



A STAR ALLIANCE MEMBER 

AEGEAN AIRLINES S.A.

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

**Interim Financial Statements
for the period
(1 January 2011 to 30 September 2011)**

In accordance to art. 5 of Law 3556/2007 and the Board of Directors'
Resolutions of the Hellenic Capital Market Commission

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1. Financial Position as at 30.09.2011

	Note	30/09/2011	31/12/2010
ASSETS			
Non current assets			
Intangible assets	5.8	26.994,92	4.697,08
Tangible assets	5.9	103.438,78	118.158,65
Advances for assets acquisition	5.10	20.093,94	20.093,94
Deferred tax assets		12.097,87	8.060,60
Other long term assets		9.668,22	8.764,48
Hedging derivatives	5.11	2.176,15	1.522,50
Total non current assets		174.469,90	161.297,25
Current assets			
Inventories		5.443,76	5.986,14
Customers and other receivables	5.12	84.762,81	67.482,84
Advances		1.319,00	10.302,06
Hedging derivatives	5.11	5.348,95	11.723,24
Financial Assets at fair value		6.170,94	6.305,00
Cash and cash equivalents		193.832,41	184.272,27
Total current assets		296.877,86	286.071,55
TOTAL ASSETS		471.347,76	447.368,80
EQUITY			
Share capital		46.421,11	46.421,11
Share premium account		144.774,41	144.774,41
Other reserves		4.640,86	11.096,58
Retained profit / (loss)		(4.071,51)	(1.349,29)
Total equity		191.764,86	200.942,81
LIABILITIES			
Long term liabilities			
Hedging derivatives	5.11	3.156,70	2.055,96
Finance lease contracts liabilities	5.17c	69.785,56	75.920,80
Provisions for retirement benefits obligations		7.729,85	7.119,81
Provisions	5.18b	31.170,16	24.137,00
Total long term liabilities		111.842,27	109.233,58
Short term liabilities			
Suppliers		45.026,96	40.825,70
Long term loan liabilities payable next year		20.264,25	20.067,07
Long term finance leases liabilities payable next year	5.17c	7.153,88	7.242,79
Short term liabilities		16.571,79	19.650,82
Liabilities from tickets sold but not flown		38.983,99	28.412,96
Accrued expenses		28.979,56	12.265,10
Hedging derivatives	5.11	1.594,65	1.056,27
Derivatives' liabilities	5.11	1.287,55	1.287,54
Income tax liabilities	5.19	6.178,00	4.984,16
Provisions	5.18a	1.700,00	1.400,00
Total short term liabilities		167.740,62	137.192,42
Total liabilities		279.582,90	246.425,99
TOTAL EQUITY AND LIABILITIES		471.347,76	447.368,80

2. Statement of Comprehensive Income

Income statement

	Note	01/01- 30/09/2011	01/01- 30/09/2010	01/07- 30/09/2011	01/07- 30/09/2010
Revenue	5.13	537.352,92	466.199,40	242.176,93	198.809,56
Other income		10.090,78	12.199,54	1.591,11	461,83
Personnel expenses		(64.724,73)	(69.708,19)	(22.922,98)	(22.774,73)
Depreciation		(9.953,11)	(10.287,98)	(3.486,02)	(3.561,87)
Consumption of materials and services		(478.312,66)	(399.937,94)	(193.708,66)	(150.733,17)
Bad debts write off	5.15	(833,33)	0,00	0,00	0,00
(Loss) / gain from fair value revaluation	5.14	575,84	0,00	595,83	0,00
Financial income	5.14	13.535,72	12.841,82	(549,38)	2.575,10
Financial expense	5.14	(10.659,56)	(13.225,73)	(3.433,74)	6.817,84
(Loss) / Profit before tax		(2.928,14)	(1.919,07)	20.263,10	31.594,57
Income tax	5.18	205,92	(6.518,56)	(3.164,88)	(7.475,02)
(Loss) / Profit after tax		(2.722,23)	(8.437,63)	17.098,22	24.119,55

Statement of total income

		01/01- 30/09/2011	01/01- 30/09/2010	01/07- 30/09/2011	01/07- 30/09/2010
<i>Cash flow hedging:</i>					
Reclassification of (Profit) / loss in the result for the period		(8.163,34)	4.849,11	(2.479,79)	1.745,12
Gains / (losses) for the period		93,70	(530,90)	10.767,27	(18.706,46)
Cash flow hedging income tax		1.613,93	(1.086,28)	(1.657,48)	3.953,91
Other comprehensive income for the period after taxes		(6.455,71)	3.231,92	6.629,99	(13.007,43)
Total comprehensive income		(9.177,94)	(5.205,70)	23.728,20	11.112,11
Basic earnings / (loss) per share in €		(0,0381)	(0,1181)	0,2394	0,3377

