

# HIGHLIGHTS OF 2004

Financial Highlights			
	2004	2003	% Variation
	(million)	(million)	
Net Turnover & Other Operating Income	€329.8	€290.8	+13.4%
Turnover from Airport Charges & Income from Airport Development Fund	€195.7	€175.9	+11.2%
Operating Profit	€115.6	€95.2	+21.5%
Profit before Extraordinary Items	€41.7	€20.1	+107.9%
Profit before Tax	€47.1	€29.0	+62.9%
Cash & Cash Equivalents at the end of the Year	€145.8	€104.0	+40.2%
<b>Total Assets</b>	<b>€2,021.4</b>	<b>€2,075.5</b>	<b>-2.6%</b>

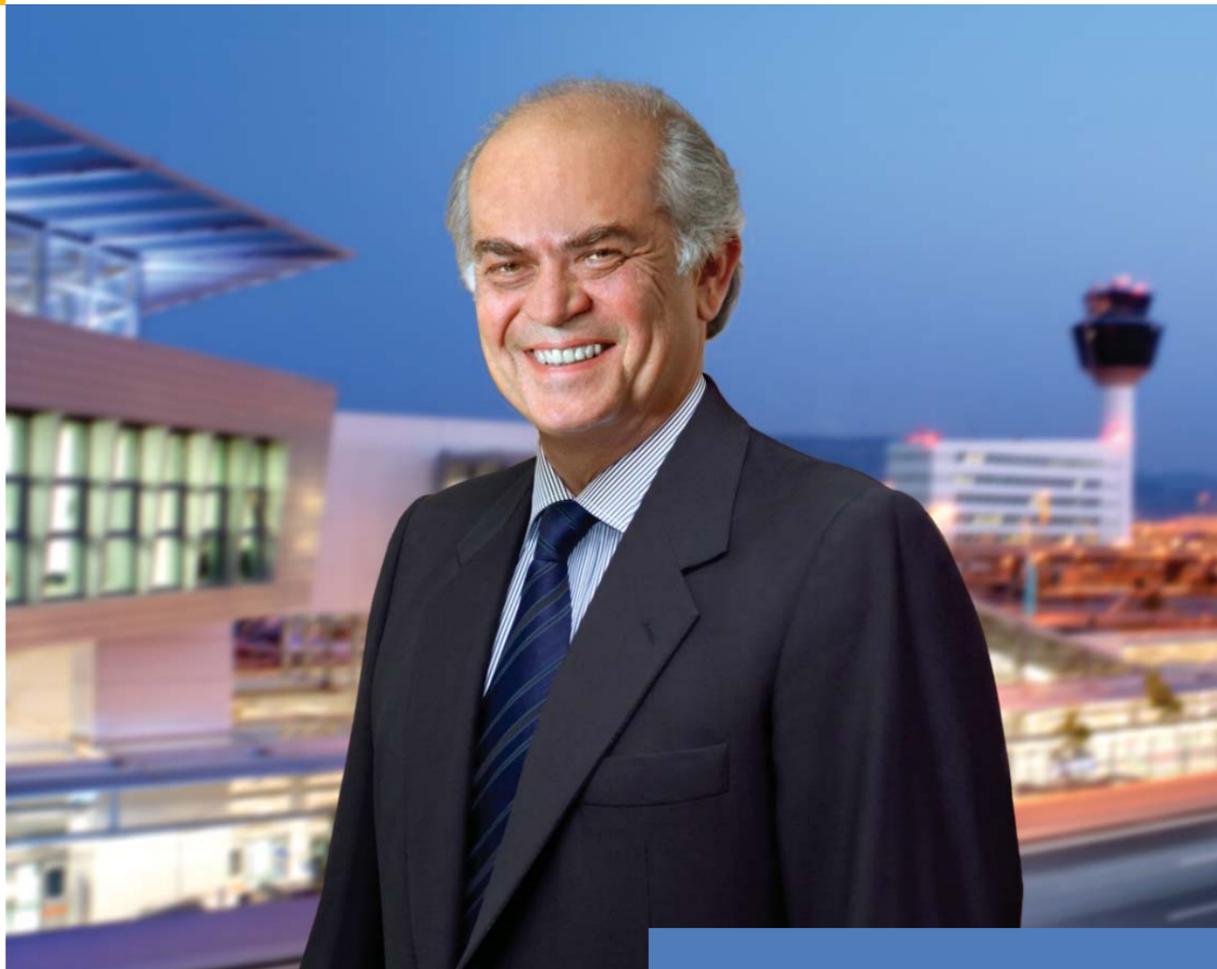
Traffic Highlights			
	2004	2003	% Variation
<b>Total Number of Passengers (million)</b>	<b>13.7</b>	<b>12.3</b>	<b>+11.5%</b>
Domestic	5.1	4.4	+17.0%
International	8.6	7.9	+8.4%
<i>Business Passengers</i>	38%	35%	
<i>Connecting Passengers</i>	23%	27%	
<b>Total Aircraft Movements (thousand)</b>	<b>191</b>	<b>170</b>	<b>+12.3%</b>
Passenger and Combi Aircraft	165	144	+14.5%
All-cargo Aircraft	10	9	+7.7%
Other Aircraft Movements	16	17	-4.0%
<b>Total Cargo Uplift (thousand tons)</b>	<b>119</b>	<b>110</b>	<b>+8.4%</b>
Freight	109	101	+8.0%
Mail	10	9	+13.8%



# I. Address by the Chairman

Athens International Airport

2



## A Year of Accomplishment

Athens International Airport (AIA) can look back to 2004 with satisfaction and pride. Our fourth year since opening has been one of major accomplishments, as our Company and people managed to surpass practically all of our corporate targets. Outstanding performance was achieved both in the operational and economic spheres. It was also evidenced by the quality of AIA contributions to the functioning of the Greek economy and in meeting societal needs at large.

Foremost among these accomplishments has been the handling of the unprecedented challenges posed by the 2004 Athens Olympic and Paralympic Games. Our performance was uniformly praised by the Greek government, the local and international media, the Olympic Family and, most importantly, by our passengers and the general public. This major achievement stemmed from careful advanced planning, sizeable resource commitments and hard work by our personnel at all levels. It also depended on close collaboration with the other stakeholders in the airport community and with a number of Greek public institutions.

For the entire year, we handled record volumes of traffic, reaching 13.7 million passengers in 2004. Our overall turnover from trade income increased by 15.9% compared to last year. As a consequence, we are recognised as one of the fastest growing airports in Europe. It is important to note that this is not attributed only to the Olympic Games. In fact, we experienced strong year-to-year growth in every month of 2004. Our financial performance expresses a consistent and sustainable growth path, based on sound business strategy, created capabilities and promising opportunities. Within four years, AIA has evolved from an untested and complex investment project to a successful going concern that represents a major economic asset for

its shareholders. The international capital markets have already given strong evidence of their approval of AIA's performance and of their confidence in its prospects.

Notable accomplishments during 2004 include, among others, the following:

- AIA continued to rank among the best airports in Europe and the world in terms of quality of service and customer preferences. According to AETRA's established criteria, the great majority of our passengers continued to experience what is acclaimed to be one of the highest service levels.
- The Company's sustainable growth path in 2004 is attributed to the successful development of both its aeronautical and, more so, its non-aeronautical activities. Revenues increased by 11% in the case of the 2004 aeronautical business operations. Such a high performance was mainly due to the combined impact of the Olympic Games together with AIA's effective incentive policy supporting the development of new routes and frequencies. Even higher was the growth rate of non-aeronautical revenues, reaching 17%. This surpassed considerably both passenger and aeronautical revenue growth as a direct result of AIA's dynamic commercial strategy. Given the importance of non-aeronautical revenues to the Company's total turnover, the broader and targeted development of commercial activities constitutes a critical factor for the competitiveness of the Airport. It also enhances the Company's flexibility for improving the sustainability of its aeronautical pricing policy.
- Together with our strategic business objectives, we have maintained and further enhanced our corporate citizenship role through a number of social responsibility initiatives. These focus on local community development and the protection of the environment. They also reveal the Airport's sensitivity

3

in supporting children and people with disabilities, and in contributing to the advancement of culture.

- As in all previous years, AIA has continued reinforcing its commitments as a responsible employer. Our employees set the standards for excellence in the Greek world of corporate business. The Company has enjoyed an uninterrupted span of labour peace, and implemented special support initiatives for lower paid employees together with intensive personnel development and training programmes. In acknowledgement of our personnel's critical contribution to the successful performance of the Airport during the Olympic Games, the Company granted a special bonus to all its employees.
- As a result of AIA's very successful performance, the Board of Directors proposed the payment of dividends to AIA's shareholders, amounting to €28.5. This represents a 77% increase compared to last year.
- The first substantive revision of the Company's Master Plan since AIA's establishment was initiated in April 2004. The new Master Plan addresses pivotal issues related to airport layout and infrastructure, portfolio of facilities and land-use planning. These endeavours will enable us to better select growth-inducing commercial opportunities in both aeronautical and non-aeronautical business activities through a comprehensively effective system of asset management. They also provide a professionally high standard and realistic road map for the Company's long-term investment and financial strategy.
- Sustained profitability and healthy cash-generating capital base have enabled AIA to initiate in 2004 the repayment of high-cost debt. This will substantially improve future profits. It will also enhance significantly the degrees of freedom in asset and liability management by alleviating AIA from stringent loan covenants.

The overall successful performance of the Company during 2004 coincides with the completion of major infrastructural works undertaken by the Greek government and co-financed by the European Union Structural Funds. Such major infrastructural backing has elevated Athens Airport as a central node of a highly efficient, modern, multi-modal transport network, connecting people and places in the greater metropolitan area and beyond. The relevant works include the extension of the Metro system, a new Suburban Railroad link, the completion of an impressive regional highway system as well as the modernisation of sea transport to the Greek islands through two main harbours both linked directly to the Airport. In effect, the thus created major transport web constitutes a critical asset base for the further business development of the Airport.

#### Key Industry Developments

A number of global developments in the air transport industry bear important implications for airports in general, and for AIA in particular:

- Overall, the year 2004 can be described as one of full traffic recovery from the events of 2001. Practically everywhere, aircraft and passenger traffic has now surpassed the record levels of 2000, with further growth predicted for 2005.
- Traffic growth, however, has not yet been translated into economic recovery for the airline industry. Instead, high fuel prices and intense competition, especially from low-cost carriers (LCCs), have led to continuing poor results for the great majority of traditional ("legacy") airlines. From the airports' perspective, this means that airlines are now fiercely resistant to any increases in airport charges, even when these are necessitated by costs.
- LCC growth has also continued unabated over the past year in all regions of the world. We also now know a lot more about LCC passengers: they come from income

levels comparable to those of "legacy" carriers and are just as receptive to retail and commercial offerings at airports.

- Security remains an overriding concern for airlines and airports alike consuming an ever-increasing amount of capital and human resources.
- Finally, capacity and congestion, both on airside and on landside, have re-emerged as major issues on an international scale. In addition to the overall rapid traffic growth noted above, and despite some plans for bigger aircraft, airlines are also increasingly relying on frequency of service. Such frequency of service applied as a competitive tool, often with smaller capacity aircraft, increases the pressure on airport congestion.

#### Impact on AIA's Operations and Strategy for the Future

- First, in formulating our pricing policies, we are actively expanding our traffic base and exerting maximum effort to improve our cost efficiency while maintaining world-class quality. We are also placing greater emphasis on non-aeronautical activities as our main engine for future revenue growth.
- Second, the reappearance of capacity and congestion constraints in the airport sector bring into the forefront an AIA strategic comparative advantage. The latter originates from Athens Airport's available capacity to serve not only as the main gateway to Greece, but also to other destinations in Europe, to the Eastern Mediterranean region and the Middle East.
- Third, AIA's track record in accumulating human capital, state-of-the-art technologies, and using highly successful, internationally acclaimed airport practices emerges as its strategic corporate advantage. Such resources can be put into further commercial use in the rest of the airport sector in Greece as well as internationally.
- Finally, in light of the Greek state's announcements, 2005

constitutes a critical year for initiating AIA's longer-term commitment to approach the capital markets. Such a direct link to competitive sources of equity financing will emerge as a key vehicle in enhancing shareholder value. The realisation of this development will also necessitate the prior adaptation of AIA's contractual and financial arrangements. It will also affect the Company's system of corporate governance, due to the more diversified shareholder participation and the need to improve corporate responsiveness to the demands posed by markets.

An integrated strategy leading to a successful approach to the capital markets undoubtedly represents a critical test case for our Company. More than that, though, it will also provide an exemplary support to the strategic developmental option for the use of private-public partnerships in advancing modern and world-class efficient infrastructures in the Greek economy.

## 2. Address by the CEO

Athens International Airport



6



Serving the key role of the main gateway for the 2004 Olympic & Paralympic Games, Athens International Airport was the first and last impression of Greece for thousands of visitors from across the world. By delivering practically flawless operations and outstanding passenger services, the entire airport community fully justified the Airport's position as the reflection of modern Greece, while offering generously the traditional Greek hospitality.

For all of us, the entire experience was truly unique. Ensuring the close co-operation and the integration of all Athens Airport community members in an efficiently co-ordinated process, we have further strengthened our bonds and teamwork spirit with our partners, in a joint effort that gave this exceptional experience a long-lasting effect for every aspect of airport activity. The Olympic Games challenge brought customers, partners and colleagues closer to each other, enhanced team spirit immensely, and made everybody proud that, even during the most challenging times, the Airport operated at the highest standards and passed this tremendous test with flying colours.

Under these unique conditions that marked the year 2004, AIA achieved operational and traffic records not only as a result of the positive traffic evolution, but also thanks to the successful development of its non-aeronautical activities. The Company is therefore able to present positive financial results for the fiscal period 2004, with a pre-tax profit of €47.1 million, reflecting a consistent growth.

In 2004, Athens International Airport undertook a considerable investment in building facilities and overlay projects, aiming to enhance the Airport's capacity and ambiance. Besides the infrastructure projects entirely driven by the Olympic Games' requirements, a number of other investments were completed. These investments, such as the General/Business Aviation Facility and the Airport's Railway and Metro Station, have a major post-Olympic Games use, and have increased the airport product value, as well as improved the Airport's operation. Furthermore, in March 2004, the

commencement of operation of the fuel pipeline has resulted in an uninterrupted supply of aviation fuel to the Airport, providing a cost benefit to the users, and contributing significantly to safety and environmental protection.

Athens International Airport's sustained business excellence has been recognised by special distinctions, for the fourth consecutive year. Reflecting our commitment to care for our customers, AIA is an AETRA award winner for the year 2004, distinguished as 2nd best airport worldwide in its airport size category and 3rd best airport in Europe amongst all AETRA participants. In recognition of our initiatives for environmental protection, we received the GreenLight Award, while our organisational proficiency and transparency were acknowledged through the qualification of AIA's Internal Audit Department for the Institute of Internal Auditors' Recognition of Commitment for the year 2004.

Our human capital has been the foundation of the achievements and operational success of the Airport during 2004. The support of our 700 professionals, continuously working with devotion and inspiration towards the Airport Company's vision, has been invaluable, especially during the Olympic Games period. The team spirit and customer orientation of our staff was explicitly demonstrated during this challenging time, through the enthusiastic contribution of our employees participating in the "Golden Ambassadors Programme". We thank all our employees and reaffirm our commitment to maintain the present positive and rewarding relationship of mutual trust and co-operation.

In November 2004, an organisational restructuring process was initiated, aiming at building on the Olympic Games experience, further strengthening our organisational cohesion, and developing our corporate values. By further developing our people's skills and company procedures, we are building up a strong and dynamic corporate culture, transforming AIA to a more market-focused and customer-oriented company.

7

The strong interest by various investors in the Airport Company confirms the attractiveness and value-creation potential for our Airport. We are confident that, after four years of efficient operation and positive financial results, Athens International Airport has laid the foundations as an attractive investment in the capital markets. Therefore, we are ready to take all preparatory steps required in implementing any decision of the Company's shareholders in this respect.

2004, the year of traffic records and achievements for AIA, is already a success story. However, the lessons learnt and the experience attained have a much longer life span, significantly improving the services rendered by the whole airport community to all its customers, and offering better utilisation of the Airport's infrastructure, a schedule-facilitated status, and more customised services. We are pleased that these operational improvements are complemented with increased traffic volumes resulting from the international recognition of Athens and its resurgence as an attractive tourist destination.

We feel proud that such a young Airport Company, during its first 4 years of operation, has successfully accomplished two major tasks: the Airport opening and the Olympic Games. We pledge to continue investing towards the Airport's long-term operational and business excellence, guaranteeing a high level of services for all our users and the entire airport community.



# 3. The Airport Company

Athens International Airport



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



## Board of Directors

**Professor Kostis V. Vaitzos (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 as Vice Chairman in 1996  
Partner of "Horlitz, von Menges, Keith & Partner" law firm  
Former Member of the Executive Board of Hochtief AG

**Mr Fernand Braun (1925)**  
*Member of the Board of Directors*

Appointed Member of AIA's Board of Directors in 1996 by mutual consent of the Greek State and Private Shareholders. Stepped down on 31/12/2004.  
Special advisor to the European Commission since 1990  
Former Director General for Internal Market & Industrial Affairs of the European Commission

**Dr Angelo Androulidakis (1951)**  
*Member of the Board of Directors*

Appointed Member of AIA's Board of Directors in 2004  
Former Vice-Chairman of the Board of Directors of ALLIANZ-DRESDNER Asset Management Co  
Advisor to the Minister of Justice of the Greek Government

**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 Leighton Holding Ltd, Australia  
Member of the Executive Board of Hochtief AG

**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

**Dr 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 re-appointed in 2000  
Member of the Executive Board of Hochtief AG  
Former Chairman of the Executive Board of MAN Gutehoffnungshütte AG

## Board of Executives

### Mr Alfred A. van der Meer (1948)

Chief Executive Officer

### Dr Yiannis N. Paraschis (1960)

Deputy Chief Executive Officer  
Chief Business Development Officer

### Mr Greg P. Russel (1951)

Chief Airport Operations Officer

### Mr Basil I. Fondrier (1946)

Chief Finance & Procurement Officer

### Mr Yiannis C. Tsapalas (1947)

Chief Corporate Services Officer

12

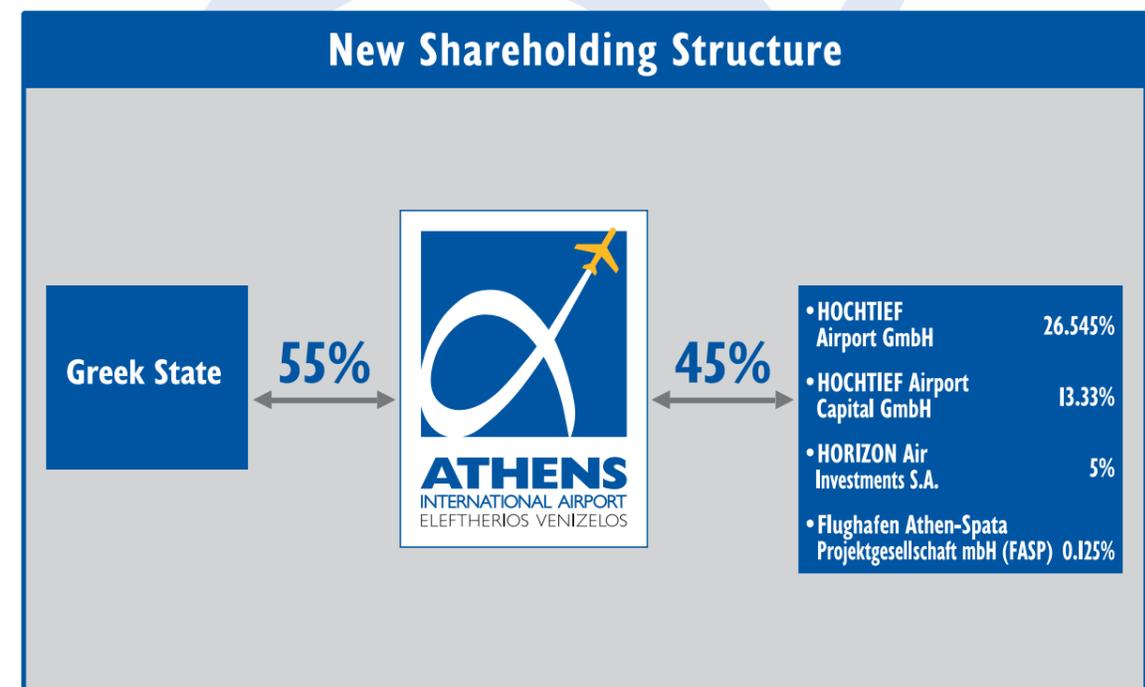
From left to right: Dr Y. N. Paraschis, Mr A. van der Meer, Mr Greg P. Russel, Mr B. I. Fondrier, Mr Y. C. Tsapalas



## New Shareholding Structure

In March 2005, Hochtief Airport Capital GmbH, a wholly owned company by Hochtief Group, completed the acquisition from Hochtief Airport GmbH of 4,000,000 ordinary registered shares, corresponding to 13.33% of the share capital of Athens International Airport S.A. This transaction is part of a deal in which Hochtief Airport GmbH sold one third of its participation in the airports of Athens, Dusseldorf and Hamburg, and 49% of its stake in Sydney airport.

