



EGYPTAIR

YEARS
1932-2017
EGYPTAIR

EGYPTAIR

Annual Report
2016-2017

A STAR ALLIANCE MEMBER 

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Overview

Chairman's Letter

Faced with ongoing challenges over the period under review, EGYPTAIR have had to deal with the impact of the economic reforms especially currency floatation. Thus, we embarked on radical reforms towards bringing a turnaround of fortune.

To lead the change of its network and fleet, the airline undertook a thorough evaluation to realize what would fit perfectly into our business and what would allow us to better serve our customers worldwide.

As a key preliminary outcome of this process of evaluation, we have developed a restructuring plan of the network and fleet that was put into implementation phase to be ended by FY 2020/2021. As part of this plan, 50% of the short term phase was completed by receiving the fifth Boeing 737-800 NG contracted last year on a purchase sale / lease back with Boeing and DAE with last one to be delivered by December 2017. This short term deal will leave our fleet with 69 A/C and our fleet planning team is implementing a 5 year plan that will drive the biggest A/C order in the company's history of 45 A/C of different sizes to replace number of the current units and increase the fleet size to 84 A/C by 2021, This plan aims to reduce our unit cost benefiting from the fuel efficient new technology A/C and enhancing our product to deliver better service to our customers. This plan will reposition our company as one of the players in the region and world wide EGYPTAIR has a potential strategic vision towards the African region in the field of MRO services & aviation training FY 2016-17 marks 85 years of our existence, yet we are hopefully looking forward to achieve profitability in the years to come.

Under the new strategy we have successfully focused on consolidating operations, strengthening competencies and improving finances. Our on-time performance has upturn trend reaching 70%. During the FY 2016/17, it has increased 87.2%, placing us among the top 50 best performing global airlines. Yet we target to be above 90%. We have tough times since the 2011 revolution yet we have confidence in our future. Although the company went through the resilience we have been able to show and create confidence in our ability to deliver our vision. The impact of the economic reforms needs to be handled carefully in order to avoid price crunch in the market. This was carefully explained to the government and stakeholders to be amortized over the next 15 years. Now we have been able to rebalance the market prices out of Egypt by 85% with expectations to be fully balanced by the next FY.

Also, EGYPTAIR Cargo has also benefited from recent equipment renewal in addition to the three A300-600F freighters, which are wholly dedicated for the cargo and shipment service. However, these aircrafts will be replaced by new young ones within the frame of the turnaround strategy and the implementation of the A330-200P2F passenger-to-freighter conversion program, which will provide us with 33% additional payload, with substantially improved range capabilities. We are ambitious to expand our service to new markets.

I would like to thank our stakeholders for their continued support despite going through tough times. This support has reinforced our confidence and we now prepare to fly to new heights. Our employees truly deserve the credit of better future and the board is truly grateful to each one of them.



Safwat Musallam
Chairman and CEO

EGYPTAIR HOLDING

Chairman

Safwat Sayed Abdu Musallam

Chairman & CEO

Members

Dr. Farouk Abd El Baki El-Oqda

Ex. Governor

Central Bank of Egypt

Capt. Mohamed Hamdy El-Tahan

Civil Aviation Expert

Mr. Adel Mahmoud El-Morsi

Legal Advisor

Ministry of Defence

Mr. Mohamed Kamal El-Din Barakat

Vice Chairman

Arab International Bank

Mr. Hisham Ahmed Okasha

Chairman

National Bank of Egypt

Mr. Karem Mahmoud Youssef

VP Accounts

Ministry of Finance

Eng. Mohammed Saeed Mahrous

Chairman of Egyptian Holding Company
for Airports and Air Navigation

Dr. Ahmed Mahmoud Darwish

Ex. Minister of Administrative Development

Mr. Abd El-Aziz El-Shrbini

General Manager

Arab African Bank

Mr. Hassan Mohamed Hassan Shehata

Federation of Egyptian Workers

Union Representative

Corporate external shareholding structure



No	Company Name	The proportion of shareholding
1	LSG Sky Chefs Catering Egypt	70.00%
2	Air Cairo Aviation	60.00%
3	EAMS Company	50.00%
4	Arab World / Egypt Air Hotels (Le Passage)	50.00%
5	TABA For Tourism Development	32.50%
6	Aerosport Sports and recreational services	29.00%
7	MISR Aswan Tourism	25.96%
8	Aerotel For Hotels And tourism Services	25.71%
9	CIAF Leasing	20.00%
10	Egyptian Avition Services (EAS)	20.00%
11	Civil Aviation Finance Holding Company (CIAF)	20.00%
12	Smart Aviation Company	10.00%
13	MISR Sinai Tourist Co.	8.23%

EGYPTAIR AIRLINES

Medium-Haul Fleet modernization with New B737-800NG

Enhanced cabin comfort; business seat pitch is 46 inch, economy seat pitch is 31-32 inch. In-Arm video entertainment system in business class zone. Seat Row equipped with PC power outlet. LCD Video monitor in each seat-back in economy class zone. Audio Video on Demand (AVOD)



EGYPTAIR MAINTENANCE & ENGINEERING

GROWTH IN third party revenue
21.5%
Increase in Total Revenue,
relative to the previous fiscal year
42.6%



EGYPTAIR EXPRESS

Daily utilization
increased to reach
8 hours daily
Passenger load factor is
82%



EGYPTAIR CARGO

A Surplus of
201 Million EGP
was achieved after taxation.
709 Flights
were operated during Financial
Year 16/17





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EGYPTAIR's Highlights



01

Total Group Activity Revenue (EGP)



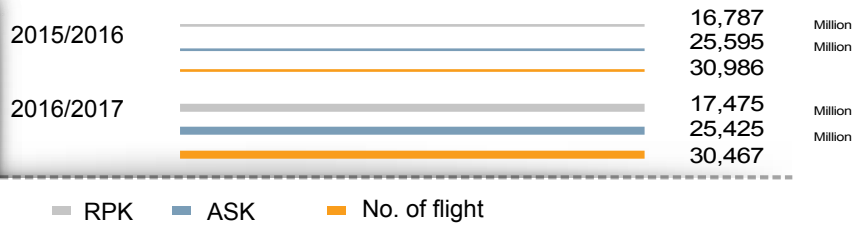
02

Holding Company Net Profit (EGP)



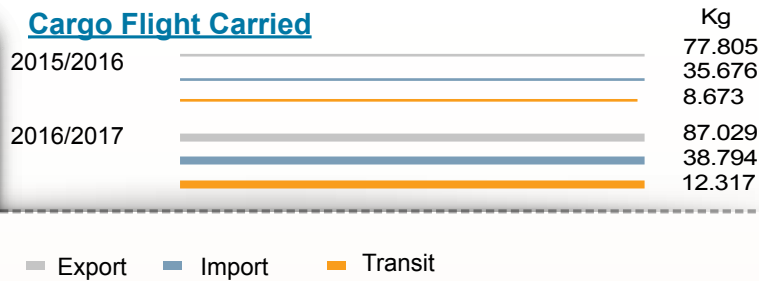
03

Airlines Schedule Operating results



04

Cargo Flight Carried



05

Express passenger carried





01

Safety Action Group (SAG)

A safety meeting that comprises all the G.M. safety and Quality of the subsidiaries of the holding company. This periodical meeting is held to discuss and update safety measures and implementation plans for the Safety Management System of EGYPTAIR.

02

Safety Management System (SMS)

The Corporate Safety department oversees the SMS within EGYPTAIR to assure the maintenance of the SMS according to the ICAO standard and Recommended practices. EGYPTAIR has a fully implemented SMS according to the ICAO four pillars required by the ICAO.

03

Hazard Identification List

The corporate safety department assures the updating through Safety committees and SAG meetings, of the Unified Corporate Identification list that is implemented within all EGYPTAIR's subsidiaries.

04

IATA Operational Safety Audit (IOSA)

The corporate safety department oversees the continual conformity with the IOSA requirements against any new regulation that becomes effective during the registry period of the IOSA certificate.

05

EGYPTAIR Operations Manuals

A higher committee chaired by the Corporate safety Department to maintain a unified and centralized manuals for the 3 carries (Airlines, Cargo and Express) to assure same standards being implemented across EGYPTAIR.

06

Internal Evaluation Program (IEP)

Periodic auditing of all the scopes within EGYPTAIR to assure the conformity with all regulations applies by the ECAA or any external entity that requires us to do so.

07 Safety Audits of Foreign Aircrafts (SAFA)

Continual monitoring of EGYPTAIR's Corporate and individual carries SAFA ratios, to maintain compliance with EASA regulation. SAFA ratios are reviewed through 2 committees (Corporate SAFA committee and Permanent SAFA committee) presented by corporate safety department.

08 Accident and Incident Occurrences investigation and analysis

The corporate safety department handles investigations in accidents and incidents that happen between any 2 subsidiaries or upon request of the V.P safety quality and companies follow-up in addition to the Chairman's request.

09 IATA Safety Trend Evaluation Analysis Data Exchange System (STEADES)

Corporate Safety handles all communication with the IATA for the exchange of the Safety data so as to derive EGYPTAIR's benchmarks according to the international standards.

10 IATA Ground Damage Data Base (GDDB)

Corporate Safety handles all communication with the IATA for the exchange of the international ground damage data so as to derive EGYPTAIR's benchmarks according to the international standards.

11 Rolls Royce SMS Software (Known as Visium AQD)

The comprehensive integrated electronic database for the Safety & quality management adopted by Rolls Royce to implement the elements & concepts of the Safety Management System (SMS) throughout identifying hazards, mitigating risks, conducting risk based audits, conducting investigations and finally analysing all these data to conclude to a meaningful knowledge crucial to the decision taker regarding safety performance .



Setting values, mission, vision and clear HR strategy, based on being HR “as a strategic partner”.

Simplifying business so as to serve the overall strategic direction:

1.Organization structure by merging vertical and horizontal units to produce full utilized products “vertical and horizontal integration”, visiting overall organization structure, and proposing several scenarios of proper “business model” so as to cope with the dynamic fierce competitions.

2.Full update to “job descriptions”; being transferred to “competency-based job descriptions”. Containing and for the first KPIs so as to activate PMS on all organization levels.

3.Creating actual “TNA” “training needs analysis”.

4.Creating a well-designed career plan for talents and skills inventory.

5.Establishing “PMS” performance management system.

6.Leadership development program for second & third line managers.

- For the year 2016-2017, EGYPTAIR CARGO organized 148 Courses for 2359 trainees, including Pilots, engineers, employees, technicians, and workers.
- In 2016/2017, EGYPTAIR GROUND SERVICES had 5409 efficient well-trained staff, fully aware of the safety procedures, and have the skills to provide ground services accurately in accordance with IATA and ICAO regulations. During 2016/2017, EGYPTAIR GROUND SERVICES had approved a strong training plan with Average training 2 days per employee / year.
- According to EGYPTAIR supplementary train-

ing plan, 285 employees have been trained out of 759 employees with a percentage 38%, focusing on core functions with total 757 training hours. **(OJT)** On Job Training is coping with cost reductions trend. Employees total capacity 2016/2017 compared to the year 2015/2016 is reduced with a percentage of 14.3%, increasing 4% of salaries and compensations, the matter which reflects 10% increment for the employee’s average annual salary.

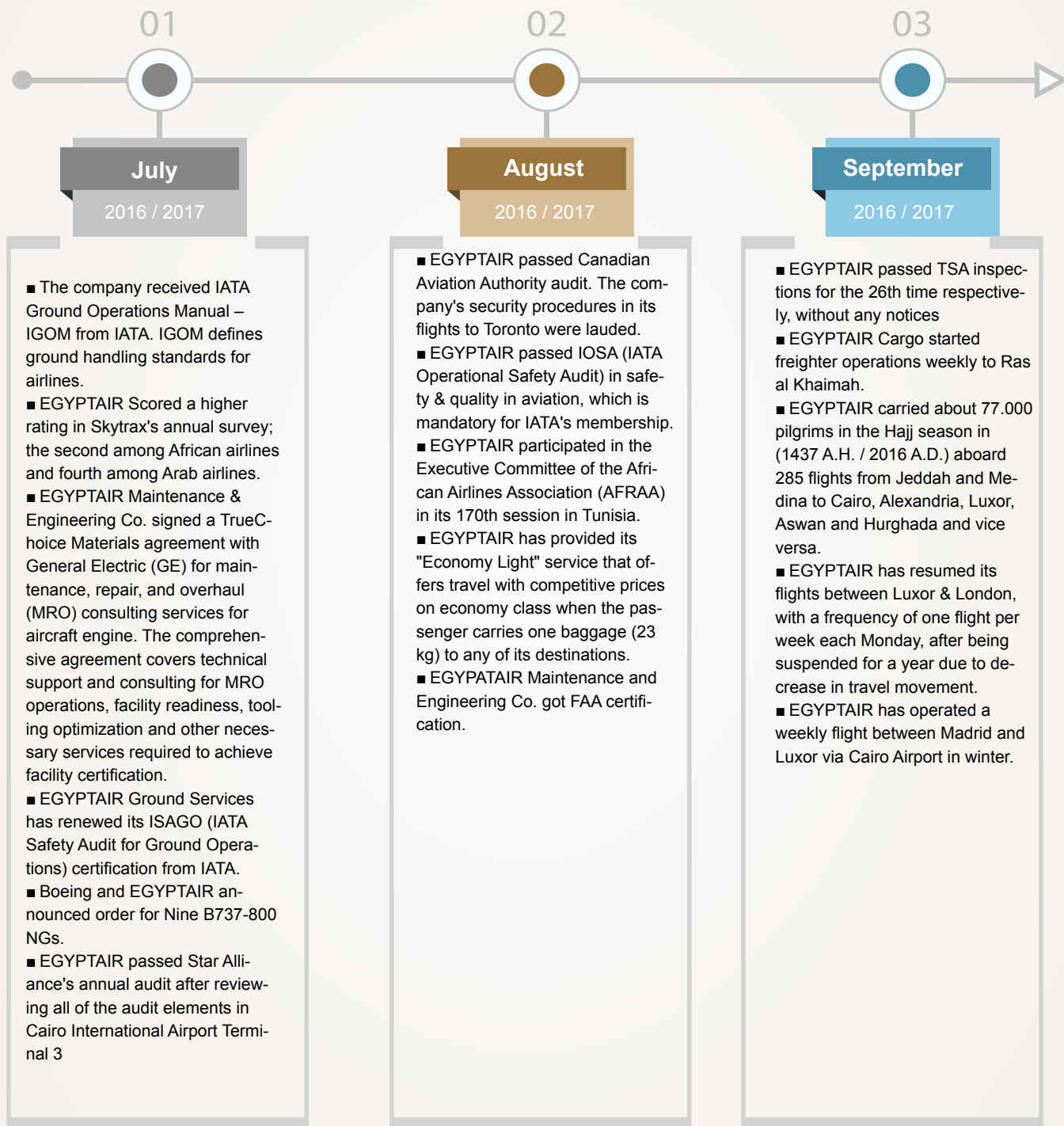
- HR sector adopted development processes coping with the national strategic direction of (SD) sustainable Development 2030 along with EGYPTAIR development direction by fully utilizing (TNA) Training Needs Analysis & training follow-up, reaching leadership development of 2nd & 3rd successors & leadership development program.

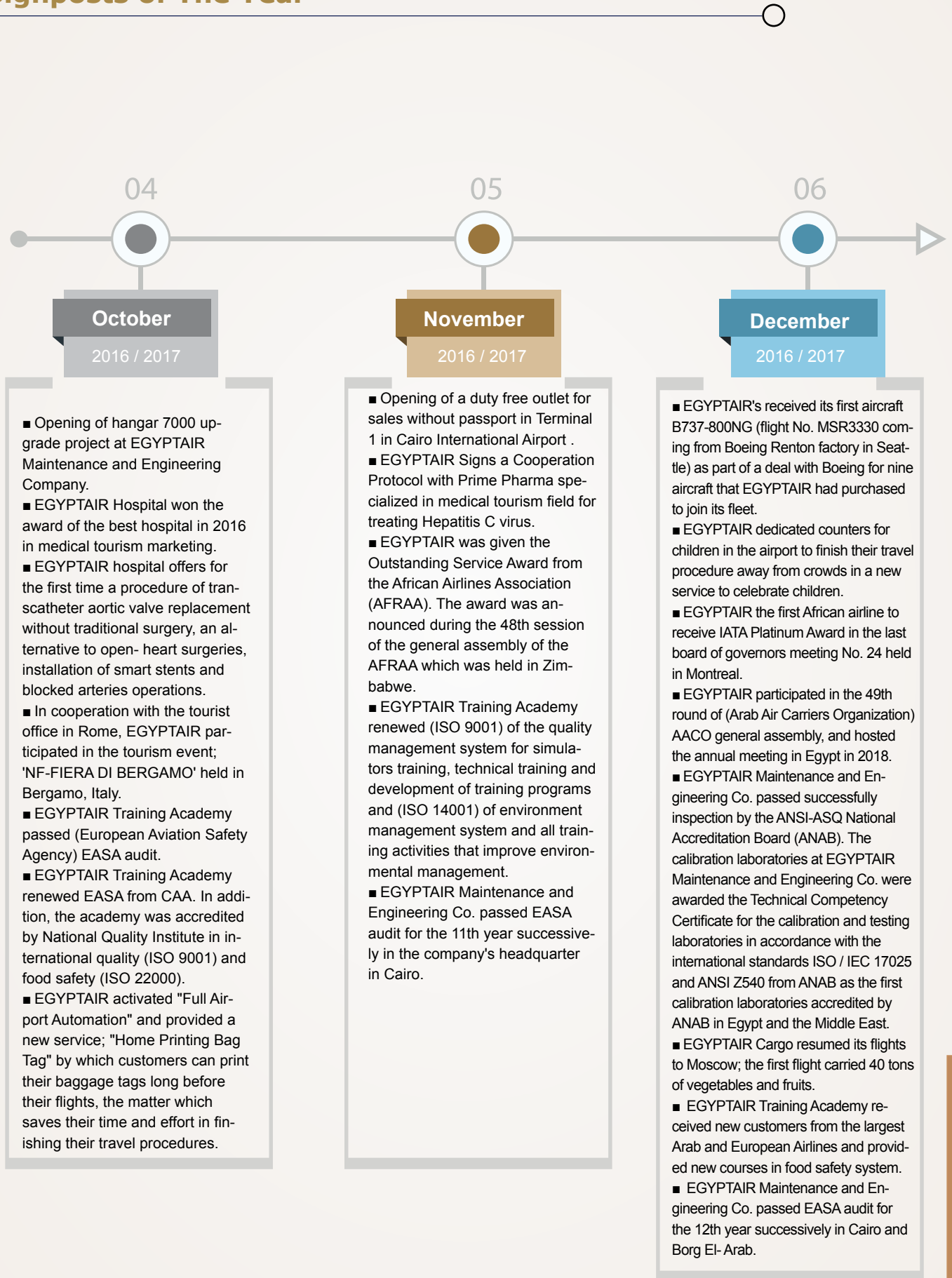
7-Transferring MSTR center to EGYPTAIR academy so as to be able create needed pool of professions internally & externally coping with industry requirements.

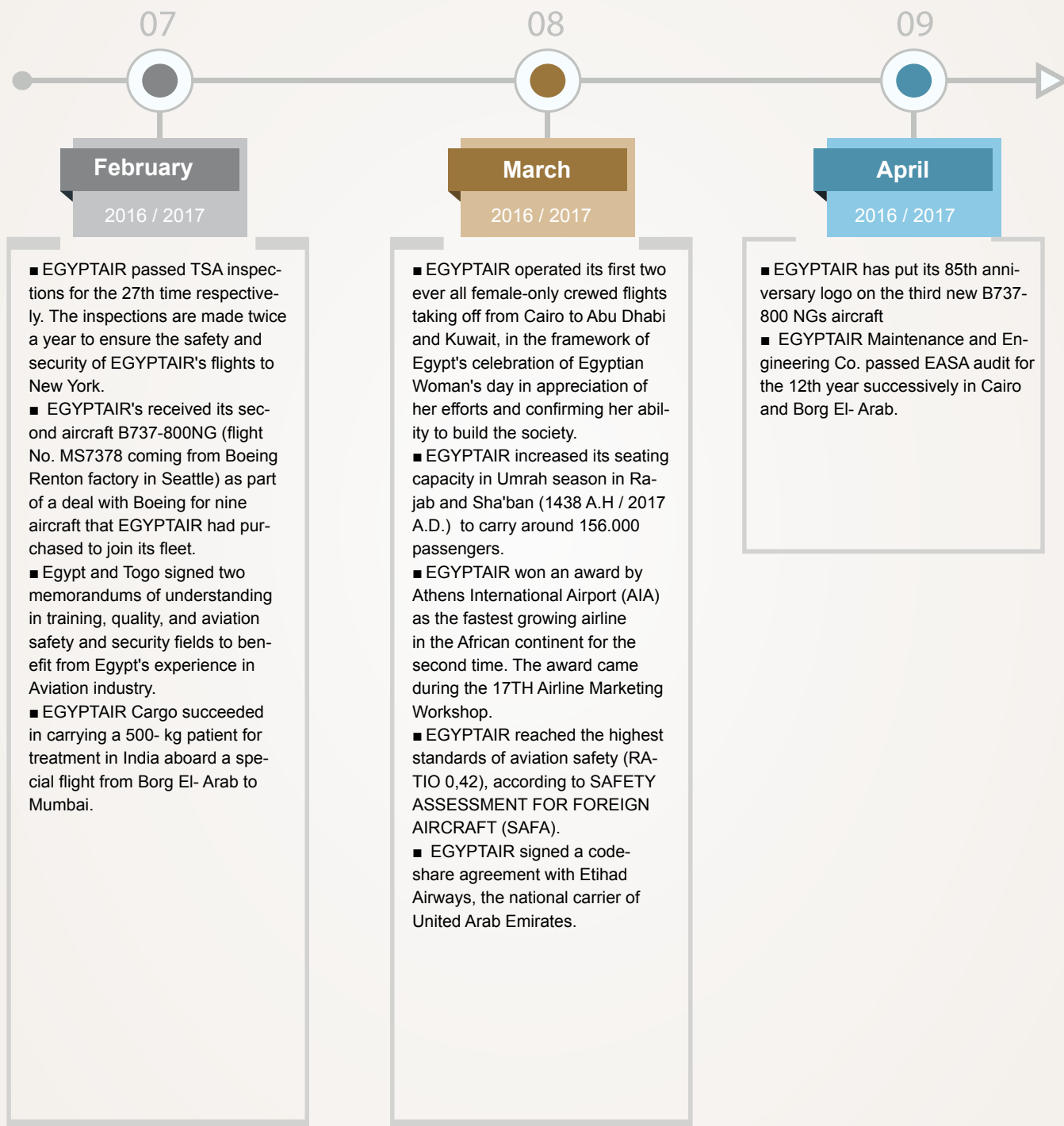
8- HR sector developed a professional consultant team, working under the umbrella of civil aviation functions in terms of SMEs (Subject Mater Experts) of HR functions on both strategic and operational aspects.

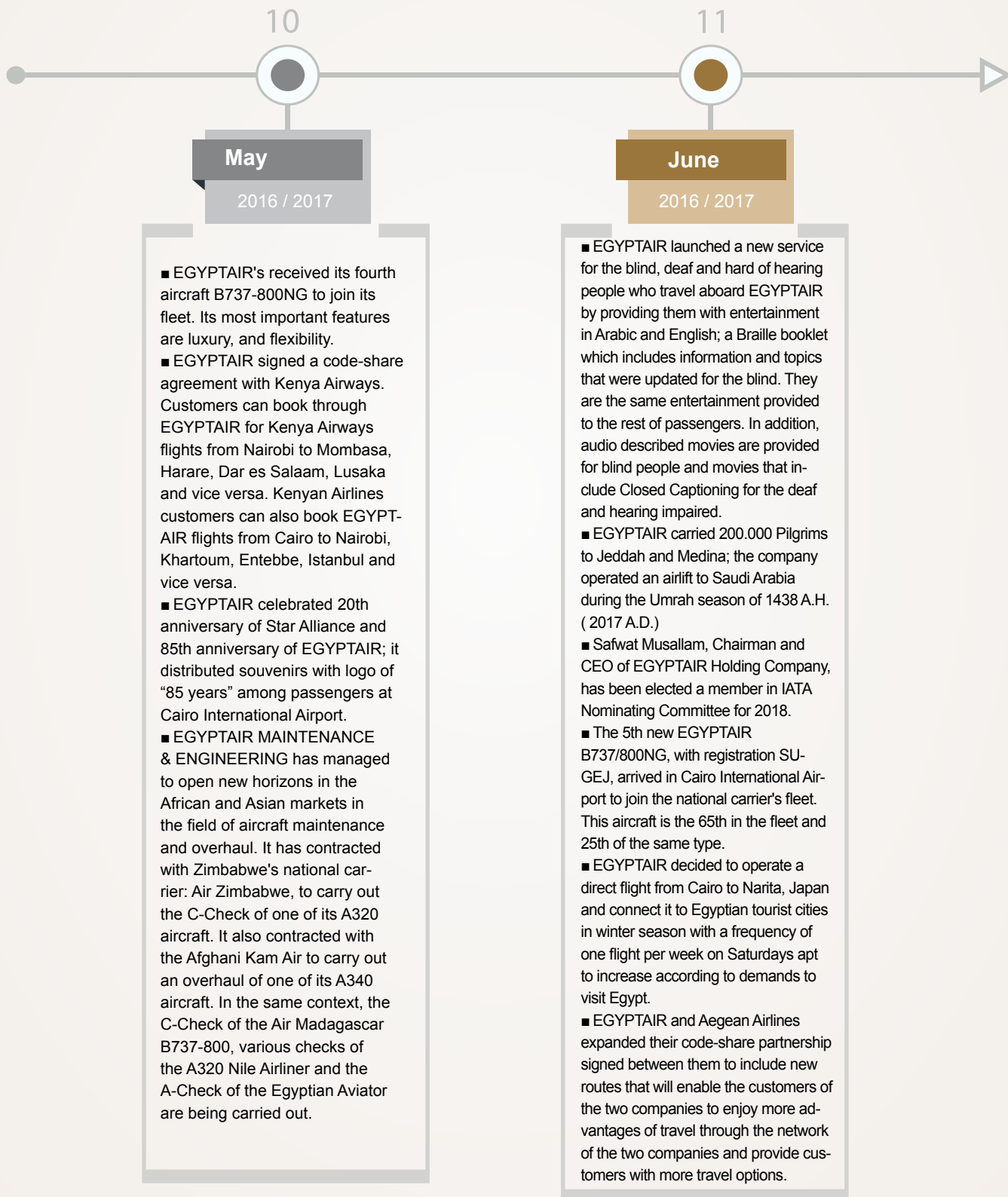
9- Rehabilitation plan synchronized with attrition plan to rightsize total employees capacity to fulfill efficiency as one of the main core value of EGYPTAIR.

10-Early retirement is one of the options suggested by national direction, minimizing 6M employees under national administrative authorities, and offering full benefits compensations as per internal regulations of each industry and firm.



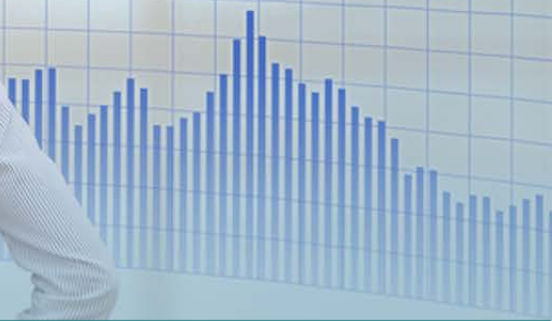








CTMX	0.45	▲ +0.45%
FTR	-0.23	▼ -2.34%
CSCO	-1.01	▼ -1.89%
CHK	0.02	▲
AAPL	+2	
PRTO		
AMZN		
TSLA		
AVGO		
SIRI	-0.65	



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Financial Review

STATEMENT OF FINANCIAL POSITION AT 30/06/2017

PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Non-Current Assets		
Fixed Assets (Net)	12,690,986,266	21,352,432,085
Projects In Progress	200,819,650	62,564,169
Long - Term Investments	3,955,835,161	3,953,535,505
Long - Term Loans And Debit Balances	350,400	87,408,198
Total of Non-Current Assets	16,847,991,477	25,455,939,957
Current Assets		
Stock	23,731,108	27,952,766
Customers , Notes Receivables And Debit Accounts	1,224,152,190	6,679,664,925
Cash in banks and in hand	108,619,036	360,364,543
Total Current Assets	1,356,502,334	7,067,982,234
Total Assets	18,204,493,811	32,523,922,191
Equity		
Paid Up Capital	4,078,806,000	4,078,806,000
Reserves	1,711,805,809	1,783,565,718
Total Equity	5,790,611,809	5,862,371,718
Total of Non - Current Liabilities	8,269,063,883	19,397,087,011
Total Equity & Non - Current Liabilities	14,059,675,692	25,259,458,729
Current Liabilities		
Provisions	1,322,634,504	1,906,282,859
Creditor banks	1,675,249,513	4,248,086,251
Suppliers , Notes Payable And Credit Accounts	1,146,934,102	1,110,094,352
Total of Current Liabilities	4,144,818,119	7,264,463,462
Total Equity & Liabilities	18,204,493,811	32,523,922,191

Operating & Profit & Loss Accounts From 1/7/2016 To 30/6/2017

REVENUES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Activity Revenues	2,687,399,804	4,466,222,969
Grants & Donations	41,809,583	58,440,037
Investments Revenues & Interests	20,904,193	74,896,913
Other Revenues & Profits	170,892,886	182,623,270
Total Revenues	2,921,006,466	4,782,183,189
COSTS & EXPENDITURES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Raw Material , Requisites, Fuel & Spare Parts	22,220,794	25,880,060
Wages	314,660,381	333,366,974
Expenditures	1,414,533,049	2,118,354,393
Purchases of goods for sale purposes	438,774	-
Burdens & Losses	1,155,847,613	2,232,821,853
Total Cost & Expenditures	2,907,700,611	4,710,423,280
Profit (Loss)	13,305,855	71,759,909

EGYPTAIR AIRLINES CO.

