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WORLDWIDE AVIATION MARKETING AND MANAGEMENT SERVICE

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Newsletter

Market Comment

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The U.S. Department of Justice (DOJ) Launched an Investigation into whether U.S. airlines have been illegally colluding to limit capacity to keep seat prices high. The **DOJ** asked all the U.S. airlines for comprehensive details about why they have each chosen to limit seat availability and, in addition, what information they made available to investors, the public, securities analysts, and each other. **American Delta, Southwest and United** hold an 80 percent share of the domestic air travel market, and they said they will fully cooperate with the investigation. Since the bankruptcies of the 2000's, the top airlines have merged and taken a conservative approach to adding capacity and have levied new fees on passengers. These and the drop in oil prices have allowed airlines to post billion dollar profits, for the first time in history.

The Investigation by the Department of Justice was well received by politicians and consumer advocates alike. Senator **Richard Blumenthal** (D-CT) said, "This investigation must be tireless and timely to save consumers from the onslaught of price increases in summer fares." The airlines responded by saying, on average, 2015 ticket prices have fallen and capacity is at its highest levels after the 2008 recession. The **Airlines for America** trade group stated that "Our members compete vigorously every day, and the travelling public has been the beneficiary." The **DOJ** can claim collusion by citing statements by airline executives at aviation events that they would maintain "discipline" when adding seats on competitive routes. These were a red flag for antitrust regulators. The **DOJ** wants to know if the big four airlines can coordinate pricing by following each other's public statements and fare moves? They sued to stop the **US Airways-American** merger in 2013 over the question of coordination, but the lawsuit was eventually dropped and the merger completed. **John Kwoka**, a professor of antitrust economics at **Northeastern University**, said, "Here it is - the very coordination that they had speculated about. It was something of a problem before and it certainly has gotten worse."

Hidden in Plain Sight. Clandestine efforts to set prices or divide up markets are clearly illegal, per a famous conversation between **American's Robert Crandall** and **Braniff's Howard Putnam** in 1982, when Mr. **Crandall** said he would raise fares if Mr. **Putnam** did. Now executives of the largest airlines announce their plans in public. At an **International Air Transport Association** meeting in June, at least three senior airline executives stressed the need for "discipline".

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American Airlines CEO, **Doug Parker**, discussed the painful lessons airlines and their financial backers had learned about the costs of recklessly adding capacity. The recession was especially tough because airlines were forced to take delivery of new airplanes they no longer needed. Many orders were dropped or deferred. **Helane Becker**, airline analyst at **Cowen and Co.**, defended the airlines' talk about capacity at industry conferences. She said, "To give us guidance, they have to give us that information. It's not nefarious. It's not hidden. It is just what it is." U.S. courts have said companies can give guidance to the market even if sending those signals could affect the actions of competitors.

Since Most U.S. Airlines Are Profitable, they no longer engage in expensive and debilitating fare wars. Therefore they can add capacity at the rate of the growth of the U.S. economy and not at a rate calculated to poach traffic from a weaker rival. "Traffic always grows in line with GDP," Ms. **Becker** said. U.S. Gross Domestic Product will grow at 1.5 percent to 2 percent this year, well below previous forecasts of 3 percent to 4 percent, she said. If the **DOJ** does not find a "smoking gun" in the e-mails and correspondence between the airlines, then it will have to rely on circumstantial evidence. It is difficult for regulators to prove improper market signaling. One analyst thinks the **DOJ** wants to nudge the airline industry to reduce prices and give travelers more of the benefit of the recent sharp fall in fuel prices.

American Airlines announced plans to slow its expansion in light of weaker-than-expected travel demand. Earlier, it forecast 2 percent domestic traffic growth, but now it expects capacity to grow about 1 percent in 2015. Its international expansion forecast was unchanged. The airline recently deferred the delivery of 35 **Airbus** A320neo Family airliners and it will retire one more **Boeing** 757 than it previously planned to keep capacity in check. The airline will add 21 **Bombardier** CRJ900s four fewer than originally planned.

Delta Air Lines is also reining in its capacity growth from 5 percent to around 3.2 percent. The 39 percent drop in jet kerosene prices saved \$463 million on fuel compared with the same period last year, raising its second-quarter profits, which beat analysts' estimates, but competition is holding down fares this summer. **Delta** said its capacity will rise by 3 percent this quarter and in the fourth quarter. The record profits in 2014 caused some airlines to add more seats, in hopes of adding passengers. Its competition, budget carriers **Spirit Airlines** and

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Southwest Airlines, will see their capacity rise by 30 percent and 7 percent respectively, this year. According to data compiled by **Bloomberg**, average domestic fares have fallen 8 percent from the high reached in June 2014. **Spirit** recently cut its forecast for operating margins for the rest of 2015, due to pricing pressure from other carriers. **Delta** also forecast weaker third-quarter revenue— down 4.5 percent to 6.5 percent. Yield (revenue per mile) fell 3.9 percent.

Airbus Orders

Airbus Sold 135 Aircraft in June, and delivered 61 airplanes from all of its current jetliner families. The largest firm order came from Dubai-based **International Airfinance Corporation (IAFC)** which bought A320ceo aircraft and 20 A330-300 Regional aircraft for lease to **Saudi Arabian Airlines**. The Saudi flag carrier will become the world's first carrier to operate the new A330-300 Regional variant. Another major agreement announced at the **Paris Air Show** was the **GE Capital Aviation Services (GECAS)**'s order for 45 A320neo and 15 A321neo jetliners, raising its A320 Family aircraft orders to 465. **Lion Air** ordered nine A320neos and dropped nine of its current A320ceo commitments. **VietJet Air** bought six more A321ceos, and Japanese low-cost carrier **Peach Aviation** bought its first three A320ceos. **Atlantic Airways** will acquire its first A320ceo and **Air Lease Corporation** purchased two A320ceos, and one A321ceo. With these new A320 Family sales, **Airbus** had booked 3,867 A320neo Family orders from more than 70 customers, and orders for its single-aisle jetliners reached 11,804. **Air Lease Corporation** bought its 10th A330-200 and its 21st A350-900 during the month. **Airbus** sold one

Airbus Orders, Deliveries and Backlog June 2015

JUN ORD	JUN DEL	JUN CANX	TOTAL ORD	TOTAL DEL	BACK LOG
			A318		
-0-	-0-	-0-	80	80	-0-
			A319		
-0-	3	-0-	1,472	1,448	24
			A319neo		
-0-	-0-	-0-	49	-0-	49
			A320		
36	22	-9	4,773	3,989	784
			A320neo		
54	-0-	-0-	2,991	-0-	2,991
			A321		
7	17	-0-	1,613	1,106	507
			A321neo		
15	-0-	-0-	826	-0-	826
			A330		
22	14	-0-	1,379	1,203	176
			A330neo		
-0-	-0-	-0-	145	-0-	145
			A350		
1	2	-0-	781	5	776
			A380		
-0-	3	-0-	317	165	152
This Month			This Year		BL
135	61	-9	348	304	6,430

Airbus sold 15,619 aircraft and delivered 9,189 as of June 30, 2015. Thirty-four orders were cancelled. Total orders, deliveries and backlog include cancellations and order changes.

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A330-200 to **Airbus Defense and Space**, for conversion into the first Multi Role Tanker Transport (MRTT) for the **French Air Force**. The **French Ministry of Defense** announced its commitment to buy 12 A330 MRTT air-to-air refueling aircraft in November 2014. The first delivery was scheduled for 2018, the second in 2019, and the rest will follow at a rate of one or two per year. In the first half of 2015, **Airbus** recorded 382 orders before 34 cancellations were counted, resulting in 348 net orders.

The **Airbus** hand-over of 42 A320 Family jetliners in June brought its single-aisle aircraft deliveries to more than 6,600, while the total A330s provided to customers passed the 1,200 mark. **Airbus** delivered 19 widebody aircraft, including three A380s, the fourth A350 to launch operator **Qatar Airways** and the first to **AerCap** for lease to **Vietnam Airlines**, the second heavy A330-300 to **Delta Air Lines**, the first A330-200 for **Tunisair** and the first A330-300 to **Kuwait Airways**. During the first six months of 2015, **Airbus** delivered 304 aircraft to 67 customers worldwide.

Turkish Airlines is negotiating with banks to borrow up to \$3 billion to finance the purchase of 17 **Airbus** and 26 **Boeing** aircraft scheduled for delivery in 2016. The state carrier is open to various financing options such as commercial loans, Islamic financing and government loan guarantees. **European Export Credit Agency (EECA)** will guarantee up to 85 percent of the cost of **Airbus** aircraft, while the financing for **Boeing** aircraft will have an 85 percent guarantee from the **Export-Import Bank of the United States** (maybe). **Turkish Airlines** is seeking funds in tranches with a maturity of from 5 to 12 years. It is looking at bids in multi currencies and with floating and fixed interest rate offers, the sources said. **Turkish** will take delivery of 10 A321-200s, five A330-300s and two A330-200Fs in 2016. **Boeing** is due to deliver 20 737-800s and six 777-300ERs. The **Turkish Government** will not offer any sovereign guarantees.

Peach Aviation placed its first direct order with **Airbus** for three A320-200s during **Paris Air Show 2015**. The aircraft will feature 180 seats in a single-class layout and will be powered by **CFM International** CFM56 engines. The budget unit of **ANA-All Nippon Airlines** operates 14 leased A320-200s and will lease three more this year. **Peach** launched services with A320s in March 2012.

VietJet Air, Vietnam's first privately-owned carrier, ordered six additional A321s at the **Paris Air Show**. The airline launched operations at the end of 2011, and now operates 22 A320s and one A321 on a network covering Vietnam and a growing number of destinations across Asia. With this newest purchase, the carrier has ordered 14 A320neos, 42 A320neos and 13 A321neos from **Airbus**, and also holds purchase rights for another 30 aircraft. **VietJet Air** plans to lease 31 A320 Family aircraft as well. Madam **Nguyen Thi Phuong Thao**, **VietJet Air** President and CEO, said, "Since we took delivery of our first A321 in March this year, we have benefitted strongly from the additional capacity offered by the aircraft and its low operating costs. We are therefore placing this additional order for the A321 to meet demand on some of our most popular routes."

Lion Air exchanged nine A320ceo orders for a like number of A320neos. This raised A320neo orders to 118 aircraft, with 65 A321neos in backlog. The airline has taken delivery of eight of its 51 A320ceo orders. **Airbus** revealed the conversion as it formally recorded a number of agreements unveiled at the **Paris Air Show**.

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Atlantic Airways, based in the Faroe Islands, signed a firm order for one new A320ceo, in June, becoming a new A320 customer. The aircraft will be delivered at the end of 2016, and it will allow the carrier to tap into the growing passenger market between the Faroes and Copenhagen. The A320 will seat 168 people and the airline already operates three **Airbus** A319s.

IAFC-International AirFinance Corporation was the launch customer for the new **Airbus** A330-300 Regional, and it also ordered 30 A320ceos. The total order was list priced at \$8.2 billion. The Airbuses will be leased to **Saudi Arabian Airlines**, which already operates 12 A330-300s, 35 A320-200s and 15 A321-200s. **IAFC** was founded in Dubai in June 2014, as a sharia compliant aircraft leasing fund with **Airbus** and the **Islamic Development Bank (IDB)** as anchor investors and strategic partners. In January 2015, **IAFC** signed a firm purchase agreement for five A330-200 aircraft and took options for four more A330-200s. That transaction was priced at approximately \$2 billion. The five A330s were placed on long term operating lease with **Kuwait Airways**. The new A330-300 Regional variant is specially designed for regional and domestic operations, and is **Airbus'** solution for markets with large populations and fast-growing, concentrated air traffic flows, the manufacturer said. The airplane is optimized to seat up to 400 passengers and fly missions up to 3,000 nm. It offers up to 26 percent cost savings through a reduced operational weight of around 200 tons. The delivery dates for the A330s and A320s were not announced.

