AEGEAN AIRLINES S.A.

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

Annual Financial Report
for the period
(1st January to 31st December 2011)

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' Members
(in accordance to art. 4 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 2011 to 31 December 2011 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, 27 March 2012

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 2011 to 31 December 2011

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 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 (01/01/2011 – 31/12/2011) 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.

- **Financial review, business developments and major events for the year 2011.**

The main financial and operating highlights for FY 2011 were as follows:

- Revenue increased 13% to €668m. Revenue excluding airport taxes increased 12% to €580m driven by international network expansion.

- In terms of the company's activity, total flights operated were 2% less than the previous year, total block hours rose 13% while available seat kilometers (ASKs) rose 18%, as a result of a) the operation of larger seat capacity aircraft and b) a 17% rise in average stage length.

- Passenger traffic in 2011 increased by 4% with the Company carrying 6,5m passengers. In the international network, the Company carried 3,5m passengers, 15% more compared to the previous year. On the other hand, in the domestic network, passenger traffic declined by 6% to 2,96m passengers

- Fuel costs increased by €62m (or by 51% y-o-y) to €184m. The rise in the Company's activity accounts for €17m of the rise while the remaining and major part of €45m is attributed to the significant increase in the price of oil which is the main factor behind the deterioration in operating result.

- Earnings before interest, taxes, depreciation and amortization and lease costs (EBITDAR) stood at €61,8m, 19% lower compared to 2010.

- Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) amounted to losses of € 17,7m against a profit of € 1,0m last year.

- Pre-tax losses reached €31,2m compared with pre-tax losses of €18,7m in 2010. Results for 2011 include a net gain of €2,8m from the sale & lease back of a spare A320 aircraft engine, as well as from the sale of two spare Avro RJ-100 aircraft engines. The respective results of the previous year included a gain of €10m from the sale and lease back of 3 spare aircraft engines.

- Net losses after taxes reached €27,2m from a loss of €23,3m in the previous year. The 2010 net result was also burdened by an extraordinary solidarity tax of €8m.

- Net cash flows from operating activities improved significantly from outflows of €29,7m in 2010 to € 4,2m outflow in 2011 due to working capital improvements as well as the lack of the one-off social responsibility taxes.

- Aegean maintained a healthy capital structure as total borrowings, including bank liabilities and financial leases, reached €98,5m while cash and cash equivalents reached €166,8m despite the crisis as well as the significant investment for the acquisition of slots in London and Paris.

- The Company's fleet totaled 29 aircraft as of 31/12/2011 from 26 in 31/12/2010. The average number of fleet operated within the year stood at 29,2, unchanged compared to the previous year. Average capacity per aircraft increased by 7% to 166 seats, due to the retirement of the remaining RJ Avro fleet as well as the addition of 7 Airbus A320 family aircraft (4 A320 and 3 A319).

In 2011, Greece has gone through the fourth consecutive year of recession with economic activity declining by 6,8% (ELSTAT) and unemployment exceeding 20%. Structural problems of the Greek economy and especially the environment of instability and uncertainty, the fear of bankruptcy and leaving the euro, the lack of liquidity resulted in the suspension of investment decisions and the decline in economic activity. At the same time, fiscal adjustments and austerity measures adopted in conjunction with already high unemployment rate had a direct impact on consumer spending, which fell sharply. In addition, the European and global stagnant economic environment did not allow the export oriented sectors of the Greek economy to exploit their full potential through higher growth rates in exports.

Within this extreme environment, all sectors of the Greek economy were negatively affected. As far as the Greek airline sector is concerned, the main trends of the previous year are summarized as follows:

a) Passenger traffic in Athens International Airport, which is the main base for the company, continued to decline for a fourth consecutive year, returning to 2005 levels, as a result of the negative publicity and the riots in the capital as well as due to the state policy regarding the airport charges. The total drop in traffic versus the previous year reached 12% in the domestic routes and 3% in international. The decline in the last quarter was even sharper and reached 14% in the domestic routes and 10% in international routes as in the off peak winter months Greek travelers are the main determinants of traffic trends.

b) International traffic from/to peripheral airports increased by 14% as there was an improvement in incoming tourist flows to Greece given problems in North Africa, increasing incoming tourism from markets like Russia and Israel but as well as a significant bypass of Athens airport given its high cost.

Contrary to the market in Greece, the European airline sector registered a 7,1% rise in passenger traffic (data from AEA) while the global sector trends point to a 5,9% rise in 2011 based on IATA data.

Apart from the weak demand additional pressures resulted from the significant rise in the oil price by 39% on average, partly due to the crisis in N. Africa, with oil price exceeding $126/bbl in April 2011.

Given the recession in the Greek economy, the significant rise in the fuel cost (€45m on a same activity basis) could not be passed on to the final consumer. On the contrary, domestic fares continued to be under significant pressure. Specifically, in the last five years, the average domestic fare has recorded a significant decline of 20%, compared with an increase of the average consumer price index in Greece by 17% and an increase in average oil price by 68%.

Aegean followed an international expansion strategy during the IATA 2011 summer season (April-October 2011) and strengthened its presence in primary source markets for Greek tourism, which on the one hand came at a short term cost but it was followed aiming at the long term prospects of the Company. The main feature of 2011 performance was the significant increase in activity achieved not only out of Athens Airport - where Aegean traffic also rose despite the decline in total international arrivals in Athens - but mainly out of the country's regional airports. As a result of the company's strategic investment of operating direct international flights from/to regional airports, growth in international passengers reached 37% from/to Rhodes, 23% from/to Heraklion and 10% from/to Thessaloniki, reaching a total of 1.1 million international passengers.

As far as the fleet is concerned, Aegean operated as of May 2011 with a single type fleet of the Airbus A320 family after having returned the remaining fleet of Avro RJ-100 aircraft. Furthermore, the Company continued its efforts to improve productivity and competitiveness. The homogeneity of the fleet, the cost containment efforts and the increase in average stage length resulted in a decline of 11% in operating costs per seat kilometer. Operating expenses (excluding fuel costs) per passenger and per available seat remained flat despite adding new destinations.

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- **Prospects**

The Company's prospects depend upon the prospects of the Greek Economy, and the potential exit from the extreme crisis environment that the country is currently experiencing.

Following the first bailout package of €110 billion, which was agreed in May 2010 through the support mechanism of the EU/ ECB /IMF, a second bailout package was finalized in early 2012 which provides an additional financial support amounting €130 billion. Both the new loan agreement and the restructuring of public debt secure the country's funding needs in the coming years, provided a successful implementation of the agreed economic program.

However, restoring competitiveness and fiscal consolidation is not an easy task. The economic adjustment will have a direct impact on economic activity and on disposable income. Furthermore, any difficulties or any further delays in implementing necessary reforms combined with an unstable political and social environment, entail important and visible risks.

The airline sector, in terms of domestic demand, should continue to be under pressure due to declining disposable income at least for the next two years.

On the other hand, as far as tourism prospects are concerned, the indications for 2012 are currently vague. Markets like Russia and Israel are expected to continue to contribute positively. On the other hand, the trends for incoming traffic from Western Europe seem currently weak.

In addition to the Greek economy recession a further strengthening of oil prices (Brent) by 15% since the beginning of the year to $126 per barrel and the dollar strength against the euro create additional concerns for 2012.

Within this difficult and uncertain environment, the company's priorities are:

1. Generating additional revenues per passenger from the offer of additional services (both ticket relate and auxiliary revenue).
2. Reducing costs through a series of actions (leasing, distribution, productivity, etc.)
3. Maintaining a strong relationship with the consumer through the offering of value for money services
4. Leverage on Star Alliance membership.
5. Continuous adjustment of our network depending on market conditions, our strategy and any opportunities that arise and maintaining flexibility to adjust the size of the fleet.

- **Key Performance Indicators**

The Company follows the policy of assessing its results and efficiency on a monthly basis, identifying deviations from the set targets 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, excluding lease costs, 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 2011 compared to 2010 were as follows:

(in € cents)	2010	2011
RASK	7.1	6.8

CASK	6.3	6.2
CASK (excluding fuel cost)	4.9	4.3
Passenger yield	10.2	9.6

RASK declined by 4% compared with 2010 mainly due to an increase in average stage length (17%), while CASK declined by 11% (EBITDAR level, excluding lease costs, depreciation and fuels) but only 2% including the cost of fuel.

- **Other Significant Events:**

Decision to purchase own shares
AEGEAN AIRLINES refers to the decision of the Ordinary General Meeting of Shareholders on 14.6.2011 which approved the option of the company to buy back its own shares, in accordance with article 16 of L. 2190/20, and more specifically up to 7.141.710 shares, the nominal value of which will not exceed 1/10 of its paid capital, for a period of 15/6/2011 to and including 14/6/2013, with minimum price per share €1 and maximum price per share €4. The share buyback scheme will be under the responsibility of the Board and will refer to fully paid shares.

In accordance with paragraph 4.1.4.2 of Athens Exchange Rulebook and the Commission of the European Communities Regulation (EC) No 2273/2003, the Company announces that its Board of Directors decided on December 15, 2011 to proceed with the activation of the shares buy-back program pursuant to the decision of the Shareholders General Meeting of 14.06.11, up to 1% its paid capital (ie up to 714,171 shares) for an interim period beginning 21.12.2011 until 21.06.2012 within the price limits set at the Shareholders General Meeting.
The investor community should note however that in accordance with regulation in force the implementation of aforementioned approved share buy-back program will be under the responsibility and discretion of the Company's Board of Directors.

It should be mentioned that the company up to date has not exercised the right to buy back its own shares.

- **Related Parties' Transactions**

The Company's transactions with related parties during 2011 were on usual commercial terms and they had no substantial fluctuation 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)	198,68	1.436,15	99,02	180,69
TECHNOCAR S.A.	11,30	26,96	1,82	8,29
VACAR S.A.	4,14	4,97	8,05	0,83
VELMAR S.A.	21,49	131,79	9,42	0,89

Finally, the compensation of the Company's directors' and Board of Directors' members for the period 1/1-31/12/2011 was € 2.951,14 thousand and as at 31/12/2011 there were no obligations or receivables towards/from the directors' and the Board of Directors'.

- **Corporate Governance**

I. Principals of Corporate Governance

The company has adopted the Principles of Corporate Governance in compliance with existing Greek legislation and international practices. Corporate Governance establishes a framework of rules, principles and control mechanisms based on which the company conducts its business with transparency, aiming at the protection of the interests of its shareholders as well as general corporate interests.

II. Corporate Governance Code

The Company has voluntarily decided to espouse the Code of Corporate Governance of the Hellenic Federation of Enterprises (SEV) about the Listed Companies (called hereinafter "Code"). This Code is found at SEV website, at the following address:
http://www.sev.org.gr/Uploads/pdf/SEV_CGC_ENG_2011_FINAL%20_MARCH_2011.pdf
The Company may amend from time to time the Code and the Principals of Corporate Governance that is applying.

III. Deviations from the Corporate Governance Code and justification of them.

Role and Responsibilities of the Board of Directors

- The Board of Directors has not established a separate committee, which manages the procedure for candidates seeking election in the Board of Directors and prepares proposals in the Board of Directors concerning the compensation of the members of the Board of Directors given that the policy concerning these compensations is stable and formed.

