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Farnborough Airshow

USA

EXECUTIVE OFFICE

PO Box 189
Vienna, VA 22183 – USA
Tel: +1-240-582-0119
Fax: +1-226-444-9723
enquiries@avmarkinc.com

PUBLISHING OFFICE

523 Stephens Avenue
Missoula, MT 59801 – USA
Tel: +1-406-274-3521
mrmotomontana@msn.com

EUROPE

AVMARK ESPAÑA

Gran Via de les Cortos
Catalnes 712, 6, 5
Barcelona 08013
SPAIN
Tel: +34-93-245-0659
enquiries@avmarkinc.com

LATIN AMERICA

AVMARK-SLEM S.A.

Avda. Carlos Julio Arosemena Km 2.5
C.C. La Linea, Oficina 3
Guayaquil
ECUADOR
Tel: +593 4 222 0640
Fax: +593 4 220 6726
Cell: +593-9-979-2586
enquiries@avmarkinc.com

ASIA & ASIA-PACIFIC

AVMARK ASIA-AMS

50 Raffles Place
34-02A Singapore Land Tower
Singapore 048623
Tel: +65-65-38-38-35
Fax: +65-65-38-38-10
enquiries@avmarkinc.com

Farnborough International Air Show Was a Huge Success—when compared to **Paris Airshow** last year. **Airbus** signed deals for 133 airplanes and **Boeing** announced 85 orders. Leasing companies accounted for the majority of the new orders. **General Electric's** aircraft-leasing subsidiary, **GECAS** ordered 40 737-800s worth about \$3 billion at list prices. **GE Capital Aviation Services** also ordered 60 A320s worth around \$4.9 billion from **Airbus**. Newly-launched **Air Lease Corp.** ordered 31 A320s and 20 A321s, worth up to \$4.43 billion at list price. **Air Lease** was formed in February by Steven Udvar-Hazy and John Pleuger, the former heads of **International Lease Finance Corp.** **Royal Bank of Scotland's** aircraft-leasing unit **RBS Aviation Capital** ordered 52 A320 family aircraft and 43 737 NGs worth more than \$7.6 billion at list prices. **RBS'** spokesperson said, "The 95 aircraft will be delivered between now and 2015 and will be leased to customers across the world, with all of the 2010 deliveries having already been placed." **RBS Aviation Capital** disclosed that its 43 737-800s are list priced at approximately \$3.3 billion. The orders are not new and were posted to **Boeing's Orders and Deliveries** website in 2008 and 2009 as attributed to an unidentified customer. **RBS** took delivery of its 125th new 737-800 in July.

Several Airlines Placed Big Orders. **Emirates Airlines** followed up a 32 A380 order placed at the Berlin **ILA** show with the purchase of another 30 777-300s from **Boeing**, with a list price of more than \$9 billion. **Norwegian Air Shuttle**, Scandinavia's largest LCC ordered 15 Boeing 737-800s. The airline exercises some of its 42 options placed in 2007. The repeat order is worth roughly \$1.15 billion. **Norwegian** has now ordered 59 737-800s. **Aeroflot** contracted for 11 A330-300s worth approximately \$2.34 billion. **Garuda Indonesia** signed for six A330-200s worth \$1.2 billion; **Germania** confirmed five A319 orders worth \$372 million. **LAN Airlines** signed a memorandum of understanding—MoU for 40 A320s and 10 A321s worth at total of \$4.2 billion. **Hong Kong Airlines** committed for 10 A330-200s worth \$1.9 billion plus 15 A350 XWBs worth \$3.8 billion. **Virgin America** inked a MoU worth \$3.3 billion for 40 A320s and **Thai Airways International** committed to buy seven A330-300s worth \$1.5 billion.

Airbus' Chief Operating Officer—Customers, **John Leahy** was ebullient, saying "Ladies and gentlemen, the recession is definitely over." The company doubled its pre-**Farnborough** order book of

<i>Table of Contents</i>	
<i>Market Comment</i>	<i>1</i>
AIRCRAFT & ENGINE ORDERS	
<i>Airbus</i>	<i>3</i>
<i>Boeing</i>	<i>8</i>
<i>Regional</i>	<i>13</i>
<i>Engines</i>	<i>17</i>
<i>Order Changes</i>	<i>18</i>
<i>Leasing Companies</i>	<i>21</i>
AVIATION BUSINESS	
<i>Airline News</i>	<i>22</i>
<i>Military Market</i>	<i>25</i>
<i>Technical</i>	<i>26</i>
<i>Cargo Pallet</i>	<i>26</i>
AIRCRAFT DELIVERIES, SALES & LEASES	
<i>Jet Aircraft</i>	<i>27</i>
<i>Scrap Heap</i>	<i>33</i>
<i>Accidents & Safety</i>	<i>33</i>
PUBLICATIONS & FORMS	
<i>Avmark Publication Samples</i>	<i>36</i>
<i>Current Avmark Publications</i>	<i>37</i>
<i>Publication Form</i>	<i>40</i>

131. He said the commitments at **Farnborough Airshow** brought **Airbus'** total firm orders to more than 260 aircraft. "This clearly proves that the market is back, and that our new end of year target for over 400 orders is within reach." The previous target was set at 300 new sales. **Airbus** announced the value of its 133 firm as surpassing \$13 billion while the 122 airplanes covered under MoUs are worth around \$15 billion for totals of 255 aircraft, valued at around \$28 billion. **Tom Enders, Airbus** CEO said the company was considering further increases in its A320-Family production rate and may also increase wide-body production.

Boeing Commercial's CEO **Jim Albaugh** said, "We've raised our orders forecast twice. We might do it a third time." The non-public forecast has been updated twice since January 1. The Airshow orders reflect renewed demand among airlines for new planes after the economic downturn that killed travel demand and nearly killed several major airlines. Mr. **Albaugh** said, "We think that [the airlines] are going to be very profitable next year and there is real pent-up demand." **Boeing** recently announced it would increase the production rate of its best-selling 737 products to 35 per month. At **Farnborough**, Mr. **Albaugh** said the company would probably raise the production rate again to accommodate demand and to speed delivery of the two thousand 737s on backlog.

Embraer Won Commitments Worth About \$7 Billion. **FlyBe**, UK signed a contract for 35 EMBRAER 175 jets at the **47th Farnborough International Airshow**. The sale includes 65 options and 40 purchase rights, for a potential total of 140 E-175s. The firm order, at list price, is \$1.3 billion, and if all options and purchase rights are exercised, the deal could be worth \$5 billion. **FlyBe** operates 14 EMBRAER 195s. The first 88-seat EMBRAER 175 jet will be delivered in the second half of 2011. **Republic Airways** signed a Letter of Intent—LOI for 24 EMBRAER 190s. The LOI specifies that the airline has the option to convert any of the E-190s to the larger Embraer 195 model. The agreement is valued at \$960 million at list price.

Republic Airlines is the largest E-Jet operator in the world. New lessor, **Air Lease Corp.** signed a LOI to buy 15 EMBRAER 190s. The purchase includes five options for a potential sale of 20 EMBRAER 190s. Five of the 15 orders are re-confirmable. The 20 E Jets are worth \$800 million.

Bombardier Inc. bombed at the show when it could not announce a big order from probable CSeries customer **Qatar Airways**. The airline said the sale stalled due to undisclosed "issues" with the CSeries engine maker, Pratt & Whitney. **Qatar's** CEO **Akbar Al-Baker** said the airline is interested but "we have not concluded [a deal] yet. We were hoping to announce something at this show, but unfortunately,

there are some issues not related to **Bombardier**...that have not yet been resolved.” The C Series is due to fly in 2013 and are cleaner and more efficient to operate than current jets. The manufacturer did sell seven Q400 NextGen turboprops to **Qantas Airways’** wholly-owned regional airline, **QantasLink**. The contract is valued at approximately \$218 million. **Porter Airlines** ordered four Q400 NextGen airliners and optioned an additional six Q400 NGs. **Porter’s** total order is valued at about \$308 million.

Airbus Orders

Airbus Increases A320 Production Rate. The production rate of the A320 Family aircraft will rise to 38 per month in August 2011 and to 40 per month in first quarter 2012. **Airbus** currently builds 34 A320 Family aircraft per month. The company will bump that to 36 per month in December. **Airbus** will continue to build 8.5 A330/A340 Family aircraft per month for the immediate future. **Airbus** cites strong demand for its narrowbodies as a reason for the production increases. The company sold 206 A320s at **Farnborough Airshow** and has raised its yearly sales goal to 400 of all types. The A320 Family backlog exceeds 2,200 aircraft. The company delivered 498 aircraft in 2009, of which 402 were narrowbodies. **Airbus** delivered 250 aircraft in the first half and expects to deliver a like amount by December 31.

“The Recession is Definitely Over,” said **Airbus** COO **John Leahy**. “And there’s no wonder why the airlines, and especially the leasing companies, are placing orders: liquidity is back in the market, traffic is back in the market, and GDP growth is back. It looks like we’ve turned the corner, and that’s why we’re seeing strong growth.” **Airbus** sold 116 A320 Family aircraft and 17 A330s at **Farnborough**. Customers committed to buy 90 A320 Family jets, 15 A350 XWBs and 17 A330s. President and CEO Tom Enders admitted that the new sales were higher than anticipated, but they confirm the recovery trend seen during the past several months – both in passenger traffic flow and air freight volume, **Enders** said.

Airbus Announced 155 New Firm Orders in July and delivered 48 aircraft. At the **Farnborough Airshow**, two leasing companies: **GE Capital Aviation Services—GECAS** and **Air Lease Corporation—ALC** bought at total of 111 A320 Family aircraft. **ALC** placed its first **Airbus** order – for

Air Lease Corporation—ALC was launched in May by ex-**ILFC** executives **Steven Udvar-Hazy** and **John L. Plueger**. Mr. **Udvar-Hazy** is Chairman and Chief Executive Officer and Mr. **Plueger** is President and COO of **ALC**. The **ALC** senior management team has about 200 years of aviation industry experience. They have longstanding relationships with leaders of the airline, manufacturing and financial worlds. The new aircraft leasing company secured \$3.3 billion in initial financing, consisting of \$1.3 billion in equity capital and approximately \$2 billion of debt financing. **ALC** announced its first new aircraft acquisitions at **Farnborough International Airshow** and is acquiring a portfolio of used aircraft from a diversified group of airlines. By next year, **ALC** should have more than 100 commercial aircraft in its fleet. Mr. **Udvar-Hazy** basically wants to re-create the **ILFC** he founded 37 years ago. He said, “**ALC** is committed to helping shape the future of the aviation industry, and we believe this new venture provides many wonderful opportunities for our airline clients, our business partners and our investors. We look forward to working with the leading global airlines as they modernize their fleets, to consulting with the OEMs as they develop the next generation of fuel-efficient ‘green’ aircraft, and to continually exploring strategic business solutions that enable our clients to grow and thrive financially.”

20 A321s and 31 A320s. **GECAS** increased its A320 orderbook by 60, for a grand total of 236. Both **ALC** and **GECAS** chose to equip their planes with “Sharklet” large wing-tip devices to enhance the airplanes fuel efficiency and payload-range performance. **TAM Airlines** converted a Memorandum—MoU of Understanding for six A319s, seven A320s, seven A321s and five A350-900s into firm orders. The MoU was announced during the **ILA Berlin Air Show**, in June. The largest customer for Airbus in the Southern Hemisphere now has ordered 176 **Airbus** jetliners. **Aeroflot** is purchasing 11 A330-300s, and **Garuda Indonesia** is buying six A330-200s. **Germania**, a new Airbus customer, ordered five A319s to start its planned fleet replacement. The airline operates 6 737-300s and nine -700s. The order is worth \$372 million.

Airbus delivered a record number of jetliners, including five A319s, 25 A320s, seven A321s, five A330-200s, two A330-300s, one A340-600 and three A380s in July.

Airbus Booked 50 New Orders in

June and delivered 44 aircraft. The June orders were led by **Emirates’** order for 32 A380s announced at the **ILA Berlin Air Show**. **Emirates’** record-breaking repeat order caused headlines (and some head scratching) and brings the airlines’ firm A380 orders to 90. The newest planes are valued at \$11.5 billion. The **Emirates** sale bumps A380 firm orders reached to 234 from 17 customers. This was the largest single order for the A380 and could be the largest single order in terms of cost for any **Airbus** customer. **Airbus** called it an “unequivocal endorsement of both the A380’s exceptional in-service performance, and also its role as a market-growth enabler for airlines that operate it.” A private customer, believed to be **SonAir**, Angola ordered two A340-500s, believed to be serial numbers 886 & 894. The airline is a subsidiary of the government-owned oil company, **Sonagol**. **SonAir** currently ACMI-leases two 747-400s from **Atlas Air** for non-stop services between Luanda, Angola and Houston, Texas. **Turkish Airlines** bought its sixth A330-200. **Finnair** ordered five A321s worth \$485 million, plus an undisclosed customer bought 10 A319s.

Airbus July 2010 Orders, Deliveries and Backlog

JUL ORD	JUL DEL	JUL CANX	TOTAL ORD	TOTAL DEL	BACK LOG
			A318		
-0-	-0-	-0-	83	73	10
			A319		
11	5	-0-	1,508	1,255	253
			A320		
98	27	-18	4,260	2,422	1,838
			A321		
27	5	-0-	830	613	217
			A330		
14	10	-2	1,092	710	382
			A340		
-0-	1	-0-	380	374	6
			A350		
5	-0-	-7	528	-0-	528
			A380		
-0-	3	-0-	234	33	201
This Month			This Year		BL
155	48	-27	245	298	3,435

**Airbus sold 9,731 aircraft and delivered 6,296 as of
July 31, 2010**

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

Airbus delivered three A319s, 27 A320s, five A321s, seven A330s, one A340-500 and one A380 in June.

Turkish Airlines ordered its sixth A330-200 in June. The flag carrier ordered 10 A330-300s, two A330-200 freighters and 24 A320 family aircraft in 2009. The newly ordered A330 will be delivered in 2011 and fitted with **Rolls Royce** Trent engines. **Turkish Airlines** started operating **Airbus** aircraft in 1985 and now has 70 Airbuses in its fleet.

At the ILA Berlin Air Show, **Airbus** also received MoUs for 35 aircraft worth approximately \$3.8 billion. **TAM** committed for 20 A320 Family aircraft valued at \$1.7 billion and five A350-900s worth \$1.3 billion. The order was confirmed in July. **TAM Airlines** is **Airbus'** biggest customer in the southern hemisphere and Brazil's largest airline company. With the recent order, the airline will purchase 176 aircraft, including 134 A320 Family, 15 A330-200s and 27 A350 XWB aircraft. **TAM** has 14 A319s, 36 A320s, 10 A321s, two A330-200s, 10 A350-800s and 17 A350-900s in the backlog. The new A350-900s will be powered by **Rolls Royce** Trent engines. **TAM** did not specify the engines for the latest batch of single-aisle aircraft. The airline operates both **CFM** and **IAE** engines on its A319s, A320s and A321s. The newest A320 Family aircraft will be used to replace older A320s, as part of the airline's plan to keep an average fleet age of six years.

Finnair ordered five A321s equipped with the new fuel-saving "Sharklet" wing tip devices. The order is worth \$485 million and is the first commitment for the A321 with Sharklets. **Airbus** said the increased efficiency of the A321 with Sharklets will offer **Finnair** a four per cent fuel saving on its routes. Deliveries of the A321s will begin in 2013 and allow **Finnair** to harmonize its fleet and win new cost efficiencies due to economies of scale and cross crew qualification. **Finnair** currently operates 29 A320 Family aircraft and 12 A330s/A340s. **Airbus** said, "Sharklet wingtip devices are designed to result in at least 3.5 percent reduced fuel burn over longer sectors, corresponding to an annual CO2 reduction of around 700 tonnes per aircraft." The **Finnair** sale was announced at **ILA Berlin Air Show**.

