



Mohsen Allouba/IBA

Board of Directors



Mohammed Allouba/IBA

Eng. Abdel Rahman Mostafa Al-Sherif
Chairman
EgyptAir Ground Services

Capt. Mohammed Fathi Fath Alla
Chairman, Cairo Airport Company

Eng. Abdel Aziz Ibrahim Fadel
Chairman, EgyptAir Maintenance and Engineering Company

Eng. Abdel Galil Mohammed Mahmoud Eraki
Undersecretary of State, General Organization of Investment

Maj. Gen. Abdel Fatah Metawai Ibrahim
Head of Air Operations, Cairo Airport Company

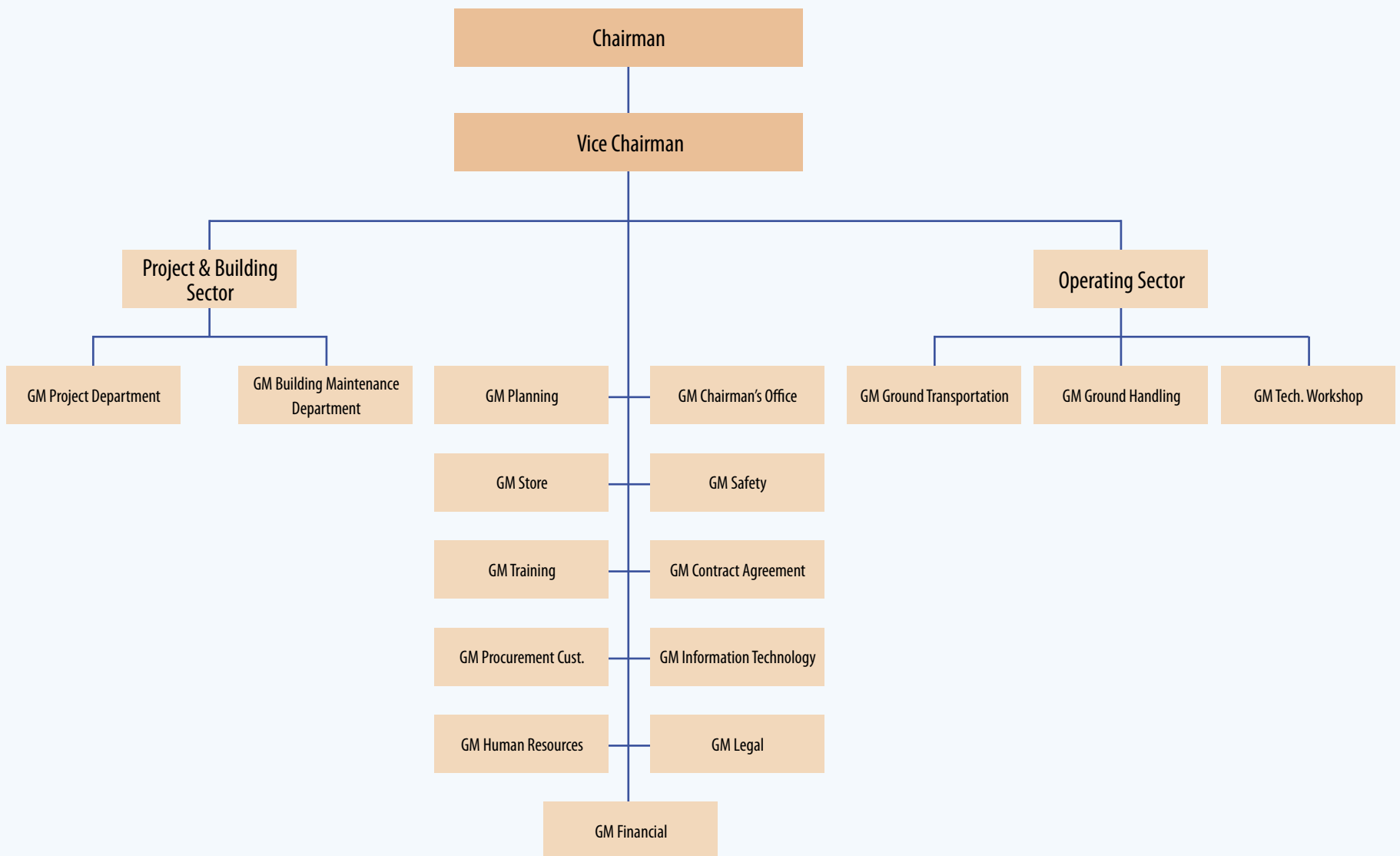
Eng. Mohammed Ragheb Ibrahim
Vice President for Projects and Maintenance of Buildings

Eng. Hamdy Abdel Latif Salem
General Manager, Technical Workshops

Accountant Hussein Tawfik Al-Alfy
General Manager, Finance Affairs

Mr. Hamed Abdel Rahman Edrees
Syndicate Committee Representative

ORGANIZATIONAL CHART OF EGYPTAIR GROUND SERVICES COMPANY



COMPANY PROFILE

EgyptAir Ground Services is part of the EgyptAir Holding Company. We provide all of the ground handling services — from aircraft handling to passenger and cargo services — at Cairo International Airport and throughout EgyptAir’s international and domestic airports including: Sharm El-Sheikh, Hurghada, Luxor, Aswan, Abu Simbel, Alexandria, Borg El-Arab, Taba, El-Alamein, Marsa Matruh, Assiut, the New Valley and El-Arish.