Size and Composition of the Board

- The 1/3 of the Board of Directors does not consist of independent non-executive members free of conflicts of interest with the company, and of close ties with the Management, the major shareholders or the Company. It consists of 3 executive members, 7 non-executive members and 2 independent non-executive members. With this balance the efficient and productive operation has been ensured during all previous years.

- The Board of Directors does not appoint an independent Vice President, appointed by the independent members, but instead an executive Vice President, as his contribution to the exercise of the executive duties of the President is considered of utmost importance.

Duties and behavior of the members of the Board

- There is no obligation of any disclosure of professional commitments of Board members (including important non-executive commitments to companies and non-profit institutions) before their appointment to the Board, or restriction on the number of Boards of listed companies in which they can participate, as long as all Board members can meet their duties, devote sufficient time to them and keep abreast of developments in the matters relating to their duties.

- The appointment of an executive member to a company that is not affiliated or associated does not require an approval by the Board.

Nomination of candidates for the Board of Directors

- There is no committee for selecting candidates for the Board of Directors, as due to the structure and operation of the Company this committee is not evaluated as necessary at this time.

Operation of the Board

- In the beginning of each calendar year the Board of Directors does not adopt a calendar of meetings and a 12-month programme of action, as the convergence and the meeting of the Board is easy, when the needs of the Company or the law render it necessary, without a predetermined plan of action.

- The President does not meet with the non-executive directors on a regular basis, without the presence of the executive members, to discuss the performance and remuneration of the latter and other related issues, as any matter is discussed in the presence of all members.

- There are no introductory programs in place by the Board for new Board members, or continuing vocational training for other members, as only individuals with proven expertise and management skills are proposed for election as members.

- There is no specific provision for supply of adequate resources to the committees of the Board to fulfill their duties and recruiting external consultants, as the resources are allocated from the Company's management per case, based on individual business needs.

Evaluation of the Board

- There is no institutional procedure to evaluate the effectiveness of the Board and its committees or evaluation of the performance of the Chairman of the Board during which process is headed by the Vice President or other independent non-executive board member in case of absence of an independent Vice-President. This procedure is not considered necessary in view of the organizational structure of the Company.

- Members and non-executive directors do not convene without the presence of executive directors in order to evaluate the performance of the executive members and to establish their wages.

- The Board does not outline in the annual corporate governance statement the evaluation procedure of it and of its committees, as there are no relative evaluation procedures.

Internal Audit

- The Internal Audit office does not report to the Chief Executive Officer. The staff of the Internal Audit and the members of the Audit Committee perform their duties independently and hierarchically do not fall under any other department of the Company. The Head of Internal Audit is supervised by the Audit Committee. The Head of Internal Audit is appointed by the Board of Directors and has all necessary qualifications and experience.
- The Internal Audit provides annual reports, rather than on a quarterly basis, which are reviewed and evaluated by the Audit Committee.

- The Board of Directors does not perform an annual evaluation of the internal audit procedures as the Audit Committee reviews and reports to the Board of Directors on the Internal's Audit Annual Report.

Audit Committee

- The Audit Committee does not convene more than three (3) times per year.

- There is no special or specific rule for the operation of the Audit Committee, as its main duties and authorities are adequately set from the law.

- No specific funds are given to the Audit Committee for the use of external consultants, as the composition of the committee and the specialized knowledge and experience of its members ensure its effective operation.

Remuneration

- In the contracts of the executive members of the Board of Directors there is no provision that the Board of Directors may seek for a partial or full refund of the bonuses paid due to revised financial statements of previous years or generally wrong financial data used to calculate such bonuses.

- There is no compensation committee, comprising exclusively of non executive members, independent in their majority, which aims at defining the compensation of the executive and non-executive members of the Board of Directors and thus there are no rules for the frequency of its convocations and other issues concerning its operation. The creation of such a committee has not been deemed necessary until now.

- Each executive member's remuneration is not approved by the Board of Directors after compensation committee's recommendations without the executive members being present, given that such compensation committee does not exist. Board's executive members' compensation are determined by the Board of Directors and in accordance to law 2190/1920. The members of the Board of Directors may receive compensation, the amount of which is determined by the Ordinary General Meeting of Shareholders. Remuneration to the members of the Board of Directors is paid by the Company if it is approved by the Ordinary General Meeting of Shareholders.

General Shareholders' Meeting

- Summary of the minutes of the General Meeting of Shareholders is not available on the Company's website. The voting results of any decision of the General Meeting of Shareholders are announced within 15 days as of the end of the General Meeting of Shareholders in both Greek and English.

IV. Description of the main characteristics of the Company's Internal Control and Risk Management systems with respect to financial reporting.

Internal Control

Internal control has been defined as a process effected by an entity's Board, management and other personnel, designed to provide reasonable assurance regarding the effectiveness and efficiency of corporate operations, reliability of financial reporting and compliance with applicable laws and regulations.

Internal control's responsibilities comprise the evaluation and improvement of risk management and internal control systems as well as the confirmation of compliance with the institutional policies and procedures as described in the Internal Operation Regulations of the Company, the existing legislation and regulatory requirements.

Risks and Risk Management

- **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 euro. 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. 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 control its exposure to cash flow risk from interest rate fluctuations relating to its aircraft finance leases.

- **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 certain percentages of its projected jet fuel needs.

- **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.

- **Liquidity /Cash flow risk**

The prudent management 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.

V. Information regarding the powers and operation of the General Shareholders' Meeting as well as shareholders' rights and ways to exercise them.

Operation of the General Meeting

The Board of Directors ensures that the preparation and the conduct of the General Shareholders' Meeting facilitate the effective exercise of the rights of the shareholders. The shareholders are informed in advance of all the issues that relate to their attendance of the General Shareholder Meeting including the agenda and the rights they have during the course of the General Shareholder Meeting. The Board of Directors uses the General Shareholders' Meeting to facilitate and open discussion between them and the Company.

Specifically, with regards to the preparation of the General Shareholder Meeting and pursuant to the provisions of Law 3884/2010, the Company publicizes on its website at least 20 days prior to the General Shareholder Meeting both in Greek and in English, information relating to:

- The date, time and place of the convocation of the General Shareholder Meeting.
- The basic rules and practices regarding the participation of the shareholders, including the right to introduce topics in the agenda, to make enquiries and the deadline for the exercise of these rights.
- The voting procedure, the terms and conditions for proxy voting and the necessary forms and documents for proxy voting.
- The proposed agenda of the General Shareholder Meeting, including draft resolutions and any other accompanying documents.
- In case of election of Board of Directors members, the list of the proposed persons along with their resumes.
- The total number of shares and voting rights at the time of the convocation of the General Shareholder Meeting.

At least the Chairman of the Board of Directors, and/or the Vice Chairman and the Chief Executive Officer attend the General Shareholders' Meeting and provide shareholders with all necessary information with regard to the items of the agenda and to the questions raised by the shareholders. The Chairman of the General Shareholders' Meeting ensures that adequate time is given to the shareholders to raise any questions they may have.

Powers of the General Meeting

The General Meeting of the shareholders is the supreme body of the Company.
It has the most extensive powers to resolve on the affairs of the Company and its resolutions taken according to law are obligatory for all the shareholders, including those who are absent of disagree.

The General Meeting is vested the exclusive power to resolve on the following matters:

- Any matter submitted to it by the Board or by the persons who are entitled to convene the General Meeting according to law.
- Modification of the Articles of Association, including the cases of increase or decrease of the share capital, dissolution of the Company, prolongation of its duration and amalgamation with another company.
- Election of the Directors of the Company, election of the Auditors of the Company and fixing of their remuneration.
- Approval or modification of the annual financial statements of the Company prepared by the Board and allocation of the net profits.
- Approval of the management of the Board of Directors effected by a nominal call and discharge of the members of the Board and of the auditors from any liability after the approval of the annual financial statements and the report of the Board. The members of the Board and the employees of the Company may participate in the voting only on the basis of the shares held by them.

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- The hearing of the auditors with regard the audit of the books and records of the Company performed by them.
- The issuance of bond loans with the right to gain profits in accordance with art.3b of Law 2190/1920 and convertible bond loans.
- The appointment of liquidators in case of dissolution of the Company.
- The filling of actions against the members of the Board of Directors and the auditors for breach of duty in accordance with the applicable laws and the Articles of the Company.

Shareholders' Rights and ways to exercise
Every shareholder that is recorded as such in the records of the custodian of the Company shares is entitled to attend and vote as the General Shareholders' Meeting. For the shareholder to exercise the above rights there is no need to have its shares reserved or to follow a similar procedure. The shareholder may freely authorise for representation another person.

Company's shareholders' rights are analogous to their participation share in the Company's paid share capital. Every share has all rights provided by law 2190/1920 as it has been amended and applies, as well as by the Company's Articles of Association.

The Chairman, the Vice Chairman and the Managing Director are available to meet shareholders with significant share in the Company to discuss eventual governance concerns. In addition, the chairman should ensure that the views of the shareholders are communicated to the whole board.

VI. Information regarding the composition and operation of the Board of Directors

Composition of the Board of Directors
The Board of Directors, acting collectively, is responsible for the management of the Company's affairs to the benefit of the Company and its shareholders, ensuring the implementation of the corporate strategy and the fair and equal interests of the shareholders. The Board is empowered to decide on all the matters relating to the business affairs of the Company, other than those excluded either by the law or the Articles of Association for the General Shareholders' Meeting to decide.

The members of the Board of Directors are elected by the General Shareholders' Meeting. The General Shareholders' Meeting also decides which members shall be executive, non executive or independent non-executive.

The Board of Directors of Aegean Airlines S.A. is the custodian of the Principles of Corporate Governance of the Company. The Board of Directors is composed of no less than seven (7) and no more than fifteen (15) members. The members of the Board shall be elected by the General Meeting by a secret vote to serve for a three year period which may be extended until the first annual General Meeting after the expiry of their term of service. Such an extension of time, however, may not exceed four years. The members of the Board of Directors, either shareholders or not, may be always re-elected.

The Board of Directors currently consists of three executive and nine non-executive members, which include two independent non-executive members in accordance to law 3016/2002 for Corporate Governance. Executive members perform the day-to-day management of the Company, whereas non-executive members are not involved in the Company's management.

The table below includes the members of the Board of Directors:

Name	Capacity	Date of appointment (most recent)	End of Term
1. Theodore Vassilakis	Chairman, Executive Member	15/05/2009	30/06/2012
2. Eftichios Vassilakis	Vice Chairman, Executive Member	15/05/2009	30/06/2012
3. Dimitrios Gerogiannis	Managing Director, Executive Member	15/05/2009	30/06/2012
4. Achilleas Constantakopoulos	Non-Executive Member	15/05/2009	30/06/2012

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5. Anastasios David	Non-Executive Member	15/05/2009	30/06/2012
6. Iakovos Georganas	Non-Executive Member	15/05/2009	30/06/2012
7. Christos Ioannou	Non-Executive Member	15/05/2009	30/06/2012
8. Panagiotis Laskaridis	Non-Executive Member	15/05/2009	30/06/2012
9. Alexandros Makridis	Independent, non-executive Member	15/05/2009	30/06/2012
10. Victor Pizante	Independent, non-executive Member	15/05/2009	30/06/2012
11. Markos Tsaktanis	Non-Executive Member	15/05/2009	30/06/2012
12. George Vassilakis	Non-Executive Member	15/05/2009	30/06/2012

The Company's Audit Committee consists of the number 4, 9 and 11 members.