Airbus June 2010 Orders, Deliveries and Backlog

JUN ORD	JUN DEL	JUN CANX	TOTAL ORD	TOTAL DEL	BACK LOG
			A318		
-0-	-0-	-0-	83	73	10
			A319		
10	3	-0-	1,498	1,250	248
			A320		
-0-	27	-0-	4,172	2,397	1,775
			A321		
5	5	-0-	810	606	204
			A330		
1	10	-0-	1,080	703	377
			A340		
2	1	-0-	380	373	7
			A350		
-0-	-0-	-0-	530	-0-	530
			A380		
32	1	-0-	234	30	204
This Month			This Year		BL
50	47	-0-	117	250	3,355

**Airbus sold 9,603 aircraft and delivered 6,248 as of
June 30, 2010**

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

Germania signed a Memorandum of Understanding—MoU at **ILA Berlin Air Show** for five Airbus A319s, making **Germania** a new Airbus customer. The airline will rollover its **Boeing** 737 fleet with new Airbuses. The CFM-engined A319s are worth \$372 million and deliveries commence in April 2011. The commitment was confirmed in July. Berlin based airline **Germania** is a subsidiary of the holding company, **S.A.T.**

LAN Airlines S.A., Chile and its subsidiaries agreed to buy 50 A320 Family aircraft. They will be delivered between 2012 and 2016 and fitted with ordered CFM56-5B engines. The new A319s, A320s and 10 A321s will operate regional and domestic flights within Latin America. This order is valued at approximately \$4.15 billion at list prices. The Memorandum of Understanding was signed at the **Farnborough International Airshow** and is the largest single airline order for Airbus in Latin America. **LAN** has now ordered 152 Airbuses. **LAN** intends to sell its 15 Airbus A318s between 2011 and 2013. The Chilean flag carrier is profitable and passenger traffic is rising at double digit rates.

Cathay Pacific Airways signed a Letter of Intent for 30 A350-900s in August. The A350 XWB will be the backbone of its future mid-size widebody fleet. **Cathay Pacific** will operate the A350 on its route system to Europe and North America. The first of the **Rolls-Royce** Trent XWB powered A350-900s will be delivered from 2016 and 2019. The order is valued at \$7.8 billion at list price.

Garuda Indonesia ordered three long range A330-200 aircraft in July. The A330s will be powered by **Rolls-Royce** Trent 700 engines and the first will be delivered in the fourth quarter of 2012. The airline recently leased four A330-200s and has six owned A330-300s in its fleet. The Trent 700 engines are worth \$420 million according to **Rolls Royce**.

Thai Airways International signed a Memorandum of Understanding at **Farnborough** to buy seven more A330-300s worth \$1.5 billion at catalogue prices. The airline signed a firm contract in August. The A330s will replace **Thai's** six A300-600s when they are delivered from the end of 2011 to the second quarter of 2013. **Thai** operates 20 A330-300s on routes across the Asia-Pacific region. The airline plans to phase out 10 A300-600s, six Boeing 747-400s and four A340-500s. Deliveries of 24 new aircraft, including six A380s and

Emirates Airline Ordered 32 A380s worth \$11.5 billion at list price. The agreement was signed at the **ILA Berlin Air Show**. **Emirates** CEO Sheikh **Ahmed Bin Saeed Al-Maktoum** said, "This latest order, adding to 58 A380s previously ordered, affirms **Emirates'** strategy to become a world leading carrier and to further establish Dubai as a central gateway to worldwide air travel. The A380 is our flagship in terms of passenger comfort, innovation, operating and environmental efficiency and revenue generation. Our latest commitment signals **Emirates'** confidence in the growth to come in a thriving aviation sector." **Emirates'** tenth A380 was delivered in June and served as a backdrop for the signing ceremony at the **ILA Berlin Air Show**. The airline's first A380 arrived in July 2008. The newest 32 will be delivered between April 2015 and November 2017. All 90 **Emirates** A380s will be powered by Engine Alliance GP7200 engines. CEO **Tim Clark** said the big order is "simply an extension of the growth strategy which have been doing successfully for quite a number of years. We have the delivery slots we want at the time that we want, to allow us to grow at the pace that we want to." The A380s will replace existing widebodies, and also be used to increase frequencies. **Emirates** plans to start phasing out the first of its 68 older widebodies in February, including the A330-200s, A340-300/500s and **Boeing** 777-200s. The airline has 777-300ERs and the A350 XWBs on order

three A330-300s were approved by the **Thai Government**.

Aeroflot, the Russian flag carrier ordered 11 A330-300s at **Farnborough**. The A330-300s will seat around 300 passengers. The order is worth more than €2 billion (\$2.5 billion). **Aeroflot** currently operates 15 A319s, 33 A320s and 16 A321s as well as 10 leased A330s. The airline ordered 22 A350 XWBs in 2007.

Virgin America intends to order 40 new A320s, worth \$3.3 billion and option 20 more. The non-binding Memorandum of Understanding was signed at **Farnborough International Airshow**. The orders will be filled from 2013 through 2016 at a rate of 10 per year. The 20 optioned aircraft will arrive in 2017-2018. The airline will announce its engine choice when the contract is finalized. **Virgin America** plans to grow its fleet through purchase and lease from 31 Airbuses this year to 90 aircraft by 2016. This reflects a growth rate of 20 percent per year. **Virgin America** operates 10 A319s and 21 A320s and will add another 19 A320 through purchases and leases by the end of 2012.

Hong Kong Airlines signed a MoU to order 15 A350 XWBs and 10 more A330-200s at **Farnborough International Airshow**. The airline will convert 15 of its 20 A330 orders to A350 XWBs and place a new order for 10 A330-200s. The new batch of A330-200s will be delivered from 2012 onwards. The first A350 XWB will arrive in 2018. Both aircraft types will be operated on long haul routes linking Hong Kong with destinations in Europe and North America.

Malaysia Airlines confirmed its previously announced Memorandum of Understanding for 15 A330-300s in March, and ordered two A330-200F Freighters for operation by the carrier's subsidiary **MASKargo**. The first deliveries of the passenger aircraft will begin in the first half of 2011, and the first freighter will join the **MASKargo** fleet later that year. All 17 A330s will be powered by PW4170 engines. **Malaysia Airlines** currently operates 11 A330-300s and three A330-200s. The carrier also has firm orders for six A380s. The A330 order is worth \$3.6 billion at list prices. The MOU was announced in December 2009. **MAS** also optioned to buy another 10 A330s. The new 283-seat A330s will serve **MAS'** routes in South Asia, and two China, North Asia, Australia and the Middle East.

Airbus Sold Seven A320s to Cebu Pacific Airlines in April. The latest contract increases the carrier's A320 Family order backlog to 22 aircraft, scheduled for delivery between the last quarter of 2010 and 2014. The new A320s will be powered by CFM 56 engines, and will fly on the low cost carrier's extensive domestic and regional route network.

In March, Airbus Sold 49 Airplanes, including 25 A350-900 XWBs to **United Airlines**. The airline formalized a commitment announced last December. **Airbus** also recorded **Hong Kong Airlines'** confirmation of its MOU for six more A330-200s. **Malaysia Airlines'** contract for 15 A330-300d and two A330-200Fs firmed up an MOU for the passenger A330s. The A330Fs will be operated by the carrier's **MASKargo** subsidiary. **Hawaiian Airlines** will take delivery of its first A330-200 this spring and exercised one of its six options for a seventh A330-200s in March. **Hawaiian** will also lease one A330-200 from **CIT** and two -200s from **AWAS**. The first leased A330 will be delivered in June 2010. The newly ordered A330 will be delivered in the second quarter of 2011. **Hawaiian** will operate 10 **Rolls-Royce** Trent-powered A330s by 2014. **Airbus** delivered 11 widebodies and 44 single-aisle aircraft.

Airbus sold five A320s to **Iberia** and five more to **South African Airways** in May. **CIT Leasing** bought four A330-200s. During the two month period, **Airbus** booked cancellations of four A319s, four A320s and six A330-300s.

Iberia, the Spanish flag carrier exercised an option to buy five A320s in May and then sold them to **British Airways**, an **Iberia** spokeswoman said. Spain's **Expansion** newspaper said the five A320s were worth about \$300 million. The deal is financed by the approximately €400 million annual synergies from their merger, which should be completed by the end of the year. In 2005, **Iberia** ordered 30 single-aisle Airbuses and optioned another 49 for delivery by 2011.

South African Airways ordered five more A320s for a total of 20. The airline already operates seven A320s and 11 A319s. The new batch of A320s will be delivered from 2013, and will be powered by **IAE** engines. The flag carrier recently contracted to lease six new A330s from **Aircastle**. The A330s will join a long-haul fleet of six A340-200s, six -300s and nine -600s.

Tibet Airlines was launched in March 2010 and signed a commitment to acquire three A319s in August. The company will fly 128-seat A319s on routes within Tibet and to major cities in China. It is **Airbus'** newest customer.

Boeing Orders

Boeing Announced 90 737 Sales at Farnborough Airshow. **American Airlines** added 35 737-800s to its backlog of orders, bringing the total to 207. **GECAS** finalized an order for 40 737-800s fitted with CFM56-7B engines. The order is valued at approximately \$3 billion at average list prices and the engine order is worth \$560 million to **CFM**. The lessor is scheduled to begin taking delivery in 2013. **GECAS** has more than 300 737NGs in its fleet and now has another 105 in backlog. **Norwegian Air Shuttle ASA** ordered another 15 Boeing 737-800s through the exercise of purchase rights from its 2007 order for 42 737NGs. The 15 planes are worth \$1.15 billion at average list prices. **Norwegian** now has unfilled orders to 59 737NGs and has four in service. The airline retains 27 737 purchase rights which were reserved in 2007. **Norwegian Air Shuttle** is the second largest airline in Scandinavia and flies to Europe, North Africa and the Middle East. The airline carried nearly 11 million passengers in 2009.

American Airline Ordered 35 737-800s for delivery in 2011 and 2012. The airline already has 84 new 737-800s on order that began entering American's fleet in April 2009. The company is replacing its MD-80 narrowbody fleet. **American** expects to have 195 737-800s in its fleet by the end of 2012. It has 131 737s in service now and a total of 207 on order. The airline reports that the 737s are 35 percent more fuel-efficient on a seat-mile basis than the MD-80, and each new aircraft will save an average of 800,000 gallons of fuel per year.

American Airlines 787 Deliveries Delayed. The first AA 787 will be delivered in 2014. **American** reported to the U.S. **Securities and Exchange Commission** that the delay was "due to the impact of the overall Boeing 787 program delay on **American's** delivery positions." The airline ordered 42 787-9s in October 2008, and planned to take delivery of them from 2012 to 2018. The new schedule calls for the 42 787-9s to be delivered from 2014 to 2020. **American** took purchase rights for 58 more 787s. The original schedule was for delivery from 2015 to 2020. The company says these aircraft, will now be delivered from 2016 to 2021, if the purchase rights are exercised. **American** must confirm its purchase rights at least 18 months before to the scheduled delivery date for that aircraft.

In The Weeks Before Farnborough, Boeing sold another 737-800 to **Virgin Blue Airlines** and 25 737-700s to **Southwest Airlines**. **Virgin Blue** now has 91 737-800s on firm order and has taken delivery of 32 of them. **Southwest** exercised 25 737-700 options and will take delivery of them from 2011 through to 2016. The new planes will not be used for growth because it will retire more Boeing 737 Classics. **Southwest** reserved 44 more 737 purchase rights for delivery from 2019 to 2021, on top of the 54 it holds for delivery through 2018. **Southwest** operates 543 Classic and Next Generation 737s. **Southwest** chief executive **Gary Kelly** said the airline will expand through optimising its flight schedule rather than grow its fleet. The fleet will not expand for at least 18 months.

Azerbaijan Airlines Ordered One 767-300ER in mid-July. The order is part of the exchange for two previously ordered 737NGs for two 767-300F Freighters. The order switch was recorded in June. The 767Fs are a new type for the Baku-based flag carrier. At this time, the airline has two 737-900ERs, two 767-300ERs, two 767-300F Freighters, and two 787-8s on backlog. The airline operates two 757s and ten 767-300ER already.

After Farnborough Boeing sold one 737-700BBJ 1 to a VIP Customer. This is the second VIP sale this year. **Boeing** has sold a total of 115 BBJ 1s and delivered 100 of them.

Emirates Orders 30 777-300ERs at the 2010 Farnborough International Airshow. **Boeing's Orders and Deliveries** website reported the sale of a dozen new 777s to **Emirates** because the other 18 were announced in April. The 30 planes are worth \$9.1 billion at list prices. The new order comes on top of the 40 777-300ERs previously ordered, of which 22 aircraft are currently in service. The GE90-115B engine order, including spares, is valued at \$2 billion list price. Deliveries of the latest batch of 777-300ERs will begin in late 2011. **Emirates** Chairman **Sheikh Ahmed Bin Saeed Al-Maktoum**, said that “**Emirates** is the world’s largest operator of 777s and this latest order affirms **Emirates’** strategy to become a world leading carrier and to further establish Dubai as a central gateway to worldwide air travel.” The airline currently operates a fleet of 86 owned and leased 777s and is the only airline in the

Boeing July 2010 Orders, Deliveries

JUL ORD	JUL DEL	JUL CANX	TOTAL ORD	TOTAL DEL	BACK LOG
737					
117	30	-1	8,566	6,473	2,093
747					
-0-	-0-	-0-	1,527	1,418	109
767					
1	1	-0-	1,044	989	55
777					
12	10	-10	1,143	881	262
787					
-0-	-0-	-15	847	-0-	847
This Month			This Year		BL
130	41	-26	255	263	3,366
Boeing sold 20,657 aircraft and delivered 17,291 as of July 31, 2010 The Current Program includes sales and deliveries of 737s, 747s, 767s, 777s and 787s. Sales totals are net, minus cancellations.					

world to operate every model in the Boeing 777 family, including the 777 Freighter. The 777 purchase comes on top of the order for 32 more A380s. **Emirates** currently operates 29 A330s, 18 A340s, 11 A380s, six 747-400Fs and 86 777s. The airline has 70 A350 XWBs, 48 777s and 79 A380s on order for delivery by 2020.

Okay Airways announced its order for 10 737-800s at the **Farnborough International Airshow**. The order is list priced at \$800 million and was recorded on **Boeing's Orders & Deliveries** website as an unidentified customer in June 2010. **Okay Airways** is the first privately owned airline in China and operates an all-**Boeing** fleet of three 737-800s and one 737-300SF freighter. **Okay Airways** will lease four 737-800s this year, and plans lease five 737-800s each year prior to the new delivery.

Air Lease Corporation—ALC will order 54 737-800s and option six more. Deliveries are scheduled through 2017. The deal was announced at **Farnborough** but it has not been finalized yet. **Air Lease** chairman and CEO **Steven F. Udvar-Hazy** said "This order with **Boeing** will continue this management team's tradition of working closely with Boeing since 1977." **Jim Albaugh**, president and CEO of **Boeing Commercial Airplanes** said, "It is impressive that only five months after launching Air Lease Corporation in February, they are placing an order for 60 Next-Generation 737s. The **Air Lease Corporation** team has a proven track record in global aircraft leasing – with great leaders in **Steve Hazy** and **John Plueger**. They are well positioned for success."