The First-Half Order Totals for Airbus and Boeing were 41 percent lower than in 2014. This slowdown in jet demand comes after airlines and lessors binged on new planes over the past five years. The two planemakers booked 629 firm orders, down from 1,048 in the first six months of 2014, and a total of 1,110 (589 Airbuses and 521 Boeings) for all of 2010. **Boeing** and **Airbus** saw backlogs reach record heights as buyers sought new, more-efficient models to replace their old gas guzzlers. They announced more than \$100 billion in sales at **Paris**, but most of the commitments were not firm orders. **Airbus** booked 348 orders as of June 30, compared with 281 for **Boeing**. **Airbus** is leading in the single-aisle category and the NEO has about 60 percent of the market while the MAX has about 40 percent. **Boeing** is winning in the more expensive widebody jet market. It took in 78 orders while **Airbus** trailed with 58.

Air Lease Corporation announced a firm order for its 10th A330-200, one A350-900, one A321ceo and two A320ceos at **Paris Air Show**. **ALC's** portfolio of **Airbus** aircraft stands at a total of 263, including 16 A330ceos, 25 A330neos, 21 A350-900s, five A350-1000s, and 196 are single-aisles, consisting of 30 A320ceos, 31 A320neos, 26 A321ceos, and 109 A321neos. **ALC** helped launch the A330neo and the A321neoLR.

Boeing Orders

Boeing Sold 161 Aircraft in June. Early in the month, **Boeing** booked one 747-8F from an **Unidentified Customer** (revealed to be **Atlas Air** in July) and 10 777X aircraft from another **Unidentified Customer**. A third **Unidentified Customer** ordered 17 737-800s. Before the **Paris Air Show**, **SMBC Aviation Capital** purchased 10 737 MAXs and an **Unidentified Customer** purchased four 737-900ERs. At the show, **Boeing** announced **AerCap's** order for 100 737 MAX 8s, and **Qatar Airways'** purchase of 10 777-8Xs and four 777Fs. After the show, a **Business Jets / VIP Customer** contracted for one 787-8 and an **Unidentified Customer** ordered four 787-9s. After the **Paris Air Show**, **Boeing's** sales for 2015 stood at 203 737s, four 747-8s, one 767-300F, 49 777s, and 24 787s for a

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net total of 281. An **Unidentified Customer** cancelled 15 787-8 orders in June, bringing total cancellations to 18 737s and 26 787s this year. **Boeing's** gross orders were 325 thus far in 2015. **Boeing** delivered 48 737NGs, two 747-8s, two 767-300Fs, nine 777s and 10 787s in June, for a total of 71.

In Mid-July, **Boeing** reported that an **Unidentified Customer** (probably **China Eastern Airlines**) ordered 50 737s. The next week, **FedEx** bought 46 767Fs and an un-named customer dropped two 737 orders, raising the 737 cancellation total to 20.

At Paris Air Show 2015, **Boeing Won Orders Worth \$40.8 billion** at list prices. The highlight for the Seattle plane maker was aircraft lessor **AerCap's** purchase of 100 737 MAX 8s, and **Qatar Airways'** orders for 10 777-8Xs and four 777 Freighters. **Volga-Dnepr** committed to buy 20 747-8Fs and **Korean Air** announced its intention to purchase 30 737 MAXs and two additional 777-300ERs. It took options for an additional 20 737 MAX.

AerCap announced its order for 100 737 MAX 8s at the **Paris Air Show**. The order was valued at \$10.7 billion (\$107 million each) at current list prices, and was the first 737 MAX order placed by **AerCap**. The company is a global leader in aircraft leasing with 1,800 aircraft that are owned, managed, or under contract to purchase. It serves over 200 customers in more than 90 countries and provides part-out and engine leasing services through its sub-sidiary, **AeroTurbine**.

Qatar Airways placed an order for 10 777-8Xs and four 777 Freighters, valued at \$4.8 billion at list prices, on the first day of **Paris Air Show 2015**. The flag carrier ordered 50 777-9Xs at **Dubai Airshow** in 2013, and bought a dozen 777Fs between 2006 and January 2015. The airline reserved purchase rights for 50 777-9Xs at **Farnborough Airshow** in 2014. Design of the 777X is underway and production will begin in 2017, with first delivery targeted for 2020. With **Qatar's** order, the 777X has accumulated 320

Boeing June 2015 Orders, Deliveries					
JUN ORD	JUN DEL	JUN CANX	TOTAL ORD	TOTAL DEL	BACK LOG
737					
21	48	-0-	10,021	8,599	1,422
737 MAX					
110	-0-	-0-	2,831	-0-	2,831
747					
1	2	-0-	1,541	1,510	31
767					
-0-	2	-0-	1,115	1,076	39
777					
4	9	-0-	1,570	1,313	257
777X					
20	-0-	-0-	306	-0-	306
787					
5	10	-22	1,095	292	803
This Month			This Year		BL
161	71	-22	281	381	5,689
Boeing sold 26,009 aircraft and delivered 20,320 as of June 30, 2015					
The Current Program includes sales and deliveries of 737s, 747s, 767s, 777s and 787s.					
Sales totals include 44 cancellations.					

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orders and commitments from six customers worldwide. At present, **Qatar** operates nine 777-200LRs, 28 777-300ERs, and eight 777Fs.

Boeing Business Jets sold another 787-8 BBJ to an undisclosed customer after the **Paris Air Show**. **Boeing Business Jets** offers a wide variety of ultra-large-cabin, long-range airplanes for the private jet market, including the BBJ and BBJ MAX family as well as the widebody 787, 777, and 747-8 VVIP (Very, Very Important Persons) jets. The company currently has six 787-based BBJs on backlog and four have been delivered. The jets are delivered without cabin furnishings which are then installed at custom completion centers where they receive yacht-like interiors costing millions of dollars more.

SMBC Aviation Capital, Japan, announced its order for 10 737 MAX 8s at the **Paris Air Show**.

This deal adds to a 2014 order for 80 737 MAX 8s, for a total of 90. **SMBC Aviation Capital** has a modern fleet of over 370 owned and managed aircraft valued at more than \$10.5 billion; which includes 180 **Boeing** airplanes. The leasing company has 95 airline customers and over 42 investors in more than 40 countries around the world.

China Eastern Airlines announced to the Hong Kong stock exchange in July that it would purchase 50 Next-Generation 737-800s. The airplanes will be operated by its wholly-owned subsidiary, **China United Airlines**, and to other branches and subsidiaries. The order will be posted on **Boeing's Orders & Deliveries** website once all contingencies are cleared. The first 10 737s will arrive in 2017, another 25 will follow in 2018, and the last 15 will be delivered in 2019. The airline said the 737s had a base price of \$91 million, putting the deal at \$4.55 billion. Further, **China Eastern** said it won "substantive price concessions" on the aircraft. In June 2014, the airline announced an agreement to take 20 737-800s and 60 737 MAX aircraft, list priced at \$7.4 billion, but the order was attributed to an "**Unidentified Customer**". That order will be filled between 2016 and 2020. The airline said the actual sales prices for this year's 50 737-800s were "more favorable" than those granted for the 80 airplanes last year.

EVA Air finalized its order for five 777 Freighters in July. The order was valued at more than \$1.5 billion at list prices, and these will be the first 777 Freighters to join **EVA Air**, and the first to be operated by a Taiwanese airline. **Boeing** announced **EVA Air's** intent to order the five 777 Freighters at the **2015 Paris Air Show** in June. The airline plans to use the new freighters to bolster its fleet on trans-Pacific and Asian routes in an effort to meet growing demand in the air cargo market. **EVA** currently operates more than 35 **Boeing** airplanes, including 21 777-300ERs, and it has 13 more 777-300ERs on order from the manufacturer and lessors. **EVA** will become one of the largest 777 operators in the world and it plans to grow its twin-aisle fleet to more than 60 airplanes by the end of 2025.

Boeing Deliveries	Second Quarter	Year-to-Date
Major Programs	2015	2015
Commercial Airplanes Programs		
737	128	249
747	5	9
767	4	9
777	26	50
<u>787</u>	<u>34</u>	<u>64</u>
Total	197	381
Defense, Space & Security Programs		
AEW&C	-0-	-0-
C-17 Globemaster	2	3
C-40A	-0-	1
<u>P-8 Models</u>	<u>4</u>	<u>6</u>
Total	6	10

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FedEx Express officially ordered 46 new 767-300F freighters from **Boeing** in July. **FedEx** took options to purchase another 50 767Fs. The firm-order aircraft will be delivered from fiscal 2018 through fiscal 2023. With this order, **FedEx Express** now holds a total of 106 firm orders for 767Fs for delivery through fiscal 2023.

Nedbank South Africa announced that it has been mandated by **Comair** to provide 2,150 billion Rand for the purchase of four new **Boeing** 737-800 aircraft. Two of the aircraft will go to its low-cost **kulula** brand, and two to its premium **British Airways** operation. The deal will be supported by the U.S. **Export-Import Bank**. **Comair** will take possession of the aircraft between October 2015 and November 2016. **Comair's** CEO said the airline's decision to acquire four new aircraft was indicative of the confidence the airline has in South Africa's domestic leisure and business air travel market as well as the continued consumer appeal of both of its airline brands. As of early July, the deal still needed to be ratified by the **Ex-Im Bank**, and it will take the form a full instalment sale transaction funded by **Nedbank**. It is not clear if the **Nedbank** deal represents a new order or if it is the financing of the remaining four of eight 737-800s that **Comair** ordered in 2011.

Delta Air Lines cancelled plans to order 40 new 737-900ERs and purchase 20 used **Embraer** E190 regional jets after its pilots rejected a tentative contract proposal. The E190s were planned to enter the mainline fleet in the fourth quarter of 2016, and the 737-900ERs were to replace older narrowbody aircraft scheduled to retire through 2019. **Delta's** Chief Executive Officer **Richard Anderson**, told investors, "Those orders will be canceled." **Boeing** and **Delta** had been trying to finalize an agreement for the 737s for several months. The order was contingent on a new contract between the airline and its pilots. It may be reinstated if the pilot contract is re-negotiated. **Delta's** original purchase of 100 737-900ERs was placed in August 2011.

COMAC (Commercial Aircraft Corp. of China) Again Delayed the first flight of its C919 trunk liner from late 2015 until July 2016. The first aircraft will now roll off the assembly line at the end of this year, and the exact timing of the first flight will be announced after that. The first deliveries were scheduled for 2018, and perhaps have slipped until as late as 2020. The C919 is the country's first narrowbody commercial jet and is intended to challenge the **Airbus** A320 and **Boeing** 737 duopoly. The delays will make it harder to sell the C919 outside its home market, industry analysts said. **COMAC** wants to take two years to obtain all the necessary certificates for airworthiness. China is currently the world's greatest market for the 737 and A320, having bought 777 737s (not including undisclosed customers) and 669 A320s. So far, **COMAC** has commitments for 507 C919s, almost all from domestic customers and many of those are leasing companies which must compete for Chinese customers with the world's leading leasing companies. **GECAS** is the only international customer to date when it ordered 20 C919s. Chinese aircraft have a poor reputation. Some in the press called the **Xi'an** MA60 and **Harbin** Y-12 "a death trap in inclement weather." Until China attains a reputation for exceptional quality, Western airlines will continue to buy the A320 and 737. Airlines in the emerging markets may be swayed by generous financing packages to buy the C919, but they will still want to know the lifetime costs in terms of fuel burn and maintenance.

The U.S. Export-Import Bank's Charter Lapsed in early July when **Congress** adjourned before voting to reauthorize it. The bank has developed a liquidation plan and is completing transactions that had already been approved, but the bank cannot work on any new deals. **Ray Conner**, President of **Boeing Commercial Airplanes**, said, "We absolutely need **Ex-Im Bank** to compete on a level

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playing field. To not have that, we're just tying one hand behind our back, as far as I'm concerned. The competition is not going to back away from that kind of financing." **John Wojick**, a senior VP, said **Airbus**, **Embraer SA** and China's aircraft makers had access to trade credits to help finance their sales, and Mr. **Conner** said rivals would capitalize on the situation by highlighting uncertainty about whether **Boeing's** customers would have access to trade credits in the future. He said **Boeing** was at a "huge competitive disadvantage". The plane-maker was reassuring its customers that the **Congress** would soon reauthorize the bank's charter, but said the lapse of the charter at the end of last month created some doubt. Deputy Secretary of Commerce **Bruce Andrews** said, "By unilaterally disarming and shutting down the **Export-Import Bank**, it creates a market advantage for our competitors from China, Germany and Japan." **Ex-Im** will stay open to continue servicing \$112 billion in existing obligations, and its operating budget has been approved through September 30. Many members of **Congress** hope to revive the trade bank by attaching its charter renewal legislation to a "must-pass" highway and rail transit funding bill.

