Aviation Fuel Services S.A.
Athens International Airport "El. Venizelos"
5th km Spata – Loutsa Road, 190 19 Spata
Tel.: +30 210 35 41 100, Fax: +30 210 35 41 120, email: info@ofc.gr, www.ofc.gr

MANAGEMENT REPORT
THE BOARD OF DIRECTORS
«OFC AVIATION FUEL SERVICES S.A.»
FOR THE FIFTEENTH YEAR 01.01.2013 – 31.12.2013
TO
THE ANNUAL SHAREHOLDERS' GENERAL ASSEMBLY

Spata, 28/02/2014

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 Management Report of the Board of Directors and the attached financial statements for the fifteenth year, for the period 1.1.2013 to 31.12.2013.

A. COMPANY TURNOVER FOR THE YEAR 2013

The estimated fuel volume for 2013 amounted to 400.000 m^3, whereas the actual fuel volume was 377.552,76 m^3, noting a deviation by -5,62%. The total Company revenue, as per the Statement of Comprehensive Income on 31 December 2013 amounted to 8.887.613,06 € and collectively came from:

a. The amount of 6.795.941,40 € regarding the charge of the Throughput Fee,

b. The amount of 1.914.190,13 € regarding the Airport Fee which is collected from customers and is thereby attributed unchanged to AIA,

c. The amount of 160.032,92 € regarding revenue deriving from services provided to 3rd parties,

d. The amount of 17.448,61 € regarding other revenue deriving from interest on bank deposits.

The total expenses realized, including depreciations at the and of the year, amounted to 4.634.467,19 €, compared to the budgeted 4.804.870 €. It is noted that the above mentioned expenses do not include the Airport Fee (mentioned above in point – b-) which was attributed unchanged to AIA.

It should be stressed that the decreased expenses, in relation to the budgeted ones, are mainly due to reduced interest of the Company's bond loan, and also to savings on budgeted operating expenses.

Actual profits before taxes for the year 2013 amounted to 2.324.941,32 € compared to the budgeted 2.395.000,00 €. The slight decrease (at a rate of 2,9%) in budgeted profits before taxes is due to reduced revenue caused by the decrease of the final fuel volume realized and was partly counterbalanced by the decrease in expenses that was achieved.

Based on the above, the net profits for the year 2013 (realized after taxes), amounted to 1.684.257,04 €.

Following deduction of income tax and the addition of previous years' profits, retained earnings amount to 7.540.181,92 €.

B. FIXED ASSETS

Within the year 2013, the fixed assets of the Company increased by 49.964,84 €, comprising the major expense of the SCADA system upgrade, of a 35.000,00 € cost.

C. PROFITS DISTRIBUTION - DIVIDENDS

The proposed dividend for distribution, as per the current Agreements with AIA, amounts to 1.596.250,00 €, which after retaining of tax for dividend distribution (10%), is formed at 1.436.625,00 € which is suggested to be finally distributed to the Shareholders.

D . BOND LOAN

The balance of the bond loan on 31/12/13 is 8.380.939,00 €.

E. OPERATIONAL RESULTS FOR THE YEAR 2013

The main accomplishments of 2013 Operations are the following:

1. Implementation of Operations annual Objectives

1.1 Fuel Quality (as per JIG requirements)

Uninterrupted aircraft fuelling meeting all JIG requirements.
Achieving very good fuel cleanliness through AAFPC Pipeline receipts.

1.2 Contractual Obligations

Implementation of all inspection's recommendations.

1.3 Operational and Maintenance Budget Implementation

Operations and Maintenance costs were restrained at 149.936€ compared to 284.800€ of the annual budget (134.864€ reduction).

1.4 Training

The annual training program was completed by 99%.

700 hours for training were spent in 2013, out of which, 286 hours were provided by 3rd Parties. Focus was given to Preventive Maintenance (27%) and Safety issues (19%).

1.5 Management Systems (ISO 9001, ISO 14001 & OHSAS 18001)

In July 2013 TÜV Austria Greece carried out the annual inspection of the above mentioned Systems in both fields of OFC activities (Tank Farm & Hydrant and Consultancy Services), with excellent results. The Certificates are valid until 2015.

1.6 Application of JIG Core Principles (management of confidential and sensitive information).

2. SAFETY, HEALTH, ENVIRONMENT

All Safety, Health and Environment objectives were fully implemented.
The main achievement was the elimination of any potential personal injury or environmental contamination.