Cathay Pacific Airways plans to exercise purchase rights for six Boeing 777-300ERs worth of \$1.6 billion at list price. The 777s will be powered by **General Electric** GE90 engines. The airline ordered 30 777s and has received 18 of them. The dozen on back order will arrive by 2013. **Cathay** will operate the 777s on routes to North America and Europe. It has 128 wide-body aircraft in its fleet now.

Boeing Sold 43 737s in March lead by **Virgin Blue Airlines'** purchase of 40 737-800s. An unidentified customer ordered three 737-700s. **Boeing** also announced the loss of three 777 orders during the month but did not say who the customer was. **Boeing** did not announce the removal of 10 787s from its orderbook but showed that in the orders totals. The company delivered 32 737s, one 767 and 10 777s in March, for a total of 43. **Boeing** delivered 108 aircraft, well down from the 122 deliveries it made in the fourth quarter and the 121 it completed in the first quarter of 2009. Rival **Airbus** delivered 122 aircraft in the first quarter. No reasons were given for the shortfall in production.

Avolon, a new Dublin-based leasing company announced its order for a dozen 737-800s at **Farnborough**. The jetliners are valued at approximately \$921 million at average list prices. The order was posted to **Boeing's Orders and Deliveries** website in December 2009 and was attributed to an unidentified customer. **Avolon** said the jets would be delivered over 2012-14. **Avolon's** web site said the company was launched in May 2010 and has offices in Dublin, New York, Hong Kong and Shanghai. "The management team has a proven track record in aircraft leasing and has an extensive network of established senior industry relationships across the airline, manufacturer and aviation banking sectors. The team has significant experience in delivering innovative sale and leaseback and financing transactions to the world's airlines," **Avolon** said. It successfully raised \$1.4 billion in initial capital, including an equity commitment of \$750 million from three of the world's leading private equity firms, **Cinven**, **CVC Capital Partners** and **Oak Hill Capital Partners**. **Avolon's** objective is to become a leading player in the global aircraft-leasing sector.

TAAG Linhas Aereas de Angola ordered two 777-300ERs in a deal that also includes purchase rights for two additional 777-300ER jetliners. The two 777-300ERs are valued at approximately \$544 million at list prices. The order originally was posted as unidentified on **Boeing's Orders & Deliveries** website in October 2009 and announced in April. **TAAG** is Angola's flag carrier and will fly the 777s to other European cities. **TAAG** currently flies from Luanda to Lisbon, to Beijing via Dubai and to Rio de Janeiro.

Boeing Had an All 777 Order Month in April. **FedEx** ordered four more 777-200Fs, bringing its fleet total to 19. The airline has taken delivery of five 777Fs and bought two from **Air France**. **Emirates** ordered 18 777-300ERs but the order was not officially announced until July. **Boeing** sold a dozen 777-300ERs to an un-named customer on April 13 bringing the month's total sales to 34. **Saudi Arabian Airlines** is rumored to be the customer who bought a dozen 777s in April. The airline operates 23 777-200ERs. Those planes were ordered in June 1995 and the first was delivered in 1997.

All of Boeing's May Orders Were Announced Later. **Air Austral** and **Qatar Airways** each ordered two 777-200LRs and **Luxair** ordered its second 737-800.

Luxair Luxembourg Airlines signed an order for one 737-800 in May and announced the deal at **Farnborough**. The jetliner will cost **Luxair** approximately \$77 million. **Luxair** already operates three 737-700s and one 737-800.

Air Austral announced two Long Range 777-200LR orders at **Farnborough**. The airplanes are valued at \$501 million and the sale was booked in May. The new 777-200LRs will arrive in mid-2011 and 2012. **Air Austral** will take delivery of two new 737-800s at the end of year. Those planes were ordered in December 2009. It will lease a third 777-300ER early next year. The long-range 777-200LRs will add performance and capacity to help **Air Austral** meet its growth objectives, **Boeing** said. **Air Austral** is based on the French overseas department of Reunion. Reunion is an island in the South Indian Ocean and is renowned by outdoor adventurers for its mountainous volcanic interior.

Virgin Blue Group said it signed an agreement for up to 105 new 737s in March. This is **Boeing's** largest order in the last 18 months. The press reports that the firm order is for 50 737-800s with the opportunity to switch to either 737-700s or 737-900s. Another 25 delivery positions were secured as options and the purchase rights for another 30 were taken. The firm planes will be delivered between June 2011 and the end of 2017. **Virgin Blue** said that the options and purchase rights will be exercised when market conditions warrant, to provide additional growth options at its discretion. Many of the new 737-800s will replace the existing narrow body fleet. The remainder will be used to expand market share and to launch new routes. The airline currently operates 21 737-700s and 27 737-800s. All but two of the -700s are leased as are seven of the -800s. The firm orders are priced at \$3.8 billion at list prices but **Avitas** said the actual price is in the \$2.4 billion range when the "standard discounts" are applied. **Virgin Blue's** CEO, **Brett Godfrey** said, "Virgin Blue was fortunate to see the opportunity and be in a position to take advantage, of the downturn in the market as we did back in 2001, to secure long term future supply of aircraft on attractive commercial terms. Pricing cannot be disclosed but importantly net pricing is improved from 2001 levels, allowing for a lowering of the fleet's cost base." **Boeing** announced that **Virgin Blue** ordered 40 new 737s while **Virgin Blue** told the press it was acquiring 50 new planes. It seems the other ten will be ordered one at a time. The first incremental order was placed in July.

Qatar Airways announced its order for two more 777-200LRs at **Farnborough**. The order is valued at \$501 million at list price and was attributed to an unidentified customer on **Boeing's Orders and Deliveries** website. The order was placed in May. **Qatar** now has seven 777-200LRs in service and three on order.

RwandAir announced an order for two 737-800s in May. It was placed in December 2009. The airline is based in Kigali, Rwanda and operates a polyglot fleet of one 737-500, one MD-82, three CRJ regional jets and one Dash 8. The airline is renewing and expanding its fleet to broaden its network.

Customers Disclosed. **Royal Air Maroc** announced its March 2007 order for four 737-800s. The airline has ordered 30 737-800s to date. **All Nippon** is the customer for two 777-300ERs that were ordered in February 2009.

June Was a Good Month for Boeing With 49 Sales. **Air China** ordered 20 737-800s, bringing the fleet total to 86 - 800s with 35 delivered. The airline also took delivery of 13 737-300s and 18 737-700s, over the last 20 years. In July, **Air China** received the 800th Boeing airplane to be delivered in China – a 737-800. **Civil Aviation Administration of China-CAAC** the predecessor of **Air China** bought its first **Boeing** airplane in 1972.

Azerbaijan Airlines ordered two 767-300Fs in June, but the sale announcement was delayed until **Farnborough**. **Azerbaijan** traded two 737NG orders for the new commitment to the freighters. **Okay Airways** placed its first order with **Boeing**, for 10 737-800s and announced the deal at **Farnborough**. One **Unidentified Customer** ordered two 737-800s in June and a second un-named customer bought eight 737-800s. **Boeing Business Jet** ordered the first 737-700BBJ 1 to be sold in 2010. An un-named **VIP Customer** bought a 747-8I. This is the eighth VIP 747-8I to be sold and the first sold since April 2008.

Royal Jordanian announced an order for three 787-8s at **Farnborough International Airshow**. The order is priced at approximately \$500 million and was placed in June and attributed to an un-named customer. The national carrier of Jordan committed to 11 787-8s through direct purchases and leases. **RJA** placed its first order for four 787s in 2007

Boeing Will Speed Production. The company will increase the 747 and 777 production rate in anticipation of greater demand from commercial airlines. The company said the speedup was necessary because of the previous “conservatively managed approach to production.” In mid-2011, **Boeing** will increase 777 production to seven airplanes from five per month. The ramp-up is being moved forward by nine months. The 747-8 is undergoing certification tests after a one-year delay. The passenger version is scheduled for delivery in the second quarter of 2011, while the first 747-8F is due for handover to **Cargolux** in early 2011. **Boeing** will increase production to two 747s airplanes per month from 1.5 in mid-2012. This is one year earlier than was previously scheduled. **Boeing** has orders for 76 747-8 freighters and 33 passenger and VIP versions. **Boeing** sold 262 777s as of July 31. **Boeing** sees the airline industry as recovering this year, and returning to profitability in 2011. That should lead to demand for new aircraft in 2012 and beyond, the company said.

In May, Boeing said it will increase 737 Next-Generation production rates to 35 airplanes per month in early 2012. The increase is aimed at satisfying continued strong demand for the Next-Generation 737, **Boeing** said. The current production rate on the 737 program is 31.5 airplanes per month. If sales for the rest of the year match the banner month of July (130 new sales), **Boeing** will consider another production boost. The company anticipates the delivery of more than 460 new aircraft this year.

and will lease two airplanes each from **CIT Aerospace** and **International Lease Finance Co.** The 787s will fly **Royal Jordanian's** North American routes.

Alaska Airlines exercised options for two 737-800s which are valued at nearly \$153 million in June. The order was announced in July. Including today's order, **Alaska** has 116 737s in its fleet, including 55 737-800s and has 13 -800s in backlog. They will be delivered over the next several years.

787 Delayed Again? Boeing said in July that it may have to delay delivery of the first 787 until the first part of 2011 due to issues raised in its 787 Dreamliner flight tests. The first 787 delivery to **All Nippon Airways** is still scheduled for the end of 2010. The plane maker is still trying to keep to the schedule but 787 manager **Scott Fancher** said, "We've seen some issues recently that have pushed our schedule margin a bit." This is why the 787 stayed at **Farnborough Airshow** for only a few days. It was needed for the flight test program. Delays in flight testing keep the first 747-8F in the U.S. during the show as well. Mr. **Fancher** said the issues relate to "instrument configuration" and inspection work, not airplane operations were causes for the possible delay. In June, **Boeing** suspended test flying the 787s after identifying a problem affecting the horizontal tail. Mr. **Fancher** explained, "We wanted to give a little bit of a cautionary note that things could push into the first part of next year." Officially, as of early August the schedule shows delivery at the end of the year. **Reuters** said, "The 787 is already more than two years behind its original schedule. Production of the plane was delayed five times in three years, and the first flight was postponed six times, because of parts shortages, design problems and a two-month strike at **Boeing's** factory in 2008."

Regional Report

Lufthansa ordered eight CRJ900 NextGen regional jets from **Bombardier** in July. The jets will be

ATR Announces Orders at Farnborough.

Air Lease Corporation ordered 10 new ATR 72-600 turboprop airliners in July. The new U.S.-based aircraft lessor also optioned 10 more ATR 72s. Deliveries of the first aircraft are planned in the fourth quarter of 2011. **Azul Linhas Aéreas**, Brazil inked a contract to buy 20 ATR 72-600s with delivery starting in late 2011. The airline optioned 20 additional aircraft. **Azul** is the first airline in Latin America to order the ATR -600 series aircraft. The firm orders and options are worth \$850 million. **Syrianair** ordered and took delivery of two ATR 72-500s. The order was announced in July. **ATR** delivered the planes in April. An **Unannounced Customer** ordered six ATR 72-500s in July. **Jet Airways**, India said it has six ATR 72s on order and 14 in service. **Lao Airlines**, the national carrier ordered two new ATR 72-500 turboprops. They will be delivered by the end of the year and will replace two elderly ATR 72-200s. **Lao Airlines** is a long-term **ATR** customer, acquired its first ATR in 1994. It operates two ATR 72-200s, two ATR 72-500s and five **Xian Aircraft** MA60s. **Lao** uses the MA60s on domestic routes and the ATRs for international services to neighbouring countries. **Golden Air**, Sweden is buying two new ATR 72-500 turboprops. They are due for delivery in August and October 2010 and join a fleet of three ATR 72-500s. The two new aircraft will fly in the colors of **Blue1**, a regional feeder airline based in Helsinki, Finland. **Golden Air** already operates one ATR 72-200 and two Saab 2000s on behalf of **Blue1**. **Nordic Aviation Capital—NAC** signed a contract to buy seven used ATR 42s from **ATR**. This is the fourth time in less than ten months that **NAC** has bought some planes from the manufacturer. Privately-owned **NAC** currently has 137 aircraft on lease to operators, of which 82 are ATR turboprops. **NAC** the largest ATR owner in the world.

delivered in the first half 2011 to **Lufthansa Regional**. The CRJ900s will carry up to 86 passengers.

Pluna, Uruguay announced the order of three CRJ900s and optioned four more. The firm orders will be filled before the end of this year. The options are for 2011 delivery slots. The airline owns CRJ900s already. **Pluna** is looking to lease up to eight CRJ200s as part of its expansion plan. **Bombardier** did not confirm the order but said it is in discussions with **Pluna**.

Porter Airlines, Toronto ordered four Q400 NextGen turboprop airliners and took options on six more Q400NGs in August. The list price of the four Q400NGs is approximately \$120 million. If the options are taken up, the price will rise to \$308 million. The four new Q400NGs will join 20 Q400 and Q400 NextGen aircraft that are already flying for **Porter**. The airline took delivery of its 20th aircraft in April. It was the 300th Q400 aircraft to be delivered.

Qantas Airways ordered seven Q400 NextGen turboprop airliners for its wholly-owned regional airline, **QantasLink**. The \$218 million deal was announced at **Farnborough**. The first of the new planes will be delivered in the first half of 2011. **QantasLink** already operates 21 Q400s and Q400 NextGen airliners, as well as two Dash 8-200s, three Q200s and 16 Q300s. The Q400s seat from 70 to 80 passengers. **Bombardier** has booked firm orders for a total of 385 Q400 and Q400 NextGen aircraft and as of April 30, 2010, 300 had been delivered.

All Nippon Airways confirmed its order for five Q400 NextGen aircraft and options for another five in May. The order was announced in August 2009 and the planes are worth \$159 million. If the options are confirmed, the value will increase to \$332 million.

Jazz Air, Nova Scotia ordered 15 Q400 NextGen airliners in April and took options on 15 more Q400 NextGens. The 30 planes are valued at \$937 million, based on list price.

Viking Air Twin Otter News. **Viking Air**, Victoria, BC, received **Transport Canada** Type Certification for its new DHC-6 Series 400 Twin Otter. The certification is the culmination of a three-year process designing, prototyping, development, manufacturing and testing the updated Twin Otter. The program was given the go-ahead in 2007. **Viking Air** said, "The first new **Viking** production Series 400 Twin Otter, SN 845, completed certification testing in late June, and was ferried from **Viking's** corporate headquarters to the **Farnborough Airshow** for delivery to launch customer **Zimex Aviation**, Switzerland.

Viking Air May Build the Twin Otter in Russia. The manufacturer is talking with **Vityaz Avia Corporation**, Moscow about manufacturing the Twin Otter Series 400 in Eastern Russia. **Viking** said it "would be instrumental in the development of the aircraft final assembly facility, establishing quality, maintenance, and training procedures for **Vityaz** management, helping to springboard the Twin Otter Series 400 into the developing market." **Vityaz Avia** became the Series 400 Sales Representative for Russia in 2009, and it purchased two Twin Otter commuter aircraft for used as demonstrators to potential customers. **Vityaz** is the first Twin Otter operator in Russia.

The Vietnam Navy Air Wing ordered six DHC-6 Twin Otter Series 400 aircraft. This is the first purchase of western-built aircraft by the **Vietnam Ministry of Defense**. The Twin Otters will be delivered between 2012 through 2014. They will be equipped for amphibious operations and configured with convertible interiors covering VIP, commuter, and utility layouts. Three of the six will be "Guardian 400" maritime patrol planes. The Twin Otters will be used for transport, re-supply, maritime surveillance and search and rescue throughout Vietnamese coastal regions, **Viking** said.

