



EGYPTAIR

MAINTENANCE & ENGINEERING

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About EGYPTAIR Maintenance & Engineering

History & Parent Company

1932

- Misr Air was established on 7 June 1932 and started operations in July 1933; becoming the seventh airline in the world.
- EgyptAir is the Fourth IATA member

1971

- The name was changed to EgyptAir.

2002

- EgyptAir was restructured into a holding company with seven subsidiaries

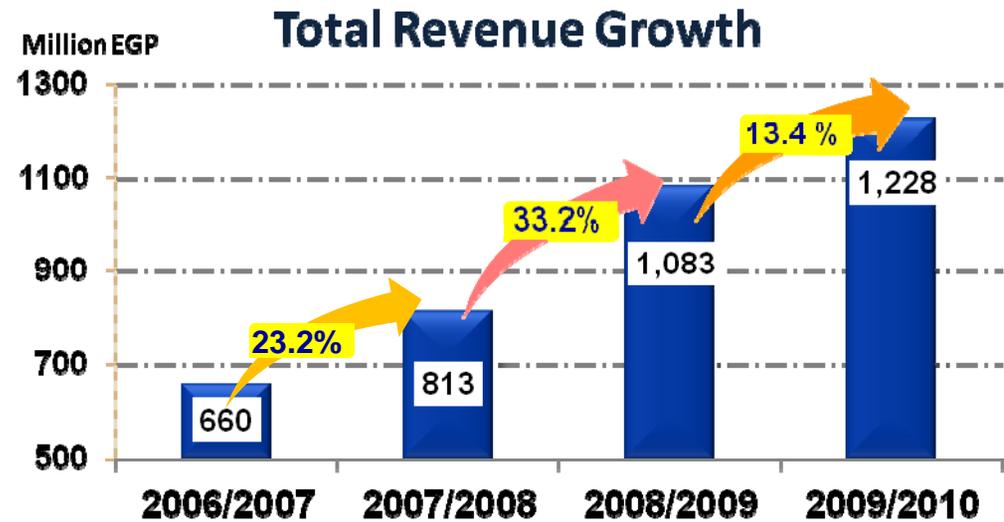
2008

- EgyptAir became the twenty first STAR Alliance Member

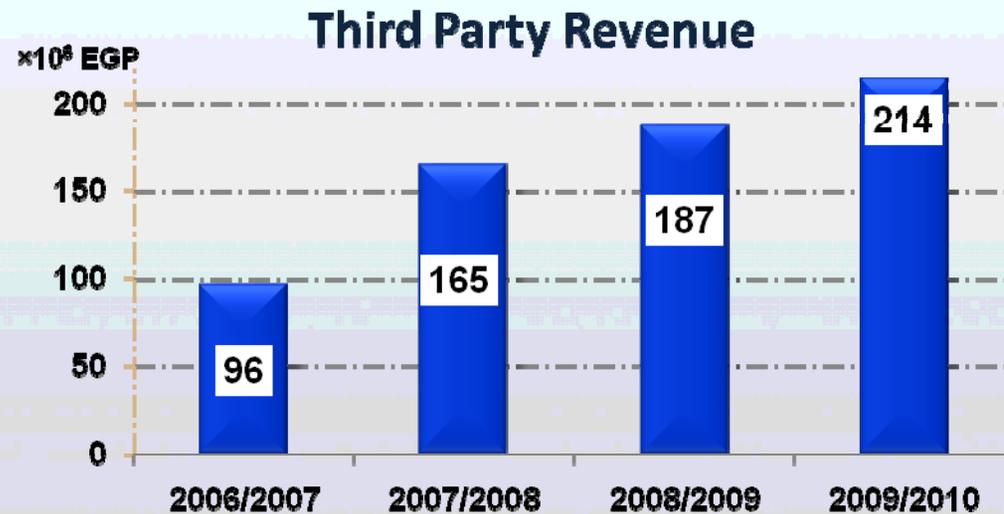


Financial Performance

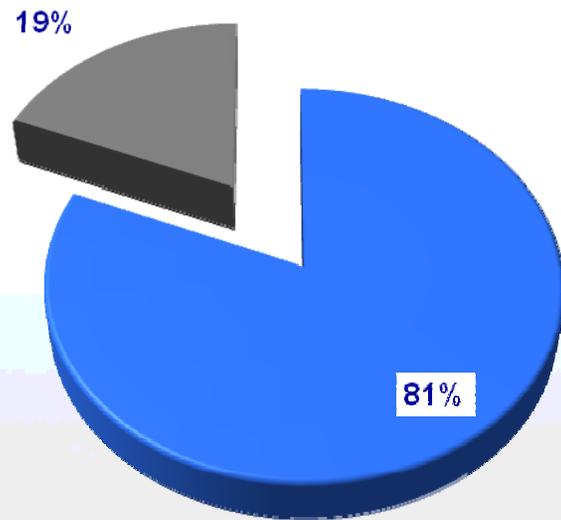
- Total Revenue doubled in 3 years



- Third Party Revenue doubled in three years

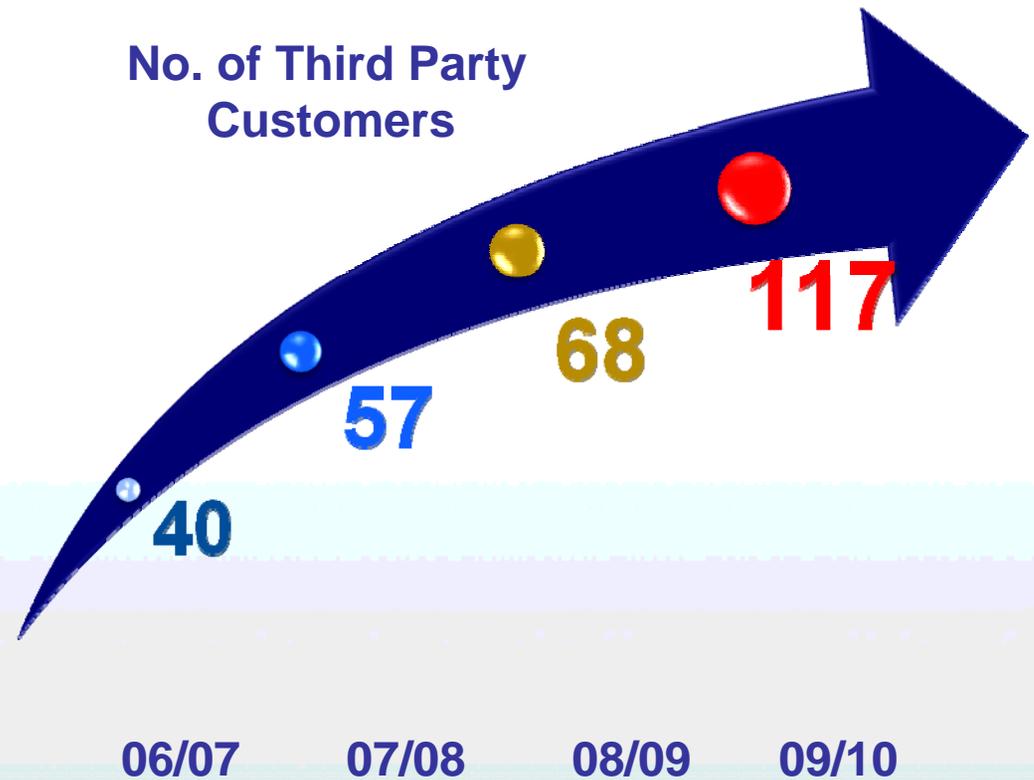


**Operating Revenue Distribution
by Customer
(2009/2010)**

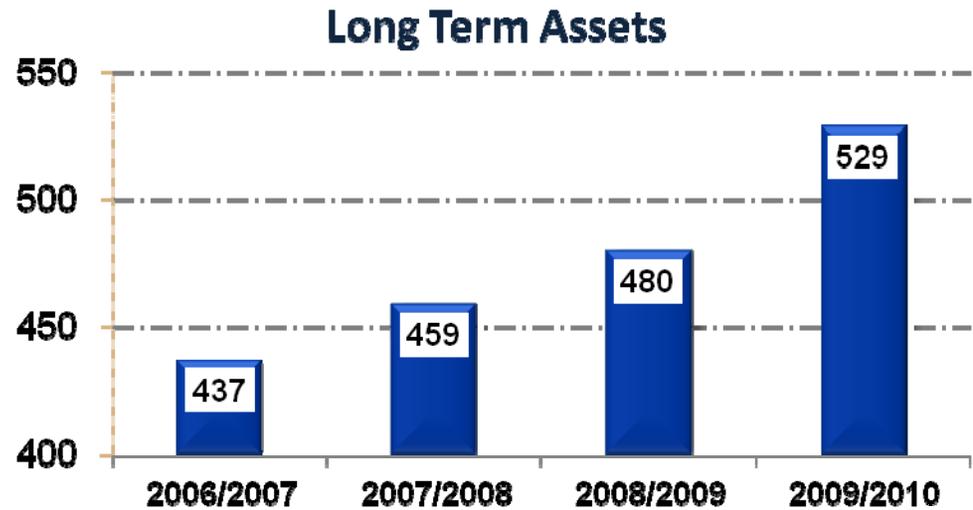


■ EgyptAir Subsidiaries ■ Third party

**No. of Third Party
Customers**



- Long Term Assets increased by 21% in 3 years



- Still in Profit even with the global financial crisis



Vision & Mission

Vision:

**“EGYPTAIR MAINTENANCE & ENGINEERING to be
Leading MRO in the Middle East & Africa“**

Mission:

