



HELLENIC AEROSPACE INDUSTRY S.A.

# **Synergies Among Greek Defense Industries**

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**7<sup>th</sup> ANNUAL CAPITAL LINK FORUM**

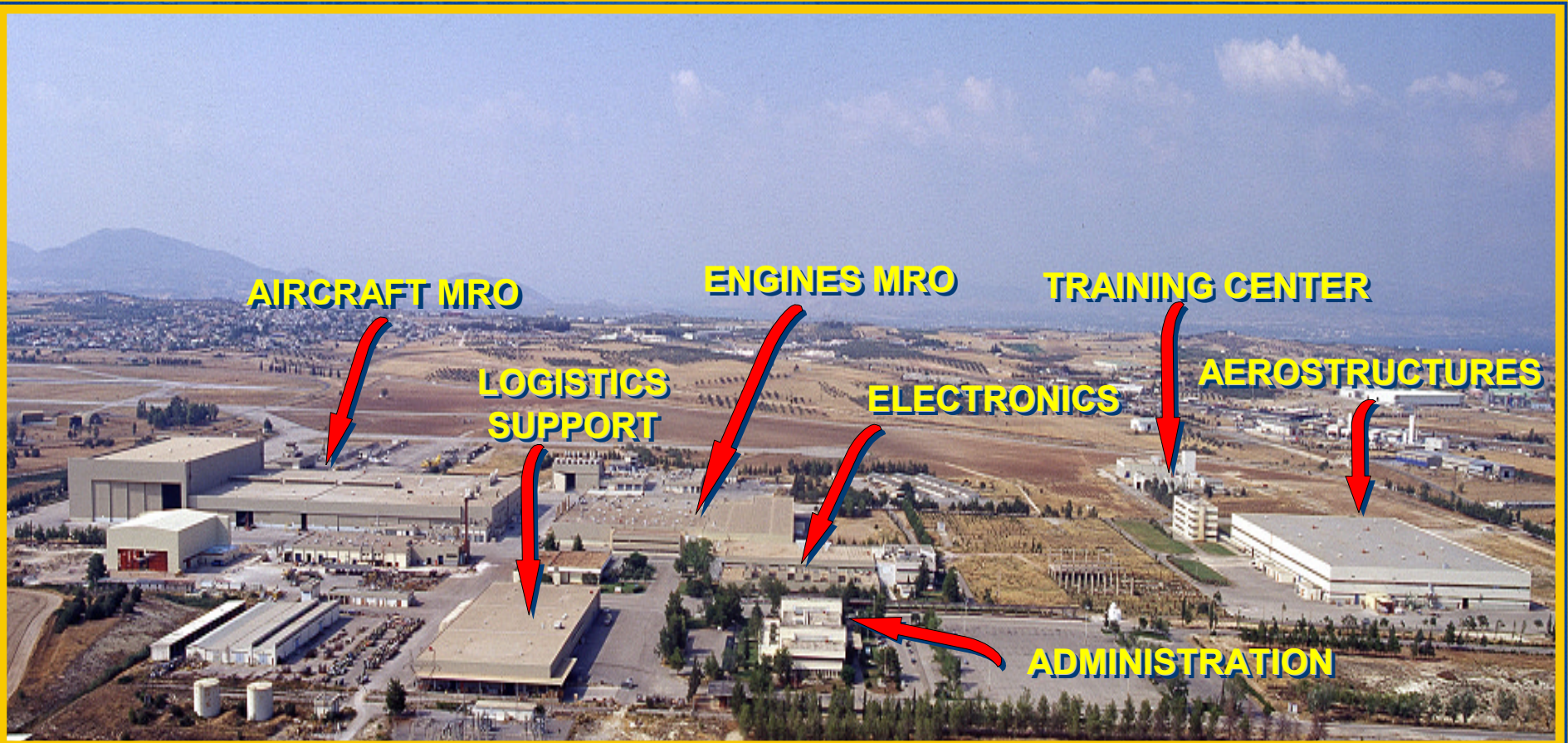
**"GREECE IN THE NEW ERA OF EXTROVERSION.  
BUSINESS & INVESTMENT OPPORTUNITIES  
AFTER THE OLYMPIC GAMES OF 2004"**

