

# EGYPTAIR MAINTENANCE & ENGINEERING



Board of Directors



**Eng. Abd El-Aziz Fadel**

*Chairman*

*EGYPTAIR MAINTENANCE & ENGINEERING*

**Eng. Mohamed Abdel Megeed Toubar**

*Advisor to the Ministry of Civil Aviation*

**Eng. Adel Abdel Fattah Hamada**

*VP Safety & Quality*

*EGYPTAIR HOLDING*

**Mr. Mohamed Samir Abdel Khalek**

*VP Finance*

*EGYPTAIR HOLDING*

**Eng. Sameh Anwar Farag**

*Managing Director*

*Smart Company*

**Eng. Mostafa Ragab Omar**

*GM Hanger 7000*

*EGYPTAIR MAINTENANCE & ENGINEERING*

**Eng. Khaled Mohamed Omar**

*GM Advertising & Public Relations*

*EGYPTAIR MAINTENANCE & ENGINEERING*

**Mr. Taha Mohamed El-Heresh**

*EGYPTAIR MAINTENANCE & ENGINEERING*

**Mr. Saeed Ahmed Hamouda**

*EGYPTAIR MAINTENANCE & ENGINEERING*

**Mr. Hamed Maher El-Shewehey**

*Syndicate Representative*

## Chairman's Message

2007/2008 has been a very distinguished year, with final results proving that we are on the right track to achieve our goals. EGYPTAIR MAINTENANCE AND ENGINEERING continues its successful story by taking major forward steps to become the key player in the MRO (Maintenance, Repair and Overhaul) business amongst the region.

With many improvement and development projects being applied and an accelerated workload to meet the fast growing EGYPTAIR fleet and acquisition of new customers, EGYPTAIR MAINTENANCE AND ENGINEERING has revolved its business into new horizons.

Doubling the revenue growth rate, third party revenue going up to 21% of total revenue, a 50% increase in net profit, and leverage net profit margin by 27% are positive, encouraging indicators all for just the year 2007/2008. These outstanding results have inspired us to maintain our momentum in order to be a worldwide recognized MRO, adding value to the EGYPTAIR group.