Bombardier Considers Stretch Q400 Turboprop. Gordon Pratt, the Q400 program director told **ATI** that existing and potential customers are showing “high interest” in the proposed” 90-seat Q400X. He said it “is going to be a very versatile airplane” and will offer much lower seat mile costs. If **Bombardier** launches the Q400X program; it will be ready for delivery in the 2013 or 2014.

Embraer Sales at Farnborough Airshow. **FlyBe** bought 35 EMBRAER 175 jets and picked up 65 options and 40 purchase rights, for a potential order of 140 EMBRAER 175s. The value of the firm contract, at list price, is \$1.3 billion, and could reach \$5 billion, if all options and purchase rights are exercised. **General Electric’s** share of the order is \$360 million for the CF34-8E engines fitted to the E-175s. The first aircraft is scheduled for delivery in the second half of 2011. **FlyBe** CEO **Jim French** is confident about the airline’s growth potential. “We have grown by about 20 percent compounded; we see anything up to 10 percent going forward.” The airline focuses on domestic flights from smaller regional airports, and currently operates a fleet of 72 planes.

Republic Airways signed a Letter of Intent—LOI to acquire 24 EMBRAER 190s. The airline has the option to convert any of the aircraft to the larger EMBRAER 195 model. The first six E-190s will be delivered from mid to late 2011. The jets will be configured in a 99-seat single-class arrangement. The E-195 will seat 116 passengers if **Republic** chooses that type. The total value of the agreement, at list price, is \$960 million. **Republic Airlines** already operates a total of 223 Embraer jets, including three models of the ERJ 145 family, as well as the EMBRAER 170, EMBRAER 175 and EMBRAER 190. They bought the first ERJ 145s in 1999.

Air Lease Corp. signed a Letter of Intent to buy 15 EMBRAER 190 jets at **Farnborough**.

Bombardier April30, 2010 Orders & Deliveries

CRJ	Total Orders	Total Deliveries	Current Backlog
Challenger	33	33	-0-
CRJ1/2/440	1,021	1,021	-0-
CRJ700	344	303	41
CRJ900	248	234	14
CRJ1000	49	-0-	49
Total	1,695	1,591	104
CSeries	Total Orders	Total Deliveries	Current Backlog
CS100	33	-0-	33
CS200	57	-0-	57
Total	90	-0-	90
Dash 8	Total Orders	Total Deliveries	Current Backlog
Q100	299	299	-0-
Q200	105	105	-0-
Q300	267	267	-0-
Q400	378	300	78
Total	1,049	971	78

Bombardier delivered 4 CRJs and 12 Dash 8s this quarter.

All Nippon Airways announced that it is buying 15 MRJ90s worth ¥69.2 billion (\$763 million). The 90-seat MRJ90s will be delivered between April 2013 and March 2018. The 15 airplanes are part of **ANA’s** order for 25 MRJs that it placed in March 2008. Up to now, the airline did not reveal the price and delivery details. **Mitsubishi Aircraft** said the company was also looking to finalize its first sale with **Japan Airlines**, which filed for bankruptcy in January. That may be a tough sell right now.

Five of the 15 orders are re-confirmable, and the deal also includes five options, representing a potential sale of 20 EMBRAER 190s. **Embraer** said. The deal is worth \$800 million at list price. The EMBRAER 190 seats between 98 and 114 passengers in one or two class configuration.

Brazilian Airlines Buy Embraer Jets. **Embraer** sold five EMBRAER 195s **Azul Linhas Aéreas Brasileiras** for \$211 million. The order was included in **Embraer's** second quarter firm order backlog as "Undisclosed." The five E-195s will be delivered by this December. **Azul** currently operates 21 E-Jets. It now has ordered five E-190s and 36 E-195s and has options for 20 E-Jets and purchase rights for 20 more. **Embraer** sold two EMBRAER 190s to **TRIP Linhas Aéreas** for \$80 million. This order was booked in the second quarter as well. **TRIP's** E-190s will be configured with 106 seats. The E-190s will join six EMBRAER 175s already operated by **TRIP**. The airline has options for eight E-175s and purchase rights for another 15.

LOT Polish Airlines converted four EMBRAER 175 orders to the EMBRAER 195 type. In 2007, the Polish airline ordered 12 E-175s. Four of them were delivered in 2009 and four will be delivered by the end of this year. The four remaining jets were converted into firm orders for EMBRAER 195s, and the deliveries are scheduled to begin in 2011. The airline also holds two options and ten purchase rights for the EMBRAER 175, the manufacturer reported. The E-195 jets will be fitted with 112 seats in a dual-class cabin.

Austral Líneas Aéreas, Argentina finalized its contract to buy 20 EMBRAER 190s. The agreement was announced in May 2009. Three of the 20 jets on order were included in **Embraer's** firm order backlog as "Undisclosed" in this year's first quarter. **Austral's** E-190s will be the Advanced Range

Sukhoi Superjet Sales at Farnborough Airshow.

Bermuda-based lessor **Pearl Aircraft Corporation** ordered 30 Superjet 100s worth \$900 million at list price. The company optioned another 15 Superjets. The first of the 30 planes are due for delivery in 2011. Indonesian airline **Kartika Airlines** ordered 30 Superjet 100/95Bs at **Farnborough**. The deal is worth \$951 million. The agreement was first announced in Jakarta in December 2008 as the purchase of 15 aircraft and option of another 15. The contract signed on July 19th incorporates all 30 aircraft as a firm order with the delivery schedule planned for 2012 to 2015. **Gazpromavia** signs a Letter of Intent to buy 10 Superjet 100/95 LR aircraft worth \$323 million at list prices. The agreement calls for deliveries to begin in 2012. **Orient Thai Airlines** signed a Letter of Intent to buy 12 Sukhoi Superjet 100/95Bs. The private Thai carrier optioned another dozen SSJ100s. The Superjets will be delivered between 2011 and 2014. The agreement should be finalized by the end of 2010. **Orient Thai** currently operates a fleet of 11 MD-80s and 4 747s. The Superjets will replace the airline's MD-80s and will strengthen the carrier's position in the market and broaden its network, **Sukhoi** said. **Phongsavanh Airlines**, Laos signed Memorandum of Understanding for three Sukhoi Superjet 100s and optioned six more. The deal was announced in May. The three planes are worth \$95.1 million at list prices. Deliveries will start in 2012.

Sukhoi said that they still intend to deliver the first Superjet to **Aeroflot** by the end of the year. The airline has 30 on order. The Russians are waiting for the SaM146 engine to be certified at the end of August. Russian Prime Minister **Vladimir Putin** said the **Saturn-Safran** joint venture SaM 146 engine's "certification is practically over." The international engine certification process has been the cause for delay, this year. Mr. **Putin** said Saturn will guarantee production of 140 engines per year by 2014, which indicates that **Sukhoi** plans an annual production of 70 jets by then. The Superjet is designed to carry between 75 and 95 passengers

(AR) model, and can fly nonstop for 2,400 nautical miles (4,400 km). They will be configured with 96 seats in two classes. The E-190s will replace MD-80s in **Austral's** fleet.

Petro Air, the new Libyan aviation service provider ordered two EMBRAER 170 jets in the first quarter of 2010 and took purchase rights for two EMBRAER 190s. The E-170s were valued at \$66.8 million, and the whole deal could be worth \$146.8 million, if the E-190s are delivered. The order was announced at the end of March, when the E-170s were delivered. This indicates that the E-170s were white-tails. The two EMBRAER 170s are configured in a single-class 76-seat layout. They will be operated for **Sirte Oil Company** and one EMBRAER 170 that was delivered to in 2007. The E-Jets are used to transport oil company personnel from Libya's capital Tripoli to many station points in the country.

Embraer Order Changes. **Lufthansa** switched three E-190 orders for the larger E-195. Three E-190 orders were cancelled by an undisclosed customer.

Engine News

International Aero Engines. **Vietnam Airlines** selected the **IAE V2500** to power 36 A321 aircraft that it ordered. The contract is worth over \$700 million to **IAE** and approximately \$235 million to one of the **IAE** partners, **Pratt & Whitney**. **Rolls-Royce's** share is worth \$240 million. Deliveries will begin in April 2011. By 2014, **Vietnam** will operate 58 **IAE**-powered Airbuses. **China Southern Airlines** ordered V2500 engines for the 20 A320-family aircraft that it recently ordered. **IAE** is providing aftermarket services agreement. The order is worth \$132 million to **Pratt & Whitney**. **China Southern** is one of the largest operators of the V2500 engine with 136 aircraft in service. **Yemen Airways** chose the **IAE V2500** engine for its 10 A320s. The combined value of the deal is \$300 million. **Pratt & Whitney** and **Rolls-Royce** will each earn approximately \$100 million from the order. The **Yemen** contract includes a long-term **IAE** aftermarket services agreement. Deliveries start in 2011.

Emirates selected the **Engine Alliance GP7200** engines to power the 32 A380 aircraft ordered in June. The engine deal and Fleet Management Agreement for maintenance overhaul and repair was announced during the **Farnborough Airshow**. The total value of the agreement, including spare engines, is

Embraer June 30, 2010 Orders & Deliveries

Type	Total Orders	Total Options	Total Deliveries	Current Backlog
ERJ135	108	-0-	108	-0-
ERJ140	74	-0-	74	-0-
ERJ145	708	-0-	703	5
E170	191	50	179	12
E175	137	179	129	8
E190	457	373	290	167
E195	94	70	54	40
Total	1,769	672	1,537	232
Type	2nd Quarter Deliveries		2010 Deliveries	
Legacy	-0-		2	
Lineage	1		1	
ERJ 145	2		3	
Embraer 170	4		7	
Embraer 175	3		4	
Embraer 190	15		27	
Embraer 195	5		7	
Total	30		51	

Embraer announced that its production rates will remain stable through 2012.

approximately \$4.8 billion over the life of the contract. **Emirates** also ordered 30 GE90-115B-powered 777-300ERs at **Farnborough**. The engines are priced at \$2 billion.

Rolls-Royce. Aeroflot ordered 24 Trent 700 engines to power the 11 A330s that it ordered in July. The purchase is worth \$650 million to **Rolls-Royce** and includes a **TotalCare** long term service agreement. **Garuda** ordered Trent 700s for six A330s that it has on order. The contract is worth \$420 million to **Rolls-Royce**.

Pratt & Whitney. Malaysia Airlines chose PW4170 Advantage70™ engines to power 15 A330s and two A330F freighters. The purchase is valued at approximately \$680 million at list prices. Delivery of the aircraft will start in 2011. **TAM Linhas Aereas** selected PW4000-100™ Advantage70™ engines to power two A330-200s in a deal valued at more than \$100 million. The contract includes installed and spare engines for the A330s and a 12-year service agreement provided by **Pratt & Whitney Global Service Partners**.

Order Changes and Cancellations

Airbus Order Changes. Turkish Airlines switched 14 of its 20 A319 orders to the A321 model. Now the flag carrier has 30 A321s on order. Sixteen of them have been delivered. **US Airways** cancelled three A319s and six A320s and ordered nine more A321s. The airline now has orders for 69 A319s, 68 A320s and 78 A321s. **China Aviation Supplies Corp.** transferred five A321 orders to **Juneyao Airlines**. **Niki Luftfahrt** exchanged two A320 orders for the A321 type. The airline has firm orders for two A319s, 14 A320s and four A321s. **Air France** dropped one A321 and ordered its 45th A320. The airline has purchased seven A321s and taken delivery of six of them. **AWAS** exchanged two of its 79 A320 orders for its first two A321s. Both **GECAS** and **ILFC** switched one A319 order for another A320 order. **CIT Leasing** swapped one A319 order for one A320.

CFM International — Airbus. Spring Airlines ordered CFM56-5B engines for four A320s that were recently purchased. The engines are valued at \$70 million at list price. The airline is will begin to take delivery of the A330s in mid-2012. **Air China** is fitting CFM56-5B engines on its latest A320 purchase. The flag carrier bought 20 CFM56-5B-powered A320s. The engines and long-term maintenance agreement are worth approximately \$600 million. The first of the new aircraft will arrive in 2011. **China Eastern** announced that it picked CFM56-5B engines to power 30 A320 Family aircraft. The first will be delivered in March 2011. The engines and maintenance will cost \$600 million at list price. Both **Air China** and **China Eastern** signed a long-term RPFH (Rate per Flight Hour) agreement with **CFM International** to provide comprehensive maintenance service for the CFM56 engines in the airline's fleet under which CFM will guarantee maintenance costs on a dollar per engine flight hour basis. **LAN Airlines** chose CFM56-5Bs to propel 70 newly ordered A319s A320s and A321s. The engine sale is valued at \$2 billion. **GECAS** will pay \$830 million for CFM56-5B engines installed on 60 new A320s. **Air Arabia** will pay **CFM International** \$620 million for CFM56-5Bs engines fitted to 44 A320s.

CFM International — Boeing. Virgin Blue ordered CFM56-7BE engines to be installed on 50 737-800s that were purchased in May. The powerplants are valued at \$700 million at list prices, said **CFM**. **Virgin Blue** optioned another 25 737s and secured 30 future purchase rights Aircraft deliveries start in mid-2011. **Virgin Blue** operates a fleet of 50 CFM-engined 737s and 21 **Embraer** E-Jets. It received its first 737 in August 2000. **GECAS** bought 40 737NGs from **Boeing** and is fitting them with CFM56-7Bs worth \$560 million.

Iberia dropped two A320s in favor of two more A319s. The airline has ordered 23 A319s, 78 A320s and 19 A321s. **Sichuan** substituted six A321s for six previously ordered A320s. The airline has ordered 14 A319s, 18 A320s and 20 A321s. **LAN Airlines** dropped three A319s in favor of three larger A320s. **Singapore Airlines** transferred three of its A330-300 orders to **Lease Corporation** and one A330-300 order to **AWAS**. The airline leased the new aircraft from the lessors. **Singapore** ordered 19 A330s a few years ago. It now has four on order and 15 in service. **Guggenheim Aviation Partners** dropped its last two A330-200F orders and picked up its second and third A330-300s in May. **Airbus** now shows orders for 64 A330Fs. An undisclosed customer, believed to be **Gulf Air**, cancelled four A330-300s in June. As of July 31, **Airbus** shows **Gulf Air** with 20 outstanding orders for A330-300s.

ALAFCO Switches Orders to A350-900. **Aviation Lease and Finance Company**, Kuwait changed its order for a dozen A350-800s to the higher capacity A350-900 model in July. The A350-900 can carry 44 more passengers than the -800. The original order was placed in 2007. The first A350-900 will enter service in mid 2013. **ALAFCO** specializes in Sharia-based commercial aircraft leasing.

Airbus Cancellations. **Dubai Aerospace Enterprise** cancelled seven A350 and 18 A320 orders in July. **Airbus** deleted the 25 aircraft from its backlog. The change was reported in the July **Orders and Deliveries** webpage. **DAE** now has 23 A350s and 52 A320s on order, down from 30 and 70 aircraft respectively. **CIT Leasing** cancelled four A319 and four A320 orders. The lessor has 15 A319s and 30 A320s in backlog and has taken delivery of 29 and 64 respectively. **Finnair** cancelled two A330-300 orders in June, leaving a total of one -300 in backlog and seven in service.