**Organized by "CAPITAL LINK Inc."**

**November 11<sup>th</sup>, 2005 – Metropolitan Club, New York City**



# Industrial Complex





# Company Profile

**ESTABLISHED : 1975**

**LEGAL STATUS : SOCIETE ANONYME (S.A.)**

**SHAREHOLDERS : 99,5 % GREEK STATE**

**SHARE CAPITAL : € 852 Million**

**PERSONNEL : 3.000 EMPLOYEES**



## Core Businesses

- MAINTENANCE REPAIR & OVERHAUL (MRO)  
Military Aircraft, Engines, Components & Accessories
- CIVIL AIRCRAFT MRO
- DESIGN, MANUFACTURING, SUPPORT  
Electronic, Optronics, Telecom & Missile Weapon Systems
- SATELLITE APPLICATIONS
- AEROSTRUCTURES MANUFACTURING & ASSEMBLY  
Aircraft and Engine Structural Parts
- TECHNICAL & VOCATIONAL TRAINING



# Major Customers

- GREEK ARMED FORCES
- USAF
- FRENCH AIR FORCE
- ROYAL AIR FORCE
- NATO (NAMSA)
- TUNISIAN AIR FORCE
- MOROCIAN AIRFORCE
- JORDANIAN AIR FORCE
- LOCKHEED MARTIN
- PRATT & WITNEY
- BOEING
- RAYTHEON
- AIRBUS
- EADS
- DASSAULT
- ALENIA
- EMBRAER





# Partnerships



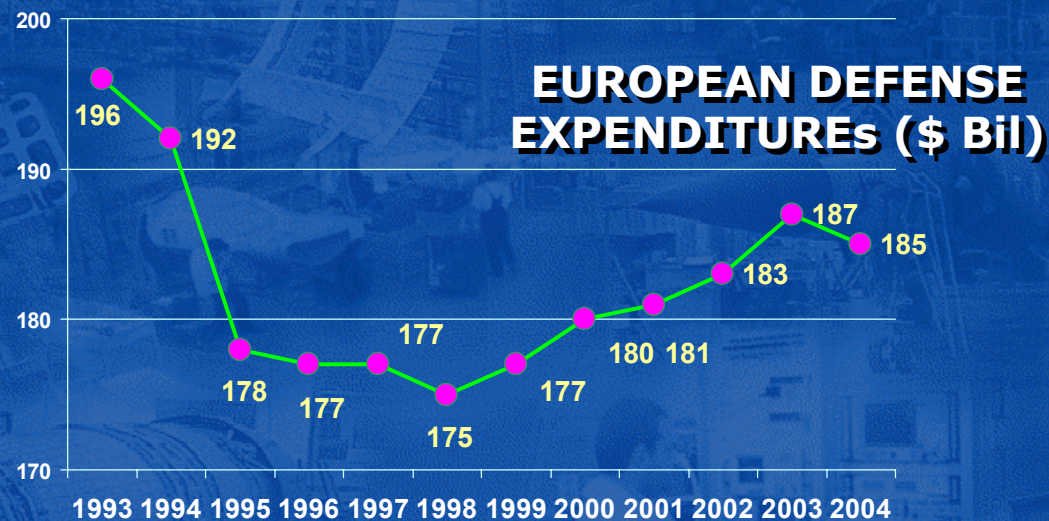


# New Business Environment

- New Business Modus Operandi
- Mapping of new strategies
- Observed trends

# Business Environment

- Decrease of Defense Expenditures



Above figures in 2000 year constant values.