3. Inspections

a. IATA (IFQP) inspection, resulting in zero findings and excellent results.

b. JIG inspection with excellent results; OFC was awarded with the JIG Certificate of excellence (Operations) for the 6th consecutive year, something that no other Company, inspected by JIG, has achieved worldwide.

4. Fuel Stock Management

The Fuel Inventory 6-monthly audits were conducted by the Authorities (Customs and Chemical Laboratory Department) resulted in a surplus equal to 0,026% on the annual fuel volume transferred to aircrafts, which presents a highly efficient stock management within the contractual limits, complying also with the JIG requirements.

5. **Additional Services**

The main Services provided to 3rd parties by the Company were:

a. Technical services to AAFPC (Pipeline) for the implementation of all JIG requirements at the Pipeline Receipt Station.

b. Maintenance services at the JET A-1 Facilities at area 21B of Athens International Airport.

c. Execution of the IATA / IFQP Training Workshop.

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 879.918,84 €, 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, the share capital of the Company is fully ensured and is gradually saved up in a dedicated bank account, in order to be attributed unchanged to the Company's shareholders at the Concession's expiry date, on one hand, 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, which up to date is fully achieved.

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 from customers and other receivables and it is considerably limited because:

- Cash is deposited in the National Bank of Greece which is considered 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 its 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 previous year)

		2013	2012
1.	$\frac{\text{Current Assets}}{\text{Total Assets}}$	39,03%	35,55%
2.	$\frac{\text{Tangible Fixed Assets}}{\text{Total Assets}}$	60,96%	64,47%

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

3.	$\frac{\text{Equity}}{Total\_Liabilities}$	159,38%	139,34%
4.	$\frac{Total\_Liabilities}{\text{Total\_Liabilities\_ \& \_Equity}}$	38,55%	41,78%
5.	$\frac{Equity}{Total\_Liabilities\_\&\_Equity}$	61,45%	58,22%
6.	$\frac{Current\_Assets}{Short-term\_Liabilities}$	353,65%	361,82%

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

		2013	2012
7.	$\frac{Cash}{Short-term\_Liabilities}$	337,26%	349,37%

Depicts the special liquidity of the Company. It determines whether the maturing liabilities are covered at a given time (31.12.13) by Company cash.

RETURN ON EQUITY RATIOS:

		2013	2012
8.	$\frac{Net\_Income\_before\_tax}{Equity}$	15,20%	19,11%
9.	$\frac{Gross\_Income}{Sales(Inventory\_\&\_Services)}$	39,82%	41,43%

10. *Net profit margin ratio:*

	2013	2012
$\frac{Net\_Profits}{Sales(Inventory\_\&\_Sales)}$	26,68%	31,77%

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

MANAGEMENT POLICY RATIOS:

11. *Debtors ratio:*

$$\frac{Trade\_Receivables}{Sales\_on\_credit(Inventory\_\&\_Services)}x360$$

15,47 days (2013) 7,38 days (2012)

12. *Creditors ratio:*

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

36,57 days (2013) 20,99 days (2012)

The above mentioned ratios depict Company credit policy towards customers and suppliers.

I. ANTICIPATED COURSE OF THE COMPANY IN 2014

For the current year, there has been a forecast for fuel volume equal to 380.000 m^3, to be handled via the facility, while in 2013 the fuel volume transferred was 377.552,76 m^3.

We believe that the forecast for fuel volume stabilization at 380.000 m^3 during the current year, is feasible because all existing data show it was during the previous year that the lowest fuel consumption was noted, based on Athens Airport's capacity. Besides that, there are already indications of an upward trend in fuel consumptions, in the years to come.

More specifically, during the 1st part of the current year, a slight increase has already been noted with regards to fuel consumption, as compared to the corresponding previous year period and additionally there are reports coming from AIA that, starting from the spring season, new routes will be included in the flight schedule.

Finally, the Throughput Fee will remain the same for the 3rd consecutive year, i.e. 18 € / m^3 and in case there is an increase in fuel volumes, higher than the expected one, the possibility of even slightly decreasing the Throughput fee during 2014 will be considered.

Finally, it should be stressed that any variation in fuel volumes will not affect Company profitability for the year 2014 because revenue is fully ensured through the adjustment of the Throughput fee as provided by the "Fuel Concession Agreement".

By authorization of the Board of Directors of "OFC Aviation Fuel Services 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**