FINANCIAL STATEMENTS AS AT 31 DECEMBER 2007

IN ACCORDANCE WITH THE

INTERNATIONAL FINANCIAL REPORTING STANDARDS

ATHENS
INTERNATIONAL AIRPORT
ELEFTHERIOS VENIZELOS

The attached Financial Statements are those that were approved by the Board of Directors of ATHENS INTERNATIONAL AIRPORT S.A. on 26 March 2008 and have been published by posting on the Internet at the website address www.aia.gr
The Financial Statements and the Notes to the Financial Statements, as presented on pages 12 to 64, have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and have been signed, on behalf of the Board of Directors by:

Chairman of the Board of Directors	Prof. Constantinos Vaitsos	
Vice Chairman of the Board of Directors	Dr. Harald Peipers	
Chief Executive Officer	Dr. Ioannis Paraschis	
Chief Financial Officer	Basil Fondrier	
Accounting Manager	Panagiotis Michalarogiannis	

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CHAPTER I

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

Dear Sirs,

With pleasure I welcome you today to the 12th Ordinary General Meeting of Shareholders of Athens International Airport S.A., during which we shall review the year 2007.

According to article 43a, paragraph 3 of Codified Law (C.L.) 2190/1920, as this was replaced by article 35 of Presidential Decree (P.D.) 409/1986, we submit herewith to your General Assembly the company's Financial Statements for its 12th financial period. The present report includes the analysis of these statements and any supplementary information necessary or useful for the statements' appreciation and approval by the General Assembly, according to the proposal of the Board of Directors.

Growth of the global aviation industry continued in 2007, with passenger demand achieving considerable increase - driven by robust economic growth - and airlines further improving their profitability, albeit still facing high fuel prices.

This positive industry climate, the implementation of our aeronautical developmental strategy, and the re-establishment of Athens and Greece as one of the top European tourist destinations, led us again to a very positive end-year outcome. Athens International Airport (AIA) achieved a significant 10% increase in passenger traffic, placing itself among the top 10 fastest growing major airports in Europe. Combined with the successful development of AIA's non-aeronautical activities, the traffic growth,– constituting 39% of AIA's total revenues, and being the major contributor to AIA's profits - resulted in positive financial results, enabling the company to post a pre-tax profit of €125.7 million and to propose the distribution of €90.0 million as dividend to its shareholders.

1. Traffic Highlights

With a total of 16.5 million passengers, 2007 was another record-breaking year for Athens International Airport, posting an impressive 10% increase year-on-year (15.1 million passengers in 2006). The number of flights also enjoyed an 8% rise, for the first time surpassing the 200,000 flights threshold (205,295 flights against 190,872 in 2006).

The domestic market climbed by 9%, posting an all-time record with 6 million passengers. International traffic also grew significantly by 10%, for the first time exceeding 10 million passengers, enjoying high levels of increase in all international markets.

By adding 10 new destinations (Philadelphia, Beijing, Timisoara, Kaliningrad, Jeddah, Riyadh, Riga, Goteborg, Lviv and Mariupol), Athens International Airport offered in 2007 direct scheduled services to 116 destinations in 50 countries, serviced by 70 airlines. In addition, Athens International Airport welcomed 15 new airlines in the course of 2007 (Aer Lingus, Air Baltic, Air China, Carpatair, Centralwings, Clickair, Continental Airlines, Finnair, Ilyich-Avia, KDavia, Kras Air, MyAir, Saudi Arabian Airlines, US Airways and Vueling Airlines).

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2. Business Highlights

The Airport Company' business highlights for 2007 are summarised below:

Airport Operations

- Safe, efficient and orderly airline operations were ensured during another year of significant traffic increase at Athens International Airport, safeguarding at the same time high quality airport services. Always having safety as the first priority of our operations, and through the company's Aviation Safety Management System, we achieved in 2007 a 6% decrease of safety incidents per thousand movements compared to 2006. AIA's overall operational efficiency was awarded for the second consecutive year by the Air Transport Research Society (ATRS) during its 11th Conference in Berkeley, USA, with AIA receiving the 2007 ATRS Europe Airport Efficiency Excellence Runner-up Award.
- The operational highlight of the year was certainly the UEFA Champions League 2007 Athens Final. The Airport Company handled successfully the specific event, which, in some parameters, proved to be even more complex than the Athens 2004 Olympic Games period, ensuring high levels of service for the VIPs, special guests and fans that travelled through our airport. Traffic on May 24th 2007 amounted to 923 aircraft movements and 85,224 passengers, exceeding by 25% the Olympic Games peak day passenger record. Airport performance was widely acknowledged and praised, by UEFA officials and football federations, as well as by the teams and their fans.
- Aiming to maintain the airport's smooth operation and promote the quality of services offered to airlines, the international tender for the award of restricted third-party and self-handling rights for Baggage, Ramp, In-flight Ramp Catering, Freight & Mail and Fuel services for a seven-year concession period has been concluded, based on relevant European and National legislation. The awarded handlers are to initiate operation in April 2008.

Airport Marketing & Pricing

- Within the framework of its aeronautical development strategy, a below inflation adjustment of 2.3% was applied in all airport charges excluding the security charge, for which the increased security requirements derived from the EU regulation on Liquids were addressed with a €0.8 increase per departing passenger. At the same time, we continued to offer airlines our competitive incentives and marketing programme, which last year corresponded to a value of approximately €7.5 million, up by 50% compared to 2006. This increase was mainly driven by the large number of new airline developments in 2007. In recognition of AIA's competitive route development programme, airlines from all around the world voted our airport as the winner, for the third consecutive year, of the OAG Airline Marketing Award, in the 10 – 25 million passengers category, at the 13th World Route Development Forum – "ROUTES 2007" in Stockholm. As a token of appreciation of the contribution of our airline partners to the airport's overall record growth, AIA presented, for a 4th consecutive year, its own awards to the airlines that recorded the highest passenger development in 2007.
- In July 2007, Athens International Airport S.A. and Olympic Fuel Company S.A. (OFC) announced an additional 12.4% reduction of the throughput fee for the use of the hydrant system, continuing their joint effort to support airlines and enhance competitiveness of aviation fuel price at the airport.

Consumers

- In June 2007 the first phase of the action-plan for the airport terminal ambience improvement was concluded, aiming to maintain and enhance the high level of customer satisfaction. This phase

consisted of a set of actions designed to cope with the increasing passenger numbers processed through the facilities, and included the introduction of "Welcome Agents", the upgrade of security control points, the intensified supervision of washroom and catering facilities cleaning, and the improvement of Internet access points.

- In the framework of commercial development within the airport terminal – following continuous tracking of customers' needs and market trends aiming to increase passenger satisfaction - the Airport Company developed 3 new commercial facilities and concepts, refurbished 9 commercial facilities, and applied 3 concept/brand changes in existing outlets. These developments resulted also in substantial revenue increase.

Real Estate

- In the context of the airport's real estate development, in March 2007, Leroy Merlin, commenced operations of its "Do it Yourself" concept outlet in AIA's Retail Park. In June 2007, AIA signed an agreement for the development of an Exhibition Centre at the airport premises. The new state-of-the-art Exhibition Centre is expected to launch operations in 2009, providing top-notch services, offering 50,000 m^2 of covered space for exhibition events, conference facilities for up to 700 attendees and over 3,000 parking spaces. Furthermore, an agreement for the infrastructure works for the development of the North Western Commercial Development Area was signed in July 2007.

Information Technology & Telecommunications

- In February 2007, AIA's IT&T Business Unit was awarded the ISO 900l: 2000 certification, Apart from contributing to the high standard quality; the ISO certification enables our IT&T Business Unit to extend its external business by participating and leading bid efforts for EU and Greek tenders. As part of these activities, AIA was awarded the installation of the CUTE system in five Greek regional airports as part of a consortium. Furthermore, the IT&T Unit offered consulting and project management services to the airports of Tirana, Sydney, Hyderabad and Dubai.

Airport Capacity

- In early 2007, the Airport Company commissioned IATA to provide a terminal facilities capacity assessment for AIA. In accordance with the Airport Development Agreement, this capacity assessment study was triggered by the fact that the 90% threshold of the annual design capacity of the Passenger Terminal facilities had been exceeded. The study results, delivered in November 2007, substantiated that the actual saturation capacity of the existing passenger terminal system is estimated at 2l Million Annual Passengers (MAP), instead of the original estimation of l6 MAP.

- Having asserted that the current terminal capacity is at 2lMAP, the company has undertaken actions to ensure that such infrastructure is optimally used. More specifically, AIA assessed a number of options aiming at optimising the present mode of operation of the Satellite Terminal Building (STB), which is currently not utilised to the full of its available capacity. This was also necessitated by the remarkable growth experienced in the 'long-haul' traffic sector over the past two-years, as well as the entry of the majority of the new EU countries to the Schengen Treaty Agreement in March 2008, that will further increase the strain on the MTB facilities. In view of the above, the Airport Company decided to proceed with i) the use the STB exclusively for extra-Schengen traffic; ii) the improvement of access to the STB, hence upgrading passenger experience iii) the exploitation of the commercial/retail opportunity arising from these revised terminal operations by reconfiguring part of the existing commercial area and constructing additional space. The first phase of this project was completed in 2007, with the finalisation of the corresponding architectural concept.

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Risk Management

- AIA has implemented a Risk Management (RM) process aiming at developing governance practices, which are in line with international principles and regulations. Furthermore, in order to obtain the relevant value adding benefits, the company is completing the process of intergration of RM with the business unit structure and the Value Based Management (VBM) model. In 2007, the RM process reached a significant level of maturity, having established a clear link between risk and value (both financial and non-financial), integrating Risk Reporting in our quarterly reporting processes and establishing concrete risk ownership and accountability of management actions.

New Chief Executive Officer

- On April 26th, 2007, Dr. Ioannis Paraschis became the Chief Executive Officer of Athens International Airport S.A.. Following a successful career in international management consulting, Dr. Paraschis joined "Athens International Airport S.A." shortly after its establishment in 1996, and had an instrumental role in the development of the company's strategy and its business and commercial success as Deputy CEO. Dr. Paraschis succeeded in office Mr. Alfred van der Meer, who retired after a successful tenure in the position of CEO since October 2002.

3. Corporate Responsibility

Athens International Airport is committed to sustainable value creation for all stakeholders, acknowledging its role as a responsible company. In the context of sound Corporate Governance, the Airport Company operates in compliance with the obligatory framework and beyond, incorporating moral, social, and environmental aspects. The year 2007 was highlighted by significant developments for AIA's Corporate Responsibility, as the Airport Company ranked 4th among the 100 largest Greek companies within the framework of the Accountability™ Rating Greece benchmarking survey, which evaluates the Corporate Responsibility disclosures versus criteria relating to Strategy, Management Systems and Stakeholder Engagement.

Responsible Airport Operator

- The Airport Company continued in 2007 to play a leading role in the development of a "one community" culture to ensure efficient operation and business success. The Safety Management System, which applies to the whole airport community, is a clear evidence of this culture. Furthermore, we implemented continuous improvements to our facilities in order to offer the optimum experience to travellers and airport users. During the challenging days of the Champions League Final, the intensive cooperation with all parties and the contribution of our volunteers were the capstones that ensured the success of the handling of this special event.

Corporate Citizenship

- Within the context of AIA's commitment to its role as an active partner to the local and greater society, AIA enhanced in 2007 its corporate citizenship programmes. In that respect, we continued our regular communication with local state authorities, associations, corporate bodies, and implemented our annual corporate local communities action plan, which included infrastructure projects, services, financial & material support responding to expressed community needs. Special focus was placed on actions relating to the environment, education, athletics, and local culture. In addition, we hosted and promoted various events and exhibitions relating to our country's cultural heritage and contemporary art. We continued our on-going support to non-profit organizations for the benefit of children and other society groups in need, while, in May 2007, we committed ourselves to participate in the Amber Alert Program, a voluntary partnership led by the association "The Smile of the Child", that assists in the search and the safe recovery of lost children.

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- Furthermore, in support of the people that suffered the disastrous fires that hit Greece in August, AIA contributed the amount of €1 million to the Special Fund of the Greek State, as a first initiative for the relief of the victims. Beyond the corporate contribution to the national relief fund, we supported the drive of our employees to raise funds and help two heavily affected stock farming communities in the Peloponnese to recover. AIA is further planning to undertake environmental protection and fire prevention projects in the neighbouring areas.

Environmentally Conscious Airport Operator

- Constantly improving our environmental performance and minimising the airport operations' impact on the environment in the local communities, is one our company's top priorities.
- Towards this end, in 2007 we created a recycling centre for the collection of paper, plastic, glass bottles, aluminium cans, metals, e-waste and batteries, which contributed to the significant increase of the amount of recyclables to a total 34%. Furthermore, our commitment to use recycled materials in our every day activity was affirmed by the company's decision to use only recycled paper for printing and photocopying, as well as to print all corporate publications on recycled paper as of 2008.
- Committed to reducing our impact on climate change, in 2007 we implemented several measures relating to emissions under our direct control, while we established AIA's Climate Change Corporate Action Plan. For 2008, the Plan includes eight actions in the areas of airport operations, transportation, energy management, and the natural environment. In addition, in 2007 we implemented energy-saving measures, which resulted in a reduction in electricity consumption of nearly 3.000 MWh in comparison with 2006, corresponding to a reduction of approximately 2.800 tonnes of CO_2.