“EGYPTAIR M&E provides MRO solutions with international standards to customers at Middle East, Europe & Africa through powerful and stable relationship with the Supplier/OEM, using potential competencies to add values to Egyptian economy, EGYPTAIR Group & EGYPTAIR M&E’s professionals ”

EGYPTAIR M&E is a public sector company completely owned by EGYPTAIR Holding Company

Strategic Goals & Key Strategies

Strategic Goals

- Repositioning EGYPTAIR M&E as a leading MRO at Middle East & Africa
- Sustaining strong growth & profitability momentum
- Shifting organization culture to be international business-oriented

EGYPTAIR M&E Key Strategy

Promoting safety & quality standards

Optimizing the structure, capacity, capabilities and resources

Boosting organizational/individual competencies & adapting lean management concept

Developing CRM (Customer Relationship Management) & Cost Management

The Market

Targeted Markets



Market size Forecast

World Region	Number of Aircraft			Total Maint. Market Size (in billion US\$)		
	2010	2015	Growth (%)	2010	2015	Growth (%)
Africa	1239	1355	9.4%	\$1.7	\$2.0	16.4%
Middle East	906	1124	24.1%	\$2.5	\$3.0	21.2%
Europe	5922	6852	15.7%	\$13.7	\$16.7	22.1%