Our customers value our performance as a reliable provider which maintains consistent standards of quality and punctuality.

We were the first handling company in Egypt and the Middle East, beginning operations in 1938. We have gained the trust of our customers through commitment to service-level agreements with all the carriers we handle, ensuring that safety comes first in all our aircraft-handling activities.



Courtesy EgyptAir

COMPANY STRATEGY

Setting strategies and primary goals for a company is a fundamental issue and must take into consideration the company’s capitalization and resources. EgyptAir Ground Services Company’s strategy focuses on:

- Modernizing and developing the ground service equipment to cover core business growth requirements and TB3 operational needs.
- Retaining quality staff by providing an excellent working environment and increasing the number of employees to ensure that we are able to meet future challenges.
- Developing staff training programs in order to offer better safety and quality.
- Aiming for a higher share of the local market, with better flexibility and the ability to face competition, by evaluating proposals presented from potential foreign partners.
- Increasing effective cooperation with international organizations of ground handlers, through presence in conferences and meetings.
- Modernizing ground-transportation vehicles.
- Serving 166,000 flights by 2010/11, with growth of 66% over current levels.
- Reducing costs by 2% in all activities and departments, aiming to maximize revenues and profitability.
- Providing competitive prices without affecting the high quality of service required.



Mohsen Alham/IBA

COMPANY ACTIVITIES

Main Activity

Aircraft Ground Handling

Highly trained, committed staff and modern, serviced equipment provide high-quality ground-handling services in accordance with international standards to meet customers' expectations.

Auxiliary Activities

1: Equipment Maintenance and Rehabilitation

We provide maintenance for various types of equipment, from routine maintenance up to overhauls, using well-qualified and trained engineers and technicians. We are technically equipped with recognized brands and models.

2: Steel Works and Dollies

Manufacturing, repair and maintenance of steel products such as pallets, baggage carts, animal kits and sheep kits, according to a high-quality standard.

3: Ground transportation

Ground transportation operations specialize in the transportation of employees of the parent company and other affiliated companies, airline cabin crews and cargo operations in addition to employee-related services (such as ambulances and other special services), along with commercial transportation for individuals and groups.

Side Activities

Construction activities include review of new projects, design and tender document preparation, construction supervision and maintenance operations for buildings and facilities.

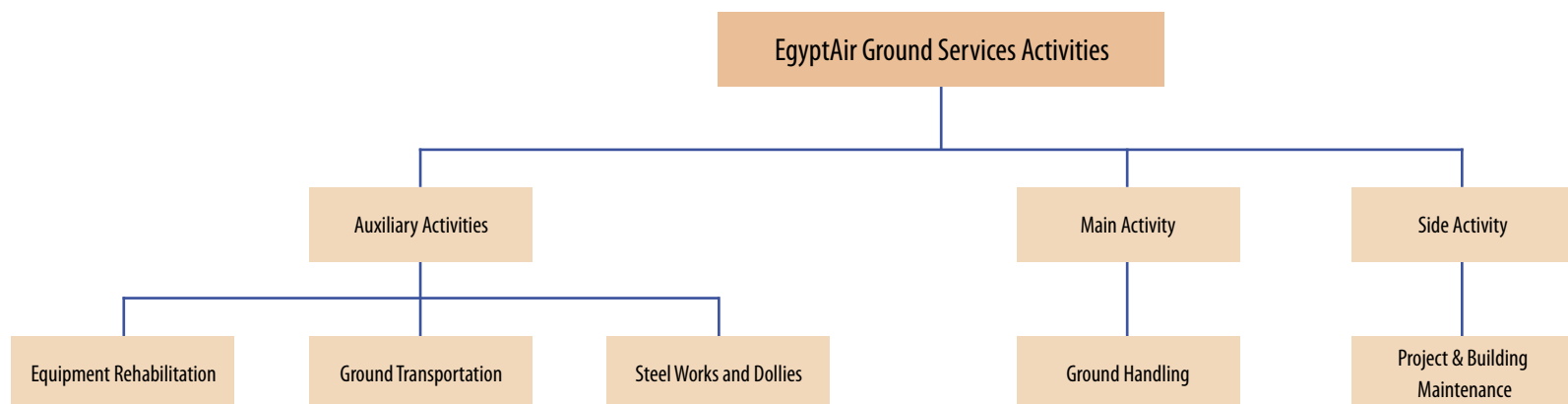
HIGHLIGHTS OF FISCAL YEAR 2005/06

We handled 100,000 flights, 12 million passengers, one million tons (including cargo, baggage and mail) and around 25 million pieces of baggage.