3. Statement of changes in Equity for the period ended at 30.09.2011

	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
Dividends paid					(9.284,23)	(9.284,23)
Regular reserves				1.151,84	(1.151,84)	0,00
Total comprehensive income after taxes			3.231,92		(8.437,63)	(5.205,70)
Balance as at 30 September 2010	46.421,11	144.774,41	2.383,80	2.989,76	13.505,47	210.074,55
Balance as at 1 January 2011	46.421,11	144.774,41	8.106,81	2.989,76	(1.349,28)	200.942,81
Total comprehensive income after taxes			(6.455,71)		(2.722,24)	(9.177,95)
Balance as at 30 September 2011			1.651,10	2.989,76	(4.071,51)	191.764,86

4. Cash Flow Statement for the period ended at 30.09.2011

	30/09/2011	30/09/2010
<u>Cash flows from operating activities</u>		
Profit / (loss) before tax	(2.928,14)	(1.919,07)
<u>Adjustments for:</u>		
Depreciation of tangible assets	9.953,11	10.287,98
Provisions	8.476,53	3.112,76
Foreign currency exchange (gains) / losses	(1.707,97)	3.635,30
(Profit) / loss from investing activities	(7.405,42)	(12.441,91)
Finance Cost	2.764,26	2.352,06
Cash flows from operating activities before changes in working capital	9.152,36	5.027,12
<u>Changes in working capital</u>		
(Increase)/Decrease in inventories	542,38	(165,49)
(Increase)/Decrease in trade & other receivables	(12.394,10)	(11.937,62)
(Increase)/Decrease in hedging derivatives assets	5.720,64	(2.814,70)
Increase/(Decrease) in trade payables	33.214,71	(230,37)
Increase /(Decrease) in derivatives liabilities	(4.816,61)	1.503,31
Total changes in working capital	22.267,02	(13.644,87)
Interest expenses payable	(2.235,79)	(1.226,50)
Income tax paid	(4.984,16)	(12.986,69)
Net cash flows from operating activities	24.199,43	(22.830,94)
<u>Cash flows from investing activities</u>		
Purchase of assets	(23.987,38)	(4.983,31)
Sale of tangible assets	9.487,51	1,94
Advances' reimbursement for the acquisition of tangible assets	0,00	5.599,84
Proceeds from sale of shares	1.469,79	1.469,79
Interest and other financial income received	0,00	0,00
Net cash flows from investing activities	3.650,61	3.381,60
	(9.379,47)	5.469,87
<u>Cash flows from financing activities</u>		
Loans repayment	(67,07)	(98,38)
Dividends paid	0,00	(9.274,40)
Finance leases capital repayment	(5.192,74)	(10.386,41)
Net cash flows from financing activities	(5.259,81)	(19.759,19)
Net (decrease)/ increase in cash and cash equivalents	9.560,14	(37.120,26)
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	193.832,41	171.104,30

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).

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 interim financial statements are reporting on the nine month period from 1 January 2011 to 30 September 2011. The financial statements have been prepared under the historical cost principle as it is modified by the revaluation of certain categories of assets and liabilities in current values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) and in particular with the IAS 34 for interim financial reporting. The reporting currency is Euro and the amounts are expressed in thousands.

The interim financial statements for the nine month period of 2011 have been prepared on the same basis of the accounting principles used for the preparation and presentation of the Company's financial statements for the period ended at 31 December 2010.

The attached interim financial statements should be read along with the annual financial statements for the period ended at 31 December 2010 which include a thorough analysis of the accounting principles' and methods' used, as well as a detailed analysis of the consisting material balances.

The preparation of the financial statements according to the International Financial Reporting Standards (IFRS) requires the usage of accounting estimations and management's judgment for the implementation of the Company's accounting principles. Material management's judgments are noted when necessary. The estimations and other judgments of the management are evaluated continuously and are based on empirical data and/or other factors such as expectations on future outcomes that are considered probable under certain conditions.

5.4 Revised Accounting Standards

In the current period there was no necessity for adoption of new accounting standards, interpretation or amendments.

