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Profile of Pratt & Whitney MRO

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IBA

KEEPING TRACK IN A FAST-CHANGING WORLD

Welcome to the July 2013 edition of MRO!

One of the great advances in global business began in 1973, when Frederick Smith devised his 'hub and spoke' distribution system for packages in the United States and Federal Express was born.

Forty years later, his innovations in supply chain management, much copied and refined by subsequent business leaders such as Michael Dell, are still reaping rewards across the industrial world.

Ensuring that goods reach their proper destination in good time, but that there are only as many of them as needed (rather than clogging up expensive warehouses) is a fine art, which Frederick Smith perfected early in his life.

A pilot in the US air force during the Korean War, he saw at first hand how aviation could deliver crucial items with amazing precision and speed. FedEx took those lessons and became a major force for business change.

In the MRO world, advances in supply chain logistics continue to improve companies' abilities to offer excellent service at affordable rates, as inventories are continually slimmed thanks to the deployment of new technology and smart processes. Getting items to the right place is hard enough when the final destination is stationary: when it's liable to fly off to another place, the challenge is all the tougher!

Read our special cover feature on the latest advances in supply chain logistics this month to find out how the transformative area of business can help you achieve your goals.

Also this month we have an extremely thorough run down of the Paris Air Show, thanks to our partners at IBA. So thanks to them for this excellent work.

David Nicholson
Editor
MRO

Ready for new IFE

Photo: Ameco

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Ameco hangar

Photo: Aemco

EASA grants Flying Colours Corp. STC for new corporate shuttle conversions

Flying Colours Corp., the Ontario, Canada-based aviation company has been granted a Supplemental Type Certificate (STC) by the European Aviation Safety Agency (EASA) for its new CRJ ExecLiner Corporate Shuttle programme. The STC, which was confirmed i growth these years. Based on statistics, Ameco's revenue in airframe overhaul for 3rd party international customers increased by CAGR 20% in the past five years. In particular, the revenue for the 3rd party international airframe overhaul services saw a sharp rise of 29% in 2010 and 55% in 2011, with the proportion almost 59% and 78% in total airframe overhaul workload. It kept a steady growth of 5% in 2012.

Sao Paulo Airport

Ameco Beijing expands international airframe overhaul business

Ameco Beijing completed two Boeing 737-800 C-checks for Nok Air in June. It is the first time for Ameco to provide overhaul services for Nok Air. Nok Air is a new low-cost airline with one of the highest number of domestic routes now within Thailand. In recent years, Ameco is dedicated to expanding the 3rd party international airframe overhaul business. Besides Nok Air, Ameco has already built up new cooperation with customers such as MEGA Maldives Airlines, Business Air, ACT Airlines and T'way Air since 2012. At the same time, Ameco also keeps long-term relationship in heavy maintenance with the airlines from North America, Europe, Russia/CIS, and Asia Pacific area. Moreover, on April 16, Ameco signed three Boeing 747 heavy maintenance contracts with Southern Air at MRO Americas that further enlarges Ameco's North America customer group. Ameco Beijing's annual turnover in airframe overhaul services saw a sustainable growth these years. Based on statistics, Ameco's revenue in airframe overhaul for the 3rd party international customers increased by CAGR 20% in the past five years. In particular, the revenue for the 3rd party international airframe overhaul services saw a sharp rise of 29% in 2010 and 55% in 2011 with the proportion almost 59% and 78% in total airframe overhaul workload. It kept a steady growth of 5% in 2012.

Ameco Beijing's in-flight Wi-Fi installation

Air China has its Airbus fleet fitted with in-flight Wi-Fi system by Ameco Beijing. The company has recently returned its second modified aircraft to the customer on schedule. Being authorized by CAAC and EASA, Ameco is now capable of in-flight Wi-Fi installation on its Air China fleet with the key technique in Electromagnetic Interference/Electromagnetic Compatibility (EMI/EMC) test. With the in-flight Wi-Fi system, passengers can use their own portable electronic devices such as laptop computers and personal digital assistants, during flight. It enables internet access, mail, and Wi-Fi chat, as well as the cabin-wide HD video streaming in wide-body aircraft for more than 300 passengers. Ameco has started to provide the in-flight Wi-Fi installation on Air China's A330-200 wide-body fleet as a complete upgrade of the current system. Modification on Air China's Boeing 777 fleet will start soon in early 2014.

AJW Aviation completes part-out of A319 MSN 1066

AJW Aviation has completed the part-out of an A319, MSN 1066, purchased from Latin American airline Avianca. The 850 parts recovered have already been certified and fed into the AJW inventory reserves for sale, exchange and loan.

Delta Air Lines opens first Latin American technical operations line maintenance in São Paulo

Delta Air Lines reported the establishment of its first Latin American Delta Technical Operations Line Maintenance Division (TechOps) at Sao Paulo's Guarulhos International Airport in Sao Paulo, Brazil. The operation deployment will involve 26 new employees including technicians, supervisors, material services and one manager. "We are committed to continue growing in the Brazilian market and across Latin America. Earlier this year, we relocated our commercial headquarters from Atlanta to Sao Paulo. The establishment of technical operations in Sao Paulo is a logical next step in our commitment to become the best U.S. carrier in Latin America," said Nicolas Ferri, Delta's Latin America and Caribbean Vice President. Delta has a presence of line maintenance at more than 50 airports across Delta's global system to provide Delta's fleet with technical support and reinforce a safe and on-time operation for customers.