Backlog Experience with US Companies

EGYPTAIR has a very powerful business relationship with many of US companies

Recently EGYPTAIR volume of purchase of US products reached 3 Billion USD

Potential Projects

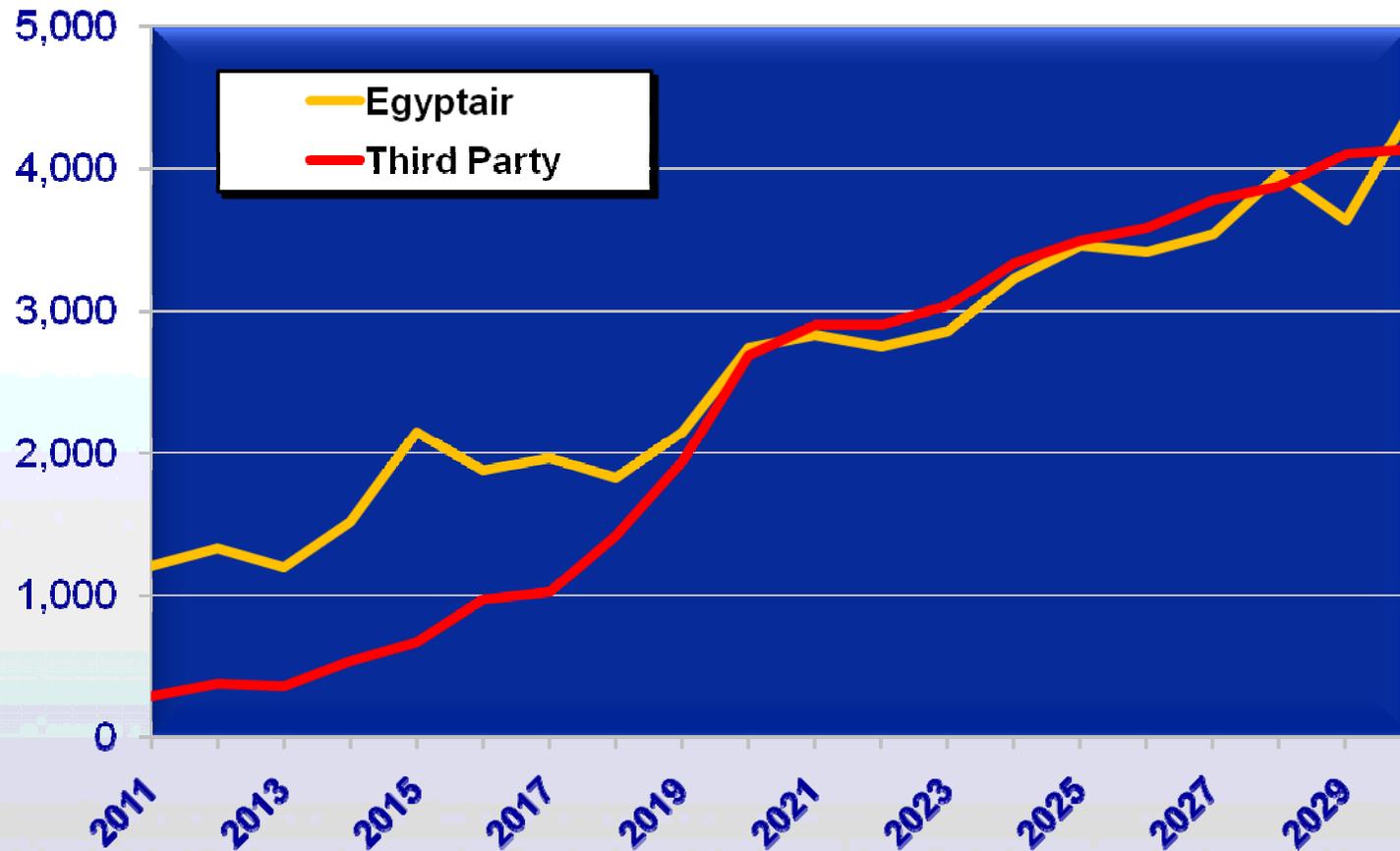
1. Increasing Capacity of EGME Maintenance Facility

- EGYPTAIR M&E has an updated master facility plan (up to 2030) consists of 4 major phase
- The Project aims to increase the nominal capacity of its maintenance hangars from 9 bays to 23 bays to accommodate the expansion of EGYPTAIR fleet & the increased demands for maintenance services in the region
- The new facilities will be located at EGME Base at Cairo International Airport, which will be the Hub airport for the region

Infrastructure Modernization (Facility Master Plan)

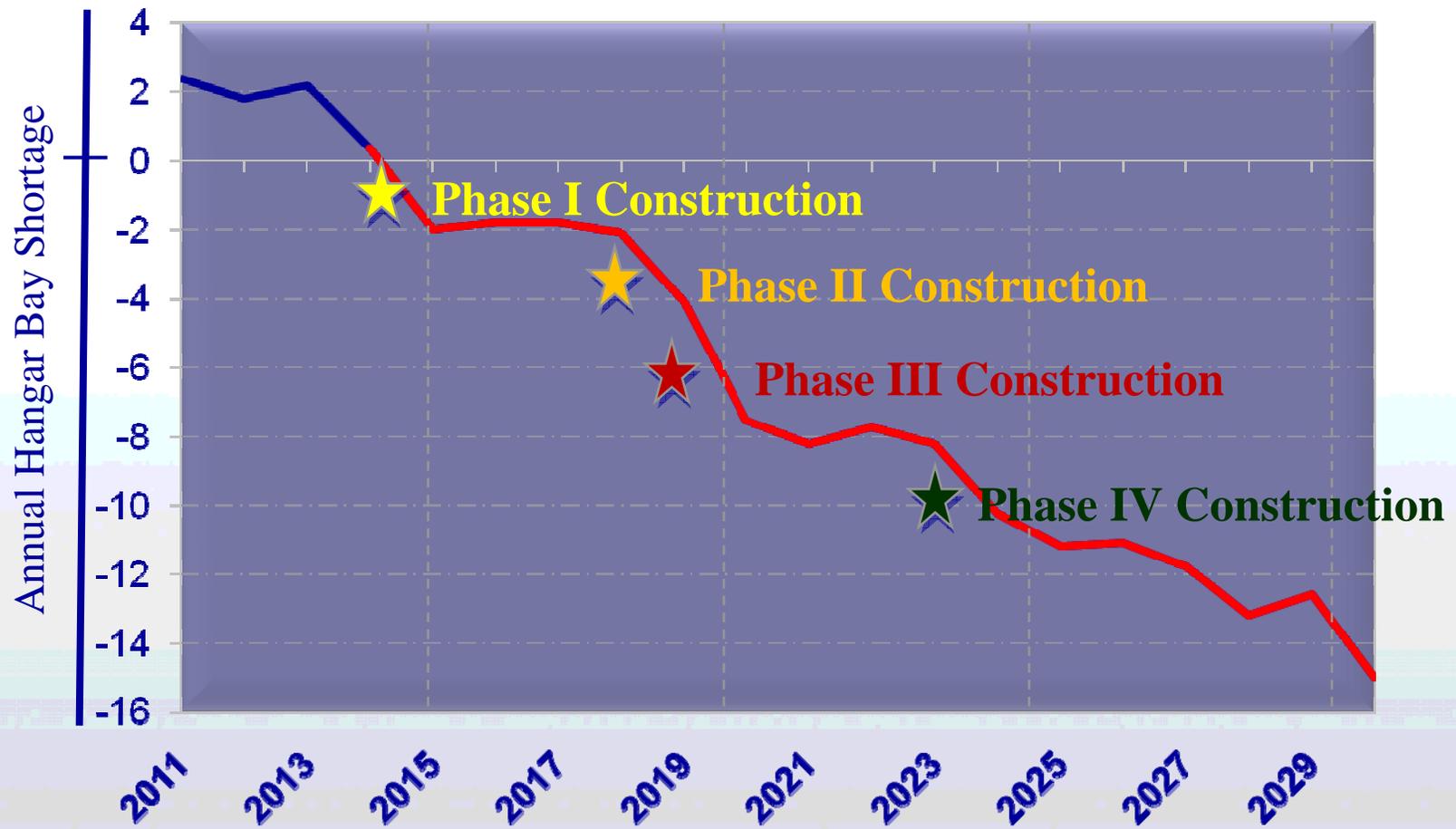
Targeting third party work to be 50% of total maintenance activity by 2020

