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Market Comment

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Boeing Needs to Build 1,100 787 Dreamliners to Break Even.

Shortly after the first ANA 787 entered passenger service, **Boeing** Chairman and CEO **Jim McNerney** told Wall Street analysts that the company will deliver 1,100 Dreamliners over the next decade. He optimistically said the program will break even by then, but the forecast did not include the upfront development costs and did not cover the compensation for the three-year delivery delays. Some analysts were not impressed and said that the program may never recover the cost and make a profit. It was estimated that **Boeing** invested approximately \$16 billion on research-and-development costs, and buying one 787 plant in South Carolina from its partner and building an additional plant. Others said that the eight-year long R&D and other costs exceeded \$30 billion. It is forecast that another 700 deliveries will be needed to pay down that deficit.

Boeing employees have completed 40 Dreamliners, but all of them required extensive rework, because flight testing exposed deficiencies in the original design. This was expected because all new aircraft designs have bugs that need to be worked out. The next 20 airplanes will need modifications as well. In the next six months, the production process will become much more efficient because the design changes will be built into the new planes. The Everett plant is now building two and a half 787s per month. As production ramps up to a planned 12 planes per month, the per-unit costs will drop quickly. Chief Financial Officer **James Bell** said, “You’ll see a steeper drop down to a normal learning curve after we get through those initial problems.” He forecast that production will smooth out by 2015. He expects costs will be “consistent with what we saw on the 777,” but some people are not so sure, because the 777 is largely built in-house, while the 787 relies heavily on outsourcing. **Boeing** will have to renegotiate pricing contracts. At this moment, the manufacturer is paying a premium for suppliers to build parts for the early units to compensate for delays in the program. Mr. **Bell** expects that the program will show a positive cash flow by 2015 when the cost to build each 787 will drop below the purchase price. The excess cash will pay down the costs incurred during the early production years’ costs **Boeing** said. Break even is forecast to happen in 2021 or so, but **Boeing** has to spend several billion dollars to develop the 787-9 and 787-10 over the next few years. The first 787-9 will be ready in early 2014. Hopefully those costs will be recouped over

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the following decade. The manufacturer sees a total market for approximately 5,000 mid-sized widebody jets and it expects to win more than half of the market because the first Airbus A350 will not be ready for two more years. Some analysts were more optimistic about **Boeing's** prospects. The company's stock rose recently and it reported earnings of just over \$1 billion on revenue of nearly \$18 billion in the third quarter.

Airbus Orders

Airbus Sold 23 Airliners in September and delivered 40 aircraft. Two private customers ordered one ACJ318 and one ACJ319 corporate jet each. **Tibet Airlines** bought two more A319s and now has ordered five of the type. The bulk of September orders came from **Singapore Airlines** which finalized its order for 15 A330-300s. **Avianca** bought four A330-200F freighters for its **Tampa** cargo division. **Airbus'** net orders reached 1,038, as of September 30, and the company's commercial jetliner backlog was 4,216 aircraft. **Airbus** delivered a record three A380s in September; two to **Singapore Airlines** and **Korean Air's** fourth super jumbo jet. The manufacturer also handed over 32 A320 Family aircraft to airline and private customers. It has delivered 4,822 A320 Family members to date. **Airbus** delivered four passenger A330s and **MASKargo** received its first A330-200F.

Avianca placed its first order for the A330-200F freighter when it bought four in September. The aircraft will be operated by the carrier's cargo subsidiary, **Tampa**. **Avianca** and **Tampa** are part of the **AviancaTaca Holdings** airline group, which already operates seven passenger A330-200s and 81 A320 Family aircraft. **Avianca** is the 10th customer for the A330F and **Tampa** will become the first operator in Latin America when it receives the first new A330F in December 2012. The A330Fs will replace **Tampa's** four 767-200SFs and one 767-300SF.

Singapore Airlines has firmed up its order for 15 more A330-300s. The deal was announced in June as a lease. The aircraft will be delivered new from the **Airbus** line between 2013 and

2015. Previously **Singapore** ordered 19 A330-300s and sold them to lessors at the time of delivery. The new batch of A330s will also be powered by **Rolls-Royce** Trent 700 engines, and will be operated on routes within Asia as well as to Australia and the Middle East.

Airbus Booked 187 A320 Family Orders in October, pushing the sales total past the 8,100 mark; more than 1,050 of the outstanding orders are for the A320neo (new engine option) model that was launched in December 2010. The manufacturer also sold four A330s and two A380s. It delivered 44 airplanes in

October, including 36 A320 Family airliners, five A330s and three A380s. **China Southern Airlines** accepted its first A380 and two A380s were delivered to **Emirates**. To date, **Airbus** has delivered 60 A380s to international airlines.

The October Order Book was lead by **Qantas'** confirmation of a provisional order for 32 A320s and 78 A320neo aircraft. The jets will be operated by all the members of the **Qantas Group** on short- to medium-haul flights. **JetBlue Airways** finalized the firm order for 40 A320neos that was announced at the 2011 **Paris Airshow**. **TAM Airlines**, Brazil, signed a firm contract for 22 A320neo jetliners and 10 A320 Family aircraft. A memorandum of understanding for the planes was announced last February. **Lufthansa** added two A380s, four A320s and one A330-300 to its backlog. The **Lufthansa Group** operates the largest Airbus fleet worldwide. **Air Pacific** chose to replace its **Boeing** widebodies with three new A330-200s. These orders raised **Airbus'** backlog of aircraft to 4,365 airliners, another new record. This volume also boosted the overall A320 Family bookings to 8,113, of which 1,058 are for the A320neo. As of October 31, **Airbus** has sold 11,291 commercial jetliners

Airbus Orders, Deliveries and Backlog September 2011

SEP ORD	SEP DEL	SEP CANX	TOTAL ORD	TOTAL DEL	BACK LOG
			A318		
1	-0-	-0-	81	74	7
			A319		
3	3	-0-	1,477	1,312	165
			A320		
-0-	24	-0-	5,257	2,766	2,491
			A321		
-0-	5	-0-	1,111	670	441
			A330		
19	5	-0-	1,174	812	362
			A340		
-0-	-0-	-0-	379	375	4
			A350		
-0-	-0-	-0-	567	-0-	567
			A380		
-0-	3	-0-	236	57	179
This Month			This Year		BL
23	40	-0-	1.038	374	4,216

Airbus sold 11,098 aircraft and delivered 6,882 as of September 30, 2011.

Total orders, deliveries and backlog include cancellations and order changes.

Qantas Group Finalized a Contract for 110 A320 Family Aircraft in October. The planes will be used for fleet renewal and expansion. The airline signed a commitment for 78 A320neo aircraft and 32 A320s in August. The group also reserved 194 purchase rights and options for delivery over the next 10 to 15 years. This is the largest single aircraft order in Australian history, both by aircraft units and order value. The **Qantas Group** will deploy the aircraft on short to medium haul domestic and international operations. Some of them will be operated by **Qantas'** foreign subsidiaries. **Qantas CEO Alan Joyce** said, "The Airbus A320 will be the launch aircraft for **Qantas'** new, premium airline based in Asia and will support **Jetstar's** expansion plans - including the establishment of **Jetstar Japan.**" **Qantas** will choose between the **CFM International** LEAP-X and the **Pratt & Whitney** PurePower PW1100G

later. **Airbus** has received 1,245 A320neo orders and commitments since it launched the type in December 2010.

Air Pacific, Fiji's national carrier, signed a firm order for three new A330-200s in October. The A330-200s will be delivered in 2013 and replace its fleet of two 747-412s and one 767-3X2ER. The airline ordered eight 787s in 2005 and 2008, but cancelled them in April, 2011, in favor of the A330. The A330s will fly from Fiji to Los Angeles, Hong Kong, Australia, and New Zealand. **Airbus** has booked 1,174 orders for the A330 Family, and delivered more than 800 aircraft.

TAM Airlines finalized its purchase of 22 A320neo aircraft and 10 A320 Family aircraft. The airline signed a Memorandum of Understanding (MoU) last February. **TAM** will announce its engine choice at a later date. Brazil's largest airline has ordered more than 200 **Airbus** aircraft, including 27 A350-900s. It operates 30 A319s, 86 A320s, nine A321s, 15 A330s and two A340s. The 35 year-old airline flies to 43 domestic and 18 foreign destinations.

JetBlue Airways finalized its firm order for 40 A320neo aircraft in October. The provisional order was announced at the **Paris Air Show** in June. The airline has chosen between the **Pratt & Whitney** PurePower PW1100G and the **CFM International** LEAP-X. **JetBlue** also converted 30 of its current A320 orders to the larger A321 model. All 70 aircraft will be fitted with Sharklet enhanced wingtip devices. As of late October, **JetBlue** has 22 A320s, 40 A320neo aircraft and 30 A321s on backlog. It has relied on the A320 as the backbone of its fleet since the airline was founded 12 years ago.

Lufthansa's Supervisory Board approved the purchase of two A380s, four A320s and one A330-300 in late September. These additional orders have not been officially recorded on the **Airbus** orders web page. **Lufthansa** is seeing an increase in demand across its network. **Nico Buchholz**, Executive Vice President **Lufthansa** Group Fleet Management said, "I am delighted that this additional order will

Airbus Orders, Deliveries and Backlog October 2011

OCT ORD	OCT DEL	OCT CANX	TOTAL ORD	TOTAL DEL	BACK LOG
			A318		
1	1	-0-	82	75	7
			A319		
-0-	3	-0-	1,484	1,315	169
			A320		
180	27	-0-	5,345	2,793	2,552
			A321		
6	5	-0-	1,202	675	527
			A330		
4	5	-0-	1,178	817	361
			A340		
-0-	-0-	-0-	379	375	4
			A350		
-0-	-0-	-0-	567	-0-	567
			A380		
2	3	-0-	238	60	178
This Month			This Year		BL
193	44	-0-	1.231	418	4,365

**Airbus sold 11,291 aircraft and delivered 6,926 as of
October 31, 2011.**

**Total orders, deliveries and backlog include cancellations
and order changes.**

enable us to secure the development of our short, medium and long-haul fleets. It is the next logical step in our strategy of ongoing fleet modernization.” **Airbus** said **Lufthansa Group** is the biggest operator of its aircraft, with more than 368 Airbuses in service, including 258 A320 Family, 37 A330s, 65 A340s, and eight A380s. With this latest order, the **Lufthansa Group** has a backlog of 85 A320 Family aircraft, nine A330s, and nine A380s.

The Air France-KLM Group announced it will firm up its commitment for 25 A350-900s. The airline will buy up to 60 A350 XWB aircraft, which will become an essential pillar in the group’s long-haul fleet modernization strategy, **Airbus** said. The “Xtra Wide-Body” A350 XWB Family aircraft comprise three models capable of flying between 270 and 350 passengers in typical three-class layouts on flights of up to 8,500 nautical miles, the press release said. **Air France-KLM Group** operates a fleet of 191 **Airbus** aircraft, including 18 A318s, 44 A319s, 58 A320s, 24 A321s, 26 A330s, 15 A340s and six A380s. The group also operated the A300 and A310 as well. The new order makes **Air France-KLM** one of very few airlines that have operated each Airbus aircraft family. By the end of September, **Airbus** booked 567 A350 XWBs firm orders from 35 customers. The **Air France-KLM** order will be posted on the official **Orders, Deliveries and Operators** web page when the contract is signed.

Airbus’ Global Market Forecast (GMF) stated that carriers in Australia, New Zealand and the Pacific Islands region will require 736 new (100-plus seat) passenger and freighter aircraft valued at \$98 billion between 2011 and 2030. **Airbus** said “the region’s close links to emerging economies are the main contributor to traffic growth with business and tourism set to grow steadily. Urbanization and a doubling in the number of mega-cities from two to five in 2030, and a bigger middle class base will also spur traffic growth. Low Cost Carriers will continue to expand and their market share of traffic between the region and Asia is forecast to increase to some 35 per cent by 2030.” **Airbus** forecasted that the regional growth rate will average 4.8 percent per year. This is much higher than the rates forecasted for the developed aviation markets in North America (2.5 percent), and Western Europe (3.5 percent). The region will require 468 single aisle A320-sized aircraft, 211 A330 and A350-sized twin aisle planes and 57 very large aircraft in the A380 category. Approximately 380 aircraft will be used to grow the airlines’ fleets, and 349 will replace older models. In the next 20 years, the region’s passenger fleet will nearly double from the current 400 aircraft to over 780 by 2030.

Transaero Airlines signed a Memorandum of Understanding (MoU) for four A380-800s in October. Russia’s second largest airline will become the A380 launch customer in the Commonwealth of Independent States (CIS) and Eastern Europe. The airline plans to operate the A380 on its long-range, high-density routes from its base in Moscow. The aircraft will be fitted with a three-class cabin and will seat approximately 700 passengers. **Transaero** will announce an engine selection for the new aircraft in the near future. The deal has a list-price value of about \$1.5 billion (\$375 million each) and the first deliveries are scheduled for the fourth quarter of 2015. **Transaero Airlines** was launched in November 1991, and it currently serves more than 130 routes all over the world. As of September 30, **Airbus** has sold 236 A380s to 18 customers and 59 aircraft have been delivered to seven customers.