AAR and Mesa Air Group extend multi-year service contract

AAR has announced a six-year extension of an agreement to provide supply chain services for Mesa Air Group, regional jets. The extension, which continues through 2021,

covers maintenance and repair services for the Phoenix-based regional airline's existing fleet of CRJ 700/900, as well as nine additional aircrafts. The original contract was awarded to AAR in August 2005. With this extended agreement, AAR will continue providing Mesa component support services, including guaranteed fill-rates at its six largest line stations, component repair and logistics services.

AAR selected by GE Aviation to upgrade main landing gear door actuator

AAR has been selected by GE Aviation as an Authorized Service Center to retrofit the main landing gear door actuators on A318, A319, A320, and A321 aircrafts with improved hydraulic actuators. AAR will handle the work at its Landing Gear Services MRO facility in Miami.

The128,000-ft^2 site has added tooling capabilities and manpower to ensure that it meet s the requirements of GE's program, which includes a 10-day turnaround time, and the needs of A320 customers. AAR had to go through a rigorous selection process of more than a year, which included on-site visits by GE and demonstrations of its tooling capabilities.

GE Aviation seals commitment to advanced manufacturing in North Carolina

GE Aviation has finalized plans to break ground this year on an advanced composite component factory near Asheville in Western North Carolina. The new 125,000-ft^2 (next to an existing GE Aviation machining plant) will produce engine components made of advanced ceramic matrix composite (CMC) materials. GE could begin hiring at the new CMC components plant as early as 2014. Within five years, the workforce at the plant is expected to grow to more than 340 people. The new facility will be part of a larger commitment by GE Aviation to invest $195m across its North Carolina operations through 2017. GE Aviation has more than 1,300 employees in North Carolina at sites in Durham, West Jefferson, Wilmington, and Asheville. Overall, the new CMC facility, combined with plant and equipment upgrades at existing sites across North Carolina, will create 242 additional GE jobs by 2017.

GA Telesis announced disassembly of Boeing 777-200ER, 767-200ER and 757-200ER

GA Telesis has started the dismantling process for three Boeing aircrafts, including one 777-200ER (TRENT 800) (MSN 28418) ex-Malaysia Airlines, one 767-200ER (CF6-80A) (MSN 22326) ex American Airlines and one 757-200 (PW2000) (MSN 25276) ex-United Airlines. All aircraft have entered the GA Telesis disassembly production line in the USA, and the aircraft dismantling and remarketing efforts will be led by the GA Telesis supply chain and global sales teams respectively.

Bombardier names Ethiopian Airlines as Authorized Service Facility for commercial aircraft

Bombardier Aerospace added further bench strength to its fast growing support network in Africa by naming one of the continent's leading carriers, Ethiopian Airlines of Addis Ababa, as an Authorized Service Facility (ASF) for commercial aircrafts. Bombardier has signed a Letter of Intent to authorize the airline to perform line and heavy maintenance on Q400 and Q400 NextGen turboprop aircrafts. The agreement is expected to take effect by late August. Ethiopian Airlines operates modern and complete aircraft, engine and component overhaul and repair facilities at Bole International Airport in Addis Ababa. The facility employs an all-Ethiopian workforce of over 750 licensed technicians and

support staff.

Sunrise Airways unveils new maintenance facility in Santiago, Dominican Republic

Sunrise Airways, a new start-up airline based in Port-au-Prince, recently opened a dedicated Maintenance, Repair and Overhaul (MRO) facility located at Cibao International Airport (STI) in Santiago, Dominican Republic, becoming the only Haitian airline with its own, in-house maintenance capabilities. Measuring 8,000 ft^2 in size, the facility has the capacity to store three of the carrier's flagship 19-seat Jetstream 32 EP aircraft. More than 2,200 line items of Jetstream 32 parts are stored between the Sunrise MRO in Santiago and its headquarters in Port-au-Prince, minimizing controllable service disruptions.

Lufthansa Technik establishes engine airline support team in Montreal

Supported by the Trade Commissioner Service of the Canadian Government, Lufthansa Technik has recently established an Airline Support Team (AST) for engine services in Montreal, Quebec. Being operational since a few weeks, the Airline Support Team currently offers CFM56-5A/5B engine on-wing/on-site services, including module and blade replacement, top and bottom-case repairs, to Lufthansa Technik's customer Air Canada. The final AST organisation is planned to have a team of at least 12 engine specialists. Spare parts will be delivered through Lufthansa Technik's global network. Lufthansa Technik is working on business opportunities to expand the service portfolio of the Airline Support Team to other engine types and for other customers in the region.

Magellan Aviation Group signs aircraft disassembly and consignment agreement with Boeing

Magellan Aviation Group and Boeing have signed an aircraft disassembly and consignment agreement. Over the term of the contract, Magellan expects to dismantle several aircraft and engine types for resale in the aftermarket. The first aircraft in the program is a P&W-powered 747-400 (MSN 27067).

MTU Aero Engines hands over 300th modules for the engine powering the A380

The Airbus A380 sets a benchmark for low fuel burn and low noise. The world's largest commercial aircraft owes its high efficiency and amazing noise level to no small degree to its GP7000 engines, in which MTU Aero Engines has a stake of 22.5%. Three months ago, the 250th engine was handed over to Airbus in Toulouse for final assembly, and now Germany's leading engine manufacturer has completed

MTU celebrates milestone Photo: MTU Aero Engines

and delivered the 300th low-pressure turbine and the 300th turbine center frame. "The GP7000 has impressively demonstrated its high reliability in more than 1.5 million flight hours," explains Michael Schreyögg, Member of the Board of Management, Programs, MTU Aero Engines. "In terms of fuel consumption and emissions, the engine consistently performs at levels much better than the specifications," he adds.