Boeing Cancellations. **Boeing** reported the cancellation of one 777 order in early March. This was the company's first loss of an existing order for 2010. One 737-700 BBJ-1 was canceled in April. The airplane was ordered in May 2007. Seven 777 orders were cancelled on June 10. The planes were dropped by **Japan Airlines International**, which by August had no 777s on order. The cancelled planes were ordered in March 2007 and September 2008. UAE-based **Dubai Aerospace Enterprise—DAE** cancelled 10 777 and 15 787 orders. The leasing company ordered the 10 777-300ERs and 15 787-8s at the **2007 Dubai Air Show**, along with 70 737NGs in a \$13.7 billion deal. In July 2008, **Emirates Sky Cargo** sold four 777F and five 747-8F delivery positions to **DAE** with the intention of leasing them back. Later **Emirates Sky Cargo** transferred its last four 777F orders to **DAE**. The lessor retains orders for 66 737-700s and 4 737-

787 Deliveries Advanced.

Qantas Airways rescheduled its first 787 delivery forward by two years. The airline has 15 787-8s and 35 787-9s on order. The first will arrive in mid-2012. **Qantas** was a 787 launch customer and ordered 65 Dreamliners in March 2006. They won many early delivery slots, but several years ago, the airline cancelled 15 early 787s and delayed the rest until after 2014. The reschedule does not make up the lost time, but does regain two years. **Qantas** retains its purchase rights for 50 more 787s.

LAN Airlines is accelerating the delivery of its first 787 by three years, which is good news for both the airline and **Boeing**. The original schedule called for most of **LAN's** deliveries to come in 2014. **LAN** said that it will now take 10 787-8 aircraft during the first half of 2011. The airline has 22 787-8s and four 787-9s on order and will lease six more 787-9s from **ILFC**. In January, **LAN** may swap delivery slots with **All Nippon Airways—ANA** to get the early positions. A senior **LAN** spokesperson said that the 787s will replace 22 767-300ERs over several years.

800s, 15 747-8Fs and 8 777Fs. **Air Europa** cancelled one 737-800, leaving 40 orders. One VIP 787-9 order placed by **Boeing Business Jets** in May 2007 was cancelled. By mid-August, **Boeing** lost orders for ten 737s, 25 777s and 32 787s for a total of 67 cancellations.

Air Berlin cancelled 10 firm orders for the 787-8s in March. The airline now has 15 787-8s on backlog. The airline also dropped 10 787 options. The press reports that 10 cancelled airplanes were list priced at \$1.7 billion. The renegotiated order also delayed the delivery of nine 737NGs from 2010 or 2011 until 2015. The airline switched 10 ordered 737-700 to the -800 type. **Air Berlin** has firm orders for 15 737-700s and 96 737-800s. **Air Berlin** cut its July 2007 order citing market conditions. **Boeing** lost about a tenth of its 787 order book to cancellations and has 847 Dreamliners in its order books at the end of July.

Boeing Changes. Aviation Capital Group switched four 737-700 orders to the larger -737-800 type. **AVG** has 58 737-700s and nine -800s on order and eight -800s in service with client airlines. **CIT Leasing** went the other direction and dropped two -800 orders in favour of two -700 orders. The company now has eight -700s and six -800s on backlog and has ordered a total of 15 737-700s and 31 -800s. **GOL Transportes Aereos** swapped two of its 126 737-800 orders and bought two more 737-700s, for a total of three. **Xiamen Airlines** dropped four of its 52 737-800s and ordered four -737-700s, for a total of 15.

Tiger Airways, Singapore will take delivery of two more A320s this financial year ending March 2011. The airline will now take nine new planes during the time period and have a fleet of 26 airplanes. The airline did not say what the original A320 delivery schedule was.

AeroMexico said it delayed delivery of 10 Boeing 737-700s from this year until 2011 and 2012. CEO **Andres Conesa** said, "The delivery of the new Boeing (planes), which were originally planned for this year, have been postponed until 2011 and 2012." He did not specify if the -700s will be purchased or leased. **Boeing's** shows the airline also has two 787-8s on order.

AerCap Holdings sold six used A320s to the new Dublin-based aircraft leasing company **Avolon**. Four of the 2010-built aircraft were jointly owned by **AerCap** and **Waha Capital**, Abu Dhabi. Two A320s were delivered in 2008 to **AerCap**. All six planes were sold with leases attached. **AerCap** and **Avolon** jointly own three A330-200s which are on long-term leases with **Aeroflot**. **AerCap** will manage the aircraft and the related leases.

AerCap Holdings signed new lease agreements for five aircraft and delivered 18 aircraft and 11 engines under lease agreement in the second quarter of 2010. **AerCap** purchased 19 aircraft and two engines and signed contracts for the purchase of another nine aircraft for delivery later this year the company reported. The lessor sold five aircraft and five engines, and agreed to sell another four aircraft. **AerCap** disassembled nine aircraft and eight engines during the period.

AerCap Holdings and Genesis Lease Merge. The deal was announced in September and consummated in March. **AerCap** and **Genesis** common shares were exchanged on a one-for-one basis. The **Genesis** shares were valued at \$1.76 billion and **Genesis** became a wholly-owned subsidiary of **AerCap**. Former **Genesis** shareholders own approximately 29 percent of the combined company, which has 345 commercial aircraft and 92 engines that are either owned, on order, under contract or letter of intent, or managed. The average age of its owned aircraft fleet is 6.2 years, the company reported. **AerCap** has assets of more than \$8 billion and \$3.6 billion worth of airplanes on order.

Leasing Companies

Hong Kong Aviation Capital will lease three new **Airbus A320s** to **IndiGo Airlines**, India. The aircraft will be delivered to **IndiGo** in 2011 and the leases will run for six years. **IndiGo** also extended the leases of four A320s that are in service. The three new A320s are worth approximately \$200 million.

Air Transat, Canada will long-term lease two **Airbus A330s** from **CIT Aerospace International** for delivery in late 2010 and 2011. **Air Transat** operates 13 Airbus A310s and five A330s. The airline will replace the older A310s with two new A330s which are due this year and the two **CIT A330s**.

BOC Aviation reported an after-tax net profit of \$137 million and \$5.8 billion in assets as of December 31, 2009. The company started buying aircraft again in December 2008 onwards. As at end of last year, **BOC Aviation** owned 118 aircraft and managed 24 for behalf of third party investors. This was an increase of 54 percent over the 92 aircraft in the fleet a year before. **BOC** took delivery of 17 new planes in 2009 and purchased and leased-back 31 airplanes from leading airlines including **Air France**, **Alaska**, **Cathay Pacific** and **Southwest**. The **Bank of China** invested \$100 million in equity in 2009, raising total shareholder's funds to \$960 million.

BOC Aviation leased two new CFM56-powered A320-200s to **Spring Airlines**, a Chinese low-cost carrier. The two aircraft were delivered by August.

AWAS will lease three new A320s to **Frontier Airlines**. The three **AWAS** aircraft will be delivered in 2011. The airline is replacing its smaller A318s and A319s with 162-seat A320s. **Frontier** operates 54 Airbus narrowbodies, including seven A320s. **AWAS** will lease of two new A320s to **Air Via**, Bulgaria. The airline decided to convert its entire fleet to A320s and has operated Airbuses since it leased two in 2006. **Royal Jordanian** will lease five A320s and two A321s to replace six existing **Airbuses**. Three A320s will be delivered in 2011, with the first arriving in April. Two A321s and the last two A320s will follow in 2012.

XL Airways France will lease a new 737-800 SN 38819 from **ILFC** in January 2011. The lease will run for 8 years.

Aviation Lease and Finance Co.—ALAFCO, Kuwait will lease three new 737-800 each to **Ethiopian Airlines** and **Okay Airways**, China. The term is 96 months. The 737s are market priced at \$77

Aircastle Limited will receive up to \$530 million of debt financing from the **European Export Credit Agencies—ECA** for two new A330-200F freighters and five new A330-200 passenger aircraft. The two A330Fs will be delivered to the **HNA Group/Hainan Airlines** this year. The five A330 Pax will be delivered to **South African Airways** in 2011 and the first half of 2012. **Sumitomo Mitsui Bank** will provide up to \$250 million in **ECA**-supported debt financing for the first three A330-200s. **Aircastle** said it was looking for term financing for the balance of the **SAA** and **Hainan Group** deliveries and working with the **ECAs** to support the financing on the remaining A330s to be delivered by mid-2012.

Aircastle purchased and leased back three A330-200s with **SriLankan Airlines Limited**, the country's flag carrier. The first of the three A330s was purchased in July and the deal closed on the remaining two in August.

Aircastle Limited also announced the purchase of one 737-800NG and its lease to **Travel Service Airline**, Czech Republic. **Travel Service Airline** is the largest Czech private carrier and one of the fastest growing charter airline companies in Central Europe, **Aircastle** said.

million each, **ALAFCO** said. Russia's **Transaero Airlines** leased a used 777-200 for 96 months. It is valued at \$60 million. The lessor charges a monthly rental of 1 percent of the listed price. **ALAFCO** is majority owned by **Kuwait Finance House**, an Islamic Sharia lender and the state-owned **Kuwait Airways**.

Virgin America announced it will lease nine more A320s for delivery this year and in early 2011. This will allow for expansion of and the launch of five new routes, including a new service to Orlando and Toronto. **Virgin America** is based in San Francisco and started operations in 2007. CEO **David Cush** said the airline lost a year of growth because of a long **Department of Transportation** inquiry into its ownership. The U.K.-based **Virgin Group Ltd.** holds a 25 percent voting stake and a 49 percent economic interest in **Virgin America**. Last year U.S. investors exercised their "put" options to sell their shares back to **Virgin Group**, which put the possibility of "foreign" ownership on the table. The issue was resolved with the **DOT** in January and now **Virgin America** intends to add about 12 aircraft a year to its fleet. The airline has four A320s on order from **Airbus** for delivery in late 2011. The airline received \$70 million in new debt financing to help pay for the new planes. By the end of 2011 **VA** will have a fleet of 41 A319s and A320s.

AVIATION BUSINESS Airline News

The U.S. **Department of Transportation** granted a waiver from antitrust law for **American Airlines** and **British Airways** to coordinate scheduling, pricing, and other services. The **DOT** ruled that the alliance was pro-competitive, but it required the **American** and **British** have to give up a limited number of landing slots at **Heathrow Airport**. The alliance was approved by the **European Union** in July. **American**, **British** and its merger partner, **Iberia** offered to lease up to two daily takeoff and landing slots at London's Heathrow or Gatwick airports on routes to Boston and New York, and one daily slot on routes to Dallas and Miami. The

International Lease Finance Corporation repaid a \$3.9 billion government loan ahead of schedule. It will now fund itself without support from its bailed-out parent **American International Group—AIG**. **ILFC** sold \$4.4 billion in debt to institutional investors and used the money to repay the loan from the Federal Reserve Bank of New York, taken out in 2009. It was feared that **ILFC** would be a drag on **AIG** if the lessor could not raise funds to refinance its large debts. **ILFC** benefited from renewed confidence by investors as part of a broad recovery in both the U.S. credit markets and the airline business. With the resignation of top management, it seemed that the company was leaderless, but **Henri Courpron**, an aviation industry veteran took over as Chief Executive in May. He put to rest the rumors that **ILFC** would be split up and sold off in pieces. **ILFC** manages a portfolio of nearly 1,000 aircraft and the company has been profitable for much of the past two years. The lessor still has \$31 billion of debt and \$8.6 billion in shareholders' equity at the end of June. **ILFC's** new loans and bonds pay interest of 6 percent and 9 percent, and come due between 2014 and 2018. The high rates will lower **ILFC's** profit margins. The company has \$13 billion worth of new jetliners in backlog and has stopped selling used aircraft.

ILFC Leased an ex-Air France 737-500 to **Air Cuenca**. The start up became Ecuador's fifth major domestic carrier when it launched services in the second quarter. The 737 operates two daily flights from Cuenca to the capital Quito and one daily flight to Guayaquil. **Air Cuenca** plans to add one or two more 737-500s by the end of this year. It will launch international flights as it adds aircraft.

airline alliance has also offered to give up slots on the Madrid-Miami route for a competing operator. **Continental Airlines** started two more daily flights between Newark and Heathrow this year, while **Virgin Atlantic Airways** complained that the alliance will have a competitive advantage on trans-Atlantic routes. **Sir Richard Branson** said the alliance will be a “monster monopoly.” The **AA-BA-IB oneworld** alliance will have the same flexibility to set fares, etc., as do the **SkyTeam** and **Star Alliance**.

European Union Approves United Airlines’ Purchase of Continental Airlines in June. **United** announced the \$17 billion deal in May. It still has to be approved by the U.S. **Department of Justice** and **Department of Transportation**. Several members of the Senate and House criticised the merger as being anti-competitive. Congress cannot block the transaction but can influence regulators and public opinion. The airlines counter that the combined carrier will serve 370 destinations and have 10 hubs worldwide. This will help business and leisure travellers. **United/Continental** expect to complete the deal this year and hope to generate savings of \$1 billion to \$1.2 billion per year by 2013.

Gulf Air to be Privatized. The Bahrain government plans to sell its national carrier now that it is on the road to profitability. It should return to profitability by next year. As part of its reorganization, **Gulf Air** will be reformed as a regional airline. The airline will cancel some of its long-range widebody orders and switch to medium-range single-aisle aircraft. **Gulf Air** has 24 787-8s and 20 A330-200s on order. The company said it was renegotiating its aircraft orders, but nothing is final at this point. The A330s are currently scheduled for 2012 to 2016 delivery and the first 787-8s are due in 2016. The airline operates 36 aircraft, including two leased EMBRAER 170s. **Gulf Air** will add two EMBRAER 190s in the third quarter. The airline retired several A340-300s and its oldest A320-200s in the last year. It will receive nine new A320-200s directly from **Airbus**.

Alliances Get Bigger. **Aegean Airlines**, Greece joined the **Star Alliance** as the 28th member. **Aegean** will connect with **Air Canada’s** non-stop flights from Toronto and Montreal to Athens. **Aegean** serves many popular destinations including Thessaloniki, Crete, Rhodes and Cyprus. **Alitalia** joined the **Air France-KLM-Delta** trans-Atlantic joint venture. The three launched the joint-venture in April 2009 and the agreement creates a single, coordinated network for customers flying

LAN and TAM to Merge by mid-2011. The airlines will form a new publicly traded holding company through **LAN**. The two largest Latin American airlines signed a non-binding Memorandum of Understanding—MoU on August 13, outlining the intention to create **LATAM Airlines Group**. It will take over both airlines as the new parent company as early as April 2011. Negotiating the binding agreement should take several months. **LATAM** will be listed on the New York, Sao Paulo and Santiago stock exchanges. Each airline will have 50 percent voting power in **LATAM**. **TAM** shareholders will receive 0.9 shares in **LAN** for each share they own. **LAN** and **TAM** will operate independently and maintain their management, headquarters and corporate structure. This will comply with foreign ownership regulations. **TAM** belongs to the **Star Alliance** and **LAN** is a member of **oneworld**. The combined airline will decide which alliance to pick in 2012. The merger is expected to generate \$400 million in annual synergies, including \$170 million in new annual passenger revenues, **TAM** said. The airlines said they will keep their existing orders intact and may buy more new planes. They have a total of 220 aircraft on order and 240 in their combined fleet. Both airlines operate the A320 family narrowbody. **TAM** has A350s and 777s on order, while **LAN** is buying 787s for its long-haul routes.

across the Atlantic, allowing the member airlines to share revenues and costs on their trans-Atlantic routes. The **Alitalia** press release said, "Through the four-way joint venture, passengers have convenient access to a large trans-Atlantic network, which offers almost 250 flights and approximately 55,000 seats each day, now including 20 daily trans-Atlantic flights to five U.S. destinations from Rome and Milan Malpensa airports. With Alitalia's addition, the joint venture represents approximately 26% of total trans-Atlantic capacity, with annual revenues estimated at more than \$10 billion." **Air Berlin** will start flying with the **oneworld** alliance in early 2012, a few weeks before the opening of Berlin's new **Brandenburg International Airport**, which will be a major new European hub. The German low-cost carrier entered code-sharing agreements with **American Airlines** and **Finnair** and will sign bilateral agreements with **British Airways** and **Iberia**. The codeshare flights will start this winter season. **Oneworld** currently has 13 member airlines including **Japan Airlines** and **Qantas**. Joining **oneworld** could add up to €50 million to Air Berlin's annual earnings from 2012.

