ATHENS INTERNATIONAL AIRPORT S.A.
TEL.: +30 210 353 1000, FAX: +30 210 353 0001, http://www.aia.gr

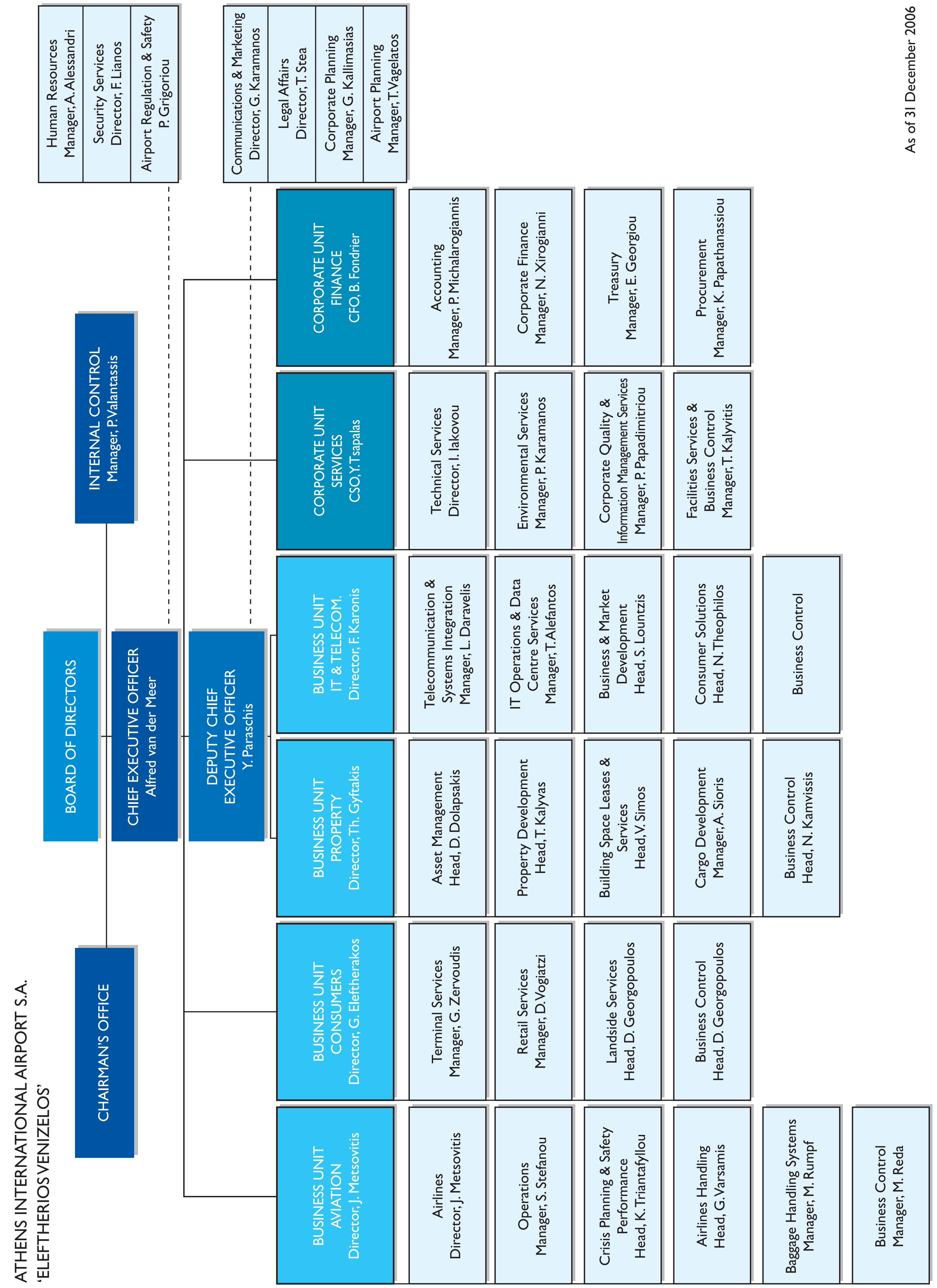
Annual Report 2006

Annual Report 2006

athens international airport

annual report

Table of Contents

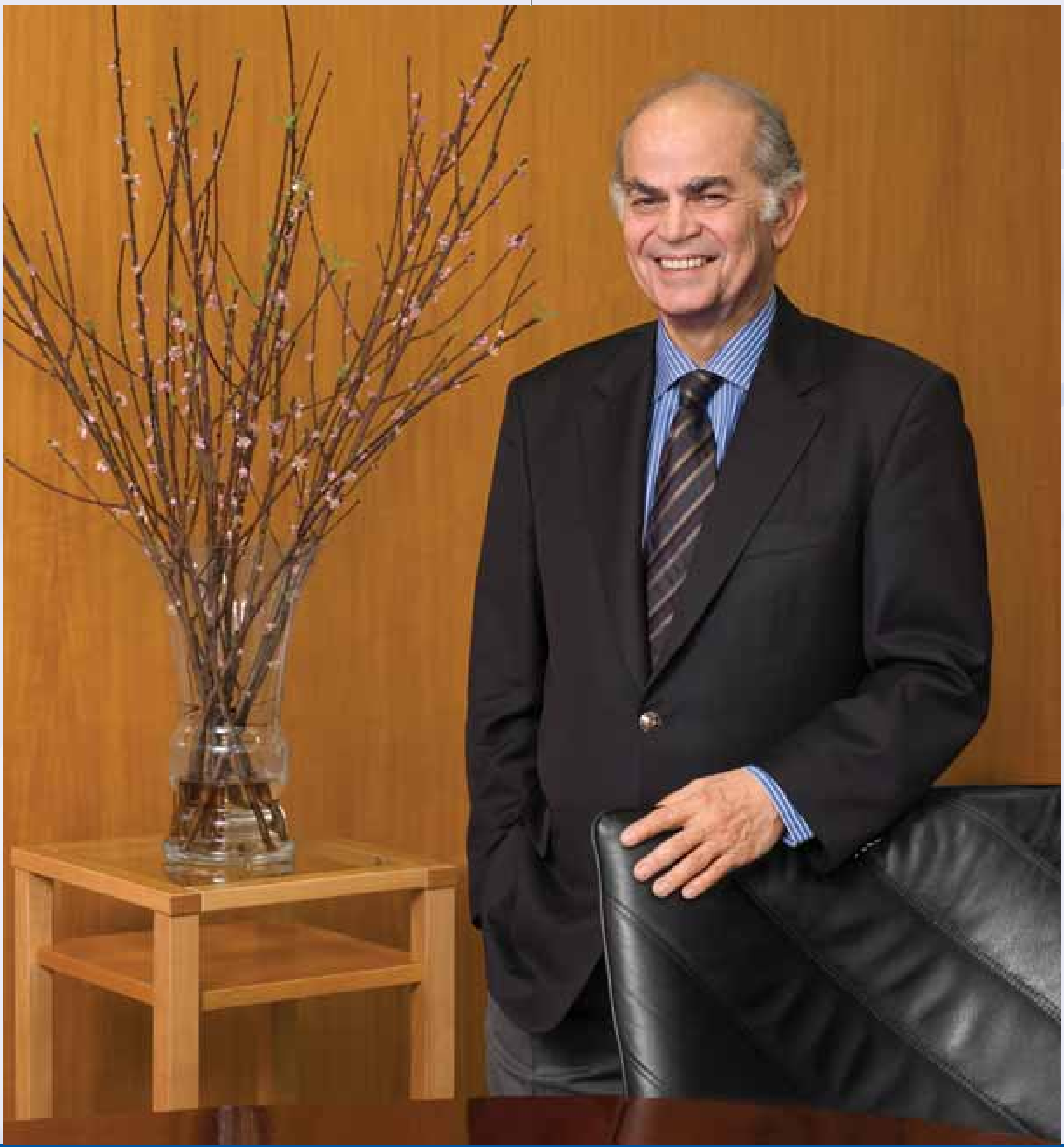


highlights of 2006

Financial Highlights	2006 IFRS (€ million)	2005* IFRS (€ million)	% Variation
Operating Revenues & ADF**	357.5	331.7	7.8%
Revenues from Airport Charges & ADF	214.3	201.1	6.6%
Operating Revenues & ADF per pax	23.7	23.2	2.1%
Profit before Tax	96.3	57.7	67.0%
Cash & Cash Equivalents at the end of the Year	124.8	99.3	25.6%
Total Assets	1,523.4	1,561.0	-2.4%
AVA***	31.9	4.3	

* 2005 has been adjusted for comparison purposes for the transition to IFRS.
** ADF: Airport Development Fund
*** AVA: Added Value on Assets = Net Operating Profit after Tax - Cost of Capital x Net Asset Value

Traffic Highlights	2006	2005	% Variation
Total Number of Passengers (million)	**15.1**	**14.3**	**5.6%**
Domestic	5.5	5.2	5.8%
International	9.6	9.1	5.5%
Business Passengers	*34%*	*37%*	
Connecting Passengers	*21%*	*20%*	
Total Aircraft Movements (thousand)	**191**	**181**	**5.5%**
Passenger and Combi Aircraft	164	157	4.1%
All-cargo Aircraft	9	8	21.4%
Other Aircraft Movements	18	16	11.3%
Total Cargo Uplift (thousand tonnes)	**120.2**	**115.9**	**3.6%**
Freight	108.7	105.1	3.4%
Mail	11.5	10.8	6.4%



I. Address by the Chairman

A Record Year with Sustainable Business Excellence

With passenger traffic moving beyond the 15 million threshold in 2006 (a volume almost equal to one and a half times the size of the population of Greece), Athens International Airport (AIA) has entered the league of the largest and most successful European airports. Its sustainable growth over the six-year period since its inauguration is matched by a balanced strategy of internationally acclaimed operational excellence and a maturing corporate culture.

Such attainments have been pursued by systematically applying ever advancing best practices together with the promotion of human capital and the productive use of state-of-the-art know-how. In parallel, our value based organisational structure combines expanding business undertakings with explicit targets on customer-focused services, quality improvement objectives and overall corporate responsibility towards stakeholders.

Our dynamically expanding aeronautical and non-aeronautical activities are reflected in a consistent positive track record in all accounts of revenues. Non-aeronautical activities have reached 40% of the total by 2006 and are expected to increase even further. This overall and across-the-board highly successful performance has solidified our passage from a greenfield investment project into a sustainably successful going concern.

Any proper interpretation of our financial performance has to acknowledge the particularly capital-intensive nature of AIA's business spectrum. As a result, fixed costs account for a major share of total cost, mainly through depreciation and financial charges. Consequently and further reinforced by our well-disciplined management of operating costs, annual turnover increases translate into even larger increases in effective profitability. Thus, while revenues increased by 8% and EBIDTA by 12% in 2006, profits before taxes (PBT) went up by 67%. Correspondingly, AIA's balance sheet and income statement structures allow for a very healthy annual cash-generating capacity.

The strength of our financial performance enabled us to propose an increase of 88% in dividends for our shareholders this year. Similarly, we resolved to provide an extraordinary bonus payment to our employees in recognition of their contributions to wealth creation through productivity improvements. We also decided to keep adjustments in aeronautical charges for the coming year well below the rate of inflation.

Highlights of AIA's 2006 Performance

- The continuously expanding network of Athens International Airport's direct international connections is now reaching 110 destinations in 48 countries, also welcoming five new airlines in 2006. This is the result of a focused aeronautical strategy combining effective marketing instruments, targeted incentives and operational excellence. Domestic passenger traffic showed an equally healthy, even slightly larger, growth record during the past year. In parallel, aiming to further promote the development of cargo traffic via a multi-modal "sea-air" link, a cooperation agreement was signed between AIA and the Piraeus Port Authority.

- With safety and high-quality airport services being top priorities in our operations, AIA established an integrated Aviation Safety Management System, making 2006 an exemplary year for the airport's safety record. Also, following the realisation of a thorough operational and communications plan, AIA achieved the prompt and smooth implementation of new EU security regulations. It also handled efficiently several major operational events throughout the year, among which a security staff strike and the avian flu.

- Continuing our priority commitment to state-of-the-art productive know-how, AIA invested in becoming the first airport worldwide to deploy WiMax services for operational purposes. It also extended IT&T and other value-adding business activities by providing knowledge transfer services to a number of international airports in Europe, Australia, the Middle East and to other related customers.

- We also continued to develop and expand new commercial opportunities within the passenger terminal facilities. For that purpose, the Airport Company identified novel consumer trends and commercial concepts appropriate for high-quality airport facilities leading to new investments and business ventures. Similarly, AIA's Retail Park entered in 2006 its final phase with major commercial developments. In addition, a new tender for a 50,000m^2 state-of-the-art Exhibition & Conference Centre has been concluded.

- Following an outsourced study by a consortium of independent financial institutions, the Airport Company is pursuing the goal of further increasing shareholder value by reducing the cost of borrowing and ascertaining the Airport Company's business robustness in international financial markets.

- A number of important institutional and corporate governance initiatives took place during 2006. Among them, three stand out:

(i) A change in shareholder composition and structure took place with the D. Copelouzos family acquiring most of the AIA shares previously held by ABB. In addition, Hochtief Airport purchased six additional ordinary shares thus assuring, in combination with Hochtief Airport Capital and FASP, a participation in excess of 40% in AIA's equity capital.

(ii) Following relevant shareholder decision and based on international best practices, the Airport Company introduced a comprehensive Internal Audit System reporting directly to the Board of Directors.

(iii) In stimulating ownership of the Management's responsibility and accountability, comprehensive Value Based Management approaches were introduced as part of the corporate restructuring process initiated in 2005.

- As a private sector company that values the responsibility of supplying a strategic public service, AIA continued in 2006 to embed ethical, social and environmental best practices into its business operations. Such practices address issues of major interest for our stakeholders on matters of corporate citizenship, employment practice, environmental sustainability and operational responsibility.

- The extent and diversity of all of our corporate attainments would not have been possible without the dedicated efforts and commitment of our employees at all levels. We express our appreciation for their individual and collective contribution to AIA's success record.

Prospects in International Air Transport Business

From an overall global perspective, 2006 was a good year for civil aviation. For the first time since 2000, the airline industry, as a whole, has produced positive financial results. Moreover, there is cautious optimism that 2007 will be a strong year for the industry both in terms of traffic growth as well as economic performance. This period of relative "prosperity" may extend well beyond 2007, although such assessments must be cognisant of and hedge against the volatility characterising the air transport industry. Two key indicators are of particular relevance in this context:

First, demand for new commercial passenger jets constitutes a critical indicator of the upbeat current mood of the sector. The sales volume of such aircraft over the next 20 years, as predicted by the two major manufacturers, is expected to more than double the total fleet size of the world's airlines, even after the retirement of older aircraft currently operating. A similar increase is anticipated in the number of flights, while passenger traffic growth is forecasted to increase at a rate above 4% annually worldwide, with Asia and the Far East in the lead.

Second, it has become increasingly clear that the principal growth area in the market for next-generation long-range ("inter-continental") aircraft is in the medium-size category (250-350 seats) and not in the very large one (450 or more seats). For AIA this is good news. It reflects an expected market growth trend not towards already congested major international hub airports, but more pointed to non-stop routes between efficient and quality airports, in cities like Athens, and several major ones in North America, Asia and Oceania over the next decade and beyond.

In the shorter term, there is every indication that passenger traffic and, especially, cargo traffic will continue growing at healthy rates throughout Europe, and particularly in Eastern Europe and Russia (Russia, in particular, looms like a market of significant promise for Greece, given certain synergies). Similar growth rates can be expected in the number of aircraft movements. AIA enjoys a distinct competitive advantage as our airfield still has the capacity to accommodate additional flights during most times of the day throughout the year.

Further confirmation of trends on industry restructuring that we anticipated in previous Annual Reports became more evident during 2006. In particular, traffic by low-cost carriers (LCC) continues to grow at a fast pace in much of the world. Such carriers are now poised to enter longer-haul markets, as well. At AIA, LCC related traffic increased in 2006 by 30%.

The substantive presence of LCC in the air transport sector is forcing traditional ("legacy") carriers to become ever more cost-conscious competitors. Economies of scale and advantages of schedule coordination are leading to dramatic changes through the consolidation of the airline industry in both Europe and North America. Furthermore, continued pressures exist to further reduce the costs of aviation infrastructure (airports and air traffic control), while maintaining a high level of service.

Tensions in this respect between airlines and airport operators reached a high point in Europe during 2006, culminating in meetings with the European Commission. Expected initiatives, followed closely by AIA, could include the establishment of transparent principles for setting charges, a system for consultations and information exchange between airlines and airports, recourse to dispute settlement by a proposed independent national regulator potentially to be established by each of the 27 Member States etc.

Challenges in the Years Ahead

Given the considerations raised above, sustaining the course of a successful and dynamic track record while also planning for major changes that are at our doorsteps represents a strategic dual challenge. Our business initiatives and well-targeted resource commitments need to address a number of pivotal issues, especially in the following areas:

- The growing traffic trends have to be accommodated in line with the manifested more diversified needs of airlines and travellers. This places additional demands on our infrastructural Master Plan and human capital as well as on bold corporate planning and policy initiatives.

- Regional evolutions, especially in Dubai and other Gulf States as well as in Eastern Europe, bring into the forefront new business opportunities but also certain risks for Athens International Airport.

- Promising new opportunities in non-aeronautical areas call for major commitments in further diversifying our sources of income through enhanced commercial and real estate operations.

- Security costs and growing environmental needs call for sustainable and longer-term business strategies at both the industry and company levels.
- The consolidation of corporate culture and governance advancements in AIA constitute indispensable parameters in meeting the major challenges facing the Airport Company and the economic and social context within which Athens International Airport operates.

A Closing Note

As announced recently, following a successful tenure at the helm of AIA during the past five years, Mr Alfred van der Meer will retire in early 2007 from the position of the Airport Company's CEO. His contribution to the Airport Company's highly distinguished performance during that period has been pivotal. His leadership was especially crucial during the extraordinarily demanding period of the Athens 2004 Olympic Games, but extended, as well, over the next years in such key areas as the airport's operational efficiency, corporate culture building and overall business excellence. His mark on the Airport Company's growth path will remain indelible.

The CEO's post will now be assumed by our Deputy CEO, Dr Yiannis Paraschis. Ever since AIA's establishment in 1996, Dr Paraschis has been a key contributor to the development and sustained success of the Airport Company. He has been instrumental in shaping AIA's effective business strategy, in assuring its commercial success and setting-up sound foundations for sustainable growth. His well-deserved international reputation as one of the prominent European leaders in modern airport management offers strong reassurance for AIA's continued success in the future.

Professor K.Vaitsos

2. Address by the CEO

On 28 March 2006, Athens International Airport S.A. (AIA) celebrated the first five years of operation of "Eleftherios Venizelos" airport. In those five years, a new airport had to go through a fast-track maturing process, experiencing a unique sequence of events and challenges.

The opening of the airport challenged and stretched the Airport Company's young organisation, but the airport came through with flying colours. Within six months, on 11 September 2001, the world, the aviation industry and Athens International Airport were shocked by the unprecedented tragedy at the World Trade Centre, facing a new reality in the aviation environment. In March 2003, a highjacked Turkish Airlines aircraft landed at Athens International Airport, a first serious test of the emergency services, which fortunately ended well, causing no disruption to the overall airport operation. Then in February 2004, Athens was hit by a once-every-40-years winter spell. Excessive snowfall caused considerable disruption to our operations, but taught AIA a lesson for the upcoming Olympic Games challenge. Much stronger anticipation of possible disruptive factors and detailed planning proved to be key factors in the acknowledged successful handling of the record-breaking aircraft, passenger and baggage handling during both the Olympic Games and the Paralympic Games.

Next challenge came already in November 2004, with the terminal operations seriously disrupted by a security screeners' strike. A similar strike occurred two years later but despite the very long queues, this time AIA showed that, with better preparation and effective organisation, disruption could be kept under control. In the meantime, airside operations handled an emergency landing of an Olympic Airlines ATR72 with 47 people on board, which landed successfully on a layer of foam.

On 15 August 2005, an aviation tragedy: Helios Airways Boeing 737 crashes with 121 people on board, just 12 km away from the airport, no survivors. AIA and its employees became heavily involved, mainly contributing in the care of relatives and friends of passengers and the crew.

With a track record full of experiences during its first five years, Athens International Airport grew in operational know-how. Building up on the lessons learnt, the Airport Company developed into an ongoing concern, while also achieving business excellence both in the areas of aeronautical and non-aeronautical activities. A business unit structure was introduced with downward delegation of profit and loss responsibilities. The increased independence required business control, in which value based and risk management systems change the manner in which objectives are defined and results evaluated. The accounting change to IFRS and the issuing of an annual Corporate Responsibility Report are elements of AIA's ambition to be amongst the contemporary leading companies in Greece.

During the same time, Athens International Airport has experienced an impressive average passenger growth of 6% per annum, which makes AIA one of the fastest growing airport companies in Europe. This key value indicator, along with the airport's outstanding commercial development, drove positive growth in revenues and even higher growth of profits and dividends. The impressive financial value creation and the unmistakable value locked in the matured experience of the AIA employees are the foundation for a healthy future.

The 2006 results confirm these positive developments. Under the favourable conditions in the global aviation industry and following persistent implementation of our policy for sustainable traffic development, AIA achieved considerable passenger traffic growth, surpassing the 15-million mark. 10 new destinations were directly linked to Athens and 5 new airlines launched operations at the airport. The additional traffic is a fruition of AIA's dynamic strategy for newcomers and expansion of our network. This evolution, combined with the successful development of AIA's non-aeronautical activities, resulted in positive financial results and a pre-tax profit of €96.3 million.

In another year marked by record traffic volumes, airport operations continued in a safe, efficient and smooth manner, maintaining high-quality airport services. With safety always being the top priority for airport operations, 2006 proved to be an exemplary year for the airport's safety record. AIA established an integrated Aviation Safety Management System, which resulted in a further reduction of safety incidents. Circumstances of extreme weather conditions and emergencies were handled successfully, while a series of emergency training exercises were marked by efficient coordination among the airport community members.

In a joint effort by all EU airports to efficiently implement the new security regulation on limitation of "liquids on board", an almost seamless transition was achieved and AIA was able to maintain the high level of its services. The key contributor was a comprehensive operational and communications plan. AIA's "Golden Volunteers", who played such an important role during the Olympic Games, also supported this effort with great enthusiasm and care for travellers. The teamwork again contributed to the successful implementation.

Appreciating the significant financial importance of the airport's non-aeronautical activities, AIA continued to develop and improve commercial opportunities in and outside the airport compound. In 2006, 20% of the Main Terminal Building retail space was refurbished, while 3 additional commercial facilities were developed to enlarge the product range. In the framework of the real estate projects, AIA's Retail Park entered its final phase, while a tender process for an Exhibition & Conference Centre was concluded. In the Information Technology and Telecommunications sector, AIA extended its external business activities, providing expert services to a number of international airports.

In line with our strategic plan, three key actions were undertaken:

(i) Within the framework of the revised 2005 Master Plan, a Terminal Expansion Plan was developed to resolve the identified need to improve terminal operations and enlarge the commercial retail space.

(ii) In June 2006, AIA's Board of Directors approved the 2006 Business Plan, which represents a major review of the Airport Company's midterm business outlook, incorporating an update of the business strategy, the planned investment and the financial strategy. The 2006 Business Plan projects a healthy development of AIA's aeronautical and non-aeronautical activities, and a balanced capital structure enabling future investment plans and sustainable value creation for the Airport Company's shareholders.

(iii) The implementation of AIA's Risk Management project continued throughout 2006. It has been sufficiently developed to comply with regulations, but will be further enhanced as part of the Value Based Management tools.

Looking back at last year's experiences and events, it is very satisfying to see that the effort to be a highly responsible airport operator has led to a mature solid airport community, working in harmony and facing together all challenges and contingencies. Moreover, within the role of a responsible citizen, AIA also worked closely with its neighbours, implementing a structured action plan of various forms of contribution to local communities.

The annual Art & Culture programme enjoyed great appreciation by travellers and visitors, establishing Athens International Airport as a unique cultural spot in Athens. Among various initiatives, AIA was very proud to be the first airport worldwide to host World Press Photo, the world's largest photojournalism exhibition. The humanistic value of the exhibition and its appeal to the public led to the sponsorship of World Press Photo for the next three years.

AIA is committed to being an environmentally conscious operator beyond the limits of legal obligations. Its actions, such as investing in state-of-the-art equipment for the Air Quality Monitoring Network, reflect this commitment. AIA also created more urban green areas in neighbouring communities, realised projects to preserve the natural environment of local communities, and developed environmental sensitivity programmes focusing on recycling.

AIA's sustained operational, service and business excellence again received acclaim through a number of prestigious distinctions. At the 12th World Route Development AIA was acknowledged with the OAG Airport Marketing Award in the 10-25 million passengers category for the second consecutive year. AIA was also honoured with the "Air Cargo News" and ACI "Best Cargo Airport 2006" award in the 100-500,000 tonnes category for its successful programmes and contribution to cargo development. Furthermore, the Air Transport Research Society (ATRS) awarded AIA as the "Second Most Efficient Airport in Europe", based on the 2006 ATRS Global Annual Benchmarking Report.

On the occasion of the 5-year birthday of Athens International Airport and the 10-year anniversary since the establishment of the Airport Company, AIA proudly hosted the Annual Assembly, Congress & Exhibition of Airports Council International (ACI) Europe in June 2006. This leading aviation community meeting was held in Greece for the first time.

The upcoming projects of our company for 2007 include completing our plans for a full utilisation of the Satellite Terminal Building as our main Extra-Schengen facility, launching a long-term programme for the upgrade of the ambience of the Terminal Buildings, commencing works for the 50,000m^2 Exhibition and Conference Centre, and investing in the commercial feasibility of a large-scale photovoltaic park at the airport.

After 6 years of operational excellence, with passenger traffic crossing the 15-million threshold, and an almost 30% profit margin, Athens International Airport has been established among the most successful airports in Europe. Our organisation has reached a high level of maturity and has grown into a dynamic best-practice enterprise with a stimulating corporate culture, which harmoniously combines corporate responsibility, customer focus, and business excellence. Using the Airport Company's revised Business Plan as a springboard, Athens International Airport is paving the way for the airport's expansion, to exploit new perspectives and accelerate future growth.

Completing 5 annual reports and 5 fantastic years, with the Olympic Games as the highlight of my professional career, it's time for me to move on. It's time to thank you for the unique opportunity of having been part of this young innovative team with whom I have shared moments of sweat, sorrow, success and a lot of fun. I thank you.

