

EGYPTAIR IN-FLIGHT SERVICES



Board of Directors



Mr. Abd El-Salam Helmy

Chairman

EGYPTAIR IN-FLIGHT SERVICES

Capt. Sherif Saad Eldin Galal

Chairman

EGYPTAIR AIRLINES

Eng. Mostafa El-Gamal

Advisor to IN-FLIGHT SERVICES Chairman

Capt. Abd Alhamid Shalaby

Advisor to Ministry of Civil Aviation

Mr. Adel Fahim Ramadan

Manager, Governmental and International Relations

Manager, Food and Beverages, Fairmont

Mr. Abd Elmonsif Hassan Ahmed

GM Production & Warehouses

EGYPTAIR IN-FLIGHT SERVICES

Mr. Ahmed Mohamed Mohamed Ragheb

GM Planning

EGYPTAIR IN-FLIGHT SERVICES

Mr. Aly Mohamed Ghonim Wally

GM Human Resources

EGYPTAIR IN-FLIGHT SERVICES

Mr. Ezat Hosny Mohamed Salama

Manager, Production

EGYPTAIR IN-FLIGHT SERVICES

Mr. Mohamed Fatouh Atteya

Syndicate Representative

Chairman's Message

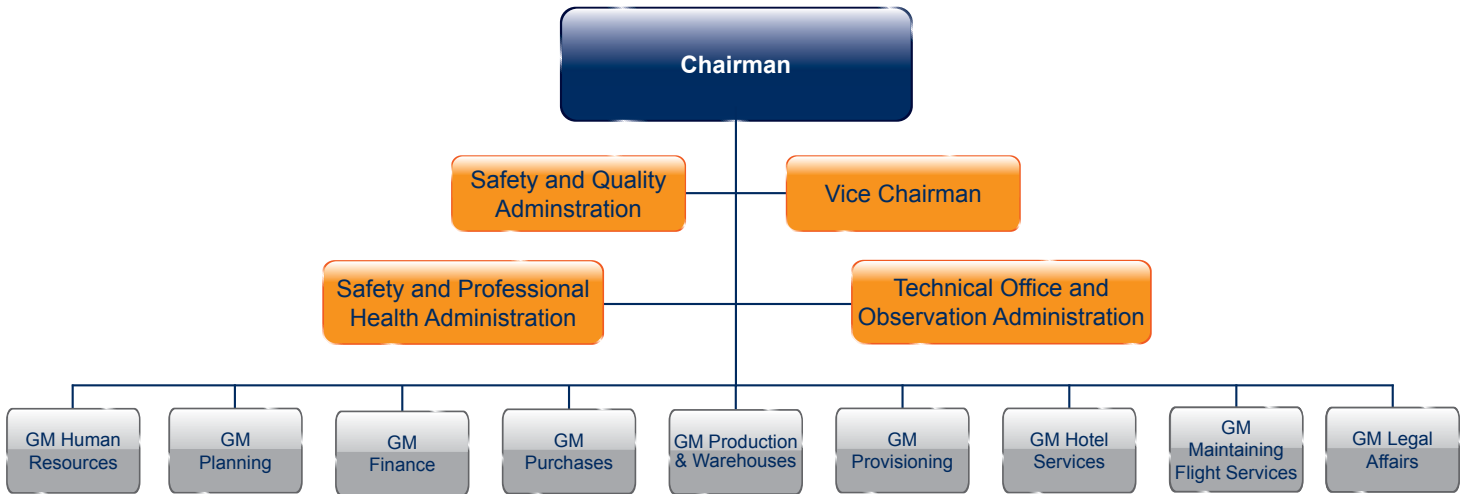
EGYPTAIR IN-FLIGHT SERVICES performs a number of activities that include providing, preparing and catering food and beverages for both national and international airlines. The Company is also responsible for establishing and managing restaurants and cafeterias both in the Egyptian airports and abroad. In addition to these tasks, the company is also in charge of on-flight sales.

We have successfully embarked on many projects during 2007/2008 including the outstanding development of all airport cafeterias and the inauguration of Hurghada's Segafredo Zanetti cafeteria in 5/12/2007.

EGYPTAIR IN-FLIGHT SERVICES has many exciting plans ahead of it for the year 2008/2009. We will be launching a new catering company in Terminal 3 and will be participating with 70% of the capital. We will also carry out a number of changes and renewals to the catering vehicles fleet, in addition to a renovation to the current Cairo complex including the building, machines and equipment that cost EGP 44.100 million.

Mr. Abd El-Salam Helmy
Chairman
EGYPTAIR IN-FLIGHT SERVICES

Organizational Chart



Company Profile

EGYPTAIR IN-FLIGHT SERVICES (IFS) pioneered the business in 1946. We have already started the second phase of our aggressive expansion plan to extend our services to internal airports – where services are feasible – by opening our new catering premises at Hurghada International Airport, and our new catering Unit at Sharm El Sheikh airport.