STATEMENT OF FINANCIAL POSITION AT 30/06/2017

PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Non-Current Assets		
Fixed Assets (Net)	438,752,894	407,358,009
Projects In Progress	14,188,665	15,498,235
Long - Term Investments	33,325,138	33,325,138
Long - Term Loans And Debit Balances	109,706,029	104,065,881
Total of Non-Current Assets	595,972,726	560,247,263
Current Assets		
Stock	39,831,114	66,959,992
Customers , Notes Receivables And Debit Accounts	7,101,413,745	17,318,234,736
Cash in banks and in hand	2,198,890,322	3,103,771,902
Total Current Assets	9,340,135,181	20,488,966,630
Total Assets	9,936,107,907	21,049,213,893
Equity		
Paid Up Capital	1,800,000,000	1,800,000,000
Reserves	(12,849,511,958)	(18,402,534,913)
Total Equity	(11,049,511,958)	(16,602,534,913)
Total Non-Current Liabilities	14,799,400	16,639,329
Total Equity & Non-Current Liabilities	(11,034,712,558)	(16,585,895,584)
Current Liabilities		
Provisions	211,075,165	228,967,894
Creditor banks	307,297,105	592,329,178
Suppliers , Notes Payable And Credit Accounts	20,452,448,195	36,813,812,405
Total Current Liabilities	20,970,820,465	37,635,109,477
Total Equity & Liabilities	9,936,107,907	21,049,213,893

Operating & Profit & Loss Accounts From 1/7/2016 To 30/6/2017

REVENUES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Activity Revenues	13,438,214,048	19,527,750,473
Grants & Donations	713,463	166,649,727
Investments Revenues & Interests	64,526,691	77,297,450
Other Revenues & Profits	73,325,355	238,393,243
Total Revenues	13,576,779,557	20,010,090,893
COSTS & EXPENDITURES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Raw Material , Requisites, Fuel & Spare Parts	3,422,568,755	6,291,931,832
Wages	1,182,533,387	1,476,420,335
Expenditures	9,902,910,356	16,564,846,642
Purchases of goods for sale purposes	-	-
Burdens & Losses	348,422,099	1,229,915,038
Total Cost & Expenditures	14,856,434,597	25,563,113,847
Profit (Loss)	(1,279,655,040)	(5,553,022,954)

EGYPTAIR MAINTENANCE & ENGINEERING CO.

STATEMENT OF FINANCIAL POSITION AT 30/06/2017

PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Non - Current Assets		
Fixed Assets (Net)	443,190,697	472,607,454
Projects In Progress	120,396,462	137,331,957
Long - Term Investments	43,985,510	43,735,510
Long - Term Loans And Debit Balances	22,865,748	18,791,487
Total of Non - Current Assets	630,438,417	672,466,408
Current Assets		
Stock	470,265,309	498,369,326
Customers , Notes Receivables And Debit Accounts	412,889,545	1,746,882,081
Cash in banks and in hand	20,280,566	74,387,294
Total of Current Assets	903,435,420	2,319,638,701
Total Assets	1,533,873,837	2,992,105,109
Equity		
Paid Up Capital	500,000,000	500,000,000
Reserves	437,395,066	512,052,213
Total Equity	937,395,066	1,012,052,213
Total of Non - Current Liabilities	23,543,050	16,015,895
Total Equity & Non - Current Liabilities	960,938,116	1,028,068,108
Current Liabilities		
Provisions	72,203,461	98,041,630
Creditor banks	45,950,361	225,582,563
Suppliers , Notes Payable And Credit Accounts	454,781,899	1,640,412,808
Total Current Liabilities	572,935,721	1,964,037,001
Total Equity & Liabilities	1,533,873,837	2,992,105,109

Operating & Profit & Loss Accounts From 1/7/2016 To 30/6/2017

REVENUES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Activity Revenues	2,016,985,118	2,891,162,920
Grants & Donations	-	-
Investments Revenues & Interests	1,648,954	1,422,420
Other Revenues & Profits	32,216,065	32,854,660
Total Revenues	2,050,850,137	2,925,440,000
COSTS & EXPENDITURES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Raw Material , Requisites, Fuel & Spare Parts	387,439,027	410,276,988
Wages	709,231,457	796,656,424
Expenditures	655,229,227	1,202,520,444
Purchases of goods for sale purposes	-	-
Burdens & Losses	99,247,597	255,361,149
Total Cost & Expenditures	1,851,147,308	2,664,815,005
Profit (Loss)	199,702,829	260,624,995

EGYPTAIR IN-FLIGHT SERVICES CO.

STATEMENT OF FINANCIAL POSITION AT 30/06/2017

PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Non - Current Assets		
Fixed Assets (Net)	91,435,931	85,986,371
Projects In Progress	14,004,484	10,236,895
Long - Term Investments	35,417,330	35,417,330
Long - Term Loans And Debit Balances	1,132,001	5,724,742
Total of Non - Current Assets	141,989,746	137,365,338
Current Assets		
Stock	35,256,726	35,198,972
Customers , Notes Receivables And Debit Accounts	166,971,510	283,027,606
Cash in banks and in hand	8,441,454	16,245,224
Total of Current Assets	210,669,690	334,471,802
Total Assets	352,659,436	471,837,140
Equity		
Paid Up Capital	50,000,000	50,000,000
Reserves	85,489,536	139,886,915
Total Equity	135,489,536	189,886,915
Total of Non - Current Liabilities	-	-
Total Equity & Non - Current Liabilities	135,489,536	189,886,915
Current Liabilities		
Provisions	18,537,263	36,363,911
Creditor banks	5,752,995	39,230
Suppliers , Notes Payable And Credit Accounts	192,879,642	245,547,084
Total of Current Liabilities	217,169,900	281,950,225
Total Equity & Liabilities	352,659,436	471,837,140

Operating & Profit & Loss Accounts From 1/7/2016 To 30/6/2017

REVENUES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Activity Revenues	478,955,738	595,168,423
Grants & Donations	-	2,049,516
Investments Revenues & Interests	6,024,692	9,463,710
Other Revenues & Profits	6,841,679	10,627,357
Total Revenues	491,822,109	617,309,006
COSTS & EXPENDITURES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Raw Material , Requisites, Fuel & Spare Parts	126,536,054	147,619,639
Wages	199,573,258	213,821,385
Expenditures	73,874,621	90,402,827
Purchases of goods for sale purposes	47,402,743	41,629,557
Burdens & Losses	17,296,913	50,449,021
Total Cost & Expenditures	464,683,589	543,922,429
Profit (Loss)	27,138,520	73,386,577

EGYPTAIR GROUND SERVICES CO.

STATEMENT OF FINANCIAL POSITION AT 30/06/2017

PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Non - Current Assets		
Fixed Assets (Net)	289,257,794	278,141,317
Projects In Progress	20,380,837	37,395,601
Long - Term Investments	28,261,375	28,261,375
Long - Term Loans And Debit Balances	1,533,418	11,785,569
Total of Non - Current Assets	339,433,424	355,583,862
Current Assets		
Stock	111,703,787	109,637,728
Customers , Notes Receivables And Debit Accounts	694,022,910	1,015,464,120
Cash in banks and in hand	18,933,729	40,356,219
Total of Current Assets	824,660,426	1,165,458,067
Total Assets	1,164,093,850	1,521,041,929
Equity		
Paid Up Capital	180,000,000	180,000,000
Reserves	(30,501,717)	90,595,579
Total Equity (3)	149,498,283	270,595,579
Total of Non - Current Liabilities	34,847,471	35,513,483
Total Equity & Non - Current Liabilities	184,345,754	306,109,062
Current Liabilities		
Provisions	19,926,394	30,859,556
Creditor banks	574,861,928	829,190,760
Suppliers , Notes Payable And Credit Accounts	384,959,774	354,882,551
Total of Current Liabilities	979,748,096	1,214,932,867
Total Equity & Liabilities	1,164,093,850	1,521,041,929

Operating & Profit & Loss Accounts From 1/7/2016 To 30/6/2017

REVENUES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Activity Revenues	577,360,101	873,257,756
Grants & Donations	-	4,436,724
Investments Revenues & Interests	884,380	1,701,423
Other Revenues & Profits	18,551,226	23,500,630
Total Revenues	596,795,707	902,896,533
COSTS & EXPENDITURES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Raw Material , Requisites, Fuel & Spare Parts	55,326,588	58,436,813
Wages	468,948,796	508,412,269
Expenditures	158,911,052	182,233,243
Purchases of goods for sale purposes	-	-
Burdens & Losses	79,683,605	32,716,912
Total Cost & Expenditures	762,870,041	781,799,237
Profit (Loss)	(166,074,334)	121,097,296

STATEMENT OF FINANCIAL POSITION AT 30/06/2017

PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Non - Current Assets		
Fixed Assets (Net)	292,791,079	337,246,420
Projects In Progress	46,700,517	8,018,527
Long - Term Investments	2,350,000	2,300,000
Long - Term Loans And Debit Balances	27,210,305	35,095,414
Total of Non - Current Assets	369,051,901	382,660,361
Current Assets		
Stock	5,681,583	6,656,118
Customers , Notes Receivables And Debit Accounts	371,332,844	791,157,808
Cash in banks and in hand	73,302,116	102,544,239
Total of Current Assets	450,316,543	900,358,165
Total Assets	819,368,444	1,283,018,526
Equity		
Paid Up Capital	65,000,000	65,000,000
Reserves	259,942,059	358,684,992
Total Equity	324,942,059	423,684,992
Total Non - Current Liabilities	-	1,317,362
Total Equity & Non - Current Liabilities	324,942,059	425,002,354
Current Liabilities		
Provisions	25,878,295	44,436,626
Creditor banks	134,188,639	272,339,355
Suppliers , Notes Payable And Credit Accounts	334,359,451	541,240,191
Total of Current Liabilities	494,426,385	858,016,172
Total Equity & Liabilities	819,368,444	1,283,018,526

Operating & Profit & Loss Accounts From 1/7/2016 To 30/6/2017

REVENUES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Activity Revenues	674,379,243	1,150,232,778
Grants & Donations	42,320	15,030,736
Investments Revenues & Interests	2,162,720	2,280,594
Other Revenues & Profits	77,937,057	98,171,863
Total Revenues	754,521,340	1,265,715,971
COSTS & EXPENDITURES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Raw Material , Requisites, Fuel & Spare Parts	137,228,345	291,040,621
Wages	129,363,334	150,912,829
Expenditures	312,684,460	542,530,640
Purchases of goods for sale purposes	-	-
Burdens & Losses	48,169,385	79,601,684
Total Cost & Expenditures	627,445,524	1,064,085,774
Profit (Loss)	127,075,816	201,630,197

EGYPTAIR TOURISM (KARNAK) & DUTY FREE CO.

STATEMENT OF FINANCIAL POSITION AT 30/06/2017

PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Non - Current Assets		
Fixed Assets (Net)	41,141,063	46,579,706
Projects In Progress	16,037,541	18,100,225
Long - Term Investments	3,525,000	3,280,850
Long - Term Loans And Debit Balances	12,906,558	18,651,762
Total of Non - Current Assets	73,610,162	86,612,543
Current Assets		
Stock	299,755,356	406,262,067
Customers , Notes Receivables And Debit Accounts	331,814,584	829,246,547
Cash in banks and in hand	52,125,902	109,020,867
Total of Current Assets	683,695,842	1,344,529,481
Total Assets	757,306,004	1,431,142,024
Equity		
Paid Up Capital	50,000,000	50,000,000
Reserves	140,669,332	238,351,844
Total Equity	190,669,332	288,351,844
Total of Non - Current Liabilities	2,152,286	1,992,205
Total Equity & Non - Current Liabilities	192,821,618	290,344,049
Current Liabilities		
Provisions	19,840,661	30,140,661
Creditor banks	174,037,290	333,323,092
Suppliers , Notes Payable And Credit Accounts	370,606,435	777,334,222
Total Current Liabilities	564,484,386	1,140,797,975
Total Equity & Liabilities	757,306,004	1,431,142,024

Operating & Profit & Loss Accounts From 1/7/2016 To 30/6/2017

REVENUES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Activity Revenues	1,056,309,928	1,446,203,744
Grants & Donations	-	1,823,376
Investments Revenues & Interests	1,063,888	2,069,166
Other Revenues & Profits	48,797,731	88,758,161
Total Revenues	1,106,171,547	1,538,854,447
COSTS & EXPENDITURES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Raw Material , Requisites, Fuel & Spare Parts	14,071,867	14,163,734
Wages	187,109,396	208,383,254
Expenditures	457,114,133	559,034,166
Purchases of goods for sale purposes	403,423,992	488,445,394
Burdens & Losses	36,571,094	165,441,668
Total Cost & Expenditures	1,098,290,482	1,435,468,216
Profit (Loss)	7,881,065	103,386,231

EGYPTAIR MEDICAL SERVICES CO.

STATEMENT OF FINANCIAL POSITION AT 30/06/2017

PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Non - Current Assets		
Fixed Assets (Net)	77,543,712	87,068,788
Projects In Progress	9,936,213	10,499,211
Long - Term Investments	3,525,000	3,356,674
Long - Term Loans And Debit Balances	14,577,579	14,700,685
Total of Non - Current Assets	105,582,504	115,625,358
Current Assets		
Stock	36,515,906	48,495,801
Customers , Notes Receivables And Debit Accounts	153,394,770	160,027,541
Cash in banks and in hand	18,328,085	5,029,621
Total of Current Assets	208,238,761	213,552,963
Total Assets	313,821,265	329,178,321
Equity		
Paid Up Capital	71,600,000	71,600,000
Reserves	25,741,236	32,862,797
Total Equity	97,341,236	104,462,797
Total of Non - Current Liabilities	22,597,431	17,811,130
Total Equity & Non - Current Liabilities	119,938,667	122,273,927
Current Liabilities		
Provisions	4,671,000	4,556,000
Creditor banks	3,927,268	21,155,341
Suppliers , Notes Payable And Credit Accounts	185,284,330	181,193,053
Total Current Liabilities	193,882,598	206,904,394
Total Equity & Liabilities	313,821,265	329,178,321

Operating & Profit & Loss Accounts From 1/7/2016 To 30/6/2017

REVENUES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Activity Revenues	419,588,132	447,577,453
Grants & Donations	4,074,237	4,250,081
Investments Revenues & Interests	1,052,095	1,487,247
Other Revenues & Profits	1,891,310	2,084,140
Total Revenues	426,605,774	455,398,921
COSTS & EXPENDITURES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Raw Material , Requisites, Fuel & Spare Parts	220,055,104	237,660,625
Wages	141,000,479	145,002,811
Expenditures	49,140,407	53,457,635
Purchases of goods for sale purposes	-	-
Burdens & Losses	4,195,943	3,926,447
Total Cost & Expenditures	414,391,933	440,047,518
Profit (Loss)	12,213,841	15,351,403

STATEMENT OF FINANCIAL POSITION AT 30/06/2017

PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Non - Current Assets		
Fixed Assets (Net)	31,745,580	29,239,426
Projects In Progress	764,036	3,086,174
Long - Term Investments	-	-
Long - Term Loans And Debit Balances	-	-
Total of Non - Current Assets	32,509,616	32,325,600
Current Assets		
Stock	30,245,434	50,801,731
Customers , Notes Receivables And Debit Accounts	37,928,996	25,233,572
Cash in banks and in hand	1,822,775	3,498,448
Total of Current Assets	69,997,205	79,533,751
Total Assets	102,506,821	111,859,351
Equity		
Paid Up Capital	50,000,000	50,000,000
Reserves	(18,280,271)	(23,021,856)
Total Equity	31,719,729	26,978,144
Total of Non - Current Liabilities	1,351,677	1,101,353
Total Equity & Non - Current Liabilities	33,071,406	28,079,497
Current Liabilities		
Provisions	9,211,490	10,281,490
Creditor banks	-	-
Suppliers , Notes Payable And Credit Accounts	60,223,925	73,498,364
Total Current Liabilities	69,435,415	83,779,854
Total Equity & Liabilities	102,506,821	111,859,351

Operating & Profit & Loss Accounts From 1/7/2016 To 30/6/2017

REVENUES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Activity Revenues	85,909,385	118,284,897
Grants & Donations	35,631,071	1,190,094
Investments Revenues & Interests	211,595	244,532
Other Revenues & Profits	1,577,322	2,628,063
Total Revenues	123,329,373	122,347,586
COSTS & EXPENDITURES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Raw Material , Requisites, Fuel & Spare Parts	31,065,877	34,540,612
Wages	67,251,856	68,279,127
Expenditures.	13,900,912	15,614,092
Purchases of goods for sale purposes	4,003,665	5,720,586
Burdens & Losses	6,879,153	2,934,754
Total Cost & Expenditures	123,101,463	127,089,171
Profit (Loss)	227,910	(4,741,585)

EGYPTAIR DOMESTIC & REGIONAL AIRLINES (EXPRESS) CO.

STATEMENT OF FINANCIAL POSITION AT 30/06/2017

PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Non - Current Assets		
Fixed Assets (Net)	574,544	468,999
Projects In Progress	139,440	119,520
Long - Term Investments	-	-
Long - Term Loans And Debit Balances	4,296,349	10,440,931
Total of Non - Current Assets	5,010,333	11,029,450
Current Assets		
Stock	-	-
Customers , Notes Receivables And Debit Accounts	742,758,012	1,385,968,857
Cash in banks and in hand	7,574,861	10,175,661
Total of Current Assets	750,332,873	1,396,144,518
Total Assets	755,343,206	1,407,173,968
Equity		
Paid Up Capital	250,000,000	250,000,000
Reserves	(47,502,843)	(164,298,068)
Total Equity	202,497,157	85,701,932
Total of Non - Current Liabilities	37,097	45,538
Total Equity & Non - Current Liabilities	202,534,254	85,747,470
Current Liabilities		
Provisions	9,719,557	14,709,327
Creditor banks	-	-
Suppliers , Notes Payable And Credit Accounts	543,089,395	1,306,717,171
Total Current Liabilities	552,808,952	1,321,426,498
Total Equity & Liabilities	755,343,206	1,407,173,968

Operating & Profit & Loss Accounts From 1/7/2016 To 30/6/2017

REVENUES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Activity Revenues	956,486,029	1,252,231,696
Grants & Donations.	-	161,290,166
Investments Revenues & Interests	617,873	699,579
Other Revenues & Profits	1,340,215	50,969
Total Revenues	958,444,117	1,414,272,410
COSTS & EXPENDITURES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Raw Material , Requisites, Fuel & Spare Parts	174,235,947	300,447,051
Wages	29,361,634	32,429,174
Expenditures	664,885,822	1,119,993,468
Purchases of goods for sale purposes	-	-
Burdens & Losses	12,148,097	81,629,002
Total Cost & Expenditures	880,631,500	1,534,498,695
Profit (Loss)	77,812,617	(120,226,285)

Financial Consolidated Results

STATEMENT OF FINANCIAL POSITION AT 30/06/2017

PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Non - Current Assets		
Fixed Assets (Net)	14,397,419,560	23,097,128,575
Projects In Progress	443,367,847	302,850,514
Long - Term Investments	1,089,624,514	1,086,612,382
Long - Term Loans And Debit Balances	172,587,224	306,664,669
Total of Non - Current Assets	16,102,999,145	24,793,256,140
Current Assets		
Stock	1,052,986,323	1,250,334,501
Customers , Notes Receivables And Debit Accounts	7,048,903,988	22,744,407,794
Cash in banks and in hand	2,508,318,846	3,825,394,018
Total Current Assets	10,610,209,157	27,820,136,313
Total Assets	26,713,208,302	52,613,392,453
Equity		
Paid Up Capital	4,078,806,000	4,078,806,000
Reserves	(10,508,081,876)	(15,804,459,988)
Total Equity	(6,429,275,876)	(11,725,653,988)
Total of Non - Current Liabilities	8,346,401,132	19,487,523,306
Total Equity & Non - Current Liabilities	1,917,125,256	7,761,869,318
Current Liabilities		
Provisions	1,713,697,791	2,404,639,954
Creditor banks	2,921,265,099	6,522,045,770
Suppliers , Notes Payable And Credit Accounts	20,161,120,156	35,924,837,411
Total of Current Liabilities	24,796,083,046	44,851,523,135
Total Equity & Liabilities	26,713,208,302	52,613,392,453

Operating & Profit & Loss Accounts From 1/7/2016 To 30/6/2017

REVENUES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Activity Revenues	17,297,653,274	25,083,988,610
Grants & Donations	82,270,674	415,160,457
Investments Revenues & Interests	99,097,081	171,563,034
Other Revenues & Profits	433,370,847	679,692,358
Total Revenues	17,912,391,876	26,350,404,459
COSTS & EXPENDITURES		
PARTICULARS	2015/2016(EGP)	2016/2017(EGP)
Raw Material , Requisites, Fuel & Spare Parts	4,548,224,107	7,752,904,914
Wages	3,175,250,282	3,637,143,392
Expenditures	9,128,885,859	15,491,122,510
Purchases of goods for sale purposes	455,269,174	535,795,537
Burdens & Losses	1,808,461,501	4,134,797,531
Total Cost & Expenditures	19,116,090,923	31,551,763,884
Profit (Loss)	(1,203,699,047)	(5,201,359,425)



- 30 Fleet Management
- 32 Alliances
- 36 Training Academy & IT
- 45 Subsidiaries performance

Performance Review



EGYPTAIR has developed its fleet growth and modernization plan 2017-2021 which was approved by EGYPTAIR board of directors in Jan. 2017.

EGYPTAIR fleet plan targeted to reach (84) A/C by 2021 by replacing (33) A/C and adding (12) A/C

EGYPTAIR has released a Request for Proposal (RFP) to Aircraft manufactures as well as Leasing Company to acquire 33 aircraft firm order in addition to 12 aircraft option as follows:

- (12) Small Narrow Body aircraft.
- (15) Narrow Body aircraft firm order plus (7) option.
- (6) Wide Body aircraft plus (5) option.

According to EGYPTAIR RFP, EGYPTAIR will be taking delivery of the new aircraft during the period 2018-2020 based on EGYPTAIR strategy, EGYPTAIR looks forward to acquiring the new generation aircraft which save fuel consumption & maintenance cost.

EGYPTAIR is considering the following aircraft type in the RFP:

Aircraft	Type
Small Narrow Body	A319neo
	B737-7Max
	CS300
	E2-195
Narrow Body	A320-200neo
	B737-8Max
Wide Body	A330-800neo
	B787-8
	A330-900neo
	B787-9

EGYPTAIR fleet at 30/6/2017

Aircraft Type	Owned	Finance Lease	Operating Lease	Total	Seats in Configuration	Average in Years	on Firm Order
EGYPTAIR Airline							
A321-200	4			4	161	20.3	
A320-200	3			3	145	13.9	
A330-200	7			7	268	11.9	
A330-300		4		4	301	5.9	
A340-200				0			
B737-800	11	10	4	25	144 / 154	6.7	4
B777-200ER	1			1	319	20.2	
B777-300ER			6	6	346	6.8	
Sub Total	26	14	10	50			
EGYPTAIR Express							
ERJ170	12			12	76	9.2	
Sub Total	12			12			
EGYPTAIR CARGO							
A300-600RF	2			2	N.A	26.7	
A300B4-200	1			1	N.A	35	
Sub Total	3			3			
Leased Out							
A320-200	1			1	145	13.8	
A340-200	3			3	260	20.7	
B777-200ER	2			2	319	15.9	
Sub Total	6			6			
Grounded A/C							
A320-200	5			5	145	26.5	
B777-200ER	1			1	319	20.2	
Sub Total	6			6			
Total	53	14	10	77		12	



STAR ALLIANCE™

20
YEARS
CONNECTING PEOPLE
AND CULTURES



Alliances

ALLIANCES & CODE-SHARE AGREEMENTS

Alliances

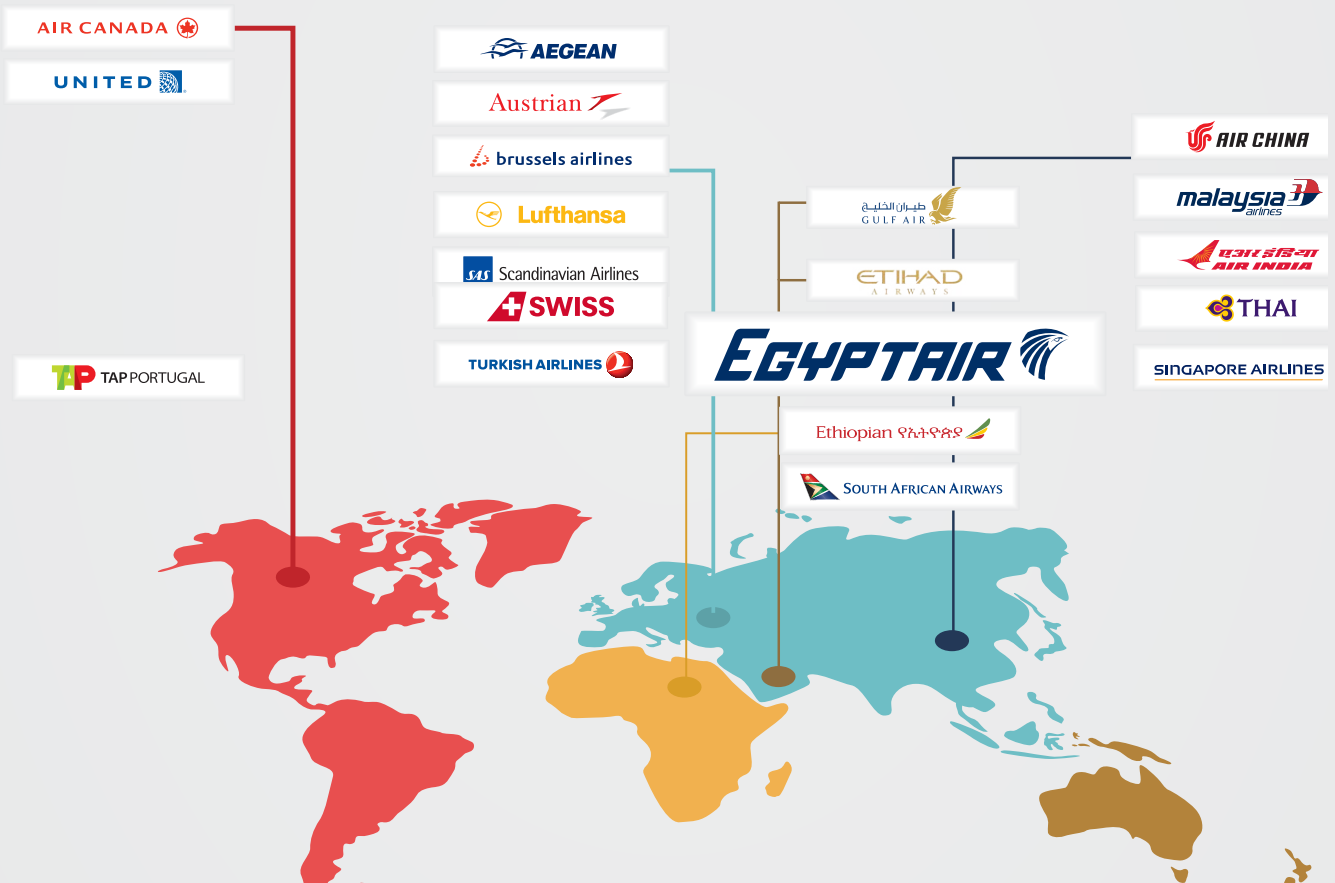
The development of commercial alliances with international carriers continues to be an important aspect of EGYPTAIR's business strategy.

Code-Share Agreements

Such arrangements provide EGYPTAIR with an effective way to expand and broaden its network that enhances its sales capacity.

EGYPTAIR extends its global reach through its membership in Star Alliance which is comprised of 28 members. It is not a requirement that Star Alliance members code-share with each other, EGYPTAIR does code-share with major Star Alliance members as well as with other non-Star Alliance carriers.

CODE-SHARE PARTNERS



EGYPTAIR has renewed its Code-Share agreements for FY 2016/2017, which are a total of 19 agreements, where EGYPTAIR is the Marketing Carrier on 37 routes which are not served.

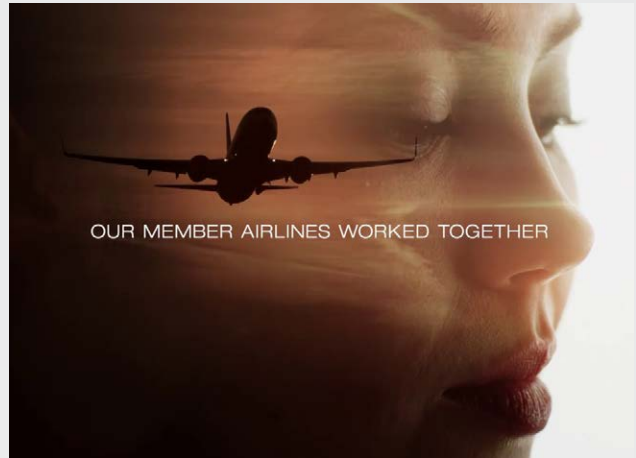
EGYPTAIR & Marketing Code share Destinations (S17)

EGYPTAIR is serving 60 cities in 45 countries with 689 weekly int'l freq. in addition to 37 cities through code share (total 97 cities in 66 countries).



Achievements of Alliances Division

- Delegations representing the Aeronautical Authorities of the Government of the Arab Republic of Egypt and the Government of Iraq held discussions in Baghdad on 23rd and 24th of May 2017, and the following understanding has been reached:
- Passengers' services: it was agreed to increase passengers' services up to 14 weekly frequencies.
- Cargo Services: it was agreed to increase Cargo services up to 7 weekly frequencies.
- Code Sharing: it was agreed to include third country code share arrangement without comparable rights.
- The Environmental Policy Group of AACO held a meeting on July 26, 2016 in Amman, Jordan. The meeting discussed ICAO's intention to develop a unified global system for reducing air transport emissions, called CORSIA. AACO recommended the members of the committee to coordinate with Civil Aviation Authorities to unify the opinion of the Arab airlines. EGYPTAIR was elected to head the committee for the next three years.
- EGYPTAIR, under the chairmanship of Mr. Safwat Musallam, CEO of EGYPTAIR Holding Co., participated in the Executive Committee Meeting of AACO no. 77 in Dubai on 25th of September 2016 with the attendance of a number of CEOs of Arab airlines. The meeting discussed some topics like passenger protection laws and ICAO's resolution on the CORSIA plan, as well as reviewing the achievements of the various working groups on joint projects under the umbrella of AACO.
- Representing MS on AMB – Alliance management Board in Bogota, as agreed on the Star Alliance new strategy 2017 business plan, in addition to budget.
- Expansion to code share agreement with Ethiopian Airlines on the following points:
- EGYPTAIR marketing on Ethiopian Airlines (Addis Ababa – Ndola V.V./ Addis Ababa – Hargeisa V.V./Cairo – Athena V.V./Cairo – Larnaca V.V. (re-activation))
- MS agreed with ET on the following points and



- waiting for authorities permissions (Addis Ababa – Brazzaville V.V./ Addis Ababa – Sao Paulo V.V./ Cairo – Tunisia V.V./Cairo – Algeria V.V.)
- Ethiopian Airlines marketing on EGYPTAIR Cairo – Amman V.V.
- Activating reciprocal Code share agreement with Etihad Airways on trunk route Cairo – Abu Dhabi V.V.
- EGYPTAIR successfully passed Star Alliance Assisted self-verification Audit (ASV) without any findings and Ethiopian Airlines was MS partner in the ASV. In addition as a preparation to the ASV, two internal Audits have been done by the Alliances.
- Signing code share agreement (free sale) with Kenya Airways on the following points:
- EGYPTAIR marketing on Kenya Airways (Nairobi – Mombasa V.V./ Nairobi – Harare V.V./Nairobi – Dar salaam V.V./Nairobi - Lusaka V.V.)
- Kenya Airways marketing on EGYPTAIR (Cairo – Nairobi V.V./ Cairo – Khartoum V.V./Cairo – Istanbul V.V./Cairo - Entebbe V.V.)
- MS Assisted United airlines in their assisted self-verification Audit (ASV) in SFO.
- Expanding cooperation with Aegean on EGYPTAIR operation reciprocal on route (CAI/ATH) V.V. Aegean marketing on EGYPTAIR (Cairo – Abu Dhabi V.V./Cairo – Addis Ababa V.V./Cairo – Dubai/ Cairo – Johannesburg).
- Organizing the 20th anniversary of Star Alliance Star Day HQD with the presence of Star CEO and MS CEO, as he made an introduction to the new strategy of Star Alliance.