13



## 4. Olympic Games 2004

Athens International Airport



14



For Athens and Greece, 2004 was marked by the Olympic & Paralympic Games. For Athens International Airport, the Olympic & Paralympic Games were undoubtedly the greatest challenge since the Airport's opening. The Airport proved its high efficiency in handling record numbers of passengers and aircraft movements, while offering first-class services, highest security standards, and state-of-the-art infrastructure to the Olympic and Paralympic Family, as well as to the general travelling public.

The Olympic preparation and the special requirements arising from such a huge operation, concentrated on two key challenges for the Airport Company and the entire Airport community:

- to ensure the Airport's capability of adequately servicing the expected demand during the peak days and hours.
- to accommodate the special requirements of the Olympic and Paralympic Family, while maintaining the high level of services to the increased numbers of the general travelling public.

### Preparing for the Olympic and Paralympic Games

Although the existing airport capacity and facilities were sufficient to meet the increased traffic of the Olympic & Paralympic Games, these challenges dictated the integration of all relevant requirements into a detailed operations plan that was compiled with the participation of all stakeholders.

The operations plan comprised five main areas of preparation:

1. Conducting a thorough Demand/Capacity Analysis
2. Constructing Special Facilities and Technical Overlays
3. Establishing Special Airport Operations Procedures
4. Introducing an Olympic Organisation for the Airport during the Games

5. Developing contingency plans for all critical functions

Taking into account the Demand/Capacity Analysis requirements, the Airport Company completed more than 30 construction projects prior to the Games. These included the Airport's new Terminal Railway and Metro Station, a brand new General Aviation Facility for VIP handling, and a remote terminal building, "Express Facility". The Express Facility was designed to allow for independent processing and remote check-in of the Olympic & Paralympic Family, within the objective of offering quick processing times, as well as for security reasons. It also served as contingency for the existing main passenger terminals. In addition, and in view of the projected increased passenger volumes, smaller projects were also undertaken to speed up the check-in process, provide dynamic and enriched information, and create new spaces within the terminal, thus further upgrading passenger services.

The key procedures developed as part of the Olympic & Paralympic Games operations plan included local slot coordination rules regulating all aircraft movements, and off-airport processing of the Olympic and Paralympic Family at the Olympic Village. In addition, AIA reviewed its terminal passenger flows to ensure efficient processing at the Airport during the Games, and applied additional security measures specifically for the Olympic Games period, mainly to ensure that passengers and visitors could move on the Airport premises with a minimum of delay.

Gearing into the Olympic Games mode required AIA to temporarily modify its organisational structure in order to focus on the functions that were critical to meet the Olympic Games requirements, while securing the normal operations of the Airport. Within this context, 6 distinct clusters of responsibility were defined to manage efficiently AIA's co-operation with the Airport's stakeholders. The new structure allowed the

15

development of the "Golden Ambassadors Programme", a volunteer programme providing for the secondment of most of AIA's administrative staff to functions requiring additional resources during the Games. To co-ordinate AIA's clusters and ensure that stakeholders were kept in the information and decision-making process, AIA established the so-called Olympic Venue Operations Centre (OVOC), which was responsible for the co-ordination of Olympic and Paralympic Games-related tasks.

Contingency planning constituted a substantial part of AIA's preparation for the Olympic and Paralympic Games. Although equipped to handle all incidents that could occur at a major international airport, AIA proceeded with the development of further plans to deal with the increased requirements of this world event. Furthermore, throughout spring 2004, AIA performed a series of tabletop exercises dealing with all contingencies, in which all stakeholders participated.

In preparation for the Paralympic Games, the handling of the Paralympic Family was not primarily a numerical issue. This time the big challenge was the depth of the services to be offered to the Paralympic teams. AIA focused on its co-ordinating role between airlines, ground handlers and the Organising Committee of the Paralympic Games, as well as the special training of the entire airport staff for the accommodation of the needs of the Paralympic Family.

AIA's facilities were designed and constructed in full compliance with the American Disabilities Act, the most advanced regulation for accessibility of disabled persons to public facilities. Therefore, already since its opening date, AIA was well equipped to handle passengers with special needs, as well as the increased demand of the Paralympic Games. In that respect, further complementing its infrastructure and services, AIA took specific actions to facilitate the Paralympic teams. These

included the provision of special assistance by AIA Golden Ambassadors and the introduction of an ingenious system of handrails in all boarding bridges, allowing all reduced mobility passengers to move to/from their aircraft with practically no assistance. A comprehensive Airport Information brochure was produced in Braille language, further facilitating visually impaired passengers.

### Assessing the Airport Performance and the Key Success Factors

Thanks to the successful implementation of the operations plan and the excellent co-operation and co-ordination of all parties involved, the Airport not only handled competently unprecedented traffic peaks, but also improved the offered services. The successful performance of the Airport Company during the demanding period of the Olympic Games is reflected in the efficient and seamless accommodation of record numbers of passengers, flights and luggage. On 30th August 2004, the day of the highest departures peak following the Closing Ceremony of the Olympic Games, AIA handled efficiently 856 aircraft movements, 68,200

**Table 4.1**  
Airport Performance Records during the 2004 Olympic Games

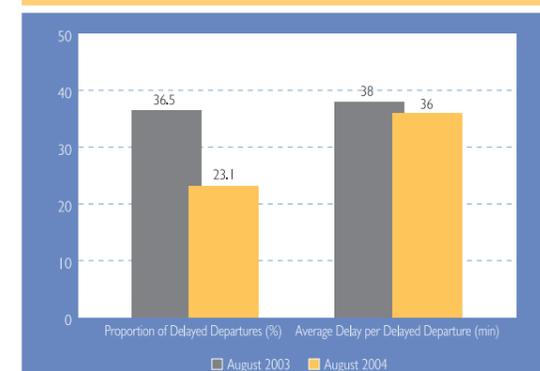
	Previous Record	"Olympic Games" Record	Increase (%)
<b>AIRCRAFT</b>			
Peak hour movements	47	61	30%
Peak hour parking	133	127	-5%
Peak day movements	676	856	27%
<b>PASSENGERS</b>			
Peak day arriving passengers	30,030	32,837	9%
Peak day departing passengers	32,716	43,414	33%
Peak day total passengers	62,746	68,218	9%
<b>SYSTEMS</b>			
Peak day handled baggage pieces	28,000	60,000	114%

passengers, and 60,000 luggage items, all being historical records for Athens International Airport (see table 4.1). During August, the peak Olympic Games month, the Airport reached the highest traffic levels ever, both in terms of aircraft movements (20,589), as well as passengers (1,581,683). Despite these increased traffic levels, two important measures of service efficiency, i.e flight punctuality and check-in queues, were improved compared to the corresponding period of 2003, with the proportion of departures delayed for more than 15 minutes falling from 36.5% to 23.1%, and the average check-in queuing time dropping from 9.5 to 7 minutes (see charts 4.1, 4.2). This favourable outcome proves the positive effect of the Off-Airport Processing and the

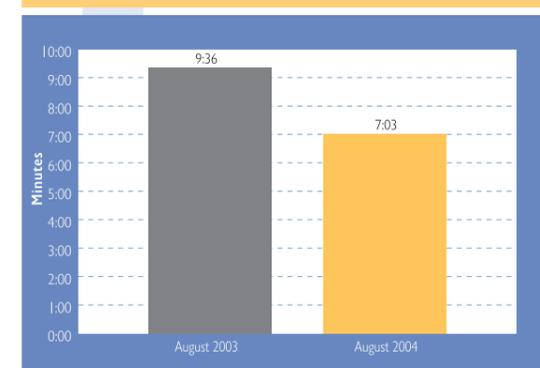
special slot co-ordination procedures, as well as the overall successful implementation of AIA's detailed operations plan.

The excellent performance of AIA is also apparent in the passengers' appreciation of the high-quality services offered throughout the Olympic & Paralympic Games. During the specific period (July through September 2004), the Airport managed to achieve the highest positive scores of the year both on the "Overall Evaluation", as well as on individual services and facilities. The functional elements, as well as the emotional factors, were positively evaluated by Athens Airport passengers, with more than 90% giving positive scores for most of the offered services (see chart 4.3).

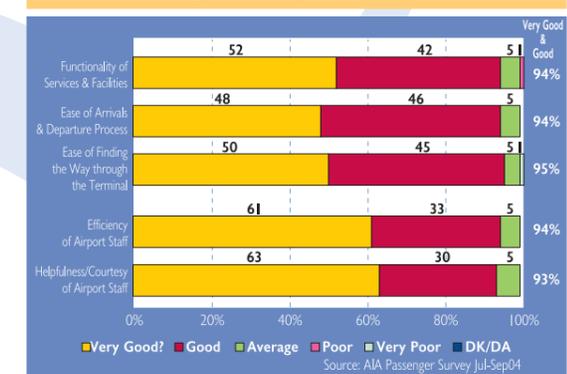
**Chart 4.1**  
Flight Punctuality during the Peak Olympic Games Period (August 2004)



**Chart 4.2**  
Average Check-in Queuing Time during the Peak Olympic Games Period (August 2004)



**Chart 4.3**  
Passenger Evaluation of Airport Operation during the 2004 Olympic Games



The Olympic and Paralympic Games provided AIA with the opportunity to further enhance and fine-tune its corporate citizenship role, having as first priority the facilitation of people with special needs. A number of social responsibility initiatives were undertaken and successfully implemented during the period of the Olympic and Paralympic Games, focusing on local communities, the environment, children, and culture. Furthermore, aiming to give the best lasting impression to the thousands of departing visitors during the Olympic Games, the Airport offered a festive entertainment

programme, demonstrating Greek hospitality, which was definitely one of the highlights during the peak departures days.

AIA received excellent comments from Greek and international media, foreign VIPs and the Greek public as well. Focusing on the Greek public, the evaluation scores of 2004 were significantly higher than in 2003, reflecting the public acknowledgement of the Airport's successful course during this challenging year.

Having accomplished the facilitation of the Olympic Family's requirements in the best and most secure way, while at the same time strengthening the international acknowledgement for the first-class services offered to the general travelling public, AIA contributed to the success of the Olympic Games and the attractiveness of Athens as a destination, which acted as an investment towards the Airport's long-term operational excellence and developmental potential.



# 5. Market Overview

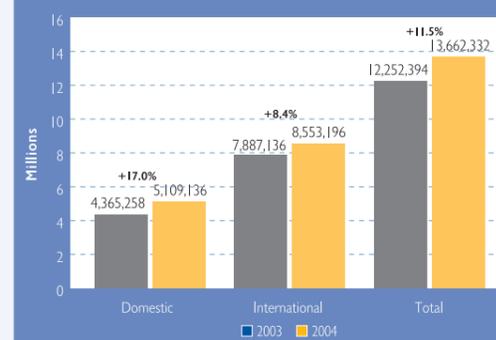
## Athens International Airport



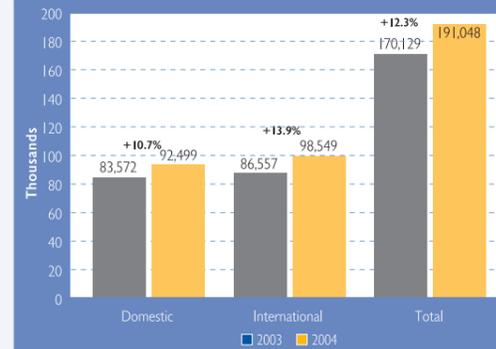
### Key Developments

2004 was a year of historical records and impressive traffic growth for Athens International Airport. The 13.7 million passengers (+11.5% vs. 2003) and the 191,000 flights (+12.3%) were both record-breaking figures for Athens (including the old Athens Hellenikon airport). In addition, annual uplifted cargo rose significantly by 8.4%, reaching 119,000 tons (see charts 5.1, 5.2, 5.3). This dynamic development placed Athens airport in the 1st position in terms of flights and in the 2nd in terms of passengers as regards growth among major European airports with annual passenger traffic above 10 million (Source: ACI Rapid Data Exchange Programme), reasserting the success of the Airport's aeronautical strategy during 2004.

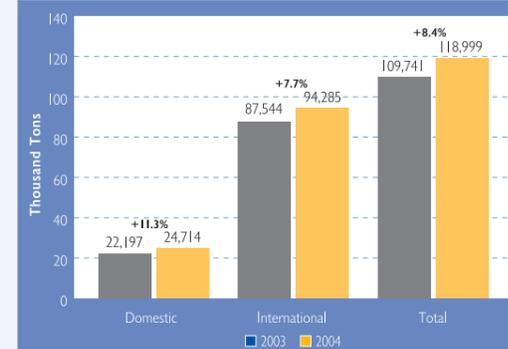
**Chart 5.1**  
Passenger Traffic Development  
2003 - 2004



**Chart 5.2**  
Traffic Development of A/C Movements  
2003 - 2004



**Chart 5.3**  
Cargo Uplift Development  
2003 - 2004



During 2004, a total of 62 carriers offered scheduled services to 32 domestic and 79 international destinations, while 124 additional airlines operated charter flights to 162 international cities. AIA posted an average increase of 400 flights per week, enriched its network with 6 new destinations and attracted 7 new airlines, 5 of which are low-cost carriers (see table 5.1). This positive development was mainly driven by the overall impact of the Olympic Games combined with our effective incentive policy, which has supported the development of new routes and frequencies.

**Table 5.1**  
New Airlines & Destinations 2004

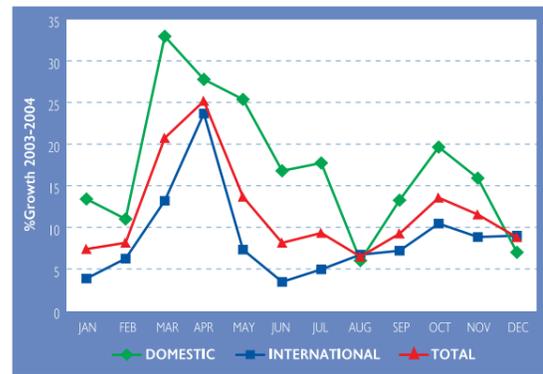
New Airlines	New International Destinations
Air Polonia (LCC)	Bologna (Forli)
Greece Airways (LCC)	Glasgow
Helios Airways	Katowice/Krakow
Jetx (LCC)	Lahore
SAS	Pisa
Volareweb (LCC)	Trieste
Wizz (LCC)	

## Passenger Traffic

Focusing on passenger traffic evolution, the domestic market, amounting to 5.1 million passengers, experienced a spectacular rise of 17.0%, while international traffic achieved a historical record, reaching 8.6 million passengers, corresponding to an increase of 8.4%.

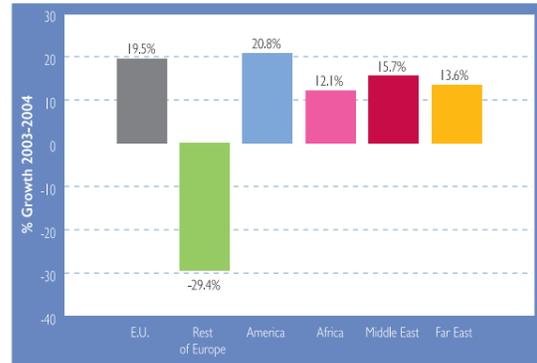
Strong traffic increase was observed throughout the year and in both of the domestic and international sectors, with domestic traffic presenting double-digit growth in all months except for August, while international traffic showed also considerable traffic increase, with April, the "Easter" month, presenting the highest traffic rise at the level of 23.7% (see chart 5.4).

**Chart 5.4**  
Monthly Passenger Traffic Development 2004

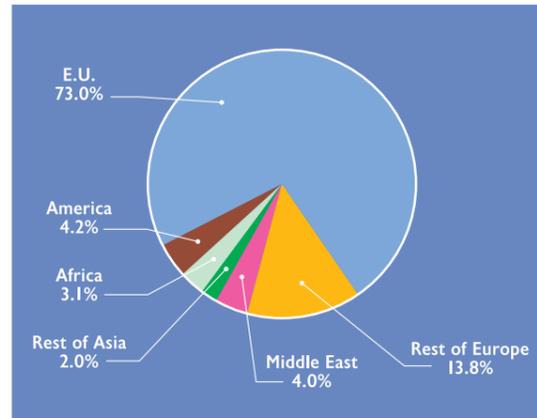


All geographical regions enjoyed rapid growth, with the largest increase recorded in the North American market (+20.8%), followed by the Middle East market (+15.7%). A significant growth (+13.6%) was also achieved in the Far East region, resulting from the recovery from the 2003 crisis, and in the African market (+12.1%). Europe sustained its steady growth achieving overall a traffic increase of 7.7%. However, the 10 EU new entrants since 1st May 2004 – especially Cyprus, which is the Airport's 4th most important international destination – resulted in the diverse traffic development of EU (+19.5%) and non-EU Europe (-29.4%), as well as in the considerable enlargement of the EU share in international passenger traffic from 66% in 2003 to 73% in 2004 (see charts 5.5, 5.6).

**Chart 5.5**  
International Passenger Traffic Development per Region 2004



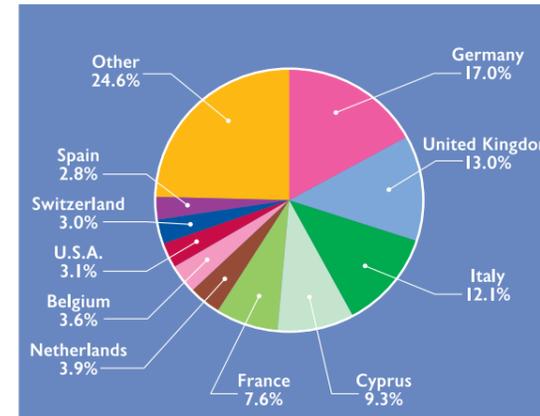
**Chart 5.6**  
Segmentation of International Passenger Traffic by Geographical Region



With regards to AIA's traffic structure, the domestic market increased its market share for a second consecutive year, owing to growth levels higher than those of the international market, while passengers travelling on charter services decreased significantly from 4.7% in 2003 to 3.1% in 2004, following the worldwide changing trend of holiday travel.

