AEGEAN AIRLINES S.A.

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

Interim Financial Report
(1st January to 30th June 2017)

In accordance with Article 5 of Law 3556/2007 and the Board of Directors' Resolutions of the Hellenic Capital Market Commission

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AEGEAN AIRLINES S.A. amounts in thousand €

A. Statements of the Board of Directors' Members
(in accordance with Article 5 paragraph 2 of Law 3556/2007)

It is hereby stated that, to the best of our knowledge, the Interim Condensed Stand alone and Consolidated Financial statements of "Aegean Airlines S.A." for the period 1 January 2017 to 30 June 2017, which were prepared in accordance with IFRS 34, truly reflect all Assets, Liabilities and Shareholders' Equity along with the Income Statement of the Company, as well as of the companies included in the consolidation in accordance with Article 5 paragraphs 3 till 5 of Law 3556/2007.

It is also declared that, to the best of our knowledge, the Board of Directors' Report truly reflects all information required by Article 5 paragraph 6 of Law 3556/2007.

Kifissia, September 11th 2017

The undersigned

Theodoros Vassilakis	Dimitrios Gerogiannis	Eftichios Vassilakis
Chairman of the BoD	Chief Executive Officer	Vice Chairman of the BoD

B. REPORT OF THE BOARD OF DIRECTORS
of the company "AEGEAN AIRLINES S.A."
for the period 1 January 2017 to 30 June 2017

The present report has been prepared in accordance with art. 43a, of Company Law 2190/1920, art. 5 of Law 3556/2007 and the relevant SEC decisions and contains financial and non-financial information of the company "AEGEAN AIRLINES S.A." (hereinafter called the «Company») and its subsidiary companies Olympic Air S.A. and Aegean Cyprus Limited (hereinafter called the «Group», jointly with the Company). This report aims to provide an overview to the company's shareholders and investors with respect to the financial and macro-economic environment, company's financial results and business activities for the reporting period (01/01/2017 – 30/06/2017) as well as highlight significant events occurred during the reporting period and their impact on the interim condensed financial statements. There is also included a description of the main risks and uncertainties the Company faces or may face in the foreseeable future and finally there are also disclosed the material intercompany transactions with the related parties.

Financial review, business developments and major events within the 1st semester 2017

After a long period of uncertainty, the Greek economy is gradually showing signs of recovery. The unemployment rate in June 2017 has declined to 21.2% compared to 23.5% in June 2016, remaining in a downward trend, after recording a historical high in July 2013. According to ELSTAT's interim data, GDP increased by 0.4% on an annual basis, in the first quarter and 0.8%, in the second quarter of 2017.

The implementation of the financial support Program and the application of the agreed structural and fiscal changes led to the completion of the second evaluation in June 2017 and the gradual disbursement of the third tranche of the bailout program by the ESM. The funds were primarily used to service debt repayments and public sector's overdue payables. Regarding the Government budget, for the period of January-July, the primary surplus amounted € 3,024 million euros, compared with the primary surplus of € 2,715 million euros for the same period in 2016 and a target of a primary surplus of 2,098 million euros.

Furthermore, the country returned to international financial markets after three years of absence by issuing a five-year bond, signaling a significant improvement in in investors' confidence.

Additionally, a number of credit rating firms (Moody's, S & P, Fitch) have upgraded Greece's creditworthiness and prospects, reflecting the expectations for a successful outcome of the Program and recovery of the economy.

Tourism sector up to now data show a significant upward trend in inbound tourist traffic to Greece. Initial estimations for 28.5 million international arrivals (including cruises) are expected to be confirmed, having a positive contribution to the State revenues.

International tourist arrivals increased by 10% versus the same period of 2016 (SETE figures, January – June 2017). More specifically, Athens has increased by 4.7% and Thessaloniki by 17.8%. Positive growth rates were also recorded in major touristic destinations such as Rhodes (+ 6.8%), Heraklion (+ 12.9%), Chania (+ 8.6%) and Corfu (+ 6.7%). Among the positive aspects of the current season so far, is the recovery in islands that were negatively affected by the refugee crisis in 2016 (Mytilene + 26%, Samos + 28%, Kos + 23%).

In Athens International Airport, traffic reached 9.5 million passengers, in the first half of the year, recording an increase of 8.3%, largely driven by an in increase of 13.3% in international passenger traffic, while domestic remained at last year's levels. Aegean continued being the main contributor of Athens traffic, maintaining an extensive network, operating more flights and achieving increased load factors, thus also increasing its international passengers by 17.3%.

Aegean's activity planning was focused to maintain capacity at same levels versus the previous year, after a three-year period (2016-2013) of significant growth in which the fleet was increased by 17 jet aircraft and

ASKs by 60%. The main activity planning targets are unit revenue improvement and network increased efficiency as well as the further strengthening of Athens' hub.

In terms of passenger traffic, the Group achieved an increase of 6% in H1 2017, recording in parallel a significant improvement in load factor by 8%, to 79%. Especially in the second quarter of 2017 the passengers increase was 7% and load factor improvement was 8.7%, reaching 80.8%.

In the international network Group’s performance was significantly improved as more routes are maturing and demand for the Greek tourist product is higher, thus H1 2017 passenger traffic increased by 14% and passenger load factor reached 79% from 69% in H1 2016.

In the domestic network, activity has been adjusted to the lower demand of the Greek market, with lower fares, fewer flights and better load factors. More specifically, offered capacity fell by 9% compared to H1 2016, but passenger traffic declined by just 1%, resulting to an increased load factor of 79%, from 73% in H1 2016.

In 2017 the Group offers a network of 145 destinations (112 international and 33 domestic) in 41 countries, with 15,400,000 available seats. Athens hub has been further strengthened by adding 7 new destinations (Edinburgh, Kuwait, Hannover, Kassel, Strasbourg, Stuttgart and Podgorica).

The Group continues to experience a strong seasonality in its financial performance due to the nature of its activity, with Q1 and Q4 historically being loss making. In this context, losses were recorded in Q1, but the significant improvement in Q2 led to lower losses for H1 2017 compared to H1 2016. The improvement came mainly from increased load factors and average revenues per flight.

The key operating and financial data for the first half of 2017 at Group level were as follows:

- Total offered capacity increased by 2.4% in ASKs compared to H1 2016.
- Total number of passengers was 5.6 million, increased by 6% compared to H1 2016.
- Average load factor increased to 79% compared to 71% for H1 2016.
- Revenue amounted to € 450.7 million from € 403.5 million, recording an increase of 12%.
- Earnings before Interest, Tax, Depreciation Amortization and Rents (EBITDAR) were € 59.7m compared to € 41.3m in H1 2016, recording an increase of 44%.
- Aircraft leasing costs amounted to 70.1m for H1 2017 compared to 61.4m in H1 2016, mainly due to the USD appreciation.
- Earnings Before Tax amounted to a loss of € 26.7m compared to a loss of € 31.7m in H1 2016. For Q2 EBT amounted to a profit of € 23.4m from a loss of € 2.1m in Q2 2016.
- Cash flow from operating activities stood at € 119.5m
- The Group has maintained its healthy capital structure with zero bank debt and liabilities from financial leasing contracts amounting to € 38.3m, while cash and cash equivalents (€ 319.9m), restricted cash (€ 13.7m) along with the financial assets available for sale (€ 3.8m) amounted to € 337.4m.

Prospects

Greek economy after the conclusion of the second evaluation is showing that it is stabilizing as implied by the gradual and moderate increases in consumer and business confidence, while the completion of the third evaluation of the Program is expected in the coming months. The improvement of the economic environment, with increased exports, tourism’s positive performance and improved liquidity conditions support a more positive business environment.

AEGEAN AIRLINES S.A. amounts in thousand €

Abroad, the uncertainty at the end of 2016 and the beginning of 2017 regarding the US and European countries elections is not present anymore. Of course challenges remain with regard to the Brexit negotiations between UK and the European Union. Moreover, the recent terrorist attacks in Europe continue to be significant challenges at a global level.

The positive trends in demand, network performance and load factors continued in the summer months (July and August), with September bookings also on a positive track. On the other hand, visibility for the winter months remains limited.

Given the above challenges, the Group has set the following priorities:

- Improvement of routes performance by adjusting capacity, which is expected to allow further capacity increase in the coming years.
- Further enhancement of Athens hub.
- The completion of negotiations with aircraft and engines manufacturers and aircraft leasing companies regarding the new technology aircraft order.
- Maintaining a competitive cost structure despite the challenges of the past few years, mainly driven by increased maintenance costs.
- Further increase of the ancillary revenues from the unbundling of additional air traffic services, the rollout of further value adding products, further exploitation of the loyalty program and introduction of innovative services.

- **Key Performance Indicators Measurement**

The Group measures its efficiency by making use of, among others, the following performance indicators, used internationally in the field of aviation economics:

- RASK (Revenue per Available Seat Kilometer)

- CASK (Cost per Available Seat Kilometer excluding lease costs)

- Passenger yield

The above indicators for 2016 compared with the previous year were:

(in € cents)	H1 2017	H1 2016
RASK	6.29	5.81
CASK – EBT level	6.66	6.26
CASK – EBT level (excluding fuel cost)	5.43	5.09
Passenger Yield	7.95	8.16

RASK increased by 8% compared to H1 2016 thanks to increased demand and higher load factors, while CASK also increased by 6% vs. H1 2016 mainly due to higher costs for aircraft leasing & maintenance and USD appreciation.

- **Related Parties' Transactions**

The Company's transactions with related parties during H1 2017 were under usual commercial terms and they remained at the same levels with the previous period. Transactions with subsidiary OLYMPIC AIR mainly concern aircraft leasing and other services.

AEGEAN AIRLINES S.A. amounts in thousand €

	Income	**Expenses**	**Receivables**	**Liabilities**
OLYMPIC AIR S.A.	19.390,26	68.037,28	10.715,97	0,00
AUTOHELLAS HERTZ S.A.	279,43	425,92	93,58	191,81
AUTOTECHNICA S.A.	13,34	3,43	10,51	1,44

The Group directors and Board of Directors' members remuneration for the period 1/1-30/06/2017 was € 1.912,68 thousand, while the relevant amount for the Group was €1.944,75.