5.5 New Accounting Standards and Interpretations

- **IFRS 7 (Amendment) "Financial Instruments - Disclosures"**, it applies to annual accounting periods starting 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. It is not expected to have a material impact to the Company.

- **IFRS 9 "Financial Instruments"**, applicable to annual accounting periods starting 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. It is not expected to have a material impact to the Company.

- **IFRS 10 "Consolidated Financial Statements"**, effective for annual accounting periods starting on or after 01.01.2013. This standard replaces with regard to consolidated financial statements IFRS 27 "Consolidated and Separate Financial Statements", which is renamed to "Separate Financial Statements" and IFRIC 12 "Service Concession Arrangements". The standard defines "control" of an entity over another and sets the applicable preconditions. No material effect is expected to the Company.

- **IFRS 11 "Joint Arrangements"**, applicable for annual accounting periods starting on or after 01.01.2013 and replaces IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". The standard distinguishes joint arrangements in joint operations and joint ventures. Joint operations accounting is in accordance with the relevant standards for assets, liabilities, income and expenses relating to common operations. Joint ventures' accounting follows the equity method. IAS 28 is renamed to "Investments in Associates and Joint Ventures". The above are not expected to have any material effect to the Company.

- **IFRS 12 "Disclosures of Interests in Other Entities"**, effective for annual accounting periods starting on or after 01.01.2013. The standard defines the minimum required disclosures regarding interests subsidiaries, affiliates, joint ventures and structured not controlled – non consolidated entities. No material effect is expected on the Company.

- **IFRS 13 "Fair Value Measurement"**, it applies to annual accounting periods starting on or after 01.01.2013. It collects under one standard – framework all issues regarding the definition of fair value, fair value measurement and required disclosures. It is not expected to materially affect the Company.

- **IAS 1 (Amendment) "Financial Statement Presentation on other comprehensive income"**, with effect for annual periods starting on or after 01.07.2012. This amendment requires grouping of the balances included in the statement of total income based on whether they are reclassified at a later stage in the income statement (profit or loss). No material effect is expected to the Company.

- **IAS 19 (Amendment) "Employee Benefits"**, effective for annual periods commencing on or after 01.01.2013. The new standard regulates issues on the recognition of changes in the net liability of defined benefits or amendments, cuts and settlements of benefit plans as well as notifications. The amendment is not expected to have any material effect to the Company.

- **IFRIC 20 "Production costs on mines surface in order to have access to the resources"**, effective for annual periods commencing on or after 01.01.2013. The new standard regulates accounting issues on the recognition of these expenses. The interpretation was not applicable to the Company.

5.6 Seasonality

The Company's operating result fluctuates significantly each quarter during the financial year, a trend that is expected to continue in the future as a result of the demand's seasonality, in combination with the relatively high fixed costs of the Company. Historically the Company's significant part of income from passengers is realized between April and September and in a lesser degree, during the holiday periods of Easter and Christmas/New Year's. Demand and average fares are in general higher during these periods. Consequently the Company has higher revenues in the second and third quarter of the financial year. On the contrary revenues are lower during the first and fourth quarter, since the demand is lower during winter season. The Company suffers most of its costs evenly during the year and therefore it is generally expected that the operating results are lower during the first and fourth quarter.

5.7 Operating Segments

The Company's reports are broken down into 2 segments:

- Scheduled flights
- Charter flights

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

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

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

Results per segment are analyzed as follows:

01/01/2011-30/09/2011	Scheduled flights	Charter flights	Other income	Total
Total revenue	443.776,73	70.132,05	23.444,13	537.352,92
Operating result	(24.973,77)	6.311,88	3.024,29	(15.637,59)
Financial results				3.452,00
Other income/(expense)				9.257,44
Profit / (Loss) before taxes				(2.928,15)
Income tax				205,92
Net result for the period				(2.722,23)
01/01/2010-30/09/2010	Scheduled flights	Charter flights	Other income	Total
Total revenue	386.929,72	55.034,47	24.235,22	466.199,40
Operating result	(20.085,23)	6.681,18	3.858,25	(9.545,80)
Financial results				(383,91)
Other income/(expense)				8.010,64
Profit / (Loss) before taxes				(1.919,07)
Income tax				(6.518,56)
Net result for the period				(8.437,63)

Other income consists of cargo revenue, onboard sales as well as revenue relating to income generated from ticket sales services.

