Who are the MEL Group?
• Engineering solution provider with headquarters based in Sudbury, Suffolk (MEL Aviation Ltd)
• Repair and overhaul of civil and military aerospace components, as well as design, development and manufacture of ground and airborne equipment
• Approximately 200 employees in the group, with eight UK sites, two in the USA (Chesapeake and Phoenix), one in Germany, one in Serbia and plans for future development into the UAE, Singapore and further development in the USA.
• 50/50 split between civil aerospace, and military/defence
Why Virginia?

- When we set out to expand into the USA, we envisaged having facilities on the East Coast, West Coast, and in future a facility in the Miami region.
- For the East Coast, Virginia was a strategic fit for the below reasons:
  - Availability of skilled engineers – ex military and local aviation school students
  - Conveniently located for ground shipments of hazardous equipment from Washington and New York airline hubs
  - Availability of new factory units at competitive rates – our VA facility is 10% smaller than our Phoenix unit, but almost half the cost
  - Availability of Hampton Roads staff in close proximity should we need assistance
Successes

• From selecting a factory, the build out was completed within 90 days, which allowed us to register the business, open a bank account, acquire a business permit and become ready for trading by the time the build out was complete
• From when we moved into our facility, we were trading within 30 days selling spare parts to brokers and airlines
• We secured an FAA approval within 6 months of registering as a business
• Now performing repair work for a number of US brokers, as well as some smaller airlines
Failures

• The only failure we have had, is not having as coherent sales strategy as we could have, and underestimating the length of time it would take to penetrate some of the larger airlines which were our initial target.

• Other group activities, due to unprecedented opportunities meant that 95% of our focus has been on UK growth. We expect FY2016 to re-establish focus to the US market to push both facilities forward.
Any questions?