Stay young, dream and build memories.

Fred van der Meer

3. The Airport Company

From left to right: Mr A. van der Meer, Associate Professor D.Tsamboulas, Dr jur. H. Peipers, Dr rer. pol. P. Noé, Professor K.V.Vaitsos, Mr L. Papazoglou, Dr hc. J.F. Poos, Dr -Ing. R. Kalenda, Mr I. Sidiropoulos, Mrs T. Stea (Director of Legal Affairs and Company Secretary), Dr rer. pol. H. G.Vater

Board of Directors

Professor Kostis V. Vaitsos (1942)
Chairman of the Board of Directors

Appointed to the Chairman's position in 2001

Former Alternate Minister of National Economy of the Greek Government

Former Chairman of the Board of Directors of the Commercial Bank of Greece (Emporiki)

Dr jur. Harald Peipers (1928)
Vice Chairman of the Board of Directors

Appointed Vice Chairman in 1996

Partner of "Horlitz, von Menges, Keith & Partner" law firm

Former Member of the Executive Board of Hochtief AG

Dr -Ing. Reinhard Kalenda (1952)
Member of the Board of Directors

Appointed Member of AIA's Board of Directors in 1996

CEO of Hochtief Airport GmbH

Member of the Board of Directors of Flughafen Düsseldorf GmbH

Dr rer. pol. Peter Noé (1957)
Member of the Board of Directors

Appointed Member of AIA's Board of Directors in 2004

Director of Leighton Holding Ltd, Australia

Member of the Executive Board of Hochtief AG

Mr Loukas Papazoglou (1971)
Member of the Board of Directors

Appointed Member of AIA's Board of Directors in 2005

Special Secretary for Privatisation of the Greek Government

Former Managing Director of B&B S.A.

Dr hc. Jacques F. Poos (1935)
Member of the Board of Directors

Appointed Member of AIA's Board of Directors in 2005

Former Member of the College of Quaestors of the European Parliament

Former Deputy Prime Minister and Foreign Minister of Luxembourg

Mr Ioannis Sidiropoulos (1943)
Member of the Board of Directors

Appointed Member of AIA's Board of Directors in 2002

Chairman of the Board of Supervising Commission for Private Insurance Companies

Former Director Extraordinaire of the Administrative Sector for Economic Policy in the Ministry of National Economy

Associate Professor Dimitrios Tsamboulas (1950)
Member of the Board of Directors

Appointed Member of AIA's Board of Directors in 2004

Associate Professor at the National Technical University of Athens, Faculty of Civil Engineering, Department of Transportation Planning & Engineering

Dr rer. pol. Hans-Georg Vater (1942)
Member of the Board of Directors

Member of AIA's Board of Directors from 1996 until 1999 and reappointed in 2000

Member of the Executive Board of Hochtief AG

Former Chairman of the Executive Board of MAN Gutehoffnungshütte AG

Board Committees

Composition of Board Committees as per Board of Directors decision of 27 April 2006, with the exception of the external expert of the Audit Committee, Mr Lorentziadis, who was appointed as per Board of Directors' decision on 27 July 2006.

Audit Committee:

Mr L. Papazoglou (Chairman)
Dr H.G.Vater (Member)
Mr S. Lorentziadis (Member/External Expert)

Corporate Planning Committee:

Prof. K.Vaitsos (Chairman)
Dr R. Kalenda (Member)
Dr P. Noé (Member)
Assoc. Prof. D.Tsamboulas (Member)

Finance Committee:

Dr H.G.Vater (Chairman)
Dr P. Noé (Member)
Mr L. Papazoglou (Member)
Dr J. Poos (Member)
Mr I. Sidiropoulos (Member)
Prof. K.Vaitsos (Member)

Investment Committee:

Assoc. Prof. D.Tsamboulas (Chairman)
Dr R. Kalenda (Member)
Mr I. Sidiropoulos (Member)
Dr H.G.Vater (Member)

Personnel Committee:

Prof. K.Vaitsos (Chairman)
Dr H. Peipers (Member)
Dr J. Poos (Member)

New Shareholding Structure

Following an agreement among Hochtief AirPort, ABB, and members of the Copelouzos family, 5% of AIA shares owned by ABB were transferred to Copelouzos Dimitrios (599,997 shares), Copelouzos Christos (299,999 shares), Copelouzou Kiriaki (299,999 shares), Copelouzou Eleni-Asimina (299,999 shares) and Hochtief AirPort (6 shares). These shares were registered in AIA's Books of Shares and Shareholders on 21.12.2006, and hence the shareholder structure of AIA is:

Shareholder Structure

Shareholder	Number of Shares	%
Greek State	16,500,000	55%
Hochtief AirPort GmbH	7,962,506	26.542 %
Hochtief AirPort Capital GmbH	4,000,000	13.333%
Copelouzos Dimitrios	599,997	2%
Copelouzou Kiriaki	299,999	1%
Copelouzos Christos	299,999	1%
Copelouzou Eleni-Asimina	299,999	1%
Flughafen Athen Spata Projektgesellschaft mbH	37,500	0.125%
Total	30,000,000	100%

From left to right:
Mr Basil I. Fondrier, Mr Yiannis C. Tsapalas, Mr Alfred A. van der Meer, Dr Yiannis N. Paraschis

Board of Executives

Mr Alfred A. van der Meer (1948)

Chief Executive Officer

Dr Yiannis N. Paraschis (1960)

Deputy Chief Executive Officer

Mr Basil I. Fondrier (1946)

Chief Finance Officer

Mr Yiannis C. Tsapalas (1947)

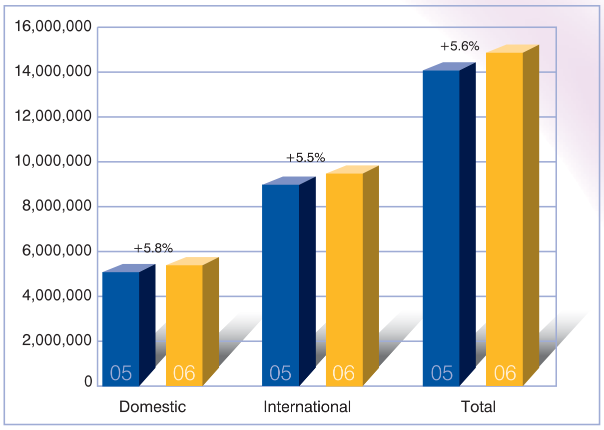
Chief Corporate Services Officer

4. Market Overview

Key Developments 2006

2006 was a milestone year for Athens International Airport traffic, as previous records were broken raising the benchmark over 15 million passengers. More specifically, AIA welcomed a total of 15.08 million passengers, posting an increase of 5.6%. Domestic and international passengers presented similar levels of growth, with domestic traffic amounting to 5.47 million and international traffic reaching 9.61 million passengers (see Chart 4.1).

Chart 4.1
Passenger Traffic Development 2005 - 2006



The number of flights also increased significantly (+5.5%), reaching 191 thousand, with international flights growing faster than domestic ones (see Chart 4.2). Record figures were also observed in cargo, with the total transported air freight & mail exceeding 120 thousand tonnes (+3.6% compared to 2005), the highest volume handled since the airport's opening (see Chart 4.3).

Chart 4.2
Traffic Development of A/C Movements 2005 - 2006

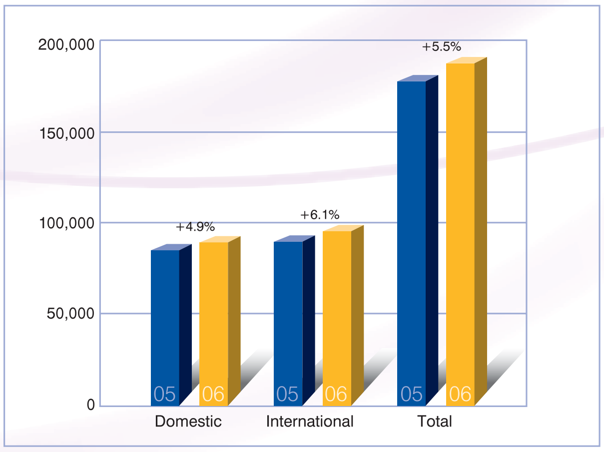
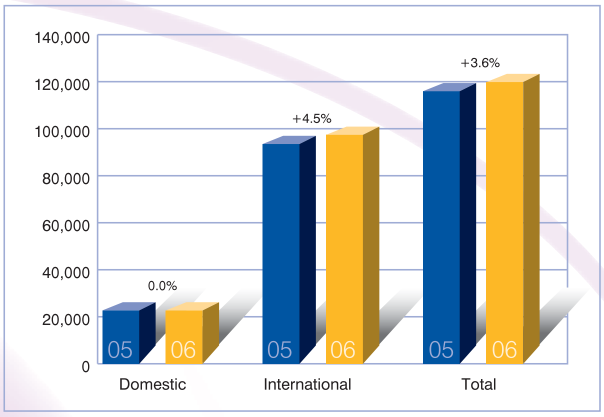


Chart 4.3
Cargo Uplift Development 2005 - 2006



In 2006, a total of 60 carriers offered AIA travellers scheduled direct connections with 110 destinations in 48 countries. AIA's network expanded significantly, with 10 new destinations and 5 new airlines (see Table 4.1), reflecting the successful implementation of AIA's consistent strategy for attracting new airlines and introducing new destinations.

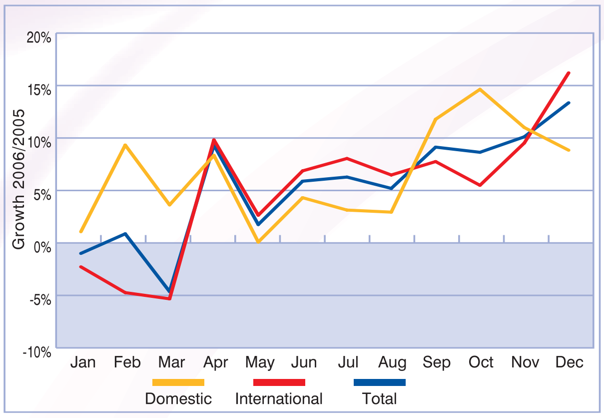
Table 4.1
New Airlines & Destinations 2006

New Airlines	New Destinations
Air One	Atlanta
Blue 1	Billund
Flyglobespan	Chernovtsy
Norwegian	Islamabad
Pakistan International	Kalimnos
	Karachi
	Krakow
	Lahore
	Naples
	Turin

Passenger Traffic

During the first quarter of the year, AIA experienced reduced passenger volumes. However, this trend was reversed in April, and healthy traffic growth was achieved during the summer period, accelerating towards the end of the year. It should be noted that 2006 is the first year in which the highest passenger traffic is observed in July rather than in August. Domestic air travel, rising slowly all the way through August, presented a fast traffic increase during the last 4 months of the year, with October showing impressive growth (+15%). On the international sector, after a first quarter of considerable decline, passenger traffic bounced back, boosted by the enhanced summer flight schedule, and the year closed with an outstanding rise during December (+17%) (see Chart 4.4).

Chart 4.4
Monthly Passenger Traffic Development 2006



The Middle East and America were the fastest growing regions, with passenger traffic increases of 16.8% and 12.9% respectively. Traffic to/from the Middle East was boosted by the impressive development in Doha and Dubai, while the Atlanta route launch and the additional scheduled operations in Canada drove the outstanding rise in North America. Asia traffic also showed a significant traffic upturn, mainly due to the successful evolution of Bangkok traffic and the re-launch of the services to Pakistan. Non-EU European destinations also presented double-digit growth, as a result of the successful performance of airlines operating in the specific region (see Charts 4.5, 4.6).

Chart 4.5
International Passenger Traffic Development per Region 2006

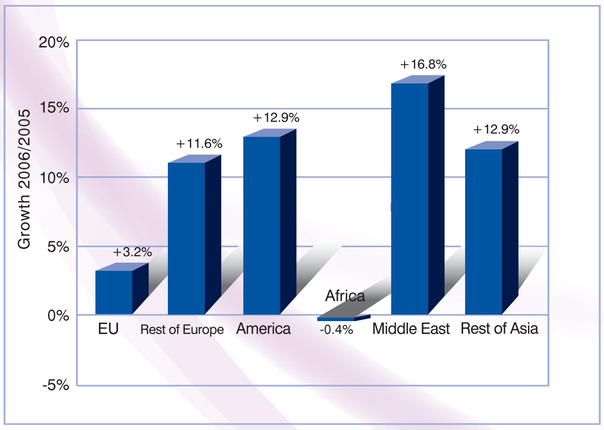
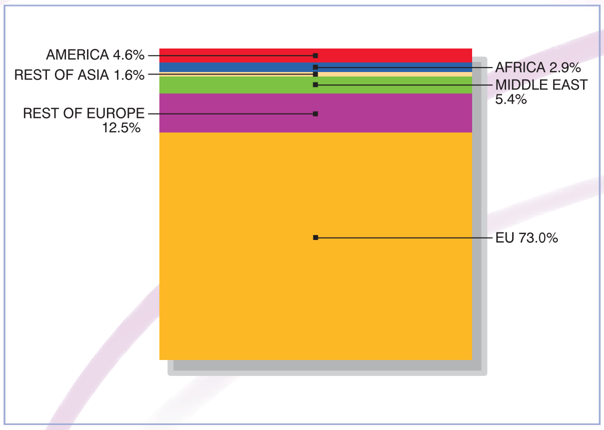
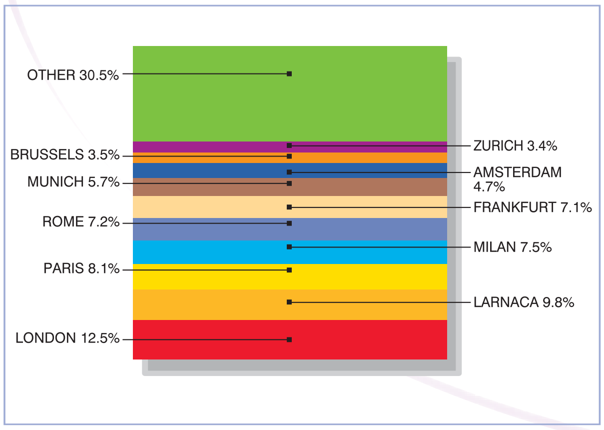


Chart 4.6
Segmentation of International Passenger Traffic by Geographical Region



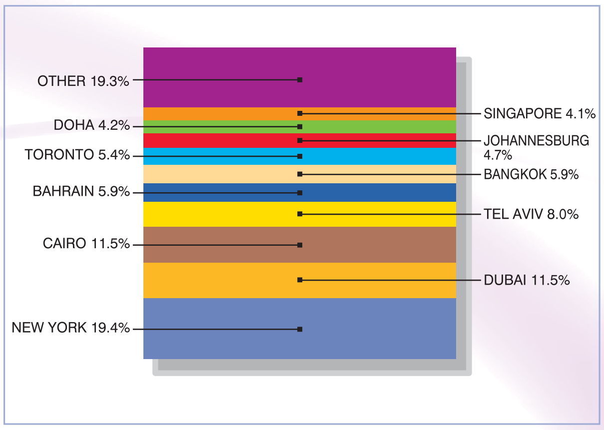
Regarding European destinations ranking for 2006, London, Larnaca and Paris continued to hold the top 3 positions, while Milan, with an increase of 15.4%, climbed up 2 places, taking the 4th place from Frankfurt. Other top destinations presenting an impressive evolution during 2006 were Amsterdam (+13.9%) and Zurich (+39.1%) (see Chart 4.7).

Chart 4.7
Top 10 European International Scheduled Destinations



In the ranking of non-European destinations, interesting variations were observed in 2006 compared to 2005. New York continued to hold the first place, while Dubai, with an outstanding growth of 50.8%, climbed up to the second position, leaving the third place for Cairo (see Chart 4.8). Bangkok and Toronto enjoyed significant traffic increases (+24.5% and +18.8% respectively), while Atlanta, after a seasonal 5-month operation, managed to acquire the 11th position.

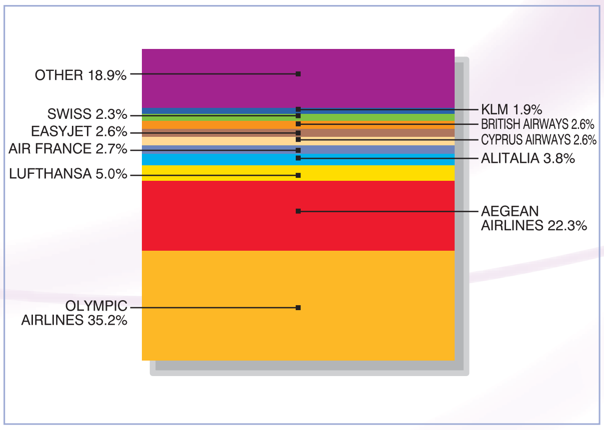
Chart 4.8
Top 10 Non-European International Scheduled Destinations



Despite a significant growth in frequencies, load factors also enjoyed an increase in 2006, reaching a high level of 69.7% on average, and reflecting the strength of the Athens market. Domestic load factors were at the level of 68.0%, while international ones remained steadily above 70% (70.8%).

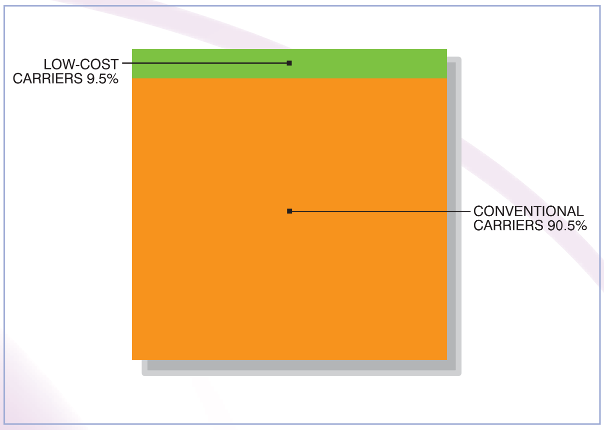
Foreign carriers continued their progressive market share gain, representing 42% of the airport's total passenger traffic for 2006. Olympic Airlines, Aegean Airlines, Lufthansa and Alitalia consistently hold the first 4 places on the main-carrier ladder, while Air France gained the 5th position, climbing up 2 places and overtaking Cyprus Airways and British Airways (see Chart 4.9).

Chart 4.9
Top 10 Airlines according to Total Passenger Traffic



Low-cost carriers also enjoyed a successful development in 2006, seeing their passenger base increase by 30% and outperforming the legacy carriers. As a result, passengers travelling with the 13 low-cost carriers operating at Athens International Airport during 2006 accounted for almost 10% of the international scheduled traffic (see Chart 4.10).

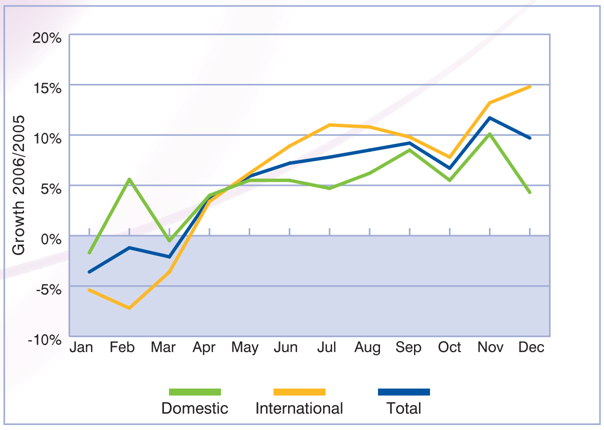
Chart 4.10
International Scheduled Passenger Traffic
Conventional vs. Low-cost Carriers



Aircraft Movements

During 2006, Athens International Airport welcomed a total of 190,872 flights, almost reaching the "Olympic Year" record. Domestic operations increased by 4.9%, presenting a considerable increase from April onwards, with November posting the highest growth at the level of 10%. International operations grew by 6.1%, presenting double-digit growth during the peak summer months of July and August, but also during the last two months of the year, with December presenting the largest increase in the number of flights, by 15% (see Chart 4.11).

Chart 4.11
Monthly A/C Movements Development 2005 - 2006

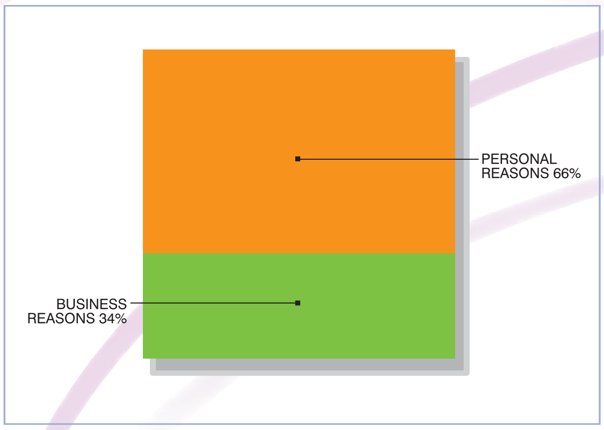


Cargo Uplift

2006 was an exceptional year for total cargo uplift. Cargo traffic handled through the airport, reached the record volume of 120,175 tonnes, posting an increase of 3.6% compared to 2005. In particular, the total uplift of freight (90% of the market) increased by 3.4%, while the total uplift of mail (10% of the market) increased by 6.4%.

Chart 4.12
Freight & Mail Monthly Uplift 2006 vs. 2005

Chart 4.13
Purpose of Trip



The domestic sector (19% of the total market) remained at previous-year levels; nevertheless, domestic cargo movements increased by approximately 38%. As a result, total cargo carried on cargo aircraft increased by 33%, reaching 18% of the market. In 2006, a new Greek cargo airline, Aeroland, made a dynamic entry into the domestic market, being the 5th airline to offer domestic cargo flights at Athens International Airport, along with Swiftair Hellas, Veravia, Olympic Airlines and Aegean Airlines.

The international sector (81% of total market) reached the record volume of 97,588 tonnes, growing by 4.5% year-on-year over 2005, mainly boosted by an 8% outbound traffic increase. In addition, total volumes carried aboard cargo aircraft reached almost 31% of the market (+5% compared to 2005) indicating a healthy development of this market sector.

In all, 12 cargo carriers operated international cargo flights during 2006, with Alitalia Cargo and Sky Express launching new services. Alitalia Cargo inaugurated a new scheduled service in order to better serve the inbound demand, while Sky Express, a new Greek cargo airline, launched its operation in late 2006, aiming to use Athens as an intermediate stop for its services between Western Europe and the Far East.

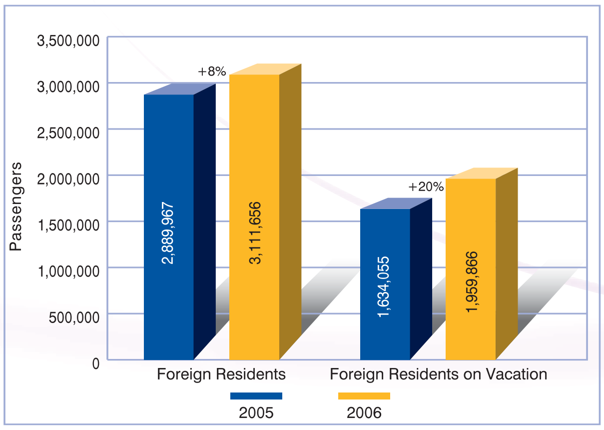
Passenger Profile

2006 was a year of interesting developments in the demographic and travelling profile of the airport's passengers. For the first time the proportion of foreigners exceeded that of Greek residents, accounting for 51% of total traffic. Passengers travelling for business purposes constitute a solid base of Athens International Airport traffic, amounting to approximately 5 million in 2006, at similar levels compared to 2005. However, leisure traffic increased significantly representing 66% of the airport's total traffic (as opposed to 63% in 2005) (see Chart 4.13).

Tourism Development 2006

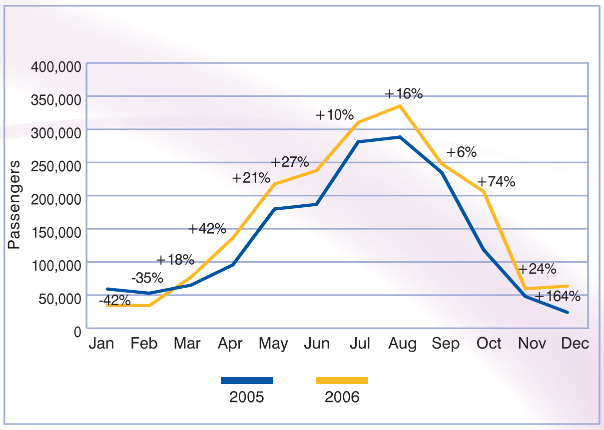
The aforementioned developments in the passenger profile are largely due to the remarkable increase of incoming tourism. In 2006, foreign resident arrivals reached 3.1 million, corresponding to an increase of 8%, while foreign residents visiting Athens for vacations amounted to 2 million, presenting an outstanding rise of 20% (see Chart 4.14). The increase in the volume of passengers travelling to Athens for tourism is mainly attributed to foreigners originating from long-haul routes, such as North America and Asia/Pacific.

Chart 4.14
Incoming Passengers Development



2006 was not only a year of increased incoming tourism in total figures. An extension of the tourist season is apparent in the monthly development of tourist arrivals (see Chart 4.15). With the exception of January and February, when a decline was observed, the rest of the year presented significant growth even during non-summer months.

Chart 4.15
Seasonality of Incoming Tourism Arrivals



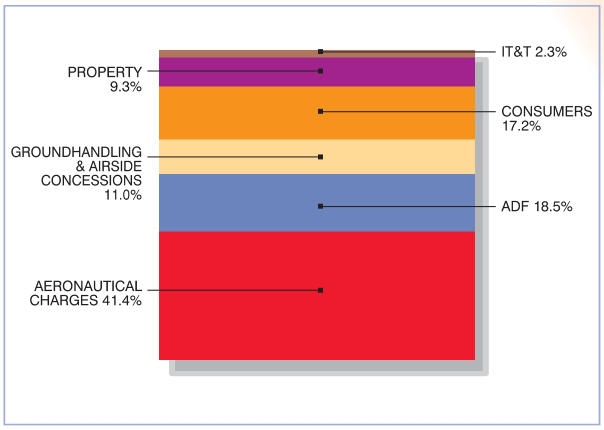
5. Financial Performance

The traffic growth and the successful development in all revenue streams, together with effective cost control, led to impressive financial results in 2006. The Airport Company's Profit before Tax rose from €57.7 million in 2005* to €96.3 million. The following sections provide a detailed analysis of AIA's financial performance in 2006.