Assets and liabilities breakdown per segment is analyzed as follows:

01/01/2011-30/09/2011	Scheduled flights	Charter flights	Total
Segment's assets	228.677,30	2.950,20	231.627,50
Non assigned to segments assets			239.720,27
Total Assets			471.347,76
Segment's liabilities	231.158,45	6.513,45	237.671,90
Non assigned to segments liabilities			41.911,00
Total Liabilities			279.582,89
01/01/2010-30/09/2010	Scheduled flights	Charter flights	Total
Segment's assets	249.362,54	1.285,72	250.648,26
Non assigned to segments assets			216.156,22
Total Assets			466.804,49
Segment's liabilities	215.007,88	3.379,29	218.387,17
Non assigned to segments liabilities			38.342,77
Total Liabilities			256.729,94

5.8 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.

5.9 Tangible assets

(a) Aircraft

The Company's fleet as at 30.09.2011 consisted of 29 aircraft, as analyzed below:

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

(b) Aircraft engines

The Company proceeded to the sale and lease back of an owned spare aircraft engine in the first quarter of 2011. The result (profit) of the above transaction was € 5,00m and is included in the account "Other Income" in the Statement of Comprehensive Income.

Moreover during the nine month period of 2011, the Company sold three owned spare engines for Avro RJ100 aircraft type. The result was a loss of € 2,20m, included in other operating expenses 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

	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 30 September 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	-	169,04	54,04	-	18.376,66	9.917,39	5,20	229,99	45,96	-	2,69	-	236,52	-	29.037,48
Disposals	-	-	-	-	-	-	(9.687,76)	-	-	-	(28,28)	-	(9,74)	-	(9.725,78)
Balance at 30 September 2010	22,51	11.494,11	2.855,17	6.475,32	69.795,08	40.160,02	13.082,52	1.985,15	6.227,67	628,91	3.965,32	201,96	7.704,94	214,43	164.813,11
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	-	753,94	83,74	242,82	2.355,58	4.061,64	847,21	65,82	529,64	-	348,23	-	448,83		9.737,45
Disposals	-	-	-	-	-	-	(570,71)	-	-	-	(28,28)	-	(7,80)		(606,78)
Balance at 30 September 2010	-	2.149,41	2.037,72	1.295,06	5.533,45	10.811,34	6.322,35	994,60	3.111,56	628,91	3.052,16	85,29	7.307,77	214,43	43.544,05
Depreciable value at 30 September 2010	22,51	9.344,70	817,45	5.180,26	64.261,63	29.348,68	6.760,17	990,55	3.116,11	0,00	913,16	116,67	397,17	-	121.269,06
Period to 30 September 2011															
Balance at 1 January 2011				-	-		-	-	-	-					-
Reclassifications	-	400,65	1,07	-	-	-	-	-	30,18	-	122,33	-	476,03	-	1.030,25
Additions	-	-	(120,00)	-	-	-	(7.449,96)	(1.755,17)	(1.838,88)	-	(1.357,18)	-	(11,94)	-	(12.533,13)
Disposals	22,51	11.938,23	2.747,57	6.475,32	69.795,08	40.160,02	5.632,56	(0,01)	4.419,77	628,91	2.726,20	201,96	8.223,12	214,43	153.185,68
Balance at 30 September 2011															
Accumulated depreciation	-	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
Balance at 1 January 2011	-	770,71	78,35	242,82	2.355,58	4.411,10	311,24	36,57	407,67	-	254,00	-	406,19		9.274,23
Depreciation	-	-	(119,59)	-	-	-	(2.623,00)	(1.053,10)	(1.137,42)	-	(1.117,03)	-	(7,08)		(6.057,22)
Disposals	-	3.178,54	2.023,56	1.618,83	8.674,23	16.524,80	4.127,14	0,00	2.551,78	628,91	2.290,56	85,29	7.828,83	214,43	49.746,90
Balance at 30 September 2011	22,51	8.759,69	724,01	4.856,49	61.120,85	23.635,22	1.505,43	(0,01)	1.867,99	0,00	435,64	116,67	394,29	-	103.438,78

5.10 Advances for assets' acquisition

The advances for acquisition of assets mainly relate to advances given to foreign entities for the purchase by the Company of aircraft.

