

Extrovert & Consolidating....

May 2017

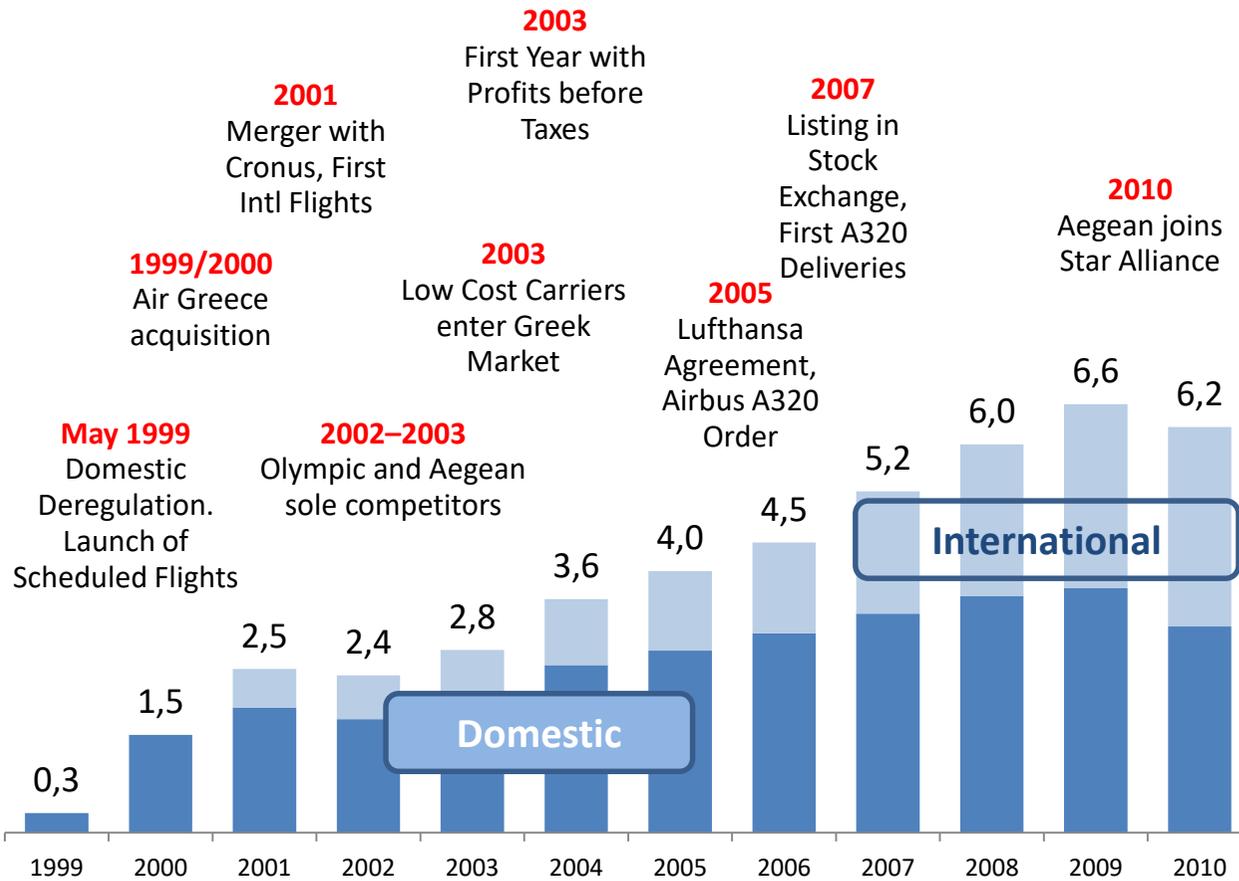


A STAR ALLIANCE MEMBER 

May 16, 2017

Aegean 1999-2010

A Qualitative Regional Airline Catering Mostly to Greeks



2009

A/C	• 31 (mix of Jets)
Revenue	• €553m
Revenue mix	• Domestic 44% of total
Passengers	• 6.6m (2.8m intl)
Network mix	• Domestic pax 58% of total

Aegean reaction to Crisis extrovert & flexible/ cost focus

Costs

Systems = Digital Emphasis

Outsourcing= 1000 people
/services shifted to Providers

Fleet= SINGLE TYPE

Strategy

Introvert to Extrovert = Shift
Customer Focus

Regional BASE shift

Seek economies of scale /
consolidation

Focus on customer service
remains

Athens main hub + 6-8 other Aircraft Bases in Greece and Cyprus=> Extrovert Focus 1st Incoming Leisure/Tourism

2016 :145 destinations
✓ **111 international**
✓ **34 domestic**

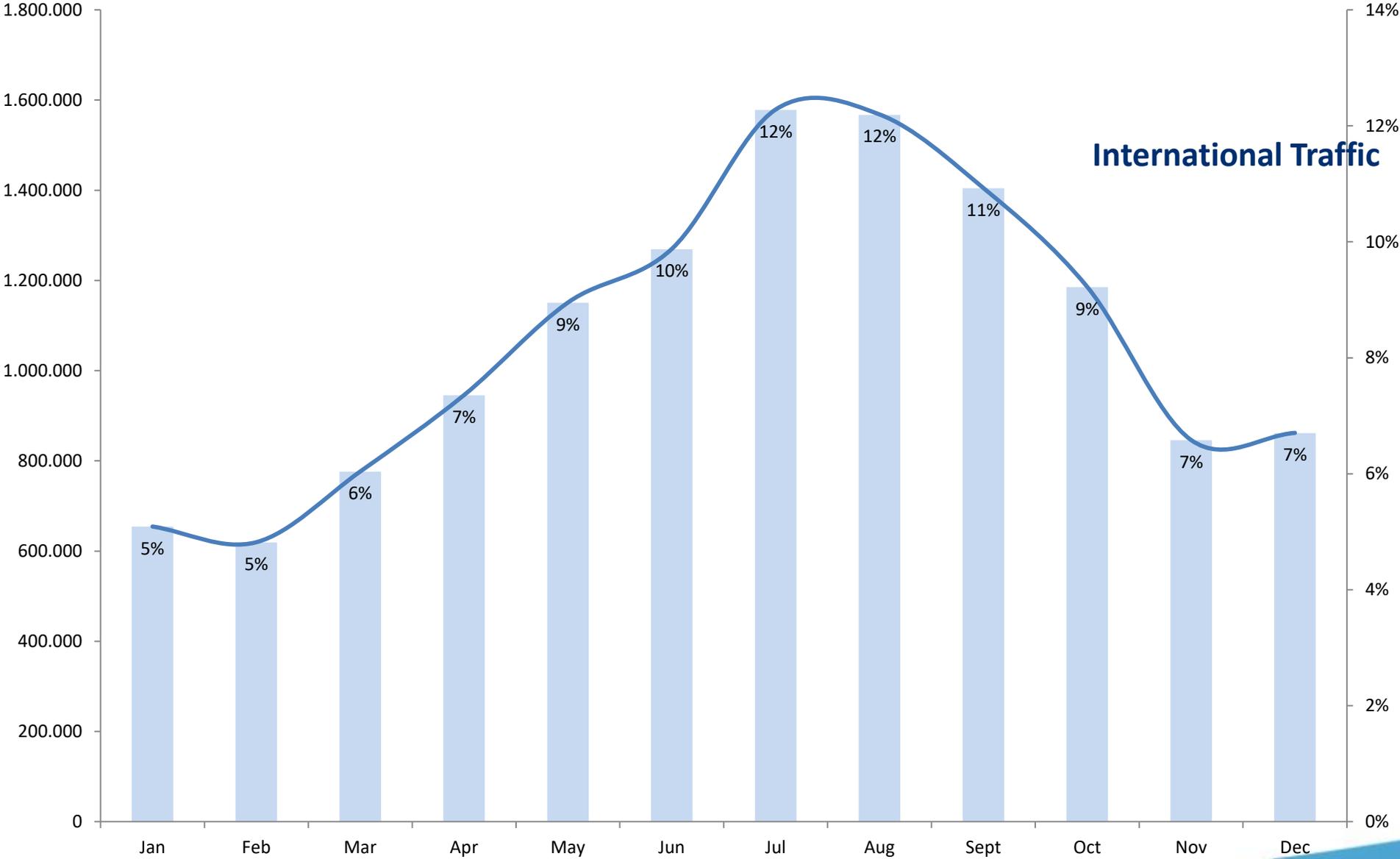
% international activity by source market

- ✓ **Western Europe: 55%**
- ✓ **Cyprus: 10%**
- ✓ **Central Europe: 25%**
- ✓ **Middle East: 10%**



% international activity by base
✓ **Athens: 70%**
✓ **Thessaloniki & Larnaca: 15%**
✓ **Regional / Leisure: 15%**

Athens Seasonality International Tourism = WinterLoss Making



Extrovert = Join Star Alliance 2010

- Adding value to passengers' travel experience through:
 - Access to a worldwide network – Global reach
 - Seamless worldwide travel services
 - Frequent Flyer Programs linked
 - Privileged access to facilities, lounges, priority check-in, boarding, baggage

Travel the World with the Star Alliance Network

The member airlines of the Star Alliance network are among the most respected in the world. In order to become members, all airlines must comply with the highest industry standards of customer service, security and technical infrastructure.

