



AEGEAN AIRLINES S.A.

**Societe Anonyme Reg. No.: 32603/06/B/95/3
31 Viltanioti Street, Kifissia, Attica**

**Annual Financial Statements
For the period
(1st January to 31st December 2009)**

In accordance to art. 4 of Law 3556/2007 and the Board of Directors'
Resolutions of the Hellenic Capital Market Commission

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**A. Statements of the Board of Directors Representatives
(in accordance to art. 5 paragraph 2 of Law 3556/2007)**

It is hereby stated that, to the best of our knowledge the Annual Financial statements of "Aegean Airlines S.A." for the period 1 January 2009 to 31 December 2009, which were prepared in accordance to the International Financial Reporting Standards, they truly reflect all Assets, Liabilities and Shareholders Equity along with the Income Statement of the Company.

It is also declared that, to the best of our knowledge the Board of Directors' Annual Report truly reflects the business developments, the performance and the position of the Company including the key risks and prospects it's facing.

Kifissia, 23 March 2010

The undersigned

Theodore Vassilakis

Dimitrios Gerogiannis

Eftichios Vassilakis

Chairman

Chief Executive Officer

Vice Chairman

B. ANNUAL REPORT OF THE BOARD OF DIRECTORS**of the company "AEGEAN AIRLINES S.A."****for the period 1 January 2009 to 31 December 2009**

This report was compiled in accordance to Law 2190/1920 article 43a, Law 3556/2007 article 4 and the Hellenic's Capital Market Board of Directors' resolutions and contains brief financial and other information of the company "AEGEAN AIRLINES S.A.". It aims to provide an overview to the shareholders and investors of the Company's general course, financial position and results for the period (01/01/2009 – 31/12/2009) as well as highlight major events that incurred during the period and their impact on the annual financial statements. There is also a description of the main risks and uncertainties which the Company is currently facing or may face in the foreseeable future and finally disclosure of material transactions between the Company and related parties.

1. Financial review, business developments and major events for the year 2009.

In 2009 the global economic recession continued and intensified its negative impact on the aviation sector internationally having adverse effects on the sector's prospects and profitability. The weak and declining demand for air transport forced the operators globally to continue their fleet capacity and average fares' reductions as well as to revise their development business plans.

In Greece particularly, in contrast to the observed early signs of economic stabilization in other countries by the end of 2009, the intensity of the economy's downturn was continuously increasing during the year, especially in the last quarter when the actual extent of the country's deficit was exposed, impacting even more adversely the domestic operators.

It is noted that in 2009 total ticket sales through travel agents reduced by 16% and 22% compared to 2008 for domestic (BSP domestic) and international destinations (BSP international) respectively. Moreover, following the government's agreement in early 2009 to sell Olympic Airlines' aviation and technical services assets, the new company formed, Olympic Air, commenced its operations on 1 October under private management and ownership. At the same time, the penetration of low cost operators such as Easyjet, Germanwings, TUI fly etc as well as of major European airlines such as British Airways, Air France, etc, in additional international routes increased the offered capacity and pushed significantly the profit margins of these destinations. In total the competition amongst the various airlines increased substantially and in the effort to maintain / conserve market shares, combined with the low demand for travel services, pushed average fares lower impacting negatively the operating results of all the competing carriers.

Regardless of the adverse economic environment and the fact that the vast majority of airlines both in Europe and internationally presented steep revenue declines and heavy losses during 2009, the Company managed to increase revenue marginally due to the significant expansion of the international network and maintain a healthy profitability despite the last quarter's adverse impact. Important accomplishments achieved due to the market share establishment / increase in most routes and the commencement of benefits' realization of the fleet renewal program with new Airbus A320 aircraft.

In particular total revenue for 2009 was € 622,7 m. compared to € 611,7 m. in 2008 (2% increase). The operational profitability of the Company was substantially sustained by the reduction by 28% or by € 40,8 m. of the fuel cost which was € 107,1 m. from € 147,9 m. in 2008 and as a result Earnings before taxes, finance costs, depreciation & amortization and aircraft' leasing costs (EBITDAR) were maintained near to last year's level at € 95,9 m. from € 104,3 m. in 2008 (8% decrease).

Earnings before interest, taxes, depreciation and amortization (EBITDA) were € 31,5 m. compared to € 57,5 m. in 2008 (45% decrease) largely affected by the significant fare reductions and the new international routes' development costs.

Earnings before taxes decreased at € 32,5 m. from € 39,9 m. in 2008 (19% decrease) while earnings after taxes were at € 23 m. from € 29,5 m. in 2008 reduced by 22%.

During 2009 the Company sold and leased back 4 Airbus aircraft. The proceeds from the transaction were € 3.855,41 thousand. There was also a foreign exchange difference loss € 297,98 thousand; therefore the final result from the sale and lease back of the 4 aircraft was € 3.557,43 thousand (profit).

In January 2009 the Company acquired 25% of the share capital of the companies: Newrest Inflight Services Hellas S.A., Macedonia Catering S.A. and Abela Hellas Catering Services S.A. In March 2009 the Company sold the total of the above shareholdings to NEWREST GROUP HOLDING SL. The result of this transaction was a total profit of € 4.409,35 thousand.

Non current assets were marginally reduced at € 166,2 m. from € 169,8 m. in 2008 mainly due to the acceptance of delivery of 8 new aircraft Airbus A320 which had as a result the significant reduction of the account's balance "Advances for assets acquisition". At the same time, cash and cash equivalents balance was substantially increased by 14% at € 208,2 m. from € 182,8 m. in 2008.

It is highlighted here that the financial and operating results of the Company and the sector's in general, are highly affected by seasonality with the most important quarter of the period regarding passenger traffic being historically the third quarter.

The Company transferred in total 6,6 million passengers in 2009 compared to 6 million passengers in 2008, a 10% increase. Total flights increased by 12% and were 65.148.

A significant growth of 22% was achieved in the international routes where transferred passengers reached 2,8 million in 2009 against 2,3 million in 2008 and the Company improved its market shares in the majority of the abroad markets that it operates. Domestic passengers were 3,7 million same as in 2008 demonstrating that the Company maintained its dominant market position.

The Company throughout 2009 continued the implementation of its strategy, adding in its schedule new international routes from Athens to Brussels, Berlin, Barcelona, Venice, Istanbul, Vienna and Madrid while increased the daily frequency to Paris with the addition of a second flight. Its network of operations services 52 domestic and international scheduled routes, performing in total 200 flights per day. In addition it operates a significant number of seasonal charter flights for other tour operators. Finally within the framework for further development of its international network, the Company was appointed by the Greek Government to service the routes from Athens to Tel Aviv and Belgrade commencing on 1 January 2010 in accordance to governmental bilateral agreements.

In 2009 the Company continued its fleet renewal program by accepting delivery of 8 new Airbus aircraft type A320 (6 A320 and 2 A321) and additionally of other 2 aircraft type ATR72 - 500. At the same time it redelivered 4 Boeing 737 to their owners. The last 4 remaining Boeing 737 are planned for redelivery by 30.04.2010 to ensure the homogeneity of the medium range fleet.

As a result, the Company's fleet consists of 33 aircraft as follows:

- 17 Airbus A320
- 4 Airbus A321
- 6 Avro RJ 100
- 4 Boeing 737
- 2 ATR72 - 500

In order to maintain fleet flexibility to better cope with the global financial crisis the Company agreed in June 2009 with Airbus to amend the delivery time at a later date of 3 aircraft as follows:

- Initial delivery time : February 2010
March 2010
April 2010
- New delivery time : 1st quarter 2014
1st quarter 2014
2nd quarter 2014

Finally, in May 2009 the Company's application to join the world's largest airline alliance - Star Alliance - was approved. Joining Star Alliance, the Company will benefit from economies of scale in terms of routes, higher brand awareness especially in abroad as well as convergence of the customer loyalty programs of the airline members of Star Alliance.

- **Key performance Indicators**

The Company follows the policy of assessing its results and efficiency on a monthly basis, locating deviation from the budget timely and taking the necessary corrective measures.

The Company evaluates its performance (amongst others) through the following ratios, commonly used in the airline industry:

RASK (Revenue per Available Seat Kilometer): The index divides the total income by the total seats available for sale multiplied by the total kilometers flown.

CASK (Cost per Available Seat Kilometer): The index divides the total operating expenses by the total seats available for sale multiplied by the total kilometers flown.

Passenger yield: The index divides the total income from passengers carried by the total passengers multiplied by the total kilometers flown.

The aforementioned indices for 2009 compared to 2008 were as follows:

(in € cents)	2009	2008
RASK	7,7	9,8
CASK	6.5	8,2
Passenger yield	11,5	14,0

RASK and CASK ratios reduced by 22% and 21% respectively compared to 2008 as a result of the increased fleet capacity by 30% (total of available seats per km). The average fares' reductions forced by the economic downturn and the increased competition from the major European airlines, low cost carriers' network expansion and the privatized Olympic Air, led to the notable reduction of the RASK and Passenger Yield ratios whereas the significantly lower oil prices was one of the main factors for the reduction of the CASK ratio.

2. Prospects – Risks for 2010 – Post balance sheet significant events – Environmental issues

- **Prospects**

In Greece it is highly anticipated that the economy's adverse effects will be more intense, compared not only to other countries but also to last year, since it is obvious that we are entering a phase of deep economic recession expected to last at least for three years, making it the worst in the last 35 years. Unemployment rates are rising constantly, as well as direct and indirect taxes, thus reducing significantly the ability of the Greek consumers to buy travel services. The initial signs of gradual economic recovery in the other European countries do not seem having the sufficient strength to boost the Greek tourism industry before 2011. On the other hand the stronger recovery in the Asian countries affects the oil prices which are already higher compared to the same period in 2009 and the Euro has already declined significantly against the US dollar, incidents that will have a negative effect in the cost and profitability of the Company. Also the activity of low cost carriers is increasing with Ryanair joining competition for the first time by introducing new routes to Greece from Italy and Germany. Despite all these, due to the necessary actions already been taken – investments in fleet renewal, competitive cost structure, sound capital structure, sufficient available cash balances, market positioning in most operating markets, expected full Star Alliance membership in June 2010 – the Company is optimistic regarding its market position, recognizing the significance and the difficulty of the forthcoming two years of increased risks. It is obviously necessary to adapt the development strategy,

reorganize the fleet, reassess and readjust the operational network and control internal costs in order to manage to mitigate the negative impacts of the economic downturn and the competitive environment.

The three targets for 2010 are:

- a) Improvement of the offered services and customer loyalty.
- b) Effective management of costs (distribution, fleet, network, operations, economies of scale).
- c) Formation of strong alliances that will secure the long term prospects of the Company.

Catalyst role on the above will have, after the pending approval from the European Union Competition Committee, the acquisition of the three companies belonging to the group of the new Olympic Air and the simultaneous participation of Marfin Investment Group in the Company through a share capital increase. Subsequently the merger of the two companies aviation activities will follow, as this was agreed in February 2010 amongst the two companies major shareholders. The amalgamation, which requires to go through many stages and procedures, is expected to be completed in 2011 and will create significant synergies and economies of scale allowing the Company to compete more effectively in the international market and shield against the environment of economic recession and uncertainty which Greece is unfortunately demonstrating.

The Company has participated in the final tender under protocol number D1/B/40470/3430/16.10.2009 Invitation for the submission of offers, published by the Hellenic Republic in accordance with articles 16, 17 and 18 of EC Regulation No 1008/2008 for the operation of scheduled air services in 24 routes in accordance with public service obligations, and submitted offers for 11 of these routes for the period from 1 April 2010 to 31 March 2012. The Company was the lowest bidder for 5 of the routes without claiming any governmental subsidies. According to the Greek's Civil Aviation Authority decisions the Company received the permission to provide service to the following destinations: Athens – Sitia, Thessaloniki – Corfu, Thessaloniki – Kalamata and Thessaloniki – Samos.

Finally the Company has made all necessary preparations to participate in the EU's aviation emissions trading scheme (EU ETS) following the EU's decision to impose a cap on CO2 emissions for all planes arriving at or departing from EU airports, in an effort to tackle aviation's fast-growing contribution to climate change. The participation in the scheme is obligatory and its first year trial period is expected to be in 2012 and commence full operation in 2013.

- Risks

Foreign exchange risk

The Company incurs a substantial portion of its expenses, such as aviation fuel, aircraft lease expenses, distribution costs, spare parts, maintenance expenses and aviation insurance premiums in U.S. dollars, whereas it generates most of its revenues in Euros. Appreciation of the euro versus the U.S. dollar positively impacts operating profit because the euro equivalent of the U.S. dollar operating expenses decreases, while depreciation of the euro versus the U.S. dollar negatively impacts the Company's operating profit. As of 31 December 2010, the Company had entered into currency contracts to hedge its estimated requirements of U.S. dollars with respect to 48% on average of the projected needs for the period 2010-2011. Cover levels are monitored and reviewed on an ongoing basis in light of market developments and the overall needs of the business. Despite the foreign exchange risk hedging policies, substantially adverse movements of the U.S. dollar could potentially have a material negative impact in the business activity, financial status and operating result of the Company.

Interest rate risk

The Company is exposed to interest rate fluctuations risk through its bank deposits and financing obligations as well as through the aircraft finance leases agreed on a floating interest rate.

The Company's policy is to minimize its exposure to cash flow risk from interest rate fluctuations relating to its aircraft finance leases.

On 31 December 2009, the Company has hedged its exposure to cash flow risk from interest rate fluctuations for two out of the three aircraft finance leases which account for 65% of its total finance lease obligations capital.

Jet fuel risk

The Company is exposed to the fluctuations of the price of oil which directly influences the price of jet fuel. To manage this risk the Company imposes when necessary, fuel surcharges on domestic and international fares whilst also enters derivative contracts on oil products in order to hedge part of its projected jet fuel needs. As of 31 December 2010, the Company had entered into jet fuel swap contracts to hedge 34% of its projected jet fuel needs for 2010.

Credit risk

In order to be protected against credit risk, the Company monitors on a regular basis its trading receivables and whenever necessary, assesses the insurance of the receivables collection, mainly through factoring. The risk however still remains low under the current conditions.

Liquidity risk

The continuous monitoring of liquidity risk presupposes substantial cash balances. The Company manages the aforementioned risk by maintaining adequate cash available, directly liquid securities and sufficient credit lines from the banks as well as from suppliers, always with reference to its operational, investment and financial needs.

3. Related parties transactions

The Company's transactions with related parties during 2009 were on usual commercial terms and they had no substantial movement from the relevant previous period.

The most significant transactions of the Company with related parties according to IAS 24, are transactions with companies owned by the majority shareholder, immaterial for the size of the Company and they appear on the following table:

Amounts in thousand euros	Income	Expenses	Receivables	Liabilities
AUTOHELLAS HERTZ S.A. (cars and property leasing)	282,46	1.391,90	39,02	156,54
TECHNOCAR S.A.	22,06	45,02	3,94	7,81
VACAR S.A.	9,10	4,97	9,83	3,73
VELMAR S.A.	19,04	197,23	26,75	7,68

Finally, directors' and Board of Directors' remuneration for the period 01.01.2009-31.12.2009 was € 3.581,82 thousand whereas on 31.12.2009 the Company's obligations towards the directors' and the Board of Directors' were € 969,70 thousand and the Company's receivables from directors' and the Board of Directors' were € 3,95 thousand.

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS
(article 4, paragraph 7 & 8 of Law 3556/2007)****1. Structure of the Company's share capital**

The Company's share capital amounts to forty six million four hundred twenty one thousand and one hundred fifteen euros (€ 46.421.115), divided into seventy one million four hundred seventeen thousand and one hundred common voting registered shares (71.417.100 shares), of par value of sixty five euro cents each (€ 0,65).

All the shares are registered and listed for trading in the Securities Market of the Athens Exchange under the "Large Cap" classification.

2. Limits on transfer of Company shares

The transfer of Company shares takes place based on procedures stipulated by the law and the Athens Exchange's regulation, while there are no restrictions set by the Articles of Association for transfer of shares.

