Ethiopian

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AFRICA'S WORLD CLASS AIRLINE

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Ethiopian Airlines

Annual Report 2003-04

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Management Board of Ethiopian Airlines

H.E. Ato Seyoum Mesfin	–	Board Chairman
H.E. Ato Haile Assegidie	–	Vice Board Chairman
Maj. General Alemshet Degfie	–	Board Member
Ato Aberra Mekonnen	–	Board Member
Col. Semret Medhane	–	Board Member
Capt. Mohammed Ahmed	–	Board Member
Ato Gebremedhin G/Hiwot	–	Board Member
Ato Beniam Hirabo	–	Board Member
Ato Matewos Menu	–	Board Member
Ato Girma Kumbi	–	Board Member
Ato Haileleul Mulugeta	–	Board Secretary

CEO's Message

It is my great pleasure to report yet another year of record revenue and operating profits at Ethiopian Airlines. Operating revenue surpassed the 3 billion mark for the first time ever reaching 3.4 billion birr, a 21% increase as compared to the previous budget year. Operating profit for the period is 269 million birr, almost double of last year's 136 million birr.

The growth in revenue and operating profits was a result of a 10% increase in the number of passengers carried and a 34% rise in freight ton kilometres during the period. As always revenue from services provided to other airlines, particularly from maintenance and engineering, contributed significantly to the bottom line.

In order to take revenue and operating profit growth to new heights, we are taking steps to improve our future performance. We have embarked on a strategic repositioning project in consultation with Ernest & Young and SH&E and have established a Change Management Team responsible for overseeing the project.

One of the trends in the aviation industry that is changing the airline landscape, the advent of Low Cost Carriers (LCC), is becoming visible on the radar screen of Ethiopian Airlines. To ward off the ever-increasing encroachment by the LCC, we are taking precautionary measures aimed at service differentiation and cost reduction. Our focus during the period was improving customer service especially on-time performance, baggage delivery and onboard service. I am happy to report that we are making headway.

In terms of cost reduction two items dominated our agenda: fuel cost and distribution cost. It seems high fuel cost will be with us for a while. Our short-term measures include fuel surcharges and close monitoring of operations to fly the shortest possible distance. On the long run, however we need to seriously consider hedging.

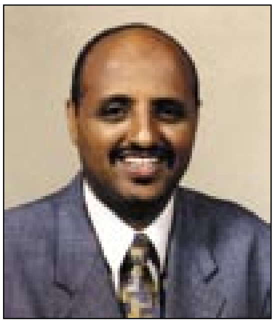
We are taking measures to curb rising distribution costs. We are providing training to our staff and partners (travel agents) to eliminate wastage from the booking and ticketing process. As for the cost structure of distribution costs, we are looking into how we can participate and benefit from industry-wide consultations and negotiations.

And finally, we have always attributed our success to the support of our customers, the skill and dedication of our staff, members of the Management Board, the government of Ethiopia, and modern equipment we operate. During the report period, we have continued to provide training and development programmes to our staff, and we are in the process of determining the fleet mix and composition that should guarantee our leadership role in African aviation.

Girma Wake
Chief Executive Officer

Ethiopian Airlines Management Team

Ato Girma Wake
Chief Executive Officer



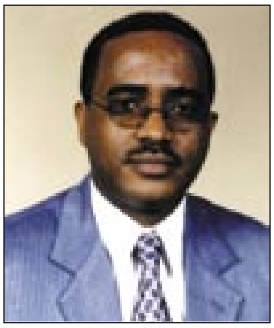
Ato Tewolde Gebre Mariam
Executive Officer,
Marketing and Sales

Ato Getachew Tadesse
Executive Officer,
Customer Services

Ato Abate Gidafe
Executive Officer,
Maintenance and Engineering

Captain Tesfaye Ambaye
Executive Officer,
Flight Operations

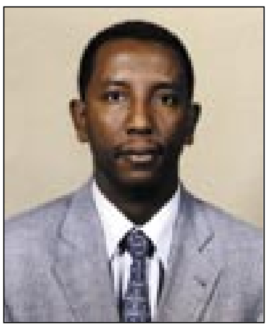
Wzo. Frehiwot Worku
Executive Officer,
Human Resourses
Management



Ato Kinfe Kahssaye
Executive Officer,
Corporate Planning

Ato Mesfin Tassew
Chief Information Officer

Ato Haileleul Mulugeta
General Counsel



Ato Samuel Assefa
Chief Audit Executive

Wzo. Yasmin Mohammed
Chief Project Manager

Ato Kassim Geresu
A/Executive Officer,
Corporate Finance

Embarking on a long-range reform

H.E. Dr. Kassu Ylala, Minister of Infrastructure welcoming Ato Girma Wake as the new Chief Executive Officer of Ethiopian Airlines.

I. A new Chief Executive Officer at the helm

On February 1, 2004, The Management Board of Ethiopian Airlines appointed Ato Girma Wake, an airline veteran with 37 years experience in airline management, as Chief Executive Officer following the resignation of Ato Bisrat in December of 2003.
Ato Girma first joined Ethiopian Airlines in 1966 and served the Airline for the following 27 years as Space Control Manager, Area Manager Ghana, Tanzania, and Germany, and finally as Director of Cargo Marketing before joining Gulf Air in 1993 as a senior management team member responsible for Cargo Business Development.

Then in 1996 he joined DHL, Worldwide as Regional General Manager, responsible for logistics development and control throughout East Africa.

Ato Girma returned to Gulf Air in 1998 as Manager of Marketing and Sales, and headed the cargo division of Gulf Air since 2001. He brings a wealth of experience to the management team of Ethiopian Airlines.

II. A Year of Rapid Change

With the future in mind, **Ethiopian** commissioned Ernest & Young and SH&E consultants to formulate medium- and long-term strategies to facilitate **Ethiopian**'s forward thinking vision and mission. The first Stage of the project detailed strategic analysis and assessment of all facets of the Airline. This analysis identified **Ethiopian** internal strengths and weaknesses as well as the opportunities and threats present in a hyper-competitive and highly volatile international airline environment.

From day one of his appointment Ato Girma embarked on an aggressive repositioning scheme that led to the establishment, within the Airline, of a high level Change Management Team to identify, implement and manage strategies that will take **Ethiopian** into the future and secure a dominant position in the African and international aviation arena as attested by the airlines' motto **"Africa's link to the world."**

The newly established Change Management Team is entrusted to manage the formulation and ensure the implementation of the strategies recommended by the consultants in order to realize the Airline's vision of becoming **"Africa's World Class Airline".** This calls for total commitment at every level of management, including all employees and other stakeholders. The ongoing changes will guarantee that the Airline is focused on customer service as a priority at all times.

III. Operations Review

A. International Route Network

On October 28, 2004, **Ethiopian** has moved its Scandinavian gateway from Copenhagen, Denmark to Stockholm, Sweden, which will serve as the Airline's gateway to Scandinavian countries. Scandinavia and Sweden in particular is a major source of tourists visiting Africa. This change of gateway has enabled **Ethiopian** to better tap into this growing market.

On November 7, 2004, **Ethiopian** resumed a twice-weekly flight to Paris (Charles De Gaulle Airport), France. The resumption of the Paris service to the heart of Europe has bolstered the Airline's Europe-Africa tourist traffic. France is one of Africa's leading trade partners and the reintroduction of service will boost European business traffic to the entire African continent.

When **Ethiopian** started flying to Beijing in 1975, it was the first carrier from the Western Hemisphere to fly to China. On November 23, 2004, **Ethiopian** introduced additional regular flights to Guangzhou, its second destination in China. Guangzhou, known as "China's south gate", is a bustling business centre and an active trading partner with Africa.

With increasing business ties between Africa and China coupled with China's enormous economic growth in recent years, addition of this second destination has boosted the carrier's attractiveness to business travellers dramatically.

In addition to the introduction of new destinations during the financial year 2003 – 2004, **Ethiopian** increased flight frequencies to most of its existing destinations. Flights to Dubai, Lagos and Nairobi have been increased to more than ten weekly departures. Dar-es-Salaam and Kilimanjaro now have daily operations.

B. Domestic Passenger Operations

Given the mountainous nature of Ethiopia's topography, the hallmark of the Airlines' domestic strategy is based on two main objectives. As most of the country is not easily accessible through other modes of transport, providing an affordable and reliable domestic air transport efficiently is the first priority. Secondly, promoting tourism to Ethiopia demands providing a seamless link between international and domestic networks.

During the report period Ethiopian Airlines transported 275 thousand passengers on its domestic route.

To cater to the growing needs of domestic travellers and to better satisfy the needs of the international tourist, **Ethiopian** now operates an average of 108 domestic flights per week.

C. Cargo Operations

Cargo uplift during the financial year 2003 – 2004 rose by 21% as compared to the pervious year. Most of the increase was attributed to increase in demand for cargo transport to Dubai and Jeddah.

A surge in live animals export from Kilimanjaro and Dar-es-Salaam to Europe and additional capacity deployed to the Indian sub-continent, Europe and West Africa has contributed as well.

To provide for this expanding freight market, a study on the feasibility of converting the Airline's B757-260 aircraft from passenger to cargo is underway.

IV. Measures to Enhance Profitability

Ethiopian's efforts to enhance profitability is focused on maximizing revenue and monitoring controllable costs. Measures taken to maximize revenue during the period were:

- Increasing cargo services revenue
- Increasing ancillary services revenue
- Service quality improvement
- Advanced revenue management system
- Cost monitoring measures.

A. Increasing Cargo Services Revenue

Efforts are underway to increase scheduled cargo flights between African destinations of the Airline and European routes. More frequency is necessary to meet the growing demand for the export of flowers, fruits and vegetables from Ethiopia. That in turn will create an inbound cargo capacity. Ethiopian Airlines together with its European cargo general sales agents (GSA) is marketing that capacity aggressively.

To facilitate smooth handling of the increase in freight traffic, construction of a new modern cargo terminal has began in July 2003 at a cost of 239 million birr. When completed in November 2005, the terminal will have a capacity of 104,000 tons per annum and will be equipped with an impressive 1,500 square metres cold room designed to accommodate a turnover of 130 tons of palletized cargo per day.

New cargo terminal under construction.

From top to bottom: Line engine maintenance, New maintenance hangar under construction, Spray services in the Sudan, working on customer aircraft and engine overhaul.