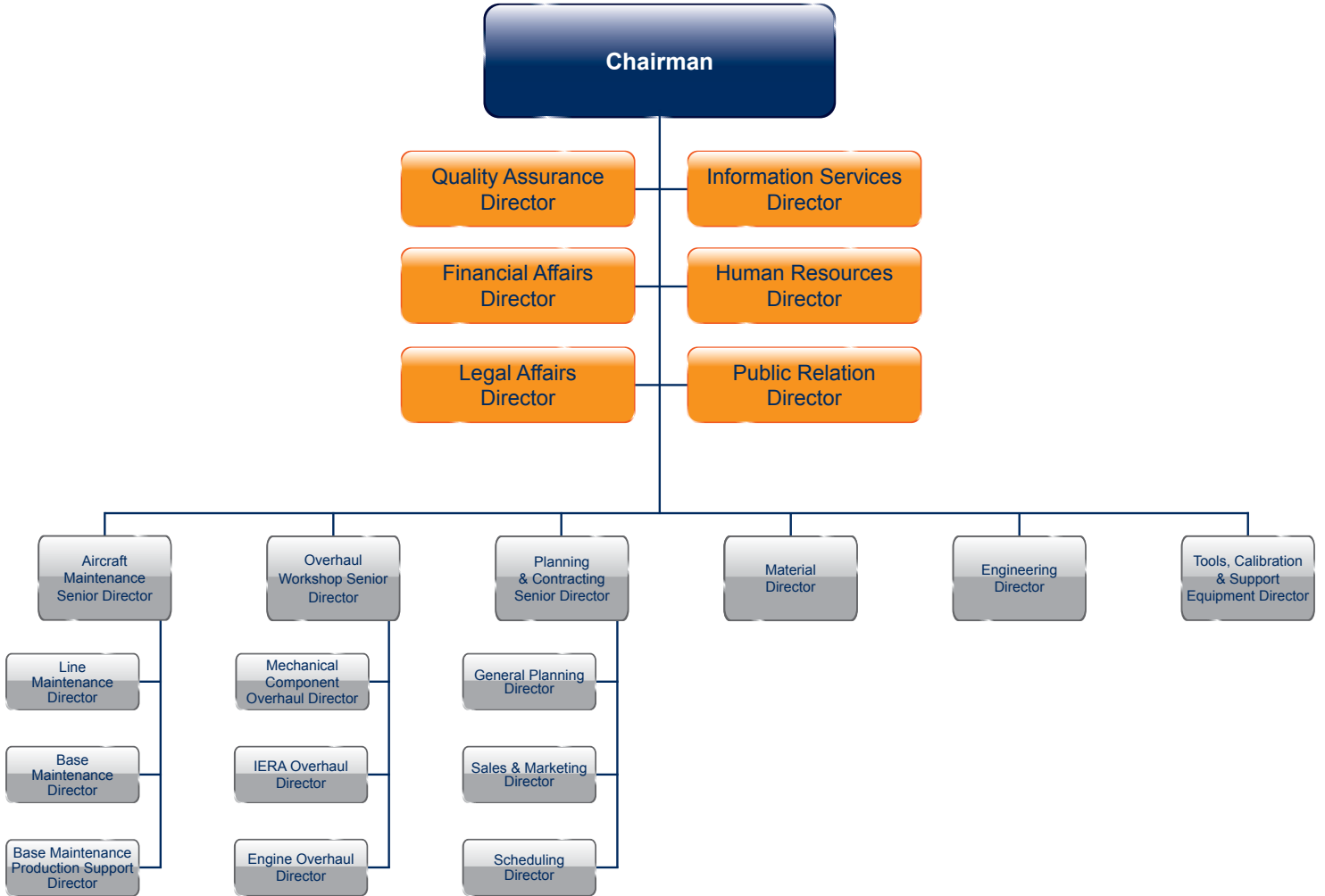
Our staff's ongoing commitment towards company values, Safety, Efficiency, Teamwork, and Continuous Learning is the main catalyst resulting in more customers and over achieving in income and profits.

Massive efforts have been done all through the year with the support of different management levels who all share the belief that development is an endless process which EGYPTAIR MAINTENANCE AND ENGINEERING is a pioneer in.

We are proud with what we have achieved in 2007/2008 and are looking forward to a bright future with confidence and a firm platform.

Eng. Abd El-Aziz Fadel  
Chairman  
EGYPTAIR MAINTENANCE & ENGINEERING

Organizational Chart





## Company Profile

EGYPTAIR MAINTENANCE & ENGINEERING (M&E), is one of EGYPTAIR HOLDING Company's subsidiaries. It is the only full-maintenance, repair and overhaul (MRO) service provider in Egypt. EGYPTAIR M&E achieved an aggressive technology breakthrough in order to be a reputable independent MRO using state-of-the-art technology in providing the maintenance services for different types of aircrafts, aircraft engines & components. EGYPTAIR M&E continues its role to support EGYPTAIR's mixed fleet. EGYPTAIR M&E holds the Egyptian Civil Aviation Approval and EASA Part145 certificate. EGYPTAIR M&E has an authorized capital of LE 500 million and a paid-in capital of LE 330 million distributed over 3,300,000 shares with a value of LE 100 each.

### Main Goals and Objectives (2008/2013):

1. Compound Annual Growth Rate (CAGR) of 14%.
2. Targeting Third Party Revenue to be 25% of total revenue by 2013.
3. Reduce the Unit Cost by 2% Annually.
4. Shifting the organization culture to be Business Orientated, Customer Focus, & Continuous Learning.

