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Syndicate Representative



## Chairman's Message

By the end of 2008 /2009 EGYPTAIR MAINTENANCE & ENGINEERING sustained profitable growth and achieved more than 1 billion EGP in terms of revenue and nearly 200 million EGP as profit for the first time since EGYPTAIR restructured. We continued to expand our customer base up to 68 customers and increased third party revenue by 14%.

EGYPTAIR MAINTENANCE & ENGINEERING moved to a new horizon as we celebrated the release to service of the first engine overhaul at the brand new engine overhaul facility. This world class facility is managed by the new company, Egypt Aero Management Services (EAMS), a joint venture company with Rolls-Royce.

EGYPTAIR MAINTENANCE & ENGINEERING successfully reallocated its base of operation to the new Terminal TB3 at Cairo International Airport to support EGYPTAIR's fleet. In addition to receiving the EASA approval for the line station at Dubai, which increased the number of approved line stations to 8 stations, four of them being international line stations. Also, EGYPTAIR MAINTENANCE & ENGINEERING

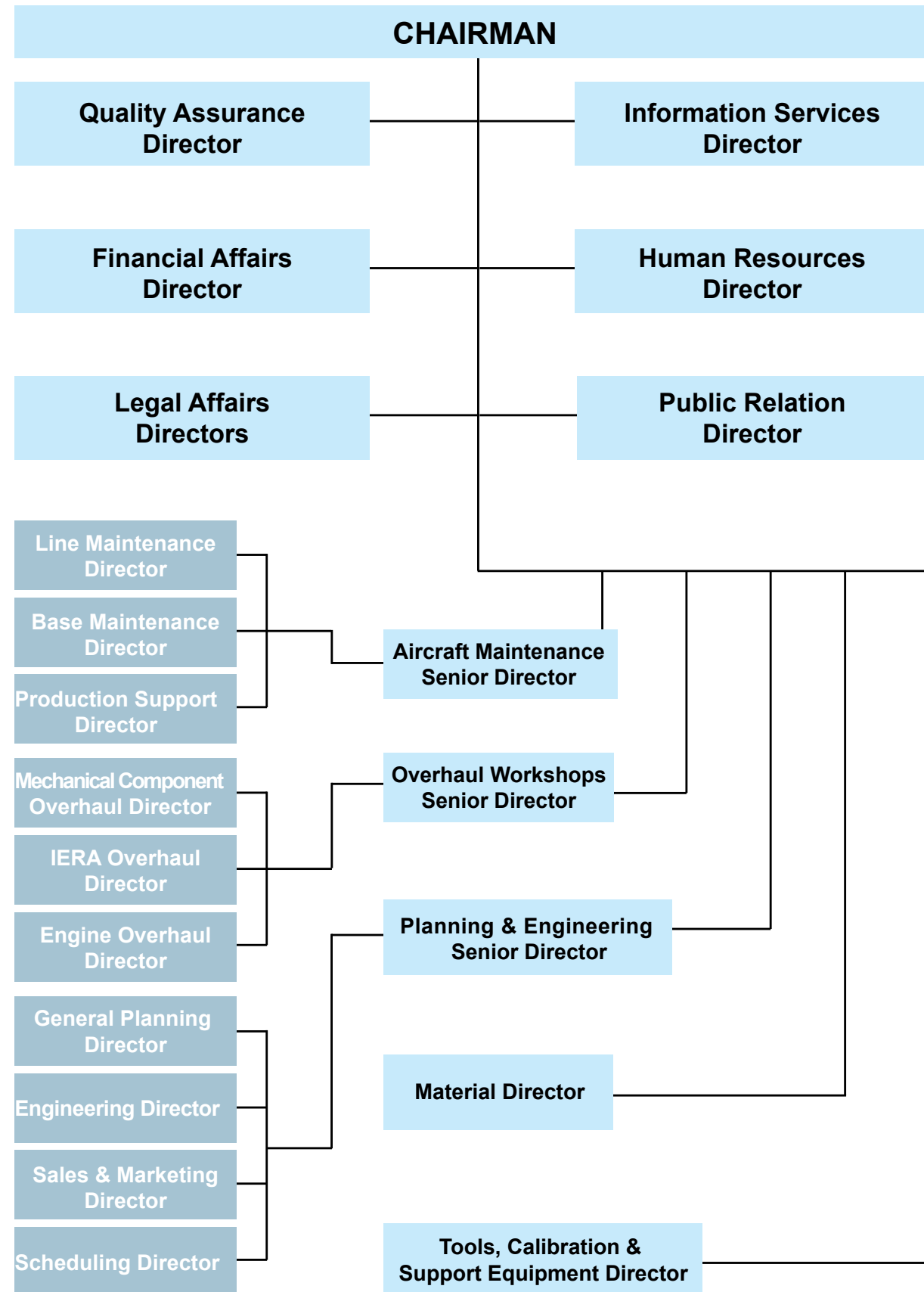
received a nomination as "the Best Airline Third Party MRO" in the year's Aviation Industry Awards by the prestigious Overhaul & Maintenance Magazine.