Never
STOP
learning





EGYPTAR TRAINING ACADEMY is conveniently located at Cairo Airport in a newly-built center which complies with all the architectural and infrastructure requirements of a modern training facility. It includes not only flight crew, cabin crew and technical training, but also ground services, cargo, financial, commercial and administrative training and development; practically all activities needed within a modern airline. In addition to providing our customers with highest quality training, EGYPTAR TRAINING ACADEMY offers a whole enjoyable and unforgettable training experience through a package of services with the aim of exceeding customer expectations.

Training ACADEMY Approvals and Certificates Renewal



- ISO 9001
- ISO 14001
- OHSAS 18001
- ICAO TRAINAIR PLUS program Associate member.
- The National Institute for Quality
- All training departments are in Compliance with the Egyptian Civil Aviation Regulations.

Full Flight Simulators

EGYPTAR TRAINING ACADEMY full flight simulators approval certificates are in compliance with EASA and also in compliance with Egyptian Civil Aviation Regulations according to the table below:

Simulator Type		
B777		
B 737/800		
A 320/321		
A 340/330		
Cabin Emergency Evacuation (CEET)		

Technical Training

EGYPTAR TRAINING ACADEMY Technical Training approval certificates are in compliance with local and international Regulations according to the table below:

		
Technical Type		

Successfully added new capabilities to EGYPTAIR training ACADEMY approval granted by European Aviation Safety Agency (EASA) in the training activities on the following aircraft types:

- Boeing 737- 600/700/800/900 (CFM56)
- Boeing 777-200/300 (PW 4000)
- Boeing 777-200/300 (GE 90)
- Embraer ERJ-170 Series (GE CF34)

Successfully renewed EGYPTAIR training ACADEMY approval granted by European Aviation Safety Agency (EASA) in the training activities related to the following aircraft types:

- Airbus A319/A320/A321 (IAE V2500)
- Airbus 330 (RR RB 211 TRENT700)
- Airbus 340 (CFM56)

Successfully added new capabilities to EGYPTAIR training ACADEMY approval granted by Egyptian Civil Aviation Authorization (ECAA) in the training activities on the following aircraft types:

- Boeing 737-500(CFM56-3C) type Maintenance Course for Electrical and Avionics.
- Boeing 737-800 Towing training course for electrical and avionics.
- Boeing 777-200/300 Towing training course for electrical and avionics.
- Airbus 330 Towing training course for electrical and avionics.

Aviation Training

		
Aviation Training		

- Aviation Training Department (ATO) approval certificate is in compliance with EASA Part ORA, Part FCL.
- successfully renewed EGYPTAIR training ACADEMY approvals in the training activities related to the following aircraft types:
 - Airbus A319/A320/A321
 - Airbus 330
 - Airbus 340
 - Boeing 737- 600/700/800/900
 - Boeing 777-200/300
 - Embraer ERJ-170 Series
- approved new courses:-
 - ETOPS

Milestones

EGYPTAIR Training ACADEMY added new customers to its customer list.

• EGYPTAIR Training ACADEMY has added new customers to its customers list in most of its training activities. The new customers are Eritrean Airlines and Badr Airlines.

EGYPTAIR Training ACADEMY added new developed courses to its courses list.

Marketing Training Courses

- Marketing Management
- Marketing Research
- Corporate Communication - Integrated Marketing Communication (IMC)
- Event Management (Planning & Organizing)
- Internal Marketing
- Introduction to Marketing principles

Customer Service Training courses

- Airlines Public Relations Skills
- Step- by- Step to Customer service Excellency

Quality Training Courses

- ISO 9001 2015(initial)
- ISO 9001 -2008 to ISO 9001 • 2015 Difference Course
- Root Cause Analysis

Performance Charts

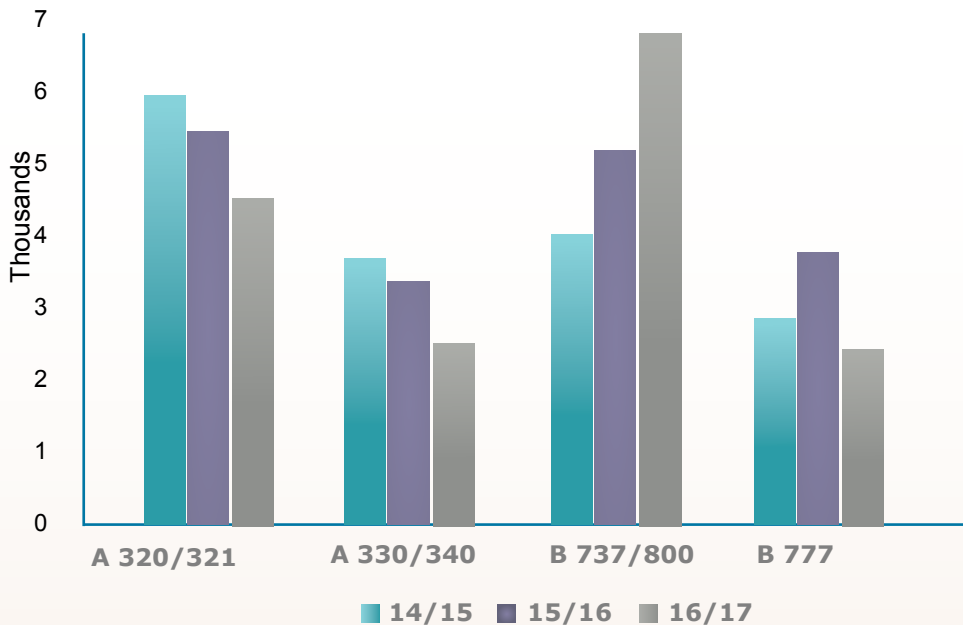
Full Flight Simulators

Operation hours

over the period 2016/2017 compared to 2015/2016 and 2014/2015

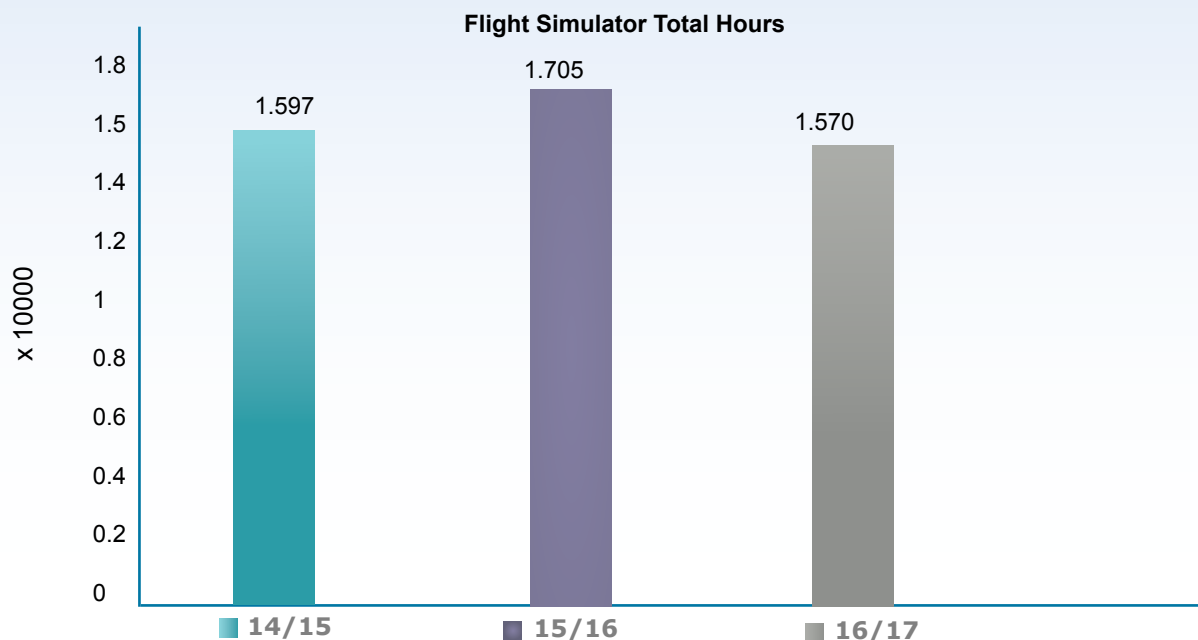


Flight Simulator Hours



Full flight simulators total operation hours

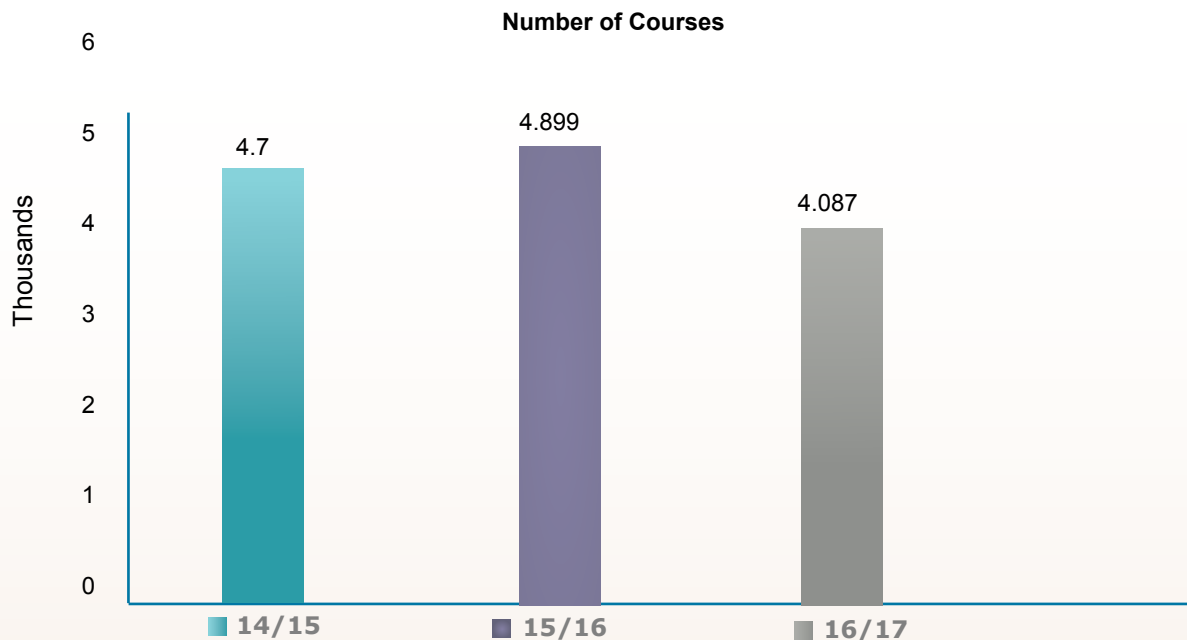
over the period 2016/2017
compared to 2015/2016



There is a change in the full flight simulator training demand related to the EGYPTAIR Holding company fleet modernization policy.

Total number of conducted courses

over the period 2016/2017
compared to 2015/2016 and 2014/2015





EGYPTAIR Technology Sector

EGYPTAIR Information Technology Sector, is looking for increasing business agility and take advantage of modern technologies to bring legacy applications forward to the web, enhancing, improving the overall usability of all applications to serve better, by providing innovative ideas, serving customers based on utilization of the availability of strong infrastructure, skills and also management of information systems, in addition to covering operation & maintenance, network infrastructure, system engineering, IT security and IT technical support.

Achievements:

- Working on Information Strategy Plan for IT Sector which governs EGYPTAIR INFORMATION TECHNOLOGY with new business drivers representing promising vision toward business excellence.
- Representing EGYPTAIR in STAR IT COMMITTEE meetings and sharing in different projects related to the STAR Digital Strategy which include these initiatives:
 - Interline Baggage Tracker
 - Interline Journey Information
 - Interline Seat Assignment
- Representing EGYPTAIR as a member council in SITA Annual meeting which has been nominated from the AACO to represent (MENA2 _Middle East & Africa Group 2) region.
- Participating in several internal meetings within SITA Committee (MEMCOM- Membership Committee) and sharing in developing principles for group realignment of Airline Groups within the council to ensure fair distribution of members' shares.
- Representing EGYPTAIR IT SECTOR in the committee between (EGYPTAIR AND CAIRO AIRPORT COMPANY) to facilitate all procedures and prepare the needed requirements for Implementation of the outstanding projects.
- Sharing in preparation (RFP) for an OTA (Online Travel Agency) and for TFS (Tax Free Shop) System and identifying all business and system requirements.
- Marketing exploitation of some assets and resources to deliver different services to the employees and also supporting in funding some of IT business projects declared in our IT strategy Plan.



- Preparing new Project Charter for Data Center Renovation including Business need and requirements, Constrains, Assumptions and required Budget needed.
- Supervision on implementation project of Microsoft new services included within the contract and insuring deliverables to satisfy the objectives and within the required scope.
- Preparing the training Plan for IT Sector according to new guidance requirements from Training Sector to accomplish Company goals.
- The fulfillment of the new Frequent Flyer Total Solution implementation project components and phases that included the installation, configuration, and backup and recovery procedures for all the hardware and software components that included the servers, storage devices, tape libraries, operating systems, databases, etc. At the main & standby sites. The implementation also included



the data replication between both sites to ensure the business continuity around the clock where the final stage of the project was preparing a full documentation for the Frequent Flyer System on the new hardware.

- SIRAX System Development, and updating it up to version 5, 8. Also preparing all databases backup and recovery procedures for the SIRAX System on the new backup solution and this was the last phase of the new SIRAX System hardware implementation project.
- Installation and configuration of the new Assets Depreciation and Non-Technical Stores System databases on the mainframe. Included data migration and also the preparation of all the backup and recovery procedures for these new databases.
- Updating Airlines, Cargo and Express Pilots and Cabin Crew Internet Sites.
- The completion of General Declaration Updates according to IATA & External Stations requests.
- Activating the system in TB2. Activating the customer service system in TB3.

- Completion of the "Online Redemption" system that allows EGYPTAIR customers to book their tickets by miles very easy on EGYPTAIR website.
- Updating the server of the loading equipment to deal with Amadeus Pro Print Service instead of Amadeus ALC Print Service.
- Completion of "WECARE Project".
- Preparing the directory of the career functional structures and the job description cards to be presented as a reference during IOSA Inspection.
- Automating the flight files concerning (Amadeus Reservation, Amadeus DCS, Lido, Flight Plans, and General Declaration System) for Cairo & Internal Stations.
- Adding all data related to the landing and takeoff times and fuel data in a unified database.
- The completion of the integration with AMOS MRO.
- Automation of all Crew APIS Programs for UAE, South Sudan, Lebanon, Palestine, UK, France, China Thailand & Bilge.



Subsidiaries performance

← EXIT مخرج →



EGYPTAIR

A STAR ALLIANCE MEMBER 

Board of Directors

Capt. Sherif Azzat Helmy Badrous

Chairman & C.E.O
EGYPTAIR Airlines

Eng. Sabry El Sayed AbdeAlhady Diab

Aviation Expert

Mr. Nidal Al-Qasem Mohamed Assar

Vice-Chairman
EGB Bank

Mr. Yasser Yahia Mohammed El Ramly

Chairman & C.E.O
Air Cairo

Dr. Ibrahim Hassan Aly Ashmawy

Minister of Tourism Advisor

Capt. Hady Abd Almottaleb Rabie

Senior Pilot

Mr. Mohammed Mahdy Hassanin

Senior Capin Crew

Mr. Ahmed Mohammed Samir Farid

Senior Traffic Officer

Mr. Khaled Mohammed Reda El-sadat

Senior Cabin Crew Schedule Specialist

Mr. Abdel Karim Mahmoud Abdel Samie

EGYPTAIR Airline Syndicate Representative

EGYPTAIR AIRLINES is the core of EGYPTAIR HOLDING Company with more than 85 years of service; throughout these years, EGYPTAIR has successfully extended its network to reach major destinations across the world. Being an active member of Star Alliance since July 2008, and as a part of that huge network, EGYPTAIR's customers are currently able to reach more destinations in 190 countries all over the globe; and are also entitled to all Star Alliance Gold and Silver benefits through EGYPTAIR Plus Loyalty Programs.

EGYPTAIR HISTORY:-

- In May 1932, EGYPTAIR was established; and has evolved since then to become the pioneer carrier in the Middle East and Africa, and the seventh carrier in the world to join the IATA.
- In August 1933, EGYPTAIR commenced its commercial operations with the Spartan Cruiser flying from Cairo to Alexandria.
- In 1935, A total of 12 De Havilland were added to the fleet and during the Second World War, the Egyptian government took over the airline and changed its name to "Misr Airlines".
- In 1946, the name "Misr Airlines" was changed to "MisrAir" and 10 Beechcrafts were purchased adding American technology to the fleet.
- In 1949, MisrAir bought 10 Vickers Vikings and in the following year, a French Aircraft, the Languedoc, was put into service.
- In 1960, MisrAir merged with Syrian Airlines forming a new identity "United Arab Airlines-UAA". UAA enhanced the fleet with Comet 4-c jets becoming the first carrier in the Middle East to use these jets.
- In 1968, UAA introduced the Boeing 707-320c to manage growing international traffic and operate longer routes.
- In 1969, UAA became the first airline in the Middle East to fly Boeing 707s.
- In 1971, MisrAir and Syrian Airlines split which resulted in the new identity "EGYPTAIR".
- In June 2002, EGYPTAIR, subject to the Presidential Decree number 137 and the civil aviation ministerial decree number 216, has become a Holding



Company with nine Subsidiaries.

- In August 2003, EGYPTAIR Airlines, with the guidance of SABRE Airline Solutions, had successfully completed its imperative re-structuring plan.
- In 2004, EGYPTAIR achieved the highest standards of safety and became the first IOSA certified airline in the Middle East and Africa. Moreover, Cairo International Airport has turned to a HUB Airport - with the guidance of SABRE Airline Solutions during the re-structuring plan.
- In 2006, a significant technology breakthrough has taken place: (implementation of the Amadeus Reservation System, activation of the IBE (Internet Booking Engine), E-Ticketing, use of the PROS O&D System, upgrading the Frequent Flyer Program (Crane 9), introduction of the financial system Sirax; and finally the integration between all these projects, (Pax-IS Program). Major IT

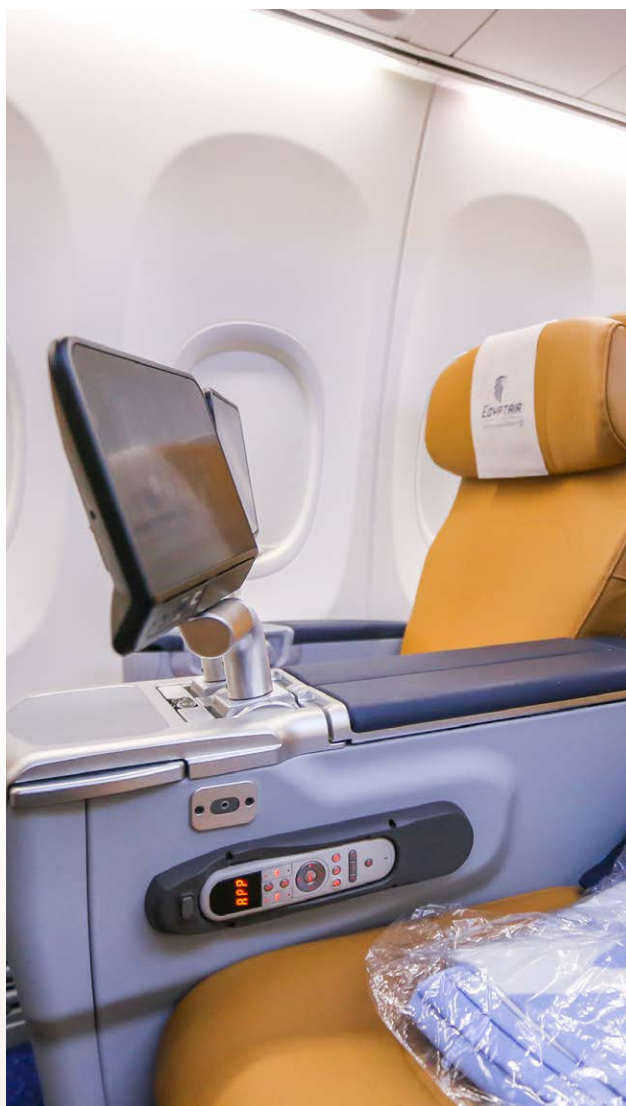


products have been performed for quality service improvement.

- In July 2008, EGYPTAIR joined Star Alliance network, the largest Airline Alliance in the World, enabling EGYPTAIR's customers to have access to 1,300 destinations in 190 countries nowadays. EGYPTAIR's membership to the Star Alliance network is unique since it is the only airline that is based in North Africa & Middle East. Star Alliance offers its customers the privilege of priority treatment across 28 airlines, better flight connections, and more comfortable travel. Gold status customers will receive priority treatment in regard to Priority check-in, Priority boarding, and Priority baggage handling.
- In April 2009, EGYPTAIR has successfully shifted its operations with star partners to CAIRO Terminal 3 Building, where customers can enjoy the exquisite service in STAR ALLIANCE lounges owned and operated by EGYPTAIR, and sustain

Star Alliance's principle of "Moving Under One Roof " by locating all Star Alliance member airlines in a single terminal, which brings immense benefits to Star Alliance airlines passengers as they pass through a common terminal at HUB airports.

- In August 2010, EGYPTAIR has provided its Business Class customers onboard with full Flatbed seats, personal screens in all classes, personal mobiles usage, in addition to WI-FI internet access that has been offered on our Airbus 330-300 Aircraft.
- In December 2014, EGYPTAIR Airlines, with the guidance of consultant, SABRE Airline Solutions, has started its Transformation Plan.
- • In December 2016, EGYPTAIR received the 1st B737-800 NG with the newest passenger cabin design in its class to ensure a flying experience that exceeds expectations; that's a better way to fly.



EGYPTAIR's future strategy is built on four key pillars:



Growth and regional leadership:

Increase network breadth and depth through a combination of adding new destinations, adding more frequencies to existing markets, and extending global reach through Star Alliance and developing cooperative regional ventures.

Delivering high-quality products and services

Offering and delivering high-quality products and services that satisfy the needs of our customers will help attract new and retain existing ones. Focusing on quality control and consistent high service delivery are essential to keep our valued customers satisfied; and hence maintain customer loyalty and obtain repeat business.

Developing high-performance culture

Keys to unlocking EGYPTAIR'S potential include developing an effective organization guided

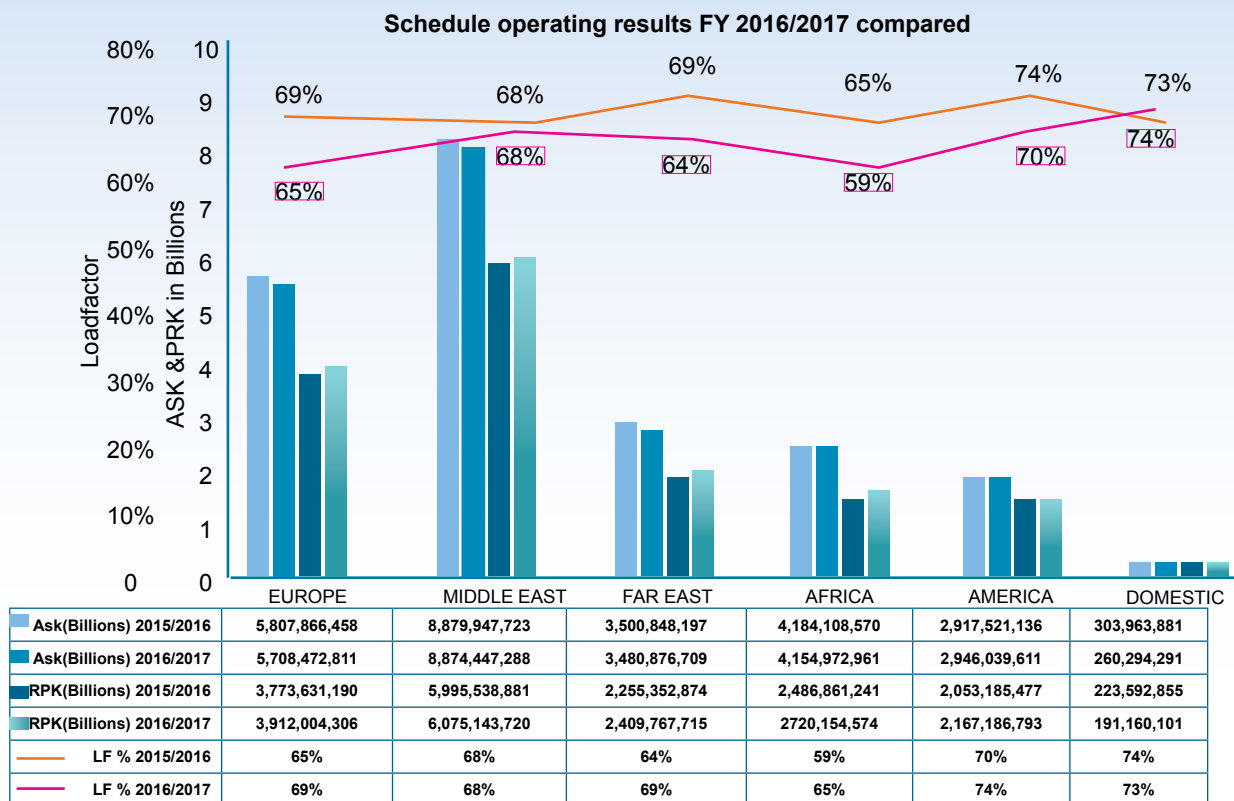
by leaders who empower their teams and hold them accountable for delivering results. This is supported by training, performance management and effective communication.

Funding the future

By leveraging the three above-mentioned strategic pillars of growth and leadership, delivering high-quality products and services, and developing a performance culture; the fourth pillar will spontaneously achieve success by generating profits required to fund future growth.

Expansion of the Cairo Hub will bring in more traffic and revenues. Attaining economies of scale will keep costs in check. A performance-driven organization will lead the growth plan and deliver consistent quality services and products that help attract new and retain existing customers. Successful delivery will generate profits to fund fleet replacement and growth with new, efficient aircraft.

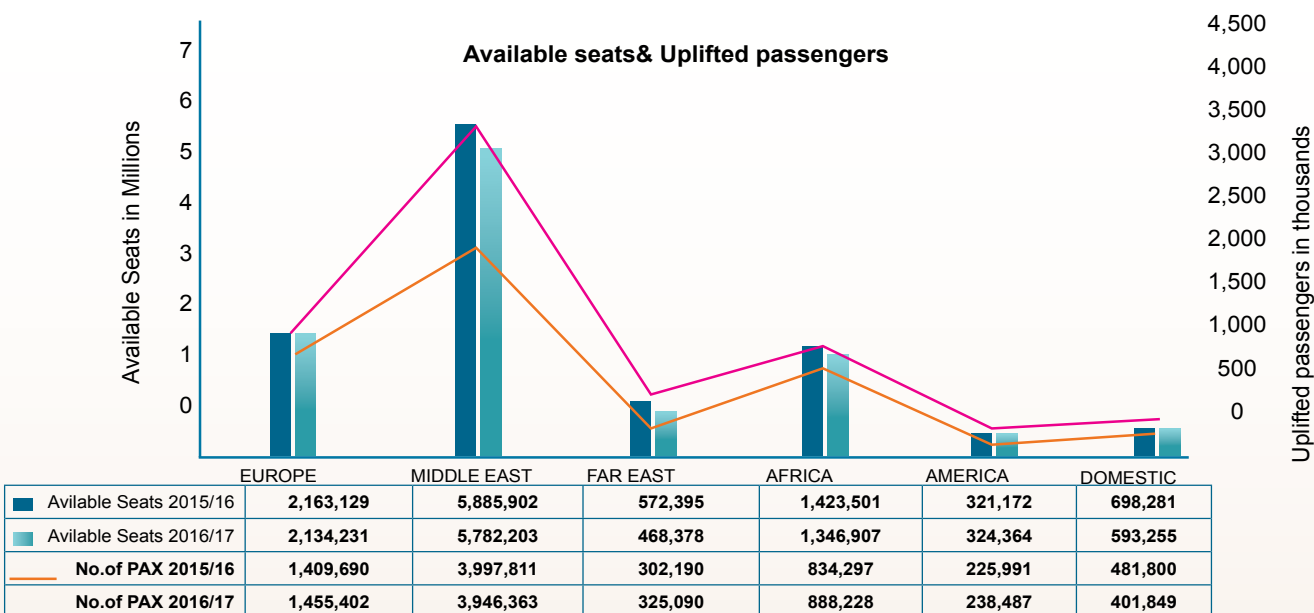
Network Development Highlights



• The above chart shows the improvement in network operational results in FY 2016/2017 over FY 2015/2016, especially the total network load factor which increased from 66% to 69% (3 points over FY2015/2016); due to decreasing the ASKs for FY 2016/2017 by -1%, The RPKs increased by 4% for FY 2016/2017 over FY 2015/2016.

• The decline in ASKs in FY 2016/2017 and the RPKs increasing results was obvious in Europe, the Far East, Africa, America and a slight increase in the Middle East.