5.11 Financial Derivatives

(a) Foreign currency forward contracts

The Company enters into derivative contracts relating to foreign 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 and to avoid the increase in the value of liabilities by securing fixed exchange rates. On 30 September 2011, the Company had entered into forward contracts to hedge its expected needs in US dollars for about 34% on average of these expected needs for the periods 2011-2013.

The financial derivatives contracts' nominal amount as at 30.09.2011 was US\$ 234.000,00 thousand and is analyzed as follows:

Maturity of contracts	Nominal amount in thousand USD
2011	42.000,00
2012	156.000,00
2013	36.000,00
Total	234.000,00

(b) Jet fuel swaps (commodity swaps)

On 30 September 2011, the Company had signed forward contracts to buy jet fuel (commodity swaps) of total quantity of 18 thousand metric tons which account for 7% approximately of the projected fuel needs for the remaining period of 2011 and 2012. These contracts are used for cash flow hedging for the risk arising from the movement in the jet fuel spot prices.

The open commodity swaps contracts' nominal amount as at 30.09.2011 was US\$ 15.557,25 thousand and it is analyzed below:

Maturity of contracts	Fuel quantity in metric tons	Deemed amount in thousand US \$
2011	12.000	9.707,25
2012	6.000	5.850,00
Total	18.000	15.557,25

(c) Interest rate swaps

On 30 September 2011, the Company had in place interest rate swap contracts (IRSs) as hedging instruments for cash flow hedging resulting from liabilities at a variable interest rate, for 48% of the total finance leases capital.

The nominal amount of the open interest rate swaps on 30 September 2011 was US \$ 50.717,01 thousand.

The fair values of the derivative contracts are based on mark to market valuations.

Movements in the fair value of the hedging instruments are recognized in equity under "Other reserves" through the Statement of Total Revenue or in the Statement of Comprehensive Income when the hedged cash flows impact the result.

5.12 Customer and other receivables

The Company's receivables are analyzed as follows:

	30/9/2011	31/12/2010
Domestic customers	3.391,88	3.205,48
Foreign customers	11.626,04	2.743,88
Greek State	23.010,12	27.699,42
Other miscellaneous debtors	37.205,40	30.256,00
Accrued income receivable	5.803,89	1.586,13
Advances to suppliers	3.725,48	1.991,92
Total	84.762,81	67.482,84

"Other miscellaneous debtors" balance refers to receivables from ticket sales through travel agencies members of IATA 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 transfer of newspapers.

It also includes the Company's claim for the return of the remaining balance of the income tax prepayment for the period of 2010.

The balance "foreign customers" includes receivables from other airlines (interline) and receivables from tour operators for charter flights.

5.13 Revenue

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

The revenue is analyzed per type as follows:

	30/09/2011	30/09/2010
Scheduled flights revenue	377.756,09	331.039,15
Charter flights revenue	66.444,13	51.905,42
Revenue from passengers airports charges	69.708,57	59.019,62
Other operating revenue	23.444,13	24.235,22
Total	537.352,92	466.199,40

5.14 Financial income/expenses

(a) The financial income/expenses are analyzed as follows:

	30/09/2011	30/9/2010
Interest and expenses from long term liabilities	1.270,09	1.313,15
Letters of Guarantee commissions	670,03	251,86
Finance leases interest	483,95	579,67
Foreign exchange losses	7.895,31	10.256,17
Borrowing costs	340,19	207,39
Loss from assets measured at fair value	134,06	617,50
Total	10.793,62	13.225,73
Other interest income	(4.374,21)	(4.431,27)
Gain from assets measured at fair value	(709,90)	0,00
Foreign exchange gains	(9.161,50)	(8.410,55)

Total	(14.245,62)	(12.841,82)
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(b) The balance "Loss from assets measured at fair value" includes losses from corporate bonds € 134,06 and the balance "gain from assets measured at fair value" includes profits from derivatives € 709,90 thousand.