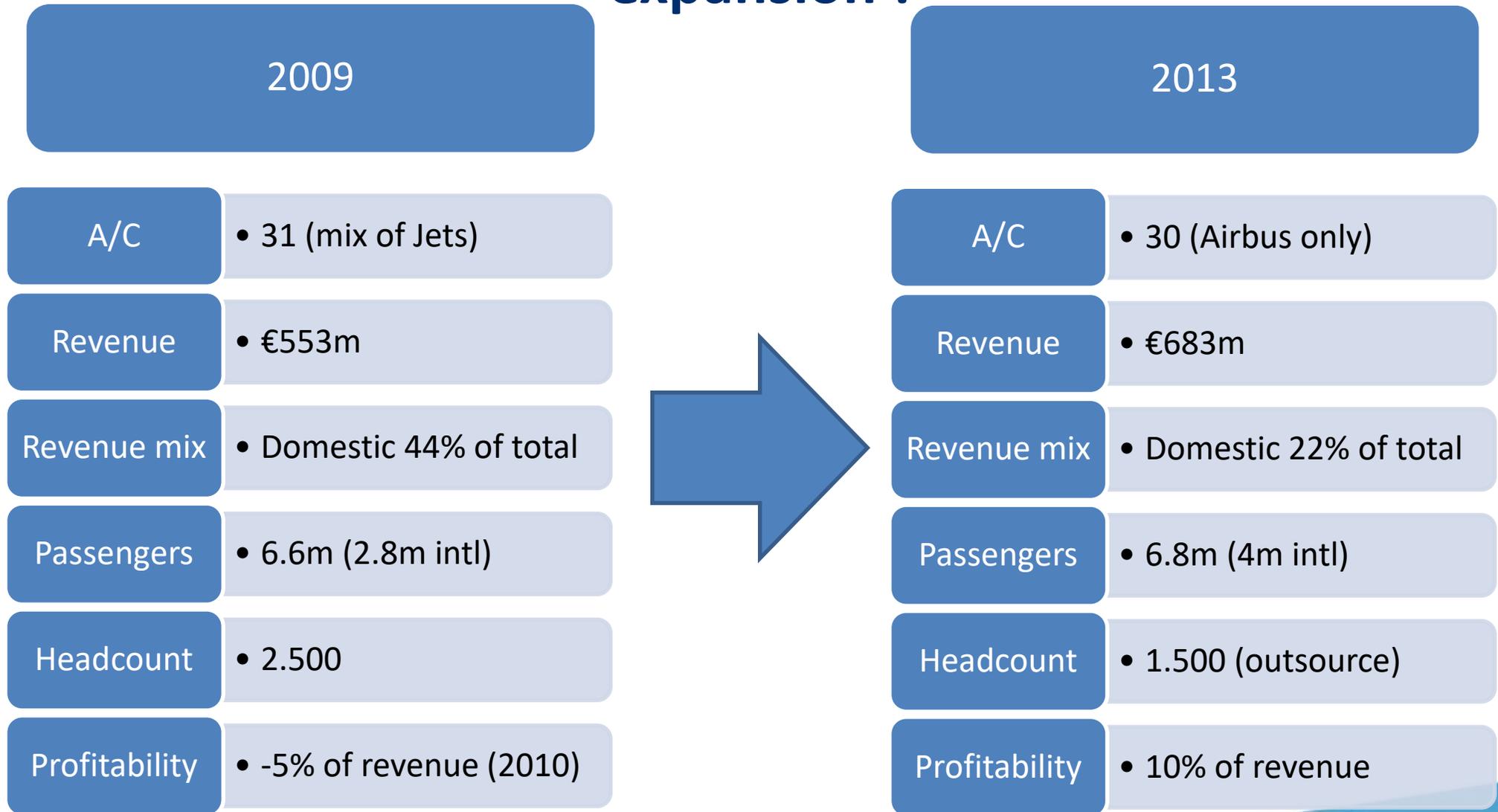
Together, they offer convenient and comfortable travel to almost any destination in the world.



Total revenue:	198.98 BUSD	Revenue Passenger Km:	1469.07 bn
Daily departures:	More than 21,900	Annual Passengers:	727.42 m
Countries served:	195	Number of employees:	460,238
Airports served:	1,328	Fleet:	4,701
Lounges:	More than 1,000		

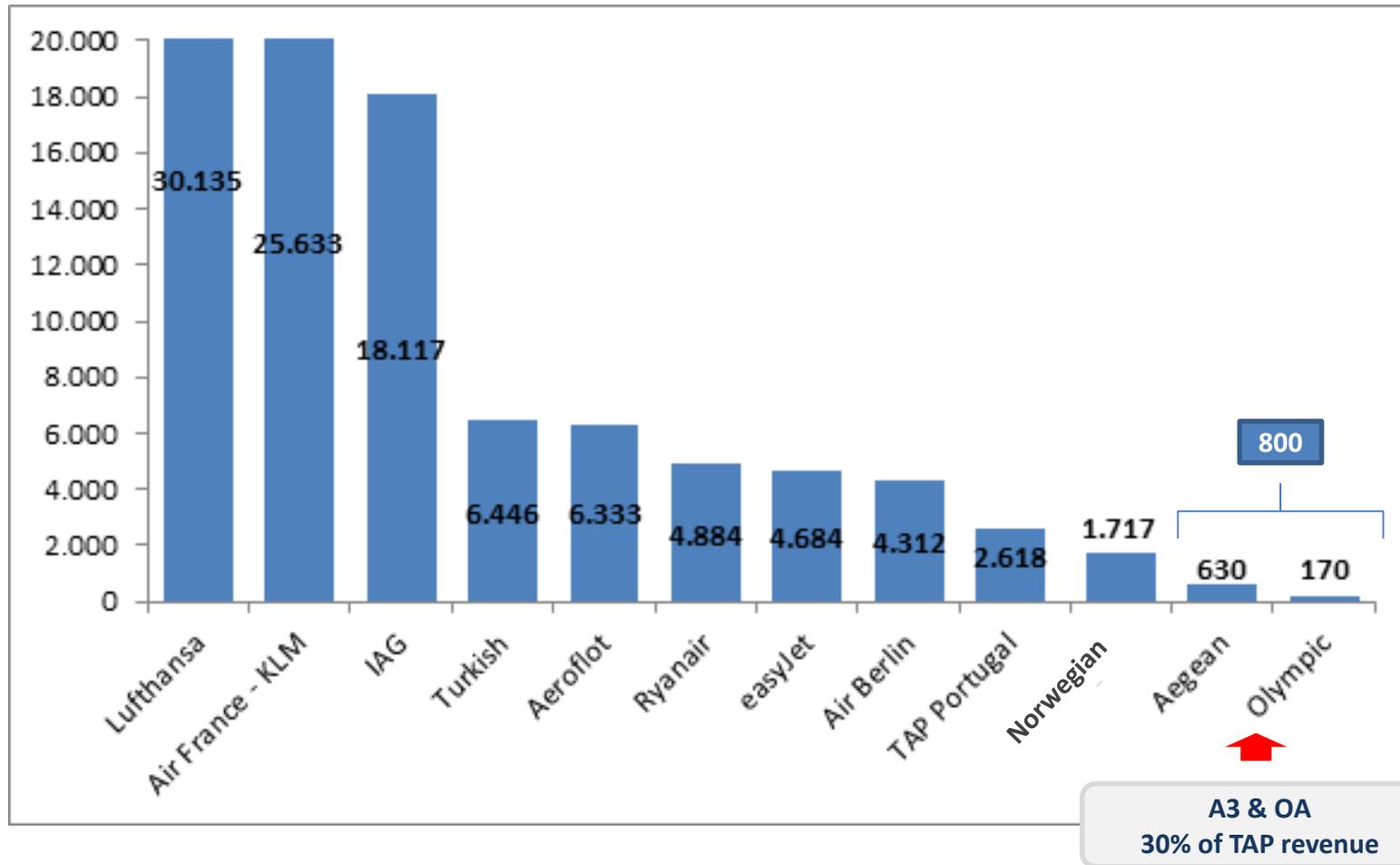
09-13 Customer Shift & Cost Focus

25% revenue growth & Profitability without fleet expansion !