Air Namibia, the country’s flag carrier, signed a Letter of Intent for two new A319-100s. The airline will pay \$90 million for the pair (\$45 million each). They will be delivered in 2014, according to the Namibian daily newspaper **New Era**. **Air Namibia** is replacing its fleet of three Boeing 737s with

Airbuses, as part of a cost-cutting turnaround strategy. The airline will receive a \$150 million cash infusion from the government over the next three years. The airline is adding new flights to southern and western Africa, including direct flights to Zambia and Ghana.

Vueling Airlines, Spain, plans to buy up to 48 jets and invited bids from **Airbus**, **Boeing** and **Bombardier**. The new planes will replace 49 leased A320s. The **Sunday Express** newspaper said the company will make a decision in the first quarter of next year.

Boeing Orders

Boeing Sold 59 New Jets in September. **Utair**, Russia, confirmed its order 40 737NGs at the end of the month. The airline purchased 33 737-800s and seven -900ERs. Early in September, **Ethiopian Airlines** ordered four 777Fs for its cargo division. Also, one Unidentified Customer bought a 777-300ER. In mid-month, another customer (believed to be **Singapore Airlines**) ordered eight 777-300ERs. One week later, a different Unidentified Customer purchased six 777Fs. The manufacturer delivered 41 airplanes in September, including 32 737NGs, one 767, seven 777s and the first 787. **Boeing** reported that it lost 105 orders in the first nine months of the year, including 74 737NGs, three 747-8s, two 777s and 26 787s. **Atlas Air** cancelled the first three of the dozen 747-8Fs that it had on order.

The Russian Airline Market will need 1,006 passenger aircraft over the next two decades, the latest **Airbus GMF** states. Russia is ranked sixth in the top ten countries for new passenger aircraft demand after US, China, India, Germany, and UK. The country currently has 519 100-plus seat passenger aircraft in its fleet. That number is expected to grow to 1,058 airplanes by 2030. Russian airlines will need 839 single-aisle aircraft, 145 wide-bodies and some 22 Very Large Aircraft, valued at \$95 billion to meet fleet growth as well as aircraft replacement. The aircraft will meet the demands caused by strong domestic and international travel growth. Passenger traffic in Russia was forecasted to increase at an average rate of 5.6 percent per year over the next 20 years. **Boeing's** forecast was very similar. They predicted that Russia and the Commonwealth of Independent States (CIS) will need 1,080 new airplanes, worth of \$110 billion. They predicted that traffic in the region is growing at an average of 4.3 percent. Single-aisle airplanes will account for more than 60 percent of the new deliveries, while the market will need 200 new twin-aisle airplanes and 40 very large airplanes. Russia and the CIS will need 160 regional jets as well. The combined fleet will grow from 1,140 airplanes today to about 1,400 airplanes by 2030 as the older jets are retired.

Seven 777s Were Ordered in October. **Dubai Aerospace Enterprise** picked up five more 777F freighters. At the same time, it cancelled five of its 15 747-8F orders. The new 777Fs will be leased to **Emirates Cargo**. Also, an **Unidentified Customer** bought two 777-300ERs. **Boeing** delivered 38 new aircraft across the full spectrum of its product line, including 24 737s, three 747s, three 767s, seven 777s, and one 787.

UTair Aviation signed its order for seven 737-900ERs and 33 737-800s, valued at \$3.8 billion at list prices. The provisional agreement was announced at the **2011 Paris Air Show** and formalized in September. All 40 **UTair** airplanes will be delivered with the new Boeing Sky Interior. **UTair Group** operates a fleet of more than 200 aircraft including seven 737-400s, 23 737-500s, eight 737-800s, and four 757-200s. The airline intends to acquire 10 767s in 2012.

Boeing Delivered the First 747-8F to Cargolux Airlines on October 12, laying another milestone in the history of the iconic 747. The freighter flew from the Everett, Washington factory to **Seattle-Tacoma International Airport**. **Cargolux** filled the plane with cargo for its first revenue flight to Luxembourg. The updated 747-8 was jointly launched by **Cargolux** and **Nippon Cargo Airlines** in November 2005. **Cargolux** committed for 10 airplanes with its launch order and bought three more in 2007. At this time, **Boeing** has sold 75 747-8 Freighters to eight customers. In 1993, **Cargolux** was the first airline to receive the first Boeing 747-400F Freighter. The 747-400F became the workhorse and standard of the air cargo industry, **Boeing** said.

Cathay Pacific Airways accepted its first of 10 747-8F freighters on October 31. The Hong Kong-based cargo and passenger airline is the second freight operator to take delivery of the new freighter and the first Asian company to operate the type. The airline will progressively replace its eight 747-400BCF Boeing Converted Freighters as the 747-8Fs are delivered. **Cathay Pacific Cargo** also flies six 747-400Fs and six 747-400ERFs.

Boeing September 2011 Orders, Deliveries

SEP ORD	SEP DEL	SEP CANX	TOTAL ORD	TOTAL DEL	BACK LOG
			737		
40	32	-0-	9,134	6,919	2,215
			747		
-0-	-0-	-0-	1,529	1,418	111
			767		
-0-	1	-0-	1,057	1,008	49
			777		
19	7	-0-	1,288	963	325
			787		
-0-	1	-0-	821	1	820
This Month			This Year		BL
59	41	-0-	426	349	3,520

Boeing sold 21,359 aircraft and delivered 17,839 as of September 30, 2011.

The Current Program includes sales and deliveries of 737s, 747s, 767s, 777s and 787s.

Sales totals are net, minus cancellations.

Atlas Air Worldwide Holdings cancelled its first three 747-8 freighters, citing lengthy delays and performance short falls. The company exercised its contractual termination rights with respect to three early production freighters that were scheduled for delivery in 2011. **Boeing** moved up the delivery of three more recently built, better-performing 747-8Fs to 2011. **Atlas Air Worldwide** President and Chief Executive Officer **William J. Flynn** said, "As prudent asset managers, terminating the first three aircraft was the right decision for our fleet, our customers and our stockholders. We expect the remaining 747-8Fs in our order to be better-performing aircraft than those we have terminated." **Atlas Air** is a leading provider of ACMI (aircraft, crew, maintenance and insurance) aircraft and aviation operating services. It expects to receive three 747-8Fs in 2011, four in 2012, and two in 2013. The first three 747-8Fs will be ACMI leased to **British Airways World Cargo** under a five-year wet-lease agreement. The next two early 2012 deliveries will be long-term ACMI leased to **Panalpina**. **Atlas Air** said when its ninth 747-8F is delivered, **Atlas** will operate 24 747-400F freighters, two 747-400s and three 767-300s. The

passenger planes are used for charter service for the U.S. military and other customers. The airline has 14 747-8Fs on option.

Arik Air announced an order for two 747-8 Intercontinental airplanes, valued at \$635 million at list prices. The order was previously attributed to an unidentified customer on **Boeing's** website. **Arik Air** is Nigeria's fastest-growing privately owned airline and operates a fleet of 13 737NGs. It flies more than 22 domestic and nine international routes. The airline plans to replace its two A340-500s with the 747-8Is on its three long-haul routes. The delivery dates were not announced.

Ethiopian Airlines announced an order for four 777 Freighters, valued at approximately \$1.1 billion at list prices. The airline is the first African carrier to buy the twin-engine freighter. **Ethiopian Airlines** is a leader in African aviation and has been a **Boeing** customer since the early 1960s. It was the first African airline to order the 787 Dreamliner, the first to fly the 777-200LR, and now the first to purchase the 777 Freighter, **Boeing** said. The African airline currently operates an all-**Boeing** fleet of 737, 757, 767 and 777 airplanes in passenger service and a 757, MD-11 and 747 in cargo operations.

Boeing October 2011 Orders, Deliveries					
OCT ORD	OCT DEL	OCT CANX	TOTAL ORD	TOTAL DEL	BACK LOG
			737		
-0-	24	-0-	9,134	6,943	2,191
			747		
-0-	3	-5	1,524	1,421	103
			767		
-0-	3	-0-	1,057	1,011	46
			777		
7	7	-0-	1,295	970	325
			787		
-0-	1	-0-	821	2	819
This Month			This Year	BL	
7	38	-5	428	387	3,484
Boeing sold 21,361 aircraft and delivered 17,877 as of October 31, 2011.					
The Current Program includes sales and deliveries of 737s, 747s, 767s, 777s and 787s.					
Sales totals are net, minus cancellations.					

Boeing's North America Forecast. The manufacturer said that Canadian & U.S. air carriers will take delivery of 7,530 new airplanes worth \$760 billion by 2030. The fleet will grow from the current 6,610 airplanes to approximately 9,330 airplanes after retirements of older planes. Demand is driven by a modest 3 percent in traffic growth as well as the need to replace aging airplanes. Seventy-three percent of the new deliveries will be in the single-aisle category. Long-haul international traffic will grow by an average rate of 4.5 percent per year. This growth will require delivery of 1,180 twin-aisle airplanes. Only one percent of the planes will be Very Large Aircraft in the A380 and 747 size, an estimated 50 airplanes.

Boeing Delivered its Second 787 Dreamliner to All Nippon Airways (ANA) in October. The company delivered the second 747-8F freighter to **Cargolux** the same day. The European air freight carrier wasted no time in flying it to Luxembourg and putting it into service. The 747s were delayed by

three weeks due to a dispute over contract terms. The second **ANA 787** left for Japan several days after the official delivery and it was used for crew training. The two Dreamliners were flown to Haneda, Kansai and Naha airports. **ANA** flew its first passenger flight between Tokyo and Hong Kong on October 26. On the eve of the first revenue flight, **ANA** Executive Vice President **Keisuke Okada** said the airline is interested in a stretched version of the 787. The airline has another 53 787s on order.

Boeing Reported Third-Quarter Net Income of \$1.1 billion, on revenue of \$17.7 billion. It forecast that total company 2011 revenues will range between \$68 and \$70 billion. The backlog grew from \$323 billion in June to \$332 billion at the end of the third quarter. The backlog was boosted by \$26 billion in new sales. Net orders included a significant number of wide-body airplanes. The commercial backlog is up \$10.7 billion from year-end, reflecting \$61 billion of net orders in the first nine months of 2011. The company had an operating margin of 9.7 percent. **Boeing** delivered 127 new commercial airplanes in the quarter, up 2 percent from the third quarter of 2010's 124 deliveries. This year, the company has delivered 349 aircraft, three more than in the first three quarters of 2010. **Boeing Commercial Airplanes'** third-quarter revenues increased by 9 percent to \$9.5 billion, due to a greater number of deliveries. The commercial unit's operating margin was 11.4 percent. In September, **Boeing** delivered the first 787 Dreamliner to the launch customer, **ANA**, and, as stated on Page 1, the first 747-8 Freighter was delivered to **Cargolux** in October. **Boeing** had 821 firm 787 orders and approximately 200 options. The company determined that the 787 program will break even at 1,100 sales. **Boeing** launched the 737 MAX, and had received nearly 500 commitments for the new engined variant. **Commercial Airplanes** booked 255 net orders during the quarter and 426 during the first nine months of 2011. Backlog remains strong with more than 3,500 airplanes valued at \$273 billion.

Boeing began ramping up its Next-Generation 737 production rate of 35 airplanes a month. They currently build 31.5 airplanes a month. **Boeing** has more than 2,200 737s in backlog, which equals five years production at the increased rate. Boeing said it took a three-pronged approach to the rate increase. "The company is making production processes more efficient by working with employee process improvement teams, increasing the production capacity with capital investments, such as a new wings system installation line in the Renton factory, and making the site footprint more efficient by moving some production areas, expanding others and decommissioning outdated equipment," the company said in a press release. **Boeing** will increase the 737 production rate to 38 airplanes a month in the second quarter of 2013, and to 42 airplanes a month in the first half of 2014.

Chinese and Russian Aviation

Sichuan Airlines placed an order for 20 **Commercial Aircraft of China-COMAC C919s**. The first airplanes are due in 2016. The 150-seat C919 is being designed and will be built in China. It will compete with the Airbus A320 and the Boeing 737 in the narrow-body market. The first test flights are scheduled for 2014. The new sale raised the C919's total orders to 165. Four major Chinese airlines and lessors **CDB Leasing**, **GE Capital Aviation Services** and **ICBC Leasing** ordered the other 145 C919s.

ICBC Leasing, the financial leasing arm of **Industrial and Commercial Bank of China** ordered 45 C919s, the official **Xinhua News Agency** said. Neither **ICBC Leasing** nor **COMAC** would discuss the value of the order. Last year, **COMAC** launched the C919 at the **Zhuhai Airshow** with 100 firm orders

from four Chinese airlines, **Air China**, **China Southern Airlines**, **China Eastern Airlines** and **Hainan Airlines**, and two leasing firms **CDB Leasing** and **GE Capital Aviation Services**.