### Key Business Strategies:

- Increase the Capacity to cover EGYPTAIR's Fleet Growth.
- Target third-party workload.
- Expand the International Approval.
- Increase the Overhaul Workshops Capability.
- Maximize the Resources Utilization Effectiveness.
- Leverage the productivity and loyalty of EGYPTAIR M&E staff.



## Main Services

EGYPTAIR M&E provides the following MRO services:

### ■ Line and Light/Heavy Maintenance

Provisions of all line and light/heavy maintenance on the types of the following Airbus models are served: A600F, A300B4, A320, A321, A330 and A340;

As are the following Boeing models:

B737-Classic, B737NG, & B777-200

Also the Embraer 170

### ■ Engine Overhaul

Engine Overhaul for V2500A1/A5, CFM-56 5C Support for both old and new generation engines, which include the P&W 4158/4090, IAE V2500 A1/A5, GE CF6-50, CFM-56 3C/5C and Trent 700 models.

### ■ Component Repair and Overhaul

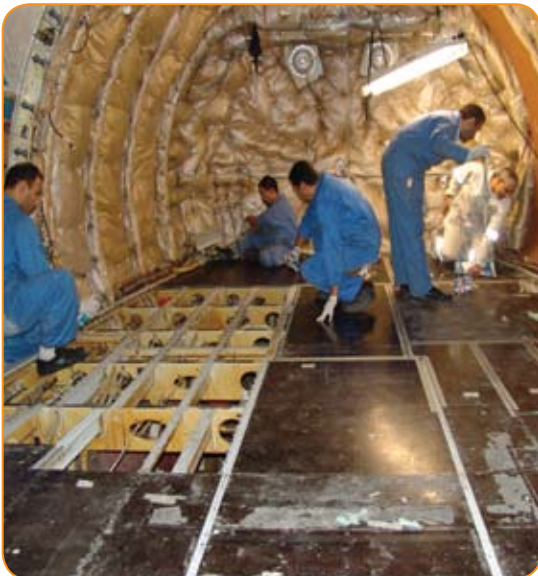
Services on major component groups, such as mechanical components (hydraulics, landing gear, brakes, wheels) and avionic components (ATEC and Radio instruments and electrical systems).

### ■ Calibration Activities

Electrical measurements: DC and AC voltage and current, resistance and pressure measurements, gas and hydraulic gauges, frequency measurement and torque measurement.

### ■ NDT

Provide NDT systems to measure eddy current, ultrasonic, X-ray and gamma ray, penetrant inspection, and magnetic partial inspection.



## Certifications

EGYPTAIR M&E operates in the aviation maintenance, and falls under the jurisdiction of the Egyptian Civil Aviation Authority (ECAA).

EGYPTAIR M&E has all the necessary permits to operate, and has an up-to-date record of inspections. These permits include:

- EASA Part 145 (approval certificate no 0290)
- ECAA Part 145 (approval Certificate no. EGYPTAIR/AS/01/98)
- Calibration Laboratory (approval no. ISO 17025)

These agencies regulate our business in documenting and accounting for safety of all maintenance tasks. In addition, EGYPTAIR M&E is certified according to ISO 9001:2000.

Authorities in many countries approve EGYPTAIR M&E as a service provider including:

- UAE General Civil Aviation Authority
- Kuwait Civil Aviation Authority
- Jordan Civil Aviation Authority
- Director of Civil Aviation of Bermuda





## Projects & Significant Developments in 2007/2008

### Accreditation & Approval

**E**GYPTAIR M&E expanded EASA part145 approval for line maintenance stations to cover Jeddah, Riyadh, Borg El-Arab, & El-Nozha, in addition to the previously approved stations at Cairo, Damam, Sharm El-Sheikh, Hurghada, & Luxor. Also, EGYPTAIR M&E added Boeing/Embraer types to EASA approval in Cairo for Base/Heavy Maintenance as well as Airbus types in the last year. By the end of 2007 EGYPTAIR M&E became one of the biggest companies that were approved by EASA. EGYPTAIR M&E met the requirements to be a certified organization according to ISO 9001:2000.