Responsible Employer

- A critical aspect of AIA's sustainability is the development, compensation, and engagement of our human capital. Aligned with market practices and within AIA's role as a responsible employer, the company enhanced in 2007 the group life and medical insurance programme for all permanent employees.
- AIA's Training Centre was officially recognised in 2007 as an Airport Council International - Global Training Hub Centre (ACI-GTH). The facilities will be used by ACI - GTH for the purpose of conducting airport-related courses aiming at disseminating "best practices" across the world's airports.
- Our human capital is the most critical element for the company's success. We thank all our employees for their commitment and team spirit, as well as for their valuable support -through the volunteers' programme- during demanding times of disruption or high operational load, and we reaffirm our commitment to maintain a rewarding relationship based on mutual trust and cooperation.

4. Financial Highlights

Let us look into the financial results of 2007 in more detail:

- The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the revised Accounting Policies, approved by the Board of Directors of the Company, in line with the adoption as of 1/1/2007, of the interpretation IFRIC 12 "Service Concession Arrangements" issued by the Interpretation Committee of the International Accounting Standards Board. In the relevant notes, the first time adoption impact on the opening

position of the Company's Financial Statements as of 1/1/2006, as well as the impact on the Company's 2006 restated Financial Statements, are analytically presented.

- The operating revenues of the Company increased by €35.2 million or 12.1% compared to the previous financial year, reaching the amount of €326.3 million, reflecting the additional income derived from the traffic growth and the successful performance of non-aeronautical activities that grew by 8.8%.
- The other revenues of the Company increased significantly by €8.7 million, in comparison to the previous financial year. This was due to the fact that, in 2007, part of the receipts of the Airport Development Fund (ADF) amounting to €8.6 million, was recorded for the first time as other revenues. Contrary to the previous year - when all ADF receipts covered interest expenses and were therefore recorded as subsidies related to financial expenses - in 2007 only the amount of €64.4 million covered the interest expenses, while the remaining €8.6 million was transferred to other revenues. In total, AIA's participation in the ADF reached the amount of €72.9 million, higher by €6.7 million or 10.2% in comparison to the prior financial year, posting an improvement in line with the traffic growth of the financial year 2007.
- Operating expenses increased at a lower rate, higher by €5.5 million or 4.4% compared with 2006, standing at €130.4 million, reflecting the management's commitment for operating cost efficiency.
- Earnings before interest, tax, depreciation & amortisation were increased in the year 2007 by €38.4 million or 23.1% compared to the previous year 2006, reaching the level of €204.7 million.
- Depreciation charge was almost constant year-on-year, €72.6 million in 2007 versus €73.3 million in 2006.
- The net financial expenses increased by €6.1 million or 9.4% versus 2006. This increase is attributed to the recognition of notional financial expenses of €16.0 million, related to the present value at the Balance Sheet date of the Company's obligation to the Greek State for the rights granted, the provision for major restoration expenses and the past due amounts receivable by trade debtors. Excluding the aforementioned financial expenses, the actual financial expenses decreased by €5.5 million or 9.1% compared to the previous financial year, as a result of lower interest on the EIB and Commercial Loans due to their gradual repayment and the higher interest revenue resulting from the efficient cash management.
- Profit before Tax reached the amount of €125.7 million, €31.1 million or 32.9% higher than the previous year. Taking into consideration the benefit of €2.4 million attributed to the first time adoption impact of the interpretation IFRIC 12 "Service Concession Arrangements" and after accounting for the accumulated income taxes of €32.0 million, there remains a distributable profit of €96.1 million. Of this amount, a sum of €90.0 million is proposed by the Board of Directors to be distributed to the shareholders as dividend.
- The Balance Sheet of December 31st, 2007 reflects Net Assets of €1.57 billion. The value of the Company's Non-Current Assets (€1.29 billion) represents 82% of Total Assets, indicating that AIA is a capital intensive Company.
- All Fixed Assets are recorded in the Fixed Assets Register and are free of any encumbrances apart from the assignment of the Usufruct extended since 1996 in favour of the Lenders. Fixed Assets were depreciated at rates reflecting their estimated useful lives and the legal limits on their use as provided by the ADA. The value of the Usufruct of the Land that was assigned by the Greek State for the development and operation of the Airport, the present value of the Grant of Rights Fee and the value of the Intangible Assets are equally depreciated over the 25-year concession period. Available for Sale Financial Assets consists of €1.8 million and represents the fair value of the Company's participation in the equity of Athens Airport Fuel Pipeline Company SA.
- The Company's Current Assets at December 31st, 2007 reached the amount of €282.9 million, representing an increase of €34.7 million compared to prior year-end, mainly due to the

significant improvement of the Cash Flow of the Company, as a result of the increased operating revenues.

- Finally, we would like to inform you that the Company's cash surplus is invested in euro-bonds and time deposits, in order to hedge interest rate, foreign currency exposure and other risks. As a result of this investment policy, AIA did not possess any investments in securities as of December 31st, 2007.

5. 2008 Outlook

With 2007 being another year of significant traffic increase for the airport, and taking into account the aviation industry's cyclic nature, traffic in 2008 is expected to have a slower growth than the previous years, resulting in an annual passenger throughput of 17.11 million, corresponding to a forecast operating revenue of €360 million.

Further to the above, we would like to refer to some of the future projects and plans of our company for the year 2008:

- Within the scope of optimising the utilisation of the Satellite Terminal Building (STB), and following the completion of the architectural study, in 2008, AIA will proceed with the project design, while the relevant infrastructure works are also expected to begin within the year.
- Within the framework of the EU Regulation 1107/2006, as of July 2008 the total responsibility for the service of disabled travellers and persons with reduced mobility will lie with the airport operating companies. AIA is already cooperating with all involved authorities (HCAA, Greek Action Committee for Disabled Persons, AUC) as well as with the European Commission for the implementation of the new regulation at our airport. This development is another challenge, as well as an opportunity to prove our commitment to provision of the best possible services to a sensitive part of society.
- Early in 2008, the expansion of the Long-Term car parking facility will be completed, increasing the capacity for long-term parking from 3,500 to 5,500 positions, while the total car parking capacity will exceed 7,000 positions. At the same time, the Airport Company is investigating alternative options for the further expansion of the car parking facilities to accommodate future demand.
- After positively assessing both the environmental and financial benefits, the company has decided to proceed with the implementation of a large-scale photovoltaic park within the airport premises. Following the necessary licensing and funding process, it is expected that the development of the park will commence in late 2008 or early 2009. The operation of the park will not only provide additional revenues for AIA, but it will also contribute to the environment through the reduction of greenhouse gases and the development of renewable energy sources.
- IT&T is continuing to develop business activities beyond the airport confines, by capitalising on our reputation, expertise and quality of services. Without compromising the smooth operation and sound business performance of the Athens International Airport, these activities aim at creating additional value to all our stakeholders.
- The new Business Plan that will be developed in 2008 will encapsulate the success of a 12-year old company, already among the most profitable enterprises in Greece and a model airport company worldwide. It will also reflect the prospects of further organic growth with potential for additional value-adding activities, while facing the future investment and capacity growth challenges with a balanced financial structure and the ability to maintain excellent operational performance with exemplary efficiency factors.

- Continuing to apply our financial strategy under the objectives of increased flexibility, reduced financial expenses and optimised liquidity, the company persisted in its efforts to improve its financial structure. In this respect, following relevant evaluation of all parameters, including cash availability, future liquidity requirements and potential value added, AIA decided in early 2008 to proceed on March 28th, 2008 with the early repayment of the Commercial Loans (€77.2 million outstanding balance).

Athens International Airport's operation up to now has been marked by high traffic growth and ample infrastructure capacity enabling excellent quality of passenger and aircraft services. AIA has developed into an exemplary business model with ongoing value generation for all stakeholders and attractiveness for future investors. The major challenges that the Airport Company will be facing in the coming years are mainly linked to the need of new capacity and the optimum utilisation of our infrastructure to maintain high quality standards, as well as to the airport's contribution to minimise environmental impact from aviation. The excellent track record of AIA's team ensures the sustainable development of the Airport Company and the efficient tackling of the challenges lying ahead.

Spata, 26th March, 2008

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

Professor Constantinos Vaitsos
Chairman

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CHAPTER 2

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007	2006 Restated
Operating revenues	4.1	326.275.266	291.088.032
Other revenues	4.1	8.835.342	178.699
Total operating revenues		**335.110.608**	**291.266.731**
Operating expenses			
Personnel expenses	4.2	38.954.058	37.147.367
Outsourcing expenses	4.2	53.288.056	48.080.361
Public relations & marketing expenses	4.2	4.467.415	4.002.781
Utility expenses	4.2	9.997.036	9.761.582
Insurance premiums	4.2	4.011.663	4.461.351
Impairment losses	4.2	12.237.964	15.814.122
Other operating expenses	4.2	7.418.407	5.636.429
Total operating expenses		**130.374.599**	**124.903.993**
EBITDA		**204.736.009**	**166.362.738**
Depreciation & amortisation charges	4.3	72.563.358	73.262.408
Operating profit		**132.172.651**	**93.100.330**
Net financial expenses	4.4	70.790.182	64.701.769
Subsidies received for borrowing costs	4.5	(64.359.333)	(66.198.490)
Profit before tax		**125.741.802**	**94.597.051**
Income tax expense	4.6	(31.764.733)	(29.815.993)
Profit after tax		**93.977.069**	**64.781.058**
Basic earnings per share	**4.7**	**3.13**	**2.16**

The notes on pages 16 to 64 are an integral part of these financial statements.

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CHAPTER 3

BALANCE SHEET AS AT 31 DECEMBER 2007

ASSETS	Note	2007	2006 Restated
Non-current assets			
Property plant & equipment - owned assets	4.8,4.11	11.306.132	10.168.051
Property plant & equipment - leased assets	4.9	285.144	325.340
Intangible assets	4.10,4.11	1.221.873.715	1.284.287.911
Other non-current assets	4.12	58.706.950	58.200.999
Total non- current assets		**1.292.171.941**	**1.352.982.301**
Current assets			
Inventories	4.13	5.519.882	5.975.187
Construction works in progress	4.14	6.763.126	3.129.005
Trade receivables	4.15	67.042.362	83.860.106
Other receivables	4.16	26.762.830	30.402.742
Cash & cash equivalents	4.17	176.798.897	124.795.284
Total current assets		**282.887.098**	**248.162.324**
TOTAL ASSETS		1.575.059.038	1.601.144.625
EQUITY & LIABILITIES			
Equity			
Share capital	4.18	300.000.000	300.000.000
Statutory & other reserves	4.19	13.208.355	7.901.219
Retained earnings	4.20	91.425.991	57.647.775
Total equity		**404.634.346**	**365.548.994**
Non-current liabilities			
Bank loans	4.22	861.483.722	942.920.763
Employee retirement benefits	4.23	5.096.834	4.261.448
Provisions	4.24	21.651.186	20.650.586
Deferred tax liabilities	4.25	12.267.694	10.300.200
Other non-current liabilities	4.26	86.035.926	82.795.078
Total non-current liabilities		**986.535.362**	**1.060.928.075**
Current liabilities			
Bank & subordinated loans	4.22	107.139.502	107.309.043
Trade & other payables	4.27	36.426.053	35.509.765
Income tax payable	4.25	30.000.000	22.669.014
Other current liabilities	4.28	10.323.776	9.179.734
Total current liabilities		**183.889.331**	**174.667.556**
Total liabilities		**1.170.424.693**	**1.235.595.631**
TOTAL EQUITY & LIABILITIES		1.575.059.038	1.601.144.625

The notes on pages 16 to 64 are an integral part of these financial statements.

CHAPTER 4

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2007

	Share Capital	Reserves	Retained Earnings	Total Equity
Balance as at 31 December 2005 as previously reported	**300.000.000**	**4.599.499**	**22.605.078**	**327.204.577**
Net effect of IFRIC 12 adoption		0	3.063.359	3.063.359
Balance as at 31 December 2005 as restated	**300.000.000**	**4.599.499**	**25.668.437**	**330.267.936**
Net profit for the year 2006	0	0	64.781.058	64.781.058
Transfer to statutory reserves	0	3.301.720	(3.301.720)	0
Other reserves	0	0	0	0
Dividends distributed	0	0	(29.500.000)	(29.500.000)
Balance as at 31 December 2006 as restated	**300.000.000**	**7.901.219**	**57.647.775**	**365.548.994**
Net profit for the year 2007	0	0	93.977.069	93.977.069
Fair value gain (net of tax) on available for sale financial asset	0	608.283	0	608.283
Total recognised income for the year	**0**	**608.283**	**93.977.069**	**94.585.352**
Transfer to statutory reserves	0	4.698.853	(4.698.853)	0
Dividends distributed	0	0	(55.500.000)	(55.500.000)
Balance as at 31 December 2007	**300.000.000**	**13.208.355**	**91.425.991**	**404.634.346**

The notes on pages 16 to 64 are an integral part of these financial statements.

