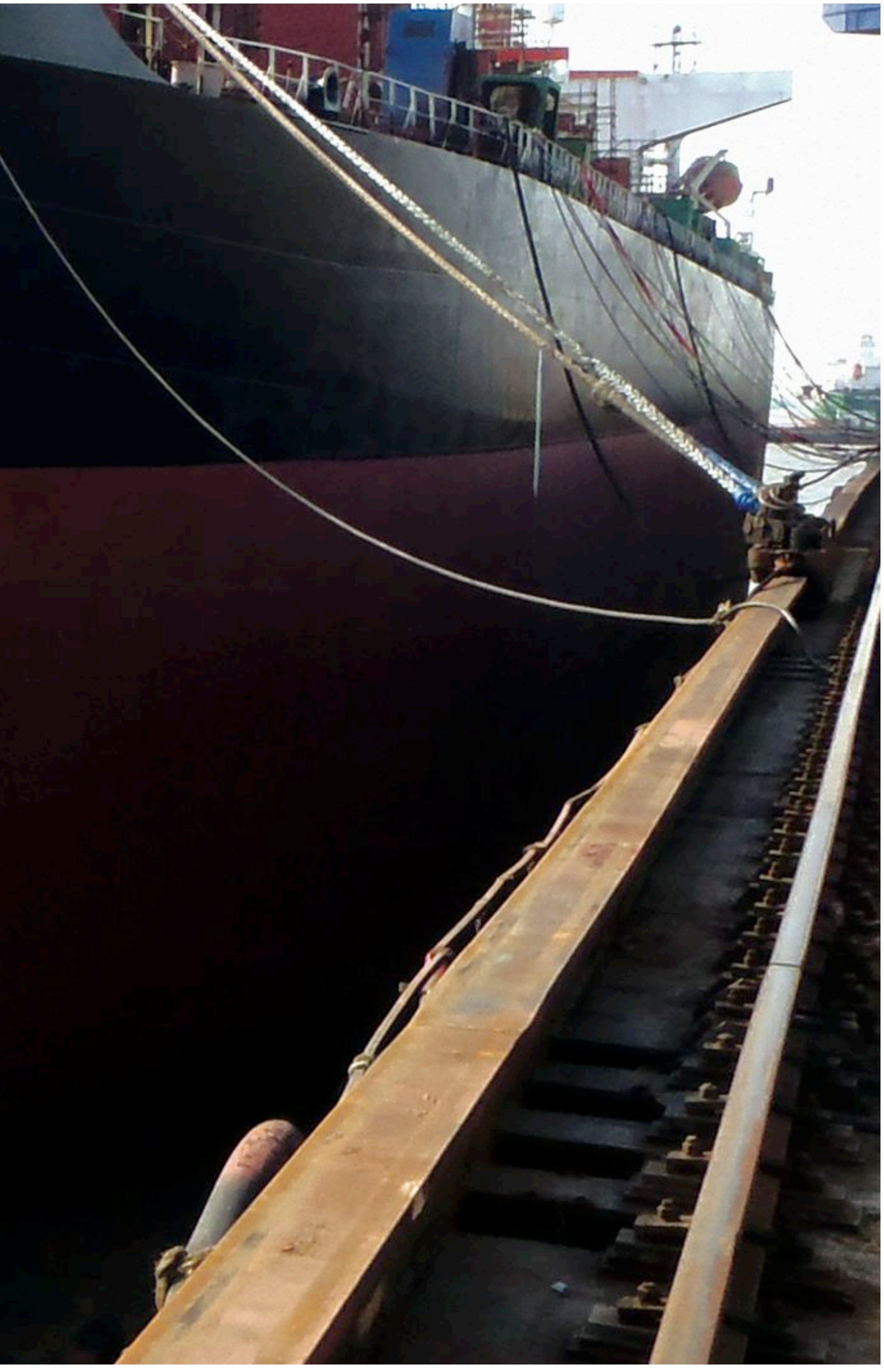
ANNUAL 2013 REPORT

HELLENIC CARRIERS


13M
12M
11M
10M



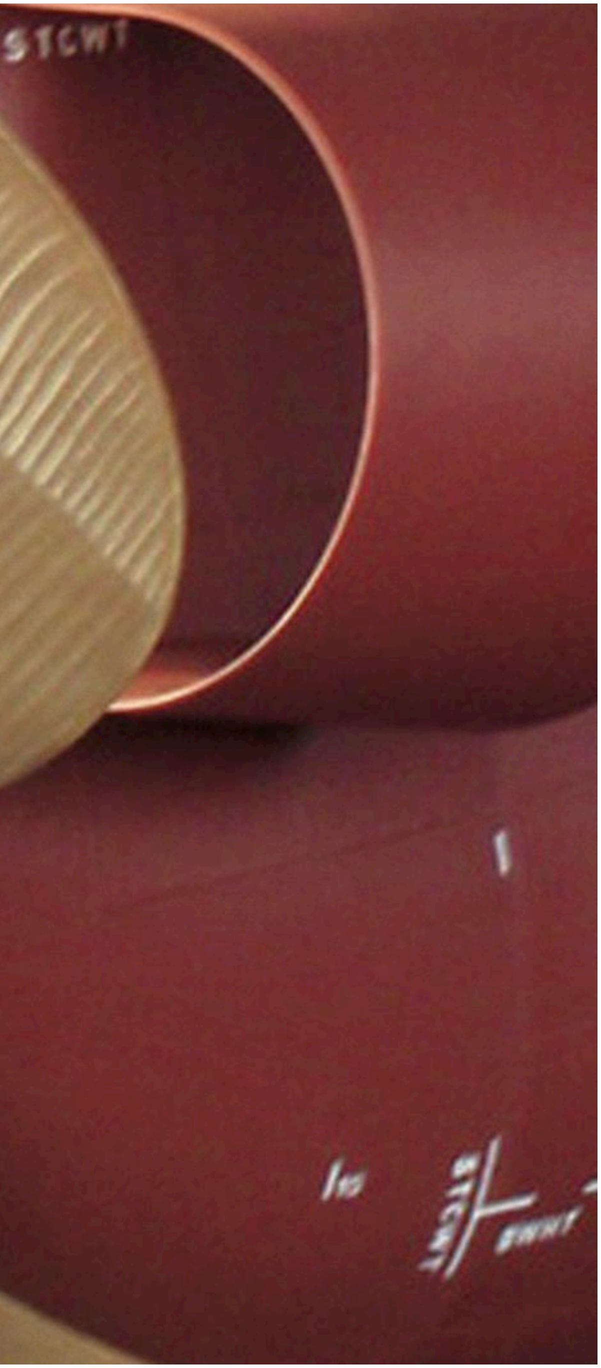
CORPORATE STATEMENT

Hellenic Carriers Limited was incorporated in Jersey in 2007 and has been trading on AIM of the London Stock Exchange since 30 November 2007. The Company owns and trades through its subsidiaries a fleet of dry bulk vessels that transport dry bulk cargoes such as iron ore, coal, grain, steel products, alumina and other commodities along worldwide shipping routes.

The fleet currently consists of six vessels, comprising two Kamsarmax, one Panamax, one Handymax and two Supramax with an aggregate carrying capacity of 384,864 dwt and average fleet age of 10.1 years.

The Company is committed to growing its activities in the shipping sector and to providing high quality shipping services worldwide. The Company will maintain its strategy to grow the fleet in a manner that enhances shareholder value.

CONTENTS



FINANCIAL AND OPERATIONAL HIGHLIGHTS

2013 HIGHLIGHTS

FINANCIAL

- Revenue U.S.$10.9 million (2012: U.S.$13.2 million)
- EBITDA[1] positive U.S.$0.3 million (2012: U.S.$0.2 million EBITDA negative)
- Operating loss U.S.$9.2 million (2012: U.S.$15.9 million or U.S.$9.4 million operating loss before non-cash items)
- Net loss U.S.$14.2 million (2012: U.S.$20.7 million net loss or U.S.$14.2 million net loss before non-cash items)
- Gearing ratio[2] at 53.4% as of 31 December 2013 (31.9% as of 31 December 2012)
- Total cash including restricted cash U.S.$27.7 million as of 31 December 2013 (U.S.$47.7 million as of 31 December 2012)
- Gross debt U.S.$97.3 million as of 31 December 2013 from U.S.$82.3 million as of 31 December 2012 resulting in a net debt position of U.S.$69.6 million from U.S.$34.6 million on 31 December 2012

OPERATIONAL

- Delivery of the two newbuilding Kamsarmax vessels M/V Odysseas and M/V Konstantinos II in August and September 2013 respectively
- Operation of a fleet of 3.7 vessels on average for the full year 2013 compared to 4.0 vessels in 2012
- Time Charter Equivalent ("TCE") rate of U.S.$7,614 (2012: U.S.$7,414)
- Daily Operating expenses reduction to U.S.$5,088 from U.S.$5,234 (a decrease of 2.8%)
- Agreement reached in August 2013 for the acquisition of M/V Pistis, a geared 52,388 dwt Supramax vessel built at Tsuneishi Shipbuilding Corporation, Japan in 2004, at the price of U.S.$16.16 million in cash

SUBSEQUENT

Delivery of the 2004-built Supramax M/V Pistis on 7 January 2014

---

[1] EBITDA has been calculated as follows: Operating profit + Depreciation + Depreciation of dry-docking costs + Impairment charge - Gain on sale of vessels - Other operating income

[2] Gearing ratio is defined as Net Debt to total capitalisation (debt, net of deferred financing fees less cash and cash equivalents to net debt and stockholders' equity)

CHAIRMAN'S STATEMENT

The past year, 2013, has been a tale of two halves in the dry bulk shipping markets. The first half saw a further 11% average reduction in the BDI from the first half of 2012, which had been the weakest year for the BDI in the last 26 years. In the second half of 2013 the market improved significantly and the BDI hit a peak of 2,337 in December. This recovery was led by the Capesize sector, but daily rates for Handymaxes, Supramaxes and Panamaxes all showed substantial improvements.

Encouragingly the initial trade data for 2013 indicates that world seaborne dry bulk trade rose by over 5% and this was driven by sizable growth in iron ore, coal and grain cargoes. This growth figure surpassed even the yearly increases experienced during the strong markets of 2003 to 2008 and further endorses our view that the market will enjoy continued growth.

Forward orders for new dry bulk vessels indicate a marked reduction from 2016 and this may have encouraged the market to take a more favourable view of the supply/demand balance.

As a result of these improved market conditions we have, during the past six months, increased our fleet from three to six vessels and more than doubled our size in terms of dwt capacity. In the second half of 2013 we took delivery of two new Kamsarmax vessels, which we contracted in 2010, and acquired a modern Supramax vessel that was delivered in January 2014. These actions will expand our revenue generation capacity and improve the average age and cost efficiency of our fleet. Capitalizing on the strong and long standing relationships with our lenders, we have utilized the sale proceeds from the older vessels we sold to acquire younger tonnage at very attractive values. This will enable us to maintain our strong balance sheet and enhance shareholder value.

As we enter 2014 the dry bulk market continues to remain volatile and therefore we have chosen to continue an opportunistic chartering strategy for our fleet, utilizing short term time charters in the spot market. By doing this, we are able to take advantage of any future improvements in rates. In addition, we remain fully committed towards our stringent focus on cost and cash controls.

Looking ahead, we expect to see a gradual improvement in the underlying dry bulk market fundamentals in 2014. Analysts forecast global dry bulk trade to continue to grow at a rate of approximately 5% in 2014 which put together with the continuing reduction of the rate of expansion in the dry bulk fleet, will lead in our opinion to a more robust freight rate environment in the years ahead.

With a modern, well run fleet, experienced management, good relations with our customers, trading partners and lenders, and a strong balance sheet, we believe that Hellenic Carriers is well positioned to take advantage of improved market conditions and provide shareholder value for the longer term.

Graham Roberts
Chairman

26 February 2014

CHIEF EXECUTIVE OFFICER'S STATEMENT

2013 was a transformative year for Hellenic Carriers. Within a year, the fleet grew from three to six vessels and its profile improved in terms of average age and overall carrying capacity. Importantly, the new vessels were acquired at levels which are well below the 10-year average prices for similar assets, and have come at a time when the signs of recovery are apparent. We are confident that these acquisitions are accretive, and will yield significant profit generation capacity going forward.

Furthermore, as we avoided long term employment commitments at previously prevailing low rates, the vessels can fully capitalize upon the gradually improving freight market.

After almost three years of a shipping crisis which led rates close to historical lows, we believe that the supply/demand fundamentals are now turning positive. The crisis was not caused by lackluster demand, on the contrary demand continued to steadily grow, but rather by the oversupply of ships. The unprecedented numbers of new vessels ordered during the peak of the last shipping cycle have now been significantly absorbed, while many older vessels have been scrapped. Newbuilding orders are continuing to grow, but not, as things stand today, at levels that would threaten industry fundamentals. Dry bulk commodity demand, both from the developing world, as well as from mature economies continues to strengthen. Considering all these factors together, we believe that 2014 will be the turning point towards a recovery cycle.

It is not surprising, therefore, that investor interest for shipping has resumed. After all, shipping offers a solid investment proposal backed by hard assets at prices which are attractive, as well as the growing trade amongst the mature and the developing economies. However, shipping remains a highly cyclical market and timing plays a crucial role. The recent downturn is an example of the importance of making the right employment and investment decisions at the right time.

Hellenic's track record proves the point: when the market was at or close to its peak, long term charter contracts were agreed which helped build significant cash reserves. Then as the market deteriorated, older assets were disposed of and through these sales funding for the new acquisitions was secured. As a result, the company managed to overcome challenging conditions and to emerge stronger.

Today with a larger, younger and uncommitted fleet Hellenic, a pure dry bulk shipping company, is well positioned to benefit from the positive trend and shall consider further timely and accretive acquisitions, which will continue to enhance shareholder value.

Fotini Karamanli
Chief Executive Officer

26 February 2014

HELLENIC CARRIERS FLEET

From 31 December 2012 to the date of this report, Hellenic acquired three vessels, doubling the number of vessels currently trading in worldwide maritime routes and increasing the fleet carrying capacity by 127.6% to 384,864 dwt from 169,116 dwt on 31 December 2012. The average age of the fleet has been reduced by 34.8% to 10.1 years from 15.5 years on 31 December 2012.

As of the date of this report, the Company owns and trades, through its wholly owned subsidiaries, a fleet of six dry bulk carriers with a weighted average age of 10.1 years and a total carrying capacity of 384,864 dwt. The fleet includes two Kamsarmax vessels one Panamax, two Supramax, and one Handymax vessel. The dry bulk carriers transport major bulk cargoes (such as grain, coal and iron ore) and minor bulk cargoes (such as bauxite, phosphate, steel products and alumina) along worldwide shipping routes.

Fleet details as of the date of this report:

Vessel	Type	Year Built	Yard	Date Acquired	Carrying Capacity (dwt)
M/V Pistis[1]	Supramax	2004	Tsuneishi Shipbuilding Corporation, Japan	2014	52,388
M/V Konstantinos II	Kamsarmax	2013	Zhejiang Ouhua Shipbuilding Co. Ltd., China	2013	81,698
M/V Odysseas	Kamsarmax	2013	Zhejiang Ouhua Shipbuilding Co. Ltd., China	2013	81,662
M/V Hellenic Wind	Panamax	1997	Tsuneishi Shipbuilding Corporation, Japan	2008	73,981
M/V Konstantinos D	Supramax	2000	Mitsui Engineering & Shipbuilding, Japan	2008	50,326
M/V Hellenic Horizon	Handymax	1995	Halla Engineering & Heavy Industries, Korea	2007	44,809
As of the date of this announcement: 6 Vessels with average age 10.1 year					**384,864**

[1] M/V Pistis was delivered on 7 January 2014

Fleet Developments

In H2 2013, two sister Kamsarmax vessels were added to the operating fleet increasing the carrying capacity to 332,476 dwt. The two Kamsarmaxes were ordered at Zhejiang Ouhua Shipbuilding Co. Ltd., China in June 2010 at a contract price of U.S.$34.2 million each for a scheduled delivery in H1 2013. In H1 2013 the contract price of the vessels was renegotiated and reduced to U.S.$26.3 million each and their delivery dates extended. Consequently, M/V Odysseas, a 81,662 dwt Kamsarmax vessel was delivered on 12 August 2013 and M/V Konstantinos II, a 81,698 dwt Kamsarmax vessel, was delivered on 25 September 2013.

In August 2013, one of the Company's subsidiaries agreed to purchase from an unaffiliated third party the M/V Ocean Alliance, a geared 52,388 dwt Supramax vessel built at Tsuneishi Shipbuilding Corporation, Japan in 2004, at the price of U.S.$16.16 million in cash. The vessel was delivered on 7 January 2014 and was renamed to Pistis.

Fleet Employment

From the beginning of 2012 until the end of H1 2013 the dry bulk freight market dropped to its lowest levels of the last 27 years, since inception of the Baltic Dry Index (BDI). During this period the Company decided to avoid committing the vessels at low hire rates and focused on a combination of employment in the spot market and short term period fixtures.