Operating Revenues & ADF

In 2006, AIA's operating revenues plus the Airport Company's share from the Airport Development Fund (ADF) increased by 7.8%, rising from €331.7 million in 2005 to €357.5 million. Chart 5.1 shows the revenue breakdown.

Chart 5.1
2006 Revenue Structure



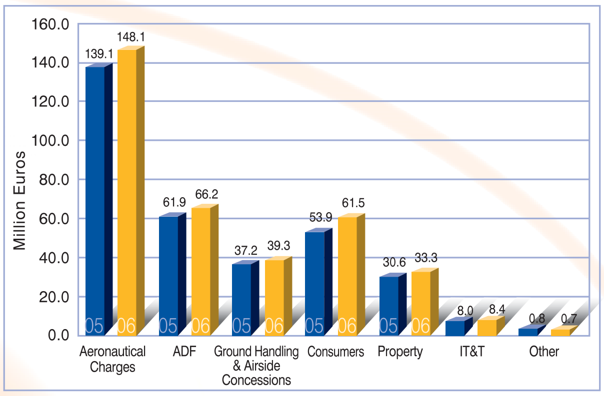
Revenue from airport charges rose by 6.5%, supported by traffic growth and a price adjustment of 3.5% effective as of mid July 2006. AIA's share from the Airport Development Fund reached €66.2 million, posting an improvement of 6.9%. This increase, exceeding the traffic growth, is attributed to a favourable passenger traffic mix, driven by the strong growth of the Non-EU segment, which is subject to a higher ADF charge. Airport Charges & ADF remain the main sources of the airport's income, constituting 60% of the total.

Non-aeronautical income reached €143.1 million, showing a strong growth of 9.6%, with all segments contributing to this development. Revenues from commercial activities (e.g. terminal shops & restaurants, car parking) grew by 13.9%, while property & real estate revenues increased by 9.1%, mainly due to the expansion of the airport's retail park. Revenues from ground handling and airside concessions (e.g. income from centralised infrastructure) increased by 5.8%, in line with traffic growth, and IT&T revenues were improved by 4.6%.

Chart 5.2 presents the comparison of AIA's 2006 income streams versus the 2005 fiscal year.

* 2005 profitability has been adjusted according to IFRS for comparison purposes.

Chart 5.2
2006 vs. 2005 Revenues



Operating Expenses

Total operating expenses amounted to €124.8 million in 2006, demonstrating a mere inflationary increase by 3.3% over 2005, despite significant traffic growth, reflecting the Airport Company's commitment to cost efficiency. The 2006 operating expenses breakdown and comparison against 2005 are presented in Charts 5.3 & 5.4.

Chart 5.3
2006 Operating Expense Structure

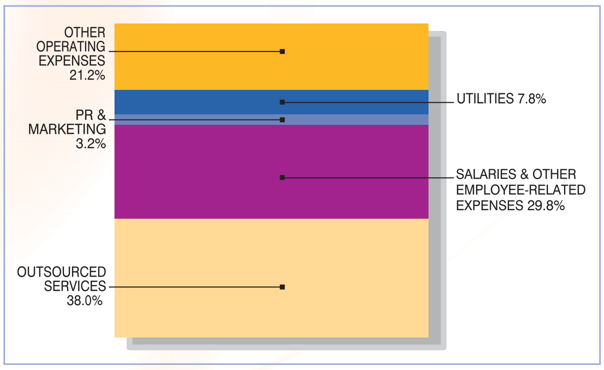
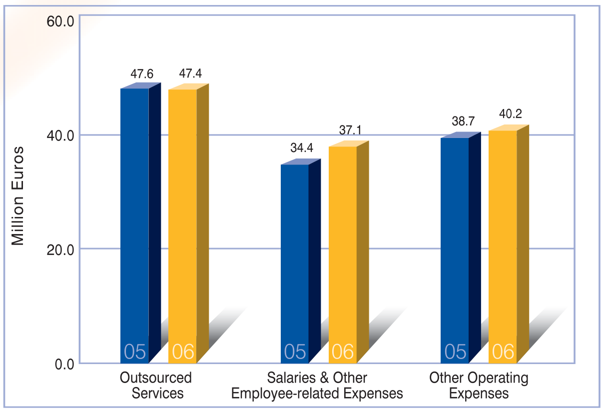


Chart 5.4
2006 vs. 2005 Operating Expenses



Profitability

During 2006, depreciation charges were €76.0 million, significantly lower than the previous year's figures (by €10.0 million), due to the fact that a number of assets with a 5-year depreciation period (e.g. special vehicles, furniture & equipment) were fully depreciated within 2006. As a result, AIA's operating profit plus AIA's share from ADF reached €156.6 million, higher by €31.8 million compared to the previous financial period. The net financial expenses decreased substantially from €67.1 million to €60.3 million. This improvement largely derived from the lower interest on the EIB and Commercial Loans due to their gradual repayment, and from higher interest income on cash deposits. As a result, Profit before Tax reached the level of €96.3 million, higher than the previous year by €38.6 million.

The Income Tax expense for 2006 was €30.2 million, resulting in a Profit after Tax of €66.0 million for the year. The 2006 Income Tax is lower than the 2005 corresponding figure of €49.6 million, since the latter included the impact of previous years' taxes amounting to €28.9 million. It is worth mentioning that the corporate income tax rate was decreased from 32% in 2005 to 29% in 2006.

Table 5.1 presents a review of the Profit & Loss Statement for 2006 and 2005. For the first time, Athens International Airport reports IFRS compliant results. For comparison purposes, 2005 figures have been adjusted for the transition to IFRS, resulting in a PBT of €57.7 million, compared to €61.8 million reported last year according to Greek GAAP.

Table 5.1
Highlights of the 2005-2006
Profit & Loss Statement

Financial Results (in million Euros)	2006 IFRS	2005 IFRS	2005 Greek GAAP
Net Turnover	291.3	269.7	269.7
Operating Expenses	(124.8)	(120.8)	(121.2)
Amortisation & Depreciation	(76.0)	(86.1)	(81.6)
Financial Expenses	(60.4)	(67.1)	(67.1)
Subsidies related to Non-operating Expenses	66.2	61.9	61.9
Profit (Loss) before Tax	96.3	57.7	61.8
Income Tax Expense for the Year *	(30.2)	(49.6)	(13.9)
Profit after Tax	66.0	8.1	47.9

* Income tax expense for 2005 IFRS includes €28.8 million prior year taxes

AIA's continuous efforts to improve efficiency and profitability, and the resulting successful financial performance are also demonstrated through the improvement of several financial indicators (Table 5.2).

Table 5.2
2006 vs. 2005 Key Profitability Indicators

	2006	2005	Change	in
Revenues & ADF / Pax (€)[1]	23.7	23.2	2.1	%
Revenues & ADF / FTE ('000 €)[2]	485.5	462.0	5.1	%
Revenues & ADF / Net Asset Value (%)[3]	29.5%	26.0%	3.6	pp
Operating Cost / Pax (€)	8.3	8.5	-2.1	%
PBT Margin (%)[4]	33.1%	21.4%	11.7	pp
ROCE (%)[5]	11.7%	9.1%	2.6	pp
AVA (million €)[6]	31.9	4.3		

1 Net Turnover plus Subsidies / Passengers
2 Net Turnover plus Subsidies / Full Time Equivalents
3 Net Turnover plus Subsidies / Net Asset Value
4 Profit before Tax / Net Turnover
5 Operating Profit before Interest & Tax (inclusive of subsidies) / Capital Employed
6 AVA: Added Value on Assets = Net Operating Profit after Tax - Cost of Capital x Net Asset Value

Based on the 2006 financial results and taking into account the retained earnings of €13.1 million carried forward (minus the negative impact from adopting IFRS of €20.0 million), the Income Tax charges and the Transfer to the Statutory Reserve, there remains a distributable profit of €55.8 million. The amount of €55.5 million is proposed for distribution to the shareholders as dividend.

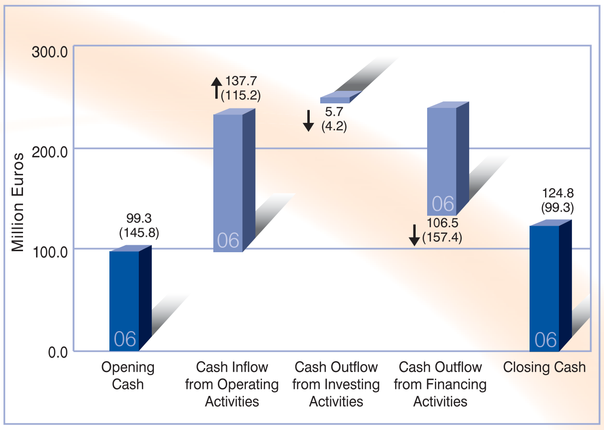
Cash Flow

AIA presents a healthy cash position and a higher than the minimum required level of debt service cover ratios, as these are defined in the existing loan agreements.

The Airport Company's closing cash position in 2006 was €124.8 million, reflecting an improvement against the previous year figure of €25.5 million. The net cash flow from operating activities of €137.7 million was higher by €22.5 million compared to 2005, demonstrating the improved operating performance along with an effective collection policy. The net cash outflow for investing activities was €5.7 million, broadly at the same level as in the previous year (see Chart 5.5).

The net cash outflow for financing activities was €106.5 million, representing the principal repayment of the EIB and Commercial Loans and the dividend payment. Compared to the previous year, the benefit of lower outflow by €50.9 million derives mainly from the prepayment of the remaining balance of Subordinated Debt, which took place in 2005.

Chart 5.5
Cash Position Cause of Change 2006



* Figures in brackets refer to 2005.

6. Our Business Units

In the context of the corporate restructuring started in 2005, Athens International Airport has completed its transition into a Business Unit company. Four units were formed in 2005 (Aviation, Consumers, Property and IT & Telecommunications), which now operate as Business Units with a clear set of business activities and operating functions.

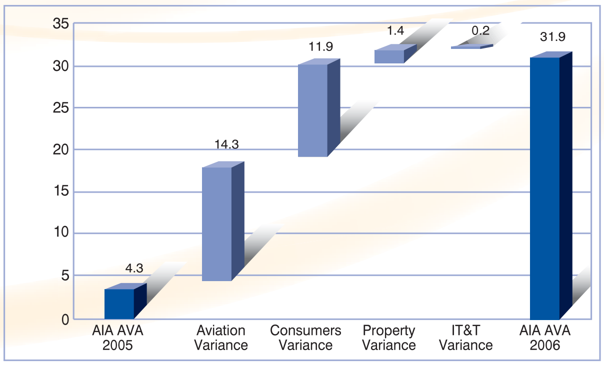
In order to support this Business Unit philosophy, the Airport Company introduced a Value Based Management (VBM) model in 2006. VBM is a modern management methodology, providing all the necessary tools to measure value creation across the different activities of a company. This value can be either financial or non-financial (e.g. quality of services, environment, public image, personnel safety etc). With the use of these tools, AIA's Management can have a clear and holistic view of the performance in the various business activities, enhancing decision making.

The main metric selected for the measurement of financial value creation by the Business Units is AVA (Added Value on Assets); this not only measures the value created from operating revenues and expenses, but also takes assets and the cost of capital into account, since airports are largely capital-intensive business entities. Thus, we have allocated all revenues, costs and assets to the four Business Units and are able to measure the financial value creation of their business activities, also taking indirect costs and assets into consideration.

However, VBM is more than a system of tools. It is linked with a mindset of increased accountability and openness, focusing on the quality of services, internal or external customer satisfaction and reward for innovation. AIA is one of very few companies in Greece and airports worldwide to have introduced a Value Based Management model. VBM is a strategic choice, which will enhance long-term value creation for all corporate stakeholders.

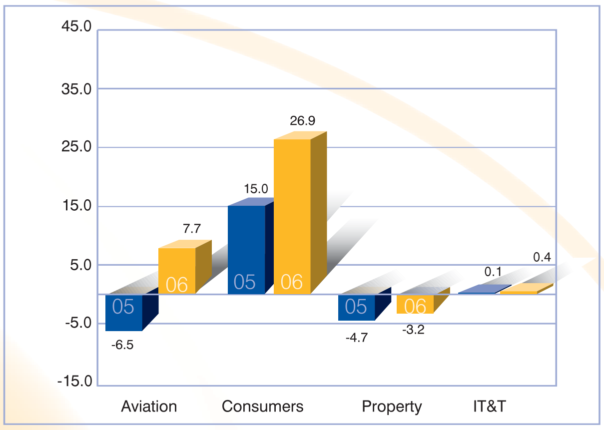
The performance of the four Business Units in terms of AVA is demonstrated in Charts 6.1 and 6.2 below. AIA's AVA has grown from €4.3 million to €31.9 million due to increased revenues from all business segments, and also thanks to a more efficient asset utilisation. The achievements of the four Business Units are presented in the following sections.

Chart 6.1
AIA AVA 2006 vs. 2005



Note: AVA = Net Operating Profit After Tax - Cost of Capital x Net Assets

Chart 6.2
AVA per Business Unit



Note: The segmentation of the Business Units is for VBM purposes and not related to regulatory Air/Non-air activity segmentation.

Aviation Business Unit

The main aim of the Aviation Business Unit is to ensure orderly and safe airline operations, at the same time offering high-quality services and facilities to airlines.

Revenues from Aeronautical Charges in 2006 reached €148.1 million, up by 6.5% compared to the previous year. Part of these revenues –for VBM purposes– is allocated to Consumers and Property Business Units. The Aviation Unit also controls revenues of €39.3 million from ground handling activities and airside concessions. These revenue streams were increased in 2006 by 5.8%, in line with traffic growth. It is worth mentioning that in 2006 airport charges were only inflationary, adjusted at the level of 3.5%.

Chart 6.3
2006 Revenues from Aeronautical Charges Breakdown

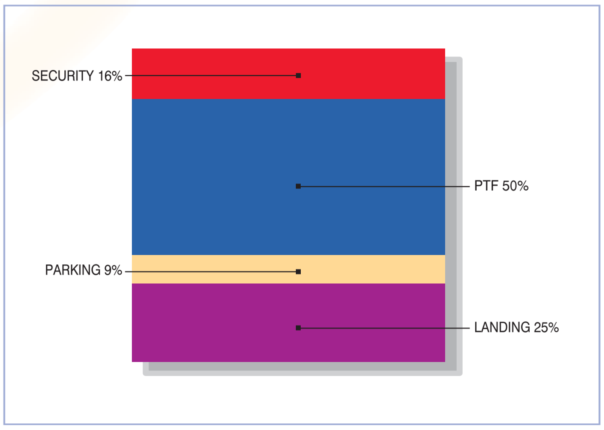
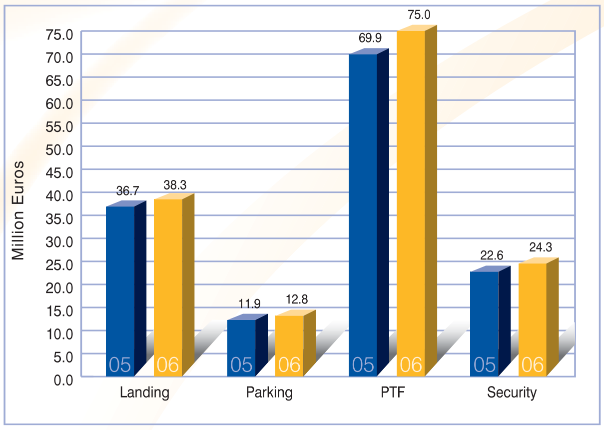
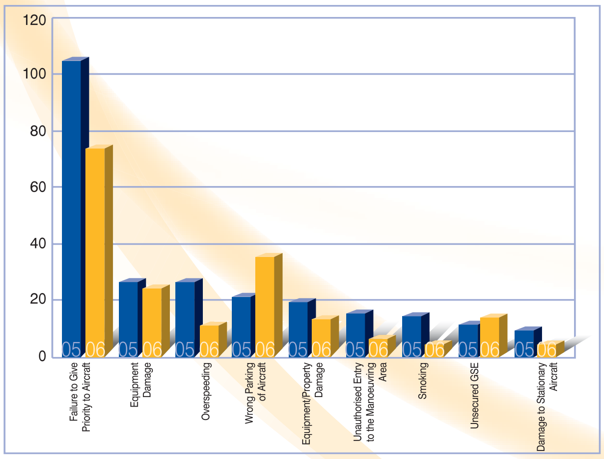


Chart 6.4
2006 vs. 2005 Revenues from Aeronautical Charges



2006 was an exemplary year for AIA's safety record, despite the significant increase in the number of aircraft movements. With safety as the first priority of our operations, AIA has established a full Aviation Safety Management System, approved by the Hellenic Civil Aviation Authority and being continuously enhanced so as to be compliant with best international practices. In addition, AIA completed in 2006 an extensive information and training campaign, focusing on main safety issues that required improvement. These efforts further enhanced our ability to manage safety and helped to build up a stronger safety culture, which is evident in the 25% reduction of safety incidents in the course of 2006 (see Chart 6.5).

Chart 6.5
Safety Incidents 2005–2006



Note: Categories are per ACI classification.

Along with our emphasis on safety and accident prevention, AIA places equal importance on emergency response and crisis management. With an Airport Emergency Plan in place, we continued in 2006 to develop pre-planned emergency procedures, while we devoted substantial effort to plan and execute emergency training. In this context, Athens International Airport held its biannual full-scale emergency exercise in November 2006, and conducted three functional exercises. These simulations were deemed successful, proving the airport's readiness in emergency cases. Efficient emergency response and crisis management performance were also proved during a series of real life emergencies and operations in adverse weather conditions.

A vibrant market allowed a host of achievements and developments for 2006 for ground-handling operations, including the award of an additional restricted self-handling right to Interjet, and cooperation with a range of operators for the provision of open-access services. AIA further pursued its Service Level Agreement policy by concluding a new service level agreement with the second largest third-party handler, Swissport.

Understanding airline needs and providing sustainable solutions to business development plans are top priorities for AIA. Towards this direction, and in the context of its aeronautical development strategy, AIA reviewed in 2006 its incentive policy by adding new, enhanced benefits to an already attractive portfolio. More specifically, we have extended the validity of the incentives for a longer period, while an extra scheme has been added, including special incentives for long-haul routes and seasonal services in response to the contemporary aviation industry needs. AIA's contribution to its airline partners, in the form of monetary incentives, rose to €2.55, assisting more than 40 airlines to maintain and develop their routes at Athens International Airport.

AIA and Olympic Fuel Company S.A. (OFC), continuing their joint effort to support airlines and enhance competitiveness of aviation fuel price at the airport, announced an additional 4% reduction of the throughput fee for the use of the hydrant system.

Moreover, our airline marketing strategy was significantly enhanced during 2006, by offering 40 airlines the opportunity to be promoted through a wide range of targeted and value-for-money advertising and promotional activities. The media value of AIA's/Airlines' co-promotional activities reached the amount of €2.45 million, covering our airlines' diverse and extensive promotional needs.

For the third consecutive year, AIA presented special awards to the airlines recording the highest passenger development in 2006 in the categories of geographical region, thin route, best performing newcomer, and best of the top 10 airlines, in recognition of their contribution to the airport's overall record growth (see Table 6.1).

Table 6.1
Airline Awards 2006

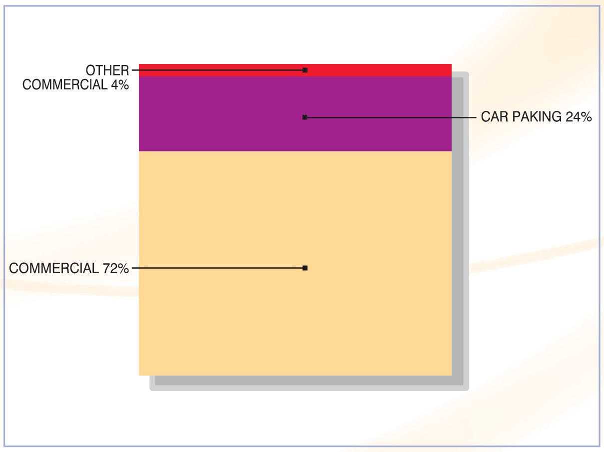
Category		Winner
BEST PERFOMING NEW ENTRANT		Qatar Airways
BEST OF THE TOP 10 AIRLINES		easyJet
FASTEST GROWING AIRLINE - THIN ROUTE		Air Moldova
FASTEST GROWING AIRLINE PER GEOGRAPHICAL REGION	Domestic	Aegean Airlines
	Western Europe	Iberia
	Eastern Europe	Aeroflot
	Middle East	Emirates
	America	Delta Airlines
	Asia	Thai Airways
	Overall	**Aegean Airlines**

AIA's enhanced incentives and marketing programme comprise one of the most attractive developmental schemes worldwide. This is reflected in the fact that for the second consecutive year, Athens International Airport's airline development programme was acknowledged by its airline partners with the OAG Airport Marketing Award, in the 10-25 million passenger category.

Consumers Business Unit

The Consumers Business Unit aims to provide a pleasant stay for passengers and visitors through safe and efficient terminal and landside facilities, ensuring a friendly ambience, expeditious and courteous processing and quality of information, at the same time meeting their commercial needs and trends.

Chart 6.6
2006 Consumer Direct Revenues Breakdown



Through these value-for-money services, the Consumers Unit generated direct revenues of €61.5 million for 2006, demonstrating a strong growth of these non-aeronautical revenue streams by 13.9%. Revenues from commercial activities (€44.2 million, up 9.1%) are the main component of non-aeronautical revenues. Commercial revenues are broken down in Chart 6.8.

Chart 6.7
2006 vs. 2005 Consumer Direct Revenues

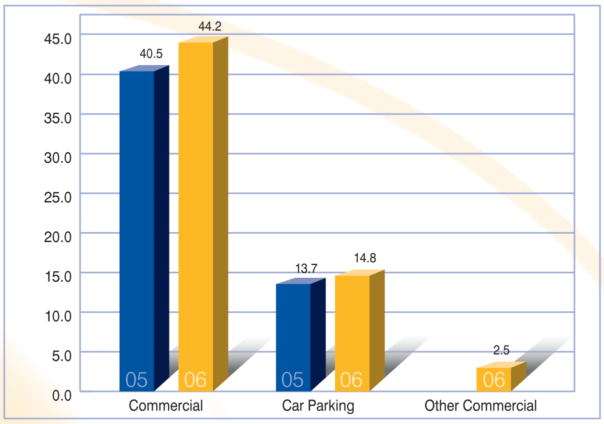


Chart 6.8
2006 Commercial Revenues Breakdown

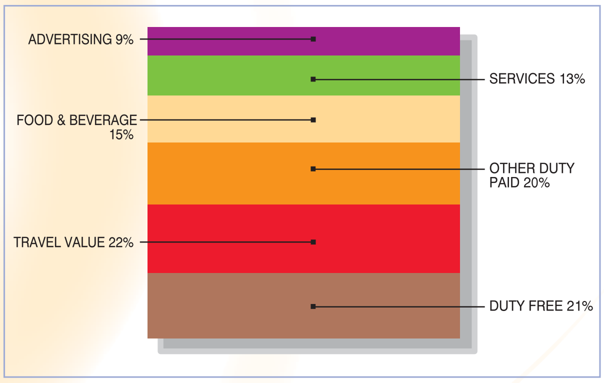
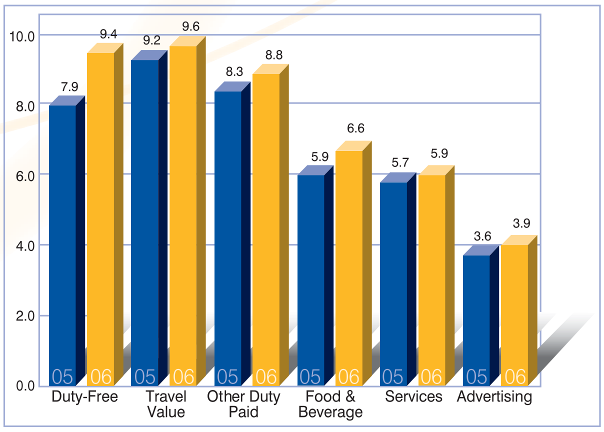


Chart 6.9
2006 vs. 2005 Commercial Revenues



In the context of customer satisfaction, we are continuously identifying new consumer needs and trends and working closely with our concessionaires. As a result, in 2006 we refurbished 15 commercial facilities, applied 2 concept/brand changes in existing outlets and developed 3 new commercial facilities and concepts. All these developments have significantly contributed to the achieved substantial revenue increase.

In addition, the successful implementation of our Shopping Centre Marketing Activities Plan further enhanced sales and consumer awareness. We engaged into several marketing activities targeted towards passengers, including special promotions, in cooperation with concessionaires.

According to the results of the Airport Service Quality programme of ACI for the year 2006, AIA's Shopping Centre ranked once more among the top in Europe, in terms of facilities and value for money.

Our terminal staff provided personalised services (e.g. call centre, passenger information, personalised terminal assistance) to more than 2 million passengers throughout 2006. It is worth mentioning that 97.9% of incoming calls at the call centre were replied in less than 2 minutes, signifying a high call centre performance. At the same time, major operational issues were efficiently handled, such as the implementation of the new EU Directive on liquids carried in hand luggage (Nov '06), the extra ad-hoc security measures for hand luggage (Aug '06) for both UK and US-bound flights, the avian flu crisis etc.

The airport's passenger car parking facilities generated €12.8 million revenues, with long-term parking contributing by 63% and short-term parking by 30%. The remaining 7% of passenger parking revenues represent the services of the Executive Valet Parking and the Tour Bus parking. In October 2006, a long-term parking tariff adjustment was applied, aiming at attracting passengers parking for more than 5 days; the new, lower prices were promoted through a campaign. As a result, long-term parking use increased by 3% by the end of the year.

Property Business Unit

The development of the airport's commercial land, the effective management and utilisation of our assets, building spaces, facilities and utilities, together with the development of the airport's cargo business comprise our Property Business Unit's activities. The Property Unit's total direct revenues for 2006 were €33.3 million, increased by 9.1% over the previous year.