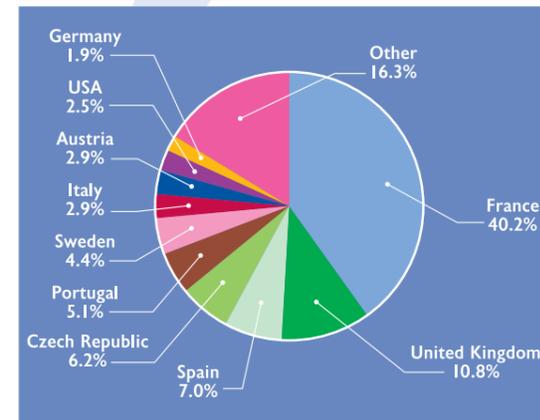
International scheduled passengers increased considerably by 11.8% in the course of 2004. The top positions in the ranking of countries in the specific segment were steadily acquired by Germany, UK, Italy and Cyprus, all of which presented strong growth during 2004. USA presented the highest passenger traffic growth among the top 10 countries, climbing to the 8th position, whereas Switzerland was the only market suffering traffic loss due to the reduced capacity offer (see chart 5.7).

**Chart 5.7**  
Top 10 International Scheduled Markets



Focusing on international charter traffic, it is interesting to note that the Czech Republic and Portugal presented rapid growth in 2004, climbing to the 4th and 5th place, respectively, in the international charter traffic ranking. Spain also achieved growth in the specific segment, whereas France, steadily holding the first place, lost almost half of its charter passengers, mainly due to the fact that charter traffic to/from France ended the summer season in July, due to the Olympic Games (see chart 5.8).

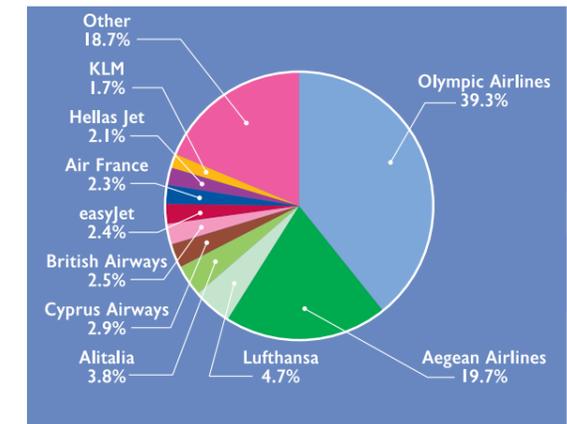
**Chart 5.8**  
Top 10 International Charter Markets



With respect to the airlines comprising the Airport's top customers for the year 2004, according to passenger throughput, it is important to note the entry of Hellas Jet in the top 10, gaining the 9th position, and the improvement of easyJet, which gained

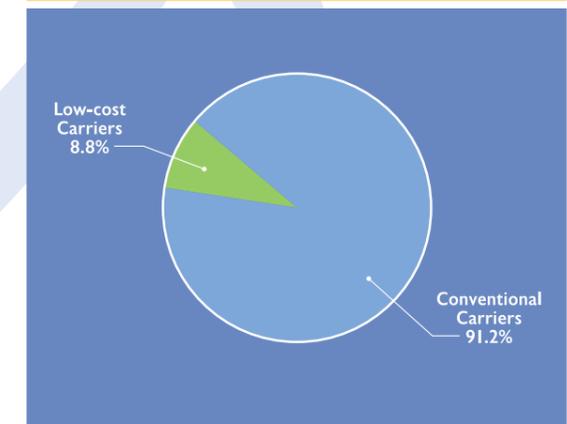
the 7th place, overtaking Air France. Olympic Airlines and Aegean Airlines continued to hold the top 2 positions, the latter with a significant increase in the attained market share (see chart 5.9).

**Chart 5.9**  
Top 10 Airlines according to Passenger Traffic



Low-cost carriers grew remarkably in Athens during 2004, with the entrance of 5 new airlines and the introduction of additional frequencies, which led to a 40.8% increase in low-cost passenger traffic, largely substituting international charter traffic. Passengers travelling on low-cost services exceeded 700,000, representing 9% of AIA's international scheduled traffic (see chart 5.10).

**Chart 5.10**  
International Scheduled Passenger Traffic Conventional vs. Low-cost Carriers



Passenger traffic peaks in 2004 were mainly driven by the busy days during the Olympic Games period, with the 30th August –the day after the Games' Closing Ceremony– being the Airport's peak day, both for departures and overall.

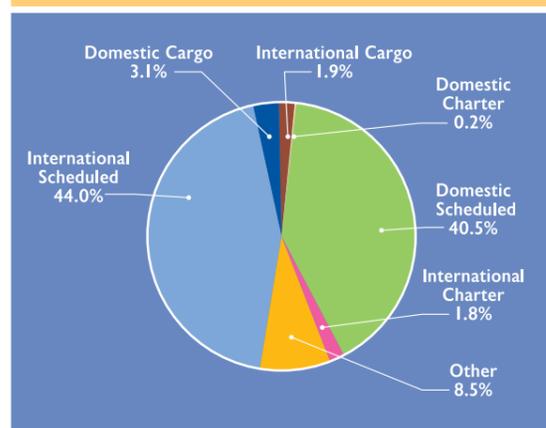
### Aircraft Movements

The number of aircraft that have flown to/from Athens in 2004 significantly increased in comparison to 2003. Both domestic and international movements achieved a strong rise (of 10.7% and 13.9% respectively), reflecting the added international services, mainly driven by the overall impact of the Olympic Games combined with the successful implementation of the Airport Company's aeronautical development strategy. As a result, international scheduled operations further increased their market share from 42% in 2003 to 44% in 2004 (see chart 5.11).

Focusing on the types of aircraft, the Boeing 737 remains the most popular aircraft type for airlines flying to Athens. The overall Maximum Take-off Weight of the airplanes that flew to/from Athens in the course of 2004, amounted to 11,374,050 tons, corresponding to an increase of 14%.

Monday, 30th August, was also the busiest day of the year for aircraft movements, with 856 flights, outperforming the 2003 peak by the impressive number of 210 movements.

**Chart 5.11**  
Structure of A/C Movements Traffic

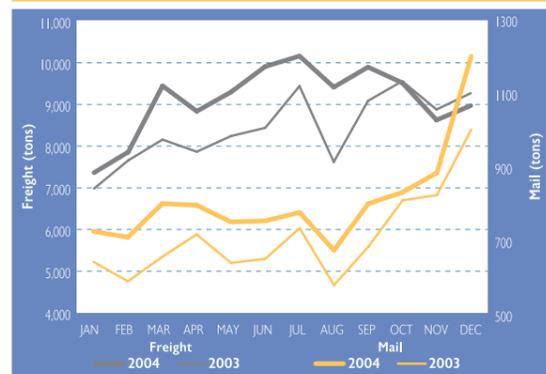


### Cargo Uplift

The total cargo uplifted during 2004 reached 118,999 tons, 8.4% higher than the corresponding figure of 2003. Domestic cargo achieved double-digit growth at the level of 11.3%, while international cargo presented a healthy rise of 7.7%. The total uplift of freight increased by 8%, while the total uplift of mail increased by 13.8%.

The month-by-month freight was generally positive in 2004, except for the last two months of the year. Inbound freight presented double-digit growth, starting as of March and peaking in August, mainly attributed to the Olympic Games. The peak outbound period was August through October, with September demonstrating the highest volume since Airport opening, as most of the Olympic Games related exports were effected during that particular month. With respect to the mail traffic, both inbound and outbound volumes showed a significant increase during the year, with most of the months presenting a double-digit increase compared to the 2003 figures (see chart 5.12).

**Chart 5.12**  
Freight & Mail Monthly Uplift  
2004 vs. 2003

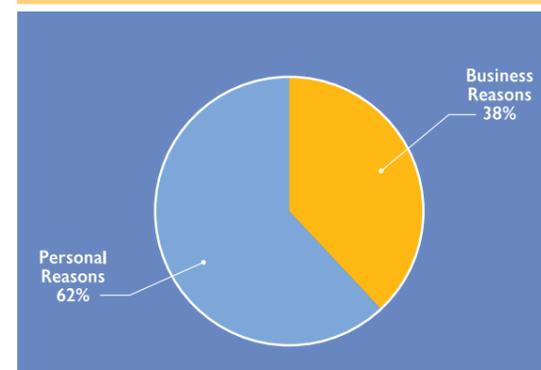


### Passenger Profile

The travelling pattern of Athens Airport passengers in 2004 presents interesting variations in comparison to the previous year, mainly arising from the staging of the Olympic Games in Athens. Passengers travelling for business purposes (38%) show a significant increase of 8.5% in comparison to 2003 (see chart 5.13). It is

interesting to note that the share of business travellers has particularly increased in 2004 on passengers travelling to domestic destinations (+19.3%), as well as on travellers flying to USA/Canada (+27.2%) and the Middle East (+7.5%).

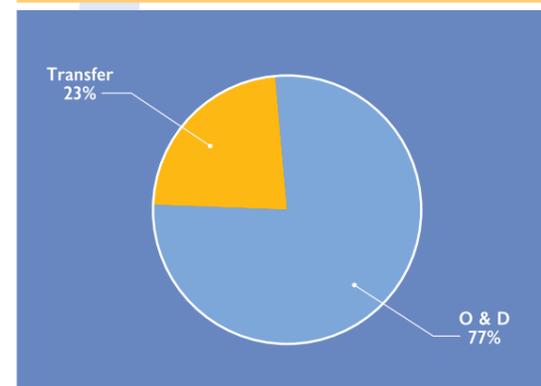
**Chart 5.13**  
Purpose of Trip



With regard to leisure traffic, tourism continues to be the main reason for visiting Athens (63%). Although the proportion of holidaymakers was at similar levels with 2003, the translation into actual passenger figures reveals an increased volume of incoming tourists in Athens during the year (+5.2%). This is further supported by the market share growth of incoming traffic from 49% to 51% of the Airport's passengers.

Connecting passengers accounted for 23% of the Airport's traffic, and returned to the levels of 2002, after a sharp rise in 2003 (27%) (see chart 5.14). This development was

**Chart 5.14**  
Transfer Passengers

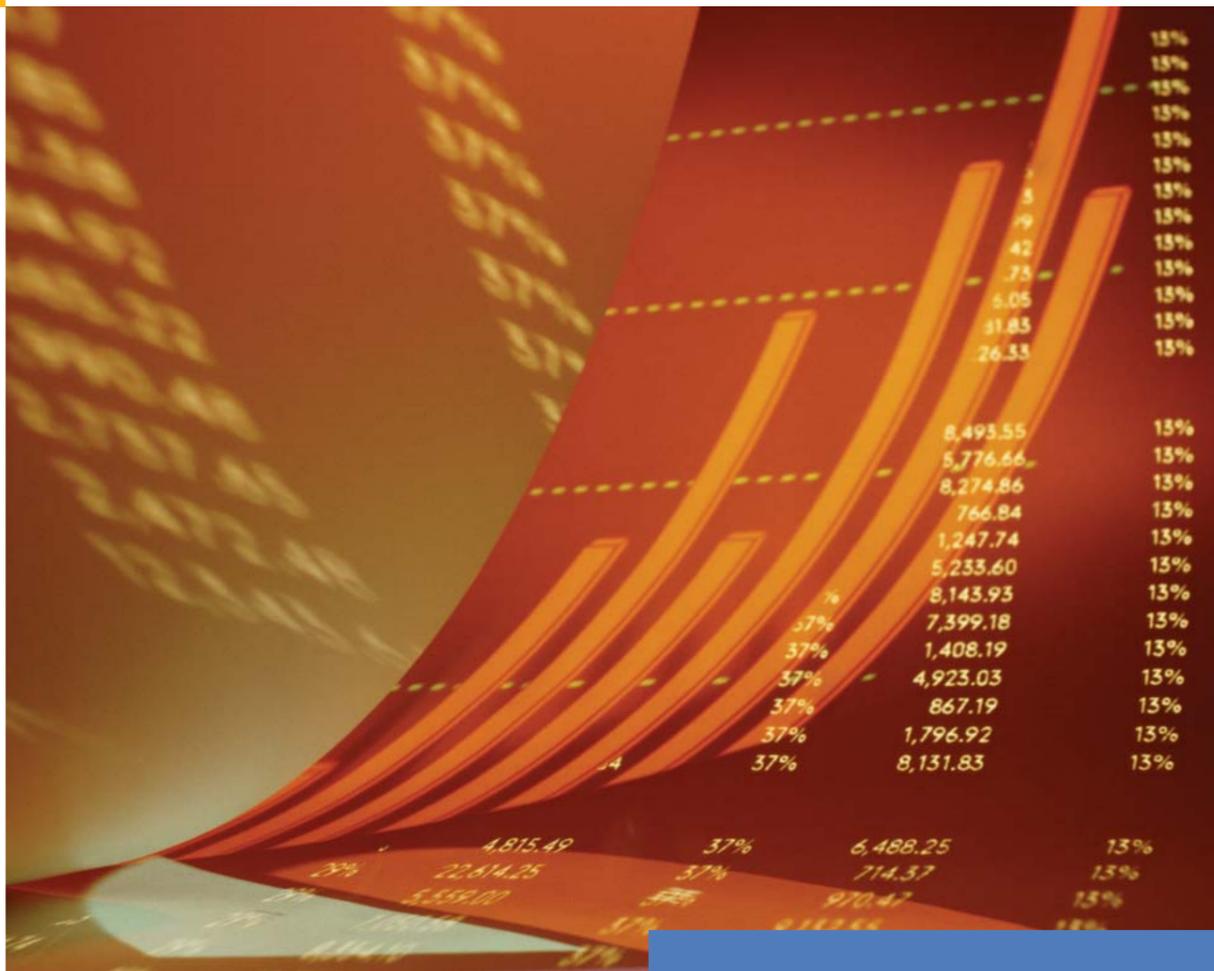


mainly due to the significant increase of Athens Origin & Destination traffic in the course of 2004, as a result of Olympic Games-related travel.

The most popular international destinations for passengers connecting through Athens are Italy, Germany and the UK, all of which presented a significant market share increase in 2004, resulting mainly from the strong presence of Aegean Airlines in the Italian market and the entrance of low-cost carriers in the specific markets. The travelling pattern of the Airport's transfer passengers to domestic destinations is quite similar to the previous years, with Heraklion holding the top position at 23% and Thessaloniki following at 18%.

# 6. Financial Performance

## Athens International Airport



The impressive traffic growth in 2004 that positively affected AIA's aeronautical revenues, accompanied with the successful development of non-aeronautical revenues, resulted in improved financial performance. Thus, for the 2004 period, AIA achieved a Profit before Tax of €47.1 million, representing a growth of 62.9% compared to the previous year.

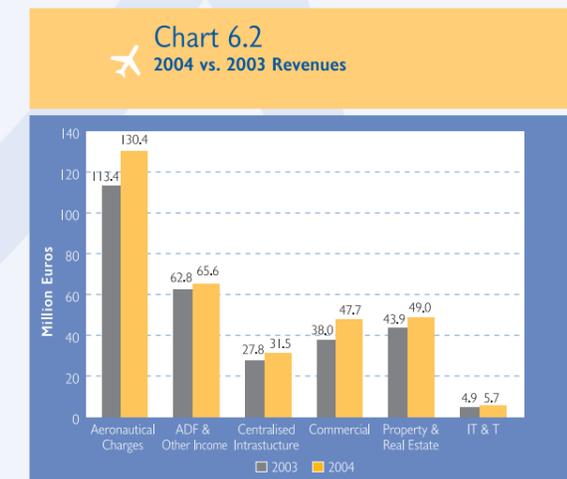
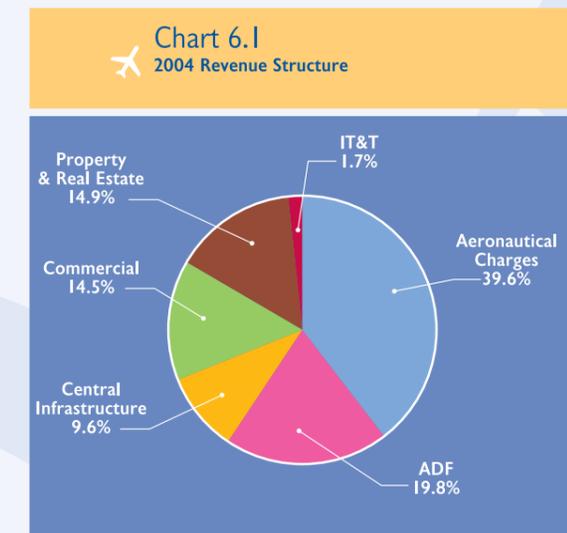
### Operating Revenues

The Company's total revenues in 2004 reached €329.8 million, improved vs. 2003 by €39.1 million, i.e. 13.4%. All revenue streams grew considerably. Revenues from airport charges and ground handling centralised infrastructure charges increased by 15.0% and 13.3% respectively, in line with the traffic growth and the respective inflation rates. The income from the Airport Development Fund (ADF) amounted to €65.3 million, increased by €2.7 million compared to the previous year, i.e. a growth of 4.3%, lower than the traffic growth. This is attributed to the decrease of AIA's share in the Athens ADF, 83% compared to 87% in 2003, following the relevant decision by the Greek State. Additionally, the accession of the 10 new members in the European Union in May 2004 led to a reduction in the Airport's ADF charged for these destinations from €22 to €12 per departing passenger.

Non-aeronautical revenues developed at a much higher rate than aeronautical revenue growth and traffic growth, i.e. by 16.8%. The remarkable growth of non-aeronautical revenues is attributed to the increased value of the Airport's commercial "product" due to the Olympic Games, combined with the development of new outlets in the terminal's commercial area, the expansion of the IT&T external business, and the commencement of operation of two shopping outlets in the Airport's retail park.

The income from airport charges and ADF represents 59% of the Company's total revenue and remains the most significant source of income. The remaining sources of

income increased their contribution by 2 percentage points compared to the previous year, reaching 41% of total company income. This is consistent with AIA's objective to develop non-aeronautical revenues in order to increase the Airport's competitiveness. The breakdown of the Company's turnover in 2004 and the comparison vs. 2003 are presented in charts 6.1 & 6.2.



## Operating Expenses

Regarding the operating expenses, the cost of sales, including depreciation, reached the amount of €181.6 million, higher than 2003 by 7.0%, while the administrative and selling expenses were increased from €25.8 million to €32.6 million. This is mainly attributed to additional expenses incurred in relation to the Olympic Games. The breakdown of the 2004 operating expenses and the comparison vs. 2003 are presented in charts 6.3 & 6.4.

Chart 6.3  
2004 Operating Expenses Structure

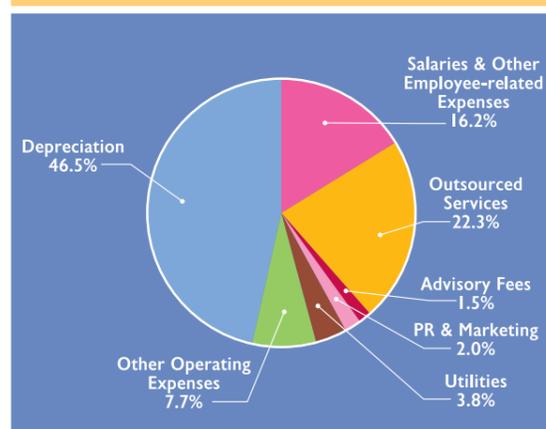
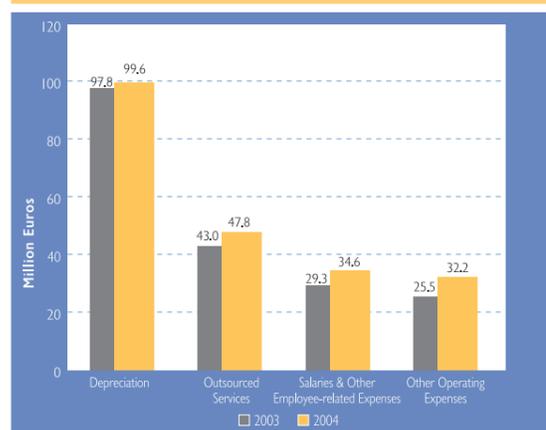


Chart 6.4  
2004 vs. 2003 Operating Expenses



## Profitability

As a result of the substantial growth of operating revenues, which was partly offset by the relatively slower increase in operating expenses, operating profit reached €115.6 million, higher by €20.4 million compared to the previous financial period.

