
PRESENTATION TO AFRAA CONFERENCE
24 – 25 NOVEMBER 2008

AKFED Aviation Activities
Background

Introduction

- **Reliable and well structured regional Air Transport in Africa historically limited to certain countries only (Kenya and Ethiopia in East Africa, Senegal and Morocco in West Africa, Egypt in North Africa and South Africa in Southern Africa), with national airlines built around a well functioning Hub system, to the detriment of all other local airlines in these regions.**

- **Economic development of the neighbouring countries dominated by the big airline systems, has been clearly negatively influenced and overly dependent on the strategic development of these major airline systems.**

- **AKFED's objective is to develop local, safe, independent, reliable and high quality air services to/from countries struggling to have their own airline in West and East Africa, through:**
 - **creation and acquisition of national airlines in partnership with governments and private investors.**

 - **synergies and economies of scale through membership of the group's own alliance "Group Celestair".**

Introduction (cont)

- **Reliable air services start on the ground. For this reason, we are also seeking involvement in airport management, where certain concessions are negotiable.**

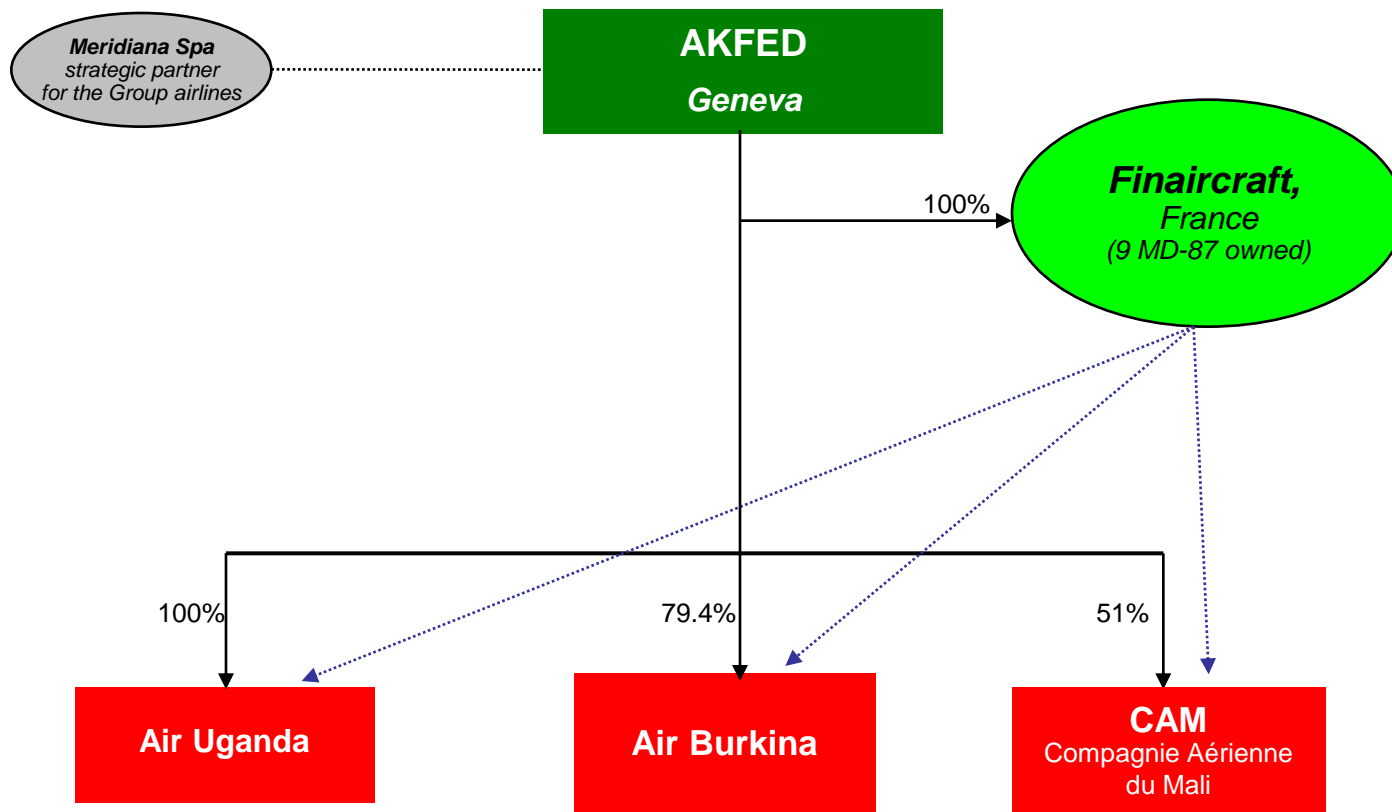
- **Meridiana Spa, the Italian airline controlled by companies belonging to His Highness the Aga Khan, designated by AKFED to act as strategic partner to develop AKFED airlines in Africa, especially in view of the introduction of the MD-87 fleet.**

- **The introduction of the MD-87 aircraft at the end of 2007 / beginning of 2008 has strongly impacted on the African airlines plans from 2008 onwards.**

- **AKFED is considering expanding its Aviation activities within Africa, if the potential partnerships add strategic benefits to the “Group Celestair”.**

STRUCTURE OF AKFED AVIATION ACTIVITIES

- AKFED has established Finaircraft S.A.S., a company registered in France, to lease out the MD-87s to the following African Airlines between 2007 and 2009:



Leases →
Equity →

THE GROUP CELESTAIR FLEET

Airbus 319

- **AKFED has leased an Airbus A-319-100 until 2009, which it is subleasing to the West African airlines to operate between Bamako and Ouagadougou to Orly Paris.**

MD-87 fleet

- **9 MD-87's purchased from Iberia by Finaircraft and are or will be registered in the appropriate country. All aircraft have complete cabin refurbishments.**
 - Configuration: 20 business class, 79 economy class.
 - Range: 4,000 km
- **Leasing of MD-87 fleet:**
 - 2 to Air Burkina
 - 2 to Compagnie Aérienne du Mali (CAM),
 - 2 to Air Uganda, and
 - the remaining 3 to African airlines as ACMI leases
- Pilots for the fleet are from Meridiana or recruited locally.
- A heavy maintenance check (C-6) and refurbishment performed by Meridiana on each aircraft before sub-lease.