Chart 6.10
Property Direct Revenues Breakdown

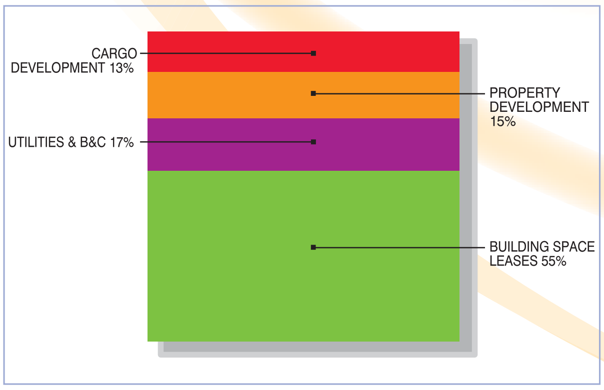
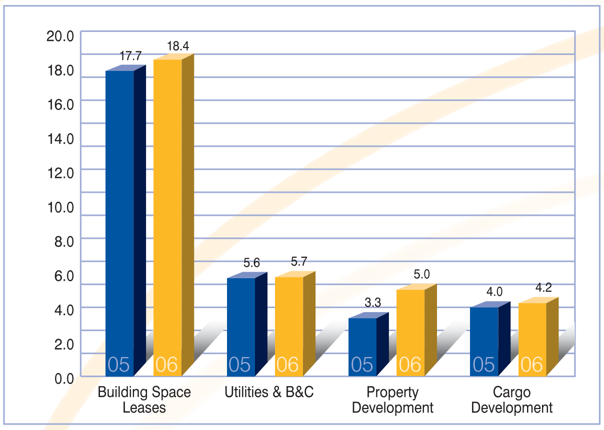


Chart 6.11
2006 vs. 2005 Property Direct Revenues



The Property Unit's main source of income originates from building space leases (stand-alone buildings, offices, counters, warehouses, workshops, ancillary spaces), achieving a revenue growth of 4.3% in 2006. Occupancy remained high at over 93%, through further diversification of the tenant base and a high re-occupation of relinquished spaces. During 2006, four more airlines, as well as several non-aviation companies, relocated their headquarters to Athens International Airport, reaffirming its position in the real estate market.

As part of AIA's strategy of developing the airport's commercial land, the Airport Retail Park was further expanded:

- The 13,000m² "Factory Outlet" branded fashion department store, opened in December 2006.
- The construction of the first "Leroy Merlin" store in Greece offering "Do-It-Yourself" products is in progress; the store opens in March 2007.

Following the opening of the above new developments and taking into account the already established concessions of IKEA and Mega-KOTSOVOLOS, the Airport Retail Park will be accommodating four large-scale retail units as well as a gasoline station and a multi-concept food court with a total selling space of 54,000m² and more than 3,000 parking spaces.

The tender process for the development of a 50,000m² Exhibition & Conference Centre in the northern part of the airport site has been concluded, and subsequent contracts are to be signed in 2007 and implemented by early 2009. The project is developed under a BOT-concession model, with AIA investing in the necessary infrastructure (road access, utilities etc).

In April 2006, AIA was granted the License for the Provision of Electric Power of 25 MW, enabling the Airport Company to purchase and resell electricity to third parties, once the national Public Power Cooperation Grid Tolls are officially established. Since AIA has already been awarded electricity Grid Management rights, we are actively in the process of formulating our "Grid Management Code", as well as a Grid Toll Policy, in collaboration with the Energy Regulatory Authority.

In respect of cargo development, Athens International Airport was acknowledged in 2006 with the prestigious "Best Cargo Airport of the Year" award in its category (101 to 500 thousand tonnes of throughput per year) by Airports Council International and "Air Cargo News", in recognition of AIA's cargo achievements during its 5-year operation as well as the airport's integrated cargo development strategy.

The cooperation agreement with Piraeus Port Authority (OLP) for the establishment of sea-air cargo link was signed in March 2006. Subsequent shipments of sea-air cargo were successfully handled, facilitated through the accelerated and simplified procedures that were established, and the integrated approach followed by all involved parties of the cargo community. Promotion of the opportunities offered by this multi-modal sea-air link was launched in the international cargo market under the "Seanairgy" logo and will be continued in 2007, focusing mainly on the Southeast Mediterranean countries.

The Cargo Quality Project, formed in consultation with the Airport Cargo Community Committee (ACCC), completed its first year of monitoring work performed at the cargo terminals. The results were well received by the ACCC, while the joint definition of minimum cargo service delivery standards and a benchmarking exercise with other airports were identified as further objectives.

IT&T Business Unit

AIA's IT&T continued in 2006 to build up its role as a key enabler for intelligent airport operations and commercial development, operating as a profitable business unit and providing services to a number of customers within and outside the airport. The 2006 revenues related to IT&T services reached €8.4 million.

Chart 6.12
2006 IT&T Revenues Direct Breakdown

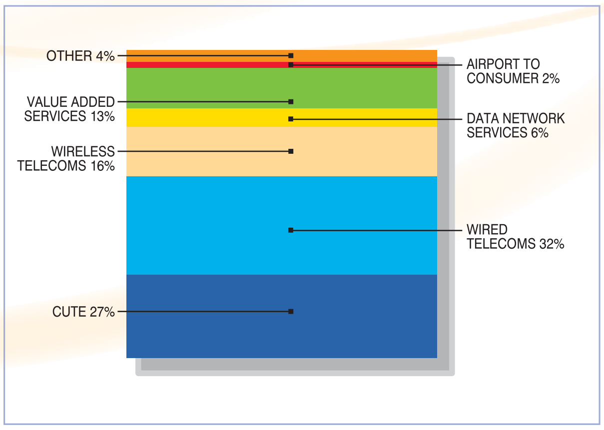
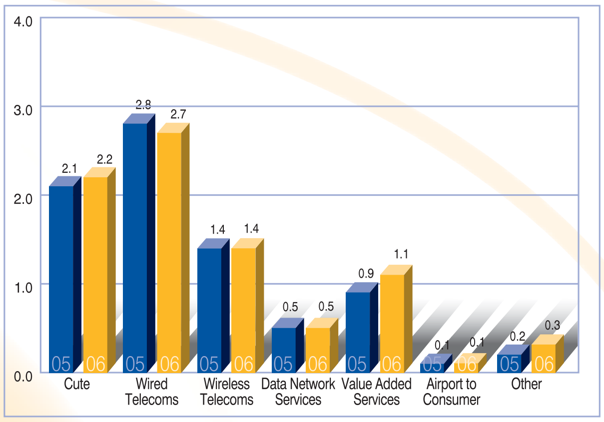


Chart 6.13
2006 vs. 2005 IT&T Direct Revenues



A number or technological upgrades took place throughout 2006. AIA's aim remains to operate a state-of-the-art airport with users accessing the latest technological services. In this context, AIA's corporate network was further upgraded in order to offer triple play for both present and future needs, enabling the seamless, high-speed connection of the airport to other Hellenic metropolitan networks, as well as other national and international airports. Also, a major enhancement of the offered CUTE services took place in 2006, featuring a technology upgrade and renewal of all major equipment with top-class on-site support.

AIA was the first airport worldwide to deploy broadband wireless (WiMAX) services for operational purposes, connecting Aegean Airlines offices with their airport facilities. This broadband wireless connection has been designed and implemented in-house by the IT&T Unit personnel.

The new state-of-the-art data centre was also completed. This facility will further enhance IT&T's infrastructure providing expandability for AIA computer systems and will ensure business continuity, by offering exceptional computer hosting services for all airport and non-airport customers.

As part of IT&T's business activities, AIA also signed new commercial agreements with the three major mobile operators in Greece (Cosmote, Vodafone and TIM). IT&T Unit also provided the IT&T infrastructure, equipment and services for the 120 commercial units operating within the "Factory Outlet", which opened last December.

Also, as part of IT&T's strategy to provide consulting and project management services to other airports, we offered such services to Tirana International Airport in Albania and Monastir & Enfidha International Airports in Tunisia. Furthermore, the engagement in Sydney International Airport providing IT project management and consulting for the airport financial and retail business systems has been extended for another year. Finally, we have also provided IT consulting services for advanced flight information systems to the Singapore Civil Aviation Authority at Singapore International Airport, and have actively participated in the readiness preparation (focusing on the Flight Information Systems and ASOC) for the opening of the new Bangkok International Airport (on 28 September 2006).

7. Corporate Responsibility

AIA's financial indicators for 2006 reflect the Airport Company's profitable trend and its significant prospects for future development. However, the success of a modern company does not rely solely on the economic perspective. For the Airport Company, success is defined as the outcome of a balanced and responsible approach that leads to high financial yield, allowing reinvestment into the Airport Company, its people, and its operation within the airport and beyond. Therefore, as a private sector company that honours the responsibility of supplying a critical public service, AIA has embedded ethical, social and environmental best practice into its business.

Responsible Airport Operator

AIA is continuously investing in sustaining an airport community culture, which focuses on efficient operation and business success, as well as care for the people using the airport and the people working in it. The participation of more than 300 airport community members in AIA's successful full-scale emergency exercise verified the airport community's effective coordination and cooperation.

In a constantly changing environment, the Airport Company is often faced with operational challenges that prove the commitment of its people. In 2006, such a demanding situation was the implementation of the new EU security measures, during which 110 AIA employees, serving as "Golden Volunteers", undertook the task to inform and assist passengers. This voluntary involvement significantly contributed to avoiding delays and demonstrated once again our people's devotion and customer orientation.

Our efforts to offer passengers a pleasant and hassle-free experience continued in 2006. Our information services agents responded to passengers' needs in a prompt, efficient and courteous manner, as reflected in the call centre's service performance. We processed 8,000 written comments from our passengers, helping us to focus on service quality improvement. In an effort to better serve the customers of our parking facilities, we introduced the towing of vehicles parked outside the marked areas, permanently resolving a situation that had caused customer dissatisfaction and safety concerns. Demonstrating our social consciousness, we donate the towing fees collected to the "P. Mylonas" non-profit institute for road safety.

Corporate Citizen

We act consciously as a responsible citizen and a social partner in the local and greater society, undertaking and supporting initiatives that improve the quality of life of local residents, promote local culture and heritage, and project the image of the contemporary Greek civilisation to the millions of people using our facilities.

As a conscious corporate citizen, it is one of our basic corporate policies to interact with the neighbouring communities via an open communication process, while implementing a structured action plan of donations, sponsorships and other forms of contribution that takes into consideration expressed community needs. Within this context, during 2006, we implemented infrastructure works (such as reconstruction of roads in Artemis and Spata Municipalities) and supported the local educational community by providing computer equipment to local schools, as well as playground equipment to the five kindergartens of Artemis. Furthermore, in an effort to serve urgent social needs of the area, we offered medical supplies to Artemis municipal infirmaries, Christmas gifts to the 100 children of the Artemis municipal kindergarten, and financial support to 18 unprivileged families of the area.

Through AIA's active cooperation with the airport community, extensive job opportunities have been offered to unemployed local residents, a direct benefit of the recent development of the airport's retail park.

The local culture was also the focus of our 2006 activities, as we sponsored various local festivities, athletic events and art exhibitions organised by the local municipal authorities.

Actively contributing to the promotion of Greek culture, our Art & Culture programme included the hosting of various art exhibitions in cooperation with museums, cultural institutions and associations in Greece and abroad, offering our passengers and visitors a pleasant and fulfilling experience. Some of the most important exhibitions in 2006 were: "Faces" in cooperation with the Cultural Society "Photographic Circle", "People and traditional professions in the Aegean" in cooperation with the Foundation of the Hellenic World, "On Faces: 13th International Month of Photography" in cooperation with the Hellenic Centre for Photography, and "Alfred Nobel and Greece" in cooperation with the Museum of the Hellenic Nobel Collection.

We also participated in Cow Parade Athens 2006, the largest-ever open-air art exhibition, under the auspices of the Municipality of Athens, by "adopting" two cow sculptures and displaying them at the departures level of our airport. We were also proud to host an exhibition of 200 photographs honoured in the 49th World Press Photo award ceremony, the world's most prestigious press photography event. It is worth mentioning that, for the next two years, our airport will be the first spot in the world, after Amsterdam, to inaugurate this famous exhibition.

Focusing on children and youth, we offered educational guided tours to students of 60 schools from Athens and the surrounding areas, and welcomed more than 4,500 children in our Creative Entertainment Area. Finally, we continued our ongoing support to non-profit humanitarian associations (such as "The Smile of the Child", "SOS Villages", "ELPIDA", "Médecins du Monde") for the benefit of children in need.

Environmentally Conscious Airport Operator

Respect for the environment is an indispensable element of the Airport Company's daily business activities. Within this framework, we introduce innovative ways to reduce our operating impact, while influencing our business partners to do the same. AIA's implementation of an incentive policy based on the provision of refund for all recyclables led to the recycling of 1,729 tonnes of paper, glass, aluminium, other metals, wood, plastic, and tyres. Through the cooperation with all Alternative Management Systems in force, approximately 20% of the hazardous waste produced in the airport was disposed accordingly.

Our extensive Air Quality Monitoring Network was complemented in 2006 with the installation of the Meteorological Station (MET) and the RASS - Electromagnetic Radar. The MET station measures wind speed and direction as well as air temperature and relative humidity at low altitudes, while RASS monitors the temperature profile in the lower atmosphere.

Compliance with the Noise Abatement Procedures in 2006 was very satisfactory as verified by runway use data for the afternoon and night hours. In December 2006, the interface of the Noise Monitoring System (NOMOS) with the Radar of HCAA was completed.

Forty-nine environmental audits were performed to the airport's third parties, while regular site inspections took place in order to identify potential areas of non-compliance. The increased environmental awareness among third parties is evident in the approximately 400 requests on environmental issues that were answered promptly. In the same context, 11 seminars on Environmental Awareness and Waste Management were delivered to the airport community.

During 2006, as part of our commitment to create urban green areas and preserve the natural environment of the local communities, we delivered two parks to the Municipalities of Koropi and Artemis. The Koropi park covers an area of 10,000m² and features the renovated water reservoir building, a new 900-seat open theatre, a kiosk with an outdoor area, paved paths across the park, a playground, and a planted area with more than 600 trees and shrubs of the local flora. The park in the Costal Forest of Artemis covers an area of 26,000m² along the town's popular beach, and features a playground and an arboretum, paved paths across the park, kiosks and benches and a planted area with more than 3,000 trees and shrubs of the local flora.

In the context of our efforts to enhance environmental sensitivity and reduce waste production, we continued the Recycling Programme at the schools of the Municipality of Artemis. Through this programme, during the 2005-2006 school year, more than 9 tonnes of paper was recycled, and the students' efforts were rewarded with educational material and by our sponsoring school infrastructure works.

We continued our Environmental Scholarship Programme by providing two scholarships for graduate theses to postgraduate students of the University of the Aegean / Department of Environmental Studies in Mitilini. In addition, through our cooperation with the University of Patras, we commenced Phase II of the bio-monitoring programme in order to record the status of the ecosystems in the vicinity of the airport and propose conservation measures.

Responsible Employer

Our people are the driving force for our efficient operation and sustainable success in business. Developing competencies and skills and maintaining the full commitment of our people is our main priority. This is clearly reflected on our high productivity ratios for 2006, as shown in Charts 7.1 and 7.2.

Chart 7.1
Revenues per Employee Index 2005–2006

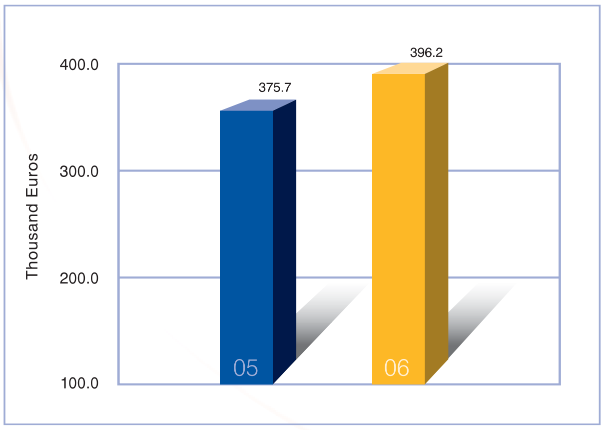
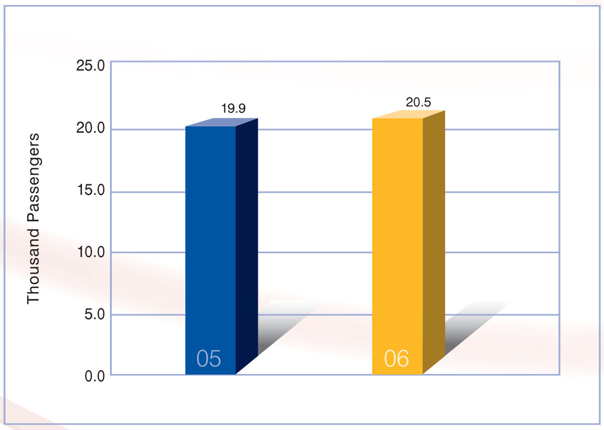


Chart 7.2
Passengers per Employee Index 2005–2006



At the end of 2006, our headcount was 702 employees under open-ended contracts, with an average age of 38 years, 78% of whom have completed post-secondary level education. Our interest in the neighbouring communities is reflected on the increasing share of local residents in the Airport Company's labour force, namely 28% in 2006.

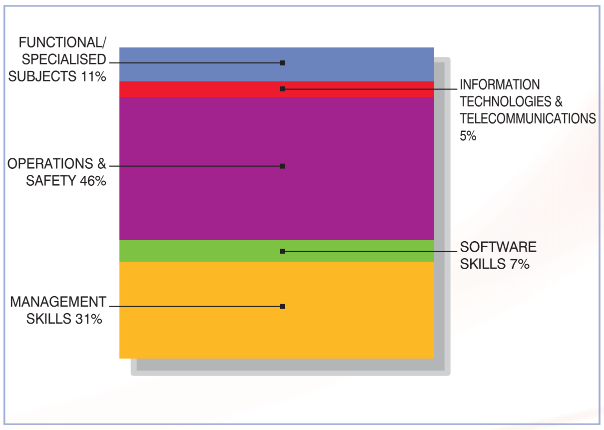
We place great value on safeguarding a professional, highly skilled workforce able to manage and operate the airport successfully and deliver value for all our stakeholders. Our ability to motivate, reward and develop our employees is vital for our success.

Developing and Motivating our Employees

Employee management & development systems are a key pillar of our people management practices. We apply internal job posting to broaden career path prospects, performance management to align corporate and individual performance, and training programmes to nurture and develop job-related skills and competencies.

A total of 10,583 manhours were invested in training, 38% of which on management and interpersonal skills, reflecting our commitment to enhance motivation and develop corporate competencies and behaviours (see Chart 7.3).

Chart 7.3
Training our Employees



We continuously improve our compensation and benefit practices, maintaining our competitive status amongst Greek companies. In 2006, we readjusted our corporate Pension Plan, increased the allowance of working parents and adopted the re-evaluated compensation management system.

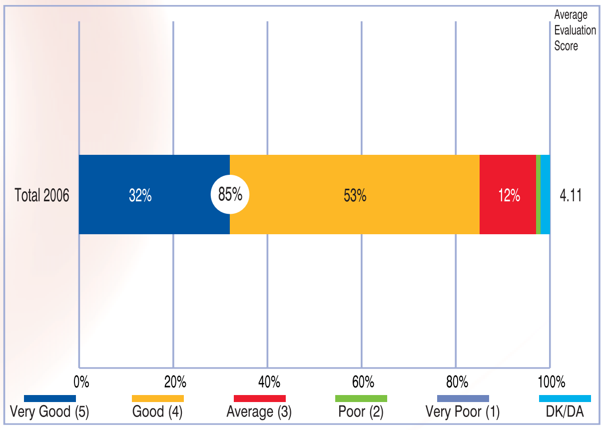
Communicating with our Employees and Building Team Spirit

We place major emphasis on constantly informing and involving our people in AIA's business affairs. We are investing on a systematic communication with our employees through various means, such as the Corporate Intranet, and the quarterly newsletter "We@AIA", a casual informative edition that updates on business activities, while reflecting the lighter side of corporate life. Furthermore, we encourage employee participation in social activities and athletic events that strengthen team spirit (e.g. corporate parties, cross-community football league, participation in the 2006 Europe Corporate Games).

Greek General Public Evaluation

The Greek general public highly appreciates Athens International Airport's commitment to social responsibility as well as the high quality services offered by the Airport Company to its passengers and visitors, as indicated in the results of AIA's Image Survey. According to this survey, the airport is highly esteemed by the Greek public, with 85% of Greek residents consistently evaluating it overall with scores above average.

Chart 7.4
Airport Evaluation from the Greek General Public



8. Future Prospects

Following a year of traffic records, the results to date signify that 2007 started off with increased passenger volumes compared to the same period in 2006. This positive trend is expected to continue throughout the year, and therefore, the projected annual passenger throughput is estimated to reach 15.65 million.

Further to the above, we would like to refer to some of the future projects and plans of our company for 2007:

- In view of recent trends in international "long-haul" traffic development and the change of composition of the Schengen Treaty Agreement, the Airport Company is investigating the option of fully utilising the Satellite terminal building, which will allow the effective accommodation of the emerging traffic requirements. In this way, AIA will best exploit the existing airport capacity and, most importantly, ensure a high-quality product to all airline customers. Such operational planning will also comply with the principles of the future expansion of the terminal facilities as outlined in the Master Plan and the Terminal Area Master Plan projects completed in 2006.

- Aiming to improve the airport experience for all its users, AIA is developing a long-term programme, which focuses on the enhancement of the airport's ambience. This programme will be launched in 2007 to create a unique and memorable airport identity that will maintain and further improve the high levels of customer satisfaction.

- In accordance with our strategy for commercial development, in early 2007, the 9,800m^2 Do-It-Yourself outlet (Leroy-Merlin) opens in the airport's southwest commercial area, further enriching the airport's retail park. More importantly, we expect the commencement of works by the selected concessionaire for a new 50,000m^2 exhibition and conference centre, with AIA investing in the necessary utilities infrastructure for the development of the airport's northern commercial areas.

- As a corporate citizen caring for the environment and the creation of sustainable value for all stakeholders, AIA investigates the technical and commercial feasibility of a large-scale photovoltaic park within the airport premises. The project will provide a financial benefit for the Airport Company and at the same time go in line with the Greek state's renewable energy development strategy.

- Within 2007, and in accordance with the expected revised Basic and Local Ground Handling Regulation, AIA will initiate the tender process for awarding all limited-access ground handling rights, in place of the agreements expiring within 2008. In addition, AIA is taking all the necessary preparatory steps for the adoption of the EU Regulation regarding handling by the airports of Passengers with Reduced Mobility, effective as of July 2008. Furthermore, the Airport Company has planned for and will begin with the necessary investments and operating procedure adjustments on security control for accessing the airport's critical parts as defined by the relevant EU Regulation, effective as of July 2009.

With traffic crossing the 15-million threshold during 2006, and following 6 years of operational excellence, the Airport Company has reached a level of maturity and know-how, establishing Athens International Airport among the large and most successful airports in Europe. At the same time, our organisation has fully grown to a dynamic and best-practice enterprise with an inspiring corporate culture, which combines corporate responsibility, customer focus and business excellence in harmony. Using the Airport Company's revised Business Plan as a springboard, Athens International Airport is paving the way for the airport's expansion to exploit new perspectives and accelerate its future growth. AIA will continue to be a leading business engine in the Greek market, representing a major economic asset for its shareholders.

9. Financial Statements

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2006

IN ACCORDANCE WITH THE

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The attached Financial Statements are those that were approved by the Board of Directors of ATHENS INTERNATIONAL AIRPORT S.A. on 27 March 2007 and have been published by posting on the Internet at the website address www.aia.gr

The Financial Statements and the Notes to the Financial Statements, as presented on pages II to 72, have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and have been signed, on behalf of the Board of Directors by:

Chairman of the Board of Directors	Prof. Constantinos Vaitsos
Vice Chairman of the Board of Directors	Dr. Harald Peipers
Chief Executive Officer	Alfred van der Meer
Chief Financial Officer	Basil Fondrier
Accounting Manager	Panagiotis Michalarogiannis

CHAPTER I

REPORTING BY THE BoD TO THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

Dear Sirs,

With pleasure I welcome you today to the 11th Ordinary General Meeting of Shareholders of Athens International Airport S.A., during which we shall review the year 2006.

According to article 43a, paragraph 3 of Codified Law (C.L.) 2190/1920, as this was replaced by article 35 of Presidential Decree (P.D.) 409/1986, we submit herewith to your General Assembly the company's Financial Statements for its 11th financial period. The present report includes the analysis of these statements and any supplementary information necessary or useful for the statements' appreciation and approval by the General Assembly, according to the proposal of the Board of Directors. It is noteworthy that as of 1/1/2006 the company has adopted the International Financial Reporting Standards (IFRS) in accordance with the relevant decision of the General Assembly.

2006 was a successful year for the aviation industry worldwide, with the airline industry improving its operational efficiency, managing to partly offset the impact of higher fuel costs by air travel demand consistently increasing, boosted by buoyant global economic growth.

Under these favorable conditions and our persistent policy commitments to sustainably enhance traffic volumes at Athens International Airport (AIA), we achieved considerable growth in passenger traffic, crossing the 15 million threshold. This brings our airport in the league of the largest European airports. The traffic growth, combined with the successful development of AIA's non-aeronautical activities –constituting 40% of AIA's total revenues, and being the major contributor to AIA's profits - resulted in positive financial results, enabling the company to post a pre-tax profit of €96.3 million and to propose the distribution of €55.5 million as dividend to its shareholders.

Let us review last year in more detail:

Having welcomed a total of 15.08 million passengers in 2006, AIA broke a new passenger traffic record, posting an increase of 5.6%. The number of flights also enjoyed a growth of 5.5%, reaching 191 thousand. Cargo traffic enjoyed record volumes as well, exceeding 120 thousand tonnes (+3.6% compared to 2005), the highest volume handled since airport opening.

Domestic passenger traffic grew by 5.8%, experiencing a remarkable traffic increase during the last four months of the year. The international sector marked a 5.5% increase, with strong passenger traffic rise observed since the beginning of the summer schedule.

Along with a significant increase in frequencies, load factors, that constitute a critical viability determinant for airlines, continued to increase in 2006, reaching the high level of 70% on average, and reflecting the strength of the Athens market.

In 2006, Athens International Airport had scheduled direct connections with 110 destinations in 48 countries, of which 10 were new destinations (Atlanta, Islamabad, Karachi, Krakow, Lahore, Billund, Naples, Turin, Chernovtsy and Kalymnos). During the year, Athens International Airport welcomed 5 new airlines (Air One, Blue 1, Flyglobespan, Norwegian and Pakistan International). This network expansion is the fruition of AIA's consistent strategy for attracting new airlines and introducing new destinations.

