

# EGYPTAIR EXPRESS



Board of Directors



**Capt. Saffey El-Deen Badawy**

*Chairman*

*EGYPTAIR EXPRESS*

**Capt. Hassan Mohamed Hassan**

*Head of National Institute for Aviation Training*

**Capt. Atef Abdel Baky**

*Chairman*

*Air Cairo Airlines*

**Capt. Mohamed Emad El-Din Fathy**

*Chairman of Civil Aviation Authority*

**Mr. Sherif Mostafaa Elmaghloub**

*VP Commercial*

*EGYPTAIR AIRLINES*

**Capt. Helmy Awad Ibrahim Rizk**

*Vice Chairman & Operations Director*

*EGYPTAIR EXPRESS*

**Mr. Mohamed Mahmoud Ahmed Youssef**

*Financial Director*

*EGYPTAIR EXPRESS*

**Mr. Ehab Gomaa Ghazy**

*Planning Director*

*EGYPTAIR EXPRESS*

**Mr. Amr Mahmoud Omar**

*Commercial Director*

*EGYPTAIR EXPRESS*

**Mr. Mohamed Mahdy Hasanen**

*Syndicate Representative*

## Chairman's Message

EGYPTAIR EXPRESS was founded to enhance EGYPTAIR's services in the domestic market and to maintain the company's market share after the domestic air transport liberalization process in 2005. The company's second goal is to expand EGYPTAIR's regional network in the smaller regional markets that are better served by small jets.

EGYPTAIR EXPRESS was able to achieve this goal in the domestic market right from the beginning with an excellent schedule that connected major domestic cities to CAI all day round. Sharm El-Shiekh was served up to 8 flights per day, Hurghada 5 flights, and Aswan 5 flights.

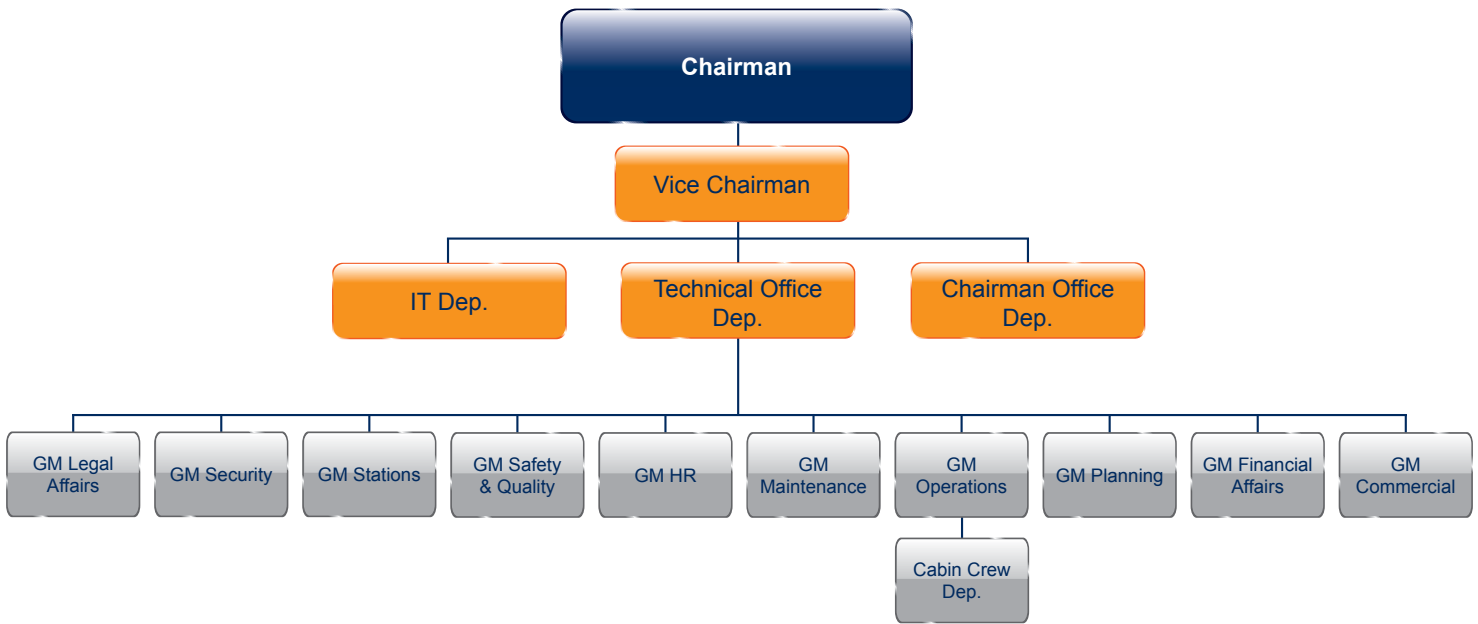
EGYPTAIR EXPRESS also started a new base in the second major city in Egypt, Alexandria at its Nozha airport. The base was set to connect Alexandria to a number of major cities with suitable start-up schedules (Sharm El-Shiekh/Daily flight, Luxor/4 weekly, Hurghada/3 weekly). In the regional market, we have explored a number of opportunities such as "SSH/JED, SSH/AMM" which are expected to be excellent markets during the summer seasons. The company aircraft size has attracted some passenger segments and allowed the company to gain a considerable share in those segments, particularly the incentive segment, in both domestic and regional markets.