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CHAPTER 5

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007	2006 Restated
Operating activities			
Profit for the year before tax		**125.741.802**	**94.597.051**
Adjustments for:			
Depreciation & amortisation expenses	4.3	72.563.357	73.262.410
Impairment of financial assets	4.2,4.15	9.035.416	12.888.674
Net financial expenses	4.4	70.790.183	64.701.768
(Gain)/loss on fixed asset disposals	4.8,4.9,4.10	(847.293)	66.018
Increase/(decrease) in retirement benefits	4.23	835.386	867.327
Increase/(decrease) in provisions	4.24	585.729	(2.304.215)
Increase/(decrease) in other assets/liabilities		(762.958)	(501.728)
Increase/(decrease) in working capital		3.596.919	(5.442.566)
Cash generated from operations		**281.538.541**	**238.134.739**
Income tax paid	4.25	(22.669.014)	(13.882.353)
Interest paid	4.4	(66.436.478)	(86.559.646)
Net cash flow from operating activities		**192.433.049**	**137.692.740**
Investment activities			
Acquisition of fixed assets	4.8,4.9,4.10	(15.018.154)	(10.201.252)
Interest received	4.4	9.213.205	4.384.070
Proceeds from disposal of fixed assets	4.8,4.9,4.10	37.954	86.565
Dividends received from AFS investments		167.748	0
Net cash flow from investment activities		**(5.599.247)**	**(5.730.617)**
Financial activities			
Dividends paid	4.20	(55.500.000)	(29.500.000)
Repayment of bank loans	4.22	(78.970.612)	(76.622.411)
Repayment of finance lease obligations	4.26,4.28	(359.577)	(371.099)
Net cash flow from financial activities		**(134.830.189)**	**(106.493.510)**
Net increase/(decrease) in cash & cash equivalents		**52.003.613**	**25.468.613**
Cash & cash equivalents at the beginning of the year		**124.795.284**	**99.326.671**
Cash & cash equivalents at the end of the year		**176.798.897**	**124.795.284**

The notes on pages 16 to 64 are an integral part of these financial statements.

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CHAPTER 6

NOTES TO THE FINANCIAL STATEMENTS

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1. Incorporation & Activities of the Company

Athens International Airport S.A. (the Company) is active in the financing, construction and operation of civil airports and related activities. As a civil airport operator the Company manages the Athens International Airport at Spata, Greece. The Company is a Societe Anonyme incorporated and domiciled in Greece. The address of its registered office is Spata, Attica 190 19.
The Company was established on 31 July 1995 by the Greek State & Private Investors for the purpose of the finance, construction, operation and development of the new international airport at Spata Attica. In exchange of the finance, construction, operation and development of the airport the Greek State granted and Athens International Airport S.A. holds, a Concession Period of 30 years commencing on 11 June 1996. At the end of the concession arrangement (11 June 2026) the airport with all usufruct additions will revert to the Greek State, which will enjoy all rights of ownership over these without payment of any kind and clear of any security, unless the concession arrangement is renewed.
The Airport Development Agreement (ADA) and the Articles of Association of the Company were ratified and put in legal force with the Law 2338/14/9/1995.
The Company commenced its commercial operations in March 2001 following a construction period of approximately 5 years initiated in September 1996.
The number of staff employed at year-end was 755 employees, compared to 730 employees at the end of 2006.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except for the effects of the adoption of IFRIC 12 "Service Concession Arrangements", as more fully explained in note 2.4.(a) and Chapter 7.

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company's financial statements have been prepared under the historical cost convention, as modified by the revaluation of Available for Sale of financial assets.
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.
Financial statements are presented in EURO (€), rounded to the nearest EURO (€).

a) Interpretations early adopted by the Company

IFRIC 12 "Service Concession Arrangements" was early adopted in 2007 by the Company. IFRIC 12 applies to companies that participate in Service Concession Arrangements and closes the gap that existed in IFRS as regards accounting for rights and obligations under service concessions granted to private-sector operators by government.
This interpretation sets out two alternative treatments for Service Concession Arrangements depending on whether the Company (i.e. the operator) has an unconditional contractual right to receive a payment from government or merely a right to charge users based on the usage of services. In the first instance, the "financial asset model" is applied and a financial asset is recognized. In the second, the operator acquires an intangible asset permitting it to operate public infrastructure; that is, the "intangible asset model" is applied.

For the Company the "intangible asset model" is applicable resulting in the recognition of an intangible asset that is amortised to the income statement over the concession period on a straight line basis. The intangible asset comprises the fair value of acquiring the Service Concession which principally includes costs incurred to construct the infrastructure (net of government grants received) as well as the present value of future obligations for grant of the rights fees payable to the Greek Government as set out in the Service Concession Arrangement.
This interpretation has been applied retrospectively and Chapter 7 sets out the impact of applying IFRIC 12 on net equity at 1 January 2006, on P&L for the year ended 31 December 2006 and on closing retained income for the year ended 31 December 2006.

b) Standards, Amendments and Interpretations effective in 2007

- IFRS 7, "Financial instruments: Disclosures", and the complementary amendment to IAS 1, "Presentation of financial statements – Capital disclosures", introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Company's financial instruments.
- IFRIC 8, "Scope of IFRS 2", requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of IFRS 2. This standard does not have any impact on the Company's financial statements.
- IFRIC 10, "Interim financial reporting and impairment", prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact on the Company's financial statements.

c) Standards, Amendments and Interpretations effective in 2007 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Company's operations:
- IFRS 4, "Insurance contracts";
- IFRIC 7, Applying the restatement approach under IAS 29, Financial reporting in hyperinflationary economies'; and
- IFRIC 9, "'Re-assessment of embedded derivatives".

d) Standards, Amendments and Interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2008 or later periods, but the Company has not early adopted them:
- IAS 23 (Amendment), "Borrowing costs" (effective from 1 January 2009). The amendment to the standard is still subject to endorsement by the European Union. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Company will apply IAS 23 (Amended) from 1 January 2009.
- IFRS 8, "Operating segments" (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, "Disclosures about segments of an enterprise and related information". The new standard requires a 'management

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approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Company is not obliged to disclose segment information neither under IAS 14 nor under IFRS 8, since its debt or equity instruments are not publicly traded and it has not filed for issuing any class of instrument in a public market.

- IFRIC 14, "IAS 19 – The limit on a defined benefits asset, minimum funding requirements and their interaction" (effective from 1 January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Company will apply IFRIC 14 from 1 January 2008, but it is not expected to have any impact on the Company's accounts.

e) Interpretations to existing standards that are not yet effective and not relevant for the Company's operations

The following interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2008 or later periods but are not relevant for the Company's operations:

- IFRIC 13, "Customer loyalty programmes" (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement in using fair values. IFRIC 13 is not relevant to the Company's operations.

2.2 Foreign Currency Translation

a) Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Company's financial statements are presented in EURO (€), which is the Company's functional and presentation currency.

b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.
Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.
Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in the available-for-sale reserve in equity.

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2.3 Property, Plant and Equipment

The items included under the heading "Property, Plant & Equipment" in the accompanying balance sheet are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.
The Company does not apply the alternative fair value measurement method permitted by IAS 16 "Property, Plant and Equipment".
Depreciation is calculated using the straight-line method to allocate the cost of the various categories of property, plant and equipment to their residual values over their estimated useful lives, as follows:

Mechanical Equipment	6-15 years
Vehicles	5-9 years
Fixtures & Equipment	5-6 years
Hardware	3-4 years

As regards the land, buildings, installations, fencing, aircraft ground power system, runways, taxiways, aircraft bridges and aprons are concerned, these form part of the Service Concession Arrangement and comprise the total infrastructure that have been recognised as an intangible asset in accordance with the requirements of IFRIC 12 "Service Concession Arrangements".
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains – net, in the income statement.

2.4 Intangible Assets

a) Service Concession Arrangement

The Service Concession Arrangement is the right that has been granted by the Greek State to the Company for the purpose of the finance, construction, operation and development of the Athens International Airport. The above right has a finite useful life of approximately 25 years which is equal to the duration of the concession arrangement following the completion of the construction phase.
This Service Concession Arrangement has been accounted for in terms of the requirements of IFRIC 12 "Service Concession Arrangements", which has been early adopted from 2007, and more specifically the "Intangible Asset Model" set out in the interpretation. The intangible asset comprises the fair value of acquiring the Service Concession which principally includes costs incurred to construct the infrastructure (net of government grants received) as well as the present value of future obligations for grant of the rights fees payable to the Greek Government as set out in the Service Concession Arrangement.
Amortisation is calculated using the straight-line method to allocate the cost of the right over the duration of the Service Concession Arrangement which is approximately 25 years.

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Any subsequent costs incurred in maintaining the serviceability of the infrastructure is expensed as incurred unless such cost relate to major upgrades which increase the income generating ability of the infrastructure. These costs are capitalised as part of the Service Concession intangible asset and are amortised on a straight-line basis over the remaining period of the Concession Arrangement.

b) Trademarks and Licences

Acquired trademarks and licences are shown at historical cost. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives.

c) Computer Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (3 to 4 years).
Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.
Computer software development costs that recognised as assets are amortised over their estimated useful lives (3 to 4 years).

2.5 Impairment of non-Financial Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets, such as the Service Concession intangible asset, that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6 Financial Assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

c) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.
Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.
Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within other (losses)/gains – net, in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Company's right to receive payments is established.
Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss; translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in equity.
When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.
Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Company's right to receive payments is established.
The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.
The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is

removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

2.7 Derivative Financial Instruments and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income statement within other gains/(losses) – net, unless the derivatives are designated as hedging instruments. Derivatives that are designated as hedging instruments are classified as either fair value hedges or cash flow hedges and are accounted for in terms of the requirements of IAS 39 "Financial Instruments: Recognition and Measurement".
The Company does not have any derivative financial instruments at the year end date or during the current or prior periods presented.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains/(losses) on qualifying cash flow hedges purchases of raw materials.

2.9 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within selling and marketing costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

2.10 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.
Cash and cash equivalents exclude any restricted cash that comprises deposits that are used in order to secure loan instalments. Such deposits may only be used for the purpose of loan repayments since they are restricted. Accordingly, these deposits are classified as restricted cash under current or non-current assets, as is appropriate.

2.11 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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Where the Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Company's equity holders.

2.12 Trade Payables

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

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.
The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised in shareholders' equity, net of tax.
Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.14 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
Government grants relating to costs such as borrowing costs are recognised in the income statement to match them with the costs that they are intended to compensate.
Government grants received towards principal repayment of borrowings are recognised in the income statement in the year the qualifying borrowings are repaid.
Government grants relating to non-current assets are off-set against the cost of the relevant non-current asset. The grant is recognised as income over the life of the respective depreciable non-current asset by way of a reduction in the depreciation/amortisation charge.
Loans at nil or low interest rates received from Government are initially recognised at the amount of the proceeds received. Subsequently, the carrying amount of such loans is not adjusted to reflect benefits received through the imputation of interest.

2.15 Current and Deferred Income Tax

The current income tax charge is calculated on the basis of Greek tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. However, the deferred income tax is not accounted for if it arises from initial

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recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.
Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

2.16 Employee Benefits

a) Pension Obligations

The Company has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.
The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the Currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.
Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.
Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.
For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Other Post-employment Obligations

The Company does not provide any other post-employment benefits to employees upon their retirement. In the event that the Company decides to provide such benefits at some future date, these will be accounted for in terms of the pronouncements of IAS 19 "Employee Benefits".

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c) Share-based Compensation

The Company does not provide any share-based compensation to employees. In the event that the Company decides to provide such benefits at some future date, these will be accounted for in terms of the pronouncements of IFRS 2 “Share-based Payment”.

d) Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

e) Profit-sharing and Bonus Plan

The Company does not have any profit-sharing plans in place for employees. In respect of bonus plans that exist, the Company recognises a liability and an expense for bonuses when it is contractually obliged to pay bonuses or where there is a past practice that has created a constructive obligation.

2.17 Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions include the obligations under the Service Concession Arrangement to maintain the serviceability of major infrastructure components, such as runways, taxiways, aprons, etc. which require major overhauls at regular intervals during the concession period. Provisions are not recognised for future operating losses.
Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.
Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.18 Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company’s activities. Revenue is shown net of value-added tax, returns, rebates and discounts.
The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company’s activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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a) Sales of Goods

Revenue from the sales of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

b) Sales of Services

Revenue from services rendered is recognised in the income statement when delivery of the services takes place. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or associated. Refer to note 4.1 for recognition of income from airport charges and IT & T services.

c) Rental Income

Rental income from operating leases entered into by the Company as a lessor is recognised on a straight-line basis over the lease term.

d) Interest Income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

2.19 Leases

Leases are classified as finance leases provided their conditions substantially transfer the risks and rewards of ownership to the Company and the lease offers the option of acquiring the asset at the end of the lease in accordance with the terms agreed when the contract is concluded. All other leases are classified as operating leases.
Financial leases are presented at the lower amount, of the fair value and the present value of the minimum future leased payments at the beginning of the lease, and decreased by the accumulated depreciation and any accumulated impairment losses.
The depreciable amount of a leased asset is allocated to each accounting period during the period of expected use, on a systematic basis, consistent with the depreciation policy the lessee adopts for similar assets that are owned. Should the useful life of any asset or its components exceed the concession period, then its economic life is revised accordingly that is, over the concession period.