Regional Report

Embraer's Firm Order Backlog Reached \$22.9

Billion by the end of the second quarter of 2015. This was the largest backlog in the company's history, and up from the firm order backlog of \$20.4 billion in March 2015. During the second quarter, the company delivered 27 jetliners and 33 business jets, for a total of 60 aircraft, compared to 58 aircraft delivered the same period last year. The highlights of the quarter were firm orders worth \$2.6 billion announced at the **Paris International Air Show**. This included seven E190 for China's **Colorful Guizhou Airlines**, eight E175 for **SkyWest Airlines**, which will be operated by **Alaska Airlines**, ten E175 for **United Express** and 15 E190-E2 and ten E195-E2 for the lessor **Aircastle**. The sales numbers exclude options and purchase rights. In May, **Embraer** announced an order for 20 E195 and two E190-E2s from **Tianjin Airlines**, and **Azul Linhas Aéreas Brasileiras's** firm order of 30 E195-E2 jets.

Sukhoi Civil Aircraft is talking with **Egyptair** about their interest in buying several Sukhoi Superjet SSJ100-95s. The unnamed source did not specify the number of jets that may be ordered. In May, a **United Aircraft Corporation (UAC)** sales delegation visited the flag carrier in Egypt. The Egyptian Minister of Civil Aviation, **Mohamed Hossam Kamal**, said **Egyptair** was in the market for regional jets that can fly up to 4,500 kilometers for services within the Middle East. The airline's subsidiary,

Embraer June 30, 2015 Orders & Deliveries

Type	Total Orders	Total Options	Total Deliveries	Current Backlog
E170	193	7	188	5
E175	459	350	291	168
E190	584	97	518	66
E195	165	2	140	25
E175-E2	100	100	-0-	100
E190-E2	77	85	-0-	77
E195-E2	90	80	-0-	90
Total	1,668	721	1,137	531
Type	2nd Quarter Deliveries		2015 Deliveries	
Light Exec Jets*	26		36	
Large Exec Jets**	7		9	
Embraer 170	-0-		-0-	
Embraer 175	22		42	
Embraer 190	3		3	
Embraer 195	2		2	
Total	60		92	
*6 Phenom 100, 20 Phenom 300,				
**3 Legacy 500, 3 Legacy 650 and 1 Lineage 1000				

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EgyptAir Express currently operates 12 **Embraer** E170LRs that were delivered in 2008 and 2009. **UAC** President **Yuri Slusar** said, “Ideally, we are considering 12 (firm orders) plus 12 (options); their route network requires somewhere around this number. We discussed the option of trading-in their E170s, they need to do something with them. They are old, and they do not have any economy.”

Viking Air celebrated the 50th anniversary of the Twin Otter’s maiden flight by flying two new -400 airplanes to 13 northern communities. The Series 400 Twin Otter demonstrator known as “Viki” and another ship visited towns and villages in Nunavut, Northwest Territories, and Yukon, including the **Canadian Forces Bases** in Eureka and Alert. The tour started in Victoria, BC, on July 1, and ended at Norman Wells on July 17. **Viking** President & CEO, **David Curtis**, was on the journey and said, “Whether on wheels, floats, skis or tundra tires, the Twin Otter has been a lifeline of transportation, community connection and commerce for isolated regions, not only in Canada’s north but around the world. This tour is an opportunity to connect with some of our customers and view their operations first hand, so I’m excited to personally visit so many of these northern communities in one extensive trip.” Mr. **Curtis** was accompanied by dignitaries and a documentary film crew. The company said, “For the past 50 years, the Twin Otter has been an essential part of Canada’s north due to its unique ability to perform reliably providing infrastructure support in the toughest and most challenging environments.”

Order Changes and Cancellations

Airbus Reported 12 Cancellations in June. Indonesian budget carrier **Lion Air** converted nine A320ceos into the upgraded A320neo. It now has ordered 51 A320ceos and 118 A320neos. Tunisian operator, **Syphax Airlines**, cancelled its order for three A320-200s that it placed in mid-2013. The airline is facing stiff competition from state-backed **Tunisair**, and an uncertain tourist market which was hit hard by recent terror attacks. The airline retained its three A320neo orders and currently operates two A319s. **Airbus** recorded 34 cancellations in the first half of the year. One A319 from the **Undisclosed** category was transferred to **China Eastern Airlines**. Another two **Undisclosed** A319 orders were switched to the A320ceo. Now there are nine **Undisclosed** A319 orders, and the A319ceo firm orders shrank to 1,472. A second **Undisclosed** A320ceo was transferred to **Loong**

Aeroflot – Russian Airlines is reviewing its order for eight A350-800s and 14 A350-900s, several weeks after cancelling 22 787-9 orders. Deputy General Director for Strategy and Alliances, **Giorgio Callegari**, said they were not being cancelled. Instead, the airline will look at the mix of types and the delivery dates were “part of the discussions.” The first of the A350s are scheduled for delivery beginning in 2018. A Russian aviation industry analyst said that **Aeroflot** is playing a game with **Airbus** on its A350-800 commitment like the other original -800 customers. They switched their orders to the A350-1000 or A330neo. It is still unclear if that will solve the flag carrier’s need to revise its capacity or whether it will simply delay the need to make a decision until later, when the Russian economy should have recovered. **Aeroflot** CEO **Vitaly Saveliev** said that the impact of Western sanctions negated the need for aircraft like the A350 or 787. Due to plummeting demand, **Aeroflot** announced it would withdraw up to 22 long-haul and 21 medium-haul aircraft from service in order to optimize its cost structure and route network. It issued a request for proposals to sell off or sublease one A320-200, 21 A321-200s, eight A330-300s and 13 777-300ERs. The airline leases four A321s from **SMBC** and six from **GECAS** that were delivered between 2006 and 2009. It leases 14 A330s; **AerCap** (9), **Avolon** (2), **BOC** (1) and **GECAS** (2). **Aeroflot** owns its 13 777s.

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Air, and one went to **Spring Airlines**, both airlines are in China. The number of **Undisclosed** A320ceo orders stands at 151.

Boeing Cancellations. In September 2014, **Air Berlin** dropped its 15 787-8s and **Boeing** reported that they were picked up by an **Unidentified Customer**. In June, it was reported that the unidentified customer (believed to be **Air Berlin's** part owner, **Etihad Airways**) cancelled the 15 Dreamliner orders. **Aeroflot** said it cancelled its 22 787-8 orders in June. The order is still officially listed as active on **Boeing's Orders & Deliveries** website. As of July 3, **Boeing** lost 18 737 and 26 787 (not including **Aeroflot**) orders for a total of 44.

Flybe will lease one new ATR 72-600 from Singapore-based lessor **Avation PLC** toward the end of the year. The turboprop will join four ATR 72s that the British carrier plans to operate on behalf of **SAS Scandinavian Airline System**. **Flybe** CEO **Saad Hammad** said, "**Flybe** has established a strong relationship with **Avation PLC**. This helped to secure the new contract for a fifth ATR 72-600 aircraft for expanding our white-label relationship with **SAS**, **Scandinavia's** largest airline." **Flybe** will deploy its ATR 72s on flights from **Stockholm Arlanda Airport** and other Scandinavian capitals, to short-haul destinations in Europe in October.

Leasing & Finance

China Aircraft Leasing Group (CALC) and **Pegasus Airlines** signed a Letter of Intent covering the lease of two A320ceos which will be delivered in June 2016. Upon finalization of a firm leasing agreement, the Turkish low-cost carrier will become **CALC's** first customer in Europe. The new aircraft will be the first A320s with a 186-seat capacity to join its fleet. **Pegasus Airlines** currently operates nine leased A320-200s and fifty-four 737-800s on flights throughout Turkey, Europe, and the Middle East. **China Eastern Airlines** will lease six A320-200s from **CALC** for 12 years. The twinjets will be delivered over the course of this year and the next. The carrier currently operates 153 A320s.

Air Lease Corporation (ALC) will long-term lease one new **Boeing** 737-800 to **Far Eastern Air Transport (FEAT)**, based in Taipei, Taiwan. The aircraft will be delivered in the second quarter of 2016. **ALC** announced the long-term lease of two new **Airbus** A320-200s to **Frontier Airlines**. The A320s will enter service in the second and third quarters of 2016. The jets are from **ALC's** order book with **Airbus** and **Boeing**.

Bohai Leasing, China, has agreed to buy 20 percent of U.S.-listed **Avolon Aerospace** for \$429 million (\$26 per common share). The cash tender offer represents a 14.5 percent premium to **Avolon's** average share price. **Bohai** is a unit of aviation and shipping conglomerate **HNA Group**, which owns miscellaneous shipping and aerospace companies including **Hainan Airlines**; it has been buying logistics and hotel assets to expand globally. In 2011, **HNA** bought the marine container leasing firm **GE SeaCo** for \$1 billion. **Bohai** will gain access to the aircraft leasing market which is dominated by **AerCap** and **GECAS**. Its CEO **Chris Jin** said, "This investment in **Avolon** will bring **Bohai** an increasing presence in the global aircraft leasing sector." The press release said, "This strategic investment by **Bohai** reinforces **Avolon's** position as a leading independent aircraft lessor and allows **Bohai** to more rapidly expand its exposure to the global aircraft leasing sector. **Bohai's** strong presence in the aviation and transportation finance and leasing sectors in China will help strengthen **Avolon's** relationships in the rapidly growing Chinese aviation market." **Bohai Avolon** offers aircraft leasing and lease management services to airlines and aircraft investors. The Dublin-based firm has more than 260

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aircraft in its fleet operated by 56 customers in 33 countries. Chinese lessors have been expanding in recent years as the country's large carriers and new upstarts have launched more services at home and overseas. Almost all the lessors have focused on single-aisle aircraft, leaving the widebodies to the Western lessors.

Engines

China Aviation Supplies Holding Company (CAS) signed a General Terms Agreement for 45 A330 Family aircraft and a Memorandum of Understanding for options for another 30 A330s. This has set off a race between the engine makers to win the engine selection from China. The order will generate lucrative follow-on opportunities. Engines are generally sold separately from aircraft and **General Electric, Pratt & Whitney** and **Rolls-Royce** each offer big fan powerplants for the current A330 models. The **Rolls-Royce** Trent 772 is currently the market leader, but the Chinese order presents one of the largest and last opportunities for its rivals. **Rolls** appears to have the competitive edge, because the Trent 700 is fitted to almost all of the Chinese A330s. Also, the Trent 7000 will be the only engine offered for the updated A330neo. **GE** offers the CF6-80E1 and the outsider is the **Pratt & Whitney** PW4168 because **Pratt** is working on a new engine design for smaller aircraft and has not pushed its A330 engine in recent years.

Rolls-Royce won two new contracts worth \$2.23 billion in July. **International AirFinance Corporation (IAFC)** purchased Trent 700 engines worth \$930 million for the 20 A330s it ordered at **Paris Air Show**. The planes will be leased to **Saudi Arabian Airlines**. The airline contracted for **Total-Care** engine maintenance and servicing for the **IAFC** Trent 700 engines worth \$1.3 billion. The contracts for the Trent 700 come after **Rolls-Royce** said that low demand and pricing for that engine model would result in significant profit reductions in 2016.