MTU Aero Engines expands facility in Poland

MTU Aero Engines is expanding its facility in Rzeszów in the south of Poland: MTU Aero Engines Polska, located in the Polish Aviation Valley, will add a new, 9,200-m^2 building, which will increase the area occupied by buildings by 50%. The total investment that will go into the project amounts to some €40m. "The expansion of our Polish affiliate is part of MTU's investment and growth strategy, very much in the same way as the new blisk production shop we built in Munich and the logistics center we set up in Hannover. With this move, we lay the foundation for the growing production and volume ramp-up for the geared turbofan programs," explains Egon Behle, MTU Aero Engines AG's CEO.

REX purchases aircraft spares package from Pinnacle Airlines

The Regional Express Group (Rex) has purchased the entire Saab 340 spare parts holdings from Pinnacle Airlines in the USA. The Pinnacle spare parts package consists of spares from Mesaba Airlines and Colgan Air who together in the past operated over 80 Saab 340 aircraft. The spares package has over 215,000 items and includes engines, propellers and undercarriages as well as a vast array of tooling and ground support equipment. Commenting on the deal, Rex Chief Operating Officer Garry Filmer said, "The acquisition of this package will bolster the already significant spares holding owned by Rex and will assure the support of the Rex Group fleet of 51 Saab 340 aircraft over its useful life of at least another 15 years. It will also lower our maintenance cost as these spares are purchased at a very steep discount from the retail value."

Direct Maintenance commences A330 line maintenance support for Meridiana

Meridiana based on Sicilia, Italy, has awarded another support agreement to Direct Maintenance for A330 line maintenance, this time applicable to Amsterdam Schiphol Airport. Meridiana is a long standing loyal customer of Direct Maintenance for A330 line maintenance services in Mombasa (MBA, Kenya) and Zanzibar (ZNZ, Tanzania). Its partnership with Direct Maintenance was extended to support the current Meridiana A330 wet-lease operation to Turkish Airlines, operating through AMS amongst others.

Direct Maintenance commences Air Arabia A320 support at Nairobi

Direct Maintenance has started with providing dedicated line maintenance services to Air Arabia in support of its A320 operation at Nairobi (NBO) in Kenya. Air Arabia is a leading low-cost carrier in the Middle East and North Africa. Air Arabia commenced operations in nearly 10 years ago in October 2003 and currently operates from Sharjah International Airport to 83 destinations spreading across the Middle East, Africa, Indian Subcontinent and

Europe. The fleet size currently stands at 32 modern A320 aircraft, with another 27 aircraft on order from the factory.

P&W and SkyWest sign aftermarket agreement for fleet of Mitsubishi Regional Jets

Pratt & Whitney and SkyWest have signed a definitive agreement for a PureSolution Fleet Management Program supporting the PW1217G engines installed in a fleet of 100 MRJ90 Mitsubishi Regional Jets and up to an additional 100 option MRJ90 Mitsubishi Regional Jets for a term of up to 16 years. Each MRJ90 will be powered by two PurePower PW1217G engines. Deliveries are anticipated to begin in 2017. PureSolution services offer MRO expertise from the PurePower engine's OEM creator and design-responsible partners. PureSolution services offer customers a wide range of comprehensive and fully customizable MRO services to ensure predictable maintenance costs and maximize the PurePower engine's performance over its life span – resulting in the lowest cost of ownership.

737 MAX will optimize aerodynamics with BAE Systems' electronics

Boeing has selected BAE Systems to provide the spoiler control electronics for the new Boeing 737 MAX. The successful outcome of this competitive procurement was largely driven by the BAE Systems team's ability to demonstrate a system that showed technical readiness and reduced development risk when introduced on the Boeing 737 MAX.

Air France selects UTC Aerospace Systems for E-Jet MRO services

Air France has selected UTC Aerospace Systems to be the maintenance, repair and overhaul services (MRO) provider for various actuation, air management and electrical systems on Embraer E-Jet fleets that Air France supports for its customers. This is UTC Aerospace Systems' first contract for E-Jet repairs with Air France. The three-year agreement covers MRO services for the electric power generating system, electric power equipment, air management system, and flight systems on the airline's ERJ-170, ERJ-175 and ERJ-190 aircraft. The work will be performed by subsidiaries of UTC Aerospace Systems in Dijon, France and Maastricht, The Netherlands.

A 747-8 Intercontinental in production in Seattle Photo: Boeing

Nordwind Airlines chooses Turkish Technic for APU MRO Services

In addition to previous agreements on base maintenance services Turkish Technic and Nordwind Airlines expand their relations and sign an agreement for APU maintenance. Under the agreement Turkish Technic will provide APU maintenance services to Nordwind Airlines for the APS3200 type APUs of its fleet.

Vector Aerospace and Sikorsky Aerospace Services sign agreement for customer service centre in UK

Following an announcement at the Paris Airshow that Vector Aerospace has been appointed as a Sikorsky approved Customer Service Centre (CSC) in the United Kingdom, the company announced that the fourth Sikorsky VIP S-76 helicopter has been inducted into the maintenance facility in Gosport, Hampshire. The Customer Service Centres will offer Sikorsky S-76 operators complete aftermarket support – including Sikorsky trained local maintenance personnel for on-site comprehensive maintenance management, inspections and spare-parts procurement.

Irish company Eirtech Aviation wins Southwest Airlines contract

Eirtech Aviation confirmed details of a major contract win with one of the largest airlines in the world, Southwest Airlines. The Shannon-headquartered, Irish aviation services company has developed an innovative solution for Boeing 737 aircraft, for a technical modification that has been mandated by the Federal Aviation Authority (FAA). By 2016, all owners and operators of Boeing 737's must complete the mandated modification on their aircraft. Eirtech Aviation's solution to the Boeing 737-specific technical problem is around half the price of alternative solutions and reduces the installation time by more than 50% over other providers. The contract will see Eirtech Aviation working with Southwest Airlines to modify its fleet of affected Boeing 737 aircraft, as directed by the Federal Aviation Authority (FAA), ensuring regulatory compliance. Eirtech Aviation's team in Shannon developed the solution, which involves the manufacture of 'wiring kits' and the provision of the supporting engineering documentation. A team from Eirtech Aviation will head to Dallas to assist Southwest's engineers on the first installation of the kits, to ensure early regulatory compliance.