A description of the Chairman's and Chief Executive Officer's duties and responsibilities follows:

Chairman of the Board of Directors

- Sets the daily Agenda, ensures the prompt operation of the Board of Directors, and calls the members of the Board of Directors in meetings which heads.

In his own capacity or after authorization by the Board of Directors, any member by the Board of Directors, staff or lawyer of the Company may:

- Represent the Company in courts or out of courts
- Represent the Company against any authority
- In the case of obvious danger, without a decision by the Board of Directors, raise or defend against legal claims and proceedings, assign plenipotentiaries and proceed to court or out of court actions to defend the interests of the Company. These actions are submitted to the Board of Directors for approval.
- Assume all responsibilities assigned by the Board of Directors and sign contracts on behalf of the Company according to the relevant authorisations given by the Board of Directors.

Chief Executive Officer

Chief Executive Officer is responsible for the implementation of the Company's strategic targets and its day to day management. He is responsible for the smooth, proper and effective operation of the Company according to its strategic targets, business plans and action guidelines as they are determined by the decisions of the Board of Directors and the General Shareholders' Meeting.

The Chief Executive Officer is reported to the Company's Board of Directors. He provides guidance on strategic actions and validates the important decisions of the Company. He is the Head of all Company's divisions and amongst others he is responsible for:

a) Strategy:

- Strategic decision making with respect to business strategy development, as well as significant investments.
- Defining the Company's organisational plans.
- Ensuring the implementation of the Company's decisions and informing the Board of Directors regarding Company's matters.

b) Executive Guidance:

- The coordination and supervision of the top management and ensure their effectiveness for the Company's smooth operation.
- Deciding or participating in the decision process of major business decisions
- Defining the risk management policies, risk assessment and application of actions and procedures for their effective management.

c) Performance Management:

- Defining budget's targets as well as determining annual performance targets. Effectuating the annual budget targets.
- Supervision of the financial management of the Company.
- Ensuring the procedures to meet targets and reach results.

d) Human Resources Development:

- Recruiting and providing guidance to the leading officers of the Company.
- Defining performance evaluation guidelines, as well as being responsible for the promotion, development and remuneration policy of the Company's officers.

Chief Executive Officer is responsible for the coordination of the Company's business units and making proposals to the Board of Directors regarding matters within its power.

Meetings of the Board of Directors

The Board of Directors convenes in the Company's registered office or elsewhere in Greece or abroad, anytime the law, the Articles of Association or the business developments require so, on the date and time appointed by the President or the Vice-President, or if requested so in writing by at least two of its Board members. The meeting of the Board may be in the form of a teleconference in accordance with the provisions of art.20 para.3 of Codified Law 2190/1920 observing the minimum technical security specifications provided by law for the validity of the meeting.

The Chairman of the Board of Directors sets the daily agenda and calls the members of the Board of Directors in meetings which heads. The Board of Directors may decide, by an absolute majority vote of the members who are personally present or represented, to assign fully or in part the exercise of its rights and powers which are related to the management, administration and representation of the Company to one or more persons irrespectively whether they are members of the Board or not. The title and authorization of those persons shall be determined each time by the Board's decision on their assignment.

A quorum shall be established if the half of the number of the Directors plus one are present or represented in the meetings of the Board, in no case however the number of the Directors who are personally present may be less than three (3). For the purposes of determining the quorum any fraction shall be omitted.

The Board of Directors shall validly resolve by an absolute majority vote of the members who are personally present or represented except for the cases where a special majority is required. In case of equality of votes if the voting is effected by a show of hands it shall be repeated; if it is secret, the making of a resolution shall be adjourned. In case of personal matters, the Board shall decide by secret vote with ballots. Each member shall have one vote; if he represents an absent colleague, he shall have two votes. Director who is absent for any reason may be represented by another Director duly appointed by a letter, telex, telegram or fax addressed to the Board of Directors. In no case a member of the Board can represent more than one Director.

VII. Information regarding the composition and operation 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 Board of Directors' 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 Board of Directors' members:

- Mr. Alexandros Makrides– independent non executive member (Chairman of Audit Committee)
- Mr. Achilleas Constantakopoulos - non executive member (Member of Audit Committee)
- Mr. Markos Tsaktanis - non executive member (Member of Audit Committee)

The term of the Audit Committee is three years. Renewal of the term or modification of the Committee's members' composition is always subject to decision by the Board of Directors.

The Audit Committee monitors and supervises the performance of internal audit by the Internal Audit department. It convenes on a regular basis where the gathered audits' findings of the Internal Audit department are evaluated and utilized.

The Audit Committee convenes upon request by its Chairman or in case of his absence or inconvenience by his representative who is authorized to perform the Chairman's duties. The Audit Committee shall validly resolve by an absolute majority vote of its members and in the case of equal voting the Chairman's vote supersedes.

- **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
There are no restrictions set by the Company's Articles of Association regarding the transfer of shares.

3. Significant direct or indirect holdings in accordance with the provisions of articles 9 – 11 of Law 3556/2007
As at 31.12.2011 the following investors held more than 5% of the Company's voting shares: Theodore Vassilakis 37% (29.2% directly and 7.8% through Autohellas SA), Alnesco Enterprices Company Limited 9.5%, Siana Enterprices Company Limited 9.5% and Achilleas Constantakopoulos 5.8%.

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 regarding compensation payments in the case of resignation, dismissal without valid reason and termination of their office period or employment as a result of a public offering.

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 42 locations both in Greece and abroad for the provision of its services.

The Ordinary General Shareholders Meeting on 14.06.2011 approved the following:

1. The Annual Report of the Board of Directors' and the Independent's Auditor report on the Financial Statements and developments for the period 2010 (01.01.2010 – 31.12.2010) and the Financial Statements for the period 2010 (01.01.2010 – 31.12.2010)
2. The members of the Board of Directors and the Auditors of the Company were discharged from any responsibility regarding their actions for the period ended at 31.12.2010.
3. Elected as the Company's external chief Auditor Mr. Panagiotis Vroustouris (A.M. S.O.E.L. 12921) and vice Auditor Mr. Leonidas Mavromitros (A.M. S.O.E.L. 21071), of the audit firm "ENEL AUDITING S.A.", for the period 2011 and approved their fees.
4. The remuneration of the executive members of the Board of Directors, for their services to the Company for the period 2010 (01.01.2010 – 31.12.2010), was approved. Also their remuneration for the period 2011 (1.01.2011–31.12.2011) was preapproved.
5. In accordance with article 16 par.1 of the Law 2190/1920 it was approved the possibility to acquire own shares up to 7.141.710 shares, the nominee value of the mentioned shares cannot be greater than a percentage of 10% of the company's share capital, within the period from 15/06/2011 to 14/06/2013 ,with a minimum price of 1 euro per share and a maximum price 4 euro per share. The acquisition of own shares will take place with the Board of Director's responsibility and will apply to the shares which have been paid in full.

Kifissia, 27 March 2012

Aegean Airlines
Chief Executive Officer

Dimitrios Gerogiannis

C. INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements
We have audited the accompanying financial statements of Aegean Airlines S.A., which comprise the statement of financial position as at December 31, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 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 financial statements present fairly, in all material respects, the financial position of Aegean Airlines S.A. as at December 31, 2011 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

a) The Report of the Board of Directors includes a statement of corporate governance, which provides the information specified in paragraph 3d of article 43a of C.L. 2190/1920.

b) We verified that the content of the Board of Directors' Report is consistent and correspond with the accompanying Financial Statements within the scope set by articles 43a, 107 and 37, of C.L. 2190/1920.

Athens, 28 March 2012

ENEL AUDITING S.A.
Reg.Number 155
388 Mesogeion Avenue
Ag. Paraskevi Athens Greece

Certified Accountant

Panagiotis K.Vroustouris
Reg.Number 12921

D. ANNUAL FINANCIAL STATEMENTS
FOR THE PERIOD
1 JANUARY 2011 TO 31 December 2011
(amounts in thousand euros)

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AEGEAN AIRLINES S.A. amounts in thousand €

1. Financial Position as at 31.12.2011

	Note	31/12/2011	31/12/2010
ASSETS			
Non current assets			
Intangible assets	5.22	27.176,57	4.697,08
Tangible assets	5.23	98.944,87	118.158,65
Advances for assets acquisition	5.24	20.109,34	20.093,94
Deferred tax assets	5.25	13.149,54	8.060,60
Other long term assets	5.26	9.245,74	8.764,48
Hedging derivatives	5.43	2.514,07	1.522,50
Total non current assets		**171.140,13**	**161.297,25**
Current assets			
Inventories	5.27	5.975,14	5.986,14
Customers and other receivables	5.28	52.425,11	67.482,84
Advances	5.29	11.730,93	10.302,06
Financial Assets at fair value	5.30	5.460,00	6.305,00
Hedging derivatives	5.43	4.957,17	11.723,24
Cash and cash equivalents	5.31	166.800,94	184.272,27
Total current assets		**247.349,28**	**286.071,55**
TOTAL ASSETS		**418.489,41**	**447.368,80**
EQUITY			
Share capital	5.32	46.421,11	46.421,11
Share premium account	5.33	144.774,41	144.774,41
Other reserves	5.34	6.648,40	11.096,58
Retained profit / (loss)		(28.524,99)	(1.349,29)
Total equity		**169.318,93**	**200.942,81**
LIABILITIES			
Long term liabilities			
Finance lease contracts liabilities	5.36	70.751,86	75.920,80
Derivative contracts liabilities	5.43	2.771,67	2.055,96
Provisions for retirement benefits obligations	5.37	7.513,94	7.119,81
Provisions	5.39	30.383,42	24.137,00
Total long term liabilities		**111.420,90**	**109.233,58**
Short term liabilities			
Suppliers	5.38	41.190,52	40.825,70
Long term loan liabilities payable next year	5.35	0,00	20.067,07
Short term loan liabilities	5.35	20.024,92	0,00
Long term finance leases liabilities payable next year	5.36	7.699,80	7.242,79
Other short term liabilities	5.36	19.130,35	19.650,82
Liabilities from tickets sold but not flown	5.41	33.043,88	28.412,96
Accrued expenses	5.42	15.133,81	12.265,10
Hedging derivatives	5.43	126,29	1.056,27
Derivatives instruments liabilities	5.43	0,00	1.287,54
Income tax liabilities	5.51	0,00	4.984,16
Provisions	5.39	1.400,00	1.400,00
Total short term liabilities		**137.749,59**	**137.192,42**
Total liabilities		**249.170,48**	**246.425,99**
TOTAL EQUITY AND LIABILITIES		**418.489,41**	**447.368,80**

AEGEAN AIRLINES S.A. amounts in thousand €

2. Statement of Comprehensive Income

Income statement

	Note	01/01-31/12/2011	01/01-31/12/2010
Revenue	5.44	**668.217,77**	**591.004,33**
Other operating income	5.45	10.297,32	16.976,67
Personnel expenses	5.47	(86.026,29)	(92.248,88)
Depreciation	5.23	(12.994,57)	(13.508,60)
Consumption of materials and services	5.46	(610.176,31)	(514.713,55)
Bad debts write off	5.48	(798,07)	(2.610,06)
(Loss) / gain from fair value revaluation	5.49	442,54	(1.645,04)
Financial income	5.50	15.824,71	17.098,72
Financial expense	5.50	(15.939,69)	(19.032,83)
Loss before tax		**(31.152,60)**	**(18.679,25)**
Income tax	5.51	3.976,90	(4.613,13)
Loss after tax		**(27.175,70)**	**(23.292,38)**
Basic losses per share in €	5.58	(0,3805)	(0,3261)

