



HELLENIC AEROSPACE INDUSTRY S.A.

**REPOSITIONING HAI
WITHIN
THE GLOBAL MARKET**



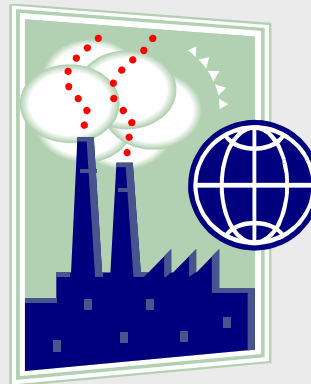
9 NOVEMBER 2007



NEW BUSINESS ENVIRONMENT

Profitability & Growth depends upon the ability to:

- **Adapt to the transformation of global market**
- **Demonstrate high competence**
- **Provide quality products at competitive prices**
- **Secure business growth in a stagnant market environment**





STRATEGY & FOCUS ON:

- 1. Increasing competitiveness & productivity**
- 2. Exploring new markets & fields of activities**
- 3. Pursuing international partnerships aiming at:**
 - Increasing business**
 - Expanding international marketing network**
 - Strengthening technological base**



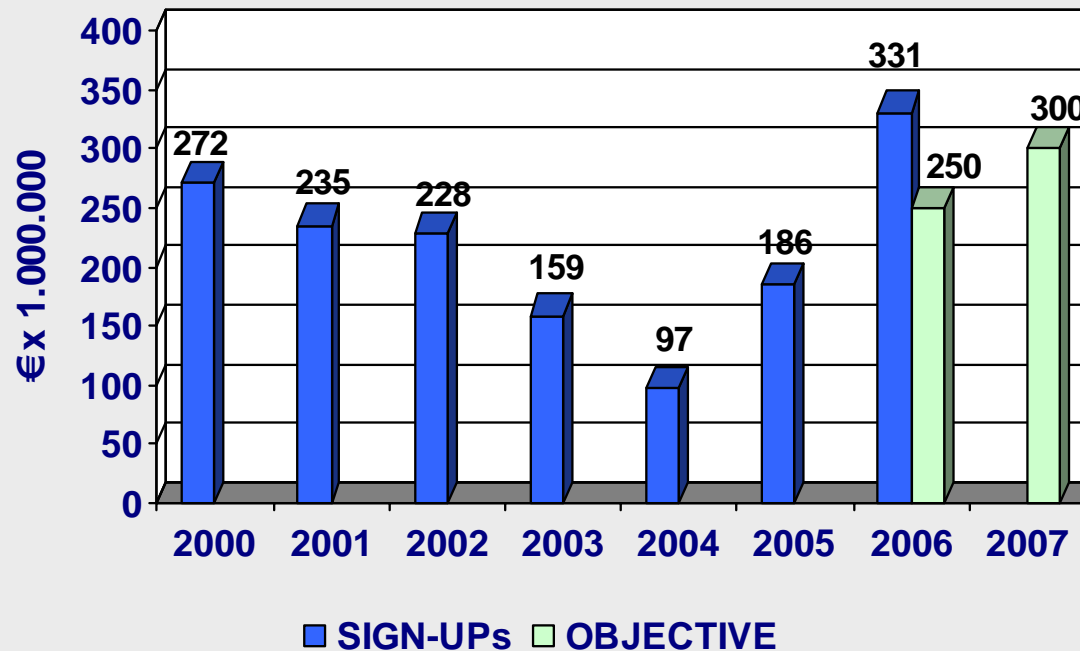
POLICIES & ACTIONS

- 1. Implement an Export Oriented Marketing Policy**
- 2. Participate in international partnerships on new product designs**
- 3. Outsourcing low end of technology production & focus on product integration and testing**
- 4. Expand to adjacent markets**
- 5. Focus on R&D at the high end of technology**
- 6. Company restructuring to improve cost structure**