Bankruptcy of the Month

Viva Macau Shut Down after the **Macau Civil Aviation Authority—AACM** revoked the low-cost carrier's air operator's certificate on March 28. The airline was founded in 2006 and fell into financial difficulties in 2008. **AWAS** leased three 767s to **Viva Macau** and moved to repossess them in early April. The airline abruptly cancelled flights in late March and stranded thousands of passengers, causing the **AACM** to react.

Highland Airways, a Scottish regional operator ceased operations and filed for bankruptcy. The airline was looking for new investors in its last few months after it lost several contracts and suffered from unusually bad winter weather. **Highland Airways** operated **BAe** Jetstreams on domestic routes

Sama, Saudi Arabia's first budget airline ceased operations in August. The carrier flew a fleet of 737-300s on domestic and international services within the Middle

Mexicana de Aviación Filed for Bankruptcy in both Mexico and the United States in early August. It is one of the two largest Mexican airlines and flies to the rest of North America and Europe. It operates 10 A318s, 25 A319s, 28 A320s, two A330s and four 767s. The lessors are trying to repossess the long range planes, so the airline has cut back on international flights. Two airplanes were grounded in Canada and one in Chicago at the behest of creditors. **Mexicana** asked the bankruptcy court in Manhattan to issue a temporary restraining order preventing creditors from seizing assets. The airline wants to restructure without fear of losing its fleets. The company owns only nine aircraft in its fleet. The rest are leased. **Mexicana** owes approximately 10 billion pesos (\$796 million), and has been beaten down by the recession and swine flu outbreak in 2009. The airline was founded in 1921. **Mexicana** is a subsidiary of **Nuevo Grupo Aeronautico**, which owns two regional airlines **MexicanaClick** and **MexicanaLink**. Those two domestic airlines are not effected by the bankruptcy. **Mexicana** wants to lay off 40 percent of its flight and cabin crews, cut pilots' wages and benefits by 41 percent and reduce flight attendants' pay by 39 percent. The unions rejected management's demands, but they are still willing to negotiate. **Mexicana** said pilots and flight attendant salaries are much higher than paid by its competitors. Management offered to sell the airline to employees for one peso, but the unions did not accept the challenge of naming their own management and resolving the airline's problems on their own.

East. **Sama** lost money over the last three years and expressed frustration with the difficulties of trying to operate under the regulatory restrictions on air transport within the kingdom. Its major competitor was state-owned **Saudi Arabian Airlines**.

Skyservice Airlines Filed for Bankruptcy in March. A Canadian court appointed a receiver on behalf of the lead secured creditor Thomas Cook. The charter airline said it could not operate profitably because of changes in the Canadian tour market and its high debt. **Thomas Cook Canada** took over C\$8.8 million (\$8.7 million) in Skyservice debt early this year. **Skyservice** was founded in 1986 and recently operated aircraft for **Thomas Cook's Sunquest Vacations** and other tour operators, including **Signature Vacations** and **Sunwing Vacations**. **Jazz Air** will replace **Skyservice** with six 757-200s on behalf of **Thomas Cook**. The aircraft will be leased to **Jazz** by **Thomas Cook Airlines** during the winter vacation season.

Military Market

The **U.S. Coast Guard** ordered three HC-144A Ocean Sentry Maritime Patrol Aircraft based on the CN235 tactical airlifter. The prime contractor is **EADS North America** and the contract is valued at \$117 million. The planes will be delivered in 2011. The **Coast Guard** optioned six more aircraft for delivery over the next four years. The **Coast Guard** plans to operate 36 HC-144As and already has 10 in service. More than 250 CN235s have been delivered to 26 countries. The Ocean Sentry plays a crucial role in aviation missions that include maritime patrol, intelligence/surveillance/reconnaissance, cargo and personnel transport, and disaster relief the **Coast Guard** said.

France's Direction Générale pour l'Armement—DGA ordered eight **EADS-CASA** CN-235 transport aircraft, worth €225 million (\$305 million). The eight transports will be delivered between 2011 and 2013 and will act as stopgap lift pending delivery of the larger A400M airlifter. The order was signed in March. The new aircraft will join 19 CN-235s that are already in service. The Air Force also operates Transall C-160s and C-130 Hercules, some of which are 40 years old. The twin-engine, turbo-prop CN-235 performs logistical supply and parachute drops. The plane has a range of 3,500 kilometers and carries 5 tons of cargo or 40 passengers. **Airbus Military** delivers around 24 CN-235s and C-295s per year from its factory near Seville, Spain.

EADS-Airbus Military Sells Lots of Small Military Turboprops.

The **Mexican Air Force** took delivery of the first two of five C295s it has on order. The C295 is equipped with a palletized loading system and a medical evacuation kit. All five C295s will be delivered by year end. The **Mexican Navy** received two CN235 Maritime Patrol Aircraft, in June. The two MPAs join a fleet of seven C212 MPAs in service with the **Mexican Navy**. Like the C212s, the CN235s are fitted with the **Airbus Military Fully Integrated Tactical—FITS** mission system. It will allow the Navy of Mexico to detect, track and classify small boats used for drug trafficking and smuggling. The **Chilean Navy** received the first of three C295 Maritime Patrol Aircraft. Chile ordered three MPAs and optioned five in October 2007. **Chilean Naval Aviation** operates P-3ACHs, P-111s and C212s. The **Colombian Navy** took delivery of its third CN235-300 Maritime Patrol Aircraft—MPA. The aircraft is equipped with a sensor suite which includes a search radar and an infrared camera.. The Colombian MPA will carry out military surveillance missions such as economic exclusion zone monitoring, fishery patrol, and maritime interdiction as well as civic duties including search and rescue. The **Colombian Air Force** operates four C295s and three CN235s. To date, **Airbus Military** sold 202 CN235s, including 32 MPAs to 31 different operators.

The U.K. RAF to Cancel Three A400Ms. The government plans to sign a contract with **Airbus Military** to order 22 A400Ms, which is three short of the 25 that it originally planned to buy. The first contract was signed in May 2003, when Europeans ordered a total of 180 airlifters. The U.K. and other launch customers agreed to a 10 percent price increase worth a total €2 billion euros (\$2.7 billion), hence the 10 percent reduction in the number of planes being purchased.

Technical

Aviation Partners Boeing Blended Winglet Sales. At **Farnborough Airshow**, **APB** announced that **Air China** ordered Blended Winglets for 30 Boeing 737NGs which will be delivered starting in 2011. **China Southern Airlines** ordered winglets for 55 future Boeing 737 deliveries. This is **APB's** largest winglet sale to China to date. The 55 737NGs will be delivered between 2011 and 2015. **Hainan Airlines** will equip all of its future 737-800 aircraft deliveries with winglets. Hainan currently has 45 737NGs on order. **APB** will install Blended Winglets on all 35 of **Malaysia Airlines'** 737-800s that are on order with **Boeing**. The first aircraft will be delivered later this year, and deliveries continue into 2013. **All Nippon Airways** exercised options to install Blended Winglets on five new 767-300ERs scheduled for delivery starting in 2011. In August 2009, **ANA** ordered four winglet sets with delivery of the new aircraft starting in September. **Allegiant Air** ordered six shipsets of Blended Winglets for Boeing 757-200s. **ATS**, Everett, Washington, and **Flightstar**, Jacksonville, Florida, have started installing the winglets on the first 757-200s for ETOPS (Extended-Range Twin-Engine Operations) flights to Hawaii from the West Coast.

Cargo Pallet

Precision Conversions will convert three 15-pallet position 757-200PCF freighters for **Aerolease International**. The 757-200s SN 29611, 29607 & 29610 were delivered to **Flightstar Aircraft Services** for modification in April, May and July, respectively. The three freighters will have their maximum zero fuel weight and payload increased as well. **Precision Conversions** has re-delivered a total of 23 freighters operating in Europe, the Americas, Africa, and Asia. **Precision** recently received a contract in March to modify a second 757-200PCF for China-based **SF Airlines**.

Guangzhou Aircraft Maintenance and Engineering Company—GAMCO will perform the conversion of up to nine 737-400s for **Israel Aerospace Industries**, – **Bedek Division**. The conversions will be covered by an **IAI STC**. The modifications of the passenger planes into freighters will be done at

Embraer KC-390. The Brazilian Air Force—FAB announced it will buy 28 **Embraer KC-390** tactical aircraft at the 47th **Farnborough International Airshow**. **Embraer** started developing the KC-390 in April 2009. The project is moving ahead according to plan and the preliminary studies phase was successfully concluded, **Embraer** said. The first airplane should fly in 2014 and enter service by the end of 2015.

The Chilean Air Force may buy six KC-390 military cargo jets from **Embraer**, the company said. As part of the deal, Chile's **Defense Ministry** plans to help **Embraer** develop the KC-390. In 2007, **Embraer** suggested that the KC-390 would be priced at \$50 million each. In light of the A400M program's price escalation, the \$50 million price seems very optimistic.

GAMECO in Guangzhou this year and next. The first 737-400SF will be re-delivered to the customer in September.

Boeing delivered the third MD-11 BCF freighter to **Cargoitalia S.p.A.**, Italy, under a long-term lease from **Boeing Capital Corporation**. The MD-11 Boeing Converted Freighter—BCF was modified in Singapore.

Southern Air will wet-lease three 747 Freighters to **Malaysia Airlines Cargo—MASKargo** in a multi-year contract. **MASKargo** has an option to lease up to five aircraft. **Southern Air** will provide crew, maintenance and insurance. **MASKargo** is the air cargo division of **Malaysia Airlines** and operates four 747-200Fs, two 747-400Fs and one A300-600 freighter.

Japan Airlines—JAL said it will cease freighter operations by October. The airline will only carry cargo in the belly of its passenger jets. **JAL** will ground six 747-400F freighters and three 767-300ERF freighters and will offer them for sale. **JAL** will miss out on the recovery of the Asian air-cargo market.

Etihad Airways took delivery of the first A330-200F freighter at the **Farnborough International Airshow**. The plane was ordered at the **Paris Airshow** in 2007 and will enter service with **Etihad Crystal Cargo** in September. The A330F was on display throughout the air show and then flown back to Toulouse for final pre-delivery preparations by **Airbus**.

AIRCRAFT DELIVERIES & SALES

Jet Aircraft

A318 & A319. **Airbus** delivered only two A318s this year. **Comlux** accepted its third -112CJ Elite in June. It was completed by **Lufthansa Technik's VIP & Executive Jet Solutions** division in just four months. **Lufthansa Technik** has orders for eight more A318 Elites for completion by the end of 2013. **Al Jaber Aviation—AJA** received its first -112CJ Elite in August. **AJA** has three A318 Elites and two A319 ACJs on order. **LAN Airlines** plans to sell its 15 A318s and replace them with larger A320s. **Germanwings** took delivery of two A319-132s in March and one in April. **Silkair** accepted two -133s in March and April

Aeronautical Engineers—
AEI will convert two 737-400s into 11 pallet configuration freighters for **Aviation Capital Group—ACG**. The first aircraft, a high gross weight 737-400 SN 25063 is undergoing freighter modification and heavy maintenance at **AEI's** Authorized Conversion Center, **Commercial Jet**, Miami, Florida. Conversion work will start on **ACG's** second aircraft by year end. **Transmile Air Services**, Malaysia will have **AEI** convert 737-200 SN 23796, into an eight pallet freighter. The 1987 vintage aircraft will be **Transmile's** second **AEI** converted freighter. The 737-200 is currently undergoing freighter modification and heavy maintenance at **Commercial Jet**. **AEI** will convert 737-300 SN 24060 into a nine pallet freighter for **Sideral Air Cargo**, Brazil. The plane was built in 1988 and is currently being modified at **Commercial Jet**.

A300. **Cabot Aviation** arranged the sale of three **TNT Airways** B4-200Fs SN 210, 227 & 247 to **Aerotransporte de Carga Union S.A.—AeroUnion**, Mexico City. The three will join **AeroUnion's** sole A300B4F and will operate domestic and international services. **TNT** retired the A300Fs in 2009.

respectively. **TAM Linhas Aereas** received –two -132s, one in March and July. **Aerventure** leased one -112 to **Mexicana** and two -132s to **Adria Airways**. **Mexicana** also leased one -112 from **ILFC**. **EasyJet** took delivery of five -111s. **BOC Aviation** leased one –132 to **CSA Czech Airlines**. **Avianca** acquired three -115s. **Aigle Azur**, France has received its first A319-112 to be purchased directly from **Airbus**. **Airbus** delivered three ACJs to “private customers.” The **Special Air Mission Wing** of the **German Ministry of Defense** accepted the planes aafter they were fitted with a VIP cabin and additional military equipment by **Lufthansa Technik**. The modifications took approximately nine months each. **Lufthansa** received its 23rd -112 in June. Chongqing-based **West Air**, a subsidiary of the **HNA** group, took delivery of its first A319 from the **Airbus Tianjin Delivery Center—ATDC**. The A319 is the 26th aircraft assembled at the **Airbus Final Assembly Line China-FALC**.

A320. **Airbus** delivered 28 A320s in March, including two -232s to **China Southern** and three -216s to **Alitalia**. **EasyJet** accepted three -214s. **Airbus** delivered one -232 to **Shenzhen Airlines**, one -214 to **Spring Airlines** and two -232s to **China Eastern**. **Spring Airlines** leased one -214 from **GECAS**. **BOC Aviation** leased two -232s to **Jetstar Airways**. **Aerventure** leased one -214 each to **Air France**, **Air Arabia**, **Frontier Airlines**, **Spirit Airlines** and **Wataniya Airways**. In Europe, **Wizzair** received two -232s, **Lufthansa** got another -214, **Niki** bought a -214 and **British Airways** accepted a -232. **Gulf Air** received one -214 and **Afriqiyah Airways** took delivery of a -200. **Airbus** delivered one -214 each to **Indian Airlines** and **US Airways**.

Airbus delivered 17 A320s in April, including two -232s to **China Southern**, one -232 to **China Eastern**, and one 232 to **Shenzhen Airlines**. **EasyJet** accepted two -214s. **Aerventure** leased another -214 each to **Spirit Airlines**, **Frontier Airlines** and **Air France**. **CIT Leasing** leased one -232 each to **Jetstar Airways** and **Air Via**. **British Airways** accepted a -232, **Lufthansa** got another -214, **Air Berlin** received a -214 and **Alitalia** took another two -216s. **Juneyao Airlines** leased one -214 from **AerDragon Aviation Partners**.