Hangar Bay Days



Note: projects MS maintenance work based on existing fleet requirement, retirements and new fleet acquisitions

Projected Demand and Capacity



What to Build and When

- Based on Consultant analysis; EGME will require the following:

Phase	EGYPTAIR Fleet size	3 rd Party Work %	New Infrastructure Required
Phase I	90	26%	<ul style="list-style-type: none"> Light maintenance base replacing H6000 New paint hangar new 3 bay hangar (w/ expanded support facilities)
Phase II	125	47%	3 bay hangar addition (+ wash rack move)
Phase III	150	50%	new 4 bay hangar (w/ expanded support facilities & engine test area move)
Phase IV	200	50%	new 4 bay hangar (w/ expanded support facilities & engine test area move)

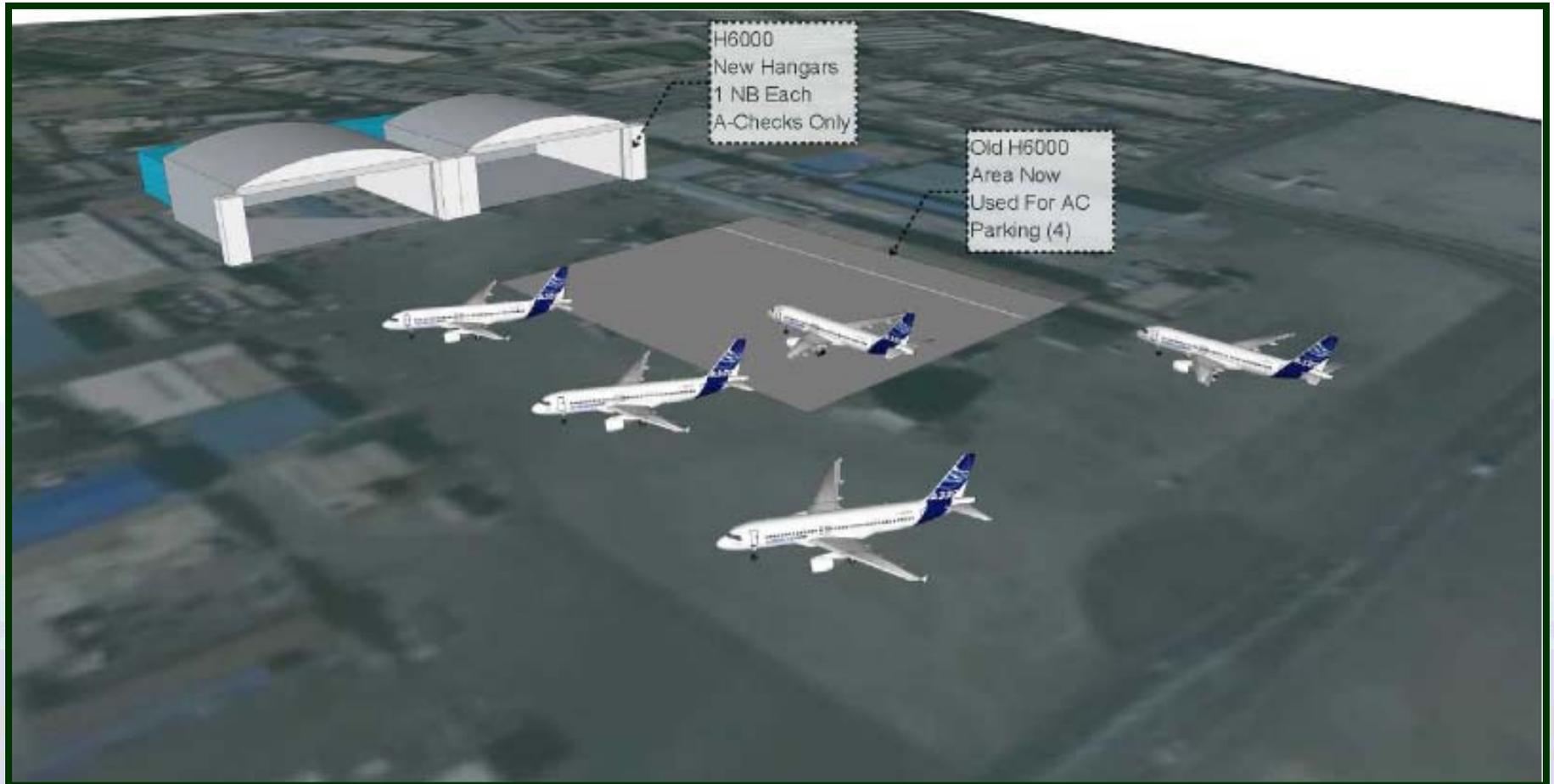
Layout of Existing Hangars with Capacity