### Engine Overhaul Workshop

**E**GYPTAIR M&E celebrated the opening of the brand new engine overhaul workshop with 8,000 m<sup>2</sup> space and equipped with high-end technology. Engine overhaul workshop had the capacity of processing around 50 engines per year. By Mar 2008, Engine Overhaul workshop had gained the EASA approval. Engine overhaul workshop has technical capabilities to maintain & overhaul many types of engines. The workshop has a test bed equipped with a 100,000 pound thrust rating.

### Contracted Customers/Operators

**I**n 2007/2008, EGYPTAIR M&E renewed its services agreements with seven customers to provide full technical support services including, planning, engineering, material supply, component repair, line maintenance and base maintenance. EGYPTAIR M&E engaged with 45 customers to provide line-maintenance activities & 15 Customers with 57 base maintenance events. For the first time, base maintenance is working with two shifts to minimize the down time.

### Overhaul Workshop Capability Increase

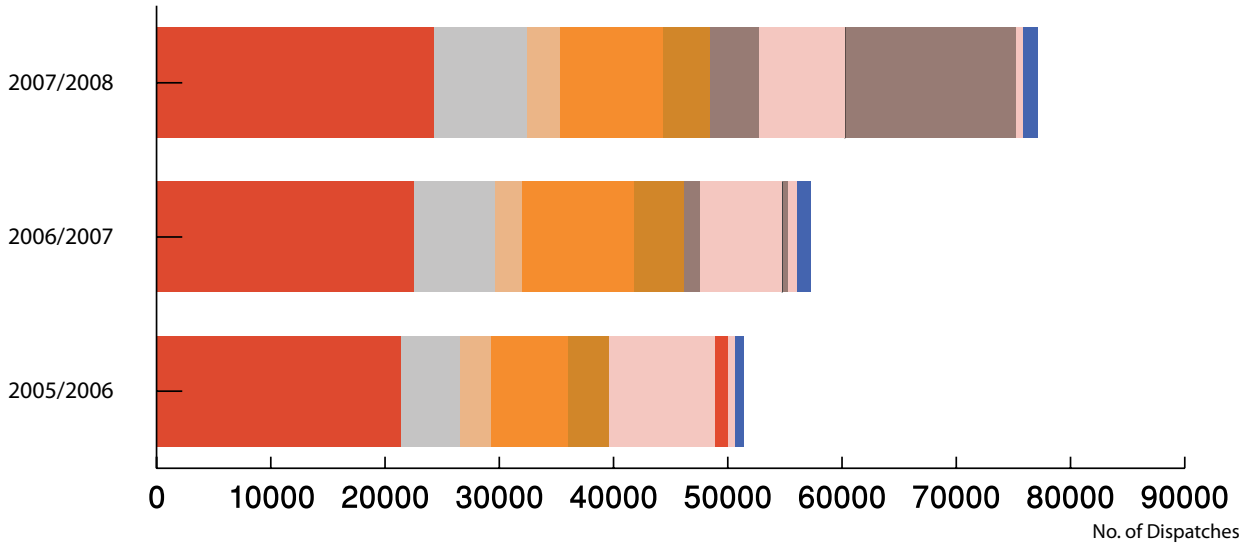
**E**GYPTAIR M&E Increased the overhaul workshop capability by adding new equipment like Water Faucets tester, hydrostatic tester for oxygen bottles, & upgrade ATEC5000 software, in addition to all the special tools required for Components & Engines overhauls shops.





