



Tirana International Airport
Nënë Tereza



EXTRACT FROM
TIA ANNUAL
REPORT 2008

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Date: 09.04.2009

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2008 in a nutshell

- On 15 March, an ammunition facility exploded in the village of Gerdec, 7km distance from the Airport. This explosion caused 26 fatalities and resulted in many injured. In the immediate aftermath, the Airport was the focal point for many humanitarian flights by which supporting medical equipment was delivered to the emergency teams and by which injured persons were transported to hospitals abroad.
- On 28 March, Tirana International Airport (TIA) signed financing agreements for its expansion granting additional funds of EUR 22 million for the development. The signing took place at a ceremony with the lenders and the Authorized State Organ, represented by Minister Sokol Olldashi and Minister Genc Ruli.
- On 25 July, TIA celebrated the start of the construction works that formed Phase B of the Airport development at a ceremony attended by H.E. Prime Minister Professor Dr Sali Berisha and leading representatives of TIA's shareholders.
- On 17 December, TIA was honoured with receipt of an Albanian Leadership Award for "offering a new vision for the metropolitan region of Tirana". The award, which is given to companies that have shown excellent social responsibilities and promoted high ethical standards, cites that "TIA has changed the image of Albania in the eyes of visitors, business people and tourists".
- In 2008, TIA was also engaged in promoting the arts in Albania and supporting social initiatives. The Airport hosted a concert as part of the Shkodra Jazz Festival and staged a prestigious fashion show. In addition, TIA employees planted trees at the Airport on World Environment Day, demonstrating TIA's responsibility to operate with the least possible negative impact on the environment. Furthermore, TIA sponsored the National Gallery of Arts in Tirana, as well as a charity football match between AC Milan and KF Tirana, raising funds for UNESCO and supporting employees who suffered as a result of the Gerdec tragedy by reconstructing their homes.

Traffic Development

2008 was a year of successful operations and positive traffic developments for Tirana International Airport. TIA recorded double digit growth in the number of passengers handled, while air traffic movements (ATMs) registered an increase of five per cent and airline freight recorded double digit growth.

Handling highlights:

Statistic	Year		Change (%)
	2008	2007	
Passengers	1,266,930	1,107,325	14.53
ATMs	19,188	18,264	5.06
Belly Cargo (tons)	1,986	1,695	5.06

The Airport witnessed increased competition in 2008, providing for example a greater range of choices for passengers travelling to and from Greece. This market presents a good opportunity for development. The Greek market is one of the most important ones for TIA, given the large number of Albanians working and living there. Aegean Airlines introduced six flights weekly to and from Athens, while Sky Express, another Greek airline, started a service in late 2008 to Heraklion.



Meanwhile, the Italian market remains the key driver for positive traffic figures for TIA. Belleair offers a wide range of destinations to our western neighbours with good connectivity and constantly increasing frequency. Belleair also successfully established a route to Prishtina, Kosovo in April 2008.

The major summer holiday destination from TIA remains Turkey, with direct flights to Antalya and Bodrum. However, Sharm El Sheikh, Egypt is another attractive destination served by us. Also, this year for the first time travel agencies offered Israel as another choice for summer holidays, offering scheduled flights for a period of six weeks. This move came after the governments of both countries liberalized the visa regime between Albania and Israel.

In total thirteen airlines operate a scheduled return service at Tirana International Airport, to approximately 32 destinations.

The five percent growth recorded in ATMs at TIA over the figures for 2007 stemmed mainly from the Belleair schedule, supported by additional frequencies introduced by Turkish and Adria Airways and the start of operations by Aegean Airlines and Sky Express.

Airport Development

During 2008, the development of Tirana International Airport continued as scheduled by Management and in full accordance with the Concession Agreement with the start of the major, Phase B project, namely the start of expansion construction works for the New Passenger Terminal.