Company Goals

Our Goals

- Increase annual revenue growth.
- Achieve unit cost reduction of 2% per year.
- Increase third-party shares.

Strategic Plan to Implement Company Goals

Increase annual revenue growth rate.
Reduce unit costs by 2% per year by means of:

- Restructuring of purchasing processes.
- Improving production quality by implementing the Six Sigma quality improvement techniques to reduce the number of defects.
- Improving and maintaining the appropriate training systems for all employees.
- Improving IT system capabilities.

Increase third-party shares by:

- Expanding catering services for foreign carriers throughout Egyptian airports. Implementation of this plan has already started with the opening of Hurghada and Sharm El Sheikh catering units. This will increase the third-party shares in the coming years.
- Constructing a new catering unit in Terminal 3 at Cairo International Airport.
- Constructing a new catering unit in Luxor International Airport.
- Last year we opened two cafeterias under the brand name "Coffeshop".



Achievements

EGYPTAIR IN-FLIGHT SERVICES has achieved

1- ISO 9001 certification of its quality assurance system

Maintaining the high standards needed with this valuable International recognition strengthens our efficiency and enables us to win the trust and confidence of our customers.

2- HACCP system

HACCP procedures are applied at all points in the food handling process, ensuring good sanitary practices throughout the shelf life of every product by using proper product and process design. The system:

- Identifies any steps in the operation that are critical to food safety.
- Implements effective control procedures at each step.
- Monitors control procedures to ensure their continuous effectiveness.
- Reviews control procedures routinely and whenever operations change.

3-ISO 22000

We achieved the ISO 22000 which is the final step in our program to achieve the WORLD RECOGNITION.



4- Training

To meet the highest international standards, EGYPTAIR IN-FLIGHT SERVICES believes that it is essential to invest in the technical abilities of its staff.

Accordingly, in cooperation with the international travel catering association, the IFS company hosted the HACCP workshop in Sharm El-Sheikh in August 2007. The first of its kind in Africa and the Middle East, the Workshop was held as part of the preparations for opening the first of several new catering units in Egypt's domestic airports, designed to serve charter carrier flights. Staff training programs are constantly reviewed and updated so that cooks and food handlers follow all procedures required to maintain the safety and quality of food.

New Catering Units and Cafeterias

EGYPTAIR IN-FLIGHT SERVICES opened two catering units in Hurghada and Sharm El-Sheikh. The design and construction of the new units adhere to the highest international standards. These units have been designed and built with state-of-the-art technology systems that facilitate the proper flow of materials and equipment starting in the receiving area and ending at the loading gates. The layout of the facilities promotes good hygiene practices, including protection from cross contamination during all stages of foodstuff preparation. All of the catering unit equipment is designed to function in accordance with its intended use, permit adequate maintenance, cleaning, and facilitate good hygiene practices and monitoring. Each unit produces 5000 meals per shift and services more than 42 charter carriers. New catering units and cafeterias also started operation under the new brand name "Coffeeshop" at terminal one and terminal two.



Financial Statements

EGYPTAIR IN-FLIGHT SERVICES Statement of Financial Position at 30/6/2008 (000EGP)

PARTICULARS	2006/2007	2007/2008
<u>Long-Term Assets</u>		
Fixed assets (net)	40,004	42,224
Projects in progress	8,177	10,021
Long-term investments	962	1,488
Long-term loans and debit balances	1,823	4,246
Total long-term assets (1)	50,966	57,979
<u>Current assets</u>		
Stock	23,373	25,743
Customers, notes receivables and debit accounts	55,079	68,762
Cash in banks and in hand	19,215	5,371
Total current assets	97,667	99,876
<u>Current liabilities</u>		
Provisions	402	4,045
Creditor banks		
Suppliers, notes payable and credit accounts	41,604	2,584
Total current liabilities	42,006	6,629
Working capital (2)	55,661	93,247
Total investment (1+2)	106,627	151,226
Financed as follows:		
Issued capital	9,000	50,000
Paid up capital-reserves	97,627	100,583
Total equity (3)	106,627	150,583
Long-Term liabilities(4)		643
Total financing of investment (3+4)	106,627	151,226

EGYPTAIR IN-FLIGHT SERVICES Profit and Loss Account (July 2007 - June 2008) 000EGP

COSTS & EXPENDITURES

PARTICULARS	2006/2007	2007/2008
Raw material, requisites, fuel & spare parts	97,198	117,756
Wages	57,697	66,446
Expenditures	28,738	37,057
Purchases of goods for sales	18,899	53,559
Burdens & losses	7,452	20,717
Total cost and Expenditures	209,984	295,535

REVENUES

PARTICULARS	2006/2007	2007/2008
Activity revenues	260,233	358,887
Grants & donations		
Other revenues & profits	7,797	26,931
Investments revenues & Interests	737	556
Total Revenues	268,767	386,374
Surplus or Deficit	58,783	90,839