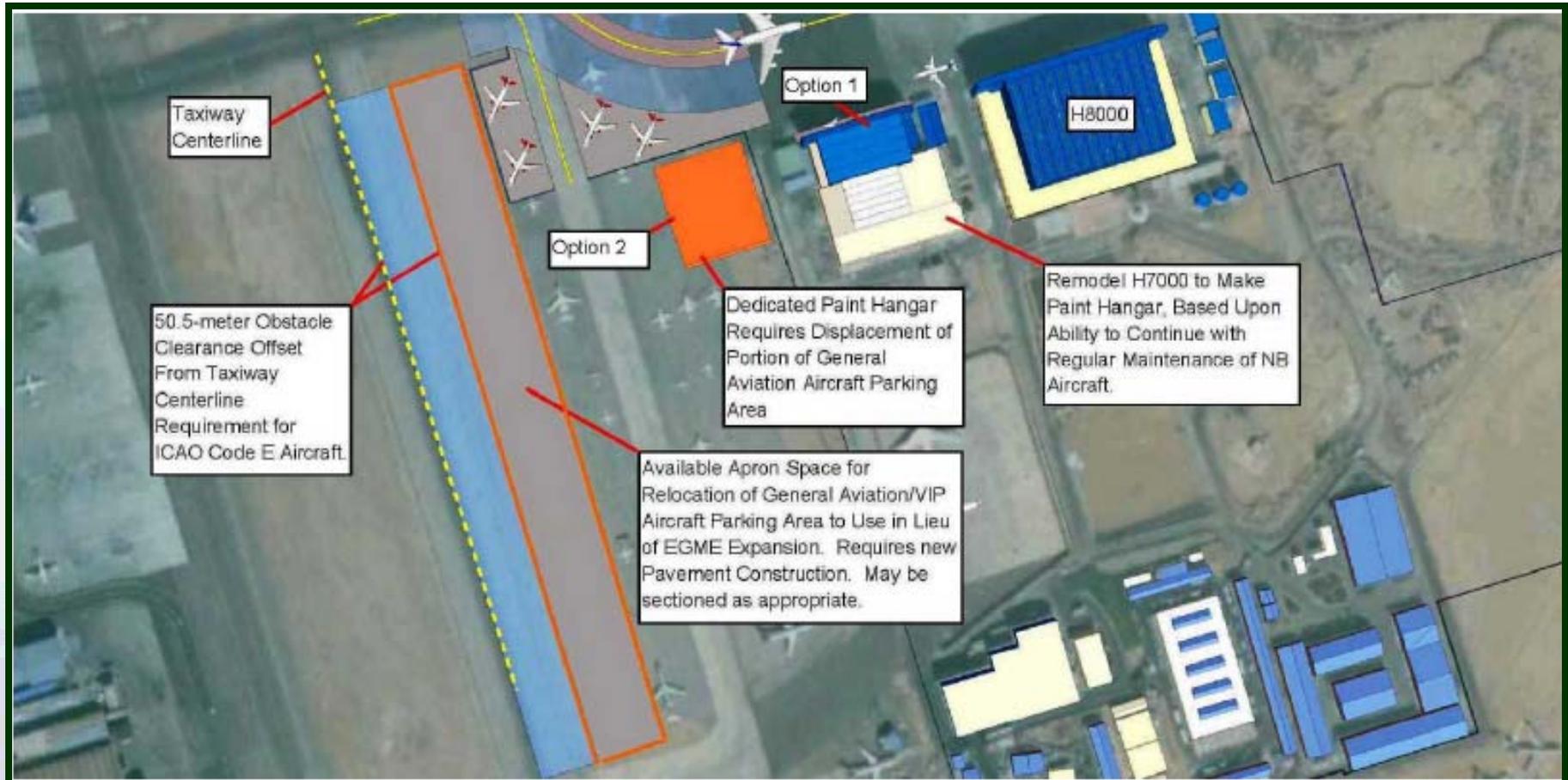
Existing Hangar Capacity

Hangar	NB Only	NB / WB Combination
H6000	2	1/1
H7000	3	2/1
H8000	4	1/2

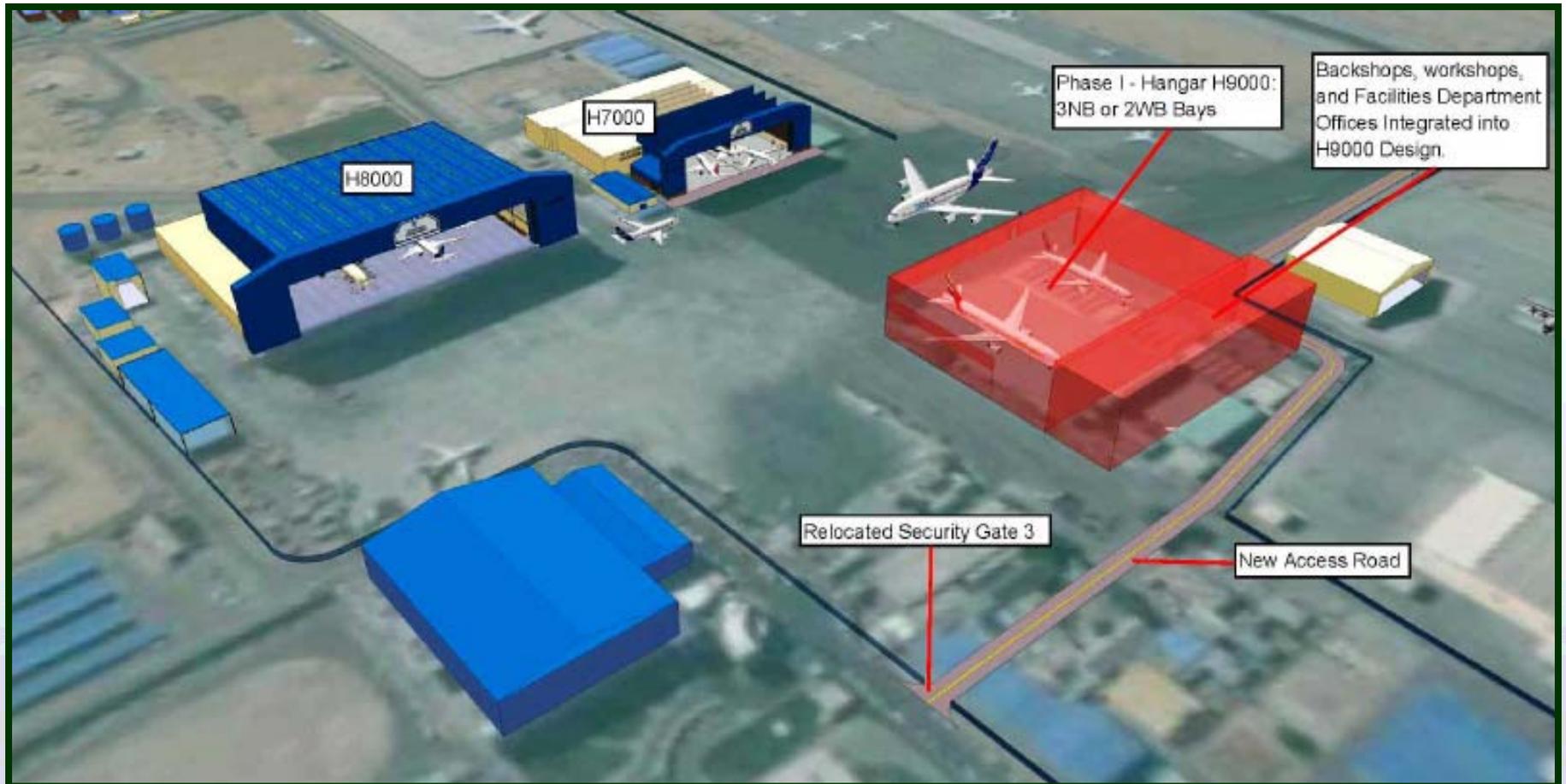
Phase 1-A, Light Maintenance Base "A1000"