Boeing gains FAA approval to fly Advanced Navigation Procedures on 787

Boeing has received FAA approval to fly Required Navigation Performance – Authorization Required (RNP AR) procedures on the 787 fleet. Operators that fly RNP AR procedures

Star Air AS has signed a flight hour agreement with GA Telesis Photo GA Telesis

significantly reduce fuel burn, emissions and airport congestion by flying precisely along a predefined route using advanced on-board navigation systems together with GPS-based global navigation satellite systems. As an FAA-approved RNP application service provider, Boeing can now offer 787 customers full support as they apply for approval to use RNP AR procedures on their fleets.

Yangtze River orders three AEI B737-400SF 11 Pallet conversions

Aeronautical Engineers (AEI), has been selected by Yangtze River Express/HNA to provide three firm B737-400SF 11 Pallet Configuration conversions. The aircraft are all high gross weight B737-400' s, MSN 28759 built in 1998 will be the first to undergo freighter modification in early July 2013 at AEI's Authorized Conversion Center, Boeing Shanghai Aviation Services.

Syphax Airlines becomes A330 components support customer

Recently-formed Tunisian carrier Syphax Airlines has decided to entrust component maintenance for its first A330 to AFI KLM E&M. The two groups have already been working together at Roissy-CDG as part of a line maintenance agreement. The component support services delivered by AFI KLM E&M include repairs, dedicated access to the spares pool, and the supply of a Main Base Kit on Syphax premises. Syphax will also benefit from line maintenance services in Tunisia, ground services at airports in Continental France, and dedicated engineering support for its A330, thanks to Air France Consulting expertise and its partner AMC (Aircraft Management & Consulting).

QET Tech Aerospace launches aircraft recycling service

QET Tech Aerospace compliments its aviation airframe Maintenance, Repair and Overhaul (MRO) service with aircraft end-of-life service (recycling) which includes, parting out the usable aviation parts, disposing of the chemicals and non-usable material in an environmentally safe way and recuperating the raw materials. It is estimated by the Aircraft Fleet Recycling Association (AFRA) that in the next 20 year, 12,000 aircraft will be retired. It's a growing business which complements MRO. "Because our MRO prices are so low, we can part out aircraft under a quality system approved by our aviation authority for the handling of aviation parts. These parts continue to be used in the aviation industry so it is important to have access to the right manuals, tooling, trained people, aviation insurance and handling system in place" says Julio Cesar Alvarez, QET Tech Aerospace CEO. "To further reduce the cost of recycling, QET Tech Aerospace has joined Mexico's IMMEX program where we have just been approved.

While non-Mexican planes serviced in Mexico are already free of service tax, handling of parts and equipment may be taxable. Under the IMMEX program, a plane is temporarily imported into Mexico with no tax or duties. The valuable aviation parts are removed and shipped out of Mexico without any addition tax or duty; one part in many parts out. Once the aviation parts are removed, the remainder of the plane is given to a low cost facility to discard the remainder of the plane but, under the control of QET Tech Aerospace to ensure work is done in an environmentally responsible way."

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Streamlining the supply chain

By Keith Mwanalushi

Airlines and MROs are consistently looking to better understand how the latest advances in supply chain management can derive greater efficiencies. And now, the pressure is on to deliver tailor made support programmes to increase the airlines' services levels.

Operators and MROs want faster access to spare parts. Photo: Wencor

From a general perspective, proper management of logistics and supply chain provides airlines with a variety of options to increase profit by minimising operational costs and the need for additional investments as well as to avoid unexpected expenditures on spare parts and components.

Faster access to spare parts

"Sometimes in order to avoid any hassle with regard to spare parts OEMs or MROs recommend airlines to view matters from the operational side only," notes Paulius Kavaliauskas, head of business development at FL Technics. "This, however, does not guarantee the most efficient solution or reasonable investment.

From FL Technics side we carry out meticulous cross checking procedures before presenting our customers with any recommendations designed to lower costs whilst maintaining the same risk of AOG situations. There is a lot of surplus on the market, so consistently good results can be relatively easily achieved with much lower investment than those usually recommended by other service providers."

Kavaliauskas continues: "A customer does not need 'some parts' at a designated location. Instead clients are in need of solutions designed to help them avoid delays in operations. For MRO and other services providers the core target is to carry out their obligations in time and be flexible enough to adapt to the changing global environment."

The 'classic' or legacy approach to inventory was simple. Airline orders aircraft, OEM provides an initial provisioning list and an on-going recommended list. These tended to be bespoke as they were dependent upon several factors: aircraft utilisation, base of operations, night stop bases where maintenance may be performed, airline 'back shops' or outsourced repair facility and the so called service level. "This is the probability of always having a spare part," observes Philip Seymour, president and COO at the International Bureau of Aviation (IBA).

John Avery AJW Aviation - Taking a flexible approach.

"Clearly at the 100 per cent end of the pendulum it would require sufficient spares to always be available - the theory being you would need a complete spares package equivalent to at least a complete aircraft all of the time. That would be economically unviable. However, so would the opposite end of the pendulum; no spares at all and the need to call for a spare part whenever needed and reliance on the OEM to provide it as soon as possible, thus incurring high transport/AOG fees," Seymour explains.