After accounting for the net financial expenses, profit before extraordinary items was formulated at €41.7 million, increased by €21.6 million vs. 2003. The net financial expenses were €73.9 million, lower compared to the previous year mainly due to the prepayment of the capitalised interest of the Private Shareholders Subordinated Debt, as well as the reduction in the Euribor rates and the gradual repayment of the commercial loans.

Taking into account the net income from extraordinary items amounting to €5.4 million, the profit before tax was shaped at €47.1 million. A review of the Profit & Loss Statement for the years 2001-2004 is presented in Table 6.1.

Table 6.1  
Highlights of the 2001 - 2004 Profit & Loss Statement

Financial Results (in million Euros)	2004	2003	2002	2001
Net Turnover	264.3	228.0	208.1	183.6
Cost of Sales	(181.6)	(169.8)	(163.0)	(132.8)
Gross Operating Profit	82.7	58.2	45.1	50.8
Other Operating Income	65.6	62.8	63.4	43.9
Operating Expenses	(32.6)	(25.8)	(25.6)	(13.4)
Operating Profit	115.6	95.2	82.9	81.2
Financial Expenses	(73.9)	(75.1)	(82.4)	(67.4)
Profit before Extraordinary Items	41.7	20.1	0.4	13.8
Extraordinary Income / (Expenses)	5.4	8.9	13.8	(23.4)
Profit / (Loss) before Tax	47.1	29.0	14.3	(9.6)

\* 2001 - 9 months of operation

Table 6.2 highlights key profitability indicators for the Company's performance during 2004 and the comparison to the previous year. The higher growth in Operating Profit and in Profit before Tax compared to the increase in Operating revenues led to an increase in EBIT margin and PBT margin by 2.3 and 4.3 percentage points, respectively. Moreover, the combined effect of a higher increase in operating profit and a decrease in the capital employed led to an increase in the return on capital employed by 1.3 percentage points.

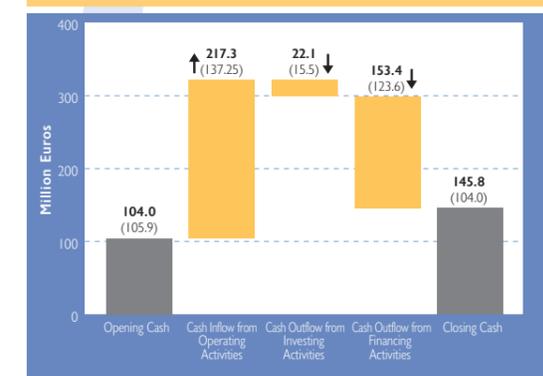
Table 6.2  
2004 vs. 2003 Key Profitability Indicators

Profitability Indicators	2004	2003	Change pp
EBIT margin <sup>1</sup>	35.1%	32.7%	2.3
PBT margin <sup>2</sup>	14.3%	10.0%	4.3
ROCE <sup>3</sup>	6.3%	5.0%	1.3

1. Operating Profit before Interest & Tax / Total Operating Income  
2. Profit before Tax / Total Operating Income  
3. Operating Profit before Interest & Tax / Capital Employed

Taking into consideration the 2003 Retained Earnings of €8.7 million and after accounting for the accumulated income taxes of 2003 and 2004 of €0.5 million, the Company has been enabled to appropriate a profit amounting to €55.4 million. Part of this, amounting to €28.5 million, has been proposed to be distributed to the shareholders as dividend.

Chart 6.5  
Cash Position Cause of Change 2004



Figures in brackets refer to 2003.

## Cash Flow

The closing cash position in 2004 reached the amount of €145.8 million, increased by €41.8 million compared to the previous year. The net cash flow from operating activities of €217.3 million was higher compared to the previous year due to the Company's improved operating performance and the effective collection policy. The net cash outflow for investing activities at Athens Airport reached the amount of €22.1 million, increased vs. the previous year mainly due to the Olympic Games related investments (see chart 6.5).

Finally, the net cash outflow for financing activities was €153.4 million, higher than the previous year. This is mainly due to the commencement of the repayment of the principal on the European Investment Bank loan, along with the prepayment of the Capitalised Interest on the Subordinated Debt of €35.5 million. Actually, AIA has managed to sustain a healthy cash flow position, exceeding the required levels of debt service cover ratios, as these are defined in the existing loan agreements, which thus allowed the Company to prepay the entire amount of Capitalised Interest on the Subordinated Debt. Moreover, and in line with the Company's objective to enhance liquidity and flexibility, AIA succeeded in March 2005 to obtain the approval of its Lenders to prepay the remaining amount of Subordinated Debt of €45.0 million. It should be noted that the prepayment of both the Capitalised Interest and the remaining amount of the Subordinated Debt results in a total benefit for the Company's profitability of €8.5 million per annum.

Furthermore, AIA continues to explore the possibility of restructuring its commercial debt, excluding the EIB loan, while setting the foundation for a successful Initial Public Offering in the capital markets.

## 7. Caring for our Customers

Athens International Airport

30



### Developing the Airline Business

AIA's aeronautical development strategy, combined with international market recovery, increased domestic capacity and the overall positive impact of the Olympic Games, were the main drivers for the Airport's significant traffic growth and route network expansion during 2004. In addition to the record passenger and aircraft movement traffic figures, AIA was directly connected to six new international destinations and welcomed seven new airlines, five of which were low-cost carriers.

Within the framework of AIA's dynamic aeronautical strategy, we maintained and further developed our close partnership with the airlines, while globally promoting the route development opportunities at AIA. The airline-related activities evolved around three axes:

a) The undertaking of an extensive range of co-promotional and co-advertising activities with almost every airline operating scheduled services at Athens Airport. In total, during an effective period of 7 months (excl. the Olympic Games period), AIA contributed more than €1 million in the form of marketing support towards the airlines, in order to build and increase awareness of the Greek travel market. The airlines' appreciation of AIA's efforts to support them encourages us to keep on initiating or contributing to similar activities in the future.

b) The provision of a wide range of market information. Through customised analyses, traffic forecasts and feasibility studies, AIA presented to airlines an in-depth overview of the market, and assisted them in evaluating risks and opportunities, aiming to expand their business potential and identify new route development options.

c) The offer of a generous incentive policy available to all airlines. Aiming to achieve the Airport's network sustainability and development, AIA continued for a fourth

consecutive year to offer significant non-discriminatory discounts on airport charges, for new and additional services to Athens, as well as low-volume international passenger markets. In particular, in 2004, the powerful and competitive AIA incentives portfolio comprised the "New International Route Incentive", the "Thin Route Incentive", the "Additional Frequency Incentive" and the "Additional Frequency Incentive on the Ground-handling Central Infrastructure Charges". The implementation of AIA's incentive policy benefited a total of 40 airlines in 2004, assisting them to maintain and develop their routes at Athens Airport, with AIA contributing the total amount of €2.5 million. This "risk sharing" philosophy has strengthened our partnership with the airlines and it will be further enriched in the coming years.

In August 2004, Athens International Airport proceeded with an inflationary adjustment on rotational-related airport charges, while delayed up to November the adjustment of the passenger-related airport charges. However, aiming to further support the airlines, AIA, following the successful consultations and respective agreement with the Charges Committee of IATA and the Board of Airline Representatives (BAR) with regards to AIA's short- and medium-term pricing policy, announced in December 2004 that no increases in airport charges would take place in 2005. The parameters that will define the charges adjustments for 2006 and 2007 have also been agreed upon. This agreement encapsulates AIA's pricing policy of foregoing short-term profits in favour of long-term aeronautical development.

As a further support measure towards our airline partners, the Airport Company decided to keep its fuel fee at the same level for a third consecutive year. Moreover, as a result of the co-ordinated action and collaboration between "Athens International Airport S.A." and "Olympic Fuel Company S.A.", the throughput fee charged for the use of the hydrant system to airlines was decreased by 23%.

31

Aiming to reward the airlines for their contribution to the Airport's successful traffic development during 2004, AIA established the "Airline Awards", honouring the carriers, which achieved the highest passenger traffic growth/volumes to specific market segments in 2004. The AIA Airline Awards 2004 were given to a total of 8 airlines in the 10 established categories. Aegean Airlines, Delta Airlines, Egyptair, Emirates, Hellas Jet, Hemus Air, Olympic Airlines and Thai were the airlines receiving the awards in the 10 award categories – Overall, New Airline, Thin Route and 7 more, according to geographical market (Western Europe, Eastern Europe, Middle East, America, Africa, Asia, Domestic) (see table 7.1).

**Table 7.1**  
**AIA Airline Awards 2004**

Category	Winner
Western Europe	Aegean Airlines
Eastern Europe	Olympic Airlines
Middle East	Emirates
Asia	Thai
America	Delta Airlines
Africa	Egyptair
Domestic	Aegean Airlines
Thin Route	Hemus Air
New Airline	Hellas Jet
Overall	Aegean Airlines

Besides our efforts to maintain and further develop our existing traffic, AIA's airline development policy for the coming years focuses on the expansion of the Airport's passenger base, especially from the neighbouring areas of the Balkans, the Middle East and Eastern Europe, the exploitation of the very promising market of China and the further development of the low-cost market segment.

### Developing Cargo

The experience of the Olympic Games has brought about a positive influence to cargo operations. The accelerated

and integrated flows have provided a foundation for future operations and have become a benchmark of our Cargo Quality Monitoring Programme initiated in late 2004. Moreover, several operational improvements, such as the 24-hour availability during the summer period, were agreed upon with the state authorities, thus further enhancing the efficiency of cargo operations.

Furthermore, throughout the year, AIA continued to pursue its strategic objective of further expanding the existing cargo flows and creating new cargo business opportunities. As a result, FedEx Express introduced scheduled freighter flights to Athens Airport, thus becoming the fourth cargo integrator in addition to DHL-European Air Transport, UPS and TNT.

Moreover, towards achieving its goal of generating additional transit traffic, AIA together with the Port Authority of Piraeus, concluded the "Sea-Air Study", which examined the development of a cargo link between the two terminals. As a result of the study, there appears to be a potential for such a link, mainly for cargo originating from the greater Eastern Mediterranean region with destinations at least 2,800 km from Athens.

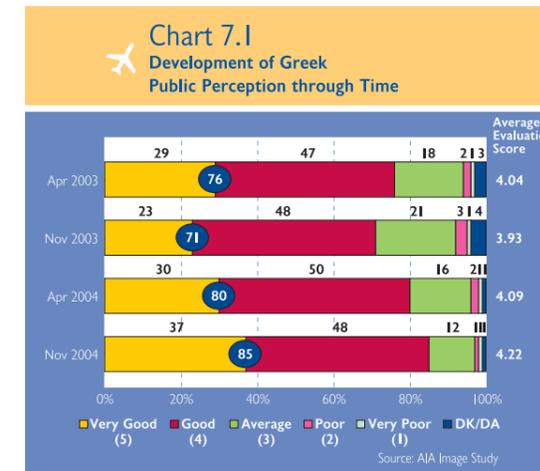
Our development policy for the future includes the further exploitation of transit traffic via Athens, as well as the development of an on-Airport "Cargo Village" that would enable and facilitate both Origin & Destination and transit flows.

### Caring for our Passengers and Business Partners

2004 has been a year of records for Athens International Airport not only in terms of passenger figures, but also with regard to the positive perception of the Greek public concerning the Airport.

Athens Airport achieved excellent evaluation scores, significantly higher than in 2003, reflecting the public appreciation of the Airport's performance during the

demanding year of the Olympic Games. In April 2004, 80% of the respondents evaluated the Airport positively, a rating that improved considerably and reached 85% in November 2004, after the excellent handling of the large volume of passengers and visitors during the Olympic Games period (see chart 7.1). "Contemporary/Modern", "Safe", "Well organised/Functional", "Respects its passengers" are the main elements of the Airport emerging from the 2004 Image Survey.



Further to the established public perception of the Airport's operational excellence, the Greek public was looking forward to the more emotional character of the Airport. Recognising this need, AIA embarked in 2004 on initiatives aiming to offer a more pleasant experience within the terminal for both passengers and visitors. These initiatives focused on the aesthetic aspect of the terminal in order to make it more friendly and inviting, as well as on a wider range of services and facilities that could make the experience within the terminal more interesting. AIA's efforts were highly appreciated by the Airport users, who acknowledged the upgrade of the Airport terminal and considered it more inviting and friendly than before. Characteristics such as "Warm/Familiar", "Inviting", "Interesting/Attracts attention" and "Spend pleasant time within the terminal" presented an approximate increase of 30% compared to the previous measurements of the Airport's image.

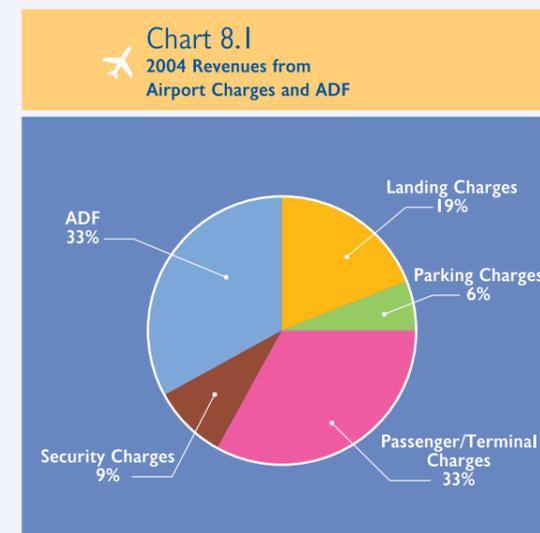
During 2004, AIA's communication policy continued to support effectively the implementation of the "Airport to Business" and the "Airport to Consumer" strategies. The communicational activities of 2004 culminated during the preparation period of the Olympic Games. More specifically, Athens International Airport added to the informative brochures portfolio, a specialised brochure titled "Airport Information", dedicated to Olympic Games visitors. Furthermore, a promotional activity offering to passengers and visitors discounted prices on products and services, was launched during the summer period, with the participation of the majority of the concessionaires, contributing to additional commercial revenues.

## 8. Aeronautical Activities

### Athens International Airport



During 2004 aeronautical revenues increased by 11.2% reaching €196.0 million. Despite this considerable increase, AIA covered its air activities costs, without marking a significant profit within the context of the air-activities regulation. This is in line with our aeronautical strategy of foregoing short-term profitability in view of long-term development. Revenues from Airport Charges increased by 15% reaching the amount of €130.4 million, with rotational-related charges representing 38% and passenger-related charges corresponding to 62% (see chart 8.1).



Committed to operational excellence, Athens International Airport continued in 2004 to offer orderly, expeditious, and safe airport operations, in a state-of-the-art environment. The year's major operational challenge was to achieve an efficient performance during the Olympic and Paralympic Games period, ensuring that athletes, visitors and all other passengers passing through AIA during the peak two-month period, would enjoy a seamless airport experience. The proven operational excellence during the Olympic Games, especially the efficient accommodation of record traffic levels, enabled AIA to obtain the approval of the Hellenic Civil Aviation Authority to operate under the "schedule facilitated"

status throughout the year, as of summer 2005. AIA, as the only large airport in Europe (more than 10 million passengers) of a similar status, has become the springboard for the airlines' developmental plans with no capacity restrictions.

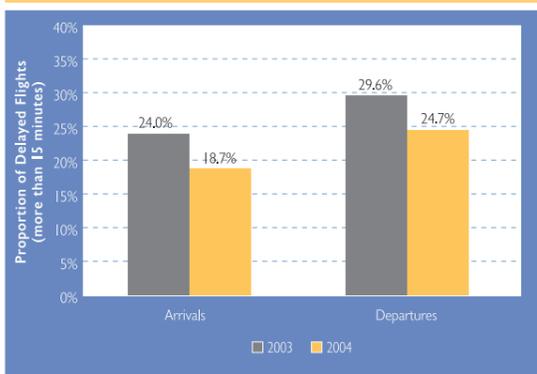
Having established an extremely high level of security from day one, Athens Airport remains one of the few airports with a three-level hold baggage screening system fully integrated into the baggage handling system to increase capacity and maintain the highest level of baggage screening. Athens was also one of the very first airports to apply computer tomography technology equipment for the detection of suspect devices in hold baggage. Furthermore, AIA proceeded with the acquisition of explosive-sniffing equipment for all passenger-screening points, additional screening equipment, and the installation of terrain blockers at all entrances to the apron. Therefore, in view of the Olympic Games period, only few additional measures were applied, mainly to ensure that passengers and visitors could move with a minimum of delay on the Airport premises.

#### Operational Excellence and Passenger Satisfaction

AIA's smooth and efficient operation, despite the special circumstances prevailing during the year, is reflected in the measurement of key operational parameters, as well as in the passengers' perception pertaining to the Airport services and facilities. Punctuality performance on passenger flights was significantly improved in 2004, with a percentage of 24.7% of departing flights being delayed for more than 15 minutes compared to 29.6% in 2003 and 34.0% in 2002 (see chart 8.2). The average delay time was 40 minutes and remained similar to the two previous years, despite the large delays in mid February 2004 resulting from the heavy snowfall and extremely low temperatures for the region (see chart 8.3). Only 0.6% of

the delayed departures are attributed to "Airport Facilities", reflecting the Airport Company's operational efficiency. AIA has recently implemented a programme to closely monitor the delays and the respective reasons, requesting the airlines' participation by providing the reasons for all delayed flights. The Airport Company considers this process a collaborative approach towards optimising operational transparency.

**Chart 8.2**  
Proportion of Delayed Flights 2003-2004



**Chart 8.3**  
Average Delay per Delayed Flight



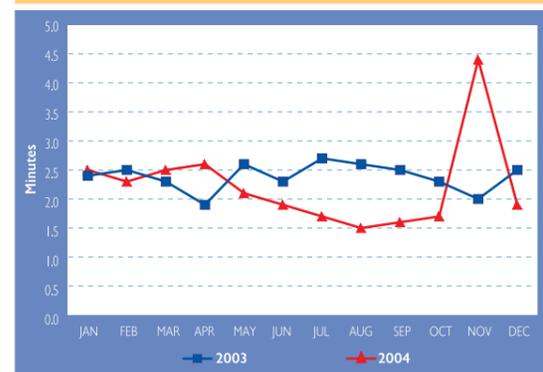
Critical parameters of service performance, such as check-in, security screening queuing, and baggage delivery, presented significant improvement in the course of 2004 compared to 2003, while the relevant targets set by the

Airport Company were achieved. The year average for check-in queuing time was measured at 5:37 minutes compared to 6:23 in 2003, while, in regards to security screening queuing time (for passengers and hand luggage), the total year average was measured at 2:15 min, lower than 2003, despite the peak noted in November, attributed to a strike staged by the outsourced security screening personnel. The baggage delivery service in 2004 followed the same seasonal trend as previous years and at a slightly improved performance level (see charts 8.4 to 8.6).

