

EGYPTAIR SUPPLEMENTARY INDUSTRIES



Board of Directors



Capt. Hassan Mohamed Hassan Wahdan

Chairman

EGYPTAIR SUPPLEMENTARY INDUSTRIES

Eng. El Sayed Fesal Mohamed Mohey El-Din

Head of Central Department

Technical Office of the Minister of Civil Aviation

Dr. Eng. Mohamed Ali Hassan Qatary

VP Planning & Follow up

Ministry of Civil Aviation

Capt. El Moatassem Bellah Ahmed Abd El-Aziz

VP Training Center

EGYPTAIR HOLDING

Eng. Hussein Abd El-Haleem El Refaai

VP Economic Affairs

EGYPTAIR CARGO

Eng. Hussein Ahmed Monier El-Sady

Chairman's Advisor

EGYPTAIR SUPPLEMENTARY INDUSTRIES

Mr. Abd El-Hameed Mohamed Salama

GM Human Resources

EGYPTAIR GROUND SERVICES

Mr. Mahmoud Marey

GM Finance

EGYPTAIR SUPPLEMENTARY INDUSTRIES

Eng. Ahmed Mohamed Ahmed Elshazely

GM Aeroplast

EGYPTAIR SUPPLEMENTARY INDUSTRIES

Mr. Tallat Mohamed Elnady

Syndicate Representative

Chairman's Message

I am honored to present the second annual report for the EGYPTAIR SUPPLEMENTARY INDUSTRIES Company that was established in April 2006. During this short period, in order to improve the efficiency of production units to attain a competitive post in 4 major production activities (Print house, wood and metal works factory, plastic products factory, and uniform and leather products factory), our plan focused on the following main areas:

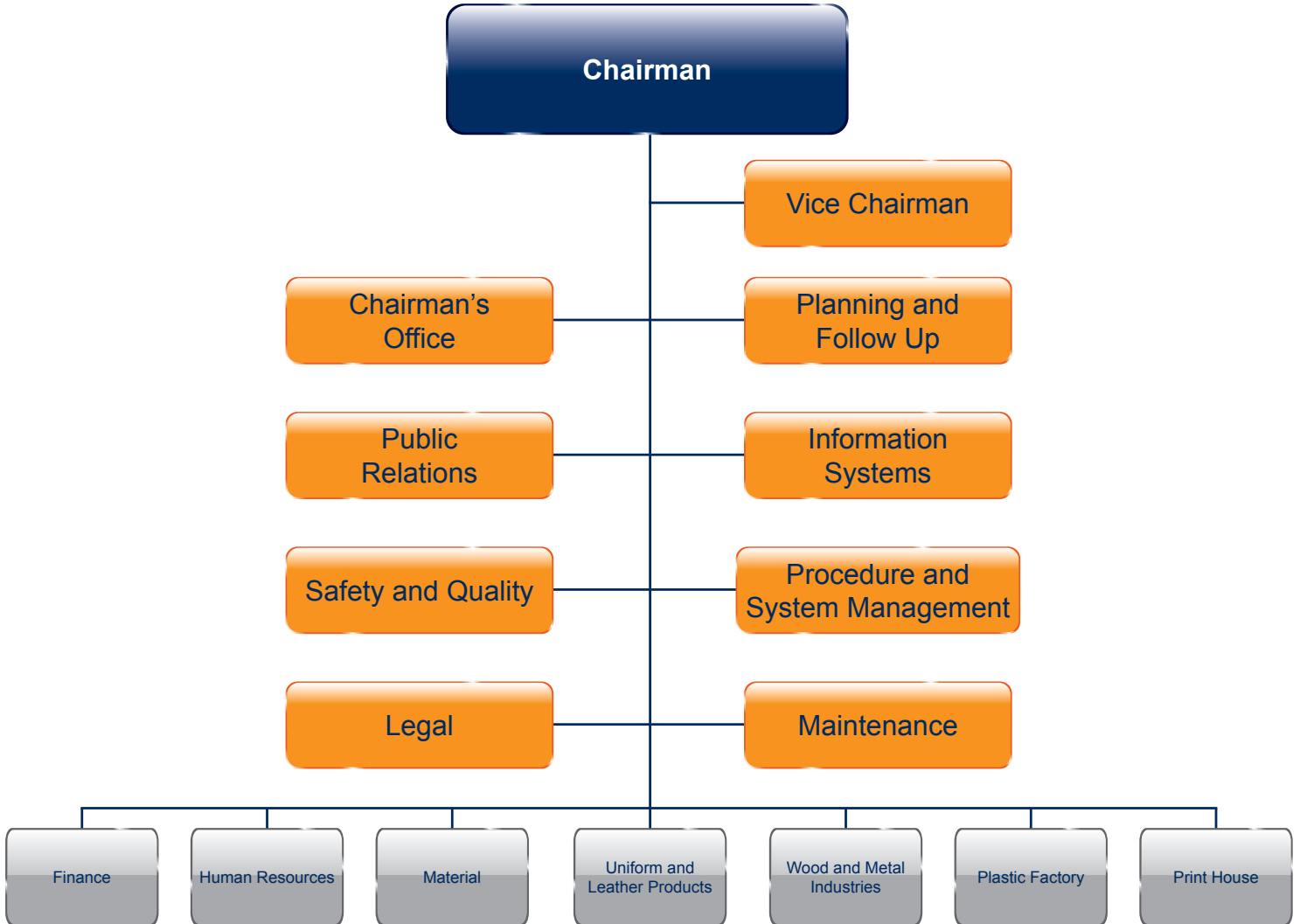
- 1- Improving facilities and infrastructure.
- 2- Maintaining maximum machinery, equipment and tool efficiency through improvement and replacement.
- 3- Providing of a smooth and continuous supply chain for all production requirements (material, machines, tools, and transportation).
- 4- Providing the most up-to-date training in all areas.
- 5- Developing effective waste control and cost reduction programs for all units.
- 6- Keeping a strict stock control utilizing ONLINE programs.
- 7- Relying on self-funding programs in all investment activities.