B. Increasing Ancillary Services Revenue

Ethiopian's ancillary services consist primarily of engineering and maintenance services provided to other airlines in the region. The Maintenance and Engineering Division is a United States Federal Aviation Administration approved maintenance centre (FAA license number ETIY102F).

Increasing the revenue and profit and diversifying the revenue stream from ancillary services is of top priority for the Airline.

During the financial year 2003 – 2004, major maintenance and structural repair work was undertaken on aircraft operated by African airlines such as Chanchangi Airlines, EAS, ADC Airlines, Congo Presidential Aviation, MID-Air, Cameroon Airlines and Air Burundi. Phoenix Aviation and Dolphin Air of the Middle East have chosen **Ethiopian** as their maintenance centre. Transaero of the Russian Federation and the Boeing Company of the United States had their aircraft and engines maintained at the airlines' facility during the budget year.

To significantly boost **Ethiopian**'s technical maintenance capacity a new 7,200 square metre state-of-the art maintenance hangar capable of accommodating two B767 size aircraft simultaneously is under construction.

Aviation training is another area where **Ethiopian** maintains a worldwide competitive advantage. The multi-national aviation training centre, established in 1967, regularly provides training on aviation maintenance, cabin crew, travel marketing, and pilot training. The African Civil Aviation Commission has selected the centre as the training centre for English-speaking Africa since 1975.

Arrival ceremony of B767-300 at Bole International Airport.

A small but important revenue source is the recently reorganized Spray Services Division, a separate unit within the Airline, providing agricultural spray services to Ethiopian farmers and those in neighboring countries. Since its establishment in July 1993, this unit has sprayed about 135,000 hectares per year with two Turbo Thrush, four Ag-Cat and two Cessna aircraft.

The division strives to expand to charter and commuter operations within Ethiopia and in neighboring countries.

C. Service Quality Improvement

The Airline's approach to improve the quality of service that it provides to its customers was two pronged. The first part is related to the product aspect of the service we provide such as fleet renovation, onboard service, flight schedule, and loyalty programme. The second part emphasized delivery of the service and focused on frontline staff training, process re-engineering and customer relationship management.

The phasing in of five new aircraft and phasing out of four older airplanes during the year has contributed significantly to the on-time performance and onboard customer service of the Airline.

During the report period, member enrollment of **Ethiopian**'s ShebaMiles Frequent Flyer Programme surpassed 51,000 active members from 150 countries. Nigeria with 25% and Ethiopia with 17% are the top domicile of members. The rest of Africa contributes 24%, followed by Europe with 11%, the Americas 8% and Asia and the Middle East 3% each.

The success of the program can easily be indicated using the redemption ratio that compares the miles awarded to ShebaMiles members for flying **Ethiopian** with the miles they exchanged for free services. The ratio indicates that one out of every twenty-eight miles awarded for flying **Ethiopian** is redeemed. Since its conception, ShebaMiles members have utilized a total of 14,300 awards including 3,346 free tickets and 10,956 upgrades. Last year alone members exercised 1,547 free tickets and 4,028 class upgrades.

Healthy membership growth and redemption rates indicate the interest the ShebaMiles programme has created. The increased number of elite level members demonstrates customer commitment and loyalty that was brought about by the Programme.

D. Advanced Revenue Management System

PROS, one of the most advanced revenue management systems worldwide has been in use by **Ethiopian** since 1998. During the financial year the Airline installed PROS 5 – an upgraded version of the system.

Although the trend in the aviation industry is towards falling fares due to pricing pressures from low cost carriers and rising costs due to persistently high fuel charges, during the past year the tendency at **Ethiopian** is that of yield and load factor increment at a time of capacity growth of 25%.

This capacity increase is attributed mainly to the increase in flight frequencies and modernization of **Ethiopian**'s fleet as stressed earlier. The yield and load factor increase was primarily as a result of:

- Strict adherence to PROS data entry procedures
- Minimum interference with PROS recommendations
- Increased confidence and acceptance of system recommendation by regional offices.

In addition **Ethiopian** has concluded direct billing agreements with the postal authorities of Israel, Zambia, Saudi Arabia and Congo Brazzaville and began participation in International Air Transport Association's (IATA) Billing and Settlement Plan (BSP) in Australia, Japan & Tunisia.

F. Cost Monitoring Measures

The main cost monitoring measures taken during the period were rationalization of airways, review of distribution costs, fuel tankering and renegotiation of renewable contracts.

Based on a recent study that revealed flying via the shortest possible air-routes would lead to significant fuel savings, the routes Addis Ababa – Dubai – Delhi, Addis Ababa – Rome, and Addis Ababa – Frankfurt were chosen for implementation of the study during the financial year and the results are quite encouraging.

Distribution cost is another area that was singled out for cost reduction measures during the budget year 2003 – 2004. Wasteful practices in the booking and ticketing process lead to unnecessary distribution costs. The Airline conducted a "GDS Code of Conduct" workshop for travel agencies in Ethiopia aimed at creating awareness on making genuine bookings, clearing waitlists and avoiding fictitious and duplicate bookings.

Fuel tankering is one of the mechanisms in use by **Ethiopian** to minimize the impact of rising fuel costs. First implemented in 1996 and upgraded in 2001, Fuel Planning system makes recommendations of how much and from where to uplift fuel based on fuel cost indexes.

Rome's crew and passenger accommodation contract was reviewed and better terms were negotiated. The effort will continue at other stations.

V. Human Resource Development

By June 2004 the total number of Ethiopian Airlines employees reached 4,513. Among these, 3,471 are male and 1,042 female. During the 2004 fiscal year, 389 personnel were employed, of these, 206 are graduates of Ethiopian Airline's various training schools, 140 were employed at its headquarter in Addis Ababa and 43 at outstation offices. 153 persons have left the organization and 16 employees have retired.

Training is an essential tool for **Ethiopian** to remain competitive. In today's uncertain economical environment, continued enhancement of our human asset is vital. By investing in training and leadership development, we enable our employees to improve their skills and knowledge to do a better job and be effective leaders. Therefore, training and re-training has always been and will be **Ethiopian**'s corporate passion.

Ethiopian human resource development aims at enabling the workforce to develop its full potential and to align it with the company's future corporate objectives. To that end, during the financial year 2003 – 2004:

- 968 employees were promoted or laterally transferred within the company
- 560 **Ethiopian** employees took management development training
- 43 employees were sent abroad on company sponsored training programmes
- 783 employees pursued their education through evening and correspondence programmes in various fields under the company sponsored Educational Assistance Programme
- 1,617 employees took recurrent training
- Various Ethiopian Airlines training centres graduated, with diploma, 61 aircraft technicians, 18 pilots, 107 cabin crew members and 71 marketing agents. Currently 130 aircraft technicians, 74 pilot trainees and 38 cabin crew members are undergoing various levels of training
- 559 employees participated in workshops on automated and advanced reservations, passenger fares and ticketing, passenger handling, freight handling as well as customer care
- 262 pilots and co-pilots took proficiency recurrent training
- 21 pilots were evaluated and promoted
- 54 co-pilots took transition and recurrent training
- Cabin crew, college trainees, security officers, maintenance staff, and other employees have all participated in Recurrent Safety and First Aid Training. Moreover, the Medical Unit conducted defibrillator Cardio Pulmonary Resuscitation (CPR) training to Boeing 737 aircraft cabin crew in compliance with regulatory requirements.

From top to bottom: Cabin crew graduates with the Chief Executive Officer.

Former Chief Executive Officer with graduate aircraft technician from Rwanda.

The Chief Executive Officer with graduates from Madagascar and President of the Senate of Madagascar.

VI. Fleet Planning and Financing

Two lease extensions and one new lease agreement were finalized in the 2003 – 2004 financial year. Phasing in of five new aircraft (three B767-300ER and three B737-700) and phasing out of four older airplanes (two B767-200ER, one B767-300ER and one B737-200ER) was completed.

VII. Information Systems

During the 2003 – 2004 financial year, initiatives were taken to support the growth of the Airline by further exploiting the potential of Information Technology (IT). Projects intended for improving internal business efficiency were carried out in addition to programmes aimed at effective customer service management.

The Internet on-line booking service, which was launched in 2003 in four cities, has now been expanded to Frankfurt, Amsterdam, London, Nairobi and Tel-Aviv. Preparations have been finalized to commence the service in Stockholm, Johannesburg and Dubai in 2005.

A flight scheduling software, that enables the development of optimized flight schedules based on available resources, was acquired and implemented in January 2004.

Probably, the most significant IT project undertaken during the year was renovation of the Local Area Network (LAN) at the Head Office. It increases the LAN capacity from 10/100 Mega bit per second (Mbps) to Gigabit level and implements state-of-the-art Cisco technology. Beside the immediate benefits of enhanced IT security and high performance of the current IT services, it will serve as a foundation for future IT services including integrated voice and video streams in the coming 5 years.

Lufthansa Systems completed definition of the business criteria for **Ethiopian** new Management Accounting System at the end of 2003. Development of the software started in January 2004 and the design phase is now completed. The system will be commissioned in 2005.

In-house development of Human Resources Management (HRM) software is 50% completed. Commissioning is expected in mid of 2005.

During the report period, **Ethiopian**'s Information System (IS) Division has generated revenue of Birr 14.7 Million from automation services rendered to travel agencies in Ethiopia and other African countries.

Corporate Internet service capacity was quadrupled over the previous year to enhance employee productivity.

It has been eight years since the airlines last major IT up-grade. Looking forward, 2005 is the time to begin a major renovation of the company's IT environment inline with the new corporate business strategies, now under development.

VIII. Tourism Promotion

The number of tourists visiting Ethiopia has a direct bearing on the number of passengers carried by the Airline. Therefore, **Ethiopian**'s long-term strategy is to promote tourism to Ethiopia. To that end, in 2004, **Ethiopian** participated in several major trade fairs such as the WTM in London, CBI in Amsterdam, FITUR in Madrid and ITB in Berlin in collaboration with the Ministry of Tourism of Ethiopia.

Articles that promote Ethiopia and destinations of the Airline are featured regularly in Selamta, **Ethiopian**'s in-flight magazine. Production of documentary films containing 26 episodes presenting Ethiopia; its cultural and social heritage has been completed. The documentaries are now being screened aboard **Ethiopian** flights.

IX. Corporate Social Responsibility (CSR) Measures

Since its inception in 1946, Ethiopian Airlines has always understood the obligations it has as a responsible corporate citizen, not only to its customers, employees, and stakeholders, but also to the society at large.