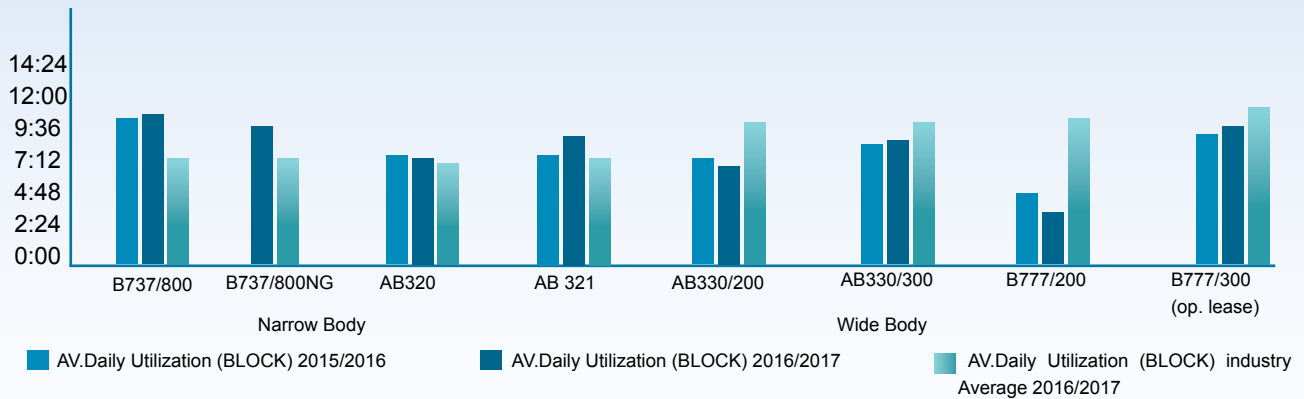
• The ascend of Load factor percentage in most regions in FY 2016/2017; it occurred in Europe, the Far East, Africa, America and finally with a slight increase in the Middle East as follows : 4 points, 5 points, 6 points, 4 points and less than 1 point respectively.



• The above chart points to the relation between the available seats offered in FY 2016/2017 compared by FY2015/2016 and the uplifted passengers for the same periods.

Average Daily Utilization

Average Daily Utilization 2016/2017 Compared



• Herein above a chart showing the average daily utilization for B737/800 NG in FY 2016/2017 which is above the industry standards. Nevertheless, it is not comparable with the previous years as it is a new fleet replacing B737/500.

• Moving to B737/800, there is a great improvement in the daily utilization when compared with the previous year and the industry standards.

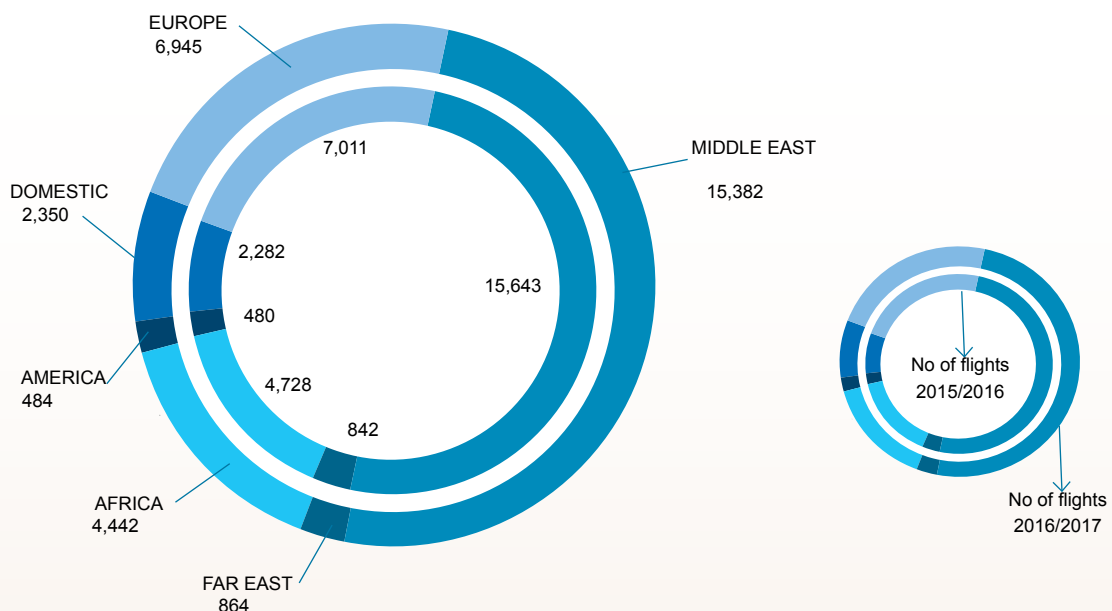
• Slight ascend for B777/300 (OP. LEASE) average daily utilization in FY 2016/2017 compared with the previous year but still less than industry standards.

• Clear ascend for AB321 average daily utilization in FY 2016/2017 when compared with the previous year and the industry standards.

• Nevertheless the decline in AB320 average daily utilization in FY 2016/2017 compared with the previous year but still higher than the industry standards.

Number of Flights

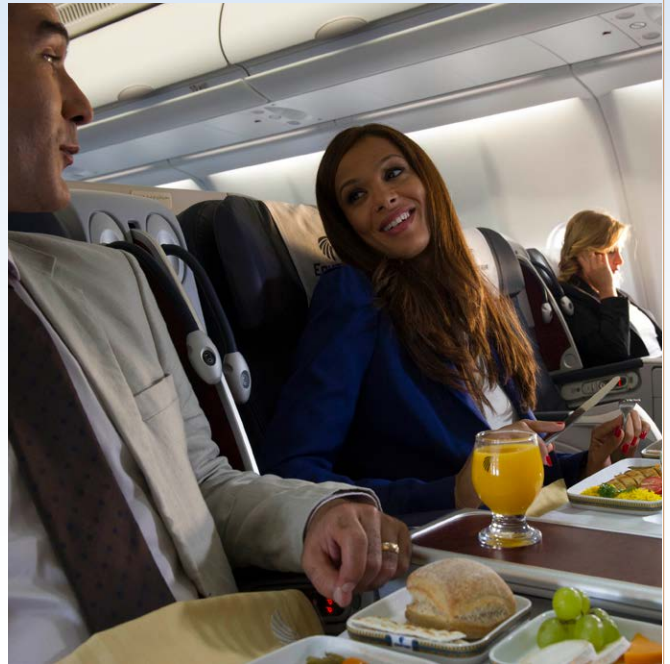
Number Of Flights 2016/2017 Compared



• The above chart showing the number of flights for each region in FY 2016/2017 compared with the previous year, reflecting the great share of the Middle East then Europe and Africa from EGYPTAIR Flights.

PRODUCTS & SERVICES DEVELOPMENTS

- Equipping the entire Long-Haul Fleet
 - Introducing Full Flat Bed seats.
 - Personalized monitors with various entertainment options.
 - Enhanced cabin comfort by increasing the seat pitch to 32 inch.
- Medium-Haul Fleet modernization with New B737-800NG.
 - Enhanced cabin comfort; business seat pitch is 6 inch, economy seat pitch is 31-32 inch.
 - In-Arm video entertainment system in business class zone.
 - Seat Row equipped with PC power outlet.
 - LCD Video monitor in each seat-back in economy class zone.
 - Audio Video on Demand (AVOD).
- Lounges for first, business, & frequent flyer passengers (Platinum & Golden), and Star Alliance Gold Members.
- Increasing no. of passengers using CUSS Kiosk check-in (no more long queues).
- Passport Control Fast Track facility at Cairo Airport for EGYPTAIR's First & Business Class Customers, EGYPTAIR Plus Platinum & Golden members, in addition to Star Alliance Gold Members.
- New international magazines in English language have been added onboard to increase the number of magazines offered to the passengers to be 215,600 magazines yearly.
- New Entertainment contents were improved by adding documentary films about the first Hajj flight and Mecca (onboard Jeddah and Medina flights).
- Visual channels increased to be 120 visual channels in the entertainment system onboard aircraft types with personal screens for Economy Class seats.
- Noise Cancellation headphones are available in Business Class cabin onboard B777-300 and A330-300.
- EGYPTAIR baggage service department uses the world tracer management system (product of SITA) to trace mishandled baggage, follow up



- compensation and delivery process.
- EGYPTAIR implemented GOLD track and premium claim counter for premium passengers.
- EGYPTAIR created the baggage identification committee for tracing tag-less baggage regularly, with success rate 68.3% for identifying and delivering totally tag-less bags to its owners.
- EGYPTAIR achieved 200% improvement in commercial baggage acceptance compared to the previous year.
- As a part of conformity to IATA FAST TRAVEL program and Star Alliance requirements, EGYPTAIR applied the following services in all its stations:-
 - Auto Check-In (ACI).
 - Home Printed Bag Tags (HPBT).
 - Automated Document Check (ADC).
- EGYPTAIR rate in the IATA MATCH MAKER is now 83%, ranked as PLATINUM member to be 1st carrier in AFRICA and 3rd in the MIDDLE EAST.
- Launch “Keep Me Informed” service (KMI) in coordination with EGYPTAIR inventory, which aims to notify passengers through all flight phases and status by time changes that may occur on their flights by sending them e-mails or SMSs.

- EGYPTAIR current regulation for Mobile Boarding Passes (MBP) service upon departure at EGYPT turned into green permitted.
- Full implementation of RED CAB on 90% of EGYPTAIR flights to eliminate delays, load sheet changes.
- EGYPTAIR successfully complied 100% with STAR ALLIANCE customer experience core values in year 2017.
- EGYPTAIR in coordination with EGYPT Airport Authorities assigned a golf cart to help passengers with reduced mobility to reach their boarding gate, managed to add two entrances equipped with x-ray machines to help in the flow of premium passengers and to change infra-structure of (H) gates area to add more space and check points to facilitate the flow of passengers using flights on hardstand.
- EGYPTAIR assigned 10 check-in counters for airport upgrade to achieve speed and efficiency of upgrade service (upgrade class of travel).
- EGYPTAIR assigned 2 check-in counters to passengers with special needs.
- EGYPTAIR manufactured 3 special STAR ALLIANCE FAST TRACK entrance gates with STAR specifications and used them to facilitate the flow of premium passengers through airport as follows:-
 - 1st one is used at business class security entrance area.
 - 2nd one is used at passport control area at departure hall.
 - 3rd one is used at passport control area at arrival hall.
- New contract was conducted between EGYPTAIR and Swiss port in Nairobi station to offer them station services.
- Foreign airlines' flights getting served by EGYPTAIR in CAI and domestic stations in 2016/2017 have been increased by 11% over 2015/2016.

Upcoming PROJECTS

- Analysis Tools
 - WABR (Weekly Advanced Booking Report) to follow the incremental bookings with MS network for eight weeks ahead.

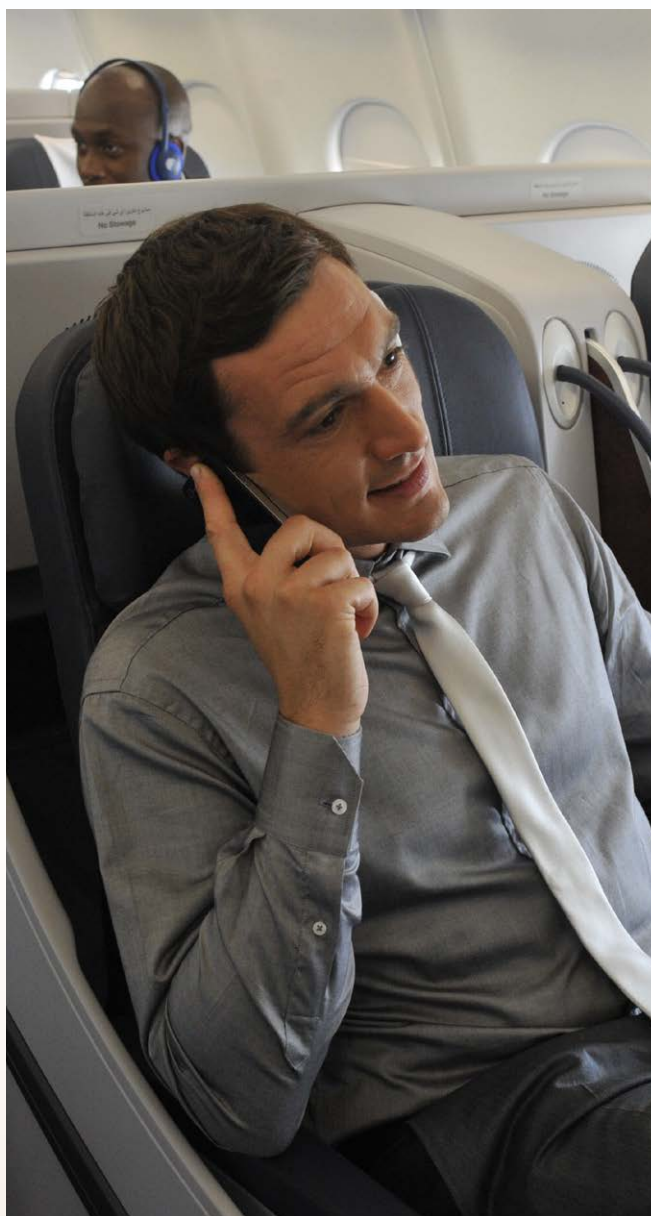
- Revenue Plan for winter and summer time tables to pursue the revenue gain with MS network on weekly basis (in progress).

■ Customer Relationship Management (CRM)

Customer Relationship Management is a system for managing EGYPTAIR's interaction with its customers by following up customer data and communicating with customers, aiming to improve our service and strengthen our relationships with our customers.

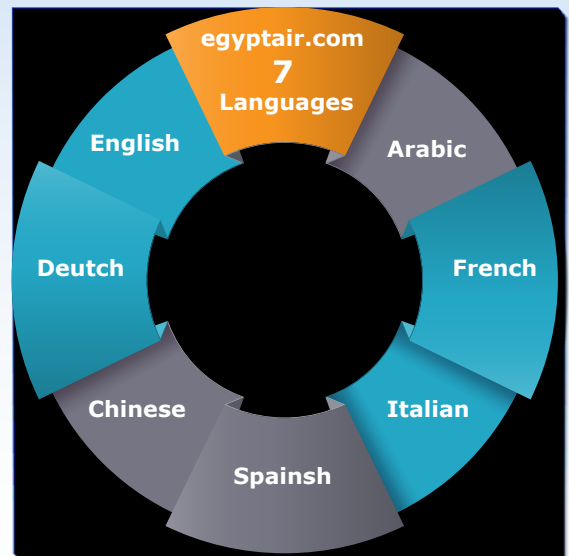
■ Human Resource Information System (HRIS)

A human resource information system (HRIS), an information system or managed service that provides a single, centralized view of the data that a human resource management (HRM) requires for completing human resource (HR) processes.



E-COMMERCE DEVELOPMENTS

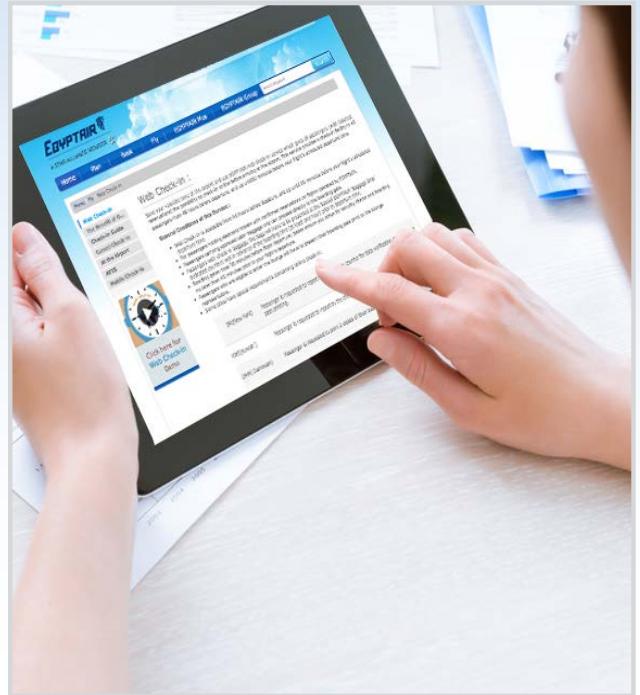
- As EGYPTAIR constantly aims to deliver a high quality travel experience, our website www.EGYPTAIR.com now provides our valued customers with more online services in addition to online booking to meet their expectations and fulfill their needs.
- A wide range of services are granted and more information is offered such as, Flex Pricier, Seat Selection, Special Meals Requests, Checking Flight Status, Display Timetable and Reservation Details.
- Full update of EGYPTAIR website to apply the American Transportation Law requirements which impose that airlines' websites should be useable for internet users with special needs.
- Moreover, our website is also considered one of the official channels for publishing press releases.
- EGYPTAIR website is now available in 7 languages for 33 countries plus worldwide page for the rest countries*.



Austria	Morocco
Bahrain	Netherlands
Belgium	Portugal
Canada	Qatar
China	Russia
Cyprus	Saudi Arabia
Egypt	Scandinavia
France	South Africa
Germany	Spain
Greece	Switzerland
Hong Kong	Thailand
Hungary	Tunisia
India	Turkey
Italy	United Arab Emirates
Japan	United Kingdom
Kuwait	United States
Lebanon	* Worldwide Page (for the rest Countries)

Online Services (www.EGYPTAIR.com):

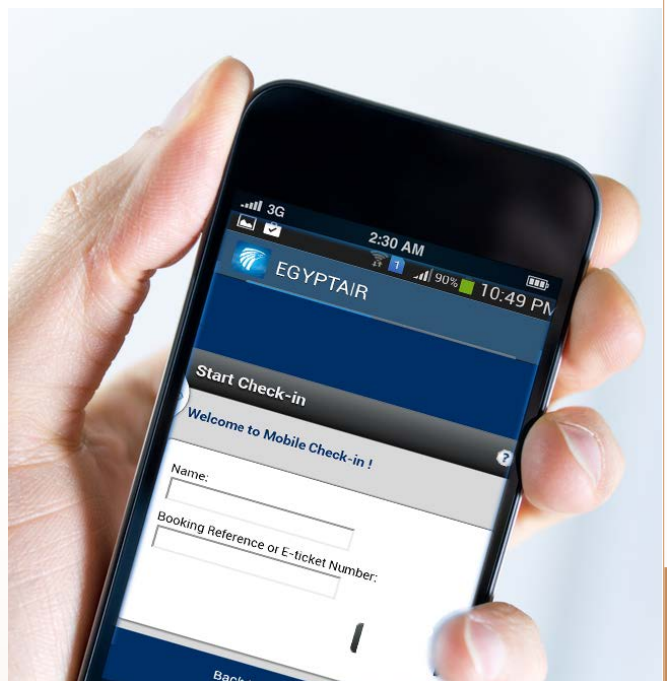
- The ATC service (Automatic Ticket Changer) which enables to change the travel itinerary.
- Web check-in to enrich the value of online experience.
- Online Hotel reservation & Car Rental.
- Round the world tickets.
- 3D interactive route map.
- New interactive special offers page.
- Online Seat Assignment & Extra Baggage Allowance.
- Activation of pre-paid ancillary services (Extra Baggage & Seat Assignment).
- Online Horus Flash Magazine.
- Online redemption for loyalty members.
- “Keep Me Informed” service to inform the passenger in case of any change in his flight at once.
- Universal Air Travel Plan (UATP).
- Invoice for corporate customers payment.



EGYPTAIR Mobile Portal Application for Apple iPhone, iPad, iPod, BlackBerry Phones & Windows Phones with new facilities provided, that allows boarding passes to be saved on passbook application, regardless of the device type used (now available at App Store).

Mobile Portal Services:

- Applications for Android, Windows Phones, Apple Phones, and BlackBerry Phones.
- Mobile check- in (using Altéa DCS).
- Manage booking.
- Flight status and Timetable information.
- EGYPTAIR Plus account login and information.
- Baggage information.
- First & Business class lounges information.
- Special offers.
- EGYPTAIR CTO & ATO contact information.
- Destination guide.
- Special services information.
- Onboard services information.
- News and travel alerts.
- Gallery.
- Social feed [Facebook, Twitter, YouTube, Google+ and Instagram].
- Flight Booking Service (including flex price & payment).



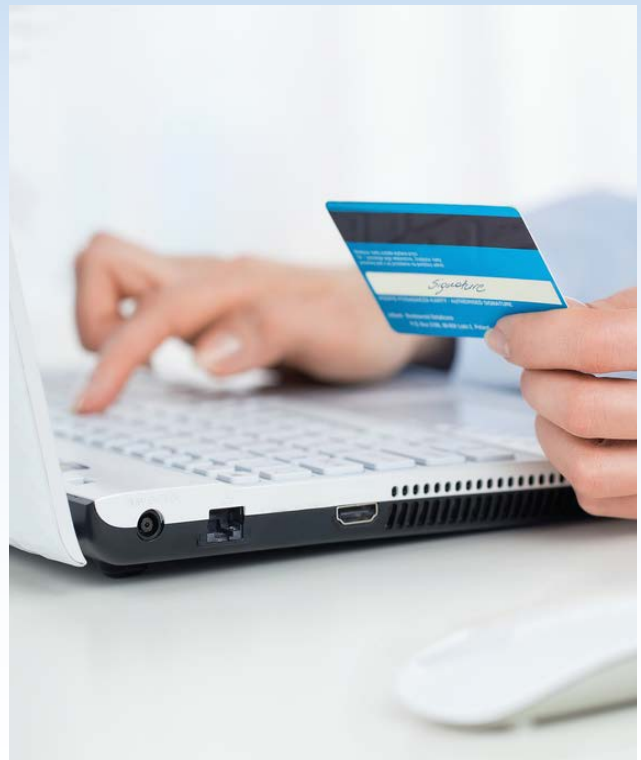
- Ancillary services to be booked through mobile applications.
- REVAMP for all mobile applications.

New Services:

- Full update of EGYPTAIR mobile portal.
- New Payment Methods have been activated:
 - Visa & MasterCard in all countries pages.
 - Ogone Collect in European countries pages.
 - American Express in European countries pages.



- Fawry and Pay later for mobile application.
- EGYPTAIR is currently activating new Payment Methods:
 - Bee (same as Fawry).
 - Amadeus Payment Platform to increase the number of forms of payments in the website and the mobile portal.
- New features are currently under study with Amadeus and will be added later:
 - New services to help the customer make reservation for best available prices and promotional fares.
 - ATC Involuntary will be activated to help customers change their route online in case of involuntary rerouting.
- New updates that are currently in progress and expected to be activated by the end of 2017:
 - Website Home Page update.
 - “Rail & Fly” service to be activated on the website.



SALES DEVELOPMENTS

Contact Center

Our Call Center now provides 16 hours of daily service (7 AM – 11 PM) to respond to all of our customers' inquiries with regard to reservation, ticketing and flight information in a speedy, qualified and professional way. It is equipped with the state-of-art technological systems, and contains a highly skilled and well-trained staff.

Call Center Achievements:

Merging Karnak call center with EGYPTAIR Airlines call center, the matter which facilitates the process of payment for Karnak travel programs.

The reissue of the upgraded tickets done through Option Town Company.

Allowing passengers “24 hours” payments before flight, instead of currently “48 hours” for transactions done through call center.

Adding new types of Credit Cards (ex. Diners) as a payment method through phones beside Visa & Master Card

Sales Achievements:

- 38 new corporate deals added in 2016/2017
- Travel Agents (BSP) Sales on EGYPT-AIR increased by 21% in 2016/2017 over 2015/2016.

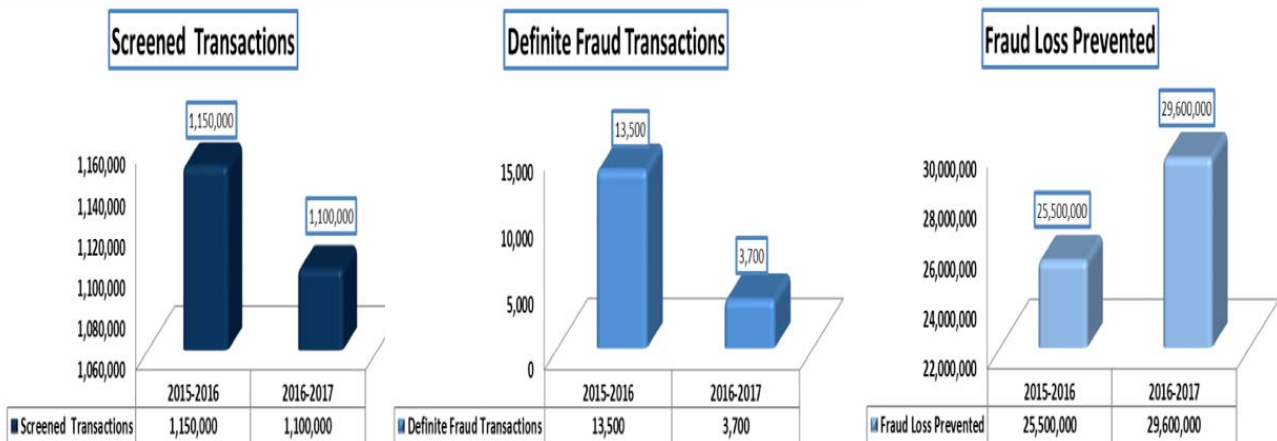
- 344 sales employees attended a position-related training.
- Assigning new GSAs Budapest (Anubis) in April 2017.
- Assigning new PSSA in Sharjah (Sata Travel).
- New Interline Agreements: IET with APG (GP).
- EGYPTAIR with American Express signed an agreement to activate Amex as a method of payment on the following sites: USA, Kuwait and Saudi Arabia.
- Continued cooperation with interline carriers Malaysia (MH) and Air Algeria (AH) in changing their reservation system.
- Umrah Total Revenue increased also by 100% in 2016/2017 over 2015/2016.
- Hajj Total Revenues increased by 7% in 2016/2017 over 2015/2016.



Risk & Interline Agreements

Protecting and securing the online payment against stolen data of credit cards, which reduces fraud percentage to keep in sales processing via website and call center.

During 2016/2017, ZED&MIBA held Agreements with 13 carriers. AVIANCA Airlines has joined ZED&MIBA in 21th of June 2017. EGYPTAIR Airlines negotiate with both IBERIA Airlines and Swiss Airlines to sign ZED&MIBA agreement, which in turn facilitates Staff travel for personal or on duty reasons.



PRICING & REVENUE MANAGEMENT DEVELOPMENTS

- Pricing Achievements
- Restudying of all current Special Prorate Agreements (SPA) and Code Share Agreements with foreign carriers, inserting the corresponding fares into all reservation systems (GDS's) worldwide, and performing new agreements in order to reach the largest possible number of destinations with competitive fares to meet EGYPTAIR's customers' expectations, as we are serving 285 offline destinations in 2016/2017 which aren't operated within EGYPTAIR network.



- Re-modification of Upgrade fees to higher classes at the airport according to current sales fares to give more facility to customers.
- Negotiating with new companies to increase the special prorate agreements (SPA) in order to feed EGYPTAIR network, attract more passengers' traffic flow from new areas and create new prices to insure optimal use of these agreements.
- Enrolling the employees of the pricing distribution section with the required courses with ATPCO organization to increase efficiency and acquire new skills that enable them to cope with all systems and methods that has been developed in this field
- Revenue Management Achievements
- RAAV (Revenue Availability and Active Valuation)
- EGYPTAIR adapted with the new release of the application to gain more revenue with the best utilization of seats offered by MS network.
- IN-FARE Knowledge
- This product allows EGYPTAIR to monitor MS fares compared to other competitors for both trunk routes and beyond ones as well on daily basis.
- This product enables RM team to take necessary actions to be competitive with each market competitor(s).
- We are endeavoring to reduce the cost associated with this application by moving to API (Application Program Interface) in coordination with IT Section.
- O&D 2
- PROS O&D II system has been applied on MS network since March 2017.
- Based on O&D system, we had better availability than Leg base system by O&D and POS

MARKETING DEVELOPMENTS

Direct Data Solutions (DDS)

DDS contract has been renewed with the IATA for another 3 years from 1st JUL 2016 till 30th May 2019, DDS is known as one of the most famous and powerful systems in the field of aviation because of the huge and accurate amount of data it provides. The main source of these data is the airlines themselves. There are 51 airlines contributed their data to the DDS and another 10 airlines on their way to sign with the IATA.



Marketing Communications Achievements

Throughout the financial year 2016/2017, EGYPTAIR executed a number of activities and launched a number of marketing campaigns in EGYPT and worldwide, herein under as follow:

- EGYPTAIR concluded commercial agreements with number of printed social magazines targeting EGYPTAIR important market segments.
- EGYPTAIR launched a co-marketing campaign with Star Alliance in the light of Star Alliance 20th anniversary and the 85th anniversary of EGYPTAIR.
- A TV campaign was aired during Ramadan 2017 to ensure getting the targeted return due to the high number of TV programs' followers.
- EGYPTAIR created a marketing message for its products and services through the In-Flight Entertainment (IFE) personal screens available on the new Boeing B737-800NG.
- EGYPTAIR signed a protocol with PRIME FARMA responsible for promoting the medical tourism to EGYPT through a "tour n cure" program.
- EGYPTAIR launched an intensive marketing campaign throughout the radio stations, newsletters, magazines and online services with the National Bank of EGYPT (Al-Ahli Bank) to promote the installment facilities For EGYPTAIR tickets through AL-Ahli Bank credit cards.
- EGYPTAIR released a number of online and offline marketing campaigns through their worldwide offices to promote the new competitive fares and services.