3. Significant direct or indirect holdings in accordance with the provisions of articles 9 – 11 of Law 3556/2007

As at 31.12.2009 the following investors held more than 5% of the Company's voting shares: Theodore Vassilakis 35,5% (28,6% directly and 6,9% through Autohellas SA), Athanasios Laskarides 9.5%, Panagiotis Laskarides 9.5% και Achilleas Konstantakopoulos 6.4%.

4. Shares conferring special control rights

There are no Company shares that carry any special rights of control.

5. Limitations on voting rights

The Articles of Association make no provision for any limitations on voting rights.

6. Shareholder agreements which result to limitations in the transfer of shares or limitations to exercise voting rights

The Company is not aware of any Shareholder agreements which result to limitations in the transfer of shares or limitations to exercise voting rights.

7. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association

The members of the Board of Directors are elected from the General Shareholders' Meeting, through a secret voting procedure, for a three year term extended up to the Annual General Shareholders' Meeting due in the term's final year. The members may be shareholders or non shareholders and can be re-elected.

Replacement of a member can be authorised by at least 3 other members and is subject to the approval of the next General Shareholders' Meeting.

The Board may consist of seven (7) up to fifteen (15) members.

8. Authority delegated to the BoD or certain members of the Board for the issue of new shares or acquisition of own shares

According to the provisions of article 13 par. 1 item b) of C.L. 2190/1920 and the article 5 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the publicity announcements of article 7b of C.L. 2190/1920, to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at least two thirds (2/3) of its total members. In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting. This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five year per instance of renewal.

9. Important agreements which are entered in force, amended or terminated in the event of change in the control of the Company following a public offer

There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.

10. Agreements that the Company has entered into with Board members or employees.

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without valid reason or termination of their period of office or employment due to a public offer.

11. Location

The Company has established presence in 48 locations both in Greece and abroad for the provision of its services.

The Ordinary General Shareholders Meeting on 15.05.2009 approved the following:

- The election of the new Board of Directors.

The following members (on alphabetical order) compose the newly elected Board of Directors of the Company according to Law 3016/2002 for Corporate Governance:

Mr. Achilleas Constantakopoulos (Non-Executive)
Mr. Anastasios David (Non-Executive)
Mr. Iakovos Georganas (Non-Executive)
Mr. Dimitrios Gerogiannis (Executive)
Mr. Christos Ioannou (Non-Executive)
Mr. Panagiotis Laskarides (Non-Executive)
Mr. Alexandros Makrides (Independent, non-Executive)
Mr. Victor Pisante (Independent, non-Executive)
Mr. Markos Tsaktanis (Non-Executive)
Mr. Eftichios Vassilakis (Executive)
Mr. Georgios Vassilakis (Non-Executive)
Mr. Theodoros Vassilakis (Executive)

According to the Company's Articles of Association the term of the abovementioned Board of Directors will be for a period of three years, that is until the Ordinary Annual General shareholders' Meeting in 2012, which will take place within the first half of that year.

- The election of the Audit Committee.

According to article 37 of Law 3693/2008 every listed company in the Athens Stock Exchange ("of public interest" according to the law) is obliged to have an "Audit Committee" consisting of 3 BoD members. Two of them must be non executive members and the other one a non executive independent member.

The Company's Audit Committee consists of the following BoD members

- a. Mr. Achilleas Constantakopoulos - non executive member
- b. Mr. Markos Tsaktanis - non executive member
- c. Mr. Alexandros Makrides- independent non executive member

- Delegation to the Board of Directors or certain BoD members to act for the issue of new shares or purchase of own shares.

In accordance with article 16 of Law 2190/1920 it was approved the possibility to acquire own shares up to a percentage of 10% of the company's share capital (i.e. currently 7.141.710 μετοχές), within the period from 27.4.2009 to 23.4.2011, with a minimum price of 1,5 euros per share and a maximum price of 4,5 euros per share. The acquisition of own shares will take place with the Board of Directors responsibility and will apply to shares already paid in full. The Company has not acquired own shares until today.

- Stock option rights to the Company's Board of Directors members and employees.

Stock option rights were granted to the Board of Directors' members and employees of the Company and its associated entities, according to paragraph 9 article 13, of Law 2190/20.

According to the above plan, the BoD will have the right to distribute stock option rights of up to 710.000 shares which represents 0,99% of the Company's share capital within the next two year period. Participants in the program will be 50-80 members and more particularly the CEO and senior managers of the Company. The BoD can elect to distribute the stock option rights in two phases, in 2009 and 2010.

If the stock options are exercised the Company will either proceed to a share capital increase or acquire own shares according to article 16 of Law 2190/1920.

The extraordinary Shareholders' General Meeting on 06.10.2009 approved the following:

- Change in the timeline use of the IPO proceeds.

The Company's Board of Directors on 28.08.2009 decided the further amendment of the timeline use of the remaining 44,0 m. unused IPO funds at the end of first half of 2009, to the first half of 2010, with a new aircraft financing plan through the commonly accepted practice in the global aviation industry of financial or operational leasing. The timeline use amendment aims to align the investment plan with the development strategy of the Company in relation to the current economic environment.

It is noted that the abovementioned amendments do not constitute a substantial change from the Company's investment plan and that it was approved unanimously.

- Contract agreement between the Company and "TEMES S.A." according to article 23a par. 2 of Law N.2190/20.

Chief executive officer of the TEMES S.A. is the Company's Board of Directors member Mr. Achilleas Constantakopoulos. As per the contract, it was agreed the introduction of a scheduled flight Athens – Kalamata - Athens, on pre-determined frequencies with aircraft types AVRO RJ 100 and / or ATR-72, effective for 4 years (2010-2013 summer-winter IATA periods), as well as in accordance to the other terms of the contract. The decision was voted by the majority of shareholders.

Kifissia, 23 March 2010

Chief Executive Officer
of AEGEAN AIRLINES S.A.

Dimitrios Gerogiannis

C. INDEPENDENT AUDITOR'S REPORT ON REVIEW OF FINANCIAL STATEMENTS

To the Shareholders of "AEGEAN AIRLINES S.A."

Report on the Financial Statements

We have reviewed the accompanying financial statements of "Aegean Airlines S.A." comprising of the statement of financial position as at 31 December 2009 and the related statements of comprehensive income, changes in equity and cash flows for the annual period then ended, as well as the summary of the significant accounting policies applied and the selected explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union (EU), as well as for the internal procedures established deemed as necessary to ensure that the preparation of the financial statements is free of material misstatement due to fraud or negligence.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control procedures relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the abovementioned financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2009, and the financial performance and the cash flows of the Company for the year then ended in accordance with International Financial Reporting Standards as they have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We have verified that the Board of Directors' Report is consistent with the attached financial statements according to articles 43 and 37 of Law 2190/1920.

Athens 23 March 2010

**Certified Public Accountant Auditor
Panagiotis K.Vroustouris
Reg.Number 12921
Mesogion 388 – Ag. Paraskevi Greece**

**D. ANNUAL FINANCIAL STATEMENTS
FOR THE PERIOD
1 JANUARY 2009 TO 31 DECEMBER 2009
(amounts in thousand euros)**

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1. Financial Position as at 31.12.2009

	Note	31/12/2009	31/12/2008	01/01/2008
ASSETS				
Non current assets				
Intangible assets	5.24	1.185,09	598,10	301,31
Tangible assets	5.25	111.088,03	72.217,44	27.413,82
Advances for assets acquisition	5.26	27.876,67	76.661,04	77.820,93
Deferred tax assets	5.27	6.674,25	3.039,42	12.885,47
Other long term assets	5.28	13.065,55	17.292,04	5.922,27
Receivables from derivatives instruments	5.45	1.852,97	0,00	0,00
Total non current assets		161.742,57	169.808,03	124.343,79
Current assets				
Inventories	5.29	9.232,00	11.164,07	7.168,92
Customers and other trade receivables	5.30	66.228,51	70.214,60	60.113,50
Advances	5.31	4.951,03	4.658,14	2.945,28
Hedging derivatives	5.45	4.751,89	0,00	0,00
Financial Assets at fair value	5.32	6.662,50	0,00	0,00
Cash and cash equivalents	5.33	208.224,56	182.805,35	158.309,59
Total current assets		300.050,51	268.842,16	228.537,28
TOTAL ASSETS		461.793,07	438.650,19	352.881,07
EQUITY				
Share capital	5.34	46.421,11	46.421,11	107.125,65
Share premium account	5.35	144.774,41	144.774,41	144.774,41
Other reserves	5.37	989,80	(7.038,67)	(22.856,72)
Retained profit / (loss)		32.379,16	28.618,31	(61.551,65)
Total equity		224.564,48	212.775,16	167.491,69
LIABILITIES				
Long term liabilities				
Long term loan liabilities	5.38	20.000,00	0,00	30.814,89
Derivative contracts liabilities	5.46	645,30	4.890,29	13.592,44
Finance lease contracts liabilities	5.39	57.975,03	42.406,08	0,00
Provisions for retirement benefits obligations	5.40	5.926,33	4.897,85	4.054,52
Provisions	5.42	19.212,89	2.627,77	6.447,14
Total long term liabilities		103.759,55	54.821,99	54.908,99
Short term liabilities				
Suppliers	5.41	41.179,14	47.369,01	39.353,73
Short term loan liabilities	5.38	59,49	39.480,08	26.727,25
Long term finance leases liabilities payable next year	5.39	5.308,90	4.087,20	0,00
Other short term liabilities	5.43	20.396,12	19.538,18	9.684,18
Liabilities from tickets sold but not flown	5.44	29.482,99	28.183,87	19.640,55
Accrued expenses	5.45	19.645,23	20.722,33	11.716,34
Derivatives instruments liabilities	5.46	7.334,59	5.111,51	17.661,80
Income tax liabilities		8.962,58	5.560,87	5.051,54
Provisions	5.47	1.100,00	1.000,00	645,00
Total short term liabilities		133.469,05	171.053,04	130.480,40
Total liabilities		237.228,59	225.875,03	185.389,38
TOTAL EQUITY AND LIABILITIES		461.793,07	438.650,19	352.881,07

2. Statement of Comprehensive Income

Income statement

	Note	01/01- 31/12/2009	01/01- 31/12/2008
Revenue	5.48	622.713,11	611.693,46
Other operating income	5.49	9.443,57	7.709,64
Personnel expenses	5.52	(89.960,87)	(74.797,51)
Depreciation	5.25	(12.003,21)	(7.288,57)
Consumption of materials and services	5.50	(510.653,69)	(487.106,81)
Profit / (loss) before tax, financing and investing results		19.538,81	50.210,20
Financial income	5.55	21.287,52	19.962,14
Financial expense	5.55	(16.564,86)	(32.316,58)
Profit from sale of shares	5.54	4.409,35	-
Proceeds from sale and lease back	5.53	3.855,41	2.082,19
Profit / (loss) before tax		32.526,33	39.937,95
Income tax	5.56	(9.489,29)	(10.472,52)
Profit / (loss) after tax		23.037,04	29.465,43
Profit / (loss) per share			
Basic earnings per share in €	5.63	0,3226	0,4126

Statement of Total Income

		01/01 - 31/12/2009	01/01- 31/12/2008
Profit / (loss) after tax		23.037,04	29.465,43
<i>Cash flow hedging:</i>			
Reclassification of (Profit) / loss in the result for the period		2.032,32	27.428,28
Gains / (losses) for the period		6.594,45	(6.175,83)
Cash flow hedging income tax		(2.021,08)	(5.434,40)
Other comprehensive income for the period after taxes		6.605,68	15.818,05
Total comprehensive income		29.642,72	45.283,48

3. Statement of changes in Equity for the period ended at 31.12.2009

	Issued capital	Share premium	Cash flow hedging reserves	Reserves (other)	Accumulated profit / (loss)	Total equity
Balance as at 1 January 2008	107.125,65	144.774,41	(23.271,85)	415,13	(61.551,65)	167.491,69
Equity adjustments for the period 01/01-31/12/08						
Share capital decrease	(60.704,54)					(60.704,54)
Losses net off					60.704,54	60.704,54
Total comprehensive income after taxes			15.818,05		29.465,42	45.283,47
Balance as at 31 December 2008	46.421,11	144.774,41	(7.453,80)	415,13	28.618,31	212.775,16
Balance as at 1 January 2009	46.421,11	144.774,41	(7.453,80)	415,13	28.618,31	212.775,16
Equity adjustments for the period 01/01-31/12/09						
Dividends paid					(17.853,39)	(17.853,39)
Regular reserves				1.422,79	(1.422,79)	-
Total comprehensive income after taxes			6.605,68		23.037,04	29.642,72
Balance as at 31 December 2009	46.421,11	144.774,41	(848,12)	1.837,92	32.379,17	224.564,48

4. Cash Flow Statement for the period ended at 31.12.2009

	31/12/2009	31/12/2008
<u>Cash flows from operating activities</u>		
Profit / (loss) before tax	32.526,33	39.937,94
<u>Adjustments for:</u>		
Depreciation of tangible assets	12.003,86	7.288,57
Provisions	20.341,19	1.700,74
Foreign currency exchange (gains) / losses	(3.510,72)	11.384,47
(Profit) / loss from investing activities	(11.153,54)	(6.328,07)
Finance Cost	2.976,46	3.915,19
Cash flows from operating activities before changes in working capital	53.183,57	57.898,84
<u>Changes in working capital</u>		
(Increase)/Decrease in inventories	(567,95)	(4.095,15)
(Increase)/Decrease in trade & other receivables	(4.673,64)	(7.345,71)
Increase/(Decrease) in trade payables	(6.700,51)	24.312,62
Increase /(Decrease) in derivatives liabilities	7.429,37	(5.434,40)
Total changes in working capital	(4.512,73)	7.437,36
Interest expenses payable	(2.701,70)	(3.375,60)
Income tax paid	(4.597,25)	(7.176,67)
Net cash flows from operating activities	41.371,90	54.783,94
<u>Cash flows from investing activities</u>		
Purchases of tangible assets	(14.543,06)	(9.033,22)
Sale of tangible assets	3.747,66	1.914,87
Advances' reimbursement for the acquisition of tangible assets	41.159,98	1.159,89
Proceeds from sale of shares	1.469,79	-
Purchase of assets measured at fair value	(6.477,25)	-
Interest and other financial income received	5.724,06	7.066,90
Net cash flows from investing activities	31.081,18	1.108,44
<u>Cash flows from financing activities</u>		
Loans increase	0,00	5.333,98
Loans repayment	(19.480,13)	(24.994,66)
Dividends paid	(17.828,34)	0,00
Finance leases capital repayment	(9.725,40)	(11.735,95)
Net cash flows from financing activities	(47.033,86)	(31.396,63)
Net (decrease)/ increase in cash and cash equivalents	25.419,21	24.495,76
Cash and cash equivalents at the beginning of the year	182.805,35	158.309,59
Cash and cash equivalents at the end of the period	208.224,56	182.805,35

5. Notes to the Financial Statements

5.1 General information

The Company AEGEAN AIRLINES S.A. is a Societe Anonyme airline Company under the discreet title AEGEAN AIRLINES, which bears the title of AEGEAN AIRLINES S.A. in its international transactions. The Company's duration has been defined until 31/12/2044 and can be elongated following the decision of the general meeting of the shareholders. The Company's registered address is in the Municipality of Kifissia, Attiki (31 Viltanioti St. PC 145 64).

The financial statements for the period ended 31 December 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) as they have been adopted by the European Union and have been approved by the Board of Directors of the Company on 23 March 2010 and are subject to approval of the Ordinary General Meeting of the shareholders that is to assemble within the first six month period of 2010.

5.2 Nature of business operations

The Company operates in the sector of aviation transportation, providing services that concern the transportation of passengers and commodities in the sector of public aviation transportation inside and outside Greece, conducting scheduled and charter flights. At the same time, the Company renders services of aviation applications, technical support and on ground handling aircraft services. Indicatively, the Company's objectives include also the following activities/operations:

- a. Participation in any type of local or foreign Company of the similar nature of operations
- b. Foundation of subsidiaries and agencies
- c. Import, trade, leasing of aircraft and spare parts.