Our responsibility is always the deciding factor and the guiding principle. By providing air service to domestic stations that are difficult to reach, we provide reliable cargo service to local vegetable farmers, floriculture businesses and meat producers so that they have access to global markets even when the return load does not warrant it.

The Airline, as a good global citizen, must also regularly contribute to the communities in various parts of the world in which it operates. During the 2003 – 2004 financial year, **Ethiopian** was involved in various philanthropic activities aimed at:

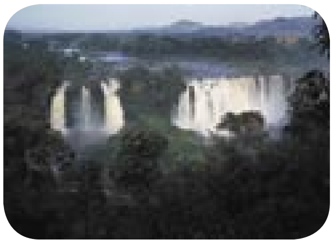
- Youth Education
- Women Empowerment
- Fighting HIV/AIDS
- Supporting medical treatment to the needy
- Promoting art, culture and sports
- Providing clean water
- Providing assistance to organizations of the visually and hearing impaired.

Our associations with these worthy causes will continue in the future on the belief that in addition to providing safe, reliable and affordable air transportation our customers can depend on us to work for the good of the society.

Ethiopia: Land of Immense Investment Opportunities
This episode takes you through Ethiopia's rich natural and human resources and shows that Ethiopia is a country worth investing in.

Marvellous Handicrafts of Ethiopia
This episode reveals a kaleidoscope of arts and crafts developed by the various ethnic groups in Ethiopia.

South and South-west Ethiopia
This episode features the different peoples, lakes, rivers and cultural mix that enthrall naturalists.



Rivers and Falls of Ethiopia
This episode captures the countless water resources of Ethiopia that are found in different parts of the country.

The Borena
This episode takes you to one of the many ethnic groups in Ethiopia, the Borena Oromo.

The Gurage
In this episode we take you to meet the Gurage people. We look at the colourful celebration of religious festivals and the unique attachment the Gurage have to their homeland.

The Hamer
This episode features the Omotic speaking Hamer people and their uncluttered life, founded on a communal system and celebrated by ancient rituals.

The Anuak
This episode takes you along the banks of the Baro River, the largest river of western Ethiopia flowing across the western lowlands on the border of the Sudan.

Coffee
This episode shows the different techniques of cultivation employed, the ceremony of brewing coffee and much more.

Flora and Fauna of Ethiopia
This episode illustrates the contrasts and extremes of the Ethiopian terrain and the endemic wildlife species inhabiting the land. It takes you from the Simien and Bale mountains to the Rift Valley,

Some episodes of the documentary film on Ethiopia commissioned by Ethiopian and screened in-flight

Finance

Overview of Operating and Financial Results

During the fiscal year, the Airlines' level of operations was boosted due to the acquisition of new aircraft and the commencement of new services to Paris, Guangzhou and Stockholm, introduction of split operation to its trunk routes such as Lagos, Dubai and Mumbai, reduction of number in the stops of flights to/from East Africa destinations, and increase of frequency to Lagos, Dubai, Brazzaville, Kinshasa and Beijing.

Available Seat Kilometres (ASK) and revenue passenger kilometre (RPK) showed a remarkable growth of 9.4% and 12% respectively compared to the levels attained in 2002/03.

Operating Results

Block Hours
The total block hours performed during the year was higher than the previous year by 8.6%. This was mainly due to additional capacity, frequency and cargo operation increase to various destinations.

Available Seat Kilometres (ASK)
Seat kilometres availed during 2003/04 was higher than the preceding year by 9.4%.

Available Ton Kilometres (ATK)
The total ton kilometres availed during the fiscal year 2003/04 was more than the actual ton kilometres availed during the preceding year by 16%.

Revenue Passenger Kilometres (RPK)
The total revenue passenger kilometres achieved during the fiscal year was higher than the results of the preceding year recording a growth of 12%. This was due to growth in passenger number and improved utilization of second wave operation to-from East Africa.

Passenger Load Factor
The load factor achieved during the year was more by 2.4% compared with the preceding year.

Revenue Ton Kilometres
Better results achieved in passenger traffic and freight have contributed to the overall increase in revenue ton kilometres recording a growth rate of 9.5%.

Financial Performance

Revenue
Compared to the total revenue of the previous year, the revenue generated during the year grew by 20.7%.

Passenger Revenue
The actual passenger revenue including excess baggage generated during the year compared to the preceding year was higher by 20% mainly as a result of increase in passenger uplift.

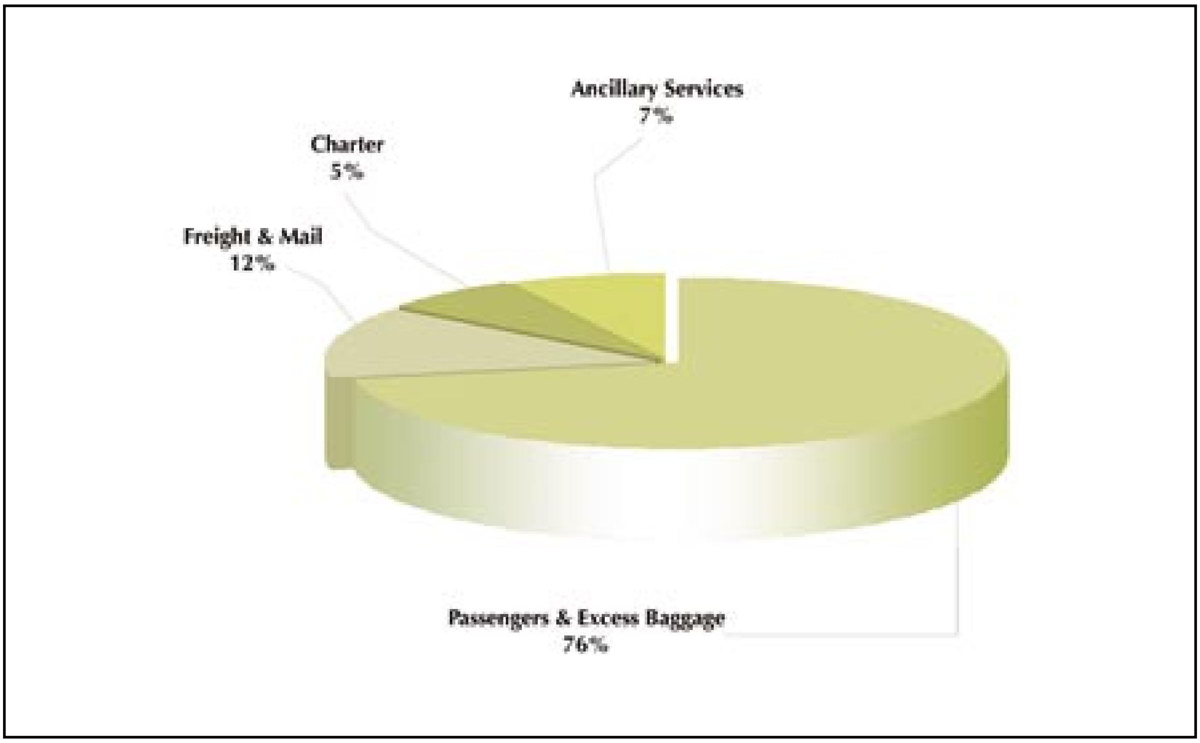
Freight Revenue
Freight revenue realised during 2003/04 fiscal year was more than the actual of the previous period by 33.7%.

Operating Expenses
The total operating expenses of the year has shown an increase of 16.8% as compared to last year. The major contributor for this is the increase of fuel and oil expense.

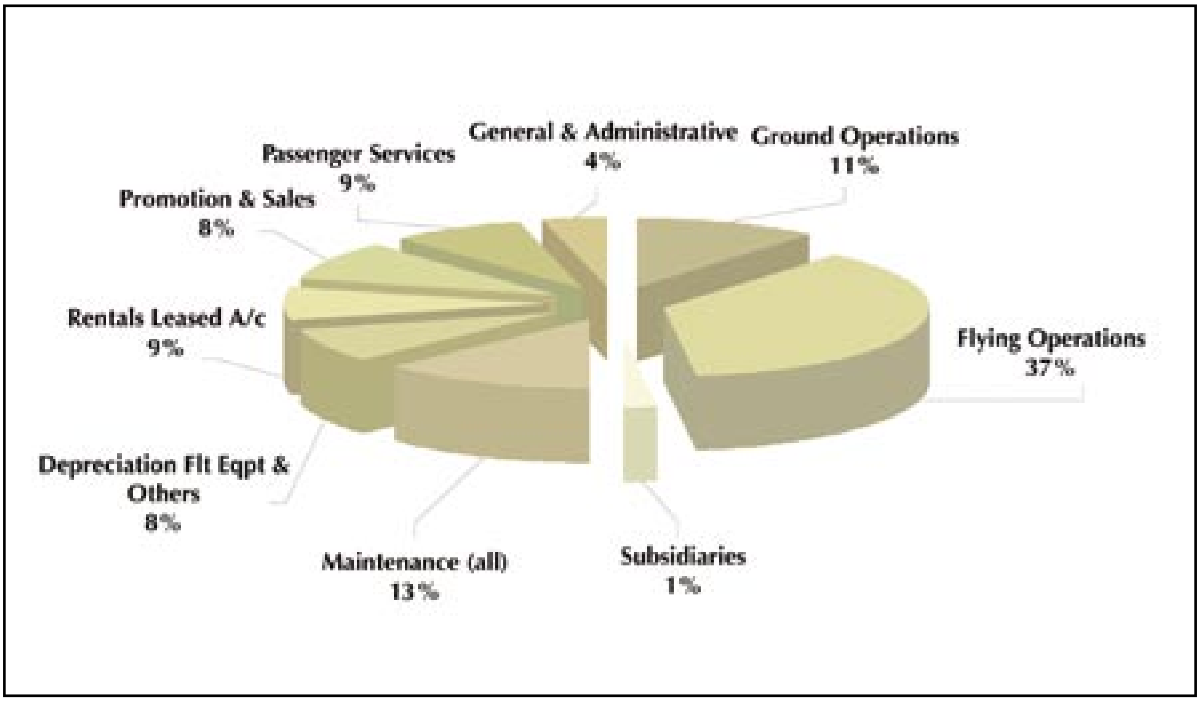
Financials
Highlights for the year ended June 30, 2004