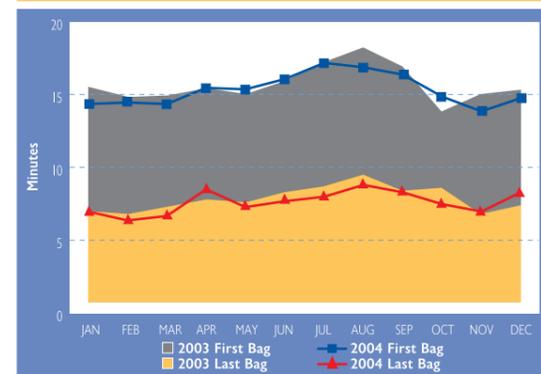
**Chart 8.4**  
Check-in Queues - All Airlines  
Average Check-in Queuing Time per Month 2003-2004



**Chart 8.5**  
Security Screening (pax & handbags)  
Average Queuing Time per Month 2003-2004 (all screening points)



**Chart 8.6**  
Baggage Delivery Service  
Average Time for First and Last Bag from "on blocks" Time



AIA's sustained operational excellence has been acknowledged by passengers and airport customers. The Airport made it to the 2nd position in Europe and 2nd in the world behind Helsinki, among airports of 5-15 million passengers per annum, according to the results of the AETRA Programme (previously IATA Global Airport Monitor) for the year 2004, rating highly in passenger satisfaction for the 4th consecutive year, not only on "Overall Passenger Satisfaction", but also on a number of particular service attributes (see table 8.1).

**Table 8.1**  
AIA Ranking according to 2004 AETRA Programme

ATTRIBUTES	RANKING	
	Airports between 5 and 15 mppa	All European Airports
Comfortable Waiting/Gate Areas	2nd	2nd
Ease of Making Connections with Other Flights	3rd	4th
Cleanliness of the Airport Terminal	1st	1st
Ambience of the Airport	1st	4th
Business Facilities	1st	1st
Sense of Security	1st	2nd
Thoroughness of Security Inspection	2nd	1st

### Infrastructure Upgrade

A number of infrastructure projects undertaken and completed in 2004 further enhanced the Airport's operational efficiency.

#### Train Station

Access to the Airport was further facilitated by the launch of operation, shortly before the Olympic Games, of a suburban rail link system and the Metro running between the Port of Piraeus, the Athens centre and the Airport. AIA carried out the design and construction of the station, which is an integrated part of the Main Terminal Building and is run by the Airport Company.

#### General Aviation

The new General/Business Aviation Facility, with direct access to the airside and the landside area, commenced operations on 1st August 2004. The facility is operational on a 24-hour basis, and is equipped with all necessary infrastructure to provide efficient and fast handling of GA flights.

#### Fuel Pipeline

In March 2004, the fuel pipeline connecting the refineries with the Airport's fuel tank farm commenced operations. This state-of-the-art infrastructure project was constructed by Athens Airport Fuel Pipeline Company S.A. (E.A.K.A.A.), a joint venture with a 17% stake for AIA, ensuring an uninterrupted supply of aviation fuel to the Airport, providing a cost benefit to the users and contributing significantly to safety and environmental protection.

# 9. Non-aeronautical Activities

## Athens International Airport



During 2004, revenues from non-aeronautical activities grew by 16.8%, reaching the amount of €133.8 million, and surpassing considerably both passenger increase and aeronautical revenue growth. Traffic growth contributed in the increase by 13.3% of ground handling central infrastructure revenues, which amounted to €31.5 million. The new outlets in the terminal commercial area, together with a very effective promotional strategy, boosted the commercial revenues, while IT&T expanded significantly its external business. Moreover, 2004 was marked by the inauguration of the "IKEA" and "Kotsovolos" outlets that were the first developments in the Airport's retail park. The consistent growth of commercial revenues and their contribution in the Company's total turnover, reflect the successful implementation of AIA's non-aeronautical strategy of offering high-quality, value for money services, as well as exploiting effectively its property assets.

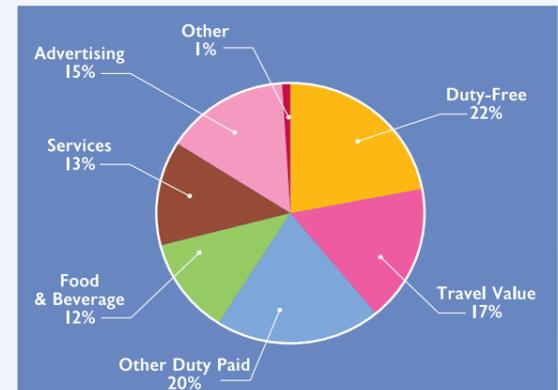
### Commercial Activities

AIA's Shopping Centre continued offering a dynamic and robust business environment to its partners, and a highly attractive product offer to its customers through enriched commercial facilities. Various surveys confirm continuous customer satisfaction with our Airport's shopping experience. According to the results of the AETRA programme, during the last four years, AIA's Shopping Centre consistently ranks among the top positions in Europe and worldwide, both in terms of product offer and value for money (see table 9.1).

**Table 9.1**  
AIA Ranking according to 2004 AETRA Programme

ATTRIBUTES	RANKING	
	Airports between 5 and 15 mppa	All European Airports
Restaurant / Eating		
Facilities	2nd	2nd
Value for money	3rd	1st
Shopping		
Facilities	2nd	3rd
Value for money	1st	1st

**Chart 9.1**  
2004 Commercial Revenues Breakdown



**Chart 9.2**  
2004 vs. 2003 Commercial Revenues



This success is also combined with very favourable financial results. AIA's sales increased by 17% compared to last year and its revenues by 25%, reaching a total of €47 million (see charts 9.1, 9.2).

This increase was created not only as a result of the extra demand observed during the Olympic Games, but also as a consequence of the improved performance shown throughout the year, both by the existing commercial facilities and the eleven new stores.

Aiming to offer an improved travelling experience during the Olympic Games, we fine-tuned our commercial concept to ensure an efficient and successful operation, resulting in:

- Close co-operation with all concessionaires, to assist in their preparation for the Olympic Games period (staffing, storage areas, extension of operating hours, stock availability etc)

- "Airport Commercial Effectiveness" seminars provided by the Airport Company to all concessionaires, focusing on customer service
- Upgrading of commercial signage in the Airport premises
- 14 temporary commercial units, in addition to the 11 new stores. In total, AIA's Shopping Centre during the Olympic Games spread over an area of approximately 8,000 m<sup>2</sup> and comprised over 100 commercial units.
- Marketing activities, including special sales offers in various retail, food & beverage and services units, in co-operation with the majority of the concessionaires, and promotional stands in prime locations

The Olympic Games also created a high demand for AIA's advertising spaces, which led us to increase the available space, contributing to increased revenues (+70% compared to last year). Especially for the summer period, literally all advertising spaces were utilised by the Olympic Games sponsors, reaching an occupancy rate of 100%.

### Property Management & Development

Pursuing its "Airport City" vision, AIA embarked on its real estate development implementation programme with the launch of the "Airport Retail Park". The 130,000m<sup>2</sup> park is located 2 km south of the Main Terminal Building, and is directly linked to the new Athens ring road (Attiki Odos) providing easy accessibility to all visitors.

Within the first seven months of operation, we welcomed more than 1,500,000 visitors of the "IKEA" furniture and household goods outlet, as well as the "Kotsovolos" electrical & electronics store. Proceeding with the second phase of the implementation programme, AIA entered into an agreement for the development of the Airport's "Factory Outlet". It is anticipated that the 13,000m<sup>2</sup> branded fashion outlet will operate in early 2006.

The Airport's public car parking facilities generated revenues amounting to €12.5 million, presenting a significant increase of 17% compared to 2003. Long-term parking contributed by 64% to these revenues, while short-term parking by 33%. Additional parking services, such as the Executive Valet Parking, the Tour Bus parking lot, and advertising in the parking facilities, represented the remaining 3% of the revenues. The high level of services offered in the Airport's

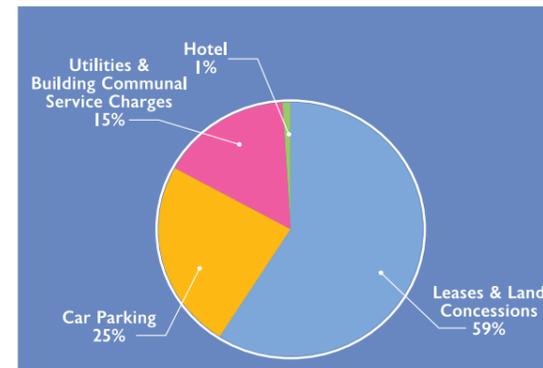
parking facilities is reflected in the results of the AETRA Programme, which placed Athens in one of the top positions in Europe and internationally (see table 9.2).

**Table 9.2**  
AIA Ranking according to 2004 AETRA Programme

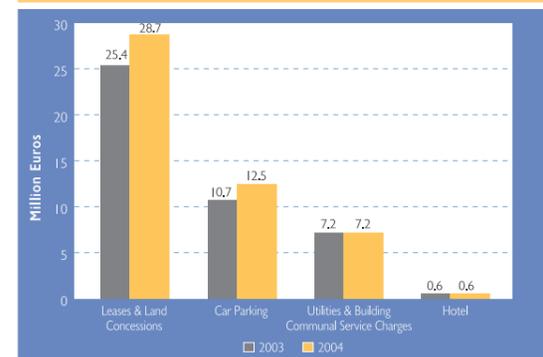
ATTRIBUTES	RANKING	
	Airports between 5 and 15 mppa	All European Airports
Parking		
Facilities	2nd	3rd
Value for money	2nd	2nd

The real estate developments, together with the yield optimisation of leases and land concessions, as well as the exceptional performance of the Airport's public car parking facilities, resulted in increased revenues. Property revenues presented a 12% increase over 2003, reaching the level of €49 million (see charts 9.3, 9.4).

**Chart 9.3**  
2004 Property Revenues Breakdown



**Chart 9.4**  
2004 vs. 2003 Property Revenues



### Information Technology & Telecommunications

2004 was a year of significant focus on IT&T due to the Olympic Games. The Airport Company's IT&T, with a track record of sustainable airport business continuity, customer understanding and fast delivery capability, provided an excellent level of services, applied innovations, and new technologies. The added-value services to passengers and airport community members placed Athens International Airport once more among the world leaders in aviation technology.

AIA introduced improved passenger services and advanced technologies during the Olympics, as for example, the Common Use Self Service check-in kiosks (CUSS), and the off-airport check-in at the Olympic Village. In addition, state-of-the-art new flat LCD monitors were installed in various indoor and outdoor locations, to provide flight information and dynamic signage. Capitalising on the successful Olympic Games experience, these investments have a long-term use, adding further value to the services offered to our customers.

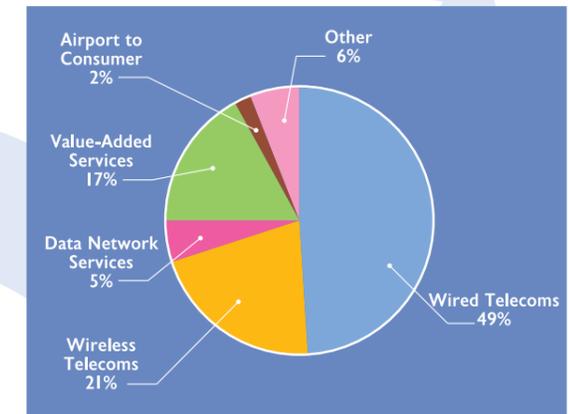
Within 2004, AIA developed further its ability to provide wireless access to the Internet through laptops, personal digital assistants (PDAs), and Internet kiosks. Via a series of advanced applications such as IP telephony, and high availability fixed and mobile connectivity, the Airport ensures increased operational efficiency and offers added value services to aviation professional users and passengers. The "smart bus-stop" service was further extended to the car parking shuttle service, allowing passengers and visitors to be duly informed about the bus waiting times. Using web-based portal technology, AIA provides secure access to operational and business-related information for its employees, tenants and other e-business partners, and contributes to operational efficiency and economies of scale. IT&T provides nearly 300 companies operating today at AIA with integrated and innovative solutions to meet the needs of nearly 11,000 end users.

At the same time, IT&T developed its strategy for identifying business opportunities outside the Airport, to sell its added-value products. Aiming to achieve a viable long-term external business activity, AIA is establishing a network with leading global partners of the IT&T and

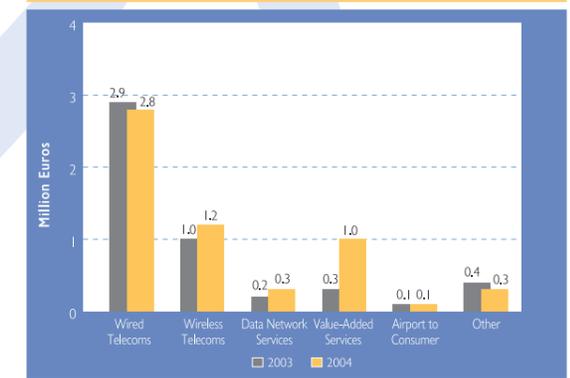
aviation industries. Furthermore, AIA acquired important experience in 2004 through projects in aviation and other industries, such as the consulting services provided to Sydney International Airport. AIA's IT&T has a strong value potential for presence in other international airports investing in innovation and technological upgrades.

This year's IT&T performance reiterates AIA's business approach, according to which IT&T does not only constitute an essential service provider, but also an important stream of revenues. This is also reflected in the 2004 revenues reaching €5.5 million, an increase of 27% (see charts 9.5, 9.6).

**Chart 9.5**  
2004 IT&T Revenues Breakdown



**Chart 9.6**  
2004 vs. 2003 IT&T Revenues





# 10. A Responsible Employer

Athens International Airport



Our Human Resources strategy is based on retaining and developing a team of highly qualified personnel, and therefore, we consider human capital of utmost importance to our organisation. By investing in our people, we are constantly adding value to our business, improving our productivity ratios. In particular, our revenues per employee and passengers per employee indices have increased since 2002 by 23.9% and 17.8%, respectively (see charts 10.1, 10.2).

At Athens International Airport we believe that sustaining a leading position in our industry can only be achieved by promoting our values of responsibility, respect, open communication, integrity, teamwork and customer orientation.

By adopting the best practices in the market regarding our human resources, we offer equal opportunities and implement highly competitive systems of remuneration and benefits. We are striving for a pleasant and safe working environment and provide opportunities for development through training and job rotation. We have developed various corporate programmes, encouraging creativity and new ideas. AIA is a preferred employer with a low turnover ratio compared to labour market standards, and has always enjoyed peaceful labour relations.

Aiming at strengthening our organisational cohesion, further developing our corporate values, and transforming AIA to a more market-focused and customer-oriented company, an organisational restructuring process was initiated in November 2004, that will also integrate the approach and the achievements of the Olympic Games into the Company's day-to-day practice. This review will change and improve our organisation, further develop our people's skills and Company procedures, and build-up a strong and dynamic corporate culture.

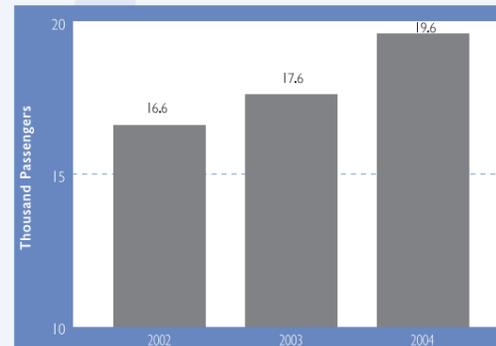
### Our Employees

At the end of 2004, we were employing a highly competent team of 698 employees, with an average age of 35 years, the vast majority of whom have high specialisation and educational levels. At the same time, we outsource other functions such as security, maintenance, fire and first aid services etc. to external experts, achieving therefore, high levels of functionality and efficiency. AIA has committed in supporting employment for the neighbouring areas of the greater Messogaia region. The number of employees living in the surrounding communities has increased, currently reaching 26% of our total personnel force.

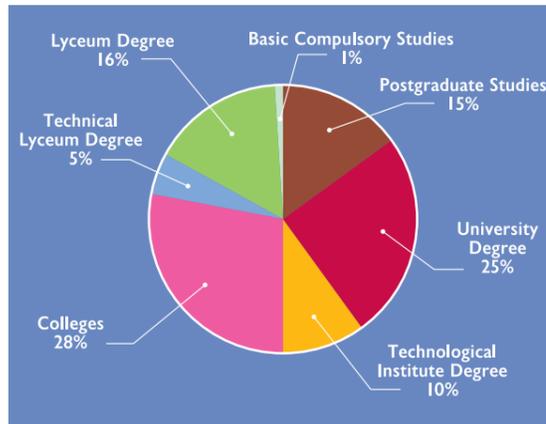
Chart 10.1  
Revenues per Employee Index 2002-2004



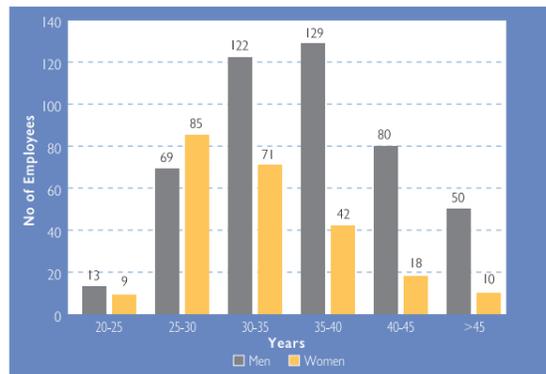
Chart 10.2  
Passengers per Employee Index 2002-2004



**Chart 10.3**  
Educational Level



**Chart 10.4**  
Age & Gender of Employees  
(as of 31/12/2004)

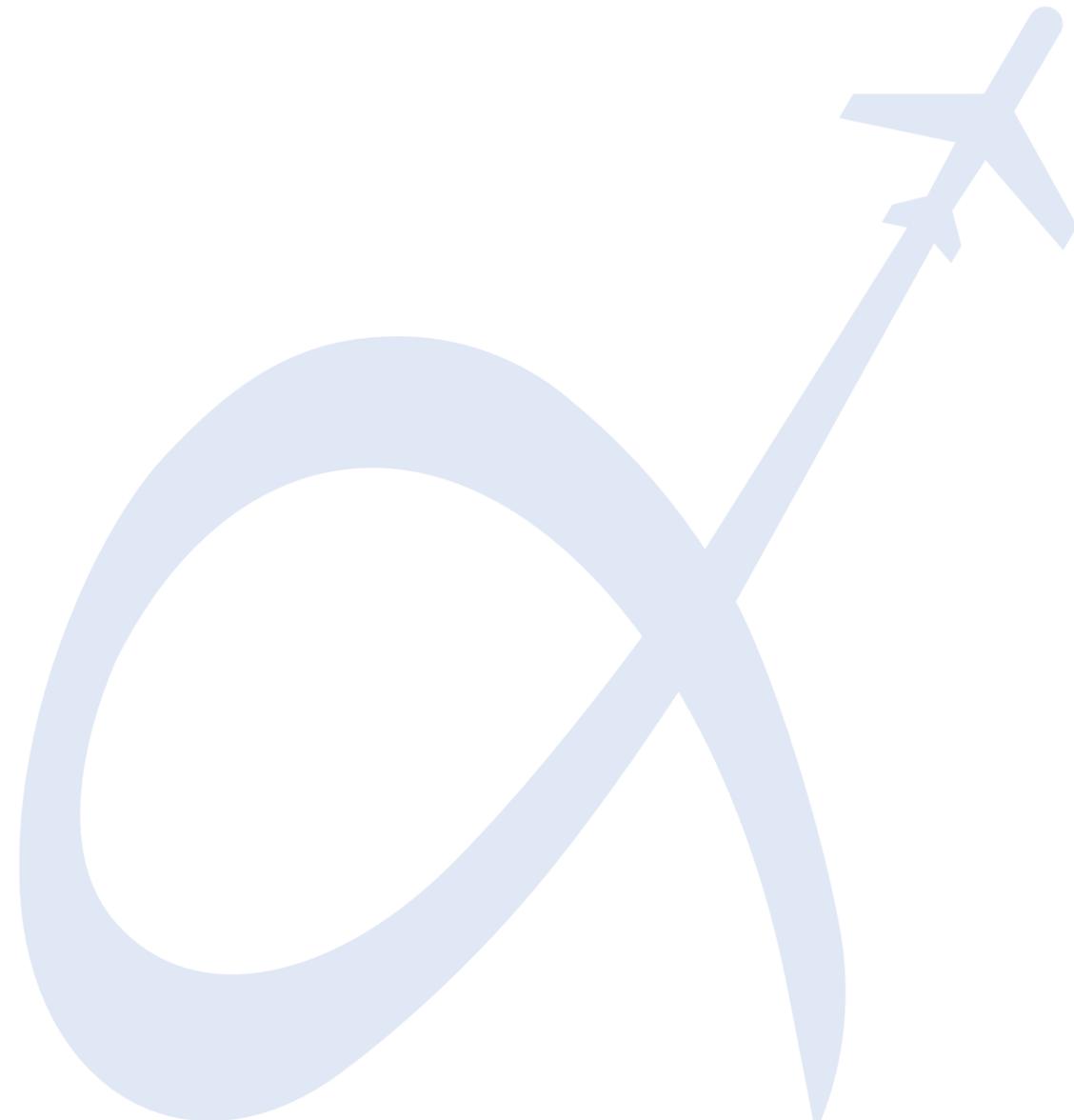
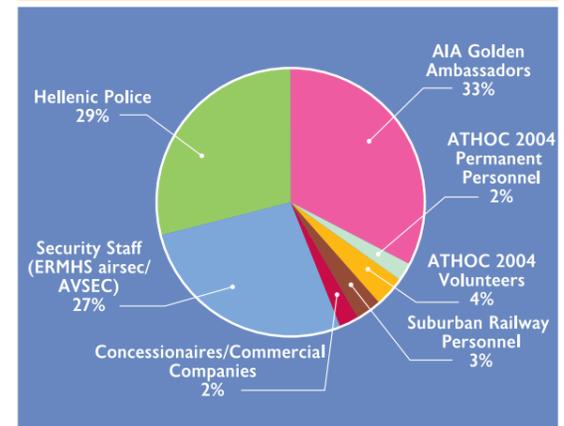


During the Olympic & Paralympic Games we developed the "Golden Ambassadors Programme", a volunteer programme providing for the secondment of most of AIA's administrative staff to functions requiring additional resources during the Games. Almost two hundred AIA employees, after completing specially designed training sessions, participated in this programme, demonstrating the team spirit of our staff and the customer orientation of the Airport Company.