In our first year we successfully operated 15,998 flights, consuming 17,646 block hours.

The number of passengers carried was 909,149 passengers whereas the RPK was 415,846,032 and the number of ASK's was 519,807,541 with an average load factor of 80%. On the financial results side, EGYPTAIR EXPRESS was able to achieve great results by turning its forecasted loss of EGP 5.8 million into a net profit after taxes of EGP 6.6 million, a marked testament to the resilience of its business model and the efficiency of both the selected management and qualified staff.

Capt. Saffey El-Deen Badawy  
Chairman  
EGYPTAIR EXPRESS

Organizational Chart



## Company Profile

**E**GYPTAIR EXPRESS is a schedule domestic & regional airline that was established in May 2006. EGYPTAIR EXPRESS is a subsidiary of the EGYPTAIR HOLDING company. The company's main base and major operations are in the Cairo International Airport with a minor base in Alexandria (Nozha Airport). The fleet consists of 12 EMBRAER ERJs 170 LR leased from EGYPTAIR HOLDING company. 6 aircrafts of the fleet are scheduled for delivery on a monthly basis starting from December 2008. During its initial year, the company's network has expanded to include 15 domestic and international routes covering 11 cities.

### Business Model:

Domestic and Regional Airline Model:

- Benefiting from Group synergies.
- Very high utilization of fleet and human resources.
- Small product differentiation from competitors for marketing advantage (new fleet, seat pitch, some frills).
- Simple revenue management process and transparent pricing structure.
- Efficient cost structure.
- Simple and streamlined process & operations.
- Efforts directed to creation of competitive advantage.



### Vision

Deliver competitive customer service with a true Egyptian spirit.

### Mission

Create value for our customers, employees, owners and stakeholders through providing high quality service to domestic and short-haul international markets at competitive prices.

### Values

- Safety comes first
- Efficiency
- Teamwork
- Continuous learning
- Serving Egyptian economy

### Objectives

- Meeting the needs of the Domestic market.
- Maintaining competitive pricing structure.
- Serving international markets that are too small to be served with larger aircraft.
- Serving as feeder/de-feeder to Cairo-Hub.
- Delivering value for money.

## Network Objectives

- EGYPTAIR EXPRESS shall dominate the domestic market.
- EGYPTAIR EXPRESS shall provide high frequency service feeding the main Cairo-Hub banks.
- Destinations will be added based upon financial viability and network contribution. Otherwise the requesting party will bear any resulting deficit.
- EGYPTAIR EXPRESS will serve international markets suitable for regional jets not served by EGYPTAIR AIRLINES or mutually agreed upon.



## Fleet Objectives

- EGYPTAIR EXPRESS shall operate common fleet type.
- EGYPTAIR EXPRESS will strive to maximize fleet utilization based on commercial viability, regulations and operational considerations.
- Configurable class size will be provided to meet market needs and maximize revenues.
- All aircrafts will have similar cabin seating configuration in order to:
  - Maintain consistency of product across markets.
  - Achieve operational flexibility.