BUT..... TOO Small to Compete

Peer group comparison (2013)



Acquisition of Olympic Air

2005-2012 Never Able to Convince HR for Consolidation Need

- October 2013: Becomes Single International Representative of Greece

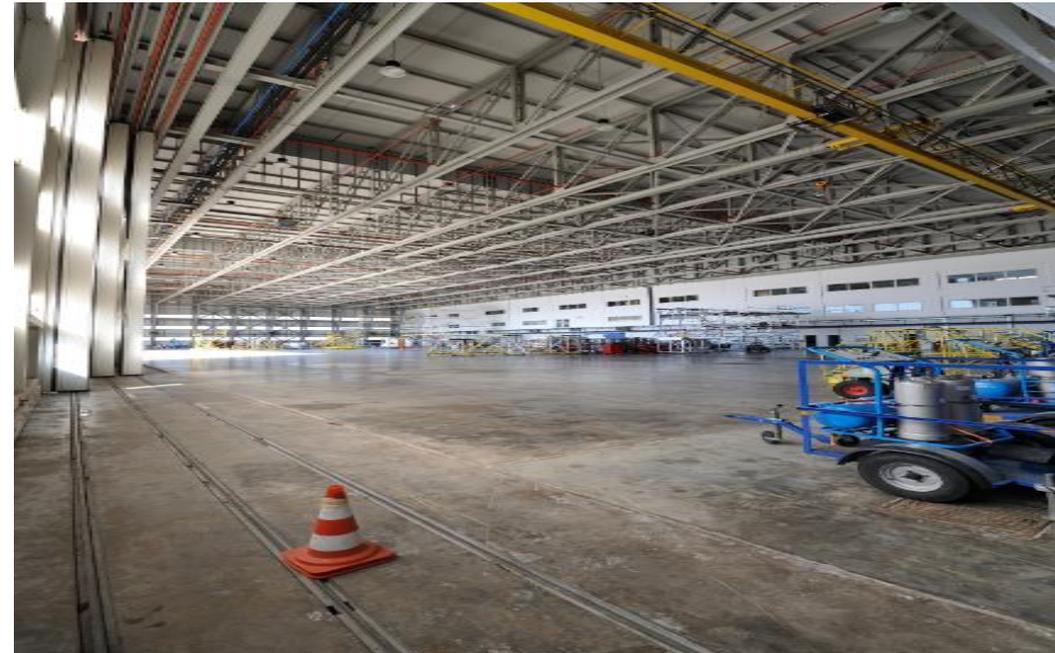
Complementary & larger fleet

Buying Power

Synergies exceed initial expectation

Network Synergies
Connectivity gains

Cost synergies:
consolidating
management services
(Personnel – Facilities –
Systems)



AEGEAN
MEMBER

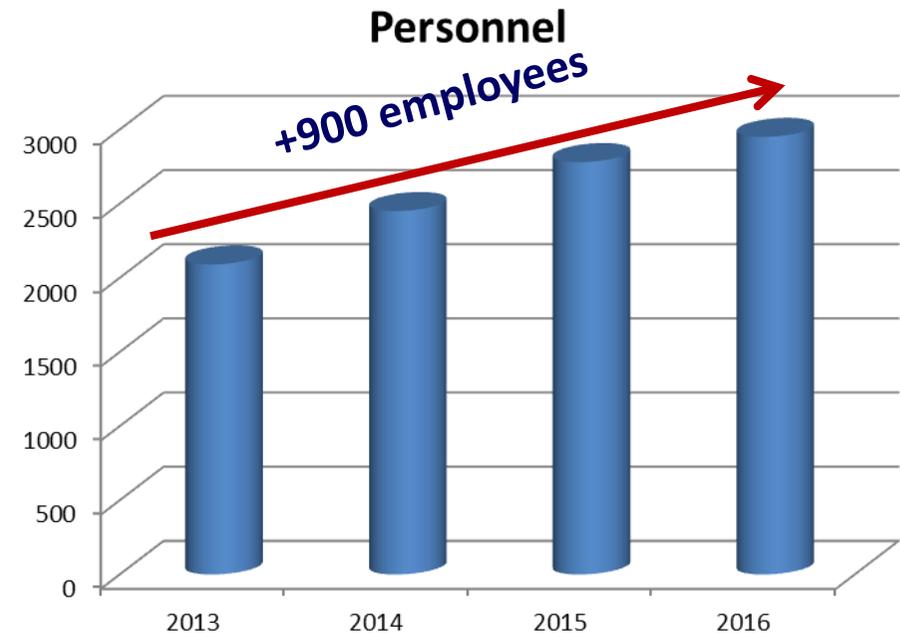
Merger Creates Jobs.....!!

Investment in Training

Investment in Culture & Motivation !

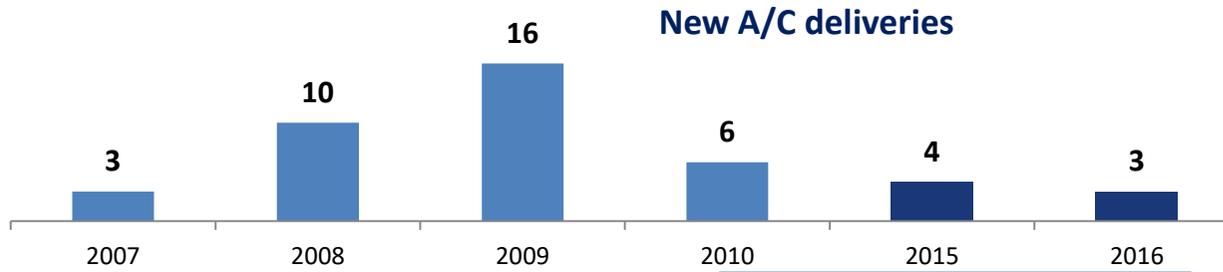
3.000 employees in Summer 2016

- ✈ 600 cockpit crew
- ✈ 1200 cabin crews
- ✈ 340 engineers and mechanics
- ✈ ATO: Approved Training Organisation for A320, Q400 & Dash-8 (cockpit & cabin crews)
- ✈ MTO: Maintenance Training Organisation for A320, Q400 & Dash-8 (mechanics & engineers)