5.3 Basis of preparation of the financial statements

The Company's financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost principle except for certain categories of assets and liabilities that have been revalued of in fair values as stated in the relevant notes.

The preparation of the financial statements according to the International Financial Reporting Standards (IFRS) requires the usage of accounting estimations. It also requires management's judgment for the implementation of the Company's accounting principles. The cases with a higher degree of judgment and complexity or where the judgments and estimations are crucial for the Company's financial statements, are included in note 5.6.

5.4 Revised accounting standards

In the current period the Company applied the following new/revised accounting standards and interpretations:

Revised IAS 1, which apart from the different titles used for the financial statements and the introduction of a different structure for the income statement it did not have any other effect.

Revised IFRS 8 "Operating Segments" did not result to material differences compared to the previous applicable IAS 14 "Segment Reporting".

IFRIC 13, "Customer Loyalty Programmes" which did not cause any differences since the Company's policy was already in accordance with the provisions of the IFRIC 13.

Revised IAS 23 was not applicable to the Company due to the non existence of assets that meet the conditions for interest expense capitalization.

Amended IFRS 7 "Financial Instruments – Disclosures", issued in March 2009 effective for the 2009 financial period based on which more information was provided regarding the financial instruments held.

5.5 New accounting standards and interpretations

"Standard Improvements in IFRSs and Interpretations" were issued in April 2009, within the context of continuous improvement of the IFRSs. The amendments have various effective dates, mainly for annual periods commencing on or after 01.01.2010 and are not expected to have a material impact on the financial statements of the Company.

Revised IAS 24 "Related parties Disclosures" in November 2009, effective for annual periods commencing on or after 01.01.2011. The new standard has simplified the definition of a related party and excluded from notification certain entities that are related to the government. It is not expected to have a material impact on the financial statements of the Company.

"IFRS 9, Financial Instruments" issued in November 2009, effective for annual periods commencing on or after 01.01.2013. The new standard sets the basis for the replacement of IAS 39 and according to it financial instruments are classified based on the business model they are used for and are measured either at fair value or at amortizable acquisition cost. It is not expected to have a material impact on the financial statements of the Company.

"Amendment of IFRIC 14 Prepayments of a Minimum Funding Requirement" issued in November 2009, effective for annual periods commencing on or after 01.01.2011. The amendment is not expected to have a material impact on the financial statements of the Company.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" issued in November 2009, effective for annual periods commencing on or after 01.07.2010, sets the accounting treatment when an entity substitutes its financial liabilities by offering own shares. Based on the interpretation, the difference between the carrying amount of the financial liability and the fair value of the shares is recognized in the entity's profit or loss for the period. The interpretation is not expected to be applicable to the Company.

Amendment of IAS 32 "Classification of Rights Issues" issued in October 2009 and effective for annual periods commencing on or after 01.02.2010. According to the amendment, rights, options, or stock options, issued for a fixed amount of currency on pro rata basis to an entity's all existing shareholders in the same class, they should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is not expected to apply to the Company.

Amendment of IFRS 1 "Additional Amendments on the First-time Adoption of the IFRSs" issued in July 2009 and effective for annual periods commencing on or after 01.01.2010. The amendment introduces additional exclusions for assets relating to research and development of entities involved in oil and gas extraction and apply IFRS for the first time. The amendment has no application to the Company.

Amendment of IFRS 2 "Share Based Payments" issued in June 2009 and effective for annual periods commencing on or after 01.01.2010. Objective of this amendment is the treatment of such transactions, in the separate financial statements of an entity that receives the goods or services and which has no obligation to settle the transaction. The amendment is not expected to be applicable to the Company.

Revised IAS 27 "Consolidated and Separate Financial Statements", issued in January 2008 and effective for annual periods commencing on or after 01.07.2009. According to the revised standard, transactions with non controlling shareholders are recognized in equity as long as they do not result in loss of control of the subsidiary. In the case of loss of control any remaining share in the investment is measured at fair value and the gain or loss is recognized in the income statement. At present this standard does not apply to the Company.

Revised IFRS 3 "Business Combinations", issued in January 2008 and effective for annual periods commencing on or after 01.07.2009, with significant changes compared to the previous IFRS 3, on the measurement of non controlling interests. There is now the option for these to be measured at the fair value during acquisition, expense the costs that are directly attributable to the acquisition and recognize in the statement of comprehensive income the result from the revaluation of the part of the consideration previously recognized as a liability. The Company will start applying the revised on 01.01.2010 if required.

Amended IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", applicable to annual financial periods beginning on or after 01.07.2009. The amendments clarify that the total assets and liabilities of a subsidiary that its control is lost should be classified as held for sale. The standard does not apply to the Company at present.

IFRIC 17 "Distributions of Non-cash Assets to Owners", issued in November 2008 and it is effective for annual periods starting on or after 01.07.2009. It states that the distribution of non cash assets as dividends to the shareholders should be recognized at their fair value on the date the distribution is appropriately authorized. At the end of every reporting period and on the settlement date, any possible difference between the fair value of the consideration given and the liability that was recognized it is recognized in the result. It is not expected to have an effect on the Company.

IFRIC 18: "Transfers of Assets from Customers", issued in January 2009 and is applicable for annual periods starting on or after 01.07.2009. The interpretation clarifies the issues relating to agreements where a tangible asset is given by a customer to the entity. The entity must either connect the customer to the network or the customer will acquire continuous access to the supply of products or services or both. It is not applicable to the Company.

5.6 Important accounting judgments, estimates and assumptions.

The preparation of financial statements according to International Financial Reporting Standards (IFRS) requires from management the formulation of judgments, assumptions and estimates that affect published assets and liabilities at the reporting date of the financial statements. They also affect the disclosures of contingent assets and liabilities at the reporting date as well as the published revenues and expenses during the period. Actual results may differ from those estimated. Estimates and judgments are based on experience from the past as well as other factors including expectations for future events which are considered reasonable under specific circumstances while they are reassessed continuously with the use of all available information.

Judgments

During the application of accounting policies, management, using the most complete and available information, applies its judgment based on the knowledge of the Company and the market in which it operates. Possible future changes in the current conditions are taken into account in order to apply the most proper accounting policy. Management's judgment with regard to the formulation of estimates pertaining the accounting policies are summarized in the following categories:

Classification of investments

Management decides on the acquisition of an investment whether this will be classed as long term investments, current investments at fair value through the income statement or held for sale. Classification of investments at fair value through the income statement depends on how the management monitors the return on investment.

Recoverability of accounts receivable

The judgment of the management concerning the estimation of recoverability of accounts receivable constitutes a significant item for the assessment of the relevant balances as bad debts and the measurement of their probable impairment.

Reduction in inventories value

The judgment and the knowledge of management concerning the obsolescence or not in the value of inventories is subject to subjective judgment (concerning the use of inventories) as well as objective criteria (natural suitability of the product).

Determining whether a lease can be classified as an operating or finance lease

The assessment of such agreements is not only subject to the assessment of the type of the lease but mainly to the assessment of the substance of transaction. Factors examined to assess the substance of the

transaction are the length of the lease, the fair value of the asset, the present value of the asset compared to the present value of the minimum lease payments, the specialized nature of the assets and various other factors.

Accounting treatment of liabilities/assets concerning aircraft maintenance

The accounting treatment and measurement of the above reserves is based on management judgments and estimates concerning the use of aircraft and maintenance planning as well as the relevant terms in the leasing contracts.

Estimates and assumptions

Specific amounts which are included in or affect the financial statements and the relevant disclosures are assessed requiring from the Company's management to formulate assumptions regarding values or conditions for which is not possible to be certain during the period of preparation of the financial statements. An accounting estimate is considered material when it is material for the financial condition and results of the Company and it requires difficult, subjective or complex judgments by management and which is often the result of the need for the formulation of assumptions which are uncertain. The Company evaluates such estimates on a continuous basis based on the results of past experience, on experts' consultations, trends and tendencies and on other methods which are considered reasonable in the current circumstances, as well as the Company's provisions with regard to their probability to change in the future.

Income tax

The measurement of income taxes provisions is heavily based on estimates. There are a lot of transactions for which the accurate calculation of the tax is not possible in the normal course of business. The Company recognizes liabilities for anticipated tax matters, based on estimates for potential amounts due for additional taxes. When the expected final tax payable is different from the initial estimates in the financial statements the differences have an impact in the income tax and in the provisions for deferred taxation in the period when these amounts become final. Moreover, possible effects from the tax investigation of previous periods are included in note 5.46.

Fair value of derivatives and other financial instruments

The Company uses derivatives to mitigate or eliminate a series of risks including interest rates, foreign currency exchange rates and jet fuel risks. Accounting for derivatives, in order to qualify for hedge accounting, requires that at the inception of the arrangement the details of the hedging relationship must be formally documented and the hedged item and the hedging instrument must meet certain requirements. From the beginning of a hedging and thereafter, every quarter the hedging effectiveness is evaluated both retrospectively and prospectively. In the cases where the hedging becomes ineffective, it no longer qualifies as a hedge instrument in the future. The fair values of the derivative financial contracts are calculated using in house valuation methods that incorporate market data originating from independent sources. Additional information regarding the use of derivatives is provided in note 5.45.

Bad debts

Doubtful receivables are accounted in their estimated recoverable amount. Analysis for the calculation of the recoverable amounts is taking into consideration the Company's general experience on bad debts' probability of recoverability.

Contingencies

The Company is involved in litigation and claims in the normal course of operations. Management, based on past experience and the fact that no case has been on trial yet, estimates that any resulting settlements would not materially affect its financial position and operations. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the possible outcomes and interpretation of laws and regulations. Future changes to the judgments or the interpretations may increase or decrease the Company's contingent liabilities in the future. Contingent assets / liabilities balances are analyzed in note 5.58.

Useful life of depreciable assets

The Company's management evaluates the useful life of depreciable assets in every period. On 31 December 2009 the Company's management believes that the useful lives of the assets are in line with their expected usefulness. The depreciable amounts are analyzed in notes 5.24 and 5.25. Actual values though may differ due to the straight line depreciation of assets policy, especially for assets such as IT equipment and software.

5.7 Summary of accounting policies used**Basis of preparation of financial statements**

The accounting policies used for the preparation of the 2009 financial statements have been consequently used for all the periods presented below. The financial statements are presented in thousand Euros. It is to be noted that possible small deviations are due to approximations.

5.8 Foreign currency translation

The financial statements of the Company are presented in Euros (€) which is its functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of remaining balances at year-end exchange rates are recognized in the income statement in the accounts "financial income" & "financial expense" respectively.

5.9 Revenues and expenses recognition

Revenues are recognized when it is expected that the financial entity will have an inflow of future economic benefits and these benefits can be measured reliably.

Revenue shall be measured at the fair value of the consideration received or receivable (including passenger airport charges and fuel surcharge) and net of V.A.T., other credits or trade discounts.

The amount of revenue arising can be measured reliably only when all contingent liabilities related to the sale have been transferred.

Revenue is recognized when:

Provision of Services: Revenue from provision of services is recognized in the period that the service is rendered according to its completion stage. Services relate to transfer of passengers or goods with scheduled and unscheduled (charter) flights.

Income from services that will be provided in the future is recognized in accounts payable (deferred income) and accounted in the period when the services are rendered.

In the case that the initial estimations regarding revenue change, the expenses or the completion stage are restated. These restatements may lead to increases or decreases of the estimated revenues or expenses and appear in the result of the period. When the restatements are necessary these are announced by the management.

Interest income: Interest income is calculated using the method of the effective interest rate which is the rate that discounts accurately future cash payments or installments for the expected duration of the financial instrument or when it is necessary for a shorter period of time, at the net book value of the asset or liability.

Expenses: Expenses are recognized in the income statement on accrual basis. On this basis maintenance costs for the aircraft are calculated based on the flight hours. Interest expense is calculated using the effective interest rate and according to time elapsed.

5.10 Intangible assets

Software licenses are included in intangible assets. Software licenses are valued at cost less amortization and/or any other possible impairment. Amortization is calculated applying the straight line method in the useful life of the assets which is between 1 to 10 years.

5.11 Tangible assets

Tangible assets are reported in the financial statements at acquisition cost, less accumulated depreciations and any impairment losses. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets. Subsequent expenditure is added to the carrying value of the tangible fixed assets or is recognized as a separate fixed asset only if it is probable that future economic benefits will flow to the Company and their cost can be accurately and reliably measured. The repair and maintenance expenditure is recognized in the results when such expenditure occurs. Tangible assets that have been acquired through finance leasing are depreciated through the whole duration of the expected useful life (based on similar owned tangible assets) if that is shorter than the lease duration.

Depreciation of tangible fixed assets (other than Land which is not depreciated) is calculated using the straight line method over their useful life, as follows:

Buildings	10-20 years
Machinery	6-8 years
Aircraft	20-25 years
Vehicles	3-5 years
Aircraft / airport equipment	3-8 years
Other equipment	5 years

The residual values and useful economic life of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately expensed in the income statement. Upon sale of the tangible fixed assets, any difference between the proceeds and the book value is recognized as profit or loss to the results.

5.12 Impairment of tangible and intangible assets

Property, plant and equipment, intangible assets and financial assets reported at amortized cost are subject to impairment review when events suggest that the carrying amount may not be recoverable. For the calculation of the impairment, certain assets are grouped in the smallest recognizable group of assets that creates cash inflows (Cash Flow Generating Groups). As a result certain assets are reviewed individually for impairment while others are reviewed as Cash Flow Generating Groups.

Impairment loss is recognized by the amount the book value of these assets is greater than its recoverable amount. The recoverable value is the higher between the net sales value and the value in use.

5.13 Leases

The Company as lessee:

Finance leases

Leases of tangible assets that transfer to the Company substantially all the risks and rewards incidental to ownership of an asset, whether the title has or has not eventually been transferred, constitute finance leases. At inception, such leases are carried at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Every lease is allocated between liability and finance cost so that a stable interest rate can be achieved on the residual financial liability.

Operating leases

The leases where the lessor transfers the right to use an asset for a certain period without actually transferring all the risks and rewards incidental to the ownership of an asset, are classified as operating leases. Payments made under operating leases (net of possible incentives offered by the lessor) are recognized to the income statement over the period of the lease.

The Company as lessor:

The leases in which the Company does not actually transfer all risks and rewards of the asset are classed as operating leases. Initial direct costs to the lessor as part of the negotiation and signing of the lease contract

are added to the book value of the leased asset and are recognized as revenue during the leasing period. As a lessor the Company receives lease payments from the sublease of offices. The amounts that are received are immaterial compared to the Company's size.

5.14 Financial assets

The financial assets of the Company are classified in the following categories based on the substance of the contract and the objective of the acquisition.

- Financial assets at fair value through the income statement
- Loans and receivables
- Available for sale financial assets

Financial assets at fair value through the income statement

Financial assets or liabilities recognized at fair value through the income statement comprise those financial instruments classed as held for commercial purposes or recorded at fair value through the income statement at initial recognition. In addition, those financial derivatives instruments that do not qualify for hedge accounting are classed as held commercial purposes. Upon initial recognition, they are designated by the Company as an instrument measured at fair value, with any changes recognized in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed and/or determinable payments that are not quoted in an active market. They are created when the Company provides cash, products or services directly to a debtor without a commercial purpose (commercial receivables). Loans and receivables are valued using the effective interest rate method less any impairment. Any movement in the value of the above loans and receivables is recognized in the result when loans or receivables are written off or their value is impaired or amortized.

Certain receivables are tested independently for possible impairment (i.e. for each customer separately) on the occasions where the receipt of the payment is overdue at the balance sheet date or in the case objective evidence indicates their impairment. Other receivables are grouped tested as a total for possible impairment. Groups' common characteristics may be geographical distribution, industry sector or other possible factors that affect their credit risk.

Loans and receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are recognized as non current and in the balance sheet are classed as commercial and other receivables.

