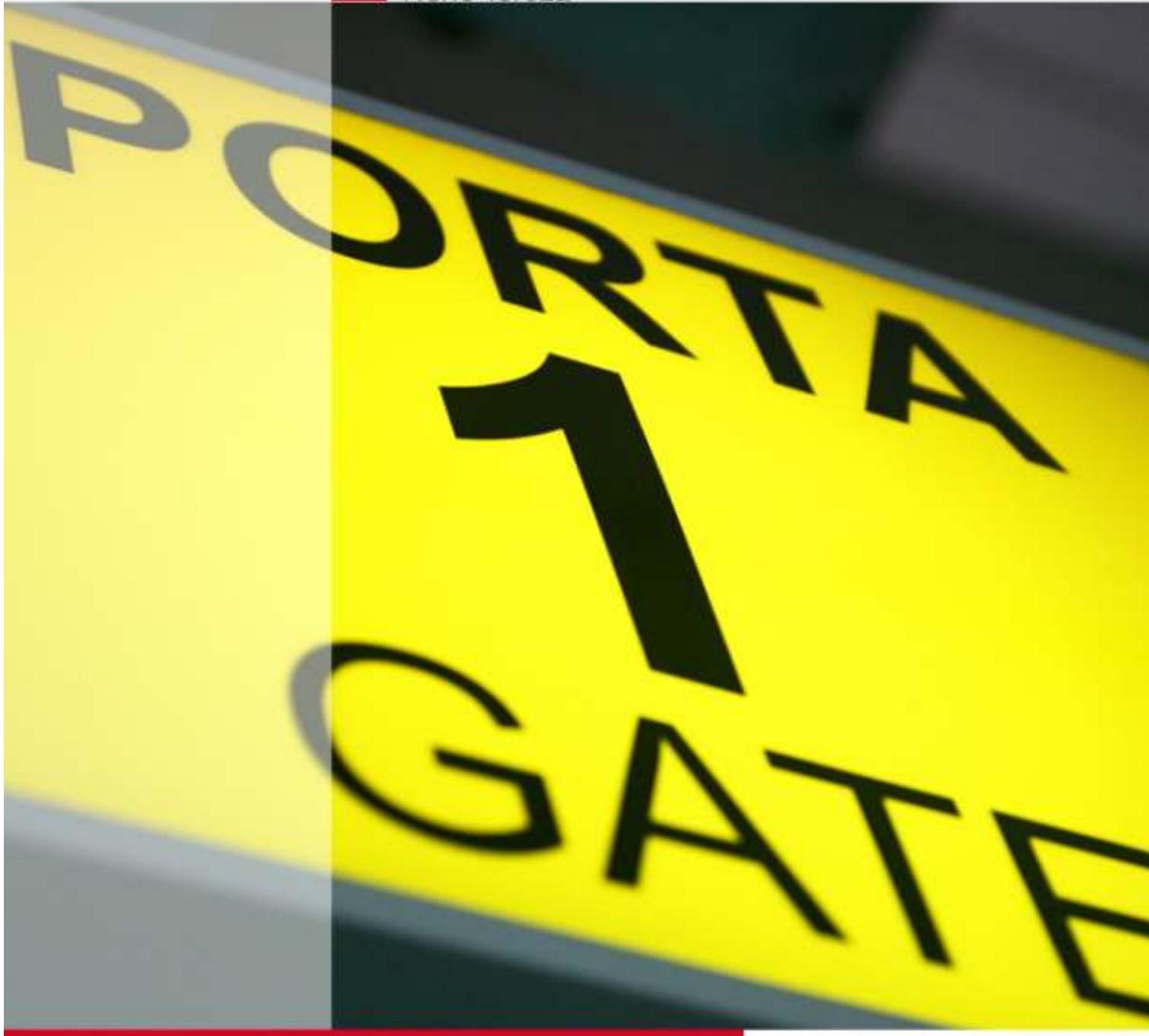




Tirana International Airport
Nënë Tereza



EXTRACT FROM
TIA ANNUAL
REPORT 2013

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2013 in a nutshell

January 2013

Tirana International Airport become carbon accredited

In January 2013, Tirana International Airport (TIA) became carbon accredited at the Mapping level. Airport Carbon Accreditation is a certification for carbon management of airports. The program evaluates the efforts of airports to manage and reduce their carbon emissions, with four levels of award, namely Mapping, Reduction, Optimization and Neutrality.