THE GROUP CELESTAIR FLEET

The completely refurbished Business class with 20 spacious seats



THE GROUP CELESTAIR FLEET

The refurbished Economy class with 79 seats in the spacious 3 – 2 in a row arrangement



THE STRATEGIC PARTNER: MERIDIANA

- **Meridiana: the third Italian airline company (more than 4 million passengers), with over 40 years experience in the airline business, controlled by His Highness the Aga Khan.**
- **Mainly a leisure network, principally developed around the axis Northern Italy to/from Sicily and Sardinia. In 1991 international routes launched between Florence and main European destinations.**
- **In 2003, with the increasing success of low cost carriers on the European market, introduction of a new marketing strategy to put together efficiency, quality, aggressive pricing and different distribution channels.**
- **In December 2006, Meridiana bought 30% of the Italian leisure carrier “Eurofly” and took over the effective management. Eurofly transported 1.8 Mln passengers in 2007**
- **GEASAR, the airport management and handling company at Olbia, Sardinia, belongs to the Meridiana group (80%).**
- **Meridiana Fleet :** 17 MD-82 and 4 A-319
- **Eurofly Fleet :** 8 A-320 and 4 A-330-200
- **Maintenance capabilities :** DC-9 / MD-80 / BAe146 all series / A320 / Boeing 717
MRO: Airframe and Systems Repairs & Modifications & Engineering services.

THE GROUP CELESTAIR

AIR BURKINA

AIR BURKINA

- In 2001, AKFED won the privatisation bid of Air Burkina.
- Through its subsidiary of the Abidjan based “Aérienne de Participation”, AKFED took 79% share of the capital in Air Burkina. Remaining shares with the government of Burkina Faso (14%) and other local private investors.
- The company used to operate its regional network with a wetleased DC-9-32 and a Saab-340.
- In 2005, Air Burkina started 2 weekly flights between Ouagadougou and Paris, using one third of the A-319 leased by AKFED and operated jointly with Air Ivoire and Compagnie Aérienne du Mali. This operation continues in 2008.
- On September 15, 2007, the first AKFED MD-87 and on October 01 2008, the sixth MD-87 entered service in Air Burkina. The MD-87s have enabled Air Burkina to reposition itself well on the regional network and grow market share.
- Air Burkina provides all the maintenance services for the MD-87s not only for Air Burkina, but also for “Compagnie Aérienne du Mali”.

THE MD87 OF AIR BURKINA



COMPAGNIE AÉRIENNE DU MALI

- **In 2005, AKFED won the bid to set up the new national airline in Mali. The name chosen by the government was “Compagnie Aérienne du Mali”. AKFED is leading the process to change the name to “Air Mali”.**

- **Through its subsidiary of the Abidjan based “Aérienne de Participation”, AKFED took 51% of the share capital in Compagnie Aérienne du Mali. The remaining shares are with the government of Mali (20%), Agora (21,6%) and other local private investors.**

- **From June 2005, CAM operated its domestic network with leased turbo-prop aircraft and since July 2007 with a Mali-based Saab-340.**

- **In April 2006, CAM started 2 weekly flights between Bamako and Paris, using one third of the A-319 leased by AKFED and operated jointly with Air Ivoire and Air Burkina.**

- **On December 01, 2007, the second MD-87 and on May 01, 2008, the fourth MD-87 entered service in CAM. Now the fleet of MD-87s will operate an integrated network with Air Burkina in West and Central Africa, serving 15 cities.**

The MD-87 of CAM



AIR UGANDA

- In October 2006, creation of new airline in Uganda and in October 2007, the trade name "Air Uganda" secured. Airline launch date coincided with the Commonwealth Heads of Government Annual Meeting in Kampala.
- The company currently fully owned by AKFED.
- Operations started on November 15, 2007, with two DC-9-32 aircraft leased from South Africa. The airline received its first MD-87 in February 2008 and the second in May 2008.
- The airline's network now includes Nairobi, Juba, Kilimanjaro, Zanzibar and Dar-es-Salaam.

The MD-87 of AIR UGANDA



THE FUTURE OF GROUP CELESTAIR

- Greater integration between the airlines, removing duplication, reducing costs, using shared resources, but retaining the airline's independent brands and balance sheets.**
- Achieve IOSA accreditation for all the airlines by mid 2009, to improve our interline appeal for the major carriers serving Africa.**
- Group Celestair to seek new synergies with our Italian Airlines, especially Eurofly, who operate flights to Mombasa, Zanzibar, Dakar and Abidjan.**
- Build up the integrated African regional networks and provide feed/defeed to future intercontinental partners at our hubs or elsewhere.**
- Seek to diversify into other aviation services, including airport development and management, MRO facilities and ACMI leasing of our remaining MD-87s.**