Kifissia, September 11th 2017

Aegean Airlines S.A.
Chief Executive Officer

Dimitrios Gerogiannis

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders of "Aegean Airlines S.A."

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of "Aegean Airlines S.A." (the "Company") as at 30 June 2017, and the related condensed separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes that comprise the interim financial information, which is an integral part of the six-month financial report of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and apply to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

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Report on other legal requirements

Our review has not identified any inconsistency between the other information contained in the six-month financial report prepared in accordance with article 5 Law 3556/2007 with the accompanying financial information.

Athens, 11 September 2017
THE CERTIFIED AUDITOR ACCOUNTANT

VASSILIOS KAMINARIS
S.O.E.L. R.N. 20411

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D. INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY TO 30 JUNE 2017
(amounts in thousands euros)
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AEGEAN AIRLINES S.A. amounts in thousand €

1.1 Interim Condensed Financial Position of the Company at 30.06.2017

	Note	30/06/2017	31/12/2016
ASSETS			
Non-current assets			
Intangible assets	5.7	28.633,88	29.170,80
Tangible assets	5.8	94.124,79	100.915,74
Advances for assets acquisition		476,00	387,33
Investments in subsidiaries	5.9	72.416,56	72.416,56
Deferred tax assets		12.372,93	0,00
Other long term assets		22.067,49	21.799,02
Hedging derivatives	5.18	206,05	9.339,23
Financial Assets available for Sale	5.10	1.025,00	1.025,00
Total non-current assets		**231.322,70**	**235.053,68**
Current assets			
Inventories		9.493,94	8.974,90
Trade and other receivables	5.11	146.027,32	90.641,11
Advances		30.766,11	23.690,22
Financial Assets available for Sale	5.10	3.844,37	3.952,74
Hedging derivatives	5.18	1.604,17	24.839,48
Restricted Cash	5.12	13.747,25	0,00
Cash and cash equivalents	5.12	255.755,21	194.454,36
Total current assets		**461.238,38**	**346.552,80**
TOTAL ASSETS		**692.561,08**	**581.606,48**
EQUITY			
Share capital		46.421,11	46.421,11
Share premium		72.775,98	72.775,98
Other reserves		(9.449,45)	29.931,74
Retained earnings		15.733,16	65.368,31
Total equity		**125.480,80**	**214.497,13**
LIABILITIES			
Long term liabilities			
Finance lease contracts liabilities	5.13	28.043,33	35.838,01
Derivative contracts liabilities	5.18	10.813,19	1.180,84
Liabilities for retirement benefits obligations		10.334,63	9.614,80
Provisions	5.14b	2.129,54	6.092,66
Other long term liabilities	5.15	16.097,02	14.221,24
Deferred tax liabilities		(0,00)	11.018,84
Total long term liabilities		**67.417,70**	**77.966,39**
Short term liabilities			
Suppliers	5.16	68.389,69	68.476,97
Long term finance leases liabilities payable next year	5.13	10.216,97	10.894,43
Other short term liabilities		129.735,63	85.056,70
Deferred revenue	5.17	230.906,33	94.415,36
Accrued expenses		41.159,74	26.918,24
Hedging derivatives	5.18	18.840,26	3.147,29
Current tax liabilities		0,00	0,00
Provisions	5.14a	413,97	233,97
Total short term liabilities		**499.662,58**	**289.142,96**
Total liabilities		**567.080,28**	**367.109,35**
TOTAL EQUITY AND LIABILITIES		**692.561,08**	**581.606,48**

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

1.2 Interim Condensed Consolidated Financial Position at 30.06.2017

	Note	30/06/2017	31/12/2016
ASSETS			
Non-current assets			
Intangible assets	5.7	46.138,14	47.046,73
Goodwill	5.7	39.756,30	39.756,30
Tangible assets	5.8	93.852,98	100.768,20
Advances for assets acquisition		476,00	387,33
Financial assets available for sale	5.10	1.025,00	1.025,00
Deferred tax assets		13.191,41	0,00
Other long term assets		26.696,35	27.647,27
Hedging derivatives	5.18	206,05	9.339,23
Total non-current assets		**221.342,22**	**225.970,06**
Current assets			
Inventories		15.244,63	16.079,85
Trade and other receivables	5.11	169.160,55	105.977,68
Advances		31.462,72	24.732,82
Financial Assets available for sale	5.10	3.844,37	4.684,24
Hedging derivatives	5.18	1.604,17	24.839,48
Restricted Cash	5.12	13.747,25	0,00
Cash and cash equivalents	5.12	319.853,03	248.477,75
Total current assets		**554.916,72**	**424.791,81**
TOTAL ASSETS		**776.258,95**	**650.761,87**
EQUITY			
Share capital		46.421,11	46.421,11
Share premium		72.775,98	72.775,98
Other reserves		(9.449,39)	30.118,18
Retained earnings		44.370,37	94.955,78
Total equity		**154.118,07**	**244.271,05**
LIABILITIES			
Long term liabilities			
Finance lease contracts liabilities	5.13	28.043,33	35.838,01
Hedging derivatives	5.18	10.813,19	1.180,84
Liabilities for retirement benefits obligations		10.771,51	9.998,18
Provisions	5.14b	9.300,42	15.236,24
Other long term liabilities	5.15	16.097,02	14.221,24
Deferred tax liabilities		0,00	10.612,69
Total long term liabilities		**75.025,46**	**87.087,20**
Short term liabilities			
Suppliers	5.16	99.636,98	87.106,19
Long term finance leases liabilities payable next year	5.13	10.216,97	10.894,43
Other short term liabilities		142.844,64	90.903,84
Deferred revenue	5.17	238.349,51	100.948,13
Accrued expenses		36.587,60	25.928,98
Hedging derivatives	5.18	18.840,26	3.147,29
Current tax liabilities		0,00	0,00
Provisions	5.14a	639,45	474,75
Total short term liabilities		**547.115,42**	**319.403,62**
Total liabilities		**622.140,88**	**406.490,82**
TOTAL EQUITY AND LIABILITIES		**776.258,95**	**650.761,87**

AEGEAN AIRLINES S.A. amounts in thousand €

2.1 Interim Condensed Statement of Comprehensive Income of the Company for the period ended at 30.06.2017

	Note	01/01 - 30/06/2017	01/01 - 30/06/2016
Revenue	5.19	**371.435,91**	**349.575,94**
Other operating income		10.056,33	9.557,24
Personnel expenses		(50.417,79)	(49.849,52)
Depreciation		(8.466,21)	(8.110,51)
Consumption of goods and services		(341.299,68)	(332.690,07)
Finance income	5.20	13.191,90	13.355,53
Finance expense	5.20	(19.905,07)	(15.413,65)
Profit / (Loss) before tax		**(25.404,61)**	**(33.575,05)**
Income tax expense	5.21	6.317,34	9.144,17
Profit / (Loss) for the period after tax		**(19.087,28)**	**(24.430,88)**

Other comprehensive income			
(a) Items that may be reclassified subsequently to profit or loss			
Cash flow hedging			
Reclassification of Profit / (Loss)		(1.442,82)	4.369,15
Net fair value gain/(loss) on cash flow hedges		(56.251,00)	18.540,52
Income tax		16.731,21	(6.643,81)
Available for sale financial assets			
Reclassification of Profit / (Loss)		-	-
Net fair value gain/(loss) on available for sale financial assets		(184,86)	(263,49)
Income tax		53,61	76,41
Total (a)		**(41.093,86)**	**16.078,79**
(b) *Items that will not be reclassified subsequently to profit or loss*			
Remeasurement gains/(losses) on defined benefit plans		(378,00)	0,00
Deferred tax		109,62	0,00
Total (b)		**(268,38)**	**0,00**
Other comprehensive income net of income tax		**(41.362,24)**	**16.078,79**
Total comprehensive income net of income tax		**(60.449,52)**	**(8.352,08)**

AEGEAN AIRLINES S.A. amounts in thousand €

2.2 Interim Condensed Consolidated Statement of Comprehensive Income for the period ended at 30.06.2017

	Note	01/01 - 30/06/2017	01/01 - 30/06/2016
Revenue	5.19	**450.674,50**	**403.547,50**
Other operating income		4.926,80	7.657,39
Personnel expenses		(56.574,00)	(55.840,34)
Depreciation		(8.967,52)	(8.662,18)
Consumption of goods and services		(409.480,98)	(375.479,31)
Finance income	5.20	14.804,24	15.253,98
Finance expense	5.20	(22.074,12)	(18.192,04)
Profit / (Loss) before tax		**(26.691,08)**	**(31.715,00)**
Income tax expense	5.21	6.653,54	8.014,69
Profit / (Loss) for the period after tax		**(20.037,54)**	**(23.700,31)**

Other comprehensive income			
(a) Items that may be reclassified subsequently to profit or loss			
Cash flow hedging			
Reclassification of Profit / (Loss)		(1.442,82)	4.369,15
Net fair value gain/(loss) on cash flow hedges		(56.251,00)	18.540,52
Income tax		16.731,21	(6.643,81)
Available for sale financial assets			
Reclassification of Profit / (Loss)		(581,00)	(315,73)
Net fair value gain/(loss) on available for sale financial assets		133,64	(263,49)
Income tax		129,74	199,87
Total (a)		**(41.280,24)**	**15.886,52**
(b) *Items that will not be reclassified subsequently to profit or loss*			
Remeasurement gains/(losses) on defined benefit plans		(378,00)	0,00
Deferred tax		109,62	0,00
Total (b)		**(268,38)**	**0,00**
Other comprehensive income net of income tax		**(41.548,62)**	**15.886,52**
Total comprehensive income net of income tax		**(61.586,15)**	**(7.813,79)**
Basic and diluted earnings per share in €		(0,280571)	(0,3319)
Weighted number of shares		71.417.100	71.417.100