Airbus delivered 27 A320s in May, including four -216s to **AirAsia**, three 214s to **Air Berlin**, two -214s to **Shenzhen Airlines**, and two -214s to **Avianca**. **Saudi Arabian Airlines** leased one -214 from **GECAS**. **Aerventure** leased another -214 each to **Air Arabia**, **Frontier Airlines**, **Spirit Airlines** and **Wataniya Airways**. **CIT Leasing** leased one -232 each to **Jetstar Airways** and **Air Via**. **Airbus** delivered one -200 each to **Sichuan Airlines**, **China Eastern** and **China Southern** in China and one -200 each to **Lufthansa** and **Wizzair** in Europe. **Air France** leased two -214s from **ILFC**. **Indigo** and **Middle East Airlines** each accepted one -200.

A380. **Airbus** delivered the third A380-861 to **Air France** in April. The airline will put the A380 on the Paris-Tokyo route. In May, **Lufthansa** received its first A380-841. The German flag carrier accepted its second -841 in July. **Lufthansa** has 13 more A380s on order, with two more due to join the fleet in 2010. **Lufthansa** will deploy its new flagship aircraft on routes to Tokyo, Beijing and Johannesburg. The A380s have an eight-seat First Class cabin and 98 Business seats on the upper deck. The main deck features 420 Economy Class seats. The jet is powered by **Rolls-Royce** Trent 900 engines. **Singapore Airlines'** 11th A380-841 was handed over in July. **Emirates** took delivery of four A380-861s this year, one each in January, May, July and August. The airline has a dozen A380s in its fleet. **Airbus** delivered 11 mega-jets this year and 33 A380s to date. The manufacturer intends to build 20 A380s this year.

A total of 27 A320s were delivered in June, including two -232s to **Qantas/Jetstar Airways**, three -232s to **China Southern** and two -232s to **China Eastern**. **British Airways**, **Air Berlin**, **Wizzair** and **Lufthansa** each accepted one -200. Middle Eastern airlines, **Afriqiyah Airways**, **Tunisair**, **Middle East Airlines**, **Gulf Air** and **Saudi Arabian Airlines** each took delivery of one -200 and **Saudi Arabian** leased a second from **GECAS**. **GECAS** leased one -214 to **Nouvelair Tunisie**. **Air France** leased one -214 from **ILFC**. In China, **Spring Airlines** leased one -214 from **BOC Aviation** and **Dragonair** leased one -200 from **CIT Leasing**, while **Air China** and **Sichuan Airlines** each received one -200. **Airbus** delivered one -216 to **AirAsia**, one -214 to **TAM – Linhas Aereas**, and one -200 to **Indigo**. **Avolon**, a new aircraft leasing company bought and leased-back two A320s from **Air Berlin**, Germany. The aircraft are operated by Swiss-based carrier **Belair**, a subsidiary airline of **Air Berlin**.

Cyprus Airlines will sell one of its three older A320s to **Phoenix Aircraft Malaysia** for €4.6 million (\$6.15 million). **Cyprus** operates five A320-231s, including SN 180, 295 & 315 which were built in 1991, 1992 and 1993 respectively. **Nesma Airlines**, Egypt leased two used -200s from **ILFC** in May 2010. **Turkuaz**, Istanbul, Turkey, leased two -200s from **ILFC**, one in June and the second in July 2010. **AWAS** delivered one used -200 to **Strategic Airlines**. **Nordic Aviation Capital** purchased a -212 from **AeroTurbine** and leased it to **Eastok Avia**.

A321. Seven A321 were delivered in March, including three -231s to **China Southern Airlines**. **Shanghai Airlines** received one -231, while **Air China** accepted a -213. **Vietnam Airlines** leased one -231 from **Aerventure** and bought one from **Airbus**. In April, **Airbus** delivered one -213 to **Air China** and two more -231s to **China Southern Airlines**. **Aerventure** leased a -231 to **Vietnam Airlines**. **Indian Airlines** accepted a -211. In May, **China Southern Airlines** accepted two 211s and one -231. **Vietnam Airlines** leased one -231 from **ILFC** and another from **Aerventure**. **Airbus** delivered one -213 to **Air China**. In June, **China Southern Airlines** again took delivery of two -211s. **AlphaStream AG** received its first A321-200 but did not place it immediately with a customer. **Air Berlin** and **Lufthansa** accepted one -211 and one -231 respectively. In July, **Airbus** delivered two -231s each to **TAM** and **China Southern Airlines**. **China Eastern/Shanghai Airlines** and **Air China** received one more -200 each. **Qatar Airways** accepted its fourth -231.

Airbus manufactured out 25 A320s in July, including three -216s to **AirAsia**, two -232s to **Wizzair** and three -214s to **China Southern**. **Saudi Arabian Airlines** leased three -214s from **ALAFCO**, and one from **GECAS**, and took delivery of a fourth airplane in June. **Spring Airlines** bought one -214 and leased one from **Aerventure**. Elsewhere in China, **Airbus** delivered one -200 each to **China Eastern** and **Shenzhen Airlines**. **Alitalia** accepted one -216 and leased one from **Aircraft Purchase Fleet**. In Latin America, **LAN Airlines** and **Avianca** each took delivery of one -200. Elsewhere, **Israir** and **Air Berlin** each received one -200. **Uzbekistan Airways** accepted its first A320-214 in July. The flag carrier has nine more on order. **AEROGAL**, Ecuador took delivery of its first of three A320s to be delivered in 2010. The airplane was handed over in August and seats 150 passengers.

A330 & A340. **Airbus** handed over 10 A330s in March, including two -243s to **US Airways** and one -223 to **China Southern**. **Thai Airways International** accepted two -343Es and **Singapore Airlines** leased two -343Es, one from **Lease Corporation International** and the other from **AWAS**. **AWAS** leased one -343E to **Iberworld**. **AerCap** leased a -343 to **Air China**. **Oman Air** received one -343. In

April. **CIT Leasing** leased one -243 to **Hawaiian Airlines**. **Finnair** and **Aer Lingus** each accepted a -302. **Singapore Airlines** leased another -343E from **Lease Corporation International** and **AWAS**. **Swiss International Air Lines** received a -343E and **Aeroflot** leased a -343E from **AerCap**. In May, **Hong Kong Airlines** become a new Airbus operator with the delivery of its first two -223s. The aircraft will be used on services to Europe. The airline has another 21 A330s and 30 A320s on order. **Hong Kong Airlines** will also lease two A330-200F freighters. **Hawaiian Airlines** leased one -243 from **AWAS**. **TAM - Linhas Aereas** and **China Southern** each received one -223. **Saudi Arabian Airlines**, the kingdom's flag carrier took delivery of its first long range Airbus aircraft in almost 30 years when it accepted its first -343E in May. The **Rolls-Royce** powered A330 is the first of eight firm ordered aircraft to be delivered. **Air China** purchased a new -343 from **AerCap**. **Lease Corporation International** leased another -343E to **Singapore**. In June, **Airbus** delivered one -200 to **China Southern**, **Oman Air** and **TAM - Linhas Aereas**. **Saudi Arabian Airlines** received its second -343E and **Swiss International Air Lines** accepted another -343E. **Singapore Airlines** leased one more -343E from **Lease Corporation International**. **AerCap** sold another new -343 to **Air China**. In July, **Korean Air** accepted a -223. **Sichuan Airlines** leased a -243 from **AerCap**. **Alitalia** leased two -202s from **Aircraft Fleet Purchase**. One -200 was delivered to **METCO**, which **Airbus** calls a "new operator." **AirAsia X** and **Saudi Arabian** each accepted one -343E. **SriLankan Airlines** leased one A330-200 from **ILFC**. **Amentum Capital**, Ireland leased -223 to **Vietnam Airlines** The aircraft is owned by **HSH Nordbank** and was delivered as a white-tail. **Amentum** will lease two more -223s to **Vietnam Airlines** later this summer. They are owned by **Global Aircraft Fund I**. **Amentum Capital** leased two **HSH Nordbank**-owned to **Royal Jordanian Airlines**.

In July, the **Kuwaiti Government** bought a white-tail A340-541 in June. In July, **Airbus** delivered the 16th and final A340-642 to **Iberia**. This was the fifth A340 delivered to **Iberia** this year. This is the last A340-600 to be built unless more are ordered. **Airbus** has six A340-541s on backlog. **SAS** sub-leased one -313 from **Hi Fly Transportes Aereos**.

Boeing 737NG. **Boeing** Delivered 32 737s in March, including eight -8AS/Ws to **Ryanair**. **American Airlines** accepted four more -823/Ws. Also in the Americas, **Boeing** delivered three -8FX/Ws to **Delta Air Lines** and three -7H4/Ws to **Southwest**. **GOL Airlines** took delivery of one -8EH/W. In Asia, **Garuda Indonesia** bought one -8U3, **JAL International** received one -846/W, **SpiceJet** got one -800 and **Lion Air** accepted two -9PGRs. In Europe, **Norwegian Air Shuttle** accepted one -800 and **SAS** received one -700. **Pegasus Airlines** bought one -82R/W. **Boeing Business**

British Aerospace.
Neptune Aviation
acquired BAe-146-200 SN E2049 from **Tronos** in Canada. The airplane was converted into a water bomber by **Tronos** in the summer of 2009. It made its first water drop in Canada in October. **Tronos** said, "The aircraft performed flawlessly as did the tank and delivery system." The **Tronos** web site listed the airplanes statistics. It can carry 3,000 gallons of retardant and can be turned around in eight minutes. The 146 can drop retardant at 150 feet while flying at 120 knots. It can cruise at 330 knots and fly some 1,700 nautical miles. The airplane also has short take-off and landing capability and can fly from small local airports that are unsuitable for other jets. **Tronos** has 20 BAe 146-200s available for lease or sale. Two are parked at their facility at Prince Edward Island, Canada.

Jet took delivery of one -700BBJ and one -900BBJ. Lessor **GECAS** bought two -86N/Ws and **C.I.T. Leasing** acquired one -800.

Boeing Delivered 29 737s in April, including eight -8AS/Ws to **Ryanair** and four -823/Ws to **American Airlines**. **Alaska Airlines** received two -890/Ws, **Delta** bought a -8FX/W and **Southwest** got one more -7H4/W. In Asia, **Garuda Indonesia** bought two -8U3s, **Xiamen Airlines** received two -800s **Shanghai Airlines** acquired one -700, **China Eastern Airlines** picked up another -700, and **Air China** took a -800. **BOC Aviation** leased out one -800. **Royal Air Maroc** took delivery of two -800s, as did **Pegasus Airlines**. **Boeing** delivered one -800 each to **Virgin Blue Airlines**, **Transavia Airlines**, **SunExpress Airlines** and **Norwegian Air Shuttle** during April.

In May, Boeing Delivered 34 737s, including seven -8AS/Ws to **Ryanair** and four -823/Ws to **American Airlines**. In the Americas, **Alaska Airlines** received one -890/W, **Delta** bought three -8FX/Ws, and **COPA Airlines** took two -8V3/Ws. In Europe, **Boeing** delivered one -800 each to **Air Berlin** and **Transavia Airlines**. **BOC Aviation** leased out two -800s and **GECAS** leased one -86N. In Asia, **Boeing** delivered one -700 to **China Eastern Airlines** and one -800 each to **Garuda Indonesia**, **Hainan Airlines**, **JAL International** and **Shandong Airlines**. **Virgin Blue Airlines** accepted one -800, as did **SunExpress Airlines**.

Boeing Delivered 30 737s in June, including three -823/Ws to **American Airlines**, two -8FX/Ws to **Delta Air Lines**, , four -82R/Ws to **Pegasus Airlines**, two -7H4/Ws to **Southwest Airlines** and only three -8AS/Ws to **Ryanair**. **BOC Aviation** leased out two -800s and **GOL Airlines** accepted two -8EH/Ws. **Boeing** delivered one -800 each to **Air Berlin**, **Alaska Airlines**, and **SunExpress Airlines**. Asian airlines **China Eastern Airlines**, **Garuda Indonesia**, **Hainan Airlines**, **JAL International** and **SpiceJet** each received one -800. **Boeing Business Jet** accepted one -900BBJ, while **KLM** received one -700 and the **Korean Air Force** took delivery of its first Peace Eye -700, military surveillance plane. **MCAP** accepted one -800 about which **Boeing** said, "The **Commonwealth of Australia** has accepted the first two **Project Wedgetail** 737 Airborne Early Warning and Control—AEW&C aircraft into the **Royal Australian Air Force—RAAF** fleet. **Boeing** will deliver three more Wedgetails by the end of this year."

737 Leases. Mistral Air leased a second -400 from **AWAS** in May. The charter airline is based in Rome. **AWAS** leased one -300 to **Small Planet Airlines** which was formerly known as **flyLAL** and is based in **Lithuania**. By 2012 **Small Planet Airlines** plans to operate twelve aircraft and become one of Europe's ten largest independent charter carriers. **ILFC** leased -400 SN 26281 to **Bremenfly**, Germany in April 2010 for three years. **ILFC** leased one -400 to **Enter Air**, Poland in June and one -800 to **Midwest Airlines**, Egypt in July. **Blue Air**, Romania leased -800 SN 32841 from **ILFC** in April for five years. **Aires**, Colombia leased two used -700s SN 30687 & 30710 from **ILFC** in March. The lease terms are for five years each. **ORIX Aviation** leased -400 SN 28702 to **Bulgaria Air** until 2014, one -300 SN 27834 to **Jet Time** until 2011.

Thirty 737s Were Delivered in July, including four -8FX/Ws to **Delta Air Lines**, three -86N/Ws to **GECAS**, two -800s to **Hainan Airlines**, two -823/Ws to **American Airlines** and four -9PGERs to **Lion Air**. Asian airlines, **Garuda Indonesia**, **JAL International** and **Xiamen Airlines** each received one -800. **Air China** took delivery of the 800th **Boeing** airplane built China. **Air China's** predecessor **CAAC** bought the first **Boeing** jet, a 707-320C in 1972. **BOC Aviation** leased out one new -700 and -800 in

July. **China Eastern Airlines** received one -700 and one -800 during the month. Turkish airlines, **Pegasus Airlines** and **SunExpress Airlines** each took delivery of one -800/W. **Boeing** delivered one -800 each to **RBS Aviation Capital**, **Air Berlin** and **Virgin Blue Airlines**. **Boeing Business Jet** and **Southwest Airlines** each receive one -700.

Boeing 747. **World Airways** will wet-lease one -400 Freighter to **Cargolux** from October through June 2011. **Cargolux** operates a fleet of 15 -400 freighters and has 13 747-8Fs on order. The leased aircraft will fill in for the several -8Fs which will be delivered late.

Boeing 767. **United Parcel Service** took delivery of one each -34AF in late March, in late April, in late June and mid-July. The airline has another 20 on order. **Azerbaijan Airlines** received one -300ER in June. **AWAS** leased a -200ER to **AeroSur**, Columbia. The aircraft will operate on routes from Santa Cruz to Miami and Buenos Aires. **Nordwind Airlines**, Russia leased one -300ER from **ILFC** in April while **El Al Israeli Airlines** leased one -300ER from **ILFC** in June

Boeing 777. **Boeing** delivered 10 777s in March including one 777-FS2 to **FedEx** and one -F28 to **Air France**. **Air France** sold the -F28 to **FedEx** upon delivery late in the month. **FedEx** also bought a second -F28 from **Air France**. **Oak Hill Capital Management** leased a second -FZB to **Southern Air Transport**. It was subleased to **Thai Airways International**. **GECAS** leased one -F6N to **China Cargo Airlines** in late March. The airline leased its first -F6N from **GECAS** in late February. **GECAS** leased a -36NER to **Egyptair**. The flag carrier will lease another five -300ERs by the second quarter of 2011. **Asiana Airlines** accepted its eighth -28EER. **All Nippon Airways** took delivery of a -381ER. The airline has two -300ERs and five -200ERs on order. **Qatar Airways** received its tenth -3DZER and has six more on backlog. **Delta Air Lines** took delivery of its last two -232LRs, bringing its 777 fleet to 18.