Statement of total income

	Note	01/01 - 31/12/2011	01/01-31/12/2010
Profit / (loss) after tax		**(27.175,70)**	**(23.292,38)**
Cash flow hedging:			
Reclassification of (Profit) / loss in the result for the period	5.34	(4.265,04)	(6.649,35)
Gains / (losses) for the period	5.34	(1.295,19)	17.932,78
Cash flow hedging income tax	5.34	1.112,05	(2.328,49)
Other comprehensive income for the period after taxes	5.34	**(4.448,19)**	**8.954,94**
Total comprehensive income		**(31.623,89)**	**(14.337,44)**

AEGEAN AIRLINES S.A. amounts in thousand €

3. Statement of changes in Equity for the period ended at 31.12.2011

	Issued capital	Share premium	Cash flow hedging reserves	Reserves (other)	Accumulated profit / (loss)	Total equity
Balance as at 1 January 2010	**46.421,11**	**144.774,41**	**(848,12)**	**1.837,92**	**32.379,17**	**224.564,48**
Equity adjustments for the period 01/01-31/12/10						
Dividends paid					(9.284,23)	(9.284,23)
Regular reserves				1.151,84	(1.151,84)	-
Total comprehensive income after taxes			8.954,93		(23.292,38)	**(14.337,44)**
Balance as at 31 December 2010	**46.421,11**	**144.774,41**	**8.106,81**	**2.989,76**	**(1.349,28)**	**200.942,81**
Balance as at 1 January 2011	**46.421,11**	**144.774,41**	**8.106,81**	**2.989,76**	**(1.349,28)**	**200.942,82**
Equity adjustments for the period 01/01-31/12/11						
Total comprehensive income after taxes			(4.448,19)		(27.175,70)	**(31.623,89)**
Balance as at 31 December 2011	**46.421,11**	**144.774,41**	**3.658,63**	**2.989,76**	**(28.524,97)**	**169.318,93**

AEGEAN AIRLINES S.A. amounts in thousand €

4. Cash Flow Statement for the period ended at 31.12.2011

	31/12/2011	31/12/2010
Cash flows from operating activities		
Profit / (loss) before tax	**(31.152,60)**	**(18.679,25)**
Adjustments for:		
Depreciation of tangible assets	12.994,56	13.508,86
Provisions	7.473,89	12.527,66
Foreign currency exchange (gains) / losses	1.103,26	6.876,86
(Profit) / loss from investing activities	(9.123,76)	(16.128,74)
Finance Cost	3.819,24	3.081,64
Cash flows from operating activities before changes in working capital	**(14.885,40)**	**1.187,03**
Changes in working capital		
(Increase)/Decrease in inventories	11,01	(254,14)
(Increase)/Decrease in trade & other receivables	10.386,36	(6.704,73)
(Increase)/Decrease in hedging derivatives	5.774,50	(6.640,87)
Increase/(Decrease) in trade payables	9.027,60	(2.065,14)
Increase /(Decrease) in derivatives liabilities	(5.950,00)	9.642,14
Total changes in working capital	**19.249,47**	**(6.022,74)**
Interest expenses payable	(3.536,67)	(2.715,18)
Income tax paid	(4.984,16)	(22.184,27)
Net cash flows from operating activities	**(4.156,77)**	**(29.735,16)**
Cash flows from investing activities		
Purchases of tangible assets	(24.564,20)	(11.463,22)
Sale of tangible assets	12.177,62	25.398,52
Advances' reimbursement for the acquisition of tangible assets	(15,40)	7.394,80
Proceeds from sale of shares	1.469,79	1.469,79
Interest and other financial income received	4.596,13	4.548,29
Net cash flows from investing activities	**(6.336,06)**	**27.348,19**
Cash flows from financing activities		
Loans repayment	(42,15)	(59,49)
Dividends paid	0,00	(9.274,66)
Finance leases capital repayment	(6.936,36)	(12.231,16)
Net cash flows from financing activities	**(6.978,51)**	**(21.565,32)**
Net (decrease)/ increase in cash and cash equivalents	**(17.471,34)**	**(23.952,30)**
Cash and cash equivalents at the beginning of the year	184.272,27	208.224,56
Cash and cash equivalents at the end of the period	**166.800,94**	**184.272,26**

5. Notes to the Interim 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 2010 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 09 March 2011 and are subject to approval of the Ordinary General Meeting of the shareholders that is to assemble within the first half of 2011.

5.2 Nature of 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 unscheduled 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 interim 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 5.5.

5.4 Revised Accounting Standards and Interpretations

ACCOUNTING STANDARDS AND INTERPRETATIONS APPLICABLE ON 01.01.2011

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

IFRS 1 (Amendment) "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters of the IFRSs", effective for annual periods beginning on or after 01.07.2010. The amendment did not have application to the Company.

IAS 24 (Substitution) "Related Party Disclosures", effective for annual accounting periods beginning on or after 01.01.2011. The Standard simplified the definition of related party and provided some exceptions for entities that are related to the State. The new standard did not have application to the Company.

Various Amendments that are effective for annual periods beginning on or after 01.01.2011, on the following IFRSs: "IFRS 1", "IFRS 3", "IFRS 7", "IAS 1", ", "IAS 27", ", "IAS 34" and "IFRIC 13", which did not have application to the Company.

IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments", effective for annual periods beginning 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 did not have application to the Company.

IFRIC 14 (Amendment) "Prepayments of a Minimum Funding Requirement", effective for annual periods beginning on or after 01.01.2011. The amendment did not have application to the Company.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS APPLICABLE AFTER 01.01.2011

IFRS 7 (Amendment) "Financial Instruments - Disclosures", it applies to annual accounting periods beginning on or after 01.07.2011 and it requires disclosure notes in the financial statements regarding transferred financial assets that are not eliminated and any remaining connection to those assets. The amendment is not expected to have a material impact to the Company.

IFRS 9 "Financial Instruments", issued in November 2009 for annual accounting periods beginning on or after 01.01.2013. This new IFRS is the first step for the substitution of IAS 39 and provides for the financial instruments to be classified according to the business model they are administered and measured either at fair value or at depreciable acquisition cost. The Standard is not expected to have a material impact to the financial statements of the Company.

IFRS 10 "Consolidated Financial Statements", effective for annual periods beginning on or after 01.01.2013. This standard supersedes as regard as consolidated financial statements IAS 27 "Consolidated and Separate Financial Statements" which was renamed "Separate Financial Statements" and IFRIC 12 "Special Purpose Entities." The new Standard clarifies the concept of control of an entity over another, and sets conditions for how to apply this concept. The Standard does not have application to the Company's financial statements.

IFRS 11 "Joint Arrangements", effective for annual periods beginning on or after 01.01.2013. The Standard replaces IAS 31 "Interests in Joint Ventures" and IFRIC 13 'Jointly controlled entities – non monetary contributions by venturers." The Standard distinguishes Joint Arrangements in joint activities and joint ventures. The joint activities are accounted for in accordance with standards that address the related assets, liabilities, revenues and expenses of joint operation. Interests in joint ventures are accounted for using the equity method. IAS 28 was renamed to "Investments in Associates and Joint Ventures." The Standard does not have application to the Company.

IFRS 12 "Disclosures of interests to other entities", effective for annual periods beginning on or after 01.01.2013. The Standard specifies the minimum disclosure requirements in relation to interests in subsidiaries, associates, joint ventures and structured uncontrolled - non consolidated entities. The Standard does not have application to the Company.

IFRS 13 "Fair Value Measurement", effective for annual periods beginning on or after 01.01.2013. Under this standard are concentrated in a Standard - Framework, the issues of fair value determination, fair value measurement and related disclosures. The Standard is not expected to have a material impact on the company's financial statements.

Amendment to IAS 1 "Presentation of items to the other comprehensive income statement", effective for annual periods beginning on or after 01.07.2012. The amendment requires the concentration of items presented in other comprehensive income statement, on the basis of whether subsequently are reclassified to the income statement (profit or loss). The Amendment is not expected to have a material impact on the Company's financial statements.

New (Modified) IAS 19 "Employee Benefits", effective for annual periods beginning on or after 01.01.2013. The new standard regulates issues such as recognition of changes in net liability of the defined benefit obligation, plan amendments, curtailments and settlements as well as relevant disclosures. The Standard is not expected to have a material impact on the Company's financial statements.

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine'', effective for annual periods beginning on or after 01.01.2013. The new Interpretation addresses the accounting treatment of these costs. The Interpretation does not have application to the Company.

5.5 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 held to maturity, current investment measured 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 5.51.

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 5.43.

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 5.54.

Useful life of depreciable assets

The Company's management evaluates the useful life of depreciable assets in every period. On 31 December 2011 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 5.22 and 5.23. Actual values though may differ due to the straight line depreciation of assets policy, especially for assets such as IT equipment and software.

5.6 Summary of accounting policies used

Basis of preparation of financial statements

The accounting policies used for the preparation of the 2010 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.

5.7 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.

5.8 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 me 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.

5.9 Intangible assets

Airports slots and software licenses are included in intangible assets. Airports slots have an indefinite useful life, therefore they are not depreciated, but they are subject to reassessment at each balance sheet date

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.

5.10 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 that 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.

5.11 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.

5.12 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.

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

Financial assets measured 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.

5.14 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.

5.15 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.

5.16 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.

5.17 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 meets 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.

5.18 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.
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 in included in "Other short term liabilities" when they are approved by the Shareholders' General Meeting.

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.

5.19 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.

5.20 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.

5.21 Operating Segments

The Company 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.

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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:

01/01/2011-31/12/2011	**Scheduled flights**	**Charter flights**	**Other income**	**Total**
Total revenue	**558.388,32**	**78.897,58**	**30.931,87**	**668.217,77**
Operating result	(52.236,08)	8.915,43	2.341,25	(40.979,40)
Financial results				327,56
Other income/(expense)				9.499,24
Profit before taxes				**(31.152,60)**
Income tax				3.976,90
Net result for the period				**(27.175,70)**
01/01/2010-31/12/2010	**Scheduled flights**	**Charter flights**	**Other income**	**Total**
Total revenue	**496.221,21**	**62.695,50**	**32.087,61**	**591.004,33**
Operating result	**(41.686,33)**	**8.401,20**	**3.818,43**	**(29.466,71)**
Financial results				(1.934,11)
Other income/(expense)				12.721,57
Profit before taxes				**(18.679,25)**
Income tax				(4.613,13)
Net result for the period				**(23.292,38)**

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	**31/12/2011**	**31/12/2010**
Domestic	170.407,82	185.939,69
EU countries - except domestic	440.282,40	375.643,78
Other countries	57.527,55	29.420,86
Total revenue	**668.217,77**	**591.004,33**

The geographical distribution is based on the destination point of the departing passengers
Assets and liabilities breakdown per segment is analyzed as follows:

01/01/2011-31/12/2011	**Scheduled flights**	**Charter flights**	**Total**
Segment's assets	203.675,87	1.822,49	205.498,35
Non assigned to segments assets			212.991,06
Total Assets			**418.489,41**

Segment's liabilities	211.780,11	5.553,54	217.333,65
Non assigned to segments liabilities			31.836,83
Total Liabilities			**249.170,48**
01/01/2010-31/12/2010	**Scheduled flights**	**Charter flights**	**Total**
Segment's assets	214.484,62	906,63	215.391,25
Non assigned to segments assets			231.977,55
Total Assets			**447.368,80**
Segment's liabilities	205.829,03	2.626,13	208.455,16
Non assigned to segments liabilities			37.970,83
Total Liabilities			**246.425,99**

5.22 Intangible assets

"Intangible assets" balance has increased due to the purchase of four slots from Olympic Air, in the airports London Heathrow and Paris Charles de Gaulle. The transaction completed was in accordance with EEC 95/93 as it currently applies.