### An Employer Encouraging Development

Due to the Olympic & Paralympic Games, our main focus was in training activities that would ensure that our organisation would meet the challenges of the Olympic Games, as well as the special training of the entire Airport staff for the accommodation of the needs of the Paralympic Family. A total of 23,105 man-hours were invested in training AIA and Airport community employees, of which 17,284 man-hours were specifically focused on the Olympic Games (see chart 10.5).

**Chart 10.5**  
Overall Training Man-hours for  
Olympic Games Purposes





## II. Caring for our Society

Athens International Airport



In the course of 2004, the Airport Company maintained and further enhanced its corporate citizenship role through a number of social responsibility initiatives, focusing on the environment, local communities, humanitarian sponsorships and culture.

### Caring for the Environment

Athens International Airport "Eleftherios Venizelos" is the only Greek airport, with an Environmental Department certified according to the EN ISO 14001 standard. DQS Hellas successfully completed the annual assessment audit according to this standard in December 2004.

Based on runway use data for 2004, the compliance with the Noise Abatement Procedures during the afternoon (15:00-18:00) and night (23:00-07:00) periods was very satisfactory. AIA operates successfully the "We Listen" telephone line (210 35 30 003), through which citizens may receive information or discuss their concerns about noise issues on a 24-hour basis.

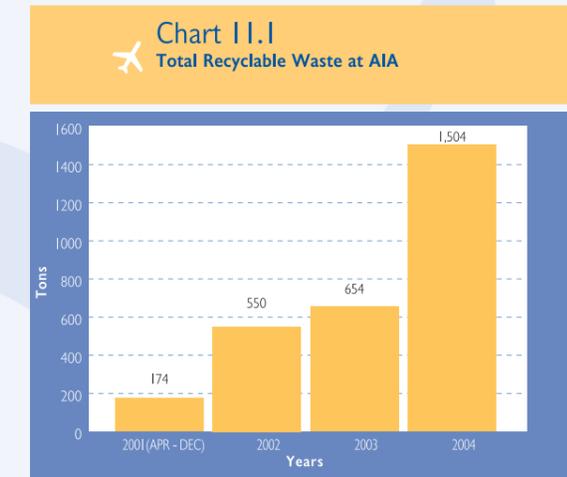
Following a testing phase, the acoustic radar is fully operational since November 2004, providing data regarding wind field conditions (i.e. wind speed and direction in the lower atmosphere up to 1,500 metres), thus contributing to the comprehensive assessment of air-quality and meteorological conditions.

In view of the Olympic Games and in co-operation with the Hellenic Civil Aviation Authority, AIA organised an open meeting with the representatives of 22 local Non-Governmental Organisations (NGOs), to inform them on the increased air traffic expected for August 2004; explain the need to temporarily discontinue some of the Noise Abatement Procedures; and discuss all relevant issues. However, given the sensitivity of all the authorities on noise issues, continuous efforts were made to apply relevant restrictions, where practicable, while the co-operation of the population was evident, since a very limited number of citizens complained about noise in August.

Athens International Airport was distinguished as a GreenLightAward winner in 2004 for the implementation of a series of energy-efficient measures for lighting in the Main and Satellite Terminal Buildings, as well as the Administration Building, leading to annual energy savings of 3,300 MWh.

AIA has developed recycling programmes for paper, plastic, glass, aluminum, wood, and used vehicle tires. In order to encourage recycling even further, AIA extended the "zero charge" pricing policy to all recyclables, an initiative which, combined with the increased waste quantities, led to more than doubling the collection of recyclables compared to 2003. In 2004, 11,692 tons of waste were generated, of which 8,711 tons corresponded to residual waste, 694 tons sludge, 187 tons greenery waste, 22 tons special waste, 471 tons other waste and 1,504 tons recyclables.

AIA implements a systematic monitoring programme for ground and surface water. Athens International Airport is one of the few airports worldwide to have its own Sewage Treatment plants, which treat all sewage water waste generated across the Airport site.



Athens International Airport S.A. has established a Bird Hazard Control and Reduction Programme in order to reduce the bird strike risks for aircraft. In 2004, the increased presence of gulls was managed successfully, while proposals of the 2003 audit were implemented.

Sixty-five environmental audits were performed by the Airport Company, assessing the environmental management of third parties operating at the Airport. Daily site inspections took place in order to identify any areas of non-compliance.

Environmental training within AIA was successfully conducted. Currently, 65.5% of all AIA's personnel have

attended the Environmental Awareness Seminar, while 18 seminars on Environmental Awareness and Waste Management were provided to the Airport Community.

As part of the efforts to increase environmental awareness in the greater Messogaia area, AIA organised the training seminar "Airport and the Environment", addressed to the secondary education schools in the vicinity of the Airport. The seminar includes a presentation of the Airport's environmental activities and a discussion with the students on environmental and other issues related to the Airport's operation. During 2004, 243 high school students of the neighbouring municipalities attended the presentations.

In 2004, AIA continued the Environmental Scholarship Programme, providing three scholarships for graduate theses to post-graduate students of the University of the Aegean / Department of Environmental Studies. Aegean Airlines kindly sponsored the travel of the scholarship recipients.

### Caring for our Neighbours

We are further developing our relations with the municipal authorities, the local associations, as well as individual residents and opinion makers of the region, through a series of actions dealing with a number of local problems and needs raised by the local communities.

Within the framework of our strategy towards the local community, we continued offering our support in the fields of development, education, culture, and employment. More specifically:

- Road construction and waste collection projects in Artemis
- Office equipment and hardware offered to 14 schools in Artemis, Spata and Rafina
- Financial support offered for local festivities, athletic events and exhibitions in Artemis, Spata, Rafina and Pallini
- Employment opportunities offered by the Airport Community and AIA to cover permanent as well as Olympic Games temporary needs

- Sponsorship of 5,000 tickets for the Paralympic Games distributed at the schools of our neighbouring communities

We continued our meetings with the local community representatives, with the ultimate objective of establishing a win-win partnership based on commonly accepted principles, and following an annual action plan that will demonstrate our determination for lasting co-existence. This target has so far been met to a great extent, and ongoing efforts will be further pursued in this direction.

### Caring for Social & Cultural Development

Consistent with its commitment to support and facilitate people with disabilities, as well as contribute to their right in engaging in sporting activities, AIA sponsored the preparation and participation of one of its employees, Mr George Delikouras, in the Paralympic Games, who succeeded in ranking 8th in his competition class. This initiative followed the sponsorship of the athlete's racing yacht and participation in the World Disabled Sailing Championship 2003, under the motto "It takes more than just the wind".

Within the context of promoting the "Airport Museum" as well as Greece's cultural heritage during the Olympic Games, a bilingual brochure titled "Museum: Messogaia Attica – History & Civilisation" was published, providing detailed information about the creation of the Museum, the excavations in the area, the findings etc.

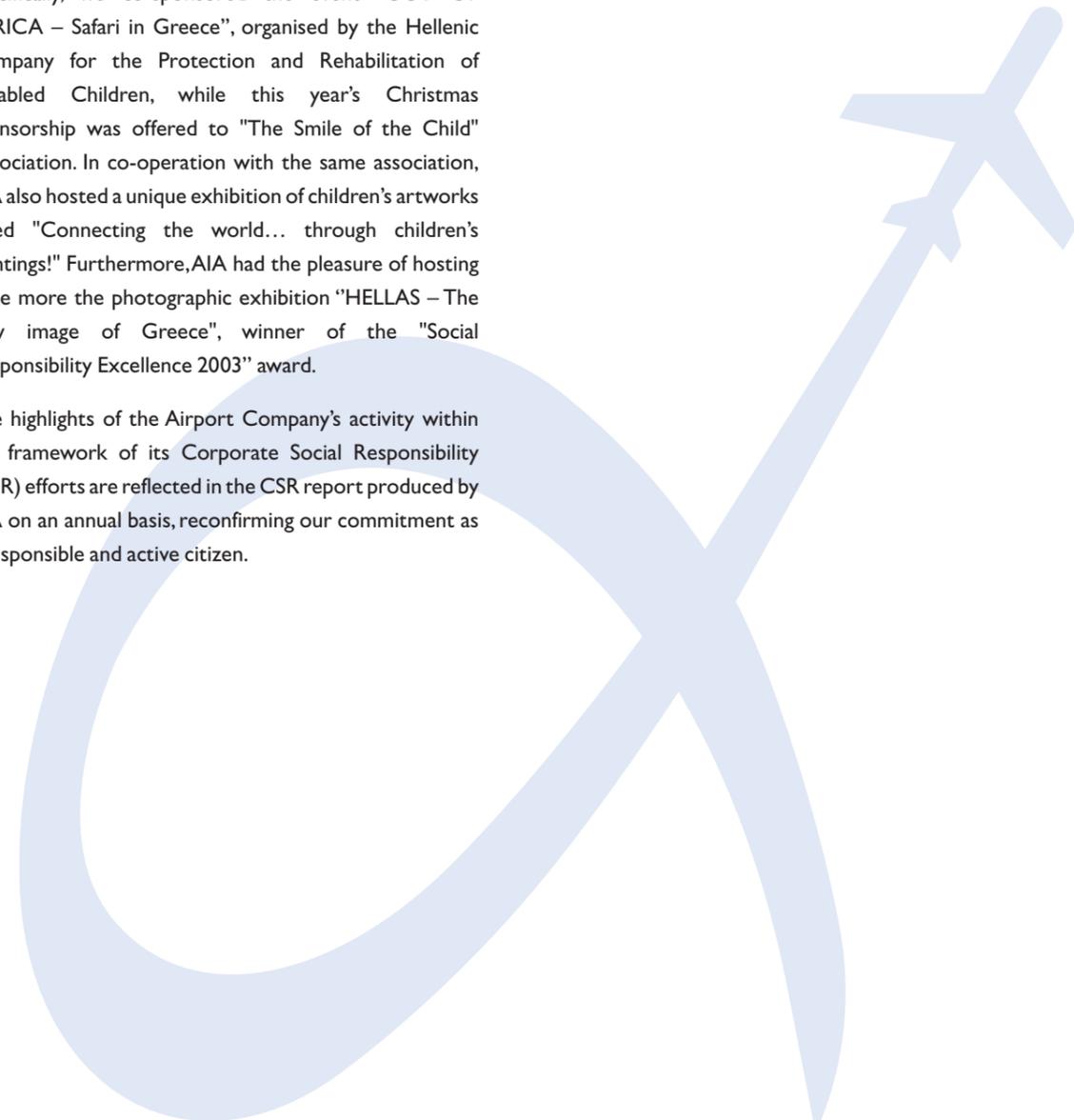
A unique permanent exhibition gallery of 1,600 m was created in the underground link connecting the Main Terminal and Satellite Buildings. Through the multi-media experience "Athens: The City of Colours", this area was transformed into a virtual journey in the old, classical and modern Athens, while a special section was dedicated to previous Olympic Games.

During the peak departure days of the Olympic Games, our Airport succeeded in giving the best last impression of our country by offering a pleasant and comfortable environment to passengers and visitors during their departure. AIA proceeded with the implementation of a

festive entertainment programme demonstrating Greek hospitality, which was definitely one of the highlights during the peak departure days.

Continuing to support children and promote the Greek cultural heritage by various initiatives, we worked closely with and sponsored the activities of two major humanitarian organisations, and hosted a number of cultural exhibitions within the Airport terminal. More specifically, we co-sponsored the event "OUT OF AFRICA – Safari in Greece", organised by the Hellenic Company for the Protection and Rehabilitation of Disabled Children, while this year's Christmas sponsorship was offered to "The Smile of the Child" Association. In co-operation with the same association, AIA also hosted a unique exhibition of children's artworks titled "Connecting the world... through children's paintings!" Furthermore, AIA had the pleasure of hosting once more the photographic exhibition "HELLAS – The new image of Greece", winner of the "Social Responsibility Excellence 2003" award.

The highlights of the Airport Company's activity within the framework of its Corporate Social Responsibility (CSR) efforts are reflected in the CSR report produced by AIA on an annual basis, reconfirming our commitment as a responsible and active citizen.





## 12. Future Prospects

Athens International Airport



### Implementing our Strategy

Aiming at corporate value creation for our stakeholders, our Company will consistently implement its corporate strategy in relation to Aeronautical, Commercial and Human Resources development.

In the framework of our aeronautical strategy and aiming to sustain long-term traffic growth, AIA will endeavour to:

- continue pursuing innovative marketing practices in order to enhance existing domestic and international traffic.
- concentrate its efforts on the Airport's potential as a regional gateway.
- further build on the Airport's attractiveness to low-cost carriers.
- consistently apply a pricing policy aiming at long-term financial performance without compromising the Airport's competitiveness.

Within the context of our non-aeronautical strategy, we will continue investigating new opportunities for development, while promoting our existing assets in order to further boost revenues. In this framework, our Company undertakes the following initiatives:

- We are in the process of introducing 3 additional retail units of approximately 150 m<sup>2</sup> within the main terminal, whereas a new study will be commissioned, following the completion of the Master Plan, to assess the developmental potential of retail in the wider terminal area.
- We have successfully completed the tender process for the concession award for the development of an additional land plot in the Airport's retail park, and expect this new major commercial facility to commence operations in 2006.
- We continue a market investigation and selection process of the optimum partners towards the development of our land property.
- We are evaluating the feasibility of additional developments in areas assigned for commercial use, in conjunction with the finalisation of the Master Plan Review within 2005.
- We continue to exploit our cutting-edge expertise in IT&T activities by expanding into the business-to-business and airport-to-consumers markets.

Finally, within the context of AIA's Human Resources development strategy, the implementation of the

corporate restructuring will take place to enable the Company pursue more effectively its strategic goals. Thus, 2005 will be a year of transition for the organisation; AIA's operational units will be gradually transformed to business units and our corporate culture will be further developed and disseminated throughout the Company. We strongly believe that the new structure will strengthen Athens International Airport's competitive advantage by improving further its customer service orientation.

### Master Plan

The Airport Company's Master Plan review is expected to be finalised by mid 2005, with the support of expert consultants. This endeavour will be translated into long-term investments in accordance with the business plan objectives, and shall be responsive to asset management needs, as well as to the Airport's expansion projects, taking into account the Airport's capacity potential, as demonstrated through the peak traffic demands experienced during the Olympic Games period.

### Preparing for the Athens Stock Exchange

Our track record of continuous growth and seamless operation has proven that Athens International Airport is an attractive investment for the capital markets. Therefore, and given the intention of the two main shareholders that the Company be listed in the Athens Stock Exchange, we are ready to take all preparatory steps required to implement any decision of the Company's shareholders in this respect.

### Projections for 2005

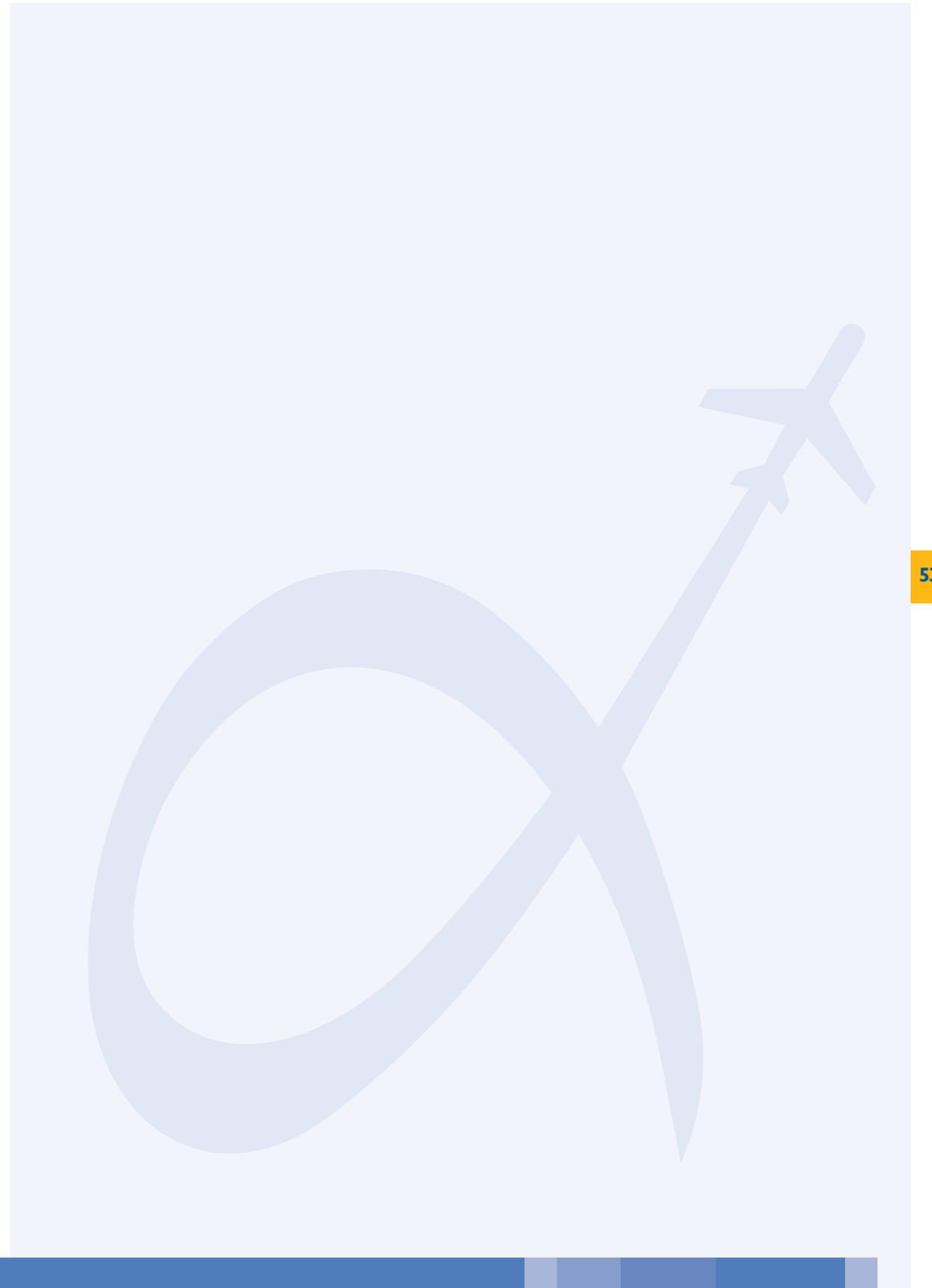
Following a year of traffic records and achievements, the traffic results to date show that Athens traffic is developing further. However, it is projected that the exceptionally high Olympic traffic levels will not be sustained throughout the year. Therefore, for 2005 we forecast passenger traffic to reach 13.4 million passengers, corresponding to a projected turnover of €320.3 million.