Rolls-Royce expects a reduction in Trent 772 engine deliveries for the **Airbus** A330 in its current forecast. It foresees a £300 million (\$470 million) impact on its finances next year. In its first-half update, it said the full-year profit for its civil aerospace division will be from £800 to £900 million, which is still within the guidance range it disclosed early in the year. **Airbus** is cutting its monthly A330 production rate from eight to six aircraft in order to cope with a slump in orders for the type. The standard A330 will be supplanted by the A330neo, powered exclusively by the new Trent 7000, in 2017. The U.K. manufacturer said the fall in demand for engines and spares, and the associated impact on pricing, will hit profits in 2016. The reduced demand for business-jet engines and softer regional after-market will add to the net £300 million hit to **Rolls'** profit. The aftermarket for its large engines is improving and the company is expecting a £90 million gain in 2016 from its restructuring efforts. **Rolls-Royce** foresees an "expected significant improvement in operating performance" from the Trent 1000 on the **Boeing** 787. Combined with better retrospective profitability from **TotalCare** engine maintenance, the provision and contract benefit will be "somewhat more than previously expected" at around £200 million, **Rolls** said. The company's new large-engine programs, the Trent 1000, 7000 and XWB, will "drive significant revenue growth" over the next decade. The company is aiming for a 50 percent share on the long-haul passenger aircraft market.

Airline News

The European Commission Approved International Airlines Group (IAG)'s Purchase of Aer Lingus, in July, four days after Ryanair accepted IAG's offer to buy its 29.8 percent holding for €400 million. In December 2014, IAG offered to buy the Irish flag carrier for €1.4 billion (\$1.5 billion). In the intervening months, the Irish Government and Etihad agreed to sell their shares; Ryanair was seen as the hold out. CEO Michael O'Leary said, "The price means that Ryanair will make a small profit on its investment in Aer Lingus over the past nine years." However the acquisition will cause IAG to sacrifice valuable slots to appease the E.C. concerning Aer Lingus having too big a competitive advantage. It will have to give up five slot pairs at London Gatwick Airport. The Commission also required "significant concessions" on routes from London to both Dublin and Belfast for the acquisition to proceed.

The five daily slots at Heathrow must be used to serve Dublin and Belfast flights. Aer Lingus will have to continue accepting connecting passengers from rival airlines at Amsterdam, Dublin, Gatwick, Heathrow, Manchester and Shannon. The Commission concluded the commitments adequately address all competition concerns so the proposed transaction would not significantly impede effective competition in the European Economic Area. IAG plans to expand capacity on the transatlantic by building a new hub at Dublin Airport. The group's biggest unit, British Airways, is blocked from expanding its main hub at London Heathrow, because the airport is at capacity. IAG CEO Willie Walsh led the move to consolidate Europe's fragmented airline industry by combining British and Iberia in 2011, and adding Vueling in 2013, to tap the budget short-haul market in Europe.

Representatives from the Sichuan Provincial Government and Deyang Municipal People's Government of China announced plans to host a new biennial international airshow Sichuan Province in September 2017. The Sichuan International Airshow will offer a three-day trade event and two-day public event to showcase international commerce in the fast growing Sichuan region. It will provide a unique opportunity for aviation companies to gain access to the Chinese aviation supply chain. The Sichuan International Airshow will showcase COMAC, AVIC, and other state aerospace suppliers and will focus on civil and commercial aerospace, manufacturing, MRO and support services. The organizers of the Farnborough International Airshow, and the European Union Project Innovation Center (EUPIC), will work with the Sichuan and Deyang governments to bring the event

Commercial Aircraft Sales to Iran are cleared for takeoff now that Iran and six world powers signed an agreement in July. The eventual easing of economic sanctions offers significant opportunity for Airbus and Boeing after decades of Iranian isolation. The treaty faces a difficult vote in the U.S. Congress, where the majority Republican Party opposes it. The Senate is unlikely to vote on the treaty until September, and President Barack Obama vowed to veto a "no" vote. Iranian and Western industry officials estimate that Iran will need 400 aircraft worth up to \$20 billion in the next decade. The airlines currently operate a combined fleet that is an average of 27-years old. Boeing and Airbus noted that the trade restrictions will not fall instantaneously. "We are very much awaiting guidance from the government on this," a Boeing spokesman said, but it will remain sidelined until Congress acts. An Airbus spokesman cautioned, "The agreement between Iran and the six nations has yet to be formalized and implemented. Once this takes place we will evaluate what commercial implications it has in strict compliance with the accord." As Iranian airlines wait for new jets, they will probably tap the leasing market or buy newer used airplanes.

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AirAsia India put the brakes on its ambitious expansion plans while it waits for the **Indian Government** to replace its rule that an airline must have been in service for at least 5 years and operate at least 20 aircraft before it can apply for international traffic rights. The 5/20 rule would be supplanted with a credit-based scheme in which airlines earn the right to venture abroad by flying domestic routes. The year-old low-cost carrier will not lease any more A320s until government clarifies its position. **AirAsia India** currently operates five A320-200s on flights to eleven local destinations, and it is partially owned by **AirAsia**, Malaysia. The carrier previously planned to lease one new aircraft per month starting in March, allowing it to dramatically expand into the largely underserved Tier II city market. The two start-ups, **AirAsia India** and **Vistara**, want to scrap the 5/20 rule while the incumbents, including state owned

International Air Transport Association (IATA) Posts July 2015 Jet Fuel Prices. The association updates the world's average jet fuel prices each week. On July 17, the world's average price of fuel was \$1.578 per gallon, 12.1 percent lower than the June 2015 price of \$1.710. Fuel was also 44.6 percent less than it was in July, 2014. The price of fuel is affected by location. It was only \$1.492 in the Middle East region and was \$1.616 per gallon in Latin America. In Asia, fuel cost \$1.580 per gallon. Fuel dropped to \$1.590 in Europe, and to \$1.581 in North America. Since last year, fuel costs in those regions dropped by 45.2 and 44.2 percent respectively. **IATA** estimated that the global airline industry's aggregate fuel bill will total \$72.8 billion in 2015.

Air India, **Go Air**, **IndiGo Airlines**, **Jet Airways**, have urged the government to retain the rule. They claim repeal would be detrimental to their interests and the Indian aviation sector in general. In spite of the commotion, the **Tata Group** wants to increase its shareholding in **AirAsia India** from its current 30 percent to 51 percent. It intends to buy telecom company, **Telestra Tradeplace's**, shares. **AirAsia Group** owns the other 49 percent. **Tata Group** also controls 51 percent of **Vistara**, with **Singapore Airlines** as the holder of the other 49 percent. The two airlines operate new A320-200s, but have a different marketing strategy. **Vistara** is a full service airline.

Cebu Pacific Air intends to consolidate its jet operations under the **Cebu** name and hive off the turboprop operations to its **Cebgo** subsidiary. CEO **Lance Gokongwei** told the airline's stockholders that the Filipino carrier would retire 21 aircraft between now and 2022. It is selling six A319s to **Allegiant Air** this year, and will return seven A320-200s to lessors when their terms expire from 2016 to 2019. Eight older ATR 72-500s will be retired between 2017 and 2018. The airline will replace them with 16 new ATR 72-600s (with 10 options) and it will establish new routes to secondary airports around the country. Several new turboprop bases will be established.

Lufthansa is offering its 13 percent share of **Luxair**, Luxembourg, because it wants to reorganize its portfolio. With only 13 percent ownership, the German flag carrier does not have any real influence on the smaller airline. **Lufthansa** is talking with **Luxair's** other shareholders, including **Banque et Caisse d'Epargne de l'Etat**, **Banque Internationale à Luxembourg**, **LuxairGroup** and others over its possible sale. The Germans bought the stake in 1992 and still hold an option to buy another 10 percent.

The Indonesian Ministry of Transport has given thirteen airlines (including **Indonesia AirAsia**) until the end of July to improve their financial standings or have their operator's licenses revoked. The Ministry found the airlines to have negative equity (the value of an asset used to secure a loan is less than the outstanding balance on the loan). The deficiencies range from 10 billion Rupiah (\$752,000) to "trillions of Rupiah". The poor state of finances caused the Ministry to worry about the quality of safety

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oversights at the affected airlines. The **Indonesian Government** passed a new law that defines the minimum capital that airlines must have. Under the legislation, scheduled airlines operating planes with a capacity of 70 seats or more are required to have a paid-up capital of at least 500 billion Rupiah (\$37.5 million), while those with aircraft with 30 seats or less must have a paid-up capital of at least 300 billion Rupiah (\$22.5 million). Cargo operators are required to be capitalized to at least 100 billion Rupiah (\$7.5 million). **Indonesia AirAsia** faces potential grounding if the government enforces the new financial regulations. **Mohshin Aziz**, an analyst with **Maybank Kim Eng**, said, "This ruling is so onerous, chances are all 13 airlines will be suspended so thousands of jobs will be lost. No government in the world wants that." Instead he thinks the airlines and the **Indonesian Government** could well resolve the matter through negotiations. There have been several air crashes in Indonesia over the past few years so the government has tightened scrutiny on finance to improve its air safety credentials. **AirAsia**, Malaysia, suffered from a report released by Hong Kong-based **GMT Research** which claimed that **AirAsia** uses transactions with loss-making associate carriers to increase its earnings. **AirAsia** is exploring options for **Indonesia AirAsia** to tap into the debt market or to get current investors to inject more cash. If **Indonesia AirAsia** loses its permit to fly in Indonesia it may cease operations.

Hong Kong Air Transport Licensing Authority rejected **Jetstar Hong Kong's** application after nearly two years of deliberation. **Qantas**-backed Australian budget carrier **Jetstar** applied to set up a local airline, but the regulator said, "**Jetstar Hong Kong** cannot make its decisions independently from that of the two foreign shareholders," therefore its principal place of business is not in the Chinese territory. The carrier was a three-way joint venture between **Qantas Airways**, **China Eastern Airlines** and Hong Kong investment firm **Shun Tak Holdings**. The city's other carriers, including **Cathay Pacific** and **Dragon Airlines**, had loudly objected to the **Jetstar** ownership structure, as well. **Qantas** CEO **Alan Joyce** said the decision was disappointing for shareholders and, "It's the travelling public who have lost out, because the message from this decision is that Hong Kong appears closed to fresh aviation investment even when it is majority locally-owned and controlled." He added, "Given the importance of aviation to global commerce, shutting the door to new competition can only serve the vested interests already installed in that market." **Jetstar Hong Kong** was supposed to operate nine new A320s all of those planes were placed with other operators while the airline waited for the decision.

US Airways will fade into history on October 17, when its flight reservations are moved over to **American Airlines**. The last two flights on **US Airways** are scheduled to leave at 9:55 PM local time on October 16. The group was formed by the 2013 merger of **American** and **US Airways** and it will have a single website, reservations system and brand starting at 12:01 AM on October 17. The company must transfer thousands of customer reservations from **US Airways'** platform to the one used by **American**. This is being done gradually to avoid the sort of technical errors that **United Airlines** had when it switched to single reservations and frequent flyer systems on a single day. **American Airlines Group** still must reach joint collective bargaining agreements with some work groups and combine technical systems related to flight movement and dispatch.

Bankruptcy of the Month

Delta Air Lines offered to invest in Japan's **Skymark Airlines** as part of a restructuring plan for the budget carrier. **Nikkei Asian Review** reported that **Delta** would acquire 20 percent stake after the deal is

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approved by **Skymark's** creditors. The investment will allow **Delta** to funnel its international passengers to more Japanese cities via Tokyo, and it has the potential to increase competition with **ANA** and **JAL** in Japan. So far, **Delta** is mum about its plans. A **Delta** spokeswoman said, "It would be premature for us to comment on the matter," and President **Ed Bastian** only said that the airline had been approached about making the investment. **Skymark** is attractive because it holds many landing slots at **Haneda Airport**, which is closer to Tokyo's downtown than **Narita Airport**, but **Skymark's** slots are for domestic routes only. **Delta** could build **Haneda** as a transit hub for its Los Angeles passengers. **Delta** currently does not have an alliance partner in Japan which limits its opportunities. **Skymark's** two biggest creditors **Airbus** and **Intrepid Aviation** are opposed to the restructuring plan involving **ANA's** investment in **Skymark**. **Intrepid Aviation** is backing **Delta** as the sponsor airline candidate for **Skymark**. The lessor said it believes this plan offers the best opportunity to preserve **Skymark** as Japan's third-largest independent carrier and is in the best interests of the carrier's employees, suppliers and creditors. **Intrepid** President & CEO, **Franklin Pray**, said, "We are delighted to select **Delta** as a sponsor candidate, should creditors choose this plan for the rehabilitation of **Skymark** when they vote by absentee ballot by July 24, 2015 or at the creditors' meeting on August 5, 2015. As the largest creditor, **Intrepid Aviation's** ultimate goal is the successful rehabilitation of **Skymark**, a goal we have been consistently working toward for several months." Creditor approval is necessary for either restructuring plan to go ahead.