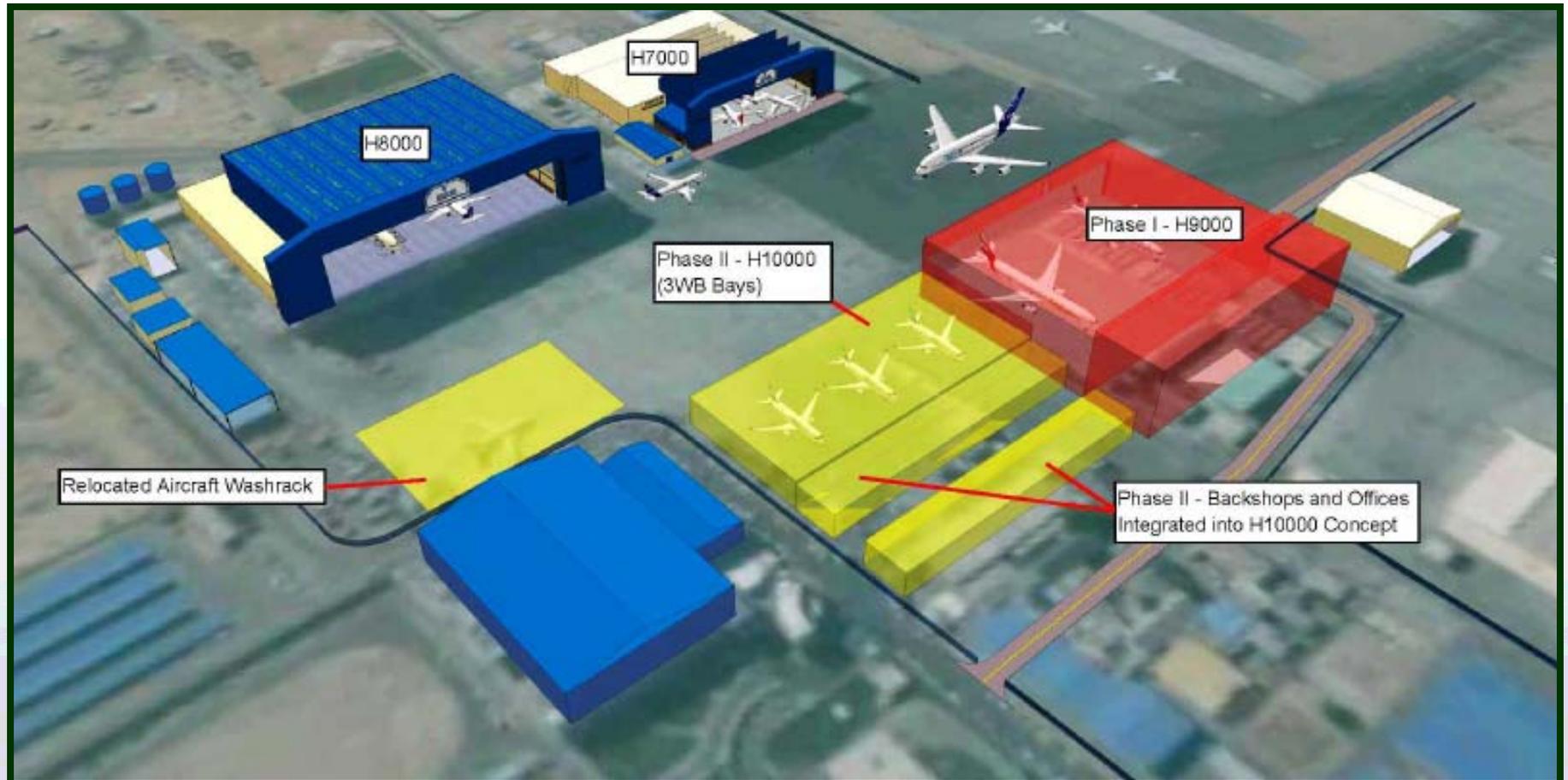
Phase I-B, Remodel H7000 to “Paint Hangar”