Marketing Programs Achievements

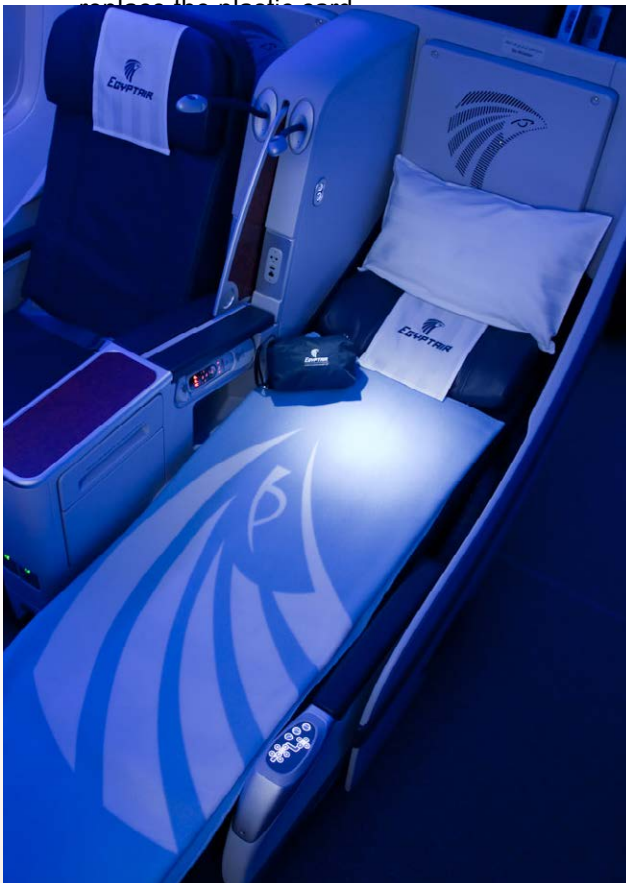
- Marketing Projects:
 - Commercial International Bank (CIB)
EGYPTAIR Plus and CIB have entered a cooperation to issue the co-branded Miles everywhere credit card with three levels: Platinum, Titanium and Standard. These cards enable members to accumulate miles in their EGYPTAIR Plus membership accounts with every spending transaction according to the card level.
 - National Bank of Egypt (NBE)
EGYPTAIR and NBE have signed an agreement to apply an installment program on EGYPTAIR international and domestic tickets issued in Egypt at Sales offices. This offer is valid for all NBE credit card holders, where NBE deposits all payments completely into EGYPTAIR account, whilst NBE handles the installment charges with the passengers.
- Upcoming Marketing Projects:
Both parties are currently negotiating a revamp for the existing card. This should include a new design for the card as well as new privileges from both NBE and EGYPTAIR (Commercial, Karnak, Duty Free Shops and EGYPTAIR Hospital).



- EGYPTAIR Plus:
EGYPTAIR Plus, with its 4 tiers: Blue, Silver, Gold and Platinum, is a distinguished loyalty brand offering value, premium services and benefits for its members such as priority baggage handling, priority Airport check-in, priority Airport lounge access, extra baggage allowance, etc.
Members accumulate miles for their travel onboard EGYPTAIR as well as the Star Alliance carriers.
Earned miles can be redeemed to issue reward tickets, reward upgrades and excess baggage.

■ EGYPTAIR Plus Projects:

- Altea Interactive Award (AIA): The offline solution that will enable the sales offices to issue reward tickets, reward upgrades and excess baggage.
- Corporate Program: A program that is provided to our non-airline partner allowing their company and employees to benefit from the loyalty program.
- Profile Access Synchronization (PAS): A product to enable the exchange of the loyalty data base in real time to provide the touch points with correct data of the members to provide necessary benefits.
- Automated PNR update/Reverse automated PNR update (APU/RAPU): A product to refresh the tier level in the PNR to enable station provides the member with necessary benefits according to his tier level.
- Digital Card: A project to display the membership card on the mobile application using QR barcodes to keep up with development and



■ Upcoming EGYPTAIR Plus Projects:

- New Program Features: EGYPTAIR Plus is in the process of introducing a new tier level, new rules and new privileges.
- Cash & Miles: Offers the member the ability to purchase the revenue tickets partly with miles and the other with cash or credit.
- Award Shopper & Online Redemption: This online solution will enable the member to issue (Reward Ticket) or (Miles & Cash Tickets) through the website.
- Partner Portal: A system that will allow the members to use their miles to purchase items from our non-airline partners.

INTERNATIONAL CERTIFICATES



•**The IATA Operational Safety Audit (IOSA)** program is an internationally recognized and accepted evaluation system designed to assess the operational management and control systems of an airline. All IATA members are IOSA registered and must remain registered to maintain IATA membership.

•**To secure the position of EGYPTAIR in the world markets**, the company strives to benchmark its operations against internationally-recognized standards. This involves obtaining and maintaining certificates by international bodies such as: IOSA –IATA Operational Safety Audit, EASA – European Aviation Safety Agency, ISO –International Organization for Standardization and ISAGO –IATA Safety Audit for Ground Operations. We plan to maintain this international recognition through continuously upgrading our systems and human capital.

- EGYPTAIR is the 1st African & Middle Eastern IOSA registered airline**, and the 16th worldwide.
- EGYPTAIR passed IOSA, ISAGO**, and Star Alliance inspections without any findings or corrective actions.
- EGYPTAIR passed and renewed AOC certificate**, and fulfilled all Civil Aviation requirements.



Certificate

Certificate

Standard **ISO 14001:2004**
Certificate Registr. No. 01 104 087281

Certificate Holder:



EGYPTAIR AIRLINES
EGYPTAIR Administrative Complex - Airport Road
Cairo - Egypt

Scope: Commercial Air Carrier

Proof has been furnished by means of an audit that the requirements of ISO 14001:2004 are met.

The due date for all future audits is 30-10 (dd.mm).

Validity: The certificate is valid from 2015-01-06 until 2018-01-05.
First certification 2008

2015-01-07

TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln



Certificate

Standard **ISO 9001:2008**
Certificate Registr. No. 01 100 083023

Certificate Holder:



EGYPTAIR AIRLINES
EGYPTAIR Administrative Complex - Airport Road
Cairo - Egypt

Scope: Commercial Air Carrier

Proof has been furnished by means of an audit that the requirements of ISO 9001:2008 are met.

The due date for all future audits is 30-10 (dd.mm).

Validity: The certificate is valid from 2015-01-06 until 2018-01-05.
First certification 2008

2015-01-07

TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln



Certificate

Standard **BS OHSAS 18001:2007**
Certificate Registr. No. 01 113 060180

Certificate Holder:



EGYPTAIR AIRLINES
EGYPTAIR Administrative Complex - Airport Road
Cairo - Egypt

Scope: Commercial Air Carrier

Proof has been furnished by means of an audit that the requirements of BS OHSAS 18001:2007 are met.

The due date for all future audits is 30-10 (dd.mm).

Validity: The certificate is valid from 2015-01-06 until 2018-01-05.
First certification 2008

2015-01-07

TÜV Rheinland Cert GmbH
Am Grauen Stein · 51105 Köln





Board of Directors

Capt. Helmy Awad Ibrahim Rizk

Chairman & CEO EGYPTAIR EXPRESS

Capt. Gaser Hussein

VP Safety Quality & Performance

Follow Up, EGYPTAIR Holding Co.

Mr. Shrief El Maghloub

VP Commercial Affairs

EGYPTAIR AIRLINES

Mr. Ihab Ghazy

VP Planning EGYPTAIR HOLDING

Mr. Abd Elmaseh Fayez

Gm Financial

Dep. EGYPTAIR M&E

Capt. Mahmoud Ahmed Shalaby

Flight Operations General Manager

EGYPTAIR EXPRESS

Mrs. Seham Kamal Eldein

Board Member

Mr. Ahmed Ali El Ashwat

Planning General Manager

EGYPTAIR EXPRESS

Mrs. Nermeen Fouad

Air Hostess EGYPTAIR EXPRESS

Mr. Mohamed Mahmud Ahmed

Syndicate Representative

EGYPTAIR EXPRESS



EGYPTAIR Express is the domestic & regional arm of EGYPTAIR Holding established in May 2006. The company was launched to enhance EGYPTAIR domestic product and expand in the regional short-haul markets. The company main base and major operations are in Cairo International Airport TB3 in addition to a smaller base in Alexandria (Borg El Arab Airport). Its Fleet consists of 12 EMBRAER ERJ's 170 LR leased from the EGYPTAIR Holding Co. All aircraft have 76 seats with configurable classes allowing the company to respond to market demand. Express network in FY 2016/2017 includes 18 domestic and international routes covering 15 cities.

Strategic Goals

- Maintaining EGYPTAIR market share in the domestic market
- Enhancing EGYPTAIR Domestic product and targeting new market segments
- Expanding EGYPTAIR regional network
- Connecting most of Egypt Republic domestic airports to Cairo international airport as a pivotal airport

Main Projects

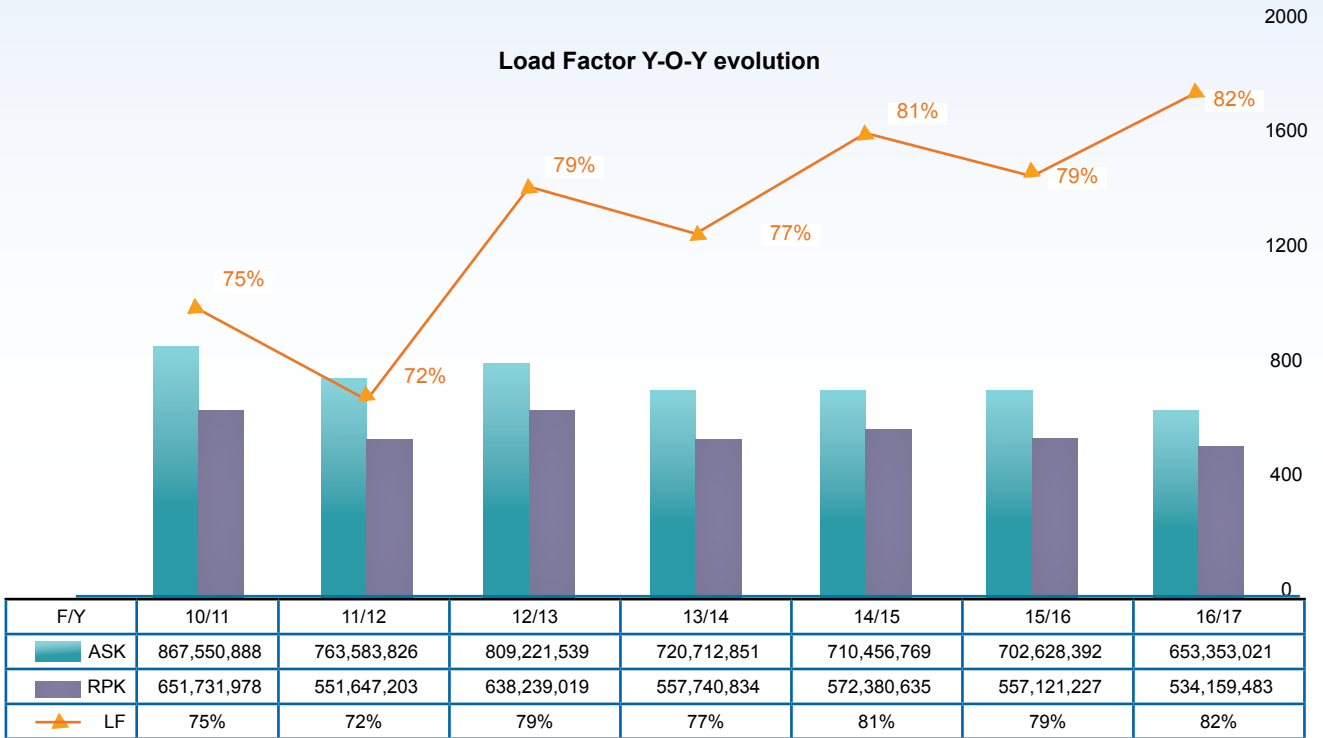
In 2016/2017, Express main project was to maintain Express LF around 78%, so we had been applied that out of the following process:

- Handling quickly with size of the capacity offered (ASK's) to meet the rapid changes on both domestic and regional arenas
- Using revenue management tools to stimulate our market

Performance Highlights

Load Factor Y-O-Y evolution

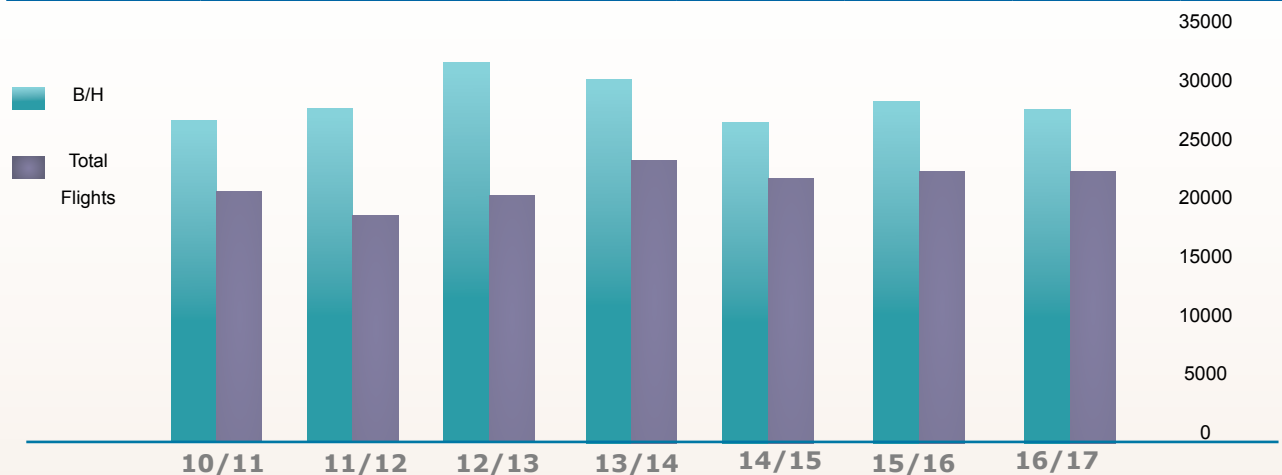
Our risk management process is designed to improve the likelihood of delivering our business objectives, and enhance the quality of our decision-making through the awareness of risk-assessed outcomes. We are committed to conduct business in accordance with all applicable laws and regulations and in a manner that is consistent with our values.



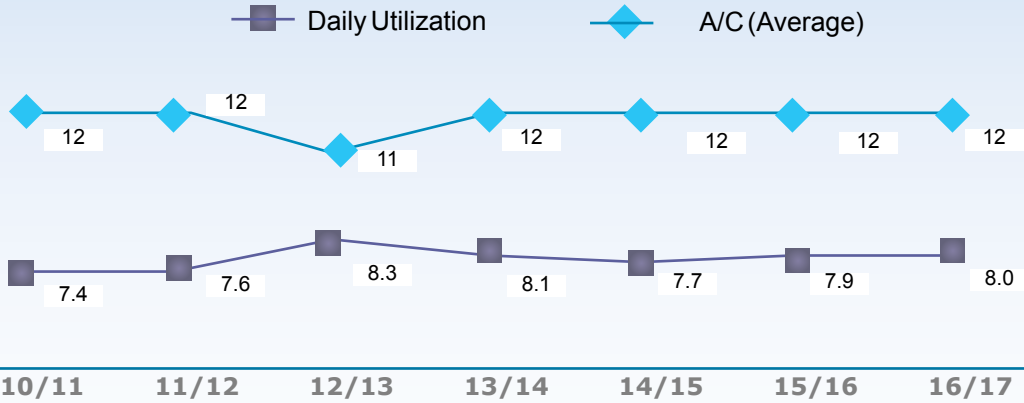
The above chart shows an improvement in load factor from 79% to 82% in comparison with the previous financial year due to the decrease in ASKs

Operational data Y-O-Y evolution

Date	10/11	11/12	12/13	13/14	14/15	15/16	16/17
A/C (Average)	12	12	11	12	12	12	12
B/H	28,437	29,143	33,250	31,722	28,095	29,619	29,156
TOTAL FLIGHTS	22,099	19,967	21,501	24,668	23,330	24,096	23,813
Daily Utilization	7.4	7.6	8.3	8.1	7.7	7.9	8.0



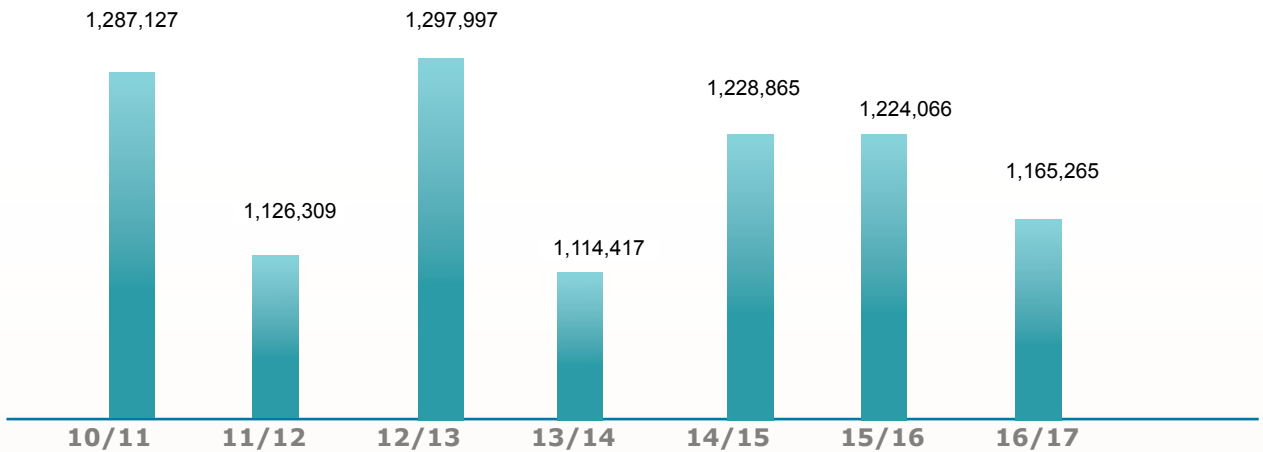
- The total flights decreased by 1% compared to the previous financial year to maintain high load factor.



The daily utilization increased to reach 8 hours daily compared to 7.9 hours daily in the previous financial year, as Express has directed its excess utilization to operate more regional flights driven by the smart network strategy between Express and EGYPTAIR Airlines

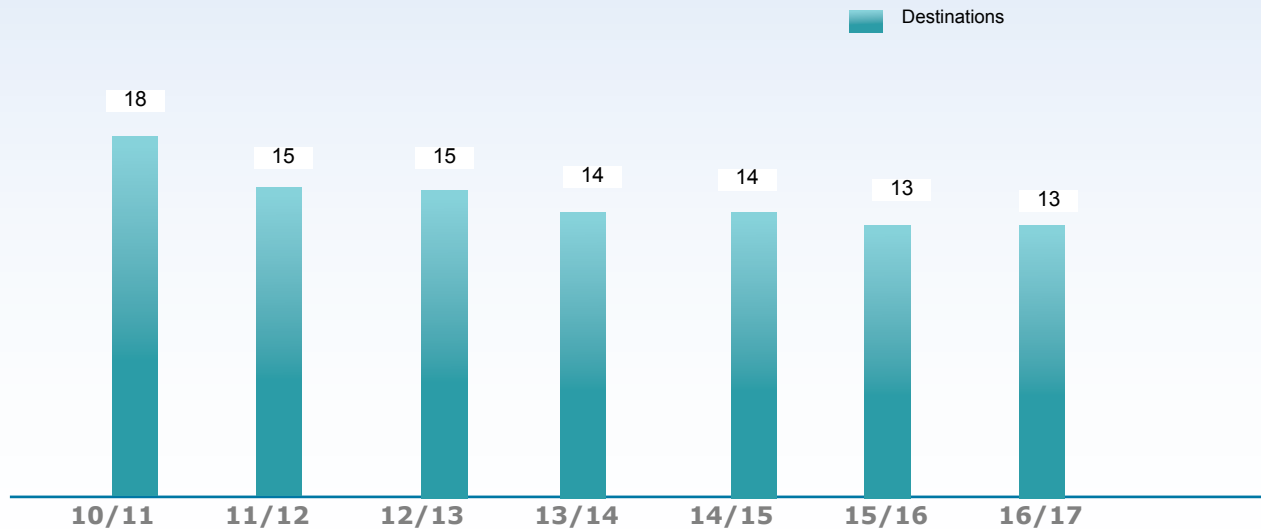
Number of passengers Y-O-Y evolution

No.PAX (Total)



- The number of passengers decreased by 4% due to the economic reforms in addition to the high competition in the domestic market.

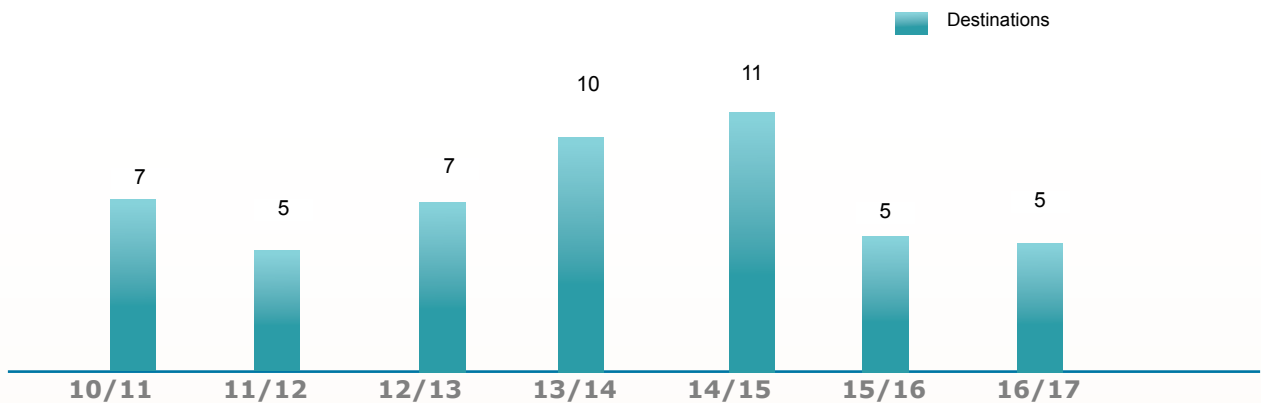
Domestic Network



2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
SSH	SSH	SSH	SSH	SSH	SSH	SSH
LXR	LXR	LXR	LXR	LXR	LXR	LXR
HRG	HRG	HRG	HRG	HRG	HRG	HRG
ASW	ASW	ASW	ASW	ASW	ASW	ASW
HRG-SSH	HRG-SSH	HRG-SSH	HRG-SSH	HRG-SSH	HRG-SSH	HRG-SSH
ASW-ABS	ASW-ABS	ASW-ABS	ASW-ABS	ASW-ABS	ASW-ABS	ASW-ABS
SSH-LXR	SSH-LXR	SSH-LXR	SSH-LXR	SSH-LXR		
RMF	RMF	RMF	RMF	RMF	RMF	RMF
ALY-SSH	ALY-SSH	HBE-SSH	HBE-SSH	HBE-SSH	HBE-SSH	HBE-SSH
ALY-HRG	ALY-HRG	HBE-HRG	HBE-HRG	HBE-HRG	HBE-HRG	HBE-HRG
	ALY	HBE*	HBE*	HBE*	HBE*	HBE*
MUH	MUH	MUH	MUH	MUH	MUH	MUH
TCP*		TCP*				
RMF-ALY*						
RMF-LXR*						
RMF-ABS*						
SSH-ABS*						
ABS						
RMF-SSH*						
	ATZ	ATZ	ATZ	ATZ	ATZ	ATZ
	HMB	HMB	HMB	HMB	HMB	HMB
	PSD					
18	15	15	14	14	13	13

International Network

2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
SSH-JED	SSH-JED	SSH-JED	SSH-JED	SSH-JED	SSH-JED	SSH-JED
ALY-BEY	ALY-BEY	HBE-BEY	HBE-BEY	HBE-BEY	HBE-BEY	HBE-BEY
			HBE-BEN*			
			HBE-TIP*			
BUD	BUD	BUD*		BUD		
MLA	MLA	MLA	MLA*			
CTA*						
SSH-CTA*						
CTA-LXR*						
	ALY-ATH	HBE-ATH	HBE-ATH	HBE-ATH	HBE-ATH	HBE-ATH
		SSH-RUH	SSH-RUH	SSH-RUH	SSH-RUH	SSH-RUH
		SSH-KWI	SSH-KWI	SSH-KWI	SSH-KWI	SSH-KWI
			HMB-KWI*	HMB-KWI*		
			HRG-JED*	HRG-JED*		
				LCA		
				BAH		
				ATH		
7	5	7	10	11	5	5



- Express maintains serving the same routes due to the regional status –quo

Network outlook 2018/19 – 2022/2023

There is a new potential in the regional market at network outlook 2018/19 – 2022/2023 with the acquisitions of the brand new aircraft CS300 based on Sabre's study of EGYPTAIR smart network

Europe



Middle East





Board of Directors

Capt. Bassem Mohamed Gohar

Chairman & CEO

EGYPTAIR CARGO

Mr. Mohamed Abd El Maksoud

Chairman Customs Authority

Mr. Ahmed Maher Genina

Former Chairman of Cairo Airport Company

Captain Sherif Saad El-din Galal

Civil Aviation Expert

Capt. Asaad Mohamed Darwish

Civil Aviation Expert

Mr. Osama Abd Ellatif Ahmed

VP Economic Sector

EGYPTAIR CARGO

Mr. Mohamed Mourad Keshk

GM import

EGYPTAIR CARGO

Mr. Ahmed Abd El-Hameed Hassan

Member at Board of Directors

EGYPTAIR CARGO

Eng. Tark Mohamed Osman

GM.engineering

EGYPTAIR CARGO

Mr. Hassan Mohamed Hassan

Syndicate Representative

EGYPTAIR CARGO

EGYPTAIR CARGO has started to operate since 1933 as an air cargo carrier transporting and handling various kind of shipments, EGYPTAIR CARGO is positioned as the market leader in the Middle East and Africa.

The Holding Company was established in 2002, followed by the foundation of EGYPTAIR CARGO. Since its Foundation, EGYPTAIR CARGO has been on the forefront of transporting and handling general and special Cargo.



Futures vision

- Implementing the National Strategy of Air Industry in Egypt and adding future expansion areas to current complex.
- Continuous development by adding small aircraft by the end of 2019
- Redesigning network & launching new destinations in Africa and the Middle East.
- Increasing product portfolio.
- Enhancing the IT system.
- Implementation of cost budget system.
- C2K membership.
- Complying with TAPA requirement.
- Upgrading service level.
- Application of automated air cargo handling systems
- Implementation of E-Freight.
- HC development

Fleet / Network

The network management process will gain from a closer coordination between the freighter and the passenger network, where they should complement each other and support the objective of total revenue maximization for the entire EGYPTAIR HOLDING Company.

EGYPTAIR CARGO will depend on the passenger bellies to reach the overseas markets (long haul market)

EGYPTAIR CARGO has signed many special prorated agreements with 28 large airlines SA Airlink d/b/a/South African Airlink, Air Baltic Corporation SIA, Air Macau Company Limited, Astral Aviation Ltd, American Airlines Inc, Air France, Biman Bangladesh Airlines, Czech Airlines j.s.c, China Airlines, Air China Ltd, Ethiopian Airlines, Gulf Air Company G.S.C, Hong Kong Airlines Limited, Japan Airlines International, Korean Airlines Co Ltd, Malaysia Airline System Berhad, Brussels Airlines, Aeroflot Russian Airlines, Saudi Arabian Airlines, Srilankan Airlines Ltd, Swiss International Airlines, Virgin Atlantic Airways Ltd, Asiana Airlines Inc, Qantas Airways Ltd, Thai Airways International Public Company Ltd, UPS Airlines, Vietnam Airlines Corp, Cargojet Airways Ltd ; in order to serve more destinations worldwide and increase the load factor on its flights.

EGYPTAIR CARGO fleet is composed of three medium-range, wide-body aircraft "one A300-B4F and two A300-600F",

EGYPTAIR CARGO has set plans for fleet evolution; an agreement was concluded with EFW to convert three aircraft of type A330-200 P2F, the new fleet will replace the aged one and it is targeted to start operation in July, October 2018, the third one will be introduced one year later In June 2019. The good reasons for that are to:

- Cater the market needs
- Reduce the high operational cost of A300-B4 and A300-600F
- Replace the old fleet by a modern one
- Give the opportunity to reach new potential destinations

Another plan is to develop the fleet by adding 2 small aircraft to enable reach the African market and enable the efficient maneuvering between different fleet types, the type of small aircraft will be defined according to feasibility studies in this regard.

The A300-B4 registered under SU-GAC will be phased out by the end of 2017 with an option to be extended for 6 months, thus development of fleet is the major concern to keep balance and to launch new potential destinations.

Terminals

- EGYPTAIR CARGO Terminals cover most regions all over Egypt from North to South;
- EGYPTAIR CARGO established its 1st cargo terminal in May 1981 with 50,000 SQM area and a capacity of 120,000 tons / year (an additional area of 9600 SQM has been recently added to Cairo cargo terminal to improve the cargo flow and increase capacity).
- In September 1991, another cargo terminal at Alexandria International Airport was established with a capacity of 20,000 tons / year to better serve the northern region of Egypt. Both terminals are connecting their operations through a surface transportation in addition to the domestic flights.
- A third cargo facility with capacity of 30,000 tons / year has been constructed at the industrial zone of the 10th of Ramadan City-45minutes from Cairo cargo terminal, the facility is not operated yet.
- In February 2006, another cargo terminal at Luxor International Airport was established sharing 50 % with the Egyptian Company for airports with a capacity of 20,000 tons / year to better serve the southern region of Egypt.
- EGYPTAIR CARGO now boasts a team of more than 1337 employees serving 20 international airlines from Cairo, 1 international airline from Luxor and 5 international airlines from Alexandria.
- EGYPTAIR CARGO expected to double its storage capacity within the next two years in harmony with national strategy as EGYPTAIR CARGO has a

significant role in developing and in succeeding of operating Cairo international airport as a HUB airport. It is also planned to carry out the project of extending the current cargo facility towards the ramp adding an area of 15,000 square meters to current complex, this project was set as a replacement of the future expansion areas stated in National Strategy concerning the extension of EGYPTAIR CARGO facilities at Cairo airport.

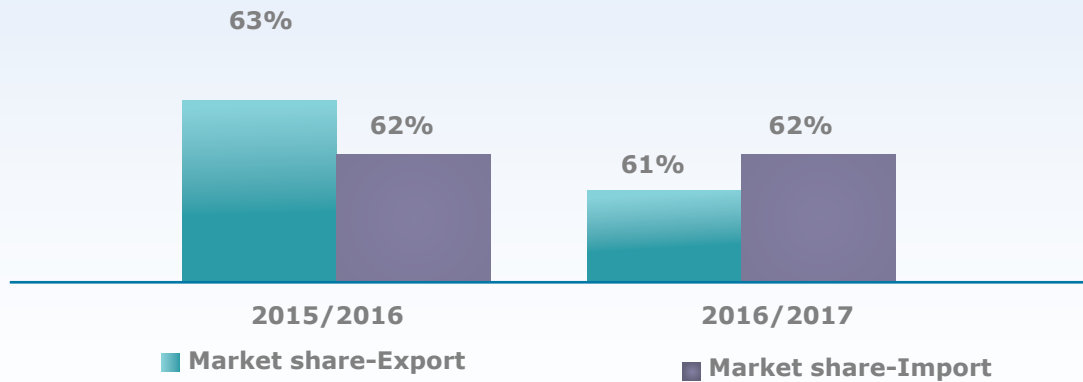
- EGYPTAIR CARGO extended their business to include the managing and operating of other related Projects like the Perishable Center at Cairo Int'l Airport in conjunction with HEIA (Horticulture Export Improvement Association) Community.