Energy efficiency, energy saving and reduction of carbon emissions already play a major role in TIA's development and business strategy. Provision of resources and information, and the involvement of management and employees, all of whom are required to achieve these objectives, is another important aspect of TIA's Energy Policy.

Aiming at the sustainable use of resources and energy efficiency optimization and energy cost reduction, TIA, in cooperation with AviAlliance GmbH, has since 2011 been implementing an Energy Saving Project, developing sustainable energy saving actions.

February 2013

February 2013 recorded the highest number of visitors at TIA's website

Despite being the shortest month of the year, February 2013 recorded about 90,000 visitors on the TIA website, the highest number of visitors yet registered during the last eight years of the activity of the company.

Records show an average of 3,200 visitors per day in February. The peak of visits was 5,100 recorded on 06/02/2013 during a period when heavy snowfall led to many flight disruptions in Europe. According to the statistics released by TIA for 2012, there were approximately 950,000 visits to the website over the course of the year. Meanwhile, the total number of pages clicked on the Airport website during 2012 amounted to more than 1.8 million pages.

March 2013

ITB Berlin

From 07-11/03/2013, TIA once again was present at the International Travel Trade (ITB) Show in Berlin. More than 170,000 visitors, including 108,000 trade visitors, were present at this year's show, along with more than 10,000 exhibitors from 180 countries. ITB Berlin is the leading business-to-business platform in the tourism industry. This was the fifth year that TIA promoted the Airport and Albania at this prestigious international event.

April 2013

Emergency Exercise

On 17/04/2013, at 15.00 hrs the response levels of TIA Fire and Rescue Department, First Aid Unit and staff were tested with a mock emergency exercise. An emergency landing of an aircraft at TIA was simulated. The exercise put the above-mentioned Airport services through stringent procedures, and all units performed excellently. Some volunteers also participated in the exercise along with members of Albania's civil emergency bodies.

The requirement to perform such exercises every two years enables TIA to demonstrate that in the unlikely event of an emergency all of its units will react promptly and appropriately. The agencies that took part simulated their duties called for in the Airport Emergency Program.

Officials from Albania's Civil Aviation Authority and local authorities, were also present at the exercise along with participants from the Fire Department, Police, Red Cross and the Airport.

June 2013

Think.Eat.Save. Awareness activity at the Airport to mark World Environment Day

On 05/06/2013, TIA in cooperation with Regional Environment Centre organized an education and animation activity on the premises of the Airport on the theme "Think.Eat.Save". Reduce your Footprint. Schoolchildren of age 11 to 12 years from Rinas and Qerreke participated in the event. The children learned how to reduce their footprint and experienced an animated theatre show for which the entrance fee was to bring an aluminum can.

TIA appoints new Chief Executive Officer

With effect from 19/06/ 013, Mr Rolf Castro-Vasquez took over as the new Chief Executive Officer (CEO) of TIA. He succeeded Mrs Andrea Gebbeken, who completed her contract with the Company. TIA's new management is composed of Mr Rolf Castro-Vasquez as CEO and Mrs Suela Keri as Chief Financial Officer. The two Executives are current members of TIA's management team. A ceremony took place in the Airport premises to mark the occasion.

Fit for Future workshop organized to boost the internal communication between directors and managers

On 11-13/06/2013, Communication Department organized a communication programme called Fit for Future to boost the internal communication between managers of TIA between directors, managers. The programme was considered very valuable and had great feedback.

July 2013

Fit for Future, the communication programme, extended to the administration employees

On 10-11/07/2013, the programme of communication Fit for Future was extended also to the administration employees of TIA, succeeding in its expectations. In total, there were about 50 employee who attended the Fit for Future.