The Airport Company's highlights for 2006 are summarised below:

- In another year marked by record traffic, airport operations continued in a safe, efficient and smooth manner, maintaining high quality airport services. With safety being the first priority of airport operations, AIA established an integrated Aviation Safety Management System approved by HCAA, resulting in a 25% reduction of safety incidents, making 2006 an exemplary year for the airport's safety record. Substantial focus was also placed on crisis planning and training. Circumstances of extreme weather conditions and emergencies were successfully handled, while a series of emergency training exercises were executed, including a full-scale emergency exercise in November, and three functional exercises.

- Following the realization of a thorough operational and communications plan, AIA achieved the proper and smooth implementation of the new EU security regulation, regarding liquids in hand luggage, maintaining the high level of services to passengers. Moreover, several major operational issues were efficiently handled by AIA throughout the year, such as the security staff strike, the avian flu, etc.

- Within the framework of its aeronautical development strategy, AIA adjusted airport charges at the level of inflation of 3.5%, while it enhanced its incentives and marketing programme, increasing the airport's competitiveness and offering one of the most attractive developmental schemes worldwide. AIA's contribution to its airline partners, in the form of marketing support and monetary incentives, rose to approximately 5 million Euros (+20%). For a third consecutive year, AIA presented special awards to the airlines that recorded the highest passenger development in 2006, in recognition of their contribution to the airport's overall record growth.

- In July 2006, Athens International Airport S.A. and Olympic Fuel Company S.A. (OFC) announced an additional 4% reduction of the throughput for the use of the hydrant system, continuing their joint effort to support airlines and enhance competitiveness of aviation fuel price at the Airport.

- The Airport Company continued to develop and exploit commercial opportunities within the passenger terminal facilities. In 2006, having identified new consumer trends, 3 new commercial facilities and concepts were developed, while 15 commercial facilities were refurbished, and 2 concept/brand changes took place in existing commercial facilities.

- Aiming to further promote the development of cargo traffic through the airport, AIA signed a Cooperation Agreement with Piraeus Port Authority (OLP). Through this joint effort, OLP and AIA aim to create new cargo opportunities, via a multi-modal "sea-air" link, by implementing quicker, simpler, and internationally competitive procedures, attracting additional transit cargo to Athens, through a seamless link.

- In April 2006, AIA was granted the License for the Provision of Electric Power, which enables AIA to purchase and resell electricity to third parties.

- AIA's Retail Park entered in 2006 its final phase with its last two developments, i.e. the successful opening of the 13,000 m^2 mega store "FACTORY OUTLET", and the beginning of construction of the 9,800 m^2 "Do It Yourself" store "LEROY MERLIN". Moreover, within the context of the "Airport City" development, a tender process for a 50,000 m2 state-of-the-art Exhibition & Conference Centre was concluded.

- AIA invested in new technologies during 2006, becoming the first airport worldwide to deploy WiMax services for operational purposes, while it extended its IT&T external business activities, providing value-added services to a number of international airports.

- Within the framework of the corporate restructuring, which took place in 2005, AIA has successfully continued during 2006 its migration into a Business Unit company by introducing Value Based Management (VBM) methodology. VBM has been introduced as a tool to stimulate management ownership and accountability by measuring financial and non-financial value creation. It equips top management with a holistic and clear view of different business activities' and services' performance through the development of value creation metrics and Key Performance Indicators.

- As a follow-up to the 2005 Master Plan Review, last year we developed a Terminal Area Master Plan, capitalising on the revised Master Plan's concepts and identifying terminal expansion potential. This expansion aims to cater for the increased needs of commercial space and the enhancement of terminal operations, ensuring high quality standards and customer satisfaction.

- Following the conclusion and the suggestions of the debt restructuring study performed by a consortium of independent financial institutions, the Company initiated discussions with EIB on the restructuring of the terms and conditions of the Master Facility Agreement aiming to the maximisation of the shareholders' value.

- In June 2006 AIA's Board of Directors approved the company's update of the Business Plan, which was a major review of the company's mid- and long-term business outlook, incorporating a refinement of AIA's business strategies (Aeronautical, Consumers, Property, IT&T) and revised investment and financial strategies, based on relevant studies and projects that the company had recently undertaken. The 2006 Business Plan projects a healthy development of AIA's aeronautical and non-aeronautical activities, a balanced capital structure in line with future investment plans and sustainable value for the company's shareholders.

- AIA embarked on a Risk Management project aiming to implement a system that will support AIA's strategy and will be aligned with the management philosophy, enabling an optimal management of significant risks that could threaten the achievement of corporate objectives. The implementation of Risk Management started in 2005 and continued throughout last year mainly inclining in the direction of compliance. The project focused in the development, approval and implementation of an AIA Risk Management framework, and the identification and analysis of AIA's risk profile, taking necessary actions to manage key risks and follow up activities.

- During 2006, the Internal Audit Committee of the Board of Directors was formed, consisting of two members of the Board of Directors and one non-Board member who is highly experienced in the field of Internal Audit. The Committee's function is to assist the Board in fulfilling its oversight responsibilities for the integrity of the Company's Systems of Internal Accounting and Financial Controls, the integrity of the Company's Financial Statements, the Company's compliance with Legal and Regulatory requirements, the external Auditor's selection, performance and independence and the performance of the Company's Internal Audit Function. It is noteworthy that the constitution of the said Committee has been decided based on international best practices, since the Company is not subject to the Law 3016/2002 on Corporate Governance for companies listed on the Stock Exchange.

- A change in shareholder composition and structure took place with the D. Copelouzos family acquiring most of the previously ABB held AIA shares. Also, Hochtief Airport purchased six additional ordinary shares thus assuring, in combination with Hochtief Airport Capital, a participation above 40% in AIA's equity capital.

As a private sector company that honours the responsibility of supplying a critical public service, AIA has embedded ethical, social and environmental best practice deeply into its business. Having secured absolute compliance with the legal and regulatory framework of our operation, AIA focuses on initiatives that generate added value for all our stakeholders and includes them in Corporate Governance scheme. The Company's Corporate Governance is in accordance with CL 2190/1920 for Societes Anonymes, as well as with the Airport Development Agreement, which prescribes the relations among shareholders.

Responsible Airport Operator

We have established a culture of wide airport community cooperation focusing on efficient operation and business success as well as care for the airport visitors and passengers. The successful execution of AIA's full-scale emergency exercise, with the participation of more than 300 airport community members, was a proof of the airport community's effective coordination.

Corporate Citizen

As a conscious corporate citizen, it is one of our basic corporate policies to interact with the neighbouring communities via an open communication process, while implementing a structured action plan of donations, sponsorships and other forms of contribution that takes into consideration their expressed needs. In 2006, we supported Local Communities through the reconstruction of roads, sponsorships for local parks, provision of supplies to infirmaries and substantial support to local schools.

Actively contributing to the cultural life of the country, our Art & Culture programme included the hosting of various art exhibitions in cooperation with Museums, Cultural Institutions and Associations in Greece and abroad, offering our passengers and visitors a pleasant and fulfilling experience. Meanwhile, we welcomed more than 4,500 children in our Creative Entertainment Area and we sustained our ongoing support to non-profit associations.

Environmentally Conscious Operator

Part of our commitment to create urban green areas and preserve the natural environment of the Local Communities was the delivery of two parks. The Koropi park covers an area of 10,000 m2 while the park in the costal forest of Artemis covers an area of 26,000 m2 along the town's popular beach.

In the framework of our efforts to enhance environmental sensitivity and reduce waste production, we continued the recycling programme at the Municipality of Artemis schools. The programme led to the recycling of 9 tons of paper in the 2005 – 2006 school year. Within the Airport Community, our recycling programme led to the recycling of approximately 1,700 tons of waste produced at the airport.

Our compliance with Noise Abatement Procedures in 2006 was satisfactory as verified by runway use data. We also invested further in state-of-the-art equipment for the Air Quality Monitoring Network.

Responsible Employer

We fulfil our pledge to maintain a professional and highly skilled workforce by developing competencies and skills. Furthermore, we sustain the full commitment of our people through motivation and involvement.

In 2006, we improved our Corporate Pension Plan and re-evaluated the Compensation Management System. Our extensive Corporate Training Plan included more than 10,000 man-hours invested in training, reflecting on our commitment to create a motivational climate and develop corporate competencies and behaviours.

We take this opportunity to thank our employees for their crucial contribution to the success of our company. We also express our appreciation for the support given, through the "Golden Volunteers" initiative, for the smooth implementation of the new security measures on liquids in hand luggage.

During its 6th year of operation, AIA's sustained operational, service and business excellence received acclaim through the following prestigious distinctions:

- AIA's airline-partners rewarded the airport –for the second consecutive year- with the prestigious OAG Airport Marketing Award, in the 10 – 25 million passengers category, at the 12th World Route Development Conference, recognising the airport's airline incentives and marketing programme.
- AIA was honoured with the "Best Cargo Airport 2006" award in the category 100 - 500,000 tonnes, in recognition of its successful programmes and contribution to cargo development since airport opening. AIA was awarded within the framework of the "Cargo Airline of the Year" award ceremony, jointly organised by "Air Cargo News" and Airports Council International (ACI).
- The Air Transport Research Society (ATRS) awarded AIA as the "Second Most Efficient Airport in Europe", in the frame of the 2006 ATRS World Conference, based on the 2006 ATRS Global Annual Benchmarking Report, a tool that provides a comprehensive unbiased evaluation of airport performance.

Let us look into the financial results of 2006 in more detail:

- The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Accounting Policies approved by the Board of Directors of the Company. The first time adoption impact in the opening position of the Company's financial statements as of 1/1/2005, as well as the impact on the Company's 2005 restated financial statements are analytically presented in the relevant notes.
- The total operating revenues of the Company increased by € 21.5 million or 8.0% compared to the previous financial year, reaching the amount of € 291.3 million, reflecting the additional income derived from the traffic growth and the successful performance of non-aeronautical activities that grew by 9.6%.
- Operating expenses increased at a lower rate, higher by € 4.0 million or 3.3% than 2005, standing at €124.8 million, reflecting management's commitment for operating cost efficiency.
- Earnings before interest, tax, depreciation & amortisation were increased in year 2006 by € 17.5 million or 11.8% compared to the previous year 2005, reaching the level of € 166.5 million.
- Depreciation charge was significantly lower than the previous year by € 10.0 million as certain major assets (i.e. special vehicles, furniture & equipment), which were acquired since the airport opening, were fully depreciated in 2006 without having been replaced yet.
- Net financial expenses decreased substantially from € 67.1 million to € 60.3 due to the gradual repayment of Bank Loans and the higher interest income earned from the investment of cash surplus.
- The participation from the Airport Development Fund reached the amount of €66.2 million, higher by €4.3 million or 6.9% in comparison to prior year, posting an improvement above the traffic growth, attributed to a favourable passenger mix. (i.e. strong growth of Non-EU segment, which is subject to higher ADF and more point-to-point passengers)
- Profit before Tax reached the amount of € 96.3 million, €38.6 million or 66.9% higher than previous year. Taking into consideration the negative retained earnings of € (6.7) million -which incorporate the once-off impact of the first time adoption of IFRS- and after accounting for the accumulated income taxes of €30.2 million, there remains a distributable profit of €59.1 million. Part of this, € 55.5 million, is proposed by the Board of Directors to be distributed to the shareholders as dividend.
- The Balance Sheet of 31 December 2006 reflects Net Assets of €1.52 billion. The value of the company's Fixed Assets (€1.21 billion) represents 80% of Total Assets, indicating that AIA is a fixed assets intensive company.

- All Fixed Assets are recorded in the Fixed Assets Register and are free of any encumbrances apart from the assignment of the Usufruct extended since 1996 in favour of the Lenders. Fixed Assets were depreciated at rates that reflect their estimated useful lives and the legal limits on their use as provided by the ADA. The value of the usufruct of the land that was assigned by the Greek State for the development and operation of the Airport is equally depreciated over the 25-year concession period. Investment in affiliate companies consists of €0.98 million and represents the Company's participation in the equity of the Athens Airport Fuel Pipeline Company SA.

- The company's Current Assets at 31 December 2006 reached the amount of €312.1 million, representing an increase of €30.0 million compared to prior year-end, mainly due to the significant improvement of the Cash Flow of the Company.

- The Tax Authority performed in 2005 the regular tax audit of the Company's accounting books and records, covering the period 1998 through 2003. Following relevant settlement with the Tax Authority, the Company's obligations for income tax until the financial year 2003 have been concluded.

- Finally, we would like to inform you that the company's cash surplus is invested in euro-bonds and time deposits, in order to hedge interest rate, foreign currency exposure and other risks. As a result of this investment policy, AIA did not possess any investments in securities as of 31 December 2006.

Following a year of traffic records, the traffic results to-date signify that the year 2007 started with increased passenger volumes compared to 2006. This positive trend is expected to continue throughout the year, and therefore, we project an annual passenger throughput of 15.65 million.

Further to the above, we would like to refer to some of the future projects and plans of our company for 2007:

- In view of recent traffic development trends in international 'long-haul' originating traffic and the change of composition of the Schengen Treaty Agreement, the Airport Company is investigating the option of utilising the Satellite terminal building for all Extra-Schengen traffic, which will allow the effective accommodation of the emerging traffic requirements. In this way, AIA will best exploit the existing Airport capacity and, most importantly, will secure a high quality product to all airline customers. Such operational planning will also comply with the principles of the future expansion of the terminal facilities as outlined in the Master Plan and the Terminal Area Master Plan projects completed last year.

- Aiming to improve the airport experience for all users, AIA is formulating a long-term programme, which focuses on the upgrade of the Airport's ambience. This programme will be launched in 2007 and will create a unique and memorable airport identity that will maintain and further expand the high levels of customer satisfaction.

- In accordance with our strategy for commercial development, in early 2007 the 9,800m2 Do-It-Yourself outlet opens in the airport's southwest commercial area, further enriching our retail park. More importantly, we expect the commencement of works by the selected concessionaire for a new 50,000m2 exhibition and conference centre, with AIA investing in the necessary utilities infrastructure for the development of the airport's northern commercial areas.

- As a corporate citizen caring for the environment and the creation of sustainable value for all stakeholders, AIA investigates the technical and commercial feasibility for a large-scale photovoltaic park within the airport premises, which will have a financial benefit for the company and at the same time will be supportive of Greece's strategy for the development of renewable energy sources.

- Within 2007, and in accordance with the expected revised Basic and Local Ground Handling Regulation, AIA will initiate the tender process for the award of all limited access ground handling rights, replacing the existing ones which expire within 2008. In addition, AIA is taking all the necessary preparatory steps for the adoption of the EU Regulation regarding handling by the airports of Passengers with Reduced Mobility, which will become effective in July 2008. Furthermore, the company has planned for and will begin with the necessary investments and operating procedure adjustments on security control for accessing the airport critical parts as defined by the relevant EU Regulation, which will become effective in July 2009.

With traffic exceeding the 15 million threshold during 2006, and after 6 years of operational excellence, AIA has reached a level of maturity and know-how, establishing Athens International Airport among the large and most successful airports in Europe. In parallel our organisation has fully grown to a dynamic and best-practice enterprise with a stimulating corporate culture, which harmoniously combines corporate responsibility, customer focus and business excellence. Using the company's revised Business Plan as a springboard, Athens International Airport is paving the way for the airport's expansion to exploit new perspectives and accelerate future growth. AIA will continue to be a leading business engine in the Greek market, representing a major economic asset for its shareholders while also proving to be a pace setter in corporate responsibility for all its stakeholders and the general public.

Spata, 27 March 2007

For the Board of Directors of Athens International Airport S.A.

Professor Kostis Vaitsos
Chairman

CHAPTER 2

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006	2005
Operating revenues	4.1	291.088.032	269.267.859
Other operating revenues	4.1	178.699	467.340
Total operating revenues		**291.266.731**	**269.735.199**
Operating expenses			
Personnel expenses	4.2	37.147.368	34.429.038
Outsourcing expenses	4.2	47.420.941	47.617.156
Public relations & marketing expenses	4.2	4.002.781	3.389.676
Utility expenses	4.2	9.761.582	9.183.320
Insurance premiums	4.2	4.461.351	4.617.671
Provisions	4.2	15.814.122	13.742.362
Other operating expenses	4.2	6.190.206	7.805.984
Total operating expenses		**124.798.351**	**120.785.207**
Earnings before interest, depreciation, tax & amortisation		**166.468.380**	**148.949.992**
Depreciation & amortisation of fixed assets	4.3	76.047.013	86.102.884
Net financial expenses	4.4	60.351.679	67.124.152
Subsidies assigned against non-operating expenses	4.5	(66.198.490)	(61.934.043)
Profit before tax		**96.268.178**	**57.656.999**
Income tax expense on profit for the year	4.6	(30.233.775)	(49.568.660)
Profit after tax		**66.034.403**	**8.088.339**
Attributable to:			
Statutory reserve		3.301.720	951.236
Retained earnings		62.732.683	7.137.103
Total profits attributed		**66.034.403**	**8.088.339**
Basic earnings per share	**4.7**	**2,20**	**0,27**

The notes on pages 15 to 72 are an integral part of these financial statements.

CHAPTER 3

BALANCE SHEET AS AT 31 DECEMBER 2006

ASSETS	Note	2006	2005
Non-current assets			
Fixed assets - owned assets	4.8,4.11	96.711.082	102.984.813
Fixed assets - leased assets	4.9,4.11	1.111.667.390	1.172.629.454
Intangible assets	4.10	1.706.096	2.212.373
Other non-current assets	4.12	1.131.772	1.122.084
Total non- current assets		**1.211.216.340**	**1.278.948.724**
Current assets			
Inventories	4.13	6.542.964	5.269.227
Trade receivables	4.14	91.801.633	71.926.428
Other receivables	4.15	89.005.358	105.525.904
Cash & cash equivalents	4.16	124.795.284	99.326.671
Total current assets		**312.145.239**	**282.048.230**
TOTAL ASSETS		**1.523.361.579**	**1.560.996.954**
EQUITY & LIABILITIES			
Equity			
Share capital	4.17	300.000.000	300.000.000
Statutory & other reserves	4.18	7.901.219	4.599.499
Retained earnings	4.19	55.837.762	22.605.079
Total equity		**363.738.981**	**327.204.578**
Non-current liabilities			
Bank loans	4.21	942.920.763	1.021.891.376
Employee retirement benefits	4.22	4.261.448	3.394.121
Provisions	4.23	17.261.845	20.225.480
Deferred tax liabilities	4.24	9.696.862	2.132.101
Other non-current liabilities	4.25	2.339.209	2.641.864
Total non-current liabilities		**976.480.127**	**1.050.284.942**
Current liabilities			
Bank & subordinated loans	4.21	107.309.043	124.921.606
Trade & other payables	4.26	34.509.765	36.496.909
Income tax payable	4.24	22.669.014	13.882.353
Other current liabilities	4.27	18.654.649	8.206.566
Total current liabilities		**183.142.471**	**183.507.434**
Total liabilities		**1.159.622.598**	**1.233.792.376**
TOTAL EQUITY & LIABILITIES		**1.523.361.579**	**1.560.996.954**

The notes on pages 15 to 72 are an integral part of these financial statements.

CHAPTER 4

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2006

Share Capital		Reserves	Retained Earnings	Total Equity
Balance as at 31 December 2004	**300.000.000**	**3.648.263**	**43.467.976**	**347.116.239**
Net profit for the year 2005	0	0	8.088.339	8.088.339
Statutory reserves	0	951.236	(951.236)	0
Other reserves	0	0	0	0
Dividends distributed	0	0	(28.000.000)	(28.000.000)
Balance as at 31 December 2005	**300.000.000**	**4.599.499**	**22.605.079**	**327.204.578**
Net profit for the year 2006	0	0	66.034.403	66.034.403
Statutory reserves	0	3.301.720	(3.301.720)	0
Other reserves	0	0	0	0
Dividends distributed	0	0	(29.500.000)	(29.500.000)
Balance as at 31 December 2006	**300.000.000**	**7.901.219**	**55.837.762**	**363.738.981**

The notes on pages 15 to 72 are an integral part of these financial statements.

CHAPTER 5

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006	2005
Operating activities			
Profit for the year before tax		**96.268.178**	**57.656.999**
Adjustments for:			
Depreciation & amortisation expenses	4.3	76.047.013	86.102.884
Impairment of financial assets	4.2,4.14	12.888.674	6.610.500
Net financial expenses	4.4	60.351.679	67.124.152
(Gain)/loss on fixed asset disposals	4.8,4.9,4.10	66.018	101.199
Increase/(decrease) in retirement benefits	4.22	867.327	649.218
Increase/(decrease) in provisions	4.23	(2.963.634)	2.846.061
Increase/(decrease) in other assets/liabilities		52.050	177.417
Operating cash flow before movements in working capital		**243.577.305**	**221.268.430**
Increase/(decrease) in working capital		(5.442.566)	(18.334.087)
Income tax paid	4.24	(13.882.353)	(19.551.962)
Interest paid	4.4	(86.559.646)	(68.177.885)
Net cash flow from operating activities		**137.692.740**	**115.204.496**
Investment Activities			
Acquisition of fixed assets	4.8,4.9,4.10	(10.201.252)	(9.037.129)
Interest received	4.4	4.384.070	4.407.219
Proceeds from disposal of fixed assets	4.8,4.9,4.10	86.565	390.630
Net cash flow from investment activities		**(5.730.617)**	**(4.239.280)**
Financial activities			
Dividends paid	4.19	(29.500.000)	(37.355.000)
Draw-down/(repayment) of bank loans	4.21	(76.622.411)	(74.410.753)
Repayment of finance lease obligations	4.25,4.27	(371.099)	(649.576)
Draw-down/(repayment) of other debt		0	(45.000.000)
Net cash flow from financial activities		**(106.493.510)**	**(157.415.329)**
Net increase/(decrease) in cash & cash equivalents		**25.468.613**	**(46.450.113)**
Cash & cash equivalents at the beginning of the year		**99.326.671**	**145.776.784**
Cash & cash equivalents at the end of the year		**124.795.284**	**99.326.671**

The notes on pages 15 to 72 are an integral part of these financial statements.

CHAPTER 6

NOTES TO THE FINANCIAL STATEMENTS

1. Incorporation & Activities of the Company

Athens International Airport S.A. (the Company) is active in the financing, construction and operation of civil airports and related activities. As a civil airport operator the Company manages the Athens International Airport at Spata, Greece.

The Company is a Societe Anonyme incorporated and domiciled in Greece. The address of its registered office is Spata, Attica 190 19.

The Company was established on 31 July 1995 by the Greek State & Private Investors for the purpose of the finance, construction, operation and development of the new international airport at Spata Attica. In exchange of the finance, construction, operation and development of the airport the Greek State granted and Athens International Airport S.A. holds, a Concession Period of 30 years commencing on 11 June 1996. At the end of the concession arrangement (11 June 2026) the airport with all usufruct additions will revert to the Greek State, which will enjoy all rights of ownership over these without payment of any kind and clear of any security, unless the concession arrangement is renewed.

The Airport Development Agreement (ADA) and the Articles of Association of the Company were ratified and put in legal force with the Law 2338/14/9/1995.

The Company commenced its commercial operations in March 2001 following a construction period of approximately 5 years initiated in September 1996.

The number of staff employed at year-end were 730 employees, compared to 721 employees at the end of 2005.

2. Basis of Accounting

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB). These are the Company's first financial statements under IFRS 1 has been applied.

b) Basis of preparation

The financial statements are presented in euro, rounded to the nearest euro. They are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value (non-derivative financial instruments).

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company are provided in chapter 7.

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening IFRS balance sheet at 1 January 2005 for the purposes of the transition to IFRSs.

c) Financial Risk Management

The Company is exposed to financial risk, such as market risk (fluctuations in exchange rates and interest rates), credit risk and liquidity risk. The general risk management program of the Company focuses on the unpredictability of the financial markets, and attempts to minimize their potential negative influence on the financial performance of the Company.

The financial risk management of the Company is processed internally by a qualified Unit, which operates under specific rules that have been approved by the Board of Directors.

Exchange rate risk

The main business associates of the Company, including customers, suppliers of goods, service providers and suppliers of funds, are established in the European Union and therefore the largest part of the transactions are performed in €. Hence the exchange rate risk of the Company is insignificant and relates only to some minor services and supplies provided for by entities established outside the European Union.

Interest rate risk

For the majority of the Company's loans, in the region of 88% of the total financing, interest rates have been fixed, and therefore financial performance cannot be affected by fluctuations in interest rates. The balance of the Company's loans is subject to floating rates, based on 6 months Euribor plus a pre-determined spread. Possible future interest rates fluctuations will have an immaterial impact on the Company's financial performance.

Credit risk

The Company has established a credit policy and implements credit control procedures aiming in minimizing collection losses by obtaining, where appropriate, securities extended by its customers. Credit terms are provided to the customers based on credit worthiness and proven payments track record. Where necessary, additional real or other securities are asked for.

Liquidity risk

Liquidity risk is held at low levels through effective cash flow management and availability of adequate cash.

d) IFRS and IFRIC issued in 2006 (effective for annual periods beginning on or after 1/1/2006)

The International Accounting Standards Board (IASB) issued the following standards and interpretations, which the European Union adopted and were effective for annual periods beginning on or after 1/1/2006:

Interpretation 7 "Applying the restatement Approach Under IAS 29 Financial Reporting in Hyperinflationary Economies (Regulation 708/2006)"

Is effective for annual periods beginning on or after 1/3/2006 and its adoption will not have any impact on the Company's financial statements.

Interpretations 8 and 9 "Scope of IFRS 2" and "Reassessment of embedded derivatives" (regulation 1329/8/9/2006)

Are effective for annual periods beginning on 1/5/2006 and 1/6/2006 respectively and their adoption will not have any impact on the Company's financial statements.

International Financial Reporting Standard 7 " Financial instruments: Disclosures" (Regulation 108/2006)

IFRS 7 and the amendments that it imposes on other standards are effective for annual periods beginning on or after 1/1/2007 and introduce additional disclosures with the purpose of the improvement of the omitted information with respect to the financial instruments. The Company will adopt IFRS 7 for the financial statements of the year 2007 thereon and it will not affect the amount of disclosures in the financial statements.