EGYPTAIR MAINTENANCE & ENGINEERING increased its capability to accommodate two new fleet types B777/ 300-A330/ 300 and added new capability for testing, repairing and overhauling of aircraft's components for all of EGYPTAIR fleet types.

Lastly, we recently launched an ambitious modernization program to reposition EGYPTAIR MAINTENANCE & ENGINEERING in the global MRO market leveraging the-state-of-art of IT solution and our main competitive advantages. We are very confident in our potential capability to achieve EGYPTAIR MAINTENANCE & ENGINEERING's vision to become one of the leading MRO at the region.

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

# ORGANIZATION CHART



## COMPANY PROFILE

EGYPTAIR MAINTENANCE & ENGINEERING is one of EGYPTAIR HOLDING Company's subsidiaries. It is also the only full-maintenance, repair and overhaul (MRO) service provider in Egypt. EGYPTAIR MAINTENANCE & ENGINEERING achieves an aggressive breakthrough in order to be a reputable independent MRO using the state-of-the-art in providing maintenance services for different types of aircraft, aircraft's engines and components. EGYPTAIR MAINTENANCE & ENGINEERING continues its role to support EGYPTAIR's fleet. EGYPTAIR MAINTENANCE & ENGINEERING holds the Egyptian Civil Aviation Approval and EASA Part145 certificate. EGYPTAIR MAINTENANCE & ENGINEERING has authorized capital amounting to 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's culture to be more business oriented, customer focused, and involved in continuous learning.

### Key Business Strategies:

- Increase the capacity to cover EGYPTAIR's Fleet Growth
- Target third-party workload
- Expand international approval
- Increase the overhaul workshop's capability
- Maximize the resource utilization effectiveness
- Leverage the productivity and loyalty of EGYPTAIR MAINTENANCE & ENGINEERING staff

**MAIN SERVICES**

EGYPTAIR MAINTENANCE & ENGINEERING provides the following MRO services:

**Line and Base Maintenance**

Provisions of all line and base maintenance on the types of the following:

Airbus models: A320Family, A330, A340-300/200-, A300-600 and A300B4

Boeing models: B737-Classic, B737NG, & B777series

Also the Embraer 170

**Engine Overhaul**

V2500 A1/A5 and CFM56- 5C: quick engine change (QEC) strip and build, modular replacement and engine core overhaul.

CFM56 -3C, PW 4090/ 4158, JT9 and Trent 700: quick engine change (QEC) strip and build and modular replacement under ECAA approval.

**Component Repair and Overhaul**

Services on major component groups, such as mechanical components (hydraulics, 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 MAINTENANCE & ENGINEERING operates in the aviation maintenance, and falls under the jurisdiction

of the Egyptian Civil Aviation Authority (ECAA). EGYPTAIR MAINTENANCE & ENGINEERING has all 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. Authorities in many countries approve EGYPTAIR MAINTENANCE & ENGINEERING as service provider such as:

- UAE General Civil Aviation Authority (GCAA)**
- Kuwait Civil Aviation Authority (DGCA)**
- Jordan Civil Aviation Authority (JCAA)**
- Director of Civil Aviation of Bermuda (DCA)**
- Qatar Civil Aviation Authority (QCAA)**
- Libya Civil Aviation Authority (LCAA)**
- Pakistan Civil Aviation Authority (PCAA)**
- Bahrain Civil Aviation Affairs (BCAA)**
- Oman Directorate General of Civil Aviation and Meteorology (DGCAM)**
- Civil Aviation Authority Cayman Island**
- Sudan Civil Aviation Authority (SCAA)**
- Saudi Presidency of Civil Aviation (PCA)**
- The State Civil Aviation Authority of the Russian Federation (SCAAR)**
- U.S. Department of Transportation (DOT)**