Description	2003/04	2002/03
Financial ('000)		
Operating Revenue	3,420,165	2,832,713
Operating Expenses	3,150,900	2,697,181
Gross Operating Profit (Loss)	269,265	135,532
Non Operating Income/(Expenses)-Net	(38,157)	141,123
Net Profit (Loss) Before Tax	231,108	276,655
Statistical		
Revenue Passengers Carried	1,230,121	1,122,018
Passenger Kms. ('000)	3,836,728	3,424,214
Available Seat Kms. ('000)	6,075,922	5,555,360
Freight Ton Kms. ('000)	199,224	148,910
Total Revenue Ton Kms. excluding Freight	427,398	390,343
Available Ton Kms. ('000)	1,156,254	996,797
Passenger Load Factor	63.1	61.6
Pay Load Factor	54.2	54.1
Breakeven Load Factor before Interest	51.32	52.95
Breakeven Load Factor after Interest	52.09	53.71
Yield Per RTK (ET Cents)	511.15	486.00
Unit Cost per ATK (ET Cents)	262.31	257.34

Operating Revenue – 2003/04



Operating Expenses – 2003/04



Comparative Analysis
For the years ended June 2004 (Birr '000)

Operating Revenue	2004	2003	2002	2001	2000
Passenger	2,528,948	2,110,786	1,854,763	1,593,269	1,402,986
Freight	399,050	298,569	252,460	279,655	268,274
Charter	179,525	138,584	132,256	216,984	134,109
Mail	17,004	17,422	14,378	13,371	9,842
Excess Baggage	78,462	55,335	54,656	51,399	44,324
Commission	7,734	7,580	6,775	6,063	6,492
Customer Services	99,630	104,302	108,755	119,324	56,721
Miscellaneous	67,883	58,710	54,124	46,688	58,085
Subsidiaries	41,927	41,425	37,709	34,808	34,585
Total Operating Revenue	**3,420,165**	**2,832,713**	**2,515,876**	**2,361,559**	**2,015,418**
Operating Expenses					
Flying Operations	1,171,255	1,001,327	863,930	837,697	745,005
Direct Maintenance	327,776	268,267	234,836	220,932	204,332
Depreciation Flt Equipment	191,646	175,400	196,166	191,039	193,878
Rentals Leased A/c	267,218	223,983	198,044	200,328	201,058
Promotion and Sales	259,572	239,861	204,189	187,937	192,834
Passenger Services	273,293	222,254	187,359	160,523	164,981
Ground Operations	348,833	302,154	276,908	252,306	251,793
Indirect Maintenance	36,786	28,248	25,949	34,241	25,108
Depreciation Others	48,449	33,798	26,024	37,219	37,445
Customer Maintenance	49,425	59,975	48,895	49,570	26,586
Subsidiaries	36,432	47,868	26,368	21,069	23,563
General and Administrative	140,217	94,046	90,102	99,846	104,775
Total Operating Expenses	**3,150,900**	**2,697,181**	**2,378,770**	**2,292,707**	**2,171,358**
Operating Profit	**269,265**	**135,532**	**137,106**	**68,852**	**(155,934)**
Other Non Operating Exp./(Income)	(7,786)	(177,941)	10,119	(43,590)	(193,330)
Interest Expenses	45,943	36,818	48,200	57,304	68,033
Net Non Operating Exp./(Income)	38,157	(141,123)	58.319	13,714	(125,297)
Net Profit Before Tax	**231,108**	**276,655**	**78,787**	**55,138**	**(30,643)**

Financials Cont.

Comparative Analysis
For the years ended June 2004 (Birr '000)

Operating Revenue	1999	1998	1997	1996	1995
Passenger	1,095,877	1,179,064	1,166,227	1,187,279	1,147,943
Freight	241,450	333,456	306,537	267,962	281,455
Charter	147,569	47,676	43,698	62,600	66,427
Mail	7,377	5,727	5,006	7,265	8,447
Excess Baggage	33,639	33,630	39,684	34,240	34,585
Commission	8,915	13,371	14,731	17,270	14,873
Customer Services	59,922	41,295	30,948	29,499	21,681
Miscellaneous	66,875	50,176	36,568	26,467	33,758
Subsidiaries	26,682	12,213	13,620	10,262	7,801
Total Operating Revenue	**1,688,306**	**1,716,608**	**1,657,019**	**1,642,844**	**1,616,970**
Operating Expenses					
Flying Operations	523,038	474,368	474,043	397,479	361,326
Direct Maintenance	192,213	231,262	186,093	207,835	163,811
Depreciation Flt Equipment	183,212	211,199	184,813	173,422	168,033
Rentals Leased A/c	149,466	88,008	48,118	5,150	2,836
Promotion and Sales	180,899	198,961	282,565	300,466	287,645
Passenger Services	142,932	164,185	129,113	121,106	98,664
Ground Operations	183,864	168,835	159,402	154,208	151,309
Indirect Maintenance	31,972	20,832	20,186	18,777	18,444
Depreciation Others	38,432	17,559	16,654	17,369	18,045
Customer Maintenance	28,888	15,301	9,355	5,152	2,646
Subsidiaries	18,037	7,459	7,779	4,304	2,872
General and Administrative	62,942	23,958	77,128	73,706	90,810
Inventory Adjustment	–	–	18,044	–	–
Total Operating Expenses	**1,735,896**	**1,621,927**	**1,613,293**	**1,478,974**	**1,366,441**
Operating Profit	**(47,590)**	**94,676**	**43,726**	**163,870**	**250,529**
Other Non Operating Exp./ (Income)	(137,244)	(34,347)	(82,944)	(21,223)	(25,567)
Interest Expenses	75,791	85,223	103,430	126,776	129,816
Net Non Operating Exp./ (Income)	(61,453)	50,876	20,486	105,553	104,249
Net Profit Before Tax	**13,863**	**43,800**	**23,240**	**58,317**	**146,280**

Financials Cont.

Ratio Analysis

Description	2004	2003^
Profitability (Percent)		
Operating Margin	7.87	4.8
Net Profit Margin	6.76	3.77
Rate of Return	6.55	6.86
Interest on Operating Expenses	1.46	1.37
Return on Total Assets	4.39	3.54
Cost of Debt	1.94	8.0
Liquidity Ratio		
Current Ratio	1.36:1	1.66:1
Leverage Ratio		
Total Debt to Total Asset	0.64:1	0.44:1
Debt to Equity Ratio	1.27:1	0.28:1
Times Interest Cover Ratio	6.03:1	3.90:1

^ excludes gain on sale of aircraft.

Financials Cont.

AUDITORS REPORT

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AUDIT SERVICES CORPORATION

ፖ.ሣ.ቁ. P. O. Box 5720   ስልክ Tel. 51 52 22   የፋክስ ቁ. FAX No. 51 30 83

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INDEPENDENT AUDITORS' REPORT ON
THE FINANCIAL STATEMENTS OF
ETHIOPIAN AIRLINES ENTERPRISE

We have audited the financial statements of Ethiopian Airlines Enterprise set out on pages 2 to 21 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 to 10. These financial statements are the responsibility of the Enterprise's general manager in accordance with article 16 of Public Enterprises Proclamation No. 25/1992. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants. These Standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly the financial position of Ethiopian Airlines Enterprise at 30 June 2004 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Audit Services Corporation

22 February 2005

ETHIOPIAN AIRLINES ENTERPRISE
BALANCE SHEET
AT 30 JUNE 2004

	Notes	Birr	Birr	2003 Birr
ASSETS EMPLOYED				
PROPERTY, PLANT AND EQUIPMENT	1b)(i),2		3,321,642,175	1,433,235,348
INVESTMENTS	1b)(ii),3		18,051,043	19,410,046
STANDING DEPOSITS	1b)(iii)		173,526,017	73,160,577
DEFERRED CHARGES	1b(iv),4		98,431,404	28,728,351
CURRENT ASSETS				
Stock	1b)(v),5	113,069,948		107,680,770
Debtors	1b)(vi),6	646,329,730		880,915,577
Cash and bank balances	1b)(vii),7	896,260,094		464,353,901
		1,655,659,772		1,452,950,248
CURRENT LIABILITIES				
Creditors	1b)(viii),8	600,125,357		538,880,619
Unearned transportation	1b)(ix)	389,455,553		326,392,403
Current maturity of long term loans	11	230,179,194		63,699,469
		1,219,760,104		928,972,491
NET CURRENT ASSETS			435,899,668	523,977,757
			4,047,550,307	2,078,512,079
FINANCED BY				
CAPITAL				
Authorized		2,500,000,000		
Paid up	9		1,866,849,568	1,635,741,629
CONTRIBUTIONS	1b(x)		43,581,522	44,221,856
			1,910,431,090	1,679,963,485
DEFERRED LIABILITIES	1b(xi),10		3,133,449	4,012,814
LONG TERM LOANS	1e)(i),11		2,133,985,768	394,535,780
			4,047,550,307	2,078,512,079

ETHIOPIAN AIRLINES ENTERPRISE
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	Birr	Birr	2003 Birr
OPERATING REVENUE	1d),12		3,420,164,869	2,832,713,227
OPERATING EXPENSES	13		3,150,900,363	2,697,181,467
GROSS OPERATING PROFIT			269,264,506	135,531,760
NON-OPERATING EXPENSES/(INCOME)				
Interest		45,942,527		36,818,491
Provision for blocked bank account	7c	35,791,874		–
Provision for doubtful debts		23,080,036		33,746,553
Provision for stock obsolescence		11,500,981		7,332,346
Others	1e)(iii),14	(78,158,851)		(219,020,728)
			38,156,567	(141,123,338)
NET PROFIT FOR THE YEAR			231,107,939	276,655,098

ETHIOPIAN AIRLINES ENTERPRISE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2004

	Capital Birr	Contributions Birr	Legal Reserve Birr	Unappropriated Profit Birr	Total Equity Birr
Balance at 30 June 2002	613,810,883	57,907,594	18,032,392	140,640,389	830,391,258
Transfers from appropriations of earlier years	745,275,648	–	(18,032,392)	(140,640,389)	586,602,867
Net profit for the year	–	–	–	276,655,098	276,655,098
Transfer from profit of the year	276,655,098	–	–	(276,655,098)	–
Amortization of contributions	–	(13,685,738)	–	–	(13,685,738)
Balance at 30 June 2003	1,635,741,629	44,221,856	–	–	1,679,963,485
Net profit for the year	–	–	–	231,107,939	231,107,939
Transfer from profit of the year	231,107,939	–	–	(231,107,939)	–
Addition to contributions	–	17,482,560	–	–	17,482,560
Amortization of contributions	–	(18,122,894)	–	–	(18,122,894)
Balance at 30 June 2004	1,866,849,568	43,581,522	–	–	1,910,431,090

