MANAGEMENT REPORT
THE BOARD OF DIRECTORS
«OFC AVIATION FUEL SERVICES S.A.»
FOR THE FOURTEENTH YEAR 01.01.2012 – 31.12.2012
TO
THE ANNUAL SHAREHOLDERS' GENERAL ASSEMBLY

Spata, 27/02/2013

Ladies and Gentlemen Shareholders,

In accordance with the provisions of Codified Law 2190/20, article 43 par.3, we are proud to submit for approval the Board of Directors' Management Report for the fourteenth year, for the period 1/1/2012 to 31/12/2012 and the attached Financial Statements for the same period.

A. COMPANY TURNOVER FOR THE YEAR 2012

The estimated fuel volume for 2012 initially amounted to 500.000 m^3 and due to the large reduction in volumes handled during the first Quarter of 2012, the annual forecast was revised to 410.000 m^3, whereas the actual fuel volume finally amounted to 424.436,11 m^3, noting a positive deviation by 3,5%. The total revenues of the Company in accordance with the Statement of Comprehensive Income on 31 December 2012 amounted to 9.498.564,62 € and collectively came from:

a. the amount of 7.185.930,65 € regarding the charge for Throughput Fee,

b. the amount of 2.151.891,54 € regarding the Airport Fee, which is collected from customers and is thereby attributed unchanged to AIA,

c. the amount of 140.994,82 € regarding revenue deriving from services provided to Third Parties and

d. the amount of 19.747,61 € regarding other revenue deriving from interest on bank deposits.

The total costs realized by the end of the year amounted to 4.380.365,86 €, compared to the budgeted 5.094.050 €. It is noted that the above costs do not include the Airport Fee (mentioned above in point –b-) which was attributed unchanged to AIA.

It should be stressed that the decreased costs, in relation to the budgeted ones, are mainly due to the reduced interest of the Company's bond loan, the increased fuel volumes compared to the revised budget, as well as to savings on operating costs.

The budgeted net profits for the year 2012 amounted to 1.724.000 € and the realized net profits after taxes were 2.344.847,09 €.

Based on the above, profits before taxes for the year 2012 amounted to 2.966.307,22 €. After deducting income tax and the addition of previous year's profits, retained earnings are 7.846.464,75 €.

B. FIXED ASSETS

Within the year 2012 the fixed assets of the Company increased by 242.962.72 €, comprising the major expense of the New EFSO System installation, with a cost of 195.810,45 €.

C. PROFITS DISTRIBUTION - DIVIDENDS

The proposed dividend to be distributed, as per the current Agreements with AIA, amounts to 1.903.998,60 €, which after the retaining of tax for dividend distribution (25%), is formed to 1.427.998,95 € and which is suggested to be finally distributed to the Shareholders.

D. BOND LOAN

The balance of the bond loan on 31/12/12 amounted to 10.057.122 €.

E. OPERATIONAL RESULTS FOR THE YEAR 2012

The main points are the following:

1. QUALITY – Quality of Operation Services Offered

All objectives for 2012 were implemented.

1.1 Fuel Quality based on Standards of Joint Inspection Group (JIG)

Uninterrupted aircraft fuelling meeting all JIG requirements.

1.2 Contractual Obligations

Satisfaction of all contractual obligations and inspection requirements.

1.3 Budget Implementation

Operational & Maintenance costs amounted to 175.985 €, versus 308.800 € of the budgeted costs, showing a reduction of 132.815, equal to 43%.

Main projects that were executed are the following:

1. Replacement of the old Emergency Fuel Shut Off System (EFSO) with a new one.

2. Construction of 6 new Ground Monitoring Wells for the examination of any pollution adjacent to the underground Valve Vaults at the Airport Apron.

1.4 Management Systems (ISO 9001, ISO 14001, OHSAS 18001)

In June 2012 TÜV AUSTRIA HELLAS carried out the annual inspection of the above Management Systems in both fields of application, i.e. Tank Farm and Consultancy Services, with excellent results and the Company was recertified for the next 3 years (2013, 2014 and 2015).

1.5 Training

The annual training program was executed. Training for 2012 reached a total of 426,5 hours, of which 162,5 hours were conducted by third parties, mainly by AIA's Fire Department on fire-fighting matters.

1.6 Employee Awards

As per Management Systems provisions, OFC awarded two employees with the 2012 Best Employee Award and the 2012 Safety Award respectively.

2. SAFETY, HEALTH, ENVIRONMENT

All Safety, Health and Environment objectives set for 2012, were implemented.

Main achievements:

2.1 No personal injury or other accident.

2.2 Successful execution of a wide-scale annual fire safety exercise based on the exercise plan developed by AIA's Fire Department.

2.3 Inspection by AIA's Health & Safety Department (Aviation Safety Management System and Corporate Health and Safety audit) with zero findings and with compliments to OFC's very high level of safety performance.

2.4 Ensurance that test results of the chemical analysis of the underground and above-ground waters to be within the limits set by respective legislation.

2.5 Environmental inspection by the respective AIA's department with very good results.

2.6 5-years Maintenance and Cleaning of the Oil Separator complex.

2.7 Calculation of the carbon footprint of OFC, which amounted to 510,4 tons of CO_2.

3. INSPECTIONS

Two (2) international inspections were carried out:

3.1 Joint Inspection Group (JIG)

The Annual JIG inspection was conducted by a Chevron inspector, resulting in zero findings. OFC was awarded with the 5th consecutive Certificate of Excellence (Operations), something that no other Company has achieved worldwide.

3.2 CHARTIS INSURANCE COMPANY

The 5-years inspection by the Insurance Company CHARTIS was conducted with zero findings.