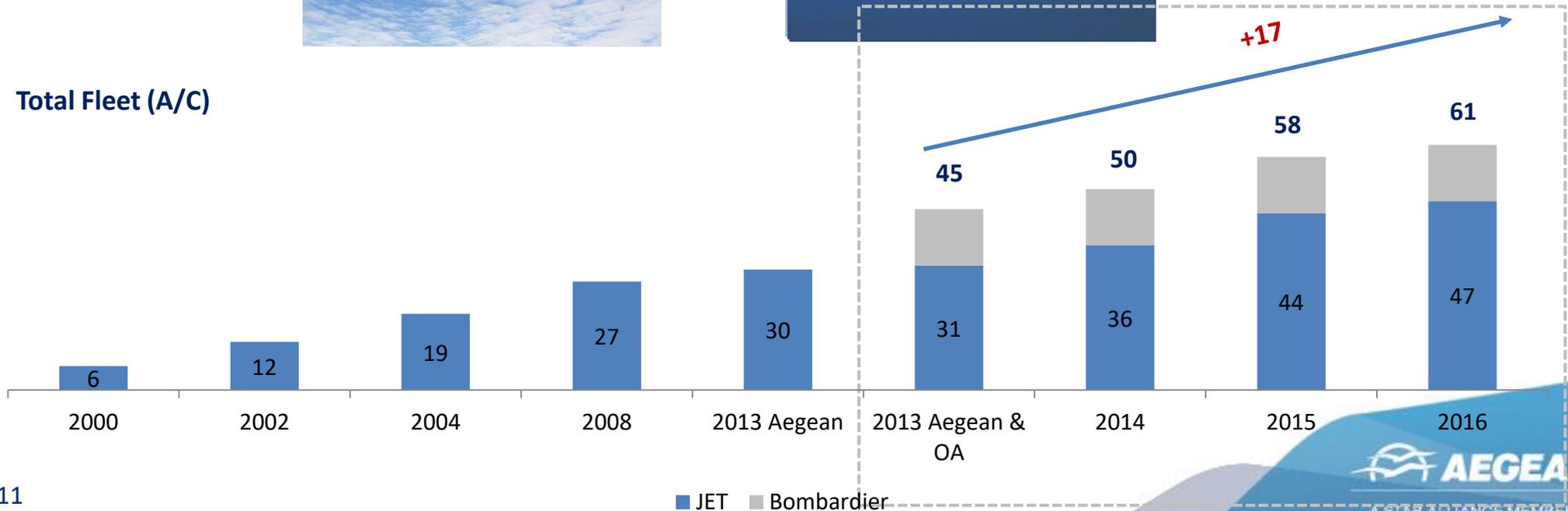


2013-2016: Fleet Expansion

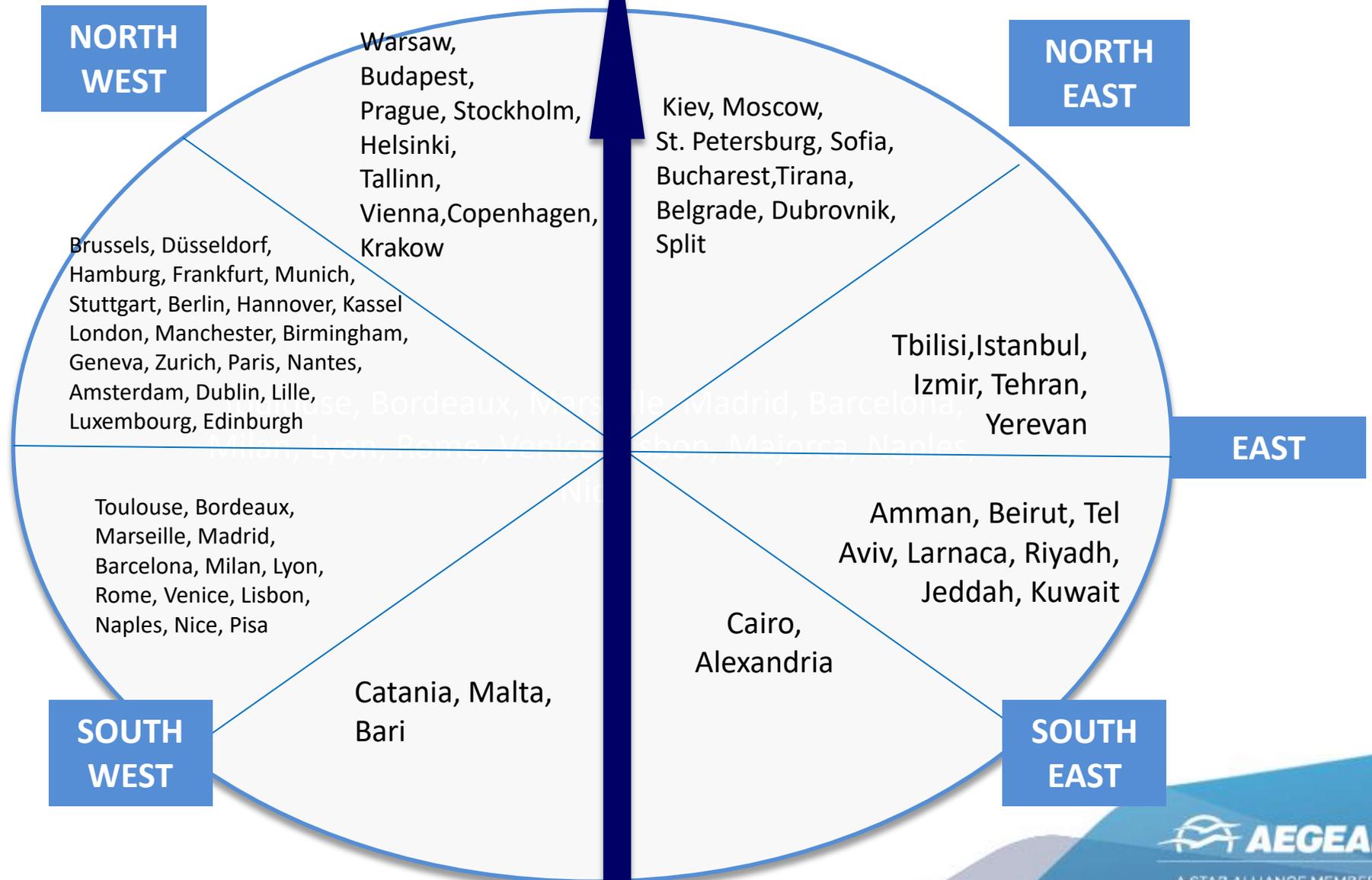
+17 additional jet A/C



Total Fleet (A/C)



Connecting Athens with Europe, Middle East and Cyprus



Indicative connecting routes via Athens

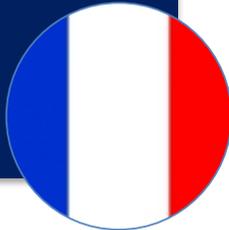
New destinations => Secondary cities in Europe

More Direct Access to Athens & Islands !

For Widen European Target Group

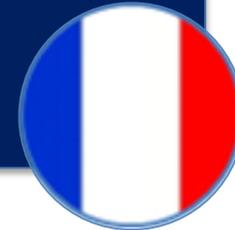
- Paris only to9 cities!

France



- Lyon
- Lille
- Nice
- Toulouse
- Bordeaux
- Strasbourg
- Marseille..... + Luxemburg