Major Milestones

- Total Cargo carried in Financial Year 16/17 through cargo complex reached 138,142 Tons.
- Total Cargo Handled For foreign airlines reached 56,596 tons during the fiscal year 2016/2017
- A Surplus of 201 Million EGP was achieved after taxation.
- A stability in market share carrying and handling approximately 61% from total export market weight and 62% from total import market weight.
- 709 Flights were operated during the financial Year 16/17.
- Implementation of 98% of investment plan budget.
- Inauguration of 3 stores building, gathering regulatory bodies and serving transportation-related processes, the matter which results in an increase of storage areas as well the customs inspection halls
- Installation of CCTV “ closed-circuit television “
- Rental of Tenth of Ramadan offices and warehousing areas.
- Delivery of the first A330 -200 aircraft to EFW for conversion.

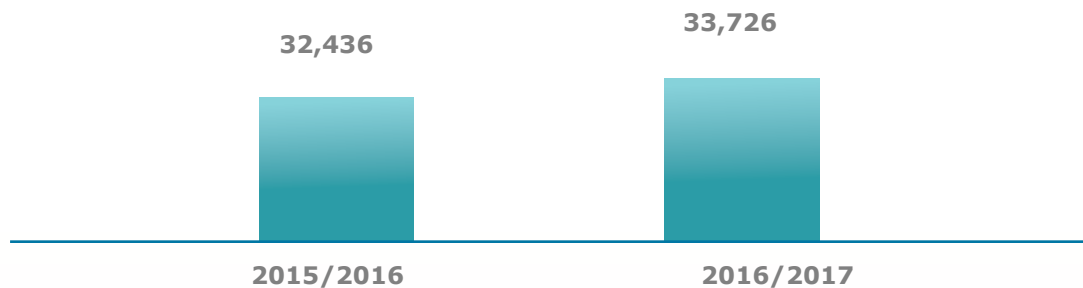
Performance Highlights

Key Performance Indicators 2016/2017



Total market weight (Inbound& Outbound) increased from 318,213 tons in the financial year 2015/2016 to become 332,976 ton in the financial year 2016/2017. EGYPTAIR Cargo Market Share* for export recorded 61% in FY 2016/2017 versus 63% in the previous financial year. While EGYPTAIR CARGO Market Share for import still at the same level of the previous year which recorded 62%

Staff Productivity per Month / kg.



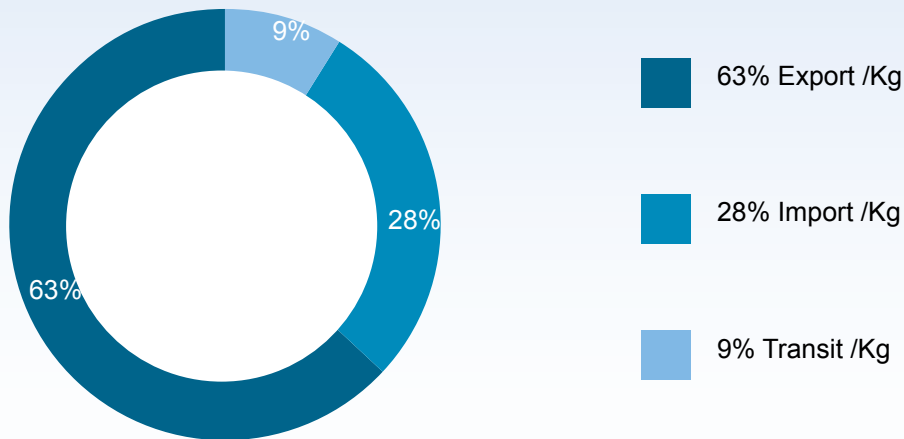
Monthly Staff Productivity was increased from 32,436 kg per employee in FY 2015/2016 to become 33,726 kg per employee in FY 2016/2017

Total Cargo Carried 2016/2017

	Freighter	bellies	TOTAL
Export/kg.	19,271,741	67,757,704	87,029,445
Import/kg.	19,465,666	19,329,181	38,794,846
Transit/kg.	1,748,615	10,569,303	12,317,918

*The Total Market Load has been updated because we start using Cargo Spot System as the data became more accurate.

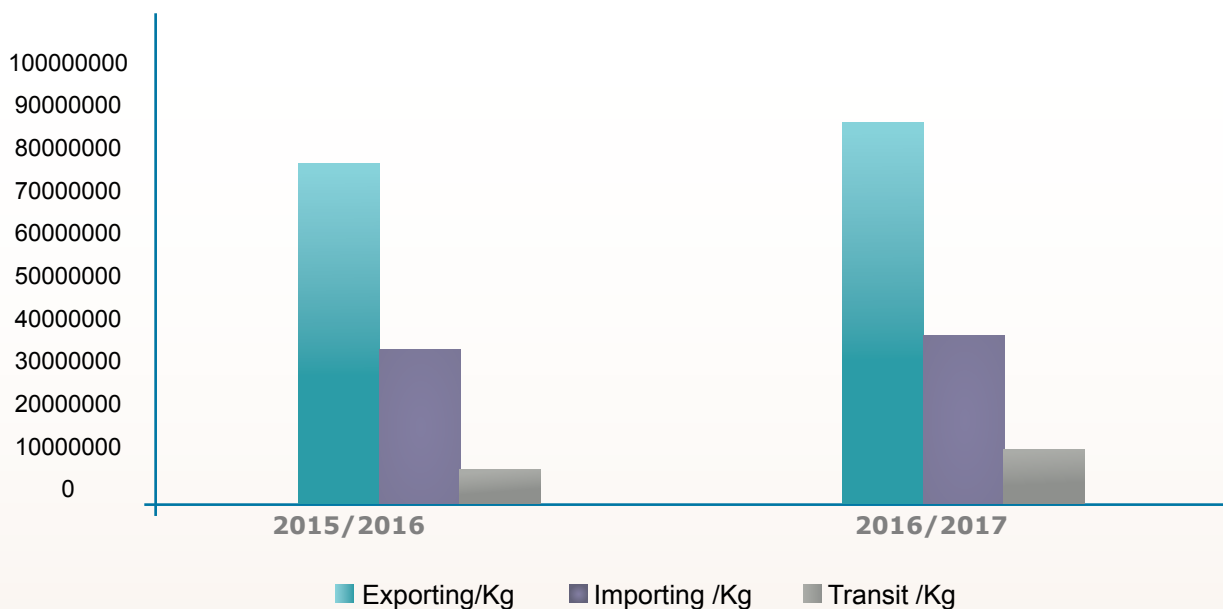
Total CARGO 2016/2017



Two Financial Years Load Comparison

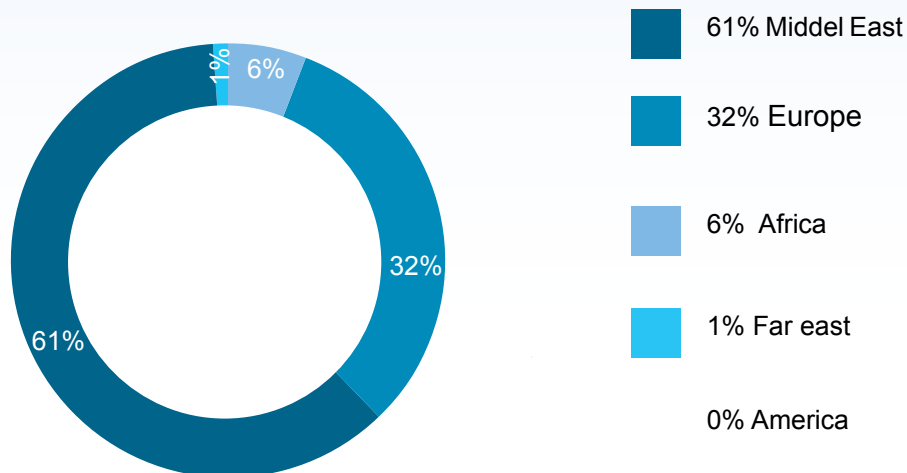
Years	Export/kg.	Import/kg.	Transit/kg.
2015-2016	77,805,661	35,676,229	8,673,990
2016-2017	87,029,445	38,794,846	12,317,918

Total CARGO Comparison



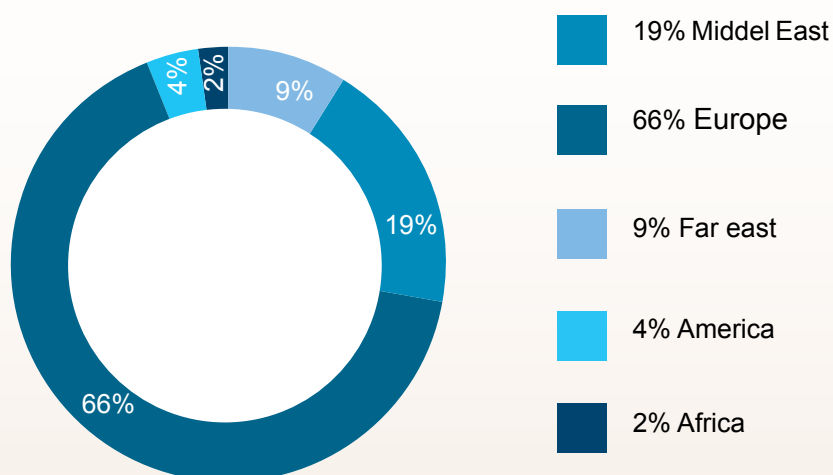
Export Load by Region / kg.

Region	FREIGHTER	BELLIES	TOTAL
MIDDLE EAST	4,849,877	48,344,594	53,194,471
AFRICA	1,024,415	3,810,198	4,834,613
FAR EAST	44,000	1,136,856	1,180,856
EUROPE	13,353,449	14,410,521	27,763,970
AMERICA	-	55,536	55,536
TOTAL	19,271,741	67,757,704	87,029,445



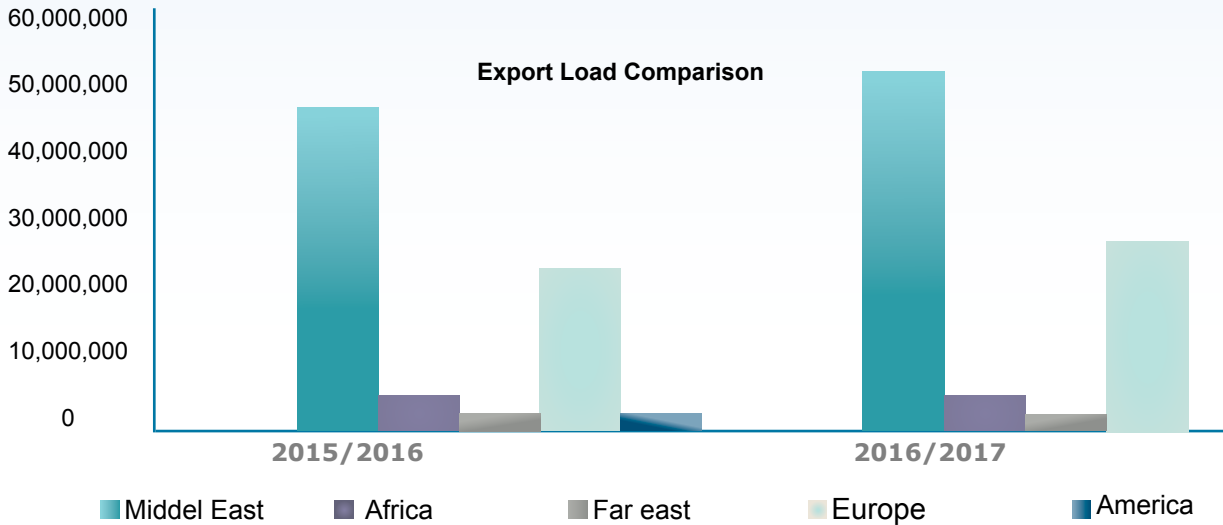
Import Load by Region / kg.

Region	FREIGHTER	BELLIES	TTL
MIDDLE EAST	1,589,126	5,611,250	7,200,375
AFRICA	57,968	868,282	926,249
FAR EAST	-	3,495,708	3,495,708
EUROPE	17,818,573	7,855,530	25,674,103
AMERICA	-	1,498,410	1,498,410
TOTAL	19,465,666	19,329,181	38,794,846



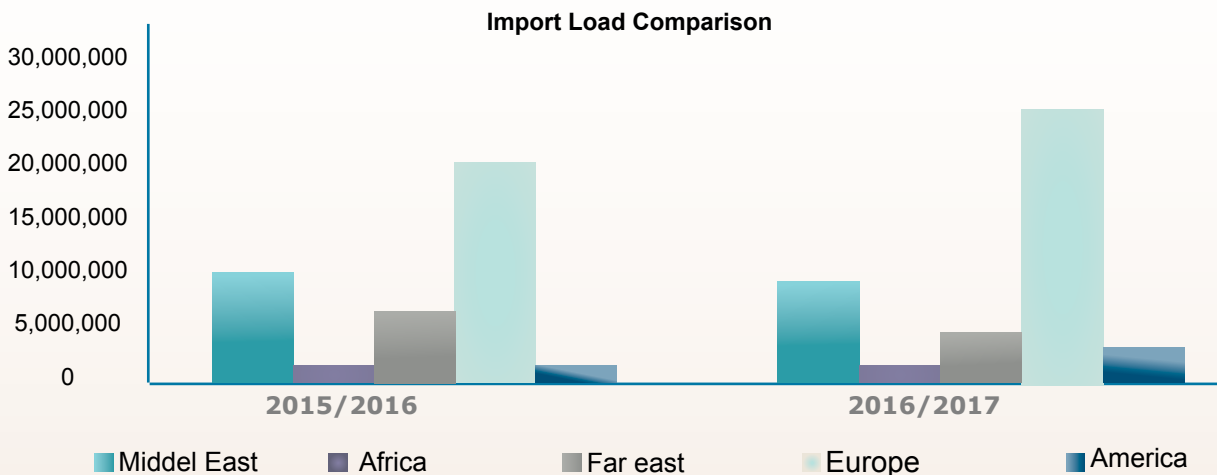
Export Load Comparison 2 Years by Region/kg.

Region	2015-2016	2016-2017
MIDDLE EAST	47,279,378	53,194,471
AFRICA	5,005,526	4,834,613
FAR EAST	1,192,018	1,180,856
EUROPE	23,240,583	27,763,970
AMERICA	1,088,158	55,536
TOTAL	19,465,666	19,329,181



Import Load Comparison 2 Years by Region/kg.

Region	2015-2016	2016-2017
MIDDLE EAST	7,905,666	7,200,375
AFRICA	954,685	926,249
FAR EAST	5,711,611	3,495,708
EUROPE	20,254,314	25,674,103
AMERICA	849,953	1,498,410





Increasing in export cargo traffic was registered by 12%, exports recorded 87,029 tons in FY2016/2017 versus 77,806 tons in the previous financial year.

While imports recorded 38,795 tons in FY 2016/2017 compared to 35,676 tons in the previous financial year by an increase of 9%.

As for transit shipments 12,318 tons were recorded in FY 2016/2017 compared to 8,674 tons in the previous financial year by an increase of 42 %.

The traffic load experienced an increase by 13% compared to previous financial year, An overall increase was seen on the import/export /transit side.

The company focused on customer retention strategy as well as capturing new customers adding value to its existing product.

Also the product portfolio was diversified to include more products other than vegetables & fruits with high yield contributing to raise profitability and market share.

The company is plotted as Star in BCG Matrix due to high share and high growth, the company was able to defend its position in a fierce competing market situation.

Flexible pricing strategy has a great impact to skim potential market, however a mix of premium pricing and price penetration strategy was also applied.

Despite the challenges including currency floating, embargo imposed on exports to USA & Canada, also new high fees on exports of fish to Doha & new certificates from Middle East countries on exports of vegetables, The company is still positioned as market leader in the Middle East & Africa by applying a broad differentiation strategy that makes it different and unique from competitors. In a nutshell, alternate plans were always in place for use where there is a risk to defend against.



Board of Directors

Eng. Abu-Talib Tawfik Abu-Talib

Chairman and CEO

Mr. Mounir Abd El-Wahab El-Zahed

Chairman & CEO, Banque Du Caire

Eng. Mohammed Tarek Mahmoud Gholam

Chairman Assistant,

EGYPTAIR Maintenance & Engineering

Mr. Sherif Kamal Abdel Galeel

Head of the Financial Sector

EGYPTAIR Holding Company

Capt. Hesham El-Sayed Ibrahim El-Deeb

EGYPTAIR Airlines, Senior Pilot

Eng. Mohamed Samy

Chairman Advisor

Eng. Khaled Mohammed Ahmed Omar

Director of Advertising & Communication,

EGYPTAIR Maintenance & Engineering

Mr. Taha Mohammed Metwally El-Heresh

Board Member,

EGYPTAIR Maintenance & Engineering

Mr. Wael Mohammed Abdel El-Kareem

Board Member,

EGYPTAIR Maintenance & Engineering

Mr. Alaa El-Din Ahmed Hashem

Board Member, Syndicate Representative

EGYPTAIR MAINTENANCE & ENGINEERING (M&E) is the only full-maintenance, repair and overhaul (MRO) service provider in Egypt. EGYPTAIR M&E adapts a comprehensive strategy to be a reputable affiliated MRO using well-developed solutions and maintenance services to support its customers covering different types of aircraft, aircraft's engines & components. EGYPTAIR M&E is committed to support EGYPTAIR operators. EGYPTAIR M&E works under the approval of the Egyptian Civil Aviation Authority, as well as, EASA Part145 and FAR Part145 approvals. EGYPTAIR M&E has an authorized capital of 500 million EGP.

Strategic Goals

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

Solutions & Services Portfolio:

Continuous Airworthiness Management

Extensive range of tailored solutions are provided; taking into considerations operator's technical, operational, financial and regulatory aspects including but not limited to:

- Aircraft acquisition support including technical definitions, options selection, warranty and guarantee terms, safe life policy definition, etc.
- Aircraft Leasing Support
- Fleet Management
- Registration Support
- Continuous Airworthiness Management
- Maintenance Planning & Scoping
- Assets Deliveries and Redeliveries Management

Airframe Maintenance

- Providing all Ramp/Line Maintenance not only at base which is Cairo International Airport, but also at all domestic airports and at many international airports.
- Providing light and heavy maintenance activities including maintenance checks, modification embodiment, striping & painting and repairs.
- EGYPTAIR M&E maintains the capability for the following aircraft types:
 - Airbus aircraft types: A320 Family, A340/A330 Families, A300-600 and A300B4
 - Boeing aircraft types: B737-Classic, B737NG, B777series & B767, B757
 - Embraer aircraft types: E170/175 & E190



Engine Maintenance

EGYPTAIR M&E maintains the following Engines types:

- V2500 A1/A5 and CFM56-5C with the scope of quick engine change (QEC) strip & build, modular replacement and engine core overhaul.
- CFM56-3C, PW 4090/4158 and Trent 700 with the scope of quick engine change (QEC) strip & build and modular replacement.

Component Maintenance & Support

- EGYPTAIR M&E provides components maintenance services for a wide range of aircraft components (7135 different Part Numbers) such as mechanical components (hydraulics, brakes, wheels) and avionic components (ATEC, Radio instruments, electrical systems)
- EGYPTAIR M&E also offers components support solutions including access to components pool,

loan & exchange options, repair management and warranties & guaranties management

Calibration Services

- EGYPTAIR M&E has the capacity to calibrate many types of measurement instrument and devices such as:
- Electrical instrument and devices: DC/AC voltage, electrical current and resistance
- Pressure instrument and devices: Gas and hydraulic gauges
- Frequency
- Torque

Non Destructive Testing (NDT)

EGYPTAIR M&E provides NDT services using Eddy current, Ultrasonic, X-ray and Gamma ray, Penetrant inspection, Magnetic partial inspection, Radio graphic inspection and Thermographic inspection.



Development Stages

- 2002, EGYPTAIR M&E became a separate business entity as a subsidiary of EGYPTAIR Holding Co.
- Early 2006, EGYPTAIR M&E obtained the EASA Part 145 approval for Line Maintenance activities.
- September 2006, EGYPTAIR M&E elevated the rating of EASA approval by adding the Base Maintenance activities (Airbus types)
- September 2007, EGYPTAIR M&E expanded the EASA approval to cover Boeing types.
- End of 2007, EGYPTAIR M&E fulfilled ISO 9001:2000 requirements to be a certified organization, also the calibration lab was certified according to ISO 17025
- Early 2008, EGYPTAIR M&E celebrated the opening of brand new Engine Overhaul Workshop.
- March 2008, EGYPTAIR M&E obtained the EASA approval for the new Engine Overhaul Workshop.
- December 2008, EGYPTAIR M&E celebrated the releasing of first CFM56-5C engine, according to EASA 145 release to service certificate.
- May 2009, EGYPTAIR M&E was nominated "The Best Airline Third Party MRO" in the yearly Aviation Industry Awards.
- June 2009, EGYPTAIR M&E celebrated the inauguration of a new company, Egypt Aero Management Service (EAMS), a joint venture between EGYPTAIR Holding, EGYPTAIR M&E and Rolls Royce.



- End of 2008/2009 fiscal year, EGYPTAIR M&E hit limit of 1 billion EGP as total revenue.
- June 2010, EGYPTAIR M&E was approved as B/E Aerospace Service Center for Galley Inserts in the African continent.
- April 2011, EGYPTAIR M&E obtained the FAA approval under FAR 145 as an approved Repair Station
- End of 2011, EGYPTAIR M&E joined Embraer aircraft services network as an authorized service center for the EMBRAER 170/190 family in the region.
- May 2012, EGYPTAIR M&E launched its new Line station in Baghdad, IRAQ to support IRAQI Airways operation.
- May 2013, EGYPTAIR M&E opened the Integrated Drive Generator (IDG) units test workshop after renovation.
- Aug. 2015, EGYPTAIR M&E launched a project for adding the overhaul capability for engine type CFM56-7B
- November 2015, EGYPTAIR M&E signed a Joint venture agreement with Global Aerotec, South Africa, to launch a technical base at Johannesburg.
- Jun 2016, EGYPTAIR M&E take delivery of its new complex in Terminal # 3 to mobilize it for opening in 2016/2017
- November 2016, EGYPTAIR M&E launches the Implementation Project for AMOS; the modern MRO IT Platform
- December 2016, EGYPTAIR M&E state-of-the-art Calibration Labs have been accredited by the National Accreditation Board ANAB of the U.S.A.



Certifications & Accreditations

- EGYPTAIR M&E holds and maintains the following accreditations & certifications which governs the continuous compliance in-reference to related regulations and standards:
 - ECAA Part 145 (approval Certificate no. EGYPTAIR/AS/01/98)
 - EASA Part 145 (approval certificate no. 0290)
 - FAR part 145 (approval Certificate no. 3EMY437B)
 - Calibration Laboratory (ISO 17025)
 - ANSI-ASQ National Accreditation Board
 - U.S. Department of Transportation (DOT)
- Many local Authorities approvals enable EGYPTAIR M&E to provision its services to its customers.
- EGYPTAIR M&E acts as Embraer Authorized Aircraft Service Center for EMB-170/-190, granted by Embraer, the regional aircraft manufacturer.
- EGYPTAIR M&E is an approved partner of Boeing for the installation of Blended Winglet for B737 Classic/NG aircraft.
- EGYPTAIR M&E acts as B/E Aerospace Approved Service Center for Galley Inserts in the African continent.

Major Milestones Achieved During the Year

In 2016/2017, EGYPTAIR MAINTENANCE & ENGINEERING (EGME) sustained its growth with almost 3 billion EGP turnovers; while prompts the profit margin (before tax) to 11% supported by active actions to optimize costs & expenses.

Following EGME strategy to leverage the total income through increasing the third party business, EGYPTAIR MAINTENANCE & ENGINEERING managed to achieve 25% contribution with growth of 21.5% when compared to 15/16. This growth had been powered by the intelligent deployment of EGME competencies across targeted markets to support the progressive growth of our clients' operation.

EGYPTAIR MAINTENANCE & ENGINEERING impressively maintained its international approvals & accreditations by following worldwide-recognized standards to secure its clients' requirements, thanks to the performance of the company; its qualified staff & the dedicated commitment of the management team.

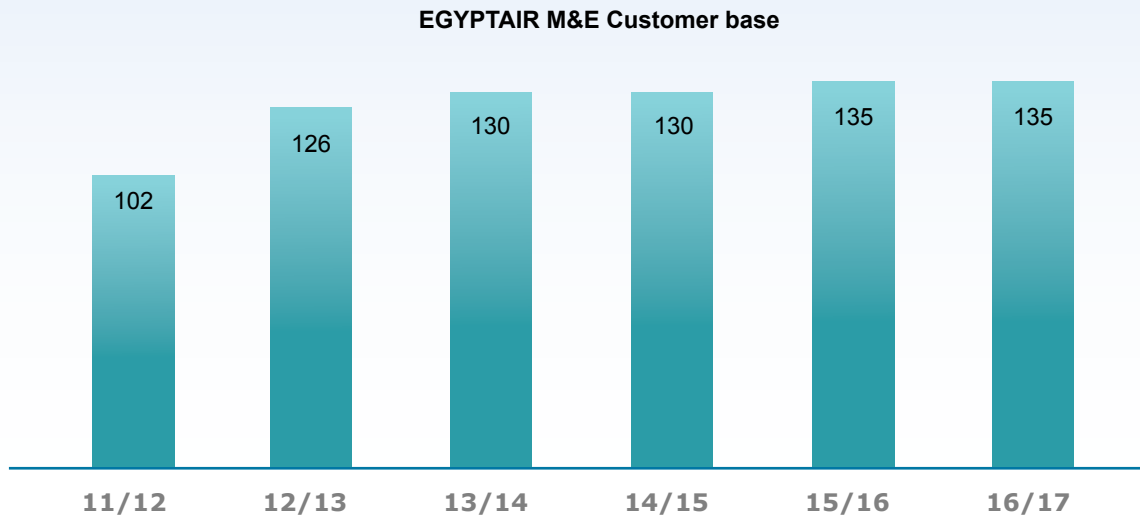
EGYPTAIR MAINTENANCE & ENGINEERING is currently implementing ambitious Transformation Program to modernize the technology platform as well as adding new facilities to enable the company to achieve its vision of being the leading MRO in the region.



Performance Highlights

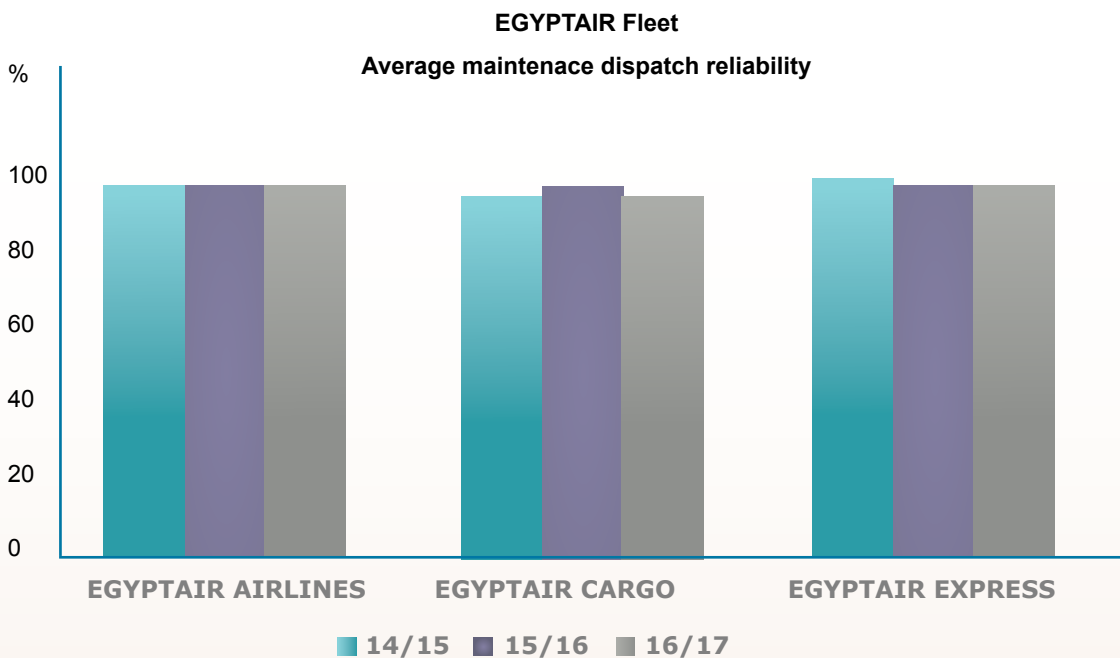
Customers Base

In 2016/2017, EGYPTAIR M&E maintains its customer base at the level of 135 contracted customer across its active business streams.



