

Aegean Airlines Nine Month 2008 Results

Analysts Conference Call
November 12, 2008

Key Highlights

- Turnover increased 26% to €468.2m from €370.5m
- Total passengers served reached 4.6m, +13% above 2007 (+23% international, +8% domestic y-o-y growth) with market share gains in the majority of routes
- Scheduled services load factor at 70.3%, matching prior year's, with 8% larger average capacity per aircraft flown
- RASK increased 6%, despite a 6% increase in average stage length, reflecting improved revenue management, the effect from fuel surcharges and the gradual maturity of routes opened in previous years
- CASK (EBITDAR-level, excl fuel) fell 2%, including fuel 8% above prior year.
- Fuel costs rose 67%, burdening profits by extra €47.3m
- EBITDAR rose 15% at €83.8m from €73.1m, despite the dramatic increase in fuel bill
- EBITDA increased 13% to €51.5m from €45.8m
- Pre-tax earnings 15% lower at €35.6m - Net earnings for the period at €26.5m from €33.4m (-21% y-o-y)
- USD and fuel hedges net negative impact of €17.8m (€8.6m burdening operating profit and €9.2m included in financial results) versus negative €1.5m in 2007
- USD net valuation losses of €6.2m inflated financial expenses.

Traffic development

- ➔ Passengers 13% higher, driven by international network
- ➔ Load factor higher on route maturity despite capacity added
- ➔ Market share at AIA rises to 27% from 24% (FYe at 29% vs 25%)

(,000)	9M 2007	9M 2008	08 vs 07
Domestic passengers	2,610	2,810	8%
International passengers	1,453	1,785	23%
Total passengers	4,063	4,596	13%
Total available seats	5,754	6,497	13%
Total flights	42,138	44,088	4%

Pax / Flight	96	104	8%
Load factor (RPK/ASK)	70.3%	70.3%	
Load factor (Pax/Avs)	70.1%	70.5%	

Network Development

✈️ **AEGEAN covers 10 out of 16 most popular international destinations out of Athens**

Aegean International Routes

1	Athens-Bucharest
2	Athens-Cairo
3	Athens-Frankfurt
4	Athens-Larnaca
5	Athens-London
6	Athens-Milan
7	Athens-Munich
8	Athens-Rome
9	Athens-Sofia
10	Athens-Tirana
11	Heraklion-Larnaca
12	Rhodes-Larnaca
13	Thessaloniki-Dusseldorf
14	Thessaloniki-Frankfurt
15	Thessaloniki-Larnaca
16	Thessaloniki-Munich
17	Thessaloniki-Stuttgart

+

Winter 2008

Athens - Paris

Athens-Düsseldorf

3rd daily flight Athens-London

Top 20 International Destinations out of Athens

1	London
2	Larnaca
3	Paris
4	Rome
5	Munich
6	Frankfurt
7	Milan
8	Amsterdam
9	Zurich
10	Madrid
11	Brussels
12	Istanbul
13	Cairo
14	Vienna
15	Bucharest
16	Dusseldorf/Cologne
17	Berlin
18	Prague
19	Moscow
20	Tel Aviv

P&L highlights

Euro (million)	9M 2007	9M 2008	08 vs 07
Revenue	370.5	468.2	26%
EBITDAR	73.1	83.8	15%
EBITDAR margin	20%	18%	-1,83pp
EBITDA	45.8	51.5	13%
EBT	41.7	35.6	-15%
Net income	33.4	26.5	-21%

Euro (million)	3Q 2007	3Q 2008	08 vs 07
Revenue	161.5	205.5	27%
EBITDAR	44.0	54.2	23%
EBITDAR margin	27%	26%	-0,87pp
EBITDA	33.4	42.8	28%
EBT	33.8	27.9	-17%
Net income	27.0	21.0	-22%

Hedging impact and one-offs in 9M 2008

- ➔ USD / fuel hedge net loss of €17.8m (€8.6m included in operating costs and €9.2m in financial expenses)
- ➔ FX Valuation loss of €6.2m
- ➔ Sale & lease back net negative impact of €1.9m