France

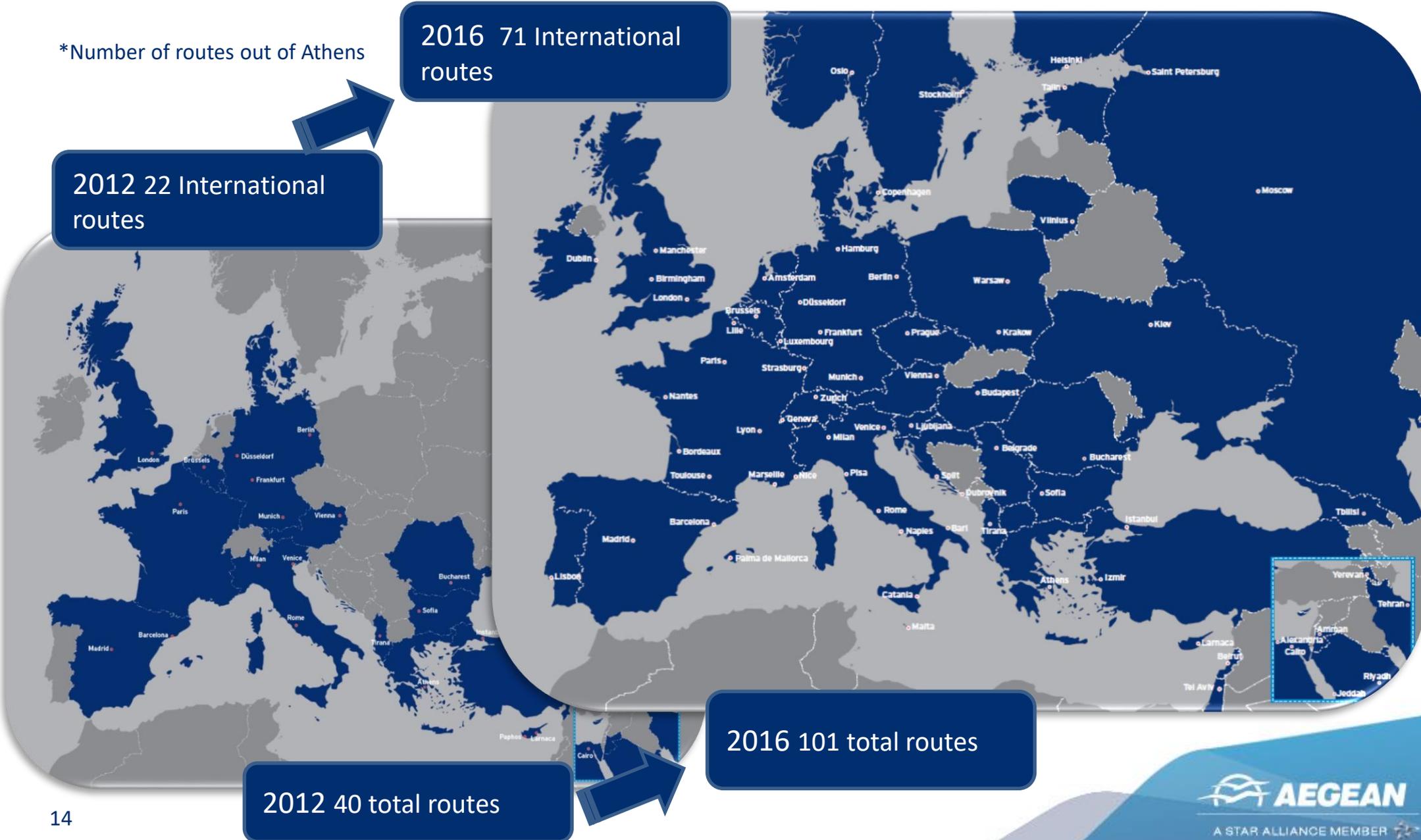


Significant Athens network expansion

*Number of routes out of Athens

2016 71 International routes

2012 22 International routes



2012 40 total routes

2016 101 total routes

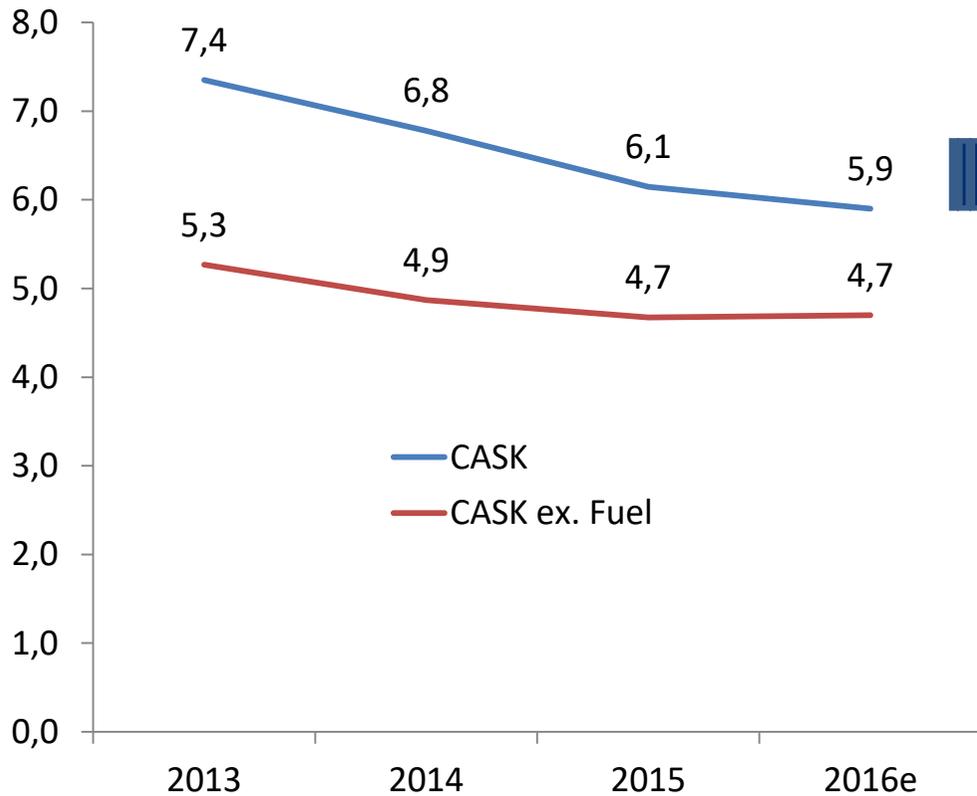


 **AEGEAN**

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Efficiency & competitiveness

High Quality but CASK equal to LCC easyJet with 30% shorter segment length



2013-2016= 12% reduction unit costs ex fuel

	Aegean	easyJet
Stage Length KM	860	1,120
Model	Full Service	Low Cost
Fleet	Mix Airbus & Turboprops	Airbus only
Costs per ASK - € cents	5.90	5.60

Source: A3, Companies annual reports

Customer Excellence

- ✓ Familiarizing travelers with Greek cuisine
- ✓ Tasting premium quality Greek wine



Promoting Greece

enter
greece

- ✓ Via new In Flight Entertainment Channel
- ✓ Inflight Magazine
- ✓ Promoting Local products in Aegean menu



 **AEGEAN**

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Collective and coordinated efforts to efficiently promote Greece



MARKETING GREECE



GREECE
ALL TIME CLASSIC



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Joint Marketing
Initiatives Abroad

Support
Fam Trips

Support Events as an
official airline sponsor

Support Institutional
& Business Trips

Ryanair – Greece : +20% S16 GROWTH

- 11 airports
- 4 bases, 8 based aircraft
- \$800m investment
- 103 routes, 20 NEW
- 6m c'mers p.a.
- 4,500 jobs (ACI)

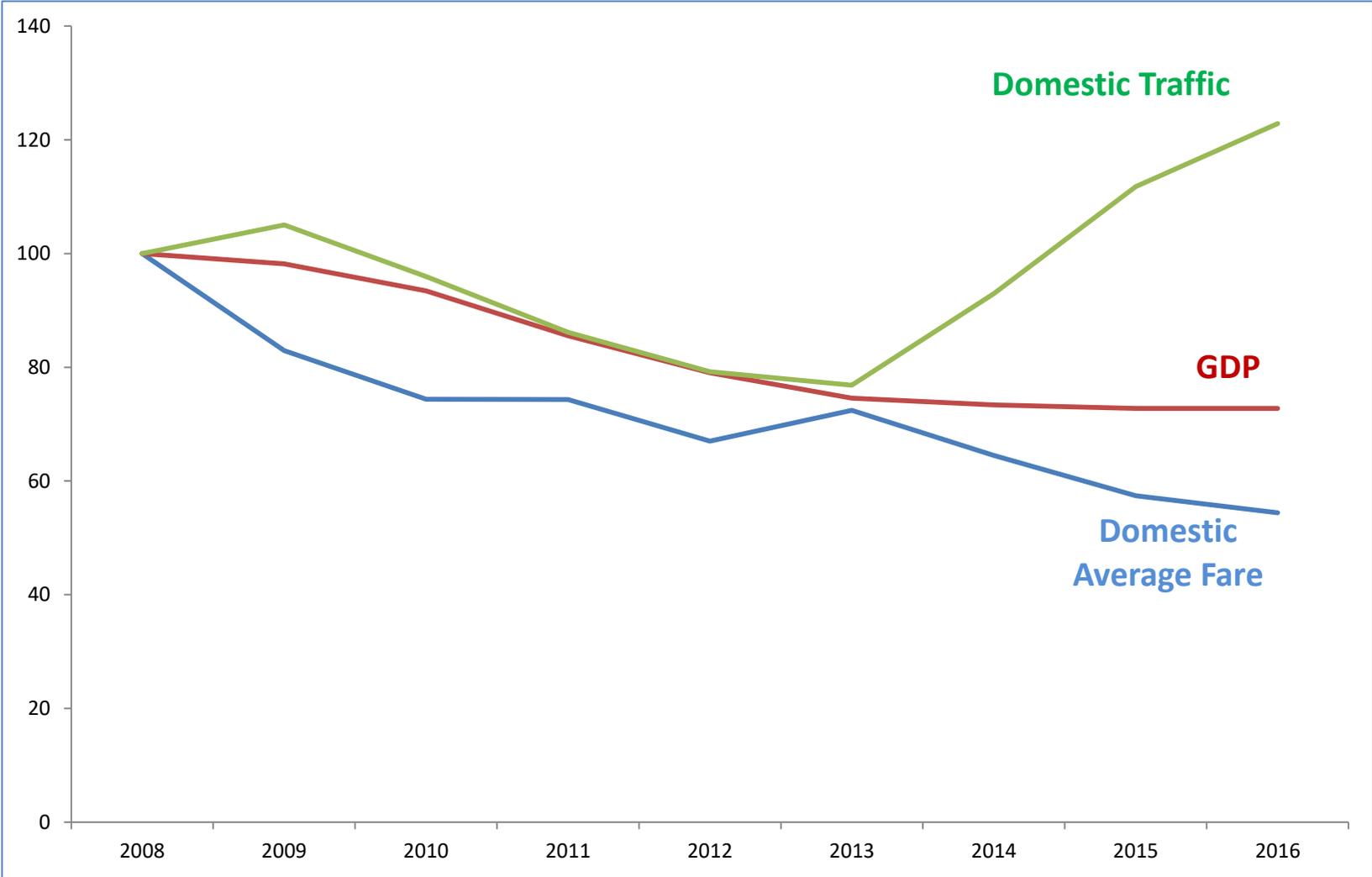


20 Domestic Routes with Competition

Ryanair+ Ellinair, Astra, Sky Express

Route	January 2014	2016
Athens-Chania	Aegean	Aegean, Ryanair
Athens-Chios	Aegean	Aegean, Astra, Sky Express
Athens-Heraklion	Aegean	Aegean, Sky Express, Ellinair
Athens-Kerkyra	Aegean	Aegean, Ryanair
Athens-Mykonos	Aegean	Aegean, Ryanair, Sky Express, Volotea
Athens-Mytilini	Aegean	Aegean, Astra, Volotea
Athens-Rhodes	Aegean	Aegean, Ryanair
Athens-Samos	Aegean	Aegean, Astra
Athens-Santorini	Aegean	Aegean, Ryanair, Volotea, Ellinair, Sky Express
Athens-Thessaloniki	Aegean	Aegean, Ryanair, Ellinair
Athens-Ikaria	Olympic	Olympic/Sky Express
Athens-Kithira	Olympic	Olympic/Sky Express
Athens-Paros	Olympic	Olympic/Sky Express
Athens-Karpathos	Olympic	Olympic/Sky Express
Athens-Skiathos	Olympic	Olympic/Sky Express
Athens-Zakynthos	Olympic	Olympic/Sky Express
Athens-Milos	Olympic	Olympic/Sky Express
Athens-Naxos	Olympic	Olympic/Sky Express
Thessaloniki-Samos	Astra	Olympic/Sky Express/Astra Airlines
Thessaloniki-Chios	Astra	Olympic/Sky Express/Astra Airlines