Amendment to IAS 1 "Presentation of Financial Statements-Capital Disclosures (effective for annual periods beginning on or after 1/1/2007) (Regulation 108/2006)

This amendment requires additional disclosures both quantitative and qualitative relating to the management of Company's capital.

Finally, the International Accounting Standards Board (IASB) has issued the following standards and interpretations, which have not yet been adopted by the European Union.

International Financial Reporting Standard 8 "Operating segments" Effective for annual periods on or after 1/1/2009

This standard replaces IAS 14 " Segment Reporting". The Company is not obliged to disclose segment information neither under IAS 14 "Segment Reporting" nor under IFRS 8 "Operating Segments", since its debt or equity instruments are not publicly traded and it has not filed for issuing any class of instrument in a public market.

Nevertheless the Company intends to disclose segment information in line with IFRS 8 "Operating Segments" from the 2007 financial period onwards.

Interpretation 10 "Interim Financial Reporting and Impairment" Effective for annual periods beginning on or after 1/11/2006

The adoption of this interpretation shall not reverse an impairment loss recognized in an interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

The adoption of this interpretation will not have an impact on the Company's accounting policies.

Interpretations 11 and 12 "Group and Treasury Shares Transactions" Effective for annual periods on or after 1/3/2007 and "Service Concession Arrangements" Effective for annual periods on or after 1/1/2008

The Company will examine during 2007 whether there will be an impact from the adoption of the above interpretations.

Revised Guidance on Implementing IFRS 4 "Insurance Contracts" Effective for annual periods on or after 1/1/2007

The interpretation does not apply to the Company and it will not affect the financial statements.

3. Significant Accounting Policies

The significant accounting policies, which were adopted in accordance with IFRS and applied in the preparation of the Financial Statements, are the following:

3.1 Revenue Recognition

a) Goods sold and services rendered

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services rendered in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement when delivery of the services takes place. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

b) Rental income

Rental income from leased property is recognised in the income statement on a straight-line basis over the term of the lease.

c) Government grants

A government grant relating to assets is recognised in the balance sheet, as a deduction to the acquisition cost of fixed assets, when there is reasonable assurance that it will be received and that the Company will comply with the conditions attaching to it. Grants that compensate the Company for the cost of an asset are recognised in the income statement, as other operating income or deducted in reporting the related expense, on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses incurred are recognised as revenue in the income statement, or deducted in reporting the related expenses, on a systematic basis in the same period in which the expenses are incurred.

Loans at nil or low-interest rates are initially measured at their fair value (that is, the present value of the future cash flows discounted at a market interest rate) and interest is imputed on the loan in subsequent periods. Any difference between the amount received from the government and the fair value of the liability represents a government grant. The income is recognised on a systematic basis, using the effective interest rate method, over the period of the loan. If the effect of the difference between the nominal and fair value is not significant the loan is not discounted.

3.2 Expenses

a) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

b) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (refer below to note 3.2.c).

c) Net financing costs

Net financing costs consists of interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues, using the effective interest rate method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. The interest component of finance lease payments is recognised in the income statement using the effective interest rate method.

3.3 Foreign Currency Transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

3.4 Retirement Benefit Costs

a) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

b) Defined benefit plans

In accordance with Greek labour legislation, if employees remain in the employment of the Company until normal retirement age, they are entitled to a lump sum payment, which is based on the number of years of service and the level of remuneration at the date of retirement (retirement benefits).

The Company's net obligation in respect of defined benefit pension plans (lump sum payment) is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the interest rate of government securities, which have terms to maturity approximating the terms of the related liability. The calculation is performed by a qualified actuary using the projected unit credit method.

Actuarial valuations are performed on a regular basis ensuring that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at balance sheet date.

3.5 Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted as at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not be reversed in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

Dividends declared after the balance sheet date but before the financial statements are authorised for issue are not recognised as a liability at the balance sheet date, but are instead disclosed in the notes to the financial statements. Income taxes that arise from the declaration of such dividends are recognised as current income taxes at the time that the dividends are declared and not at the time the liability is recognised to pay the related dividend.

3.6 Intangible Assets

a) Other intangible assets

Other intangible assets that are acquired by the Company, which have finite useful life, are stated at cost less accumulated amortisation (refer to note 3.6.c) below) and impairment losses (refer to note 3.8).

b) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

c) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

	Useful Life
Software	3 – 4 years

3.7 Property, Plant and Equipment

a) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (refer to note 3.7.e) below) and impairment losses (refer to note 3.8).

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

For certain assets, due to the limited life of the concession period, the useful life is less than the economic life.

The gain or loss arising from the disposal or retirement of property, plant and equipment is recognised in the income statement and is determined as the difference between the sales proceeds and the carrying amount of the asset.

b) Subsequent costs

The Company recognises in the carrying amount of an item of owned property, plant and equipment the cost of replacing part of such an item (relating to both owned and leased assets) when that cost is incurred, if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

c) Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership, based on the terms of the lease agreement, are classified as finance leases. All other leases are classified as operating leases.

Assets held under finance leases are stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Where parts of an item of leased assets have different useful lives, they are accounted for as separate items of leased assets.

d) Minimum package

The 'minimum package' represents the buildings and facilities which have been explicitly identified by the contractual provisions of the Airport Development Agreement (service concession arrangement) to be constructed irrespective of their timing (that is, initially during the construction period or by expansion during the course of the concession period) and required to be returned in an operative condition to the Greek State as part of this service concession agreement. This 'minimum package' is treated as a finance lease.

Assets comprising the 'minimum package' are stated at cost less accumulated depreciation and any impairment losses.

e) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Owned assets	Useful Lives
Buildings	25 years
Installations	20 – 25 years
Fencing	6 – 7 years
Aircraft ground power system 400HZ	10 years
Runways, taxiways, aircraft bridges, aprons	25 years
Mechanical equipment	6 – 15 years
Vehicles	5 – 9 years
Fixtures & equipment	5 – 6 years
Hardware	3 – 4 years
Leased assets	
Minimum package	up to 25 years
Other leased assets	up to 25 years

The residual value and the useful life of an asset are reviewed at least at each financial year-end.

3.8 Impairment

The carrying amounts of the Company's assets, other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

a) Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific for the asset.

b) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The cost of inventories is based on the weighted average method and includes expenditure in acquiring the inventories and bringing them to their existing location and condition.

An allowance is recorded for obsolescence.

3.10 Non-derivative Financial Instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

a) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, trade and other receivables are stated at amortised cost using the effective interest rate method.

b) Investments

Investments are initially measured at fair value plus directly attributable transaction costs.

These are classified as either investments held for trading or as available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

d) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial liability.

e) Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

f) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3.II Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

4. Notes to the financial statements

4.1 Operating revenues

Operating revenues were measured at the fair value of the consideration received or receivable, taking into account the amount of any trade discounts or tax-volume rebates.

The fair value of the consideration received is equal to its nominal value, since the Company doesn't provide any long-standing credit terms to its customers, with the form of interest-free instalments or with an interest rate lower than the respective rates of the market.

The Company, in cases where it is likely, based on estimations, that the financial benefits related with a transaction will not flow to the entity, does not recognise the revenue of the specific transaction.

a) Airport charges

Revenues related to airport charges are recognised in the Income Statement when delivery of services takes place. The criterion for the recognition of income related to airport charges is the aircraft's take off. Every arrival of an aircraft and its subsequent departure is considered as a cycle of movement/flight where all necessary services have been rendered.

Article 14 of law 2338/1995, the "Airport Development Agreement", sets the rules for defining the charges levied to the users of the airport with respect of the facilities and services provided at the airport.

According to the aforementioned article, the Company shall be free and using its discretion to determine the airport charges in order to cover:

- all operating costs and expenses allocated to air activities for each period;
- the proportion of all overheads allocated to air activities for each period;
- depreciation of all assets allocated to air activities by applying the straight line depreciation method over the projected life of these assets;
- interest paid during the period on the proportion of the debt allocated to air activities;
- income tax paid during the period allocated to air activities; and,
- a compounded cumulative return on the air activities capital at the maximum level of 15% per annum.

"Air Activities" means the provision of facilities, services and equipment for the purpose of:

- Landing, parking of aircrafts;
- The servicing of aircrafts;
- The handling of passengers, baggage, cargo or mail on airport premises; and,
- The transfer of passengers, baggage, cargo or mail to and from aircrafts and trains.

Since the airport opening the Company has never exceeded the cumulative equity return of 15% on the air activities capital, setting the airport charges at a level reasonably acceptable by the users of the airport. In July 2006, airport charges increased by 3,5%, while in 2005 no adjustment was applied.

b) Building space rentals

The Company rents properties -including building spaces and cargo- within the airport premises under the form of an operating lease. The average occupancy of the building spaces and cargo in the Company's property portfolio in 2006 stood at 91,1%. The respective occupancy figure for 2005 was at the rate of 87,9%.

Rental revenue from leased property is recognized in the income statement on a straight-line basis over the term of the lease agreement.

As at the balance sheet date the Company has contracted with tenants for the following minimum lease payments:

Analysis of minimum lease payments	2006	2005
Within one year	16.784.422	16.006.891
Between one and five years	44.922.715	50.535.879
More than five years	94.245.466	97.983.347
Total of minimum lease payments	**155.952.603**	**164.526.117**

c) Concession agreements

The Company's business area has a total of 75 concession contracts, at the balance sheet date, concerning the performance of various commercial activities at the airport.

A concession involves granting of rights to a concession holder to operate and manage a commercial activity in a specific location designated by the Company. The concession rights are calculated according to an agreed scale as a percentage of the sales generated by the concession holder subject to an annual minimum guaranteed fee. A separate part of the concession contract is entered into for the space required for warehouses, for which a fixed rent is payable.

Concession revenues are recognised in the income statement on a monthly basis, while the settlement of the annual concession fees is finally recognised by the Company in the income statement, at year-end.

d) IT & T charges

IT & T services are offered to the Airport Community (airlines, handlers, passengers, concessionaires, governmental authorities etc) as well as to customers in Greece and/or abroad, in terms of consulting, or providing integrated IT&T services to private or public bodies.

The Company offers a complete range of telecommunications & information technology services through the operation and management of a Private Corporate Network. Service level agreements are established with the potential customers in order to safeguard the quality and the continuous provision of the services.

The offered service portfolio includes the provision of telecommunication products and services such as leased lines, voice, TETRA, Wide Area Network and Virtual Private Network services. At the same time the Company provides Wireless & Fixed Internet services. The Company is the single point of reference for the offered services to Airport Community.

IT & T revenues are recognised in the income statement at the time of completion of each service rendered. Sales of equipment are recognised in the income statement when the significant risks and rewards have been transferred to the buyer.

Operating revenues of the Company are analysed with respect to air and non-air activities in the following table:

Analysis of operating revenues	2006			2005		
	Operating Revenues	Other Operating Revenues	Total Operating Revenues	Operating Revenues	Other Operating Revenues	Total Operating Revenues
Air activities						
Landing, parking, passenger terminal fees, security charge, general aviation fees	148.466.987	0	148.466.987	139.404.125	0	139.404.125
Centralized infrastructure & ground handling	34.971.454	0	34.971.454	33.135.076	0	33.135.076
Railway station-access & usage fees	1.712.826	0	1.712.826	0	0	0
Building rentals	16.957.762	41.369	16.999.131	16.316.873	35.662	16.352.535
Ground rentals & concessions	10.819.963	0	10.819.963	10.127.896	0	10.127.896
Building services	4.729.852	0	4.729.852	4.439.306	0	4.439.306
IT&T charges	3.041.660	0	3.041.660	3.006.239	0	3.006.239
Total air activity revenues	**220.700.504**	**41.369**	**220.741.873**	**206.429.515**	**35.662**	**206.465.177**
Non-air activities						
Commercial activities	39.773.205	0	39.773.205	36.461.617	0	36.461.617
Parking services	14.783.904	0	14.783.904	13.702.622	0	13.702.622
Advertising concessions	4.331.589	0	4.331.589	3.941.087	0	3.941.087
Railway station-commercial activities	519.360	0	519.360	467.751	0	467.751
Building rentals	622.628	6.500	629.128	541.881	10.361	552.242
Ground rentals & concessions	4.935.128	3.344	4.938.472	3.199.617	46.127	3.245.744
Building services	2.337.537	45.297	2.382.834	1.602.219	71.283	1.673.502
IT&T charges	3.067.317	7.890	3.075.207	2.897.839	1.834	2.899.673
Other non aeronautical services	16.860	74.299	91.159	23.711	302.073	325.784
Total non-air activity revenues	**70.387.528**	**137.330**	**70.524.858**	**62.838.344**	**431.678**	**63.270.022**
Total operating revenues	**291.088.032**	**178.699**	**291.266.731**	**269.267.859**	**467.340**	**269.735.199**

4.2 Operating expenses

Analysis of operating expenses

The analysis of the main categories of operating expenses has as follows:

Analysis of operating expenses	2006	2005
Personnel expenses		
Payroll	24.517.524	23.132.135
Social security	5.412.252	5.106.118
Benefits & other staff expenses	6.562.473	5.522.533
Other staff expenses	655.119	668.252
Total personnel expenses	**37.147.368**	**34.429.038**
Outsourcing expenses		
Passenger's & hold baggage screening fees	10.572.075	10.785.951
Building & installation maintenance fees	10.160.240	10.494.881
Accessing & patrolling services	4.973.655	4.382.844
Airport fire corporation services	3.969.213	3.812.913
Cleaning fees	3.666.699	3.487.981
Hardware & software maintenance fees	2.886.102	2.582.052
Car parking operation services	2.175.409	2.523.816
Landscaping services	1.000.299	1.388.610
Other outsourcing expenses	8.017.249	8.158.108
Total outsourcing expenses	**47.420.941**	**47.617.156**
Public relations & marketing expenses		
Market research	460.663	794.959
Advertisements	985.254	877.836
Events	974.826	280.035
Co-promotion activities	689.948	740.105
Sponsorships-donations	420.348	275.162
Other	471.742	421.579
Total public relations & marketing expenses	**4.002.781**	**3.389.676**
Utility expenses		
Electricity	3.460.946	3.447.098
Telecommunications	2.956.946	2.717.887
Natural gas	1.782.342	1.313.150
Water	647.769	663.896
Waste management	881.446	970.886
Other related expenses	32.133	70.403
Total utility expenses	**9.761.582**	**9.183.320**
Insurance premiums		
Aviation liability premiums	1.370.302	1.393.293
Property damage & business interruption premiums	2.890.569	3.019.828
Other insurance premiums	200.480	204.550
Total insurance premiums	**4.461.351**	**4.617.671**

Provisions		
Provision for impairment of financial assets	12.888.673	6.610.500
Provision for claims with respect to airport charges	2.357.672	2.238.630
Provision for impairment of inventory items	567.777	0
AANE	0	3.000.000
Other provisions	0	1.893.232
Total provisions	**15.814.122**	**13.742.362**
Other operating expenses		
Cost of used spare parts & consumables	1.495.195	1.047.915
Information systems operating lease & rentals	1.793.339	1.718.722
Board of directors' fees & expenses	683.807	659.875
Office supplies & administration expenses	598.768	605.867
Operating supplies & spare parts	794.083	1.027.493
Fuels & other related expenses	614.337	558.259
Miscellaneous expenses	210.677	2.187.853
Total other operating expenses	**6.190.206**	**7.805.984**
Total operating expenses	**124.798.351**	**120.785.207**

4.3 Depreciation & amortisation of fixed assets

Analysis of depreciation & amortisation expenses	2006	2005
Depreciation & amortisation		
Depreciation of owned assets	13.557.674	21.596.881
Amortisation of cohesion fund related to owned assets	(918.542)	(3.462.187)
Depreciation of leased assets	78.098.330	82.715.318
Amortisation of cohesion fund related to leased assets	(15.998.234)	(16.062.210)
Amortisation of intangible assets	1.307.785	1.315.082
Total depreciation & amortisation expenses	**76.047.013**	**86.102.884**

Refer to notes 4.8-4.11 for further information.

4.4 Net financial expenses

Analysis of net financial expenses	2006	2005
Net financial expenses		
Interest expenses	66.457.021	69.994.573
Other financial expenses	147.228	1.444.346
Interest income	(6.252.570)	(4.314.767)
Net financial expenses	**60.351.679**	**67.124.152**

During the year an amount of € 86.559.646 was paid as interest and related expenses. Part of this payment, amounting to € 24.663.592, relates to the accrued Greek State Facility Fee, for the years 2001 through 2005, which was settled with the Greek State in June 2006.

In 2006 the weighted average borrowing rate of the Company stood at 5,78%, while the respective borrowing rate for 2005, was at the level of 5.66%.

In 2006 the average interest rate earned by the Company on its cash surplus was 2,80%, with an average time of placement in time deposits of 14 days. The corresponding figures for 2005 were 2,05% and 14 days respectively.

4.5 Subsidies assigned against non-operating expenses

Airport Development Fund (ADF)

By way of law 2065/1992, as amended with law 2892/2001, the Greek State imposed a fee on passengers, departing from Greek Airports older than 5 years old, aiming to ensuring that airlines and passengers will share the responsibility for the development cost of the commercial aviation infrastructure in the Hellenic Republic.

A passenger fee is collected by the airlines and consequently refunded to the Hellenic Civil Aviation Authority on a monthly basis, through bank accounts opened with the Bank of Greece for each airport, in favour of the latter.

According to article 26.1 of law 2338/1995, the "Airport Development Agreement", the Greek State undertook the responsibility to collect the passenger fee over the period from 1/11/1994 to 1/11/2014. The Greek State also committed that article 40 of law 2065/1992 "will not be amended or modified in any respect which materially prejudices the financial return of the Airport Company".

Based on the provisions of article 26.2 of law 2338/1995, in conjunction with article 16 of law 2892/2001, the Airport Company, at all times prior to airport opening and at all times after the airport opening, is entitled to make withdrawals from the Spata Airport Development Fund, in order to:

- fund or reimburse the cost incurred by the Airport Company in connection with the construction of the Airport or in meeting payments of principal or interest in respect of the debt incurred for that purpose; and
- make future capital investments in the Airport or meet payments of principal and interest in respect of the debt incurred for that purpose

In 2006 and 2005 the Company was entitled to withdraw 75%, of the amount of ADF collected at the Spata Airport. The corresponding amount of € 66.198.490 is recognised in the income statement, as a deduction against the related depreciation and financial expenses, in line with the accounting policy 3.1.c). Part of this amount was actually collected, while the balance was accounted for as receivable in the balance sheet. (refer to note 4.15)

Subsidies assigned against non-operating expenses	2006	2005
Airport Development Fund	**(66.198.490)**	**(61.934.043)**

4.6 Income tax expense on profit for the year

Domestic income tax is calculated at 29% (2005 at 32%) of the amount of dividends declared for distribution for the year 2006. The tax rate will be further decreased to 25% as of 2007 onwards, in accordance with the provisions of law 3296/2004.

The total income taxes charged to the income statement are analysed as follows:

Income tax expense on profit for the year	2006	2005
Income tax on dividends	(22.669.014)	(13.882.353)
Prior years' income tax	0	(28.849.905)
Deferred income tax	(7.564.761)	(6.836.402)
Total income tax expense on profit for the year	**(30.233.775)**	**(49.568.660)**

The following is the reconciliation between income taxes as presented in the income statement, with those resulting from the application of the enacted tax rates:

Reconciliation of effective income tax rate	Rate	2006	Rate	2005
Profit before tax for the year		**96.268.178**		**57.656.999**
Income tax	29%	(27.917.772)	32%	(18.450.240)
Effect of permanent differences	1,5%	(1.456.303)	3,2%	(1.872.205)
Effect of temporary differences settlement at lower income tax rates	1,4%	(1.329.697)	0,5%	(262.548)
Adjustment of previous year effect of temporary differences settlement at lower income tax rates	(0,5%)	469.997	0,2%	(133.762)
Prior years' income tax	0%	0	50%	(28.849.905)
Total income tax expense for the year	**31,4%**	**(30.233.775)**	**85,9%**	**(49.568.660)**

Refer further to note 4.24

4.7 Basic earnings per share

The basic earnings per share are the portions of the Company's net profits after taxes allocated to the weighted average number of shares of each year. The basic earnings per share is calculated as follows:

Analysis of earnings per share	2006	2005
Profit of the year attributable to shareholders	66.034.403	8.088.339
Average No of shares during the year	30.000.000	30.000.000
Earnings per share for the year	**2,20**	**0,27**

The shares were neither issued not repurchased during the year. The average number of shares remained unchanged.

4.8 Fixed assets-owned assets

Items of property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses. The cost and related accumulated depreciation of property, plant and equipment sold or retired are derecognised at the time of sale or retirement, and any gain or loss is included in the income statement.

Expenditure incurred to replace a component of an item of property; plant and equipment is capitalized as part of the cost of the related asset, if it is probable that the future economic benefits of the item will flow to the Company. All other expenditures (i.e. administration and other overheads costs) are recognized in the income statement as an expense, as incurred.

In 2006, the cohesion fund was restated from equity to those fixed assets that were subsidised, in accordance with IAS 20 (refer to note 4.11. "Government Grants").

In 2006 the Company carried out a limited review of the recoverable amounts of its plant and equipment under construction. The review led to the recognition of an impairment loss of € 859.627, which has been recognised in the income statement. The recoverable amount of the relevant assets has been determined on the basis of their value in use.

With respect to the assets held under finance lease refer to note 4.9.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives to the entity, using the straight-line method as stated in note 3.7.e) of the significant accounting policies. Should the useful life of any asset exceed the concession period, then it is revised accordingly to its economic life that is, over the concession period. Those assets whose their acquisition cost does not exceed the amount of € 1.200 are depreciated in full within the year.

Fixed assets-owned assets

Acquisition cost	Land & Buildings	Plant & Equipment	Vehicles	Furniture & Fittings	Cohesion Fund	Under Construction	Total
Balance as at 1 January 2005	**199.629.430**	**490.854**	**29.323.416**	**56.164.638**	**(17.437.643)**	**971.959**	**269.142.654**
Acquisitions	57.115	234.395	183.934	1.085.245	0	6.536.029	8.096.718
Disposals	0	(15)	(793.769)	(92.126)	0	0	(885.910)
Transfers	1.472.707	118.402	280.824	1.025.071	0	(4.871.704)	(1.974.701)
Reclassifications	(92.099.023)	(34.323)	1.411.931	(68.030)	0	0	(90.789.445)
Balance as at 31 December 2005	**109.060.229**	**809.312**	**30.406.335**	**58.114.798**	**(17.437.643)**	**2.636.285**	**183.589.316**
Balance as at 1 January 2006	**109.060.229**	**809.312**	**30.406.335**	**58.114.798**	**(17.437.643)**	**2.636.285**	**183.589.316**
Acquisitions	13.857	184.458	207.208	1.813.859	0	7.418.578	9.637.960
Disposals	(49.943)	(38.200)	(211.417)	(505.301)	0	0	(804.861)
Transfers	990.752	530.753	223.263	1.746.893	0	(6.925.857)	(3.434.196)
Reclassifications	0	0	0	0	0	0	0
Balance as at 31 December 2006	**110.014.895**	**1.486.323**	**30.625.389**	**61.170.249**	**(17.437.643)**	**3.129.006**	**188.988.218**

Depreciation of owned fixed assets

Depretiation	Land & Buildings	Plant & Equipment	Vehicles	Furniture & Fittings	Cohesion Fund	Under Construction	Total
Balance as at 1 January 2005	**30.023.842**	**174.063**	**21.368.170**	**37.130.233**	**(12.983.202)**	**0**	**75.713.106**
Depreciation & impairment charge for the year	4.494.905	179.442	5.961.361	10.961.173	(3.462.187)	0	18.134.694
Disposals	0	(361)	(529.290)	(86.767)	0	0	(616.418)
Transfers	0	0	0	0	0	0	0
Reclassifications	(13.443.279)	(11.205)	1.034.656	(207.052)	0	0	(12.626.880)
Balance as at 31 December 2005	**21.075.469**	**341.939**	**27.834.897**	**47.797.587**	**(16.445.389)**	**0**	**80.604.503**
Balance as at 1 January 2006	**21.075.469**	**341.939**	**27.834.897**	**47.797.587**	**(16.445.389)**	**0**	**80.604.503**
Depreciation & impairment charge for the year	4.625.772	219.819	2.490.776	5.361.680	(918.542)	859.627	12.639.132
Disposals	0	(15.758)	(137.400)	(499.120)	0	0	(652.278)
Transfers	0	0	0	0	0	0	0
Reclassifications	0	0	(723.052)	408.830	0	0	(314.222)
Balance as at 31 December 2006	**25.701.241**	**546.000**	**29.465.221**	**53.068.978**	**(17.363.931)**	**859.627**	**92.277.136**

Carrying Amount of owned fixed assets

Carrying Amount	Land & Buildings	Plant & Equipment	Vehicles	Furniture & Fittings	Cohesion Fund	Under Construction	Total
As at 1 January 2005	**169.605.588**	**316.791**	**7.955.246**	**19.034.405**	**(4.454.441)**	**971.959**	**193.429.548**
As at 31 December 2005	**87.984.760**	**467.373**	**2.571.438**	**10.317.211**	**(992.254)**	**2.636.285**	**102.984.813**
As at 1 January 2006	**87.984.760**	**467.373**	**2.571.438**	**10.317.211**	**(992.254)**	**2.636.285**	**102.984.813**
As at 31 December 2006	**84.313.654**	**940.323**	**1.160.168**	**8.101.271**	**(73.712)**	**2.269.378**	**96.711.082**

4.9 Fixed assets-leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership, are classified as finance leases. All other leases are classified as operating leases.

Financial leases are presented at the lower amount, of the fair value and the present value of the minimum future leased payments at the beginning of the lease, and decreased by the accumulated depreciation and any accumulated impairment losses.

The 'minimum package' represents the buildings and facilities which have been explicitly identified by the contractual provisions of the Airport Development Agreement (service concession arrangement) to be constructed irrespective of their timing (that is, initially during the construction period or by expansion during the course of the concession period) and required to be returned in an operative condition to the Greek State as part of this service concession agreement. The minimum future leased payments of the 'minimum package' were considered as zero since the entire cost of the airport had been paid through bank loans, subsidies and shareholders' funds.

The usufruct is the right to utilize an asset owned by another entity. The Greek State has constituted a usufruct in favour of the Company for the duration of the contract period over the whole of the site and over all buildings, constructions, installations and other real and immovable property from time to time on the site (16.5 million square meters approximately). The usufruct of the site is depreciated over the time of the operation of the concession period that is, over 25 years.