2.20 Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.21 Fair Value Estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price.
The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.
The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

3. Financial Risk Management

3.1 Financial Risk Factors

The Company is exposed to financial risk, such as market risk (fluctuations in exchange rates and interest rates and price risk), credit risk and liquidity risk. The general risk management program of the Company focuses on the unpredictability of the financial markets, and attempts to minimize their potential negative influence on the financial performance of the Company.
The financial risk management of the Company is processed internally by a qualified Unit, which operates under specific rules that have been approved by the Board of Directors.

a) Exchange Rate Risk

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

b) Cash Flow and Fair Value Interest Rate Risk

The Company has significant interest-bearing assets in the form of cash, cash equivalent (short term time deposits and other highly liquid investments) and blocked deposits, thus profits and cash flows from investment activities are dependent in market interest rates. During 2007 the Company's cash and cash equivalent (short term time deposits and other liquid investments) earned an effective interest rate amounting to 3,98% (2006: 2,80%). The impact from possible future interest rates on the Company's financial performance is presented bellow:

	2007		2006	
Interest rates fluctuation	+1%	-1%	+1%	-1%
Impact on interest receipts	**2.370.032**	**(2.370.032)**	**1.843.905**	**(1.843.905)**

The Company is also exposed to interest rate risk arising from its long-term borrowings. Borrowings issued at variable interest rates expose the Company to cash flow interest rate risk while borrowings issued at fixed interest rates expose the Company to fair value interest rate risk.
The majority of the Company's borrowings, in the region of 92% of total financing, are in borrowings with fixed interest rates. Hence the financial performance cannot be affected by fluctuations in interest rates with respect to such loans. The fair value interest rate risk of such loans is presented in note 4.22 "Bank loans and other borrowings".
During 2007 and 2006, the Company's borrowings at variable interest rate were denominated in Euros. The balance of the Company's loans subject to floating rates is based on 6 months Euribor plus a pre-determined spread. The impact from possible future interest rates on the Company's financial performance is presented bellow:

	2007		2006	
Interest rates fluctuation	+1%	-1%	+1%	-1%
Impact on interest payments	**782.746**	**(782.746)**	**1.174.119**	**(1.174.119)**

The Company is exposed to fair value interest rate risk as a result of discounting liabilities and receivables of long term settlement. Such liabilities and receivables are discounted using the Company's WACC which is affected by interest rates fluctuations. The impact from possible future interest rates on the Company's financial performance from liabilities of long term settlement is presented bellow:

	2007		2006	
Interest rates fluctuation	+1%	-1%	+1%	-1%
Grant of rights fee payable	(171.672)	123.782	(215.999)	169.217
Provision for major restoration expenses	(80.769)	86.206	(78.629)	85.316
Total impact on interest expenses	**(252.441)**	**209.988**	**(294.628)**	**254.533**

The impact from possible future interest rates on the Company's financial performance from the settlement of the financial assets is presented in note 4.4 "Net financial expenses".

c) Price Risk

The Company's exposure to equity securities price risk is limited to the investment in an unlisted entity held by the Company and classified on balance sheet as available for sale. The Company is not exposed to commodity price risk.

d) Credit Risk

The Company has established a credit policy and implements credit control procedures aiming in minimizing collection losses by obtaining, where appropriate, securities extended by its customers. Credit control assesses the credit quality of the customers, taking into account their financial and credit standing position, past experience and other factors. Additional real or other securities are asked for where it is necessary.

Trade and other receivables are analysed as follows in terms of credit risk:

Trade and other receivables analysis	2007	2006
Fully performed	14.601.135	20.325.095
Past due but not impaired	9.989.855	6.096.651
Impaired	110.838.031	100.862.585
Total trade and other receivables analysis	**135.429.021**	**127.284.331**

The aging analysis of the past, but not impaired amount is presented in the following table:

Aging analysis of past due but not impaired receivables	2007	2006
1-30 days	5.767.261	5.371.151
31-60 days	3.455.842	290.782
Over 60 days	766.752	434.718
Total of past due but not impaired receivables	**9.989.855**	**6.096.651**

- **Credit Quality of Financial Assets**

The credit quality of the financial assets is quite satisfactory, taking into account the allowance for doubtful debt. The Company has established a credit policy which requires the customers to extend securities for the use of airport's services and facilities. The securities held by the Company are in the form of cash deposits, bank letter of guarantee and mortgages on aircrafts. The fair value of the collaterals held by the Company as at 31 December 2007 is analysed as follows:

Fair value of collaterals held	2007	2006
Letter of Guarantees	28.897.834	24.491.149
Cash deposits	22.770.488	21.497.143
Mortgage on aircrafts	28.619.963	33.503.685
Total fair value of collaterals held	80.288.285	79.491.977

The collaterals above have been received against the outstanding balance of all trade receivable accounts.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to information about counterparty secured amounts:

	2007	2006
Group 1 – Fully secured	13.153.223	15.279.265
Group 2 – Partially secured	1.447.912	4.572.427
Group 3 – Not secured	0	473.403
Total	14.601.135	20.325.095

- **Trade Receivables & Accrued Income**

As of 31 December 2007, trade receivables of € 110.838.031 were impaired and adequately provided for their unsecured amount. The amount of provision was € 58.744.605 as of 31 December 2007. The individually impaired receivables mainly relate to customers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

Movements on the provision for impairment of trade receivables are as follows:

	2007	2006
At 1 January 2007	49.708.189	36.819.516
Provision for receivables impairment	9.036.416	12.888.673
At 31 December 2007	58.744.605	49.708.189

The creation and release of provision for impaired receivables have been included in "Impairment losses" in the income statement. The other classes within trade receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the value of total provision for impairment of trade receivables.

e) Concentration Risk

The Company is exposed to concentration risk attributed to the concentration of the trade receivables and cash balances.
In specific, the trade receivables are concentrated as follows:

Receivables analysis	2007	2006
Domestic airlines	110.407.457	101.674.093
Foreign airlines	3.914.525	4.655.699
Other customers	21.107.039	20.954.539
Total receivables	135.429.021	127.284.331

The cash balances, including restricted cash, are concentrated as follows:

Cash balances analysis	2007	2006
Bayerische Hypo – und Vereinsbank AG	89.448.211	87.711.309
Alpha Bank	22.376.785	8.248.882
EFG Eurobank Ergasias	81.273.405	75.421.945
National Bank of Greece	40.461.694	10.475.056
Total cash balances	**233.560.095**	**181.857.192**

No loss is expected due to such cash balances concentration.

f) Liquidity Risk

Liquidity risk is held at low levels through effective cash flow management and availability of adequate cash.
The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2007	Less than 1 year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years
Borrowings	174.422.936	95.153.114	285.415.691	808.662.513
Trade and other payables	32.871.467	0	0	0
Total	**207.294.403**	**95.153.114**	**285.415.691**	**808.662.513**
At 31 December 2006	**Less than 1 year**	**Between 1 & 2 years**	**Between 2 & 5 years**	**Over 5 years**
Borrowings	138.576.225	137.229.642	325.517.365	903.798.327
Trade and other payables	31.542.363	0	0	0
Total	**170.118.588**	**137.229.642**	**325.517.365**	**903.798.327**

2007 borrowings payable within the next year, include the early principal repayment and accrued interest to-date of payment, of the Commercial & Cargo Loans (for further information refer to note 4.33)

3.2 Capital Risk Management

The Company's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, use excess cash to repay its borrowings (subject to the termination provisions of the respective loan agreements) or sell assets not pledged as security, to reduce debt.
Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "Current and non-current borrowings" as shown in the balance sheet but excluding the subordinated loan) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.
During 2007, the Company's strategy, which was unchanged from 2006, was to further decrease the gearing ratio. The gearing ratios at 31 December 2007 and 2006 were as follows:

Gearing ratio	2007	2006
Total borrowings excluding subordinated loan	943.153.604	1.022.483.793
Less: Cash & cash equivalent	(176.798.897)	(124.795.284)
Less: Blocked deposits	(56.767.920)	(57.069.228)
Net debt	**709.586.787**	**840.619.281**
Total capital – (equity plus net debt)	1.114.221.133	1.206.168.275
Gearing ratio	**0,64**	**0,70**

The decrease in the gearing ratio during 2007 resulted primarily from the repayment of borrowings and the positive financial results for the year.

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4. Notes to the financial statements

4.1 Operating revenues

Operating revenues were measured at the fair value of the consideration received or receivable, taking into account the amount of any trade discounts or tax-volume rebates.
The fair value of the consideration received or receivable is equal to the invoiced amount, since the Company doesn't provide any deferred credit terms to its customers, in the form of interest-free instalments or at below market interest rates.
The Company, in cases where it is likely, based on estimations, that the economic benefits related to a transaction are not expected to flow to the entity, does not recognise the revenue of the specific transaction.

a) Airport charges

Revenues related to airport charges are recognised in the Income Statement when the services are rendered. The criteria for the recognition of income related to airport charges is the aircraft's take off. Every arrival of an aircraft and its subsequent departure is considered as a cycle of movement/flight where all necessary services have been rendered.
Article 14 of law 2338/1995, the "Airport Development Agreement", sets the rules for defining the charges levied to the users of the airport with respect of the facilities and services provided at the airport.
According to the aforementioned article, the Company shall be free and at its discretion determine the level of airport charges in order to cover:

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

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

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

Since the airport's opening the Company has never exceeded the cumulative equity return of 15% on the air activities capital, setting the airport charges at a level reasonably acceptable by the users of the airport.

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b) Building space rentals

The Company rents properties -including building spaces and cargo- within the airport premises under the form of an operating lease.
Rental revenue from leased property is recognized in the income statement on a straight-line basis over the term of the lease agreement.
As at the balance sheet date the Company has contracted with tenants for the following minimum non-cancellable operating lease payments:

Analysis of minimum lease payments	2007	2006
Within one year	12.988.898	16.784.422
Between one and five years	44.538.623	44.922.715
More than five years	91.886.961	94.245.466
Total minimum lease payments	149.414.482	155.952.603

c) Concession agreements

The Company's business area has a total of 67 concession contracts, at the balance sheet date, concerning the performance of various commercial activities at the airport.
A concession involves granting of rights to a concession holder to operate and manage a commercial activity in a specific location designated by the Company. The concession rights are calculated according to an agreed scale as a percentage of the sales generated by the concession holder subject to an annual minimum guaranteed fee. A separate part of the concession contract is entered into for the space required for warehouses, for which a fixed rent is payable.
Concession revenues are recognised in the income statement on a monthly basis, while the settlement of the annual concession fees is finally recognised by the Company in the income statement, at year-end.
Concession fees earned for the year ended 31 December 2007 include contingent revenues amounting to € 6.405.638 (2006: € 4.946.242)

d) IT & T charges

IT & T services are offered to the Airport Community (airlines, handlers, passengers, concessionaires, governmental authorities etc) as well as to customers in Greece and/or abroad, for consulting and integrated IT&T services provided to private and public bodies.
The Company offers a complete range of telecommunications & information technology services through the operation and management of a Private Corporate Network. Service level agreements are established with the potential customers in order to safeguard the quality and the continuous provision of the services.
The offered service portfolio includes the provision of telecommunication products and services such as leased lines, voice, TETRA, Wide Area Network and Virtual Private Network services. At the same time the Company provides Wireless & Fixed Internet services. The Company is the single point of reference for the offered services to Airport Community.
IT & T revenues are recognised in the income statement at the time of completion of each service rendered. Sales of equipment are recognised in the income statement when the significant risks and rewards have been transferred to the buyer.
Operating revenues are analysed between air and non-air activities as follows:

Analysis of operating revenues	2007			2006		
	Operating revenues	Other revenues	Total operating revenues	Operating revenues	Other revenues	Total operating revenues
Air activities						
Landing, parking, passenger terminal fees, security charge, general aviation fees	171.237.379	0	171.237.379	148.466.987	0	148.466.987
Centralized infrastructure & ground handling	38.013.144	0	38.013.144	34.971.454	0	34.971.454
Railway station-access & usage fees	1.167.796	0	1.167.796	1.712.826	0	1.712.826
Building rentals	18.026.762	38.272	18.065.034	16.957.762	41.369	16.999.131
Ground rentals & concessions	11.579.978	0	11.579.978	10.819.963	0	10.819.963
Building services	5.554.081	0	5.554.081	4.729.852	0	4.729.852
IT&T charges	2.974.404	0	2.974.404	3.041.660	0	3.041.660
Other	0	8.595.278	8.595.278	0	0	0
Total air activity revenues	**248.553.544**	**8.633.550**	**257.187.094**	**220.700.504**	**41.369**	**220.741.873**
Non-air activities						
Commercial activities	42.955.796	0	42.955.796	39.773.205	0	39.773.205
Parking services	16.476.809	0	16.476.809	14.783.904	0	14.783.904
Advertising concessions	5.066.464	0	5.066.464	4.331.589	0	4.331.589
Railway station-commercial activities	659.172	0	659.172	519.360	0	519.360
Building rentals	800.904	14.550	815.454	622.628	6.500	629.128
Ground rentals & concessions	6.050.188	0	6.050.188	4.935.128	3.344	4.938.472
Building services	2.211.122	0	2.211.122	2.337.537	45.297	2.382.834
IT&T charges	3.501.267	12.847	3.514.114	3.067.317	7.890	3.075.207
Other non aeronautical services	0	174.395	174.395	16.860	74.299	91.159
Total non-air activity revenues	**77.721.722**	**201.792**	**77.923.514**	**70.387.528**	**137.330**	**70.524.858**
Total operating revenues	**326.275.266**	**8.835.342**	**335.110.608**	**291.088.032**	**178.699**	**291.266.731**

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4.2 Operating expenses

The main categories of operating expenses are analysed as follows:

Analysis of operating expenses	2007	2006 Restated
Personnel expenses		
Payroll	26.233.837	24.517.523
Social security	5.892.787	5.412.252
Benefits & other staff expenses	6.236.858	6.562.473
Other staff expenses	590.576	655.119
Total personnel expenses	**38.954.058**	**37.147.367**
Outsourcing expenses		
Passenger's & hold baggage screening fees	13.924.459	10.572.075
Building & installation maintenance fees	12.001.822	10.819.660
Accessing & patrolling services	5.653.020	4.973.655
Airport fire corporation services	4.135.920	3.969.213
Cleaning fees	3.758.738	3.666.699
Hardware & software maintenance fees	2.999.875	2.886.102
Car parking operation services	2.363.782	2.175.409
Landscaping services	1.092.406	1.000.299
Other outsourcing expenses	7.358.034	8.017.249
Total outsourcing expenses	**53.288.056**	**48.080.361**
Public relations & marketing expenses		
Market research	282.487	460.663
Advertisements	1.031.414	985.254
Events	166.288	974.826
Co-promotion activities	859.165	689.948
Sponsorships-donations	1.597.105	420.348
Other	530.956	471.742
Total public relations & marketing expenses	**4.467.415**	**4.002.781**
Utility expenses		
Electricity	3.465.770	3.460.946
Telecommunications	2.964.549	2.956.946
Natural gas	1.794.991	1.782.342
Water	726.210	647.769
Waste management	980.403	881.446
Other related expenses	65.113	32.133
Total utility expenses	**9.997.036**	**9.761.582**
Insurance premiums		
Aviation liability premiums	1.147.107	1.370.303
Property damage & business interruption premiums	2.687.195	2.890.568
Other insurance premiums	177.361	200.480
Total insurance premiums	**4.011.663**	**4.461.351**
Provisions for impairment losses		
Provision for impairment of financial assets	9.036.416	12.888.673
Provision for impairment losses due to claims with respect to airport charges	2.573.860	2.357.672
Provision for impairment of inventory items	627.688	567.777
Total provisions	**12.237.964**	**15.814.122**
Other operating expenses		
Cost of used spare parts & consumables used	1.556.310	1.495.195
Information systems operating lease & rentals	1.831.929	1.793.339
Board of directors' fees & expenses	783.204	683.807
Office supplies & administration expenses	630.141	598.768
Operating supplies	1.206.498	794.083
Miscellaneous expenses	1.410.325	271.237
Total other operating expenses	**7.418.407**	**5.636.429**
Total operating expenses	**130.374.599**	**124.903.993**

Benefits & other staff expenses include payments towards defined contribution plans for the year ended 31 December 2007 amounting to €690.523 (2006:€627.253)
An amount of € 32.137 has been recognised in the income statement for the year end 31 December 2007 as a net foreign exchange gain (2006: €34.974 net gain)

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4.3 Depreciation & amortisation charges

Analysis of depreciation & amortisation charges	2007	2006 Restated
Depreciation of owned assets	5.500.515	8.072.275
Amortisation of cohesion fund related to owned assets	(65.425)	(918.542)
Depreciation of leased assets	125.861	210.110
Amortisation of intangible assets	82.076.730	80.974.531
Amortisation of cohesion fund related to intangible assets	(15.074.323)	(15.075.966)
Total depreciation & amortisation expenses	**72.563.358**	**73.262.408**

Refer to notes 4.8-4.11 for further information.

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4.4 Net financial expenses

Analysis of net financial expenses	2007	2006 Restated
Net financial expenses		
Interest expenses and related costs on bank loans	63.694.291	66.457.387
Discounting effect on financial assets	11.164.720	0
Unwinding of discount for long term liabilities	4.834.509	4.395.459
Other financial expenses	766.217	101.494
Financial expenses	**80.459.737**	**70.954.340**
Interest income	(9.669.555)	(6.252.571)
Net financial expenses	**70.790.182**	**64.701.769**

Interest and related expenses amounting to €66.436.478 (2006: €86.559.646) were paid during the year ended 31 December 2007 inclusive of the Greek State Facility Fee of €6.794.187 relating to the period June 2006 to December 2007.
The weighted average interest rate on the Company's borrowings for 2007 was 5,98% (2006: 5.78%).
The weighted average interest rate earned by the Company on its cash surplus for 2007 was 3,98 % (2006: 2,80%),The average maturity of the Company's time deposits for 2007 was 21 days (2006: 14 days).
The discounting effect on the financial assets would be lower by €740.994 if the discounting rate was 1% higher while the discounting effect would be higher by €765.367 if the discounting rate was lower by 1%. In year 2006 none of the financial assets was considered as long term receivable and therefore none of them was discounted.

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4.5 Subsidies received towards principal and interest on borrowings

Airport Development Fund (ADF)

In accordance with law 2065/1992, as amended with law 2892/2001, the Greek State imposed a fee on passengers, departing from Greek Airports older than 5 years old, aiming to ensuring that airlines and passengers will share the responsibility for the development cost of the commercial aviation infrastructure in the Hellenic Republic.
A passenger fee is collected by the airlines and consequently refunded to the Hellenic Civil Aviation Authority on a monthly basis, through bank accounts opened with the Bank of Greece for each airport, in favour of the latter.
According to article 26.1 of law 2338/1995, the "Airport Development Agreement", the Greek State undertook the responsibility to collect the passenger fee over the period from 1/11/1994 to 1/11/2014. The Greek State also committed that article 40 of law 2065/1992 "*will not be amended or modified in any respect which materially prejudices the financial return of the Airport Company*".
Based on the provisions of article 26.2 of law 2338/1995, in conjunction with article 16 of law 2892/2001, the airport Company, at all times prior to airport opening and at all times after the airport opening, is entitled to make withdrawals from the Spata Airport Development Fund, in order to:

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

For the year ended 31 December 2007 the Company was entitled to subsidies under the ADF amounting to €72.954.611 (2006: €66.198.491) towards meeting principal and interest on borrowings as analyses below:

	2007	2006
Receivables meeting interest and related expenses	64.359.333	66.198.491
Receivables towards meeting principal payments	8.595.278	0
Total subsidies receivable	**72.954.611**	**66.198.491**

Any subsidies receivable in excess of qualifying interest and related expenses for the year are shown as other revenues in line with the accounting policy 2.14. Part of this amount was actually collected, while the balance was accounted for as receivable in the balance sheet. (Refer to note 4.16)

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4.6 Income tax expense

Domestic income tax is calculated at 25% (2006: 29%) on taxable income or on dividends declared for distribution in circumstance where the Company has tax losses carried forward.
The total income taxes charged to the income statement are analysed as follows:

	2007	2006 Restated
Income tax on dividends	(30.000.000)	(22.669.014)
Deferred income tax	(1.764.733)	(7.146.979)
Total income tax expense for the year	**(31.764.733)**	**(29.815.993)**

The deferred income tax expense for 2006 has been restated by € 417.782 as a result of the early adoption of IFRIC 12.

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

Reconciliation of effective income tax rate	Rate	2007	Rate	2006 Restated
Profit before tax for the year		**125.741.802**		**94.597.051**
Income tax	25%	(31.435.451)	29%	(27.433.145)
Expenses not deductible for tax purposes	1%	(1.267.364)	1,54%	(1.456.303)
Income not subject to income tax	(0,03)%	41.937	0%	0
Tax relief from prior years' expenses	(0,71)%	896.145	0%	0
Tax effect due to the adoption of IFRIC 12	0%	0	(1,08)%	1.021.120
Effect of temporary differences settlement at lower income tax rates	0%	0	2,66%	(2.514.196)
Adjustment of previous year effect of temporary differences settlement at lower income tax rates	0%	0	(0,6)%	566.531
Total income tax expense for the year	**25,26%**	**(31.764.733)**	**31,52%**	**(29.815.993)**

The deferred income tax liability for 2006 has been restated by € 1.021.120 as a result of the early adoption of IFRIC 12.

Refer further to note 4.25

4.7 Basic earnings per share

Basic earnings per share are calculated by dividing the Company's net profits after taxes by the weighted average number of shares during the year as follows:

Analysis of earnings per share	2007	2006 Restated
Profit of the year attributable to shareholders	93.977.069	64.781.058
Average No of shares during the year	30.000.000	30.000.000
Earnings per share for the year	**3.13**	**2.16**

There were no new shares issued or existing shares repurchased during the year. The average number of shares remained unchanged. The Company does not have any potential dilutive instruments.

4.8 Property plant & equipment-owned assets

Acquisition cost	Land & buildings	Plant & equipment	Vehicles	Furniture & fittings	Cohesion fund	Total
Balance as at 1 January 2006	**40.000**	**809.312**	**30.406.336**	**58.114.799**	**(17.437.643)**	**71.932.804**
Acquisitions	0	184.458	207.208	1.813.859	0	2.205.525
Disposals	0	(38.200)	(211.417)	(505.302)	0	(754.919)
Transfers	0	530.753	223.263	1.746.893	0	2.500.909
Reclassifications	0	0	0	0	0	0
Balance as at 31 December 2006	**40.000**	**1.486.323**	**30.625.390**	**61.170.249**	**(17.437.643)**	**75.884.319**
Balance as at 1 January 2007	**40.000**	**1.486.323**	**30.625.390**	**61.170.249**	**(17.437.643)**	**75.884.319**
Acquisitions	0	22.551	722.276	1.787.711	0	2.532.538
Disposals	0	0	(147.445)	(86.581)	0	(234.026)
Transfers	0	68.056	146.843	3.901.995	0	4.116.894
Reclassifications	0	0	0	0	0	0
Balance as at 31 December 2007	**40.000**	**1.576.930**	**31.347.064**	**66.773.374**	**(17.437.643)**	**82.299.725**

Depreciation of owned property plant & equipment

Depreciation	Land & buildings	Plant & equipment	Vehicles	Furniture & fittings	Cohesion fund	Total
Balance as at 1 January 2006	**0**	**341.939**	**27.834.897**	**47.797.588**	**(16.445.389)**	**59.529.035**
Depreciation charge for the year	0	219.819	2.490.776	5.361.680	(918.542)	7.153.733
Disposals	0	(15.758)	(137.400)	(499.120)	0	(652.278)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	(723.052)	408.830	0	(314.222)
Balance as at 31 December 2006	**0**	**546.000**	**29.465.221**	**53.068.978**	**(17.363.931)**	**65.716.268**
Balance as at 1 January 2007	**0**	**546.000**	**29.465.221**	**53.068.978**	**(17.363.931)**	**65.716.268**
Depreciation charge for the year	0	299.391	551.338	4.649.786	(65.425)	5.435.090
Disposals	0	0	(80.522)	(77.243)	0	(157.765)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Balance as at 31 December 2007	**0**	**845.391**	**29.936.037**	**57.641.521**	**(17.429.356)**	**70.993.593**

Carrying amount of owned property plant & equipment

Carrying Amount	Land & buildings	Plant & equipment	Vehicles	Furniture & fittings	Cohesion fund	Total
As at 1 January 2006	40.000	467.373	2.571.439	10.317.211	(992.254)	12.403.769
As at 31 December 2006	40.000	940.323	1.160.169	8.101.271	(73.712)	10.168.051
As at 1 January 2007	40.000	940.323	1.160.169	8.101.271	(73.712)	10.168.051
As at 31 December 2007	40.000	731.539	1.411.027	9.131.853	(8.287)	11.306.132

Amounts of the year 2006 have been partially restated as a result of the early adoption of IFRIC 12.