The slots may be: (a) utilized by the Company, (b) leased to another company and (c) sold in exchange of cash consideration. Slots in the main busy European Airports have significant economic value as they can be used for flights from any destination to these airports.

As at 31.12.2011 the Company holds intangible assets amounting to € 27.176,59 thousand. The changes in the aforementioned for the Company are analyzed as follows:

Software	**31/12/2011**	**31/12/2010**
Acquisition cost		
Balance as at January 1	8.077,57	3.805,82
Additions	23.395,17	4.271,75
Disposals	(6,41)	0,00
Total acquisition cost	**31.466,33**	**8.077,57**
Accumulated amortization		
Balance as at January 1	3.380,49	2.620,73
Amortizations	915,68	759,76
Disposals	(6,41)	0,00
Total accumulated amortization	**4.289,76**	**3.380,49**
Unamortized cost	**27.176,57**	**4.697,08**

5.23 Tangible assets

(a) Aircraft

The Company's fleet as at 31.12.2011 consisted of 29 aircraft, as analyzed below:

- 22 Airbus A320
- 4 Airbus A321
- 3 Airbus A319

(b) Sale of tangible assets

The Company proceeded to the sale and lease back of an owned spare aircraft engine in the first quarter of 2011. Moreover during the nine month period of 2011, the Company sold three owned spare engines for Avro RJ100 aircraft type.
The Company has also sold within 2011 all the ground support equipment as it has outsourced ground handling activities in all Greek airports.
The result (profit) of all the transactions above was a gain of € 3,9m, and is included in the account "Other Income" in the Statement of Comprehensive Income.

The balance "Aircraft equipment" in the following table has been reduced respectively by the remaining value of the engines.

(c) Table of tangible assets

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	Land plots	Buildings	Machinery	Self owned aircraft	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 2010															
Balance at 1 January 2010	**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**
Reclassifications				-	-		-	-	-	-					-
Additions	-	212,51	65,74	-	18.376,66	9.917,39	6.322,02	-	46,76	-	2,69	-	297,58	-	35.241,34
Disposals	-	-	(0,37)	-	-	-	(16.004,58)	-	-	-	(32,54)	-	(16,70)	-	(16.054,20)
Balance at 31 December 2010	**22,51**	**11.537,58**	**2.866,50**	**6.475,32**	**69.795,08**	**40.160,02**	**13.082,52**	**1.755,16**	**6.228,47**	**628,91**	**3.961,05**	**201,96**	**7.759,03**	**214,43**	**164.688,55**
Accumulated depreciation															
Balance at 1 January 2010	**-**	**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**
Depreciation	-	1.012,36	111,19	323,77	3.140,78	5.364,00	977,93	87,76	699,61	-	453,93	-	577,74		12.749,06
Disposals	-	-	(0,37)	-	-	-	(584,88)	-	-		(32,54)	-	(14,76)		(632,56)
Balance at 31 December 2010	**-**	**2.407,83**	**2.064,80**	**1.376,00**	**6.318,65**	**12.113,70**	**6.438,89**	**1.016,53**	**3.281,53**	**628,91**	**3.153,60**	**85,29**	**7.429,72**	**214,43**	**46.529,89**
Depreciable value at 31 December 2010	**22,51**	**9.129,75**	**801,71**	**5.099,31**	**63.476,44**	**28.046,32**	**6.643,63**	**738,63**	**2.946,94**	**0,00**	**807,46**	**116,67**	**329,31**	**-**	**118.158,65**
Period to 31 December 2011															
Balance at 1 January 2011	**22,51**	**11.537,58**	**2.866,50**	**6.475,32**	**69.795,08**	**40.160,02**	**13.082,52**	**1.755,16**	**6.228,47**	**628,91**	**3.961,05**	**201,96**	**7.759,03**	**214,43**	**164.688,55**
Reclassifications		-		-	-		-	-	-	-					-
Additions	-	419,26	15,09	-	-	-	-	-	79,61	-	122,33	-	532,74	-	1.169,02
Disposals	-	(21,27)	(729,66)	-	-	-	(7.574,64)	(1.755,17)	(5.112,60)	-	(3.524,10)	-	(162,03)	-	(18.879,45)
Balance at 31 December 2011	**22,51**	**11.935,58**	**2.151,93**	**6.475,32**	**69.795,08**	**40.160,02**	**5.507,89**	**(0,01)**	**1.195,48**	**628,91**	**559,28**	**201,96**	**8.129,74**	**214,43**	**146.978,12**
Accumulated depreciation															
Balance at 1 January 2011	**-**	**2.407,83**	**2.064,80**	**1.376,00**	**6.318,65**	**12.113,70**	**6.438,89**	**1.016,53**	**3.281,53**	**628,91**	**3.153,60**	**85,29**	**7.429,72**	**214,43**	**46.529,89**
Depreciation	-	1.022,26	101,54	323,77	3.140,78	5.691,84	368,02	36,57	513,09	-	327,54	-	553,49		12.078,89
Disposals	-	(21,27)	(631,83)	-	-	-	(2.716,77)	(1.053,10)	(2.988,91)		(3.004,06)	-	(159,59)		(10.575,53)
Balance at 31 December 2011	**-**	**3.408,83**	**1.534,50**	**1.699,77**	**9.459,43**	**17.805,54**	**4.090,15**	**0,00**	**805,71**	**628,91**	**477,07**	**85,29**	**7.823,62**	**214,43**	**48.033,25**
Depreciable value at 31 December 2011	**22,51**	**8.526,75**	**617,43**	**4.775,55**	**60.335,66**	**22.354,48**	**1.417,74**	**(0,01)**	**389,76**	**0,00**	**82,21**	**116,67**	**306,12**	**-**	**98.944,87**

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5.24 Advances for assets' acquisition

The advances for acquisition of assets relate to advances given to Airbus for the purchase by the Company of aircraft and are as follows:

	31/12/2011	31/12/2010
Advances to Airbus	20.093,94	20.093,94
Other advances	14,40	0,0
Σύνολο	**20.109,34**	**20.093,94**

5.25 Deferred tax assets/liabilities

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

	31/12/2011		31/12/2010	
	Asset	Liability	Asset	Liability
Revaluation of assets and depreciation/amortization	5.845,68	(1.398,15)	4.424,68	(2.665,99)
Finance leases		(21.991,02)		(21.103,89)
Receivables	7.164,90		6.648,31	(129,60)
Provisions for employee retirement benefits	1.502,79		1.423,96	
Liabilities from financial derivatives	554,33	(1.468,99)	524,78	(2.255,35)
Liabilities from finance leases	15.690,33		17.466,65	
Other short term liabilities	6.867,54	(2.818,42)	6.713,54	(3.230,65)
Tax Loss	7.164,90		244,15	
Total for offsetting	**40.826,13**	**(27.676,58)**	**37.446,07**	**(29.385,48)**
Balance	**13.149,54**		**8.060,60**	

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

Total deferred asset is analyzed below:

	31/12/2011	31/12/2010
Short term	4.178,67	3.159,36
Long term	8.970,88	4.901,24
Total deferred assets	**13.149,54**	**8.060,60**

5.26 Other long term assets

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

	31/12/2011	31/12/2010
Warranties issued for lease assurance	9.209,34	8.746,30
Other warranties	36,40	18,18

AEGEAN A STAR ALLIANCE MEMBER AEGEAN AIRLINES S.A. amounts in thousand €

Total	**9.245,74**	**8.764,48**

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

5.27 Inventories

The Company's inventories refer to goods sold during flights 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.

	31/12/2011	31/12/2010
Goods	499,53	512,82
Aircraft spare parts	5.475,61	5.473,32
Total	**5.975,14**	**5.986,14**

The changes in the inventories are analyzed as below:

	31/12/2011	31/12/2010
Goods		
Opening balance	512,82	502,55
Purchases for the period	1.005,26	914,20
Consumption for the period	(1.018,55)	(903,93)
Closing balance	**499,53**	**512,82**
Aircraft spare parts		
Opening balance	**5.473,32**	**8.729,45**
Purchases for the period	2.637,34	2.381,12
Spare parts consumption for the period	(2.635,05)	(2.137,25)
Devaluation of aircraft spare parts	0,00	(3.500,00)
Closing balance	**5.475,61**	**5.473,32**
Total inventories	**5.975,14**	**5.986,14**

5.28 Customers and other trade receivables

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

	31/12/2011	31/12/2010
Domestic customers	6.690,77	3.205,48
Foreign customers	5.185,79	2.743,88
Greek State	8.723,88	27.699,42
Other miscellaneous debtors	29.232,03	30.256,00
Accrued income receivable	598,35	1.586,13
Prepayments to suppliers	1.994,29	1.991,92

AEGEAN AIRLINES S.A. amounts in thousand €

Total	**52.425,11**	**67.482,84**

"Other miscellaneous debtors" balance refers to receivables from ticket sales through IATA travel agents in Greece or abroad and tickets sold from/to other airlines.
Receivables from the Greek State mainly refer to ticket sales to the armed forces staff and press transfer.
The majority of the above receivables is considered to be short-term and therefore their fair value is not considered to be materially different from their book value.

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

	31/12/2011	31/12/2010
Expected receivable time:		
Less than 3 months	44.048,40	35.342,21
Within 3 and 6 months	3.837,35	8.210,14
Within 6 months and 1 year	4.235,64	19.716,50
More than a year	303,72	4.213,99
Total	**52.425,11**	**67.482,84**

5.29 Prepayments

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

	31/12/2011	31/12/2010
Advances to personnel	0,00	1,67
Staff current accounts	186,07	177,33
Other prepayments	4,78	6,35
Prepaid expenses	11.456,01	10.116,72
Fixed asset orders prepayments	84,06	0,00
Total	**11.730,93**	**10.302,06**

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

5.30 Financial assets

	31/12/2011	31/12/2010
Financial assets measured at fair value through the income statement	5.460,00	6.305,00

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.

5.31 Cash and cash equivalents

The reduction in cash and cash equivalents as at 31.12.2011 compared to 31.12.2010 is due to the operational losses during the period.

	31/12/2011	31/12/2010
Petty cash	437,81	437,81
Current accounts	9.963,13	9.963,13

AEGEAN AIRLINES S.A. amounts in thousand €

Short term time deposits	156.400,00	156.400,00
Total	**166.800,94**	**166.800,94**

5.32 Share capital

The Company's share capital is €46.421.115, divided into 71.417.100 common registered shares of nominal value sixty five eurocents (€ 0,65) per share.
All shares have been fully paid and participate in the profits.

5.33 Share premium

The share premium amount which resulted from the share capital increase in excess of the nominal value amount totaled to € 144.774.410,21.