Cargo Pallet

Atlas Air will acquire a 747-8F from **Boeing** and delivery is scheduled for November 2015. It is assumed that **Boeing** is selling its sole white-tail 747-87UF (SN 37564) to **Atlas**. The airplane was originally allocated to **Atlas**, and completed in January 2013, but the order was cancelled. **Atlas** intends to charter out the freighter prior to its expected placement in longer-term ACMI service. The freight specialist already operates nine 747-8Fs, and six are currently in service with its **Polar Air Cargo** subsidiary. **Atlas** also operates 22 747-400(F)s and will return 747-400(F) (SN 24833) to commercial service in July. The airline also flies nine 767-200(F)s, two 767-300(F)s and one 757-200(F) on behalf of **DHL Express**.

Air Incheon is planning to buy a 767-300ER and have it converted into a 767-300(F). The Korean Ministry of Land, Infrastructure and Transport (MLIT) recently forbade Korean air carriers from operating aircraft over twenty years old. The airline was granted an exemption for the freighter. It will be delivered in early 2016, and will join its fleet of two 737-400(F)s.

Air Freight NZ will replace its fleet of five **Convair CV-580(F)s** with three 737-400(F)s between February and May 2016. The New Zealand logistics firm will dry-lease the jets from **Airwork**, whose parent, **Airwork Holdings Limited**, will form a joint-venture company with **Air Freight NZ's** parent, **Fieldair Holdings Limited**. The cargo company said, "Customers of the JV company will be **Freightways'** express package businesses and **NZ Post's Express Couriers** business. If demand warrants it, capacity will be made available to other freight operators." The five CV580(F)s will be put up for sale once the 737s arrive. **Airwork** contracted for two firm and five optional 737-400 passenger-to-freighter conversions with **Aeronautical Engineers (AEI)** in 2014. The first -476(F) (SN 24442) was completed and redelivered in August 2014, and the second conversion was finished in February 2015. The first freighter was placed into service on behalf of local haulage firm, **Toll Group**.

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Ningxia Cargo Airlines applied for AOC certification with the **Civil Aviation Administration of China (CAAC)** in May, and intends to launch freight services in September. The start-up has acquired three ex-**Zhejiang Loong Airlines** 737-300(F)s (SN 25891, 27372 & 27518), and they will be ready to fly in August. **Ningxia** plans to operate domestic freight flights with the 737s and international services with 747Fs. Its long-term plans are to grow its fleet to 50 aircraft and fly a route network that includes China, Asia, Europe and the Middle East. The airline is based in the Ningxia Autonomous Region, and its shareholders include **Shan'xi Tongyang Investment Management** (53 percent) and **Xi'an Huijie Logistics Co.** (44 percent) with the remaining 3 percent of shares split between **Shannxi Xiangyu Logistics, Shanghai Chongda International Freight, and Shan'xi International Air Freight**. **Ningxia** is capitalized at 120 million yuan (\$19.3 million).

YTO Express Airlines, China, took delivery two ex-**Donghai Airlines** 737-300(F)s (SN 28657 & 28662) from the **Aviation Capital Group** in June. The carrier plans to lease a third freighter from **Yangtze River Express**. The start-up secured **CAAC** regulatory approval to operate domestic as well as international cargo flights in July. Shanghai-based parent **YTO Express** offers warehousing, distribution and transport throughout China, and it has pledged to invest 5.5 billion yuan (\$888 million) in the carrier over the next 10 years.

IATA Said Growth in Global Air Freight Slowed in May, to its slowest rate this year, due to several sputtering economies. Demand rose only 2.1 percent in May, compared with 3.3 percent in April. During the same period, capacity rose by 4.3 percent, **IATA** said in its monthly air freight report. On a year-to-date basis, freight volumes are up 4 percent from the previous year, but much of that growth was in the latter part of 2014. Airlines in North and Latin America and Europe reported that their freight business was smaller in May 2015 than in May 2014. Carriers in Asia-Pacific experienced slow growth and in the Middle East saw the greatest growth. **IATA** Director General **Tony Tyler** said, "Cargo growth has undoubtedly come off the boil. The expansion in volumes we saw in 2014 has ground to a halt, and load factors are falling. Some economic fundamentals still point to a rebound in the second half of the year, but we have to recognize that business confidence is flat and export orders in decline. There is also the risk of a shock to the economic system." Analysts are looking that the sudden drop in stock prices in China.

PEMCO World Air Services (PEMCO) redelivered the first of two 737-400Fs (SN 24431) to **AerCaribe**, Colombia. The two-conversion agreement was secured early in the first quarter of 2015, and the first plane was redelivered in May, after conversion at **PEMCO's** Tampa facility. It was the first 737-400F in the **AerCaribe** fleet.

Allied Air, Nigeria, wet-leased a pair of MD-11(F)s (SN 48435 & 48543) from **Western Global Airlines**. **Allied Air** was founded in 1998 and operated 727-200(F)s until they were replaced by three 737-400(F)s.

Military Market

The Indian Defense Acquisition Council approved the purchase of four additional **Boeing** P-8I long-range maritime reconnaissance aircraft for the **Indian Navy**. The **DAC** authorization came in July, and following deliberations by the **Cost Negotiating Committee**. India purchased eight P-8Is and optioned four under a \$2.1 billion deal in 2009. The contract must be approved by the **Ministry of Finance** and the **Cabinet Committee on Security**. Delivery of the new P-8Is will begin three years after the contract

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is signed. Later this year, the **Navy** will take delivery of its eighth and final aircraft from the first contract. The P-8I features the **Raytheon** APY-10 surveillance radar and an aft-facing **Telephonics** APS-143C (V) 3 radar and magnetic anomaly detector at the rear. The P-8I weapons fit comprises AGM-84L Harpoon Block II missiles, Mk 54 lightweight torpedoes and Mk-82 depth charges.

The Royal Air Force (RAF) received its third of 22 A400Ms (ZM403, SN 020) in early July. A flight crew from 206(R) Squadron performed the 2.5 hour flight from **Airbus Defense & Space's** final assembly plant in Seville, Spain, to **Brize Norton** air base in Oxfordshire. ZM403 is the second A400M delivered to the **RAF** this year. Its arrival was delayed by a grounding period imposed following the crash of an Atlas in Seville on May 9. A400M resumed operations on June 16. Another two Atlas (SN 016 & 025) will be delivered shortly. The A400Ms will replace the **RAF's Lockheed** C-130Ks which were first delivered in 1967, and retired October 2013. The **RAF** fleet of C-130Js will be retired by 2022. **Airbus** said, "The production plan for the year is still targeting at least 13 aircraft in 2015, plus up to four more subject to flight-test results due this summer."

The Royal Australian Air Force (RAAF) will obtain two passenger A330-203s (SN 892 & 898) from **CIT Aerospace** after they come off lease from **Qantas Airways**. The flag carrier retired the first A330 in July and returned it to **CIT**. The second will cease flying in September and returned to **CIT** in November. The aircraft will be flown to **Airbus Defense and Space** in Getafe, Spain, and converted into A330 Multi-Role Tanker Transports (MRTT). The two A330s will be redelivered to the **RAAF** in 2018 and will join Australia's fleet of five tanker-transports. The deal was priced at A\$408 million (\$314 million). The jets are powered by **General Electric** CF6-80E1 engines and were delivered to **Qantas** in January and February 2008. They will be 10 years old when they enter **RAAF** service. Their value was appraised at \$61.7 million each, one quarter of a new aircraft's list price of \$232 million. **Airbus** said this will be the first conversion of an in-service A330-200 to MRTT tanker standard. The work will see the installation of hose and drogue refueling pods under the aircraft's wings, a refueling boom, and other military equipment. The MRTT conversion should take 10 to 12 months. **Airbus** said, "The two extra aircraft for **RAAF** were exceptional due to their wish to use basic airframes of a specification very close to their existing fleet, and these two **Qantas** airframes were available. There is no proposal to convert used aircraft for any other customer."

AIRCRAFT DELIVERIES & SALES

Airbus

Airbus A319. **Airbus** delivered three A319s in June. **American Airlines** obtained its seventh of seven ordered -115/Ws (SN 6644), and **Avianca Holdings** received its third -115/W (SN 6617), and leased it to **Avianca**. **China Eastern Airlines** accepted one **Tianjin FAL**-built -115/W (SN 6519).

Airbus A320. **Airbus** delivered 22 A320s during June, including three -232/Ws (SN 6614, 6631 & 6662) to **Wizz Air Hungary**. **Aegean Airlines** accepted two -232/Ws (SN 6611 & 6643). The airline sold the first one to **AWAS** and leased it back. This was the second of three A320s from a deal signed earlier this year. **Tianjin FAL** delivered two -232/Ws (SN 6506 & 6530) to **China Southern Airlines**. **SMBC Aviation Capital** received two -214/Ws from its direct order book, and leased the first one (SN 6637) to **Juneyao Airlines**, and the second (SN 6640) to **Peach Airlines**. **Avianca Brasil** leased two

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-214/Ws (SN 6634 & 6651) from **Synergy Aerospace**. In Asia, **GE Capital Aviation Services (GECAS)** completed the purchase-and-leaseback for the first of four new -214/Ws (SN 6628) with **PT Batik Air Indonesia**. The rest will be delivered this year. **China Aircraft Leasing Co. (CALC)** leased the second **Tianjin FAL**-built -214/W (SN 6540) to **Sichuan Airlines**. The A320 was the 50th commercial aircraft in **CALC**'s portfolio. **ICBC** leased -214/W (SN 6626) to **Tibet Airlines**, the airline's first A320. **Spring Airlines** accepted **Tianjin FAL**-built -214/W (SN 6497), and **Loong Air** obtained its second ordered -214/W (SN 6648). **Avolon** delivered the seventh -216/W (SN 6619) to **Pegasus Airlines**. The airplane was originally allocated to **AirAsia**, and it was picked up by **Avolon**. The lessor has two more A320ceos on order. **Qatar Airways** leased new -214/W (SN 6622) to its Saudi subsidiary, **Al Maha Airways**. Elsewhere, **Spirit Airlines** obtained -232/W (SN 6616), **easyJet** acquired its 90th of 140 -214/Ws (SN 6633), and **Lufthansa** accepted its 78th -214/W (SN 6636).

Congo Airways acquired two A320-200s from **Alitalia** in advance of the airline's launch in August. It also wet-leased A320-214 (SN 1744) from **Nouvelair Tunisie**. The airline will initially offer scheduled flights to eight domestic cities. As it adds more aircraft, including Dash 8-400s, the airline plans to expand its network to a total of fifty-four domestic and regional destinations. The Democratic Republic of Congo's new national carrier, will replace the current quasi-defunct **LAC – Lignes Aériennes Congolaises** which operates three 737-200ADVs. The new flag carrier is based at the upgraded and modernized **Kinshasa Ndjili International Airport** which now features a new terminal building and control tower, and was built at a cost of \$80 million.

Avolon, the international aircraft leasing company, delivered its eighth A320-216/W (SN 6666) to **Pegasus Airlines, Turkey**. **Avolon** also leased an A320-216/W (SN 6676) to **Thai AirAsia**. This was **Avolon's** first lease to the Thai low-cost carrier. The nine A320s were originally allocated to **AirAsia**, which sold them upon delivery to **Avolon**.

Edelweiss Air will add two A320-200s in November and will acquire three A340-300s from its parent company **SWISS International Air Lines** in 2017 and 2018. The leisure airline said the A340s will be reconfigured with Economy, Economy Max and Business Class seats. "Our plans are a major investment and commitment to the business location that is Switzerland. By expanding our aircraft fleet, **Edelweiss** will grow considerably and generate 350 new jobs in the coming years," airline CEO **Bernd Bauer** said. The airline plans to use the new widebodies to expand its network into North and South America with flights to Rio de Janeiro and Calgary in the spring of 2016. Additional long haul destinations will be announced later. **Edelweiss** operates five 1999-2003 model A320-214s, one A330-200 leased from **GECAS**, and one A330-300 leased from **SWISS**, on flights throughout Europe, the Mediterranean, Canada, the United States, South Africa, the Caribbean, and the Far East.