GDP vs Average Domestic Fare vs Domestic Traffic

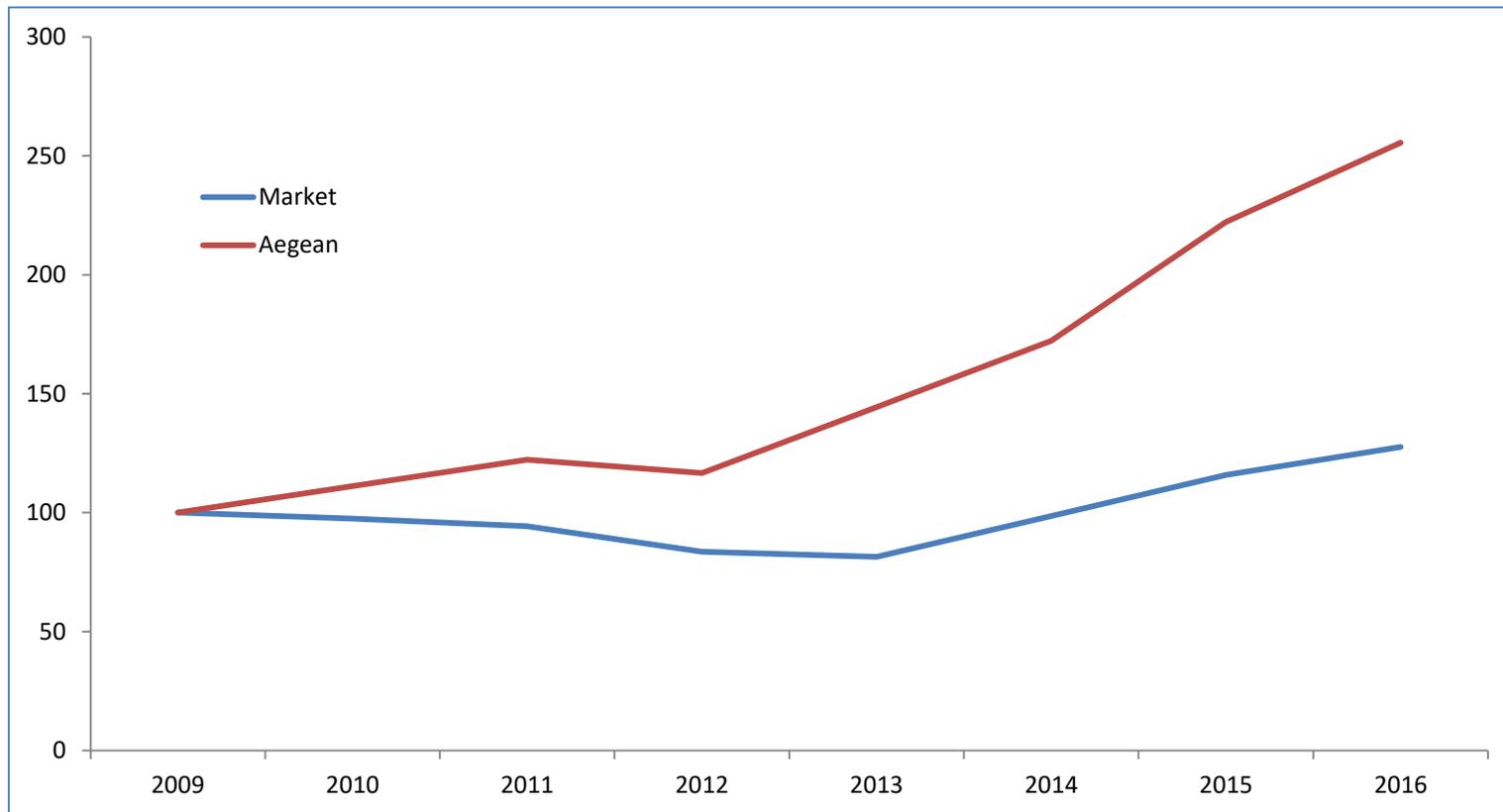


Net average domestic fare, excluding taxes and airport charges, Aegean fare 2008-2012, Aegean & Olympic 2013-2016