Statistics

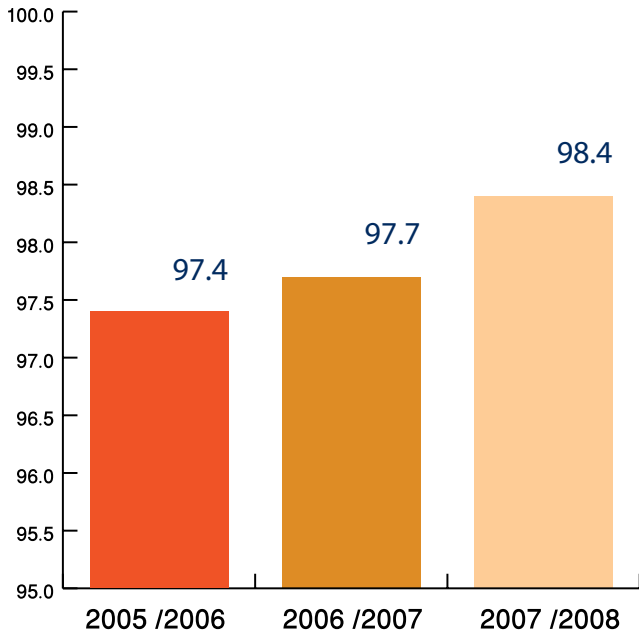
**EGYPTAIR Fleet Annual No. of Dispatches per type**



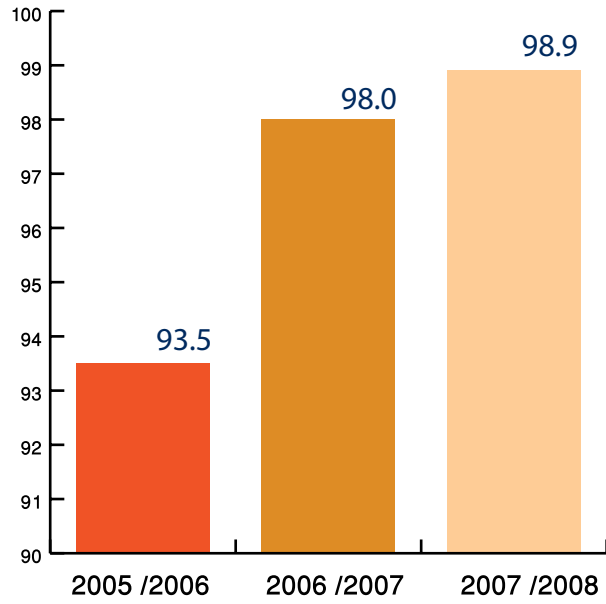
	2005 /2006	2006 /2007	2007 /2008
<b>A 320</b>	<b>21352</b>	<b>22535</b>	<b>24273</b>
<b>A 321</b>	<b>5164</b>	<b>7026</b>	<b>8111</b>
<b>A 340</b>	<b>2728</b>	<b>2374</b>	<b>2928</b>
<b>A 330</b>	<b>6733</b>	<b>9872</b>	<b>8931</b>
<b>B 777</b>	<b>3804</b>	<b>4334</b>	<b>4105</b>
<b>B 737 / 800</b>		<b>1371</b>	<b>4354</b>
<b>B 737 / 500</b>	<b>7606</b>	<b>7262</b>	<b>7539</b>
<b>A 600</b>	<b>2463</b>	<b>0</b>	<b>0</b>
<b>E 170</b>		<b>403</b>	<b>14969</b>
<b>A 300 B4F</b>	<b>749</b>	<b>860</b>	<b>588</b>
<b>A 600F</b>	<b>664</b>	<b>1147</b>	<b>1352</b>