A key challenge for airlines remains the availability of the right part at the right time and access to tailor made support programmes to increase the airlines services levels at lower inventory holding cost.

In response, Lufthansa Technik for instance runs a Total Component Support (TCS) programme. According to Peter Unger, head of asset management, TCS provides a pool of more than 100,000 parts and guaranteed delivery at a pre-determined service level. "Under a TCS contract, all component repairs and overhauls are managed directly by Lufthansa Technik."

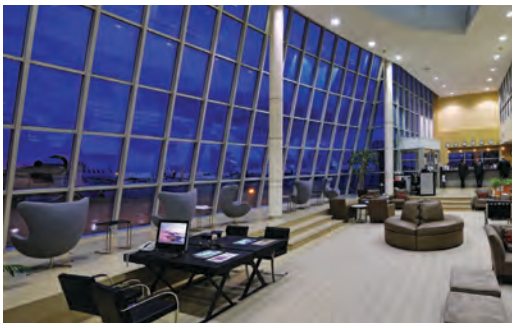
He says sophisticated logistics and a worldwide network of strategically located warehouses (e.g. in Frankfurt, Los Angeles, Miami/Fort Lauderdale,) helps to ensure that every component reaches its destination in the shortest possible time wherever in the world the aircraft happens to be.

"With our product Total Material Operations (TMO), we offer our customers even more. On top of the advantages of TCS, TMO customers also benefit on the operating side. For example, TMO also covers the entire material supply and logistics process, including consumables, expendables and buyer-furnished equipment," says Unger.

He also emphasises that all provisioning is handled by Lufthansa Technik as well as all administrative overhead related to the transportation and return process, Lufthansa Technik is also responsible for replenishing the depots in the airline's network.

John Avery, director of supply chain solutions at AJW Aviation says individual programmes are flexible and can be tailored to the

THE SKYSERVICE MONTREAL FBO



Executive Lounge in the Toronto FBO

Executive Lounge in the Calgary FBO

A Skyservice Hangar

As Canada's leader in business aviation, **Skyservice FBO** brings an unwavering commitment to safety and security in the air and on the ground. With facilities in Montreal, Toronto, and Calgary, Skyservice is dedicated to the core business pillars of Charter Services, Fixed Base Operations, Maintenance, HondaJet Sales and Aircraft Management providing a full-service, world-class experience for its customers.

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Skyservice selects Quantum Control MRO & Logistics Software and StockMarket.aero to manage its award winning FBO maintenance services.

The Challenge

Skyservice offers corporate and commercial maintenance including inspections, repairs and aircraft modifications on any type of aircraft 24/7. With over 450,000 combined square feet of hangar space, Skyservice's challenge was to maintain its superior levels of customer service and safety while realizing a business strategy that included 5-year growth plans despite the current economic downturn. A core goal was to achieve increased maintenance process efficiency and effectiveness improvement targets as the company managed current and new business at its FBO facilities across Canada.

To accomplish this, Skyservice focused on identifying key operations technology to seamlessly increase the volume of maintenance and repair services, while providing cohesive visibility into account financials, contracts, work packages, labor, parts, services, and aircraft tracking data.

The Solution

Skyservice FBO selected Component Control's Quantum MRO & Logistics software and StockMarket.aero to bring all of their FBO operations into one system. As the aviation industry standard, Quantum enables systematic, repeatable and efficient processes for expertly managing aircraft services across a single or multiple facilities.

In real-time, hangar, aircraft, shop floor details, and instructions are communicated, while labor, parts and services are being tracked to affect inventory and billing.

Related reporting assists management in making fact-based decisions that support customer service and strategic goals.

In addition to new process automation, Quantum's robust capabilities allow Skyservice to replicate core processes that had already proven relevant to their bottom line.

Critical to the selection of Quantum, is the systems out-of-the box integration capabilities for EDI, CAMP maintenance records, AVREF catalog files, and CMP. net data. This vital integration automates transaction processing and communications with partners, information providers, and the extended supply chain to safely improve turn times and keep customers loyal to Skyservice as a trusted business partner.

Due to its exceptional FBO services, in 2012 Skyservice was voted the top FBO in Western Canada and Ontario by WINGS magazine, and in the top 30 of North America FBO's by Aviation International News.

Comprehensive process management and partner connectivity highlight the importance of Quantum as a solid operations foundation for FBO operators.

component control
www.componentcontrol.com

customer's specific requirements, but basically consist of a wide coverage component PBH programme with guaranteed service levels and the option of a leased main base kKit. "As an example of this flexible approach, if the customer has extensive inventory we can include a purchase and leaseback option or, if the customer wants to retain the stock, incorporatebundle it into what is essentially a repair programme retaining all the service guarantees of our full PBH support.

We also offer similar programmes on consumables which are proving popular. We distribute inventory around the world where it most good, including in some cases with customers, to maximise logistics options."

Meanwhile, the Wencor Group runs a similar programme called 'WenStock' which provides bin management, auto-replenishment and consignment options designed to integrate with the operators' processes and business systems to significantly decrease their inventory holding costs, according to the company.

Dan Eckhoff, VP - Integrated supply chain at Wencor says it offers kitting programmes for low variability demand replenishment (such as 100% replace parts), thereby providing all of the parts necessary for a specific demand event. He adds that these services not only reduce the level of inventory customers hold,

Wencor has taken several steps to operate in a lean environment - Dan Eckhoff.

but also can substantially reduce the costs associated with the acquisition, receiving and point of use provisioning of parts.

Dealing with the rising costs of materials

MROs and airlines are continuing to operate against the rising costs of materials and logistics in a cost-constrained environment.