Fair value

The fair values of financial assets that are quoted in active markets are defined by closing market prices on the balance sheet date. Regarding non-tradable assets, their fair values are defined with the use of valuation techniques. The purpose of using valuation techniques is to determine the transaction value at the record date which is conducted at purely commercial terms and driven by common business factors. Valuation techniques include the analysis of recent transactions at purely commercial terms, peer group valuation, discounted cash flows and stock option valuation models.

Financial derivatives and hedge accounting

All financial derivative assets are initially recognized at the value prevailing on the agreement date and subsequently at their fair value. Financial derivative instruments are recognized in assets when their fair value is positive and in liabilities when their fair value is negative. Their fair value is calculated from the value they have on an active market or through other valuation techniques when an active market does not exist for these financial instruments.

The method used for accounting of the profit of loss depends on whether a derivative has been determined as a hedging item and if hedging exists based on the nature of the hedged item. Profits or losses arising from the movements during the period in the fair value of derivatives that are not recognized as hedging items, are recognized in the income statement. The Company is using hedge accounting in the case where at the commencement of the hedging transaction, and the subsequent use of financial derivatives, the Company

can determine and justify the hedging relationship between the hedged item and the instrument used for hedging, relating to its risk management policy and strategy for hedging. Moreover hedge accounting is used only when it is expected that the hedging strategy will be highly effective and reliably and continuously calculated, for the periods it was intended for, as per the reconciliation of the movements in the fair value or the cash flows resulting from the hedged risk. The Company is hedging cash flows using financial derivative instruments.

Cash flow hedging

With cash flow hedging the Company is aiming at mitigating the risks stemming from an asset, liability or future transaction that cause fluctuations in the cash flows and which would have an impact to the period's result. For financial derivatives classed as hedging items for cash flow hedging purposes, special accounting treatments are required. In order to fulfill the hedge accounting requirements, certain conditions relating to justification, hedging effectiveness and reliable calculation must be met.

The movements in the fair value of the effective part of the hedging derivative are recognized in the equity while the ineffective part is recognized in the income statement. The accumulated balances in the equity are transferred in the income statement of the periods where the hedging derivatives are recognized. In particular amounts relating to hedging of fuel prices increase or decrease fuel expenses, amounts relating to hedging of lease rentals increase or decrease lease expenses and amounts relating to hedging of interest rates increase or decrease finance costs.

When a financial instrument expires, is either sold or exercised without being replaced, or a hedged item does no longer fulfill the criteria of hedging accounting, cumulative gain or loss remains in equity and it is recognized when the transaction occurs. If the hedged transaction is not expected to occur gains or losses are recognized directly in the income statement.

5.15 Inventories

The inventories include aircraft spare parts and purchased goods. The acquisition cost includes all the costs incurred to bring the inventories at their current location and condition. Finance cost is not included in the inventories acquisition cost. The inventories' cost is calculated using the FIFO method (First In First Out).

On the balance sheet date, the inventories are measured at the lower of acquisition cost and net realizable value.

5.16 Cash and cash equivalents

Cash and cash equivalents include cash at bank, petty cash as well as short term highly liquid deposits with an original maturity of three months or less.

5.17 Share capital

Share capital is determined using the nominal value of shares that have been issued. Share premium reserve includes any premiums in excess of the nominal price received at the date of the issue.

A share capital increase through cash includes any share premium during the initial share capital issuance. Any cost related to the capital increase or any tax benefit is deducted from the product of the share capital increase.

Retained earnings include the result of the current and the previous periods.

5.18 Employee benefits due to retirement and other short term benefits to employees

Short term benefits

Short term employee benefits in cash or in kind are recognized as expense when incurred. Any unpaid amount is recognized as liability.

Retirement benefits

The Company has established both defined benefit and defined contribution plans.

A defined benefit plan is a retirement benefit outside the scope of a defined contribution schemes. Typically, defined benefit schemes provide for a benefit the employee will receive on retirement, based on factors such age, service years and compensation received.

The balance sheet liability in respect of a defined benefit plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan's assets, together with adjustments for unrecognized actuarial gains/losses and past service cost. The defined benefit obligation is measured annually by independent actuaries using the projected unit credit method. The current value of the defined benefits is estimated by discounting the future expected cash outflows using corporate bonds of high interest yield, issued in the currency the benefits will be paid at and have similar maturity terms to those of the retirement's liability.

The actuarial gains or losses that result from adjustments based on experience and changes in accrual assumptions at the end of the previous period exceeded the higher of the 10% of the defined benefit tax assets or the 10% of the defined benefit liabilities, are charged to the results based on the expected average of the remaining working life of the employees that participate to the scheme.

A defined contribution plan is a retirement scheme where the Company pays defined contributions, to an independent institution (the fund) that operates the contributions and provides the benefits, on a compulsory or non compulsory basis. The Company has no other legal or any other type of obligation for further contributions if the fund is unable to meet its contract requirements and provide to the employees the agreed benefits for current or past services. Prepaid contributions are recognized as assets to the extent the cash return or decrease is expected in the future payments.

5.19 Financial liabilities

Financial liabilities include bank loans and overdrafts, trade and other payables and liabilities incurred and financial leases.

The Company's financial liabilities (except for bank loans) are recognized in the balance sheet in the accounts "Long term liabilities" and "Short term liabilities".

Financial liabilities are recognized when the Company becomes a party to the contractual agreements of the instrument and derecognized when the obligation under the liability is discharged, cancelled or expires.

Bank loans provide long term financing to the Company. All loans are initially recognized at cost which is the fair value of the consideration received less the issue costs. After the initial recognition, bank loans are valued in their depreciable amount with the real interest rate method. The depreciated amount is calculated taking into consideration every discount or premium in the settlement.

All interest related charges are recognized as an expense in "financial expense" in the income statement.

Liabilities from finance leases are estimated at the initial cost less capital part of the lease payments.

Trade payables are recognized initially at their nominal value and subsequently valued at their amortized cost less any settlement payments.

Dividends payable to the shareholders are included in "Other short term liabilities" when they are approved by the Shareholders' General Meeting.

Profits or losses are recognized in the income statement through amortization or liabilities' write offs.

When a current financial liability is exchanged with another of different type and terms (or the terms of the current liability are substantially changed) but from the same originator, this is dealt as termination of the initial liability and commencement of a new one. Any difference in the book values is recognized in the income statement.

5.20 Income tax & deferred tax

Income tax

Current income tax receivables / liabilities comprise of obligations to, or claims from, fiscal authorities based on taxable income of the current or previous reporting periods that have not been settled until the balance sheet date.

They are measured at tax rates and tax laws that are enacted on the respective financial year based on the taxable profits for the period. All differences in tax assets / liabilities are charged to the income statement for the period as part of the income tax expense.

Deferred tax

Deferred income taxes are measured with the liability method that focuses on temporarily differences. This includes the comparison of the accounting value of assets and liabilities of consolidated financial statements with the respective tax bases. Deferred tax assets are recognized to the extent that it is possible to be offset

by future income taxes. Deferred tax assets are re-examined at every balance sheet date and are reduced to the extent that it is no longer possible that enough taxable income will be available to allow the use of benefit (in total or partially) of the deferred tax asset. Deferred tax liabilities are recognized for all temporal tax differences.

Deferred tax assets and liabilities are measured at tax rates that are expected to be enacted when the asset will be recovered or the liability settled taking into consideration the tax rates already enacted by the time of the balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as part of current income tax and are charged in the income statement. Only changes in deferred tax assets or deferred tax liabilities relating to the movement in the value of the asset or liability are recognized directly in the relevant accounts of equity.

The Company recognizes a previously unrecognized deferred tax asset only to the extent that future tax asset will allow the recovery of the deferred tax asset.

5.21 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has present legal or constructive obligations as a result of past events, their settlement is probable through an outflow of economic resources from the Company and the liability can be estimated reliably. The time frame or the resources' outflow may be uncertain. A present obligation stems from the existence of a legal or constructive obligation resulting from past events such as warranties, legal disputes or onerous contracts. When the total or part of the estimated provision settlement amount is expected to be paid by a third party, the remuneration will be recognized only if it is more probable than not that the remuneration will be paid by the financial entity. The remuneration amount recognized cannot exceed the provision amount.

The expense relating to a provision is presented in the income statement, net of the provision initially formed. A provision is used only for the purpose it was initially formed. Provisions are evaluated at each balance sheet date and adjusted accordingly in order to depict the best most current estimation. Provisions are valued at the balance sheet date and are adjusted in order to reflect the present value of the obligation's expected settlement cost.

In such cases where the possible economic resources outflow as a result of present obligation is not probable or the amount or the provision cannot be reliably estimated no provision for contingent obligations is recognized in the financial statements however they are disclosed if the probability of economic resources outflows is high. Contingent assets are recognized in the financial statements but are disclosed when the economic resources inflow is probable. Possible economic resources inflows for the Company that do not meet the conditions for an asset are considered contingent assets.

5.22 Reclassification of balances in the financial statements

The prior period's balances that were reclassified for presentation purposes in the financial statements of 31.12.2008 are:

- a) From the account "Income tax liabilities" two amounts of € 9.782,65 thousand and € 5.322,22 thousand that refer to the periods ended at 31.12.2008 and 31.12.2007 (01.01.2008) respectively, were transferred to the account "Other short term liabilities". These amounts refer to taxes payable other than income tax.
- b) From the account "Suppliers" two amounts of € 5.280,69 thousand and € 6.447,14 thousand that refer to the periods ended at 31.12.2008 and 31.12.2007 (01.01.2008) respectively, were transferred to the account "Provisions" within Long Term Liabilities. These amounts refer to maintenance reserves for the aircraft acquired through operating leasing.
- c) From the account "Other short term liabilities" two amounts of € 1.000,00 thousand and € 645,00 thousand that refer to the periods ended at 31.12.2008 and 31.12.2007 (01.01.2008) respectively, were transferred to the account "Provisions" within Short Term Liabilities. These amounts refer to tax provisions for the tax unaudited periods.

Additionally an amount of € 400,00 thousand relating to provisions for devaluation of inventories was transferred from "Other short term liabilities" into "Other reserves" of the balance sheet as of 31.12.2008.

5.23 Operating Segments

The Company's reports on 2 segments:

- Scheduled flights
- Charter flights

The accounting standards applied for every reported segment are the same as those followed in the annual financial statements of the Company.

The performance of each segment is evaluated on the basis of the result produced, profit or loss from operating activities before taxes, excluding results from financial transactions and extraordinary items.

Operational segments are managed and monitored individually from the Board of Directors (Chief Operating Decision Maker), since the services they offer are of different nature and also subject to different customer demand and profit margin.

Results per segment are analyzed as follows:

01/01/2009-31/12/2009	Scheduled flights	Charter flights	Other income	Total
Total revenue	530.619,47	59.016,56	33.077,08	622.713,11
Operating result	2.778,42	8.880,70	4.461,56	16.120,69
Financial results				12.987,42
Other income/(expense)				3.418,22
Profit before taxes				32.526,33
Income tax				(9.489,29)
Net result for the period				23.037,04
01/01/2008-31/12/2008	Scheduled flights	Charter flights	Other income	Total
Total revenue	520.077,05	66.361,66	25.254,74	611.693,46
Operating result	30.437,50	11.062,61	6.818,78	48.318,89
Financial results				(10.272,24)
Other income/(expense)				1.891,29
Profit before taxes				39.937,94
Income tax				(10.472,52)
Net result for the period				29.465,42

Other income consists of cargo revenue, products sold during flights as well as revenue relating to income generated from ticket sales services.

Total passengers' revenue per geographical segment is distributed as follows:

Total passengers' revenue	31/12/2009	31/12/2008
Domestic	420.901,54	423.082,29
EU countries - except domestic	192.527,27	178.632,15
Other countries	9.283,56	9.979,03
Total revenue	622.712,37	611.693,46

The geographical distribution is based on the destination point of the departing passengers

Assets and liabilities breakdown per segment is analyzed as follows:

01/01/2009-31/12/2009	Scheduled flights	Charter flights	Total
Segment's assets	204.098,37	1.651,86	205.750,22
Non assigned to segments assets			256.042,84
Total Assets			461.793,07
Segment's liabilities	189.356,42	3.843,88	193.200,30
Non assigned to segments liabilities			44.028,29
Total Liabilities			237.228,59
01/01/2008-31/12/2008	Τακτικές πτήσεις	Ναυλωμένες πτήσεις	Σύνολο
Segment's assets	173.282,40	2.449,33	175.731,73
Non assigned to segments assets			262.918,45
Total Assets			438.650,18
Segment's liabilities	160.414,26	635,31	161.049,57
Non assigned to segments liabilities			64.825,46
Total Liabilities			225.875,03

5.24 Intangible assets

As at 31.12.2009 the Company holds intangible assets amounting to € 1.185,09 thousand that refer to software licenses. The changes in the aforementioned for the Company are analyzed as follows:

Software	31/12/2009	31/12/2008
Acquisition cost		
Balance as at January 1	2.884,57	2.339,73
Additions	921,25	544,85
Total acquisition cost	3.805,82	2.884,58
Accumulated amortization		
Balance as at January 1	2.286,48	2.038,42
Amortizations	334,25	248,06
Total accumulated amortization	2.620,73	2.286,48
Unamortized cost	1.185,09	598,10

5.25 Tangible assets

	Land plots	Buildings	Machinery	Self owned aircraft	Self owned aircraft maint. reserves	Aircraft Leasing	Aircraft Leasing maint. reserves	Aircraft equipment	Aircraft leasing equipment	Airport equipment	Airport equipment Leasing	Other vehicles	Other vehicles Leasing	Furniture and spare parts	Furniture and spare parts Leasing	Total
Period to 31 December 2008																
Balance as at 1 January 2008	22,51	2.128,94	2.987,32	16.253,62	888,89	-	910,53	8.494,05	1.755,16	3.606,19	628,91	2.923,31	78,43	5.923,86	214,43	46.816,15
Reclassifications		(726,28)		-		-		-	-	-	-					(726,28)
Additions	-	1.040,67	33,15	-	-	32.992,94	18.797,38	4.119,69	-	1.430,08	-	1.157,62	-	707,15	-	60.278,67
Disposals	-	-	(185,26)	(9.778,31)	(888,89)	-	-	-	-	(70,88)	-	(273,73)	-	-	-	(11.197,07)
Balance as at 31 December 2008	22,51	2.443,33	2.835,20	6.475,32	-	32.992,94	19.707,91	12.613,74	1.755,16	4.965,39	628,91	3.807,20	78,43	6.631,01	214,43	95.171,46
Accumulated depreciation																
Balance as at 1 January 2008	-	268,00	1.901,56	2.596,33	222,22	-	910,53	3.692,76	753,26	1.424,63	625,76	2.014,70	78,43	4.699,68	214,43	19.402,30
Depreciations	-	300,14	213,88	812,68	222,22	898,79	1.615,88	1.305,15	87,76	541,77	2,51	479,32	-	570,49	-	7.050,59
Disposals	-	(13,45)	(180,25)	(2.680,54)	(444,44)	-	-	-	-	(68,38)	-	(115,23)	-	-	-	(3.502,29)
Balance as at 31 December 2008	-	554,69	1.935,19	728,47	-	898,79	2.526,41	4.997,90	841,02	1.898,02	628,28	2.378,80	78,43	5.270,17	214,43	22.950,59
Unamortized cost at 31 December 2008	22,51	1.888,64	900,02	5.746,85	-	32.094,14	17.181,50	7.615,84	914,14	3.067,37	0,63	1.428,40	-	1.360,84	-	72.217,44
Period to 31 December 2009																
Balance as at 1 January 2009	22,51	2.443,33	2.835,20	6.475,32	-	32.992,94	19.707,91	12.613,74	1.755,16	4.965,39	628,91	3.807,20	78,43	6.631,01	214,43	95.171,46
Reclassifications				-		-		-	-	-	-					-
Additions	-	8.881,75	59,52	-	-	18.425,49	10.534,72	10.151,34	-	1.217,11	-	385,70	123,53	849,21	-	50.628,38
Disposals	-	-	(93,59)	-	-	-	-	-	-	(0,78)	-	(201,99)	-	(2,07)	-	(298,43)
Balance as at 31 December 2009	22,51	11.325,07	2.801,14	6.475,32	-	51.418,43	30.242,63	22.765,08	1.755,16	6.181,71	628,91	3.990,91	201,96	7.478,15	214,43	145.501,41
Accumulated depreciation																
Balance as at 1 January 2009	-	554,69	1.935,19	728,47	-	898,79	2.526,41	4.997,90	841,02	1.898,02	628,28	2.378,80	78,43	5.270,17	214,43	22.950,59
Depreciations	-	840,78	112,38	323,77	-	2.279,07	4.223,29	1.047,94	87,76	684,65	0,63	465,20	6,86	1.596,62	-	11.668,96
Disposals	-	-	(93,59)	-	-	-	-	-	-	(0,74)	-	(111,79)	-	(0,05)	-	(206,17)
Balance as at 31 December 2009	-	1.395,47	1.953,98	1.052,24	-	3.177,87	6.749,70	6.045,85	928,78	2.581,93	628,91	2.732,21	85,29	6.866,74	214,43	34.413,38
Unamortized cost at 31 December 2009	22,51	9.929,60	847,15	5.423,08	-	48.240,56	23.492,93	16.719,24	826,38	3.599,79	0,00	1.258,70	116,67	611,41	-	111.088,03

(a) Aircraft

During 2009 the Company continued its fleet renewal program by accepting delivery of 8 new Airbus aircraft type A320 (6 A320 and 2 A321).