Syrianair— **Syrian Arab Airlines**, the Syrian national airline, signed a memorandum of intent with the **Tupolev** design bureau, and the **Aviastar-SP** manufacturing plant, to buy three Tu-204 SM passenger jets. *Itar-Tass* reported that the three planes will be delivered in 2013 if a final contract is negotiated. The newspaper said the approximate cost of a Tu-204SM is \$36.5 million, putting the total purchase price at \$108 million. As part of the deal, **Syrianair** will set up a Tu-204SM maintenance center in Damascus, Syria. The Tu-204 SM can carry up to 210 passengers for up to 4,800 kilometers. **Tupolev** is now part of the Russian state-owned **United Aircraft Corp.** The press speculated that **Syrianair** was buying the Tu-204SMs to evade Western sanctions against Syria and the **al-Assad** regime. The United States imposed sanctions on Syria in the early 1980s and has not relented, even during a brief thaw in relations between the two countries. The Europeans allowed **Syrianair** to buy six A320s between 1998 and 2000, but recently they have clamped down. An order for four A321s and three A330 was never concluded. The Syrians looked to its allies in the Soviet Union for airplanes during the 1970s and 1980s and it is apparently returning to Russia.

Iran to Build the An-158. The state-owned **Aircraft Manufacturing Industrial Co.** is buying two Ukrainian-made **Antonov** An-158s and plans to assemble the aircraft. A final contract with Antonov has been signed yet. The official **Islamic Republic News Agency** said that 30 percent of each plane will be made in Iran. The country needs approximately 80 Antonov-158s and will start production in 2012. The first ones will enter service in 2013. International sanctions block Iran's ability to modernize its fleet of **Airbus** and **Boeing** jetliners. The country's airlines are forced to buy used planes and get spare parts on the secondary market. Joint production of the 99-seat An-158 will help Iran to circumvent the sanctions. **Aircraft Manufacturing Industrial Co.** acquired the rights to build the 52-seat **Antonov** An-140 turboprop from Ukraine in 2000. Iran has been building the An-140 since 2003.

Regional Report

SuperJet International sold two Sukhoi Business Jet (SBJ) aircraft to the **Comlux Aviation Group**, and the company optioned another two SBJs. **Comlux** is the launch customer for the new VIP aircraft. The two SBJ aircraft will be delivered in 2014. The firm orders and options are valued at approximately \$200 million (\$50 million each). The **Comlux America** completion center in Indianapolis, Indiana, will design and install the VIP interior. **Comlux America** was chosen as the first approved Sukhoi Business Jet completion Center.

Aviotech, an Indian corporate and defense aerospace specialist, is another launch customer for Sukhoi Business Jet (SBJ). **Aviotech** signed a Letter of Intent (LOI) for 10 VIP configured SBJs and optioned 10 more at the **MAKS-2011 International Aviation and Space Salon**. The two companies plan to start negotiations on the technical layout of the aircraft to be delivered in the near future. The Sukhoi Business Jet can fly up to 8,000 kilometers when it is equipped with auxiliary fuel tanks in the cargo compartment; it can carry passengers on long routes such as Paris to New York. **Sukhoi** will deliver green airframes to **Aviotech's** new facility in Hyderabad, where they will be completed with VIP interiors. **Sukhoi** forecasted a market for 80 SBJs over the next 20 years. The baseline VIP aircraft is expected to cost approximately \$50 million.

Luxair, the national airline of the Grand Duchy of Luxembourg, announced that it had placed a firm order for four Dash 8Q-400 NextGen high-speed turboprop airliners in August. The airline optioned four more Q400 NextGen aircraft. **Luxair** bought its first three Q400 airliners in 2006, and placed subsequent orders for two additional Q400s. **Luxair's** recent firm order is valued at approximately \$126 million at list price. **Bombardier** has sold 412 Q400 and Q400 NextGen aircraft, of which more than 360 have been delivered.

An Unidentified Chinese Airline signed a conditional purchase agreement for six CRJ900 NextGen aircraft. The airline placed options for another five. This is the first order for CRJ900 aircraft in China. The six firm orders are valued at approximately \$264 million (\$44 million each), based on the list price. If all five options are taken, the value of the contract would increase by \$277 million (\$45.4 million each). **Bombardier** has delivered more than 80 commercial and executive transports to the Chinese market. The company foresees a demand for almost 2,400 commercial aircraft in the 60- to 149-seat segment in China, which can be filled by the CRJ700, CRJ900, CRJ1000 and the CSeries aircraft. China will become the world's second largest market for new aircraft deliveries, after the United States.

Bombardier Aerospace to Reduce CRJ Production. The manufacturer decided to reduce the output of its CRJ aircraft in January 2012, to align with the lower market demand for the type. The company will transfer employees to other aircraft programs so no jobs will be lost. President and Chief Operating Officer, **Guy C. Hachey** said, "Although several sales campaigns for our CRJ aircraft are making progress and the long-term prospects for the CRJ program remain positive, the reduced pace of orders has made a review of our production plans necessary." **Bombardier** forecast that it will deliver 90 commercial aircraft this year and will announce the number of deliveries for 2012 early next year. Worldwide, more than 1,650 CRJ Series aircraft have been delivered to more than 60 airlines. **Bombardier** has sold more than 1,710 CRJ regional jets.

Azul Linhas Aéreas Brasileiras ordered another 11 EMBRAER 195 jets. The airline operates 23 E195s in 118-seat single class configuration and ten 106-seat E190s. The \$497.2 million (\$45.2 million each) transaction increases the airline's Embraer E-Jet orders to 52 aircraft. Deliveries of the latest batch of E-Jets will start in 2013. With this new order, **Azul** will be the operator of the largest fleet of E-Jets in South America.

Embraer Delivered 28 Commercial Jets and 18 executive jets in the third quarter. The company has a firm order backlog worth \$16 billion. During the quarter **Embraer** sold 17 E-Jets, including two EMBRAER 190s to **GECAS**, ten E190s to **Kenya Airways**, and five EMBRAER 195s to **Lufthansa**. **China Southern Airlines** became the newest E-Jets operator when it leased one from **CDB Leasing**. The airplane was the 800th E-Jet delivered by **Embraer**. In early October, Embraer announced the sale of six more EMBRAER 190s to **GECAS** for a total of 101 E-Jets. The order was added to the **Embraer's** fourth quarter sales tally. The executive aviation unit delivered one Legacy jet and 17 light jets, including eight Phenom 100s and nine Phenom 300s. China's **Minsheng Financial Leasing** signed a Memorandum of Understanding for up to 20 airplanes. The company concluded an agreement to buy 13 Legacy 650 jets in October.

Embraer forecasted that 975 new regional jets will be delivered to the Chinese regional aviation market for 2011-2030. The China market will account for around 13 percent of the global market. **Embraer**

forecast delivery of 15 aircraft in the 30-60 seat category, 440 61-90 seaters, and 520 units seating between 91 and 120 passengers. So far, **Embraer** has delivered around 90 commercial jets to Chinese airlines since 2000, representing over 70 percent of aircraft in the 30 to 120 seat market.

GE Capital Aviation Services (GECAS) ordered six more EMBRAER 190s, and optioned another six aircraft, for a total of 101 firm orders. Delivery of the first aircraft is scheduled for the fourth quarter of 2012. **GECAS** has taken delivery of 93 E-Jets and leased them to 15 airlines worldwide. It ordered two E-Jets at the **Paris Air Show** in June and will lease them to a South American carrier.

Lufthansa contracted to buy five additional EMBRAER 195 jets and will have them delivered to **Air Dolomiti**, **Lufthansa's** regional partner based in Verona, Italy. The sale was list priced at \$226 million and the first will be delivered in the second half of 2012.

Air New Zealand's Mount Cook Airline will buy seven new ATR 72-600s and has optioned another five for use on secondary domestic routes. The order potentially doubles the size of **Air New Zealand's** ATR fleet. The dozen ATR 72-600s are valued at more than \$270 million (\$22.5 million each) at list prices. The first of the 68 seat aircraft will be delivered in October 2012, and the last is scheduled for 2016. The airline currently operates 11 ATR 72-500s. **Air New Zealand** first started operating ATRs in 1994, and has operated the ATR 72-500 since 1999.

Air Lease Corporation (ALC) ordered two more ATR 72-600 regional turboprops. **ALC** ordered 10 ATR 72-600s and optioned 10 more at the **Farnborough Airshow** in 2010. The contract was the conversion of two of these ten options and was valued at \$45 million (\$22.5 million) at a list price. The two ATR 72-600s will be delivered to **ALC** in the spring of 2013. The first 10 ATR 72s have already been placed with airlines.

UNI Air, a subsidiary of **EVA Air**, purchased 10 ATR 72-600s from **ATR**. The contract was formalized at a ceremony in Taiwan on September 9. Deliveries are scheduled to start in third quarter 2012. **UNI Air** will replace its fleet of Dash-8-300s with the ATR 72s. **ATR** said that the Asia and the Pacific region represented approximately 50 percent of its recent total orders. Fifty Asia-Pacific airlines operate 250 ATR aircraft and another 100 aircraft are on order by Asia-Pacific.

TRIP Linhas Aéreas, Brazil, is adding 18 ATR 72-600s to its fleet of 22 ATR 42s and 15 ATR 72s. The airline ordered nine ATR 72-600s directly from the French-Italian manufacturer. **TRIP** will lease another nine from **Air Lease Corp. (ALC)** and **GECAS**. When the South American regional carrier takes delivery of the new -600s it will be the largest ATR operator in the world. The first of the ATR 72s

ATR announced at the **European Regions Airline Association** General Assembly, in October, that it booked firm orders for 145 aircraft and reserved 72 options in 2011. The firm orders were estimated at \$3.2 billion, and the options were valued at another \$1.6 billion. **ATR** boasted that 2011 was its best sales year ever. Its second best year was 2007 with 113 firm orders and 26 options. **ATR** also said its sales accounted for more than 80 percent of the 50- to 90-seat regional aircraft market. The manufacturer's backlog has grown to 275 aircraft, valued at \$6.2 billion and representing nearly 4 years of production. **ATR** said its backlog represents 68 percent of the total 50- to 90-seat regional aircraft on order, illustrating the industry's renewed interest in turboprop technology. The list price of an ATR turboprop at \$22.5 million is half the list price of a new **Embraer** or **Bombardier** regional jet.

entered service in October. The airline optioned another 22 ATR 72-600s. The new ATR 72-600s will allow **TRIP Linhas Aéreas** to expand its domestic network by flying to new destinations, as well as adding seat capacity and frequencies on existing routes. **TRIP** also operates 16 Embraer E175 and E190 regional jets. **ATR** reported that Brazilian airlines have 50 ATRs in service and another 40 aircraft on order for delivery by 2015.

Nordic Aviation Capital (NAC), a Danish regional aircraft leasing company, ordered two ATR 72-500s and 10 ATR 72-600s, and optioned 10 additional ATR 72-600s. The 22 aircraft are valued at \$500 million (\$22.727 million each) at current list price. **NAC** and **ATR** signed a Heads of Agreement at the **Paris Air Show** in June covering the ATR 72-600 orders and options. The final contract was signed in September and included the two ATR 72-500s, which will be delivered by the end of this year. **NAC** will start receiving its ATR 72-600s in 2012. **NAC** currently has 91 ATRs in its fleet and the newly ordered planes will bring the fleet of ATRs to 103. Privately-owned **NAC** is the world's largest turboprop leasing company and it has a portfolio of nearly 160 aircraft. It introduced ATR aircraft into its fleet in 2003, with the purchase of an ATR 42. **ATR** reports that 2011 has been its best-selling year ever; it received more than 20 percent of its orders from leasing companies.

AIRLINE	AIRCRAFT
Lion Air / Wings Air	18 ATR 72-500s
GECAS	15 ATR 72-600s & 15 options
NAC	10 ATR 72-600s & 10 options
NAC	2 ATR 72-500s
AZUL	10 ATR 72-600s & 10 options
UNI AIR	10 ATR 72-600s
TRIP	9 ATR 72-600s & 12 options
Skywest	4 ATR 72-500s
Skywest	4 ATR 72-600s & 5 options
TAME	3 ATR 42-500s
Israir	2 ATR 72-500s
MAS / Firefly	2 ATR 72-500s
Air Lease Corp.	2 ATR 72-600s
Taimyr	2 ATR 42-600s & 2 options
Borajet	1 ATR 72-500s
UNDISCLOSED	47 ATR 72s & 18 options
	4 ATR 42s
TOTAL	145 orders & 72 options

Order Changes and Cancellations

Airbus Order Shuffle. **Aircraft Purchase Fleet** switched three A320 orders to the A319 model in September. The lessor has 10 A319s and 46 A320s on order now. **Aviation Capital Group** cancelled 11 A320s and ordered its first A319 and 10 A321s in their stead; the lessor has ordered 57 A320s. **Nouvelair** exchanged one A320 order for its first A321 to be bought directly from the manufacturer. In October, **Avianca** switched six A320 orders to the A319 type. The airline now has purchased 14 A319s and 33 A320s. **CASCG** transferred 50 A320 orders to **China Eastern Airlines** and 30 A320 orders to **China Southern Airlines**. **China Eastern** divided its 50 planes into orders for 11 A319s, 19 A320s and 20 A321s. **China Southern** picked up its 30 orders as 10 A320s and 20 A321s. **TACA** exchanged two A320 orders for two A319s, and **Air China** dropped five A321s in favor of five A320 orders. **JetBlue** converted 30 of its A320 orders to the larger A321 model. **TAM**, Brazil, swapped six A320 orders for an equal number of A321 commitments. **US Airways** ordered its 90th A321 when it cancelled one A320. **Virgin America** cancelled one A320 and now has ordered 71 of the type. Undisclosed customers switched nine A320 orders to A321 orders. **Hong Kong Airlines** bought its fifth A330-300 and dropped its 14th A330-200. **TAP Air Portugal** switched its orders for a dozen A350-800s to the A350-900 model.