WenStock programme by Wencor aims at decreasing inventory holding costs. Photo: Wencor

So how can they keep expenses in check against the increased cost of materials? Where is the fine balance of spares vs. excess without hindering material flow?

"This is indeed a major challenge that we face and there is no singular answer to this task," admits Peter Unger from Lufthansa Technik. "In order to keep up with the challenge of rising material cost we have to think multidimensional. On one hand we focus on continuous improvements of our processes, aiming for process excellence because an acceleration of the supply chain leads to a potential reduction of the material stock.

"In this context we established, for example, an improved material return management that supports to systematically identify customer bound material to return it to the shops and integrate it to the supply chain. In addition we are integrating new material sources with high valuable materials that we integrate in our material pool after recertification in our shops," Unger adds.

On the other hand, he points out that Lufthansa Technik is working to improve its material control and planning systems by using a highly integrated material control system to maximise the availability of the material.

Doug Russell, VP of supply chain solutions at Exostar says without doubt the rising costs of materials are making life difficult for MROs, airlines, and manufacturers alike. "One of our customers, a US-based manufacturer in A&D, has a vision for material aggregation. Their plan is to purchase select materials that are either in short supply or likely to be subject to price volatility in bulk – of a magnitude few can match.

Then, they would sell materials to their partners throughout the supply chain and aftermarket, at price points those suppliers and MRO organisations could not realise on their own. In this scenario, all parties have the potential to come out winners. The key to success is to be able to track all purchasing, sales, and use across all supply chain tiers with a single application, and that's what we would develop for our customer," Russell elaborates.

Maintaining or shifting inventory

It's interesting to observe the extent at which airlines are shifting inventory ownership to their suppliers and how much inventory airlines own and manage internally.

John Avery from AJW Aviation observes that the market has been split between high cost flag carriers and low cost competition but he continues to see more new entrants who would never consider investing millions of dollars in slow moving assets. "We are also seeing that even the legacy airlines are starting to learn new tricks; sadly for some of them not quickly enough.

The market continues to evolve and more and more airlines understand the benefits of our service and value proposition," says Avery.

According to an analysis by FL Technics,

Component Control has developed an iPhone app for stockmarket.aero says Jason Cordoba

inventory ownership transfer ratio depends on the size of an airline and the level of its activity. "For start-ups and small operators (up to 10-15 aircrafts) there are no advantages in keeping their own stock at all, because of the extended fixed costs arising from warehouse management and the weighty investments needed to obtain spare parts in comparison to the revenue generated by aircraft.

In this case all logistics, warehouse and spare parts management should be outsourced," Paulius Kavaliauskas recommends.

On the other hand, he says mid-size operators (about 15-50 aircraft) should keep their stock on site, as usually there are some maintenance operations performed directly by the airline's personnel. "The logistics activity should be organised in the way that it could be relatively easy to secure operations and divide risks, because different logistics strategies enables airlines to distribute logistics efforts on different scale," Kavaliauskas continues.

Wencor is seeing greater emphasis on consignment programmes with aftermarket customers.

Dan Eckhoff says consignment programmes work very well when there is "less variation in the frequency of demand for any given part or product.

The airlines are able to reduce their inventory levels and Wencor, as their supplier, achieves reasonable turns and return on investment."

Advances in supply chain technologies

In terms of technology solutions, Jason Cordoba, director of stockmarket.aero at Component Control believes that on-demand applications, utilising the lower cost structure of cloud computing, will be the most transformative business model for the next decade as MRO businesses seek to access resources and information via web enabled devices. In fact, Component Control was named 'Best IT Software Provider' in the Airline Technology Engineering and Maintenance Awards 2012.

Stockmarket.aero is Component Control's comprehensive search engine that gives users access to real-time updates from vendors that include parts in stock, MRO capabilities and part alternatives. Stockmarket.aero is currently listing over 48 million qualified line items of inventory and capability from over 2,900 aircraft parts vendors.

"The stockmarket.aero app is becoming an invaluable tool for members of our community, giving users a powerful search capability and allows them to send RFQs or purchase orders from any location utilising their iPhone," Cordoba states. "Component Control has over 1000 customers in 55 different countries around the world.

We have always let our customers lead us in terms of innovated technologies and how best practice is reflected in the functional processes the software supports."

Because the Internet essentially revolutionised the entire business world, the speed at which data can be shared and the cost associated with it drove technology to be much more affordable to the smaller players – and benefited them the most. "Another significant change was that it created the desire within our customers to have a real-time, integrated supply chain tool that communicates with their systems, while remaining available via a browser or handheld device," adds Cordoba.

Doug Russell from Exostar agrees that the key to faster access to parts and greater efficiencies overall is a fully-connected community. Exostar powers business-to-business information sharing, collaboration and business process integration throughout the value chain. "As a provider of supply chain management solutions, the first and highest priority inquiries we would receive from our customers and prospects used to be focused on functionality.

We're in the midst of a change in thinking. Today, we're increasingly being asked first about how we support connectivity and integration with trading partners," Russell stresses. To sum up, Phil Seymour from IBA believes the 'elephant in the room' is interchange ability of parts. He says the OEM and vendors could make the process easier by increasing interchange ability of parts that can be used across several aircraft and engine types. "However, the profits of OEMs are becoming increasingly 'aftermarket' focused, so what is the incentive?" He asks.

Doug Russell says the rising costs of materials are making life difficult for MROs and airlines.

Paris Air Show 2013: IBA's Review - By Mike Yeomans

Toward the end of this year, I suspect that many of the '2013 in review' articles will devote swathes of text discussing the 787's battery problems. I am going to move past the 787 quite quickly, because although in terms of column inches it has dominated the first quarter of this year, it is far from being the most interesting or the most relevant when discussing the rest of the industry right now.