Also it received 2 more aircraft type ATR72 - 500. At the same time it redelivered 4 Boeing 737 to their owners.

As a result, the Company's fleet consists of 31 aircraft as follows:

- 17 Airbus A320
- 4 Airbus A321
- 6 Avro RJ 100
- 4 Boeing 737

- Additionally the Company operates 2 ATR 72- 500 under ACMI leasing

One out of the eight Airbus aircraft that the Company accepted delivery during 2009 was acquired through finance leasing and it was valued at € 29.070,61 thousand and it is included in the "Tangible assets" account balance. In the aircraft's value they have been included all the pre-delivery advance payments given to the manufacturer up to the delivery date.

(b) Building construction on third party's property

The Company has completed the construction of its hangar in the premises of Athens International Airport (AIA). The total cost of the project until 31.12.2009 was € 7.979,69 thousand.

5.26 Advances for assets' acquisition

The advances for acquisition of assets mainly relate to advances given to foreign entities for the purchase by the Company of aircraft and engines. They are analyzed as follows:

	31/12/2009	31/12/2008
Advances to Airbus	27.876,67	66.364,28
Advances to I.A.E.	0,00	3.505,96
Other advances	0,00	6.790,80
Total	27.876,67	76.661,04

Advances for assets' acquisition balance has reduced in relation to 31.12.2008 due to:

- The delivery of 4 Airbus aircraft through sale and lease back.
- The delivery of 1 Airbus aircraft through financial leasing.
- The delivery of 2 aircraft engines from IAE.
- The completion of the construction of the hangar in the premises of Athens International Airport (AIA).

5.27 Deferred tax assets/liabilities

The deferred tax assets/liabilities arising from the corresponding temporary tax differences for the Company are as follows:

	31/12/2009		31/12/2008	
	Asset	Liability	Asset	Liability
Revaluation of assets and depreciation/amortization	3.256,44	(2.758,87)	2.683,15	2.683,15
Finance leases	-	(15.005,02)	0,00	0,00
Financial derivatives at fair value	54,03	-	56,28	56,28
Receivables	5.355,01	(876,17)	790,70	

				(1.470,17)
Provisions for employee retirement benefits	1.422,32	-	1.224,46	0,00
Liabilities from financial derivatives	301,79	-	2.322,88	0,00
Liabilities from finance leases	12.957,29	-	9.852,30	0,00
Other short term liabilities	6.205,25	(4.237,81)	7.331,70	(6.841,52)
Total for offsetting	29.552,13	(22.877,87)	24.261,46	(21.222,04)
Balance	6.674,26		3.039,42	

All deferred tax assets and liabilities were determined by the liability method and refer to temporary tax differences.

Total deferred asset is analyzed below:

	31/12/2009	31/12/2008
Short term	2.526,17	1.7261,48
Long term	4.148,09	1.777,94
Total deferred assets	6.674,26	3.039,42

5.28 Other long term assets

The other long term assets for the Company are analyzed as follows:

	31/12/2009	31/12/2008
Warranties issued for lease assurance	8.765,25	12.442,38
Other warranties	1.761,14	1.190,59
Other receivables	2.539,16	3.659,07
Total	13.065,55	17.292,04

The Company in order to secure current and future aircraft operating leases and in accordance with the terms of the leasing contracts, provides warranties mainly to aircraft leasing companies. Moreover, a small part of the above balances refers to leases of properties that are used by the Company.

The balance "Other receivables" relates to the present value of receivables from banks with which the Company had entered foreign currency forward contracts which were reversed during 2008 but they will be paid at maturity after 31.12.2009.

5.29 Inventories

The Company's inventories refer to goods traded in the aircraft and spare parts.

Concerning the aircraft spare parts, the Company maintains a certain number of spare parts in order to cover the needs of the aircraft operation.

	31/12/2009	31/12/2008
Goods	502,55	409,46
Aircraft spare parts	8.729,45	10.754,61
Total	9.232,00	11.164,07

The changes in the inventories are analyzed as below:

	31/12/2009	31/12/2008
Goods		
Opening balance	409,46	377,7
Purchases for the period	967,26	940,53
Consumption for the period	(874,17)	(908,77)
Closing balance	502,55	409,46
Aircraft spare parts		
Opening balance	10.754,60	6.791,20
Purchases for the period	7.883,34	13.498,60
Spare parts consumption for the period	(1.383,13)	(3.616,86)
B.F.E.s consumption	(6.025,36)	(5.818,34)
Impairment of aircraft spare parts	(2.500,00)	(100,00)
Closing balance	8.729,45	10.754,61
Total inventories	9.232,00	11.164,07

The balance "Spare parts consumption for the period" is included in the "Aircraft maintenance" account balance in the income statement.

5.30 Customers and other trade receivables

The receivables of the Company refer mainly to the following balances:

	31/12/2009	31/12/2008
Domestic customers	3.045,67	2.440,16
Foreign customers	4.677,27	9.436,88
Greek State	20.909,17	24.193,28
Other miscellaneous debtors	31.729,85	27.469,01
Accrued income receivable	2.468,74	2.698,74
Value Added Tax receivable	644,48	0,00
Prepayments to suppliers	2.753,33	3.976,53
Total	66.228,51	70.214,60

The particular items constitute recognized trade receivables mainly from ticket sales.

"Other miscellaneous debtors" balance refers to receivables from ticket sales through IATA organizations, BSP (tickets sold through cooperating travel agencies) and ICH (tickets sold from/to other airlines).

Receivables from the Greek State mainly refer to V.A.T. receivable, ticket sales to the armed forces staff and press transfer.

The above receivables are considered to be short-term. The fair value of these short term financial assets cannot be calculated independently since their book value is assumed to be very similar to their fair value.

All the Company's receivables have been reviewed for possible impairment and it was concluded that they have not been impaired.

The aging of customer receivables is presented in the table below:

	31/12/2009	31/12/2008
Expected receivable time:		
Less than 3 months	38.696,29	42.044,79
Within 3 and 6 months	18.309,19	25.537,87
Within 6 months and 1 year	9.078,02	2.488,75
More than a year	145,01	143,18
Total	66.228,51	70.214,60

5.31 Prepayments

Prepayments relate to amounts paid in advance for certain transactions with third parties or to the Company's staff.

Prepayments balance is analyzed below:

	31/12/2009	31/12/2008
Advances to personnel	1,67	1,67
Staff current account	271,12	251,05
Other prepayments	6,32	58,31
Prepaid expenses	4.671,92	4.347,11
Total	4.951,03	4.658,14

Prepaid expenses mainly relate to aircraft lease rentals and insurance premiums.

5.32 Financial assets

	31/12/2009	31/12/2008
Financial assets measured at fair value through the income statement	6.662,50	0,00
Total	6.662,50	0,00

This balance relates to a portion of the Company's cash invested to corporate bonds of total face value € 6.500,00 thousand, measured at fair value through the income statement.

5.33 Cash and cash equivalents

Cash and cash equivalents refer to short term time deposits whose expiry does not exceed three months, current accounts and petty cash. For the Company, the following items are included:

	31/12/2009	31/12/2008
Petty cash	246,73	178,13
Current accounts	24.977,83	32.627,22
Short term time deposits	183.000,00	150.000,00
Total	208.224,56	182.805,35

5.34 Share capital

Share capital on 31.12.2007 was 107.125.650 euros. The General Meeting of the Company's shareholders on 12 June 2008 decided the reduction of the Company's share capital by sixty million seven hundred and four thousand five hundred and thirty five euros (€ 60.704.535), in order to eliminate accumulated losses from

prior financial periods, by decreasing the nominal value of the shares from one euro and fifty cents (€ 1,50) per share to sixty five eurocents (€ 0,65) per share.

After the above mentioned decrease the Company's share capital is forty six million four hundred twenty one thousand one hundred and fifteen euros (€ 46.421.115), divided into seventy one million four hundred seventeen thousand and one hundred common registered shares of nominal value sixty five eurocents (€ 0,65) per share.

The Ministry of Development with its decision no. K2 – 9014/10.7.2008 approved the amendment of the relevant article in the Company's Memorandum of Association. The Athens Stock Exchange board of directors' meeting on 10 July 2008 was informed for the reduction in the nominal value of the Company's shares. From 16 July 2008 onwards the Company's shares are traded in Athens Stock Exchange with their new nominal value of € 0,65 per share.

All shares have been fully paid and participate in the profits.

5.35 Share premium

The amounts from the share capital increase in excess of the nominal value are included in the share premium account, minus related expenses, other legal fees and tax benefits. All shares issued by the Company have been fully paid.

The share premium amount resulted from the share capital increase in excess of the nominal value amount amounted to € 144.774.410,21 from which the amount of € 42.272.515,46 comes from previous years and the amount of € 102.501.894,75 resulted from the share capital increase in 2007.

5.36 Dividends policy

During the Annual General Shareholders' Meeting on Friday, 15 May 2009, a cash dividend payment of € 0,25 per share was approved; total dividends paid amount to € 17.854.280. Dividends' payment start date was on 28.05.2009 through Alpha Bank.

5.37 Other reserves

Other reserves comprise statutory, tax exempt and extraordinary reserves as well as reserves arising from cash flow hedges with the use of financial derivatives.

They are analyzed as follows:

	Statutory reserves	Extraordinary reserves	Fair value reserves (cash flow hedging)	Tax free reserves	Total
Balance at 31/12/2008	23,26	356,5	(7.453,80)	35,37	(7.038,67)
Change for the period	1.422,79		6.605,68		8.028,47
Balance at 31/12/2009	1.446,05	356,5	(848,12)	35,37	989,80

Respectively for the period 2008 are analyzed as follows:

	Statutory reserves	Extraordinary reserves	Fair value reserves (cash flow hedging)	Tax free reserves	Total
Balance at 31/12/2007	23,26	356,50	(23.271,85)	35,37	(22.856,72)
Directly recognized in equity			15.818,05		15.818,05
Balance at 31/12/2008	23,26	356,50	(7.453,80)	35,37	(7.038,67)

The fair value reserves are presented net of deferred taxes.

The cash flow hedge reserve is analyzed as follows:

	2009		2008	
	Gross amount	Tax	Gross amount	Tax
Balance at period's beginning	(12.500,93)	3.026,05	(37.740,43)	9.033,88
Result to the income statement	2.674,11	(641,79)	36.089,83	(8.661,56)
Valuation at period end	8.676,91	(2.082,46)	(8.126,09)	1.950,56
Balance at period's end	(1.149,91)	301,80	(9.776,69)	2.322,88

5.38 Borrowings

The borrowing liabilities of the Company are analyzed as follows:

	31/12/2009		31/12/2008	
	Weighted average interest rate	Amount	Weighted average interest rate	Amount
Long term loans				
Bank loans in foreign currency				0,00
Bond loans in Euro	3.768%	20.000,00		0,00
Total long term loans		20.000,00		0,00
Short term loans				
Short term bank loans	-	0,00	-	0,04
Bank loans in foreign currency payable in the following year			4,94%	19.383,23
Long term liabilities payable in the following year		59,49	6,05%	20.096,86
Total short term loans		59,49		39.480,13
Total loans		20.059,49		39.480,13

5.39 Liabilities from finance leases

The Company during 2009 acquired 1 new aircraft Airbus A320 through finance leasing.

The analysis of finance lease agreements of the Company is as follows:

Future Payments	31/12/2009	31/12/2008
Up to 1 year	5.471,02	4.286,72
Between 1 to 5 years	22.739,26	16.388,12
More than 5 years	35.969,68	29.026,97
Total	64.179,97	49.701,82
Financial expense	896,04	3.208,55
Present value of future payments	31/12/2009	31/12/2008
Up to 1 year	5.308,90	4.087,20
Between 1 to 5 years	22.270,67	14.594,57
More than 5 years	35.704,36	27.811,50

Total	63.283,93	46.493,27
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The weighted average interest rate was calculated at 1,912%

5.40 Provisions for employee retirement benefits

The amounts analyzed below are recognized as defined benefit plan for the Company and they are based on independent actuarial calculations:

	31/12/2009	31/12/2008
Opening year balance	5.592,54	5.101,57
Additional provisions for the year	1.371,34	748,39
Less: Provisions used during the year	(99,71)	(257,42)
Balance at the year end	6.864,16	5.592,54
Present value of non-financed obligations	6.691,68	5.592,54
Unrecognized actuarial gains/losses	(927,83)	(694,69)
Net actuarial obligation	5.763,85	4.897,85
Amounts recognized in the income statement		
Current service cost	775,12	765,40
Interest cost	295,56	227,51
Recognition service cost	-	32,36
Nominal expense to the income statement	9,70	1.025,27
Additional benefits cost	1.080,37	75,47
Other expense/income	51,68	-
Total expense to the income statement	24,02	1.100,74
Changes in net obligation recognized in the balance sheet		
Net obligation at the opening year	4.897,85	4.054,53
Employer's contributions		
Benefits paid by the employer	(127,59)	(257,42)
Total expense recognized in the income statement	1.156,08	1.100,74
Net obligation at the end of the year	5.926,33	4.897,85
Changes in the present value of the obligation		
Present value of the obligation - Opening period	5.592,54	5.101,57
Current service cost	775,12	765,40
Interest cost	295,56	227,51
Benefits paid by the employer	(127,59)	(257,42)
Additional payments or expenses/income	69,36	69,12
Actuarial loss/gain	231,30	(313,64)
Present value at the end of fiscal year	6.836,28	5.592,54

The balance of retirement liabilities is considered a long-term item since no employee is entitled to early retirement settlement.

The amounts included to the Company's income statement are as follows:

	31/12/2009	31/12/2008
Current service cost	775,12	765,40
Finance cost	295,56	227,51
Additional benefits' cost	85,40	107,83
Total employee benefits cost	1.156,08	1.100,74

Actuarial assumptions were:

	31/12/2009	31/12/2008
Discount rate	5,19%	5,67%
Expected salary increase percentage	4,50%	3,75%
Average years of working life	17,97	19,30

5.41 Suppliers and other liabilities

The analysis for the Company is as follows:

	31/12/2009	31/12/2008
State-law entities and state-owned enterprises	38,83	44,31
Foreign suppliers	14.943,47	24.915,00
Domestic suppliers	24.989,60	21.749,26
Liabilities from customers loyalty programs	1.207,24	660,44
Total	41.179,14	47.369,01

The balance "Foreign suppliers" relates to liabilities resulting from aircraft' maintenance, fuel and leases. The carrying amounts of suppliers and other liabilities approach their fair values. Liabilities from customers' loyalty programs due refer to the amount that, as assessed by the Company, will be covered in the subsequent years.