In April, Boeing Delivered Six 777-300ERs including one -337ER to **Air India**, one -367ER to **Cathay Pacific Airways**, one -31HER to **Emirates** and one -3DZER to **Qatar Airways**. **GECAS** leased a second -36NER to **Egyptair** in April. In May, **Air India**, **All Nippon Airways** and **Korean Air** each took delivery of a -300ER. **Qatar Airways** accepted its first -FDZ freighter. **Boeing** delivered three -381ERs to **All Nippon Airways** in June. **Cathay Pacific Airways** accepted its 14th -367ER and **Korean Air** took its fourth -3B5ER. **Deucalion Capital VII Limited** received its first -FZN and leased it to **Aerologic**. **Qatar Airways** bought its second -FDZ

Boeing 757. **SkyWorks Leasing** arranged the sale of three ex-**Varig Logistica**, S.A.-leased -225SFs SN 22210, 22211 & 22611 from an un-named owner to **Aerolease**. The three were returned by **Varig Logistica** early in 2010. The freighters were converted by **Flightstar Aircraft Services** using the **Precision Conversions** STC. **Allegiant Air** bought six -204s from **Thomson Airways** to expand into the Hawaiian market. The 757s are equipped for extended twin-engine operations—ETOPS. The first two -204s SN 26963 & 26964 were handed over and are being refurbished at **Paine Field** in Washington. **Aviation Partners Boeing** is installing Blended Winglets. The first two 757s will enter service in the fourth quarter. The other four will arrive in November 2010, January 2011 and late 2011. **Allegiant** said it is investing from \$75 million to \$90 million to buy and upgrade the six 757s. **Allegiant** will operate the 757s from western cities to Hawaii, bypassing the major airlines' hub cities. The **Allegiant** 757s were delivered to **Britannia Airways** from 1993 to 1994. **Nordwind Airlines**, Moscow, Russia, leased one -200ER SN 30046 from **ILFC** in May. The lease term is for 4 years.

freighter. The airline has one more on order. In July, **Boeing** delivered 10 777s including the second two – F1Bs to **China Southern Airlines** and two -224ERs to **Continental Airlines**. **Deucalion Capital VII Limited** leased its second –FZN to **AeroLogic**. It is the airline's fifth 777F. **AeroLogic** is a joint venture between **Lufthansa Cargo AG** and **DHL Express (Deutsche Post)**. **GECAS** received its fifth –F6N and leased it to **China Cargo Airlines**. **Qatar Airways** accepted its seventh -2DZER. **Air India** and **British Airways** each took delivery of a -300ER. **Korean Air** got its fifth -3B5ER. **Jet Airways** short-term

leased three -35RERs to **Thai Airways International** to fill a capacity shortage. The two-year old 777s were handed over in the spring. An executive with **Thai** said the monthly rent will be \$1.1 million per aircraft.

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Tel : +1-240-582-6119 Fax : +1-226-444-9723

enquiries@avmarkinc.com

Scrap Heap

Universal Asset Management is disassembling ex-**Northwest Cargo** 747-251F SN 22245 and ex-**Aerolineas Argentinas** A310-300 SN 640 at Walnut Ridge, Arkansas. **Stewart Industries International** permanently retired four ex-**UPS** 747s, two -123(SF) s SN 20324 & 20390, -212B(SF), and -283B(SF) SN 22381 at Roswell, New Mexico. **Qantas** permanently retired three -338s SN 23224, 23408 and 23823 at Marana. **Air France** permanently retired two -428s SN 24969 & 24990 at Kemble, U.K. **IBA Group** sold an ex-**FlyGlobespan** 737-600 to **CT Aerospace** for part-out. The aircraft is being dismantled at Cotswold Airport in Gloucestershire. **FlyGlobespan** entered Administration in December 2009. This is one of the first un-damaged 737NGs to be scrapped.

Accidents and Safety

From Aviation Safety Foundation

Two Airliner Accidents in August. **Azerbaijan Airlines** Airbus A319-111 4K-AZ04, 2588 was damaged when the plane left the runway at **Atatürk International Airport**, Istanbul on August 12. The landing gear collapsed. All eight crew and 119 passengers escaped unhurt. **AIRES Colombia** Boeing 737-73V/WL HK-4682, SN 32416 slammed onto the runway at San Andres Island, Colombia on August 16. The plane was attempting to land during a severe thunderstorm. One passenger was killed but the other 126 people on board escaped. The plane broke in three pieces. **Henan Airlines** EMBRAER 190, B-3130 crashed during landing at Yichun, China on August 24. The regional jet had 96 people on board and 53 of them were rescued. The plane caught fire after it landed long and skidded off the runway. **Henan Airlines** was known as **Kunpeng Airlines** until December 2009. It is based in Zhengzhou and owned by **Shenzhen Airlines** in 2009.

Four Cargo Planes Crash. **Lufthansa Cargo** lost McDonnell Douglas MD-11F D-ALCQ, SN 48431 at Riyadh-King Khalid International Airport, Saudi Arabia, on July 27. The two pilots escaped serious injury when the plane crash landed at Riyadh and caught fire. The airplane was carrying 80 tons of cargo from Frankfurt to Hong Kong. On April 13, **AeroUnion - Aerotransporte de Carga Union** Airbus A300B4-203F XA-TUE SN 078 was destroyed when it crashed on approach to Monterrey-Gen. Mariano Escobedo Airport, Mexico. All five crew members and two people on the ground were killed. The plane crashed onto a highway more than a mile short of the runway threshold, striking a car. The airplane broke up and burst into flames. **Interisland Airlines** lost Antonov 12BP, UP-AN216, SN 402001 that was leased from **ATMA** on April 21. Three of the six crew were killed when the plane crashed in a rice paddy and broke in two near the town of Mexico, Philippines. The airplane was operating on behalf of **UPS** from Cebu Airport to Angeles City. **All West Freight** Fairchild C-123K Provider N709RR, SN 20158 crashed into Mount Healy, Alaska, near Denali National Park, on August 1. The three occupants didn't survive the crash and resulting forest fire.

Airblue Airbus A321-231 AP-BJB, SN 1218 crashed in the Margalla Hills near Islamabad-Benazir Bhutto International Airport, Pakistan, during a severe rain storm. All six crew members and 146 passengers were killed when the plane hit high ground. The plane was flying from Karachi International Airport on a domestic service to Islamabad on July 28. The **Pakistani Government** quickly ruled out terrorism as a cause for the crash. There have been 11 air crashes in Pakistan since 1957.

Afriqiyah Airways Airbus A330-202 5A-ONG, 1024 crashed on approach to Tripoli International Airport, Libya after a flight from Johannesburg, South Africa on May 12. One child survived and the rest of the 11 crew and 92 passengers were killed. The airplane landed short of the runway during bad weather. The airplane was only nine months old.

Boeing 737 Crashes. **Royal Air Maroc - RAM** Boeing 737-4B6 CN-RMF, SN 24807 hit a flock of geese during take-off from Amsterdam-Schiphol International Airport, Netherlands on June 6. The left engine was damaged and shut down. The crew made an emergency landing which blew out the tires on the right main landing gear. None of the six crew and 156 passengers were injured. **Eight Survived Air India Express Crash.** Boeing 737-8HG/W, VT-AXV, SN 36333 crashed while landing at

Military Plane Crashes. A U.S. **Air Force** Boeing C-17 cargo plane operated by the 3rd Wing, based at **Elmendorf AFB**, Alaska crashed and burned near Anchorage. The four crew were killed when the plane came down in a wooded area two miles from the end of runway 5. The C-17 was on a training flight on July 28, preparing for an upcoming air show. **Polish Air Force** Tupolev 154M 101, SN 90A837 crashed upon landing at **Smolensk Air Base**, Russia on April 10, killing the Polish president and 95 other people on board. The air force transport was flying a **Polish Government** delegation to Russia for a memorial at the Katyn Forest mass grave. The pilot tried to land in heavy fog and came down short of the runway. The flight crew reacted too slowly to the TCAS warning that the plane was too low. **Nigerian Air Force** Alenia/Aeritalia G-222 NAF 950, SN 4070 was substantially damaged when it skidded off the runway at **Port Harcourt Airport**, Nigeria on March 12. None of the 52 occupants were killed but ten passengers were injured. The plane was written off. **Ejército Venezolana** PZL-Mielec M-28 Skytruck ENBV-0063, SN AJE002-02 disappeared on a flight from **Valle de la Pascua Airport** to **Caracas/La Carlota-Gen. Francisco de Miranda AB**, Venezuela, on June 12. Three crew members were found dead one day later.

Mangalore-Bajpe Airport, India after a flight from Dubai on May 22. The airplane overran the runway, slid down a wooded valley and burst into flames. The plane carried six crew and 160 passengers. **Merpati Nusantara Airlines** Boeing 737-322 PK-MDE, SN 24660 slid off the rain-soaked runway upon landing at Manokwari-Rendani Airport, Indonesia on April 13. Ten of the 103 passengers and seven crew were seriously injured. The plane is a write off.

Two Afghan Crashes, Transafrik Lockheed L-100-30 Hercules S9-BAT, SN 4134 crash landed at Sharana Air Base, Afghanistan on June 4, 2010. The cause of the accident was not reported, but the Hercules lost one propeller and the undercarriage was pushed up into the wheel wells. The crew escaped injury but the 1966-era aircraft will probably be written off. **Pamir Airways** lost Antonov 24B YA-PIS SN 27307903 on May 17. The plane hit a mountain near Salang Pass, Afghanistan during foggy conditions. All 43 people on board were killed. The An-24 was on a domestic flight between Kunduz and Kabul.

Russian Aircraft Accidents. Blue Wing Airlines Antonov 28 PZ-TSV, SN 1AJ007-10 disappeared en-route from Godo Holo Airstrip to Paramaribo-Zorg en Hoop Airport, Suriname on May 15. All two crew and six passengers were killed when the plane crashed in the jungle. The cause of the accident has not been reported. **Polartrans** Antonov 74 RA-74017, SN 47195015 aborted takeoff at Ivanovo Airport, Russia due to engine failure on March 30. The two crew survived. **DHL Airways** Antonov 26B SP-FDO, SN 10503, leased from **EXIN**, made an emergency landing on the frozen lake Ülemiste in Estonia on March 18 after it aborted a landing at Tallinn Airport. The airplane sank through the ice after the six crew escaped. **Aviastar-TU** Tupolev 204-100 RA-64011 SN 14507413640 crashed short of the runway at Moskva-Domodovo Airport, Russia. The airplane was being ferried from Hurghada Airport, Egypt, by a crew of eight. They all survived the accident on March 22. The plane was dead-heading back from Egypt after carrying 210 passengers to Hurghada. **Katekavia** Antonov 24RV RA-46524, SN 47310003 crashed short of the runway at Igarka Airport after a three hour flight from Krasnoyarsk Russia, on August 3. Eleven of the 15 occupants were killed.

Six Turboprop Accidents. Táxi Aéreo Weiss Embraer EMB-110P Bandeirante PT-GKQ, SN 110125 landed short of the airport at Cascavel, Brazil, on May 19. Both pilots escaped unhurt when the plane touched down in a soybean field 500 yards from the runway threshold in foggy conditions. **Aéro-Service** CASA C-212-CB Aviocar 100 TN-AFA, SN 151 crashed near Mintom, Cameroon on June 19. All 11 passengers and crew were killed. The plane was on a non-schedule flight from Yaoundé-Nsimalen International Airport, Cameroon to the Congolese goldmine Yangadou. **Airnorth** Embraer 120ER Brasilia VH-ANB, 120116 was destroyed shortly after takeoff at Darwin Airport, NT, Australia on March 22. Both pilots were killed during the training flight. No cause for the accident was reported. **Safe Air Company** Fokker F-27 Friendship 300M 5Y-BRN, SN 10155 crashed at Bossaso Airport, Somalia in poor visibility weather conditions on March 4. The two crew escaped with their lives. **Conair Aviation** Convair CV-580 Airtanker C-FKPY, SN 129 crashed while fighting a fire near Lytton BC, Canada on July 31. The two crew were killed. The airplane was contracted to the B.C. Ministry of Forest and Lands to fight forest fires. **Agni Air** lost Dornier 228-101, 9N-AHE, SN 7032 when the plane hit a mountain 18 miles south of Kathmandu, Nepal on August 24. All 14 people on board were killed.

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Select Aircraft Type

Available Aircraft

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- 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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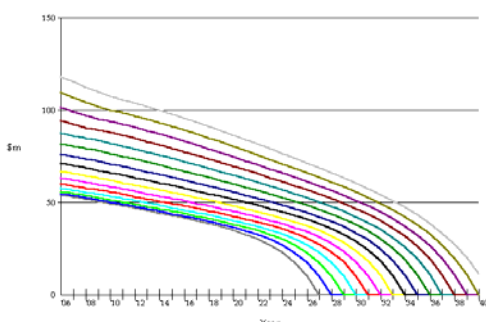
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Aircraft: Airbus A340-300 - Widebody 4 Engine Passenger

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	52.83	53.49	54.70	56.56	58.99	62.01	65.62	69.95	74.86	80.37	86.46	93.18	100.50	108.43	116.96
2008	51.69	52.36	53.61	55.43	57.85	60.84	64.42	68.69	73.65	79.18	85.27	92.00	99.32	107.25	115.78

CAVAS Graph



Profit & Loss Report

Aircraft Type		Airbus A340-300					2020 2019
Period		1	2	3	4	5	Period
REVENUES (US\$'s)							
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	4
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	6,913,747	6,916,436	6,916,177	6,912,045	6
Landing Fees		3,021,823	Profit & Loss Report				
Enroute Charges		392,440	Aircraft Type		Airbus A340-300		
Pax Commissions		7,399,313	Period		1	2	
Freight Commissions		1,331,876	FIXED EXPENSES				
Food & Supplies		3,999,194	Station Overhead				
Passenger Liability Insurance		379,590	Maintenance Burden				
TOTAL VARIABLE COST		23,443,212	Other Overhead				
SEMI-VARIABLE EXPENSES			TOTAL FIXED COST				
Crew Salaries & Expenses		5,177,760	TOTAL OPERATING COST				
Maintenance & Engineering		587,650	General and Admin. Allocation				

Profit & Loss Report

Aircraft Type	Airbus A340-300				
Period	1	2	3	4	5
FIXED EXPENSES					
Station Overhead	346,597	345,923	345,249	344,575	343,901
Maintenance Burden	176,295	351,824	526,586	700,581	873,810
Other Overhead	0	0	0	0	0
TOTAL FIXED COST	522,892	697,747	871,835	1,045,156	1,217,711
TOTAL OPERATING COST	31,464,497	32,185,749	32,903,601	33,618,052	34,329,104
General and Admin. Allocation	1,573,225	1,609,287	1,645,180	1,680,903	1,716,455
TOTAL COST	33,037,722	33,795,036	34,548,781	35,298,955	36,045,559
OPERATING PROFIT OR LOSS	26,156,782	25,329,851	24,506,290	23,686,100	22,869,282
D-CHECK ADJUSTMENT					
Cumulative Hours	4,830	9,650	14,459	19,257	24,045
Cumulative Dollars	315,000	0	0	0	0
ADJUSTED CASH FLOW	25,841,782	25,329,851	24,506,290	23,686,100	22,869,282
AIRCRAFT LIFE ADJ. CASH FLOW	25,841,782	25,329,851	24,506,290	23,686,100	22,869,282

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