The financing of the extension was concluded in March 2008 by the signing of amended and restated financing agreements with the existing lenders under the principal lender EBRD. The banks increased their commitment and granted additional funds of EUR 22 million to TIA's extension project.

The ground breaking ceremony held on 25 July 2008 marked the official start of Phase B Terminal works. The detailed preparations combined with daily close monitoring of construction progress have resulted in unhindered Passenger Terminal operations during the ongoing construction works.

Further airport development undertakings in 2008 include the following:

- As a result of the Gerdec explosion, TIA suffered damage to the Passenger Terminal, Cargo Terminal and Administration Building. The damage was surveyed, repaired and declared to TIA's insurance company
- In November, TIA started works for upgrading the Fire Station and the Airside Equipment Area
- At the end of the year, TIA started another procurement procedure, for extension of the apron.

Commercial and Property

During the last months of 2008, the Commercial and Property department was involved in the Phase B Commercial Concept for the Extended New Passenger Terminal. The involvement of this department helped lead to a successful and timely opening of Phase B and to finalization of the commercial outlets and structures in close cooperation with the tenants and concessionaires.

In parallel with the retail concept for Phase B, projects for additional commercial offers related to advertising, a foreign exchange unit and a second bank branch started. With foresight TIA also





planned for and installed an extensive office and ticket counter area in order to meet the demands of airlines, travel agencies and passengers.

All commercial areas of TIA reported positive results in 2008.

Human Resources

Besides recruitment of seasonal staff, the HR Department has processed the hiring of forty new employees.

In 2008, TIA fulfilled all trainings related to the licensing in order to be in full compliance with the required operational standards. The average number of training days per employee last year was 3.8, with 88 per cent of TIA employees undertaking training during the year.

Environmental, Health, Safety and Quality

In compliance with the Environment, Health and Safety Policy and Quality Policy, TIA is focused on providing high standards of facilities, safety, security and comfort that target customer satisfaction. The Airport is committed to undertaking operations with the least possible impact on the environment and local communities, and to creating a healthy and safe working environment for the staff.

In this regard some of the activities implemented by TIA during 2008 are the following:

- effective implementation of Environmental and Quality Management System, assuring, maintaining and continually improving the service quality at the Airport, being compliant with environmental standards, occupational health and safety requirements; in this context quality and environmental internal audits, inspections and follow-up of corrective and preventative actions were undertaken
- ongoing performance monitoring carried out to check the fulfilment of objectives in compliance with the Concession Agreement, the Quality Policy and the Environment, Health and Safety Policy
- for the second successive year, TIA undertook a Customer Satisfaction Survey, through which customers rated the level of service offered at TIA; the results were split between Excellent or Very Good
- continuous implementation of the Environmental, Health & Safety and Social Action Plan 2005–2010, which was updated and detailed within the framework of the Phase B expansion project and which defined specific actions and targets, including the following:
 - review of manuals and procedures
 - air quality and control of fuel consumption
 - water quality and control of water consumption
 - improvement of the installed drainage system
 - noise monitoring and development of noise contours
 - reduction and proper disposal of waste
 - equipping staff with Personal Protective Equipment
 - training and awareness

In relation to the Phase B extension, TIA obliges its subcontractors to follow the same set of environmental protection measurements as followed by TIA itself. Thus, the revised and updated 2008 Construction Monitoring Program for Environmental Protection was signed by TIA and the construction companies involved in the construction works for airport expansion. Site inspections and observations undertaken in construction sites show that the construction works are performed in compliance with environmental, health and safety requirements.





In Autumn 2008, the Third Environmental and Social Bulletin was published, informing the public on actions taken by TIA to provide a sustainable development of the Airport through an integrated approach that ensures that quality, security, environmental, health and safety standards are fully respected.

To summarise, TIA has proven that current operations at TIA are in full compliance with applicable regulatory requirements and standards, and have had neither adverse effects on human health nor negative impacts on the environment.