As always, we expect a big push from Airbus at the Paris Air Show and understandably so; nobody likes to be beaten on their home turf. With Boeing's resounding victory in Farnborough last year, it was clear that Airbus would be on a mission to impress with a plethora of orders - and it did! In fact, the sheer volume of orders has been astonishing and has not been confined to the two big players, although the home team has secured a solid win. Many expected Paris to have more of a regional flavour and this has very much been the case, with some large commitments from a variety of operators and lessors. The order tally in Paris has far eclipsed that which was recorded last year in Farnborough, with over 1,700 commitments having been placed throughout the course of the week. These orders have been diverse, both in terms of the aircraft that have been ordered and the carriers and leasing companies that have ordered them.

Embraer's recent dominance of the regional jet market looks set to continue. Paris has set the stage for the launch of the evolution of its E-Jet range, marketed as the E2, and the Brazilian manufacturer has kicked the program off with an impressive order tally. SkyWest Airlines and ILFC are the launch customers, and between them they have placed a total of 300 orders and options. SkyWest is launching the E175 E2 with a firm order for 100 units and options on a further 100. ILFC is launch customer for both the E190 E2 and the E195 E2, having placed 25 firm orders and taken 25 options for each. In addition, Embraer has letters of intent for another 65 E2 aircraft among five undisclosed customers. Embraer has also added to the backlog for its current E-Jet range, with Conviasa exercising seven options for E190s from its July 2012 order. Two undisclosed customers that are already in the order book have also broken cover; JAL with four E170s and Air Costa with one E190. Bombardier, Embraer's closest competitor in the regional jet market, has attracted few orders for its current CRJ range with just three firm orders from Nigerian carrier, Arik Air, for the largest CRJ1000 derivative. Bombardier's newest aircraft model, the CSeries, failed to attract any new orders in Paris, although an existing order from its backlog for 10 aircraft was announced as being for Odyssey Airlines, a start-up carrier which will operate from London City Airport. In addition to its CRJ order, Arik Air also placed a firm order for four examples of the Canadian manufacturer's Q400 NextGen regional turboprop model alongside US regional carrier, Horizon Air, which placed a firm order for three units. The clear leader in terms of turboprop orders at the Paris Air Show has been ATR, garnering a combined 172 firm orders and options for its -600 series aircraft models. Much of the attention surrounding the ATRs has come from lessors. Scandinavian leasing firm, Nordic Aviation Capital has placed a firm order for 30 of the larger ATR 72-600 variant alongside a firm order for five of the smaller ATR 42-600's, and has taken purchase options on a further 55 ATR 72-600 aircraft.

HGI Aircraft Division has placed a firm order for 10 ATR 72-600s and taken options on another 10. The aircraft are to be operated by Brazilian carrier, Passaredo Linhas Aéreas. US lessor, ALC, also ordered five of the ATR 72-600 model, while Antigua and Barbuda carrier, LIAT, placed an order for two of the smaller ATR 42-600 variant. ATR also received 25 orders and 25 options for the ATR 72-600 from a single undisclosed customer and five further orders from another unidentified customer. Just one week after its landmark maiden flight, the Airbus A350 joined the show, making a flypast at Le Bourget, much to the delight of the on looking crowds and the French President François Hollande. The A350 is no longer a 'paper plane' and its first ventures into the air have been rewarded with reams of orders. Sri Lankan Airlines has signed a Memorandum of Understanding (MoU) for four examples of the A350-900 variant, while Air France-KLM has firmed up an order it initiated in 2011, for 25 A350-900 aircraft. The Franco-Dutch carrier also took purchase options on a further 25 of the type. Singapore Airlines further endorsed the A350, firming up an order announced last month for 30 of the A350-900 variant plus 20 options, bringing its total backlog to 70 aircraft with 20 options. The terms of the deal allow Singapore Airlines to convert the options to the larger A350-1000 variant. United Airlines also joined the A350 ordering party, with 10 new orders for the A350-1000. The US carrier converted 25 A350-900 orders to the larger A350-1000 variant, bringing its total backlog to 35 A350-1000 aircraft. The -1000 variant is growing in popularity and is fast becoming a real success story for Airbus.

Boeing joined Embraer in launching a new model in Paris, with the largest variant of its 787 range, the Boeing 787-10, which will seat between 300 and 330 passengers depending on configuration. The aircraft will compete with Airbus' well-established and highly successful A330 range. The aircraft was launched by a group of customers comprising United, Singapore Airlines and British Airways alongside two aircraft leasing companies, Air Lease Corporation and GECAS. United has committed to 20 examples, 10 of which are brand new orders. The remaining 10 are upgraded from existing orders for smaller 787 variants. Singapore Airlines has ordered 30 of the new jet, while British Airways has signed up for 12. Air Lease Corporation has signed a MoU for 30, alongside a smaller commitment for three 787-9s, and GECAS has committed to 10 examples. So in total, the 787-10 has launched with just over 100 orders at the Paris Air Show.

The majority of wide-body aircraft orders that have been placed or announced in Paris have been for new technology; however a few operators have opted to top up some of their existing fleets with models that are currently in production. The 777-300ER, one of the best performing aircraft in operation today has attracted six new orders at the show from Korean Air. Two existing orders for the aircraft, which were previously unidentified, have now been attributed to Qatar Airways. The Middle Eastern carrier has also taken options on a further seven, which are expected to be firmed up in the near future. Airbus has also announced a new order from an existing customer, SriLankan Airlines, for six of its A330-300 model. The aircraft will be Rolls-Royce Trent 700 powered (the most popular engine for the A330) and will enter service with the operator next year.