ETHIOPIAN AIRLINES ENTERPRISE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	Birr	Birr	2003 Birr
OPERATING ACTIVITIES				
Net cash inflow from operating Activities	15		693,912,583	74,949,759
INVESTING ACTIVITIES				
Purchase of property, plant and Equipment		(2,130,963,790)		(81,326,044)
Proceeds from disposal of Property, plant and equipment		901,969		332,304,821
Receipts from disposal of investments		1,359,003		897,773
Net cash (outflow) / inflow from investing activities			(2,128,702,818)	251,876,550
FINANCING ACTIVITIES				
Long term loans received		2,173,206,542		–
Repayment of long term borrowings		(267,276,828)		(150,699,504)
Interest paid		(46,536,121)		(36,099,112)
Interest received		7,302,835		8,820,516
Net cash inflow/(outflow) from financing activities			1,866,696,428	(177,978,100)
Net increase in cash and cash equivalents			431,906,193	148,848,209
Cash and cash equivalents at beginning of year			464,353,901	315,505,692
Cash and cash equivalents at end of year	7		896,260,094	464,353,901

ETHIOPIAN AIRLINES ENTERPRISE
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2004

1. <u>SIGNIFICANT ACCOUNTING POLICIES</u>

The principal accounting adopted by the Enterprise, which are consistent with those applied in the preceding year, are stated below.

a) BASIS OF PREPARATION

i) These financial statements have been prepared in compliance with International Financial Reporting Standards. They are prepared under the historical cost convention.

ii) All amounts in the financial statements are expressed in Birr.

b) VALUATION OF ASSETS AND LIABILITIES

Except as otherwise stated below, all major assets are valued at market prices, which management considers to be fair values.

i) <u>Property, plant and equipment</u>

Property, plant and equipment are stated at cost or valuation less accumulated depreciation, excepting capital items whose individual unit costs are less than the following amounts, which are charged to operating expenses:-

	Birr
Ground equipment	5,000
Tools	1,200
Neon signs	6,000
Computerized equipment	5,000
Improvements to buildings	20,000
Modification expenses on:	
JT9D-7R4E engines	50,000
FW2040 engines	50,000
737 aircraft	200,000
767-200 aircraft	200,000
757 aircraft	200,000
ATR-42 aircraft	100,000
Fokker-50 aircraft	100,000
DHC 6	50,000

– Depreciation is charged on the following bases:-

– Flight equipment

The costs of new acquisitions are written down to their estimated residual values by the end of the terminal dates detailed below:-

The common terminal dates for the aircraft, associated engine, rotables and spares are:-

DHC-6	30 June 2006
ATR-42	28 February 1995, 31 March 1995
Jet 757	31 August 2008
	30 November 2009
	30 April 2010
	31 October 2010
Jet 767-300	30 November 2021
	30 June 2022
Jet 737-700	31 December 2021
Fokker 50	30 April 2009
	30 September 2008
	30 November 2008
	31 January 2009
Cessna	30 June 2006
Turbo Ag - CAT	30 June 1993
	30 June 2006
Turbo Thrush	30 June 2006
AG - CAT	30 August 2006

Modification costs after the terminal dates are expensed in the year they are incurred.

– Other property

This is depreciated in the following periods:-

Radios, field passenger equipment and other similar items – 5 years.

Office equipment and furniture – 10 to 15 years.

Motorized vehicles and equipment – 5 years.

Buildings – 7 to 20 years.

Improvements to government owned buildings – 10 years.

Improvements to leasehold property over the term of the lease.

ii) Investments

Investments are stated at cost less provisions, which approximates their fair values.

iii) Standing deposits

These comprise long term security deposits held by hotels, hospitals and similar institutions.

iv) Deferred charges

Pre-delivery expenses in connection with the acquisition of new aircraft are amortized over a period of twelve years, while the miscellaneous deferred charges are amortized over different periods of between four and eight years.

v) Stock

Stock is valued at the lower of cost and net realizable value. Cost is determined on a simple average basis less provision for stock obsolescence. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

vi) Debtors

Trade debtors are recognized and carried at original invoice amounts less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection for the full amount is no longer probable. Bad debts are written off against the related provision for doubtful debts.

vii) Cash and bank balances

These comprise cash on hand and in banks and short term deposits which are held to, maturity and carried at cost plus interest less provision for currency fluctuation.

viii) Creditors

Liabilities for trade and other amounts payable are carried at cost which is considered to be the fair value to be paid in the future for goods and services received.

ix) Unearned transportation

Passenger ticket and cargo airway bill sales are recorded as current liabilities in the unearned transportation account until recognized as revenue when the transportation services are provided. The value of unused tickets and miscellaneous charge orders (MCOs) over eighteen months old are credited to revenue.

x) Contributions

These represent purchase incentives given by the Enterprise's suppliers. The values are amortized over the life of the aircraft for which the purchase incentives were obtained.

xi) Deferred liabilities

The training fees of personnel of other airlines are amortized over the duration of the training period.

c) RECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Enterprise recognizes a financial asset or a financial liability on its balance sheet when, and only when, it becomes a party to the contractual provisions of the instrument. A financial asset is derecognized when, and only when, the control over the contractual rights is lost. A financial liability is derecognized when, and only when, it is extinguished.

d) REVENUE RECOGNITION

Unclaimed sundry liabilities over one year old are absorbed to non-operating income. All other revenues are recognized at the time the service is provided.

e) FOREIGN CURRENCY ACCOUNTS

i) Loans in foreign currency used to acquire property, plant and equipment are translated into Birr at the exchange rates ruling on the first day of June prior to the balance sheet date. Exchange losses are treated as part of the cost of such acquisitions.

ii) Other non-current and current assets and current liabilities in foreign currency balances are translated at the exchange rates ruling on the first day of June prior to the balance sheet date and the resultant net gain or loss is taken to the profit and loss account.

iii) Losses or gains on recurring foreign currency transactions are directly charged or credited to the profit and loss account.

f) INCOME TAX

The Enterprise is exempt from income tax in accordance with the letter from the Ministry of Finance and Economic Development dated 5 July 2002 (28 Sene 1994), Ref. No. ከመ 3/16/28/775.

g) SUBSIDIARY

The Enterprise established a wholly owned subsidiary, incorporated in the Cayman Islands and registered in the name of Ethiopian Leasing Limited on 7 May 2003. This subsidiary acts only as a lessor of aircraft to the Enterprise and does not carry out any other transactions. Consequently, neither separate financial statements were prepared for the subsidiary nor consolidated financial statements were prepared for the Enterprise and its subsidiary as all inter-company balances and transactions have been eliminated at the year end.

h) FINANCE LEASE

Leases of assets under which all the risks and benefits of ownership are substantially transferred to the lessee are classified as finance lease in accordance with International Accounting Standard No. 17.

Lessees should recognize finance leases as assets and liabilities in their balance sheets at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

A finance lease gives rise to a depreciation expense for the asset as well as a finance expense for each accounting period. The depreciation policy for leased assets should be consistent with that for depreciable assets which are owned.

During the year under review, two Boeing 757 jets were sold at net book value to Ethiopian Leasing Limited and leased back to the Enterprise (see note 2 below). The said two jets are held as collateral for the commercial loan obtained from Barclays Bank (see note 11(c) below).

2. PROPERTY, PLANT AND EQUIPMENT

	Balance at 30 June 2003 Birr	Additions Birr	Adjustments Due to sale of aircraft and lease-back Birr	Adjustments Due to Currency Fluctuation Birr	Disposals Birr	Balance at 30 June 2004 Birr
COST OR VALUATION						
Flight equipment						
Own	2,641,066,188	2,058,447,630	(847,591,164)	3,475,226	(8,655,785)	3,846,742,095
Leased	–	–	847,591,164	–	–	847,591,164
Other property	639,820,739	34,437,363	–	–	(6,901,560)	667,356,542
	3,280,886,927	2,092,884,993	–	3,475,226	(15,557,345)	5,361,689,801
DEPRECIATION						
Flight equipment						
Own	1,541,296,104	151,802,199	(483,309,245)	–	(7,207,183)	1,202,581,875
Leased	–	39,843,716	483,309,245	–	–	523,152,961
Other property	339,823,040	48,448,970	–	–	(5,888,083)	382,383,927
	1,881,119,144	240,094,885	–	–	(13,095,266)	2,108,118,763
NET BOOK VALUE						
Flight equipment						
Own	1,099,770,084					2,644,160,220
Leased	–					324,438,203
Other property	299,997,699					284,972,615
	1,399,767,783					3,253,571,038
Work orders in progress	33,467,565					67,258,595
Capital goods in transit	–					812,542
	1,433,235,348					3,321,642,175

3. INVESTMENTS

a) These are as follows:-

	Birr	2003 Birr
Nationalized and state owned	1,224,500	1,224,500
Wholly-owned subsidiary		
Nationalized	199,600	199,600
	1,424,100	1,424,100
Less: Provision for investments nationalized	(1,424,000)	(1,424,000)
	100	100
Foreign investments	18,050,943	19,409,946
	18,051,043	19,410,046

b) The Government had indicated that fair compensation will be paid for the nationalized investments.

c) Foreign investments include Birr 12,670,047 representing principal capitalized on the promissory note issued by the Central Bank of Nigeria in respect of the fund of the Enterprise lying in Nigeria.