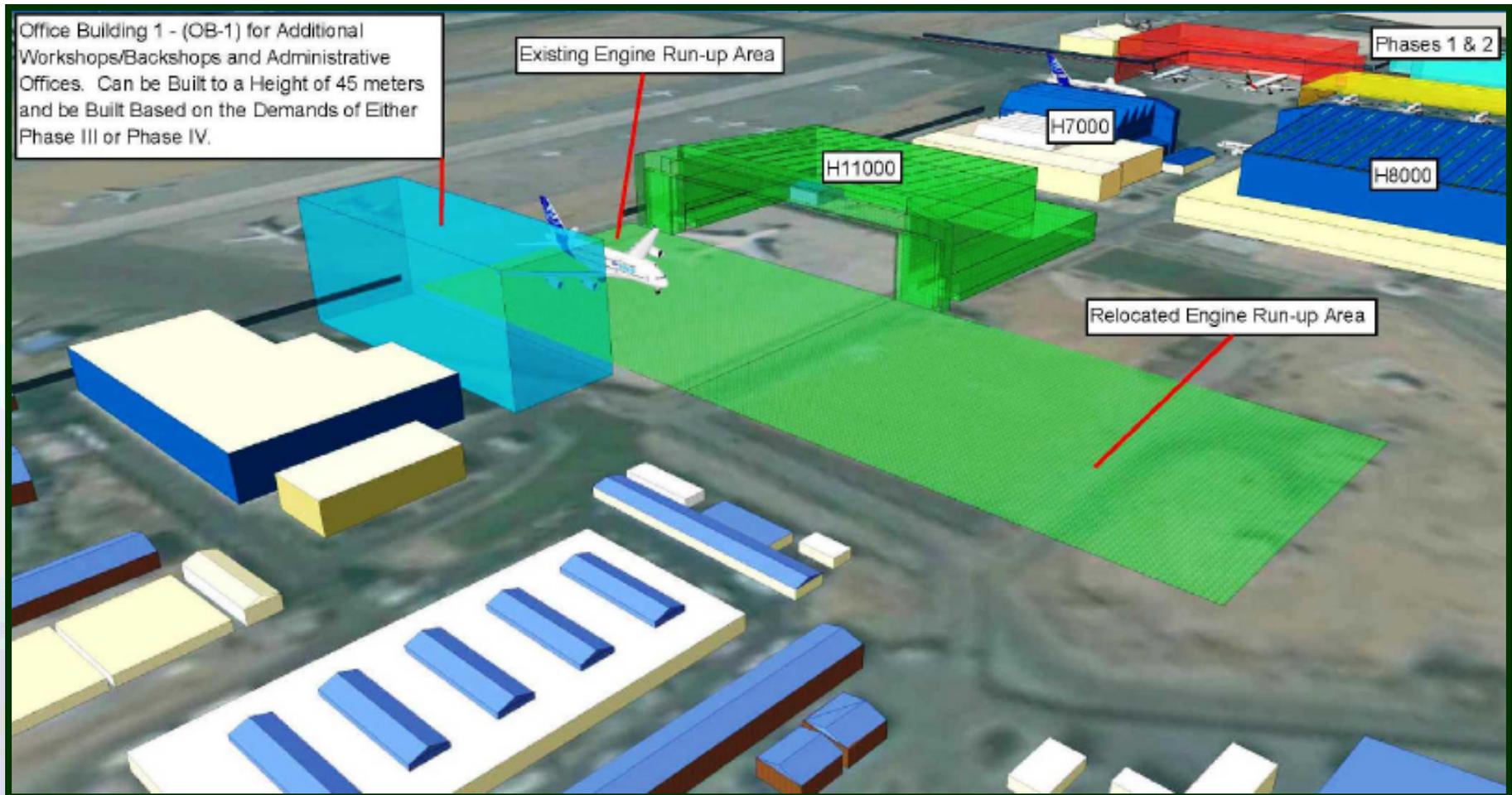
Phase I-C, Construct “H9000” with associated support shops and offices



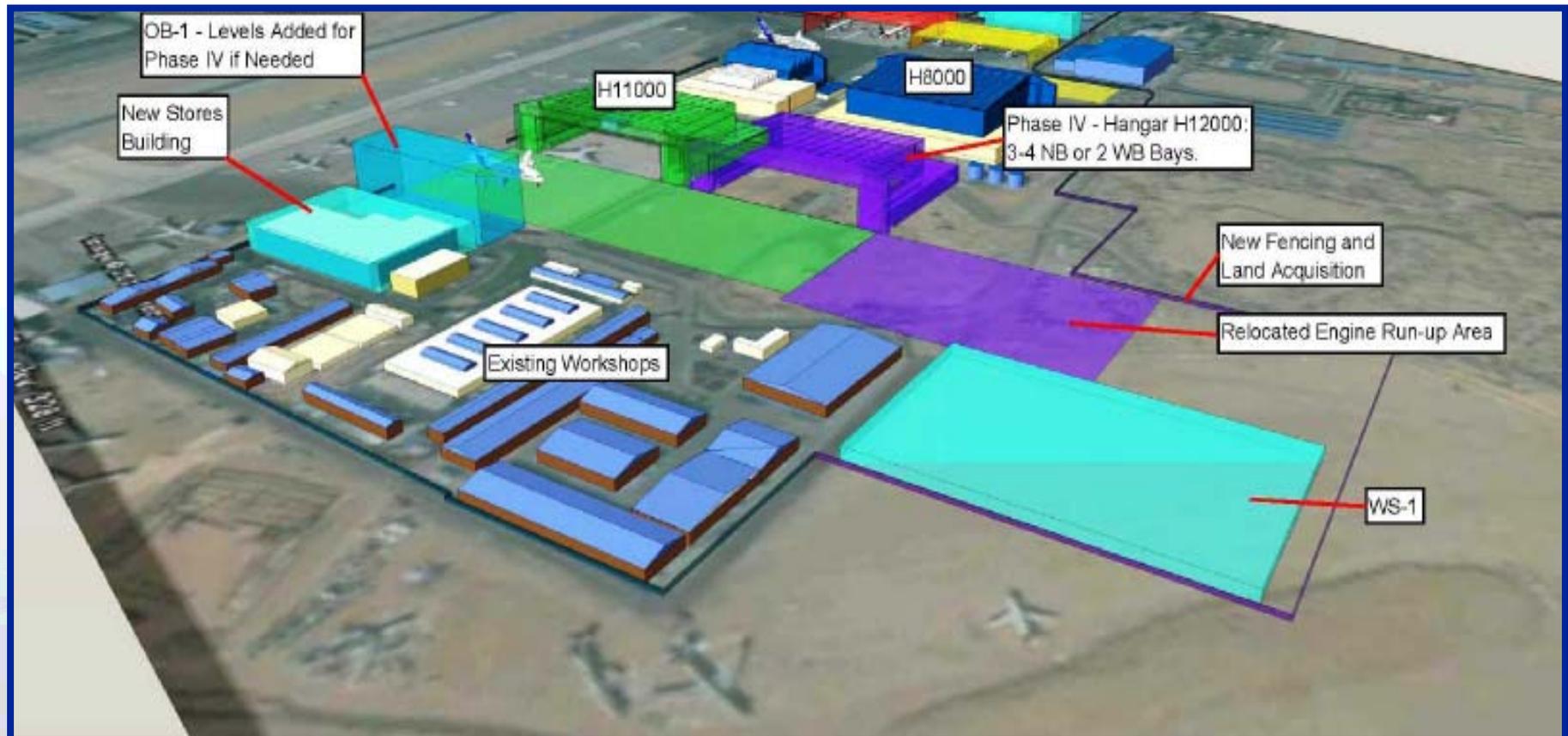
Phase II, Construct “H10000” with associated support shops and offices