5.34 Other reserves

Other reserves comprise of statutory, extraordinary and tax exempt 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 31/12/2010	**2.597,90**	**356,50**	**8.106,81**	**35,37**	**11.096,58**
Change for the period	0,00		(4.448,18)	0,00	(4.448,18)
Balance at 31/12/2011	**2.597,90**	**356,50**	**3.658,63**	**35,37**	**6.648,40**

Respectively for the period 2010 are analyzed as follows:

	Statutory reserves	Extraordinary reserves	Fair value reserves (cash flow hedging)	Tax free reserves	Total
Balance at 31/12/2009	**1.446,05**	**356,50**	**(848,12)**	**35,37**	**989,80**
Change for the period	1.151,85	0,00	8.954,93	0,00	10.106,78
Balance at 31/12/2010	**2.597,90**	**356,50**	**8.106,81**	**35,37**	**11.096,58**

The fair value reserves are presented net of deferred taxes.

The cash flow hedge reserve is analyzed as follows:

	2011		2010	
	Gross amount	**Tax**	**Gross amount**	**Tax**
Balance at period's beginning	**10.133,50**	**(2.026,70)**	**(1.149,92)**	**301,80**
Result to the income statement	(4.265,04)	853,01	(6.649,35)	1.632,39
Valuation at period end	(1.295,19)	259,04	17.932,77	(3.960,88)
Balance at period's end	**4.573,28**	**(914,65)**	**10.133,50**	**(2.026,70)**

5.35 Borrowings

The borrowing liabilities of the Company are analyzed as follows:

	31/12/2011	**31/12/2010**

Long term loans	Weighted average interest rate	Amount	Weighted average interest rate	Amount
Bank loans in foreign currency				
Bond loans in Euro		0,00		20.000,00
Total long term loans		**0,00**	3.354%	**20.000,00**
Short term loans				
Short term bank loans	8,624%	20.024,92	0,00	0,00
Long term liabilities payable in the following year		0,00	3.354%	67,07
Total short term loans		**20.024,92**		**67,07**
Total loans		**20.024,92**		**20.067,07**

5.36 Liabilities from finance leases

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

Future Payments	**31/12/2011**	**31/12/2010**
Up to 1 year	8.540,92	8.063,92
Between 1 to 5 years	35.440,65	33.216,22
More than 5 years	40.091,53	47.505,12
Total	**84.073,10**	**88.785,26**
Financial expense	**5.621,43**	**5.621,68**

Present value of future payments	**31/12/2011**	**31/12/2010**
Up to 1 year	7.730,37	7.278,53
Between 1 to 5 years	32.703,26	30.808,60
More than 5 years	38.018,04	45.076,46
Total	**78.451,67**	**83.163,58**

The weighted average interest rate was calculated at 0,547%

5.37 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:

	31/12/2011	**31/12/2010**
Opening year balance	5.855,89	6.836,28
Additional provisions for the year	(270,43)	(189,72)
Less: Provisions used during the year	(1.004,58)	(790,67)
Balance at the year end	**4.580,88**	**5.855,89**
Present value of non-financed obligations	5.585,46	5.711,29
Unrecognized actuarial gains/losses	1.911,74	1.246,04
Net actuarial obligation	**7.497,20**	**6.957,33**

AEGEAN AIRLINES S.A. amounts in thousand €

Amounts recognized in the income statement		
Current service cost	600,36	994,20
Interest cost	297,17	335,37
Service cost recognition	(35,80)	14,39
Nominal expense to the income statement	**861,73**	**1.343,96**
Additional benefits cost	536,98	607,24
Other expense/income	0,00	32,95
Total expense to the income statement	**1.398,71**	**1.984,15**
Changes in net obligation recognized in the balance sheet		
Net obligation at the opening year	7.119,81	5.926,33
Employer's contributions		
Benefits paid by the employer	(1.004,58)	(790,67)
Total expense recognized in the income statement	1.398,71	1.984,15
Net obligation at the end of the year	**7.513,94**	**7.119,81**

Changes in the present value of the obligation	**31/12/2011**	**31/12/2010**
Present value of the obligation - Opening period	5.855,89	6.836,28
Current service cost	600,36	994,20
Interest cost	297,17	335,37
Benefits paid by the employer	(1.004,58)	(790,67)
Additional payments or expenses/income	588,54	617,24
Actuarial loss/gain	(751,92)	(2.136,53)
Present value at the end of fiscal year	**5.585,46**	**5.855,89**

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:

	31/12/2011	**31/12/2010**
Current service cost	600,36	994,20
Finance cost	297,17	335,37
Additional benefits' cost	501,18	654,59
Total employee benefits cost	**1.398,71**	**1.984,15**

Actuarial assumptions were:

	31/12/2011	**31/12/2010**
Discount rate	5,35%	5,47%
Expected salary increase percentage	3,50%	3,50%
Average years of working life	21,99	18,85

AEGEAN AIRLINES S.A. amounts in thousand €

5.38 Suppliers and other liabilities

The analysis for the Company is as follows:

	31/12/2011	31/12/2010
State-law entities and state-owned enterprises	34,08	29,68
Foreign suppliers	21.634,22	16.968,33
Domestic suppliers	18.134,58	22.586,12
Liabilities from customers loyalty programs	1.387,64	1.241,58
Total	**41.190,52**	**40.825,70**

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.

5.39 Provisions

(a) Tax unaudited periods

The Company hasn't been tax audited for the fiscal years from 2007 to 2010. The accumulated amount provisioned for tax unaudited periods is € 1.400 thousand. The current fiscal year (2011) is tax audited based on POL 1159.

(b) Maintenance reserves

The accumulated amount the Company provisioned for future aircraft maintenance (maintenance reserves) at 31.12.2010 was € 24.137,00 thousand. The net change (increase) in the maintenance reserves during 2011 was € 6.246,42 thousand bringing the aircraft maintenance reserves on 31.12.2011 at € 30.383,42 thousand.

	31/12/2011	31/12/2010
Balance as at 1 January	**24.137,00**	**19.212,89**
Current period's provisions	6.246,42	4.924,11
Less: Provisions used	0,00	0,00
Balance as at 31 December	**30.383,42**	**24.137,00**

5.40 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:

	31/12/2011	31/12/2010
Credits from Airbus	0,00	620,16
Social Security Organization	3.886,29	3.920,90
Other short term liabilities	4.130,67	1.215,93
Checks outstanding postdated	303,25	269,67
Customers advances	247,26	1.015,62
Tax – Stamp duty on employees' benefits	1.157,58	1.135,50
Airport taxes and charges	7.816,53	10.043,66
VAT payable	1.588,77	1.429,39
Total	**19.130,35**	**19.650,82**

AEGEAN AIRLINES S.A. amounts in thousand €

5.41 Liabilities from tickets sold but not flown

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

5.42 Accrued expenses

	31/12/2011	31/12/2010
Agents commissions	5.273,34	4.510,62
Use of software	106,01	133,06
Aircraft fuel	638,56	24,06
Aircraft maintenance expenses	1.866,93	1.716,53
Landing costs	3.816,16	3.442,33
Eurocontrol charges	0,00	336,01
Charges from other foreign airline companies	1.873,04	1.182,28
Other fees payable	119,13	490,24
Aircraft leases	10,72	0,00
Other expenses	1.429,90	429,95
Total	**15.133,81**	**12.265,10**

5.43 Financial Derivatives

Financial derivatives are analyzed as follows:

	31/12/2011	31/12/2010
Financial derivatives (assets)		
Forward contracts in US $ - Cash flow hedging	7.471,24	9.204,43
Commodities' swaps (jet fuel) - Cash flow hedging	0,00	4.041,31
Receivables from financial derivatives	**7.471,24**	**13.245,74**
Financial derivatives (liabilities)		
Forward contracts in US $ - Cash flow hedging	70,02	1.969,01
Commodities' swaps (jet fuel) - Cash flow hedging	56,27	1.287,54
Interest rate swaps - Cash flow hedging	2.771,67	1.143,23
Liabilities from financial derivatives	**2.897,96**	**4.399,78**

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 2011, the Company had entered into forward contracts to hedge 29% of its expected needs in US dollars for the periods 2012-2013 (future transactions).
The nominal amount as at 31.12.2011 of the open forward contracts was € 140.922,60 thousand.
For the valuation of the above instruments the forward exchange rate of US$ / € sensitivity curve was used.

(b) Commodity swaps (Jet fuel swaps)

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Commodity swaps amounted to contracts for a total quantity of 6 thousand metric tons which account for approximately 3% of the projected jet fuel needs in 2012 (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 31.12.2011 was € 4.521,22 thousand
For the valuation of the above swaps the forward sensitivity curve of Jet Fuel FOB MED High was used.

(c) Interest rate swaps

Interest rate swaps (IRS) are used as hedging instruments for the cash flow hedging of floating rate financial liabilities for the 49% of the finance leases obligations.
The nominal value of the open IRS contracts as at 31.12.2011 was € 38.210,56 thousand.
For the valuation of the above swaps it was used the forward interest rate sensitivity curve.

5.44 Revenue

Revenue refers to proceeds from the issue of tickets, sale of goods and other services.
Revenue per service category is analyzed as follows:

	31/12/2011	31/12/2010
Proceeds from scheduled flights	474.326,06	424.546,66
Proceeds from charter flights	74.724,97	59.204,80
Proceeds from airport passenger charges	88.234,87	75.165,25
Other operating income	30.931,87	32.087,61
Total	**668.217,77**	**591.004,33**

5.45 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:

	31/12/2011	31/12/2010
Greek Manpower Employment Organization (OAED) subsidies	199,17	144,27
Income from services rendered to third parties	4.635,62	6.805,90
Proceeds from sale of fixed assets and aircraft spare engines	3.894,47	10.026,50
Proceeds from sale of aircraft spare parts	1.568,06	0,00
Total	**10.297,32**	**16.976,67**

Proceeds from sale of aircraft spare parts refer to AVRO RJ 100 spare parts as the specific type is not anymore included in the Company fleet.

5.46 Consumption of materials and services

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

	31/12/2010	31/12/2010
Aircraft fuel	183.904,86	121.759,45
Aircraft maintenance	45.700,11	50.748,63
Eurocontrol charges	41.117,24	34.540,79
Handling charges	26.259,64	23.513,51
Airport charges	124.392,00	107.280,22
Catering costs	23.660,56	20.273,02
Distribution costs	40.004,69	36.058,96

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Marketing costs	7.244,39	6.791,52
Aircraft & spare engines leasing	79.466,85	74.800,52
Inventories' consumption	1.018,55	903,94
Other operating expense	37.407,41	38.042,98
Total	**610.176,31**	**514.713,55**

The analysis of other operating expense follows:

	31/12/2011	**31/12/2010**
Third party fees	3.966,20	3.913,94
Board of Directors remuneration	1.106,68	1.100,00
Cargo expenses	1.123,99	1.623,58
Personnel training	2.416,43	1.994,82
Mail & Telecommunications expenses	1.736,15	2.289,03
Rents	3.358,51	3.154,08
Insurance premiums	2.531,61	2.695,82
Maintenance for building and equipment	2.105,08	1.933,50
Travel expenses	1.689,85	1.837,84
Stationary	1.146,72	1.315,42
Subscriptions	1.798,25	1.771,50
Other overhead costs	14.427,93	14.413,45
Total	**37.407,41**	**38.042,98**

5.47 Employee costs

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

	31/12/2011	**31/12/2010**
Salaries and wages	67.086,15	71.363,16
Employer contributions	17.514,44	18.872,78
Provisions for retirement benefits	1.425,70	2.012,94
Total	**86.026,29**	**92.248,88**

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

	31/12/2011	**31/12/2010**
Staff number	1.615	1.949

5.48 Bad debts write offs

The balance "Bad debts write offs" includes mainly receivables from travel and cargo agencies which due to the financial crisis could not meet their financial obligations through IATA (BSP & CASS) and the Company considered them as not recoverable.