**PROJECTS AND SIGNIFICANT EVENTS IN 2008/ 2009 Accreditation & Approval**

EGYPTAIR MAINTENANCE & ENGINEERING is continuously expanding its approved line maintenance stations network, recently covering Dubai, U.A.E. in addition to the previously approved stations at Jeddah, Riyadh, Damam, Borg El-Arab, El-Nozha, Cairo, Sharm El-Sheikh, Hurghada and Luxor. Also, EGYPTAIR MAINTENANCE & ENGINEERING already has EASA approval for Base Maintenance related to aircraft types A320Family, B737NG/classic, A330/A340, B777 series and Embraer 170 up to heavy checks. EGYPTAIR MAINTENANCE & ENGINEERING has become one of the biggest companies approved by EASA. EGYPTAIR MAINTENANCE & ENGINEERING fulfills the requirement of being a certified organization according to ISO 9001:2000

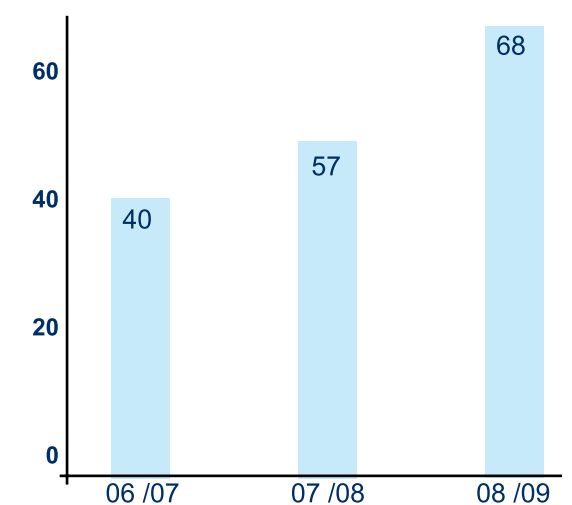
**Engine Overhaul Workshop**

EGYPTAIR MAINTENANCE & ENGINEERING celebrated the inauguration of a new company, Egypt Aero Management Services, based at Cairo International Airport. It is a joint venture between EGYPTAIR MAINTENANCE & ENGINEERING (40%), EGYPTAIR HOLDING Company (10%) and Rolls Royce Overseas Holdings Limited (50%). After gaining EASA approval in March 2008, EGYPTAIR MAINTENANCE & ENGINEERING celebrated the release of its first CFM56- 5C engine overhauled at the new facility. The engine overhaul workshop has the capacity of processing around 50 engines per year within its 8,000 m<sup>2</sup> highly equipped facility, in addition to having a test cell equipped to accommodate engines up to 100,000 pounds of thrust.

**Our Customers Base**

In 2008/ 2009, EGYPTAIR MAINTENANCE & ENGINEERING gained new customers with diversity of work scope varying from total care agreement, base maintenance checks, components support and ramp maintenance at Cairo international base or through our domestic line station network, even by our approved outstations. EGYPTAIR MAINTENANCE & ENGINEERING is proud to be contracted with 68 customers.

**NUMBER OF CUSTOMERS**



**EGYPTAIR MAINTENANCE & ENGINEERING was nominated the Best Airline Third Party MRO – alongside AFI / KLM E&M and Lufthansa Technik - in the year's Aviation Industry Awards.**