Dubai Aerospace Enterprise cancelled five of its 15 747-8F orders. **DAE** acquired the 15 747-8Fs and six 777F orders from **Emirates** in July 2008, presumably with the intent to lease them back to **Emirates Cargo**. **Boeing** lost eight 747 orders this year. Now the 747-8 program stands at 106 firm sales.

China Eastern Airlines cancelled its order for 24 Boeing 787 Dreamliners and will purchase 45 new Boeing 737-800s, worth approximately \$3.3 billion (\$73.33 million each) at current list price. The airline said it will pay “significantly” less than the catalog price. The 737s will be delivered between 2014 and 2016. **China Eastern** ordered 15 787s in November 2005 and its subsidiary **Shanghai Airways** ordered nine 787-8s in August 2005. The 737s will be used to expand the domestic fleet. **China Eastern** will order 15 Airbus A330s list priced at \$2.5 billion (\$166.667 million each), and will take delivery from 2013 to 2015. The A330s will be used for long-haul routes. The airline will trade-in its five A340-300s to **Airbus** in 2012, and will replace them with the A330s. None of the order changes were reflected in the manufacturer’s orders and deliveries web pages in October. **Boeing** lost 26 787 orders so far this year and the **China Eastern** cancellation will be added to that number. **Boeing** said in a statement that the other Chinese airlines remain committed to the 787. **Air China** has 15 787s on order, **China Southern** has 10, **Hainan Airlines** ordered 10, and **Xiamen Airlines** has a backlog of six 787s. **Hong Kong Airlines** indicated its support for the 787 program by signing a Memorandum of Understanding to buy 32 Dreamliners last March.

Air India, the Indian state-owned airline, said it may cancel 15 of its 27 787 Dreamliner orders. India’s press reported that the cash-strapped carrier’s Board of Directors recommended the purchase of only 12 787s instead of the 27 that the airline ordered in 2005. The original order was valued at approximately \$4.1 billion (\$151.85 million each) at current list prices. India’s civil aviation minister said the airline cannot afford 27 Dreamliners. The government stated that all of **Air-India’s** international routes lost money in 2009 and 2010, due to the airline’s bloated cost structure and from stiff competition from its newer rivals in a crowded market. The company owes \$9.5 billion and is trying to restructure \$4 billion in bank loans. It worked out a turn-around plan that will redeploy staff and sell non-core real estate. It lost \$1.4 billion in the fiscal year ending March 2011.

Boeing Order Changes. The manufacturer identified the customers for 17 737-800s — **Shanghai Airlines** (1), **Hainan Airlines** (12), **Shandong Airlines** (1) and **Shenzhen Airlines** (3). Many of the customers were identified when they took delivery of the planes in August, September, and October. **China Eastern** is the previously unidentified customer for one 737-700. **Air Lease Corp.** announced its order for 14 737-800s that was placed in June 2011, and **Virgin Australia** announced two 737-800 orders placed in June and July this year. **Turkmenistan Airlines** exchanged two 737-900ER orders for two 737-800s. **Hainan Airlines** exchanged nine 737-800 orders for a like number of 737-700s. **Air China** changed three of its 20 737-800s to 737-700 orders. **GECAS** switched one 737-800 order for the 737-700 type, while **Aviation Capital Group** changed four of its 22 737-700 orders to the -800 type. **Alaska Airlines** dropped one of its 10 737-800 orders and picked up another 737-900ER. **Air Berlin** switched one of its eight 737-700 orders for the -800 model. **American** dropped one 777-200LR and bought a 777-300ER instead. **Jet Airways** transferred 10 of its 20 737-800 orders to **BOC Aviation**. In August, **Monarch Airlines** cancelled six 787-8 Dreamliner orders, which they ordered in August 2006.

Republic announced that it will accept two new E190s next month and defer the remaining four jets. In November 2010, the airline ordered six E190s for delivery between August and December 2011. **Republic** also placed “conditional” orders for 18 E190s or E195s. The airline will retain about \$20 million in cash that would have been spent on new aircraft while **Embraer** would return about \$3 million in deposits to **Republic**.

Embraer Lost 14 Orders. **Airlink** cancelled two EMBRAER 170 orders in September. **Embraer** reported that **JetBlue Airways** cancelled orders for 12 EMBRAER 190s in early October. The delivery of seven E190s were delayed from 2013-2014 until 2018.

Engine News

Pratt & Whitney and Rolls-Royce Restructure International Aero Engines. Under an agreement signed in October, **Rolls-Royce** will sell its 32.5 percent shareholding in **IAE** to **Pratt & Whitney** for \$1.5 billion. This will give **Pratt & Whitney** 65 percent of the company, but it may offer of a portion of its shares to the remaining **IAE** partners **MTU Aero Engines AG (MTU)** and **Japanese Aero Engines Corporation (JAEC)**, which own 12 percent and 23 percent respectively. **IAE** will retain its own brand and **Rolls-Royce** will continue to be responsible for the manufacture of high-pressure compressors, fan blades and discs, as well as the provision of engineering support and final assembly of 50 percent of V2500 engines. For the next 15 years, **Rolls-Royce** will receive a payment for each hour flown by the current installed fleet of V2500-powered aircraft, **IAE** said. **Pratt & Whitney** and **Rolls-Royce** agreed to form a new partnership to power future mid-sized single-aisle aircraft. This collaboration will bring together the two companies' complementary strengths and capabilities to offer the most competitive response to customer demand for the next generation powerplant for mid-size aircraft, the manufacturers said. The **P&W** and **Rolls-Royce** will split ownership of the new venture equally, and it will focus on geared turbofan technology. The new engine could be an open-rotor prop-fan or a more traditional fanjet engine configuration. To date, **IAE** has delivered more than 4,500 V2500 engines and another 2,000 engines are on backorder. The manufacturer sees the market for the V2500 extended for several more decades. It was chosen to power the **Embraer** KC-390 in July. **IAE** said it will continue to compete for all orders for the current generation A320 Family aircraft. It expects that the **IAE** V2500 and **P&W** PurePower PW1100G-JM engines will satisfy the current and future needs of their customers. **Rolls-Royce** split from **IAE** after it vetoed selling the Geared Turbofan engine through **IAE**. Further, **Pratt & Whitney** showed little interest in the Open Rotor or unducted fan concept which was favored by **Rolls-Royce**. The unducted fan features twin rows of fan blades that are not fully enclosed by engine housings. **Rolls-Royce** said the engine will be far more efficient than the current big fan engines, but the technology will require a decade of development work to overcome problems.

Air Berlin delayed delivery of 19 aircraft valued at \$1.6 billion at list prices. The German low-cost carrier postponed delivery of 11 A320 Family aircraft and eight Boeing 737NGs by three years. The planes were originally scheduled to arrive in 2012 and 2013 and now will enter service in 2015 and 2016. **Air Berlin** still has 31 airplanes due for delivery by the end of 2013. The airline has 17 A320s, 50 737-700s and -800s, and 15 787-8s on order. It is trying to retain its capital by pushing back and canceling aircraft orders. It will reduce its expenses by \$508 million in 2012 and by \$1,128.4 million in 2013. **Air Berlin** is actively selling its new planes for lease-back or for lease to other operators. Approximately 80 percent of its fleet is leased and the rest are owned.

Skymark Airlines signed a letter of intent to buy Trent 900 engines for its six Airbus A380s. **Rolls-Royce** will provide the TotalCare long-term engine service and support as well. The A380s will enter into service in 2014 and will be the first super jumbo jets to be operated in Japan. The Trent 900 engines have been selected by 11 of 16 airlines which have ordered the A380.

Leasing Companies

Kenya Airways will lease two Boeing 777-300ERs from **GE Capital Aviation Services (GECAS)**. The airline signed a Letter of Intent (LOI) for the 777s, which will be delivered at the end of 2012, or in early 2013. **Kenya Airways** operates four 777-200s. The new planes will serve long-haul routes to India and Asia. The flag carrier also has nine Boeing 787s on order with the first to be delivered in the fourth quarter. **Kenya** ordered 10 Embraer 190 regional jets in June and optioned 10 more. Its cargo unit is adding one 747 freighter and two 737-400 freighters in October.

ICBC Financial Leasing Co., China, signed a Memorandum of Understanding (MoU) with **CFM International** to purchase CFM56-5B engines for the 22 new A320 Family aircraft that it ordered from **Airbus**. The airline is buying 47 engines (three spares included) which are valued at more than \$450 million at list price. The first planes will be delivered to the leasing company in 2012. All of **ICBC's** engines will be the **CFM56-5B Performance Improvement Package (PIP)** configuration. The -5B PIP will be the new production standard as of the end of 2011.

GECAS will lease six new Airbus A320s to **Garuda Indonesia's Citilink** unit. The CFM56-5B engined A320s are scheduled for delivery in the first half of 2013 and come from the lessor's current backlog with **Airbus**.

AerCap Holdings N.V. purchased 12 737-800s from **American Airlines** and leased them back. The transaction is part of a 35 aircraft deal between the two companies. **AerCap** signed a ten-year term, \$400 million credit facility that was co-arranged by **Credit Agricole Corporate and Investment Bank**, **Norddeutsche Landesbank Girozentrale**, **Commonwealth Bank of Australia**, **Landesbank Hessen-Thüringen Girozentrale**, and **DVB Bank SE**. **Credit Agricole Corporate and Investment Bank** acted as coordinating bank and facility agent.

International Lease Finance Corporation (ILFC) will purchase and leaseback five new 737-800s with **Virgin Australia**. The new 737s will be delivered to **Virgin Australia** in 2012 and 2013 and will then be purchased by **ILFC**. The airline currently operates Airbus A330s, 64 737NGs, five 777-300ERs, and 20 Embraer E-Jets.

Aviation Lease & Finance Company (Alafco) plans to double its aircraft fleet to 100 by 2018. It is negotiating with **Airbus** for a new order, its Chairman **Ahmad al-Zabin** said. The order may be announced at the **Dubai Airshow** in November. At the **Paris Airshow**, the Kuwaiti lessor signed a Memorandum of Understanding (MoU) to purchase 30 A320neo Family aircraft. The deal is worth \$2.7 billion (\$90 million each) at list prices. **Alafco** currently has 27 Airbuses and 21 Boeing aircraft in its portfolio. They are leased to **Saudi Arabian Airlines**, **Turkish Airlines**, **Malaysia Airlines**, **Royal Jordanian**, and **Ethiopian Airlines**, Mr al-Zabin said. The lessor is owned in part by state-owned **Kuwait Airways** and the **Kuwait Finance House**.

AWAS purchased two 737-800s and one A330-200 from another lessor. The two 737s are already on long-term leases to **Garuda Indonesia**, and the A330-200 is leased to **Qantas**. The lessor agreed to buy and lease-back five new A320s with **LAN Airlines**. The planes were ordered by **LAN** and will be delivered to the carrier in 2011 and 2012. The first of the five A320s was delivered in October. **AWAS**

received its 125th new Boeing aircraft in October. The new 737-800 was leased to **Garuda Indonesia**. The airplane is fitted with the Boeing Sky Interior and it was the 50th Boeing 737 that **AWAS** has received.

Avolon leased five 737-800s to **Ryanair** and four A320 aircraft to **AirAsia**. Seven of the aircraft were delivered in October; the other two are due in early 2012. **Wizz Air** will sell and lease-back three new A320s with **Avolon** when they are delivered in the first half of 2012. The planes will be leased for a minimum 7-year lease term. **Avolon** currently has 88 aircraft in its portfolio, leased to 25 customers in 18 countries.

Jackson Square Aviation (JSA) delivered the second of three 777-300ERs to **Emirates Airlines** on a long-term operating lease. **Deutsche Bank AG, London Branch, Abu Dhabi National Leasing L.L.C., and Arab Banking Corporation (B.S.C.)**, provided funding for the aircraft.

Doric Asset Finance reported in a press release that it added its 10th A380 to its aircraft management portfolio. **Doric Nimrod Air Two Limited (DNA2)** took delivery of A380 (SN 077) in October and leased it to **Emirates** for 12 years. "The **Airbus A380** was purchased for \$234 million, of which about \$151 million was financed through a 12-year fully amortising senior loan" **Doric** said. **DNA2's** sole objective is to own and lease three A380s to **Emirates**. **AVMARK** wishes all aviation companies were so forthcoming with information.