4. DEFERRED CHARGES

		2003
	Birr	Birr
Predelivery payments for purchase of new aircraft	74,648,152	–
Aircraft manufacture licence fee	776,803	1,165,204
Miscellaneous	23,006,449	27,563,147
	98,431,404	28,728,351

5. STOCK

a) This is composed of:-

		2003
	Birr	Birr
Stock in store	136,413,950	118,979,140
Supplies stock – customer work orders	7,150,524	7,599,735
Stock of printing and stationery items	10,938,627	12,413,733
	154,503,101	138,992,608
Less: Provision for stock obsolescence	43,226,082	33,064,604
	111,277,019	105,928,004
Goods in transit	1,792,929	1,752,766
	113,069,948	107,680,770

b) The movement in the provision for stock obsolescence is as follows:-

	Birr
Balance at 30 June 2003	33,064,604
Less: Stock written off	1,339,503
	31,725,101
Additional provision	11,500,981
	43,226,082

6. DEBTORS

a) These are made up of:-

		2003
	Birr	Birr
Ethiopian Government	12,254,734	41,582,913
Airmail	33,372,413	32,229,159
Transportation – Airlines	45,965,640	80,784,190
Transportation – Others	204,185,678	225,708,712
Advance for purchase of aircraft	199,553,757	386,399,510
Deposits and prepayments	96,277,064	68,172,084
Others	179,499,570	147,738,099
	771,108,856	982,614,667
Less: Provision for doubtful debts	124,779,126	101,699,090
	646,329,730	880,915,577

b) The movement in the provision for doubtful debts is as follows:-

	Birr
Balance at 30 June 2003	101,699,090
Additional provision	23,080,036
	124,779,126

7. **CASH AND BANK BALANCES**

	Birr	2003 Birr
a) Comprise the following:-		
Cash with foreign banks	260,894,973	124,052,039
Less: Provision for currency fluctuation	(4,900,000)	(4,900,000)
Provision for blocked bank account	(35,791,874)	–
Technically overdrawn balances	(55,522,712)	(24,844,205)
	164,680,387	94,307,834
Cash with local banks	99,083,279	53,763,343
Foreign short term deposits	422,643,085	173,998,924
Unverified deposits	180,021,522	125,321,128
Cash on hand	29,831,821	16,962,672
	896,260,094	464,353,901

b) The cash with foreign banks includes balances at three locations amounting to Birr 3,293,612 which are not readily transferable.

c) The provision for blocked bank account represents 60% of the bank balance which has been blocked due to the closure of a bank in Nigeria.

d) The Enterprise has a clean unutilized overdraft facility of Birr 30,000,000 with the Commercial Bank of Ethiopia.

8. **CREDITORS**

	Birr	2003 Birr
Payable to oil companies	97,153,202	63,612,679
Goods received but not billed	44,522,861	32,174,729
Miscellaneous accounts payable	189,408,838	160,651,686
Accrued interest	8,711,211	9,304,805
Accrued insurance premium	5,502,246	4,956,341
Other airlines pool apportionment	15,605,620	13,925,437
Transportation tax and embarkation fees	74,997,457	60,070,893
Miscellaneous clearing accounts	9,049,097	4,270,655
Advances from customers' work orders	14,986,765	36,383,331
Others	140,188,060	153,530,063
	600,125,357	538,880,619

9. PAID UP CAPITAL

a) The movement in the account is as follows:-

	Birr
Balance at 30 June 2003	1,635,741,629
Transfer from profit for the year	231,107,939
	1,866,849,568

b) The Council of Ministers authorized the Enterprise to transfer the net profits for five years (2003-2007) to paid up capital until the paid up capital reaches the authorized level. Details amending the capital of the Enterprise are stipulated in the Council of Ministers Regulations No. 81/2003 dated 17 January 2003.

c) The Enterprise is wholly owned by the Federal Government of Ethiopia. The capital allocated to the Enterprise is not repayable to the Government in whole or in part, as long as the Enterprise continues trading.

10. DEFERRED LIABILITIES

	Birr	2003 Birr
Training of other airlines' personnel	1,086,555	2,132,412
Accumulated fines deducted from employees	1,181,975	1,035,147
Miscellaneous	864,919	845,255
	3,133,449	4,012,814

11. LONG TERM LOANS

a) These are as follows:-

	TOTAL LOAN Birr	CURRENT PORTION Birr	LONG TERM PORTION Birr	LONG TERM PORTION 2003 Birr
Barclays Bank (Loan i)	1,598,680,824	73,477,148	1,525,203,676	–
Barclays Bank (Loan ii)	348,327,632	32,035,793	316,291,839	–
Commercial Bank of Ethiopia (CBE i)	160,436,189	–	160,436,189	–
Commercial Bank of Ethiopia (CBE ii)	12,971,368	–	12,971,368	–
Ethiopian Electric Power Corporation (EEPCO)	56,900,683	56,900,683	–	208,919,765
African Development Bank (Ministry of Finance & Economic Development)	32,504,375	16,252,188	16,252,187	32,504,375
Fokker Aircraft B.V.	154,343,891	51,513,382	102,830,509	153,111,640
	2,364,164,962	230,179,194	2,133,985,768	394,535,780

b) Barclays Bank (Loan i)

The amount of Birr 1,598,680,824 represents the outstanding balance at 30 June 2004 of a total loan facility of Birr 1,635,453,457 for financing 85% of the cost of three aircraft and three spare engines. Separate loan agreements were signed for each of the three aircraft and three engines between Ethiopian Leasing Limited (a subsidiary in the Cayman Islands wholly owned by the Enterprise), Barclays Bank, and Export-Import Bank of the United States of America (Ex-IM Bank). The loans are repayable over a period of twelve years in quarterly installments together with interest computed at floating rates. The loans are secured by the guarantee of Ex-IM Bank and pledges on the respective aircraft which are registered in the name of Ethiopian Leasing Limited.

c) Barclays Bank (Loan ii)

The amount of Birr 348,327,632 represents the outstanding balance at 30 June 2004 of a total loan facility of Birr 399,133,628 for financing 12.5% of the above mentioned cost of three aircraft and three spare engines. The remaining 2.5% of the cost is borne by the Enterprise. The loan agreements were signed between Ethiopian Leasing Limited and Barclays Bank. The loans are repayable over a period of four years in quarterly installments together with interest computed at floating rates. The loans are secured against the collateral of two Boeing 757 aircraft which have been sold to Ethiopian Leasing Limited on lease back arrangements (see note 1(h) above).

d) EEPCO and CBE (i)

The balances payable to EEPCO and CBE amounting to Birr 56,900,683 and Birr 160,436,189 respectively represent the outstanding balances in respect of bonds payable amounting to Birr 1,064,120,007. The bonds are repayable in quarterly installments of Birr 30,403,977 starting from 25 February 1997 and ending on 25 November 2004. Interest is to be paid at the rate of 5% per annum. The Enterprise was making settlements to EEPCO upto May 2003 while the Commercial Bank of Ethiopia (CBE) was the guarantor for the said loan. However, the Enterprise signed a new agreement with CBE on 18 November 2003 and it was agreed that CBE would continue making settlements to EEPCO on behalf of the Enterprise as per the original agreement made between the Enterprise and EEPCO. Accordingly, Birr 56,900,683 was fully repaid to EEPCO by the Enterprise in the subsequent year while the remaining Birr 160,436,189 is to be repaid to CBE in quarterly instalments of Birr 29,479,339 starting from 25 February 2006 and ending on 25 November 2007 and interest is to be paid at the rate of 7% per annum.

e) CBE (ii)

The second loan from CBE represents the disbursed portion of Birr 12,971,368 out of a total loan of Birr 164,327,054 which was obtained to finance part of the cost of construction of the cargo terminal and purchase of equipment for the terminal. The loan is repayable over a period of 8½ years after a grace period of one year in quarterly installments of Birr 4,833,149 and interest is to be paid at the rate of 6.5% per annum. The loan is secured against the collateral of the cargo terminal building and related equipment.

f) African Development Bank

The loan from African Development Bank obtained through the Ministry of Finance and Economic Development (MOFED) amounting to BUA 28,200,000 is for the financing of the entire foreign exchange cost of the Ethiopian Airlines Infrastructure Development Project. The loan is repayable to MOFED in Birr in 20 semi-annual installments after a grace period of 5 years commencing 1 July 1996. Interest is to be paid at the rate of the average borrowing cost plus 2.5% per annum on the loan disbursed and outstanding from time to time.

g) Fokker Aircraft B.V.

The credit from Fokker Aircraft B.V. representing the purchase of five Fokker 50 aircraft is repayable in 20 semi-annual installments over a period of 10 years starting 6 months after the dates of delivery of each aircraft. The interest rates are fixed as follows:-

	%
1st Fokker 50	7.69
2nd Fokker 50	7.28
3rd Fokker 50	7.32
4th Fokker 50	7.87
5th Fokker 50	7.64

12. OPERATING REVENUE

		2003
	Birr	Birr
Passenger	2,528,948,252	2,110,786,277
Freight	399,050,978	298,569,084
Charter	179,525,292	138,583,938
Mail	17,003,636	17,421,948
Excess baggage	78,462,378	55,335,225
Commission	7,734,167	7,580,454
Customer services (work orders)	99,630,455	104,301,474
Subsidiaries	41,927,022	41,424,834
Miscellaneous	67,882,689	58,709,993
	3,420,164,869	2,832,713,227

13. OPERATING EXPENSES

		2003
	Birr	Birr
Flying operations	1,171,254,570	949,155,984
Direct maintenance	327,775,910	269,345,496
Depreciation of flying equipment	191,645,915	165,775,378
Rentals-leased aircraft	267,217,912	223,983,216
Promotion and sales	259,571,558	239,861,230
Passenger service	273,293,233	222,254,052
Ground operations	348,832,709	302,154,392
Indirect maintenance	36,785,632	38,379,442
Depreciation	48,448,970	63,332,317
Customer services (work orders)	49,425,349	49,521,281
Subsidiaries	36,431,872	37,161,838
General and administration	140,216,733	136,256,841
	3,150,900,363	2,697,181,467

14. OTHER NON-OPERATING EXPENSES/(INCOME)

		2003
	Birr	**Birr**
Bank charges	13,679,231	11,465,445
Loss /(Gain) on currency fluctuation	1,882,014	(8,860,315)
Loss/(Gain) on disposal of fixed assets	1,560,108	(169,762,774)
Interest income	(7,302,834)	(8,820,516)
Write back of creditors accounts	(16,561,386)	(38,001,101)
Direct write off of debtors accounts	22,341,532	–
Collection of debt written off in earlier years	(42,204,830)	–
Miscellaneous	(51,552,686)	(5,041,467)
	(78,158,851)	(219,020,728)

15. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATIONS

		2003
	Birr	**Birr**
Net profit for the year	231,107,939	276,655,098
Interest income	(7,302,834)	(8,820,516)
Interest expense	45,942,527	36,818,491
Increase in deferred charges	(69,703,053)	(502,597)
Increase in standing deposits	(100,365,440)	(14,396,208)
Loss/(Gain) on disposal of fixed assets	1,560,108	(169,762,774)
Depreciation	240,094,885	229,107,695
Provision for doubtful debts	23,080,036	33,746,553
Provision for stock obsolescence	10,161,478	7,332,346
(Increase)/Decrease in stock	(15,550,656)	1,701,280
Decrease/(Increase) in debtors	211,505,811	(500,926,477)
Increase in creditors	61,838,331	37,874,983
Increase in unearned transportation	63,063,150	157,962,750
Decrease in contribution	(640,334)	(13,685,738)
(Decrease)/Increase in deferred liabilities	(879,365)	1,844,873
Net cash inflow from operations	693,912,583	74,949,759

16. FINANCIAL RISKS

a) Credit risk

Credit risk in relation to a financial instrument is the risk that a customer, bank or other counter-party will not meet its obligations (or not be permitted to meet them) in accordance with agreed terms.