AEGEAN AIRLINES S.A. amounts in thousand €

3.1 Interim Statement of changes in Equity of the Company for the period ended at 30.06.2017

	Share capital	Share premium	Cash flow hedging reserves	Reserves (other)	Available for Sale financial assets	Accumulated Profit / (Loss)	Total equity
Balance on 1 January 2016	**46.421,11**	**72.775,98**	**(19.677,05)**	**5.797,72**	**499,78**	**84.356,98**	**190.174,52**
Profit/(Loss) for the period						(24.430,88)	(24.430,88)
Other comprehensive income for the period net of income tax			16.265,87		(187,08)		16.078,79
Total comprehensive income for the period			**16.265,87**		**(187,08)**	**(24.430,88)**	**(8.352,08)**
Dividends paid						(49.991,99)	**(49.991,99)**
Reserves				2.712,41		(2.712,41)	**-**
Balance at 30 June 2016	**46.421,11**	**72.775,98**	**(3.411,18)**	**8.510,13**	**312,70**	**7.221,71**	**131.830,45**
Balance at 1 January 2017	**46.421,11**	**72.775,98**	**21.047,72**	**8.510,14**	**373,89**	**65.368,29**	**214.497,13**
Profit/(Loss) for the period						(19.087,28)	(19.087,28)
Other comprehensive income for the period net of income tax			(40.962,61)		(131,25)	(268,38)	(41.362,24)
Total comprehensive income for the period			**(40.962,61)**		**(131,25)**	**(19.355,66)**	**(60.449,52)**
Dividends paid (Note 5.28)						(28.566,84)	**(28.566,84)**
Reserves				1.712,65		(1.712,65)	**-**
Balance at 30 June 2017	**46.421,11**	**72.775,98**	**(19.914,88)**	**10.222,79**	**242,63**	**15.733,15**	**125.480,80**

AEGEAN AIRLINES S.A. amounts in thousand €

3.2 Interim Condensed Consolidated Statement of changes in Equity for the period ended at 30.06.2017

	Share capital	Share premium	Cash flow hedging reserves	Reserves (other)	Available for Sale financial assets	Accumulated Profit / (Loss)	Total equity
Balance on 1 January 2016	**46.421,11**	**72.775,98**	**(19.677,04)**	**5.797,72**	**692,04**	**115.965,62**	**221.975,43**
Profit/(Loss) for the period						(23.700,31)	(23.700,31)
Other comprehensive income for the period net of income tax			16.265,87		(379,35)		15.886,52
Total comprehensive income for the period			**16.265,87**		**(379,35)**	**(23.700,31)**	**(7.813,79)**
Dividends paid						(49.991,99)	**(49.991,99)**
Reserves				2.712,41		(2.712,41)	**-**
Balance at 30 June 2016	**46.421,11**	**72.775,98**	**(3.411,17)**	**8.510,13**	**312,69**	**39.560,91**	**164.169,66**
Balance at 1 January 2017	**46.421,11**	**72.775,98**	**21.047,73**	**8.510,13**	**560,25**	**94.955,84**	**244.271,05**
Profit/(Loss) for the period						(20.037,54)	(20.037,54)
Other comprehensive income for the period net of income tax			(40.962,61)		(317,64)	(268,38)	(41.548,63)
Total comprehensive income for the period			**(40.962,61)**		**(317,64)**	**(20.305,92)**	**(61.586,16)**
Dividends paid (Note 5.28)						(28.566,84)	**(28.566,84)**
Reserves				1.712,65		(1.712,65)	**-**
Balance at 30 June 2017	**46.421,11**	**72.775,98**	**(19.914,88)**	**10.222,78**	**242,61**	**44.370,44**	**154.118,07**

AEGEAN AIRLINES S.A. amounts in thousand €

4.1 Interim Cash Flow Statement of the Company for the period ended at 30.06.2016

	30/06/2017	30/06/2016
Cash flows from operating activities		
Profit / (Loss) before tax	**(25.404,61)**	**(33.575,05)**
Adjustments for:		
Depreciation of fixed assets (Note 5.7, 5.8)	8.466,21	8.110,51
Provisions for aircraft maintenance, bad debts and other provisions (Note 5.14)	1.169,25	(6.380,75)
Foreign currency exchange (Note 5.20)	5.404,80	(410,62)
(Profit) / loss from investing activities	(565,27)	389,62
Finance Cost (Note 5.20)	1.873,64	2.997,44
Cash flows generated by operating activities before changes in working capital	**(9.055,98)**	**(28.868,84)**
Changes in working capital		
Increase/(decrease) in inventories	(519,04)	275,88
(Increase)/decrease in trade and other receivables	(63.406,78)	(49.914,06)
Increase/(decrease) in trade and other payables	188.826,14	166.714,65
Total changes in working capital	**124.900,32**	**117.076,46**
Interest paid	(1.209,45)	(1.891,87)
Income tax paid	(4.507,82)	0,00
Net cash flows generated by operating activities	**110.127,07**	**86.315,75**
Cash flows from investing activities		
Purchases of fixed assets (Note 5.7, 5.8)	(1.570,19)	(3.302,05)
Return of advances paid for the acquisition of tangible assets	0,00	32.957,28
Purchases of financial assets	(450,00)	0,00
Proceeds from sales of financial assets	598,49	37.282,52
Capital return from subsidiaries	0,00	20.000,00
Interest and other financial income received	219,41	106,73
Net cash flows generated by /(used in) investing activities	**(1.202,29)**	**87.044,49**
Cash flows from financing activities		
Dividends paid	(28.523,05)	(46.977,97)
Financial leases capital paid	(5.353,63)	(5.022,57)
Net cash flows generated by /(used in) financing activities	**(33.876,68)**	**(52.000,54)**
Net (decrease)/increase in cash and cash equivalents	**75.048,10**	**121.359,70**
Cash, cash equivalents & restricted cash at the beginning of the period (Note 5.12)	194.454,36	142.046,68
Cash, cash equivalents & restricted cash at the end of the period	**269.502,46**	**263.406,38**

AEGEAN AIRLINES S.A. amounts in thousand €

4.2 Interim Condensed Consolidated Cash Flow Statement for the period ended at 30.06.2017

	30/06/2017	30/06/2016
Cash flows from operating activities		
Profit / (Loss) before tax	**(26.691,08)**	**(31.714,99)**
Adjustments for:		
Depreciation of fixed assets (Note 5.7, 5.8)	8.967,52	8.662,18
Provisions for aircraft maintenance, bad debts and other provisions (Note 5.14)	1.184,64	(5.274,12)
Foreign currency exchange (Note 5.20)	5.985,42	(222,92)
(Profit) / loss from investing activities	(712,34)	317,35
Finance Cost (Note 5.20)	1.902,33	3.761,94
Cash flows generated by operating activities before changes in working capital	**(9.363,51)**	**(24.470,56)**
Changes in working capital		
Increase/(decrease) in inventories	835,22	(233,47)
(Increase)/decrease in trade and other receivables	(69.986,53)	(49.359,66)
Increase/(decrease) in trade and other payables	203.724,02	163.004,43
Total changes in working capital	**134.572,71**	**113.411,29**
Interest paid	(1.238,14)	(1.961,37)
Income tax paid	(4.507,82)	0,00
Net cash flows generated by operating activities	**119.463,24**	**86.979,36**
Cash flows from investing activities		
Purchases of fixed assets (Note 5.7, 5.8)	(1.575,55)	(3.340,29)
Return of advances paid for the acquisition of tangible assets	0,00	32.957,28
Purchases of financial assets	(450,00)	0,00
Proceeds from sales of financial assets	1.322,57	41.529,31
Interest and other financial income received	238,95	117,21
Net cash flows generated by /(used in) investing activities	**(464,03)**	**71.263,52**
Cash flows from financing activities		
Dividends paid	(28.523,05)	(46.977,97)
Financial leases capital paid	(5.353,63)	(5.022,57)
Net cash flows generated by /(used in) financing activities	**(33.876,68)**	**(52.000,54)**
Net (decrease)/increase in cash and cash equivalents	**85.122,53**	**106.242,34**
Cash, cash equivalents & restricted cash at the beginning of the period (Note 5.12)	248.477,75	189.324,88
Cash, cash equivalents & restricted cash at the end of the period	**333.600,28**	**295.567,22**

5. Notes to the Interim Financial Statements

5.1 General information

AEGEAN AIRLINES S.A. is a Societe Anonyme airline Company (the Company) under the discreet title AEGEAN AIRLINES used in its international transactions. The Company's legal duration has been defined up to 31/12/2044 and can be extended following the decision of the General Shareholders Meeting. The Company's registered address is 31 Viltanioti St. in the Municipality of Kifissia, Attiki (PC 145 64). The parent company Aegean Airlines along with its subsidiaries constitute the AEGEAN Group (the Group).

The accompanying interim condensed consolidated and stand-alone financial statements for the period ended at 30th June 2017 have been approved by the Board of Directors of the Company on September 11th 2017.

5.2 Nature of operations

The Company and the Group operate in the sector of public airline transportations, providing transport of passengers and goods inside and outside the Greek territory, conducting scheduled and non-scheduled flights. At the same time, they render aviation services, technical support and ground handling aircraft services. Indicatively, the Company's and the Group's objectives include among others the following activities/operations:

a. Participation in any local or foreign company of similar nature of operations

b. Establishment of branches and agencies

c. Import, trade, leasing of aircraft and spare parts.

5.3 Basis of preparation of the financial statements

The interim condensed consolidated financial statements for the six month period ended 30 June 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting. The financial statements have been prepared based on the business continuity principle, under the historical cost principle except for certain categories of assets and liabilities that have been revalued in fair values as stated below:

1) Hedging derivatives
2) Available for sale financial assets

The interim financial statements for the 1st semester of 2017 have been prepared based on the same accounting policies and calculation methods used for the preparation of the annual financial statements of the year ended 31 December 2016. The accompanying interim condensed financial statements should be read along with the annual financial statements for the period ended at 31 December 2016, which include a thorough analysis of the accounting principles and methods used.