Air Lease Corporation (ALC) acquired 11 Next-Generation 737 aircraft from airlines and then leased them back. It leased two 737-800s (SN 34003 & 34004) to **Continental Airlines**, and two -800s (SN 36845 & 35228) to **Skymark Airlines** in Japan. **ALC** bought two 737-700s (SN 34401 & 34402) from **Ethiopian Airlines** and then leased them back. In China, **ALC** leased one 737-800 (SN 34253) to **Xiamen Airlines** and leased one -800 (SN 34254) to **Shanghai Airlines**. **ALC** also leased one -800 (SN 29669) to **Travel Service**, Czech Republic, and 737-800 (SN 36529) to **Sun Express**, Turkey. **Sunwing**, Canada, leased -800 (SN 30292). Finally, **ALC** will accept the return of 737-800 (SN 32920) from **Air Berlin** in March 2012, and will long-term lease it to **XL Airways Germany**.

Air Lease Corporation reported that it acquired and/or placed 12 aircraft recently. From its order backlog, **ALC** leased one new A330-300 to **Asiana Airlines**, two new 737-800s (SN 41299 & 41300) to **Korean Air**, and one 737-800 (SN 37772) to **Air Berlin**; also two new EMBRAER 190 LRs to **Aeromexico**. **ALC** bought two A320-200s (SN 3203 & 4681) from **Vueling**, and leased them back to the airline. The lessor acquired one A330-200 each from **Thomas Cook** (SN 456) and **Avianca** (SN 1016) for lease back. **GOL Linhas Aéreas Inteligentes** sold 737-800 (SN 33027) and **Southwest Airlines** sold 737-700 (SN 30279) to **ALC** and then leased them back.

Airline News

International Airlines Group (IAG) the parent of **British Airways** and **Iberia**, thought it reached a deal to buy **bmi-British Midland** from **Lufthansa**, until **Virgin Atlantic Airways** upped its bid. **Lufthansa** bought **bmi** in 2009 and has not made a dime from the airline group. **Bmi** consists of an international airline that serves Europe, the Middle East and Africa, the **bmi regional**, which operates in the UK, and a low-cost unit **bmibaby**. **IAG's** deal was subject to a binding purchase agreement, due diligence and regulatory clearances. The group expected to close the transaction in the first quarter of 2012, and the purchase price was not revealed. Shortly after the announcement, **Virgin** bettered its previous offer and **Lufthansa** said it wanted to talk about it over the next week. **Virgin** said its tie-up

with **bmi** would not be anti-competitive, while there would be significant problems if **IAG** won the bidding. The **bmi** airlines are not that valuable, but its landing slots were worth approximately \$633 million. **Bmi** controlled 9 percent of **Heathrow's** slots, while **BA** had a 43.1 percent share and **Virgin Atlantic** held 3.1 percent of the total slots. If **IAG** bought **bmi**, it would control more than 50 percent of the London hub's slots, but that is still short of what other major airlines control in competing hubs. **Air France-KLM** has 59 percent at **Paris-Charles de Gaulle** and 57 percent at **Amsterdam's Schiphol** while **Lufthansa** has more than two thirds of the slots at its Frankfurt hub. It is possible that either purchaser may sell off **bmi regional** and **bmi baby**. **Bmi** needs a total restructuring. One analyst said that **bmi's** business model is flawed, because it is neither a full service airline nor a low-cost carrier. **Lufthansa** would rather sell the airline in whole or parts rather than spend millions of euros to make **bmi** profitable. The airline also has a £100 million pension deficit and it lost €120 million in the first-half of this year.

The Irish Government is offering to sell its 25 percent stake in **Aer Lingus**. The government said the possible sale is part of a privatization program that the **European Union** and the **International Monetary Fund** demanded as part of their bailout. Irish state broadcaster **RTE** reported that Abu Dhabi's **Etihad Airways** and **International Airlines Group (IAG)** were discussing the possibility of buying a share of the flag carrier. The Irish **Transport Ministry** confirmed there was also significant interest from other airlines and investors.

China Airlines is **SkyTeam's** 15th member as of October. The flag carrier of Taiwan was lauded as one of the world's leading cargo carriers and becomes the first Taiwanese airline to join **SkyTeam**, or any other alliance. **China Airlines** operates a diverse passenger and cargo network from its hub in Taipei, to destinations

International Air Transport Association (IATA) Reports August Traffic Growth.

Aug 2011 vs. Aug 2010	RPK Growth	ASK Growth	Pax Load Factor	FTK Growth	AFTK Growth
Africa	2.9%	3.8%	60.8%	2.2%	6.7%
Asia/Pacific	4.2%	4.0%	79.4%	-5.4%	-2.3%
Europe	8.9%	9.4%	80.6%	-1.8%	2.8%
Latin America	6.8%	8.3%	73.8%	5.4%	-1.1%
Middle East	7.0%	7.6%	76.3%	3.7%	12.8%
North America	0.9%	0.6%	85.9%	-7.0%	1.2%
Industry	4.5%	4.6%	81.4%	-3.8%	1.5%

Year to Date 2011 vs. 2010	RPK Growth	ASK Growth	Load Factor	FTK Growth	AFTK Growth
Africa	0.2%	2.7%	66.9%	-2.0%	2.6%
Asia/Pacific	4.5%	4.8%	77.0%	-3.6%	1.2%
Europe	9.7%	10.3%	78.0%	3.3%	7.7%
Latin America	13.2%	9.2%	75.3%	7.0%	1.2%
Middle East	8.1%	8.8%	75.5%	8.7%	13.4%
North America	3.2%	3.6%	82.3%	0.5%	5.4%
Industry	6.1%	6.5%	78.2%	0.2%	5.0%

RPK: Revenue Passenger Kilometers measures actual passenger traffic

ASK: Available Seat Kilometers measures available passenger capacity

PLF: Passenger Load Factor is the percent of **ASKs** used. In comparison of 2009 to 2008, **PLF** indicates point differential between the periods compared

FTK: Freight Tonne Kilometers measures actual freight traffic

AFTK: Available Freight Tonne Kilometers measures available total freight capacity

throughout the Asia-Pacific region, North America and Europe. It offers 224 daily flights to 80 cities worldwide. The new member also brings three new destinations to the **SkyTeam** network, Okinawa and Miyazaki, Japan, and Surabaya, Indonesia.

Tribunal de Defensa de la Libre Competencia (TDLC), the Chilean antitrust court, approved the merger between **LAN** and **TAM**. The two leading South American carriers plan to merge by the end of the first quarter of 2012. The ruling allows the process to move forward, but not without cost to the partners. The court's resolution requires some mitigating measures to insure competition. The merger will create the largest airline in the region and one of the world's leading carriers. Both companies are analyzing the ramifications of the measures imposed by the court, and will announce the companies' position regarding the antitrust court's resolution as soon as possible, **LAN** said in a statement. They foresee no delay in the merger.

GOL Linhas Aéreas Inteligentes S.A. received approval from the Brazilian **National Civil Aviation Agency (ANAC)** to acquire **Webjet Linhas Aéreas S.A.** The purchase will be conducted through **GOL's** subsidiary **VRG Linhas Aéreas S.A.** The proposed deal was announced July 8, 2011. Next, **CADE (Administrative Council for Economic Defense)** will have to approve the merger.

Singapore Airlines will launch **Scoot**, a long-haul, low-cost carrier in mid-2012; the airline will operate some of **SIA's** 35 Boeing 777-200ERs. The 777s will be reconfigured with a new 400-seat all-economy layout and the engines will be de-rated, **Singapore Airlines** said. **Scoot** CEO **Campbell Wilson** said the new airline will operate no-frills, low-fare flights to Australia, China, India, Europe, Africa, and the Middle East; it will be independent from **Singapore Airlines**. Customers will pay extra for services such as entertainment, but their fares will be about 40 percent lower than those charged by **Singapore**. The airline may add another 10 777-200s by the end of 2016. **SIA** had to launch **Scoot** because it is losing leisure travelers to **AirAsia X** and **Jetstar**. **Singapore** also owns regional carrier **Silk Air** and recently agreed to raise its share of the short-haul budget carrier **Tiger Airways** to nearly 49 percent. **Scoot** will have \$224 million in initial capitalization and expects to spend about \$55 million to get started. It will hire about 50 pilots and 250 cabin crew by the end of 2012. Mr. **Wilson** said **Scoot** will not take over **SIA** routes, but it is targeting a new growing market. They intend to bring incremental business to the **SIA** group.

International Airlines Group (IAG) will launch **Iberia's** new subsidiary airline **Iberia Express** next summer. The airline will operate part of the Spanish flag carrier's short and medium haul network. **Iberia Express** will operate from its Madrid hub and will develop new markets and destinations. It will offer business and economy seats at competitive fares. **Iberia Express** will start operations with four A320s and its fleet will grow to 13 aircraft by the end of 2012. The A320s will be transferred from **Iberia's** fleet.

Thai Airways International founded a "light premium" regional carrier called **Thai Smile Air**. It will start operations in July 2012 with four leased A320s. Another two leased A320s will be delivered in 2013. Eventually, 11 A320s will be operated on domestic and short-haul international services. **Thai Smile Air's** A320s will seat 174 passengers. Last issue, the **AVMARK Newsletter** reported the airline would be called **Thai Wings**.

Kingfisher Airlines announced that it would close down its low-cost carrier, **Kingfisher Red** in early 2012. The subsidiary's operating costs were as high as a full-service carrier, but its revenues were lower. The competition in India's low-cost market was more intense than in the full service market, so **Kingfisher** will shift its assets and chase after the high-yield revenue. The airline conducted a six-month company-wide study that showed that 25 percent of fares charged were spent on providing the extra services associated with a full-service product; the other 75 percent contributed to profits. **Kingfisher** acquired India's first no-frills airline, **Air Deccan**, and later renamed it **Kingfisher Red**.

Bankruptcy of the Month

Avianova, a Russian low-cost airline suspended operations as of October 10, after **Indigo Partners** froze further funding. The American investor held 49 percent of the airline's stock. **Alfa Group** controlled the other 51 percent. The airline filed for bankruptcy on June 24, 2011, amid squabbling between the stockholders; **Avianova** leases six A320s and will return them shortly. The airline started operations August 27, 2009, and its business plan was "flying those Russians who haven't even seen the inside of an airplane in the past twenty years" according to Chief Executive Officer **Andrew Pyne**. **Avianova** sold some tickets to all of its destinations for only 250 rubles (less than \$10). It carried 1.3 million passengers in 2010, and reported a load factor of more than 80 percent.

Delta Air Lines and US Airways Swap Slots. The **Federal Aviation Administration** approved the plan for **Delta** to acquire 132 more pairs of **LaGuardia Airport** slots, while **US Airways** will acquire 42 pairs at **Washington National Airport**. The slots will strengthen each airline's grip on core markets. **Delta** will control 45 percent of the flights at **LaGuardia Airport**; New York is the nation's busiest aviation market. **Delta** will take over most of **US Airways'** terminal space and gates as well. The hub at **LaGuardia** will support **Delta's** international services from **Kennedy Airport**. **American Airlines** is the second-biggest carrier at **LaGuardia** with 21 percent of the slots and has 13 percent of the total New York market. **United Continental Holdings** carries 27 percent of all New York passengers and **Delta** had 20 percent before the slot swap. **US Airways** could be a big winner. It was losing money on its **LaGuardia** operations and now it can focus on **Washington National**; it has had a strong presence since the airline's progenitor, **Allegheny Airlines** flew passengers from the Northeast to the Nation's capital. Several airlines objected to the deal including **JetBlue Airways**, **Virgin America**, and **Southwest Airlines**. Both **Delta** and **US Airways** will have to divest some of their slots after the slot trade—to their competitors.

AirBaltic, the Latvian national airline, filed for bankruptcy on September 21, and continues to operate. The **Latvian Government** owns 52.6 percent of the airline and **Baltic Aviation Systems (BAS)** owns the rest. **BAS** is owned by the airline's president and CEO **Bertolt Flick**. Mr. **Flick** charged that the government "neglectfully and repeatedly delayed any decisions over the capital increase, but announced the potential sale of its shares in the airline." The government would not allow **BAS** to increase the capital either, to save the money-losing airline.

Cargo Pallet

Atlas Air Worldwide Holdings placed two new 747-8F freighters with **Panalpina Group**, a Swiss-based provider of intercontinental air and ocean freight services. **Atlas Air** will operate the planes under

a multi-year aircraft, crew, maintenance and insurance (ACMI) outsourcing contract for **Panalpina**. The freighters are scheduled for delivery in the first half of 2012 and will join one **Atlas 747F** in **Panalpina** service.

Air Transport Services Group announced that its **Cargo Aircraft Management (CAM)** subsidiary will buy its fifth 767-300ER from **Qantas** in the fourth quarter. The plane is scheduled for conversion from passenger to standard freighter configuration by mid-year 2012. **CAM** owns four 767-300ERs and 36 767-200s which have, or will be, converted into freighters.

Precision Conversions has received the first of two 757-200s from **Cargo Aircraft Management, Inc. (CAM)**. The plane was built in 1994 and is powered by **Pratt & Whitney PW2000** engines. It is currently undergoing passenger-to-combi modification at the **Flightstar Aircraft Services** facility in Jacksonville, Florida. **CAM** has the option to convert up to four 757s into the 757-200PCC Combi. The plane will be able to carry 10 full-sized cargo pallets and 48 passenger seats. **CAM** currently owns the 757-200PCF freighter type which offers 15 cargo pallet positions. It intends to lease the first aircraft to **Air Transport International** in the third quarter of 2012. **Precision Conversions** completed 29 757 conversions and has agreements to modify more than 47 others for existing customers.