4.9 Property, plant & equipment-leased assets

Property plant & equipment -leased assets			
Acquisition cost	Vehicles	Furniture & fittings	Total
Balance as at 1 January 2006	**2.031.972**	**259.122**	**2.291.094**
Acquisitions	40.140	0	40.140
Disposals	0	0	0
Balance as at 31 December 2006	**2.072.112**	**259.122**	**2.331.234**
Balance as at 1 January 2007	**2.072.112**	**259.122**	**2.331.234**
Acquisitions	64.490	0	64.490
Disposals	(3.859)	0	(3.859)
Balance as at 31 December 2007	**2.132.743**	**259.122**	**2.391.865**

Depreciation of leased property plant & equipment			
Depreciation	Vehicles	Furniture & fittings	Total
Balance as at 1 January 2006	**1.571.211**	**224.573**	**1.795.784**
Depreciation charge for the year	175.561	34.549	210.110
Impairment losses	0	0	0
Disposals	0	0	0
Balance as at 31 December 2006	**1.746.772**	**259.122**	**2.005.894**
Balance as at 1 January 2007	**1.746.772**	**259.122**	**2.005.894**
Depreciation charge for the year	125.861	0	125.861
Impairment losses	0	0	0
Disposals	(25.034)	0	(25.034)
Balance as at 31 December 2007	**1.847.599**	**259.122**	**2.106.721**

Carrying amount of leased property plant & equipment			
Carrying amount	Vehicles	Furniture & fittings	Total
As at 1 January 2006	**460.761**	**34.549**	**495.310**
As at 31 December 2006	**325.340**	**0**	**325.340**
As at 1 January 2007	**325.340**	**0**	**325.340**
As at 31 December 20007	**285.144**	**0**	**285.144**

In accordance with the requirements of IFRIC 12 (Service Concession Arrangements), buildings, installations, usufruct of the site and cohesion fund have been reclassified from leased assets to intangible assets in the financial statements. Amounts of the year 2006 have been partially restated as a result of the early adoption of IFRIC 12.

4.10 Intangible assets

An intangible asset is an identifiable non-monetary asset which has no physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. Based on IAS 38 and IFRIC 12 which has been early adopted in 2007, the Company's intangible assets consist of Service Concession Arrangement, trademarks, licences and computer software (Refer further to 2.1.a) and 2.4)

The Service Concession Arrangement is the right that has been granted by the Greek State to the Company for the purpose of the finance, construction, operation and development of the Athens International Airport. This intangible asset comprises the fair value of acquiring the Service Concession and it has a useful life equal to the duration of the concession arrangement following the completion of the construction phase. Amortisation is calculated using the straight-line method to allocate the cost of the right over the duration of the Service Concession Arrangement which is approximately 25 years. Any subsequent costs incurred in maintaining the service ability of the infrastructure are expenses as incurred unless such costs relate to major upgrades which increase the income generating ability of the infrastructure.

AIA has contractual obligations it must fulfil as a condition of its license (a) to maintain the infrastructure to a specified level of serviceability or (b) to restore the infrastructure to a specified condition before it is handed over to the Greek State at the end of the service arrangement, 11th of June 2026. Major overhaul for roads, runways, taxiways and airfield lighting equipment was calculated based on current estimations as at €47.959.604. For annual provisions that concern these restoration expenses refer to note 4.24.

Trademarks and licences are shown at historical cost and have a finite useful life. Trademarks and licenses are carried at cost less accumulated amortisation which is calculated using the straight-line method to allocate the cost over their estimated useful lives.

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software and have a useful life of 3 to 4 years. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, and generate economic benefits, are recognised as intangible assets.

Acquisition cost	Intangible assets Concession assets	Software & other	Total
Balance as at 1 January 2006	**1.649.697.575**	**8.926.621**	**1.658.624.196**
Acquisitions	156.542	380.467	537.009
Disposals	(49.942)	0	(49.942)
Transfers	4.003.907	421.042	4.424.949
Reclassifications	0	0	0
Balance as at 31 December 2006	**1.653.808.082**	**9.728.130**	**1.663.536.212**
Balance as at 1 January 2007	**1.653.808.082**	**9.728.130**	**1.663.536.212**
Acquisitions	264.943	423.316	688.259
Disposals	0	0	0
Transfers	2.509.386	530.938	3.040.324
Reclassifications	0	0	0
Balance as at 31 December 2007	**1.656.582.411**	**10.682.384**	**1.667.264.795**

Depreciation	Depreciation of intangible assets Concession assets	Software & other	Total
Balance as at 1 January 2006	**304.577.538**	**6.714.249**	**311.291.787**
Depreciation charge for the year	64.590.780	1.307.786	65.898.566
Impairment losses	0	0	0
Disposals	0	0	0
Transfers	0	0	0
Reclassifications	2.057.947	0	2.057.947
Balance as at 31 December 2006	**371.226.265**	**8.022.035**	**379.248.300**
Balance as at 1 January 2007	**371.226.265**	**8.022.035**	**379.248.300**
Depreciation charge for the year	64.933.903	1.208.877	66.142.780
Impairment losses	0	0	0
Disposals	0	0	0
Transfers	0	0	0
Reclassifications	0	0	0
Balance as at 31 December 2007	**436.160.168**	**9.230.912**	**445.391.080**

Carrying amount	Carrying amounts of intangible assets Concession assets	Software & other	Total
As at 1 January 2006	**1.345.120.037**	**2.212.372**	**1.347.332.409**
As at 31 December 2006	**1.282.581.817**	**1.706.095**	**1.284.287.911**
As at 1 January 2007	**1.282.581.817**	**1.706.095**	**1.284.287.911**
As at 31 December 2007	**1.220.422.243**	**1.451.472**	**1.221.873.715**

Amounts of the year 2006 have been partially restated as a result of the early adoption of IFRIC 12.

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4.11 Government grants

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

Investment grants on owned & intangible assets: the Cohesion Fund

In accordance with paragraph 22.3 of the ADA, the Greek State undertook the responsibility to make concerted efforts in order to attain for the Company grants from European Community of € 400.000.000 for the financing of the construction cost of the airport. Following the signing off of the Identified Construction Contract, between the Company and the Consortium of the Constructors, the Greek State applied for the Cohesion Fund financing. The Company, having fulfilled all the conditions called for by the Cohesion Fund, was finally financed an amount of € 398.124.115.
In accordance with IAS 20, government grants relating to assets are presented in the balance sheet either by setting up the grants as deferred income or by deducting the grants received, against the acquisition cost of the pertinent fixed assets. The Company adopted the second method of presentation that is, deducting the grants from the carrying amount of the assets. For the allocation of the cohesion fund grants received, refer to notes 4.8 & 4.10.
The cohesion fund grant is amortised using the straight-line method over the useful life of the assets, which were financed with this grant.

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4.12 Other non-current assets

Other non-current assets are analysed as follows:

Analysis of other non-current assets	2007	2006
Blocked deposits	56.767.920	57.069.228
Available for sale financial asset	1.795.482	984.439
Long term guarantees	143.548	147.332
Total other non current assets	**58.706.950**	**58.200.999**

The Company maintains two blocked bank accounts: The Hermes Cash Reserve Account and the Revenue at Risk Reserve Account.
The Hermes Cash Reserve Account reflected a balance of € 20.323.495 as at 31 December 2007 (31 December 2006 € 20.624.804). This account serves as security, for an amount equivalent to the aggregate of the principal repayment and interest payable at the following repayment date, based on the Commercial Loan Agreement. It will be released in September 2009 upon the full repayment of the aforementioned loan.
The Revenue at Risk Reserve Account (RRRA) at 31 December 2007 remains at the same level of €36.444.424 as at 31 December 2006. The purpose of this account is to provide security in favour of bankers in respect to overdue customer debts due to the Company. The RRRA shall remain in force until the full repayment of the Master Facility Agreement (MFA) and the Commercial Loan Agreement or the full repayment of overdue debts to the Company. (Non-current assets)
The Company's 17% equity interest in "Athens Airport Fuel Pipeline" has been classified as an available for sale financial asset. This asset is measured at its fair value at the balance sheet date. Any fair value gain (net of tax) is recognized directly in equity. In 2007, a net fair value gain of €608.283 was recognized directly within equity.
Long-term guarantees relate to guarantees given to lessors for operating lease contracts, and were measured at their present value, by discounting future cash flow transactions with the weighted average borrowing rate of the Company.

4.13 Inventories

Inventory items are analysed as follows:

Analysis of inventories per category	2007	2006 Restated
Merchandise	487.423	457.788
Consumables	341.347	349.882
Spare parts	5.318.800	5.735.294
Inventory impairment	(627.688)	(567.777)
Total inventories	**5.519.882**	**5.975.187**

Inventories consist of merchandise, consumables and spare parts and have been valued at the lower of cost and net realizable value. Cost is determined by using the weighted average method, which has been consistently applied since the establishment of the Company. During 2007, an impairment loss of € 627.688 (2006: €567.777) was recognized in the income statement to reduce certain obsolete and slow moving items to their estimated net realizable value.

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4.14 Construction works in progress

Analysis of construction works in progress	2007	2006 Restated
Construction works in progress	6.763.126	3.129.005
Total construction works in progress	**6.763.126**	**3.129.005**

Construction works in progress mainly refer to additions and improvements on the existing infrastructure assets such as technical works, building and facilities, roads etc. These assets will be returned to the Grantor at the end of the Concession Period, together with all other infrastructure assets as described in note 1. Upon the completion of the construction, such assets related to the infrastructure, will increase the cost of the concession intangible asset.

4.15 Trade receivables

Trade receivable accounts are analysed as follows:

Analysis of trade receivable accounts	2007	2006 Restated
Domestic customers	110.774.016	107.281.138
Foreign customers	21.383	835.470
Greek state & public sector	624.188	575.638
Accrued property rentals & other income	25.328.729	24.248.916
Impairment of financial assets	(69.909.325)	(49.708.189)
Other	203.371	627.133
Total trade receivable accounts	**67.042.362**	**83.860.106**

All receivables are initially measured at their fair value, which is equivalent to their nominal value, since the Company extends to its customers short-term credit. Should any of the trade receivable accounts exceed the approved credit terms, the Company charges such customers default interest, (that is, interest on overdue accounts) at 6 months Euribor interest rate plus a pre-determined margin, as stipulated in the respective customer agreements. Such interest is only recognised when it is probable that the income will be collected.
During 2007, an additional impairment loss for anticipated credit losses of €20.201.136 (2006: € 12.888.673) was recognised as an expense in the income statement, resulting in an accumulated impairment loss as at 31 December 2007 of €69.909.325 (2006: €49.708.189).

4.16 Other receivables

Other receivable accounts are analysed as follows:

Analysis of other receivable accounts	2007	2006 Restated
Accrued ADF	18.875.092	13.116.475
Other	7.887.738	17.286.267
Total other receivable accounts	**26.762.830**	**30.402.742**

Accrued ADF represents the amount of the passengers' airport fee attributable to the Company, which had not been collected by the Company at year-end. This amount is estimated to be collected progressively in year 2008.

4.17 Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

Analysis of cash & cash equivalents	2007	2006
Cash on hand	6.723	7.321
Current & time deposits	176.792.174	124.787.963
Total cash & cash equivalents	**176.798.897**	**124.795.284**

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

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4.18 Share capital

The issued Share Capital of the Company has been fully paid by the shareholders and comprises 30.000.000 ordinary shares of € 10 each amounting to € 300.000.000.
The shareholders' interests are as follows: (percentage rates have been rounded to the nearest 3 digit decimal component)

	2007		2006	
Shareholders	Issued Share Capital	Percent	Issued Share Capital	Percent
Greek State	165.000.000	55,000%	165.000.000	55,000%
Hochtief Airport GmbH	80.000.040	26,670%	79.625.060	26,542%
Hochtief Airport Capital GmbH Co. KgaA	40.000.020	13,333%	40.000.000	13,333%
Flughafen Athen-Spata GmbH	0	0,000%	375.000	0,125%
Copelouzos Dimitrios	5.999.970	1,999%	5.999.970	1,999%
Copelouzou Kiriaki	2.999.990	0,999%	2.999.990	0,999%
Copelouzos Christos	2.999.990	0,999%	2.999.990	0,999%
Copelouzou Eleni-Asimina	2.999.990	0,999%	2.999.990	0,999%
Total shareholders' interests	**300.000.000**	**100,00%**	**300.000.000**	**100,00%**

4.19 Statutory & other reserves

Under Greek Corporate Law it is mandatory to transfer 5% of the net after tax annual profits to form the legal reserve, which is used to offset any accumulated losses. The creation of the legal reserve ceases to be compulsory when the balance of the legal reserve reaches 1/3 of the registered share capital.
At 31 December 2007 the Company's legal reserve increased by an amount of €4.698.853 (2006: €3.301.720) and amounted to €12.592.539 (2006:€7.893.686).
In addition, there is a reserve, remaining from the distribution of tax preference income, amounting to € 7.533.
Also, as at 31 December 2007 the Company recognised a fair value gain net of tax amounting to €608.283 resulting from the re-measurement of an available for sale financial asset at its fair value (refer further to note 4.12)

Analysis of other reserves	2007	Movement	2006
Statutory reserves	12.592.539	4.698.853	7.893.686
AFS reserves	608.283	608.283	0
Other reserves	7.533	0	7.533
Totals	**13.208.355**	**5.307.136**	**7.901.219**

4.20 Retained earnings

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

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

In April 2007, the Annual General Meeting of Shareholders approved the distribution of dividends amounting to €55.500.000 or €1,85 per share, which was fully paid to the shareholders in June 2007. At the forthcoming Annual General Meeting of the Shareholders, the Board of Directors will propose a dividend distribution amounting to €90.000.000, or €3,00 per ordinary share, with respect to the current financial year. These dividends have not been provided for. Refer to notes 4.6 and 4.25 with respect to the income tax consequences on the proposed dividends distribution.