4. FUEL STOCK MANAGEMENT

The two 6-monthly fuel inventory audits were conducted by the Authorities (Customs and Chemistry Lab) resulting in a total gain of 110 m^3 , i.e. 0,026% which shows a very efficient stock management.

F. PENDING COMPANY LITIGATIONS AND PENDING COMPANY CASES

Following No. 298/2012 Decision of the First Instance Court of Athens, which dismissed legal action against the Company amounting 219.190,96 €, the disputed claims by third parties against the Company amount to a total of 660.727,88 €, while the corresponding legal claims of the Company against third parties, amount to a total of 1.570.820,25 €.

G. FINANCIAL RISK MANAGEMENT

a. Capital Risk Management

The Company manages its capital so as to ensure that it remains viable. Under the current Concession Agreement existing between the Company and AIA, on one hand, the share capital of the Company is fully ensured and saved up progressively in a dedicated bank account, so as to be attributed unchanged to the Company's shareholders at the Concession's expiry date and, on the other hand, the Company's annual returns in the form of dividends are also ensured, provided that the Company meets its contractual obligations towards AIA.

b. Financial Risk Management

The company does not engage in financial instruments transactions, including financial derivatives, for speculative purposes. On the contrary, it ensures the maximum possible return on cash, through deposit rates at zero risk.

c. Credit Risk

The credit risk of the company concerns mainly receivables form customers and other receivables and it is considerably limited because:

- Cash is deposited in the National Bank of Greece which is considered as one of the most reliable Greek banks.
- The Company has a significant concentration of its assets, a good percentage of which regards a limited number of customers.
- The Company has signed contracts defining transactions with customers, according to which collection of receivables is realized simultaneously with the completion of services provided per month.
- The Company receives Letters of Guarantee from its customers, to ensure its assets, equal to at least double their monthly debt.

d. Liquidity Risk

There is no liquidity risk because of the cash balance available in the Company's bank accounts.

H. KEY FINANCIAL RATIOS (Compared to last year)

	Ratio	2012	2011
1.	$\frac{\text{Current Assets}}{\text{Total Assets}}$	35,55%	32,49%
2.	$\frac{\text{Tangible Fixed Assets}}{\text{Total Assets}}$	64,47%	67,51%

The above mentioned ratios show the proportion of capital that has been allocated to these two categories.

	Ratio	2012	2011
3.	$\frac{\text{Equity}}{TotalLiabi\,lities}$	139,34%	116,32%
4.	$\frac{TotalLiabilities}{\text{Total Liabilities and Equity}}$	41,78%	46,23%
5.	$\frac{Equity}{TotalLiabilitiesandEquity}$	58,22%	53,77%
6.	$\frac{CurrentAssets}{Short-term\_liabilities}$	361,82%	335,19%

It shows the general Company liquidity that is the percent by which the short term assets can cover the short term liabilities.

7. $\frac{Cash}{Short-term\_liabilities}$ 349,37% 313,65%

It shows the special liquidity of the Company. It determines whether the maturing liabilities are covered at the given time (31.12.12) by company cash.

Return on Equity Ratios:

8. $\frac{Net\_income\_before\_tax}{Equity}$ 19,11% 19,41%

9. $\frac{Gross\_income}{Sales\_inventory\ \&\ services}$ 41,43% 39,22%

10. ***Net profit margin ratio:***

$\frac{Net\_profits}{Sales\_inventory\ \&\ services}$ 31,77% 29,33%

The above mentioned ratios show the gross and net profit margin of the company. The higher the ratios the better, in terms of profit, is the company's financial position.

MANAGEMENT POLICY RATIOS

11. Debtors ratio:

$$\frac{Trade\_receivables}{Sales\_on\_credit} x360$$

7,38 days (2012) 18,07 days (2011)

12. Creditors ratio:

$$\frac{Trade\_payables}{Purchases\_on\_credit} x360$$

20,99 (2012) 27,28 (2011)

The above ratios show the credit policy of the Company towards its customers and suppliers.

I. ANTICIPATED COURSE OF THE COMPANY IN 2013

For the current year, a reduction in fuel volume that will be handled via the facility has been forecasted, which is expected to range around 400.000 m^3, whereas in 2012 the fuel volume transported was 424.436,11 m^3.

This decrease in fuel volume is mainly due to the reduced volatile schedule presented by AIA regarding the current year and particularly for the winter season which, naturally, effects fuel consumption significantly. This fact, coupled with a further reduction of the expenses budgeted for the year 2013 achieved compared to 2012, has as a result the preservation of the Throughput Fee in the current price of 18,00 € /m^3 for at least the first Quarter of 2013, with a potential reduction during the year, as long as the forecast of 400.000 m^3 is verified, following the realization of the summer volatile schedule of AIA.

Finally, it should be stressed that the above mentioned slight reduction in fuel volumes at Athens International Airport, compared to last year, will not affect Company profitability for the year 2013 because, on one hand in the current year's revenue-expenses budget there has been a provision for the possibility of a further fuel volume decrease without the need for increasing the Through Put Fee and, on the other hand, in the extreme circumstance where fuel volume decreases more than provided for, Company revenue is fully ensured by increasing the Through Put Fee, as it is provided in the Fuel Concession Agreement with AIA.

By authorization of the Board of Directors of "OFC Aviation Fuel Service S.A."

The CHAIRMAN of the BOARD OF DIRECTORS	MANAGING DIRECTOR	FINANCE MANAGER
TSIATOURAS VASSILIOS **ID No.: AI 100209**	**KONTAXIS NIKOLAOS** **ID No.: AB 594320**	**KATROS PETROS** **ID No.: Σ 124630** **Lic.No. OEE 2830/ A΄ CLASS**