

BOARD OF DIRECTORS

Eng. Mostafa Hassan El Gammal
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EGYPTAIR IN – FLIGHT SERVICES

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Chairman
EGYPTAIR MEDICAL SERVICES

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Manager, Governmental and International Relations
Manger Food and Beverages, Fairmont

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EGYPTAIR HOLDING

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EGYPTAIR AIRLINES

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Vice Chairman
EGYPTAIR IN – FLIGHT SERVICES

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Advisor to The Chairman
EGYPTAIR IN – FLIGHT SERVICES

Mr. Aly Mohamed Ghonim Wally
GM Human Resources
EGYPTAIR IN – FLIGHT SERVICES

Mr. Ezat Hosny Mohamed Salama
GM Production
EGYPTAIR IN – FLIGHT SERVICES

Mr. Mohamed Fatouh Atteya
Syndicate Representative



Chairman's Message

EGYPTAIR IN-FLIGHT SERVICES is a leading company in providing in-flight services for passengers aircraft whether during their flight or within the airport. The company prepares food and beverages as per menus agreed upon with the airline companies, taking into consideration the needs and desires of the passengers. The company provides in-flight sales of custom-free items which are carefully selected from the best global brands to satisfy all sorts of tastes. Moreover, the company manages cafeterias and restaurants in most of the Egyptian airports, providing the best food and beverage services for airport-goers. EGYPTAIR IN-FLIGHT SERVICES also partners with some companies that have international commercial brands within the cafeteria management arena. EGYPTAIR IN-FLIGHT SERVICES has various auditoriums that are well-equipped with the latest audio-visual devices for holding conferences, seminars, training courses and ceremonies for all Civil Aviation companies as well as other companies.

EGYPTAIR IN-FLIGHT SERVICES takes pride in the obtainment of certificates of quality in the field of food safety, including the (ISO 22000) and Global Quality (ISO 9001 – 2004). During 2008/ 2009, the company implemented several achievements of paramount importance in various aspects including developing infrastructure of the Cairo Catering complex, purchasing new equipment and machinery, enriching the vehicle fleet, as well as enhancing the domestic catering units, restaurants and cafeterias.

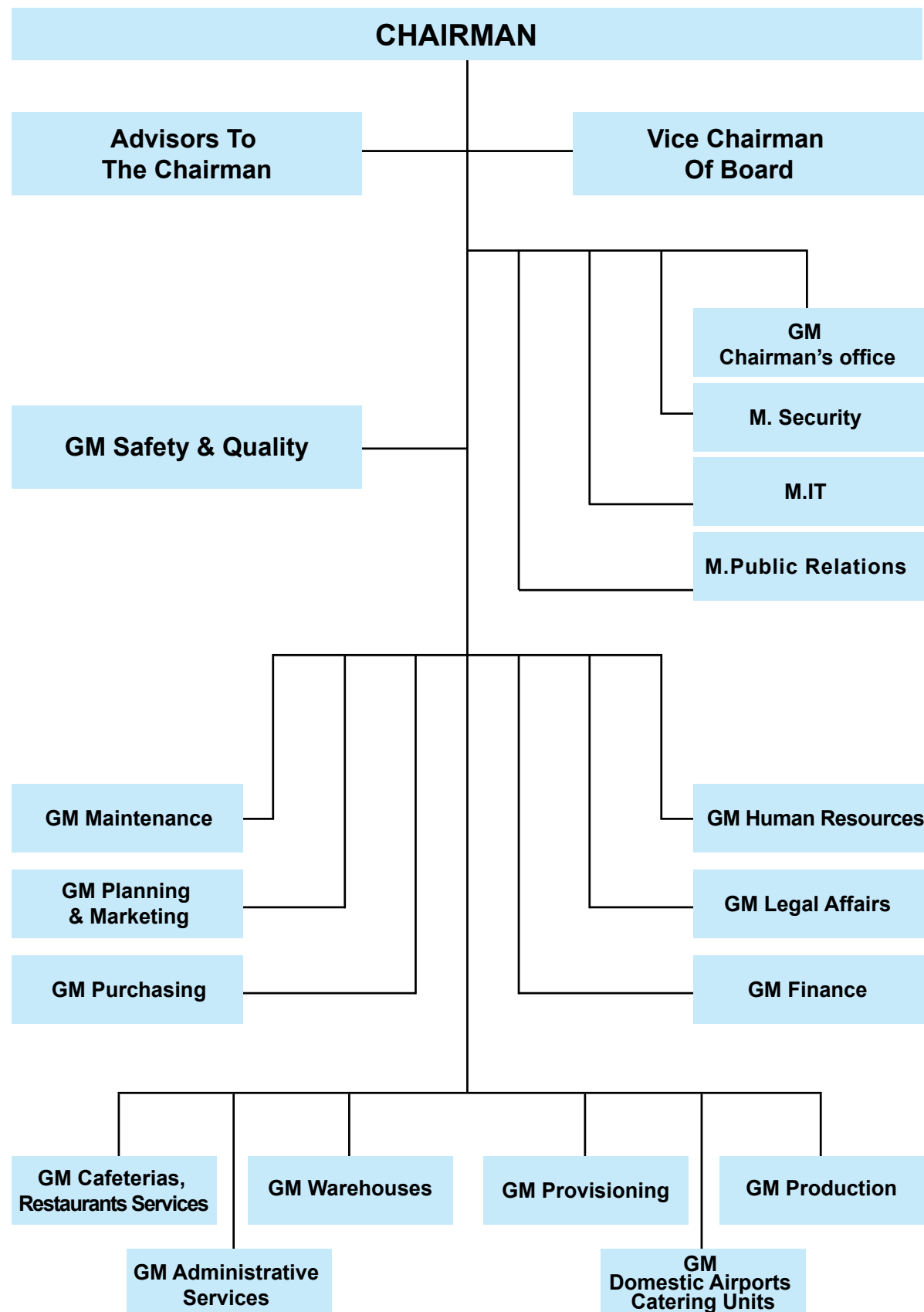
Another major achievement is the inauguration of LSG Sky Chefs Catering – Egypt, the new joint venture company, which commenced by signing its agreements on 14/ 1/ 2009 with a capital of 10 million dollars. It is a joint venture between EGYPTAIR IN-FLIGHT SERVICES with 70% of shares, Egyptian Aviation Services with 15% of shares, and LSG Lufthansa Service Europa/Afrika GMBH with 15% of shares. This new company is considered a strong boost in the in-flight services arena in Cairo International Airport as it will operate in the first phase from TB(2) until a new building is established for it in TB(3) which is expected to be finished in year 2012.