5.49 Fair value revaluation of financial assets

It includes gain from jet fuel swaps of € 1.287,54 thousand and loss from corporate bonds of € 845 thousand.

AEGEAN AIRLINES S.A. amounts in thousand €

5.50 Financial income / expense

Financial income / expense analysis follows:

	31/12/2011	31/12/2010
Interest and expenses from long term liabilities	1.629,79	1.746,91
Interest and expenses from short term liabilities	167,90	0,00
Letters of Guarantee commissions	951,19	350,44
Finance leases interest	667,72	735,66
Foreign exchange losses	12.120,45	15.951,19
Other financial expenses	402,64	248,63
Total	**15.939.69**	**19.032,83**
Other interest income	(5.250,06)	(6.102,24)
Foreign exchange gains	(10.574,65)	(10.996,48)
Total	**(15.824,71)**	**(17.098,72)**

5.51 Income tax

Income tax is analyzed below:

	31/12/2011	31/12/2010
Provision for additional tax	0,00	300,00
Deferred tax	(3.976,90)	(3.714,83)
Companies' extraordinary social solidarity tax	-	8.027,96
Total	**(3.976,90)**	**4.613,13**
Profit /(loss) before taxes	**(31.152,70)**	**(18.679,25)**
Tax estimated on existing tax coefficient basis	**20%**	**24%**
	6.230,52	(4.483,02)
Tax on expenses not deductible for tax purposes	(245,23)	275,17
Provision for additional tax	0,00	300,00
Companies' extraordinary social solidarity tax	0,00	8.027,96
Effect from the change of tax rates	(2.008,39)	493,02
Income tax	**3.976,90**	**4.613,13**

5.52 Existing encumbrances

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

5.53 Commitments

(a) Operating leases

The Company's operating leases' obligations arise mainly from leased aircraft and spare engines it uses in order to conduct the flights as well as time slots rights.

The minimum future lease payments are analyzed below:

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	31/12/2011	31/12/2010
Up to 1 year	76.880,83	62.748,49
Between 1 and 5 years	123.653,21	142.234,86
More than 5 years	6.175,47	6.428,48
Total	**206.709,51**	**211.411,83**

(b) Capital commitments

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

- 2015 2 aircraft type A320
- 2016 3 aircraft type A320

5.54 Contingent assets and liabilities

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 € 1.264,16 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:

	31/12/2011	31/12/2010
Labour disputes	99,35	99,35
Labour accidents	228,72	223,62
Other	936,09	1.280,38
Total	**1.264,16**	**1.603,35**

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 the 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 Court of Appeal for which a hearing took place on 30.9.2008 and as per the Legal Protocol No 2821/2009 the compensation claim was rejected. The company has exercised a claim against the above decision to the Council of State with No AR272/5.03.2010 and the hearing date is expected to be set.
As far as it concerns the second litigious case the Company exercised there was a hearing on 29.10.2010 and the decision is pending.

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.

AEGEAN AIRLINES S.A. amounts in thousand €

Finally the Company made a legal claim against the Greek State for losses it suffered due to mandatory transfer to AIA. After the hearing on 08/10/2011, the compensation claim was rejected. The company has exercised a claim against the above decision to the Council of State and the decision is pending.

5.55 Loans

In the current period a total amount of € 6.907,08 thousand of financial leases capital were paid.

5.56 Related parties transactions

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

	31/12/2011	**31/12/2010**
Receivables (End of period balance from sale of goods- services)	118,31	56,46
Payables (End of period balance from purchase of goods- services)	190,70	264,07
Income – Services provided from the Company	235,61	327,92
Expenses – Services the Company received	1.599,88	1.810,22

The above transactions with other companies owned by the major shareholder of the Company relate mainly to rents and services provided or received.
All transactions are on arm's length basis.

5.57 Transactions with directors and Board of Directors members

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

	31/12/2011	**31/12/2010**
- BoD members fees	1.106,68	1.100,00
- Directors' salaries	1.554,06	1.533,12
- Directors' social insurance expenses	92,02	76,85
- Benefits in kind and other payments to directors	198,38	210,22
Total	**2.951,14**	**2.920,19**

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

5.58 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:

	31/12/2011	**31/12/2010**
Profit / (loss) before tax	**(31.152,60)**	**(18.679,25)**
Income tax	3.976,90	(4.613,13)
Profit / (loss) after tax	**(27.175,70)**	**(23.292,38)**
Attributable to:		
Weighted average number of ordinary shares	**71.417.100**	**71.417.100**

Basic earnings / (loss) per share (euros / share)	**(0,3805)**	**(0,3261)**

5.59 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

According to the existing legislation, specific provisions existing relating to capital adequacy. (Article No 47 Law 2190/20). The Company complies fully with them.

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.
With relation to the above risk the Company has hedged a portion of 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 present:

- 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.

31/12/2011					
Assets	**Balance Sheet value**	**Foreign exchange risk**		**Interest rate risk**	
		+50 bps	-50 bps	+10 bps	-10 bps
	€000	€000		€000	
Hedging derivatives	4.573,27	188,52	395,83	120,64	(120,641)

Assets measured at fair value through the Income Statement	5.460,00			(51,77)	52,86
Receivables	26.348,79	(784,25)	847,00		
Cash and cash equivalents	341,92	(10,18)	10,99		
Liabilities	(85.309,01)	2.412,19	(2.606,11)		
Total	**(48.585,04)**	**1.806,28**	**(1.351,99)**	**68,87**	**(67,78)**
Effect in the income statement after tax / equity		1.617,76	(1.747,82)	(51,77)	52,86
Effect in the statement of total income after tax / equity		188,52	395,83	120,64	(120,641)

31/12/2010					
Assets	**Balance Sheet value**	**Foreign exchange risk**		**Interest rate risk**	
		+50 bps	-50 bps	+10 bps	-10 bps
	€000	€000		€000	
Hedging derivatives	8.845,96	(5.781,51)	998,52	147,88	(147,88)
Assets measured at fair value through the Income Statement	6.305,00			(40,34)	40,92
Receivables	28.334,59	(776,74)	837,13		
Cash and cash equivalents	12.529,87	(343,48)	370,19		
Liabilities	(97.068,58)	2.660,95	(2.867,83)		
Total	**(41.053,16)**	**(4.240,79)**	**(662,00)**	**107,54**	**(106,96)**
Effect in the income statement after tax / equity		1.540,73	(1.660,52)	(40,34)	40,92
Effect in the statement of total income after tax / equity		(5.781,51)	998,52	147,88	(147,88)

		Fair value hierarchy levels		
31/12/2011		**Level 1**	**Level 2**	**Level 3**
		€000	€000	€000
Assets				
Forward contracts in USD	(FWD)		7.471,24	
Jet fuel commodity swaps	(FWD)		0,00	
Interest rate swaps	(IRS)		0,00	
Bonds (commercial portfolio)		5.460,00		
Total assets		**5.460,00**	**7.471,24**	
Liabilities				

Forward contracts in USD	(FWD)		(70,02)	
Jet fuel commodity swaps	(FWD)		(56,27)	
Interest rate swaps	(IRS)		(2.771,67)	
Total liabilities			**(2.897,96)**	
Total assets and liabilities		**5.460,00**	**4.573,28**	

	Fair value hierarchy levels			
31/12/2010		**Level 1**	**Level 2**	**Level 3**
		€000	€000	€000
Assets				
Forward contracts in USD	(FWD)		9.204,43	
Jet fuel commodity swaps	(FWD)		4.041,31	
Interest rate swaps	(IRS)			
Bonds (commercial portfolio)		6.305,00		
Total assets		**6.305,00**	**13.245,74**	
Liabilities				
Forward contracts in USD	(FWD)		(1.969,01)	
Jet fuel commodity swaps	(FWD)		(1.287,54)	
Interest rate swaps	(IRS)		(1.143,23)	
Total liabilities			**(4.399,78)**	
Total assets and liabilities		**6.305,00**	**8.845,96**	

Credit risk

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

	31/12/2011	**31/12/2010**
Classes of assets		
Cash and cash equivalents	166.800,94	184.272,27
Assets measured at fair value	5.460,00	6.305,00
Receivables from derivative contracts	7.471,24	9.989,18
Trade and other receivables	61.670,84	76.247,32
Total	**241.403,02**	**276.808,77**

Η διοίκηση θεωρεί ότι όλα τα ανωτέρω χρηματοοικονομικά περιουσιακά στοιχεία είναι υψηλής πιστωτικής ποιότητας.
The management considers that all the above financial assets that have not been impaired in previous reporting dates under review are of good credit quality.
In order to be protected against 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.

AEGEAN AIRLINES S.A. amounts in thousand €

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 reputable 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 31.12.2011 the Company had a cash position of € 166,8 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 2011 are analyzed as follows:

31.12.2011	**Short term**		**Long term**	
	Within 6 months	**6 – 12 months**	**1-5 years**	**More than 5 years**
Long term bank loans	5.024,92	15.000,00	0,00	0,00
Finance lease obligations	4.231,05	4.351,96	35.623,72	40.171,90
Trade payables	39.802,88	0,00	1.387,64	0,00
Other short term liabilities	32.143,86	2.120,30	0,00	0,00
Financial derivatives	2.433,66	2.523,51	2.514,06	0,00
Total	**83.636,38**	**23.995,78**	**39.525,41**	**40.171,90**

The relevant maturities as at 31 December 2010 are analyzed as follows:

31.12.2010	**Short term**		**Long term**	
	Within 6 months	**6 – 12 months**	**1-5 years**	**More than 5 years**
Long term bank loans	328,12	20.333,36	0,00	0,00
Finance lease obligations	5.261,49	2.797,22	33.214,71	47.505,12
Trade payables	39.584,12	0,00	1.241,57	0,00
Other short term liabilities	29.097,85	2.818,06	0,00	0,00
Financial derivatives	547,55	508,71	912,74	1.143,23
Total	**74.819,14**	**26.457,36**	**35.369,02**	**48.648,35**

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.

AEGEAN AIRLINES S.A. amounts in thousand €

Managed capital for 2011 and 2010 financial periods is analyzed as follows:

	2011	2010
Shareholders' total equity	169.318,93	200.942,81
Plus: Loans	98.476,59	103.230,66
Less: Cash and cash equivalents	(172.260,94)	(190.577,27)
Managed capital	**95.534,58**	**113.596,20**
Shareholders' total equity	169.318,93	200.942,81
Plus: Loans	98.476,59	103.230,66
Total capital	**267.795,52**	**304.173,47**
Managed capital / Total capital ratio:	**0,36**	**0,37**

The Company's target is to maintain the above ratio of "managed capital" (as defined above) over "total capital" (equity plus loans) between 0,25 and 0,50.

5.60 Post balance sheet events

There haven't been any post balance sheet events known to the Company's management that could materially affect the Financial Statements.

5.61 Auditor's remuneration

Auditors' remuneration for the period 2011 was € 81,00 thousand. This remuneration includes the financial audit and the provision of tax certificate for the fiscal year 2011 according to the article 82 par. 5 of Law 2238/2004 and the Circular 1159/26.07.2001. Except the above mentioned services there were no other services provided.