Southern Air Holdings announced that it will lease two more Boeing 777F aircraft from **Oak Hill Capital Partners**. Upon delivery of the new 777Fs in March and April 2012, they will be operated on ACMI lease on behalf of **DHL Express**. **Southern Air** acquired its first two new 777Fs in March 2010. Since September, DHL has used **Southern Air's** 777F service to connect its hubs in Cincinnati, Bahrain, and Hong Kong. It gives its customers later pickup times out of Hong Kong and the Pearl River Delta, and next-day delivery into the U.S., Canada and much of the Americas, the airline said. **Southern Air** will lease two Boeing 747-400SF freighters from **Aircastle Limited** in the first quarter of next year; another two 747-400SFs will be delivered later in 2012. **Southern Air** currently operates a fleet of 11 Boeing 747-200s and is a portfolio company of **Oak Hill Capital Partners**, a private equity firm with considerable expertise in aircraft leasing, financing, and manufacturing.

MNG Technic, Turkey, will convert three A300-600 passenger aircraft into freighters for **MNG Airlines**. The first aircraft entered conversion in September at **MNG Technic's** Istanbul MRO facility. The company purchased the STC (Supplemental Type Certificate) and conversion kits from another company. **MNG Technic** will remove the A300's passenger equipment, reinforce the aircraft floor and fuselage and install an electrically powered main deck large freighter door. The A300 freighter will be able to carry a 52 ton payload.

Airborne Maintenance and Engineering Services (AMES) will convert four more **DHL**-owned 767-200PCFs to special freighter configuration. The first 767-200 was completed this year and two more are currently undergoing heavy maintenance and modifications. They will be completed in 2011. The fourth and fifth aircraft are scheduled to be completed in the first quarter of 2012.

Military Market

The Government of Australia announced it would buy its sixth Boeing C-17 Globemaster III airlifter when the **Royal Australian Air Force's (RAAF)** fifth C-17 arrived in Australia in September.

Lockheed Martin delivered four C-130J Super Hercules airlifters to the **Qatar Emiri Air Force** on September 28. The new Super Hercules is the “stretched” version of the standard C-130J. The aircraft will be used for humanitarian relief and military missions for the defense of the State of Qatar.

Dirgantara Indonesia (PTDI) and **Airbus Military** signed a Memorandum of Understanding (MoU) for nine C-295s with the **Indonesian Air Force**. The deal could be worth \$325 million and the C-295s will replace the air forces’ Fokker F.27 transports when they are delivered in the first half of 2014. **Airbus Military** signed a teaming agreement with **PTDI** in early October that allows the Indonesian plane maker to co-produce and market the C-295 military transport. **PTDI** is already licensed to build the **CASA C212 Aviocar** and the **CN-235** civil/military turboprop transports.

Airbus Military obtained military and civil certification for the **Royal Air Force’s (RAF)** Future Strategic Transport Aircraft (FSTA) version of the A330 MRTT. The Spanish military certification authority **Instituto Nacional de Tecnología Aeroespacial (INTA)** approved the FSTA for delivery later this year. The **European Aviation Safety Agency (EASA)** granted civil certification in July. These certifications cover the U.K.-specific FSTA configuration of the MRTT. It will be placed on both the U.K. military and civil registers because the **RAF** will lease the 14 aircraft from a private financial institution. The plane will be designated the “Voyager Mk2” when it is fitted with one hose-and-drogue refueling pod under each wing. The “Voyager Mk3” will be fitted with the two wing pods and a centerline Fuselage Refueling Unit (FRU) and it will be certified at a later date.



AIRCRAFT DELIVERIES & SALES

WORLDWIDE AVIATION MARKETING AND MANAGEMENT SERVICE
Jet Aircraft

A318 & A319. A VIP customer took delivery of the only A318 to be delivered this year. In October, ACJ318-112 (SN 4211) was flown from Tulsa, where the interior was installed, back to **Airbus** in Hamburg, where it was handed over to a private operator. In September, **Airbus** delivered only three A319s, including the last -111 (SN 4837) to **easyJet**. The airline ordered 172 A319s and currently operates 187 of the type. **Lufthansa** also accepted -112 (SN 4841), as did **Aviation Link Company** with ACJ319-115 (SN 4228). In October, the manufacturer delivered another three A319s, including ACJ319-115 (SN 4822) to the **United Arab Emirates Government**. **Tibet Airlines** took its third -115 (SN 4846) and **LAN** accepted its 24th -112 (SN 4871).

A320. **Airbus** delivered 24 A320s in September. **China Eastern Airlines** accepted three -214s (SN 4711, 4722 & 4729) and **Volaris** received two -233s (SN 4828 & 4832). **Airbus** delivered eight -200s to leasing companies including two -214s (SN 4835 & 4849) to **BOC Leasing** (for lease to **Aeroflot** and **Vueling**, respectively), one -232 (SN 4817) to **AWAS** (for **Royal Jordanian**), and three -214s (SN 4816, 4823 & 4854) to **GECAS** (for **Spring Airlines**, **Saudi Arabian Airlines** and **China Southern Airlines**, respectively). **Virgin America** leased one -214 (SN 4814) from **Jackson Square Aviation (JSA)** and one -214 (SN 4851) from **RBS Aerospace**. **Thai AirAsia** acquired new -216 (SN 4807) from **AirAsia**. Elsewhere in Asia, **Air China** accepted one -214 (SN 4829), **Cebu Pacific Air** acquired -214 (SN 4852), **Indigo** took delivery of -232 (SN 4818), **Shenzhen Airways** bought one -232 (SN 4845), and **Tiger Airways** received one -232 (SN 4812). **Qatar Airways** took delivery of its 22nd -232 (SN

4810), and **Air Arabia** received -214 (SN 4848). In the Americas, **Avianca** received -214 (SN 4821), and **LAN Airlines** bought -214 (SN 4839). **Air France** leased -214 (SN 4820) from **Aderry Aviation**.

In October, Airbus delivered a record 27 A320s in one month. **China Eastern Airlines** received two -214s (SN 4748 & 4877). **China Southern Airlines** leased -214 (SN 4880) from **GECAS** and two -232s (SN 4864 & 4883) from **Aviation Capital Group**. **Indigo** accepted two more -232s (SN 4868 & 4888) and **Tiger Airways** received another two -232s (SN 4874 & 4879). **Cebu Pacific Air** leased two -214s (SN 4861 & 4870) from **GECAS**. **BOC Leasing** leased -214 (SN 4855) to **Vueling Airlines**, and **Virgin America** leased one -214 (SN 4867) from **Jackson Square Aviation (JSA)**. **AWAS** leased the second of five -232s (SN 4853) to **Royal Jordanian**. The airline is contracted to lease two A321s from **AWAS** as well. **SriLankan Airlines** leased -214 (SN 4869) from **Air Lease Corporation**. **Qantas** leased -232 (SN 4872) to **Jetstar Asia** and **Hainan Airlines** leased -232 (SN 4739) to **Tianjin Airlines**. Airbus delivered three more A320s to China, including -214 (SN 4900) to **Air China**, -232 (SN 4897) to **Shenzhen Airlines**, and -214 (SN 4760) to **Spring Airlines**. In the rest of Asia, **Lao Airlines** received the first of two -214s (SN 4596). It and the second **Lao A320** (SN 4639) were stored at Toulouse for eight months. Both planes were originally allocated to **Afriqiyah Airways**, Libya. **AirAsia** accepted its 93rd -216 (SN 4882). In the Middle East, **Air Arabia** took delivery of its seventh -214 (SN 4890), **Qatar Airways** received its 23rd -232 (SN 4859), and **Gulf Air** accepted its 27th -214 (SN 4860). **Airbus** delivered two -214s to Latin American carriers, **Avianca** (SN 4862) and **LAN Airlines** (SN 4892).

A321. **Airbus** delivered five A321s in September and five more in October. **US Airways** received six -231s (SN 4843, 4847, 4850, 4885, 4893 & 4898) in the last two months. **Air China** acquired -232 (SN 4834), and **Sichuan Airlines** accepted -231 (SN 4856) in September. In October, **Airbus** delivered one -232 (SN 4873) to **Air China**, and one -211 (SN 4838) to **Saudi Arabian Airlines**.

A330 & A340. **Airbus** delivered five A330s in September, including the first A330-223E (SN 1136) for **Malaysia Airways**. The plane is painted in **MASKargo** titles. A second **MASKargo** -243F (SN 1148) will be delivered this year. Another two are on order. **Airbus Military** delivered -202 MRTT (SN 1250) to the **MTAD** for eventual delivery to the **United Arab Emirates Air Force**. **Aircastle Advisor Ltd.**, leased another -243 (SN 1249) to **South African Airways**. **Air Lease Corporation** leased -202 (SN 1252) to **Alitalia**, and **CIT Leasing** leased its second -202 (SN 1251) to **Jetstar Airways**, Australia. The airline now operates ten of the type and will lease a third -202 (SN 1258) from **CIT** later this year. In October, five airlines took delivery of a new A330. **Turkish Airlines (THY)** received its sixth and final -243 (SN 1240); the airline has three -200Fs and three -300s on order. **Hawaiian Airlines** accepted -243 (SN 1259) and **Air China** took delivery of -243 (SN 1260). **Vietnam Airlines** leased -223 (SN 1256) from **Air Lease Corp.** and **CIT Leasing** leased -302 (SN 1254) to **EVA Air**. **Air Greenland** purchased a 1998-model -200, (SN 230) from its lessor after a nine year lease. **Skytech-AIC** assisted the airline in sourcing bank debt to support the acquisition and in structuring the transaction. **South African** retired three very early model A340-212s (SN 008, 011 & 021) in mid-2011. **Lufthansa** sold one -313X (SN 355) to the German **Luftwaffe** in September.

Boeing 737NG. **Boeing** delivered 32 737s in September but its output in October fell to 24. **Boeing** delivered multiple 737s to several airlines in September, including five -8AS/Ws (SN 34988, 34989, 34990, 34991 & 34992) to **Ryanair**, three -823/Ws (SN 31129, 33220 & 40766) to **American Airlines**, two -7K2/Ws (SN 38634 & 39257) to **KLM - Royal Dutch Airlines**, two -9GPER/Ws (SN 37285 &

38302) to **Lion Air**, and two -7H4/Ws (SN 36677 & 36966) to **Southwest Airlines**. **Air Berlin** took delivery of two -86J/Ws (SN 36877 & 36886). It sold the first to **ICBC** for lease to **China Southern Airlines**. **GECAS** received two -86N/Ws (SN 36825 & 36826) and leased the first to **Jet Airways** and the second to **Royal Air Maroc**. **COPA Airlines** leased -8V3/W (SN 39100) from **Aviation Capital Group**, and leased another -8V3/W (SN 37959) from **BOC Aviation**. **AWAS** leased -81D/W (SN 39416) to **Garuda Indonesian Airways**, and **Malaysia Airlines** leased -8FZ/W (SN 39321) from **BBAM—Babcock & Brown**. **Boeing** delivered three -800s to Chinese airlines, including -81B/W (SN 38913) to **China Southern Airlines**, -84P/W (SN 38145) to **Hainan Airlines**, and -87L/W (SN 39150) to **Shenzhen Airlines**.

Boeing Defense took delivery of the first P-8I, 737-8FV (SN 40610) for the **Indian Navy**. **Somon Air**, Tajikistan, received its first -93YER (SN 40888). The plane was fitted with the Boeing Sky Interior and the **Export-Import Bank of the United States (Ex-Im Bank)** provided an \$80 million guarantee of the loan from the **Private Export Funding Corp. (PEFCO)**. The financing was structured as an asset-backed finance lease secured by a first-priority mortgage on the aircraft. **Flydubai** accepted -8KN/W (SN 40248) and **Tassili Airlines** took delivery of its fourth and final -8ZQ/W (SN 40887). **Qantas** bought one -838/W (SN 39358), **GOL Airlines** accepted -8EH/W (SN 35852), and **Norwegian Air Shuttle ASA** received -8JP/W (SN 39009).

A380. **Airbus** delivered the first of five A380-841s (SN 031) to **China Southern Airlines** in October. The airline is the first in China to operate the super jumbo jet. Its A380 features 506 seats in a typical three class configuration, including eight luxury first-class suites, 70 lie-flat business-class seats and 428 economy-class seats. **Emirates** also received two more -861s (SN 077 & 080). The airline now has 15 A380s in service. In September, the manufacturer delivered the fourth of 15 -861s (068) to **Korean Air** and two -841s (SN 065 & 071) to **Singapore Airlines** for a total of 14 in its fleet. **Airbus** has now delivered 60 A380s and is building A380s at a rate of two per month.