5.42 Provisions

	31/12/2009	31/12/2008
Balance as at 1 January	2.627,77	6.447,14
Current period's provisions	16.585,13	0,00
Less: Provisions used	0,00	(3.819,37)
Balance as at 31 December	19.212,89	2.627,77

The provisions are based on the Company's estimations on future maintenance costs which will incur after certain amount of flight hours per aircraft has been performed.

5.43 Other short term liabilities

Other short term liabilities refer to the Company's liabilities to social security organizations and other creditors that relate directly to its trading operation. The analysis is as follows:

	31/12/2009	31/12/2008
Credits from Airbus – I.A.E.	1.339,56	4.815,81
Social Security Organization	4.538,89	3.593,73
Other short term liabilities	286,19	365,41

Checks outstanding postdated	1.953,93	111,3
Customers advances	1.091,27	893,01
Tax – Stamp duty on employees’ benefits	1.234,86	1.377,30
Airport taxes and charges	9.951,43	8.381,57
Total	20.396,12	19.538,18

The balance “Credits from Airbus – I.A.E” refers to received credits from Airbus that will be used in the future for purchases of aircraft spare parts or other services from Airbus.

5.44 Liabilities from tickets sold but not flown

Refers to the amount of deferred revenue from tickets sold but not flown until the next period.

5.45 Accrued expenses

	31/12/2009	31/12/2008
Agents commissions	4.827,60	3.529,05
Use of software	451,52	415,79
Aircraft fuel	0,00	9,37
Aircraft maintenance expenses	1.902,04	866,61
Airport charges	1.765,23	2.053,94
Landing costs	2.394,47	1.111,59
Eurocontrol charges	2.209,71	1.645,41
Charges from other foreign airline companies	1.924,87	1.232,96
BoD fees payable	1.564,14	536,00
Other fees payable	446,23	0,00
Payables from reversal of derivatives	1.286,41	9.009,26
Other expenses	873,02	312,36
Total	19.645,23	20.722,33

5.46 Financial Derivatives

Financial derivatives are analyzed as follows:

	31/12/2009	31/12/2008
Financial derivatives (assets)		
Forward contracts in US \$ - Cash flow hedging	2.564,68	0,00
Commodities swaps (jet fuel) - Cash flow hedging	3.582,52	0,00
Interest rate swaps - Cash flow hedging	457,66	0,00
Receivables from financial derivatives	6.604,86	0,00
Financial derivatives (liabilities)		
Forward contracts in US \$ - Cash flow hedging	1.939,28	(9.062,65)
Commodities swaps (jet fuel) - Cash flow hedging	6.040,61	17.247,55
Interest rate swaps - Cash flow hedging	0,00	1.816,90
Liabilities from financial derivatives	7.979,89	10.001,80

Financial derivatives are classed either as assets or liabilities. The total fair value of a financial derivative that has qualified as a hedging instrument is classed either as non current item if the maturity of the hedged item is more than 12 months or as current item if the maturity of the hedged item is less than 12 months.

(a) Forward contracts in US dollars (currency forwards)

These forward contracts are used for cash flow hedging of the risks arising from the movement in US dollar's exchange spot rates. On 31 December 2009, the Company had entered into forward contracts to hedge 48% of its expected needs in US dollars for the periods 2010-2011 (future transactions).

The nominal amount as at 31.12.2009 of the open forward contracts was € 199.916,70 thousand.

For the valuation of the above instruments the forward exchange rate of US\$ / € sensitivity curve was used.

(b) Commodity swaps (Jet fuel swaps)

Commodity swaps amounted to contracts for a total quantity of 87,3 thousand metric tons which account for approximately 34% of the projected jet fuel needs in 2010 (future transactions). The specific derivative contracts are used for cash flow hedging of the risks arising from the increase in the fuel prices.

The nominal value of the open contracts as at 31.12.2009 was € 45.421,62 thousand

For the valuation of the above swaps the forward sensitivity curve of FOB MED jet fuel was used.

(c) Interest rate swaps

Interest rate swaps are used as hedging instruments for the cash flow hedging of floating rate financial liabilities for the 65% of the finance leases obligations.

The nominal value of the open IRS contracts as at 31.12.2009 was € 41.248,61 thousand.

For the valuation of the above swaps it was used the forward interest rate sensitivity curve.

5.47 Provisions

The "Provisions" account includes provisions for tax unaudited periods.

The Company has been tax audited up to the 2006 financial period.

Balance at 1/1/2008	500,00
Provisions for the period 2008	500,00
Less: Provisions used	0,00
Balance at 31/12/2008	1.000,00
Provisions for the period 2009	100,00
Less: Provisions used	0,00
Balance at 31/12/2009	1.100,00

5.48 Revenue

Revenue refers to proceeds from the issue of tickets, sale of goods and other services.

Revenue per service category is analyzed as follows:

	31/12/2009	31/12/2008
Proceeds from scheduled flights	464.467,91	471.011,85
Proceeds from charter flights	55.310,31	62.553,13
Proceeds from airport passenger charges	69.857,81	52.873,74
Other operating income	33.077,08	25.254,74
Total	622.713,11	611.693,46

5.49 Other income

This category includes revenues created by auxiliary activities outside the main operating scope of the Company. The particular income refers to the following cases:

	31/12/2009	31/12/2008
Greek Manpower Employment Organization (OAED) subsidies	0,00	76,33
Income from services rendered to third parties	3.418,21	1.814,97
Proceeds from the sale of new aircraft equipment to Airbus (B.F.E.s)	6.025,36	5.818,34
Total	9.443,57	7.709,64

The balance "Proceeds from the sale of new aircraft equipment to Airbus (B.F.E.s)" relates to spare parts and other equipment for the new aircraft, which are selected and bought by the Company from third party suppliers and then are resold to Airbus to be fitted in the aircraft (Buyer's Furnished Equipment).

5.50 Consumption of materials and services

These amounts refer to the operating expenses of the Company and they are analyzed as follows:

	31/12/2009	31/12/2008
Aircraft fuel	107.094,77	147.920,00
Aircraft maintenance	67.834,18	66.770,00
Eurocontrol charges	30.661,93	22.652,00
Handling charges	21.398,35	16.544,00
Airport charges	103.521,79	82.849,00
Catering costs	19.249,95	15.011,00
Distribution costs	36.382,67	42.026,00
Marketing costs	10.351,67	7.121,00
Aircraft leasing	64.349,56	44.686,00
Inventories' consumption	7.899,52	6.727,34
Other operating expense	41.909,30	34.800,48
Total	510.653,69	487.106,81

In the Company's operating expenses is included (as profit) an amount of € 8.109,29 resulting from foreign currency forwards in US \$ and an amount of € 8.881,74 (as loss) resulting from commodity swaps in jet fuel. The respective amounts in 2008 were € 10.834,07 and € 519,26 (losses).

5.51 Other operating expense

The analysis of other operating expense follows:

	31/12/2009	31/12/2008
Third party fees	3.186,04	3.218,67
Board of Directors remuneration	1.564,14	2.000,00
Cargo expenses	1.514,93	1.184,96
Personnel training	3.733,97	1.850,80
Mail & Telecommunications expenses	1.830,37	1.869,12
Rents	3.465,54	2.910,22
Insurance premiums	2.523,49	2.234,47
Maintenance for building and equipment	1.754,46	1.489,86

Travel expenses	4.261,62	3.008,23
Stationary	1.561,88	1.684,66
Subscriptions	1.429,01	1.260,55
Other overhead costs	18.269,89	12.088,94
Total	41.909,30	34.800,48

5.52 Employee costs

Employee costs include salaries as well as provisions for retirement benefits.

	31/12/2009	31/12/2008
Salaries and wages	70.370,01	58.228,91
Employer contributions	18.434,78	15.467,86
Provisions for retirement benefits	1.156,08	1.100,74
Total	89.960,87	74.797,51

The number of the personnel of the Company is as follows:

	31/12/2009	31/12/2008
Staff number	2.463	2.142

5.53 Sale and leaseback proceeds

The Company sold and leased back 4 out of the 8 new Airbus aircraft that were delivered to in 2009.

The proceeds from the transaction were € 3.855,41 thousand. There was also a foreign exchange difference loss of € 297,98 thousand; therefore the final result from the sale and lease back of the 4 aircraft was € 3.557,43 thousand (profit).

5.54 Profit from sale of shares

In January 2009 the Company acquired 25% of the share capital of the companies: Newrest Inflight Services Hellas S.A., Macedonia Catering S.A. and Abela Hellas Catering Services S.A.

In March 2009 the Company sold the total of the above shareholdings to NEWREST GROUP HOLDING SL. The result of this transaction was a total profit of € 4.409,35 thousand. During the ownership period of the above shares there was no significant control over the companies' management and therefore they were not accounted as associates.

5.55 Financial income / expense

Financial income / expense analysis follows:

	31/12/2009	31/12/2008
Interest and expenses from long term liabilities	1.709,37	2.621,56
Interest and expenses from other short term bank financing	0,00	14,26
Letters of Guarantee commissions	184,38	93,34
Finance leases interest	794,45	904,25
Foreign exchange losses	13.588,40	20.509,55
Expenses from reversing forward contracts	0,00	7.891,85
Other financial expenses	288,26	281,78
Total	16.564,86	32.316,58
Other interest income	(6.742,57)	(8.534,56)
Foreign exchange gains	(14.544,95)	(11.427,59)
Total	(21.287,52)	(19.962,15)

5.56 Income tax

Income tax is analyzed below:

	31/12/2009	31/12/2008
Current tax	13.680,03	5.560,87
Provision for additional tax	100,00	500,00
Deferred tax	(5.655,93)	5.920,22
Companies' extraordinary social solidarity tax	1.365,19	0,00
Effect from the change of tax rates	0,00	(1.508,57)
Total	9.489,29	10.472,52
Profit before taxes	32.526,33	39.937,95
	25%	25%
Tax estimated on existing tax coefficient basis	8.131,58	9.984,49
Tax on expenses not deductible for tax purposes	200,00	195,15
Provision for additional tax	100,00	500,00
Tax free income	0,00	(207,13)
Companies' extraordinary social solidarity tax	1.365,19	0,00
Effect from the change of tax rates	(307,49)	0,00
Income tax	9.489,29	10.472,52

According to law 3803/2009 and the supplementary decision 1156/22.12.2009 the Company has an additional extraordinary tax liability of € 1.365,2 thousand in relation to the Companies' extraordinary social solidarity tax imposed.

5.57 Existing encumbrances

There are no encumbrances on the Company's tangible assets (buildings, owned aircraft etc.).

5.58 Commitments
(a) Operating leases

The Company's obligations arise mainly from aircraft it uses in order to conduct the flights.

The minimum future lease payments for aircraft are analyzed below:

	31/12/2009	31/12/2009	31/12/2008	31/12/2008
	(in USD)	(in EUROS)	(in USD)	(in EUROS)
Up to 1 year	81.611,14	56.650,80	87.805,02	63.091,91
Between 1 and 5 years	247.775,87	171.994,91	330.242,23	237.294,12
More than 5 years	5.219,85	3.623,39	5.101,10	3.665,37
Total	334.606,85	232.269,09	423.148,34	304.051,41

For the translation of the minimum future lease payments in euros the US dollar against the euro exchange rate of the European Central Bank as at 31 December 2009 (1,4406) was used.

(b) Capital commitments

The Company commitments that refer to the order of Airbus type aircraft acquisition are analyzed per delivery year as follows:

- 2013 2 aircraft type A320
- 2014 3 aircraft type A320

5.59 Contingent assets and liabilities

(a) Legal or in arbitration disputes

There are legal or in arbitration disputes and other contingent future events however it is not expected that would have a material effect in the financial position or the operation of the Company.

Contingent liabilities

Total third party legal claims from the Company amount to € 893,31 thousand.

The Company's management based on previous court decisions as well as on the fact that no trial procedures have commenced yet, estimates that their outcome would not have a material impact on the financial position and operation of the Company.

An analysis of the open legal cases follows:

	31/12/2009	31/12/2008
Labour disputes	381,04	211,23
Labour accidents	94,46	467,43
Other	417,81	766,63
Total	893,31	1.445,29

Contingent assets

The Company has exercised two litigious cases of compensation claims against the Greek state. In accordance with the aforementioned claims, the Company demands the amounts of €13.446,14 thousand as compensation for damages for the year 2000 and of €12.384,53 thousand as compensation for damages for the year 2001 caused by state subsidies provided to Olympic Airlines that were rendered illegal in compliance with 11.12.2002 decision of EU. The former of the two claims was examined by Athens Magistrate Court on 14.2.2005 and was overruled in compliance with Legal Protocol No 11098/2005. Following the aforementioned decision, the Company made an appeal on 23.03.2006 to the Athens Supreme Court and a further hearing has been arranged on 30.9.2008. As far as the latter claim is concerned, the date has not been set yet.

The Company has made four (4) legal claims against civil courts, the most significant of which are two claims of the Company CRONUS AIRLINES S.A. ("CRONUS") (that was acquired by the Company due to merger) against Olympic Airlines concerning the return of the amounts that were provided to Olympic Airlines for the ground services (handling) of its airports. The former of the claims demands the readjustment of already made payment and the return of the amount of € 1.802,36 thousand out of the total of € 2.312,39 thousand deposited as the fee to Olympic Airlines by CRONUS. The latter claim demands the return of the amount of € 2.719,99 thousand out of the total of € 3.399,97 thousand paid as fee to Olympic Airlines.

Finally the Company made a legal claim against the Greek State for losses it suffered due to mandatory transfer to AIA. The court date has not been set yet.

5.60 Loans

In the current period no new loans were taken up and a total amount of €19.383,27 thousand short term loans were paid.

5.61 Related parties transactions

	31/12/2009	31/12/2008
Receivables (End of period balance from sale of goods-services) Total	79,54	631,52

	31/12/2009	31/12/2008
Payables (End of period balance from purchase of goods-services) Total	175,76	91,95
	31/12/2009	31/12/2008
Income – Services provided from the Company	332,65	121,64
	31/12/2009	31/12/2008
Expenses – Services the Company received	1.639,12	730,27

All transactions take place with other companies owned by the major shareholder of the Company and relate mainly to rents and services provided or received.

All transactions are on an arm's length basis.

5.62 Transactions with directors and Board of Directors members

Compensation to directors and BoD members from the Company is analyzed below:

	31/12/2009	31/12/2008
- BoD members fees	1.564,13	2.000,00
- directors' salaries	1.761,80	1.525,14
- directors' social insurance expenses	80,72	82,08
- Benefits in kind and other payments to directors	228,67	188,72
Total	3.635,33	3.795,94
- Payables to directors and BoD members	1.004,27	399,59
- Receivables from directors and BoD members	3,95	11,15

Except for the above there are no other transactions, receivables or liabilities with the directors or the BoD members.

5.63 Earnings per share

Earnings per share were based on the weighted average outstanding number of shares, from the total number of shares circulated and they are analyzed as follows:

	31/12/2009	31/12/2008
Profit before tax	32.526,33	39.937,94
Income tax	(9.489,29)	(10.472,52)
Profit after tax	23.037,04	29.465,42
Attributable to:		
Weighted average number of ordinary shares	71.417.100	71.417.100
Basic earnings per share (euros / share)	0,3226	0,4126

5.64 Dividends policy

During the Annual General Shareholders' Meeting on Friday, 15 May 2009, a cash dividend payment of € 0,25 per share was approved; total dividends paid amount to € 17.854.280. The ex-dividend date was 20.05.2009, when the Company's shares were traded in Athens Stock Exchange without the right to the dividend. Entitled to receive the dividend are the stockholders as at 22.05.2009 (record date). Dividends' payment start date was on 28.05.2009 through Alpha Bank.

5.65 Risk management

The Company is exposed to various financial risks such as market risk (variation in foreign exchange rates, interest rates, market prices etc.), credit risk and liquidity risk. The Company's risk management policy aims at limiting the negative impact on the Company's financial results which results from the inability to predict financial markets and the variation in cost and revenue variables.

The Company uses financial derivatives to hedge its exposure to specific risk categories.

The risk management policy is executed by the Finance department. The procedure followed is presented below:

- Evaluation of risks related to the Company's operation and activities
- Methodology planning and selection of suitable financial instruments for risk reduction
- Execute risk management in accordance to the procedure approved by management

The Company's financial instruments include mainly bank deposits, short-term high-liquidity tradable financial products, trade debtors and creditors.