Consistently outperforming the market

Despite Low Cost entry...2014

International Athens



international pax growth

Being Internationally Recognized by Passengers

Best Regional Airline in Europe 2016

For the 7th Time
According to SKYTRAX



Best Regional
Airline 2015 +
2016



Best Regional Airline 2014



Best Regional Airline 2013



Best Regional Airline 2012



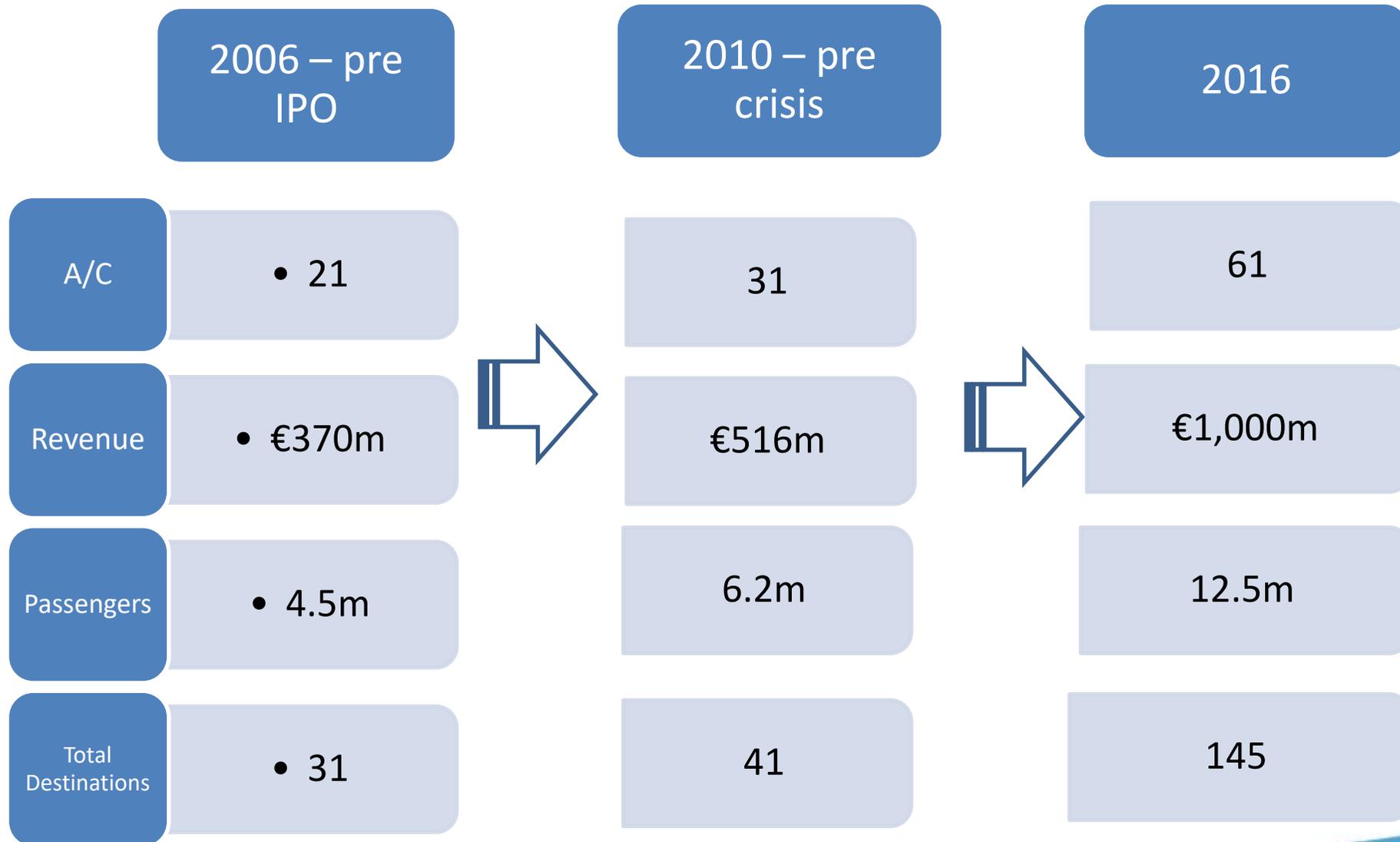
Best Regional Airline 2011



Best Regional Airline 2009

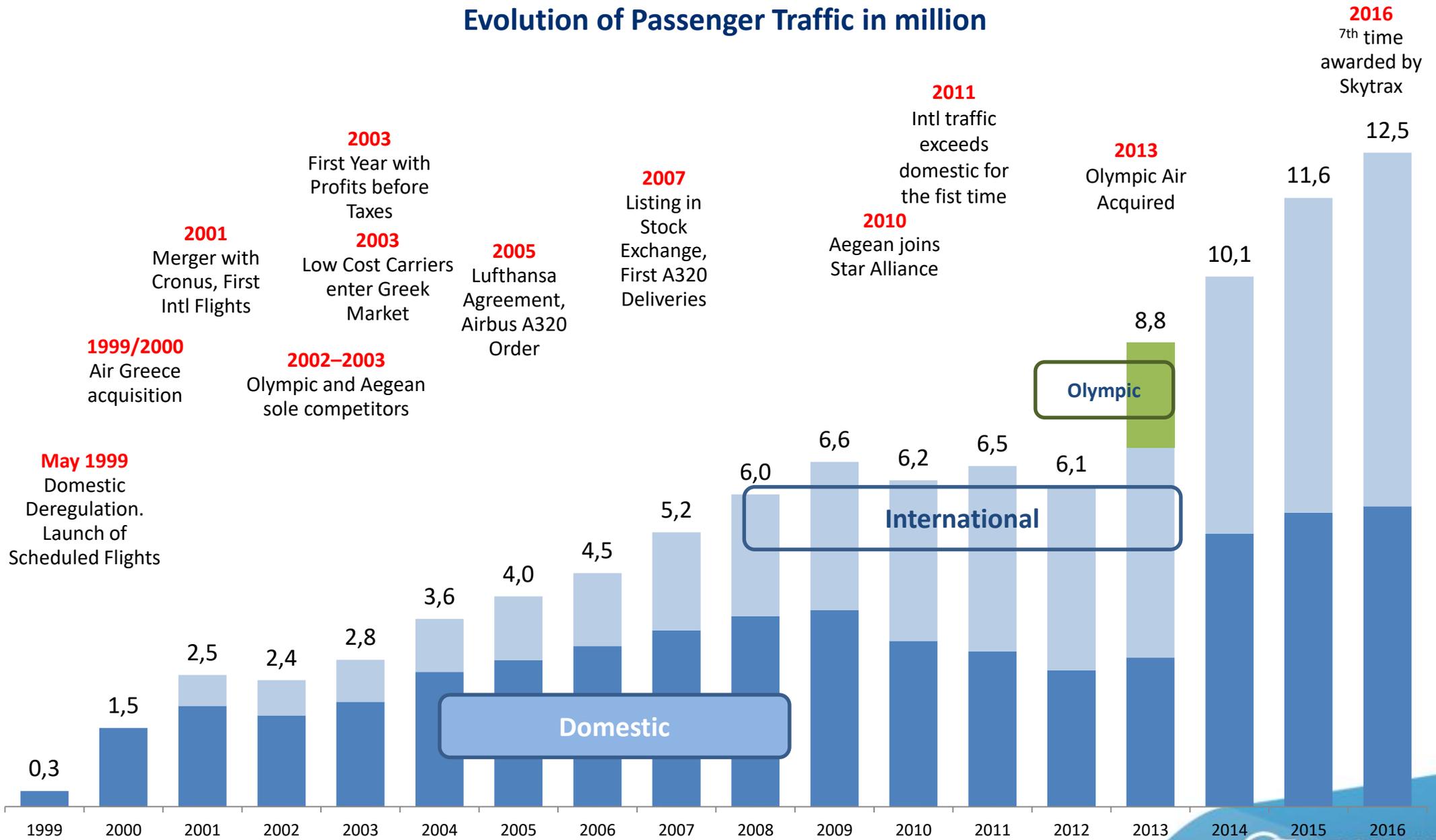


Transforming to adjust to crisis / seek consolidation / Growing Strongly



Aegean Milestones

Evolution of Passenger Traffic in million



VAT on domestic air transportation

- Among the highest in Europe

Country	VAT
Greece	24%
<i>VAT rises from 9% in 2009 to 13% and then to 24% in June 2016</i>	
Italy	10%
Portugal	6%
Spain	10%
France	10%

Contribution to State Revenues = 300 M + 5-6 Euro to the HR for every 1 to Shareholders

Total contribution in taxes & social security (in EUR M)	2008	2016
Income tax & VAT	6	69
Social security & other contributions	30	54
Total airport taxes (air navigation, Airport Development Fund, airports)	119	208
Total	155	331

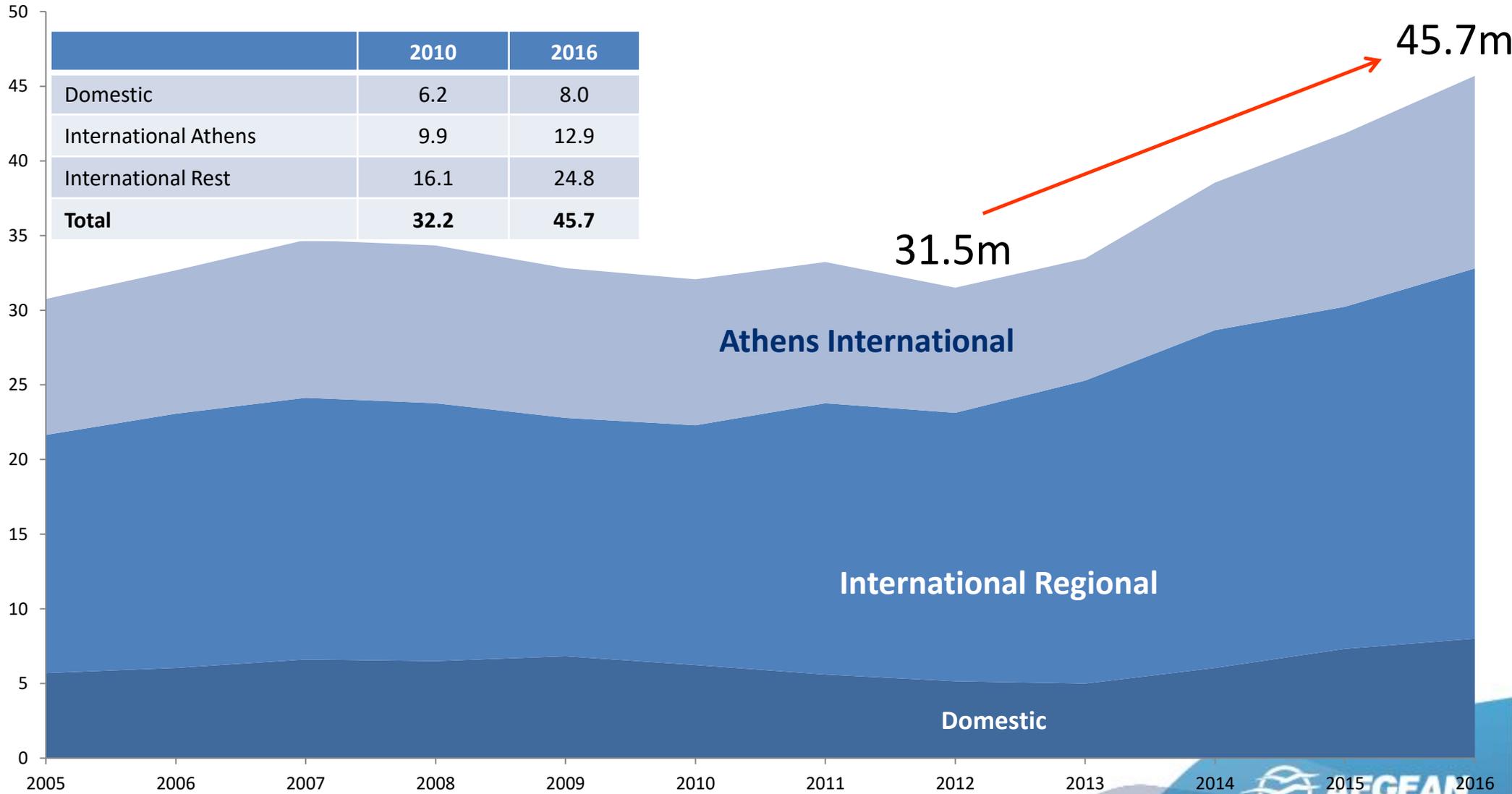
Taxation on pilots salaries significantly increases over the 2010-2013 period

- Burden on taxes, employee contributions the highest among Europe and most importantly among competing countries for pilots employment

Country	% taxes, contribution of total payroll cost	% of amount payable on total payroll
Greece	62%	38%
Cyprus	21%	79%
Ireland	33%	67%
Turkey	41%	59%
Italy	48%	52%
Gulf	0%	100%