The preparation of the financial statements according to the International Financial Reporting Standards (IFRS) requires the usage of estimates and judgments. Important assumptions, made by the management in applying the accounting policies of the company and the group, are stated where it is considered necessary. The estimates and judgments made by the management, same with those used for the preparation of annual financial statements for the period ended 31 December 2016, are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances.

The management considers the basic financial figures as well as the medium term budgets, along with the existing loan covenants and other loan terms if any, to conclude if the going concern basis is still appropriate to be adopted in the preparation of the interim condensed stand-alone and consolidated financial statements.

The financial statements are presented in thousand euros ('000), except if otherwise stated. Small variances in decimals are mainly due to rounding.

5.4 Standards, Interpretations and amendments to existing standards

A. Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs:

- **IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)**
  The objective of the Amendments is to clarify the requirements of deferred tax assets for unrealized losses in order to address diversity in practice in the application of IAS 12 Income Taxes. The specific issues where diversity in practice existed relate to the existence of a deductible temporary difference upon a decrease in fair value, to recovering an asset for more than its carrying amount, to probable future taxable profit and to combined versus separate assessment. These amendments have not yet been endorsed by the EU. The Group has adopted the said amendments and the Management has assessed that they will not have a significant impact in Group's financial statements.

- **IAS 7: Disclosure Initiative (Amendments)**
  The objective of the Amendments is to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Amendments specify that one way to fulfil the disclosure requirement is by providing a tabular reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes. These Amendments have not yet been endorsed by the EU. For Interim condensed group and stand-alone financial statements purposes, the said amendments have not been adopted by the Group. Possible impacts will be assessed by the Group management at year-end.

- **The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. The following annual improvement has not yet been endorsed by the EU. The Group has adopted these improvements and the Management has assessed that they will not have impact in Group's financial statements:

  - **IFRS 12 *Disclosure of Interests in Other Entities***: The amendments clarify that the disclosure requirements in IFRS 12, other than those of summarized financial information for subsidiaries, joint ventures and associates, apply to an entity's interest in a subsidiary, a joint venture or an associate that is classified as held for sale, as held for distribution, or as discontinued operations in accordance with IFRS 5.

B. Standards issued but not yet effective and not early adopted

- **IFRS 9 Financial Instruments: Classification and Measurement**
  The standard is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.
  Management has started assessing the impacts anticipated from transition to IFRS 9, expecting the following main effects:

a. Group's equity investments should be measured in fair value with value changes being recognized through profit or loss, instead of reflected in OCI according to IAS 39. The option to designate the equity instruments as FVTOCI has not yet been evaluated by the management.
b. New impairment approach for assessing credit loss of financial assets may affect the provision established in the financial statements. The potential effect has not yet been evaluated by the management.

c. Currently the management expects to have no material effects with respect to hedging instruments, since there is the option of choosing as accounting policy to continue applying the entire hedge accounting requirements of IAS 39.

- **IFRS 15 Revenue from Contracts with Customers**
  The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates.
  First compliant to IFRS 15 Group Annual report will be published for the period ending 31 December 2018. The Group is still in process for assessing this standard's implications; however the following impacts are expected:
  a. The Company has a loyalty program to award its frequent flyers, where members are able to earn points (miles) by flying on Star Alliance airlines or by making transactions with other non-airline partners. The Group estimates the fair value of unredeemed loyalty points by utilizing historical and statistical data. IFRS 15 requires the transaction price to be allocated to each performance obligation identified and does not preclude or prescribe any particular method for estimating a standalone selling price, as long as the estimate is a faithful representation of the price at which the entity would render the service if it were rendered separately to the customer. Starting from the transition period to IFRS 15, the Group's management intends to initiate determining the fair value of this specific performance obligation through actuarial study. No prediction can be made at the moment with respect to the magnitude or trend of this change effect.
  b. Agents' commissions and other direct selling contracts costs (i.e GDS etc) may be capitalized if certain criteria of IFRS 15 are met. In that case, these costs could be amortized on a systematic basis that matches the transfer of services to the customer, which would in substance result in the capitalized costs being expensed when the customer is uplifted.

  The Group continues its assessment procedures for further evaluating potential impacts of transition to IFRS 15. The modified retrospective approach currently seems to be the most probable option.

- **IFRS 15: Revenue from Contracts with Customers (Clarifications)**
  The Clarifications apply for annual periods beginning on or after 1 January 2018 with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 *Revenue from Contracts with Customers*, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. These Clarifications have not yet been endorsed by the EU. Management is under evaluation process of the effect of these clarifications.

- **IFRS 16: Leases**
  The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The standard has not been yet endorsed by the EU.

IFRS 16 is expected to have a significant impact on the group's balance sheet as the present value of the future operating lease payments for aircraft and other lease agreements will be recognised as right-of-use -assets and interest-bearing liabilities in the balance sheet. Currently, future lease payments are presented in the notes as operating lease commitments at their nominal value. The reported lease commitments at 30/06/2017 amounted to EUR 485,07m (Note 5.23). Aegean is currently evaluating the financial impact of adopting IFRS 16. The review of the impact of IFRS 16 will require an assessment of all leases, decision on the transition method and several other judgments. Therefore, the impact of adopting these standards cannot be reliably estimated until this work is substantially complete.

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
  The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management has assessed that the new standard will not have a significant impact in the Group's financial statements.

- **IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)**
  The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. These Amendments have not yet been endorsed by the EU. Management has assessed that these amendments will not have a significant impact in the Group's financial statements.

- **IAS 40: Transfers to Investment Property (Amendments)**
  The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These Amendments have not yet been endorsed by the EU. Management has assessed that these amendments will not have a significant impact in the Group's financial statements.

- **IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration**
  The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation has not yet been endorsed by the EU. Management has assessed that this interpretation will not have a significant impact in the Group's financial statements.

- The **IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2018 for IFRS 1 First-time Adoption of International Financial Reporting Standards and for IAS 28 Investments in Associates and Joint Ventures. Earlier application is permitted for IAS 28 Investments in Associates and Joint Ventures. These annual improvements have not yet been endorsed by the EU. Management has assessed that these amendments will not have a significant impact in the Group's financial statements.

- ***IFRS 1 First-time Adoption of International Financial Reporting Standards:*** This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for first time adopters.
- ***IAS 28 Investments in Associates and Joint Ventures:*** The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

- **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**
  The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU. Management has assessed that this interpretation will not have a significant impact in the Group's financial statements.

5.5 Seasonality

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

5.6 Operating Segments

The Group is managed as one business unit providing high-quality air transport services inside and outside Greece. Operations are monitored and managed by the Board of Directors, which acts as the Chief Operating Decision Maker - CODM. For more efficient decision-making, CODM evaluates all necessary information (route revenue, available resources, competition analysis) targeting to maximize the overall Group financial results and not to improve the profitability of a specific route.
Finally it should be noted that profitability is measured on the basis of the result, profit or loss, from operating activities before income tax, without taking into account the finance results and any extraordinary items.

5.7 Intangible assets

As at 30/06/2017 the Company held intangible assets amounting to € 28.633,87 thousand and the Group 46.138,14 thousand.
The changes in the aforementioned amounts are analyzed as follows:

AEGEAN AIRLINES S.A. amounts in thousand €

	Company		Group	
Intangible assets	**30/06/2017**	**30/06/2016**	**30/06/2017**	**30/06/2016**
Acquisition cost				
Balance as of January 1st	39.750,18	37.731,10	67.265,75	65.211,67
Additions	453,10	1.432,09	453,10	1.467,08
Disposals	(151,36)	0,00	(151,36)	0,0
Total acquisition cost	**40.051,92**	**39.163,19**	**67.567,49**	**66.678,75**
Accumulated amortization				
Balance as of January 1st	10.579,38	8.758,00	20.219,02	17.609,59
Amortizations	990,02	882,43	1.367,70	1.294,76
Disposals	(151,36)	0,00	(151,36)	0,00
Total accumulated amortization	**11.418,04**	**9.640,43**	**21.429,36**	**18.904,35**
Unamortized cost	**28.633,88**	**29.522,76**	**46.138,14**	**47.774,40**

Group Intangible assets as of 30/06/2017 include "Olympic" brand name amounting to € 17.235,07, airport slots amounting to € 22.039,00, software licenses amounting to € 3.921,75 and other intangible assets amounting to € 2.942,32.
The Group performs its annual impairment test of goodwill every year end (December 31st). The goodwill, arose from acquisition of Olympic Air and included in the financial statements, was examined for impairment with the value-in-use method at 31/12/2016. More specifically, discounted cash flows were used based on the Group 5 years business plan. No need for impairment was occurred, as the CGU (cash generating unit) estimated recoverable amount exceeded the book value at 31/12/2016.
The Group considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As at 30/06/2017 the market capitalization of the Group exceeded the book value of its equity by an amount of 439m Euro. Furthermore, passengers yield was increased by 5% during the 1st semester 2017 compared to the 1st semester 2016. Consequently, the Management noted no impairment indicators and therefore no additional actions were performed.

5.8 Tangible assets

(a) The Company's fleet as at 30/06/2017 consisted of 46 aircraft (31/12/2016: 47), as analyzed below:

- 37 Airbus A320
- 8 Airbus A321
- 1 Airbus A319

(b) The Group's fleet as at 30.06.2016 consisted of 60 aircrafts (31/12/2016: 62), as analyzed below:

- 37 Airbus A320
- 8 Airbus A321
- 1 Airbus A319
- 8 Bombardier Q400
- 4 Bombardier D100
- 2 ATR 42-600

Four of the above mentioned aircraft are under financial leases while the rest of them are under operating leases.