## Commercial Objectives

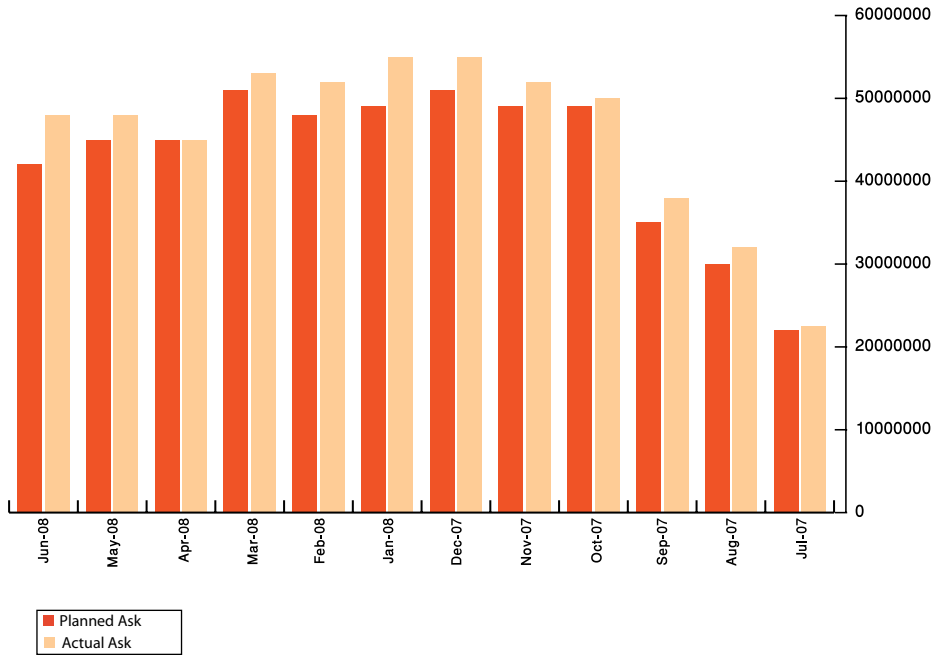
- EGYPTAIR EXPRESS shall strive to provide a commercially viable service.
- Level of service will be determined by market demand.
- Pricing:
  - Competitive pricing system will be used in domestic markets.
  - Fares of regional markets are the market fares adjusted relative to competitive edge.
- Distribution:
  - EGYPTAIR EXPRESS shall use all EGYPTAIR AIRLINES channels of distribution to maximize its reach and minimize costs with emphasis on Internet channels.
  - Other channels shall be utilized to maximize sales.

**Performance Indicators (2007/2008):**

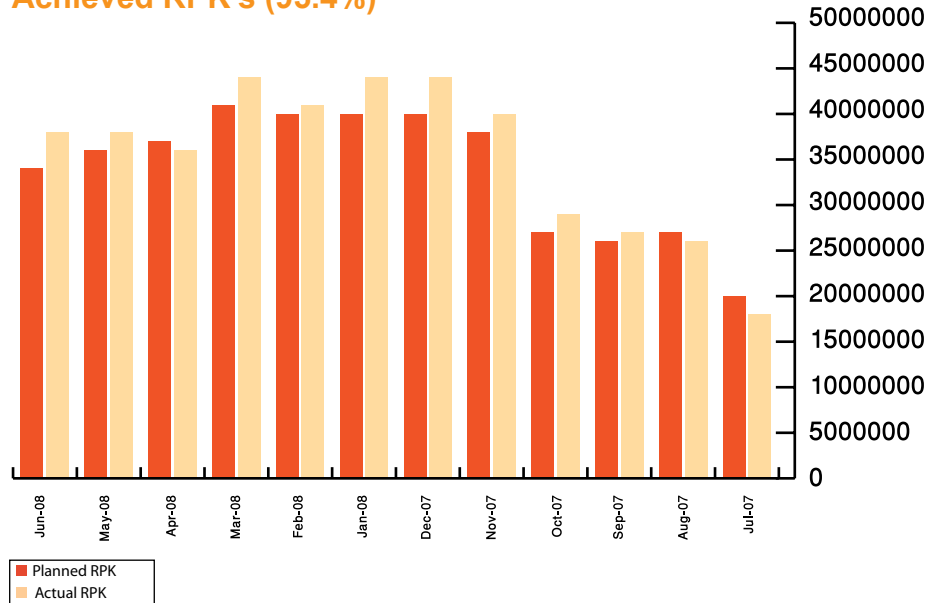
Month	Planned ASK	Actual ASK	Planned RPK	Actual RPK	LF	No. Pax
Jul-07	22,666,871	22,202,093	18,133,496	19,759,862	89%	46,136
Aug-07	32,677,950	30,639,450	26,142,360	26,656,322	87%	55,464
Sep-07	36,718,647	35,102,549	29,374,918	27,028,963	77%	56,076
Oct-07	50,279,390	49,025,557	40,223,512	38,239,935	78%	81,154
Nov-07	53,234,386	49,247,120	42,587,509	39,890,167	81%	85,834
Dec-07	55,251,573	50,707,424	44,201,258	40,115,661	79%	84,314
Jan-08	55,070,395	49,607,261	44,056,316	40,295,578	81%	86,096
Feb-08	51,479,752	48,150,802	41,183,802	40,019,740	83%	85,316
Mar-08	55,059,678	50,862,196	44,047,742	41,307,443	81%	89,757
Apr-08	45,339,940	45,272,490	36,271,952	37,104,673	82%	81,288
May-08	47,361,159	45,669,338	37,888,928	36,549,029	80%	80,701
Jun-08	46,631,061	43,321,262	37,304,849	34,236,970	79%	77,013
<b>Total</b>	<b>551,770,802</b>	<b>519,807,541</b>	<b>441,416,642</b>	<b>421,204,342</b>	<b>81%</b>	<b>909,149</b>