4.21 Foreign currency transactions

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

4.22 Bank loans and other borrowings

The financial liabilities measured at amortised cost at 31 December 2007 analysed as follows:

Analysis of loans	2007	2006
Long term loans		
EIB loan	822.882.563	865.718.445
Commercial loan	36.678.756	73.357.512
Cargo loan	1.922.403	3.844.806
Total long term loans	861.483.722	942.920.763
Short term loans		
EIB loan	42.835.882	40.369.453
Commercial loan	36.678.756	36.678.756
Cargo loan	1.922.403	1.922.403
Subordinated loan	21.387.063	21.387.063
Accrued interest & related expenses	4.315.398	6.951.368
Total short term loans	107.139.502	107.309.043
Total bank & subordinated loans	968.623.224	1.050.229.806

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

a. Bank loans

The **EIB loan** consists of five finance contracts covering the whole amount of the loan (outstanding balance of € 865.72 million, as at 31 December 2007). The tranches of the five contracts are subject to varying fixed interest rates at a weighted average interest rate of 6,11% per annum. In accordance with article 22.2 of the ADA, the EIB loan is guaranteed by the Greek State. The Company has the right to voluntarily prepay all or part of the EIB loan in amounts of at least € 20.451.675 bearing a prepayment charge.
The **Commercial loan** (outstanding balance of € 73.36 million, as at 31 December 2007) is guaranteed by the Federal Republic of Germany, through HERMES, the export credit insurance scheme. It is a syndicated loan with Bayerische Hypo Und Vereinsbank having assumed the function of lenders'

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leader and security agent. The applicable interest rate on the commercial loan is 6m Euribor interest rate plus a margin of 60 basis points.
The **Cargo loan** facility (outstanding balance € 3.84 million, as at 31 December 2007) was obtained for the financing of the construction of the 3 cargo terminal buildings and was extended by Bayerische Hypo Und Vereinsbank. The applicable interest rate is the Euribor 6m plus a margin of 103 basis points.
The Company has the right to voluntarily prepay all or part of the commercial loan in amounts of at least or integral multiple of € 5.112.919. In addition, the Company has the same prepayment right for all or part of the cargo loan in amounts of at least or integral multiple of € 1.000.000. However, in the event of the prepayment of the commercial or cargo loan, EIB may require pro-rata prepayment of the EIB loan tranches.

Collaterals & restrictions derived from loan agreements

The EIB, Commercial & Cargo loans have been approved as designated debt and have been secured on a pari passu basis that is, in the event of resolution or bankruptcy, the Company will repay firstly the EIB, commercial & cargo loans and then will proceed with the repayment of other Company's obligations.
The Company has assigned as collateral to the EIB and the consortium of banks all sums of monies deposited in the name of the Company in its banking accounts (current, time deposits & repos accounts) in the form of pledge agreements.
If any payments of Secured Liabilities (all present & future obligations & liabilities to the EIB, Hypovereinsbank and Commercial Lender under and in connection with the loan Agreements) have not been made by the Airport Company on their respective due dates or within any applicable grace period and remain outstanding, the Security Agent shall irrevocably be entitled to give instructions to each bank to remit any amount standing to the credit of the account to the Proceed Account at any time prior to the decision of EIB & Commercial Lender to accelerate the loan.
The Security agent (upon the Commercial Lender or the EIB's decision to exercise its right to accelerate the Commercial Loan/ Cargo Loan or the EIB loan) shall be entitle to enforce the relevant Pledge Agreement by giving instructions to the bank to remit all amount standing to the credit of the account to it in order to repay the companies' liabilities in the following manner and order:

- First all the interest and fees under the EIB, Commercial & Cargo Loan Agreements that remain due and unpaid
- Secondly, all the principal amount of EIB, Commercial & Cargo Loan Agreements , and
- Any other liability that remains due & unpaid.

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

- all its present and future revenues and accounts receivable, that is, all its payment claims against (a) the airlines regarding the airport charges, (b) the lessees of airport facilities, (c) the concessionaires regarding the concession of aircraft activities, catering, fuelling etc, (d) the airport operators (e) other claimants resulting from commercial activities.
- all its rights & claims under the insurance agreements.
- the usufruct granted under ADA (i.e. the exclusive right to use and occupy the assigned area (Site) for the design, construction, completion, commissioning, maintenance, operation, management and /or development of the airport).

In addition, the commercial loan agreement stipulates that an amount equal to the aggregate of the principal repayment and the amount of interest payable by the Company at the following repayment date should be maintained as security on the reserve account. The aforementioned account is included under the balance sheet line "Other non-current assets" (refer to note 4.12).
The exposure of the Company's Bank Loans to interest rate changes and the contractual re-pricing dates (i.e. the Commercial and Cargo Loans) at the balance sheet dates are as follows;

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Analysis of exposure	2007	2006
6 months or less	19.300.580	19.300.580
6-12 months	19.300.580	19.300.580
1-5 years	38.601.159	77.202.318
Total exposure	**77.202.319**	**115.803.478**

b. Loans under ADA

According to article 13.4.3 of the ADA, if at any time between the airport opening and 31 December 2007, Olympic Airways defaults in payment of any airport charges for a period in excess of 60 days, the Company can request from the Greek State a subordinated and unsecured loan. Against the overdue balance of Olympic Airways, the Company had applied in June 2004 for advances of a subordinated loan for an aggregate amount of € 21.387.063 representing the overdue charges in excess of 60 days for the period 1 September 2003 to 14 February 2004.
The aforementioned loan is repayable within 10 days after the day, which Olympic Airways will effect any payment against the billings of the relevant period or else on the date falling 10 years after the date on which the relevant loan was extended.

The analysis of bank loans as at 31 December 2007 is presented below:

Type of loan	Provider	Balance as at 31 December 2007		Interest rate
		Short term	Long term	
EIB loan				
1st Finance contract				
1st Tranche	European Investment Bank	1.387.391	28.706.994	7,10%
2nd Tranche		2.339.672	46.821.554	6,67%
3rd Tranche		1.653.467	30.553.678	5,58%
2nd Finance contract		12.929.293	251.832.214	6,30%
3rd Finance contract		1.381.843	24.988.870	5,28%
4th Finance contract		7.857.534	141.383.454	5,19%
5th Finance contract		15.286.682	298.595.799	6,34%
Commercial loan	Consortium of banks with leader "Bayerische Hypo Und Vereinsbank"	36.678.756	36.678.756	Euribor 6m+60bp
Cargo loan	"Bayerische Hypo Und Vereinsbank"	1.922.403	1.922.403	Euribor 6m+103bp
Subordinated loan under 13.4.3 of the ADA	Greek State	21.387.063	0	0%
Total loans		**102.824.104**	**861.483.722**	

The amortised cost of the long term financial liabilities at fixed interest rates (i.e. EIB Loan) is determined using the effective interest rate method, by discounting the future contractual cash flows with the effective interest rate applied to those liabilities. The fair value of the financial liabilities at fixed interest rates is determined by discounting the future contractual cash flows with the current mid-swap interest rate for the average loan life period of such liabilities.

Fair value of the borrowings	2007	2006
Carrying amount	865.718.445	906.087.898
Fair value	937.518.071	1.020.777.055
Excess of fair value over carrying amount	(71.799.626)	(114.689.157)

The amortised cost of the long term financial liabilities at floating interest rate (i.e. for Commercial & Cargo Loan) is determined using the effective interest rate method, by discounting the future contractual cash flows with the effective interest rate applied to those liabilities.
Consequently, the fair value of long term loans at floating interest rates equals their carrying amount as the impact of discounting is not significant.
All borrowings are denominated in the functional currency.

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4.23 Employee retirement benefits

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

The provision for employees' retirement benefits is reflected in the attached balance sheet in accordance with IAS 19 and is calculated, as at the balance sheet date (31 December 2007), based on an independent actuarial study performed by Hewitt. The net charge to the income statement of € 840.711 is reflected under the personnel expenses (included in benefits and other staff expenses – refer to note 4.2)

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

Actuarial study analysis	2007	2006
Principal actuarial assumptions at 31/12/2007		
Discount rate	4,7%	4%
Payroll increases	4,7%	4,7%
Average working life	20,18	20,65
Present value of obligations	4.365.149	4.248.191
Unrecognised actuarial net gain	731.685	13.257
Net liability in the balance sheet	**5.096.834**	**4.261.448**
Components of income statement charge		
Service cost	671.015	738.737
Interest cost	169.696	161.366
Amortization of unrecognised net gain/(loss)	0	14.272
Settlement/Curtailment/Termination Loss	0	152.256
Total income statement charge	**840.711**	**1.066.631**
Movements in net liability/(asset) in the balance sheet		
Net liability/(asset) at the beginning of the period	4.261.448	3.394.121
Benefits paid directly	(5.325)	(199.304)
Total expense recognised in the income statement	840.711	1.066.631
Net liability in the balance sheet	**5.096.834**	**4.261.448**
Reconciliation of benefit obligations		
DBO at start of the period	4.248.191	4.042.417
Service cost	671.015	738.737
Interest cost	169.696	161.366
Benefits paid directly by the Company	(5.325)	(199.304)
Extra payments or expenses/(income)	0	145.129
Actuarial (gain)	(718.428)	(640.154)
DBO at the end of the period	**4.365.149**	**4.248.191**

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4.24 Provisions

Analysis of provisions					
Description	As at 1 Jan 2007 (Restated)	Additions	Utilisations	Releases	As at 31 Dec 2007
AANE	2.987.135	0	(1.615.208)	(1.101.817)	270.110
To be settled within 1 year	**2.987.135**	**0**	**(1.615.208)**	**(1.101.817)**	**270.110**
Claims on airport charges	12.311.801	2.573.860	0	0	14.885.661
Municipal tax	917.514	0	0	0	917.514
Environmental issues	441.262	0	0	(441.262)	0
Restoration Expenses	3.956.518	1.213.333	0	0	5.169.850
Other	36.356	371.695	0	0	408.051
To be settled over 1 year	**17.663.451**	**4.158.888**	**0**	**(441.262)**	**21.381.076**
Total provisions	**20.650.586**	**4.158.888**	**(1.615.208)**	**(1.543.079)**	**21.651.186**

AANE: The remaining provision relates to the required warranty cost for the defect liability period, until the signing of the Final Acceptance Protocol by the Hellenic Civil Aviation Authority.
Claims on airport charges: The provision relates to the interim legal measures taken by airport users in the First Instance Court with respect to the legality of the pricing of certain airport charges. Despite the initial favourable outcome by the First Instance Court, management believes that there are significant risks and uncertainties associated with this matter that warrant continuing provisioning until a final legal resolution is reached. The recorded provision represents management's best estimate of the Company's exposure. The timing of the eventual settlement of this risk is uncertain and substantially depends on the timing and progress of the legal proceedings.
Municipal tax: The provision relates to municipal tax levied on the Company by the Municipality of Spata, for quarrying activities at the Site during the construction period.
Restoration expenses: The provision relates to the future expenses that result from the Company's contractual obligations to maintain or restore the infrastructure. This provision is based on the requirements of IFRIC 12 that was early adopted by the Company in 2007. An amount of €474.782 of the total addition in the provision for the current year comprises the unwinding of interest due to the passage of time. It is expected that an aggregate amount of € 48 million will be spent on major restoration activities commencing in year 2015 through to 2023 based on management's current best estimates.