Year 2009/ 2010 will witness an upgrade in the quality of EGYPTAIR IN-FLIGHT SERVICES due to future developments in several arenas, such as; temperature control in production areas via replacing the central conditioning system, adjusting chillers and freezers in terms of precision, controlling the building ports to prevent the entry of any insects. Moreover, the electrical power will increase to face the increase in consumption resulting from the installment of new machines in different production areas and in preparation of the purchase of new equipment for dishwashing, laundry, bakery, and pastry. As for the vehicle fleet, it will be enriched by 26 chilled high loaders over three years. The IT system will be upgraded as well via the establishment of a new information network for in-flight services and an integrated system for data entry, follow-up, analysis, cycle among various departments. The domestic catering units will expand as a result of the opening of new catering units in Borg El Arab and Luxor Airports in addition to the expansion of the Hurgada Catering Unit. Moreover, year 2009 /2010 will witness the inauguration of new cafeterias and restaurants in Borg El Arab and Assuit Airports in synchronization with studying the issue of branding EGYPTAIR IN-FLIGHT SERVICES' cafeterias.

Eng. Mostafa Hassan El Gammal
Chairman
EGYPTAIR IN-FLIGHT SERVICES

M. H. EL G

ORGANIZATION CHART



COMPANY PROFILE

EGYPTAIR IN-FLIGHT SERVICES pioneered the business in 1958, although it started as a division called: «Aircraft Services and Catering Division». Then, with the restructuring of EGYPTAIR in 2002, it became an affiliate company known as «EGYPTAIR IN-FLIGHT SERVICES» providing in-flight services for the entire fleet of EGYPTAIR as well as other airlines. It also provides sales on board, manages cafeterias and restaurants, manufactures dry ice, and provides laundry services as well as outside catering.

EGYPTAIR IN-FLIGHT SERVICES STRATEGIC GOALS

- **Financial Goals**
- **Operational Goals**
- **Customer Satisfaction**
- **HR Development**

Strategic Plan to Implement Company's Goals

- **Financial Goals**
 - Increase annual revenue growth rate.
 - Reduce unit costs by 2% per year
 - Increase third-party shares to 70%.

- **Operational Goals**
 - Reduce products and services defects rate by 50% per annum.

- Enhancing the supply cycle by 5% annually
- Reduce flight delays due to in-flight services by 50% per annum.

- **Customer Satisfaction**
 - Increase customer satisfaction rate
 - Reduce the proportion of customer complaints
 - Retain existing customers of the company and gain ten new customers in Cairo each year, and five new customers in Hurghada and Sharm El-Sheikh each year
 - Increase market share by 2% per year

- **HR Development**
 - Provide 40 theoretical training hours and 20 cross training hours per annum for all employees.
 - Provide IT training for 70% of employees.
 - Improve the quality culture for all employees.

EGYPTAIR IN-FLIGHT SERVICES



EGYPTAIR IN-FLIGHT SERVICES ACHIEVEMENTS

1. Quality

- ISO 9001 Certification of Quality Management System Maintaining the high standards needed with this valuable international recognition, strengthens our efficiency and enhances customer satisfaction through the effective application of the system, including processes for continual improvement.
- ISO 22000 Certification of Food Safety Management System. Achieving the ISO 22000 enabled EGYPTAIR IN-FLIGHT SERVICES to ensure effective interactive communication throughout the food chain in order to deliver safe food products to the final customer.