(c) Table of tangible assets

AEGEAN AIRLINES S.A. amounts in thousand €

Company	Buildings	Aircraft Owned	Aircraft Leased	Aircraft Leased – Maintenance reserves	Aircraft equipment	Airports equipment	Other vehicles	Furniture and other equipment	Total
Cost of acquisition									
Balance January 1st 2016	**10.682,90**	**6.475,32**	**69.723,41**	**59.064,23**	**33.717,66**	**1.837,96**	**914,39**	**10.252,89**	**192.668,75**
Additions	32,96	-	-	6.309,87	1.581,16	42,90	-	212,95	8.179,83
Disposals	**-**	-	-	-	-	(11,62)	-	(51,49)	(63,11)
Balance June 30th 2016	**10.715,85**	**6.475,32**	**69.723,41**	**65.374,10**	**35.298,82**	**1.869,24**	**914,39**	**10.414,34**	**200.785,47**
Depreciations									
Balance January 1st 2016	**4.703,73**	**2.994,82**	**21.708,99**	**38.922,29**	**9.322,51**	**1.595,04**	**616,21**	**8.937,24**	**88.800,83**
Depreciations	303,33	161,88	1.567,01	3.739,03	1.232,38	35,32	27,22	161,91	7.228,08
Disposals	-	-	-	-	-	(11,62)	-	(51,47)	(63,09)
Balance June 30th 2016	**5.007,06**	**3.156,70**	**23.276,00**	**42.661,32**	**10.554,89**	**1.618,75**	**643,43**	**9.047,67**	**95.965,82**
Depreciable value June 30th 2016	**5.708,79**	**3.318,62**	**46.447,41**	**22.712,78**	**24.743,92**	**250,50**	**270,96**	**1.366,67**	**104.819,66**
Cost of acquisition									
Balance January 1st 2017	**10.717,55**	**6.475,32**	**69.723,41**	**68.684,89**	**35.395,98**	**1.769,41**	**1.125,49**	**10.746,67**	**204.638,72**
Additions	13,12	-	232,80	-	107,44	296,11	211,00	256,63	1.117,10
Disposals	**-**	-	-	(220,57)	-	-	(51,44)	(179,47)	(551,47)
Balance June 30th 2017	**10.730,68**	**6.475,32**	**69.956,21**	**68.464,32**	**35.503,42**	**2.065,52**	**1.285,06**	**10.723,83**	**205.504,35**
Depreciations									
Balance January 1st 2017	**5.311,55**	**3.318,59**	**24.843,01**	**46.977,85**	**11.862,34**	**1.550,54**	**684,72**	**9.174,38**	**103.722,98**
Depreciations	369,92	161,88	1.572,51	3.820,75	1.310,35	37,51	46,92	156,34	7.476,19
Disposals	-	-	-	-	-	-	(51,44)	(68,17)	(119,60)
Balance June 30th 2017	**5.681,47**	**3.480,47**	**16.415,52**	**50.798,60**	**13.172,69**	**1.588,06**	**680,20**	**9.262,55**	**111.079,57**
Depreciable value June 30th 2017	**5.049,21**	**2.994,85**	**43.540,69**	**17.665,52**	**22.330,73**	**477,46**	**604,85**	**1.461,28**	**94.124,79**

AEGEAN AIRLINES S.A. amounts in thousand €

Group	Buildings	Aircraft Owned	Aircraft Leased	Aircraft Leased – Maintenance reserves	Aircraft equipment	Airports equipment	Other vehicles	Furniture and other equipment	Total
Cost of acquisition									
Balance January 1st 2016	**10.682,90**	**6.475,32**	**69.723,41**	**59.064,23**	**32.767,74**	**1.837,96**	**1.091,30**	**14.689,97**	**196.332,82**
Additions	32,96	-	-	6.309,87	1.581,16	42,90	-	216,20	8.183,08
Disposals	-	-	-	-	-	(11,62)	-	(51,49)	(63,11)
Balance June 30th 2016	**10.715,85**	**6.475,32**	**69.723,41**	**65.374,10**	**34.348,90**	**1.869,24**	**1.091,30**	**14.854,67**	**204.452,80**
Depreciations									
Balance January 1st 2016	**4.703,73**	**2.994,82**	**21.708,99**	**38.922,29**	**9.384,20**	**1.595,04**	**757,21**	**12.328,58**	**92.394,86**
Depreciations	303,33	161,88	1.567,01	3.739,03	1.184,88	35,32	39,84	336,14	7.367,43
Disposals	-	-	-	-	-	(11,62)	-	(52,42)	(64,04)
Balance June 30th 2016	**5.007,06**	**3.156,70**	**23.276,00**	**42.661,32**	**10.569,08**	**1.618,75**	**797,05**	**12.612,29**	**99.698,25**
Depreciable value June 30th 2016	**5.708,79**	**3.318,62**	**46.447,41**	**22.712,78**	**23.779,82**	**250,50**	**294,25**	**2.241,43**	**104.754,55**
Cost of acquisition									
Balance January 1st 2017	**10.717,55**	**6.475,32**	**69.723,41**	**68.684,89**	**34.446,06**	**1.769,41**	**1.302,40**	**15.238,91**	**208.357,96**
Additions	13,12	-	232,80	-	107,44	296,11	211,00	261,99	1.122,46
Disposals	-	-	-	(220,57)	-	-	(51,44)	(279,47)	(551,47)
Balance June 30th 2017	**10.730,68**	**6.475,32**	**69.956,21**	**68.464,32**	**34.533,50**	**2.065,52**	**1.461,97**	**15.221,43**	**208.928,995**
Depreciations									
Balance January 1st 2017	**5.311,55**	**3.318,59**	**24.843,01**	**46.977,85**	**11.829,04**	**1.661,99**	**842,18**	**12.805,55**	**107.589,76**
Depreciations	369,92	161,88	1.572,51	3.820,75	1.262,85	37,51	48,23	332,16	7.605,82
Disposals	-	-	-	-	-	-	(51,44)	(68,14)	(119,57)
Balance June 30th 2017	**5.681,47**	**3.480,47**	**26.415,52**	**50.798,60**	**13.091,89**	**1.588,06**	**838,97**	**13.181,00**	**115.075,98**
Depreciable value June 30th 2017	**5.049,21**	**2.994,85**	**43.540,69**	**17.665,72**	**21.461,62**	**477,46**	**622,99**	**2.040,46**	**93.582,98**

AEGEAN AIRLINES S.A. amounts in thousand €

5.9 Investments in subsidiaries

Investments in subsidiaries are analyzed as follows:

Company	Country of activity	Participation	30/06/2017	31/12/2016
Olympic Air S.A.	Greece	100%	62.416,56	62.416,56
Aegean Airlines Cyprus LTD	Cyprus	100%	10.000,00	10.000,00
Investment in subsidiaries			**72.416,56**	**72.416,56**

5.10 Financial Assets available for Sale

The amount of €3.844,37 relates to Company's investment in corporate bonds traded in primary and secondary markets. The amount of €1.025,00 relates to Company's investment in shares traded in primary and secondary markets. The abovementioned amounts are classified as available for sale financial assets measured at fair value (Hierarchy Level 1).
Within the 1st semester 2017 the Group performed total sales of financial assets amounting to 1.322,56 euro. There were no transfers between Level 1 and Level 2 fair value measurements during the period.

5.11 Customers and other trade receivables

Customers and other trade receivables are analyzed below :

	Company		Group	
	30/06/2017	**31/12/2016**	**30/06/2017**	**31/12/2016**
Domestic customers	11.944,53	10.398,17	1.431,97	12.881,22
Foreign customers	6.143,56	6.592,33	6.417,82	7.182,49
Greek State	1.916,14	375,73	5.081,64	9.716,41
Other debtors	61.968,17	40.166,65	93.969,50	46.327,05
Accrued income	51.787,73	28.839,23	47.130,52	25.304,27
Advances to suppliers	12.267,19	4.268,99	15.129,10	4.566,23
Total	**146.027,32**	**90.641,11**	**169.160,55**	**105.977,68**

Other debtors include receivables from ticket sales through IATA travel agents and tickets sold from/to other airline companies.

Accrued income refers to 1st semester ticket revenue actually invoices subsequently to 30/06/2017. The amount mainly includes interline revenues, capital gains and revenue from redemption/conversion of award points of Company's loyalty program.

Amounts are increased compared to 31/12/2016 due to seasonality reasons.

The majority of trade receivables is considered to be short-term. Therefore its fair value is not considered to be materially different from its book value.

5.12 Cash and cash equivalents – Restricted Cash

Cash and cash equivalents of the Company and the group are analyzed as follows:

AEGEAN AIRLINES S.A. amounts in thousand €

	Company		Group	
	30/06/2017	**31/12/2016**	**30/06/2017**	**31/12/2016**
Cash	247,43	930,95	293,65	977,26
Current accounts	179.404,40	162.036,65	221.489,00	194.044,65
Short term time deposits	76.103,38	31.486,77	98.070,38	53.455,84
Total	**255.755,21**	**194.454,36**	**319.853,03**	**248.477,75**

Amounts are increased compared to 31/12/2016 due to seasonality reasons.
Part of Company's and Group's cash and cash equivalent, amounting to 122m euro (31/12/2016: 99m euro) and 132m euro (31/12/2016: 104m euro) respectively, include cash denominated in foreign currency.

The Group's restricted cash as at 30/06/2017 amounted at 13.747,25 euro, concerning cash collateral provided to third parties, as security for fuel hedging contracts. As at 31/12/2016 there was no restricted cash, since fuel prices increased and based on the hedging contract terms there was no liability for security payments.