In € millions (Cons)	Reported 9M 2007	Comments	Reported 9M 2008	Comments
Sales	370.5		468.2	
Other operating income	2.0		4.6	€3.8m BFEs*
Employee benefits	(48.2)		(55.6)	
Aircraft fuel	(70.5)	€3.8m USD hedge loss, €2.1m fuel hedge gain	(117.7)	€10.3m USD hedge loss, €3.5m fuel hedge gain
Aircraft maintenance	(43.0)		(48.7)	€0.8m USD hedge loss
Overflight expenses	(15.1)		(17.1)	
Ground handling expenses	(11.3)		(12.5)	
Airport charges	(52.2)		(62.1)	
Catering expenses	(10.2)		(11.2)	
Distribution expenses	(25.6)		(31.8)	€0.1m USD hedge loss
Marketing and advertising	(2.4)		(4.3)	
Inventories consumption	(0.6)		(0.5)	
Other operating expenses	(20.3)		(27.5)	€3.8m BFEs*
EBITDAR	73.1		83.8	
Aircraft leases	(27.3)		(32.3)	€0.9m USD hedge loss
EBITDA	45.8		51.5	
Depreciation	(3.0)		(5.0)	
EBIT	42.8		46.5	
Interest and other financial result, net	(1.0)	€0.1m USD forward gain	(12.2)	€7.4m USD hedge loss, €1.8m fuel valuation loss, €6.2m FX valuation loss, €3.1m net interest income
Other extraordinary	-		1.4	€1.4m gain from sale & lease back
EBT	41.7		35.6	
Income tax	(8.3)		(9.1)	
Earnings after tax	33.4		26.5	

Key Performance Indicators

	9M 2007	9M 2008	08 vs 07
Load Factor (RPK/ASK) – Scheduled	70.3%	70.3%	0.0pp
Load Factor (Pax/AVS) – Scheduled	70.1%	70.5%	+0.4pp
Avg Pax/flight	96	104	+8 pax
Yield (€ cents)	13.2	14.0	7%
RASK (€ cents)	9.4	10.0	6%
CASK - EBITDAR level (€ cents)	7.5	8.2	8%
CASK - EBITDAR level (excl fuel € cents)	5.8	5.7	-2%
CASK - EBT level (€ cents)	8.3	9.2	10%
CASK - EBT level (excl. fuel € cents)	6.6	6.7	2%
Average segment length (km)	641	680	6%

CASK breakdown

€ cents	9M 2007	9M 2008	Y-o-y %
CASK -reported	8.34	9.19	10%
Hedges	0.04	0.38	
SLB	0.00	0.04	
CASK before hedges and one-offs	8.30	8.78	6%
Aircraft fuel	1.75	2.36	35%
CASK before hedges, fuel, one-offs	6.56	6.42	-2%
Employee benefits	1.22	1.18	-3%
Aircraft maintenance	1.09	1.02	-7%
Overflight expenses	0.38	0.36	-5%
Ground handling expenses	0.29	0.27	-7%
Airport charges	1.33	1.32	0%
Catering expenses	0.26	0.24	-8%
Distribution expenses	0.65	0.67	4%
Marketing and advertising expenses	0.06	0.09	48%
Inventories consumption	0.01	0.01	-17%
Other	0.46	0.49	5%
Aircraft leases	0.69	0.67	-4%
Depreciation	0.08	0.11	38%
Financials	0.03	0.00	

Closing remarks

Our Challenges

- European economic slowdown
- New international routes execution risk
- Privatization of OA / Identity of buyer / Direction of business development

Our strengths / Opportunities

- Strengthening of AEGEAN's competitive positioning y-t-d – Potential downsizing / exit of other competitors
- OA restructuring transformation – Downsizing 35% imposed
- Maturing revenue management efforts
- Fleet investment benefits gradually unfold
- Positive profitability trends on international routes opened in the past 2 years