In H2 2013 and especially during Q4 2013 the first signs of a market recovery became apparent. The BDI increased by 86% from an average of 842 points in H1 to 1,564 points in H2 2013. The sharpest rise was witnessed in the cape size sector; however the sub cape size segments also benefited from the improvement in the freight market. The chartering strategy during Q4 2013 remained the same; employment in the spot market or short period fixtures.

M/V Konstantinos II is currently employed under a time charter agreement for a period of about 6 to 8 months at a daily floating hire rate linked to the average of the four routes of the Baltic Exchange Panamax Index (BPI) plus a 12% premium and with a guaranteed minimum floor rate of U.S.$9,000 gross. The charter commenced on 19 November 2013, with the earliest expiration date on 4 May 2014 and the latest on 3 August 2014. The average gross daily rate from 19 November 2013 until the date of this announcement is U.S.$14,328.

M/V Odysseas is currently performing a time charter trip with an estimated duration of approximately 90 days at a gross daily rate of U.S.$13,900. This trip commenced on 11 December 2013 and is expected to expire on 10 March 2014.

M/V Hellenic Wind is currently performing a time charter trip with an estimated duration of 65 days at a gross daily rate of U.S.$11,100. The trip commenced on 19 December and is expected to expire at the earliest on 28 February 2014.

M/V Konstantinos D is currently performing a time charter trip with an estimated duration of 25 days at a gross daily rate of U.S.$14,000. The trip commenced on 2 February and is expected to expire at the earliest on 28 February 2014.

M/V Hellenic Horizon is currently performing a time charter trip with an estimated duration of 25 days at a gross daily rate of U.S.$5,000. This charter commenced on 24 February 2014 and is expected to expire on about 21 March 2014.

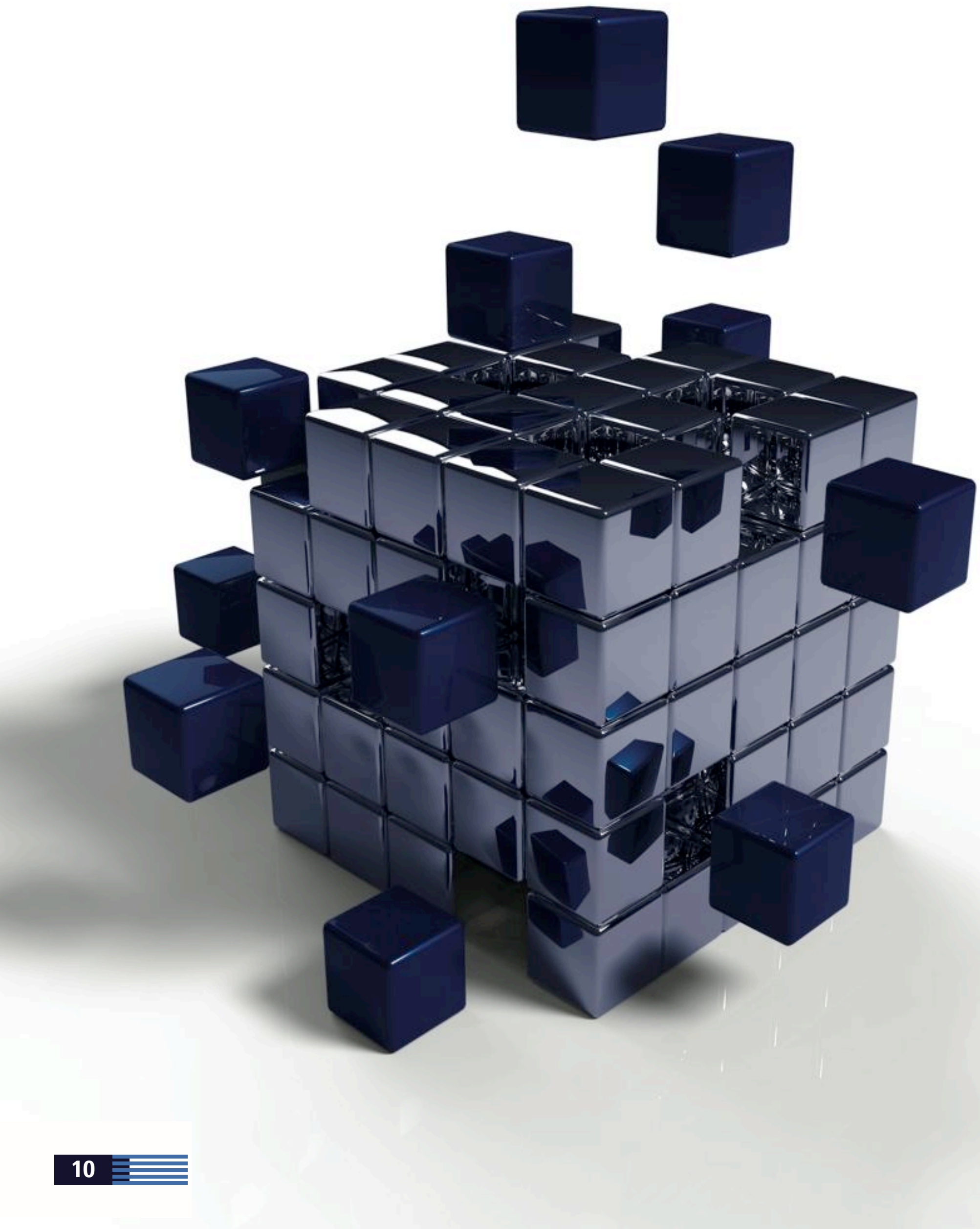
M/V Pistis is currently under repairs.

The fleet deployment profile as of the date of this announcement is outlined below:

Vessel	Type	Charter Type	T/C Earliest Expiration Date[1]	Daily Charter Rate U.S.$ (Gross)
M/V Konstantinos II	Kamsarmax	T/C	4 May 2014	BPI average +12% premium
M/V Odysseas	Kamsarmax	Time Charter Trip	10 March 2014	13,900
M/V Hellenic Wind	Panamax	Time Charter Trip	28 Feb 2014	11,100
M/V Konstantinos D	Supramax	Time Charter Trip	28 Feb 2014	14,000
M/V Hellenic Horizon	Handymax	Time Charter Trip	21 March 2014	5,000
M/V Pistis	Supramax	-	-	-

[1] The earliest charter expiration date represents the first day on which the Charterer may redeliver the vessel to the ship owning company.

BOARD OF DIRECTORS



The Board currently comprises two Executive Directors and three Non-executive Directors. Details of the Directors, their roles and their backgrounds are as follows:

Graham Roberts, Chairman and Non-executive Director

Graham Roberts was appointed as our Chairman on Admission. Between 2002 and 2006 Mr. Roberts was chief executive and main board director of PD Ports Plc. From that position he successfully directed PD Ports flotation in 2004 on AIM and subsequent sale to Babcock & Brown Infrastructure Limited in 2005. Prior to that, Mr. Roberts held chief executive posts at London Luton Airport, MTL (Merseyside Transport Limited) and Servisair plc. Mr. Roberts was also a senior executive at NFC plc (later renamed Exel plc) for over 25 years, and was a member of its board from 1989 until he left the company in 1997. In total he has over 42 years of experience in the transportation sector.

Mr. Roberts is a non-executive director of the Freight Transport Association Limited.

Fotini Karamanli, Chief Executive Officer

Ms. Karamanli is Chief Executive Officer of the Company. She is responsible for strategy, vessel acquisitions, chartering and financing.

Ms. Karamanli has more than 18 years shipping experience and has been with companies associated with HCL since 1999. From 1998 to 1999, Ms. Karamanli worked on the sale and purchase desk of Galbraiths Shipbrokers in London and before that was a shipping lawyer with Norton Rose in London and Greece.

Ms. Karamanli qualified as a solicitor of the High Court of England and Wales in 1997 and is a member of the DNV (Norwegian Classification Society) Council. Ms. Karamanli served from 2006 until early 2012 as an independent non-executive member of the board of directors of Piraeus Bank S.A., a company listed on the Athens Stock Exchange and is currently a member of the board of directors of the Karamanlis Foundation.

Ms. Karamanli holds a law degree from the University of Athens and a Master's Degree (LLM) from the University of Cambridge.

Elpida Kyriakopoulou, Chief Financial Officer

Ms. Kyriakopoulou has been acting as Financial Reporting Manager of the Company since January 2008. In November 2009 Ms. Kyriakopoulou was appointed Chief Financial Officer of the Company. Prior to joining the Company Ms. Kyriakopoulou worked as Senior Auditor and then as Manager at Ernst & Young Hellas, where she signed six years audit experience in the Shipping Sector. For the period 1997 to 2001 Ms. Kyriakopoulou worked as an accountant at Goldenport Shipmanagement Ltd.

She holds a degree in Maritime Studies from the University of Piraeus, Greece and is a member of the Greek Association of Certified Accountants.

Charlotte Stratos, Non-executive Director

Ms. Stratos is a Senior Advisor to Morgan Stanley's Investment Banking Division-Global Transportation team. From 1987 to 2007, Ms. Stratos served as managing director and head of Global Greek Shipping for Calyon Corporate and Investment Bank of the Credit Agricole Group. From 1976 to 1987, Ms. Stratos served in various roles with Bankers Trust Company including, advisor to the Shipping Department and vice president of Greek shipping finance.

In addition to serving as a Director for Hellenic Carriers Limited, Ms. Stratos also currently serves as an independent director for Costamare Inc., a containership company listed in the NY Stock Exchange and of Gyroscopic Fund (a fund of hedge funds).

Dimos Kapouniaridis, Non-executive Director

Mr. Kapouniaridis is Assistant General Manager and Head of Investment Banking & Principal Capital Strategies of Eurobank.

Mr. Kapouniaridis obtained a BA (major in Economics and minor in Mathematics) from Hamilton College in Clinton, NY, in 1996. He has approximately seventeen years of Investment Banking experience in Greece and the USA. Prior to joining the organization of Eurobank in 2002, he had worked for the industrial and the M&A groups of Salomon Brothers and Salomon Smith Barney in New York and Los Angeles as well as for the M&A group of Dresdner Kleinwort Benson in New York.

FLEET MANAGEMENT

For the period commencing September 2007 until August 2013, the day-to-day commercial and financial management of the fleet was the responsibility of the wholly-owned subsidiary, Hellenic Shipmanagement Corp. ("HSC"), which had shipmanagement agreements in place with each ship owning company. Under those shipmanagement agreements, HSC provided the relevant wholly-owned subsidiary with the following specific services:

- Commercial management services including the negotiation of charter parties;
- Accounting services;
- Supervising the sale and purchase of vessels in accordance with the ship owning Company' s instructions;
- Implementation, monitoring and audit of the safety management system in connection with the ISM certification.

The day-to-day technical and operational management of the fleet was sub-contracted by HSC to Mantinia Shipping Co. S.A. ("Mantinia"), a company ultimately controlled by the controlling shareholders. Under the Mantinia Management Agreements, Mantinia provided HSC with the following specific services:

- Attending to the maintenance, repairs, modifications, supply and classification requirements of the vessels;
- Attending to the regular operation and performance of the vessels and the handling of claims;
- Attending to all matters with regard to supply of bunkers, lubricants and other kind of materials, stores and provisions;
- Negotiating and executing contracts for the repairs or conversions /modifications in shipyards worldwide subject to the previous consent of the vessel-owning Company and generally performing all actions necessary for the accomplishment of the above;
- Arranging the insurance cover for all the vessels;
- Recruiting and employing seamen, arranging for the execution of the contracts of employment and attending to all relevant social security matters;

In August 2013, the vessel owning companies of the operating vessels M/V Hellenic Wind, M/V Hellenic Horizon and M/V Konstantinos D terminated (at no cost/ without compensation) the management agreements entered into with HSC and appointed Hellenic Carriers Corporation S.A., ("HC Corp"), a related party company ultimately controlled by the controlling shareholders of Hellenic Carriers Limited, as Manager of the aforementioned vessels. Accordingly the sub-management agreements with Mantinia were also terminated on the same basis. The shipowning companies of vessels acquired thereafter entered into management agreements with HC Corp as well.

Under the management agreements, HC Corp provides the relevant wholly-owned subsidiaries with the following services:

- Commercial management services including the negotiation of charter parties;
- Supervising the sale and purchase of vessels in accordance with the ship owning Companies' instructions;
- Implementation, monitoring and audit of the safety management system in connection with the ISM certification;
- Arranging the insurance cover for all the vessels;
- Attending to the regular operation and performance of the vessels and the handling of claims;
- Attending to all matters with regard to supply of bunkers, lubricants and other kind of materials, stores and provisions;
- Recruiting and employing seamen and arranging for the execution of the contracts of employment;
- Attending to the maintenance, repairs, modifications and classification requirements of the vessels;
- Negotiating and executing contracts for the repairs or conversions /modifications in shipyards worldwide subject to the previous consent of the vessel owning company and generally performing all actions necessary for the accomplishment of the above;
- Accounting services;

In accordance with the management agreement, HC Corp charges management fees in the amount of U.S.$1,000 per day per vessel as well as 1% brokerage commission on revenue earned and 1% on each Sale & Purchase transaction concluded.


4P
5P
6P
6S
7P
CC

DIRECTORS' REPORT FOR 2013

Principal activity

The principal activity of Hellenic Carriers Limited (the "Company") during the period in review was that of an owner, through its wholly owned ship owning subsidiaries, of a fleet of dry bulk vessels that transport iron ore, coal, grain, steel products, alumina and other dry bulk cargoes worldwide. The operating fleet at the end of the period under review included two Kamsarmax, one Panamax vessel, one Supramax and one Handymax vessel.

The Company, which was incorporated under the laws of Jersey on 26 September 2007, has an authorised share capital of U.S.$100,000 consisting 100,000,000 ordinary shares of U.S.$0.001 each. Immediately prior to Admission on AIM the Company issued 13,684,970 ordinary shares with par value U.S.$0.001 (in addition to the 31,931,881 ordinary shares with par value of U.S.$0.001 issued on 27 November 2007).

On 30 November 2007, the Company commenced trading on AIM at a price of GBP 2.12 per share. Through the IPO, a total amount of U.S.$58.9 million was raised with the intention to mainly fund fleet expansion.

The address of the registered office of the Company is 28-30 The Parade, St. Helier, Jersey JE1 1EQ, Channel Islands.

Outlook/Future prospects

Shipping markets are by nature cyclical and prone to volatility and as a consequence charter rates, vessel values and in turn operational results are directly affected by the prevailing changes in the ship demand and supply balance.

Overall, the conditions for dry bulk carrier operators were challenging in 2013. The effect of several years of unprecedented fleet expansion led to freight earnings close to historical lows in the first semester. However, from the second half of the year and, especially during the fourth quarter, the first signs of recovery became apparent. This coincided with a period of increased demand for raw materials prior to year end and, most importantly, with contraction in the supply of new vessels. As a result the BDI rose by 86% from H1 to H2 2013 and the year ended very differently from its opening, amidst optimism for the future. At the same time the renewed interest for vessel acquisitions drove the values of second hand ships and new buildings higher.

As we enter into 2014, seasonal volatility, which was anticipated for the first quarter of the year, has halted the upward trend. However, we consider that the fundamentals are positive, since vessel supply over the next few years remains subdued, due to the fact that few orders were placed during the market downturn. At the same time, demand is projected to continue to grow supported by the steel industry, the power generation and the food consumption both in the developing and the mature economies. The expectation of a rising market is reflected both in the forward freight agreements and in the rates achieved by vessels chartered for longer periods, which are now higher compared to the current spot market rates.

In light of the above, we consider that the medium term prospects of the market are positive. 2014 will mark the beginning of a recovery cycle, while the prospects for 2015 are even stronger, given the de-escalation of supply over the next two years. The possibility of increasing new building orders against an improving freight market over the next few years exists, however we consider that the restricted access to ship financing will effectively limit the danger of oversupply. Overall, on the basis of a more conservative fleet growth combined with the continued expansion of world seaborne trade the supply and demand balance will come closer to equilibrium, and we consider that this will in turn translate into healthy returns for ship operators.

2013 Operational & Financial Review

Going concern

The Directors having reviewed the cash flow projections of the Company and its subsidiaries consider that following the delivery of the two new building Kamsarmaxes during H2 2013 and the 2004 built Supramax in early January 2014 the fleet profile has improved considerably and these vessels are expected to enhance the earnings generating capacity of the Company. The Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements since, after due consideration, the Directors consider that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future.

Full year 2013 Results

Operating and Financial highlights

The following tables summarise the operating and financial results for full year 2013.

Selected Operating data	Year ended 31 December	
	2013	2012
Average number of operating vessels	3.7	4.0
Number of operating vessels at year end	5.0	3.0
Number of vessels under construction at year end	-	2.0
Total dwt at year end	332,476	169,116
Ownership days [1]	1,335	1,471
Available days [2]	1,284	1,355
Operating days [3]	1,228	1,241
Fleet utilisation [4]	95.6%	91.6%
Average daily results (in U.S.$)		
Time Charter Equivalent (TCE) rate [5]	7,614	7,414
Average daily vessel operating expenses [6]	5,088	5,234

[1] Ownership days are the cumulative days in a period during which each vessel is owned by the respective vessel owning company.