Phase III, Construct “H11000” with associated support shops and offices



Phase IV, Construct “H12000” with associated support shops and offices



Development Plan – Ultimate View



Summary of Proposed EGME Facilities

Phase	Hangar	Development Timing	Hangar Size (in S.M.)		Number of Bays	
			Existing	Proposed	NB	WB/NB
Existing	H6000	Demolished	4,088		2	1/1
Existing	H7000		4,930	4,930	3	1/2
Existing	H8000		10,500	10,500	4	2/1
Phase 1A	A1000	2011		4,740	2	NA
Phase 1B	Paint Bay	2012		6,536	NA	NA
Phase 1C	H9000	2012-2014		11,534	3	2/1
Phase 2	H10000	To be determined		11,534	3	NA
Phase 3	H11000	To be determined		10,500	4	2/1
Phase 4	H12000	To be determined		10,500	4	2/1
Total - Ultimate Development			19,518	70,774	23	

ROM Project Costing (in 2010 real US\$)

	Approximate Cost
• Phase I	US\$ 63 million
• Phase II	US\$ 27 million
• Phase III	US\$ 50 million
• Phase IV	US\$ 40 million

Total Program	US\$ 180 million
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Opportunities for U.S. Companies



U.S. financiers could be in a position to finance the project



The major U.S. companies working in aircraft maintenance industry can participate as a partner through a Joint venture to provide mutual benefits



U.S. companies could participate in designing & supplying the required equipment for hangar operation or supplying the light prefabricated Hangar

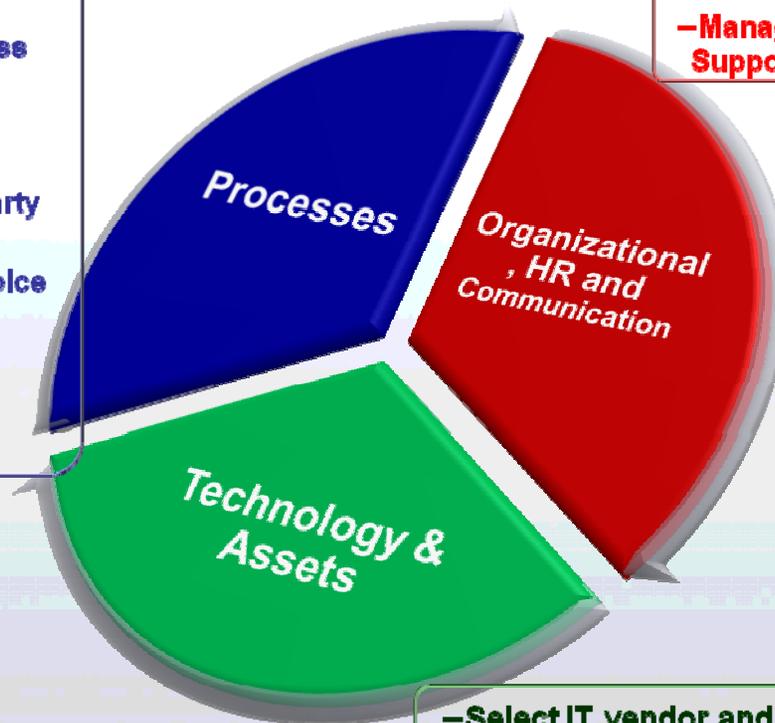
2. Supporting EGME Transformation; EGME 2030 initiative

- EGME 2030 initiative was developed to realize the ambitious vision to be Leading MRO in the Middle East & Africa
- The Transformation Plan has 3 main streams:
 - Organizational Restructuring & Process Re-engineering
 - Establishing new Maintenance Facilities (Aircrafts maintenance hangars)
 - Introducing new IT Solutions (related to Aircraft Maintenance Industry; MRO IT, Document Content Management and ERP)
- Estimated Cost is 5 million USD

Transformation Recommendation

- 18-Month Forward Rolling Plan for Base, Line, Shops and Supply Chain
- Develop More Comprehensive Budgeting and Cash Management Processes
- Establish P&L's and Business Plans for Each Business Unit
- Refine Processes to Capture True Costs
- Finance to develop a formal Business Case process
- Streamline Customer Invoicing Process
- Guidelines for Acceptance of 3rd Party Work
- Streamline Purchase Order and Invoice Payment Process
- Use Electronic Transmission to Disseminate Documents
- Advance Notification of Deferred Defects to Base, Line and MCC

- Organizational Restructuring
- Program Management Office
- Performance Management System
- Change Management and Communications Strategy
- Performance Appraisal, Compensation and Succession Plan
- Education Program on Quality
- Management Training In Production and Support Areas



- Select IT vendor and Negotiate IT Support Agreement
- Long-Term Facilities Master Plan

ICT Modernization

Next Generation MRO With Industry-Leading Technology 3

IT Focus on External Collaboration, Industry Standards, Technical Agility and Services Oriented Architecture

Transition Document Management to an Industry Standards-Based Content Management System (iSPEC2200 / S1000D)

Capex over 5-Year
USD \$17M to \$30M
Most Likely: **USD \$18 Million**

Mainstream MRO With Average / Leading Technology 2

IT Focus on Internal Integration and Internal Functionality

Leverage the Integrated Solution by Resource Planning

Extend an ERP-Based Solution to Achieve "Horizontal" Process Integration

Capex over 5-Year
USD \$8.5M to \$14.5M

Marginal Revenue MRO With "Good Enough" Technology 1

IT as a "Cost Center"

Minimizing Investments, Operations & Functionality

Integrated Solution for Finance, Accounting and Human Capital

Implement MRO and SCM Point Solutions
Manage Documents Manually or via a Basic File Server System

Capex over 5-Year
USD \$1.5M to \$3M

Options 1, 2 and 3 Build Upon One Another

Opportunities for U.S Companies



Specialized Consultancy Companies



Grants

THANK YOU