5.15 Bad debts write offs

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

5.16 Existing encumbrances

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

5.17 Commitments

(a) Operating leases

The Company's obligations arise mainly from aircraft it uses in order to conduct its flight operations. The minimum future lease payments for aircraft are analyzed below:

	30/09/2011	30/09/2010
Up to 1 year	72.203,41	58.312,15
Between 1 and 5 years	137.778,72	148.281,92
More than 5 years	6.671,13	4.258,85
Total	216.653,26	210.852,93

(b) Capital commitments

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

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

(c) Finance leases

The Company's commitment relating to finance leases are analyzed below:

Future payments	30/09/2011	30/09/2010
Up to 1 year	8.086,24	7.880,35
Between 1 and 5 years	33.695,26	32.059,69
More than 5 years	40.673,60	48.772,44
Total	82.455,11	88.712,48
Financial cost	5.515,67	2.616,17
Present value of minimum future payments	30/09/2011	30/09/2010
Up to 1 year	7.331,95	7.376,69
Between 1 and 5 years	31.112,64	30.975,01
More than 5 years	38.494,85	47.744,60

Total
76.939,44
86.096,30

5.18 Provisions

(a) Tax unaudited periods

The Company has been tax audited up to the period of 2006. The accumulated amount provisioned for tax unaudited periods is € 1.700 thousand. For the nine month period of 2011 there has been an additional provision of € 300 thousand. On 12.07.2011 commenced the tax audit for the periods 2007, 2008 and 2009 which has not yet been completed.

(b) Maintenance reserves

The accumulated amount the Company provisioned for future aircraft maintenance (maintenance reserves) at 31.12.2010 was € 24.136,99 thousand. The net change (increase) in the maintenance reserves during the nine month period of 2011 was € 7.033,16 thousand bringing the aircraft maintenance reserves on 30.09.2011 at € 31.170,16 thousand.

5.19 Income tax

Income tax is analyzed below:

	30/09/2011	30/09/2010
Profit/(losses) before taxes	(2.928,14)	(1.919,07)
	20%	24%
Tax estimated on existing tax coefficient basis	(585,63)	(460,58)
Tax on expenses not deductible for tax purposes	150,00	120,00
Provision for additional tax	300,00	300,00
Effect from tax coefficient change	(70,29)	(103,63)
Companies' extraordinary social solidarity tax	0,00	6.662,77
Income tax	205,92	6.518,56

5.20 Contingent assets and liabilities

(a) Legal or in arbitration disputes

There are legal or in arbitration disputes and other contingent events that they have not changed from 31.12.2010 and are not expected to have a material effect in the financial position or the operation of the Company. Therefore no provision for such liabilities has been booked.

(b) Contingent assets

There are contingent assets that they have not changed from 31.12.2010 and it is not expected to have a material effect in the financial position or the operation of the Company.

5.21 Loans

In the current period no new loans were undertaken and there was a repayment of financial leases liabilities of a total amount of € 5.192,74 thousand.

5.22 Related parties transactions

	30/09/2011	30/09/2010
Receivables (from sale of goods- services)	45,76	64,34
Payables (from purchase of goods- services)	153,62	229,03
Income – Services provided from the Company	117,74	252,66

Expenses – Services the Company received	1.046,03	1.341,14
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All transactions are made with companies owned by the main shareholder and they mainly relate to payments for rents and services received.

All transactions' terms were on an arm's length basis

5.23 Transactions with directors and Board of Directors members

The Company's transactions with directors and BoD members are as follows:

	30/09/2011	30/09/2010
- Compensation of BoD members	825,00	600,00
- Directors' salaries	1.114,27	1.251,11
- Social insurance costs of directors	55,56	56,66
- Services / other benefits offered to directors	152,38	157,19
Total	2.147,21	2.064,96
- Liabilities to directors and BoD members	587,62	447,68
- Receivables from directors and BoD members	0,00	0,00

Except for the above the Company has no other transactions, receivables or liabilities with the directors or the Board of Directors' members.

5.24 Other information

The European Competition Committee, following a 10 month in depth review, announced on 26.01.2011 its final decision according to which there is no approval to the intended merger between Olympic Air and Aegean, as it was agreed and announced on 22.02.2010.

The transaction was agreed between Aegean Airlines' majority shareholders and MARFIN INVESTMENT GROUP on 22.02.2010 and was conditional upon the approval of the European Competition Committee. Given the above decision, the previous agreement is automatically void.

The Interim Financial Statements for the nine month period of 2011 have been approved by the Board of Directors of "Aegean Airlines S.A." on 23.11.2011 and are posted on the Company's website (www.aegeanair.com) for investors' reference, where they will remain for at least 5 years after their compilation and public announcement date.

Kifissia, 23 November 2011

Chairman	Chief Executive Officer	Chief Financial Officer	Chief Accountant
Theodore Vasilakis I.D. no. Ε458197	Dimitrios Gerogiannis I.D. no. AB642495	Michael Kouveliotis I.D. no. P490629	Maria Zannaki I.D. no. Σ723984