During 2007/08, we achieved EGP 12,489 million in net profit, with an EGP 75,778 million in revenue.

Along our road to improvement, we aim to take our products and services to the top competitive levels, through the continuous support for all production units, addition of the latest machinery, providing the best labor training, work environment, and incentive plans to encourage productivity for improved success.

Capt. Hassan Mohamed Hassan Wahdan
Chairman
EGYPTAIR SUPPLEMENTARY INDUSTRIES

Organizational Chart



Company profile

EGYPTAIR SUPPLEMENTARY INDUSTRIES was founded in April 2006. The primary purpose of the company is to fulfill the demands of the holding company and all its subsidiaries, the Ministry of Civil Aviation and its companies and authorities.

To fulfill its commitments, the company is conducting the following activities:

(Aeroplast): Manufacture of non-structural plastic items and all other plastic items used for in-flight catering services. We are striving to cover all needs with high quality products, and to achieve self-sufficiency along with the opening of new external markets.

Production of all pre-packed sachets used for in-flight catering, in addition to the new production line in the field of seat and cabin parts manufacturing.

(AeroPrint): Manufacture of all printed materials for administrative activities for the holding company and all its subsidiaries, the Ministry of Civil Aviation, its companies and authorities. In addition, we are working to grow our market share in the area of aviation printed forms and related service bodies (boarding cards, luggage tags, loading reports, safety instructions, etc.) for other airlines. We aim to compete with leading printing houses.

EGYPTAIR Print house has the advantage of having the main three production stages under one roof.

(AeroFabrication): Providing advanced wood and metal products to cover the needs of the holding company, its subsidiaries and external customers. Our target is to advance the industry with the latest state-of-the-art technology. This will enable us to face the competition and grow our market share.

(AeroFashion): Manufacture of high-quality uniforms and leather items for use by corporate and staff personnel, and the market extras in local or international markets.

Company Strategic Goals

- Attaining 10% net annual profit.
- Reaching 20% external sales in five years.
- Attaining 2% annual unit-cost reduction.

Strategies to achieve strategic goals:

Marketing

- Establish marketing and customer care system.
- Increase number of new customers.
- Promotional campaigns.

Pricing

- Determine our pricing based on actual cost and market prices.
- Review pricing on a quarterly basis.

Production

- Establish QCS for each production unit.
- Build new production lines.
- Improve supply chain management.
- Introduce customer service facilities.
- Minimize waste.

IT

- Build an integrated IT system.



Financial Statements

EGYPTAIR SUPPLEMENTARY INDUSTRIES Statement of Financial Position at 30/6/2008 (000EGP)

PARTICULARS	2006/2007	2007/2008
<u>Long-Term Assets</u>		
Fixed assets (net)	23,143	45,701
Projects in progress	16,676	2,402
Long-term investments		
Long-term loans and debit balances		88
Total long-term assets (1)	39,819	48,191
<u>Current assets</u>		
Stock	16,887	18,995
Customers, notes receivables and debit accounts	22,156	29,914
Cash in banks and in hand	4,128	2,336
Total current assets	43,171	51,245
<u>Current liabilities</u>		
Provisions		
Creditor banks		
Suppliers, notes payable and credit accounts	30,066	35,329
Total current liabilities	30,066	35,329
Working capital (2)	13,105	15,916
Total investment (1+2)	52,924	64,107
Financed as follows:		
Issued capital	50,000	50,000
Paid up capital-reserves	2,924	12,380
Total equity (3)	52,924	62,380
Long-Term liabilities(4)		1,727
Total financing of investment (3+4)	52,924	64,107

EGYPTAIR SUPPLEMENTARY INDUSTRIES Profit and Loss Account (July 2007 - June 2008) 000EGP

COSTS & EXPENDITURES

PARTICULARS	2006/2007	2007/2008
Raw material, requisites, fuel & spare parts	21,185	25,681
Wages	17,016	19,998
Expenditures	5,922	8,441
Purchases of goods for sales	5,767	5,100
Burdens & losses	609	3,439
Total cost and Expenditures	50,499	62,659

REVENUES

PARTICULARS	2006/2007	2007/2008
Activity revenues	52,420	72,243
Grants & donations		
Other revenues & profits	330	1,400
Investments revenues & Interests	91	227
Total Revenues	52,841	73,870
Surplus or Deficit	2,342	11,211