MARKETING REORIENTATION

VALUE OF TOTAL CONTRACTS SIGNED



Increase 2005 vs 2004 = 92%

Increase 2006 vs 2005 = 78%

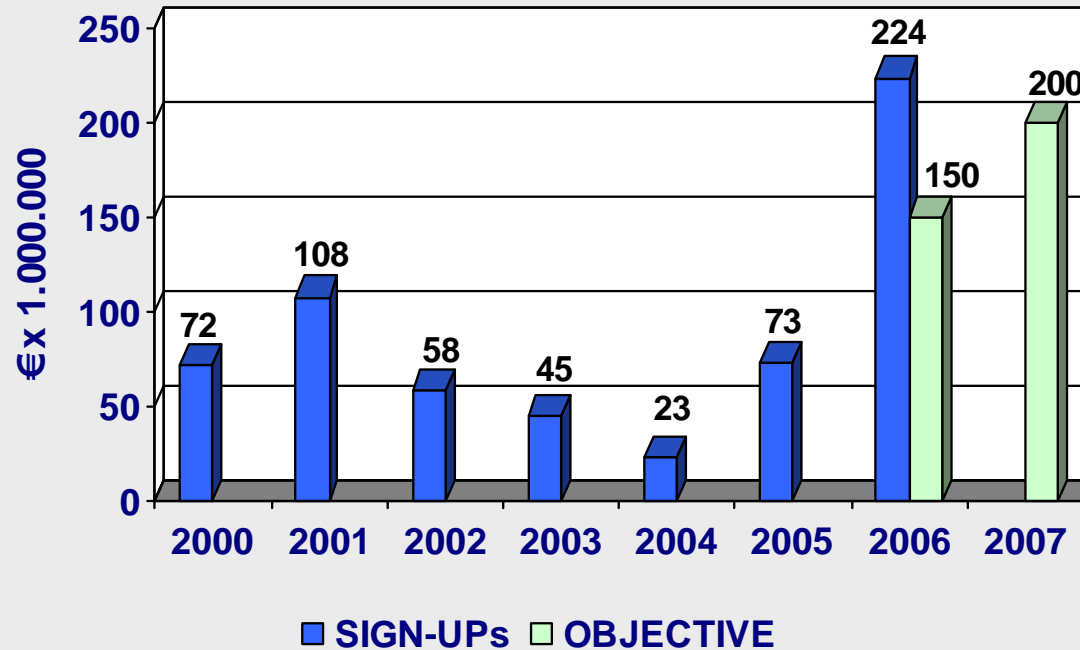
Total Increase 2006 vs 2004 = 240%

THE RESULT OF AGGRESSIVE MARKETING POLICY



MARKETING REORIENTATION

VALUE OF EXPORT CONTRACTS



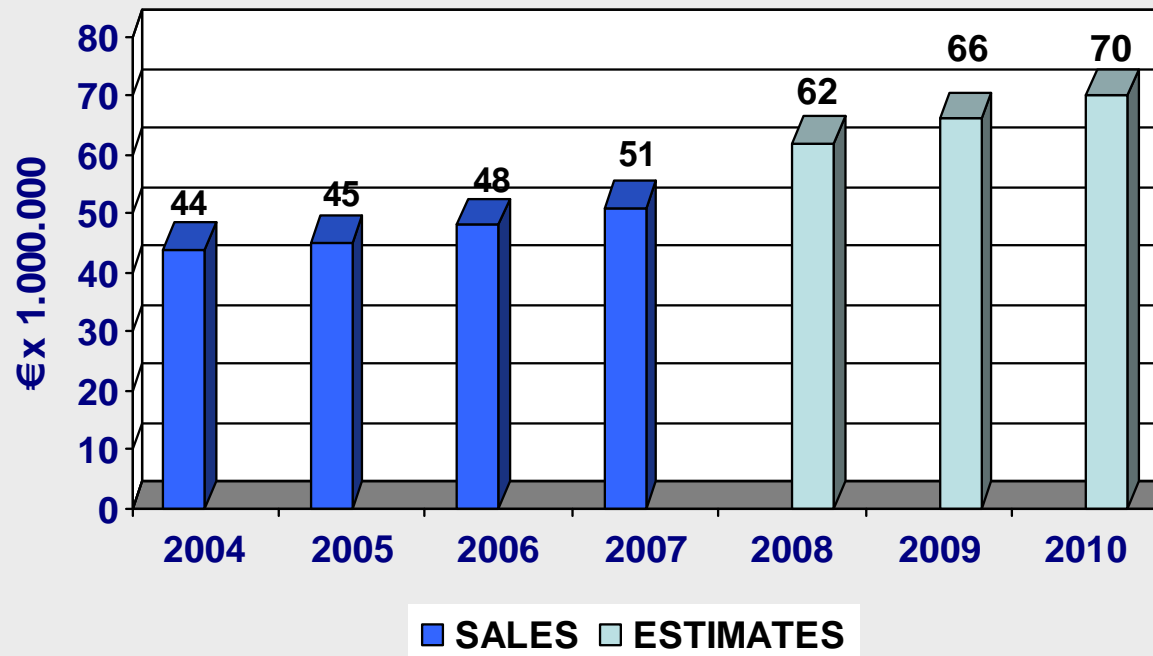
- Yearly increase by 3-fold compared to previous year for two consecutive years (2005/04, 2006/05)