5.13 Liabilities from finance leases

Liabilities from the four aircraft finance leases are analyzed below :

	Company		Group	
Future Payments	**30/06/2017**	**31/12/2016**	**30/06/2017**	**31/12/2016**
Up to 1 year	11.104,28	11.829,09	11.104,28	11.829,09
Between 1 to 5 years	29.861,11	37.224,70	29.861,11	37.224,70
More than 5 years	0,00	846,07	0,00	846,07
Total	**40.965,39**	**49.899,86**	**40.965,39**	**49.899,86**
Financial expense	**2.705,09**	**3.167,41**	**2.705,09**	**3.167,41**

Present value of future payments	**30/06/2017**	**31/12/2016**	**30/06/2017**	**31/12/2016**
Up to 1 year	10.216,97	10.894,43	10.216,97	10.894,43
Between 1 to 5 years	28.043,33	35.034,27	28.043,33	35.034,27
More than 5 years	0,00	803,74	0,00	803,74
Total	**38.260,30**	**46.732,44**	**38.260,30**	**46.732,44**

Within the current period, the Company paid an amount of € 5.353,63 (30/06/2016: € 5.022,57) related to financial lease capital.

5.14 Provisions

(a) Tax unaudited years
The Company has been tax audited for the fiscal years 2007-2011 by the tax authorities and for the fiscal years 2012- 2016 according to the tax legislation (1159/2011 and 1124/2015) by the Certified Accountants.
A provision for tax audit differences has been established amounting to 413,97 euro.

The subsidiary Olympic Air S.A. has been tax audited for the fiscal years 2011-2016 according to the tax legislation (1159/2011 and 1124/2015) by the Certified Accountants. No provision for tax differences has been established in subsidiaries accounts, due to its significant cumulative tax losses. Within September 2017, Olympic Air received a tax audit announcement by the tax authorities for the fiscal year 2012.

AEGEAN AIRLINES S.A. amounts in thousand €

(b) Maintenance reserves
The accumulated provision for future aircraft maintenance is as follows:

	Company		Group	
	30/06/2017	**31/12/2016**	**30/06/2017**	**31/12/2016**
Balance as at January 1st	**6.092,66**	**17.568,50**	**15.236,24**	**19.915,62**
Current period's provision	53.525,29	91.263,89	54.371,80	104.409,86
Less: Provision utilization	(57.488,41)	(102.739,74)	(60.307,62)	(109.089,25)
Balance as at closing date	**2.129,54**	**6.092,66**	**9.300,42**	**15.236,24**

5.15 Other long-term liabilities

Other long-term liabilities refer to the long-term portion liability from customers' loyalty program. The short-term portion is reflected in "Suppliers and Other Liabilities" (Note 5.16).

	Company		Group	
	30/06/2017	**31/12/2016**	**30/06/2017**	**31/12/2016**
Long-term portion of Miles and Bonus loyalty program	16.097,00	14.221,24	16.097,00	14.221,24
Total	**16.097,00**	**14.221,24**	**16.097,00**	**14.221,24**

5.16 Suppliers and Other Liabilities

The analysis for the Company and the Group accounts is as follows:

	Company		Group	
	30/06/2017	**31/12/2016**	**30/06/2017**	**31/12/2016**
State-owned entities	65,12	40,37	65,12	40,37
Foreign suppliers	28.599,88	34.109,60	32.601,24	36.952,13
Domestic suppliers	26.012,43	22.212,63	53.258,36	37.999,32
Short-term portion of Miles and Bonus loyalty program	13.712,26	12.114,38	13.712,26	12.114,38
Total	**68.389,69**	**68.476,97**	**99.636,98**	**87.106,19**

Foreign suppliers' amount mainly contain Company's liabilities referring to aircraft maintenance, leases and fuel cost.
Short-term portion of customers' loyalty program include the amount that the Company and the Group estimate will be redeemed subsequent to 30/06/2017. Long-term portion anticipated to be redeemed at least one year later of closing date is included in Other long-term liabilities (Note 5.15)
Suppliers' and other liabilities' carrying amount approximates their fair value.

5.17 Deferred revenue

The amount includes deferred revenue from tickets sold but will flown subsequent to 30/06/2017.

Due to seasonality reasons, the amount has increased compared to 31/12/2016.

AEGEAN AIRLINES S.A. amounts in thousand €

5.18 Hedging Derivatives

	Company		Group	
	30/06/2017	**31/12/2016**	**30/06/2017**	**31/12/2016**
Hedging derivatives (assets)				
Forward contracts in US $ - Cash flow hedging	251,13	16.841,48	251,13	16.841,48
Commodities' swaps (jet fuel) - Cash flow hedging	1.559,09	17.337,23	1.559,09	17.337,23
Receivables from hedging derivatives	**1.810,22**	**34.178,71**	**1.810,22**	**34.178,71**
Hedging derivatives (liabilities)				
Forward contracts in US $ - Cash flow hedging	17.162,12	586,91	17.162,12	586,91
Commodities' swaps (jet fuel) - Cash flow hedging	12.101,84	3.147,29	12.101,84	3.147,29
Interest rate swaps - Cash flow hedging	389.50	593,93	389.50	593,93
Liabilities from hedging derivatives	**29.653,46**	**4.328,13**	**29.653,46**	**4.328,13**

Hedging derivatives are classified either as assets or liabilities. Hedging derivative fair value that has been is qualified as a hedging instrument is classified either as a non-current asset or a non- current liability (if hedged item maturity is more than 12 months) or as a current asset or a current liability (if hedged item maturity is less than 12 months).

(a) Forward contracts in US dollars (currency forwards)

Forward contracts are used for cash flow hedging of risk relating to USD/EURO exchange rate movement. As at 30/06/2017, the Company had entered into forward contracts to hedge 59% of its estimated needs in US dollar for the 2nd semester of 2017, 46% for 2018 and 20% for 2019 (future transactions). As at 31/12/2016, the Company had entered into forward contracts to hedge 51% of its estimated needs in US dollar for 2017 and 44% for 2018.
The nominal amount of open forward contracts at 30/06/2017 was € 417.104,80 (2016: € 443.980,65) (Hierarchy Level 2).

Maturity	**Face Value in $ .000**
2017	152.000
2018	228.000
2019	96.000
Total	**476.000**

(b) Commodity swaps (Jet fuel swaps)

As at 30/06/2017 the Company had entered into jet fuel swaps of 345,5 thousand metric tons, which cover approximately 78% of its estimated fuel needs for the 2nd semester of 2017 and 50% for 2018 (future transactions). As at 31/12/2016 the Company had entered into jet fuel swaps of 345 thousand metric tons, which would cover approximately 74% of its estimated fuel needs for 2017 and 20% for 2018.
The above mentioned derivative contracts are used for cash flow hedging purposes of the risk relating fuel prices increase.
The nominal amount of open swap contracts at 30/06/2017 was € 153.501,14 (2016: € 162.895,74) (Hierarchy Level 2).

AEGEAN AIRLINES S.A. amounts in thousand €

Maturity	Metric Tones
2017	161.000
2018	184.500
Total	**345.500**

(c) Interest rate swaps
Interest Rate Swaps (IRS) are used as hedging instruments for cash flow hedging purposes of floating rate financial liabilities for the 42% (2016: 43%) of finance leases obligations.
The nominal amount of open IRS contracts at 30/06/2017 was € 16.513,17 (2016: € 20.711,04) (Hierarchy Level 2).

Derivatives are measured at closing date fair value. Fair values are provided by the financial institutions and they represent, in good faith, assumptions and estimations of the abovementioned institutions based on the available information for the market trends. The parameters used to calculate the fair value differ depending on the type of derivative.

The fair value of the financial instruments is analyzed as follows:

5.19 Revenue
Revenue refers to proceeds from tickets sales, sales of goods and other services and is analyzed as follows:

	Company		Group	
	30/06/2017	**30/06/2016**	**30/06/2017**	**30/06/2016**
Income from scheduled flights	276.474,75	277.491,24	376.028,56	338.296,42
Income from charter flights	43.154,38	22.244,43	21.210,21	13.564,50
Other operating income	51.806,78	49.840,27	53.435,73	51.686,58
Total	**371.435,91**	**349.575,94**	**450.674,50**	**403.547,50**

5.20 Financial income / expense
Financial income / expense analysis is as follows:

	Company		Group	
	30/06/2017	**30/06/2016**	**30/06/2017**	**30/06/2016**
Long-term liabilities interest and expenses	173,61	876,38	173,61	876,38
Short-term liabilities interest and expenses	509,47	919,38	509,47	919,38
Bank Guarantee commissions	492,18	616,74	492,72	616,74
Finance leases interest	469,85	399,88	469,85	399,88
Shares impairment losses	0,00	0,00	0,00	695,00
Foreign exchange losses	18.031,43	12.273,32	20.171,80	14.287,20
Other financial expenses	228,53	327,94	256,67	397,45
Total financial expenses	**19.905,07**	**15.413,65**	**22.074,12**	**18.192,04**
Interest income	570,75	671,59	717,82	682,07
Foreign exchange gains	12.621,15	12.683,94	14.086,42	14.571,91
Total financial income	**13.191,90**	**13.355,53**	**14.804,24**	**15.253,98**

AEGEAN AIRLINES S.A. amounts in thousand €

Foreign exchange gains and losses are basically reflect significant volume of transactions (receipts/payments) performed by the Company or the Group in foreign currencies.

5.21 Income tax

Income tax is analyzed below:

	Company		Group	
	30/06/2017	**30/06/2016**	**30/06/2017**	**30/06/2016**
Current tax	0,00	0,00	0,00	0,00
Deferred tax	6.317,34	9.144,17	6.653,54	8.014,69
Total Tax	**6.317,34**	**9.144,17**	**6.653,54**	**8.014,69**

5.22 Existing encumbrances

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

5.23 Commitments

Commitments mainly refer to Group and Company operating lease obligations from leased aircrafts and spare engines and are analyzed below:

	Company		Group	
	30/06/2017	**30/06/2016**	**30/06/2017**	**30/06/2016**
Up to 1 year	110.401,18	115.543,25	127.818,64	134.123,71
Between 1 and 5 years	256.283,68	335.569,27	317.234,09	404.021,45
More than 5 years	27.701,86	54.547,02	40.021,05	88.678,03
Total	**394.386,73**	**505.659,54**	**485.073,78**	**626.823,19**

5.24 Contingent assets and liabilities

Legal or in arbitration disputes

The pending legal or in arbitration disputes are not expected to have a material effect in Group or Company's financial position or operation.