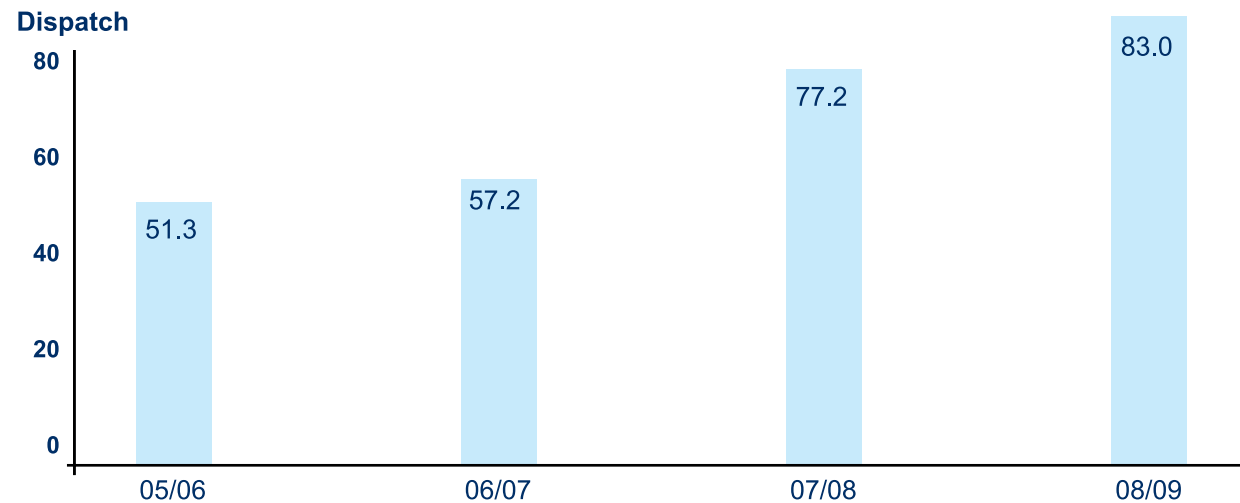
EGYPTAIR MAINTENANCE & ENGINEERING



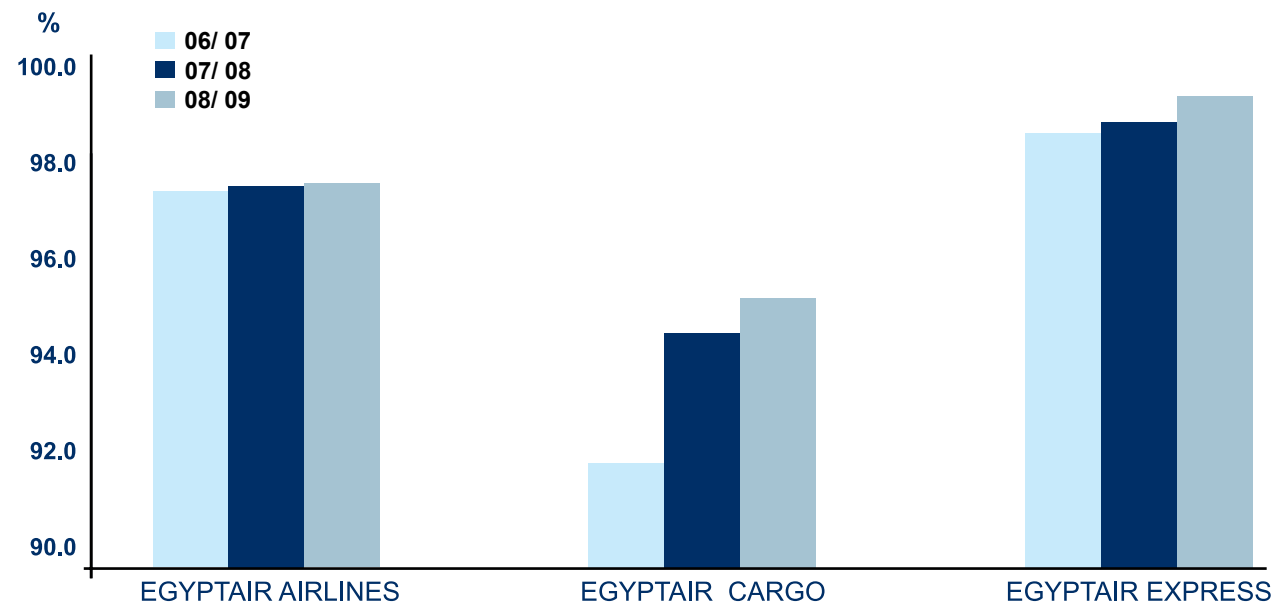
**Overhaul Workshop Capability**

EGYPTAIR MAINTENANCE & ENGINEERING increased their overhaul workshop capability by adding Cargo PDU (Power Drive Units) tester, Heat Exchanger test stand, IDG tester, erecting a new workshop for Galley inserts and obtaining the DOT approval for pressurized cylinders. In addition to all the required special tools for Components & Engines overhaul shops.

**NUMBER OF DISPATCHES FOR EGYPTAIR FLEET**



**TECHNICAL DISPATCH RELIABILITY FOR EGYPTAIR FLEET**



**EGYPTAIR MAINTENANCE & ENGINEERING hosted 99th IATP Conference**

EGYPTAIR MAINTENANCE & ENGINEERING hosted successfully the 99th IATP Conference, which was held for the first time in Cairo from the 3rd to the 7th of March 2009. EGYPTAIR MAINTENANCE & ENGINEERING organized the activities of this conference. The conference was attended by 420 delegates from all over the world representing more than 120 airlines as well as 50 companies in the field of aviation services. All the participants praised the great organization and the wonderful arrangements, which included different workshops and seminars as well as mutual agreements. The attendees conducted a field visit to the EGYPTAIR MAINTENANCE & ENGINEERING facilities.