THE RESULT OF EXPORT ORIENTED MARKETING POLICY



MARKETING REORIENTATION

EXPORT SALES



- Average yearly increase 10% from 2006 to 2010
- Estimates are based on current backlog

THE RESULT OF EXPORT ORIENTED MARKETING POLICY



STRATEGIC PARTNERSHIPS

with:

- **LOCKHEED MARTIN**
- **FINMECCANICA**
- **EADS**
- **THALES**
- **INDRA**
- **BAE**



IMPROVE COMPETITIVENESS

by:

- 1. Investing in high end of technology**
- 2. Generating economies of scale**
- 3. Outsourcing low “value added” production**
- 4. Pursuing consolidation through mergers, acquisitions & joint ventures**



JOINT VENTURES



- 1. 1Source Aero Services S.A.
(PRATT & WHITNEY 51%, HAI 49%)
(civil & military engine accessories maintenance)**
- 2. JVs under consideration with major international partners:**
 - Civil Aircraft Maintenance**
 - Electronic Systems**

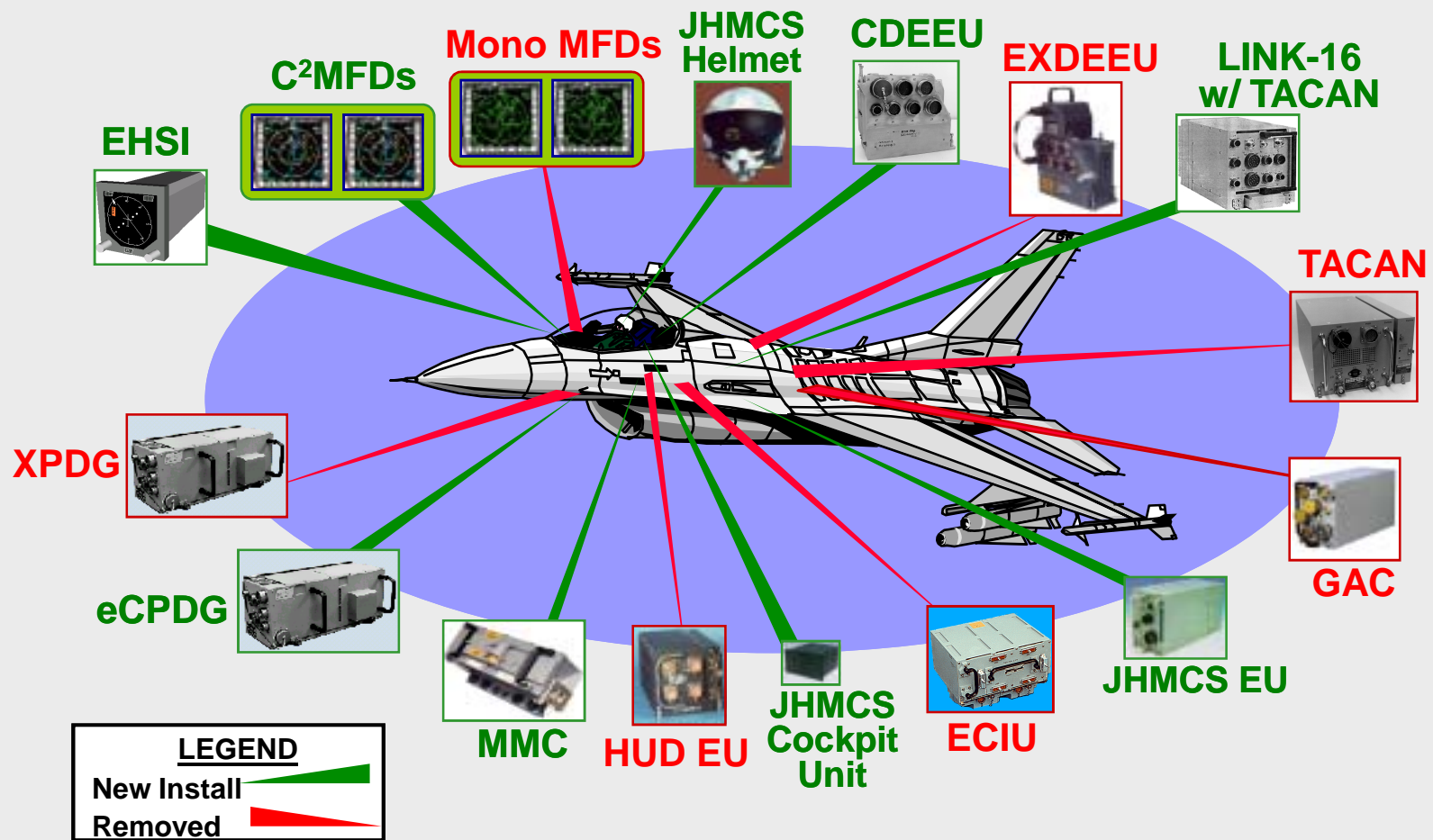


INTERNATIONAL ACKNOWLEDGEMENT EFQM 4 STAR AWARD





STRUCTURAL & AVIONICS UPGRADE OF U.S. AIR FORCE F-16 FIGHTER AIRCRAFT CONTRACT VALUE = \$ 43 mil.