The annual Financial Statements for the period of 2011 have been approved by the Board of Directors of "Aegean Airlines S.A." on 27.03.2012 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, 27 March 2012

Chairman	Chief Executive Officer	Chief Financial Officer	Chief Accountant
Theodore Vasilakis I.D. no. Ξ458197	Dimitrios Gerogiannis I.D. no. AB642495	Michael Kouveliotis I.D. no. P490629	Maria Zannaki I.D. no. Σ723984

E) Figures and Information for the period 01.01.2011 – 31.12.2011

AEGEAN A STAR ALLIANCE MEMBER

AEGEAN AIRLINES S. A.

SUMMARY FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY 2011 TO 31 DECEMBER 2011

(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	: 27 March 2012
Certified Auditors	: ENEL S.A. (Reg.No. 155)
Audit Firm	: Panagiotis Vroustouris (Reg.No. 12921)
Type of Auditors' Audit Report	: Unqualified

Board of Directors

President - Executive Member	: Theodore Vasilakis
Vice President - Executive Member	: Eftichios Vassilakis
CEO - Executive Member	: Dimitrios Gerogiannis
Non Executive Member	: George Vassilakis
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 Independent Member	: Victor Pizante

FINANCIAL POSITION

	31/12/2011	31/12/2010
ASSETS		
Tangible assets	98.944,87	118.158,65
Intagible assets	27.176,57	4.697,08
Other non current assets	45.018,68	38.441,51
Inventories	5.975,14	5.986,14
Customers and other trade receivables	52.425,11	67.482,84
Other current assets	188.949,03	212.602,56
TOTAL ASSETS	**418.489,41**	**447.368,80**
EQUITY AND LIABILITIES		
Share capital	46.421,11	46.421,11
Additional paid-in capital and reserves	122.897,82	154.521,71
Total shareholders' equity (a)	**169.318,93**	**200.942,81**
Provisions and other long term liabilities	111.420,89	109.233,57
Short term bank loans	27.724,73	27.309,86
Other short term liabilities	110.024,87	109.882,56
Total liabilities (b)	**249.170,48**	**246.425,99**
EQUITY AND LIABILITIES (c) = (a) + (b)	**418.489,41**	**447.368,80**

STATEMENT OF COMPREHENSIVE INCOME

	01/01-31/12/2011	1/1-31/12/2010
Revenue	668.217,77	591.004,33
Operating profit / (loss)	2.433,36	10.106,30
Profit / (loss) before tax, financing and investing results	(30.682,09)	(12.490,03)
Profit / (loss) before tax	**(31.152,60)**	**(18.679,25)**
Income tax	3.976,90	(4.613,13)
Profit / (loss) after tax (a)	**(27.175,70)**	**(23.292,38)**
Other Total Comprehensive Income / (expense) (b)	(4.448,19)	8.954,93
Total Comprehensive Income (c) = (a)+(b)	**(31.623,89)**	**(14.337,44)**
Basic (after taxes) earnings per share in €	(0,3805)	(0,3261)
Profit / (loss) before tax, financing, investing results and depreciation	(17.687,51)	1.018,57

STATEMENT OF CHANGES IN EQUITY

	#REF!	#REF!
Equity balance at the year's beginning (1.1.2011 &1.1.2010 respectively)	200.942,81	224.564,48
Profit / (loss) after tax	(27.175,70)	(23.292,38)
Distributed dividends	-	(9.284,23)
Total comprehensive income after tax	(4.448,19)	8.954,93
Balance as of end of period (31.12.2011 & 31.12.2010 respectively)	**169.318,93**	**200.942,81**

CASHFLOW STATEMENT

	31/12/2011	31/12/2010
Operating activities		
Profit / (loss) before taxes	**(31.152,60)**	**(18.679,25)**
Plus / less adjustments for:		
Depreciation	12.994,56	13.508,86
Provisions	7.473,89	12.527,66
Foreign exchange differences	1.103,26	6.876,86
(Profit) / loss from investing activities	(9.123,76)	(16.128,74)
Finance Cost	3.819,24	3.081,64
Cash flows from operating activities before changes in working capital		
(Increase) / Decrease in inventories	11,01	(254,14)
(Increase) / Decrease in trade & other receivables	10.386,36	(6.704,73)
(Increase) / Decrease in derivative receivables	5.774,50	(6.640,87)
Increase / (Decrease) in payables (other than banks)	9.027,60	(2.065,14)
Increase / (Decrease) in derivatives liabilities	(5.950,00)	9.642,14
Interest expenses paid	(3.536,67)	(2.715,18)
Tax paid	(4.984,16)	(22.184,27)
Net cash flows from operating activities (a)	**(4.156,77)**	**(29.735,16)**
Investing Activities		
Purchases of assets	(24.564,20)	(11.463,22)
Proceeds from sale of tangible & intangible assets	12.177,63	25.398,53
Downpayments for purchases of tangible assets	(15,40)	7.394,80
Proceeds from sale of investments (shares)	1.469,79	1.469,79
Interest and other financial income received	4.596,13	4.548,29
Net cash flows from investing activities (b)	**-6.336,06**	**22.799,91**
Financing Activities		
Loans' repayments	(42,15)	(59,49)
Dividend's repayment	-	(9.274,66)
Changes in finance lease capital	(6.936,36)	(12.231,16)
Net cash flows from financing activities (c)	**(6.978,51)**	**(21.565,31)**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**(17.471,34)**	**208.224,56**
Cash and cash equivalents at the beginning of the period	**184.272,27**	**(23.952,29)**
Cash and cash equivalents at the end of the period	**166.800,94**	**184.272,27**

ADDITIONAL DATA & INFORMATION

1. The Company hasn't been audited by the tax authorities up for the fiscal years 2007 to 2010. For the non tax audited periods there is a cumulative provision of € 1.400 thousand.
2. Apart from the above provision, the Company has made an additional provision of € 30.383,42 thousand related to future obligations for the maintenance of its aircraft (See Note 5.39b of the Interim Financial Statements).
3. 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.
4. The total number of employees as at 31/12/2011 was 1.615 and as at 31/12/2010 was 1.949
5. The company does not hold own shares at the end of the current period.
6. The European Commission following an investigation which lasted 10 months, announced on 26/01/2011 its decision to prohibit the proposed transaction with regards to the merger of Olympic Air with AEGEAN.
The transaction had been agreed by the main shareholders of AEGEAN and MARFIN INVESTMENT GROUP on February 22, 2010, subject to the approval by the European Competition Commission. Given the aforementioned Decision, the agreement of February 22, 2010 between the two parties is dissolved.
7. According to I.A.S. 24, related party transactions for 2011 and receivables/ payables balances as at 31.12.2011 are analyzed below:

Amounts in thousand €

a) Revenue	235,61
b) Expenses	1.599,88
c) Receivables - Deposits	118,31
d) Payables	190,70
e) Management's' and Board of Directors' remuneration	2.951,14
f) Payables to Management and Board of Directors	0,00
g) Receivables from Management and Board of Directors	0,00

9. The statement of total income are analyzed as follow s :

Amounts in thousand €	31/12/2011	31/12/2010
Cash flow hedging :		
Reclassification of (profit) / loss in the result for the period	(4.265,04)	(6.649,35)
Profit / (loss) for the period	(1.295,19)	17.932,77
Cash flow hedging income tax	1.112,05	(2.328,49)
Other comprehensive income for the period after taxes	**(4.448,19)**	**8.954,93**

Athens, 27 March 2012

Chairman of BoD	Chief Executive Officer	Chief Financial Officer	Head of Accounting dept
Theodoros Vassilakis	Dimitrios Gerogiannis	Michael Kouveliotis	Maria Zannaki

AEGEAN AIRLINES S.A. amounts in thousand €

F. Company announcements as per Art.10 Law 3401/2005 published during fiscal year 2011

Aegean Airlines had disclosed the following information over the period beginning 01/01/2011 and ending 31/12/2011, 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
26/01/2011	Announcement	http://en.aegeanair.com/investor-relations/announcements/
11/02/2011	Passenger Traffic & 2010 Estimates - 2011 Outlook	http://en.aegeanair.com/investor-relations/announcements/
02/03/2011	Publication Date of 2010 Financial Results	http://en.aegeanair.com/investor-relations/announcements/
08/03/2011	Reschedule of Publication Date of 2010 Financial Results	http://en.aegeanair.com/investor-relations/announcements/
08/03/2011	Announcement of Slots Agreement	http://en.aegeanair.com/investor-relations/announcements/
14/03/2011	2010 Results	http://en.aegeanair.com/investor-relations/announcements/
14/03/2011	Financial Calendar 2011	http://en.aegeanair.com/investor-relations/announcements/
27/04/2011	Revised Financial Calendar 2011	http://en.aegeanair.com/investor-relations/announcements/
18/05/2011	Revised Financial Calendar 2011	http://en.aegeanair.com/investor-relations/announcements/
19/05/2011	Invitation to the Ordinary General Meeting of the Shareholders	http://en.aegeanair.com/investor-relations/general-assemblies/
23/05/2011	Publication date of First Quarter 2011 financial results	http://en.aegeanair.com/investor-relations/announcements/
26/05/2011	Press Release - First Quarter 2011 Results	http://en.aegeanair.com/investor-relations/announcements/
15/06/2011	Decisions of the Ordinary General Shareholders Meeting	http://en.aegeanair.com/investor-relations/announcements/
22/08/2011	Publication date of First Half 2011 financial results	http://en.aegeanair.com/investor-relations/announcements/
25/08/2011	First Half 2011 Results	http://en.aegeanair.com/investor-relations/announcements/
14/11/2011	Announcement - Invitation	http://en.aegeanair.com/investor-relations/announcements/
17/11/2011	Publication date of Nine Month 2011 financial results	http://en.aegeanair.com/investor-relations/announcements/

AEGEAN AIRLINES S.A. amounts in thousand €

23/11/2011	Nine Month 2011 Results - Press release	http://en.aegeanair.com/investor-relations/announcements/
09/12/2011	Announcement - Invitation	http://en.aegeanair.com/investor-relations/announcements/
16/12/2011	Announcement of share buy-back decision	http://en.aegeanair.com/investor-relations/announcements/

In addition, in the following page: http://en.aegeanair.com/investor-relations/announcements/trade-acknowledgements/?ff=2011 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				
18/01/2011	02/02/2011 (2)	14/02/2011	25/05/2011	25/07/2011
25/01/2011	02/02/2011 (1)	15/02/2011	27/05/2011	09/08/2011
27/01/2011	03/02/2011	08/03/2011	02/06/2011	05/10/2011
28/01/2011 (2)	04/02/2011	10/03/2011	03/06/2011	07/10/2011
28/01/2011 (1)	07/02/2011 (2)	18/03/2011	06/06/2011	06/12/2011
31/01/2011 (2)	07/02/2011 (1)	24/03/2011	08/07/2011	21/12/2011
31/01/2011 (1)	09/02/2011	21/04/2011	18/07/2011	
01/02/2011	10/02/2011	24/05/2011	22/07/2011	

G. Website for the publication of the Annual Financial Statements

The Company's financial statements, the independent auditors' report and the Board of Directors' report for the annual period ended on 31.12.2011 are posted on the Company's website www.aegeanair.com.