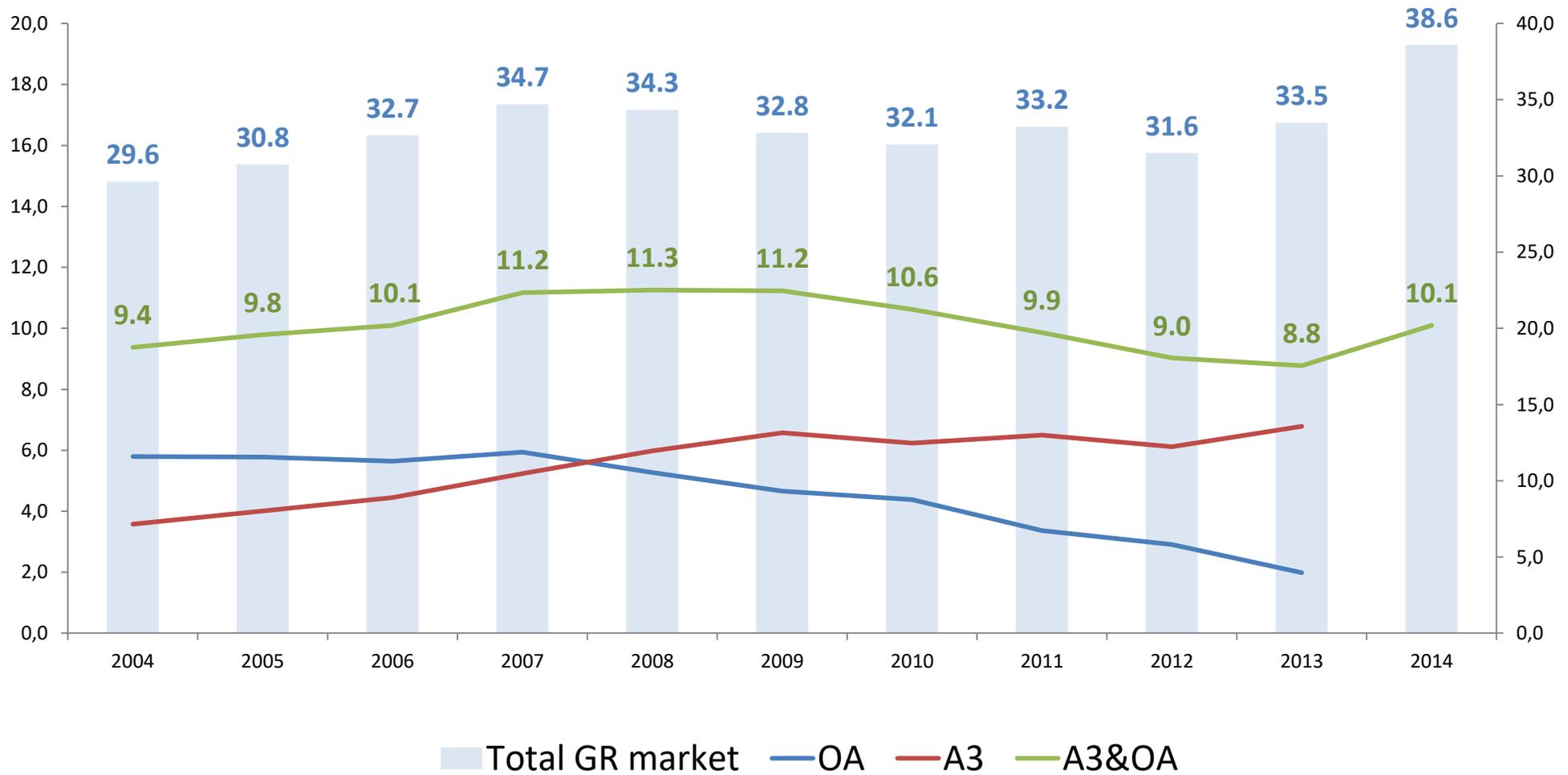
Air Traffic to/from Greek Airports

Grows by 15m passengers in the last decade
but 12m in last 4 years



appendix

Aegean & Olympic vs market



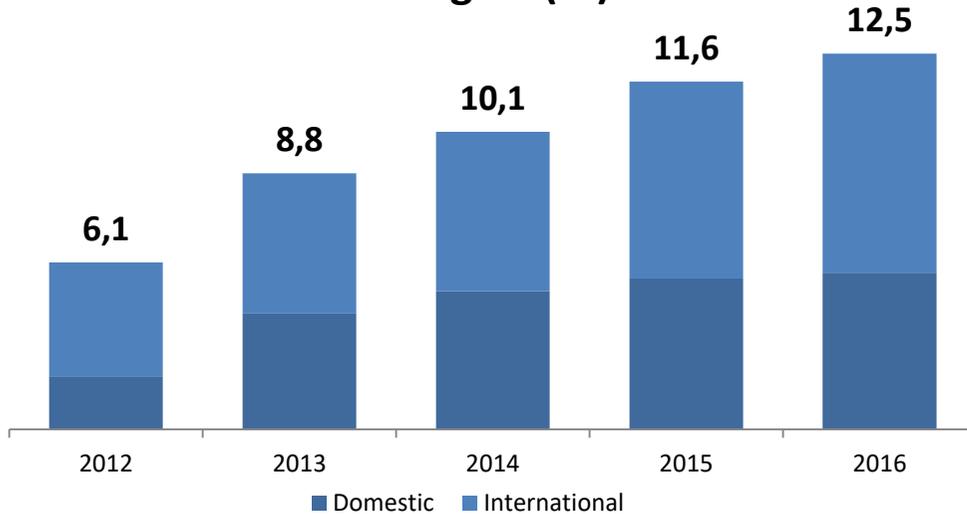
Source: Hellenic Civil Aviation Authority, Aegean Airlines

Note: 2004-2009 passenger traffic of state owned Olympic Airways / 2010-2013 Olympic Air

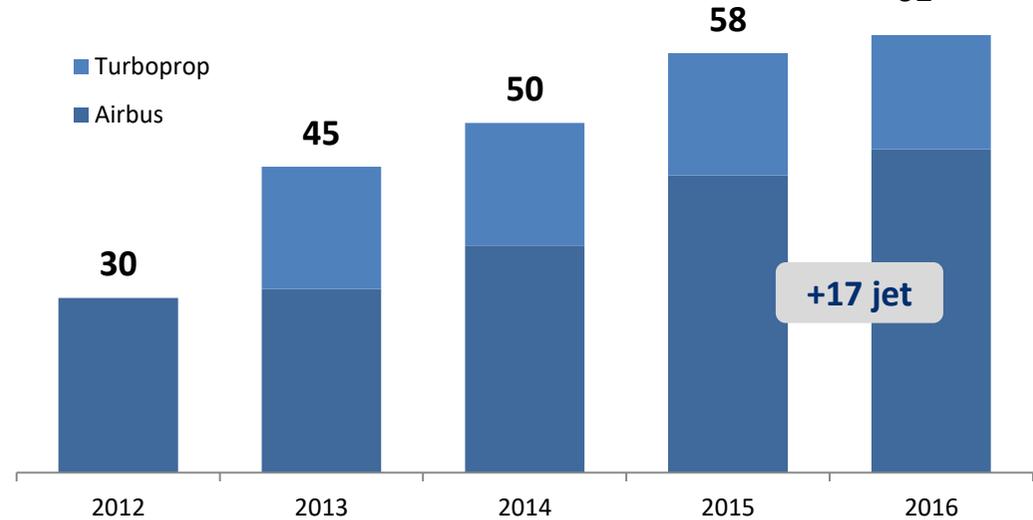
Rapid growth following acquisition of Olympic

Using synergies to expand

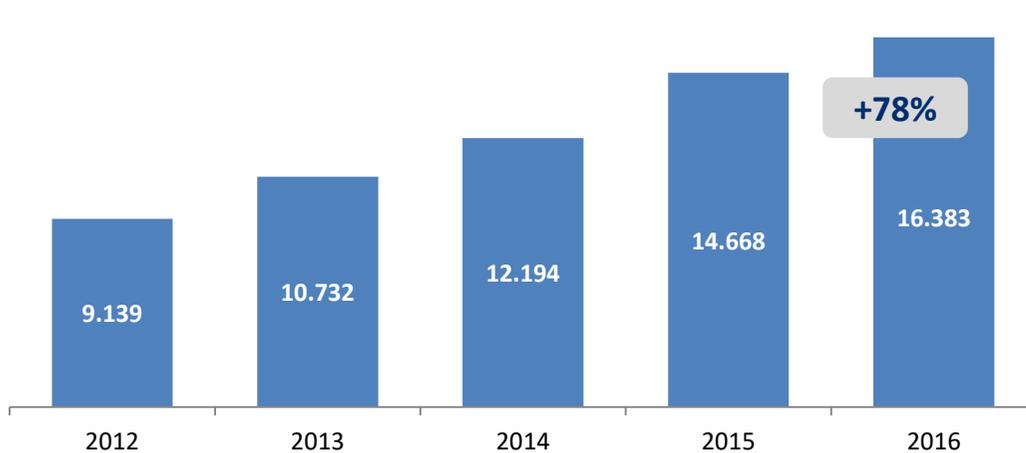
Passengers (m)



Fleet (Aircraft)



ASKs (m)



Network - Destinations