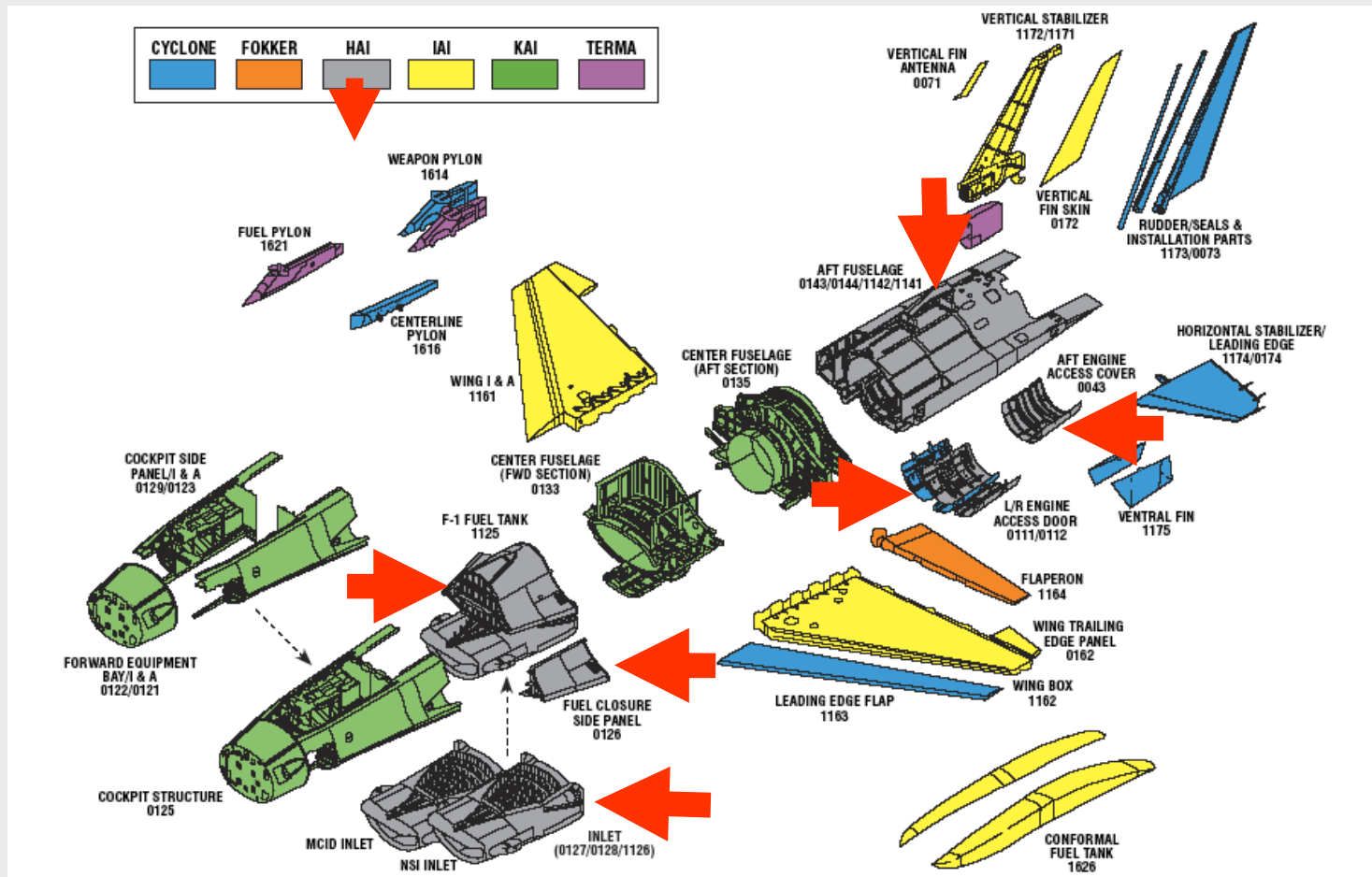




COPRODUCTION OF LOCKHEED MARTIN F-16 FIGHTER AIRCRAFT

CONTRACT VALUE = \$ 121 mil.

F-16 Co-Production Component Breakdown



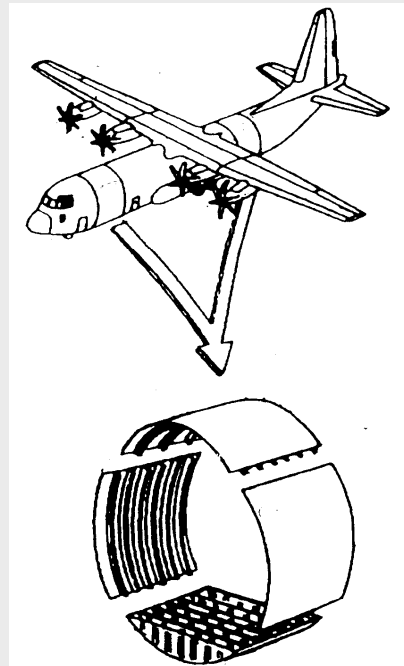


DESIGN & MANUFACTURING OF BOEING 787 DREAMLINER CARGO DOOR SUROUNDING CONTRACT VALUE = \$ 92 mil.

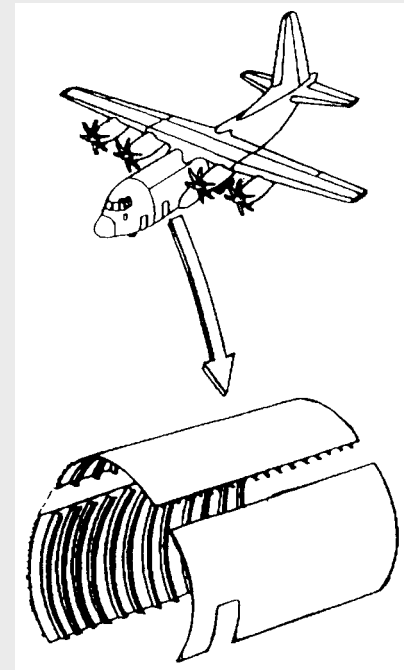




COPRODUCTION OF LOCKHEED MARTIN C-130J TRANSPORT AIRCRAFT CONTRACT VALUE = € 27,5 mil.



**Fuselage
Plug Panels**



**Mid
Fuselage Panels**



COPRODUCTION OF ALENIA C-27J TRANSPORT AIRCRAFT CONTRACT VALUE = \$ 20 mil.



Loading Ramp



Loading Door (Front View)



Loading Door (Rear View)



COPRODUCTION OF AIRBUS A319/320/321 PASSENGER AIRCRAFT CARGO DOOR FRAMES

CONTRACT VALUE = \$ 19 mil.

(production increase from 8 to 16 per month)





OUTSOURCING PRODUCTION

- **Outsourcing production of low end of technology improves competitiveness**
- **Retain in-house production at the high end of technology as well as system integration**