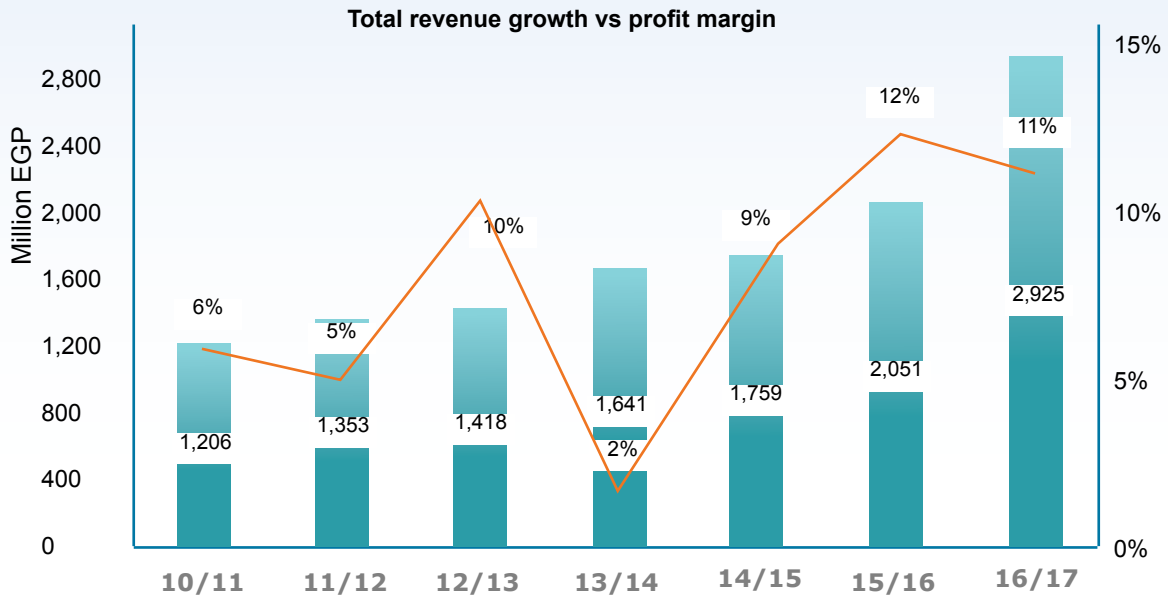
Technical Dispatch Reliability for EGYPTAIR Fleet

EGYPTAIR M&E maintained the Technical Dispatch Reliability for all EGYPTAIR's fleet types

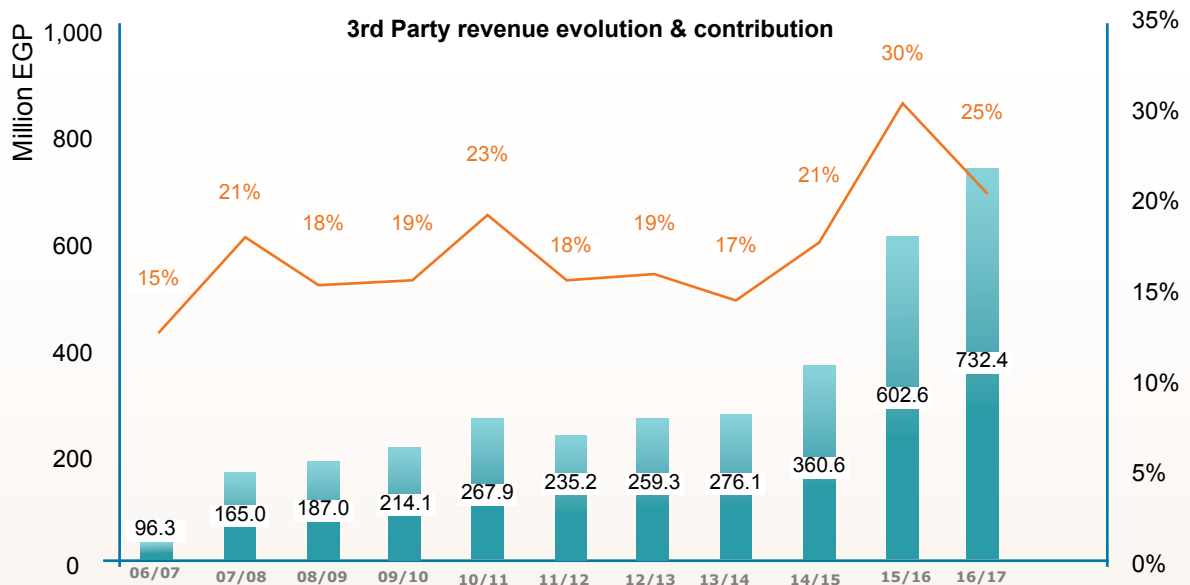


Financial Performance

- EGYPTAIR M&E achieved a positive growth rate of the Total Revenue of 42.6% increase, relative to the previous fiscal year



- EGYPTAIR M&E grows its third-party revenue by 21.5% to count for 25% of Total Revenue





New & On-going Projects

Facility Master Plan

EGYPTAIR M&E, following its long-term master facility plan, successfully accomplished the renovation and development of one of its main heavy maintenance facilities and getting ready to move some activities to the new state-of-the-art complex in Terminal # 3

ICT Modernization

EGYPTAIR M&E selected a new modern MRO IT solution to replace its legacy system, as one of EGYPTAIR M&E's Transformational Program milestones, while successfully migrated to new ERP solution to manage financial activities.





Board of Directors

Eng. Hasham Abd Elhafeez

Chairman and CEO

EGYPTAIR IN-FLIGHT SERVICES

Mr. Mohamed Nassar

G.M HILTON Pyramids Golf Resort

Cap. Mohammed Mostafa El-Shorbagy

General Manager of Safety and Quality Sector

Cap. Sherif Khalil

Head of Operation Sector

EGYPTAIR AIRLINES

Mr. Alaa Eldien Mohammed Abdallah

Vice President Air Hospitality Sector

EGYPTAIR AIRLINES

Mr. Tarek Mostafa El-Sheikh

Board Member

Mr. Hazem Ahmad Abdelrahman

Board Member

Mr. Ramadan Tantawy

Board Member

Mr. Mohamed Ahmad Abd Elhakim

Board Member

Mr. Osama Hamza

Syndicate Representative

EGYPTAIR IN-FLIGHT SERVICES

EGYPTAIR In-Flight Services was originally founded in 1947 to handle the catering services for EGYPTAIR fleet as well as the foreign carriers' aircraft in Cairo International Airport. It evolved throughout the years from Catering Service Section in United Arab Airlines at 1958 until it became a subsidiary of EGYPTAIR Holding under the name EGYPTAIR In-Flight Services in December 2002. The company witnessed great developments in its fields of activities. It grew to include not only catering services but also Sales on Board, Cafeterias and Restaurants, Event Catering, Laundry Services, Washing Equipment, Dry Ice from our factory, beside Loading/ Offloading Services. All the aforementioned activities are carried by approximately 2800 devoted employees. Throughout the phases that EGYPTAIR In-Flight Services has undergone, it proved paramount success in catering services for multifarious airlines inside and outside Egypt.

EGYPTAIR IN-FLIGHT SERVICES is keen on complying with all international requirements of food manufacture and focuses on obtaining & maintaining the certificates of:

- ISO 9001 Certification of Quality Management System
- ISO 22000 Certification of Food Safety Management System
- Legislations of the Civil Aviation Authority ECAR301 SUBPART A 301-3-C.

Operational Analysis

- EGYPTAIR In-Flight Services has sustained a high- performance level throughout the years. Our performance is translated through the high quantities in production as we produce around 8,000,000 meal/ year with an average of 20,000 meal/ day to cater EGYPTAIR flights. Moreover, we serve a number of other airlines in Cairo International Airport.
- EGYPTAIR In-Flight Services manages (28) cafeterias, (3) restaurants and (9) lounges in Cairo International Airport, and for domestic airports, in Suhag, Borg Al Arab, Asyut and Hurghada Airports. Also EGYPTAIR IN-FLIGHT SERVICES manages transit hotels at TB3
- EGYPTAIR In-Flight Services has sustained a high-performance level in the quality of meals as they are

in line with the international standards of quality and hygiene. These meals vary in their type to meet the different needs of the passengers such as Diabetic Meal, Gluten Free Meal, Low Calorie Meal...etc.

Financial Analysis

During the fiscal year 2016/2017, EGYPTAIR IN-FLIGHT SERVICES achieved total revenues of 617 Million EGP and showed profit of 73.00 Million EGP.

Cost Control is important policy that the company is focusing on. Systems related to this policy are applied in different departments of the company and production areas. This reflected positively on the total cost as it decreased by 6% less than expected.

New and Ongoing Projects

- Development of Cairo catering complex to keep up with the expansion of the fleets of EGYPTAIR Airlines and EGYPTAIR Express being the main clients for EGYPTAIR In-Flight Services
- Raising third party profit rate through concluding contracts with airlines working in Cairo, Sharm El-Sheikh and Hurghada
- Taking advantage of the increasing air traffic and the growing demand for catering services at Borg El Arab Airport to establish a catering unit at Borg El Arab
- Expanding hotel services in airports and at the local market
- Developing the IT network for all departments and for all activities.
- Updating the Fire fighting system for all building.

Planned Projects

- Applying ERP system in coordination with IT sector in EGYPTAIR Holding company
- Purchasing high-loaders to fulfill the operational needs and expand the company fleet (with a rate of 4 high-loaders/ year)
- Working on the development plan for Sharm El-Sheikh and Hurghada units
- Dividing the production area in coordination with Projects Sector in EGYPTAIR Holding company
- Utilizing solar energy instead of electric energy
- Completing the preparation of AC units for the remaining areas in the company

International Certificates

The company is constantly updating its certifications ISO 9001 Certification of Quality Management System, ISO 22000 Certification of Food Safety Management System, and Legislations of the Civil Aviation Authority ECAR301 SUBPART A 301-3-C that are related to our operation and food safety, and international quality standards. Through this year, EGYPTAIR In-flight Services passed the certification verification audits.





Board of Directors

Mr. Ahmed Mohamed Shaheen

Chairman and CEO

Mr. Mahmoud Abd Al-Samee

Head of Financial and Economic Affairs Division

Egyptian Airports Holding Company

Mr. Salem Salem Hassan

Consultant of Chairman

EGYPTAIR HOLDING Co.

Mr. Bahader Said Hassan

Head of Legal Affairs Division

EGYPTAIR HOLDING Co

Mr. Adel Mohamed Helal Mohamed

Assistant of Stations Division Head

EGYPTAIR AIRLINES

ENG. Refaat Ma'moun El-Bastawesy

Consultant of Chairman

EGYPTAIR GROUND SERVICES Co.

Mr. Osama Taha Abd-Alrahman

Deputy Head of Operation Division

EGYPTAIR GROUND SERVICES Co.

Mr. Amr Waheeb Mohamed

Legal Affairs General Manager

EGYPTAIR GROUND SERVICES

Mr. Mansour Khalil Al-Shershaby

GSE Operator - Operation Sector

EGYPTAIR GROUND SERVICES Co.

Mr. Salah Ibrahim Khoreshy

Syndicate committee Head

EGYPTAIR GROUND SERVICES was founded in 1932 as a department of EGYPTAIR. In 2003, EGYPTAIR GROUND SERVICES was established, according to the Law No. 203 of 1991 and the Law No. 159 of 1981 as an Egyptian Joint Stock, a subsidiary of EGYPTAIR HOLDING.

EGYPTAIR GROUND SERVICES has been providing high quality aircraft ground handling in accordance with the international standards for more than 80 years in all Egyptian airports.

During the year 2016/2017 EGYPTAIR GROUND SERVICES Company provided high quality standards of ground services for 133 contracted customers for over 93135 flights, utilizing more than 1244 of most developed equipment and highly qualified & trained ground handling staff in accordance with IATA and ICAO regulations.

EGYPTAIR GROUND SERVICES provides full scope of ground handling services that include:

- 1.Passenger and baggage handling.
- 2.Ramp handling for all kinds of A/C.
- 3.Loading and unloading for all types of A/C.
- 4.Crew and employees ground transportation.
- 5.Maintenance and repair up to overhaul for all types of airport ground equipment.
- 6.Representation of our customers covering :
 - Supervision of ground services provided for flights on behalf of the customer airlines.
 - A/C Catering and security services.
 - A/C Fueling and maintenance.
 - Landing permission and Airport authorities' fees payment.
 - Hotel accommodation and medical care for the crew.

Certificates:

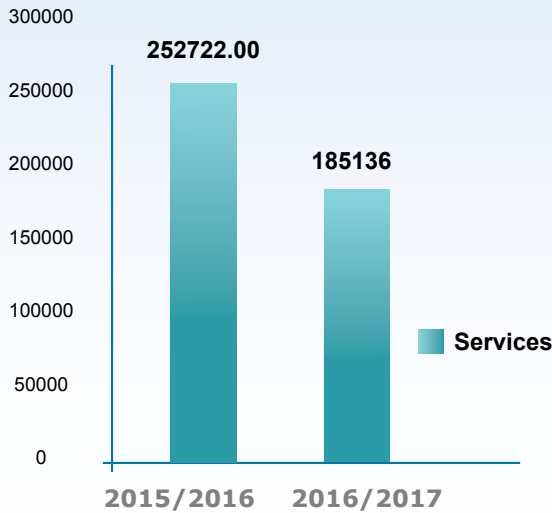
- Through the previous years, EGS achieved the following:
 - ISAGO certified provider at head quarter and almost all stations.
 - Implementation of an Enterprise Risk Management.
 - Ground Handling Operating Certificate

- (ECAA).
 - Agency Operation Certificate (ECAA).
 - Approval for ULD's Maintenance & Repair (ECAA).
 - IOSA GRH Section (IATA).
- Through the coming years, EGS is looking forward to achieving the following:
 - Complying with ISAGO in all stations.
 - Complying with ISO 9001/2015.



Performance Highlights:

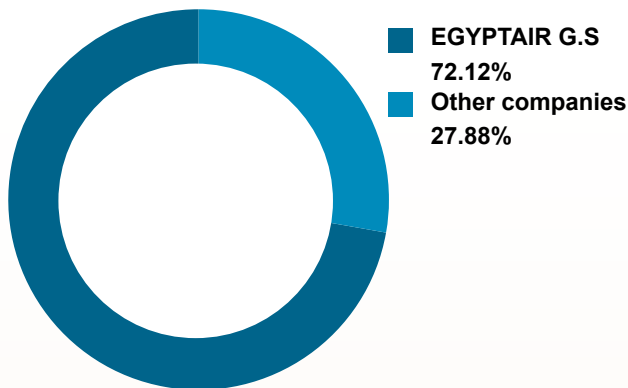
We offered about 185136 services to an EGYPTAIR and foreign companies using about 1244 equipment.



- The services decreased due to the decreasing in flight operation in all Egyptian airports as in 2015 flight numbers were (303083) but in 2016 were (256702) (according to Ministry of Aviation Annual Statistic Report 2015 and 2016).

- EGYPTAIR Ground Services Co. achieved 72.12% of market share of total ground services provided at the Egyptian airports.

Percentage of market share of EGYPTAIR Ground Services Co. and other companies

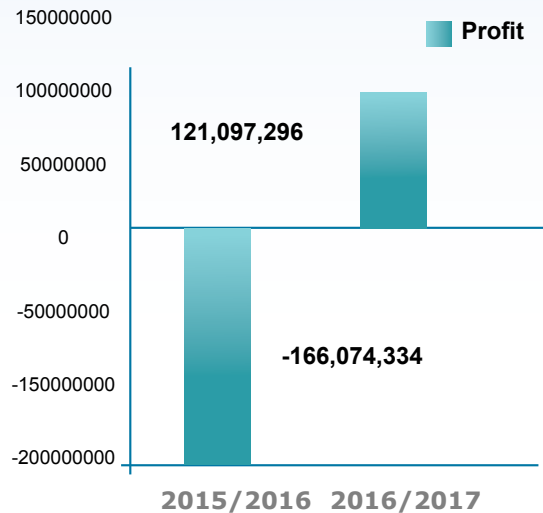


- Increasing the equipment fleet by Buying 200 pallets (PAG), Buying 200 pallets (PMC), Buying 200 pallets (PLA), Buying 400 pallets (AKE), 2 forklifts 15-17 ton, 4 open transport cars 10-12 ton, 23 pick up cars, Buying 2 Caravan in HMB station to increase the efficiency of services provided to customers, increase the customer satisfaction and increase the market share.

Financial Analysis:

- There was a loss of 166,074,334 in the year 2015/2016 but in 2016/2017 EGYPTAIR Ground Services Co. achieved profit about 121,097,296 pounds due to:

- Cost reduction.
- New contracts.
- The floating pound.



Contracts:

Service	2015/2016	2016/2017
Full handling	39 companies	39 companies
Ramp handling	81 companies	81 companies
Agents	13 Agents	13 Agents
Total	133 contracts	133 contracts

New and on-going projects:

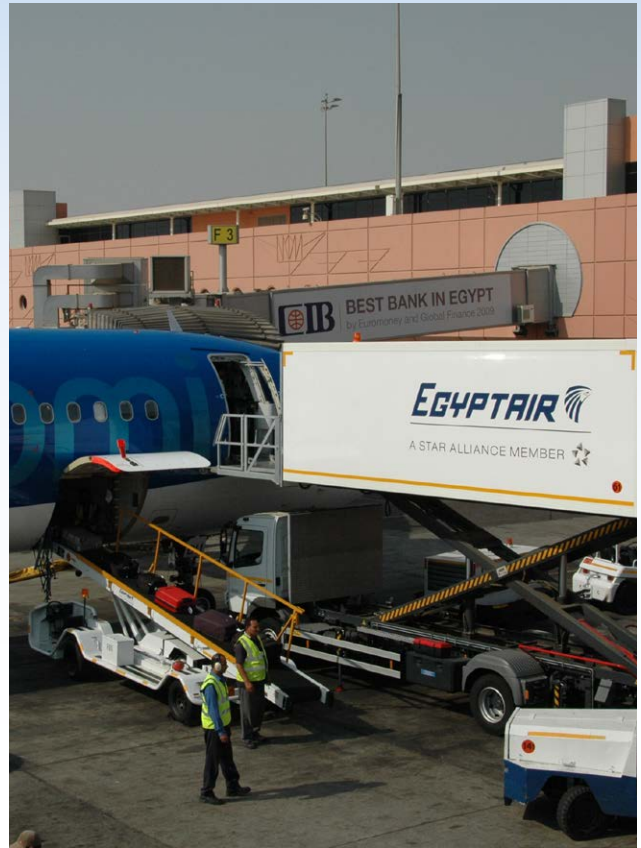
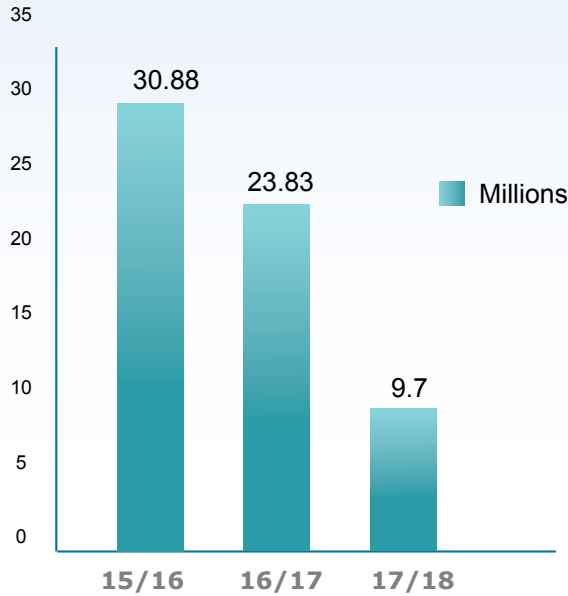
- Be in the process of implementing an Enterprise Resources Management system for available manpower and equipment.
- Ground services building in TB3.
- The development of hanger equipment in Hurghada.
- And other projects whose budgets are as follows:

1st project:

Modernizing and increasing the equipment fleet to ensure competitive service Quality & to cover the core business growth requirements and replacement plan.

Actual Cost of 2016/2017: EGP 23.836 million

Projected Cost for 2017/2018: EGP 9.7 million

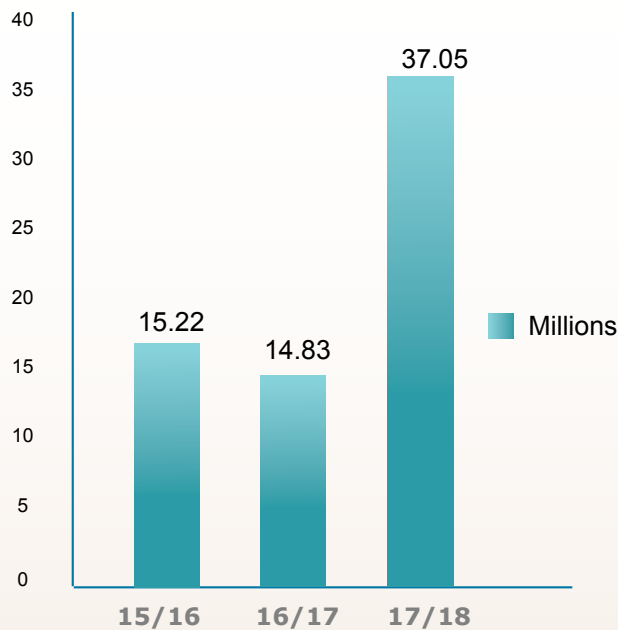


2nd project

Enhancement of the work space infrastructure, environment through upgrading and building workshops, staff accommodation sites in Cairo and stations to reach staff satisfaction and good presentation of work.

Actual Cost of 2016/2017: EGP 14.835 million

Projected Cost for 2017/2018: EGP 37.05 million

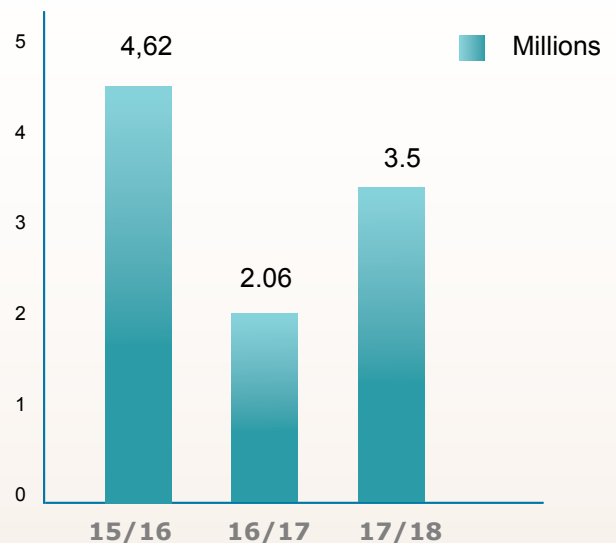


3rd project:

Enhancing company activities automation through implementing resources management system, and application of data center

Actual Cost of 2016/2017: EGP 2.06 million

Projected Cost for 2017/2018: EGP 3.5 million





EGYPTAIR
TOURISM & DUTY FREE

Board of Directors

Mr. Rada Aly Metwelly

Chairman and CEO

EGYPTAIR TOURISM & DUTY FREE

Mr. MOHSEN ABU EL- AZM

MD, GULF EGYPT COMPANY

FOR TOURISM & HOTELS

Mr. Mohamed Youssry Abd Allah

VP Commercial

EGYPTIAN AIRPORTS COMPANY

Mr.WAEL MOHAMED KADRY

VP Services

EGYPTAIR IN-FLIGHT SERVICES CO.

MR/ SAYED ISMAIL

Member at Board of Directors

EGYPTAIR HOLDING COMPANY

MR/ AYMAN FAWZY

Board Member

Mr.ASHRAF ELSHAFIE

Board Member

Mr. Adel Abd El-Salam Ramadan

Board Member

Mr.AHMED ABDU SHEHATA

Board Member

Mr. Aref Mohamed Khairy Abd El Hamid

Syndicate committee Head

EGYPTAIR was established in May 1932 as the First Carrier in Africa & Arab World. It became the world's pioneer Airlines and the Seventh Carrier in the World.

In 2002, EGYPT AIR became a Holding Company according to a Presidential Decree by the law No. (137) in 1991 and the law No. (159) in 1981 as an Egyptian joint stock company with seven subsidiaries.

EGYPTAIR TOURISM & DUTY FREE is one of EGYPTAIR's Subsidiaries, In 24/12/2009, a decision was made by President of the General Authority for Investment and Free Zones No. 21/G of 2009 issued for licensing EGYPTAIR Tourism "Karnak" and Duty free Company to operate the free zones activity subject to provisions of Law No. 8 of 1997.

Company Activity:

EGYPTAIR DUTY FREE: offers the traditional duty free items with a wide range of international brands. We also establish, manage and organize free Shops in ports, airports, tourist groups and Egyptian aircraft inside and outside the republic.

EGYPTAIR (KARNAK): The main core of the Sector is to promote the numbers of tourists by marketing programs internally and externally, through the tools that we have to serve the requirements of tourism.

Future vision

WE ARE preparing the following:-

- A Comprehensive development of free shops warehouses all over Egypt.
- Launching the free Shops at Sphinx International Airport as a strategic direction in preparation for the opening in the nearest future.
- The expansion of introducing many new items and varieties that meet the desires of passengers other than the current exhibits, decreasing the slow moving items during the Year 2016-2017.
- Providing the staff with modern training courses inside and outside Egypt in the field of activity.
- Start preparing a booklet of conditions and specifications in preparation for purchasing an integrated computer system for the sales activity.
- Completing the modernization of the transportation fleet of the free Shops sector.
- Renewing the free Shops branch at Sharm el-Sheikh Airport.
- The consultancy studies for the company's new building are currently being under construction in the land assigned to the company at Terminal 3.
- Transfer the sales activity on aircraft from EGYPTAIR In-Flight Services to EGYPTAIR Tourism "Karnak" and Duty Free Company as of 1/7/2017
- Implementing the policy of the company to dealing directly with suppliers in purchasing and with the main producer.



Prospects for 2017/2018

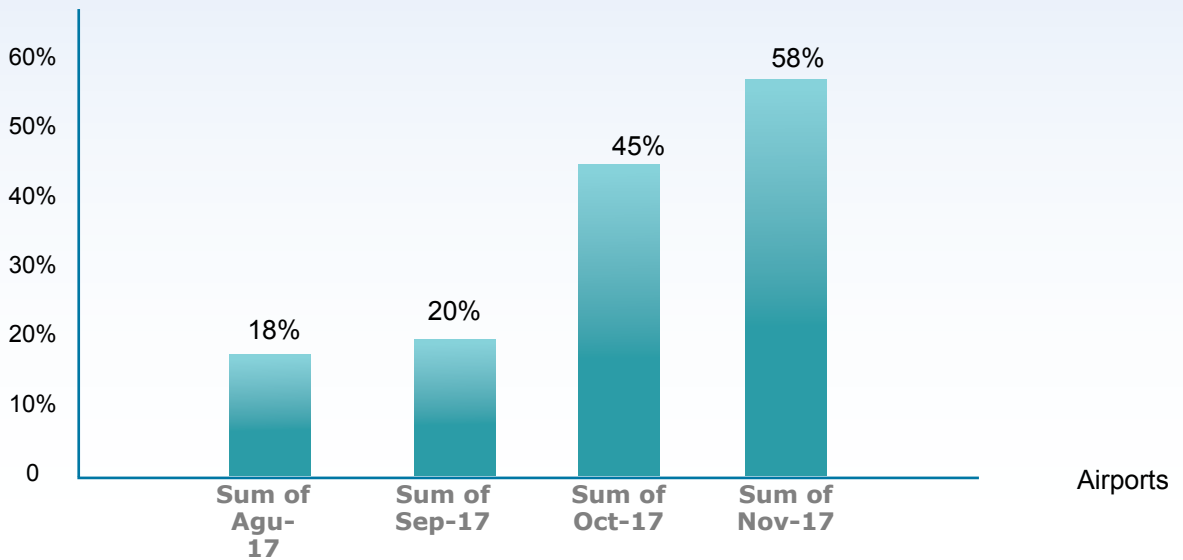
The company is confident that 2017/2018 will see the continued growth in sales. The main investments this fiscal year will be the construction and equipping of 25,000 square meters next to Terminal 3 containing the company's new state-of-the-art warehouses. In addition, updating and changing of the information System.

- THE Achievements of DUTY FREE
- Projects completed in fiscal year 2016-2017:-
- The most important achievement is the opening of three free shops at the international arrival hall at Terminal 2 and two at the International Travel Hall with an area of about 1500 m2. Opening Duty free Shops TB2 : Opening shops (A, D & E) in 28/9/2016 s shop (C) in 21/6/2017
- Receiving the sub-warehouse at Cairo airport after its development and converting it to a fully refrigerated warehouse.
- The Innovation of many types of exhibits in all commodity groups to meet the wishes of the most targeted customers.
- Renovating and establishing cooling area in our sub stores for confectionary and cosmetic products.
- We are preparing our new locations in the new capital (sphinx airport) as we had already received Sphinx airport.
- Complying with the government policy to encourage the Egyptian products, the number of Egyptian-made products, local suppliers had been increased in the area of confectionary, handmade oriental products and cloths, which added positively on the performance of the duty free division.
- The budget planned for 2016-2017 was 46.8 million net profits, and the achieved was 131.06 million.
- EGYPTAIR Duty free participated in Cannes exhibition in October 2017, during which we succeeded in communicating with new suppliers and reached good agreements with them for the in-flight duty free service and shops business as follows:-
- Morgan & Oates: we placed the first order for the in-flight duty free service, and processing a display area for it in the shops.
- Movado group: a new supplier which deals with various brands of watches (Boss – Tommy –

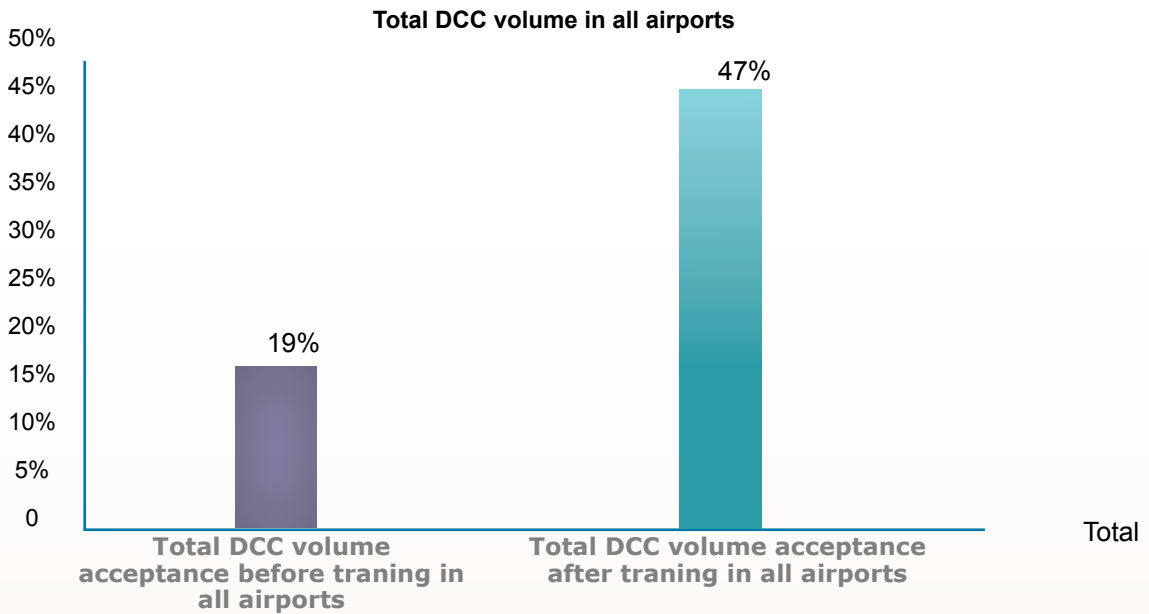
Lacoste...etc.), we placed our order for the in-flight duty free service.