After four years of successful operation and positive financial results, Athens International Airport has proven that, under proper conditions and policies, the Public-Private Partnership is a viable and successful model for infrastructure projects in Greece. We shall continue to invest towards the Airport's long-term operational and business excellence, guaranteeing sustainable value creation for the Company's stakeholders and the public at large.



# 13. Financial Statements

Athens International Airport



# ATHENS INTERNATIONAL AIRPORT A.E.

ORGANISATION - DEVELOPMENT - OPERATION OF AIRPORTS  
HEAD OFFICE : AT SPATA IN ATTICA - REG No 35925/04/B/96/60

## BALANCE SHEET AS AT 31 DECEMBER, 2004

9th FISCAL YEAR ( 1 JANUARY - 31 DECEMBER, 2004 )

( Amounts in Euro )

ASSETS	Financial year 2004			Financial year 2003		
	Acquisition Cost	Depreciation	Net Book Value	Acquisition Cost	Depreciation	Net Book Value
<b>C. FIXED ASSETS</b>						
<b>I. Intangible fixed assets</b>						
5a. Usufruct of the site	159,840,236.59	23,976,035.47	135,864,201.12	159,840,236.59	17,582,426.01	142,257,810.58
<b>II. Tangible assets</b>						
1. Land	89,942.83	0.00	89,942.83	89,942.83	0.00	89,942.83
3. Buildings & technical works	1,806,497,370.08	280,752,550.09	1,525,744,819.99	1,770,536,228.27	205,005,126.07	1,565,531,102.20
4. Machinery, technical, installation & other mechanical equipment	490,853.68	174,062.49	316,791.19	290,728.06	115,144.66	175,583.40
5. Transportation means	29,323,416.15	21,368,169.83	7,955,246.32	29,642,244.88	15,950,833.85	13,691,411.03
6. Furniture & other equipment	64,047,722.56	42,524,674.31	21,523,048.25	53,422,723.85	30,902,189.96	22,520,533.89
7. Assets under construction and advances	971,959.21	0.00	971,959.21	19,517,747.44	0.00	19,517,747.44
<b>Total tangible &amp; intangible assets (CI+CII)</b>	<b>2,061,261,501.10</b>	<b>344,819,456.72</b>	<b>1,556,601,807.79</b>	<b>1,873,499,615.33</b>	<b>251,973,294.54</b>	<b>1,621,526,320.79</b>
<b>III. Participations and other long term financial assets</b>						
2. Participating interest in other companies			984,439.43			984,439.43
7. Other long term receivables			329,890.54			5,411,623.32
<b>Total fixed assets (CI+CII+CIII)</b>			<b>1,314,329.97</b>			<b>6,396,062.75</b>
<b>D. CURRENT ASSETS</b>						
<b>I. Inventories</b>						
1. Merchandise			243,911.24			69,243.31
4. Consumables and spare parts			4,619,744.07			3,995,865.76
5. Stock advance payments			90,127.87			14,489.60
<b>II. Receivables</b>						
1. Trade debtors, less provisions			40,327,411.98			50,332,770.50
8. Blocked deposits			69,997,316.04			86,393,434.75
10. Bad and doubtful Debts			79,101.46			35,058.71
11. Sundry debtors			50,694,461.73			44,453,281.90
12. Other advances & receivables			3,721.98			7,215.23
<b>IV. Cash at banks and on hand</b>						
1. Cash on hand			10,912.72			4,273.98
3. Current and time deposits			145,765,871.39			104,010,075.98
<b>Total current assets (DI+DII+DIV)</b>			<b>145,776,784.11</b>			<b>104,014,349.96</b>
<b>E. PREPAID EXPENSES &amp; ACCRUED INCOME</b>						
1. Prepaid expenses			1,570,182.31			1,233,247.24
2. Accrued income			14,220,488.31			14,678,004.61
3. Other prepaid expenses and accrued income			0.00			123,237.00
<b>Total prepaid expenses and accrued income</b>			<b>15,790,670.62</b>			<b>16,034,488.85</b>
<b>TOTAL ASSETS (C+D+E)</b>			<b>2,021,403,589.98</b>			<b>2,075,530,392.69</b>
<b>MEMO ACCOUNTS</b>						
2. Debit accounts for guarantees & real securities			37,797,791.05			42,170,565.84
3. Other memo accounts			1,854,990,780.80			1,865,122,633.98
			<b>1,892,788,571.85</b>			<b>1,907,293,199.82</b>

Notes: 1) In accordance with Law 2338/1995 article 35.1.4 ( c ) of the Airport Development Agreement (ADA), the Company has assigned to its lenders for the purpose of providing security for the Loan Agreements entered into by the Company, the outstanding balance of which, together with the accrued interest, was as of 31 December 2004 Euro 1,177,803,427.89 the usufruct of the site at Spata as such

LIABILITIES	Financial year 2004	Financial year 2003
<b>A. SHAREHOLDERS' EQUITY</b>		
<b>I. Share capital (30.000.000 shares of 10 EURO each)</b>		
1. Issued Share Capital	300,000,000.00	300,000,000.00
<b>III. Subsidies &amp; revaluation reserves</b>		
3. Investment subsidies	325,730,131.49	345,043,271.31
<b>IV. Retained Earnings</b>		
1. Statutory reserve	3,640,729.69	1,306,896.53
5a. Reserves from distribution of tax preference income	7,532.99	0.00
<b>V. Retained earnings</b>		
Retained earnings carried forward	24,566,330.90	8,731,033.97
<b>Total shareholders equity (AI+AIII+AIV+AV)</b>	<b>653,944,725.07</b>	<b>655,081,201.81</b>
<b>B. PROVISIONS FOR LIABILITIES AND CHARGES</b>		
1. Severance indemnity provision	2,300,686.46	1,758,528.84
2. Other provisions	21,654,262.03	17,873,719.68
<b>Total provisions</b>	<b>23,954,948.49</b>	<b>19,632,248.52</b>
<b>C. LIABILITIES</b>		
<b>I. Long term liabilities</b>		
2. Bank loans	1,098,513,785.91	1,172,920,348.74
4. Liabilities to related companies	45,000,000.00	80,466,714.50
8. Other long term liabilities	37,920,505.55	12,736,421.37
<b>II. Short term liabilities</b>		
1. Suppliers	8,874,329.47	17,651,473.64
4. Customer advances	7,462,326.94	12,966,210.77
5. Taxes & duties payable	1,082,059.15	717,643.53
6. Social security payable	1,057,302.35	995,762.66
7. Long term liabilities payable in subsequent financial year	74,410,752.00	55,705,775.28
10. Dividends payable	37,355,000.00	16,100,000.00
11. Sundry creditors	19,976,037.56	15,004,159.63
<b>Total liabilities (CI+CII)</b>	<b>1,331,652,098.93</b>	<b>1,385,264,510.12</b>
<b>D. ACCRUED EXPENSES &amp; DEFERRED INCOME</b>		
2. Accrued expenses	9,888,348.81	11,383,434.66
3. Other accrued expenses & deferred income	1,963,468.68	4,168,997.58
<b>Total accrued expenses &amp; deferred income</b>	<b>11,851,817.49</b>	<b>15,552,432.24</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C+D)</b>	<b>2,021,403,589.98</b>	<b>2,075,530,392.69</b>
<b>MEMO ACCOUNTS</b>		
2. Credit accounts for guarantees & real securities	37,797,791.05	42,170,565.84
4. Other memo accounts	1,854,990,780.80	1,865,122,633.98
	<b>1,892,788,571.85</b>	<b>1,907,293,199.82</b>

constituted by the Greek State pursuant to article 7.2 of the ADA. 2) Certain amounts on the Balance Sheet of the previous financial year 2003 have been reclassified in order to be comparable with those of the closing financial year 2004.

# ATHENS INTERNATIONAL AIRPORT A.E.

ORGANISATION - DEVELOPMENT - OPERATION OF AIRPORTS  
HEAD OFFICE : AT SPATA IN ATTICA - REG No 35925/04/B/96/60

## BALANCE SHEET AS AT 31 DECEMBER, 2004

9th FISCAL YEAR ( 1 JANUARY - 31 DECEMBER, 2004 )

( Amounts in Euro )

### PROFIT & LOSS ACCOUNT AS AT 31 DECEMBER, 2004 (January 1st - December 31st, 2004)

	Financial year 2004		Financial year 2003	
<b>I. Operating results</b>				
Net turnover (sales)		264,259,574.12		227,987,819.37
<b>Minus: Cost of sales</b>		<b>181,608,856.07</b>		<b>169,753,383.92</b>
Gross operating profit		82,650,718.05		58,234,435.45
<b>Plus: Other operating income</b>		<b>65,573,229.99</b>		<b>62,791,833.61</b>
Subtotal		148,223,948.04		121,026,269.06
<b>Minus: 1.Administrative expenses</b>	28,768,806.45		23,015,861.23	
3.Selling expenses	3,822,036.40	32,590,842.85	2,807,708.73	25,823,569.96
<b>Operating profit</b>		<b>115,633,105.19</b>		<b>95,202,699.10</b>
<b>Plus:</b>				
4.Interest income & other related income		6,210,935.67		8,918,052.14
<b>Minus:</b>				
3.Interest expense & other related expense		80,141,222.64	(73,930,286.97)	84,064,312.11
				(75,146,259.97)
<b>Profit before extraordinary items</b>		<b>41,702,818.22</b>		<b>20,056,439.13</b>
<b>II. PLUS (or minus): Extraordinary items</b>				
1. Extraordinary & non operating income		19,404,528.80		20,709,291.84
2. Extraordinary gains		22,630.48		26,472.17
3. Prior year income		26,882.14		3,422,286.71
4. Income from prior year provisions		4,321,652.74		6,029,324.22
		<b>23,775,694.16</b>		<b>30,187,374.94</b>
<b>Minus:</b>				
1. Extraordinary & non operating expenses	90,070.60		64,615.32	
2. Extraordinary losses	96,003.57		8,782.85	
3. Prior year's expenses	409,648.02		3,515,512.43	
4. Provision for extraordinary losses	17,736,733.31	18,332,455.50	5,443,238.66	17,704,637.89
		<b>5,443,238.66</b>	<b>17,704,637.89</b>	<b>21,293,548.49</b>
				<b>8,893,826.45</b>
<b>Operating &amp; extraordinary results (profit)</b>		<b>47,146,056.88</b>		<b>28,950,265.58</b>
<b>MINUS:</b>				
Fixed assets depreciation & preop expenses amortization		99,631,522.93		97,785,635.98
Minus: Depreciation included in the operating cost		99,631,522.93	<b>0.00</b>	97,785,635.98
				<b>0.00</b>
<b>PROFIT ( LOSS ) FOR THE FINANCIAL YEAR before taxes</b>		<b>47,146,056.88</b>		<b>28,950,265.58</b>

### APPROPRIATION ACCOUNT

	Financial year 2004	Financial year 2003
Net profit of current financial year	47,146,056.88	28,950,265.58
Retained earnings carried forward	8,731,033.97	4,390,429.66
Prior year taxes and duties	(300,216.13)	(7,433,839.99)
Subtotal	<b>55,576,874.72</b>	<b>25,906,855.25</b>
<b>MINUS:</b>		
1. Income Tax (Article 9, paragr.4 L.3296/2004)	(169,177.67)	0.00
Profits available for appropriation	<b>55,407,697.05</b>	<b>25,906,855.25</b>
The profits are appropriated as follows:		
1. Transfer to statutory reserve	2,333,833.16	1,075,821.28
3. Dividends payable	28,000,000.00	16,100,000.00
3a.Dividends from distribution of tax preference income	500,000.00	0.00
5a.Reserves from distribution of tax preference income	7,532.99	0.00
8. Retained earnings	24,566,330.90	8,731,033.97
	<b>55,407,697.05</b>	<b>25,906,855.25</b>

Spata, 31 March 2005

Chairman of BoD	Vice-Chairman of BoD	Chief Executive Officer	Chief Financial Officer	Manager Accounting
Prof. Constantinos Vaitos	Dr. Harald Peipers	Alfred van der Meer	Basil E. Fondrier	Panagiotis K. Michalarogiannis

Independent Auditors' Report

To the Shareholders of Athens International Airport A.E.

We have audited the above financial statements of Athens International Airport A.E. as of 31 December 2004, and the notes thereon. Our audit was performed in accordance with article 37 of Codified Law 2190/1920 relating to "Anonymes Eteries" and included the audit procedures we considered appropriate taking into account the auditing standards adopted by the Institute of Certified Auditors Accountants. The books and records maintained by the Company were placed at our disposal and we were provided with the necessary information and explanations for the purpose of our audit. The Company has properly applied the Greek General Chart of Accounts. The accounting policies have been consistently applied. We verified that the contents of the Board of Directors' Report to be submitted to the Annual General Meeting of the Shareholders agree with the related financial statements. The notes to the financial statements contain the information required under paragraph 1 of article 43a of Codified Law 2190/1920. Our audit revealed that the Company has not been audited by the tax authorities since its incorporation ( 1996 ) and consequently its tax obligations from the period of incorporation through to the year ended 31 December 2004 have not been finalised.

In our opinion, the above financial statements which are derived from the Company's books and records, together with the notes thereon, after taking into consideration the matter described in the preceding paragraph, present fairly the Company's financial position as of 31 December 2004 and its results for the year then ended in accordance with the applicable provisions and generally accepted accounting principles in Greece and have been applied on a consistent basis.

Athens, 5 April 2005  
KPMG Kyriacou Certified Auditors A.E.  
Nikolaos Vouniseas, Certified Auditor Accountant  
AM SOEL 18701

# ATHENS INTERNATIONAL AIRPORT A.E.

ORGANIZATION - DEVELOPMENT - OPERATION OF AIRPORTS  
HEAD OFFICE: AT SPATA IN ATTICA - REG. No 35925/04/B/96/60

## CASH FLOW STATEMENT

9th FINANCIAL YEAR (1 JANUARY - 31 DECEMBER, 2004) - 4th OPERATING YEAR  
(Amounts in Euro)

	Financial Year 2004		Financial Year 2003	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before taxation		47,146,056.88		28,950,265.58
Adjustments for:				
Depreciation of tangible fixed assets	93,237,913.47		91,392,026.52	
Amortization of intangible assets (Usufruct)	6,393,609.46		6,393,609.46	
Utilisation of fixed assets subsidies	(19,313,139.82)		(19,302,077.00)	
Loss on Sales of fixed assets	43,436.49		238,294.01	
Interest and related income	(6,210,935.67)		(8,918,052.14)	
Interest and related expenses	80,141,222.64	154,292,106.57	84,064,312.11	153,868,112.96
<b>Operating Cash Flow before working capital changes</b>		<b>201,438,163.45</b>		<b>182,818,378.54</b>
(Increase) in inventories	(874,184.51)		(837,843.43)	
Decrease / (Increase) in debtors	20,107,337.90		(85,765,463.65)	
(Decrease) / Increase in creditors	(5,832,010.76)		5,163,715.26	
Provisions for Liabilities and Charges	9,419,449.97		7,402,739.04	
Customer guarantees received	3,797,020.84		1,185,470.96	
Decrease in prepayments and accrued income	237,621.06		20,067,483.16	
(Decrease)/ Increase in accruals and deferred income	(2,531,137.40)		4,535,529.25	
Other long term assets	(2,607.22)		10,116,242.92	
Tax paid	(8,500,923.52)	15,820,566.37	(7,433,839.99)	(45,565,966.49)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>217,258,729.82</b>		<b>137,252,412.05</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital Expenditure	(28,497,916.96)		(24,507,963.16)	
Proceeds from sale of fixed assets	141,080.00		86,892.22	
Interest received	6,217,132.84		8,905,214.98	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(22,139,704.12)</b>		<b>(15,515,855.96)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Loan repayment	(55,701,586.11)		(38,601,169.28)	
Subordinated Debt Repayment	(35,466,714.51)		0.00	
Subordinated Loan Receipt (Art 13.4.3)	21,387,063.34		0.00	
Interest paid	(76,330,354.27)		(85,017,729.62)	
Dividends	(7,245,000.00)		0.00	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(153,356,591.55)</b>		<b>(123,618,898.90)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>41,762,434.15</b>		<b>(1,882,342.81)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>104,014,349.96</b>		<b>105,896,692.77</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>145,776,784.11</b>		<b>104,014,349.96</b>

Spata, 31 March, 2005

CHAIRMAN OF BOD	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	MANAGER OF TREASURY & FINANCIAL RISK MGT
prof. CONSTANTINOS VAITSOS	ALFRED VAN DER MEER	BASIL FONDRIER	EVANGELOS GEORGIU

Certified Auditor Accountant's audit report

To the Shareholders of ATHENS INTERNATIONAL AIRPORT A.E.

We have audited the above Cash Flow Statement of ATHENS INTERNATIONAL AIRPORT A.E. for the year 2004 which is derived from the financial statements upon which we issued our audit report dated 5 April 2005.

In our opinion the above Cash Flow Statement presents fairly the cash inflows and outflows from the activities of the above Company during the course of the year.

Athens, 26 April 2005  
KPMG Kyriacou Certified Auditors A.E.  
Nikolaos Vouniseas  
Certified Auditor Accountant  
AM SOEL 18 701

# ATHENS INTERNATIONAL AIRPORT A.E.

Societe Anonyme Registration No. 35925/04/B/96/60

NOTES TO THE FINANCIAL STATEMENTS

for the ninth Corporate Financial Year ended 31 December 2004

1 January 2004 - 31 December 2004

(In accordance with the provisions of Law 2190/1920)

## Section I

The method of compilation and structure of the financial statements.

Exceptions to present a true and fair view.

(a) Article 42a paragraph 3: Exceptions from the provisions regarding the compilation of the year end financial statements which are considered necessary to present a true and fair view in accordance with the provisions of paragraph 2 of this article.

No exceptions.

(b) Article 42b paragraph 1: Exceptions from the principle of the compulsory format and presentation of the Balance Sheet and the Profit and Loss Account.

Not applicable.

(c) Article 42b paragraph 2: State accounts where the classification in the financial statements is based upon judgement due to the nature of the account involved.

Not applicable.

(d) Article 42b paragraph 3: Adjustment of the presentation and description of the financial statements with Arabic numerals when the nature of the Company activities requires that it be performed.

Not applicable.

(e) Article 42 b paragraph 4: Setting off of financial statement items, corresponding to Arabic numerals - recording of unrelated items.

Not applicable.

(f) Article 42b paragraph 5: Reclassifications of prior year amounts to facilitate comparison with the current year balances.

The comparative amounts of the Balance Sheet have been reclassified so that they are comparable with the corresponding current year balances, as follows.