Contingent liabilities

Total third party legal claims (pending in court) against Company amount to € 440,60 while against the Group amount to € 665,10.

The Company's management based on previous court decisions as well as on the fact that the trial procedures have not been finalized yet, estimates that their outcome would not have a material impact on its financial position and operation.

5.25 Related parties transactions and balances

Company's most significant transactions and balances with related parties according to IAS 24, appear on the following table:

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

	Company	
Transactions with other companies owned by the major shareholder	**30/06/2017**	**30/06/2016**
Income – Services rendered by the Company	292,77	364,44
Expenses – Services rendered to the Company	429,35	790,82
Transactions with subsidiaries		
Income – Services rendered by the Company	19.390,26	13.144,00
Expenses – Services rendered to the Company	68.037,28	34.731,34

	Company	
Transactions with other companies owned by the major shareholder	**30/06/2017**	**31/12/2016**
Receivables (period end balance from sale of goods- rendering of services)	104,09	93,93
Payables (period end balance from purchase of goods- rendering of services)	193,25	183,52
Transactions with subsidiaries		
Receivables (period end balance from sale of goods- rendering of services)	10.715,97	5.424,98
Payables (End of period balance from purchase of goods- rendering of services)	0,00	0,00

The above transactions with companies owned by the major shareholder of the Company relate mainly to rental expenses and render of services. Transactions with the subsidiary are mainly relate to aircraft leases and render of other services. All transactions are on arm’s length basis.

It should also be highlighted that according to article 23 section 2 of Law 2190/20 the Annual Shareholders Meeting has approved unanimously an agreement between the Company and company TEMES SA, whose chairman of BoD and shareholder is a member of the Company’s BoD and shareholder, Mr. Achilleas Constantakopoulos. The agreement relates to the performance of scheduled flights to/from Kalamata, with agreed frequencies and capacity, with Airbus A320 and A319 aircraft, according to the relevant contract terms.

5.26 Transactions with directors and Board of Directors members

Compensation to directors and BoD members is analyzed below :

	Company		Group	
	30/6/2017	**30/6/2016**	**30/6/2017**	**30/6/2016**
BoD members remunerations	750,00	750,00	750,00	750,00
Directors’ remunerations	881,29	1.093,12	947,20	1.157,87
Directors’ social insurance expenses	127,18	81,08	138,48	92,23
Directors benefits in kind and other payments	154,20	154,38	159,06	158,61
Total	**1.912,68**	**2.078,58**	**1.994,75**	**2.158,71**
Payables to Directors and BoD members	446,14	402,00	453,65	402,00

There are no other transactions, claims or liabilities with Group directors or BoD members.

The amounts presented in the financial statements for cash, trade and other receivables, available-for-sale financial assets, trade and other short-term liabilities and short-term borrowings are close to their fair values due to their short-term maturity .

Derivatives are measured at their fair values at Balance sheet date. The fair value of the derivatives is provided by the financial institutions with which the Company has entered into these contracts in good faith and reflect assumptions and assessments of the institutions based on the information available on the relevant market data. The parameters used in calculating the fair value differ depending on the type of derivative.

5.27 Risk management

The Group is exposed to multiple risks. The Group risk management policy aims to reduce the negative impact resulting from the unpredictability of financial markets and the variations in costs and sales.
The Group uses hedging derivative instruments to hedge its exposure to certain types of risk.

Foreign currency risk
Due to its business operation, Group is exposed to foreign exchange rates variations, mainly related to US Dollar. This kind of risk basically arises from transactions in foreign currency. Group's exposure to foreign exchange risk varies within the period, depending on the volume of transactions in foreign currency.
The Group enters into forward contracts to hedge foreign currency risk.

Interest rate risk
Group's policy is to minimize interest rate cash flow risk on long – term financing.
The Group has hedged a portion of its financial leases obligations, to cover its exposure in interest rate risk.

Jet fuel risk
The Group is exposed to oil price fluctuations which directly influence aircrafts' jet fuel price. The Group enters into jet fuel derivative contracts in order to hedge part of its estimated fuel needs.

Liquidity risk

Liquidity risk is managed effectively by maintaining sufficient cash levels. The Group manages its liquidity by maintaining adequate cash levels as well as ensuring the provision of credit facilities not only from financial institutions but also from suppliers, always in relation to its operating, investing and financing requirements.

Credit risk
The risk may arise from the possibility of the counterparty becoming unable to meet its obligations towards the Group. To minimize this risk, the Group examines regularly its exposure to individual financial institutions. With respect to its deposits, the Group is dealing only with reputable financial institutions which have high credit ratings.

AEGEAN AIRLINES S.A. amounts in thousand €

Fair Value Hierarchy Levels		Level 1	Level 2	Level 3
Company 30/06/2017				
Assets				
USD Derivatives	(FWD)	-	251,13	-
Jet fuel Derivatives	(FWD)	-	1.559,09	-
IRS Derivatives	(IRS)	-	0,00	-
Shares and Bonds (Trading Portfolio)		4.869,37	-	-
Total		**4.869,37**	**1.810,22**	**-**
Liabilities				
USD Derivatives	(FWD)	-	17.162,12	-
Jet fuel Derivatives	(FWD)	-	12.101,84	-
IRS Derivatives	(IRS)	-	389,50	-
Total		**-**	**29.653,46**	**-**

Fair Value Hierarchy Levels		Level 1	Level 2	Level 3
Company 31/12/2016				
Assets				
USD Derivatives	(FWD)	-	16.841,48	
Jet fuel Derivatives	(FWD)	-	17.337,23	
IRS Derivatives	(IRS)	-	0,00	
Bonds & Stocks		4.977,74	-	
Total		**4.977,74**	**34.178,71**	
Liabilities				
USD Derivatives	(FWD)	-	586,91	
Jet fuel Derivatives	(FWD)	-	3.147,29	
IRS Derivatives	(IRS)	-	593,93	
Total			**4.328,13**	

AEGEAN AIRLINES S.A. amounts in thousand €

Fair Value Hierarchy Levels		Level 1	Level 2	Level 3
Group 30/06/2017				
Assets				
USD Derivatives	(FWD)	-	251,13	
Jet fuel Derivatives	(FWD)	-	1.559,09	
IRS Derivatives	(IRS)	-	0,00	
Shares and Bonds (Trading Portfolio)		4.869,37	-	
Total		**4.869,37**	**1.810,22**	
Liabilities				
USD Derivatives	(FWD)	-	17.162,12	
Jet fuel Derivatives	(FWD)	-	12.101,84	
IRS Derivatives	(IRS)	-	389,50	
Total			**29.653,46**	

Fair Value Hierarchy Levels		Level 1	Level 2	Level 3
Group 31/12/2016				
Assets				
USD Derivatives	(FWD)	-	16.841,48	
Jet fuel Derivatives	(FWD)	-	17.337,23	
IRS Derivatives	(IRS)	-	0,00	
Bonds & Stocks		5.709,24	-	
Total		**5.709,24**	**34.178,71**	
Liabilities				
USD Derivatives	(FWD)	-	586,91	
Jet fuel Derivatives	(FWD)	-	3.147,29	
IRS Derivatives	(IRS)	-	593,93	
Total			**4.328,13**	

Level 1 values refer to published prices and Level 2 values are based on measurement techniques.
In particular, bonds and shares are traded in active markets and they are measured at their market price at the balance sheet date. Hedging derivatives are measured using international pricing platforms.

The amounts presented in the financial statements for cash, trade and other receivables, available-for-sale financial assets, trade and other short-term liabilities and short-term borrowings are close to their fair values due to their short-term maturity .

5.28 Dividends

The Annual Shareholders Meeting which took place on May 10th 2017, approved the distribution of a dividend equal to € 0,40 per share, for a gross amount of € 28.566.840, while the net amount (after withholding tax deduction according to Law 4172) was € 26.123.968,82. Up to 30/06/2017 the distributed amount was € 26.073.111,96

5.29 Subsequent Events

There are no subsequent events.

Kifissia, September 11th 2017

Chairman	Chief Executive Officer	Chief Financial Officer	Chief Accountant
Theodoros Vasilakis	Dimitrios Gerogiannis	Michael Kouveliotis	Maria Zannaki
I.D. no. AK031549	I.D. no. AB642495	I.D. no. P490629	I.D. no. Σ723984

E. Financial Data and Information for the period 01.01.2017 – 30.06.2017

AEGEAN A STAR ALLIANCE MEMBER

AEGEAN AIRLINES S. A.