[2] Available days are ownership days less the days that the vessels are at scheduled off-hire for maintenance or vessel repositioning.

[3] Operating days are the available days less all unforeseen off-hires.

[4] Fleet utilisation is measured by dividing the vessels' operating days by the vessels' available days.

[5] TCE is defined as vessels' total revenues less voyage expenses divided by the number of the available days for the period.

[6] Average daily vessel operating expenses is defined as vessel operating expenses divided by ownership days.

Selected Income Statement Data (Amounts expressed in thousands of U.S. Dollars, except share and per share data)	Year ended 31 December	
	2013	2012
Revenue	10,923	13,168
EBITDA [1]	272	(166)
Operating loss	**(9,161)**	**(15,947)**
Adding back impairment loss	-	8,580
Adding back gain on sale of vessels	-	(2,072)
Operating loss before non-cash items	**(9,161)**	**(9,439)**
Net Finance costs	(5,036)	(4,784)
Net loss before non-cash items	(14,197)	(14,223)
Net loss	**(14,197)**	**(20,731)**
Loss per share (U.S.$):		
Basic and diluted LPS for the year	(0.31)	(0.45)
Weighted average number of shares	45,616,851	45,616,851

[1] EBITDA has been calculated as follows:
Operating profit + Depreciation + Depreciation of dry-docking costs + Impairment charge - Gain on sale of vessels - Other operating income

During 2013 the Company, through its subsidiaries, operated 3.7 vessels which earned on average U.S.$7,614 per day compared to 4.0 vessels and average earnings of U.S.$7,414 per day in 2012, an increase of 2.7%.

For the year ended 31 December 2013, Hellenic reported total revenues of U.S.$10.9 million compared to U.S.$13.2 million for the same period of 2012, a decrease of U.S.$2.3 million. The decrease in revenues is attributed to the reduction in the number of vessels operated during the period, in conjunction with the prolonged weakness of the dry bulk freight rates. The fleet utilisation during the period was reported at 95.6% compared to 91.6% in the same period of 2012 as result of the decrease in vessels' ballast days for repositioning purposes.

Voyage expenses decreased by 64.5% to U.S.$1.1 million compared to U.S.$3.1 million for the same period of 2012. The decrease in voyage expenses is mainly attributable to the increased fleet utilization during the year 2013 which translates to reduced days in ballast and therefore reduced fuel oil expenses.

Vessel operating expenses dropped by U.S.$0.9 million to a total of U.S.$6.8 million for the year ended 31 December 2013. The decrease is mainly due to cost control and fleet renewal after delivery of the new building Kamsarmax vessels in Q3 and Q4 2013. The daily operating expenses for the year ended 31 December 2013 were reported at U.S.$5,088 from U.S.$5,234 for the same period of 2012, a decrease of 2.8% demonstrating the effect of an efficiently run younger fleet.

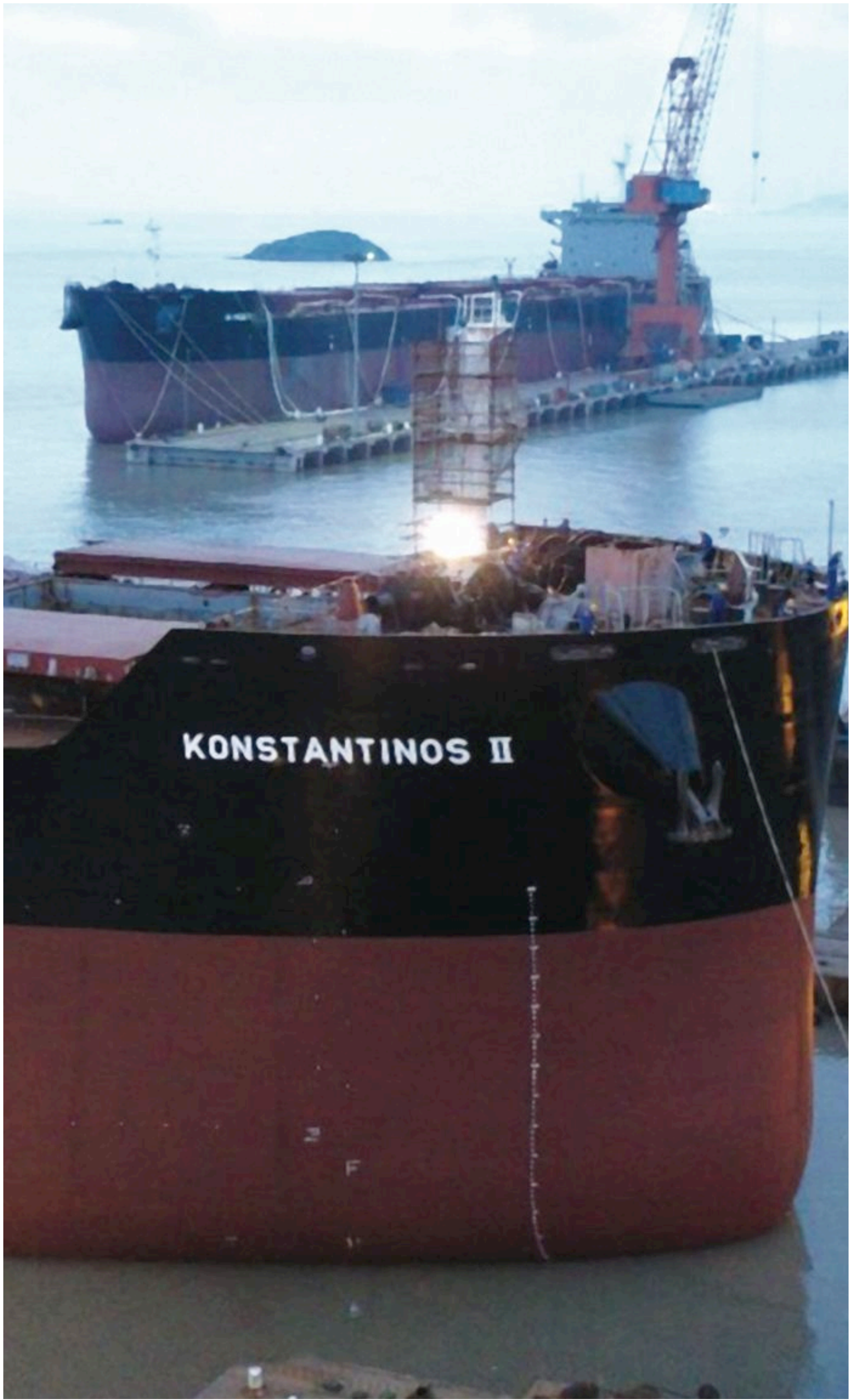
The Company's general and administrative expenses for the year ended 31 December 2013 amounted to U.S.$1.6 million compared to U.S.$1.5 million reported for the same period of 2012.

Earnings before Tax, Interest, Depreciation and Amortisation (EBITDA) was reported positive at U.S.$0.3 million for the year ended 31 December 2013 compared to negative U.S.$0.2 million for the same period in 2012. Operating loss amounted to U.S.$9.2 million for the year ended 31 December 2013 compared to U.S.$15.9 million for the same period of 2012. For the year ended 31 December 2012, the operating loss figure included non-cash impairment charge of U.S.$8.6 million and non-cash gain resulting from the sale of M/V Hellenic Sky and M/V Hellenic Sea in the amount of U.S.$2.1 million.

The total finance expense comprising of i) interest payable on bank debt, ii) amortization of deferred loan fees and iii) other finance costs, was reported at U.S.$5.4 million for the year ended 31 December 2013, in line with the amount reported for the same period of 2012. Interest payable on bank debt decreased considerably by U.S.$0.9 million due to the termination of the swap agreements in August 2013, but an almost equal increase was realized in amortization of deferred loan fees due to the fact that borrowing costs and commitment fees paid under a loan commitment were written off upon its full cancellation in September 2013.

The weighted average interest rate for the year ended 31 December 2013 was 4.90% decreasing considerably from 5.95% reported in 2012.

Net loss for the year ended 31 December 2013 amounted to U.S.$14.2 million or U.S.$0.31 basic loss per share calculated on 45,616,851 weighted average number of shares. Net loss for the year ended 31 December 2012 amounted U.S.$20.7 million or U.S.$0.45 basic loss per share calculated on 45,616,851 weighted average number of shares.



Financial Position and Cash Flow highlights

Selected Financial Position Data (Amounts expressed in thousands of U.S. Dollars)	Year ended 31 December	
	2013	2012
Vessels, net	124,701	77,028
Vessels under construction	-	28,877
Other non-current assets	1,617	717
Total non-current assets	**126,318**	**106,622**
Cash and cash equivalents including restricted cash	27,704	47,700
Other current assets	7,094	5,459
Total current assets	**34,798**	**53,159**
Total assets	**161,116**	**159,781**
Total equity	**60,877**	**73,916**
Total bank debt	97,326	82,324
Other liabilities	2,913	3,541
Total liabilities	**100,239**	**85,865**
Total equity and liabilities	**161,116**	**159,781**
Net Debt [1]	69,622	34,624

[1] Net Debt has been calculated as follows: Total Bank Debt - Cash and Cash equivalents including restricted cash

Selected Cash Flow Data (Amounts expressed in thousands of U.S. Dollars)	Year ended 31 December	
	2013	2012
Cash flows used in operating activities	(617)	(596)
Cash flows (used in)/ provided by investing activities	(29,727)	11,463
Cash flows provided by/ (used in) financing activities	20,055	(26,463)

Debt / Financing Activities & Capitalisation

As of 31 December 2013, total Bank Debt was reported at U.S.$97.3 million compared to U.S.$82.3 million at 31 December 2012.

With respect to a loan facility issued in November 2007 and maturing 8 May 2015 for the financing of the vessels M/V Hellenic Sky (sold in 2012) and Hellenic Horizon, following the sale of M/V Hellenic Sky the sale proceeds in the amount of U.S.$10.3 million were transferred in September 2013 as bank financing towards the acquisition cost of the Kamsarmax M/V Konstantinos II. Additional new debt in the amount of U.S.$2.2 million was drawn upon the vessel's delivery. The loan tenor was extended, the new maturity date being 8 May 2023 and the loan repayment schedule was amended accordingly. The loan outstanding balance as of 31 December 2013 amounted to U.S.$31.8 million.

With respect to a loan facility issued in March 2008 and maturing 9 May 2016 for the financing of the vessels M/V Hellenic Sea (sold in 2012), Hellenic Breeze (sold in 2010), Konstantinos D and Hellenic Wind, following the sale of the vessel M/V Hellenic Sea the sale proceeds in the amount of U.S.$5.4 million together with additional debt of U.S.$2.5 million were transferred as bank financing towards the acquisition of M/V Pistis, which was delivered on 7 January 2014. The maturity of the loan has now been extended to 7 May 2020 and the loan repayment schedule is amended accordingly. The loan outstanding balance as of 31 December 2013 amounted to U.S.$49.5 million.

An earnings recapture clause has been agreed under the above loan facilities, based on which part of any excess earnings generated by the vessels after payment of their debt service (principal and interest) will be paid to the lending banks. The payment due under this clause for the fiscal year 2013 is U.S.$ nil.

Under a loan facility agreement dated 30 March 2011, Ithaca Maritime Ltd, the owner of the Kamsarmax vessel under construction M/V Odysseas, secured financing of up to 65% of the vessel's market value to be drawn upon vessel's delivery. Further to the reduction in the vessel's contract price (at U.S.$26.3 million from U.S.$34.2 million), the amount of U.S.$17.1 million was drawn down in August 2013. The loan outstanding balance as of 31 December 2013 amounted to U.S.$17.1 million with maturing date on 9 August 2019.

The gross debt repayments (without taking into account any payments under the earning recapture clauses as described above) amount to U.S.$3.4 million per year for the years 2014 and 2015.

As of 31 December 2013, Hellenic and its subsidiaries are in compliance with their debt covenants.

Cash and cash equivalents including restricted cash were reported at U.S.$27.7 million compared to U.S.$47.7 million at 31 December 2012. Restricted cash reported at 31 December 2013 amounted to U.S.$9.5 million compared to U.S.$19.2 million at 31 December 2012. The decrease represents mainly the utilization of the proceeds from the sale of M/V Hellenic Sky (U.S.$10.3 million) which were pledged with the respective lender until September 2013 and were then transferred as bank debt towards the acquisition of M/V Konstantinos II.

As of 31 December 2013 net debt amounted to U.S.$69.6 million compared to U.S.$34.6 million as of 31 December 2012. This increase in net debt is attributable to additional debt drawn down upon delivery of the two Kamsarmax vessels in the amount of U.S.$19.3 million and utilization of the pledged amount of U.S.$10.3 million (included in restricted cash as at 31 December 2012) for the same purpose. Consequently, the gearing ratio being defined as net debt (debt less cash and cash equivalents) to total capitalisation amounted to 53.4% on 31 December 2013 compared to 31.9% on 31 December 2012.

In relation to cash flows used in investing activities, the amount of U.S.$29.7 million consists mainly of the following items:

- The amount of U.S.$26.8 million paid during the year ended 31 December 2013 in relation to the construction of the two new building Kamsarmax vessels delivered in H2 2013. This amount included the last instalment payable to the yard (U.S.$12.7 million per vessel) and other related costs.

- The amount of U.S.$1.7 million represents i) dry-docking cost for the M/V Hellenic Wind and M/V Konstantinos D which performed their intermediate surveys at a total cost of U.S.$1.3 and ii) the estimated dry-docking component of the new building vessels upon their delivery in H2 2013 amounting to U.S.$0.2 million per vessel. (Deferred dry-docking cost for the year ended 31 December 2012 amounted to U.S.$1.2 million).

- The amount of U.S.$1.6 million being 10% advance payment made in October 2013 for the acquisition of the 2004 built Supramax vessel M/V Pistis under the terms of the MOA dated August 2013.

Subsequent Events

The vessel M/V Pistis, a geared 52,388 dwt Supramax vessel built at Tsuneishi Shipbuilding Corporation, Japan in 2004 was delivered on 7 January 2014 under the terms of the acquisition agreement dated August 2013. The acquisition price of U.S.$16.16 million was funded partly by cash reserves of U.S.$8.3 million and partly by the proceeds from the sale of M/V Hellenic Sea in the amount of U.S.$5.4 million coupled with new debt in the amount of U.S.$2.5 million. The vessel is currently under repairs.

Further to Samsun's Rehabilitation Plan and the settlement agreement dated 19 January 2010 between Arkadia and Samsun, Arkadia Maritime Corp, the owner of M/V Hellenic Horizon assigned the outstanding net admitted cash rehabilitation claim against Samsum Logix Corp. to unaffiliated third party interests and received a consideration of U.S.$1.1 million.

Litigation

The Company is not engaged directly in any litigation of material importance, nor, so far as the Directors are aware, is any litigation pending or threatened, which would have a material adverse effect on the financial position of the Company. The arbitration proceedings with respect to M/V Hellenic Sea's hull damage in July 2010 continue, and, accordingly, the vessel owning company of M/V Hellenic Sea is directly engaged in such proceedings but, on the basis of legal advice received to date, a material adverse effect on the financial position of the Company is not expected.

Taxation

As from 1 January 2009, the exempt company regime in Jersey no longer applied, and the Company is now subject to a 0% tax in Jersey.

Under the laws of the respective jurisdictions of the consolidated companies, the Company, and its subsidiaries, currently are not subject to tax on international shipping income.

Dividends

In order to reinforce the Company's liquidity and optimise the use of cash when market opportunities arise, the Directors of the Company recommended that dividend payment for the year 2013 be suspended.

Directors

The Directors of the Company who served during the year were:

Graham Roberts (Chairman and Non-executive Director)
Fotini Karamanli (Chief Executive Officer)
Elpida Kyriakopoulou (Chief Financial Officer)
Charlotte Stratos (Non-executive Director)
Dimos Kapouniaridis (Non-executive Director)

The Directors' interests in the share capital of the Company at 31 December 2013 (held directly or indirectly by the Director) were:

	Number of Ordinary Shares	Percentage held
Graham Roberts	70,755	0.16%
Fotini Karamanli	10,643,960	23.33%
Elpida Kyriakopoulou	2,000	0.004%

Fotini Karamanli is deemed to be interested in the Ordinary Shares held by Faith Holdings Inc., a company owned 100% by her. In July 2013 Fotini Karamanli disposed her 50% shareholding in Bedat Holdings Inc and therefore is no longer interested in the 10,643,960 shares of Bedat Holdings Inc.

Auditors

Ernst & Young LLP has been appointed as auditor of the Company and has expressed willingness to continue in office.

CORPORATE GOVERNANCE

The Company is managed by the Board of Directors which has overall responsibility for the corporate governance of the Company. The directors are committed to ensuring that high standards of corporate governance are maintained insofar as the Directors believe that such standards are relevant and appropriate for the Company and notwithstanding the fact that as an AIM listed company, which is incorporated in Jersey, Hellenic Carriers has no legal obligation to comply with the Corporate Governance Code, (CGC), (i.e. the Code of Best Practice published by the Committee on the Financial Aspects of Corporate Governance).