The Enterprise's maximum exposure to credit risk in relation to each class of recognized financial assets, is the carrying amount of those assets as indicated in the balance sheet.

The following table indicates the concentration of credit risk in the Enterprise's investment portfolio.

Security type	**% of total Assets portfolio at 30 June 2004**	**% of total Assets portfolio at 30 June 2003**
Foreign investments		
Holdings of securities	0.34	0.64
Short term deposits	8.02	5.77
Cash with foreign banks	6.54	7.70

b) Interest rate risk

Current borrowings are at fixed and floating rates averaging 6.06% p.a. Investments made by the Enterprise in various international banks generated interest income that covered the cost of borrowing by 15.89% in the year 2004 compared to 23.96% in the previous financial year.

c) Foreign currency risk

About 85% of the monies earned by the Enterprise are in hard and convertible currencies.

17. COMMITMENTS

The Enterprise has commitments, not provided for in these financial statements of:-

– Birr 1,365,918,885 for the purchase of three aircraft and spare engines;
– Birr 151,355,692 for the construction of cargo terminal.

18. CONTINGENT LIABILITIES

The Enterprise has contingent liabilities of Birr 32,494,321, not provided for in these financial statements, in respect of legal actions brought by different organizations and individuals which are contested by the Enterprise. It is not possible to determine the outcome of these actions.

19. STATUS

The Enterprise was established as a public enterprise by Council of Ministers Regulations No. 216/95, amended by Council of Ministers Regulations No. 81/2003. Its principal place of business is in Addis Ababa, Ethiopia, and it has area and station offices all over the world.

20. EMPLOYEES

The Enterprise employed 4,513 staff at 30 June 2004 (2003 – 4,321).

21. RETIREMENT BENEFIT OBLIGATIONS

The Enterprise's employees are eligible for retirement benefits under a defined contribution plan. For the year ended 30 June 2004, the Enterprise contributed Birr 5,553,518 (2003 – Birr 5,129,184) which has been charged to the profit and loss account.

22. RELATED PARTY TRANSACTIONS

Related parties are considered to be other entities that exercise significant influence over the Enterprise's financial and operating decisions or entities over which the Enterprise is able to exercise significant influence in their financial and operating decisions. However, as per the provisions of IAS 24 related parties do not include the government, government departments or agencies.

The Enterprise has no related party transactions except advances to staff amounting to Birr 5,836,023 (2003 – Birr 5,403,059) which are non – interest bearing.

23. STAFF COSTS

Staff costs for the year amounted to Birr 332,435,046 (2003 – Birr 282,247,053) and are included in the various major expense categories.

24. COMPARATIVES

In order to facilitate comparisons, certain of the 2003 figures have been rearranged in these financial statements.

25. DATE OF AUTHORIZATION

The Chief Executive Officer of the Enterprise authorized the issue of these financial statements on 22 February 2005.

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CTO - **City Ticket Office**
APT - **Airport Office**
CAA - **Civil Aviation Authority**
CGO - **Cargo Office**

INTERNATIONAL ROUTE MAP

- Ethiopian Destinations
- Destinations with Special Agreements

ETHIOPIAN DESTINATIONS

Abidjan (Côte d'Ivoire)
Accra (Ghana)
Addis Ababa (Ethiopia)
Amsterdam (Netherlands)
Bamako (Mali)
Bangkok (Thailand)
Beijing (China)
Beirut (Lebanon)
Brazzaville (Congo)
Bujumbura (Burundi)
Cairo (Egypt)
Dar es Salaam (Tanzania)
Delhi (India)
Dire Dawa (Ethiopia)
Djibouti (Rep. of Djibouti)

Douala (Cameroun)
Dubai (UAE)
Entebbe (Uganda)
Frankfurt (Germany)
Guangzhou (China)
Harare (Zimbabwe)
Hargeisa (Somaliland)
Hong Kong (China)
Jeddah (Saudi Arabia)
Johannesburg (S. Africa)
Khartoum (Sudan)
Kigali (Rwanda)
Kilimanjaro (Tanzania)
Kinshasa (D. R. of Congo)
Lagos (Nigeria)

Lilongwe (Malawi)
Lomé (Togo)
London (United Kingdom)
Luanda (Angola)
Lusaka (Zambia)
Mumbai (India)
Nairobi (Kenya)
N'Djamena (Chad)
Paris (France)
Rome (Italy)
Stockholm (Sweden)
Tel Aviv (Israel)
Washington D.C. (USA)

DESTINATIONS WITH SPECIAL AGREEMENTS

Cape Town (South Africa)
Dorval, Montréal (Canada)
Gaborone (Botswana)
Helsinki (Finland)
Jarkata (Indonesia)
Kolkata (India)
Manila (Philippines)
Oslo (Norway)
Ottawa, Ontario (Canada)
Palermo (Italy)
Stockholm (Sweden)
Toronto (Canada)
Vancouver (Canada)
Windhoek (Namibia)
U.S.A.:
Albuquerque, New Mexico

Atlanta, Georgia
Boston, Massachusetts
Chicago, Illinois
Cincinnati, Ohio
Cleveland, Ohio
Colorado Springs, Colorado
Columbia, S. Carolina
Columbus, Ohio
Dallas, Texas
Dayton, Ohio
Denver, Colorado
Detroit, Michigan
Fort Lauderdale, Florida
Houston, Texas
Indianapolis, Indiana
Jacksonville, Florida

Kansas City, Kansas
Las Vegas, Nevada
Little Rock, Arkansas
Los Angeles, California
Memphis, Tennessee
Miami, Florida
Minneapolis, Minnesota
Nashville, Tennessee
New Orleans, Louisiana
New York (USA)
Oklahoma City, Oklahoma
Omaha, Nebraska
Ontario, California
Orlando, Florida
Philadelphia, Pa.
Phoenix, Arizona

Portland, Oregon
Portland, Maine
Rochester, New York
Saint Louis, Missouri
Salt Lake City, Utah
San Antonio, Texas
San Diego, California
San Francisco, California
San Jose, California
Santa Ana, California
Seattle, Washington
Syracuse, New York
Tampa, Florida
Tucson, Arizona

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Budapest
Chisinau
Zagreb
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Sarajevo
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Naples
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Athens
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Nizhniy Novgorod
Kazan
Perm
Yekaterinburg
Ufa
Samara
Omsk
Novosibirsk
Chelyabinsk
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Baghdad
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Abu Dhabi
Muscat
Jeddah
Khartoum
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N'Djamena
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Dhaka
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Male
Yangon (Rangoon)
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Haiphong
Vientiane
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Ho Chi Minh (Saigon)
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Kuala Lumpur
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Jakarta
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Harbin
Jilin
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Zhengzhou
Lanzhou
Xi'an
Huainan
Nanjing
Shanghai
Hangzhou
Chengdu
Wuhan
Chongqing
Changsha
Wenzhou
Fuzhou
Taipei
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Guiyang
Kunming
Guangzhou
Hong Kong
Manila
Sapporo
Tokyo
Kyoto
Yokohama
Osaka
Hiroshima
Fukuoka
Port Moresby
Darwin
Perth
Brisbane
Adelaide
Sydney
Canberra
Melbourne
INDIAN
OCEAN
SOUTHERN OCEAN
Equatorial Scale
0
1000
2000 Miles
0
1000
2000
3000 Kilometres
Ethiopian
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1300 (+1)
1400 (+2)
1500 (+3)
1600 (+4)
1700 (+5)
1800 (+6)
1900 (+7)
2000 (+8)
2100 (+9)
2200 (+10)

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Apt: (255-022) 2844243/2844211-9 ext 2004
Boma Road
PO Box 93 (Arusha), Kilimanjaro
Tel: (255 27) 2504231/2506167/2507512

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Fax: 662-6534370
Apt: Tel: 662-5353298, Fax: 662-5356573

TOGO
Hotel Palm Beach,
1 Rue Komore
PO Box 12923
Tel: (228) 2217074/2218738
Apt: (228) 2261240/2263029
ext 4313/4517
Fax: (228) 2221832
E-Mail: lfwam@ethiopianairlines.com

UGANDA
1 Kimathi Avenue
PO Box 3591, Kampala
Tel: 256-41-254796/97/345577/78
Fax: 256-41-321130/231455
Apt: 256-41-320570/321130/
320555/320516 ext 3052/98
E-Mail: klaetam@africaonline.co.ug

UNITED ARAB EMIRATES
Flat 202, Pearl Bldg.
Beniyas Street
PO Box 7140, Dubai
Tel: 00971-4-2237963/87/2284338
Fax: 00971-4-2273306
Apt: 00971-4 2162833/2166833
CGO: 00971-4-2822880/2163813/
2829477
E-Mail: ethiopin@emirates.net.ae

UNITED KINGDOM
1 Dukes Gate, Acton Lane
London W4 5DX
Tel: 020-8987 7000/9086
Fax: 020-8747 9339
Apt: 020-8745 4234/5
CGO Tel: 020-8754 9080
Fax: 020-8754 9081

UNITED STATES OF AMERICA
Atlanta, Tel: 800-4452733
Boston, Tel: 800-4452733
Miami, Tel: 800-4452733
Dallas, Tel: 800-4452733
Denver, Tel: 800-4452733
Houston, Tel: 800-4452733
Los Angeles, Tel: 800-4452733
Chicago, Tel: 800-4452733
San Francisco, Tel: 800-445 2733
Seattle, Tel: 800-445 2733