Foreign currency risk

The Company due to the nature of the industry is exposed to variations in foreign currency exchange rate which arise mainly from US Dollars. This kind of risk arises mainly from transactions in foreign currency. The Company's exposure to foreign exchange risk varies during the period according to the seasonal volume of transactions in foreign currency.

To manage this kind of risk the Company enters into forward currency exchange contracts with financial organizations.

Interest rate risk

The Company's policy is to minimize interest rate cash flow risk exposure on long – term financing.

At 31 December 2009 the Company with relation to the above risk has hedged its financial leases obligations.

Jet fuel risk

The Company is exposed to the fluctuations of the price of oil which directly influences the price of jet fuel. To manage this risk the Company imposes when necessary, fuel surcharges on domestic and international fares whilst also enters derivative contracts on oil products in order to hedge part of its projected jet fuel needs.

The following tables represent:

- The sensitivity of the period's result as well as of the equity's if a reasonable movement of +/- 50 basis points in the Euro / USD exchange rate takes place.
- The sensitivity of the period's result as well as of the equity's in a reasonable movement of +/- 10 basis points in the interest rates.
- The sensitivity of the period's result as well as of the equity's in a reasonable movement of +/- 75 USD/MT in the jet fuel prices.

Assets	Balance Sheet value	Foreign exchange risk		Interest rate risk		Jet fuel risk	
		+50 bps	-50 bps	+10 bps	-10 bps	+75 USD/MT	-75USD/MT
	€000	€000		€000		€000	
Hedging derivatives	(1.149,92)	(5.062,41)	5.184,13	143,43	(144,53)	5.050,53	(5.339,50)
Assets measured at fair value through the	6.662,50			(32,79)	33,15		
Receivables	36.341,75	(914,27)	980,02				
Cash and cash equivalents	20.453,32	(514,56)	551,56				
Liabilities	(70.132,48)	1.764,37	(1.891,25)				
Total	(7.824,82)	(4.726,87)	4.824,46	110,63	(111,38)	5.050,53	(5.339,50)
Effect in the income statement after tax / equity		335,54	(359,67)	(32,79)	33,15	0,00	0,00
Effect in the statement of total income after tax / equity		(5.062,41)	5.184,13	143,43	(144,53)	5.050,53	(5.339,50)

31/12/2008							
Assets	Balance Sheet value	Foreign exchange risk		Interest rate risk		Jet fuel risk	
		+100 bps	-100 bps	+10 bps	-10 bps	+75 USD/MT	-75USD/MT
	€000	€000		€000		€000	
Hedging derivatives	(9.774,82)	(6.160,57)	7.094,97	(571,64)	576,01	22.502,28	(24.529,88)
Assets measured at fair value through the							
Receivables							
Cash and cash equivalents	98.509,60	(5.036,97)	5.832,19				
Liabilities	26.196,69	(1.339,48)	1.550,96				
	(68.463,37)	3.500,65	(4.053,33)				
Total	46.468,10	(9.036,37)	10.424,80	(571,64)	576,01	22.502,28	(24.529,88)
Effect in the income statement after tax / equity		(2.875,80)	3.329,82				
Effect in the statement of total income after tax / equity		(6.160,57)	7.094,97	(571,64)	576,01	22.502,28	(24.529,88)

		Fair value hierarchy levels		
		Level 1	Level 2	Level 3
31/12/2009		€000	€000	€000
Assets				
Forward contracts in USD	(FWD)		2.564,67	
Jet fuel commodity swaps	(FWD)		3.582,53	
Interest rate swaps	(IRS)		457,66	
Bonds (commercial portfolio)		6.662,50		
Total assets		6.662,50	6.604,86	
Liabilities				
Forward contracts in USD	(FWD)		(1.939,28)	
Jet fuel commodity swaps	(FWD)		(6.040,61)	
Interest rate swaps	(IRS)			
Total liabilities			(7.979,89)	
Total assets and liabilities		6.662,50	(1.375,03)	

		Fair value hierarchy levels		
		Level 1	Level 2	Level 3
31/12/2008		€000	€000	€000
Assets				
Forward contracts in USD	(FWD)		11.079,90	
Jet fuel commodity swaps	(FWD)		378,91	
Interest rate swaps	(IRS)			
Total assets			11.458,81	
Liabilities				
Forward contracts in USD	(FWD)		(2.017,25)	
Jet fuel commodity swaps	(FWD)		(17.626,46)	
Interest rate swaps	(IRS)		(1.816,90)	
Total liabilities			(21.460,61)	
Total assets and liabilities			(10.001,80)	

Credit risk

The Company's exposure to credit risk without taking into consideration security deposits and letters of guarantee are:

	31/12/2009	31/12/2008
Classes of assets		
Cash and cash equivalents	208.224,56	182.805,35
Assets measured at fair value	6.662,50	0,00
Trade and other receivables	66.228,51	70.214,59
Total	281.115,57	253.019,94

The management considers that all the above financial assets that are not impaired in previous reporting dates under review are of good credit quality, including those that are past due.

For its trade and other receivables the Company has low credit risk because they come from a large and diversified client basis. In order to protect its financial results from the credit risk, the Company monitors, on a regular basis, its trading receivables and whenever necessary, assesses the insurance of the receivables collection, mainly through factoring.

Possible credit risk also exists in cash and cash equivalents and in forward contracts. The risk is stemming from the possibility of the counterparty becoming unable to meet its obligations towards the Company. To minimize this risk the Company examines regularly its degree of exposure to every individual financial institution. As far as it concerns its deposits the Company is dealing only with financial institutions which have high credit ratings.

Liquidity risk

Liquidity risk is managed effectively by maintaining sufficient cash levels. The Company manages its liquidity by maintaining adequate cash levels as well as ensuring the provision of credit facilities not only from financial institutions but also from suppliers, always in relation to its operating, investing and financing requirements. It is noted that as at 31.12.2009 the Company had a cash position of € 208,22 m. and had also secured an adequate amount of committed credit facilities ensuring the servicing of its short and medium term liabilities.

The financial obligations' maturities as at 31 December 2009 are analyzed as follows:

31.12.2009	Short term		Long term	
	Within 6 months	6 – 12 months	1-5 years	More than 5 years
Long term bank loans	300,76	305,82	20.606,58	0,00
Finance lease obligations	2.660,98	2.810,05	22.739,26	35.969,68
Trade payables	39.839,58	1.339,56	0,00	0,00
Other short term liabilities	34.914,56	5.126,81	0,00	0,00
Financial derivatives	4.333,49	3.646,39	0,00	0,00
Total	82.049,37	13.228,63	43.345,84	35.969,68

The relevant maturities as at 31 December 2008 are analyzed as follows:

31.12.2008	Short term		Long term	
	Within 6 months	6 – 12 months	1-5 years	More than 5 years
Long term bank loans	19.383,22	20.096,86	0	0
Finance lease obligations	2.359,23	1.727,97	14.594,57	27.811,50
Trade payables	93.660,19	2.615,22	2.627,76	0
Other short term liabilities	4.046,50	4.258,32	2.450,50	0

Financial derivatives	(349,89)	5.461,40	4.890,29	0
Total	119.099,40	34.159,78	24.563,12	27.811,50

The above periods' maturities reflect the gross cash flows.

Policies and procedures on capital management

Primary target of the Company's capital management is to ensure preservation of the high ranking credit rating as well as solid equity ratios so as to support and expand the Company's operations and maximize shareholders' value.

The Company monitors managed capital based on shareholders' total equity plus subordinated loans less cash and cash equivalents as they appear on the balance sheet.

Managed capital for 2009 and 2008 financial periods is analyzed as follows:

	2009	2008
Shareholders' total equity	224.564,48	212.775,15
Plus: Loans	83.343,42	85.973,41
Less: Cash and cash equivalents	(214.887,06)	(182.805,35)
Managed capital	93.020,84	115.943,21
Shareholders' total equity	224.564,48	212.775,15
Plus: Loans	83.343,42	85.973,41
Total capital	307.907,90	298.748,56
Managed capital / Total capital ratio:	0,30	0,39

The Company's target is to maintain the above ratio as defined above between 0,25 and 0,50.

5.66 Post balance sheet events

Between Vasilakis and Laskarides Group of companies on the one side, both shareholders of Aegean Airlines S.A. "AEGEAN", controlling in total 55,3% of the Company's share capital, and MARFIN INVESTMENT GROUP S.A. HOLDINGS "MIG" on the other side, sole shareholder of OLYMPIC AIR S.A., "OLYMPIC HANDLING S.A." and "OLYMPIC ENGINEERING S.A.", there was a binding agreement signed on 22.2.2010.

The remaining shareholders of AEGEAN (V. Constantakopoulos, G. David and L. Ioannou as well as Piraeus Bank groups) who are also represented in the Board of Directors of the company, are not parties to this agreement at this stage. However, they have been made aware of the negotiations, have been invited to become parties to the agreement and are expected to do so in due course.

The transaction is conditional upon the approval of the competent competition authorities as well as any other approvals which may be required by other authorities during the progress of the transaction.

100% of the share capital of OLYMPIC AIR, OLYMPIC HANDLING and OLYMPIC ENGINEERING, following the completion of a scheduled share capital increase by MIG of € 97,5 m., was valued at € 210 m., i.e. the total value of MIG's investment to date. Out of the total consideration, € 48,5 m. will be paid by AEGEAN to MIG, while with the remainder amount MIG will cover a share capital increase of AEGEAN at €6.2 per share in cash. Following completion of the share capital increase, MIG's participation in the share capital of AEGEAN will amount to 26,6% while the stake of all the current shareholders of AEGEAN will be reduced proportionately to 73,4%. The financial statements of 31.12.2009, which formed the basis of the transaction, will be confirmed in the framework of a due diligence process by independent auditors.

The approval by the European Competition Commission, which due to the financial size of the participating undertakings is the relevant competent authority, is expected by 30.09.2010, date after which the transaction can be completed according to the current privatization legislation. Following that, the remaining procedural steps will take place (share capital increase and transfer of 100% of the shares of OLYMPIC AIR, OLYMPIC HANDLING and OLYMPIC ENGINEERING to Aegean and simultaneous share capital increase of AEGEAN through which MIG will become its shareholder). The merger of the two companies operating activities will follow, which is expected to be completed within a timeframe of 3 to 6 months.

During January 2010, the Company accepted delivery of 1 new aircraft type Airbus A320 which was acquired through financial leasing.

The annual Financial Statements for the period of 2009 have been approved by the Board of Directors of "Aegean Airlines S.A." on 23.03.2010 and are posted on the Company's website (www.aegeanair.com) for investors' reference, where they will remain for at least 5 years after their compilation and public announcement date.

Kifissia, 23 March 2010

Chairman

Chief Executive Officer

Chief Financial Officer

Chief Accountant

Theodore Vasilakis
I.D. no. Ε458197

Dimitrios Gerogiannis
I.D. no. AB642495

Michael Kouveliotis
I.D. no. P490629

Maria Zannaki
I.D. no. Σ723984

E. Financial figures and Information for the period 01.01.2009 – 31.12.2009

AEGEAN AIRLINES S. A.
SUMMARY FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY 2009 TO 31 DECEMBER 2009

(According to the Law 2190/20 art. 135 for Companies publishing their Annual Consolidated and Non Consolidated Financial Statements in accordance to the International Accounting Standards)

The following data and information aim at providing a general overview of the financial status and results of AEGEAN AIRLINES S.A. Consequently, it is recommended to the reader, before any investment decision and transaction with the Company, to refer to the Company's Website (www.aegeanair.com) where the financial statements are posted. (Amounts in thousand €)

COMPANY INFORMATION :

Address of head offices : Viltanioti 31, 145 64 Kifisia
Societe Anonyme Reg. No. : 32603/06/B/95/3

Supervising Authority : Ministry of Development
Website address : www.aegeanair.com
Date of Approval of Financial Statements : 12 March 2010
Certified Auditors : Panagiotis Vroustouris (SOEL Reg.No. 12921)

Audit Firm : Panagiotis Vroustouris
Type of Auditors' Audit Report : Unqualified

Board of Directors

President - Executive Member : Theodore Vasilakis
Vice President - Executive Member : Efthichos Vassilakis
CEO - Executive Member : Dimitrios Gerogiannis
Non Executive Member : Achilleas Constantakopoulos
Non Executive Member : Anastasios David
Non Executive Member : Iakovos Georganas
Non Executive Member : Christos Ioannou
Non Executive Member : Panagiotis Laskarides
Non Executive Independent Member : Alexandros Makrides
Non Executive Member : Victor Pizante
Non Executive Member : Markos Tsaktanis

FINANCIAL POSITION

	31/12/2009	31/12/2008
ASSETS		
Tangible assets	111.088,03	72.217,44
Intangible assets	1.185,09	598,10
Other non current assets	49.469,45	96.992,49
Inventories	9.237,00	11.164,07
Customers and other trade receivables	66.228,51	70.214,59
Other current assets	224.589,99	187.463,50
TOTAL ASSETS	461.793,08	438.650,19
EQUITY AND LIABILITIES		
Share capital	46.421,11	46.421,11
Additional paid-in capital and reserves	178.143,37	166.354,05
Total shareholders' equity (a)	224.564,49	212.775,16
Long term bank loans	20.000,00	0,00
Provisions and other long term liabilities	83.759,54	54.821,99
Short term bank loans	5.368,39	39.480,13
Other short term liabilities	128.100,66	131.572,91
Total liabilities (b)	237.228,57	225.875,03
EQUITY AND LIABILITIES (c) = (a) + (b)	461.793,07	438.650,19

STATEMENT OF COMPREHENSIVE INCOME

	1/1-31/12/2009	1/1-31/12/2008
Revenue	622.713,11	611.693,46
Operating profit / (loss)	49.122,15	78.075,52
Profit / (loss) before tax, financing and investing results	19.538,91	50.210,19
Profit / (loss) before tax	32.526,33	39.937,94
Income tax	(8.488,28)	(10.472,52)
Profit / (loss) after tax (a)	23.037,04	29.465,43
Other Total Comprehensive Income / (expense) (b)	6.605,67	15.818,05
Total Comprehensive Income (c) = (a)+(b)	29.642,71	45.283,48

Basic (after taxes) earnings per share in €

Profit / (loss) before tax, financing, investing results and depreciation	31.542,13	57.498,76
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STATEMENT OF CHANGES IN EQUITY

	31/12/2009	31/12/2008
Equity balance at the year's beginning (1.1.2009 & 1.1.2008 respectively)	212.775,16	167.491,69
Profit / (loss) after tax	23.037,04	29.465,42
Distributed dividends	(17.853,39)	0,00
Total comprehensive income after tax	6.605,68	15.818,05
Balance as of end of period (31.12.2009 & 31.12.2008 respectively)	224.564,48	212.775,16

CASHFLOW STATEMENT

	31/12/2009	31/12/2008
Operating activities		
Profit / (loss) before taxes	32.526,33	39.937,94
Plus / less adjustments for:		
Depreciation	12.003,86	7.288,57
Provisions	20.341,19	1.700,74
Foreign exchange differences	(3.510,72)	11.384,48
(Profit) / loss from investing activities	(11.153,54)	(6.328,07)
Finance Cost	2.976,46	3.915,19
Cash flows from operating activities before changes in working capital		
(Increase) / Decrease in inventories	(567,95)	(4.095,15)
(Increase) / Decrease in trade & other receivables	(4.673,64)	(7.345,71)
Increase / (Decrease) in payables (other than banks)	(6.700,51)	24.312,62
Increase / (Decrease) in derivatives liabilities	7.429,37	(5.434,40)
Interest expenses paid	(2.701,70)	(3.375,60)
Tax paid	(4.597,25)	(7.176,67)
Net cash flows from operating activities (a)	41.371,90	54.783,94
Investing Activities		
Purchases of assets	(14.543,06)	(9.033,22)
Proceeds from sale of tangible & intangible assets	3.747,66	1.914,87
Downpayments for purchases of tangible assets	41.159,98	1.159,89
Proceeds from sale of investments (shares)	1.469,79	0,00
Investment in bonds	(6.477,25)	0,00
Interest and other financial income received	5.724,06	7.066,90
Net cash flows from investing activities (b)	31.081,18	1.108,44
Financing Activities		
Loans drawn / issued	0,00	5.333,98
Loans' repayments	(19.480,13)	(24.994,66)
Dividend's repayment	(17.828,34)	0,00
Changes in finance lease capital	(9.725,40)	(11.735,94)
Net cash flows from financing activities (c)	(47.033,86)	(31.396,62)
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	25.419,21	24.495,76
Cash and cash equivalents at the beginning of the period	182.805,35	158.309,59
Cash and cash equivalents at the end of the period	208.224,56	182.805,35