The usufruct of the site has been assigned to the lenders as collateral for the loans granted for the construction of the airport. The assignment is subject to the condition of the deeds referred to in article 35.1.4.c) of the ADA (refer also to note 4.21).

In 2005 comparative financial statements, the subsidies received from the cohesion fund were reclassified from equity to those fixed assets that were subsidised, in accordance with IAS 20 (refer also to note 4.11 "Government Grants").

The depreciable amount of a leased asset is allocated to each accounting period during the period of expected use, on a systematic basis, consistent with the depreciation policy the lessee adopts for similar assets that are owned (refer to note 3.7.e) of the Significant Accounting Policies). Should the useful life of any asset or its components exceed the concession period, then its economic life is revised accordingly that is, over the concession period.

Fixed assets-leased assets						
Acquisition cost	Buildings & Installations	Vehicles	Furniture & Fittings	Usufruct	Cohesion Fund	Total
Balance as at 1 January 2005	**1.606.957.883**	**2.953.754**	**0**	**159.840.237**	**(380.686.471)**	**1.389.065.403**
Acquisitions	205.838	0	0	0	0	205.838
Disposals	0	(244.369)	0	0	0	(244.369)
Transfers	1.175.446	0	0	0	0	1.175.446
Reclassifications	91.698.027	(677.414)	259.122	0	0	91.279.735
Balance as at 31 December 2005	**1.700.037.194**	**2.031.972**	**259.122**	**159.840.237**	**(380.686.471)**	**1.481.482.053**
Balance as at 1 January 2006	**1.700.037.194**	**2.031.972**	**259.122**	**159.840.237**	**(380.686.471)**	**1.481.482.053**
Acquisitions	142.685	40.140	0	0	0	182.825
Disposals	0	0	0	0	0	0
Transfers	3.013.155	0	0	0	0	3.013.155
Reclassifications	0	0	0	0	0	0
Balance as at 31 December 2006	**1.703.193.034**	**2.072.112**	**259.122**	**159.840.237**	**(380.686.471)**	**1.484.678.033**

Depreciation of leased fixed assets						
Depretiation	Buildings & Installations	Vehicles	Furniture & Fittings	Usufruct	Cohesion Fund	Total
Balance as at 1 January 2005	**265.731.605**	**1.590.636**	**0**	**23.976.035**	**(60.233.286)**	**231.064.990**
Depreciation & impairment charge for the year	75.865.731	404.152	51.825	6.393.610	(16.062.210)	66.653.108
Disposals	0	(22.031)	0	0	0	(22.031)
Transfers	0	0	0	0	0	0
Reclassifications	11.385.331	(401.546)	172.748	0	0	11.156.533
Balance as at 31 December 2005	**352.982.668**	**1.571.211**	**224.573**	**30.369.645**	**(76.295.496)**	**308.852.601**
Balance as at 1 January 2006	**352.982.668**	**1.571.211**	**224.573**	**30.369.645**	**(76.295.496)**	**308.852.601**
Depreciation & impairment charge for the year	71.494.610	175.561	34.549	6.393.609	(15.998.234)	62.100.096
Disposals	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Reclassifications	2.057.947	0	0	0	0	2.057.947
Balance as at 31 December 2006	**426.535.225**	**1.746.772**	**259.122**	**36.763.254**	**(92.293.730)**	**373.010.644**

Carrying amount of leased fixed assets						
Carrying amount	Buildings & Installations	Vehicles	Furniture & Fittings	Usufruct	Cohesion Fund	Total
As at 1 January 2005	**1.341.226.278**	**1.363.118**	**0**	**135.864.202**	**(320.453.185)**	**1.158.000.413**
As at 31 December 2005	**1.347.054.526**	**460.761**	**34.549**	**129.470.592**	**(304.390.975)**	**1.172.629.453**
As at 1 January 2006	**1.347.054.526**	**460.761**	**34.549**	**129.470.592**	**(304.390.975)**	**1.172.629.453**
As at 31 December 2006	**1.276.657.809**	**325.340**	**0**	**123.076.983**	**(288.392.741)**	**1.111.667.390**

4.10 Intangible assets

An intangible asset is an identifiable non-monetary asset which has no physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes.

Intangible assets comprise mainly of application software, upgrades of existing software and new licences, whereas the updates of the existing licences are considered as software maintenance, the cost of which is charged to the income statement at the time when it is incurred.

Intangible assets are stated at cost less accumulated depreciation and any accumulated impairment losses. They are amortised on a straight-line basis over their estimated useful lives, i.e. over a period of 3-4 years at maximum (refer to note 3.6.c) of the Significant Accounting Policies).

Intangible assets			
Acquisition cost	Software	Other	Total
Balance as at 1 January 2005	**7.883.084**	**0**	**7.883.084**
Acquisitions	483.883	1.332	485.215
Disposals	0	0	0
Transfers	552.837	0	552.837
Reclassifications	5.486	0	5.486
Balance as at 31 December 2005	**8.925.290**	**1.332**	**8.926.622**
Balance as at 1 January 2006	**8.925.290**	**1.332**	**8.926.622**
Acquisitions	380.467	0	380.467
Disposals	0	0	0
Transfers	421.042	0	421.042
Reclassifications	0	0	0
Balance as at 31 December 2006	**9.726.799**	**1.332**	**9.728.131**

Depreciation of Intangible assets			
Depretiation	Software	Other	Total
Balance as at 1 January 2005	**5.394.442**	**0**	**5.394.442**
Depreciation & impairment charge for the year	1.315.077	5	1.315.082
Disposals	0	0	0
Transfers	0	0	0
Reclassifications	4.725	0	4.725
Balance as at 31 December 2005	**6.714.244**	**5**	**6.714.249**
Balance as at 1 January 2006	**6.714.244**	**5**	**6.714.249**
Depreciation & impairment charge for the year	1.307.719	67	1.307.786
Disposals	0	0	0
Transfers	0	0	0
Reclassifications	0	0	0
Balance as at 31 December 2006	**8.021.963**	**72**	**8.022.035**

Carrying amout of intangible assets			
Carrying amount	Software	Other	Total
As at 1 January 2005	**2.488.642**	**0**	**2.488.642**
As at 31 December 2005	**2.211.046**	**1.327**	**2.212.373**
As at 1 January 2006	**2.211.046**	**1.327**	**2.212.373**
As at 31 December 2006	**1.704.836**	**1.260**	**1.706.096**

4.11 Government grants

A government grant relating to assets is recognised in the balance sheet initially as a deduction of the acquisition cost of the fixed assets when there is reasonable assurance that it will be received and that the Company will comply with the conditions attaching to it. Grants that compensate the Company for the cost of an asset are recognised in the income statement, as other operating income or deducted from reported amount of the related asset, on a systematic basis over the useful life of the asset.

Investment grants on owned & leased assets: The Cohesion Fund

In accordance with paragraph 22.3 of the ADA, the Greek State undertook the responsibility to make concerted efforts in order to attain for the Company grants from European Community of € 400.000.000 for the financing of the construction cost of the airport. Following the signing off of the Identified Construction Contract, between the Company and the Consortium of the Constructors, the Greek State applied for the Cohesion Fund financing. The Company, having fulfilled all the conditions called for by the Cohesion Fund, was finally financed an amount of € 398.124.115.

In accordance with IAS 16, government grants relating to assets are presented in the balance sheet either by setting up the grants as deferred income or by offsetting the grants received, against the acquisition cost of the pertinent fixed assets. The Company adopted the second method of presentation that is, deducting the grants from the carrying amount of the assets. For the allocation of the cohesion fund grants received, refer to notes 4.8 & 4.9.

The cohesion fund grant is amortised using the straight-line method over the useful life of the assets, which were financed with this grant.

4.12 Other non-current assets

Other non-current assets are analysed as follows:

Analysis of other non-current assets	2006	2005
Participation in "Athens Airport Fuel Pipeline" at 17%	984.439	984.439
Long term guarantees	147.333	137.645
Total other non current assets	**1.131.772**	**1.122.084**

The Company holds 17% of the share capital of Athens Airport Fuel Pipeline. Since the voting power of the Company is less than 20% of the voting shares of AAFP, its participation cannot be considered as an investment in associates, and hence the investment is recognised in the balance sheet at its acquisition cost.

Long-term guarantees relate to guarantees given to lessors for operating lease contracts, and were measured at their present value, by discounting future cash flow transactions with the weighted average borrowing rate of the Company.

4.13 Inventories

Inventory items are analysed as follows:

Analysis of inventories per category	2006	2005
Merchandise	457.788	400.342
Consumables	349.882	180.622
Spare parts	5.735.294	4.688.263
Total inventories	**6.542.964**	**5.269.227**

Inventories consist of merchandise, consumables and spare parts, and have been valued at the lower of cost and net realizable value as at 31 December 2006. Cost is determined by using the weighted average method, which has been consistently applied since the establishment of the Company. During 2006, an amount of € 567.777 was recognized in the income statement as an expense, due to an allowance for obsolete and slow moving items to their estimated realizable value, which is presented under provisions (refer to note 4.23).

4.14 Trade receivables

Trade receivable accounts are analysed as follows:

Analysis of trade receivable accounts	2006	2005
Domestic customers	114.151.229	91.611.295
Foreign customers	835.470	850.032
Greek state & public sector	575.638	1.115.864
Advance payments to suppliers	517.777	84.996
Post-dated cheques receivable	1.071.436	749.140
Accrued property rentals & other income	24.248.916	14.211.667
Impairment of financial assets	(49.708.189)	(36.819.516)
Doubtful customers	103.356	101.470
Notes receivable	6.000	21.480
Total trade receivable accounts	**91.801.633**	**71.926.428**

All revenues are initially measured at their fair value, equivalent to their nominal value, since the Company extends to its customers short-term credit. Should any of the trade receivable accounts exceed the credit terms normally provided to the customers, the Company charges default interest, (that is, interest on overdue accounts) at 6 months Euribor interest rate plus a pre-determined margin, as stipulated in the respective customer agreements.

If an objective indication exists that the overdue trade receivable account will not be collected, the Company recognises an impairment loss. This provision reflects the best estimate of the Company's management with respect to the collectibility of the subject trade receivable accounts, as defined according to track record in prior years, the customer's payment pattern, the existence of adequate securities and the evaluation of the prevailing conditions in the corresponding market/sector of the industry.

In 2006, an additional provision for collection losses, of € 12.888.673, was recognised as an expense in the income statement, resulting in an accumulated impairment loss as at 31 December 2006 of € 49.708.189.

4.15 Other receivables

Other receivable accounts are analysed as follows:

Analysis of other receivable accounts	2006	2005
Accrued ADF	14.649.863	26.467.767
Blocked deposits	57.069.228	57.923.947
Other	17.286.267	21.134.190
Total other receivable accounts	**89.005.358**	**105.525.904**

Accrued ADF represents the amount of the passengers' airport fee attributable to the Company, which had not been collected by the Company at year-end. This amount is estimated to be collected progressively in year 2007.

The Company maintains two blocked bank accounts: The Hermes Cash Reserve Account and the Revenue at Risk Reserve Account.

The Hermes Cash Reserve Account reflected a balance of € 20.624.804 as at 31 December 2006 (31 December 2005 € 20.388.571). This account serves as security, for an amount equivalent to the aggregate of the principal repayment and interest payable at the following repayment date, based on the Commercial Loan Agreement. It will be released in September 2009 upon the full repayment of the aforementioned loan.

The Revenue at Risk Reserve Account (RRRA) reached the amount of € 36.444.424 as at 31 December 2006 (31 December 2005 € 37.535.376). The purpose of this account is to provide a security against the overdue debts to the Company. The RRRA shall remain in force until the full repayment of the Master Facility Agreement (MFA) and the Commercial Loan Agreement or the full repayment of overdue debts to the Company.

4.16 Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

Analysis of cash & cash equivalents	2006	2005
Cash on hand	7.321	4.591
Current & time deposits	124.787.963	99.322.080
Total cash & cash equivalents	**124.795.284**	**99.326.671**

Cash and cash equivalents consists of cash balances and cash deposits. For the purposes of presentation in the statement of cash flows, time deposits and other highly liquid investments with maturities of three months or less are considered to be cash equivalents.

4.17 Share capital

The issued Share Capital of the Company has been fully paid by the shareholders and comprises into 30.000.000 ordinary shares of € 10 each amounting in total to € 300.000.000.

The shareholders' interests are as follows: (percentage rates have been rounded to the nearest 3 digit decimal component)

	2006		2005	
Shareholders	Issued Share Capital	Percent	Issued Share Capital	Percent
Greek State	165.000.000	55,000%	165.000.000	55,000%
Hochtief Airport GmbH	79.625.060	26,543%	79.625.000	26,542%
Hochtief Airport Capital GmbH	40.000.000	13,333%	40.000.000	13,333%
ABB AG	0	0,00%	15.000.000	5,000%
Flughafen Athen-Spata GmbH	375.000	0,125%	375.000	0,125%
Copelouzos Dimitrios	5.999.970	1.999%	0	0,00%
Copelouzou Kiriaki	2.999.990	0,999%	0	0,00%
Copelouzos Christos	2.999.990	0,999%	0	0,00
Copelouzou Eleni-Asimina	2.999.990	0,999%	0	0,00%
Total shareholders' interests	**300.000.000**	**100,00%**	**300.000.000**	**100,00%**

4.18 Statutory & other reserves

Under Greek Corporate Law it is mandatory to transfer 5% of the net after tax annual profits to form the legal reserve, which is used to offset any accumulated losses. The creation of the legal reserve ceases to be compulsory when the balance of the legal reserve reaches 1/3 of the registered share capital.

At 31 December 2006 the Company's legal reserve amounted to € 7.893.686 compared to € 4.591.966 as at 31 December 2005.

In addition, there is a reserve, remaining from the distribution of tax preference income, amounting to € 7.533.

4.19 Retained earnings

In accordance with Greek Corporate Law, companies are required each year, to declare dividends of at least 35% of after tax profits, after allowing for the legal reserve, or a minimum 6% of the fully paid share capital, whichever is greater.

In addition, the prevailing bank loan agreements impose specific conditions for the permitted dividend distribution, which have been fulfilled since 2003 when the Company was in the financial position to distribute dividends.

In June 2006, the Annual General Meeting of Shareholders approved the distribution of dividends amounting to € 29.500.000 or € 0,983 per share, which was fully paid to the shareholders in August 2006.

After the balance sheet date, the Board of Directors proposed to the Annual General Meeting of the Shareholders a dividend distribution amounting to € 55.500.000, or € 1,85 per ordinary share, with respect to the current financial year. The dividends have not been provided for. Refer to notes 4.6 and 4.24 with respect to the income tax consequences on the proposed dividends distribution.

4.20 Foreign currency transactions

Assets and liabilities of the Company that are denominated in foreign currencies have been valued at the prevailing exchange rates at the date of the settlement or at year-end. Any difference arising from the settlement or the revaluation of monetary items other than euro, are recognised in the income statement for the period.

At 31 December 2006, an amount of € 16.616 was charged to the income statement as a foreign exchange loss, while an amount of € 51.590 was recognised as a foreign exchange gain.

4.21 Bank & subordinated loans

Bank & subordinated loans are analysed as follows:

Analysis of loans	2006	2005
Long term loans		
EIB loan	865.718.445	906.087.898
Commercial loan	73.357.512	110.036.269
Cargo loan	3.844.806	5.767.209
Total long term loans	**942.920.763**	**1.021.891.376**
Short term loans		
EIB loan	40.369.453	38.021.251
Commercial loan	36.678.756	36.678.756
Cargo loan	1.922.403	1.922.403
Subordinated loan	21.387.063	21.387.063
Accrued interest & related expenses	6.951.368	26.912.133
Total short term loans	**107.309.043**	**124.921.606**
Total bank & subordinated loans	**1.050.229.806**	**1.146.812.982**

The Company was granted three bank loans for the finance of the airport development throughout the construction period (1996-2001): EIB loan (€ 997.02 million), Commercial Loan (€ 311.77 million) and Cargo Loan (€ 16.34 million).

a. Bank Loans

The EIB loan consists of five finance contracts covering the whole amount of the loan (outstanding balance of € 906.09 million, as at 31 December 2006). The trances of the five contracts are subject to varying fixed interest rates at a weighted average interest rate of 6.11% per annum. In accordance with article 22.2 of the ADA, the EIB loan is guaranteed by the Greek State. The Company has the right to voluntarily prepay all or part of the EIB loan in amounts of at least € 20.451.675 bearing a prepayment charge.

The Commercial Loan (outstanding balance of € 110.04 million, as at 31 December 2006) is guaranteed by the Federal Republic of Germany, through HERMES, the export credit insurance scheme. It is a syndicated loan with Bayerische Hypo Und Vereinsbank having assumed the function of lenders' leader and security agent. The applicable interest rate on the commercial loan is 6m Euribor interest rate plus a margin of 60 basis points.

The Cargo Loan facility (outstanding balance € 5.77 million, as at 31 December 2006) was obtained for the financing of the construction of the 3 cargo terminal buildings and was extended by Bayerische Hypo Und Vereinsbank. The applicable interest rate is the Euribor 6m plus a margin of 103 basis points.

The Company has the right to voluntarily prepay all or part of the commercial loan in amounts of at least or integral multiple of € 5.112.919. In addition, the Company has the same prepayment right for all or part of the cargo loan in amounts of at least or integral multiple of € 1.000.000. However, in the event of the prepayment of the commercial or cargo loan, EIB may require pro-rata prepayment of the EIB loan trances.

Collaterals & restrictions derived from loan agreements

The EIB, commercial & cargo loans have been approved as designated debt and have been secured on a pari passu basis that is, in the event of resolution or bankruptcy, the Company will repay firstly the EIB, commercial & cargo loans and then will proceed with the repayment of other obligations.

The Company has assigned as collateral to the EIB and the consortium of banks all sums of monies deposited in the name of the Company in its banking accounts (current, time deposits & repos accounts) in the form of pledge agreements.

Furthermore, the Company has assigned as collateral to the EIB and the consortium of banks:

1. all its present and future revenues and accounts receivable, that is, all its payment claims against (a) the airlines regarding the airport charges, (b) the lessees of airport facilities, (c) the concessionaires regarding the concession of aircraft activities, catering, fuelling etc, (d) the airport operators (e) other claimants resulting from commercial activities.

2. all its rights & claims under the insurance agreements.

3. the usufruct granted under ADA (i.e. the exclusive right to use and occupy the assigned area (Site) for the design, construction, completion, commissioning, maintenance, operation, management and /or development of the airport).

In addition, the commercial loan agreement stipulates that an amount equal to the aggregate of the principal repayment and the amount of interest payable by the Company at the following repayment date should be maintained as security on the reserve account. The aforementioned account is included under the balance sheet line "Other receivables" (refer to note 4.15).

b. Loans under ADA

According to article 13.4.3 of the ADA, if at any time between the airport opening and 31 December 2007, Olympic Airways defaults in payment of any airport charges for a period in excess of 60 days, the Company can request from the Greek State a subordinated and unsecured loan. Against the overdue balance of Olympic Airways, the Company had applied in June 2004 for advances of a subordinated loan for an aggregate amount of € 21.387.063 representing the overdue charges in excess of 60 days for the period 1 September 2003 to 14 February 2004.

The aforementioned loan is repayable within 10 days after the day, which Olympic Airways will effect any payment against the billings of the relevant period or else on the date falling 10 years after the date on which the relevant loan was extended.

The analysis by loan as at 31 December 2006 is presented below:

Type of loan	Provider	Balance as at 31 December 2006 Short Term	Balance as at 31 December 2006 Long Term	Interest rate
1st Finance contract	European Investment Bank			
1st Trance		1.294.898	30.094.384	7.10%
2nd Trance		2.193.442	49.161.226	6.67%
3rd Trance		1.563.888	32.207.145	5.58%
2nd Finance contract		12.168.747	264.761.508	6.30%
3rd Finance contract		1.311.673	26.370.713	5.28%
4th Finance contract		7.475.087	149.240.988	5.19%
5th Finance contract		14.361.718	313.882.481	6.34%
Commercial loan	Consortium of banks with leader "Bayerische Hypo Und Vereinsbank"	36.678.756	73.357.512	Euribor 6m +60 bp
Cargo loan	Bayerische Hypo Und Vereinsbank	1.922.403	3.844.806	Euribor 6m +103 bp
Subordinated loan under 13.4.3 of the ADA	Greek State	21.387.063	0,00	0.00%
Total loans		**100.357.675**	**942.920.763**	

4.22 Employee retirement benefits

In accordance with Greek labour law, employees are entitled to compensation payments in the event of dismissal or retirement with the amount of payment varying depending on the employee's compensation, length of service and manner of termination (dismissal or retirement). Employees who resign or are dismissed with cause are not entitled to termination payments. The amount payable in the event of retirement is equal to 40% of the amount which would be payable upon dismissal without cause.

The provision for employees' retirement benefits is reflected in the attached balance sheet in accordance with IAS 19 and is calculated, as at the balance sheet date (31 December 2006), based on an independent actuarial study performed by Hewitt. The charge to the income statement of € 1.066.631 is reflected under the personnel expenses (included in benefits and other staff expenses – refer to note 4.2)

The results of the actuarial review of the provision for employee retirement benefits as computed by the actuary are shown below:

Actuarial study analysis	2006	2005
Principal actuarial assumptions at 31/12/2006		
Discount rate	4%	4%
Payroll increases	4,7%	5,4%
Average working life	20,65	17,10
Present value of obligations	4.248.191	4.042.417
Unrecognised net gain/(loss)	13.257	(648.296)
Unrecognised past service cost	0	0
Net liability/(asset) in the balance sheet	**4.261.448**	**3.394.121**
Components of income statement charge		
Service cost	738.737	587.085
Interest cost	161.366	136.853
Amortization of unrecognised net gain/(loss)	14.272	0
Amortization of past service cost	0	0
Regular income statement charge	**914.375**	**723.938**
Additional cost of termination benefits	152.256	316.624
Restructuring expense	0	0
Other expenses/(income)	0	0
Total income statement charge	**1.066.631**	**1.040.562**
Movements in net liability/(asset) in the balance sheet		
Net liability/(asset) at the beginning of the period	3.394.121	2.744.903
Actual contribution paid by the Company	0	0
Benefits paid directly	(199.304)	(391.344)
Total expense recognised in the income statement	1.066.631	1.040.562
Net liability/(asset) in the balance sheet	**4.261.448**	**3.394.121**
Reconciliation of benefit obligations		
DBO at start of the period	4.042.417	2.744.903
Service cost	738.737	587.085
Interest cost	161.366	136.853
Employee contributions	0	0
Benefits paid directly by the Company	(199.304)	(391.344)
Extra payments or expenses/(income)	145.129	316.624
Past service cost arising over last period	0	0
Actuarial loss/(gain)	(640.154)	648.296
DBO at the end of the period	**4.248.191**	**4.042.417**

4.23 Provisions

Analysis of provisions					
Description	**As at I Jan 2006**	**Additions**	**Utilisations**	**Releases**	**As at 31 Dec 2006**
AANE	6.104.428	1.896.000	(2.588.211)	(2.425.082)	2.987.135
Inventory impairment	0	567.777	0	0	567.777
To be settled within I year	**6.104.428**	**2.463.777**	**(2.588.211)**	**(2.425.082)**	**3.554.912**
Claims on airport charges	9.954.130	2.357.671	0	0	12.311.801
Municipal tax	917.514	0	0	0	917.514
Environmental issues	441.262	0	0	0	441.262
Other	2.808.146	0	(2.562.400)	(209.390)	36.356
To be settled over I year	**14.121.052**	**2.357.671**	**(2.562.400)**	**(209.390)**	**13.706.933**
Total provisions	**20.225.480**	**4.821.448**	**(5.150.611)**	**(2.634.472)**	**17.261.845**

AANE: The provision relates to the disputable acquisition cost of the aeronautical equipment, as well as the required warranty cost for the defect liability period, until the signing of the Final Acceptance Protocol by the Hellenic Civil Aviation Authority.

Inventory impairment: An assessment performed on the Company's inventory as at 31 December 2006, revealed that certain parts and components should be devalued due to their technological depreciation and/or their slow moving nature. Having concluded the necessary action as much as possible to dispose of the obsolete items in the market, the Company will settle the carrying amount of the inventory (refer further to note 4.13).

Claims on airport charges: The provision relates to the interim legal measures taken by airport users in the First Instance Court with respect to the legality of the pricing of certain airport charges. Although the First Instance Court accepted the claims of the Company, the latter will be building a provision until the final resolution of this legal dispute.

Municipal Tax: The provision relates to municipal tax levied on the Company by the Municipality of Spata, for quarrying activities at the Site during the construction period.

Environmental issues: The provision relates to the imposition on the Company of a fine by the Minister of Environment for alleged violations of the environmental terms of the Ratifying Law.

4.24 Income & deferred tax liabilities

Income tax liabilities

The amount reflects the income tax payable on the dividends declared for distribution, although the Company is in a tax loss position, in accordance with paragraph 1 of article 99 of law 2238/1994.

At the balance sheet date the recognition of the income tax liability amounting to € 22.669.014 (2005 € 13.882.353) was determined by applying the following formula:

Dividends declared for distribution * Income Tax Rate / (1- Income Tax Rate)

Deferred tax assets & liabilities

The following are the primary deferred tax assets and liabilities recognised by the Company during the current and prior reporting periods:

Analysis of deferred tax assets & liabilities	2006	2005
Deferred tax assets		
Employee retirement benefits	930.871	714.039
Provisions	15.952.588	14.805.774
Cohesion fund	71.966.936	76.434.720
Long term receivables	52.139	53.439
Other current liabilities	3.482.094	0
Tax losses recognised	238.705.632	267.311.617
Total deferred tax assets	**331.090.260**	**359.319.589**
Deferred tax liabilities		
Buildings & technical works	(339.501.005)	(361.149.201)
Other fixed assets	(28.187)	0
Long-term liabilities	(320.180)	(302.489)
Other current receivables	(937.750)	0
Total deferred tax liabilities	**(340.787.122)**	**(361.451.690)**
Net deferred tax asset/(liability)	**(9.696.862)**	**(2.132.101)**

At the balance sheet date the Company has unused tax losses of € 954.822.527 available for offset against future profits. A deferred tax asset amounting to € 238.705.632 (2005 € 267.311.617) has been recognised with respect to these tax losses. According to the provisions of article 25.1.2.(k) of the ADA, (law 2338/1995) tax losses can be carried forward to relieve future taxable profits without time limit.