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4.25 Income & deferred tax liabilities

Income tax liabilities

The amount reflects the income tax payable on the dividends declared for distribution, although the Company is in a tax loss position, in accordance with paragraph 1 of article 99 of law 2238/1994.
At the balance sheet date the recognition of the income tax liability amounting to € 30.000.000 (2006 € 22.669.014) was determined by applying the following formula:
*Dividends declared for distribution * Income Tax Rate / (1- Income Tax Rate)*

Deferred tax assets & liabilities

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

Analysis of deferred tax assets & liabilities	2007	2006 Restated
Deferred tax assets		
Employee retirement benefits	1.005.764	796.917
Provisions	22.043.196	16.941.717
Cohesion fund	69.731.332	73.368.666
Long term liabilities	20.834.588	20.043.786
Other current liabilities	4.637.253	3.482.094
Other fixed assets	119.971	11.817
Other long term receivables	51.668	52.139
Tax losses recognised	214.449.940	238.839.586
Total deferred tax assets	**332.873.712**	**353.536.722**
Deferred tax liabilities		
Buildings & technical works	(333.594.900)	(350.987.685)
Other fixed assets	0	(40.003)
Usufruct of the site	(80.976)	0
Grant of rights fee	(11.262.769)	(11.871.484)
Other current receivables	0	(937.750)
Available for sale financial assets	(202.761)	0
Total deferred tax liabilities	**(345.141.406)**	**(363.836.922)**
Net deferred tax asset/(liability)	**(12.267.694)**	**(10.300.200)**

Deferred tax liabilities as at 31 December 2007 include the tax effects of taxable temporary differences amounting to €202.761 resulting from the subsequent re-measurement of available for sale financial assets to their fair value. This amount has been charged directly to equity.
At the balance sheet date the Company has unused tax losses of €857.799.761 available for offset against future taxable profits. A deferred tax asset amounting to €214.449.940 (2006: €238.839.586) has been recognised in respect to these tax losses. According to the provisions of article 25.1.2.(k) of the ADA, (law 2338/1995) tax losses can be carried forward to relieve future taxable profits without time limit.
Tax losses have primarily arisen from the application of the accelerated depreciation method as provided by paragraph 8 of article 26 of law 2093/1992. In addition, according to article 25.1.2.(j) of the ADA the accelerated depreciation method provided by law 2093/1992 refers to tax depreciation and constitutes an allowable deduction for tax purposes even though the depreciation in the annual statutory accounts of the Company may differ from year to year. At the balance sheet date the

Company recognised a deferred tax liability on the outstanding accelerated depreciation, net of the corresponding accelerated amortisation of the cohesion fund, amounting to €257.884.650 (2006: €267.927.374).
The Company's tax losses for the years 2004 to 2007 are still subject to audit and final assessment by the tax authorities.

4.26 Other non-current liabilities

Other long-term liabilities are analysed as follows:

Analysis of other non-current liabilities	2007	2006
Grant of rights fee payable	83.608.794	80.455.869
Long term securities provided by customers	2.352.829	2.185.610
Obligations under finance leases	74.303	153.599
Total other non-current liabilities	**86.035.926**	**82.795.078**

The airport Company shall pay a quarterly fee to the Greek State during the concession period for the rights and privileges granted in ADA. The carrying amount of the liability represents the present value of the future payment at the balance sheet date. In 2007 a finance charge amounting to €4.152.925 has been recorded as the unwind interest of the liability due to the passage of time (2006: €3.996.830). The amount payable within the next 12 months is included in the other current liabilities. The present value of total future payments at the time of airport opening has been included in the cost of the intangible concession asset which is amortised over the concession period. An amount of €2.434.861 is included in 2007 amortisation of the intangible concession asset with respect to the grant of rights fee (2006: €2.434.861).
Long-term securities relate to performance guarantees provided for by the lessees for long- term lease agreements. Long-term securities are measured at their net present value, by discounting the future cash flow payments with the weighted average borrowing rate, at the balance sheet date. The weighted average borrowing rate for the Company for 2007 was at the rate of 5,98%.
It is the Company's policy to lease certain assets under finance lease agreements with an average duration of 4 years. The Company's obligations under finance leases are secured by the lessors' title to the leased assets. Upon the maturity of the lease agreements the Company holds the right to purchase the leased assets at € 3 each. As at 31 December 2007 the average borrowing rate for the financial lease was at 6,64% (2006 at 6,07%).
Finance lease liabilities are payable as follows:

	Minimum lease payments					
	2007			2006		
	Principal	Interest	Total	Principal	Interest	Total
Less than 1 year	158.539	9.214	167.753	438.819	30.462	469.281
Between 1 & 5 years	74.303	6.891	81.194	153.599	3.535	157.134
Total lease payments	**232.842**	**16.105**	**248.947**	**592.418**	**33.997**	**626.415**

4.27 Trade & other payables

Trade & other payable accounts are analysed as follows:

Analysis of trade & other payable accounts	2007	2006 Restated
Suppliers	10.957.181	10.194.339
Advance payments from customers	7.083.056	7.723.001
Beneficiaries of money – guarantees	13.802.733	12.572.259
Value added tax	1.424.959	1.994.596
Other	3.158.124	3.025.570
Total trade & other payable accounts	36.426.053	35.509.765

4.28 Other current liabilities

Other current liabilities are analysed as follows:

Analysis of other current liabilities	2007	2006 Restated
Accrued expenses and deferred income		
Third party liabilities	1.176.000	1.176.000
Accrued expenses for services and fees	8.671.817	7.315.123
Other	317.421	249.792
Total accrued expenses and deferred income	**10.165.238**	**8.740.915**
Obligations under finance leases	158.538	438.819
Total other current liabilities	10.323.776	9.179.734

For obligations under finance leases refer to note 4.26.

4.29 Operating lease arrangements

The Company as a lessee

Operating lease payments represent rentals payable by the Company for certain of its vehicles. Leases are negotiated for an average term of 4 years and rentals are fixed for the same period.
In the current year, minimum lease payments under operating lease, amounting to € 258.571, were recognised in the Income Statement, while the corresponding amount for the year 2006 was € 205.673.
At the balance sheet date the Company has outstanding commitments under non-cancellable operating leases, which are presented in note 4.30

The Company as a lessor

Refer to note 4.1.b)

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4.30 Commitments

As at 31 December 2007 the Company has the following significant commitments:
a) Capital expenditure commitments amounting to approximately € 9,4 million (2006: € 4,6 million)
b) Operating expenditure commitments, which are estimated to be approximately to € 115,0 million (2006: € 148,0 million) mainly related to outsourced services, to be settled as follows:

Analysis of operating expenditure commitments	2007	2006 Restated
Within 1 year	37.800.000	33.500.000
Between 1 and 5 years	66.500.000	103.400.000
More than 5 years	10.600.000	11.300.000
Total operating expenditure commitments	**114.900.000**	**148.200.000**

c) Operating lease commitments are analysed as follows:

Analysis of operating lease commitments	2007	2006
Within 1 year	216.158	231.370
Between 1 and 5 years	302.308	328.424
Total operating lease commitments	**518.466**	**559.794**

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4.31 Contingent liabilities

The Company has contingent liabilities comprising the following:

a. The Company has not yet been audited by the Tax Authority for the fiscal years 2004 through to 2007. Consequently, the tax liability with respect to the fiscal years 2004-2007 has not yet been finalized yet. However, management does not expect any additional income taxes to be assessed in view of the existence of significant assessable tax losses available for carried forward (Refer to note 4.25).
b. During 2005 a tax audit was performed by the Ministry of Economy and Finance for the fiscal years 1998-2003. Income tax and all other indirect taxes, except VAT, were levied and settled in 2006. With respect to VAT, the Tax Authority questioned the right of the Company to set off the total VAT of all goods purchased and services rendered, as provided by article 26 paragraph 7 of law 2093/1992, in combination with articles 25.1.1 & 25.1.2 (g) of law 2338/1995 (the Airport Development Agreement). The Tax Authority disputed the above right of the Company, and proceeded to impose VAT –including penalties- for the years 1998-2003 of €1.872.638, which corresponds to VAT of non-exempt expenses, such as, entertainment and hospitality expenses. The Company appealed to the Athens Administrative Court of First Instance on 7 February 2006, against the decision of the Tax Authority to impose VAT on such expenses. The case has not scheduled to be heard.
   In addition, the Tax Authority issued a provisional VAT audit report, for the years 2001-2003, expressing reservation with respect to the right of the Company to set off VAT, which corresponds to activities not subjected to VAT i.e. property leases, without imposing any tax. On this reservation, the tax auditors requested the opinion of the Ministry of Economy and Finance, which however has not yet been given. No details of the possible extent of this contingency is disclosed. The Company's assessment, which is based on the specific legislation governing its tax affairs, is that no significant liability, if any, will materialise.

4.32 Related parties transactions

a) Primary shareholders

The Company is jointly controlled by the Greek State (55% of the shares) and Hochtief Airport GmbH (26,670% of the shares). The remaining amount of shares is at the interest of Hochtief Airport Capital GmbH & Co KGaA and Copelouzos family members. Refer to note 4.18 for details concerning the shareholding structure.
The Company has a related party relationship with its primary shareholders, by rendering or receiving services for the operation of the airport. More specifically, the Company provides either aeronautical or non aeronautical services to public controlled entities and receiving public or private services i.e. fire protection, medical, cleaning services etc. The significant transactions and balances of the services received or rendered are as follows:

Analysis of primary shareholder transactions	2007	2006 Restated
Net trade receivables	80.275.131	71.922.540
Other payables	1.230.006	3.527.684
Subordinated loan payable	21.387.063	21.387.063
Grant of rights fee payable	84.608.794	81.455.869
Air revenues	89.975.820	81.745.939
Non air revenues	2.568.978	509.663
Expenses	7.466.171	7.400.529
Greek State facility fee	4.469.515	4.663.169
Guarantees granted	869.174.646	909.469.471
Total primary shareholder transactions	**1.161.156.124**	**1.182.081.927**

b) Transactions with Board of Directors and Key Management

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

Analysis of BoD and key management compensation	2007	2006
Board of directors' fees	592.480	545.080
Key management	2.011.072	1.657.701
Total BoD and key management compensation	**2.603.552**	**2.202.781**

4.33 Events after the Balance sheet date

(a) On 30th of December 2007, AIA received from OAW the amount of € 14.040.752 against its past due billings. From the aforementioned payment, the amount of € 1.740.598 regards the Company's debt which has been covered by the Subordinated loan under the Article 13.4.3 of the ADA. Since, the aforementioned loan is repayable within 10 days after the day, which Olympic Airways will effect any payment against the billings of the relevant period, AIA set-off this liability with the existing overdue claim towards the Greek State regarding the excess municipal tax paid related to the previous years on 2008.

(b) On 28th of March 2008, AIA will proceed with the full repayment of the Commercial & Cargo Loan Agreement of €77.202.319 after the EIB's waiver of its right to demand proportionate prepayment of EIB outstanding balance. The prepayment of the Commercial and Cargo loans will be partially financed by the release of the funds of €56.767.920, that are reserved as Blocked Deposits.

CHAPTER 7

EXPLANATION OF THE IMPACT ATTRIBUTED TO IFRIC 12 ADOPTION

Prior period comparative figures have been restated as a result of the adoption of IFRIC 12 "Service Concession Arrangements" and the effects of the change in accounting for the grant of rights fees, as more fully explained below.

With effect from 1 January 2007 the Company early adopted the provisions of IFRIC 12 "Service Concession Arrangements" which requires that the exchange of airport infrastructure assets, developed by the Company under the Airport Development Agreement, for the right to use such assets be accounted for as an intangible asset which is amortized on a straight-line basis over the concession period. Prior to 1 January 2007, the Company accounted for such airport infrastructure assets as property, plant and equipment which were depreciated on the straight line basis over the shorter of their useful life or concession period.

The cost of the above intangible also includes grant of rights fees payable to the Greek State as grantor under the Airport Development Agreement over the concession period with any outstanding future obligations presented within non-current liabilities. Prior to 1 January 2007, grant of rights fee was recognized and expensed on a cash payments basis.

The effect of the above resulted in a net after tax increase in opening retained income as of 1 January 2006 and a net after tax decrease in net income for the year ended 31 December 2006 by € 3.063.359 and €1.253.345 respectively as presented below:

Opening retained income as of 1 January 2006	Amounts in €
Amortization adjustments for the intangible asset	35.120.336
Recognition and amortization of the grant of rights fee	(28.092.019)
Provision for major restoration expenses	(2.943.838)
Tax effects	(1.021.120)
Total	**3.063.359**

Net income for the year ended 31 December 2006	Amounts in €
Amortization adjustments for the intangible asset	5.219.466
Recognition and amortization of the grant of rights fee	(5.877.913)
Provision for major restoration expenses	(1.012.680)
Tax effects	417.782
Total	**(1.253.345)**

Closing retained income as of 31 December 2006	Amounts in €
Amortization adjustments for the intangible asset	40.339.802
Recognition and amortization of the grant of rights fee	(33.969.932)
Provision for major restoration expenses	(3.956.518)
Tax effects	(603.338)
Total	**1.810.014**

CHAPTER 8

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ATHENS INTERNATIONAL AIRPORT S.A.

Report on the Financial Statements

We have audited the accompanying financial statements of ATHENS INTERNATIONAL AIRPORT S.A ("the Company") which comprise the company balance sheet as of 31 December 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2007, and its financial performance and cash

flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to Other Legal and Regulatory Requirements

The Board of Directors' Report contains all information required by Company law 2190/1920 as amended (article 43a paragraph 3 and article 16 paragraph 9) and is consistent with the financial statements referred to in the preceding paragraph.

PricewaterhouseCoopers S.A.

268 Kifissias Avenue
152 32 Halandri
SOEL Reg. No 113

Athens, 26 March 2008
The Certified Auditor – Accountant

Constantinos Michalatos
SOEL Reg. No. 17701