- Travellers Trove: we re-established link with the company for cross brand with margin 65%. Our first order is already placed and it's in shipping now.
- We are now finalizing our negotiation with Scorpio and Cerrutti.
- Lego: we established a direct communication with Lego Company instead of the distributor in Egypt, saving 33% from the prices which we were taking, we placed the first order and the shipping will be in the second half of January.
- Plush Collection Bonton toys: we started a new business with it, and we placed the first order.
- Davidoff cigar: as we have shortage in the collection of premium cigar, we reached an agreement with Davidoff cigar directly and we are proceeding with our first order.
- Interparfums: we started a new business with the supplier to provide us with Dunhill and Mont Blanc perfumes brands, the first order is placed for in-flight duty free service and we are proceeding for an order to our shops.
- Euroltalia: we reached an agreement with Euroltalia to provide us directly with Versace.
- Hershey: it's one of the biggest chocolate companies in the world, and we are processing our final agreement with them.
- Duc D'o: a new confectionary company from Belgium, we are placing an order now.
- The training department in the sector has the honor to report on the internal training activities carried out in cooperation with Banque Misr, Visa Card officials at the bank and the general management of financial affairs of the company, which were organized by the Training Department in the sector to explain the new feature of the Visa Card.
- It is expected to return a positive return on the free market sector. The events were held in Cairo - Hurghada - Marsa Alam - Sharm El Sheikh, as shown later:
- Places of Training: Cairo, Hurghada and Marsa Alam and Sharm El Sheikh from 25/9/2017 to 27/9/2017

The increase in the admission rate at Cairo, Hurghada and Marsa Alam airports after the training contributed to the increase in the overall percentage as follows:-



The total acceptance rate of EGYPTAIR Duty Free from 19% in September 2017 to 47% since the completion of the training period at Cairo Airport until 13/10/2017:



Ongoing Projects

- Opening shop (B) in TB2 in October 2017.
- We achieved by the end of November 108.7 % from the planned target.
- Starting to renovate Sharm El Shiek tax free hall, and increasing its area with approximately 100 sq.
- Processing the purchase of 5 cooling medium size trucks for confectionary.
- Making the necessary drawing and arrangement for renovating departure shops TB3
- Planning to launch a tender to build an administrative building by the second half of the fiscal year.
- Starting the negotiation with the Egyptian Airports Co. to renew our contracts in the airports, and participating in the tender of Asyut and Borg El Arab. Moreover, we will receive a 121 m. extra area in the arrival of Borg El Arab.
- Finalizing the RFP of the IT system which becomes an urgent necessity to keep on equal foot with our international suppliers and complying with the international laws in data protection.

The Achievements of Tourism Sector 2016/2017

- We made a new initiative called (Egypt in our hearts) in cooperation with the Ministry of Tourism and the Internal Tourism Promotion Authority, to all tourist destinations in Egypt which affected on the revenues of the Tourism Sector (Karnak).
- Karnak organized EGY Plast Exhibition of the General Organization for Exhibitions and Conferences for 29 people from 12-18th January 2017 with total revenue of 64199.91 (10% profitability).
- A protocol of cooperation with the Arab Lawyers Union was signed to cooperate with EGYPTAIR Tourism Sector in the field of excursion airline tickets on EGYPTAIR Airlines and foreign companies.
- A protocol of cooperation was signed with Tharwa Petroleum Company to serve company's employees.
- The Signing of a protocol of cooperation with ENPI Petroleum Company to cooperate in providing airline tickets of EGYPTAIR Airlines and foreign companies, organizing conferences and tourist services inside and outside and organizing Hajj and Umrah trips.

- The Signing of a protocol of cooperation with the company, organizing golf championships from all over the world. Among its activities was the organization of the International Golf Championship for diplomats from all countries in the world in April 2017.
- Karnak organized successfully the first high school trip to visit the Federal Republic of Germany for 100 students. With a total amount of LE 6540800.00 from 28/10 to 5/11/2016.
- Karnak organized trips group of the Hockey Union on the Ethiopian lines (Cairo / Windhoek / Cairo) with a total amount of 189,727,00.LE .

Performance Highlights

Financial Performance:

The financial Situation compared to the planned for the current year 2016/2017 and the actual achieved during 2015/2016: -

Actual statement	Actual. 2015/2016	planned 2016/2017	Actual 2016/2017
Total Revenue in Billion EGP	1.106	1,872	1.538
Total Expense in Billion EGP	1.090	1.825	1.407
The surplus (before taxes) in Million EGP	16.076	46.83	131.06

The surplus is 131.06 million Egyptian pounds before taxes for the period from 1/7/2016 to 30/6/2017 compared to a planned budget surplus of 46.83 million Egyptian pounds; it shows an increase of 179.8% from the target and an increase of 715.2% from the achieved in the previous fiscal year.

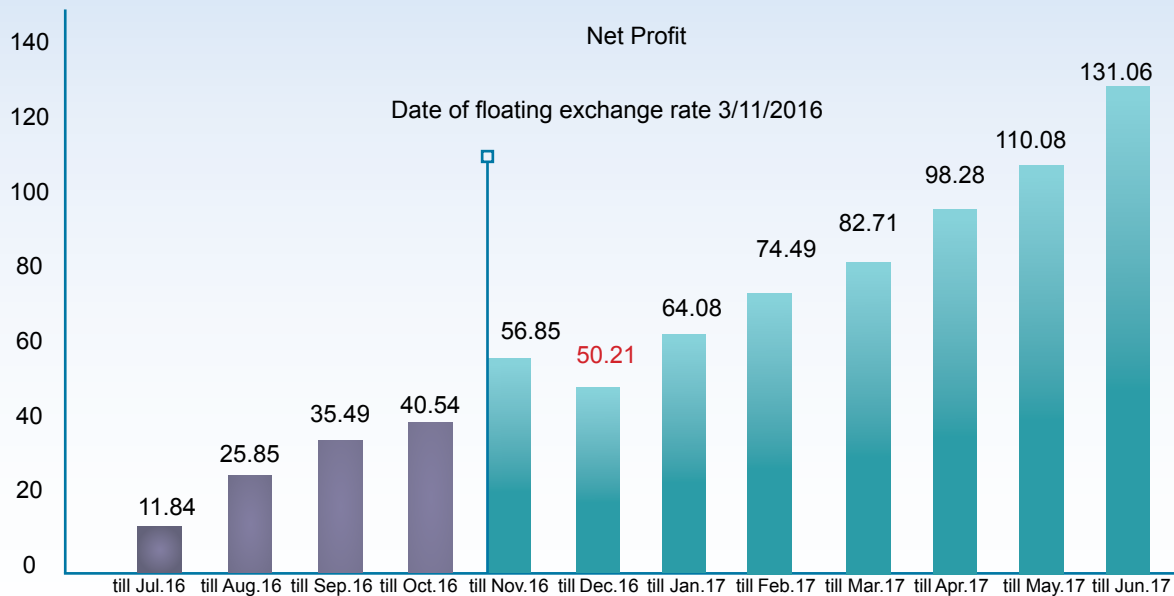
In this regard, we would like to note that the income statement for this year is LE 114.3 million due to currency exchange losses resulting from the liberalization of foreign exchange rates in 2016/11/03. The Egyptian Accounting Standard No. (13) for the effects of changes in foreign exchange rates has not been applied and the surplus of LE 131.06 million has been realized: total of the following:-

■ Free Shops and free zones sector

A Surplus of LE 142.84 million compared a surplus of LE 22.88 million in the fiscal year 2016/2015, with an increase of 524.7%.

■ Tourism sector

The Results showed a loss of LE 11.78 million, against a loss of LE 6.81 million, affected by the Tourism Situation and the overall current situation in Egypt.



- Targeted according to the budget of the financial year 2016/2017 is to achieve a surplus of LE 46.834.229
- The financial position is EGP 131.06 million (before taxes) after bearing currency losses of EGP 114.35 million
- The reasons for the decrease in surplus during December 2016 (July-December 2016) are the exchange rate liberalization on 3-11-2016 and then the valuation of all accounts balances
- The financial position on 31/12-2016 resulted in losses of about LE 52 million.

The third party Revenue

- All free shops revenues realized by third parties.
- %99 Tourism Revenue earned by third parties

The Company's position on Loans and Credit facilities:

There is a credit facility signed between the company and Banque Misr for \$ 20 million. The balance used on June 30th, 2017 amounts to 333.323.092 million pounds, equivalent to 18,517,744 million US dollars. The facility is reduced by one million US dollars per month up to a maximum, to facilitate \$ 10 million.

Investment Plan

The Total value of the investment plan of EGYPTAIR Tourism (Karnak) and free Shops amounted to LE 97.225 million, while financial expenditure amounted to LE 11.833 million by (12.17%) and the actual execution amounted to LE 16.296 million (16.76% by); which means it is self-financed.



Board of Directors

Dr. Adel Mazrou'

Chairman & CEO

EGYPTAIR Medical Services

Dr. Tarek Ali Ahmed El shahawy

V.P Medical

EGYPTAIR MEDICAL SERVICES

Dr. Ahmed Taha

G.M of Marketing Department

Dr. Hassan El Sayed Abdel Moneim

Director of the emergncy

Al- Galaa Hospital

Dr. El Zaher Hassan El Zaher

Professor of Orthopedics

At In - Shams University

Mr. Abd El Hameed Salama Mersal

VP Human Resources

EGYPTAIR HOLDING

Mr. Sayed Ahmed Ismail

G.M of Financial Dept.

EGYPTAIR Airlines.

Mr. Adel Eliwa Youssef

Administrative Services Manager

Mr. Sayed Aboud Mahrous Dabour

Member of the Board

Mr. Mohamed Sayed Tawfik Hassan

Head of Syndicate Committee

EGYPTAIR MEDICAL SERVICES started out by offering its services only to EGYPTAIR employees and their families. Later on, its services were extended to cover all civil aviation field workers. Currently services are offered to public either from Egypt or from abroad.

Historical Overview:

- 1960, EGYPTAIR Medical department
- 1970, General Department of Medical Services
- 1983, EGYPTAIR Sector for Medical Services.
- 2003, EGYPTAIR Medical Services company.

Major milestones achieved during the year

- Adding to the Ophthalmology department the newest Femto Lazer surgical department for correcting eye vision measurements & treating deformations concerning the eye medicine.
- New Cardiac Catheterization System.
- Upgrading the rehabilitation & physiotherapy Department.
- Staff training either for administrative employees or medical sector.
- Establishing minimal Invasive therapy Unit for treatment of backache without surgical intervention.
- Nephrology Department has been upgraded with new modern hemodialysis systems.

- The completion of renovating hospital interface and entrances.
- Raising the efficiency of hospital infrastructure.
- Updated information network profile.
- Upgrading and automation of the hospital's communication network.
- Developing catering for patients' diets and meals and establishing a restaurant for physicians and staff.
- Automating all hospital systems, financial or administrative activities, as well as medical records and patients filing systems.

External Review

- Establishing a VIDEOCONFERENCE and TELEMEDICINE system at EGYPTAIR Hospital to allow the exchange of opinions with French and international experts and to allow French consultants to give live updated lectures.
- Creation of a schedule for the visit of medical experts coming from our French partner George Pompidou hospital and from other international institutions to offer the best medical services to our customers.
- Signing contracts with experienced seniors of Egyptian or international consultants and medical professors.



Performance Highlights

Operational Analysis

- Upgrading Surgery & Oncology Departments.
- Upgrading emergency department (ER) through qualified staff of specialist & experts
- Advanced surgical operative theater (second floor) on the general surgery, obstetrics & gynecological surgeries.
- Creation of four new medical units: Stroke Unit, Intestinal Haemorrhage Unit, Hypertension, Diabetology Unit.
- Upgrading the Shock Wave lithotripsy Unit.
- Introducing Shock Wave therapy for orthopedic cases.
- Radio diagnosis Department has been equipped with new open MRI unit as well as high precision CT-scan system.
- Kidney dialysis Instruments (14 machine)

Cardiac Catheterization



2134 Successful Catheterization Cases were done since Oct 2005

Advanced Surgery operating Theaters



125 Successful neurosurgery Cases were done since 2007

Open Heart Surgery



201 Successful Major Open Heart Surgeries
108 Successful Minor Open Heart Surgeries

Financial Analysis:

No. Of Patients in Inpatient

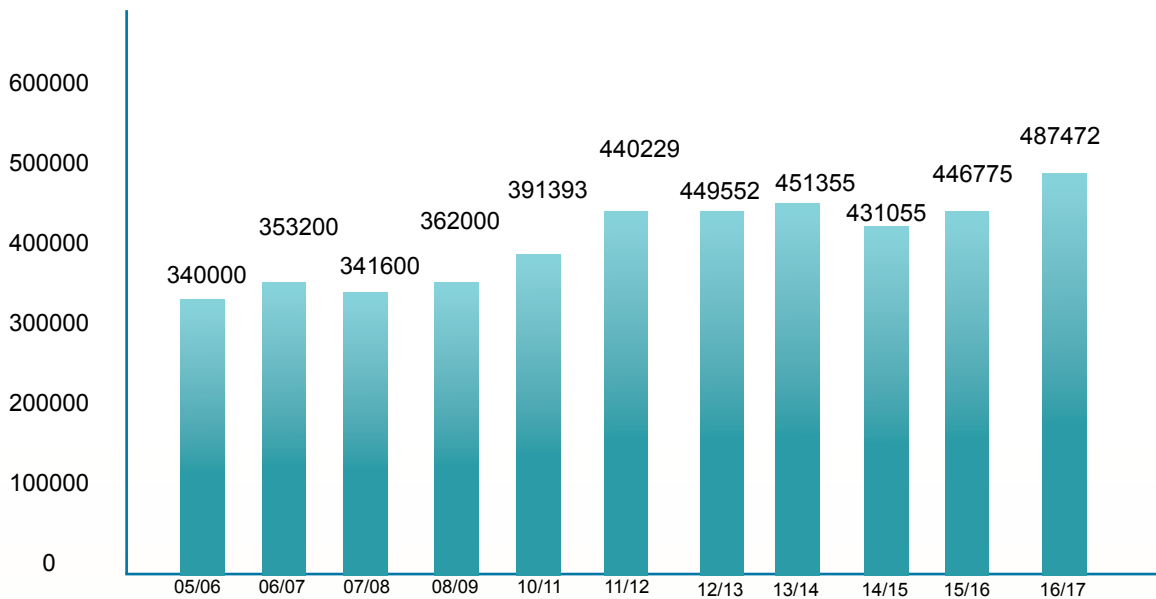
Year	Private cases	Family Patients	Contracting Companies	Egypt Air Employees	Total
2013-2014	3847	5356	6359	16045	31607
2014-2015	3772	5562	6037	16580	31950
2015-2016	3763	6343	5292	17057	32455
2016-2017	2978	7036	4466	16627	31107

No. Of Patients in Outpatient Clinic

Measure	2013-2014	2014-2015	2015-2016	2016-2017
Number of outpatient clinic	451355	431055	446775	456365

In 2016 – 2017, there is an increase in outpatient clinic as they receive treatment and thus the inpatients decrease in number.

TOTAL PATIENT COMPARISON



In 2016- 2017, there is an increase nearly around 40 thousand patients compared to 2015 -2016.

New & On going Projects

- C- Arm for operative theatre.
- Femto- lazer unit for ophthalmic department.
- New Cardiac Catheterization Unit with an updated software
- Establishing new fire resistant unit.
- Establishing new electricity unit.



Board of Directors

Eng. Adel Kamel Mansour

Chairman &CEO

EGYPTAIR SUPPLEMENTARY INDUSTRIES

Mr. Ismail Abd Elmonem

Head of Security Sector

EGYPTAIR HOLDING COMPANY

Mr. Mohamed Nabil Heeba

Deputy VP Finance Sector

EGYPTAIR HOLDING COMPANY

Eng. Hany Salah Eldeen

Base Maintenance Director

EGYPTAIR M&E

Mr. Bassem Samy

Head of Central Administration

for Internal & External Relations

Ministry of Civil Aviation

Eng. Azza Emam

Safety & Quality Dep. Manager

Mrs. Amany Mahmoud Sabri

Social Insurance Dept. Manager

Mr. Mohammed Said Abdullah

Head of Marketing Dep.

Yahia Abd Al-Fattah Mohammed

Board Member

Mr. Talaat Mohammed El-Nadi

Syndicate Representative

EGYPTAIR SUPPLEMENTARY INDUSTRIES

Here Before we go through our report let's have an overview of EGYPTAIR Supplementary Industries Company's profile. We would like to ensure the satisfaction of its customers, EGYPTAIR Supplementary Industries Company (EASI) always seeks to provide the most competent product and services. EGYPTAIR Supplementary Industries Company comprises four different factories; Printing House, Uniform and Leather, Plastic Products and wooden Furniture products.

[AeroPrint](#)

AeroPrint is a modern printing house with the latest technologies to cover all EGYPTAIR's needs. The AeroPrint production process starts with a team of professionals who create designs and continues through the montage process and printing. After printing is completed, on high-tech machines, the product goes through a finishing process at the packaging section. All stages are subject to inspections, which assure the product quality.

[AeroFashion](#)

AeroFashion is a ready-made clothing factory, which uses the latest designs and sewing machines to satisfy all needs of EGYPTAIR for employees' uniform and shoes in addition to its customers. AeroFashion produces uniform for industrial, medical and hospitality wear.

From the conception of an idea to the final product, AeroFashion focuses on quality and is dedicated to give its customers unbeatable value by offering fashion and quality at competitive prices.

[AeroPlast](#)

AeroPlast produces all plastic items used for in-flight catering services. AeroPlast also provides pre-packed items using a selection of materials, which meet the international quality standards. The company has also established a line for manufacturing interior aircraft cabin parts which are reviewed and certified by the Egyptian Civil Aviation Authority. The factory operates a variety of production lines which are:

- Plastic rolls production line to produce sheets for thermoforming products.
- Thermoforming production line to produce items such as lunch box, sandwich container, bowl, lid...etc.)
- Injection production line to produce items

such as tray, cup, plate, bowl, lids... etc.)

- Filling and Packing production line to produce items such as refreshing towel, sachets (sugar-creamer-salt-pepper), cutlery packing...etc.
- aluminum foil food container production line
- Production of a paper cup for the hot drinks
- production line for high density plastic bags for all purposes

In addition, a unique CNC complex produces all kinds of molds. AeroPlast is equipped with three key machines for the manufacturing of molds, which serve all the production lines.

[Flammability Test Lab](#)

The flammability test lab measures the ignition resistant properties for aircraft interior cabin parts materials, protective clothing, tents, carpets curtains, automotive interiors, electric wire insulation. EGYPTAIR Supplementary Industries Flammability Test Lab is accredited by the Egyptian Accreditation Council (EGAC) in compliance with the requirements of the ISO/IEC 17025:2005 international standards. EGYPTAIR Supplementary Industries Company plans to acquire additional approvals and certifications and is carrying on all pre-requisite preparations to meet the requirements.

[AeroWood](#)

Only the finest materials are selected and the best manufacturing processes are employed in the AeroWood furniture. AeroWood has the capability to manufacture all types of furniture (house, office and hotel furniture). The house furniture includes all classic or modern designs for bedrooms, dining, reception, kid's rooms and kitchens. In addition to the manufacturing of custom-made furniture, AeroWood can also carry out interior design and furnishing.

[Major Milestones Achieved During the Year](#)

Achieving growth rate of 23% related to the total revenue compared to the same period of the previous year. As in financial year 2015/2016, the total revenue was 88.329 million EGP while in financial year 2016/2017 the total revenue is 122.290 million EGP

Increasing 3rd party revenues by 52% compared to the financial year 2015/2016 as we have plans to streamline, improve operations and supply chain management in all our business lines in order to

improve both quality and efficiency. This should help us to properly serve our primary customers and compete effectively in the open market we try to compete and maneuver in prices, especially in tenders

Now we become a supplier for catering equipment for many airlines

(Yemenia AirWays – Nile Air- EAS- -PAS- Almasria Universal Airlines)

A complex building is established for AeroFashion factory with storing facility, total area of 1500 meter square which represent a new well-equipped building for Aerofashion factory also to increase the storage area which becomes a necessary demand for storing the material and production needs for all our facilities fourth quarter of the fiscal year with total investment of 6.7 million EGP

Production of paper cups for hot drinks started during the second half of 2016/2017 with total quantity up to 6 million pieces per year.

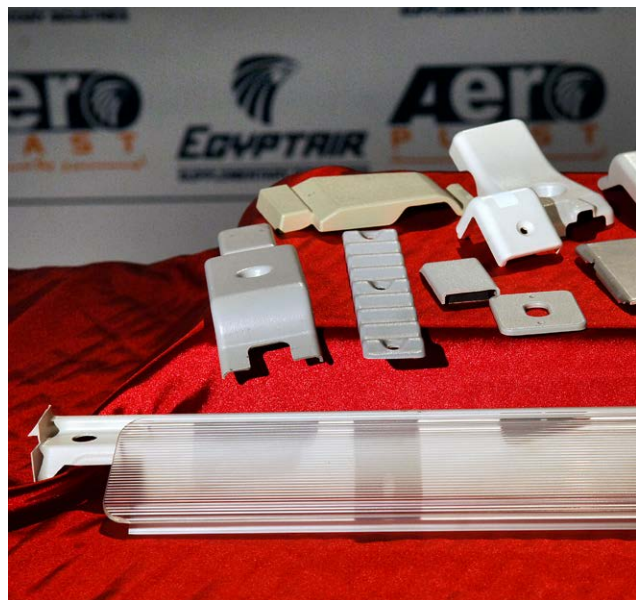
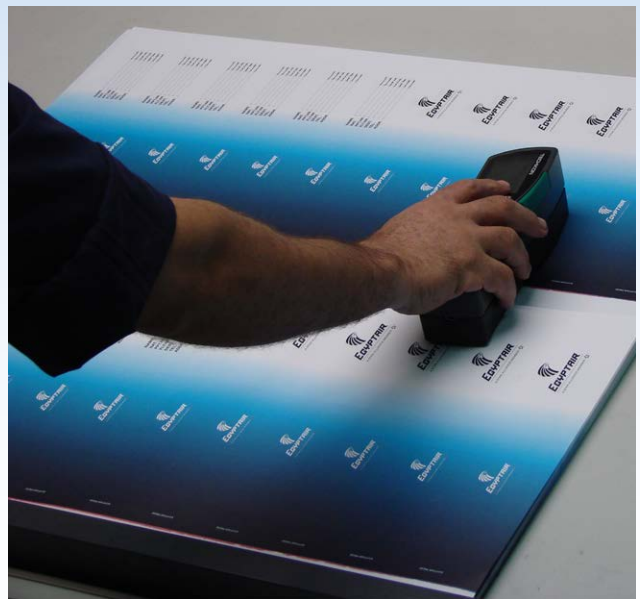
The newly established production line for high density plastic bags for all purposes is completed; this line of production has run into operation during the third quarter of the fiscal year 2016/ 2017.

Performance Highlight

EGYPTAIR Supplementary Industries Company did not get a finance support this fiscal year 16/17 from the Holding Company to overcome the budget balance deficit, and despite this the company achieved a growth rate of 23%, due to the return on investment for projects implemented, and increased factories operating productivity and statement of protocols amendment.

The already existed certificates: ISO 9001:2008 for AeroPlast is renewed where it becomes certified as an Approved Production Organization for 200 aircraft cabin interior parts by the Egyptian Civil Aviation Authority. The Flammability Testing Lab, which is certified by Egyptian Accreditation Council (EGAC) according to the requirements of ISO/ICE 17025-2008, has got a renewal for this accreditation.

The provision of paper cups to EGYPTAIR Airlines Company the primary costumer for the company, started on DEC. 2016 as the production of this item started during the third quarter of the fiscal year 2016/2017 after installing the machines and conducting the staff training fulfilling the requirements of EGYPTAIR Airlines Company with annually 6 million paper cups.

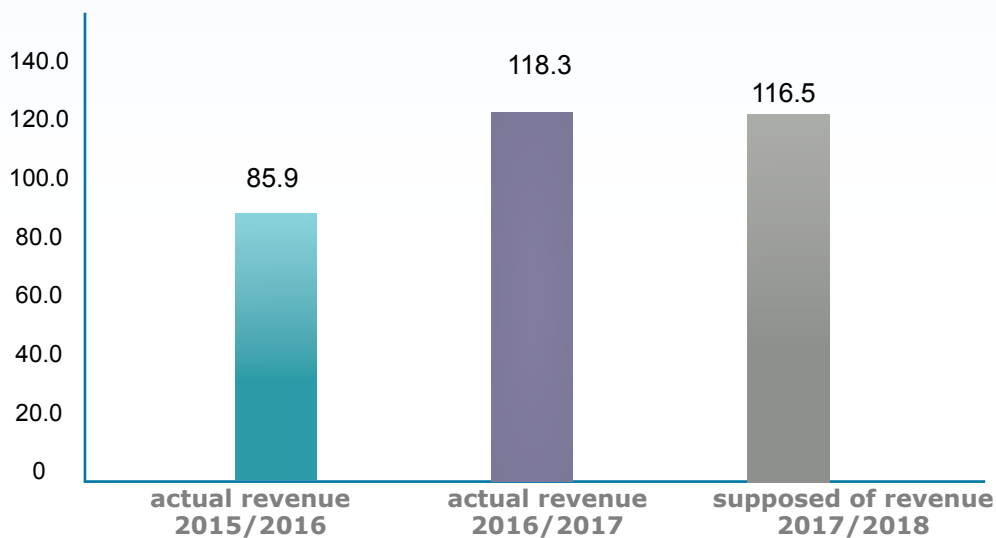


Arrangements completed for the production line of low and high density plastic bags for all purposes, machine delivered, and the line of production established and run into operation during the fourth quarter of the fiscal year 2016/2017.

Manufacturing all display units in duty free hall belonging to EGYPTAIR tourism & duty free in the recently opened passenger building (terminal 2) in Cairo international airport.

There was an extensive study for each production unit to decide the root causes for the deficit and how to improve and develop the performance and also to increase the revenues. Such kind of study is already done for AeroFashion and it is carried out for other factories in the beginning of the fiscal year 2016/2017. We are looking to have a positive impact through work procedures improvement.

Comparison of Commercial revenue activity



- At the beginning of the fiscal year 2016/2017, the total revenue target was estimated to be 116.5 million EGP, but by the end of the year the company business results recorded total revenue of 118.3 million EGP with 2% increment higher than the planned revenue.

- Also this represents a 38% increase in revenues in comparison with the fiscal year 2015/2016

- The company's losses for the fiscal year 2015/2016 recorded 34,8 million EGP without a subsidy, which decreased by the end of the fiscal year 2016/2017 to 4.7 million EGP with a decrease in losses for about 30,1 million EGP which means a rate of losses reduction reached to 87%.

Revenues increased due to :

- Increase factories operating productivity through supporting the existing production lines with a new machines
- The launching of new production lines (paper cups- plastic bags)
- Statement of protocols amendment.
- Increase in third party revenues



**Corporate Social
Responsibilities**

- EGYPTAIR, the official carrier of World Youth Forum in Sharm el- Sheikh.



- EGYPTAIR, the official carrier of the Forum of Divine Religions Conference in St. Catharine.



- Organizing a trip for the first high school students in Egypt to Beijing and Berlin.



- EGYPTAIR, the official carrier of the medical tourism campaign "A World Free of Hepatitis C", aiming at putting Egypt on the medical tourism map, with the participation of world football star Lionel Messi.
- EGYPTAIR, the Official carrier of the 2017 Egypt Petroleum Show in its first session held in International Convention and Exhibition Center in Cairo.

- EGYPTAIR participated in the 48th session of Cairo International Book Fair where the company organized a seminar titled "EGYPTAIR and its role in supporting tourism and youth preparation" and made workshops for children.



- EGYPTAIR Cargo succeeded in carrying a 500- kg patient for treatment in India aboard a special flight from Borg El- Arab to Mumbai.



- EGYPTAIR, the Official carrier of Miss Universe visit to Cairo, coming from New York, to activate tourism.
- EGYPTAIR participated in the celebration of Africa Day 2017, held in Bangkok on the occasion of the 85th anniversary of EGYPTAIR and as it is the first airline in Africa.



- EGYPTAIR provided free iftar meals during Ramadan to the Egyptian society for SOS Children's Villages.



- EGYPTAIR made a visit to the children of Qasr El Eyni hospital in cooperation with Boeing International during Ramadan.



- EGYPTAIR sponsored the world junior squash champion under-13 Abdullah Amr so that it is the official carrier of him in all competitions in which he participates.



- EGYPTAIR, the official carrier of the 21st African Securities Exchange Association Annual Conference (ASEC) from November 19th to 21st under the auspices of Prime Minister Sherif Ismail, attended by Dr. Sahar Nasr, minister of Investment and International Cooperation and a group of African Ministers.
- EGYPTAIR, the Official carrier of the American Telemed Foundation for Abu El-Reesh Children's Hospital.
- EGYPTAIR offered travel facilities for 'Farida'; the baby girl who had a rare genetic disease called Spinal Muscular Atrophy.
- EGYPTAIR, the Official carrier of the Billiard World Cup in El Gouna.
- EGYPTAIR, the Official carrier of International Financial inclusion Conference, held in Sharm El Sheikh, with the participation of more than 94 countries.
- EGYPTAIR, the Official carrier of Africa 2017 Forum (COMESA) to strengthen investment and economic relations between Egypt and the African countries.



In addition, EGYPTAIR carried Al-Ahly football team in the final stages of the CAF Champions League (Confederation of African Football), and was the official carrier of many international celebrations and exhibitions, hosting some official delegations and organizing tours to activate tourism.



- EGYPTAIR Cargo participated in the 11th World Cargo Symposium organized by the International Air Transport Association (IATA) at Abu Dhabi National Exhibition Center.
- EGYPTAIR and Egyptian Tourist Office participated in the 13th Beijing International Tourism Expo.
- EGYPTAIR participated in the events of the Vakantiebeurs Utrecht International exhibition 2017 for Tourism and Travel in its 50th session in the Netherlands.
- EGYPTAIR participated in the exhibition ITB Berlin 2017 under the slogan "Experience and experts" through a distinguished Egyptian pavilion set in cooperation with the Tourism activation Authority.
- EGYPTAIR participated in the 24th Arabian Travel Market "ATM" in Dubai.
- EGYPTAIR participated in Envol Exhibition 2017 at Geneva airport entitled as "Tourism and Aviation Day".
- EGYPTAIR, the official carrier of the Regional Ministerial Conference on Aviation Security in Africa and the Middle East in Sharm El Sheikh under the auspices of ICAO.
- EGYPTAIR participated in Philoxenia International Tourism Exhibition in Greece.
- EGYPTAIR participated in World Travel Market – WTM in London.
- EGYPTAIR participated in International



meeting to combat smuggling wildlife through aviation transport in London.

- EGYPTAIR Training Academy participated in the exhibition of Africa Aviation Supplies 2017 in Tunisia.
- EGYPTAIR participated in DUBAI AIRSHOW 2017.
- EGYPTAIR Training Center participated in the recruitment forums as an exhibitor in universities and institutes.
- EGYPTAIR, the official carrier of the participants in the international festival of international taste and cuisine in Cairo.