Aeroflot selected **Avinco** as a remarketing agent and advisor to dispose of one A320-214 and 21 A321-211s that were delivered from 2004 to 2012. The A320 is fitted with 140 seats and the A321s seat 170 passengers. All the aircraft are powered by CFM56 engines.

Airbus A321. **Airbus** delivered a record 17 A321s in June, including five -231s (SN 6613, 6618, 6625, 6647 & 6650) to **American Airlines**. The first three were originally ordered by **US Airways** and were the last of 121 orders to be filled. **American** has 60 more A321ceos on order. **Air Berlin** took

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delivery of two -211/Ws (SN 6629 & 6639). **Avolon Aerospace** bought the second -211 and leased it back to the airline. This was **Avolon's** fourth aircraft to be leased to **Air Berlin**. **GECAS** purchased two -200s and leased the first -211/W (SN 6627) to **Juneyao Airlines**, and the second -213/W (SN 6641) to **Air China**. **China Eastern Airlines** acquired two -231/Ws (SN 6630 & 6649). **BOC Aviation** leased its fourth of five -211/Ws (SN 6653) to **EVA Airways**. **Philippine Airlines** received its 19th -231/W (SN 6623), and **Turkish Airlines (THY)** accepted -231/W (SN 6652). **TAM Linhas Aereas** acquired its eighth -211/W (SN 6632) from **LATAM Airlines Group**, and **Vueling** accepted its first of 10 -231/Ws (SN 6660) on order. **JetBlue Airways** bought -231/W (SN 6663).

Air Europa will lease ex-Skymark Airlines A330-300 (SN 1574) from the U.S.-based leasing firm, **CIT Aerospace** through its Austrian subsidiary, **Waypoint GmbH**. The aircraft was ferried from storage at Teruel to Palma de Mallorca on July 7. The press reported that the A330 will operate some of **Air Europa's** North American passenger flights as well as troop movement flights for the Spanish Armed Forces. The airline is negotiating the lease of more A330s if dictated by demand. **Air Europa** already operates a dozen A330-200s and two A330-300s on leisure flights throughout Western Europe, the Caribbean, and North and South America.

Airbus A330. **Airbus** delivered a record five -200s and nine -300s during June. **Kuwait Airways** leased its first two -243s (SN 1626 & 1643) from **IAFC-International AirFinance Corporation**, and became a new operator for the type. Both airplanes are fitted with 17 sleeper first class modules, 30 business and 165 economy seats. The airline contracted to lease five A330-200s from **IAFC** in January, and it leased seven A320neos from **AWAS** from December 2014 to May 2015. **Tunisair** took delivery of its first -243 (SN 1631). The widebody seats 24 passengers in business class and 242 in economy class. **Air Algérie** accepted its last of eight -202s (SN 1649), and **China Eastern Airlines** acquired its 31st -243 (SN 1639), and its 18th and last -343 (SN 1632). **China Southern Airlines** received its 18th of 24 -323s (SN 1636), and **Turkish Airlines (THY)** obtained its 23rd and 24th -303s (SN 1640 & 1644). **CIT Aerospace** took delivery of -343 (SN 1635), which was scheduled for lease to **Skymark Airlines**, and **Delta Air Lines** bought its second of 10 242-ton maximum take-off weight -302s (SN 1637). **Hainan Airlines** received -343 (SN 1614), and **Korean Air** obtained -323 (SN 1638). **Singapore Airlines** leased the sixth of six -343s (SN 1633) from **Meridian Aviation Partners**. It is **Singapore's** 32nd A330, and there are two more on order.

Airbus A350. **Qatar Airlines** took delivery of its fourth -941 (SN 010) in June. **Vietnam Airlines** became the second airline in the world to operate the A350 XWB, when it took delivery of its first -941 (SN 014) on June 30. The A350 was leased from **AerCap**. **Vietnam** ordered 10 A350 XWBs from **Airbus** and will lease a total of four more from **AerCap** and **CIT Aerospace**. **Airbus** intends to deliver 15 A350s this year.

TAM Linhas Aéreas will take delivery of its first A350-900 (SN 024) in December and plans for it to enter service in January 2015. **José Zaidan Maluf**, Vice President Fleet and Engines, **LATAM Group**, said, "We chose the **São Paulo/Guarulhos-Manaus** route as the inaugural A350 XWB route to allow the different departments in our airline – primarily Operations – to familiarize themselves with this new, Next Generation model equipment." **TAM** will deploy the A350s on international flights to **Miami International** and **Madrid Barajas** airports by April. The type's South American launch operator has 27 A350s on firm order and options for another five. Deliveries will occur through 2019.

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Assembly of Cathay Pacific Airways' First A350-900 (SN 029) is progressing well at **Airbus' A350 XWB Final Assembly Line (FAL)** in Toulouse, France. The wings, the horizontal and vertical tailplanes as well as tail cone have been joined to the fuselage. Following this, the aircraft will move to the next assembly station for structural completion, ground testing and start of cabin installation. The aircraft will be delivered early next year and will be the first of 22 A350-900s and 26 A350-1000s ordered by **Cathay Pacific**.

Airbus A380. **Emirates** received its 62nd -861 (SN 182), and **Asiana Airlines** took delivery of its fourth -841 (SN 183). **Qatar Airways** acquired its fifth -861 (SN 181) on the same day that its fourth A350 arrived. **Airbus** has handed over 13 super jumbos in the first six months of 2015.

Boeing

Boeing 737 NG. **Boeing** delivered 48 737s in June, including one -79P/W (SN 39743) and three -89P/Ws (SN 41474, 41510 & 41517) to **China Eastern Airlines**. The -700 was transferred to **Shanghai Airlines**. **Air China** accepted three -89L/Ws (SN 41106, 44915 & 44916). It kept -89L/W (SN 41106), and transferred -89L/W (SN 44915) to **Air China Inner Mongolia**, and -85N/W (SN 44916) to **Shandong Airlines**. **Shenzhen Airlines** received two -87L/Ws (SN 37626 & 40827), and **Hainan Airlines** took delivery of two -84P/Ws on June 30 (SN unknown). The airline leased -84P/W (SN 43660) from **Avolon Aerospace**, and two -84P/Ws (SN 39961 & 39962) from **SMBC Aviation Capital**. **Air Lease Corp.** leased -81B/W (SN 41333) to **China Southern Airlines**. In Europe, **Ryanair** obtained five more -8AS/Ws (SN 44701, 44702, 61576, 61577 & 61579). **Avia Capital Leasing** leased one -8LJ/W (SN 41208) to **Pobeda**, Russia, and -8LJ/W (SN 41209) to **Aeroflot Russian Airlines**. These were the airlines' 12th and 10th 737-800s respectively. **Norwegian Air Shuttle** received its 58th -8JP/W (SN 42075) and it has 42 more on order. **SunExpress Airlines** acquired -8HC/W (SN 61170), and **Transavia France** received -8K2/W (SN 43913). In Asia, **Myanmar National Airlines** leased its first of six -86N/Ws (SN 43405) from **GECAS**, and **flydubai** bought -8KN/W (SN 40274). **Lion Air** took delivery of two -8GP/Ws (SN 39857 & 39863) and transferred them to **Malindo Air**. The latter -8GP/W (SN 39863) was sold to **Avolon Aerospace** and leased back. In the Americas, two -8H4/Ws (SN 36655 & 36656) were delivered to **Southwest Airlines**, for a fleet total of 93, and **American Airlines** took two -823/Ws (SN 31219 & 33334), for a total of 257. The **United States Navy** bought two more -8FV/Ws – P-8A Poseidons (SN 44145 & 44146). They will enter service once the electronic equipment is installed. **GOL Airlines** received its 97th -8EH/W (SN 40739). Elsewhere, **AerCap**, **Air Lease Corp.** and **BOC Aviation** each acquired one -800 (SN and

The National Basketball Association (NBA) will up-size its VIP charter aircraft from the A319 to the 757-200. This year, the contract will cover 27 of the 30 **NBA** teams, four more than last season. According to its submission to the **DOT**, **Delta Air Lines** will sell 11 757s to a private leasing firm, which will then lease the aircraft to a trust controlled by the league. The **NBA** document said, "Under the proposed program, the Participating Teams will form a 'Team Entity', which will be a trust. The Team Entity will lease 11 **Boeing** 757-200 aircraft from a third party lessor, and the aircraft will be specially configured for use by the Participating Teams." **Delta** will be able to offer "ad-hoc" charter contracts during aircraft downtime, if there is no conflict with team transport operations. **Planet Service**, an administrative company, will coordinate charter scheduling for the **NBA**. Last year, the **NBA** employed a fleet of eight VIP-configured A319s which were sourced from **Delta**.

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lessees unknown). **Ethiopian Airlines** received its ninth of 10 -860/Ws (SN 40969). **Boeing** delivered six -900s in June, including two -990ERs (SN 40715 & 40716) to **Alaska Airlines**. **United Airlines** received two -924ER/Ws (SN 42202 & 42203), and now it has 10 more on order. **Delta Air Lines** acquired its 41st -932ER/W (SN 31952). **Lion Air** took delivery of -98GPER/W (SN 39841) and transferred it to **Thai Lion Air**. **Okay Airways** received its second and third -9FKER/Ws (SN unknown).

Avolon Aerospace leased its second 737-84P/W (SN 43658) to **Hainan Airlines** in July.

GECAS leased two 737-700s to **VRG Linhas Aéreas S.A.** **VRG** is the parent company of **GOL**, which is Brazil's second largest air carrier and operates 140 aircraft.

Boeing 747. **Air China** received its seventh and final -89L Intercontinental (SN 41194) in June. **Korean Air** accepted its sixth -8B5F (SN 37657), and has one more on order. To date, **Boeing** has delivered 58 747-8 Freighters and 34 passenger 747-8Is.

Boeing 767. **Federal Express** took delivery of its 17th and 18th -3S2Fs (SN 42715 & 43545) in June. The cargo airline has 35 more on order.

Med-View Airlines, Nigeria, will shortly take delivery of former **AeroMexico** 767-352ER (SN 26261) under a lease-purchase deal signed with **Aercap**. The 767 was recently seen at Goodyear, Arizona, after it was painted in the carrier's livery, and before its ferry flight to West Africa. The airline plans launch operations from Abuja to Dubai and Jeddah this November. **Med-View** was founded in in 2007, and currently operates three 737-400s and one 737-500 on domestic flights and services to Accra, Ghana. It also intends to fly to Guinea, Ivory Coast, Liberia and Sierra Leone.

Boeing 777. **Boeing** delivered nine 777-300ERs in June, including two -F1B freighters (SN 41635 & 41636) to **China Southern Airlines**. **China Eastern Airlines** acquired -39PER (SN 43273) and **China Airlines** obtained its second of six -309ERs (SN 43980). The airline is scheduled to receive four more in the next couple of years to support the launch of new European and North American routes. **Thai Airways International** bought its 25th new 777 from **Boeing** in June. The -3D7ER, (SN 42114) was the airline's fourth of six ordered -300ERs. **Air Lease Corp. (ALC)** long-term leased -360ER (SN 44551) to **Ethiopian Airlines**, and **GECAS** leased a fourth -36NER (SN 42108) to **EVA Airways**. **Garuda Indonesia** leased -3U3ER (SN 29144) from **ICBC Financial Leasing**, and **Saudi Arabian Airlines** bought -368ER (SN 42265).

Boeing 787. **Boeing** delivered 10 Dreamliners in June, and for the first time it delivered more 787-9s than 787-8s. **Boeing** sold 457 -8s and 498 -9s and it has 199 -8s and 464 -9s on backlog. **Etihad Airways** took delivery of two -9s (SN 39649 & 39650). **AerCap** bought -9 (SN 35321) and leased it to

Vietnam Airlines celebrated the delivery of its first 787-9 Dreamliner (SN 35151) at a ceremony at **Washington National Airport** in July. It will enter service in Vietnam later this month. The airline has 18 more 787s on order. **Boeing** offered to sell eight 787-10 Dreamliners and eight 777-8Xs to the flag carrier. **Boeing** said it and **Vietnam Airlines** will work together and report to government authorities before coming to official agreements in the future. The 777Xs would replace the airline's fleet of eight 777-200ERs. **Vietnam Airlines** operates more than 360 daily flights with its young fleet of modern aircraft.