Tax losses have primarily arisen from the application of the accelerated depreciation method as provided by paragraph 8 of article 26 of law 2093/1992. In addition, according to article 25.1.2.(j) of the ADA the accelerated depreciation method provided by law 2093/1992 refers to tax depreciation and constitutes an allowable deduction for tax purposes even though the depreciation in the annual statutory accounts of the Company may differ from year to year. At the balance sheet date the Company recognised a deferred tax liability on the outstanding accelerated depreciation, net of the corresponding accelerated amortisation of the cohesion fund, amounting to € 267.534.069 (2005 € 284.714.481).

4.25 Other non-current liabilities

Other long-term liabilities are analysed as follows:

Analysis of other non-current liabilities	2006	2005
Long term securities provided by customers	2.185.610	2.078.505
Obligations under finance leases	153.599	563.359
Total other non-current liabilities	**2.339.209**	**2.641.864**

Long-term securities relate to performance guarantees provided for by the lessees for long- term lease agreements. Long-term securities are measured at their net present value, by discounting the future cash flow payments with the weighted average borrowing rate, at the balance sheet date. The weighted average borrowing rate for the Company for 2006 was at the rate of 5,78%.

It is the Company's policy to lease certain assets under finance lease agreements with an average duration of 4 years. The Company's obligations under finance leases are secured by the lessors' title to the leased assets. Upon the maturity of the lease agreements the Company holds the right to purchase the leased assets at € 3 each. As at 31 December 2006 the average borrowing rate for the financial lease was at 6,07% (2005 at 5,72%).

Finance lease liabilities are payable as follows:

	Minimum lease payments					
	2006			2005		
	Principal	Interest	Total	Principal	Interest	Total
Less than 1 year	438.819	30.462	469.281	400.158	46.565	446.723
Between 1 & 5 years	153.599	3.535	157.134	563.359	28.848	592.207
More than 5 years	0	0	0	0	0	0
Total lease payments	**592.418**	**33.997**	**626.415**	**963.517**	**75.413**	**1.038.930**

4.26 Trade & other payables

Trade & other payable accounts are analysed as follows:

Analysis of trade & other payable accounts	2006	2005
Suppliers	10.194.339	12.682.905
Advance payments from customers	7.723.001	6.949.244
Beneficiaries of money – guarantees	12.572.259	11.733.401
Value added tax	1.994.596	932.325
Other	2.025.570	4.199.034
Total trade & other payable accounts	**34.509.765**	**36.496.909**

4.27 Other current liabilities

Other current liabilities are analysed as follows:

Analysis of other current liabilities	2006	2005
Accrued expenses and deferred income		
Non-recognised revenues	9.474.915	745.580
Third party liabilities	1.176.000	1.176.000
Accrued expenses for services and fees	7.315.123	5.834.948
Other	249.792	49.880
Total accrued expenses and deferred income	**18.215.830**	**7.806.408**
Obligations under finance leases	438.819	400.158
Total other current liabilities	**18.654.649**	**8.206.566**

For obligations under finance leases refer to note 4.25.

4.28 Operating lease arrangements

The Company as a lessee

Operating lease payments represent rentals payable by the Company for certain of its vehicles. Leases are negotiated for an average term of 4 years and rentals are fixed for the same period.

In the current year, minimum lease payments under operating lease, amounting to € 205.673, were recognised in the Income Statement, while the corresponding amount for the year 2005 was € 108.950.

At the balance sheet date the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

Analysis of operating lease commitments	2006	2005
Within 1 year	231.370	179.272
Between 1 and 5 years	328.424	350.479
More than 5 years	0	0
Total operating lease commitments	**559.794**	**529.751**

The Company as a lessor

Refer to note 4.1.b)

4.29 Segment information

In 2006 the Company introduced “Value Based Management”, as a management tool for assessing its performance and allocating its recourses, with the aim to create a sustained value for all stakeholders of the airport. For this purposes, four business units were recognised by management, (Aviation, Consumers, Property and IT & T) while the remaining units referred to in the organisation chart of the Company were characterized as operating units.

“Added value on Asset” (AVA) was selected as value creation metric for the business units and the Company in total, while certain KPI’s will be introduced within 2007 for the alignment of all units’ objectives with the total Company’s objectives.

“Added value on Asset” (AVA) will be separately calculated for business units and for the entire Company as well, by applying the following formula:

AVA = NOPAT (net operating profit after tax) – [WACC x (assets at net book value)].

“Net operating profit after tax” is considered the profit for the period before net financial expenses and after charging the corresponding income tax on profit for the period.

Currently the Weighted Average Cost of Capital (WACC) for the Company is at the level of 7,81% post tax. WACC will be adjusted as soon as the assumptions applied for its calculation is significantly differentiated.

The Company is not obliged to disclose segment information neither under IAS 14 “Segment Reporting” nor under IFRS 8 “Operating Segments”, since its debt or equity instruments are not publicly traded and it has not filed for issuing any class of instrument in a public market.

Nevertheless the Company intends to disclose segment information in line with IFRS 8 “Operating Segments” from 2007 financial period.

4.30 Commitments

As at 31 December 2006 the Company has the following significant commitments:

a) Capital expenditure commitments amounting to approximately € 4,6 million (2005: € 3,5 million)

b) Operating expenditure commitments, which are estimated to be approximately to € 169,8 million (2005: 198,3 million) mainly related to outsourced services, to be settled as follows:

Analysis of operating expenditure commitments	2006	2005
Within 1 year	32.500.000	30.500.000
Between 1 and 5 years	137.300.000	155.000.000
More than 5 years	0	12.800.000
Total operating expenditure commitments	**169.800.000**	**198.300.000**

c) In accordance with the ADA the Company has a commitment to pay a Grant of Rights Fee to the Greek State over the concession period as follows:

- From 11 June 1996 to 10 June 2006, € 1.000 per year
- From 11 June 2006 to 10 June 2016, € 1.000.000 per year
- From 11 June 2016 to the end of the concession period the greater of € 15.000.000 per year or 25% of 15% of the operating profit of each financial year.

4.31 Contingent liabilities

The Company has contingent liabilities comprising the following:

a) To date the Company has not been audited by the Tax Authority for the fiscal years 2004, 2005 and 2006. Consequently, the tax liability with respect to the fiscal years 2004-2006 has not yet been finalized yet.

b) In 2005 a tax audit was performed by the Ministry of Economy and Finance for the fiscal years 1998-2003. Income tax and all other indirect taxes, except VAT, were levied and settled in 2006. With respect to VAT, the Tax Authority questioned the right of the Company to set off the total VAT of all goods purchased and services rendered, as provided by article 26 paragraph 7 of law 2093/1992, in combination with articles 25.1.1 & 25.1.2 (g) of law 2338/1995 (the Airport Development Agreement). The Tax Authority disputed the above right of the Company, and proceeded to impose VAT -including penalties- for the years 1998-2003 of € 1.872.638, which corresponds to VAT of non-exempt expenses, such as, entertainment and hospitality expenses. The Company appealed to the Athens Administrative Court of First Instance on 7 February 2006, against the decision of the Tax Authority to impose VAT on the reception, entertainment and hospitality expenses. The case has not scheduled to be heard so far. In addition, the Tax Authority issued a provisional VAT audit report, for the years 2001-2003, expressing reservation with respect to the right of the Company to set off the VAT, which corresponds to activities not subjected to VAT i.e. property leases, without imposing any tax. On this reservation, the tax auditors requested the opinion of the Ministry of Economy and Finance, which however has not yet been given.

c) There are two significant pending lawsuits against the Company amounting to approximately € 3,0 million (2005: € 3,0 million). The Company in consultation with its Legal Counsel considers these cases will be finally settled in favour of the Company. Furthermore, there is an additional pending lawsuit against the Company amounting to approximately € 2,0 million. The Company, in consultation with its Legal Counsel considers that in the event of an adverse decision by the Court there will not be a significant financial impact.

4.32 Related parties transactions

a) Primary shareholders

The Company has a related party relationship with its primary shareholders, the significant transactions and balances of which are as follows:

Analysis of primary shareholder transactions	2006	2005
Receivables	126.647.827	118.335.694
Payables	24.914.747	44.746.727
Revenues	82.255.602	80.420.428
Expenses	12.617.476	11.742.969
Guarantees granded	909.469.471	946.929.721
Total primary shareholder transactions	**1.155.905.123**	**1.202.175.539**

b) Transactions with key management personnel

The Company provided compensation to its Board of Directors as follows:

Analysis of BoD compensation	2006	2005
Board of directors' fees	545.080	484.260
Total BoD compensation	**545.080**	**484.260**

4.33 Subsequent events

No subsequent events have been incurred, that might affect the Company's financial position, since the balance sheet date until the approval of the financial statements by the Board of Directors.

CHAPTER 7

EXPLANATION OF TRANSITION TO IFRSs

The Company's financial statements have previously been prepared in accordance with Greek GAAP, i.e. in compliance with General Accepted Accounting Policies (GAAP) as established by Codified Law 2190/1920 in conjunction with Law 1041/1980.

With effect from 1 January 2006 the Company adopted voluntarily the International Financial Reporting Standards (IFRS) in accordance with the relevant decision of the General Assembly.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2006, the comparative information presented in the financial statements for the year ended 31 December 2005, and in the preparation of an opening IFRS balance sheet as at 1 January 2005 (the Company's date of transition).

In preparing its opening IFRS balance sheet, the Company has adjusted the amounts reported previously in the financial statements, which were computed in accordance with its previous basis of accounting (that is, Greek GAAP).

An explanation of how the transition from previous GAAP to IFRSs has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity between IFRSs and Greek GAAP as at 1 January 2005	Note	Previous GAAP as at 1/1/2005	Effect of transition to IFRSs	Reclassification effect of transition to IFRSs	IFRSs as at 1/1/2005
ASSETS					
Non-current assets					
Fixed assets - owned assets	1	1.556.601.808	(32.565)	(1.363.139.695)	193.429.548
Fixed assets - leased assets	1,2,7	0	(12.784.708)	1.170.785.122	1.158.000.414
Intangible assets	7	135.864.201	0	(133.375.558)	2.488.643
Deferred tax assets	3	0	4.704.301	0	4.704.301
Other non-current assets	4	1.314.330	(216.824)	0	1.097.506
Total non-current assets		**1.693.780.339**	**(8.329.796)**	**(325.730.131)**	**1.359.720.412**
Current assets					
Inventories	10	4.953.783	0	(90.127)	4.863.656
Trade receivables	10	58.273.074	0	90.127	58.363.201
Other receivables	10	118.619.610	0	(4.376)	118.615.234
Cash & cash equivalents		145.776.784	0	0	145.776.784
Total current assets		**327.623.251**	**0**	**(4.376)**	**327.618.875**
TOTAL ASSETS		**2.021.403.590**	**(8.329.796)**	**(325.734.507)**	**1.687.339.287**
EQUITY & LIABILITIES					
Equity					
Share capital		300.000.000	0	0	300.000.000
Investment grants	8	325.730.131	0	(325.730.131)	0
Statutory & other reserves		3.648.263	0	0	3.648.263
Retained earnings	9	24.566.331	(9.098.355)	28.000.000	43.467.976
Total equity		**653.944.725**	**(9.098.355)**	**(297.730.131)**	**347.116.239**
Non-current liabilities					
Bank loans		1.098.513.786	0	0	1.098.513.786
Employee retirement benefits	5	2.300.686	444.217	0	2.744.903
Provisions	10	21.654.262	0	(4.274.843)	17.379.419
Other non-current liabilities	2,6	49.147.761	(325.233)	0	48.822.528
Total non-current liabilities		**1.171.616.495**	**118.984**	**(4.274.843)**	**1.167.460.636**
Current liabilities					
Bank & subordinated loans		118.396.740	0	0	118.396.740
Trade & other payables		33.929.994	0	0	33.929.994
Income tax payable		169.178	0	0	169.178
Other current liabilities	2,9,10	43.346.458	649.575	(23.729.533)	20.266.500
Total current liabilities		**195.842.370**	**649.575**	**(23.729.533)**	**172.762.412**
Total liabilities		**1.367.458.865**	**768.559**	**(28.004.376)**	**1.340.223.048**
TOTAL EQUITY & LIABILITIES		**2.021.403.590**	**(8.329.796)**	**(325.734.507)**	**1.687.339.287**

Reconciliation of equity between IFRSs and Greek GAAP as at 31 December 2005	Note	Previous GAAP as at 31/12/2005	Effect of transition to IFRSs	Reclassification effect of transition to IFRSs	IFRSs as at 31/12/2005
ASSETS					
Non-current assets					
Fixed assets - owned assets	1	1.472.171.683	(68.754)	(1.369.118.116)	102.984.813
Fixed assets - leased assets	1,2,7	0	(17.321.811)	1.189.951.265	1.172.629.454
Intangible assets	7	129.470.592	0	(127.258.219)	2.212.373
Other non-current assets	4	1.333.923	(211.839)	0	1.122.084
Total non-current assets		**1.602.976.198**	**(17.602.404)**	**(306.425.070)**	**1.278.948.724**
Current assets					
Inventories	10	5.354.223	0	(84.996)	5.269.227
Trade receivables	10	73.141.432	0	(1.215.004)	71.926.428
Other receivables	10	105.533.116	0	(7.212)	105.525.904
Cash & cash equivalents		99.326.671	0	0	99.326.671
Total current assets		**283.355.442**	**0**	**(1.307.212)**	**282.048.230**
TOTAL ASSETS		**1.886.331.640**	**(17.602.404)**	**(307.732.282)**	**1.560.996.954**
EQUITY & LIABILITIES					
Equity					
Share capital		300.000.000	0	0	300.000.000
Investment grants	8	306.425.070	0	(306.425.070)	0
Statutory & other reserves		4.599.499	0	0	4.599.499
Retained earnings	9	13.139.817	(20.034.738)	29.500.000	22.605.079
Total equity		**624.164.386**	**(20.034.738)**	**(276.925.070)**	**327.204.578**
Non-current liabilities					
Bank loans		1.021.891.376	0	0	1.021.891.376
Employee retirement benefits	5	2.858.306	535.815	0	3.394.121
Deferred tax liabilities	3	0	2.132.101	0	2.132.101
Provisions	10	24.436.020	0	(4.210.540)	20.225.480
Other non-current liabilities	2,6	3.277.604	(635.740)	0	2.641.864
Total non-current liabilities		**1.052.463.306**	**2.032.176**	**(4.210.540)**	**1.050.284.942**
Current liabilities					
Bank & subordinated loans		124.921.606	0	0	124.921.606
Trade & other payables		36.496.909	0	0	36.496.909
Income tax payable		13.882.353	0	0	13.882.353
Other current liabilities	2,9,10	34.403.080	400.158	(26.596.672)	8.206.566
Total current liabilities		**209.703.948**	**400.158**	**(26.596.672)**	**183.507.434**
Total liabilities		**1.262.167.254**	**2.432.334**	**(30.807.212)**	**1.233.792.376**
TOTAL EQUITY & LIABILITIES		**1.886.331.640**	**(17.602.404)**	**(307.732.282)**	**1.560.996.954**

Notes to the reconciliation of equity as at 31 December 2005

Effect of transition to IFRSs in equity

1. Based on IAS 16 the Company re-assessed the useful life of certain categories of fixed assets aligning their economic life with the remaining concession period. As a result the accumulated depreciation as at 31 December 2005 was retrospectively adjusted by € 18.105.776, net of the corresponding adjustment of the cumulative amortisation of the Cohesion Fund (versus as at 1 January 2005 € 14.180.392).

2. Lease contracts, classified as finance leases under IFRS, amounting to € 715.211 (versus as at 1 January 2005 €1.363.118) recognised in the balance sheet as leased assets, while the relevant obligations, amounting to €963.518 (versus as at 1 January 2005 € 1.613.094) were recognised in the balance sheet as current and non-current liabilities. The net difference between the recognised assets and liabilities affected the equity by € 248.307 (versus as at 1 January 2005 € 249.974).

3. IAS 12 requires entities to recognise deferred tax assets and liabilities at the balance sheet date, relating to the temporary differences between the carrying amount of the assets and liabilities and their tax base. The recognition of deferred taxes on temporary differences between the carrying amount of the assets and liabilities has a negative effect of € 2.132.101 on equity (versus as at 1 January 2005 positive effect € 4.704.301).

4. Long-term guarantees provided to operating lease companies were measured at their net present value at the transition date, in accordance with IAS 32. The difference between the carrying amount of the guarantees provided to the lessors and their present value, adversely affected the equity by € 211.839 (versus as at 1 January 2005 € 216.824).

5. In accordance with Greek labour legislation, if employees remain in the employment of the Company until normal retirement age, they are entitled to a lump sum payment, which is based on the number of years of service and the level of remuneration at the date of retirement. IAS 19 requires that the employee retirement benefits, attributed to periods of employee service, be accrued based on actuarial valuations. Based on the actuarial valuation performed by Hewitt, the relevant provision was adjusted by € 535.815 (versus as at 1 January 2005 € 444.217).

6. Long-term guarantees received by customers for the good performance of property lease contracts were discounted at their net present value at the transition date, in accordance with IAS 32. The difference between the carrying amount of the guarantees received and their net present value, positively affected equity by € 1.199.100 (versus as at 1 January 2005 € 1.288.751).

Reclassification effect of the transition to IFRSs

7. As stated in note 3.7, buildings and facilities which have been explicitly identified by the contractual provisions of the Airport Development Agreement to be constructed irrespective of their timing and are required to be returned in an operative condition to the Greek State at the end of the Concession, represent the 'minimum package'. The 'minimum package' is treated as a finance lease and the corresponding assets, amounting to € 1.189.951.265, were transferred from owned and intangible assets to leased assets.

8. Investment grants, that is, the Cohesion Fund, was deducted from the carrying amount of the subsidised assets, in accordance with the provisions of IAS 20. Hence an investment grant amounting to € 306.425.070 (versus as at 1 January 2005 € 325.730.131) was transferred from equity to leased and owned assets accordingly, by adjusting the acquisition cost of subsidised assets and the corresponding accumulated depreciation.

9. In accordance with IAS 10, dividends proposed or declared after the balance sheet date but before the financial statements have been authorised for issue are not recognised as a liability. The final dividend as at 31 December 2005 of € 29.500.000 (versus as at 1 January 2005 € 28.000.000) is therefore reversed under IFRS to be accounted for in the period in which it is approved by the shareholders.

10. The amounts refer to commitments that had been undertaken by the Company, at the transition date, which were realised within the year 2006. For comparative reasons these amounts were transferred to current assets and liabilities.

Reconciliation of profit for the year ended 31 December 2005	Note	Previous GAAP as at 31/12/2005	Effect of transition to IFRSs	IFRSs as at 31/12/2005
Operating Revenues	1	331.201.902	(61.934.043)	269.267.859
Other operating revenues		467.340	0	467.340
Total Operating Revenues		**331.669.242**	**(61.934.043)**	**269.735.199**
Operating Expenses				
Personnel expenses	2	34.337.439	91.599	34.429.038
Outsourcing expenses		47.617.156	0	47.617.156
Public relations & marketing expenses		3.389.676	0	3.389.676
Utility expenses		9.183.320	0	9.183.320
Insurance premiums		4.617.671	0	4.617.671
Provisions		13.742.362	0	13.742.362
Other operating expenses	3	8.332.294	(526.310)	7.805.984
Total operating expenses		**121.219.918**	**(434.711)**	**120.785.207**
Earnings before interest, depreciation, taxes and amortisation		**210.449.324**	**(61.499.332)**	**148.949.992**
Depreciation & amortisation of fixed assets	4	81.637.866	4.465.018	86.102.884
Net financial expenses	5	67.054.477	69.675	67.124.152
Subsidies assigned against non-operating expenses	1	0	(61.934.043)	(61.934.043)
Profit before Tax		**61.756.981**	**(4.099.982)**	**57.656.999**
Income tax expense on profit for the year	6	(13.882.353)	(35.686.307)	(49.568.660)
Profit after Tax		**47.874.628**	**(39.786.289)**	**8.088.339**

Notes to the reconciliation of profit for the year ended 31 December 2005

1. The portion of the ADF collections of € 61.934.043, attributed to the Company for the year 2005, was assigned against those non-operating expenses that should be covered, as provided for in article 26 of the ADA, in line with the adopted accounting policies.

2. The provision for employee retirement benefits for the year, after accounting for the once off adjustment for the purposes of the IFRS transition, amounts to € 91.599, charged against the income statement, based on the actuarial valuation performed by Hewitt.

3. Operating lease payments for the year of € 610.979, relating to those assets that fall under the provisions of IAS 17 'finance leases', were reversed accordingly. Furthermore, the adjustment of the long-term assets and liabilities to their net present value as at 31 December 2005, of € 84.669, was charged to the income statement.

4. Depreciation and amortisation expenses were adjusted by the following amounts:
   - € 4.144.718 reflects the additional depreciation attributed to the re-assessment of the useful lives of certain categories of fixed assets.
   - € (219.335) reflects the positive impact of the re-assessments of the useful lives of those assets which have been subsidised by the cohesion fund.
   - € 539.635 reflects the depreciation of the assets recognised in the financial statements as finance leases.

5. The amount reflects the finance charge of the lease payments attributed to the current year.

6. The recognition of deferred tax liabilities of € 6.836.402, relates to the income tax payable in future periods with respect to the taxable temporary differences of the year. In addition, prior years' taxes of € 28.849.905, which had been recognised in the appropriation account, under the previous Greek GAAP, were restated to the income statement, in accordance with IAS 12.

Reconciliation of the statement of cash flows for the year ended 31 December 2005	Note	Previous GAAP as at 31/12/2005	Effect of transition to IFRSs	IFRSs as at 31/12/2005
Operating activities				
Profit for the year before tax	**1**	**61.756.981**	**(4.099.982)**	**57.656.999**
Adjustments for:				
Depreciation & amortisation expense		81.637.864	4.465.020	86.102.884
Impairment of financial assets	2	0	6.610.500	6.610.500
Net financial expenses		66.816.955	307.197	67.124.152
(Gain)/loss on fixed asset disposals		101.199	0	101.199
Increase/(decrease) on retirement benefits	2	0	649.218	649.218
Increase/(decrease) in provisions	2	0	2.846.061	2.846.061
Increase/(decrease) in other assets/liabilities		0	177.417	177.417
Operating cash flow before movements in working capital		**210.312.999**	**10.955.431**	**221.268.430**
Increase/(decrease) in working capital	2	(7.972.280)	(10.361.807)	(18.334.087)
Income tax paid		(19.551.962)	0	(19.551.962)
Interest paid	3	0	(68.177.885)	(68.177.885)
Net cash flow from operating activities		**182.788.757**	**(67.584.261)**	**115.204.496**
Investment Activities				
Acquisition of fixed assets		(8.922.754)	(114.375)	(9.037.129)
Interest received		4.407.219	0	4.407.219
Proceeds from disposal of fixed assets		168.293	222.337	390.630
Net cash flow from investment activities		**(4.347.242)**	**107.962**	**(4.239.280)**
Financial activities				
Dividends paid		(37.355.000)	0	(37.355.000)
Draw-down/(repayment) of bank loans		(74.410.753)	0	(74.410.753)
Repayment of finance lease obligations		0	(649.576)	(649.576)
Draw-down/(repayment) of other debt		(45.000.000)	0	(45.000.000)
Interest paid	3	(68.125.875)	68.125.875	0
Net cash flow from financial activities		**(224.891.628)**	**67.476.299**	**(157.415.329)**
Net increase/(decrease) in cash & cash equivalents		**(46.450.113)**	**0**	**(46.450.113)**
Cash & cash equivalents at the beginning of the year		**145.776.784**	**0**	**145.776.784**
Cash & cash equivalents at the end of the year		**99.326.671**	**0**	**99.326.671**

Notes to the reconciliation of the statement of cash flows for the year ended 31 December 2005

1. The amount reflects the adjustment of the profit for the year ended 31 December 2005, due to the transition from previous Greek GAAP to the IFRSs (for further information refer to the table and the accompanying notes with respect to the reconciliation of profit for the year ended 31 December 2006).

2. These amounts were restated from the operating activities to the adjustments in the profits for the year, in accordance with IAS 7.

3. The amount of interest paid in the year was restated from the financial activities to the operating activities, in accordance with IAS 7.

CHAPTER 8

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

ATHENS INTERNATIONAL AIRPORT A.E.

Report on the Financial Statements

We have audited the accompanying financial statements (the "Financial Statements") of ATHENS INTERNATIONAL AIRPORT A.E. (the Company), which comprise the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these Financial Statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 accompanying Financial Statements give a true and fair view of the financial position of the Company as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 4.31 to the Financial Statements, where it is noted that the tax obligations of the Company for the years 1998 through 2003 have been examined by the tax authorities and have been finalized except for VAT. The Company has not been examined by the tax authorities for the years 2004 through 2006. Consequently, the Company's tax obligations for the years 1998 through 2006 have not been finalized. The outcome of a tax audit for the un-audited years cannot presently be determined.

Report on Other Legal and Regulatory Requirements

The Board of Directors' Report is consistent with the accompanying Financial Statements.

KPMG Kyriacou
Certified Auditors AE

3 Stratigou Tombra Street
153 42 Aghia Paraskevi
Greece

Athens, 28 March 2007
KPMG Kyriacou Certified Auditors A.E.

Garyfallia Spyriouni,
Certified Auditor Accountant
AM SOEL 16931

2006 Airport Moments

Marketing Workshop
Airline representatives with their AIA awards

Mundobasket
Welcome ceremony of the national basketball team, silver medallists in "Mundobasket", held in Japan

SAS 60th Anniversary
Scandinavian Airlines System celebrates its 60th anniversary together with Athens International Airport passengers

Best Cargo Airport
"Best Cargo Airport 2006" award, in London

ACI Europe in Athens
From the Gala Dinner of the Annual Assembly, Congress & Exhibition of Airports Council International (ACI) Europe, held in Greece for the first time

Delta Athens - Atlanta
Delta Air Lines launches non-stop service between Athens International Airport and the world's largest airline hub in Atlanta

Cow Parade Athens 2006
“The Cow's Dream Journey”, created by the children from “The Smile of the Child” Association

“2006: Mozart Year - The Magic Flute at the airport!”
A literary journey in the magical world of music for children

Cow Parade Athens 2006
The airport's younger and older visitors were welcomed by Hara Kapsali's “Cownnector”.

AIA's 5-year Celebrations
Airport Community Day - Celebrating the airport's fifth birthday on 28 March

The Athens International Airport project was co-financed by the Cohesion Fund of the European Union.