In October, **American Airlines** received two more -823/Ws (SN 31131 & 40767) for a total of 164 in the fleet with 143 outstanding orders. **Boeing** also delivered two -9GPER/Ws (SN 37286 & 38305) to **Lion Air**. The airline now operates 52 of the type. **AWAS** leased -81D/W (SN 39417) to **Garuda Indonesian** and **Solaseed Air** leased -81D/W (SN 39418) from **AWAS**. This is the second -800 that **Solaseed** has acquired from **AWAS**. The Japanese airline was previously known as **Skynet Asia**, and operates a dozen 737s, including the two -800s. **Boeing Business Jet** took delivery of two -700BBJs, (-7ZH/W SN 38751 & -7JU/W SN 38855) for VIP Customers **Nanshan** and **Felham**, respectively. **GOL Airlines** accepted its third and last -7EH/W (SN 37609) and its 62nd -8EH/W (SN 35845). The airline has an additional 92 -800s on order. **Air Berlin** received -86J/W (SN 36879) and sold it to **Norwegian Air Shuttle ASA**. **KLM - Royal Dutch Airlines** took delivery of its 13th and last -7K2/Ws (SN 38635). **COPA Airlines** acquired -8V3/W (SN 38140), and **Southwest Airlines** bought its 360th -7H4/W (SN 36967). **RwandAir Express** accepted its second of two -84Y/Ws (SN 40893). **Boeing** delivered one -800 each to Asia/Pacific airlines including -84P/W (SN 38146) to **Hainan Airlines**, -8H6/W (SN 40133) to **Malaysia Airlines**, -838/W (SN 34186) to **Qantas**, and -8FE/W (SN 40996) to **Virgin Australia Airlines**. **GE Capital Aviation Services (GECAS)** leased a second -86N/W (SN 36829) to **Royal Air Maroc**; the airline will lease three more. **Aviation Capital Group** leased -8HX/W (SN 38101) to **Skymark Airlines**. **Jet Airways** leased -8AL/W (SN 37960) from **BOC Aviation**. **CIT Leasing Corporation** took delivery of -7K2/W (SN 38128) and -8BK/W (SN 39447), and leased them to **KLM** and **Korean Air** respectively.

Boeing 747. Boeing delivered the first two 747-8R7Fs (SN 35806 & 35809) to **Cargolux Airlines** and the first of 10 -867Fs (SN 39242) to **Cathay Pacific Airways**.

Boeing 757. **Titan Airways**, U.K., will add two 757s in the spring of 2012. The 757s will be painted in **Titan Airways** livery and the VIP interiors will be finished to **Titan's** high standard. The airline will have three 757s in its fleet when the new ones enter service in May 2012.

Boeing 767. Boeing delivered one -316ER (SN 40798) to **LAN Airlines** in September, and a second (SN 40590) in October. **Japan Airlines** received its 30th -346ER (SN 40369), and **All Nippon Airways** accepted its 31st -381ER (SN 40895). **ANA** and **JAL** each have two more 767-300ERs on order. **LAN** has 20 -300ERs in its fleet and a dozen on order. **Omni Air International** placed the first of two 767-200ERs into service. The 2001 model 767-200ER was equipped with a comfortable first and economy class configuration with all-leather seat covers. The 767-200ER joins **Omni's** fleet of 757-200ER, 767-300ER, and 777-200ER aircraft. **Omni** is a leader in worldwide passenger charter and ACMI wet-lease services; it is based in Tulsa, Oklahoma.

Boeing Business Jets (BBJ) unveiled the second of four BBJs destined for **Deer Jet** of Beijing, China, at the **National Business Aviation Association (NBAA)** conference in Las Vegas in October. **BBJ** President. **Steve Taylor** said, "It's no surprise **BBJ** is dominating the airplane charter business in Asia. BBJ can carry more people than traditional business jets, as well as having cabins that are around twice as wide with unequalled comfort, space and freedom of movement, which makes them ideal for carrying business teams." The **Associated Air Center** of Dallas, Texas, completed the interior and **Deer Jet's** BBJ features 28 seats, a bedroom suite and full sized bathroom with a shower.

WORLDWIDE AVIATION MARKETING AND MANAGEMENT SERVICE

Boeing 777. Boeing delivered seven 777s in September and seven more in October. **Qatar Airways** took delivery of its 100th airliner, a -2DZLR (longer range) (SN 41061), at a ceremony in Everett, Washington on September 30. The airline received -3DZER (SN 38248) in mid-September and 777 freighter -FDZ (SN 36099) on October 28. The Doha-based airline now operates 28 Boeing 777s, including 16 777-300ERs (extended range), three 777 Freighters, and nine 777-200LRs. **Qatar** has a dozen more Boeing 777s on order. In September, **Guggenheim Aviation Partners** leased 777-FHT (SN 39286) to **Southern Air Transport** for operation on behalf of **TNT Airways**. **Air France** accepted its fifth and last 777F, a -FS2 (SN 38707), and sold it to **Federal Express**. **Turkish Airlines—THY** accepted its 12th and last -3F2ER (SN 40797), and **Etihad Airways** received -3FXER (39683). **Emirates** took delivery of one -31HER (SN 38987) in September and two -31HERs (SN 35585 & 41070) in October. The Dubai-based flag carrier has 29 -300ERs in service, and another 41 on order. **Air China** received its third -39LERs (SN 38667) and **GECAS** leased -36NER (SN 38695) to **British Airways**. **Federal Express** took delivery of its 12th -FS2 (SN 41064), and has 15 more on order. Boeing delivered the 300th 777-300ER it has built, a -3E9ER (SN 40122) to first-time customer **Biman Bangladesh** on October 21. The manufacturer has sold 545 777-300ERs from the launch of the program in September 2000 to October 2011. The 777-300ER has out sold its closest rival the A340 (379 sales) by nearly 50 percent (166 units). **Boeing's** Current Market Outlook forecasted that the twin-aisle will need 7,000 new airplanes over the next 20 years.

Bombardier delivered CRJ702ER NextGen (SN 10329) to **Skywest Airlines** in September and two more (SN 10330 & 10331) to the airline in October. **Pluna** received two CRJ900LR NGs (SN 15273 & 15274) in September and October respectively. Also **Suncor Energy** accepted CRJ900 NG (SN 15271) in October. **Brit Air** leased two CRJ1000EL NGs (SN 19015 & 19016) from **Constellation Finance**; they are operated for **Air France**. **Bombardier** delivered two CRJ1000 NGs (SN 19017 & 19018) to **Brit Air** and **Air Nostrum/Iberia Regional** respectively.

Embraer delivered EMBRAER 170-200 LR (SN 17000330) to **Aircraft Lease Corporation** for lease to **Alitalia**. **Embraer** delivered 10 EMBRAER 190s in September, including E195 (SN 19000449) to **Azul Linhas Aereas**, and three E190s (SN 19000457, 19000463 & 19000474) to **Austral Lineas Aereas**. **CDB Leasing Company** leased another two E190s (SN 19000469 & 19000476) to **China Southern Airlines**. **CDB Leasing** ordered 20 E190s for lease to **China Southern**. **Air Lease Corporation (ALC)** leased two E190s (SN 19000468 & 19000478) to **Kenya Airways** and one E190 (SN 19000470) to **Alitalia**. **Tianjin Airlines** received E190 (SN 19000472) and **JetBlue Airways** accepted E190 (SN 19000473).

Embraer delivered BJ Lineage (VIP version of the EMBRAER 190) (SN 19000307) to **Dalia Air**, Morocco, in October. **China Southern Airlines** leased another three E190s (SN 19000477, 19000483 & 19000488) from **CDB Leasing**. **Air Lease Corporation (ALC)** leased one E190 (SN 19000479) to **Alitalia** and one E190 (SN 19000487) to **Air Astana**. **TACA** took delivery of E190 (SN 19000482). **Lufthansa Cityline** acquired E195 (SN 19000486).

Boeing 787. **Boeing** delivered the first 787 Dreamliner to launch customer **ANA—All Nippon Airways** on September 25, in a ceremony at the Everett factory. **Boeing** Chairman, President and CEO, **Jim McNerney** said, “Today we celebrate a significant moment in the history of flight. The 787 Dreamliner is the biggest innovation in commercial aviation since the Boeing 707 introduced the world to passenger jet travel more than 50 years ago.” The 787-881 (SN 34488) flew to Japan two days later and entered service on October 25 on the Tokyo Narita-Hong Kong route. **All Nippon Airways** took delivery of its second -881 (SN 34497) on October 13 and put it into service on a domestic flight on November 2.

Turboprops

ATR delivered ATR 72-500 (SN 959) to **Flybe Nordic** in September. **Fly540.com** took delivery of ATR 72-500 (SN 949). In October, Ecuador’s flag carrier **TAME** received the first of three ATR 42-500s (SN 844). The airline ordered three of the type at the 2011 **Paris Airshow**. The deal was worth \$54 million (\$18 million each). The second aircraft (SN 849) will be delivered this year. **ATR** delivered two ATR 72-500s (SN 947 & 948) to **Firefly**. **Azul Linhas Aéreas Brasileiras** leased its first ATR 72-600 (SN 966) from **Air Lease Corp**. This was the first delivery to a Latin American customer. **Azul** ordered a total of 30 ATR 72-600s and optioned another 10 aircraft. **Avation Airframe Holdings**, Singapore, leased ATR 72-500 (SN 974) to **Skywest Airlines**, for operation on behalf of **Virgin Australia**. **Skywest Airlines** will take delivery of another three ATR 72-500s this year and four ATR 72-600s in 2012. **ATR** has a historically high backlog of more than 270 aircraft

Bombardier delivered Dash 8Q-402NG (SN 4379) to **Maple Leaf Financing** in September, and it was leased to **Spicejet**. **Colgan Air** accepted -402NG (SN 4380), and put it into service for **Untied**

Express. Spicejet leased two more -402NGs (SN 4382 & 4387) from **Maple Leaf Financing** in October. The airline ordered 15 Dash 8Qs in December 2010. **SpiceJet** signed a 10-year agreement under **Bombardier's** comprehensive SmartParts program that will provide cost-per-flight-hour maintenance for the Q400 NextGen aircraft. **Jazz Air** received another two -402NGs (SN 4384 & 4386), for operation for **Air Canada Express**. **All Nippon Airways** took delivery of -402NGs (SN 4385), and it will be operated by **ANA Wings**.

Skytech-AIC reports that it was appointed by **Rand Merchant Bank (RMB)** to act as lease managers for seven Bombardier Q400s that **RMB** purchased from **Flybe** and leased to **South African Express Airways (SA Express)**. **Skytech-AIC** and **RMB** have worked together on a number of aviation transactions over some 15 years and **Skytech-AIC** already manage five **RMB**-owned Q400s – three on lease to **Flybe** and two leased by **SA Express**, the management company said.

EADS-CASA. The **Egyptian Air Force (EAF)** has taken delivery of its first Airbus Military C295 (SN 083) on September 29. The military transport aircraft was delivered ahead of schedule and is part of a three-plane order placed in October 2010. The other two aircraft (SN 084 & 085) are to be delivered in the fourth quarter of 2011.

SAAB. **Gulfstream International Airlines** will purchase six, 34-seat Saab 340Bplus aircraft from **Saab Aircraft Leasing**. The Fort Lauderdale-based airline will put all six Saabs on its Florida/Bahamas routes. The Saab 340Bplus aircraft will replace smaller, 19-seat Beechcraft 1900Ds. The Saabs will be handed over from mid-November 2011, to August 2012.



GECAS Asset Management Services purchased Airbus A340-311, (SN 015), from **AC Aircraft Leasing 6 (Cayman) Limited**, in a deal arranged by **AMS Aircraft Limited**, UK. The plane will be parted out.

A J Walter Aviation will purchase four 737-300s from **Pembroke Capital Aircraft**, Shannon, Ireland. The 737s will be dismantled for parts. The 737s were last operated by **Germania**.

Accidents and Safety

From Aviation Safety Foundation

LOT Polskie Linie Lotnicze Boeing 767-35DER, SP-LPC (SN 28656) landed on its belly at **Warsaw-Frédéric Chopin Airport**, Poland, on November 1. None of the 231 passengers and crew were injured during the gear-up landing. The flight crew reported that the landing gear could not be extended as the plane approached the airport.

Airlines PNG de Havilland Canada DHC-8-102, P2-MCJ (SN 125) crashed 12 miles south of Madang, Papua New Guinea, on October 13. Four of the 32 people on board survived. The plane crashed into a dense forest near the Gogol River while it was approaching the runway at Madang.

Nationale et Regionale Transport Embraer 120ER Brasilia, ZS-PYO (SN 120245) left the runway after landing at **Port Gentil Airport**, Gabon, on October 12. There were 27 passengers and three crew members on board; four passengers suffered minor injuries and the plane was written off.

Sudan Airways Fokker 50, ST-ASD (SN 20201) performed a gear-up landing at **Khartoum-Civil Airport**, Sudan, on October 2. None of the 45 passengers and crew were injured in the incident. The plane was substantially damaged because the left hand main undercarriage leg failed to lock down or failed to deploy entirely.

Nusantara Buana Air CASA/Nurtanio NC-212 Aviocar 200, PK-TLF (SN 283/88N) crashed in the forest near Bohorok, Sumatra, Indonesia, on September 29. All 14 passengers and four crew members were killed.