SUMMARY FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY 2017 TO 30 JUNE 2017

(In accordance with Art. 4 of Law 4403/2016)

The following data and information aim at providing a general overview of the financial status and results of AEGEAN AIRLINES S.A. Consequently, it is recommended to the reader, before any investment decision and transaction with the Company, to refer to the Company's Website (www.aegeanair.com) where the financial statements are posted. (Amounts in thousand €)

COMPANY INFORMATION :

Address of head offices	: Viltanioti 31, 145 64 Kifisia
Societe Anonyme Reg. No.	: 32603/06/B/95/3
Certified Auditor	: Kaminaris Vassilios AM 20411
Auditing Company	: Ernst & Young (Hellas) SA
Review of Financial Information	: Unqualified opinion
Supervising Authority	: Ministry of Development
Website address	: www.aegeanair.com
Date of Approval of Financial Statements	: September 11th 2017

FINANCIAL POSITION

	Company		Group	
	30/6/2017	31/12/2016	30/6/2017	31/12/2016
ASSETS				
Tangible assets	94.124,79	100.915,74	93.852,98	100.768,20
Investments in subsidaries	72.416,56	72.416,56	0,00	0,00
Goodwill	0,00	0,00	39.756,30	39.756,30
Intagible assets	28.633,88	29.170,80	46.138,14	47.046,73
Other non current assets	36.147,46	32.550,57	41.594,81	38.398,83
Inventories	9.493,94	8.974,90	15.244,63	16.079,85
Customers and other trade receivables	146.027,32	90.641,11	169.160,55	105.977,68
Cash and cash equivalents	255.755,21	194.454,36	319.853,03	248.477,75
Other current assets	49.961,91	52.482,45	50.658,52	54.256,54
TOTAL ASSETS	**692.561,08**	**581.606,48**	**776.258,95**	**650.761,87**
EQUITY AND LIABILITIES				
Share capital	46.421,11	46.421,11	46.421,11	46.421,11
Additional paid-in capital and reserves	79.059,69	168.076,04	107.696,96	197.849,94
Total shareholders' equity (a)	**125.480,80**	**214.497,15**	**154.118,07**	**244.271,05**
Long term bank loans	0,00	0,00	0,00	0,00
Provisions and other long term liabilities	67.417,70	77.966,39	75.025,46	87.087,20
Short term bank loans	0,00	0,00	0,00	0,00
Other short term liabilities	499.662,58	289.142,95	547.115,42	319.403,62
Total liabilities (b)	**567.080,28**	**367.109,34**	**622.140,88**	**406.490,82**
EQUITY AND LIABILITIES (c) = (a) + (b)	**692.561,08**	**581.606,48**	**776.258,95**	**650.761,87**

CASHFLOW STATEMENT (INDIRECT METHOD)

	Company		Group	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Operating activities				
Profit / (loss) before taxes	**(25.404,61)**	**(33.575,05)**	**(26.691,08)**	**(31.714,99)**
Plus /(less) adjustments for:				
Depreciation	8.466,21	8.110,51	8.967,52	8.662,18
Impairment of tangible assets	0,00	0,00	0,00	0,00
Provisions	1.169,25	(6.380,75)	1.184,64	(5.274,12)
Foreign exchange differences	5.404,80	(410,62)	5.985,42	(222,92)
(Profit) / loss from investing activities	(565,27)	389,62	(712,34)	317,35
Finance Cost	1.873,64	2.997,44	1.902,33	3.761,94
Cash flows from operating activities before changes in working capital				
(Increase) / Decrease in inventories	(519,04)	275,88	835,22	(233,47)
(Increase) / Decrease in trade & other receivables	(63.406,78)	(49.914,06)	(69.986,53)	(49.359,66)
Increase / (Decrease) in payables (other than banks)	188.826,14	166.714,65	203.724,02	163.004,43
Interest expenses paid	(1.209,45)	(1.891,87)	(1.238,14)	(1.961,37)
Income tax payments	(4.507,82)	0,00	(4.507,82)	0,00
Net cash flows from operating activities (a)	**110.127,07**	**86.315,75**	**119.463,24**	**86.979,36**
Investing Activities				
Purchases of assets	(1.570,19)	(3.302,05)	(1.575,55)	(3.340,29)
Sales of tangible & intangible assets	0,00	0,00	0,00	0,00
Downpayments for purchases of tangible assets	0,00	32.957,28	0,00	32.957,28
Purchace of financial assets	(450,00)	0,00	(450,00)	0,00
Sale of financial assets	598,49	37.282,52	1.322,57	41.529,31
Investment in subsidiaries	0,00	0,00	0,00	0,00
Capital return from subsidiary share capital reduction	0,00	20.000,00	0,00	0,00
Interest and other financial income received	219,41	106,73	238,95	117,21
Net cash flows from investing activities (b)	**(1.202,30)**	**87.044,48**	**(464,03)**	**71.263,52**
Financing Activities				
Dividends paid	(28.523,05)	(46.977,97)	(28.523,05)	(46.977,97)
Changes in financial leases capital	(5.353,63)	(5.022,57)	(5.353,63)	(5.022,57)
Net cash flows from financing activities (c)	**(33.876,68)**	**(52.000,54)**	**(33.876,68)**	**52.000,54**
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	**75.048,09**	**121.359,69**	**85.122,53**	**106.242,34**
Cash and cash equivalents at the beginning of the period	**194.454,36**	**142.046,68**	**248.477,75**	**189.324,88**
Cash and cash equivalents at the end of the period	**269.502,46**	**263.406,37**	**333.600,28**	**295.567,22**

Athens, September 11th 2017

Chairman of the BoD	**Chief Executive Officer**
Vassilakis Theodoros	**Gerogiannis Dimitrios**
Chief Financial Officer	**Head of Accounting Dept**
Kouveliotis Michalis	**Zannaki Maria**

STATEMENT OF COMPREHENSIVE INCOME

	Company		Group	
	01/01-30/06/2017	01/01-30/06/2016	01/01-30/06/2017	01/01-30/06/2016
Revenue	371.435,91	349.575,94	450.674,50	403.547,50
Gross profit	(4.120,12)	(16.962,23)	4.612,15	(9.284,31)
EBIT	(18.691,45)	(31.516,92)	(19.421,20)	(28.776,94)
Profit / (loss) before tax	**(25.404,61)**	**(33.575,05)**	**(26.691,08)**	**(31.715,00)**
Income tax	6.317,34	9.144,17	6.653,54	8.014,69
Profit / (loss) after tax (a)	**(19.087,28)**	**(24.430,88)**	**(20.037,54)**	**(23.700,31)**
Other Total Comprehensive Income (b)	(41.362,24)	16.078,79	(41.548,62)	15.886,52
Total Comprehensive Income (a)+(b)	**(60.449,52)**	**(8.352,08)**	**(61.586,15)**	**(7.813,79)**
Basic earnings after tax per share in €			(0,2806)	(0,3319)
EBITDA	-10.225,23	-23.406,41	-10.453,68	-20.114,75

STATEMENT OF CHANGES IN EQUITY

	Company		Group	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
Equity balance at the year's beginning (1.1.2016 &1.1.2015 respectively)	214.497,15	190.174,52	244.271,05	221.975,43
Dividends paid	(28.566,84)	(49.991,99)	(28.566,84)	(49.991,99)
Profit / (Loss)	(19.087,28)	(24.430,88)	(20.037,54)	(23.700,31)
Other total comprehensive income after tax	(41.362,24)	16.078,79	(41.548,62)	15.886,52
Balance at the end of period (31.12.2016 & 31.12.2015 respectively)	**125.480,80**	**131.830,45**	**154.118,07**	**164.169,66**

ADDITIONAL DATA & INFORMATION

1. The following companies are included in the consolidated financial statements :

Name	Country	% of ownersip	Consolidation method
AEGEAN AIRLINES S.A.	GREECE	Parent	
OLYMPIC AIR A.E.	GREECE	100%	Full
AEGEAN AIRLINES CYPRUS LTD	CYPRUS	100%	Full

2. The Company has been audited for the fiscal years 2012 till 2016 by Certified Auditors Acccountants according to the tax legislation (POL 1159/2011 & POL 1124/2015). The Company has formed a tax provision of €413,97 thousand. The subsidiary Olympic Air SA has been tax audited for the fiscal years 2011 till 2016 by Certified AuditoRS Accountants according to the tax legislation (POL 1159/2001 & POL 1124/2015). The subsidiary has not established a tax provision due to its significant cumulative tax losses. (Note 5.14a of the Financial statements). Within September 2017, Olympic Air SA received atax audit announcement by the tax authorities for the fiscal year 2012.

3. Further to the provision mentioned above (par.2), the Company and the Group have established an additional provision of € 2.129,54 thousands and € 9.300,42 thousands, respectively, related to future aircraft maintenance obligations (Note 5.14b of the Financial Statements). Furthermore, the Group has established a provision amounting to € 1.251,5 thousands regarding pending legal cases and bad debts allowance.

4. There are no pending judicial cases or court decisions, which may have a material impact on the Group or stand alone financial statemnets and operations. No provision has been established by the Company.

5. Total number of employees as at 30/06/2017 was 2.700 for the Company and 2.952 for the Group and as at 30/06/2016 was 2.621 for the Company and 2.882 for the Group.

6. The company does not hold own shares at the end of the current period.

7. The General Meeting of Shareholders, which took place on May 10th 2017, has approved the distribution of a dividend €0,40 per share, for a gross amount of € 28.566.840. The net amount after L. 4172 tax was € 26.123.968,82. Up to 30/06/2017 the distributed amount was € 26.073.111,96.

8. According to I.A.S. 24, related party transactions and balances for the 1st semester 2017 are analyzed below:

Amounts in thousand €

	Company	Group
a) Revenue	19.683,03	292,77
b) Expenses	68.466,63	429,35
c) Receivables	10.820,06	104,09
d) Payables	193,25	193,25
e) Management and Board of Directors' remuneration	1.912,68	1.994,75
f) Payables to Management and Board of Directors	446,14	446,14

9. Total other comprehensive income is analyzed as follows :

Amounts in thousand €	Company		Group	
	30/6/2017	30/6/2016	30/6/2017	30/6/2016
(a) Items that may be reclassified subsequently to profit or loss:				
Cash flow hedging				
Reclassification of Profit/(Loss)	(1.442,82)	4.369,15	(1.442,82)	4.369,15
Net fair value gain/(loss) on cash flow hedges	(56.251,00)	18.540,52	(56.251,00)	18.540,52
Income tax	16.731,21	(6.643,81)	16.731,21	(6.643,81)
Available for sale financial assets				
Reclassification of Profit/(Loss)	0,00	-	(581,00)	(315,73)
Net fair value gain/(loss) on available for sale financial assets	(184,86)	(263,49)	133,64	(263,49)
Income tax	53,61	76,41	129,74	199,87
Total (a)	**(41.093,86)**	**16.078,79**	**(41.280,24)**	**15.886,52**
(b) Items that will not be reclassified subsequently to profit or loss:				
Remeasurement gains/(losses) on defined benefit plans	(378,00)	0,00	(378,00)	0,00
Deffered tax	109,62	0,00	(378,00)	0,00
Total (b)	**(268,38)**	**0,00**	**109,62**	**0,00**
Other comprehensive income for the period net of income tax	**(41.362,24)**	**16.078,79**	**(41.548,62)**	**15.886,52**