1. An amount of Euro 533,186.35 has been transferred from the "Accrued income" account to the "Sundry Debtors" account.

## Section 2

### Asset valuation

(a) Article 43a paragraph 1-a: Method of asset valuation, depreciation and the method of providing for devaluations.

1. Tangible fixed assets have been recorded at acquisition value, including the amounts of additions and improvements.

2. During the current financial year, depreciation provided amounted to Euro 99,631,522.93 of which Euro 93,237,913.47 relates to depreciation of tangible fixed assets. The remaining Euro 6,393,609.46 concerns the depreciation of the Usufruct Right of the area of Spata Airport. The depreciation method of the above Right is analysed in section 3 par.f of the present Notes to the Financial Statements.

3. The depreciation has been calculated for the tangible fixed assets exceeding Euro 600 in accordance with the tax rates prescribed in the Presidential Decree 299/2003 and for the tangible fixed assets less than Euro 600 with a 100% rate.

4. The participations have been valued at the lower of cost and net realisable value as of 31 December 2004.
5. The purchased inventory has been valued at the lower of cost and net realisable value as of 31 December 2004.
6. The acquisition value of all inventories has been determined based on the weighted average cost method, which is consistently applied since the establishment of the Company.
7. There was no provision for devaluation of fixed assets, participations in other companies or inventories.
- (b) Article 43a paragraph 1-a: Conversion of foreign currency assets to EURO and the accounting treatment of foreign exchange differences.**  
The assets and liabilities of the Company which are denominated in foreign currencies except for liabilities used for the acquisition of fixed assets, have been valued at the official exchange rates prevailing as at 31 December 2004 and the resulting foreign exchange differences are: a) Debit Euro 23,306.60 which have been taken to the profit and loss account as the net amount by currency (USD) was debit and b) credit Euro 3,916.66, which have been taken to the account "Other Provisions" as the net amount by currency (GBP) was credit.
- (c) Article 43 paragraph 2: Exceptions from the accepted methods of valuation. Use of other valuation methods.**  
Not applicable.
- (d) Article 43 paragraph 7-b: Changes in the method of calculating acquisition cost, the production cost of inventory or tangible securities.**  
Not applicable.
- (e) Article 43 paragraph 7-c: Analysis of the difference between the valuation of inventories and tangible securities in comparison with their market value, if material.**  
Not applicable.

**(f) Article 43 paragraph 9: Analysis and explanation of fixed asset statutory revaluations performed during the year and the movement in the revaluation reserve account.**

Not applicable.

### Section 3

#### Fixed Assets and Formation Expenses

**(a) Article 42e paragraph 8: Analysis of changes in fixed assets and formation expenses.**

Attached is a table in Appendix I, presenting the information required by the provisions of paragraph 8 of this article.

**(b) Article 43 paragraph 5-d: Analysis of accelerated depreciation rates applied during the year.**

Not applicable.

**(c) Article 43 paragraph 5-e: Provisions for write down of fixed assets.**

Not applicable.

**(d) Article 43 paragraph 3-e: Analysis and explanation of Incorporation Expenses and Start-up Costs relating to the year.**

Not applicable.

**(e) Article 43 paragraph 3-c: The amounts and accounting policy followed with respect to foreign exchange differences resulting in the current year from the payment of loan instalments and/or the year end translation of foreign currency loans obtained for the purchase of fixed assets.**

Not applicable.

**(f) Article 43 paragraph 4 subparagraphs a and b: Analysis and explanation of Research and Development costs, Know How and Goodwill.**

The balance sheet caption "Usufruct of the Site" refers to the usufruct transferred by the Greek State to the Company, per

article 7.2 of the ADA, and represents the total real estate (area of the Spata Airport) for the contractual period (30 years). This intangible asset will be depreciated on a straight-line basis during the operating period, that is 25 years.

### Section 4

#### Investments

**(a) Article 43a paragraph 1-b: Analysis of participations in other companies in excess of 10%.**

Participations in other companies. Euro 984,439.43  
The balance of the account "participating interest in other companies" represents the Airport Company's participation of 17% in "Athens Airport Fuel Pipeline S.A.". For reasons of competition control (fuel duty) the Company's Board of Directors during its 48th meeting on 29th of September 1999 decided to ratify this participation action.

**(b) Article 43a paragraph 1-ie: Preparation of consolidated financial statements, which include the Company's financial statements.**

There is a possibility, based on Greek Law, for one of the parent companies, namely HOCHTIEF which has its headquarters in Germany.

Up to the date of the preparation of these notes we have not been notified by the shareholders of the Company of a potential obligation or request on their part to prepare consolidated financial statements.

### Section 5

#### Inventory

**(a) Article 43a paragraph 1-ia: Departure from the valuation methods permitted by article 43 for tax relief purposes.**

Not applicable.

**(b) Article 43a paragraph 1-i: Differences resulting**

**from the devaluations of current asset with explanations.**

Not applicable.

### Section 6

#### Share Capital

**(a) Article 43a paragraph 1-d: Analysis by number and type of shares issued.**

The share capital of the Company amounts to European Currency Units (EURO) 300,000,000 (three hundred million) and consists of 30,000,000 (thirty million) common and registered shares with a nominal value of EURO ten (10) each.

No other share categories exist.

**(b) Article 43a paragraph 1-c: Analysis of shares issued during the year.**

Not applicable.

**(c) Article 43a paragraph 1-e and Article 42e paragraph 10: Securities issued and analysis of the rights borne by these securities.**

Not applicable.

**(d) Article 43a paragraph 1-ist: Own shares purchased during the year.**

Not applicable.

### Section 7

#### Provisions and Liabilities

**(a) Article 42e paragraph 14/4(d): Analysis of the account "Other provisions" if material.**

Provision for uncollected receivables resulting from Aeronautical Equipment delivery	Euro	1,954,857.00
Provision of municipal tax payment of 5% on the quarrying products' value that have been manufactured in Spata Municipality	Euro	917,513.58
Provision for potential liabilities after the permanent receipt of Aeronautical equipment	Euro	5,177,599.79

Provision for staff costs	Euro	2,561,389.38
Provision for Airport charges decrease due to out of court disputes	Euro	7,715,499.50
Provisions for other expenses	Euro	3,327,402.78
<b>TOTAL</b>	<b>Euro</b>	<b>21,654,262.03</b>

A provision for doubtful accounts of Euro 30,209,016.00 has been recorded net of the "Trade Debtors" account.

**(b) Article 43a paragraph 1-z(a): Financial commitments due to contracts etc. which are not reported in the memorandum accounts. Obligations for payment of specific monthly services and financial commitments to related entities.**

Not applicable.

**(c) Article 43a paragraph 1-ib: Potential significant tax liabilities and amounts of taxes that may possibly result which relate to the current and previous financial years if not presented under liabilities or provisions.**

The Company has not been audited from the tax authorities since its establishment. It is anticipated that in the event of a tax audit, no significant tax differences will result.

**(d) Article 43a paragraph 1-st: Long term liabilities over five years.**

The long-term liabilities over 5 years represent on one hand loans, obtained from the Banks for the financing of the construction of New Athens International Airport and on the other hand subordinated loans obtained from shareholders either for the construction of the New Athens International Airport, or for the execution of their liabilities arising from the Airport Development Agreement.

An analysis of these loans is as follows;

1. European Investment Bank Loan	Euro	944,109,148.86
2. Hermes Loan	Euro	146,715,024.82
3. Cargo Loan	Euro	7,689,612.23
4. Subordinated Loan	Euro	45,000,000.00
5. Subordinated Loan article 13.4.3 of Law 2338/95	Euro	21,387,063.34
<b>TOTAL</b>	<b>Euro</b>	<b>1,164,900,849.25</b>

**(e) Article 43a paragraph 1-st: Liabilities secured by collateral securities.**

Liabilities towards banks are secured through the assignment of the usufruct on the Spata property, on all buildings, installations and other tangible and immovable property, which will be located on the site for the contractual period.

The aforementioned assignment and transfer, valued at Euro 159,840,236.59, is subject to the condition and shall be put in effect only on the occurrence of the deeds mentioned in article 35.1.4(c) of the ADA (Law 2338/95).

## Section 8

### Prepaid Expenses, Accrued Income and Accrued Expenses

**(a) Article 42e paragraph 12: Analysis of Prepaid Expenses, Accrued Income and Accrued Expenses**

**Prepaid expenses:**

Personnel insurance	Euro	121,397.75
Other insurance	Euro	1,375,469.89
Other expenses	Euro	73,314.67
<b>TOTAL</b>	<b>Euro</b>	<b>1,570,182.31</b>

**Accrued income:**

Revenues from Aeronautical Activities	Euro	9,931,587.94
Revenues from non Aeronautical Activities	Euro	4,161,753.05
Revenues from interest	Euro	127,147.32
<b>TOTAL</b>	<b>Euro</b>	<b>14,220,488.31</b>

**Accrued Expenses and Deferred Income**

**Accrued Expenses:**

Compensation of expenditures incurred by "Aeroporte De Paris" for its participation in the bid for the construction and operation of the New Athens International Airport.	Euro	1,176,000.00
--	------	--------------

Utilities	Euro	810,785.90
Interest and expenses of long-term liabilities	Euro	5,861,389.98
Other accrued expenses	Euro	2,040,172.93
<b>TOTAL</b>	<b>Euro</b>	<b>9,888,348.81</b>
<b>Purchases under settlement</b>		
Purchases under settlement amounts to	Euro	3,346.75

## Section 9

### Memo Accounts

**(a) Article 42e paragraph 11: Analysis of the memo accounts.**

**1. Guarantees and Real Securities:**

Letters of guarantee pledged by debtors	Euro	23,443,248.22
Letters of guarantee for participation in bids	Euro	161,760.82
<b>SUBTOTAL</b>	<b>Euro</b>	<b>23,605,009.04</b>

**2. Other Memo Accounts**

Letters of guarantee taken as security for the good performance of suppliers' agreements	Euro	8,525,277.76
Other third party guarantees	Euro	206,738.39
Letters of guarantee issued to secure obligation of suppliers	Euro	5,460,765.86
<b>SUBTOTAL</b>	<b>Euro</b>	<b>14,192,782.01</b>

**3. Other Memo Accounts of Additional Depreciation**

Additional depreciation in accordance with article 26 par.8 of Law 2093/92	Euro	1,525,744,819.99
Additional depreciation of Cohesion Fund financing article 26 par.8 of Law 2093/92	Euro	319,609,389.60
<b>SUBTOTAL</b>	<b>Euro</b>	<b>1,845,354,209.59</b>

**4. Sundry Memo Accounts**

Value from third countries Imports	Euro	1,232,897.34
Value of intraunion transactions	Euro	2,211,125.81
Value of receiver transactions	Euro	4,421,597.83
Value of other inputs	Euro	1,770,950.23
<b>SUBTOTAL</b>	<b>Euro</b>	<b>9,636,571.21</b>
<b>TOTAL</b>	<b>Euro</b>	<b>1,892,788,571.85</b>

## Section 10

### Guarantees and Collateral Security

**(a) Article 42e paragraph 9: Guarantees and collateral security issued by the Company.**

Refer to paragraph 7e above with respect to guarantees and collateral security issued by the Company.

## Section 11

### Remuneration, Advances and Credits to Management

**(a) Article 43a paragraph 1-ic: Remuneration to the Board and Management of the Company.**

The aggregate fees paid to the members of the Board of Directors for the 2004 financial year amounted to Euro 505,280.00.

No credits have been granted to the Board and Management of the Company.

**(b) Article 43a paragraph 1 -ic: Obligations, which result from or are accepted by the Company to assist departing members of the Board of Directors or Management.**

Not applicable.

**(c) Article 43a paragraph 1-id: Advances or credit facilities granted to members of the Board.**

Not applicable.

## Section 12

**Other information relating to the results for the year**

**(a) Article 43a paragraph 1-h: Analysis of turnover (revenues) per activity and geographic area. The services are rendered by the Company from its registered office in the area of Spata.**

**Analysis of turnover per activity in Euro**

**I) AIR REVENUES** Euro

Aeronautical charges	130,412,357.44
Ground Handling	31,508,990.07
Building rentals	15,701,100.33
Ground rentals and concessions	9,892,847.81
Building services	6,055,700.16
IT&T and Technical Services	2,949,045.85
<b>SUBTOTAL</b>	<b>196,520,041.66</b>

**2) NON AIR REVENUES** Euro

Property & utility services	7,592,880.97
Analysis of retail commercial revenues	
i) Commercial Activities	39,630,995.79
ii) Parking Services	12,484,723.34
iii) Other Commercial Activities	8,025,508.62
Other services	5,423.74
<b>SUBTOTAL</b>	<b>67,739,532.46</b>
<b>TOTAL</b>	<b>264,259,574.12</b>

**(b) Article 43a paragraph I-th: Average number of employees and their total cost. It is being highlighted that the monthly paid staff is being included in the "Administrative (employee) staff".**

- Average number of employees 738
- Total number of employees as of 31 December 2004 (all the employees are salaried) 698
- Total staff costs (salaries, social security costs, other staff benefits) Euro 34,523,221.18

**(c) Article 42e paragraph 15-b:** Analysis of extraordinary and non-operating expenses and income.

**I. Extraordinary and non-operating income**

Cohesion fund	Euro	19,313,139.82
Gain from exchange differences	Euro	12,466.23
Other extraordinary and non operating income	Euro	78,922.75
Other extraordinary profits	Euro	22,630.48
<b>TOTAL</b>	<b>Euro</b>	<b>19,427,159.28</b>

**2. Extraordinary and non-operating expenses**

Losses from exchange differences	Euro	28,607.87
Other extraordinary and non-operating expenses	Euro	61,462.73
Other extraordinary losses	Euro	96,003.57

**TOTAL** Euro **186,074.17**

**(d) Article 42e par. 15-b: Analysis of " Prior Year income ", "Income from prior year provisions", "Prior year expenses " and "Provisions for extraordinary losses".**

**1. Prior Year Income**

Other income	Euro	26,882.14
<b>TOTAL</b>	<b>Euro</b>	<b>26,882.14</b>

**2. Prior Year Expenses**

Readjustment of telecommunication charges volume discount	Euro	225,793.50
Other income	Euro	183,854.52
<b>TOTAL</b>	<b>Euro</b>	<b>409,648.02</b>

**3. Income from prior year provisions**

Income from provisions of third parties doubtful accounts	Euro	3,523,771.97
Income from provisions of doubtful accounts article 9 par.4 Law 3296/04	Euro	676,710.66
Income from other prior years' provisions	Euro	121,170.11
<b>TOTAL</b>	<b>Euro</b>	<b>4,321,652.74</b>

**4. Provisions for Extraordinary losses**

Provision for doubtful accounts	Euro	5,803,461.00
Provision for airport charges decrease due to out of court disputes	Euro	7,715,499.50
Provision for AANE maintenance services	Euro	2,707,772.81
Other provisions	Euro	1,510,000.00
<b>TOTAL</b>	<b>Euro</b>	<b>17,736,733.31</b>

**Section 13**

**Other information required which is considered necessary for better information and application of the principle of a true and fair view.**

**Art. 43a par. I-iz: Other information required by specific provisions and are considered necessary for the information of the shareholders and third parties and the application of the principle of a true and fair view.**

Not applicable.

Athens, 31 March 2005

Chairman of the Board Vice-Chairman of the Board Chief Executive Officer Chief Financial Officer Manager Accounting

Prof. Constantinos Vaitos Dr. Harald Peipers Alfred van der Meer Basil E. Fondrier Panagiotis K. Michalarogiannis

**CONFIRMATION**

I confirm that these notes to the financial statements, which comprise 7 pages, are the notes which I refer to in my audit report of 5 April 2005.

The Certified Auditor Accountant  
KPMG Kyriacou Certified Auditors S.A.

Nikolaos Vouniseas  
Certified Auditor Accountant  
AM SOEL 18701

**APPENDIX I  
SCHEDULE OF MOVEMENTS IN FIXED ASSETS & FORMATION EXPENSES**

	ACQUISITION COST				CUMULATIVE DEPRECIATION				NET BOOK VALUE AS AT 31-12-04
	Balance as at 31-12-03	Additions for the year	Disposals for the year	Balance as at 31-12-04	Balance as at 31-12-03	Depreciation Charge for the year	Disposals for the year	Balance 31-12-04	
<b>FIXED ASSETS</b>									
<b>Intangible assets</b>									
Usufruct of the site	159,840,236.59	0.00	0.00	159,840,236.59	17,582,426.01	6,393,609.46	0.00	23,976,035.47	135,864,201.12
<b>Total intangible assets</b>	<b>159,840,236.59</b>	<b>0.00</b>	<b>0.00</b>	<b>159,840,236.59</b>	<b>17,582,426.01</b>	<b>6,393,609.46</b>	<b>0.00</b>	<b>23,976,035.47</b>	<b>135,864,201.12</b>
<b>Tangible assets</b>									
Land	89,942.83	0.00	0.00	89,942.83	0.00	0.00	0.00	0.00	89,942.83
Buildings & technical works	1,770,536,228.27	35,961,141.81	0.00	1,806,497,370.08	205,005,126.07	75,747,424.02	0.00	280,752,550.09	1,525,744,819.99
Machinery- technical installations and other mechanical equipment	290,728.06	200,125.62	0.00	490,853.68	115,144.66	58,917.83	0.00	174,062.49	316,791.19
Transportation means	29,642,244.88	220,243.65	539,072.38	29,323,416.15	15,950,833.85	5,778,005.16	360,669.18	21,368,169.83	7,955,246.32
Furniture & other equipment	53,422,723.85	10,662,194.11	37,195.40	64,047,722.56	30,902,189.96	11,653,566.46	31,082.11	42,524,674.31	21,523,048.25
Assets under construction and advances	19,517,747.44	24,422,597.30	42,968,385.53	971,959.21	0.00	0.00	0.00	0.00	971,959.21
<b>Total tangible assets</b>	<b>1,873,499,615.33</b>	<b>71,466,302.49</b>	<b>43,544,653.31</b>	<b>1,901,421,264.51</b>	<b>251,973,294.54</b>	<b>93,237,913.47</b>	<b>391,751.29</b>	<b>344,819,456.72</b>	<b>1,556,601,807.79</b>
<b>Total intangible &amp; tangible assets</b>	<b>2,033,339,851.92</b>	<b>71,466,302.49</b>	<b>43,544,653.31</b>	<b>2,061,261,501.10</b>	<b>269,555,720.55</b>	<b>99,631,522.93</b>	<b>391,751.29</b>	<b>368,795,492.19</b>	<b>1,692,466,008.91</b>
<b>Investments &amp; other long term financial receivables</b>									
Participation in other companies	984,439.43	0.00	0.00	984,439.43	0.00	0.00	0.00	0.00	984,439.43
Other long term receivables	5,411,623.32	329,890.54	5,411,623.32	329,890.54	0.00	0.00	0.00	0.00	329,890.54
<b>Total investments &amp; other long term receivables</b>	<b>6,396,062.75</b>	<b>329,890.54</b>	<b>5,411,623.32</b>	<b>1,314,329.97</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,314,329.97</b>
<b>Total fixed assets</b>	<b>2,039,735,914.67</b>	<b>71,796,193.03</b>	<b>48,956,276.63</b>	<b>2,062,575,831.07</b>	<b>269,555,720.55</b>	<b>99,631,522.93</b>	<b>391,751.29</b>	<b>368,795,492.19</b>	<b>1,693,780,338.88</b>

# 2004 Airport Moments

Athens International Airport



Greek National Football Team Welcome Ceremony



AIA Airline Awards 2004 Ceremony



Olympic Games Entertainment



Spanish Olympic Team Accreditation



G. Delikouras and Olympic Winner N. Kaklamanakis



easyJet Inaugural Flight Event



Meeting Phevos



Netherlands Paralympic Team



Aetra Award Ceremony



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