As planned, we achieved average growth this year, with an increase of approximately 2%.

2005/6 was a successful year for EgyptAir Ground Services Company's investment portfolio, with almost all investments achieving their targets.

We have set an ambitious business plan as a member of the EgyptAir Holding Company. Air transport is a growing, promising market and we are continuing to develop our existing facilities for the planned expansion; we are planning an investment in equipment of approximately EGP 575 million over the coming five years.



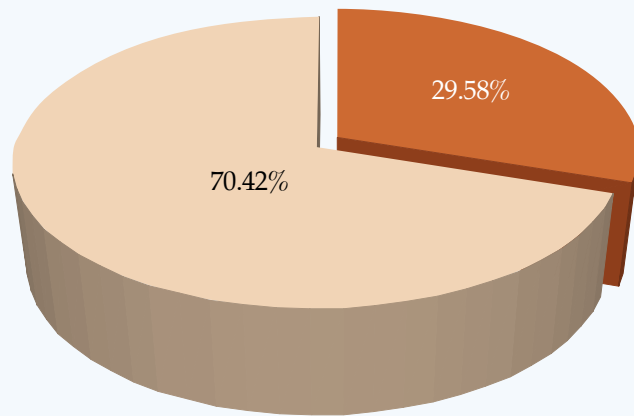


Airports served by EgyptAir Ground Services Company

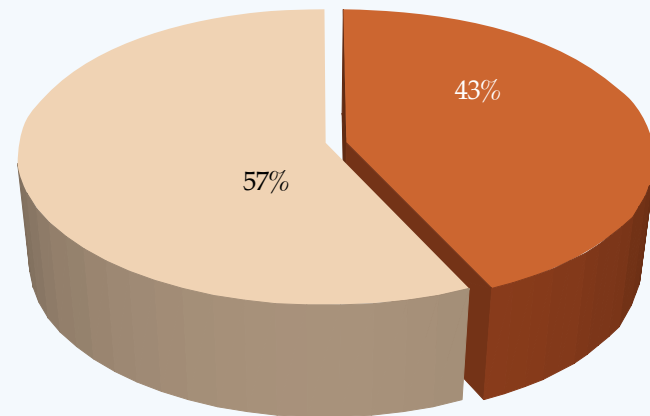
Total no. of services handled by EgyptAir Ground Services during 2005/2006

Month	Cairo Airport		Domestic airports		Total no.
	EgyptAir	Foreign ca.	EgyptAir	Foreign ca.	
Total	43,291	14,643	13,662	28,454	100,050

Market Share



Percent of Service



Percent of service provided to EgyptAir Airlines and foreign carriers

Carriers with contracts with EAGS

REF	Description	No. of foreign carriers 2004/2005	No. of foreign carriers 2005/2006
1	Non reciprocal contracts (full handling)	23	24
2	Non reciprocal contracts (ramp handling)	20	18
3	Reciprocal contracts (full handling)	12	12
4	Reciprocal contracts (ramp handling)	4	3
5	Letters of agreement with agent	20	22
6	Over-flying carriers	3	3
	Total no. of carriers	82	82
	Carriers served thru agent	61	66

FINANCIAL STATEMENT

EgyptAir Ground Services Company, Statement of Financial Position at 30/6/2006

PARTICULARS	Partial	TOTAL
LONG-TERM ASSETS		
Fixed assets (net)	122,104,957.13	
Projects in progress	22,361,518.26	
Long-term investments	1,050,000.00	
Long-term loans and debit balances	174,615.20	
Total of Long-term assets (1)		145,691,090.59
Current assets		
Stock	62,711,876.95	
Customers, notes receivables and debit accounts	231,326,808.43	
Cash in banks and in hand	35,514,476.30	
Total current assets		329,553,161.68
Current liabilities		
Provisions	1,520,531.05	
Creditor banks	0.00	
Suppliers, notes payable and credit accounts	246,051,617.77	
Total current liabilities		247,572,148.82
Working capital (2)		81,981,012.86
Total investment (1+2)		227,672,103.45
Financed as follows:		
Equity		40,000,000.00
Paid up capital — reserves		187,672,103.45
Total Equity (3)		227,672,103.45
Long-term liabilities (4)		0.00
Total financing of investment (3+4)		227,672,103.45



EgyptAir Ground Services Company Profit and Loss Account at 30/6/2006

COSTS & EXPENDITURES

PARTICULARS	2005/2006
Raw material, requisites, fuel & spare parts	24,439,999.96
Wages	99,651,039.34
Expenditures	71,146,458.06
Purchases of goods for sale	0.00
Burdens & losses	7,223,664.96
Total Cost and Expenditures	202,461,162.32

REVENUES

PARTICULARS	2005/2006
Activity revenues	310,192,605.26
Grants & donations	0.00
Investments revenues & interests	1,410,613.95
Other revenues & profits	18,244,403.78
Total Revenues	329,847,622.99
SURPLUS or DEFICIT	127,386,460.67