Aeropostal Alas de Venezuela McDonnell Douglas DC-9-51, YV136T (SN 47738/830) was written off after a hard landing at **Puerto Ordaz Airport**, Venezuela, on September 26. None of the 125 passengers and five crew were seriously injured. The airplane touched down very hard and both engines broke free from the fuselage.

Buddha Air Beechcraft 1900D, 9N-AEK (SN UE-295) struck a hill side while on approach to **Kathmandu-Tribhuvan Airport**, Nepal, on September 25. All 16 passengers and three crew died.

Arctic Sunwest Charters de Havilland Canada DHC-6 Twin Otter 300 float plane, C-GARW (SN 367) crashed in a street while trying to alight at the **Yellowknife Waterdome**, NT, Canada, on September 22. Both pilots were killed and five of the seven passengers were injured.

SALSA d'Haiti Beechcraft 99A, HH-APA (SN U-123) crashed in a flooded sugar cane field near Milot, Haiti, on September 20. The passenger and both pilots were killed. The plane was flying from Port-au-Prince to Cap Haitien, Haiti.

TAME Ecuador Embraer EMBRAER 190-100AR, HC-CEZ (19000027) was destroyed when it ran off the end of the runway at **Quito-Mariscal Sucre Airport**, Ecuador, on September 16. All 97 passengers and six crew survived the accident. The airplane collided with a brick wall beyond the end of the runway.

Força Aérea Nacional Angolana - FANA Embraer 120ER Brasilia, T-500 (SN 120359) crashed at Huambo, Angola, on September 14. The plane broke in two and caught fire, killing 17 of the 23 people on board.

YAK Service Yakovlev 42D, RA-42434 (SN 4520424305017) crashed about a mile from the runway of **Yaroslavl Airport**, Russia, on September 7. The plane stalled during take off and all 37 passengers and seven of the eight crew died. The airplane was carrying the **Lokomotiv Yaroslavl** ice hockey team to a match in Minsk.

Aerocon Swearingen SA.227BC Metro III, CP-2548 (SN BC-768B) crashed near **Trinidad Airport**, Bolivia, on September 6. Both crew members and six of the seven passengers were fatally injured. The aircraft landed in the jungle short of the runway, but it was not found for two days.

Fuerza Aérea de Chile CASA C-212 Aviocar 300DF, 966 (SN 443) crashed into the sea while on approach to **Isla Robinsón Crusoe Airport**, Chile, on September 2. The C-212 flew from Santiago on an inspection tour of the Juan Fernández archipelago. All 21 occupants were killed.

AVMARK CAPABILITIES

Since its establishment in 1962, AVMARK has been providing consulting management services to all sectors of the aviation community. From offices in Washington DC and Singapore, together with associates based in United States (North America), Ecuador (South America), Spain (Europe), Congo (Africa), New Delhi (India and Asian Market), we serve a worldwide clientele. Our staff is comprised of professionals with extensive, successful careers in technical, commercial and managerial areas of aviation enterprises; combining real world operational experience with sophisticated analytical tools to provide our clients with the most effective solutions to their problems.

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PUBLICATIONS

We publish the **AVMARK Newsletter** monthly; containing market information, various analyses and commentary; also reports all orders, purchase sales and leases of new and used transport aircraft. We also publish several other statistical compilations from our extensive database on aircraft, carriers, traffic, costs and operations.

AVMARK's Transport Aircraft Values (TAV); reports current fair market values by year of build and projects the future value of all transport category aircraft.

AVMARK's Historic Jet and Turboprop Values; summary of the then current fair market values as published in the AVMARK Newsletter for all jets and turboprops in service.

AVMARK's Small Transport Aircraft Catalogue (STA); designed as an easy to use reference guide to compare the operating and cost parameters of 35 regional jet and turboprop aircraft.

Sample of Avmark Publication

SMALL TRANSPORT AIRCRAFT CATALOG

STA is designed as an easy to use reference guide to compare the operating and cost parameters of 35 regional jet and turboprop aircraft. Information includes development history, current production status, configuration and operating performance and costs as reported to the DOT. Pictures of each aircraft are also included.

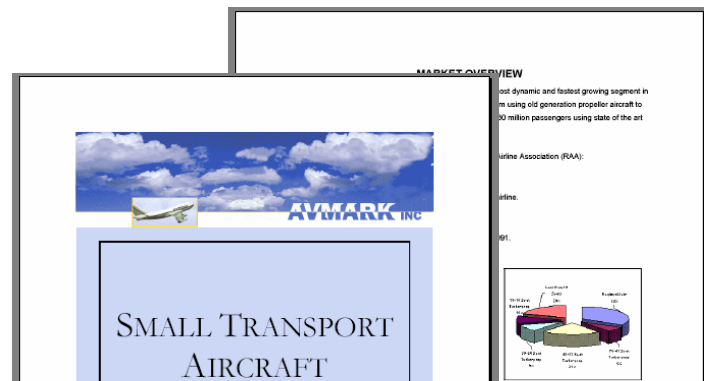


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ATR 42-300

In Service: 1985 Orders: Out of Production Deliveries: 284

Specifications	
Accommodations	40
Passengers*	40
Pilots	2
Cabin Attendants	1
Powerplant	1,800 SHP / 1,342 kW
2 Pratt & Whitney PW120 Turboprops	4 blades
Wingspan	24.8 m
Length	24.8 m
Height	6.8 m
Wing Area	170 / 170 / 53 sq ft
Max. Ramp Weight	36,815 lb
Max. Takeoff Weight	36,155 lb
Max. Landing Weight	33,510 lb
Max. Ramp Weight	22,875 lb
Max. Landing Weight	10,835 lb
Max. Ramp Weight	9,920 lb
Max. Landing Weight	10.83 lb / sq ft
Max. Landing Weight	10.22 lb / sq ft

Standard Equipment: Right engine Propeller Brake, Airsearch Air Conditioning, Stall Warning.

Optional Equipment: KLN 90A GPS/W, FMS, Area Navigation (RNAV), Microwave Landing System, VLF/Omega Long Range Navigation System, Dual Honeywell AZ-800 Digital Air Data Computers, FA System, HF Radio, Collins Avionics in place of King Avionics, CAT II.

Avionics: EDZ 820 Electronic Flight Instrument System (EFIS) - 4 CRT's for dual Altitude and Heading Reference Systems (AHRS) - 2 CRT's for dual Computers (ADC), 1 DPE-600 Autopilot/Flight Director, Dual King Gold Crow Dual King Gold Crow VHF Nav, Radar, DME, Radio Altimeter, Honeywell P-800 Weather Radar.

Price List	
Years Built	Base (\$ mil)
ATR 42-300	85-96 3.0

Direct Operating Costs (\$ per block hour)	
Utilization (Block Hours / Year)	100 300
Average Stage Length (nm)	100 300
Flying Operations	\$180 \$180
Flight Crew, Salaries / Expenses	\$173 \$162
Fuel, Oil, Taxes	\$3 \$3
Other	\$3 \$3
Aircraft Costs	\$3 \$3
Insurance	\$476 \$476
Maintenance	\$62 \$62
Depreciation	\$318 \$318
Rentals	\$318 \$318
Total Direct Operating Costs	\$905 \$935
Cost per Available Seat Mile - \$	12.33 \$6.85
Cost per Airplane Mile	\$5.67 \$4.44
Cost per Seat Block Hour	\$19.67 \$15.1

Note: Data from DOT 41line filings.

ATR 42-300

ATR 42

THE AVIONS DE TRANSPORT REGIONAL (ATR) first flew in August 1984, and entered service in December 1985 with the French regional Brel Air. The aircraft is a joint venture between Aerospatiale of France and Aeritalia of Italy. The ATR 42's name originally designated it as a 42 passenger aircraft, but subsequent reduction of the forward baggage compartment now allows for a seating configuration of up to 50 passengers.

The baseline aircraft is the ATR 42-300/320 powered respectively by PW120/121 engines. The latest version is the ATR 42-500 powered by PW127x engines and Hamilton six bladed propellers. Thus increasing the payload to 12,015 lb and the cruise speed to 300 kts.

The standard front cargo door allows the aircraft to be quickly converted from a passenger layout to freighter. Unique among turboprops, is the integration of a Propeller Brake on the right engine, which allows running of the engine in "Idle" mode to provide aircraft electrical power and air conditioning without the inconvenience and safety hazards of a rotating propeller.

The ATR 42 and ATR 72 have a very high degree of commonality, allowing for cross-crew qualification, and a common spare parts holding.

TYPICAL CABIN CONFIGURATION

48 seats in a four abreast layout with a center aisle. Access to the cabin is by an air stair at the rear passenger door, and a modular galley in the rear of the aircraft is serviced through the same door. A standard toilet is located in the rear of the aircraft behind the passenger door. Baggage is accommodated in overhead bins on both sides of the cabin, under seat storage, in an extremely accessed forward and aft baggage compartment, and in a closet.

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Select Aircraft Type

Available Aircraft

- Airbus A300B4-600R
- Airbus A300B4-600RF
- Airbus A310-200
- Airbus A310-200F
- Airbus A310-300
- Airbus A310-300F
- Airbus A318
- Airbus A319-100
- Airbus A320-100
- Airbus A320-200
- Airbus A321-100
- Airbus A321-200
- Airbus A330-200
- Airbus A330-300
- Airbus A340-200
- Airbus A340-300
- Airbus A340-500
- Airbus A340-600
- Airbus A350-800
- Airbus A350-900
- Airbus A380-800
- Avro RJ-100
- Avro RJ-70
- Avro RJ-85
- BAe 111-200/300/400/500

Picture



Selected

Airbus A340-300

Description

Widebody 4 Engine Passenger

Manufactured

1992 To 2006

Values

\$54.00m \$118.00m

Estimated Life

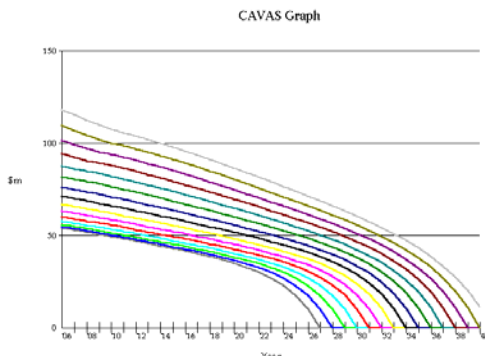
35 years

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CAVAS Figures

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
2006	54.00	54.61	55.83	57.66	60.10	63.54	66.80	71.07	72.94	81.43	87.52	94.23	101.54	109.47	118.00
2007	52.83	53.49	54.73	56.34	58.98	62.01	65.42	69.85	74.86	80.37	85.92	92.18	99.12	106.73	115.25
2008	51.69	52.36	53.61	55.23	57.85	60.84	64.23	68.69	73.65	79.16	84.76	90.91	97.97	104.20	112.39

Profit & Loss Report

Aircraft Type: Airbus A340-300

Period	1	2	3	4	5
REVENUES (US\$)					
Passengers	49,328,754	49,270,739	49,212,559	49,154,213	49,095,701
Freight & Mail	8,879,176	8,868,733	8,858,261	8,847,758	8,837,226
Other Revenue	986,575	985,415	984,251	983,084	981,914
TOTAL OPERATING REVENUE	59,194,505	59,124,887	59,055,070	58,985,055	58,914,841
VARIABLE EXPENSES					
Fuel	6,918,975	6,917,743	6,916,470	6,915,177	6,913,846
Landing Fees	3,021,823				
Enroute Charges	392,440				
Pax Commissions	7,399,313				
Freight Commissions	1,331,876				
Food & Supplies	3,999,194				
Passenger Liability Insurance	379,590				
TOTAL VARIABLE COST	23,443,212				
SEMI-VARIABLE EXPENSES					
Crew Salaries & Expenses	5,177,760				
Maintenance & Engineering	587,650				

Profit & Loss Report

Aircraft Type: Airbus A340-300

Period	1	2	3	4	5
FIXED EXPENSES					
Station Overhead	346,597	345,923	345,249	344,575	343,901
Maintenance Burden	176,295	351,824	526,586	700,581	873,810
Other Overhead	0	0	0	0	0
TOTAL FIXED COST	522,892	697,747	871,835	1,045,156	1,217,711
TOTAL OPERATING COST	31,464,497	32,186,749	32,903,601	33,618,052	34,329,104
General and Admin. Allocation	1,573,225	1,609,287	1,645,180	1,680,903	1,716,495
TOTAL COST	33,037,722	33,796,036	34,548,781	35,298,955	36,045,599
OPERATING PROFIT OR LOSS	26,156,782	25,329,851	24,506,290	23,686,100	22,869,282
D-CHECK ADJUSTMENT					
Cumulative Hours	4,830	9,650	14,459	19,257	24,045
Cumulative Dollars	315,000	0	0	0	0
ADJUSTED CASH FLOW	25,841,782	25,329,851	24,506,290	23,686,100	22,869,282
AIRCRAFT LIFE ADJ. CASH FLOW	25,841,782	25,329,851	24,506,290	23,686,100	22,869,282

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