The CGC is the Code on Corporate Governance published by the UK Financial Reporting Council. The CGC applies only to companies which are admitted to the Official List and it is therefore up to the Directors of an AIM listed company to decide the extent to which the AIM listed entity complies with the CGC. From Admission the Company broadly complies with the principal requirements of the CGC.

The Quoted Companies Alliance (QCA) has also published corporate governance guidelines for AIM listed companies. The QCA Guidelines recommend that there be a formal schedule of matters specifically reserved for the Board's decision and that the Board be supplied with information in a timely manner so as to enable it to discharge its duties. The Company has adopted a schedule of matters reserved for the Board in a form similar to that recommended by the QCA Guidelines. The QCA Guidelines also recommend that the roles of Chairman and chief executive should not be exercised by the same individual and that a company has at least two independent non-executive Directors (one of whom should be the chairman). The QCA Guidelines also recommend the establishment of Audit, Remuneration and Nomination Committees and that the Audit and Remuneration Committees should comprise of at least two members, all of whom should be independent non-executive Directors.

Board Effectiveness

The Company is managed by the Board of Directors in accordance with its Memorandum and Articles of Association. The Board of Directors consists of five Directors, three of which are independent non-executives. Executive Directors have responsibility for the day-to-day management and control of the Company, whereas non-executive Directors are responsible for the overall promotion and safeguarding of the Company's interests. The Company's Chairman, CEO and CFO along with the Company's broker and Nominated Advisor maintain a regular dialogue with institutional shareholders. Panmure Gordon & Co has been acting as the Company's Nominated Advisor and broker since 14 June 2010. Furthermore, Board members will be available to respond to shareholders' questions at the Annual General Meeting.

Committees

The Company has established an Audit Committee, a Remuneration Committee and a Nomination Committee.

The Audit Committee is headed by Ms. Ch. Stratos and its members are our two independent Non-executive Directors and our Non-executive Chairman. The Committee is responsible for the proper reporting and monitoring of our financial performance and the review of the internal control systems and the auditors' reports relating to our accounts. The Audit Committee will also recommend the appointment of the external auditors and will review the audit fees. The Combined Code recommends that all members of the Audit Committee be Non-executive Directors, independent in character and judgment and free from any relationship or circumstances which may, could, or would be likely to, or which appear to affect their judgment. The Board considers that the Company complies with the Combined Code in this respect.

The Remuneration Committee is headed by Mr. D. Kapouniaridis and its members are our two independent Non-executive Directors and our Non-executive Chairman. This Committee is responsible for determining and agreeing with the Board the framework for the remuneration of the Chief Executive Officer, all other executive Directors, the Company Secretary and such other members of the executive management as it is designated to consider. Furthermore, the Committee is responsible for determining the total individual remuneration packages of each Director including, where appropriate, bonuses, incentive payments and share options. The Remuneration Committee also liaises with the Nomination Committee to ensure that the remuneration of newly appointed executives is within the Company's overall policy.

The Nomination Committee is headed by our Non-executive Chairman, Mr. Gr. Roberts and comprises one independent Non-executive Director (Dimos Kapouniaridis), and our Chief Executive Officer (Fotini Karamanli). This Committee is responsible for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required for a particular appointment and identifying and nominating candidates to fill Board positions as and when they arise.

Below is a summary of our committees' structure as at 31 December 2013:

	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee
Non-executive Directors				
Graham Roberts	Chairman	✓	✓	Chairman
Charlotte Stratos	✓	Chairman	✓	•
Dimos Kapouniaridis	✓	✓	Chairman	✓
Executive Directors				
Fotini Karamanli	✓	•	•	✓
Elpida Kyriakopoulou	✓	•	•	•

Meetings

The number of the regular meetings by the Board, the Audit, Remuneration and Nomination Committees and individual attendance by members within 2013 is shown below:

Total number of meetings	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee
Non-executive Directors				
Graham Roberts Chairman of the Board	5	2	1	1
Charlotte Stratos	5	2	1	•
Dimos Kapouniaridis	5	2	1	1
Executive Directors				
Fotini Karamanli	5	•	•	1
Elpida Kyriakopoulou	5	•	•	•

Fotini Karamanli
Chief Executive Officer

Graham Roberts
Chairman

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the consolidated financial statements of the Company and its subsidiaries in accordance with applicable law and regulations.

Jersey Company law requires the Directors to prepare financial statements for each financial period in accordance with generally accepted accounting principles. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors should:

• select suitable accounting policies and then apply them consistently;

• make judgments and estimates that are reasonable and appropriate; and

• specify which generally accepted accounting principles have been adopted in their preparation

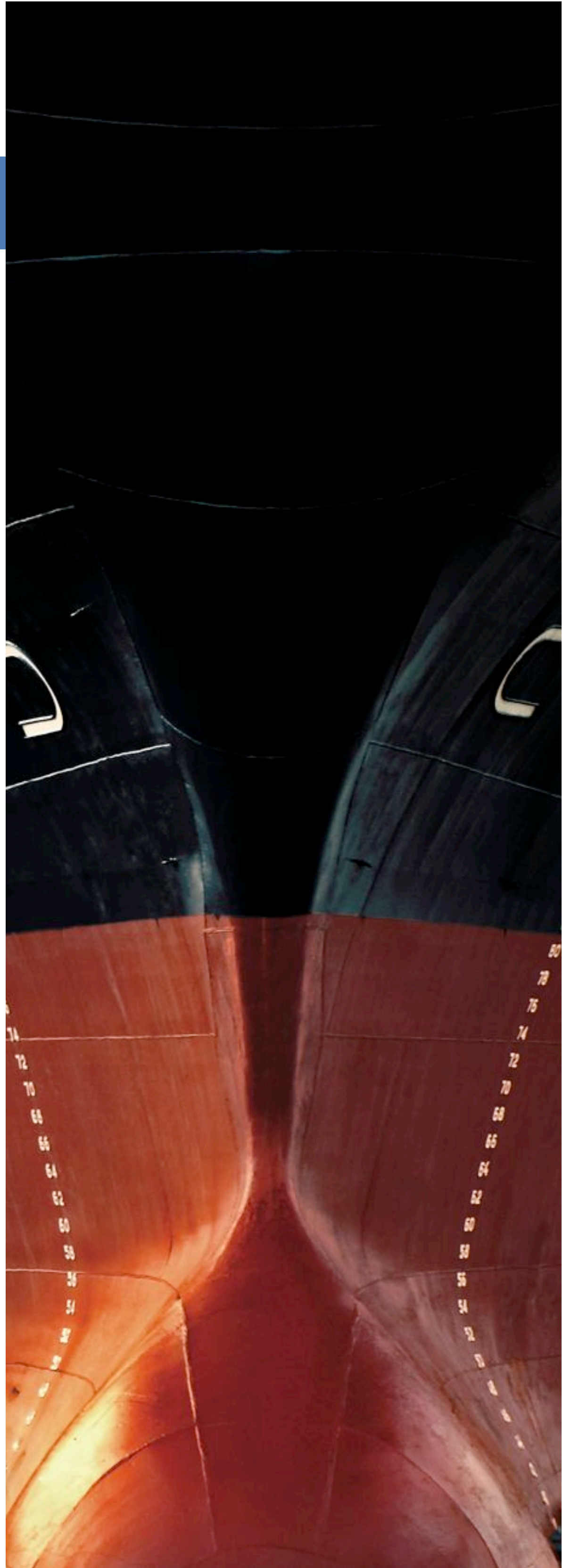
The Directors are responsible for keeping accounting records which are sufficient to show and explain the transactions of the Company and its subsidiaries and are such as to disclose with reasonable accuracy, at any time, the financial position of the Company and its subsidiaries and enable them to ensure that the financial statements prepared by the Company comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and its subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors and signed on its behalf on 26 February 2014.

Fotini Karamanli
Chief Executive Officer

Graham Roberts
Chairman



EY
Building a better working world

We have audited the financial statements of Hellenic Carriers Limited for the year ended 31 December 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 23, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing. Those standards require us to comply with applicable Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended;

- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and

- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Michael Bane
For and on behalf of Ernst & Young LLP
Jersey, Channel Islands

Date: February 26th 2014

Notes:
1. The maintenance and integrity of the Hellenic Carriers Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

2. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

EY
Building a better working world

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLENIC CARRIERS LIMITED

We have audited the financial statements of Hellenic Carriers Limited for the year ended 31 December 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 23, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing. Those standards require us to comply with applicable Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Michael Bane
For and on behalf of Ernst & Young LLP
Jersey, Channel Islands
Date: February 26th, 2014

Notes:

1. The maintenance and integrity of the Hellenic Carriers Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED INCOME STATEMENT

	Notes	31 December 2013	31 December 2012
		U.S.$'000	U.S.$'000
Revenue		10,923	13,168
Expenses and other income			
Voyage expenses	3	(1,087)	(3,121)
Voyage expenses - related parties	3,10	(60)	-
Vessel operating expenses	3	(6,793)	(7,699)
Management fees - related parties	10	(1,153)	(1,062)
Depreciation	7	(7,516)	(8,086)
Depreciation of dry-docking costs	7	(1,917)	(1,454)
Impairment loss	7	-	(8,580)
Gain on sale of vessels	7	-	2,072
General and administrative expenses	4	(1,558)	(1,452)
Other operating income	16	-	267
Operating loss		(9,161)	(15,947)
Finance expense	5	(5,413)	(5,397)
Finance income	8	403	613
Foreign currency loss, net		(26)	-
		(5,036)	(4,784)
Loss for the year		(14,197)	(20,731)
Loss per share (U.S.$):			
Basic and diluted LPS for the year	6	(0.31)	(0.45)
Weighted average number of shares		45,616,851	45,616,851

The accompanying notes 1 to 19 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	31 December 2013	31 December 2012
		U.S.$'000	U.S.$'000
Loss for the year		**(14,197)**	**(20,731)**
Other comprehensive income			
Other comprehensive income to be reclassified to profit and loss in subsequent periods:			
Reclassification during the year to profit or loss	12	1,158	-
Net gain on cash flow hedges	12	-	1,801
Net other comprehensive income reclassified to profit and loss		**1,158**	**1,801**
Total comprehensive loss for the year		**(13,039)**	**(18,930)**

As at 31 December 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2013	31 December 2012
		U.S.$'000	U.S.$'000
ASSETS			
Non-current assets			
Vessels, net	7	124,701	77,028
Advances for vessel acquisition	7	1,616	-
Vessels under construction	7	-	28,877
Deferred charges	11	-	714
Office furniture and equipment		1	3
		126,318	106,622
Current assets			
Inventories		458	264
Trade receivables, net		1,701	878
Claims receivable		238	251
Available for sale investments, net of impairment	16	-	-
Due from related parties	10	3,845	3,711
Prepaid expenses and other assets		852	355
Restricted cash	9	9,525	19,232
Cash and cash equivalents	8	18,179	28,468
		34,798	53,159
TOTAL ASSETS		**161,116**	**159,781**
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued share capital	13	46	46
Share premium	13	54,355	54,355
Capital contributions		10,826	10,826
Cash flow hedging reserves		-	(1,158)
(Accumulated deficit)/Retained earnings		(4,350)	9,847
Total equity		60,877	73,916
Non-current liabilities			
Long-term debt	11	94,081	62,331
		94,081	62,331
Current liabilities			
Trade payables		1,320	1,055
Current portion of long-term debt	11	3,245	19,993
Current portion of other non-current financial liabilities	12	-	1,158
Accrued liabilities and other payables	14	1,325	1,328
Deferred revenue		268	-
		6,158	23,534
Total Liabilities		100,239	85,865
TOTAL EQUITY AND LIABILITIES		**161,116**	**159,781**

The financial statements on pages 26 to 58 were approved by the Board of Directors on 26 February 2014 and were signed on its behalf by:

Fotini Karamanli
Chief Executive Officer

Elpida Kyriakopoulou
Chief Financial Officer

The accompanying notes 1 to 19 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Number of shares	Par value U.S.$	Issued share capital U.S.$'000 (Note 13)	Share premium U.S.$'000 (Note 13)	Capital Contributions U.S.$'000	Cash flow hedging reserves U.S.$'000	(Accumulated deficit) Retained earnings U.S.$'000	Total equity U.S.$'000
As at 1 January 2012	45,616,851	0.001	46	54,355	10,826	(2,959)	30,578	92,846
Loss for the year	-	-	-	-	-	-	(20,731)	(20,731)
Other comprehensive income	-	-	-	-	-	1,801	-	1,801
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**1,801**	**(20,731)**	**(18,930)**
As at 31 December 2012	**45,616,851**	**0.001**	**46**	**54,355**	**10,826**	**(1,158)**	**9,847**	**73,916**
Loss for the year	-	-	-	-	-	-	(14,197)	(14,197)
Other comprehensive income	-	-	-	-	-	1,158	-	1,158
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**1,158**	**(14,197)**	**(13,039)**
As at 31 December 2013	**45,616,851**	**0.001**	**46**	**54,355**	**10,826**	**-**	**(4,350)**	**60,877**

The accompanying notes 1 to 19 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	31 December 2013	31 December 2012
		U.S.$'000	**U.S.$'000**
Operating activities			
Loss for the year		(14,197)	(20,731)
Adjustments to reconcile loss to net cash flows:			
Depreciation	7	7,516	8,086
Depreciation of dry-docking costs	7	1,917	1,454
Impairment loss	7	-	8,580
Gain on sale of vessels	7	-	(2,072)
Finance expense	5	5,413	5,397
Finance income	8	(403)	(613)
		246	**101**
(Increase) / Decrease in inventories		(194)	1,973
(Increase) / Decrease in trade receivables, claims receivable, prepaid expenses and other assets		(1,367)	176
Increase in due from related parties		(134)	(747)
Increase / (Decrease) in trade payables, accrued liabilities and other payables		564	(2,020)
Increase/ (Decrease) in deferred revenue		268	(79)
Net cash flows used in operating activities		**(617)**	**(596)**
Investing activities			
Acquisition/ improvement of vessels	7	(103)	(504)
Advance payments for vessels under construction	7	(26,798)	(1,035)
Advance payments for vessel acquisition	7	(1,616)	-
Dry-docking costs	7	(1,673)	(1,207)
Proceeds from sale of vessels	7	-	13,653
Office furniture and equipment		-	(1)
Interest received		463	557
Net cash flows (used in)/ provided by investing activities		**(29,727)**	**11,463**
Financing activities			
Proceeds from issue of long-term debt	11	19,300	-
Repayment of long-term debt	11	(3,885)	(5,655)
Restricted cash	9	9,707	(15,258)
Finance expenses paid	11	(5,067)	(5,550)
Net cash flows provided by/ (used in) financing activities		**20,055**	**(26,463)**
Net decrease in cash and cash equivalents		(10,289)	(15,596)
Cash and cash equivalents at 1 January	8	28,468	44,064
Cash and cash equivalents at 31 December	8	**18,179**	**28,468**

The accompanying notes 1 to 19 are an integral part of these consolidated financial statements

Notes to the Consolidated Financial Statements

1. Formation, Basis of Presentation and General Information

Hellenic Carriers Limited ("HCL", "Hellenic" or the "Company") was incorporated under the laws of Jersey on 26 September 2007. On 30 November 2007, Hellenic Carriers Limited was admitted and started trading on AIM at a price of GBP 2.12 per share. In total, the Company received from its listing on AIM an amount of U.S.$58.9 million to fund further fleet expansion.

The principal business of the Company is the ownership and operation, through its subsidiaries, of a fleet of dry bulk carriers providing maritime services in relation to the transportation of dry cargo products on a worldwide basis. The address of the registered office of the Company is 28-30 The Parade, St. Helier, Jersey JE1 1EQ, Channel Islands.

Hellenic Shipmanagement Corp. ("HSC") served as Manager of the fleet for the period from September 2007 until August 2013 (note 10). Since August 2013, the fleet has been managed by Hellenic Carriers Corporation S.A. ("HC Corp"), a related party company ultimately controlled by the controlling shareholders of HCL. HC Corp was incorporated under the laws of Liberia on 22 April 2003 and has established a branch in Greece at 51 Akti Miaouli, Piraeus, Greece.

The annual consolidated financial statements for the year ended 31 December 2013 include the financial statements of HCL and the financial statements of its wholly owned subsidiaries listed below.

Company Name	Country of Incorporation	Vessel Delivery Date	Name of vessel
Patmos Shipping Co. Ltd	Malta	•	M/V Hellenic Sea (sold in 2012)
Thasos Shipping Co. Ltd	Malta	•	M/V Hellenic Sky (sold in 2012)
Arkadia Maritime Corp.	Marshall Islands	8 November 2007	Hellenic Horizon
Vergina Shipping Ltd	Marshall Islands	26 March 2008	Konstantinos D.
Lakonia Shipping Ltd	Marshall Islands	12 May 2008	Hellenic Wind
Ithaca Maritime Ltd	Marshall Islands	12 August 2013	Odysseas
Symi Shipping Corp.	Marshall Islands	25 September 2013	Konstantinos II
Guide Enterprises Company	Marshall Islands	•	•
Replica Enterprises Corp. (1)	Marshall Islands	•	•
Hellenic Shipmanagement Corp.	Marshall Islands	•	•

(1) Replica Enterprises Corp. is the shipowning company of the vessel M/V Pistis (ex Ocean Alliance) delivered on 7 January 2014.