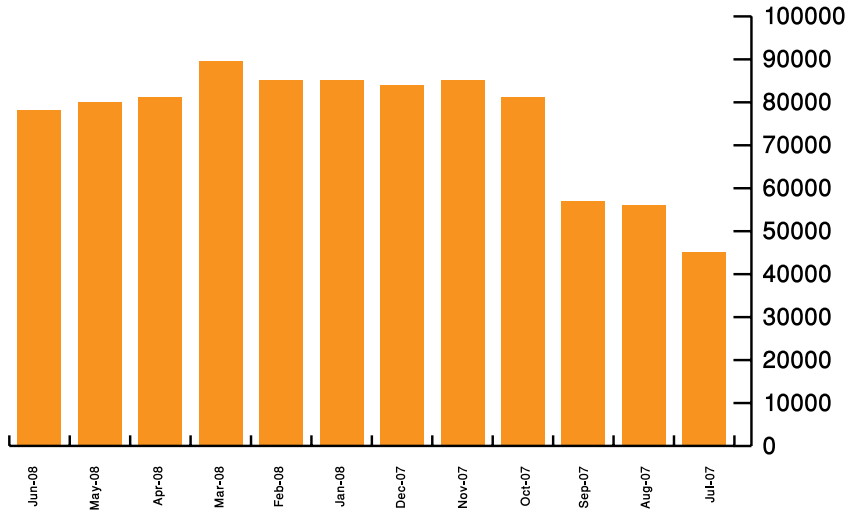
### Achieved ASK's (94.2%)



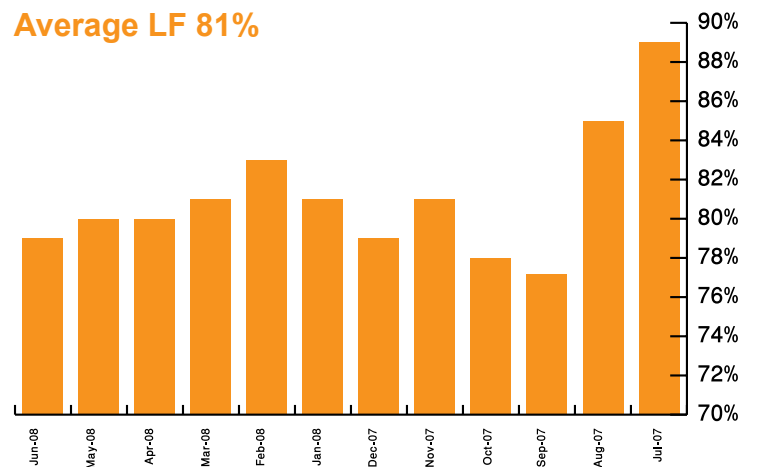
### Achieved RPK's (95.4%)



## Change in Carried Passengers



## Average LF 81%



## Financial Statements

## EGYPTAIR EXPRESS Statement of Financial Position from 1/5/2007 to 30/6/2008 (000EGP)

PARTICULARS	2007/2008
<b><u>Long-Term Assets</u></b>	
Fixed assets (net)	306
Projects in progress	16
Long-term investments	
Long-term loans and debit balances	2,969
<b>Total long-term assets (1)</b>	<b>3,291</b>
<b><u>Current assets</u></b>	
Stock	
Customers, notes receivables and debit accounts	63,081
Cash in banks and in hand	25,119
<b>Total current assets</b>	<b>88,200</b>
<b><u>Current liabilities</u></b>	
Provisions	332
Creditor banks	
Suppliers, notes payable and credit accounts	61,810
<b>Total current liabilities</b>	<b>62,142</b>
<b>Working capital (2)</b>	<b>26,058</b>
<b>Total investment (1+2)</b>	<b>29,349</b>
Financed as follows:	
Issued capital	25,000
Paid up capital-reserves	4,329
<b>Total equity (3)</b>	<b>29,329</b>
<b>Long-Term liabilities(4)</b>	<b>20</b>
<b>Total financing of investment (3+4)</b>	<b>29,349</b>

## EGYPTAIR EXPRESS Profit and Loss Account (May 2007 - June 2008) 000EGP

### COSTS & EXPENDITURES

PARTICULARS	2007/2008
Raw material, requisites, fuel & spare parts	142,209
Wages	7,773
Expenditures	176,913
Purchases of goods for sales	
Burdens & losses	3,067
<b>Total cost and Expenditures</b>	<b>329,962</b>

### REVENUES

PARTICULARS	2007/2008
Activity revenues	328,955
Grants & donations	404
Other revenues & profits	4,931
Investments revenues & Interests	
<b>Total Revenues</b>	<b>334,290</b>
<b>Surplus or Deficit</b>	<b>4,328</b>









Prepared by Planning Division  
EGYPTAIR HOLDING Company