New York
336 East 45th Street
3rd Floor, New York, NY10017
Tel: (01)212 8670095
Fax: (01) 212 6929589
Tel: 800-4452733 (toll free)
Apt: (973) 961 8448/961 2280
E-Mail: ealnyc@flyethiopian.com
ewrapt@flyethiopian.com

Washington DC
Dulles International Airport
PO Box 16855
Washington, DC 20041
Tel: (01) 703-5726809/703-572 8740
Fax: (01) 703-5728738

ZAMBIA
Indo Zambia Bank Building
Off Cairo Road
Plot Nbr 6907
PO Box 38392
Tel: (260-1) 236402/3
Fax: (260-1) 236401
Apt: (260-1) 271141/271313 ext 473
Mobile: (260-1) 097 884501
E-Mail: lunam@ethiopianairlines.com

ZIMBABWE
Cabs Centre, 4th Floor
CNR Jason Moyo Ave. 2nd Str.
PO Box 1332, Harare
Tel: (263 4)-790705/6/700735
Fax: (263 4)-795216
Apt: (263-4)-575191
E-Mail: ethre@icon.co.za

Ethiopian Airlines
General Sales Agents

ABU DHABI
Salem Travel Agency
Tel: (009712) 6215600/6218000
Fax: (009712) 6211155

ALGERIA
Air Algeria
Tel: 213-643731

ANGOLA
TAAG (Angola Airlines)

AUSTRIA
Aviareps Airline Management Services GMBH
Tel: 431-5853630
Fax: 431-585363088

BAHRAIN
Bahrain Int'l Travel
Tel: 973-17223315/210175
Fax: 973-17210175

BANGLADESH (Dhaka)
MAAS Travels & Tours Ltd. (42-3-80391)
Tel: 8802-9559852/9568388/9565380
Fax: 8802-9565378

BELGIUM
Air Support Belgium N.V. (Cargo Only)
Tel: 32(0)2-33601681
Fax: 32(0)2-33264325

BELGIUM & LUXEMBOURG
Aviareps (Passengers Only)
Tel: 31-20-520 0281
Fax: 31-20-623 0151

BENIN
Vitesse Voyage (Speed Travel)
Tel: 229-310718

BURUNDI (Bujumbura)
Air Burundi
Tel: 257-224456/223460

CUBA
Cubana
Tel: 53-5287249

CYPRUS
Alomar Travel Co. (for all cities listed)
Limassol
Tel: 05-361680
Fax: 05-344070
Larnaca Airport
Tel: 04-643247
Fax: 04-643165

DENMARK
Khyber International
Tel: 45-33934455
Fax: 45-33933799

FINLAND
GSA Scandinavia (Cargo Only)
Tel: 358-9-818800
Fax: 45-325-054090

FINLAND AND ESTONIA
Matkantekijat Oy/Tourplanners Ltd
(Passengers Only)
Annankatu 16 B, 3rd floor
FI-00120 Helsinki
Tel: +358-9-687 78 940
Fax: +358-9-687 78 910

FRANCE
Globe Air Cargo System (CDG)
Tel: 01-48629703
Fax: 01-48625335

GERMANY (Frankfurt)
ATC Aviation Services (Cargo Only)
Tel: 069-698053-47
Fax: 069-698053-20

GREECE
Gold Star Ltd.
33, Nikis Street, 105 57, Athens
Tel: 0030 210 3246706
Fax: 0030 210 3246723

HONG KONG
Desk Air Ltd. (Cargo Only)
Tel: (852) 28611811
Fax: (852) 28656793

INDIA
Ahmedabad
Sheba Travel Pvt. Ltd.
Tel: (079) 27544056
Fax: (079) 27542317
Pune
Leonard Travels Pvt. Ltd.
Tel: (9520) 26131647/26137690
Fax: (9520) 26130782
Chennai
Shireen Travels (P) Ltd.
Tel: (044) 28150284/28151395/28152591
Fax: (044) 28152591
Bangalore
STIC Travels Pvt. Ltd.
Tel: (080) 22267613/22202408/22256194
Fax: (080) 22202409
Trivandrum/Cochin
STIC Travels Pvt. Ltd.
Tel: (0471) 2310919/2311548/54/2312582
Fax: (033) 2310919

INDONESIA (Jakarta)
PT Ayuberga
Tel: 62-21-835 6214-18
Fax: 62-21-835 3937

IRAN
Iran National Airlines Corp.
Tel: (009821)-6002010
Fax: (009821)-6012941

ITALY
Rome
ATC (Cargo only)
Tel: 06-65010715, 06-65957021
Fax: 06-65010242
Milan
ATC (Cargo only)
Tel: 02506791
Fax: 0255400116

JORDAN
Al Karmel Travel & Tourism Tr. Co
Tel: 962-65688301
Fax: 962-65688302

KUWAIT
Al-Sawan Co. W.L.L.
Tel: 965-2433141
Fax: 965-2453130/2462358

LIBERIA
Trade Management International
(Passengers Only)
Tel: 2316-524452

MALAWI
Sky Direct Ltd.
Tel: 01-633048/634676
Fax: 636518

MALAYSIA (Kuala Lumpur)
Plancongan Abadi SDN BHD
Tel: 03-2426360
Fax: 03-2412322

MALTA
Messers Bajada Enterprises Ltd.
Tel: 00356-21237979
Fax: 00356-237939

MAURITANIA
Agenie Megrebine de Voyages
(Passengers Only)
Tel: (222) 254852/250584
Fax: (222) 252455

MOROCCO (Casablanca)
Skyline International
Tel: 00212-2368322/23
Fax: 212-2369775

MOZAMBIQUE
Globo Tour's LDA (Passengers and Cargo)
Tel: 258-308067/9
Fax: 258-303596

NETHERLANDS
Air Agencies Holland (Passengers Only)
Tel: +31 (10) 2083671
Fax: +31 (10) 2083699
Air Support (Cargo Only)
Tel: 0032 (20) 3164221/4053990
Fax: 0032 (20) 3164243

NORTH KOREA
Cacdprk-Chosen
Minhang
Korean Airlines

NORWAY
Khyber International (Passengers Only)
Tel: 47-22837460
Fax: 47-22837464

OMAN (Muscat)
National Travel & Tourism
Wattayha, Box 962 Muscat
Tel: (968) 566046
Fax: (968) 566125

PAKISTAN (Islamabad)
Tradewinds Associates Pvt. Ltd.,
Islamabad
Tel: 051-2823040/2823350
Fax: 2824030
Lahore
Tel: 042-6305229/6365165
Fax: 042-6314051

PORTUGAL (Lisbon)
Air Travel Management (Passengers Only)
Tel: 351-2 17826580
Fax: 351-2 17826589

PHILIPPINES
Travel Wide Associated Sales, Inc.
(Passengers & Cargo)
Tel: 632 897 0070
Fax: 632 890 6631

QATAR (Doha)
Fahd Travels
Tel: 974 44 32233
Fax: 974 4432266

SAUDI ARABIA
Al Zouman Aviation (for all cities listed)
Jeddah
Tel: 02-6531222
Fax: 02-6534258
Dammam
Tel: 03-8328572
Fax: 03-8349383
Hofuf
Tel: 03-5924637
Fax: 03-5929917
Makkah
Tel: 02-5375081
Fax: 02-5373484
Tabuk
Tel: 04-422142/4221064
Fax: 04-4221816
Yanbu
Tel: 04-3227325/3213819
Fax: 04-3213926
Khamis Mushayat
Tel: 07-2231568
Fax: 07-2211202
Alkhober
Tel: 03-8642084/8642432
Fax: 03-8991539
Alqatif
Tel: 03-8520513
Fax: 03-8520022

SEYCHELLES
Mason's Travel Pty. Ltd.
Tel: 248-324173
Fax: 248-288888

SIERRA LEONE
IPC Travel (Passengers Only)
Tel: 221481/2/3
Fax: 227470

SINGAPORE
Jetspeed Trvls Pvt. Ltd. (32-3 8087 6)
Tel: 65-3378868/3377598/3372953
Fax: 65-3388827

SOUTH KOREA (Seoul)
Woree Express Services Ltd.
Tel: 822-3190059
Fax: 822-7747765

SOUTH AFRICA
Holiday Aviation (Passengers Only)
Tel: 2711-2898000,
Fax: 2711-7871526
Airline Cargo Resources (Cargo only)
Tel: 2711-9794944
Fax: 2711-9794949

SPAIN (Madrid)
Air Travel Management (Passengers Only)
Tel: 0034-91-4022718
Fax: 0034-91-3092203
Madrid (Cargo Only)
Tel: 0034-934904145
Fax: 0034-9349039

SWEDEN (Stockholm)
Khyber International
(Passengers Only)
Tel: (46-8) 4111826
Fax: (46-8) 4111826
GSA Scandinavia (Cargo Only)
Tel: (46-8) 7979840
Fax: (46-8) 7979842

SWITZERLAND
Airnautic (Cargo Only)
Tel: 022/7983040/7995999

SYRIA
Al Tarek Travel & Tourism
(Passengers & Cargo)
Tel: 22-11941/2216265
Fax: 963 1122 35225

TAIWAN
Apex Travel Services Ltd.
(Passengers Only)
Tel: (886) 2 2713 1900
Fax: (886) 2 2718 1057
Global Aviation Services (Taiwan) Inc.
(Cargo Only)
Tel: (886) 2 8712 2113
Fax: (886) 2 8712 3151

THAILAND (Bangkok)
Oriole Travels & Tours Co. Ltd.
(Cargo Only)
Tel: 662-2379201-9
Fax: 662-2379200

TUNIS
Tunis Air
Tel: 2611-785100/288100

TURKEY
Panorama
Tel: (212) 2300990/2309601
Fax: (212) 2309171

UNITED ARAB EMIRATES
Abu Dhabi
Sales Travel Agency
Tel: (009712) 6218000/5600

Dubai
Asian Travel & Tour Agency
Tel: 216 2833/216 6833
Fax: 04-2955315

UNITED KINGDOM AND IRELAND
Air Logistics Limited (Cargo Only)
Tel: 01332-850021
Fax: 01332-811961

USA
Airline Marketing Services
(Cargo Only)
Tel: 17189950232
Fax: 17189957294

YEMEN, THE REPUBLIC OF
Marib Travel & Tourist Agency
Tel: 969-271803/272435/2724436
Fax: 9671-274199

YUGOSLAVIA
Jugoslovenski Aerotransport (JAT)
Tel: 011-683164

Notes ....