The annual consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 26 February 2014 and are recommended to be approved at the next Annual General Meeting of the shareholders.

2. Summary of significant accounting policies

(a) Basis of Preparation:

The financial statements of the Company and its subsidiaries have been prepared on a historical cost basis, except for derivative financial instruments that are measured at fair value. The consolidated financial statements are presented in U.S. dollars and all financial values are rounded to the nearest thousand ($000) except the per share information.

(b) Statement of Compliance:

The consolidated financial statements as at 31 December 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

(c) Basis of Consolidation:

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as listed in note 1. The financial statements of the subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies. All material inter-company balances and transactions have been eliminated upon consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(d) Fair value measurement:

The Company and its subsidiaries measure financial instruments, such as, derivatives, and available for sale investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company and its subsidiaries.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company and its subsidiaries use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company and its subsidiaries determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as financial assets, and significant liabilities, such as contingent obligations. Involvement of external valuers is decided by management on a case by case basis. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's and its subsidiaries accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the input of external valuers, compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company and its subsidiaries have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(e) Significant accounting judgements, estimates and assumptions:

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future. In the process of applying the Company's and its subsidiaries accounting policies, management has not made any judgement with significant effect on the amounts recognised in the consolidated financial statements, except for judgements and estimates made in connection to impairment assessment.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial position date that have a significant risk of causing a significant adjustment to the carrying amount of assets and liabilities within the next financial year are the following:

Vessels: Management makes estimates in relation to useful lives of vessels and their residual value considering industry practices. (Vessels have a carrying amount of U.S.$124,701 and U.S.$77,028 as at 31 December 2013 and 2012, respectively).

The key estimates and assumptions (related to the vessel's useful life and scrap value rates relating to the carrying values and impairment of vessels are discussed in paragraphs (m) and (n), respectively.

Provisions for doubtful trade receivables: Provision for doubtful trade receivables are recorded based on management's expected future collectability of the receivables. (Trade receivables, have a carrying amount of U.S.$1,701 and U.S.$878 as at 31 December 2013 and 2012, respectively).

Insurance Claims: Amounts for insurance claims are provided when amounts are almost certain to be received, based on the Company's judgement and estimates of independent adjusters as to the amount of the claims. (Insurance claims have a carrying amount of U.S.$238 and U.S.$251 as at 31 December 2013 and 2012, respectively).

Contingent Liabilities: Contingent liabilities are provided when amounts are almost certain to be paid, based on the Company's judgement and the opinion of legal advisors.

(f) Revenues and Related Expenses:

The Company through its subsidiaries generates revenues from the charter hires and/or freights earned by the vessels. Vessels are chartered using either time charters, where a contract is entered into for the use of a vessel for a specific period of time and a specified daily charter hire rate; or voyage charters, where a contract is made in the spot market for the use of a vessel for a specific voyage against a specified freight calculated on the basis of the quantity of cargo carried on board.

If a time charter agreement exists and collection of the related revenue is reasonably assured, revenue is recognised on a straight line basis over the period of the time charter. Such revenues are treated in accordance with IAS 17 as lease income as explained in paragraph (u) below.

Associated voyage expenses, which primarily consist of charterers' address commissions and brokers' commissions, are recognised on a pro-rata basis over the duration of the period of the time-charter. If a voyage charter exists, the voyage is deemed to commence upon the completion of discharge of the vessel's previous cargo and is deemed to end upon the completion of discharge of the cargo carried under the specific voyage charter. Vessel voyage expenses primarily consisting of port, canal and bunker expenses that are unique to a particular charter are paid for by the charterer under time charter arrangements or by the vessel owning companies under voyage charter arrangements. The vessel owning companies defer bunker expenses under voyage charter agreements and charge them to the consolidated income statement over the related voyage charter period to the extent revenue is recognised. Port and canal costs are accounted for on an actual basis. Operating expenses are accounted for on an accrual basis.

Deferred revenue represents cash received prior to the financial position date which relates to revenue earned after such date. When a vessel is time chartered, the charterer as per industry practice pays the revenue related to the specific agreement in advance (usually 15 days in advance). Therefore, as of financial position date, the amount of revenue relating to the next financial year that was paid by the charterer is presented in deferred revenue.

(g) Foreign Currency Translation:

The functional and presentation currency of the Company and its subsidiaries is the U.S. dollar because the vessels operate in international shipping markets which utilise the U.S. dollar as the functional currency. Transactions involving other currencies during the year are converted into U.S. dollars using the exchange rates in effect at the time of the transactions. At the financial position dates, monetary assets and liabilities, which are denominated in currencies other than the U.S. dollar, are translated into the functional currency using the year-end exchange rate. Gains or losses resulting from foreign currency transactions are included in foreign currency gain or loss in the consolidated income statement.

(h) Cash and Cash Equivalents:

The Company and its subsidiaries consider highly liquid investments such as time deposits and certificates of deposit with an original maturity of three months or less to be cash equivalents. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

(i) Restricted Cash:

Certain of the Company's and its subsidiaries' loan agreements require them to deposit funds into a loan retention account in the name of the borrower, maintain minimum cash liquidity and/or to establish earnings recapture accounts. The amount deposited in retention accounts is equivalent to the monthly portion of the next capital and interest payment. The amounts deposited in earnings recapture account represents part of the excess earnings derived from the operation of the vessels. Restricted cash also include cash deposited to a bank as security for the provision of a bank guarantee and cash deposited in pledged accounts with the lenders for the purpose of being transferred as bank financing towards new acquisitions (note 9).

(j) Inventories:

Inventories consist of lubricants, victualling and bunkers, the latter for vessels that are not trading under time charter agreements on the cut-off date. Inventories are stated at the lower of cost or net realisable value and cost is determined by the first-in first-out method.

(k) Trade Receivables, net:

The amount shown as trade receivables at each financial position date includes estimated recoveries from charterers for hire, freight and demurrage billings, net of an allowance for impairment. Subsequent to initial recognition, trade receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. At each financial position date, all potentially uncollectible accounts are assessed individually for the purpose of determining the appropriate allowance for impairment. Impaired debts are derecognized when they are assessed as uncollectible. Allowance for doubtful receivables amounted to U.S.$ nil at 31 December 2013 and 2012.

(l) Claims Receivable:

The Company and its subsidiaries recognise insurance claim recoveries for damages to vessels in relation to insured risks. Insurance claim recoveries are recorded net of any deductible amounts, at the time the vessels suffer such damages. They include the recoveries from the insurance companies for the claims, provided it is almost certain that these amounts will be recovered. Claims are submitted to the insurance company, which may alter the recovery amount. Such adjustments are recorded in the year they become known. Insurance claims receivable amounted to U.S.$238 and U.S.$251 at 31 December 2013 and 2012, respectively.

(m) Vessels, net:

The vessels (including dry-docking costs and component attributable to favourable or unfavourable lease terms relative to market terms) are stated at cost, net of accumulated depreciation and any accumulated impairment loss. Vessel cost consists of the contract price for the vessel, the related construction cost, borrowings cost and any material direct costs incurred upon acquisition of the vessel (initial repairs, improvements, delivery costs and other expenditures) to prepare the vessel for its initial voyage. Subsequent expenditures for major improvements are also capitalised when it is probable that future economic benefits associated with the improvement will flow to the entity and the cost of the improvement can be measured reliably. When the Company and its subsidiaries acquire a vessel subject to an operating lease, the amount reflected in the cost that is attributable to favourable or unfavourable lease terms relative to market terms, is amortised over the remaining term of the lease. The Company and its subsidiaries determine the fair value of any component related to time charters assumed, by reference to the market value of the time charters at the time the vessel is acquired.

The cost of each vessel is depreciated beginning when the vessel is ready for its intended use, on a straight-line basis over the vessels' remaining economic useful life, after considering the estimated residual value based on the assumed scrap value of steel. The assumed scrap price used in the depreciation calculation is U.S.$350 per lightweight ton effective since 1 July 2012.

Management estimates the useful life of the vessels at 25 years, which is consistent with industry practice. Acquired second-hand vessels are depreciated from the date of their acquisition over their remaining estimated useful life. The remaining useful lives of the vessels are between 6 and 25 years. The useful lives and residual values are re-assessed at least on annual basis. A vessel is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the vessel (calculated as the difference between the net disposal proceeds and the carrying amount of the vessel including any unamortised portion of dry-docking) is included in the consolidated income statement in the year the vessel is derecognised. From time to time the vessels are required to be dry-docked for inspection and re-licensing at which time major repairs and maintenance that cannot be performed while the vessels are in operation are generally performed. The costs associated with dry-docking are capitalised and added to the cost of vessel as incurred. They are amortised on a straight-line basis over the year until the next scheduled dry-docking, generally 2.5 years. In cases where, the dry-docking takes place earlier than 2.5 years since the previous one, the carrying amount of the previous dry-docking is derecognised. In the event of a vessel sale, the respective carrying values of dry-docking costs are derecognised together with the vessel's carrying amount at the time of sale.

At the date of acquisition of a vessel or upon completion of construction of a new built vessel, management estimates the component of the cost that corresponds to the economic benefit to be derived until the next scheduled dry-docking of the vessel and this component is depreciated on a straight-line basis over the remaining period until the next estimated dry-docking date.

(n) Impairment of Vessels:

The vessels are reviewed for impairment in accordance with IAS 36, "Impairment of Assets." Under IAS 36, the Company and its subsidiaries assess at each reporting date whether there is an indication that a vessel may be impaired. If such an indication exists, the Company and its subsidiaries make an estimate of the vessel's recoverable amount. Any impairment loss of the vessel is assessed by comparison between the carrying amount of the asset and its recoverable amount. Recoverable amount is the higher of the vessel's fair value less costs to sell and its value in use.

If the recoverable amount is less than the carrying amount of the vessel, the asset is considered impaired and an expense is recognised equal to the amount required to reduce the carrying amount of the vessel to its then recoverable amount. Fair value of vessels is determined by independent marine appraisers. If the valuation from the appraiser indicates possible impairment, the Company and its subsidiaries proceed to calculate the vessel's value in use.

The calculation of value in use is made at the individual vessel level since separately identifiable cash flow information is available for each vessel. In developing estimates of future cash flows, the relevant vessel owning companies make assumptions about future charter rates, vessel operating expenses and the estimated remaining useful lives of the vessels.

The projected net operating cash flows are determined by considering:

- i) for the fiscal year 2014, time charter rates achievable for vessels of similar type and age in the current freight market; ii) for the period 2015 onwards, the average rate for 1 year timer charter period of the previous decade, applying thereon a revenue growth rate of 2.0%.

- the cash outflows which comprise of operating expenses on which an inflation rate of 3.5% is applied and future dry-docking costs for which budgeted amounts are used.

- the estimated remaining useful lives of the vessels is in line with the assumptions used for the depreciation calculation of the vessels.

The net operating cash flows are discounted to their present value as at the date of the financial statements using the weighted average cost of capital as adjusted to reflect the risks specific to the assets' cash flows. The discount rate calculation is based on the specific circumstances of the Company and its subsidiaries and derived from its weighted average cost of capital (WACC). The impairment loss recognised by the Company and its subsidiaries was U.S.$ nil and U.S.$8,580 for the years ended 31 December 2013 and 2012, respectively (note 7).

(o) Vessels under construction:
The vessels under construction are recognised at cost which includes the progress payments made to the shipyards and any costs (interest, commitment fees (note 2p) and on-site supervision costs incurred during the construction periods) directly attributable to bringing the vessels to the location and condition necessary for operation in the intended manner. Vessels under construction remain at cost until they become operative upon delivery.

(p) Borrowing costs:
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

(q) Long-Term Debt:
Long-term debt is initially recognised at the fair value of the consideration received net of issue costs directly attributable to the borrowing. After initial recognition, long-term debt is subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.
The Company and its subsidiaries capitalise borrowing costs that are directly attributable to acquisition or construction of the asset. Please refer to paragraph (p).

(r) Derivative Financial Instruments and Hedging:
The Company and its subsidiaries use derivative financial instruments such as interest rate swaps to hedge risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value using bid-market prices on each reporting date. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or

- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or

- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Company and its subsidiaries formally designate and document the hedge relationship to which they wish to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as Cash Flow Hedges.

The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while any ineffective portion is recognised immediately in the consolidated income statement. Amounts taken to equity are transferred to the consolidated income statement when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognised in equity are transferred to the consolidated income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction or firm commitment occurs.

The Company and its subsidiaries use interest rate swaps as hedges of their exposure to hedge risks associated with interest rate fluctuations (note 12).

(s) Segment Reporting:

The Company and its subsidiaries report financial information and evaluate their operations by charter revenues and not, for example, by (i) the length of ship employment for their customers, i.e. spot or time charters; or (ii) type of vessel. Management reviews operating results solely by revenue per day and operating results of the fleet and thus the Company and its subsidiaries have determined that they operate in one reportable segment. Furthermore, when the vessel owning companies charter out a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, the disclosure of geographic information is impracticable.

(t) Finance Income:

Finance income is earned from the short-term deposits of the Company and its subsidiaries and is recognised on the accrual basis.

(u) Leases:

Leases of vessels where the vessel owning companies do not transfer substantially all the risks and benefits of ownership of the vessel are accounted for as operating leases. Lease income on operating leases is recognised on a straight line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

(v) Share Capital:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are recognised in equity as a deduction from the proceeds.

(w) Provisions and Contingencies:

Provisions are recognised when the Company and its subsidiaries have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each financial position date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

(x) Offsetting of Financial Assets and Liabilities:

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company and/or its subsidiaries have a legally enforceable right to set off the recognised amounts and intend either to settle such asset and liability on a net basis or to realise the asset and settle the liability simultaneously.

(y) De-recognition of Financial Assets and Liabilities:

(i) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Company and/or its subsidiaries retain the right to receive cash flows from the asset, but have assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company and/or its subsidiaries have transferred their rights to receive cash flows from the asset and either (a) have transferred substantially all the risks and rewards of the assets, or (b) have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

Where the Company and/or its subsidiaries have transferred their rights to receive cash flows from an asset and have neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company and/or its subsidiaries continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company and/or its subsidiaries could be required to repay.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognised in the consolidated income statement.

(z) The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company and its subsidiaries as of 1 January 2013:

- IAS 1 Financial Statement Presentation (Amended) - Presentation of Items of Other Comprehensive Income.

- IAS 19 Employee Benefits (Revised)

- IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities

- IFRS 13 Fair Value Measurement

- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

- Annual Improvements to IFRSs - 2009 - 2011 Cycle

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Company, its impact is described below:

- IAS 1 Financial Statement Presentation (Amended) - Presentation of Items of Other Comprehensive Income. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the financial position or performance of the Company and its subsidiaries.

- IAS 19 Employee Benefits (Revised). IAS 19 initiates a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. The effect of this amendment is not significant for the Company and its subsidiaries.

- IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities. These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments have no impact on disclosure requirements of the Company and its subsidiaries.

- IFRS 13 Fair Value Measurement. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Company and its subsidiaries. IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. The application of this standard has not materially impacted the fair value measurements carried out, where necessary, by the Company and its subsidiaries.

- The IASB has issued the Annual Improvements to IFRSs - 2009 - 2011 Cycle, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. These improvements have no impact on the financial position or performance of the Company and its subsidiaries.

  - IAS 1 Presentation of Financial Statements: This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period.

  - IAS 16 Property, Plant and Equipment: This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

  - IAS 32 Financial Instruments, Presentation: This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

  - IAS 34 Interim Financial Reporting: The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

(aa) IFRS and IFRIC Interpretations issued but not yet effective:

The Company and its subsidiaries have not applied the following IFRS and IFRIC Interpretations that have been issued but are not yet effective and not early adopted:

- IAS 28 Investments in Associates and Joint Ventures (Revised). As a consequence of the new IFRS 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The Company and its subsidiaries do not expect that this amendment will have an impact on their financial position or performance.

- IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements. The new standard is effective for annual periods beginning on or after 1 January 2014. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation - Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The Company and its subsidiaries do not expect that this standard will have an impact on their financial position or performance.

- IFRS 11 Joint Arrangements. The new standard is effective for annual periods beginning on or after 1 January 2014. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard will not have an impact on the financial statements of the Company and its subsidiaries.

- IFRS 12 Disclosures of Interests in Other Entities. The new standard is effective for annual periods beginning on or after 1 January 2014. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The Company and its subsidiaries are in the process of assessing the impact that the standard will have on their disclosure requirements.

- Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12). The guidance is effective for annual periods beginning on or after 1 January 2014. The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated.

  For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. The Company and its subsidiaries do not expect that this transition guidance will have an impact on their financial position or performance.

- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). The amendment is effective for annual periods beginning on or after 1 January 2014. The amendment applies to a particular class of business that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. Under IFRS 10 Consolidated Financial Statements, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). The Investment Entities amendment provides an exception to the consolidation requirements in IFRS 10 and requires investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendment also sets out disclosure requirements for investment entities. The Company and its subsidiaries do not expect that this amendment will have an impact on their financial position or performance.

- IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities. The amendment is effective for annual periods beginning on or after 1 January 2014. These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The Company and its subsidiaries do not expect that this amendment will have an impact on their financial position or performance.

- IFRS 9 Financial Instruments: Classification and Measurement and subsequent amendments to IFRS 9 and IFRS 7-Mandatory Effective Date and Transition Disclosures; Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39. IFRS 9, as issued, reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of financial assets, but will not have an impact on classification and measurements of financial liabilities. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The subsequent package of amendments issued in November 2013 initiate further accounting requirements for financial instruments. These amendments a) bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements; b) allow the changes to address the so-called 'own credit' issue that were already included in IFRS 9 Financial Instruments to be applied in isolation without the need to change any other accounting for financial instruments; and c) remove the 1 January 2015 mandatory effective date of IFRS 9, to provide sufficient time for preparers of financial statements to make the transition to the new requirements. These standard and subsequent amendments have not yet been endorsed by the EU. The Company and its subsidiaries will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

- IAS 36 Impairment of Assets (Amended) - Recoverable Amount Disclosures for Non-Financial Assets. This amendment is effective for annual periods beginning on or after 1 January 2014. These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period. The Company and its subsidiaries are in the process of assessing the impact from the adoption of this amendment.

- IAS 39 Financial Instruments (Amended): Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting. This amendment is effective for annual periods beginning on or after 1 January 2014. Under the amendment there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided certain criteria are met. The IASB made a narrow-scope amendment to IAS 39 to permit the continuation of hedge accounting in certain circumstances in which the counterparty to a hedging instrument changes in order to achieve clearing for that instrument. The Company and its subsidiaries do not expect that this amendment will have an impact on their financial position or performance.

- IAS 19 Defined Benefit Plans (Amended): Employee Contributions. The amendment is effective from 1 July 2014. The amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. This amendment has not yet been endorsed by the EU. The Company and its subsidiaries do not expect that this amendment will have a significant impact on their financial position or performance.

- IFRIC Interpretation 21: Levies. The interpretation is effective for annual periods beginning on or after 1 January 2014. The Interpretations Committee was asked to consider how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. This Interpretation is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This interpretation has not yet been endorsed by the EU. The Company and its subsidiaries do not expect that this amendment will have an impact on their financial position or performance.

- The IASB has issued the Annual Improvements to IFRSs 2010 - 2012 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU. The Company and its subsidiaries do not expect that these amendments will have an impact on their financial position or performance.

  - IFRS 2 Share-based Payment: This improvement amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').

  - IFRS 3 Business combinations: This improvement clarifies that contingent consideration in a business acquisition that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of IFRS 9 Financial Instruments.

- IFRS 8 Operating Segments: This improvement requires an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments and clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly.

- IFRS 13 Fair Value Measurement: This improvement in the Basis of Conclusion of IFRS 13 clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial.

- IAS 16 Property Plant & Equipment: The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

- IAS 24 Related Party Disclosures: The amendment clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

- IAS 38 Intangible Assets: The amendment clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

• The IASB has issued the Annual Improvements to IFRSs 2011 - 2013 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 July 2014. These annual improvements have not yet been endorsed by the EU. The Company and its subsidiaries are in process of evaluating the effect of these amendments to their financial position and performance.

- IFRS 3 Business Combinations: This improvement clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

- IFRS 13 Fair Value Measurement: This improvement clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

- IAS 40 Investment Properties: This improvement clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 Business Combinations and investment property as defined in IAS 40 Investment Property requires the separate application of both standards independently of each other.

3. Voyage & Vessel Operating Expenses

The amounts in the accompanying consolidated income statement are analysed as follows:

Voyage Expenses	2013 U.S.$'000	2012 U.S.$'000
Port charges and other voyage expenses	278	497
Bunkers (fuel costs)	262	1,945
Commissions	547	679
Total voyage expenses	**1,087**	**3,121**
Voyage expenses - related parties (note 10)	60	-
Total voyage expenses	**1,147**	**3,121**

Vessel Operating Expenses	2013 U.S.$'000	2012 U.S.$'000
Crew wages and related costs	3,495	3,560
Other crew expenses	481	496
Deck stores	424	622
Crew victualing	287	277
Repairs & maintenance	185	525
Spares	255	450
Engine stores	71	121
Lubricants	794	772
Insurance	718	821
Other operating expenses	83	55
Total vessel operating expenses	**6,793**	**7,699**

4. General and Administrative Expenses

The amounts in the accompanying consolidated income statement are analysed as follows:

	2013 U.S.$'000	2012 U.S.$'000
Directors and Management team remuneration	406	398
Personnel cost	374	451
Office rent	58	67
Audit fees	75	73
Investors relations	187	188
Office expenses	206	85
Other	252	190
Total	**1,558**	**1,452**

There are no non-audit fees included in the general and administrative expenses for the years ended 31 December 2013 and 2012.

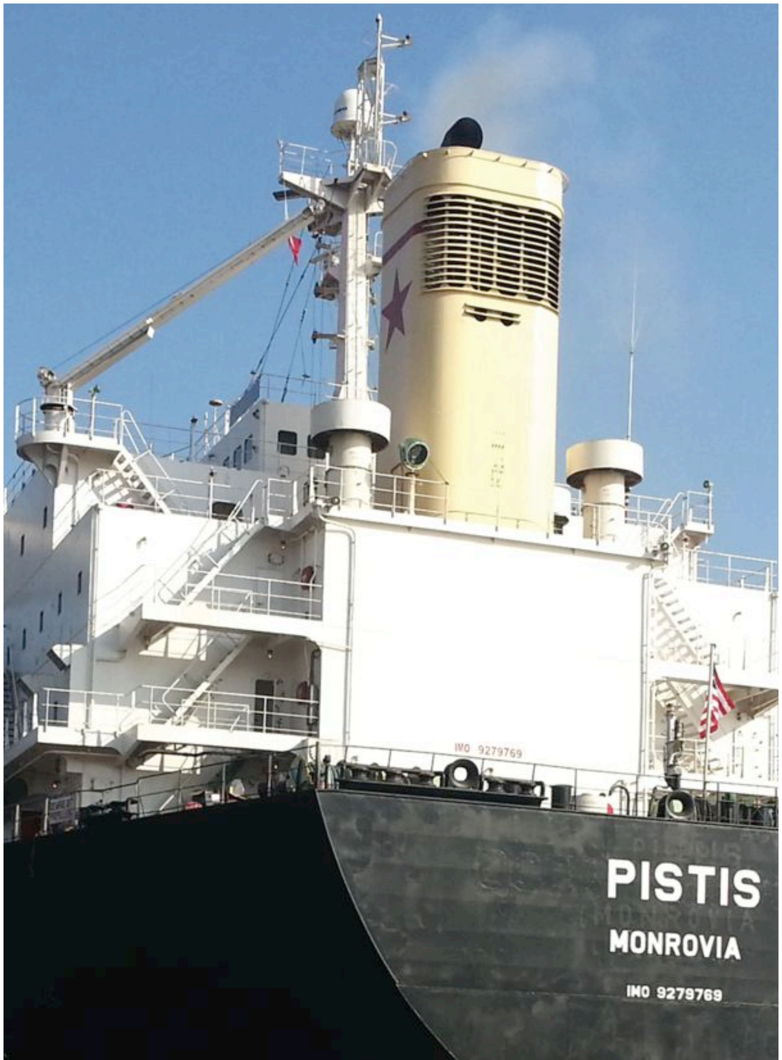
5. Finance Expense

The amounts in the accompanying consolidated income statement are analysed as follows:

	2013 U.S.$'000	2012 U.S.$'000
Interest payable on long-term borrowings	4,288	5,075
Amortisation of debt discount	1,041	273
Loan expenses and bank charges	84	49
Total	**5,413**	**5,397**

6. Loss per Share

Basic loss per share ("LPS") is calculated by dividing loss for the year attributable to shareholders of Hellenic Carriers Limited of U.S.$14,197 and U.S.$20,731 for the years ended 31 December 2013 and 2012, respectively, by the weighted average number of shares outstanding 45,616,851 for the years ended 31 December 2013 and 2012. Diluted LPS reflects the potential dilution that could occur if share options or other contracts to issue shares were exercised or converted into shares. Since no such options or contracts existed as at 31 December 2013 and 2012, the numerators and denominators used to calculate diluted LPS are the same as those used to calculate basic LPS as disclosed above.



7. Vessels, net

Vessels consisted of the following at 31 December:

	2013 U.S.$'000	2012 U.S.$'000
Vessel Cost		
At 1 January	172,671	194,154
Additions	103	504
Transfer from vessels under construction	55,328	-
Disposals	-	(21,987)
At 31 December	**228,102**	**172,671**
Accumulated Depreciation		
At 1 January	(49,356)	(51,942)
Depreciation charge for the year	(7,514)	(8,082)
Disposals	-	10,668
At 31 December	**(56,870)**	**(49,356)**
Accumulated Impairment loss		
At 1 January	(48,239)	(39,659)
Impairment charge for the year	-	(8,580)
At 31 December	**(48,239)**	**(48,239)**
Net carrying amount of vessels	122,993	75,076
Dry-docking cost		
At 1 January	11,462	11,563
Additions	1,673	1,207
Disposals	-	(1,308)
At 31 December	**13,135**	**11,462**
Accumulated Depreciation		
At 1 January	(9,510)	(9,102)
Depreciation charge for the year	(1,917)	(1,454)
Disposals	-	1,046
At 31 December	**(11,427)**	**(9,510)**
Net carrying amount of deferred dry-docking costs	1,708	1,952
Net carrying amount of vessels at 31 December	**124,701**	**77,028**

The Company's long-term loans are secured by a first preferred mortgage on the respective vessels, as well as general assignment of the earnings, insurances and requisition compensation of the respective vessel.

Depreciation charge for the year in the accompanying consolidated income statement includes U.S.$2 depreciation on office furniture and equipment for the year ended 31 December 2013 (31 December 2012: U.S.$4).

Additions

On 12 August 2013, "Ithaca Maritime Ltd" ("Ithaca") took delivery of M/V Odysseas, a 81,662 dwt Kamsarmax new building. Additionally, on 25 September 2013, "Symi Shipping Corp" ("Symi"), took delivery of M/V Konstantinos II, a 81,698 dwt Kamsarmax new building. Both vessels were built at Zhejiang Ouhua Shipbuilding Co. Ltd. ("the yard") under the terms of the shipbuilding contracts entered into in June 2010 for a total consideration of U.S.$34,200 per vessel and expected delivery in the first quarter in 2013. The contract price of the vessels was renegotiated and reduced to U.S.$26,280 per vessel or U.S.$52,560 in aggregate and their delivery dates were extended. An amount of U.S.$13,600 per contract or U.S.$27,200 in aggregate was remitted to the yard in 2010 as advance payment and the remaining balance due to the yard was covered by bank financing upon delivery (note 11).

The dry-docking component of the new building vessels was estimated at U.S.$200 per vessel or U.S.$400 in aggregate and was transferred to dry-docking cost upon vessels' delivery equally reducing the vessel cost.

The capitalised expenses from the date of contract signing until vessels' delivery amounted to U.S.$2,437 (2012: U.S.$1,677) and consisted of: a) supervision cost and services provided in relation to the placement of the orders of U.S.$1,784 (2012: U.S.$880) of which, U.S.$1,599 (2012: U.S.$759) was charged by Mantinia Shipping Co S.A. (note 10), b) capitalised borrowing costs of U.S.$462 (2012: U.S.$694) (note 11), c) legal expenses of U.S.$136 (2012: U.S.$61) and, e) Freight Demurrage Defence Insurance of U.S.$55 (2012: U.S.$42). In addition, the total direct costs incurred upon vessels' delivery (initial supplies of consumables necessary for trading) amounted to U.S.$731 in aggregate.

The total transfer from vessels under construction to vessel cost for the year ended 31 December 2013, amounted to U.S.$55,328 (2012:U.S.$ nil).

In March 2013, additions in the amount of U.S.$103 (2012: U.S.$504) to the equipment of M/V Konstantinos D were effected, improving the vessel's operation and trading capacity.

Dry-docking

In 2013, the vessels M/V Konstantinos D and M/V Hellenic Wind performed their intermediate surveys. The capitalised dry docking cost for the above surveys amounted to U.S.$1,273 in aggregate. In addition upon delivery of the new building vessels the estimated dry-docking component until the next scheduled surveys amounted to U.S.$200 per vessel.

The total deferred dry-docking cost for the year ended 31 December 2013, amounted to U.S.$1,673 (U.S.$1,207 as at 31 December 2012) and was included in the vessels cost as at 31 December 2013.

Advances for vessel acquisition

In August 2013, one of the Company's subsidiaries agreed to purchase from an unaffiliated third party the M/V Ocean Alliance, a geared 52,388 dwt Supramax vessel, built in 2004 at Tsuneishi Shipbuilding Corporation in Japan, at the price of U.S.$16,160 in cash. As per the terms of the Memorandum of Agreement, a 10% advance payment was made in the amount of U.S.$1,616. This amount was included in the advances for vessel acquisitions as at 31 December 2013. The vessel was delivered on 7 January 2014 and was renamed M/V Pistis (note 19).

Disposals

On 16 May 2012, Thasos Shipping Co. Ltd., owner of the vessel Hellenic Sky completed the sale of the 68,591 dwt Panamax vessel built in 1994 at Sasebo Heavy Industries in Japan, an unaffiliated third party, for a net consideration of U.S.$9,401 in cash. As of the delivery date, the vessel had a carrying value of U.S.$7,102 inclusive of the unamortised balance of her latest dry-docking. The gain resulting from the sale of the vessel in 2012, after deducting all expenses directly related to the sale was U.S.$2,299.

On 23 August 2012, Patmos Shipping Co. Ltd., owner of the 1991-built, 65,434 dwt Panamax vessel Hellenic Sea completed the sale of the vessel to an unaffiliated third party for a net consideration of U.S.$4,252 in cash. As of the delivery date the vessel had a carrying value of U.S.$4,479 inclusive of the unamortised balance of her latest dry-docking. The loss resulting from the sale of the vessel in 2012, after deducting all expenses directly related to the sale was U.S.$227.

The net gain from the sale of the two Panamax vessels amounting to U.S.$2,072 is included in the consolidated income statement for the year ended 31 December 2012.

Impairment

Further to the receipt fair market valuations of the fleet as of 31 December 2013, issued by independent third party valuators, an indication of impairment was identified for three vessels and vessels' value in use was calculated at the individual vessel level, through assessment of each vessel's future cash flows.

In developing estimates of future cash flows, the Company and its subsidiaries make assumptions about future charter rates using a) for the fiscal year 2014 time charter rates achievable for vessels of similar type and age in the current freight market and, b) for 2015 the average 1 year time charter rate of the previous decade and thereafter a revenue growth rate of 2.0% on the average 1 year rate of the previous decade. The cash inflows are calculated based on actual fleet utilisation of the period ended and the cash outflows comprise of actual operating expenses on which an inflation rate of 3.5% is applied and future dry-docking costs for which budgeted amounts are used. The estimated remaining useful lives of the vessels are in line with the assumptions used for the depreciation calculation of the vessels. In order to discount the future cash flows the Company uses as discount rate the weighted average cost of capital.

The impairment exercise is highly sensitive to potential variances in the time charter rates and the fleet effective utilisation. Consequently, a sensitivity analysis was performed by assigning possible alternative values to these two significant inputs. The impairment test and sensitivity analysis performed did not result in any adjustment of the book values. Therefore, no impairment loss was recognised by the Company and its subsidiaries for the year ended 31 December 2013. The impairment loss, calculated on a comparable basis, for 2012 was U.S.$8,580.

8. Cash and Cash Equivalents

The amounts in the accompanying consolidated statement of financial position are analysed as follows:

	2013 U.S.$'000	2012 U.S.$'000
Cash at bank	11,154	1,442
Short-term deposits	7,025	27,026
Total	18,179	28,468

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and its subsidiaries and earn interest at the respective short-term deposit rates. Interest earned during the years ended 31 December 2013 and 2012, amounted to U.S.$403 and U.S.$613, respectively and is included in the accompanying consolidated income statement.

9. Restricted Cash

The amounts in the accompanying consolidated statement of financial position are analysed as follows:

	2013 U.S.$'000	2012 U.S.$'000
Pledged amounts with lenders	5,546	15,567
Security for bank guarantee	3,400	3,400
Retention account	579	265
Total	9,525	19,232

Restricted cash reported at 31 December 2013 amounted to U.S.$9,525 (2012: U.S.$19,232). This amount consists of a) U.S.$5,346 being the aggregate of the proceeds from the sale of the vessel Hellenic Sea which are held pledged with the vessel's lender for the purpose described in note 11 (2012: U.S.$15,567 representing proceeds from the sale of the above mentioned vessel and of the M/V Hellenic Sky) and in addition U.S.$200 being the minimum cash requirement under one of the loan facilities, b) U.S.$3,400 being cash retained with a bank against issuance of a bank guarantee in the amount of U.S.$3,100 for the purpose described in note 16 (2012: U.S.$3,400) and c) U.S.$579 being cash held in bank accounts of the vessel owning companies that are retained for the payment of future instalments (2012: U.S.$265).