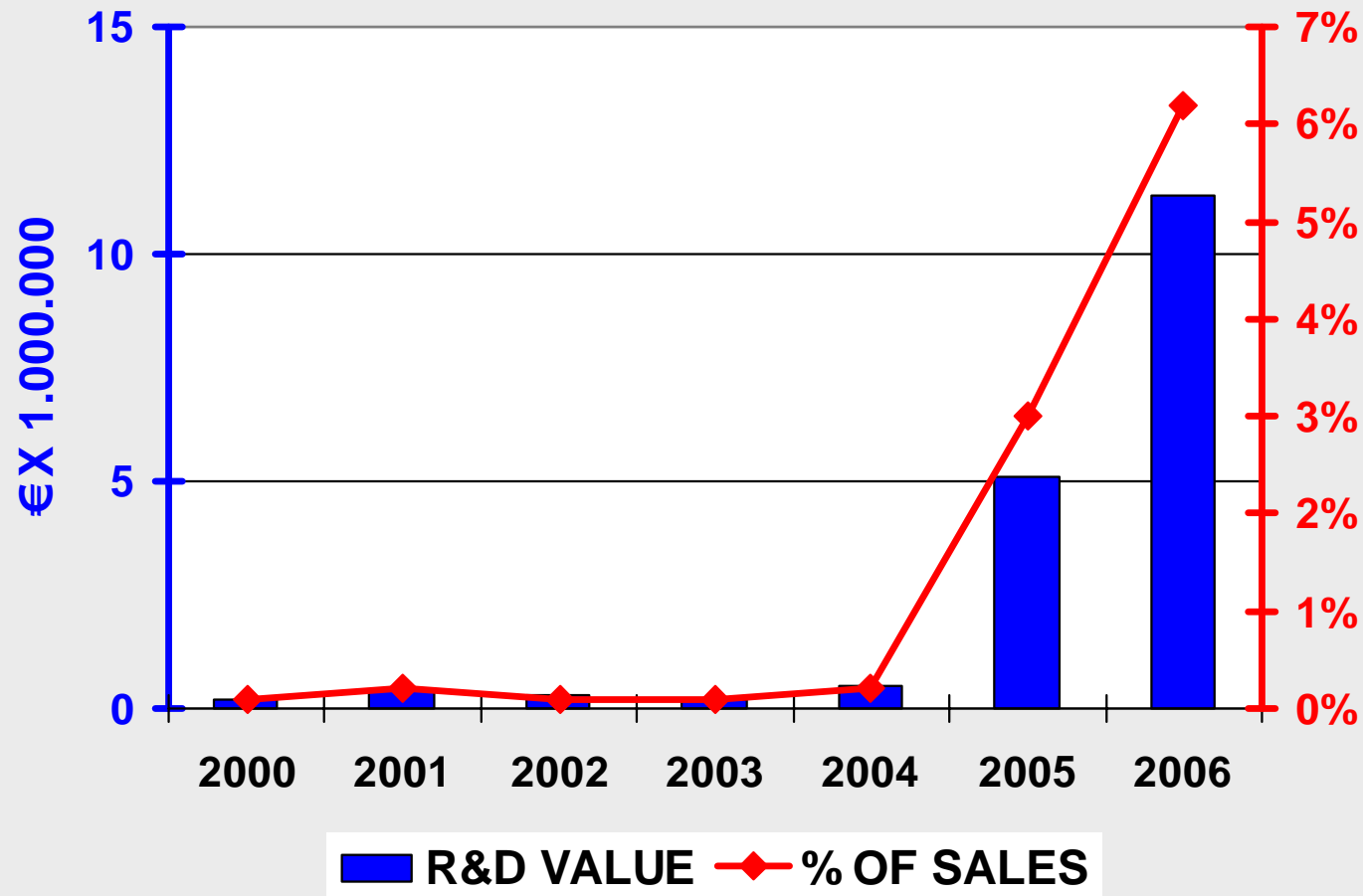


EXPAND TO ADJACENT MARKETS

- 1. Satellite Communications Systems**
- 2. Civil Aviation Maintenance**
- 3. Military Aircraft Upgrades**
- 4. Total Fleet Support**
- 5. Homeland Security Systems**



R&D ACTIVITY



➤ Yearly Increase by 61-fold in 2006 compared to 2003

FOCUS ON INNOVATIVE TECHNOLOGIES



NEW PRODUCTION INFRASTRUCTURE

1. Composite Material Manufacturing Facility

2. Aircraft Paint Stripping Facility

(environmentally friendly method)

3. Aerospace Design Center

for participation in design projects, such as:

- NEURON (Unmanned Combat Air Vehicle)
- CESAR (15 passenger aircraft)
- VULCAN (aero structures resisting explosion)
- CASAM (aircraft self protection systems)
- PATIN (airport protection systems)
- In addition we participate in two European Joint Technology Initiative projects as associate partners:
 - The design of a Clean Regional Aircraft
 - The development of new technologies to be applied to the design of transport aircraft (ECO Design)





FINANCIAL RESTRUCTURING

- 1. International Accounting Standards**
- 2. Improve Cash Flow:**
 - **Achieve savings of €13 mil. from 2004 to 2006**
 - **Productivity improvement in 2006 by 4%
(2007 target 8%)**



CONCLUSION

**HAI's experience:
A successful repositioning
within the global market**