**EGYPTAIR MAINTENANCE & ENGINEERING hosts the biggest African MRO conference and exhibition in Egypt**

Due to the great development in the Egyptian civil aviation field, especially in the last period which became a tangible reality as well as getting the EASA certificate and its international compatibilities, EGYPTAIR MAINTENANCE & ENGINEERING became among the best specialized companies in the MRO field.

EGYPTAIR MAINTENANCE & ENGINEERING hosted the 17th Annual African Aviation Conference & Exhibition «MRO Africa 2008» in Cairo. EGYPTAIR MAINTENANCE & ENGINEERING was chosen to host because of the fruitful cooperation between EGYPTAIR MAINTENANCE & ENGINEERING and other African MRO companies.

This conference was held under the patronage of aircraft manufacturers such as Boeing as well as other maintenance companies. More than 200 participants from African, European, Asian, and Arab companies took part in this event. The conference included some important discussions about the issues that face African airlines in the field of maintenance and engine overhaul on the African level. The conference activities included a visit to the engine complex, mechanical component workshops, storehouse complex and Hangar 8000.



**The U.S. Trade and Development Agency (USTDA) has funded a technical assistance project to support the ICT Modernization**

The U.S. Trade and Development Agency (USTDA) had approved non-reimbursable grant to fund a technical assistance on the proposed strategic business Operation and ICT Modernization for EGYPTAIR MAINTENANCE & ENGINEERING. The project aims to improve and enhance EGYPTAIR MAINTENANCE & ENGINEERING performance, while focusing on redefining the business mission and vision, and developing a change plan that will be implemented for EGYPTAIR MAINTENANCE & ENGINEERING. Accordingly, this project is considered a plan to maximize profitability, improve performance and reduce costs based on the best industry practices and to also consider and recommend how investments in the ICT will improve performance (including the current Maintenance, Repair and Overall (MRO) solution), while reducing costs and providing improved support to all internal and external functions.

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EGYPTAIR MAINTENANCE & ENGINEERING





FINANCIAL STATEMENTS

EGYPTAIR MAINTENANCE & ENGINEERING  
Statement of Financial Position at 30 /6 /2009 (EGP 000)

PARTICULARS	2007/2008	2008/2009
<b>Long -Term Assets</b>		
Fixed assets (net)	404,868	416,312
Projects in progress	46,904	54,548
Long-term investments	2,975	6,235
Long-term loans and debit balances	4,326	2,904
<b>Total long - term assets (1)</b>	<b>459,073</b>	<b>479,999</b>
<b>Current assets</b>		
Stock	539,452	537,160
Customers, notes receivables and debits accounts	303,394	478,293
Cash in banks and in hand	43,064	19,683
<b>Total current assets</b>	<b>885,910</b>	<b>1,035,136</b>
<b>Current liabilities</b>		
Provisions	2,897	3,262
Creditor banks		
Suppliers, notes payable and credit accounts	821,831	917,484
<b>Total current liabilities</b>	<b>824,728</b>	<b>920,746</b>
Working capital (2)	61,182	114,390
<b>Total investment (1+2)</b>	<b>520,255</b>	<b>594,389</b>
Financed as follows:		
Issued capital	330,000	330,000
Paid up capital-reserves	185,506	257,192
<b>Total equity (3)</b>	<b>515,506</b>	<b>587,192</b>
Long -Term liabilities(4)	4,749	7,197
<b>Total financing of investment (3+4)</b>	<b>520,255</b>	<b>594,389</b>

EGYPTAIR MAINTENANCE & ENGINEERING  
Profit and Loss Account at 30 /6 /2009 (EGP 000)

COSTS & EXPENDITURES

PARTICULARS	2007/2008	2008/2009
Raw material, requisities, fuel & spare parts	172,113	221,988
Wages	208,685	265,806
Expenditures	275,126	340,604
Purchases of goods for sales		
Burdens & losses	46,466	99,813
<b>Total cost and Expenditures</b>	<b>702,390</b>	<b>928,211</b>

REVENUES

PARTICULARS	2007/2008	2008/2009
Activity revenues	780,272	1,040,708
Grants & donations		
Other revenues & profits	31,695	41,926
Investments revenues & interests	1,469	547
<b>Total Revenues</b>	<b>813,436</b>	<b>1,083,181</b>
<b>Surplus or Deficit</b>	<b>111,046</b>	<b>154,970</b>