10. Related parties transactions

Transactions with related parties consisted of the following for the year ended 31 December:

	2013 U.S.$'000	2012 U.S.$'000
Management fees - related parties	475	1,062
Services for ship building contracts - related parties (capitalised) (note 7)	840	529
Mantinia Shipping Co. S.A.	1,315	1,591

	2013 U.S.$'000	2012 U.S.$'000
Management fees - related parties	678	-
Voyage expenses - related parties (note 3)	60	-
Hellenic Carriers Corporation S.A.	738	-

Balances due from related parties as at 31 December comprise the following:

Due from related parties	2013 U.S.$'000	2012 U.S.$'000
Mantinia Shipping Co. S.A.	1,820	1,826
Hellenic Carriers Corporation S.A.	2,025	1,885
Total	3,845	3,711

Until August 2013, the vessel-owning companies of the operating vessels included in the consolidated financial statements had management agreements with HSC to provide, in the normal course of business, a wide range of shipping managerial and administrative services, such as commercial operations, chartering, technical support and maintenance, engagement and provision of crew, financial and accounting services and cash handling in exchange for a monthly management fee of U.S.$34.1 per vessel for fiscal year 2013 and 2012. These transactions are eliminated in the consolidation.

Additionally, HSC had subcontracted to Mantinia Shipping Company S.A. ("Mantinia"), a related party, under common control, the technical management of the vessels. Out of the monthly fee of U.S.$34.1 payable to HSC, the amount of U.S.$22.0 per vessel was payable to Mantinia on a monthly basis for the services provided for the period up to August 2013 and for the fiscal year 2012. For the year ended 31 December 2013 and 2012, sub-management fees charged by Mantinia amounted to U.S.$475 and U.S.$1,062, respectively and were included in Management fees - related parties in the consolidated statement of income.

In August 2013, the vessel-owning companies of the operating vessels included in the consolidated financial statements entered into management agreements with HC Corp, a related party, under common control to provide, in the normal course of business, full managerial and administrative services, such as commercial management services, supervision of the sale and purchase of vessels, chartering, technical support and maintenance, implementation, monitoring and audit of safety management system in connection with the ISM certification, engagement and provision of crew, financial and accounting services for a daily management fee of U.S.$1.0 per vessel for fiscal year 2013 as well as 1% brokerage commission on revenue earned and 1% on each Sale and Purchase transaction concluded.

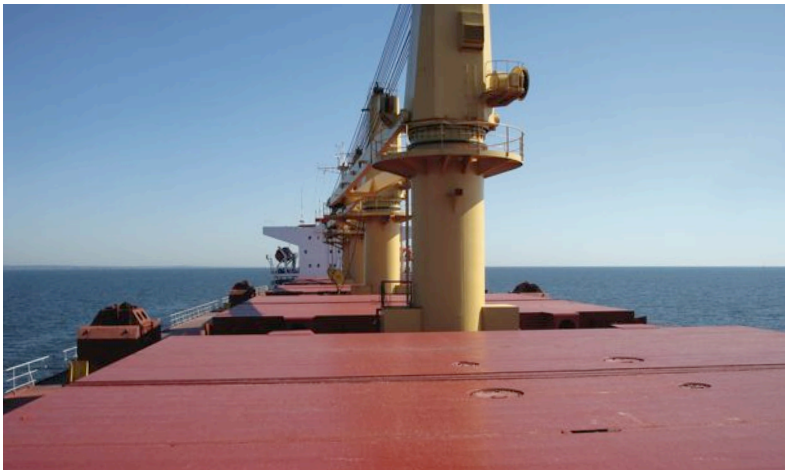
For the period from August until 31 December 2013 and for the fiscal year 2012, management fees charged by HC Corp amounted to U.S.$678 and U.S.$ nil, respectively and were included in Management fees – related parties in the consolidated statement of income. Additionally, chartering commission charged for the year ended 31 December 2013 and 2012 by HC Corp amounted to U.S.$60 and U.S.$ nil, respectively and were included in Voyage expenses - related parties in the consolidated statement of income.

Furthermore Mantinia provided supervision services to Symi and to Ithaca in relation to the shipbuilding contracts. The fees for the above services capitalised to vessels under construction as of 31 December 2013 and 31 December 2012 amounted to U.S.$1,599 and U.S.$759, respectively (note 7).

Directors' remuneration for the year ended 31 December is analysed as follows:

	2013 Fixed U.S.$'000	2012 Fixed U.S.$'000
Executive Directors		
Fotini Karamanli	186	182
Elpida Kyriakopoulou	130	127
	316	309
Non-executive Directors		
Graham Roberts	79	80
Charlotte Stratos	40	39
Dimos Kapouniaridis	40	39
	159	158
Other benefits	9	8
Total	484	475

The fixed Directors' remuneration amounts for the year ended 31 December 2013 remain unchanged. Remuneration amounts are agreed in currencies other than the U.S. dollar (namely GBP and Euro), therefore, the remaining variation between the fixed amounts of 2013 and 2012 reflect foreign exchange differences. No pension contributions were made during the years ended 31 December 2013 and 2012.



11. Long-Term Debt

The amounts in the accompanying consolidated statement of financial position are analysed as follows:

Bank Loan	Vessel(s)	31 December 2013		31 December 2012	
		Amount U.S.$'000	Year-end interest rate %	Amount U.S.$'000	Year-end interest rate %
a. Issued 6 November 2007, maturing 8 May 2023	(Hellenic Sky: sold in 2012) Hellenic Horizon Konstantinos II	31,765	5.37%	31,300	6.33%*
b. Issued 17 March 2008, maturing 7 May 2020	(Hellenic Sea: sold in 2012) Konstantinos D. Hellenic Wind Pistis (delivered in January 2014)	49,485	4.67%	51,615	5.37%*
c. Issued 30 March 2011, maturing 9 August 2019	Odysseas	17,080	3.25%	-	-
Total		**98,330**		**82,915**	
Less: debt discount		(1,004)		(591)	
Less: current portion net of debt discount		(3,245)		(19,993)	
Long-term portion		**94,081**		**62,331**	

*** Includes the effect of related interest rate swaps terminated in August 2013 as discussed in note 12.**

Loan a: On 6 November 2007, two vessel-owning subsidiaries of HCL entered into a loan facility agreement for U.S.$57,850. The loan facility was made available for the purposes of (i) refinancing in full the existing indebtness of M/V Hellenic Sky, (ii) financing part of the acquisition of M/V Hellenic Horizon and, (iii) providing corporate liquidity. An amount of U.S.$6,200 was repaid immediately after the Company's Admission on AIM.

Further to the sale of the vessel M/V Hellenic Sky in May 2012 and the latest supplemental agreement dated 19 September 2013, the proceeds from the sale of the vessel in the amount of U.S.$10,340 (note 9) were transferred as bank financing towards the acquisition cost of the Kamsarmax M/V Konstantinos II coupled with new debt in the amount of U.S.$2,220. The amount was drawn upon vessel's delivery. The loan tenor was extended and the new maturity date is 8 May 2023. The outstanding balance as of 31 December 2013, is repayable in eight quarterly instalments of U.S.$215 each, followed by thirty quarterly instalments of U.S.$430. The first instalment was due on 10 February 2014 and the final instalment is due on 8 May 2023, along with a balloon payment of U.S.$12,340. An interim balloon in the amount of U.S.$4,805 is payable in February 2018.

Loan b: On 17 March 2008, the Company entered into a loan facility agreement for up to U.S.$190,000. The loan facility was made available for the purposes of (i) refinancing in full the existing indebtness, (ii) financing part of the acquisition cost of M/V Konstantinos D. and M/V Hellenic Wind, (iv) providing working capital and, (v) providing financing for future dry-bulk vessel acquisition(s). Further to the sale of the vessel

M/V Hellenic Sea in August 2012 and the option provided to the borrowers to transfer the proceeds from the sale of the vessel in the amount of U.S.$5,346 (note 9) as bank financing towards the acquisition of a younger vessel, a new facility agreement was entered into with the lender on 7 August 2013 for the purpose of refinancing in full the existing indebtness and providing additional debt in the amount of U.S.$2,500 for the purpose of financing part of the above acquisition (note 19).

These amounts were applied towards the acquisition cost of the Supramax M/V Pistis which was delivered on 7 January 2014 (note 19). The maturity date of the loan is 7 May 2020. The outstanding balance as of 31 December 2013 amounting to U.S.$49,485 along with the new debt of U.S.$2,500 drawn on 7 January 2014 is repayable in eight quarterly instalments of U.S.$415 each, followed by four quarterly instalments of U.S.$700 each, four quarterly instalments of U.S.$750 each, an interim balloon of U.S.$1,400 payable in November 2017, four quarterly instalments of U.S.$1,120 each, a second interim balloon of U.S.$1,250 payable in November 2018, four quarterly instalments of U.S.$1,120 each, a third interim balloon of U.S.$1,250 payable in November 2019, and two quarterly instalments of U.S.$2,000, the last one being payable on maturity 7 May 2020 along with a balloon payment of U.S.$26,005.

Loan c: On 30 March 2011, Ithaca Maritime Ltd, the owning company of the Kamsarmax vessel under construction M/V Odysseas, entered into a term-loan facility for the financing of up to 65% of the vessel's market value upon delivery. Further to the reduction in the vessel's contract price (note 7), and following a supplemental loan agreement dated 6 August 2013, the amount of U.S.$17,080 was drawn down upon vessel's delivery in August 2013. The loan outstanding balance as of 31 December 2013, is repayable in twelve semi-annual instalments of U.S.$460 each. The first instalment was due on 10 February 2014 and the final instalment is due on 9 August 2019, along with a balloon payment of U.S.$11,560.

Borrowing costs for the arrangement of the financing as of 31 December 2012 amounted to U.S.$356 and were classified as non-current assets in the accompanying consolidated statement of financial position. Upon vessel's delivery this amount was reclassified to debt discount against long-term debt in the accompanying consolidated statement of financial position.

On 30 March 2011, Symi Shipping Corp, the owning company of the Kamsarmax vessel under construction M/V Konstantinos II, entered into a similar term-loan facility as the one described above (loan c) for the financing of the vessel upon delivery. Following the reduction in the vessel's contract price, a decision was made to cancel this undrawn commitment and incorporate M/V Konstantinos II into loan a.

Consequently the borrowing costs (U.S.$358) for the initial financing arrangement along with the commitment fees (U.S.$484) paid on the undrawn loan in respect of M/V Konstantinos II, which were initially capitalised under vessels under construction, were written off and are included in finance expense in the accompanying consolidated income statement.

Part of the annual excess earnings generated by the vessels financed under loans a and b after payment of their debt service (principal and interest) will be paid to the lending banks. The payment due under this clause for the fiscal year 2013 is U.S.$ nil.

The bank loans denominated in U.S. dollars bear interest at LIBOR plus the applicable margin per loan agreement.

The fair value of long term debt amounts to U.S.$79,365.

The loans are secured by first preferred mortgages on the respective vessels as well as general assignment of the earnings, insurances and requisition compensation of the vessels. The loan agreements contain covenants including restrictions as to changes in management and ownership of the vessels, additional indebtedness and mortgaging of vessels without the bank's prior consent as well as minimum requirements regarding hull cover ratio and security amount. Necessary waivers have been provided for loans a, b and c in respect of specific covenants waived until 1 January 2015 at the earliest. Corporate guarantees in favour of the lenders are provided as further security.

The Company and its subsidiaries are obliged under certain loan agreements to hold free cash liquidity of U.S.$400 per vessel on a consolidated basis. As at 31 December 2013 and 2012, restricted cash relating to financing arrangements of the Company and its subsidiaries amounted to U.S.$579 and U.S.$265, respectively (note 9).

As of 31 December 2013, Hellenic and its subsidiaries are in compliance with their debt covenants.

The weighted average interest rate for the year ended 31 December 2013 and 2012 was 4.90% and 5.95%, respectively including of the effect of the related interest rate swaps until their termination in August 2013.

Total interest paid was U.S.$5,067 and U.S.$5,550 for the years ended 31 December 2013 and 2012, respectively.

12. Other non-current financial liabilities

The Company had two interest rate swaps which, until their maturity in August 2013 were designated as hedges of expected future Libor payments in connection with the loans described under note 11. The critical terms of the interest rate swaps were negotiated upon designation to match the terms of the respective loans. Under both contracts, the Company exchanged variable to fixed interest rates at 3.99%. At 31 December 2012, the notional amounts of the swaps were U.S.$25,650 and U.S.$28,900 representing 81.9% and 56.0% of the outstanding balance of loans a and b respectively (see note 11).

As of the maturity of the two interest rate swaps in August 2013, a net unrealised gain on cash flow hedges amounting to U.S.$1,158 has been credited to the consolidated statement of other comprehensive income for the year ended 31 December 2013, while an equal amount has been included in interest payable on long-term borrowings under finance expense (note 5) in the consolidated income statement. For the year ended 31 December 2012, the Company recognised a net unrealised gain of U.S.$1,801 which was charged to the consolidated statement of comprehensive income.

The fair value of the derivative financial instruments at 31 December 2012, was a liability of U.S.$1,158 and was included in current portion of other non-current financial liabilities in the accompanying consolidated statements of financial position.

13. Share Capital and Share Premium

Share capital consisted of the following at 31 December:

	2013 U.S.$'000	2012 U.S.$'000
Authorized Shares of U.S.$ 0.001 each	100	100
Issued and paid Shares of U.S.$ 0.001 each	46	46
Total issued share capital	**46**	**46**

The Company was incorporated under the laws of Jersey on 26 September 2007, with an authorised share capital of GBP 10 divided into 10,000 ordinary shares of GBP 1.00 each. By a special resolution dated 20 November 2007, the Company converted its authorised share capital from pounds sterling to U.S. dollars at an exchange rate of GBP 1=U.S.$2.070 so that the existing share capital was converted to U.S.$20.7 divided into 10,000 ordinary shares of U.S.$2.070 each. By a special resolution also dated 20 November 2007, the authorised share capital of U.S.$20.7 was subdivided into 20,700,000 ordinary shares of U.S.$0.001 each. By a special resolution also dated 20 November 2007, the Company increased its authorised share capital by the creation of an additional 79,300,000 ordinary shares in the share capital of the Company, following which, the Company's authorised share capital was U.S.$100 divided into 100,000,000 ordinary shares of U.S.$0.001 each.

On 30 November 2007, the Company was admitted to the AIM, issuing 13,684,970 ordinary shares with par value U.S.$0.001 (in addition to the 31,931,881 Ordinary Shares with par value of U.S.$0.001 issued on 27 November 2007) at a premium of U.S.$4.30 per ordinary share thereby increasing the share capital by U.S.$0.046 million and increasing share premium by U.S.$58.9 million. Issuance costs directly attributable to the listing on AIM amounted to U.S.$4.5 million.

The analysis of the share premium is as follows:

	U.S.$'000
Proceeds from Initial Public Offering, gross	58,943
Issuance costs	(4,542)
Proceeds from Initial Public Offering, net	54,401
Share capital nominal value	(46)
Share premium	**54,355**

14. Accrued Liabilities and Other Payables

The amounts in the accompanying statement of financial position at 31 December are as follows:

	2013 U.S.$'000	2012 U.S.$'000
Accrued interest	405	707
Accrual for supplementary calls	51	47
Other payables	869	574
Total	1,325	1,328

15. Dividends Declared

Dividend rights: Under the Company's Articles of Incorporation, each ordinary share is entitled to dividends if and when dividends are declared by the Board of Directors. There are no restrictions on the Company's ability to approve dividends, provided that the Directors are able to sign a statement of solvency. The payment of final dividends is subject to the approval of the Annual General Meeting of Shareholders ("AGM"), while the payment of interim dividends is subject to the approval of the Board of Directors.

In order to reinforce the Company's liquidity and optimize the use of cash when market opportunities arise, the Directors of the Company recommended that dividend payment for the year 2013 be suspended (2012: U.S.$nil).

16. Commitments and contingencies

Further to Samsun's Rehabilitation Plan and the settlement agreement dated 19 January 2010 between Arkadia and Samsun, the acknowledged claim amount is recoverable as follows: (i) 34% of the claim in cash over 10 years (2010-2019) which will be non-interest bearing and (ii) 66% in Samsun's shares bearing no voting rights. The outstanding balance of the acknowledged claim under (i) above amounted to U.S.$4,542 as of 31 December 2013.

In relation to (i) above, Arkadia received to date the amount of U.S.$1,394 and is already engaged in legal proceedings in Korea for the amount of U.S.$267 (50% of the 2012 instalment), while the amount of U.S.$476 representing the 2013 instalment due remains unsettled. Due to Samsun's failure to effect scheduled payment of instalments in 2012 and 2013 Arkadia assigned the balance of the claim under (i) above in respect of the period 2013 - 2019 to an unaffiliated third party for a consideration of U.S.$1,100 in cash (refer to note 19).

The amount of U.S.$267 received for 2012 was credited to other operating income in the accompanying 2012 consolidated income statement. The outcome of the implementation of the rehabilitation plan remains difficult to forecast and, therefore, future inflows are uncertain. Accordingly, the Company has not recognised future cash receipts under this settlement and will make further assessments in 2014.