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LAN Airlines, as that airline's third -9. **Scoot**, Singapore, accepted its fifth -9 (SN 37116), and **Virgin Atlantic Airways** purchased 787-9 (SN 37971). **All Nippon Airways** received its fifth of 44 -9s (SN 34529), and **Japan Airlines** obtained its first of 20 -9s (SN 35422), and its 22nd of 25 -8s (SN 34855). **Air India** acquired its 21st of 27 -8s (SN 36293), and **Xiamen Airlines** bought its fifth of six -8s (SN 41542).

Ethiopian Airlines will take delivery of six early model **Rolls-Royce** powered -8s (SN 34487, 34492, 34498, 34505, 38464 & 38475) as soon as **Boeing** can hang Trent engines on the wings and test the aircraft. Many of them have been sitting at the edge of the taxiway at Everett, Washington, for several years. **Rwandair** is still the putative customer for the last two unsold "terrible teens" 787s (SN 35507 & 35508); **Boeing** has not announced the order.

Regional Jet

Bombardier delivered the first of seven CRJ900NGs (SN 15373) to **Mesa Air Group**, in late June. **Mesa** will operate the aircraft for **American Airlines** under the **American Eagle** brand. The firm order for seven CRJ900NGs was announced in March, 2015, and will increase **Mesa's** fleet to 58 CRJ900s. **Petroleum Air Service**, Egypt, received its second CRJ900NG (SN 15370). **All Nippon Airways'** subsidiary, **Ibex Air** took delivery of its seventh CRJ700NG (SN 10344).

Embraer. **Embraer** delivered the sixth of 60 EMBRAER 170-200 LR (E175) (SN 17000481) to **American Airlines** in June. **American** selected **Compass Airlines**, a wholly-owned subsidiary of **Trans States Holdings**, to operate the first 20 E175s under the **American Eagle** brand. **United Airlines** bought six E175s (17000479, 17000480, 17000482, 17000484, 17000487 & 17000488), and leased them to **Mesa Airlines** and **Skywest Airlines** for operation for **United Express**. **SkyWest Airlines** took delivery of the first three new E175s (SN 170900483, 17000485 & 17000486) to be operated for **Alaska Airlines**. The jets will operate under the **Alaska SkyWest** banner, and all three entered service from Seattle or Portland to the Midwest on July 1. Another four jets will be delivered during the first quarter of 2016. **AZUL Linhas Aéreas Brasileiras** accepted its 61st E195 (SN 19000692). The airline also operates 22 E190s.

FlyEasy, India, plans to use an undisclosed number of E190s for regional services. It has acquired ex-**flynas** E190 (SN 19000233). The airline is a subsidiary of Bangalore-based **ABC Aviation & Training Services** and it intends to launch services this summer. It is awaiting an Air Operators Permit from the Indian **Directorate General of Civil Aviation (DGCA)**.

Sukhoi Superjet. **Aeroflot** received its 30th Superjet 100-95B (SN 95089) on June 1. It was leased from **Sberbank Leasing**. **Aeroflot** will receive eight more new SSJs by the end of 2015.

Turboprop Aircraft

ATR. **SATENA**, Colombia, took delivery of its first ATR 42-600 (SN 1019) in June. It was the first of five -600s to be leased from **Nordic Aviation Capital (NAC)**. The next -600 will be SN 1201. The airline also leases eight ATR 42-500s from **NAC**. **DAE Capital** leased the seventh new ATR 72-600 (SN 1253) to **Azul Linhas Aéreas Brasileiras**, and **Wings Abadi Airlines**, Indonesia, received its 21st -600 (SN 1256). **Air Madagascar** leased its second ATR 72-600 (SN 1248) from Irish leasing

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company, **Elix Aviation Capital**. **Garuda Indonesia** leased its 10th ATR 72-600 (SN 1249) from **NAC**. **Air New Zealand** received its seventh ATR 72-600 (SN 1264) at the **Paris Air Show**.

TruJet launched operations on July 12 with two leased ex-**Berjaya Air** ATR 72-500s (SN 858 & 875). The airline intends to acquire three more ATR 72s by March 2016. **TruJet** is based in **Hyderabad International Airport** and will serve southern and western Indian markets.

Viking. **Tara Air**, Nepal, took delivery of its first of two DHC-6-400s (SN 921) from **Viking Air** in July. The airplane will be used to fly to remote short takeoff & landing (STOL) airfields. The second aircraft is expected to be delivered in September. The new utility turboprops will replace its existing fleet of older DHC-6-300s and **Dornier** 228s.

Bombardier handed over of its 500th Q400 turboprop (SN 4500) to Calgary-based **WestJet Encore** in early July. The milestone aircraft was the 22nd of 36 ordered by the airline's parent company **WestJet**. **Rwandair** accepted Q400 Next Gen (SN 4498) in June. **Qazaq Air** leased the first of three Q400NGs (SN 4494) from **Falcon Aviation Services** of Abu Dhabi. **Qazaq Air** is a subsidiary of **Samruk Kazyna**, Kazakhstan's Sovereign Wealth Fund, and is based in Astana. The airline will fly to 12 destinations in the country.

United Airways, Bangladesh, is planning to acquire three Dash 8-400s in October of this year. The airline already operates three ATR 72-200s, one Dash 8-100, and five MD-83s on domestic routes as well as flights to Qatar, the United Arab Emirates, Saudi Arabia, Oman, India, Nepal, and Malaysia. **United Airways** is selling off its two A310-323ETs, and wants to replace them with airplanes capable of flying to cities in the U.K.

Air Iceland purchased three Dash 8-400s for hand over in July and August. They will enter service in December, and will replace five older **Fokker** F50s.

Antiques and Other Junque

Kuwait Airways will retire its fleet of five A300B4-605Rs (SN 673, 694, 699, 719 & 721) and three A310-308s (SN 647, 649 & 663) by the end of the year, CEO **Rasha Al Roumi** said. The airplanes were delivered in 1993 and 1994 and are currently flying on routes throughout the Middle East, Europe, North Africa, and the Indian subcontinent. The early Airbuses will be replaced with the five new A330-200s that the airline is leasing from **IAFC**. The first two were delivered in June. Next year, the Kuwaiti flag carrier will phase out its three elderly A320-212s (SN 181, 182 & 195) while its four A340-313s (SN 080, 090, 101 & 104) and two 777-269ERs (SN 28743 & 28744) will be retired when the fleet of 10 777-369ERs are delivered from November 2016 onwards. The last of the 1990s-era widebodies will be gone by June 2017. **Kuwait Airways** has firm orders for 15A320neos and 10 A350-900s, and the first of them will be delivered in 2019 and 2021 respectively. It has options for five A320neo and five A350s as well.

PIA Pakistan International Airways retired its last of three 747-367s (SN 23920) at the end of July. The 27-year old 747 was used on flights between Karachi and Jeddah. In the short term, **PIA** will wet-lease two 767-306ERs (SN 27959 & 27960) from **Mega Maldives Airlines**.

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Surinam Airways will return its only widebody, an A340-311 (SN 049), to **ILFC/AerCap** when the six-year lease expires in December 2015. The flag carrier will replace it with a newer A340. The airline management wants to acquire some new 737s using U.S. **Ex-Im Bank** backed financing and add them to its fleet of three 737-300s leased from **AWAS**.

GA Innovation China (GAIC), a joint venture between **GA Telesis** and **Air China**, received its first aircraft from overseas for teardown and parts redistribution in mainland China. **Tianjin HAITE High Tech Co.** was contracted by **GAIC** to disassemble one **Boeing** 767-300. **GAIC** will provide aftermarket component support for the Chinese and Asian markets. **GAIC** completed its first aircraft disassembly and parts redistribution of a domestic aircraft in 2013. The new teardown project supports **GAIC's** initiative to introduce foreign aircraft for disassembly to the Chinese market, in order to help airlines reduce maintenance and operating costs for their aircraft, the company said.

GA Telesis added one MD-11 freighter on lease to **FedEx** and one CFM56-5A engine to its portfolio in the second quarter of 2015. The company sold or leased six ERJ-145s, two A320s, two A321-100 airframes, and one A340-200 airframe. It leased out or sold four CF34-3 engines, three CFM56-5B engines, two CFM56-5A engines, two CF6-80C2B1F engines, two JT8D-217C engines, and one PW4056 engine. It is assumed that the A340 and A321 airframes will be parted out.

Werner Aero Services has acquired a 737NG last operated by **Eastar Jet**, Korea (possibly 737-86N, SN 28655, leased from **GECAS**). The aircraft will enter the company's disassembly process and all components will be used to support **Werner Aero Services'** growing customer base of 737NG operators.

Magellan Aviation Group purchased **Embraer** E175 (SN 17000017), and added E175 rotatable inventory support to **MAG's** range of expertise. It will be disassembled by **Air Salvage UK**, and material will be received at **MAG SNN** within the next 30 to 60 days. The CF34-8E5 engines will be available for sale, lease, or exchange. The airplane was last operated by **Air Lituanica**, and may be the first **Embraer** E-Jet to be scrapped voluntarily.

Accidents and Safety

From Aviation Safety Foundation

Russian Air Force Antonov An-12BK transport (RF-94291, SN 8345806) sustained substantial damage in an emergency landing at **Chelyabinsk Airport**, Russia, on July 17. The airplane was in route between Omsk and **Moscow-Chkalovsky** when three of its four engines failed. The aircraft made an emergency landing on the grass close to the runway and bogged down. Neither of the seven crew nor seven passengers were injured. A photo of the plane shows the nose gear was torn off or folded back with the plane resting on its main gear in the mud.

Elleniki Polemikí Aeroporía Canadair CL-215 firefighting aircraft was substantially damaged, on July 17, during a forced landing near the village of Faraklo, Greece. The pilots reported technical problems and survived the accident. The aircraft was fighting fires in the area, and it may be salvageable.

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Compagnie Africaine d'Aviation (CAA), Fokker F.50 passenger airplane (9Q-CJB, SN 20196), was substantially damaged in a ground accident at **Goma Airport**, Democratic Republic of the Congo, on July 14. While the flight crew ran the engines, the main landing gear folded back, and caused the fuselage to hit the tarmac. The fuselage sustained severe wrinkling to the forward fuselage.

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.

ASSET MANAGEMENT PROGRAMS

Aircraft appraisal, inspection and technical monitoring; analysis of market conditions and forecast of values; assistance with aircraft acquisitions and placement; valuation of facilities, equipment and other assets.

AIRLINE IMPROVEMENT PROGRAMS

Our staff undertakes corporate reviews of entire airlines or specific aspects of airline operations, advising airline executive management, government and international organizations (i.e. World Bank), on various aspects of airline restructuring and/or privatization. Specific issues addressed include airline valuation, strategic planning, scheduling and fleet planning, market development, revenue management, operations and maintenance efficiency. We also provide a full range of services for start-up carriers.

ECONOMIC & TECHNICAL ANALYSES PROGRAMS

We prepare traffic/operation forecasts and financial analysis for airport and other facilities planning; competitive evaluation of performance/design characteristics and market potential for new aircraft; critical assessment of capability, marketing strategy and opportunities for suppliers of products and services; and air service needs related to tourism development.

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.

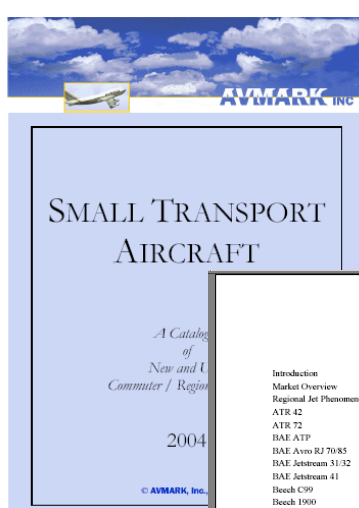
AVMARK's Historic Jet and Turboprop Values; summary of the then current fair market values as published in the AVMARK Newsletter for all jets and turboprops in service.