Appendix

Income Statement

amounts in m euros, % y-o-y change	2007 Q3	2008 Q3	%	2007 9M	2008 9M	%
Scheduled Services	119.2	150.4	26%	282.4	355.9	26%
Charter	21.8	31.7	45%	39.6	55.2	39%
Other (cargo, service ch., ex.aviation)	5.8	7.5	28%	15.3	17.7	15%
Airport charges	14.6	16.0	9%	33.1	39.3	19%
Sales	161.5	205.5	27%	370.5	468.2	26%
Other operating income	0.3	0.4	41%	2.0	4.6	124%
Employee benefits	(17.2)	(20.0)	16%	(48.2)	(55.6)	15%
Aircraft fuel	(29.8)	(50.9)	71%	(70.5)	(117.7)	67%
Aircraft maintenance	(17.0)	(17.8)	4%	(43.0)	(48.7)	13%
Overflight expenses	(6.4)	(7.3)	15%	(15.1)	(17.1)	13%
Ground handling expenses	(4.9)	(5.3)	9%	(11.3)	(12.5)	11%
Airport charges	(22.5)	(25.8)	15%	(52.2)	(62.1)	19%
Catering expenses	(4.0)	(4.8)	19%	(10.2)	(11.2)	10%
Distribution expenses	(8.0)	(11.3)	41%	(25.6)	(31.8)	24%
Marketing and advertising expenses	(0.7)	(0.8)	13%	(2.4)	(4.3)	77%
Inventories consumption	(0.2)	(0.2)	32%	(0.6)	(0.5)	-1%
Other operating expenses	(7.1)	(7.6)	6%	(20.3)	(27.5)	35%
EBITDAR	44.0	54.2	23%	73.1	83.8	15%
EBITDAR margin	27.2%	26.4%		19.7%	17.9%	
Aircraft leases	(10.6)	(11.4)	7%	(27.3)	(32.3)	18%
EBITDA	33.4	42.8	28%	45.8	51.5	13%
Depreciation	(1.0)	(2.3)	121%	(3.0)	(5.0)	65%
EBIT	32.3	40.5	25%	42.8	46.5	9%
EBIT margin	20.0%	19.7%		11.5%	9.9%	
Interest and other financial income	3.9	3.1		5.6	14.5	
Interest and other financial expense	(2.5)	(15.7)		(6.6)	(26.7)	
Other extraordinary	-	-		-	1.4	
EBT	33.8	27.9	-17%	41.7	35.6	-15%
EBT margin	20.9%	13.6%		11.3%	7.6%	
Income Tax	(6.7)	(6.9)		(8.3)	(9.1)	
Net earnings after tax and minority	27.0	21.0	-22%	33.4	26.5	-21%

Balance Sheet

amounts in m euros	31/12/2007	30/9/2008
ASSETS		
Fixed assets		
Intangible assets	0.3	0.5
Tangible assets	27.4	79.8
Down payments for tangible assets acquisition	77.8	86.7
Deferred tax assets	12.9	5.4
Other long term assets	5.9	9.6
Receivables from derivative instruments	-	1.6
Total fixed assets	124.3	183.5
Current assets		
Inventories	7.5	8.1
Customers and other trade receivables	60.1	84.1
Down payments	2.9	5.5
Cash and cash equivalents	158.3	167.5
Total current assets	228.8	265.3
TOTAL ASSETS	353.2	448.8
EQUITY AND LIABILITIES		
Parent company shareholders equity		
Share capital	107.1	46.4
Share premium account	144.8	144.8
Other reserves	(22.9)	3.1
Retained earnings	(61.6)	25.7
Parent company shareholders equity	167.5	220.0
Liabilities		
Long term liabilities		
Long term loan liabilities	30.8	20.0
Long term derivative instruments liabilities	13.6	-
Finance lease contracts liabilities	-	42.6
Provisions for retirement benefits obligations	4.1	4.6
Total long term liabilities	48.5	67.2
Short term liabilities		
Suppliers and other liabilities	45.8	51.4
Long term loan liabilities payable next year	26.7	27.0
Long term finance lease contracts liabilities payable next year	-	3.3
Other short term liabilities	5.0	9.5
Liabilities from tickets sold but not flown	19.6	29.8
Accrued expenses	11.7	18.3
Derivative instruments liabilities	17.7	-
Current tax liabilities	10.4	22.0
Provisions	0.3	0.3
Total short term liabilities	137.2	161.6
Total liabilities	185.7	228.8
TOTAL EQUITY AND LIABILITIES	353.2	448.8