In relation to (ii) above in July 2010 Arkadia received 212,018 Samsun shares in respect of the remaining portion (66%) of the claim. These shares have been classified as "available for sale". As there is no trading of these non-voting shares and as the outcome of the rehabilitation plan remains difficult to forecast, the Company has assigned U.S.$ nil value to them. The Company will make further assessments in 2014.

Further to the hull damage of M/V Hellenic Sea during her passage through the Amazon River in July 2010, arbitration proceedings have commenced in London in August 2011 between Patmos Shipping Co. Ltd., the vessel owning company of M/V Hellenic Sea ("Owners") and the charterers Setsea S.p.A. ("Charterers").

The Owners have already provided to the Charterers a bank letter of guarantee for U.S.$3,100 (note 9) as security for Charterers' claim against the Owners for alleged loss of profit during the vessel's off hire. The Owners' legal consultants and appointed experts have advised the Owners that, on the basis of available information and evidence to date, the prospects of success of the Charterers' claim against the Owners are remote, hence no respective provision was raised by the Company.

The Owners are also maintaining a claim against the Charterers for all their damages caused by the incident (including the cost of salvage and repairs which were covered by the vessel's hull insurers and the off-hire cost), although the Charterers are not currently active in the market hence no asset has been recorded by the Company for future cash receipts in this respect.

Operating lease commitments - vessel owning companies as lessor:

Some of the vessels owning companies have entered into time charter arrangements for their respective vessels. These arrangements have remaining terms between 1 to 4 months as of 31 December 2013 and 1 to 2 months as of 31 December 2012. Future minimum gross charter revenues receivable upon time charter arrangements as at 31 December 2013 and 2012, are as follows:

	2013 U.S.$'000	2012 U.S.$'000
Within one year	3,706	860
Total	3,706	860

It is noted that minimum gross charter revenues are calculated up to the earliest charter expiration date which represents the first date on which the charterer may redeliver the vessel to the shipowning company. Additionally, the vessel's off-hire and dry-docking days that could occur but are not currently known are not taken into consideration.

17. Income taxes

The Company is subject to a 0% tax in Jersey.

Under the laws of the respective jurisdictions of the Company's subsidiaries, such companies are not subject to tax on international shipping income; however, the consolidated companies are subject to registration and tonnage taxes, which have been included in vessel operating expenses in the accompanying consolidated income statement. Pursuant to the United States Internal Revenue Code of 1986, as amended (the ''Code''), U.S. source income derived by a foreign corporation from the international operation of ships generally is exempt from U.S. tax if the company operating the ships meets both of the following requirements: (a) the company is organised in a foreign country that grants an equivalent exemption to corporations organised in the United States and (b) either (i) more than 50% of the value of the company's shares is owned, directly or indirectly, by individuals who are ''residents'' of the company's country of organisation or of another foreign country that grants an ''equivalent exemption'' to corporations organised in the United States (50% Ownership Test) or (ii) the company's shares are ''primarily and regularly traded on an established securities market'' in its country of organisation, in another country that grants an ''equivalent exemption'' to United States corporations, or in the United States (Publicly-Traded Test). Under the regulations, company's shares will be considered to be ''regularly traded'' on an established securities market if (i) one or more classes of its shares representing more than 50% of its outstanding shares, by voting power and value, are listed on the market and traded on the market, other than in minimal quantities, on at least 60 days during the taxable year; and (ii) the aggregate number of shares traded during the taxable year is at least 10% of the average number of shares outstanding during the taxable year.

Notwithstanding the foregoing, the regulations provide, in pertinent part, that each class of the company's shares will not be considered to be ''regularly traded'' on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding shares of such class are owned, actually or constructively under specified stock attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the value of such class of the company's outstanding shares, (''5 Percent Override Rule''). Management believes that the Company and its subsidiaries currently comply with the above mentioned criteria; however, in the future, the Company and its subsidiaries may not continue to satisfy certain criteria in the U.S. tax laws and as such, may become subject to the U.S. federal income tax on U.S. source shipping income.

18. Financial Risk management objectives and policies

The Company's and its subsidiaries' principal financial liabilities, other than derivatives, are bank loans. The main purpose of these financial liabilities is to finance the operations of its subsidiaries. The Company and its subsidiaries have various other financial instruments such as cash and cash equivalents, restricted cash, available for sale investments, trade receivables and trade payables, which arise directly from their operations. The Company also enters into derivative transactions, primarily interest rate swaps, the purpose of which is to manage the interest rate risk arising from the Company's and its subsidiaries' sources of finance. The main risks arising from the Company's and its subsidiaries' financial instruments are interest rate risk and credit risk.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's and its subsidiaries' long-term debt obligations at floating interest rates. The Company's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Company's policy to date has been to keep between 40% and 70% of its borrowings at fixed rates of interest. To manage this, the Company enters into interest rate swaps, in which the Company agrees to exchange variable to fixed interest rate. These swaps are designed to hedge underlying debt obligations. Considering the prevailing uncertainty with regard to the global macro-economics and their effect on interest rates and in view of the increase of the fleet and the amendments made to the financing profile of the Company and its subsidiaries it was decided not to proceed with swap arrangements in 2013 and to re-evaluate the hedging profile in 2014. At 31 December 2013, following the maturity of the swap agreements stated in note 12, none of the Company's and its subsidiaries' long-term borrowings bear interest at fixed rate (2012: 65.8%).

The table below demonstrates the sensitivity of the profit or loss (through the impact on floating rate borrowings) and of equity (through the valuation of the interest rate swap), to a reasonably possible change in interest rates (Libor), with all other variables held constant:

	Increase/ Decrease (%)	Increase/ (Decrease) in profit	Increase/ (Decrease) in equity
2013	+0.40%	(231)	(231)
	-0.10%	58	58
2012	+0.40%	(109)	(6)
	-0.10%	27	1

Foreign currency risk

The majority of the Company's and its subsidiaries' transactions are denominated in U.S. dollars. The Company has transactional currency exposure in GBP currency. Such exposure arises from cash outflows representing the payment of interim and annual dividends.

The Company mitigates its foreign exchange risk related to dividends by converting the U.S. dollar amount in the respective amount of GBP at the date of dividends declaration by the Board of Directors rather than the actual date of payment.

Furthermore, part of the operating expenses of the vessels and the administrative costs are denominated in Euro currency. The vessel owning companies and the management company mitigate their exposure to Euro currency by converting U.S. dollars amounts into Euro within the year at rates that are deemed as reasonable, in order to cover part of their operating and administrative foreseeable expenses payable in Euro. For the years ended 31 December 2013 and 2012, there is no significant balance or transaction in foreign currency.

Credit risk

The Company's and its subsidiaries' maximum exposure to credit risk in the event the counterparties fail to perform their obligations as of 31 December 2013, in relation to each class of recognised financial assets, other than derivatives and investments, is the carrying amount of those assets as indicated in the consolidated statement of financial position.

Financial instruments, which potentially subject the Company and its subsidiaries to significant concentrations of credit risk, consist principally of cash and cash equivalents and trade accounts receivable. The Company and its subsidiaries place their cash and cash equivalents, consisting mostly of deposits, with reputable financial institutions.

Credit risk with respect to trade accounts receivable is generally monitored on an on-going basis with the result that the exposure to impairment on trade receivables is insignificant. Moreover, the vessels are normally chartered under time charter agreements where, as per the industry practice, the charterer pays for the transportation service in advance, supporting the management of trade receivables. The vessel owning companies intend to operate with third parties, with which they have either co-operated in the past to their full satisfaction, or which have been introduced through established independent third party broking channels.

Concentration of credit risk

The following table provides information with respect to charterers who individually, accounted for more than 10% of the Company's and its subsidiaries' revenue for the year ended 31 December:

	2013 U.S.$'000	2012 U.S.$'000
Charterer A	-	1,813
Charterer B	-	2,304
Charterer C	1,555	-
Charterer D	2,524	644
Other Charterers	6,844	8,407
Total	10,923	13,168

Fair Values

Derivatives are recorded at fair value, while all other financial assets and financial liabilities are recorded at amortised cost which approximates fair value at 31 December 2013 (note 11).

Fair value hierarchy

The Company and its subsidiaries use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2013, the Company and its subsidiaries held the following financial instruments (note 12) measured at fair value in the consolidated statement of financial position:

Liabilities at fair value	31 December 2013	Level 1	Level 2	Level 3
Available for sale investments	-	-	-	-
Interest rate swaps	-	-	-	-
Total	-	-	-	-
Liabilities at fair value	31 December 2012	Level 1	Level 2	Level 3
Available for sale investments	-	-	-	-
Interest rate swaps	1,158	-	1,158	-
Total	1,158	-	1,158	-

Liquidity risk

The Company aims to mitigate liquidity risk by managing cash generation by operations, applying cash collection targets throughout its subsidiaries. The vessels are normally chartered under time charter agreements where, as per the industry practice, the charterer pays for the transportation service in advance, supporting the management of cash generation. Investment is carefully controlled, with authorisation limits operating up to board level and cash payback periods applied as part of the investment appraisal process. In its funding strategy, the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The policy in new investments for second-hand vessels is that not more than 65% of the value of each investment will be funded through borrowings. Excess cash used in managing liquidity is mainly invested in financial instruments exposed to insignificant risk of changes in market value, being placed on interest-bearing deposit with maturities fixed at no more than 3 months.

The table below summarises the maturity profile of the financial liabilities at 31 December 2013 and 2012, based on contractual undiscounted payments (including interest to be paid, which is calculated using the last applicable rate for each loan, as of 31 December 2013 and 2012):

31 December 2013	<3 months U.S.$'000	3 - 12 months U.S.$'000	1 - 2 years U.S.$'000	2 - 5 years U.S.$'000	>5 years U.S.$'000	Total U.S.$'000
Interest bearing loans	1,470	4,917	6,948	34,922	73,251	121,508
Trade payables (non-interest bearing)	1,320	-	-	-	-	1,320
Accrued liabilities and other payables	1,325	-	-	-	-	1,325
	4,115	4,917	6,948	34,922	73,251	124,153
31 December 2012	**<3 months U.S.$'000**	**3 - 12 months U.S.$'000**	**1 - 2 years U.S.$'000**	**2 - 5 years U.S.$'000**	**>5 years U.S.$'000**	**Total U.S.$'000**
Interest bearing loans	1,435	21,129	11,962	52,269	3,087	89,882
Trade payables (non-interest bearing)	1,055	-	-	-	-	1,055
Accrued liabilities and other payables	1,328	-	-	-	-	1,328
Interest rate swap	209	964	-	-	-	1,173
	4,027	22,093	11,962	52,269	3,087	93,438

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust or suspend the dividend payment to shareholders, return capital to shareholders, or issue new shares.

In this context and in order to more accurately reflect the gearing ratio and monitoring of capital management, the Company defines leverage as the ratio of the net debt (net of deferred financing fees) to book capitalisation. Book capitalisation is defined as total equity plus net debt.

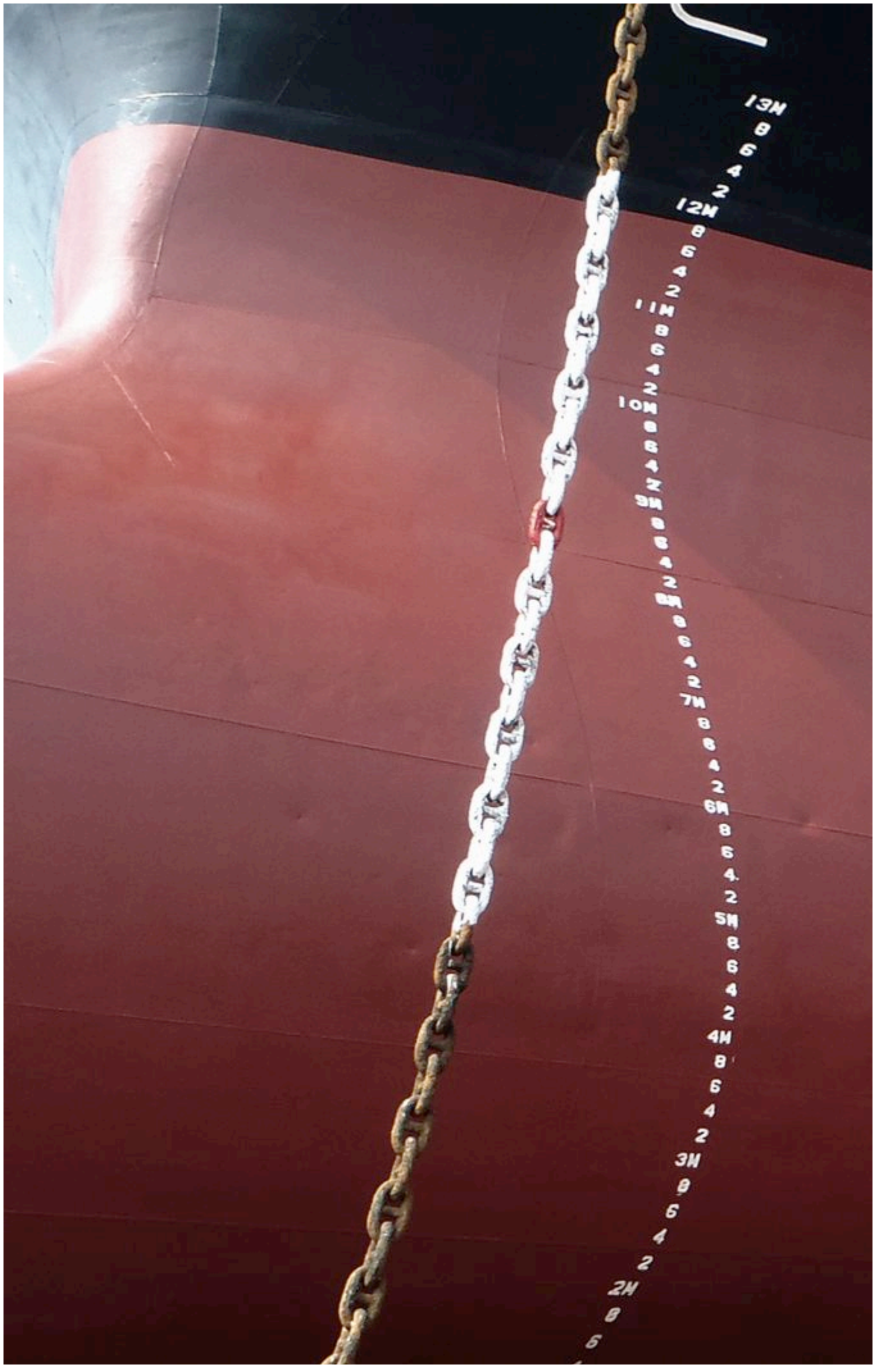
The Company's policy is to keep its gearing ratio below 80% on average. Total equity includes issued share capital, share premium, capital contributions, retained earnings and cash flow hedging reserves.

	2013 U.S.$'000	2012 U.S.$'000
Interest bearing loans	97,326	82,324
Less: cash and restricted cash	(27,704)	(47,700)
Net debt	69,622	34,624
Total equity	60,877	73,916
Book capitalisation	130,499	108,540
Gearing ratio	53.4%	31.9%

19. Subsequent Events

The vessel M/V Pistis, a geared 52,388 dwt Supramax vessel built in 2004 at Tsuneishi Shipbuilding Corporation in Japan was delivered on 7 January 2014 under the terms of the acquisition agreement dated August 2013 for a total consideration of U.S.$16,160 in cash.

Following assignment of Arkadia's claim against Samsun (note 16) the amount of U.S.$1,100 was received.



CORPORATE INFORMATION

Directors

Graham Roberts,
Non-Executive Chairman

Fotini Karamanli,
Chief Executive Officer

Elpida Kyriakopoulou,
Chief Financial Officer

Charlotte Stratos,
Non-Executive Director

Dimos Kapouniaridis,
Non-Executive Director

Secretary

TMF Channel Islands Limited
28-30 The Parade, St Helier,
Jersey, JE1 1EQ

Auditors

Ernst & Young LLP,
Liberation House,
Castle Street, St. Helier,
Jersey JE1 1EY

Bankers

National Bank of Greece S.A.
Piraeus Bank S.A.
Credit Agricole Corporate &
Investment Bank

Solicitors

Norton Rose
1 Posidonos Avenue & 3 Moraitini
175 64 P. Faliro
Greece

Norton Rose LLP
3 More London Riverside
London SE1 2AQ
United Kingdom

Holman Fenwick
Willan International
83 Akti Miaouli
185 38 Piraeus
Greece

Rea Mitropoulou
53-55 Akti Miaouli
185 36 Pireaus
Greece

Registrars

Capita Registrars (Jersey) Limited
PO Box 532
St. Helier
Jersey JE4 5UW

Registered Office

28-30 The Parade, St Helier,
Jersey, JE1 1EQ

www.artindesign.gr

HELLENIC CARRIERS

HELLENIC CARRIERS LIMITED
28-30 The Parade, St Helier, JE1 1EQ, Jersey
www.hellenic-carriers.com