Source: Stockholm International Peace Research Institute Yearbook 2004

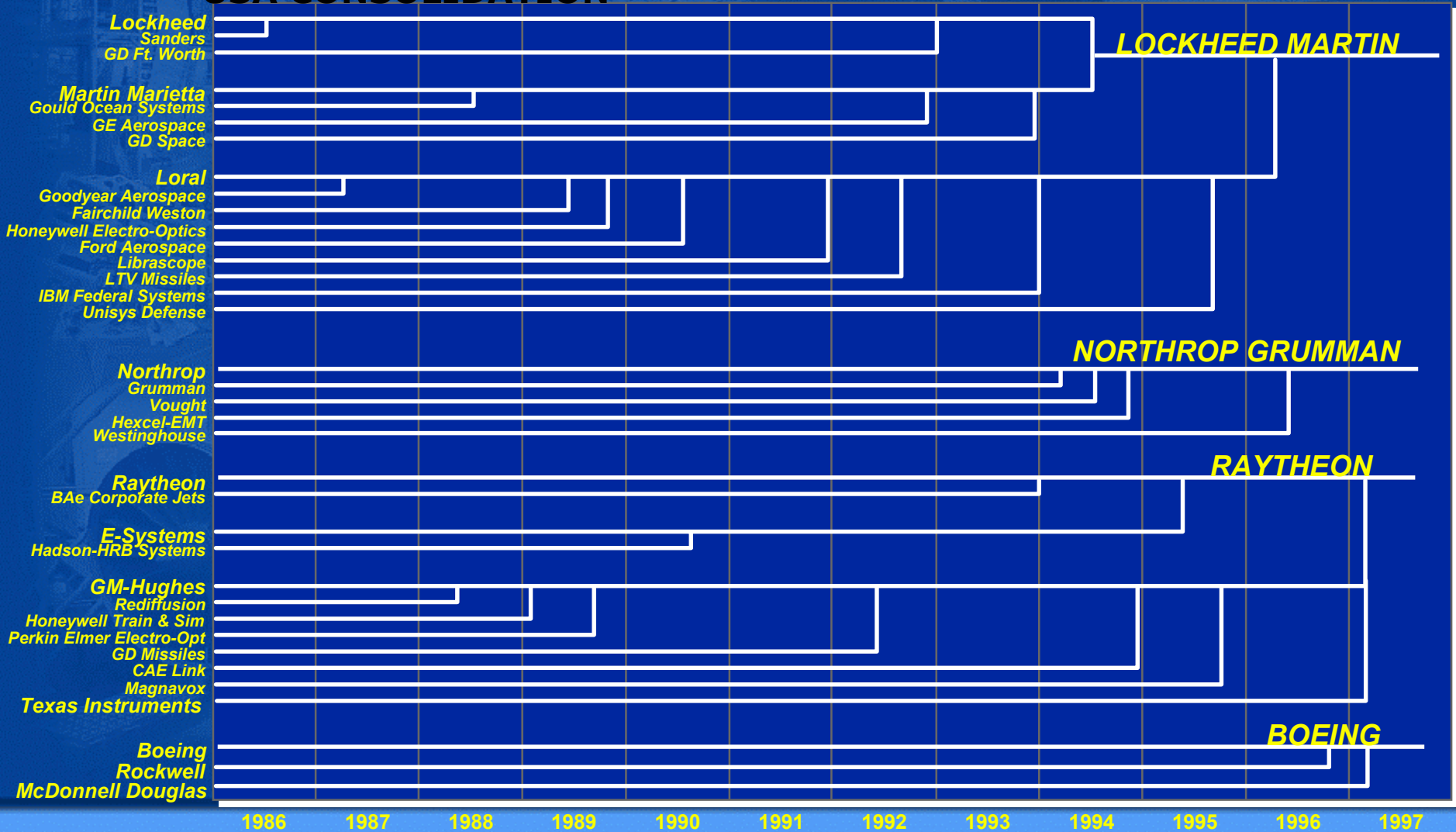
- Reasons for Defense Expenditure Decrease

- Intense public pressure for increase spending on social programs
- Intense pressure to comply with the E.U. Stability Agreement



# Business Environment

## USA CONSOLIDATION





# Business Environment

## WORLD'S TOP 5 DEFENSE COMPANIES

1	LOCKHEED MARTIN	USA	\$ 30,097
2	BOEING	USA	\$ 27,360
3	NORTHROP GRUMMAN	USA	\$18,700
4	BAE SYSTEMS	U.K	\$ 17,159
5	RAYTHEON	USA	\$16,896