September 2013

Pegasus Airlines launched new route to Tirana

On 02/09/2013, the leading Turkish low-cost carrier Pegasus Airlines launched a new route to Tirana. The service operates five times a week from Istanbul's Sabiha Gokcen airport. The carrier is using a Boeing 737-800 aircraft for the route.

TIA published the Seventh Environment and Social Bulletin

In September 2013, TIA has shown again the commitment to the environment. The seventh Environment and Social Bulletin raised awareness of the concept of quality of life among the passengers, community, partners and young people encouraging them with the sense of responsibility towards environmentally friendly living, and sustainable use of resources.

TIA has an established policy on energy, and this is not about always costs reduction. It is a way to bring people together and raise awareness about improving energy efficiency, energy saving and carbon reduction, based upon corporate responsibility and client satisfaction.

The Seventh Environmental and Social Bulletin continued to focus on the Company's energy management, which is key towards sustainable development. TIA has clear objectives and has undertaken real projects in infrastructure improvements for the optimisation of the use of energy.

November 2013

Belle Air suspended the flights

On 22/11/2013 TIA based carrier Belle Air announced that it suspended its flights due to a decision of General Directory of Civil Aviation of Ministry of Transport.

Belle Air was ranked top airline for the last years in terms of share of passengers through TIA, with approximately 52 per cent of market share. The flights operated by Belle Air were mainly from and to Italian destinations.

December 2013

Four airline companies to launch 140 direct flights per week from TIA to Italy

Following the suspension of the operations of Belle Air, a number of carriers expressed interest in the Albanian market. Blue Panorama started flights immediately after the suspension of Belle Air flights. Alitalia and AirOne accounted for 114 of the direct flights, increasing the frequency of their flights and the number of destinations, while new names on the list of airline operators at TIA were included: Meridiana, Livingston and Small Planet Airlines. The main destinations served by the carriers were Milan, Rome, Venice, Bologna, Verona, Pisa, Bari, Turin, Genoa and Naples.

Traffic Highlights and Airport Development

Statistics	Traffic Development		
	Year 2013	Year 2012	Δ %
Passengers	1,757,342	1,665,331	5.5%
ATMs (departing)	9,971	10,264	(2.9)%
Cargo and Mail (tn)	2,164	2,260	(4.2)%

TIA indicated a positive traffic development during 2013, offering 5.5% more passengers than the previous year. Despite the fact of grounding of local based carrier Belle Air, which served more than 50% of TIA's passengers, a fast recovery of passenger traffic was managed in the short run. TIA presented an overall positive trend during all the months (except January), indicating a dynamic development and recovery of Italian market towards the end of the year.

Blue Panorama, an Italian low cost airline, started immediately its operations at TIA after the grounding of Belle Air. Also Alitalia and Air One added frequencies to routes of Milan, Rome, Pisa and started new routes of Venice, Bologna and Verona with immediate effect. It is worth to be noted that the low fares offered by the airlines trying to gain as much market as possible, managed to stimulate the air travel demand during the period of the yearend holidays. The introduction of three further airlines, Livingston, Meridiana and Small Planet contributed to stimulate the market even further.

Apart from the Italian market developments, the new services offered by Pegasus Airlines, and new charter services to London and Amsterdam, contributed to an incremental increase of passenger numbers. The overall passenger traffic was aided by scheduled summer charters to Antalya, Cologne, and Palma de Mallorca. Turkish Airlines and Adria Airways introduced additional frequencies, offering more choices for connecting passengers.

The load factors of airlines operating scheduled services at TIA during the year of 2013 indicated an average of 73.1%, where the best performing airlines were Arkefly, Jetairfly, and Livingston. TIA's top destinations were Rome and Milan, followed by Vienna.

The ATMs indicated a decline of 2.9% for the year 2013. The double digit decrease for the months of November and December, after the grounding of Belle Air contributed to such development. Further to that, British Airways and Olympic reduced frequencies, aiming to increase the effectiveness of their routes.

Cargo and Mail traffic presented a decrease of 4.2% during the year 2013. The lack of cargo charter flights contributed to such decrease.