## Average Yearly Serviceability

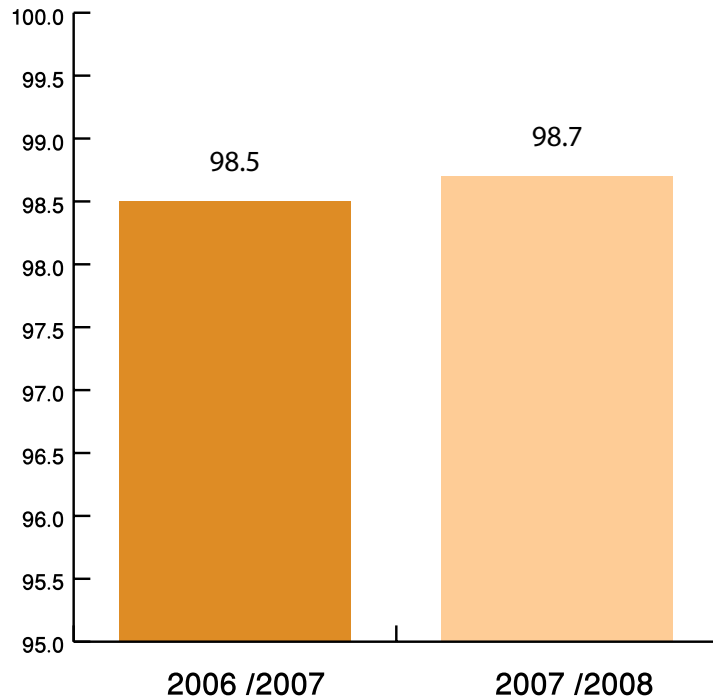
### EGYPTAIR AIRLINE's Fleet



### EGYPTAIR CARGO's Fleet



### EGYPTAIR EXPRESS's Fleet



## Financial Statements

**EGYPTAIR MAINTENANCE & ENGINEERING Statement of Financial Position at 30/6/2008 (000EGP)**

PARTICULARS	2006/2007	2007/2008
<b><u>Long-Term Assets</u></b>		
Fixed assets (net)	302,449	404,868
Projects in progress	128,464	46,904
Long-term investments	1,925	2,975
Long-term loans and debit balances	4,477	4,326
<b>Total long-term assets (1)</b>	<b>437,315</b>	<b>459,073</b>
<b><u>Current assets</u></b>		
Stock	515,691	539,452
Customers, notes receivables and debit accounts	342,356	303,394
Cash in banks and in hand	18,119	43,064
<b>Total current assets</b>	<b>876,166</b>	<b>885,910</b>
<b><u>Current liabilities</u></b>		
Provisions	2,168	2,897
Creditor banks		
Suppliers, notes payable and credit accounts	852,145	821,831
<b>Total current liabilities</b>	<b>854,313</b>	<b>824,728</b>
<b>Working capital (2)</b>	<b>21,853</b>	<b>61,182</b>
<b>Total investment (1+2)</b>	<b>459,168</b>	<b>520,255</b>
Financed as follows:		
Issued capital	330,000	330,000
Paid up capital-reserves	129,168	185,506
<b>Total equity (3)</b>	<b>459,168</b>	<b>515,506</b>
<b>Long-Term liabilities(4)</b>		<b>4,749</b>
<b>Total financing of investment (3+4)</b>	<b>459,168</b>	<b>520,255</b>



## EGYPTAIR MAINTENANCE & ENGINEERING Profit and Loss Account (July 2007 - June 2008) 000EGP

### COSTS & EXPENDITURES

PARTICULARS	2006/2007	2007/2008
Raw material, requisites, fuel & spare parts	141,656	172,113
Wages	177,657	208,685
Expenditures	248,949	275,126
Purchases of goods for sales		
Burdens & losses	18,946	46,466
<b>Total cost and Expenditures</b>	<b>587,208</b>	<b>702,390</b>

### REVENUES

PARTICULARS	2006/2007	2007/2008
Activity revenues	650,742	780,272
Grants & donations		
Other revenues & profits	8,692	31,695
Investments revenues & Interests	718	1,469
<b>Total Revenues</b>	<b>660,152</b>	<b>813,436</b>
<b>Surplus or Deficit</b>	<b>72,944</b>	<b>111,046</b>