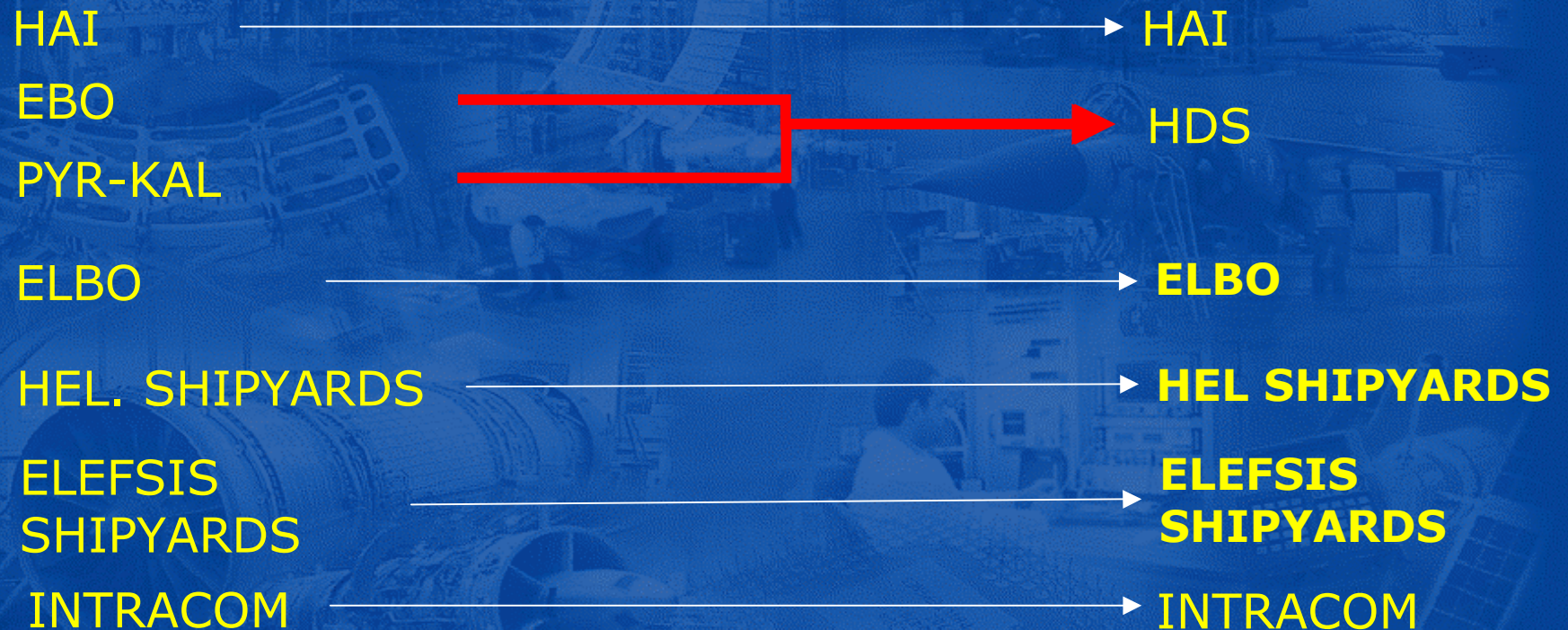
Figures in million \$

Source:Defense News Top 100 (2004)



# Business Environment

- Merging activity among Greek Defense companies



1990

1995

2000

2005

2010



# Competitiveness of Greek Defense Industry

- Greek market size cannot support more than one Industry per sector
- Merging of similar Enterprises is ONE WAY ROAD and depends on:
  - Innovative Business Initiatives
  - State Collaboration & Assistance
    - **Greek state has institutionalize a new legislation framework**



# Conclusions

The Greek Defense Industry must focus on creating  
Global Centers of Excellence



Cost & Technological Competitiveness



Economies of Scale



Merging of Hellenic Defense Companies