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 Publications

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.



SMALL TRANSPORT AIRCRAFT
A Catalog of New and Used Commuter / Regional Aircraft
 2004
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MARKET OVERVIEW

Most dynamic and fastest growing segment in the world is using old generation propeller aircraft to serve 90 million passengers using state of the art technology.

Airline Association (RAA):

Source:

Ref:

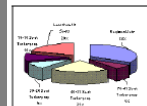


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Saab 340	140
Saab 2000	144
Shorts 330	148
Shorts 360	152

ATR 42-300

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

Specifications	
Accommodations	
Passengers*	46
Pilot	2
Cabin Attendants	1
Powerplant	
2 Pratt & Whitney PWC120 Turboprops	1,800 SHP / 1,342 kW
Hamilton Propellers	4 blades
Altitude Performance	
74 ft 5 in	
80 ft 7 in	
74 ft 11 in	
48 ft 3 in	
6 ft 5 in	
6 ft 3 in	
170 / 170 / 83 cu ft	
36,815 lb	
36,105 lb	
33,510 lb	
22,875 lb	
10,525 lb	
9,920 lb	
62.53 lb / sq ft	
10.23 lb / ft thrust	

ATR 42-300

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

Optional Equipment: KLN 500 GPS, FME Area Navigation (RNAV), Microwave Landing System, VLF/OMG Long Range Navigation System, Dual Honeywell AZ-800 Digital Air Data Computers, PA 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), Dual Autopilots, Dual Flight Computers (ADC), 1 DFZ 600 Automatic Flight Control System, Dual King Gold Crown VHF Nav, Radios, DME, Radio Altimeter, Honeywell P-800 Weather Radar.

Price List	
Years Built	Base (\$ mil)
ATR 42-300	85-99 3.0

Direct Operating Costs (\$ per block hour)	
Utilization (Block Hours / Year)	2
Average Stage Length (nm)	100 300
Flying Operations	
Flight Crew, Salaries / Expenses	\$198 \$160
Fuel, Oil, Taxes	\$173 \$162
Other	\$3 \$3
Aircraft Costs	
Insurance	\$3 \$3
Maintenance	\$478 \$415
Depreciation	\$62 \$62
Rentals	\$318 \$318
Total Direct Operating Costs	\$906 \$833
Cost per Available Seat Mile - \$	12.33 8.65
Cost per Airplane Mile	\$5.67 \$4.44
Cost per Seat Block Hour	\$16.67 \$15.1

Note: Data from DOT airline filings.

ATR 42

THE AVIONS DE TRANSPORT REGIONAL (ATR) first flew in August 1984, and entered service in December 1985 with the French regional Air France. 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. This 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.

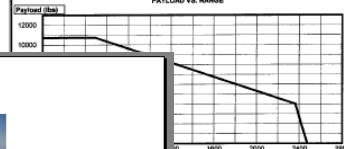
TYPICAL CABIN CONFIGURATION

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 externally accessed forward and aft baggage compartment, and in a closet.

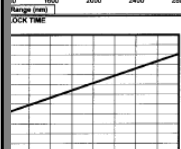


ATR 42

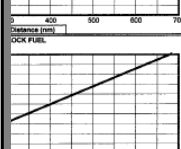
PAYLOAD VS. RANGE



RANGE (nm)



Distance (nm)



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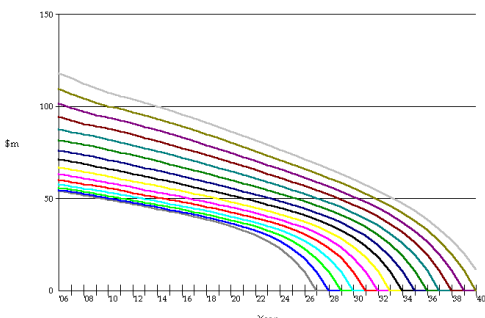
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CAVAS Graph



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	49
Freight & Mail	8,879,176	8,868,733	8,858,261	8,847,758	8,837,226	8
Other Revenue	986,575	985,415	984,251	983,084	981,914	1
TOTAL OPERATING REVENUE	59,194,505	59,124,887	59,055,070	58,985,055	58,914,841	58
VARIABLE EXPENSES						
Fuel	6,918,975					
Landing Fees	3,021,823					
Enroute Charges	392,440					
Pax Commissions	7,399,313					
Freight Commissions	1,331,876					
Food & Supplies	3,993,194					
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	1
Other Overhead	0	0	0	0	0	
TOTAL FIXED COST	522,892	697,747	871,835	1,045,156	1,217,711	1
TOTAL OPERATING COST	31,464,497	32,185,749	32,903,601	33,618,052	34,329,104	35
General and Admin. Allocation	1,573,225	1,609,287	1,645,180	1,680,903	1,716,455	1
TOTAL COST	33,037,722	33,795,036	34,548,781	35,298,955	36,045,559	36
OPERATING PROFIT OR LOSS	26,156,782	25,329,851	24,506,290	23,686,100	22,869,282	22
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	22
AIRCRAFT LIFE ADJ. CASH FLOW	25,841,782	25,329,851	24,506,290	23,686,100	22,869,282	22

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 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

File No.

013

Search Term

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Aircraft : Airbus A340-300 - Widebody 4 Engine Passenger

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	63.14	66.80	71.07	75.94	81.43	87.52	94.23	101.54	109.47	118.00
2007	52.85	53.49	54.73	56.56	58.99	62.01	65.62	69.85	74.66	80.17	85.92	92.18	99.12	106.73	115.25
2008	51.68	52.36	53.61	55.43	57.85	60.84	64.42	68.69	73.65	79.18	84.76	90.48	96.97	104.20	112.39
2009	50.49	51.19	52.46	54.29	56.71	59.69	63.26	67.51	72.44	77.97	83.58	89.64	96.54	104.17	112.39
2010	49.28	49.99	51.27	53.10	55.52	58.50	62.06	66.30	71.21	76.72	82.32	88.46	95.54	103.39	111.74
2011	48.06	48.78	50.06	51.89	54.31	57.29	60.84	65.07	70.00	75.50	81.09	87.22	94.39	102.44	110.94
2012	46.83	47.55	48.83	50.66	53.08	56.06	59.60	63.82	68.74	74.24	79.73	85.90	93.16	101.44	110.14
2013	45.59	46.31	47.59	49.42	51.84	54.82	58.36	62.57	67.49	72.98	78.47	84.64	91.90	100.34	109.14
2014	44.35	45.07	46.35	48.18	50.60	53.58	57.12	61.33	66.24	71.73	77.22	83.39	90.74	99.28	108.14
2015	43.11	43.83	45.11	46.94	49.36	52.34	55.88	59.99	64.90	70.39	75.88	82.05	89.50	98.14	107.14
2016	41.87	42.59	43.87	45.70	48.12	51.10	54.64	58.75	63.66	69.15	74.64	80.81	88.26	96.90	106.14
2017	40.63	41.35	42.63	44.46	46.88	49.86	53.40	57.51	62.42	67.91	73.40	79.57	87.02	95.66	104.90
2018	39.39	40.11	41.39	43.22	45.64	48.62	52.16	56.27	61.18	66.67	72.16	78.33	85.78	94.42	103.66
2019	38.15	38.87	40.15	41.98	44.40	47.38	50.92	55.03	59.94	65.43	70.92	77.09	84.54	93.18	102.42
2020	36.91	37.63	38.91	40.74	43.16	46.14	49.68	53.79	58.70	64.19	69.68	75.85	83.30	91.94	101.18
2021	35.67	36.39	37.67	39.50	41.92	44.90	48.44	52.55	57.46	62.95	68.44	74.61	82.06	90.70	99.94
2022	34.43	35.15	36.43	38.26	40.68	43.66	47.20	51.31	56.22	61.71	67.20	73.37	80.82	89.46	98.70
2023	33.19	33.91	35.19	37.02	39.44	42.42	45.96	50.07	54.98	60.47	65.96	72.13	79.58	88.22	97.46
2024	31.95	32.67	33.95	35.78	38.20	41.18	44.72	48.83	53.74	59.23	64.72	70.89	78.34	86.98	96.22
2025	30.71	31.43	32.71	34.54	36.96	39.94	43.48	47.59	52.50	57.99	63.48	69.65	77.10	85.74	94.98
2026	29.47	30.19	31.47	33.30	35.72	38.70	42.24	46.35	51.26	56.75	62.24	68.41	75.86	84.50	93.74
2027	28.23	28.95	30.23	32.06	34.48	37.46	41.00	45.11	50.02	55.51	60.99	67.16	74.61	83.25	92.49
2028	26.99	27.71	28.99	30.82	33.24	36.22	39.76	43.87	48.78	54.27	59.76	65.93	73.38	82.02	91.26
2029	25.75	26.47	27.75	29.58	31.99	35.00	38.54	42.65	47.56	53.05	58.54	64.71	72.16	80.80	90.04
2030	24.51	25.23	26.51	28.34	30.76	33.78	37.32	41.43	46.34	51.83	57.32	63.49	70.94	79.58	88.82
2031	23.27	23.99	25.27	27.10	29.52	32.54	36.08	40.19	45.10	50.59	56.08	62.25	69.70	78.34	87.58
2032	22.03	22.75	24.03	25.86	28.28	31.30	34.84	38.95	43.86	49.35	54.84	60.99	68.44	77.08	86.32
2033	20.79	21.51	22.79	24.62	27.04	30.06	33.60	37.71	42.62	48.11	53.60	59.75	67.20	75.84	85.08
2034	19.55	20.27	21.55	23.38	25.80	28.82	32.36	36.47	41.38	46.87	52.36	58.51	66.06	74.70	83.94
2035	18.31	19.03	20.31	22.14	24.56	27.58	31.12	35.23	40.14	45.63	51.12	57.27	64.82	73.46	82.70
2036	17.07	17.79	19.07	20.90	23.32	26.34	29.88	33.99	38.90	44.39	49.88	55.93	63.48	72.12	81.36
2037	15.83	16.55	17.83	19.66	22.08	25.10	28.64	32.75	37.66	43.15	48.64	54.69	62.24	70.88	80.12
2038	14.59	15.31	16.59	18.42	20.84	23.86	27.40	31.51	36.42	41.91	47.40	53.45	61.00	69.64	78.88
2039	13.35	14.07	15.35	17.18	19.60	22.62	26.16	30.27	35.18	40.67	46.16	52.21	59.76	68.40	77.62
2040	12.11	12.83	14.11	15.94	18.36	21.38	24.92	28.93	33.84	39.33	44.82	50.87	58.42	67.06	76.36
2041	10.87	11.59	12.87	14.70	17.12	20.14	23.68	27.69	32.60	38.09	43.58	49.63	57.18	65.82	75.06
2042	9.63	10.35	11.63	13.46	15.88	18.90	22.44	26.45	31.36	36.85	42.34	48.39	55.94	64.58	73.82
2043	8.39	9.11	10.39	12.22	14.64	17.66	21.20	25.21	30.12	35.61	41.13	47.18	54.73	63.37	72.62
2044	7.15	7.87	9.15	10.98	13.40	16.42	19.96	23.97	28.88	34.39	40.38	46.43	53.98	62.62	71.82
2045	5.91	6.63	7.91	9.74	12.16	15.18	18.72	22.73	27.64	33.15	39.19	45.23	52.43	61.17	70.42
2046	4.67	5.39	6.67	8.50	10.92	13.94	17.48	21.49	26.40	32.19	38.23	44.27	51.47	59.91	69.02
2047	3.43	4.15	5.43	7.26	9.68	12.70	16.24	19.95	24.86	30.87	36.91	42.91	49.95	58.55	67.62
2048	2.19	2.91	4.19	6.02	8.44	11.46	15.00	18.71	23.62	29.66	35.75	42.39	49.43	58.03	66.82
2049	0.95	1.67	2.95	4.78	7.20	10.22	13.76	17.47	22.33	28.37	34.41	40.81	47.89	56.41	65.62
2050	-0.29	0.43	1.71	3.54	5.96	9.00	12.54	16.25	21.06	26.77	32.48	38.99	45.40	53.81	63.02

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