ADDITIONAL DATA & INFORMATION

- The Company has been audited by the tax authorities up to the fiscal year 2006. For the non tax audited periods there is a cumulative provision of € 1.100 thousand.
- Apart from the above provision, the Company has made an additional provision of € 19.212,89 thousand related to future obligations for the maintenance of its aircraft (See Note 5.42 of the Annual Financial Statements).
- There are no pending judicial cases or court decisions, which may have a material impact on the financial operations of the Company. The Company has not formed any provisions as such.
- The total number of employees as at 31/12/2009 was 2.463 and as at 31/12/2008 was 2.142
- The company does not hold own shares at the end of the current period.
- In January 2009 the Company acquired 25% of the share capital of the companies: Newrest Inflight Services Hellas S.A., Macedonia Catering S.A. and Abela Hellas Catering Services S.A. In March 2009 the Company sold the total of the above shareholdings to NEWREST GROUP HOLDING SL. The result of this transaction was a total profit of € 4.409,35 thousand. During the ownership period of the above shares there was no significant control over the companies' management and therefore they were not accounted as associates.
- For presentation purposes of the Interim Financial Statements, a reclassification of balances was made in the Financial Position Statement (see Note 5.22 of the Annual Financial Statements).
- Between Vasilakis and Laskarides Group of companies on the one side, both shareholders of Aegean Airlines S.A. "AEGEAN", controlling in total 55,3% of the Company's share capital, and MARFIN INVESTMENT GROUP S.A. HOLDINGS "MG" on the other side, sole shareholder of OLYMPIC AIR S.A., "OLYMPIC HANDLING S.A." and "OLYMPIC ENGINEERING S.A.", there was a binding agreement signed on 22.2.2010.
- The transaction is conditional upon the approval of the competent competition authorities as well as any other approvals which may be required by other authorities during the progress of the transaction. (See Note 5.66 of the Annual Financial Statements).
- According to I.A.S. 24, related party transactions for the period of 2009 and receivables/payables balances as at 31.12.2009 are analyzed below:

Amounts in thousand €

a) Revenue		332,65
b) Expenses		1.639,12
c) Receivables - Deposits		79,54
d) Payables		175,75
e) Management's and Board of Directors' remuneration		3.635,33
f) Payables to Management and Board of Directors		1.004,27
g) Receivables from Management and Board of Directors		3,95

10. The statement of total income are analyzed as follows :

Amounts in thousand €

	31/12/2009	31/12/2008
Cash flow hedging :		
Profit / (loss) for the period	2.032,32	9.899,10
Reclassification of (profit) / loss in the result for the period	6.594,44	11.353,34
Cash flow hedging income tax	(2.021,08)	(5.434,40)
Other comprehensive income for the period after taxes	6.605,68	15.818,05

Athens, 23 March 2010

Chairman of BoD Chief Executive Officer Chief Financial Officer Head of Accounting dept

Theodoros Vassilakis Dimitrios Gerogiannis Michael Kouvelidis Maria Zarnaki

F. Report on the Use of IPO Proceeds**AEGEAN AIRLINES S.A.**

Societe Anonyme Reg. No.: 32603/06/B/95/3
31 Viltanioti Str. 145 64 Kifissia

It is hereby notified, in accordance with decision No. 33/24-11-2005 of the Directors' Board of Athens Stock Exchange, as this was amended by the decision No. 25/17-07-2008 of the Directors' Board of Athens Stock Exchange that the Company's share capital increase through payment in cash, with the waiver of the old shareholders preemptive rights and the issue of new shares through an IPO, which took place on the basis of the decision of the Company's Extraordinary General Shareholders' Meeting on 08.03.2007 and approved by the Athens Stock Exchange Board of Directors (decision no. 2/430/06.06.2007), raised net capital of €126.691.798,01 (€ 135.237.415,68 minus IPO expenses € 8.545.617,67). The subscription period was 27.06.2007 until 29.06.2007.

From this share capital increase 17.854.280 new common registered shares have been issued which were listed for trading on the Athens Exchange in the big capitalization category on 11.07.2007. The Company's share capital increase was confirmed by the Board of Directors on 06.07.2007.

The IPO proceeds, in relation to what was published in the Information Bulletin and the subsequent amendment of the use of proceeds timeline schedule, were used up to 31.12.2009 as follows:

AMENDED TABLE OF APPROPRIATION OF IPO PROCEEDS

Appropriation of raised funds	IPO Proceeds	Non appropriated funds as at 31/12/2007	Appropriation of raised funds						Outflows						Non appropriated funds as at 31/12/2009
			Jan - Jun 2008	Jul - Dec 2008	Jan - Jun 2009	Jul - Dec 2009	Jan - Jun 2010	Total	Jul - Dec 2007	Jan - Jun 2008	Jul - Dec 2008	Jan - Jun 2009	Jul - Dec 2009	Total Outflows until 31/12/2009	
Aircraft	71	61,2	14,3	15,4	8,2	5,5	17,8	61,2	9,8	14,3	15,4	-11,4	21,0	49,1	21,9
New routes' development	20	15	5	5	5	0	0	15	5	5	5	5	0	20	0
Construction of a hangar at AIA	8	8	2,1	3,5	2,4	0	0	8	0	2,1	2,7	2,1	1,1	8	0
General business needs and working capital	27,6	20,1	7,5	7,1	5,5	0	0	20,1	7,5	7,5	7,1	5,5	0	27,6	0
IPO related expenses	8,6	0	0	0	0	0	0	0	8,6	0	0	0	0	8,6	0
Total	135,2	104,3	28,9	31	21,1	5,5	17,8	104,3	30,9	28,9	30,2	1,2	22,1	113,3	21,9

Notes:

1. The Company's Board of Directors on the basis of its decision dated 19.05.2008 has suggested the change of the raised funds use timeline in relation to non-appropriated funds of € 104,3 m. as at 31/12/2007. The suggested change was approved by the Shareholders' Ordinary General Meeting on 12.06.2008. This amendment is disclosed in the above table "AMENDED TABLE OF APPROPRIATION OF IPO PROCEEDS".

2. In relation to the published Information Bulletin, there was an amendment in the proceeds from the IPO and their appropriation, which the Company's Board of Director's disclosed to the investors and relevant authorities with its announcement on 10.07.2007.

3. The table of appropriation of funds, before its amendment by the approval of the Shareholders' Ordinary General Meeting on 12.6.2008 was as follows:

TABLE OF APPROPRIATION OF IPO PROCEEDS BEFORE THE AMENDMENT

Appropriation of raised funds	Appropriation of raised funds					Outflows until 31/12/2007	Non appropriated funds as at 31/12/2007
	Jul 2007 - Dec 2007	Jan 2008 - Jun 2008	Jul 2008 - Dec 2008	Jan 2009 - Jun 2009	Total		
<i>(Amounts in million euros)</i>							
Aircraft	9,8	21,2	17,6	22,4	71,0	9,8	61,2
New routes development	5,0	5,0	5,0	5,0	20,0	5,0	15
Construction of a hangar at AIA	0,0	4,0	4,0	0,0	8,0	0,0	8
General business needs and working capital	7,5	7,5	7,1	5,5	27,6	7,5	20,1
IPO related expenses	8,6	0,0	0,0	0,0	8,6	8,6	0
Total	30,9	37,7	33,7	32,9	135,2	30,9	104,3

4. The Company's Board of Directors decided on 28.08.2009 to amend the appropriation timeline of the IPO's non appropriated funds of € 44,0 m. which was approved on the Extraordinary General Shareholders' meeting on 6.10.2009. The amendment is described below:

- According to the framework of the fleet renewal and expansion program, the Company has signed contracts to buy and lease 27 Airbus aircraft in total. Initial planning had estimated that the financing of the aircraft would have been completed by the end of the first half in 2010. Considering though the severity of the economic downturn which impacted significantly the financial environment, based on a revised planning and the common practice applied in the international aviation industry the investment for aircraft from the IPO proceeds will be completed by the end of the first half of 2010 including the funds spent for operating leases.
In the first half of 2009 the Company accepted delivery of 8 new aircraft acquired through operating and finance leasing (6 A320 and 2 A321). For these aircraft leasing payments during the first half of 2009 where € 11,7 million.
Additionally during the same period there was a total spend of funds of € 14,4 million on operating and finance leases for aircraft delivered after July 2007 and until 31.12.2008.
- During the first half of 2009 although it was intended to spend € 2,4 million for the construction of the hangar at AIA, it was eventually spent € 2,1 million. The cumulative expenditure deviation of € 1,1 million from the commencement of the project was covered in the second half of 2009, when the construction was completed and the total cost relating to it was finalized. It is noted that the investment is already completed and the hangar is fully operating.

Considering the above the appropriation of the IPO funds is as follows:

TABLE OF APPROPRIATION OF IPO PROCEEDS				
Appropriation of raised funds	Total Outflows until 31/12/2009	Non appropriated funds as at 31/12/2009	Appropriation of raised funds Jan. – Jun. 2010	Total IPO Proceeds Outflows
<i>(Amounts in million euros)</i>				
Aircraft	49,1	21,9	21,9	71,0
New routes' development	20	0	0	20,0
Construction of a hangar at AIA	8	0	0	8,0
General business needs and working capital	27,6	0	0	27,6
IPO related expenses	8,6	0	0	8,6
Total	113,3	21,9	21,9	135,2

5. Non appropriated funds from IPO proceeds as at 31.12.2009 were € 21,9 m. They are invested in short term time deposits and in the balance sheet are included in the account "Cash and cash equivalents".

Kifissia, 23 March 2010

Chairman

Chief Executive Officer

Chief Financial Officer

Theodore Vasilakis
I.D. no. Ε458197

Dimitrios Gerogiannis
I.D. no. AB642495

Michael Kouveliotis
I.D. no. P490629

**Agreed Upon Procedures Report on the
"Report on the Use of IPO Proceeds"**

To the Board of Directors of AEGEAN AIRLINES S.A.

In accordance to the mandate from the Board of Directors of AEGEAN AIRLINES S.A. (the Company), we have conducted the below agreed upon procedures within the regulatory and law framework of the Athens Stock Exchange (ASE) and ASE's Committee, on the "Report on the Use of IPO Proceeds" regarding to the Company's share capital increase with cash in 2007. The compilation of the above Table is the responsibility of the Company's management. Our responsibility is the conduct of the agreed upon procedures report in compliance with the International Standard on Related Services "ISRS 4400" which applies to the conduct of agreed upon procedures engagements and report our findings.

Procedures:

1. We compared the amounts disclosed as outflows in the "Report on the Use of IPO Proceeds" with those amounts that have been recognized in the Company's accounts, during the period they relate to.
2. We performed completeness and accuracy tests of the information in the "Report on the Use of IPO Proceeds", with this in the Information Bulletin as well as the relevant announcements and decisions of the Board of Directors of the Company including those relating to the amendment in the use of IPO proceeds timeline.

Findings:

- a. The amounts disclosed as outflows in the "Report on the Use of IPO Proceeds" agree with the amounts that have been recognized in the Company's accounts, during the period they relate to.
- b. The "Report on the Use of IPO Proceeds" meets the minimum information disclosure requirements set by the regulatory and law framework of the Athens Stock Exchange and ASE's Committee and is in accordance with the relevant announcements and decisions of the Board of Directors of the Company including those relating to the amendment in the use of IPO proceeds timeline.

The aforementioned procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements and therefore we do not provide any other assurance except for what is mentioned above. If the additional procedures had been carried out or if we had conducted the auditing or review procedures on the financial statements in compliance with the International Standards on Auditing or International Standards on Review Engagements, there could have come to our attention subjects other than those mentioned in our report.

Our report is intended solely for the use of the Board of Directors of AEGEAN AIRLINES S.A. within the scope of meeting the requirements set by the regulatory and law framework of the Athens Stock Exchange and ASE's Committee and should not be used for other purposes. The current report relates only to the items specified above and does not extend to the financial statements of the Company for the period 01.01.09 - 31.12.2009 for which there is a separate auditors' report dated 23.03.2010

Athens 23 March 2010

**Certified Public Accountant Auditor
Panagiotis K.Vroustouris
Reg.Number 12921
Mesogion 388 – Ag. Paraskevi Greece**

G. Company announcements as per Art.10 Law 3401/2005 published during fiscal year 2009.

Aegean Airlines had disclosed the following information over the period beginning 01/01/2009 and ending 31/12/2009, which are posted on the Company's website (www.aegeanair.com) as well as the website of Athens Exchange (www.athex.gr).

Date	Subject	Link
22/12/2009	Notification with regards to the intended participation to public tender	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
26/11/2009	Nine Month 2009 Results	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
04/11/2009	Change of date for the release of Nine Month 2009 results	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
06/10/2009	Decisions of the Extraordinary General Shareholders Meeting	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
08/09/2009	Invitation to an Extraordinary General Shareholders Meeting	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
28/08/2009	Change of raised funds used timeline - 28/08/2009	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
28/08/2009	First Half 2009	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
26/08/2009	Aegean Airlines submits offer for the Public Service Obligation routes	http://en.aegeanair.com/news.aspx?newsItem=186
14/08/2009	Change of date for the release of First Half 2009 results	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
20/07/2009	Notification with regards to the intended participation to public tender	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
02/06/2009	Notification for the constitution of BoD	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
27/05/2009	First Quarter 2009 Results	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
26/05/2009	Aegean Airlines accepted as future Star Alliance member carrier	http://en.aegeanair.com/news.aspx?newsItem=177
15/05/2009	Dividend payment for fiscal year 2008	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
15/05/2009	Decisions of the Ordinary General Shareholders Meeting	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14

22/04/2009	Invitation to the General Shareholders Meeting	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
22/04/2009	Revised financial calendar 2009	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
15/04/2009	Revised financial calendar 2009	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
30/03/2009	Election of new Board member	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
12/03/2009	Analysts briefing	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
11/03/2009	2008 Financial Results press release	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
10/03/2009	Conference call invitation	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
06/03/2009	Statement with regards to the offer submitted for Olympic	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
04/03/2009	Offer for the acquisition of assets of Olympic	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
24/02/2009	Board member resignation	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
23/02/2009	Financial calendar 2009	http://en.aegeanair.com/tabContent.aspx?Code=announcements&St=14
27/01/2009	Aegean Airlines reports 14% rise in passenger traffic for 2008	http://en.aegeanair.com/news.aspx?newsItem=161

In addition, in the following page: <http://en.aegeanair.com/Content.aspx?Page=123> as well as on Athens Exchange website www.athex.gr announcements of regulated information in accordance with Law 3556/2007 (Insiders transactions according to article 13 of Law 3340/2005 & Significant changes in voting rights according to Law 3556/2007) were posted on the following dates:

Date		
23/12/2009	10/08/2009 (2)	19/01/2009
14/12/2009	10/08/2009 (1)	
11/12/2009	31/07/2009	
10/12/2009	30/07/2009	
03/12/2009	23/07/2009 (4)	
02/12/2009	23/07/2009 (3)	
01/12/2009	23/07/2009 (2)	
15/10/2009	23/07/2009 (1)	
23/12/2009	10/08/2009 (2)	

H. Website for the publication of the Annual Financial Statements

The Company's financial statements, the independent auditors' report and the BoD report for the annual period ended on 31.12.2009 are posted on the Company's website www.aegeanair.com.