Environment, Quality and Energy

Throughout 2013 TIA demonstrated its commitment to comply with the applicable legislation and standards as well as to improve continuously the environmental, health and safety performance aiming a sustainable development of the airport.

TIA has set up programs on natural resource management including water consumption, energy saving, fuel consumption etc. and a good control of greenhouse gas emissions.

In this regard, TIA assessed and calculated the 2012 carbon footprint of CO2 emissions based on Airport Carbon Accreditation Scheme (ACA) requirements, renewing the ACA certificate on Mapping level in recognition of its efforts to manage CO2 emissions, as part of the European airport's industry's response to its challenge of climate change.

TIA, with the establishment and implementation of Energy Management System, has upgraded the existing system into the Integrated Management System (Quality, Environment and Energy Management Systems). Furthermore, the Integrated Management Manual and related procedures were updated accordingly during 2013 in order to reflect the standards requirements and respective responsibilities.

The monitoring of all environmental parameters on noise, air quality, waste water, waste are carried out in compliance with respective standards and results are published on Environmental and Social Bulletin.

Customer Satisfaction Survey results conducted by TIA for a further consecutive year at the Passenger Terminal, have shown that the overall level of passengers' satisfaction is rated at the highest levels based on the customer's airport experience.

Several workshops, with participation of TIA Management staff, other operational staff and TIA subcontractors, were organized during April 2013 presenting the survey findings and make them aware about the most important services for the passengers while travelling through the Airport, and about the role that everyone has towards raising the level of customer satisfaction and improving the overall customer perception about the Airport.

Further more active participation of staff and local community towards company and airport development is promoted through workshops and awareness activities such as:

- Supporting "Fit For Future" workshops by TIA Management with participation of all administration staff aiming the staff feedback, their motivation, active involvement into overall activities towards further Company performance.
- Celebration of World Environment Day through an education and animation activity at the Airport premises on the subject "Think. Eat. Save: Reduce your footprint" with participation of students of 11 year old from two schools located in Airport vicinity and TIA staff.

Development of Airport Assets and Facilities

During 2013 TIA initiated a project for reviewing and updating maintenance and investment planning describing the activities and investments in infrastructure and assets required to achieve and maintain service outcome standards in the short and long term according to the obligations defined in the Concession Agreement and Airport Master Plan for servicing customers, the community, and other stakeholders.

TIA implemented important projects consisting in asset repairs in the airside aiming operation and safety improvement as well as new investment in the Passenger Terminal aiming energy saving and quality service performance.

TIA respective departments supervised the implementation of these projects by selected subcontractors in terms of avoiding and minimizing interference with airport activities, quality assurance and environmental health and safety standards compliance:

- Taxiway C (partial repair): EUR 68,158
- Replacement of Phase A Terminal Skylight: EUR 101,800
- Construction of vestibule at arrival entrance in Passenger Terminal: EUR 144,000

The cost of these projects amounted to EUR 314,000.

Cooperation with Government of Albania

For the year 2013 the cooperation with state authorities of Albania in local or central level continued to be on good track. With the new government since September 2013, the new Project Implementation Unit (PIU) is established and the first meeting was organized in January 2014.

The cooperation with the PIU is continuing in terms of solving different pending matters that TIA had with authorities. Such meetings will serve as a solid bridge of coordination and collaboration between TIA, ACAA, Ministry of Transport and Infrastructure and Ministry of Economic Development, Trade and Entrepreneurship.

Also in 2013, the good cooperation between the airport stakeholders ACAA, Albcontrol (previously known as ANTA), Customs and Police etc. have continued in terms of operational and technical matters. The meetings of the Airport Security and Emergency Committee continued regularly in 2013.

Human Resources

In 2013 TIA presented the introduction of two additional fringe benefits, the Voluntary Private Pension Fund and the Private Health Insurance for all TIA full time employees, to enter into force on 01/01/2014. HR managed the preparatory process of ensuring the implementation of these new benefits on the due date.

Financial Performance

Turnover as per the audited financial statements of financial year 2013 amounted to approx. EUR 33 Million. Cash flow from operations recorded a positive figure during 2013. It should also be noted that TIA has complied with all financial covenants throughout the year.