2. Cairo Catering Complex (November08 - September 09)

- EGYPTAIR IN-FLIGHT SERVICES attained major achievement in the comprehensive renovation of the Cairo Catering Complex which included both Production and Non-production areas.
- A new Catering Supply Unit in TB3 area has been established to provide aircraft with any additional requests before flight departure.

3. Equipments and Machines

New equipments and machines have been purchased for the upgrading of the following areas:

- Laundry Area
- Dishwashing Area
- Trolleys Washing Area
- Hot and Cold Kitchen Area
- New Pastry and Bakery Areas

4. Vehicles Fleet

- A contract has been signed with the German company DOLL in order to import 18 Chilled High Loaders that participate in the elevation of the levels of the company's services as they are responsible for transferring food and beverages to the aircraft without spoiling them
- Purchasing air-conditioned vans, which are used for transferring the linens and any additional requests in the supplies to the aircraft before their taking off
- Purchasing refrigerated and non refrigerated vans that help in transferring the supplies from Cairo Complex or local markets to the domestic airport catering units, cafeterias, restaurants, and lounges in the Terminal Buildings of the Cairo Airport
- Purchasing buses for employees transportation in Cairo and the other domestic airports Catering Units

5. IT & Communication

- Increasing the capacity of phone lines
- Providing a Hot Line with the airport fire brigade
- Increasing the numbers of the computers, printers, and scanners that participate in the elevation of the levels of the business's efficiency
- Providing Data Shows for the Main Meeting Room and Kamal Olwy Hall.
- Increasing the fixed and non-fixed wireless devices in the whole company.
- Installation of Internal Control Cameras
- Installation of information systems in the Financial and Legal Affairs Departments.

6. Cafeterias, Restaurants, and Lounges Services

- Developing the transit area Cafeteria in TB1 & TB2.
- Developing Horus Hall and the main restaurant in TB2

7. Human Resources

- Providing a new organizational structure for the company to be activated after approval.
- Holding various training courses for the employees
- Appointment of additional employment.
- Updating and developing the uniforms of the staff.

8. Partnership Projects

- Establishing a new joint venture called «LSG Sky Chefs Catering Egypt» with capital at 10 million dollars. EGYPTAIR IN-FLIGHT SERVICES owns 70%, EAS with 15%, and LSG with 15% in order to provide In-flight services for the aviation companies.
- The catering unit of this joint venture will be managed by LSG and its products will have the same trademark of LSG products for its universal reputation in international airports all over the world.
- The new company will establish an in-flight services unit in the zone of TB3 area. This unit will meet the highest technology levels in this field and its production will cover the expected increase in the air traffic from Cairo Airport.
- The new company will provide in-flight services including meals and beverages for Star Alliance members' flights including EGYPTAIR flights operating from TB3. These services will be in accordance with quality standards that cope with the needs of this alliance. It also will provide the services to the flights operating from TB2.



EGYPTAIR IN-FLIGHT SERVICES





FINANCIAL STATEMENTS

EGYPTAIR IN-FLIGHT SERVICES
Statement of Financial Position at 30 /6 /2009 (EGP 000)

PARTICULARS	2007/2008	2008/2009
Long -Term Assets		
Fixed assets (net)	42,224	58,925
Projects in progress	10,021	14,686
Long-term investments	1,488	6,921
Long-term loans and debit balances	4,246	3,657
Total long - term assets (1)	57,979	84,189
Current assets		
Stock	25,743	28,575
Customers, notes receivables and debits accounts	68,762	53,620
Cash in banks and in hand	5,371	18,458
Total current assets	99,876	100,653
Current liabilities		
Provisions	4,045	1,297
Creditor banks		
Suppliers, notes payable and credit accounts	2,584	37,898
Total current liabilities	6,629	39,195
Working capital (2)	93,247	61,458
Total investment (1+2)	151,226	145,647
Financed as follows:		
Issued capital	50,000	50,000
Paid up capital-reserves	100,583	94,978
Total equity (3)	150,583	144,978
Long -Term liabilities(4)	643	670
Total financing of investment (3+4)	151,226	145,648

EGYPTAIR IN-FLIGHT SERVICES
Profit and Loss Account at 30 /6 /2009 (EGP 000)

COSTS & EXPENDITURES

PARTICULARS	2007/2008	2008/2009
Raw material, requisities, fuel & spare parts	117,756	145,378
Wages	66,446	86,100
Expenditures	37,057	43,328
Purchases of goods for sales	53,559	54,999
Burdens & losses	20,717	19,675
Total cost and Expenditures	295,535	349,480

REVENUES

PARTICULARS	2007/2008	2008/2009
Activity revenues	358,887	402,774
Gants & donations		
Other revenues & profits	26,931	8,565
Investments revenues & interests	556	580
Total Revenues	386,374	411,919
Surplus or Deficit	90,839	62,439