Cash Flow Statements

amounts in m euros	30/9/2007	30/9/2008
Cash flows from operating activities		
Profit of the period	41.7	35.6
Adjustments for:		
Depreciation of fixed assets	3.0	5.0
Results from sale of fixed assets	0.2	0.0
Profits from sale of subsidiaries	(0.0)	-
Interest and other financial income	(1.7)	(5.8)
Interest and other financial expenses	2.5	2.7
Loss /(profit) from financial derivatives	(0.1)	-
Foreign exchange differences	-	5.8
Provisions for retirement benefits obligations	0.7	1.2
Cash flows from operating activities before changes in working capital	46.4	44.5
Changes in working capital		
(Increase) / decrease in inventories	(0.7)	(0.6)
(Increase) / decrease in trade & other receivable	(38.5)	(18.5)
Increase / (decrease) in payables	24.2	32.1
Increase /(Decrease) in financial derivatives liabilities	1.7	(5.3)
Cash outflows for retirement benefits obligations	-	-
Other changes in working capital	(3.4)	(2.4)
Total changes in working capital	(16.8)	5.3
Interest expenses paid	(2.5)	(2.3)
Income taxes paid	-	(4.5)
Net cash flows from operating activities	27.1	43.0
Cash flows from investment activities		
Purchases of fixed assets	(4.5)	(6.3)
Purchases of intangible assets	(0.2)	(0.4)
Sales of fixed assets	25.8	0.2
Advances for acquisition of fixed assets	(38.3)	(8.8)
Sale of affiliates/subsidiaries	2.7	-
Interest and other financial income received	1.7	4.4
Net cash flows from investment activities	(12.7)	(11.0)
Cash flows from financing activities		
Loans drawn / (repaid)	14.4	(11.9)
Share capital increase	135.7	-
Share capital increase expenses	(6.4)	-
Changes in financial lease capital	(16.4)	(10.9)
Net cash flows from financing activities	127.4	(22.8)
Net (decrease)/ increase in cash and cash equivalents	141.8	9.2
Cash and cash equivalents at the beginning of the period	24.4	158.3
Cash and cash equivalents at the end of the period	166.1	167.5

Forward Looking Statements

Except for historical information, the statements made or information contained in this presentation are forward-looking in nature and, as such, are subject to certain risks and uncertainties, many of which are beyond the Company's control, which could cause the actual results to differ materially from those referenced, projected or contemplated herein by any forward-looking statement, including but not limited to the following: overall passenger traffic; the airline ticket pricing environment; the international expansion of our route network; seasonal fluctuations in passenger travel; aviation fuel prices; landing and navigation fee changes; changes in aircraft acquisition, leasing and other operating expenses; developments in government regulations and labour relations; the cost of our ground handling operations; the future development of AIA; foreign currency fluctuations, in particular between the euro and the U.S. dollar; the progress of our code-shared and interline arrangements; our ability to finance our planned acquisition of aircraft and to discharge any resulting debt service obligations; the availability of additional slots or landing rights at existing airports and the availability of new airports for expansion; interest rate fluctuations; extraordinary events, such as accidents, terrorist attacks or threats of terrorist attacks, natural disasters and outbreaks of contagious diseases; the rates of taxes payable; and general economic conditions in Greece and the European Union. Additional risks are discussed in the Offering Memorandum and the Company's filings with the Capital Markets Commission and the Athens Exchange.

Although the Company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be attained. The forward-looking statements are made as of the date of this presentation, and we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.