In the upper reaches of the wide-body aircraft capacity scale, orders have been few and far between in the last couple of years. While the Airbus A380 has maintained a healthy backlog, orders have not exactly been flooding in and the Boeing 747-8 has suffered a very dry period that has led to a pullback in production output. The Paris order for five 747-8I aircraft from Korean Air will be well received in Seattle, as this will extend the production schedule for almost another three months. While the Korean order is a welcome boost, the A380 has outshone its competitor in Paris, attracting an order for 20 examples from Doric, an existing A380 lessor. Airbus has hinted at an A380 order for some time and this is an historic moment for the

A380 program as it marks the first firm order placed directly by a leasing company for the aircraft. While many A380 aircraft are leased, these have been through sale and leasebacks rather than pure operating leases. There are concerns around the ease of remarketing A380s when they come off lease, due to the high costs associated with reconfiguration, and this has put some lessors off ordering the model. However, the Doric order shows a very strong commitment and a great deal of confidence in the product. Demand for the aircraft is high, not only from operators who delight in its seat mile costs, but also from travellers, who regularly go out of their way to fly on the world's largest commercial jet airliner.

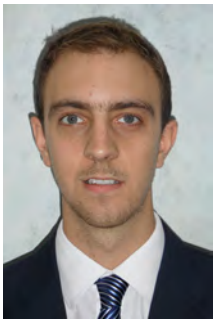
While there have been several narrow-body order announcements at Le Bourget, many of these were in the public domain before the show began. Both the neo and the MAX have had some new orders and have firmed up some previous commitments, but we have also seen a letter of intent for a new entrant into the market, Irkut, with its MC-21 aircraft. VEB Leasing, the leasing arm of one of Russia's prominent banks, has signed a letter of intent to buy 30 examples of the new Russian-made narrow-body aircraft.

ILFC kicked off with the first narrow-body order at the show, for the Airbus A320neo; a 50 aircraft order that brings the US lessor's backlog for the type to 150 examples. In terms of new orders, Airbus has really stolen the show in Paris. EasyJet announced that it will buy 135 Airbus A320 aircraft comprising 100 neos and 35 ceos, marking a move to larger capacity jets from the A319 aircraft which dominates its current fleet. HKAC also placed a new order for the neo, totalling 60 aircraft, 40 of which will be A320 neos and 20 of which will be A321neos. Tunisian operator, Syphax Airlines, also placed a new order, albeit smaller, for three A320neo aircraft, making it the first African carrier to commit to the new Airbus narrow-body. Syphax also committed to three of the current production-standard A320-200 aircraft, and Spirit Airlines committed to purchase 20 A321-200s, while also converting 10 of its A320-200 backlog to the larger variant. A previously announced order from Lufthansa was firmed up for 100 aircraft, comprising 35 A320 neos, 35 A321 neos and 30 A320 ceos.

Boeing's narrow-body orders are made up predominantly of orders that had already been announced, but have now been firmed up. An order for 60 CFM International LEAP-1B powered 737MAX aircraft for TUI, which was initially struck in May, has been firmed up, as has Ryanair's previous order for 175 of the current in production 737-800 aircraft. The Irish Low-Cost Carrier is in talks regarding the newer MAX variant and Ryanair boss, Michael O'Leary, wants to sign a deal on these later in the year. An order for five 737-900ERs, which was previously recorded as being from an unidentified customer, has been attributed to Middle Eastern operator, Oman Air. Regarding new orders, Boeing has announced three MAX orders at the show; one from CIT for 30 of its 737 MAX 8 variant to be delivered between 2019 and 2020, three from Czech charter operator, Travel Service, also for 737 MAX 8s and one from SkyMark Airlines for four 737 MAX aircraft. The exact variant that SkyMark has selected has yet to be announced, although it is thought to be for the 737 MAX 8. The 30 aircraft CIT order includes 10 new aircraft and 20 which have been converted from existing orders.

In all, the Paris Air Show has been a great success in terms of orders, not only for the two big players, but also for the likes of Embraer, which has launched its newest E2 models very successfully, and ATR, which has experienced the best Paris Show in its history, achieving record sales. While many orders have been announced, a large number of these were placed prior to the show, meaning the grand total does not necessarily reflect deals which were made throughout the week. When assessing the value of these deals it is also important to remember that published figures are often based on list prices, which do not necessarily reflect the actual value of the aircraft in question. So please take a look at the enclosed table for a summary of the orders that have been announced and for IBA's assessment of the true value of the deals.

Aircraft Manufacturer	Aircraft Model	Customer	Order Status	Orders	Options	IBA's CBV Each
Airbus	A320-200	easyJet	MoU	35		US$ 43.000m
Airbus	A320-200	Lufthansa	Firm	30		US$ 43.000m
Airbus	A320-200	Syphax airlines	MoU	3		US$ 43.000m
Airbus	A320neo	easyJet	MoU	100	100	US$ 48.000m
Airbus	A320neo	HKAC	MoU	40		US$ 48.000m
Airbus	A320neo	ILFC	Firm	50		US$ 48.000m
Airbus	A320neo	Lufthansa	Firm	35		US$ 48.000m
Airbus	A320neo	Syphax airlines	MoU	3		US$ 48.000m
Airbus	A321-200	Spirit Airlines	Firm	30		US$ 51.000m
Airbus	A321neo	HKAC	MoU	20		US$ 55.000m
Airbus	A321neo	Lufthansa	Firm	35		US$ 55.000m
Airbus	A330-300	SriLankan Airlines	MoU	6		US$ 105.000m
Airbus	A350-1000	United Airlines	Firm	35		US$ 166.050m
Airbus	A350-900	Air France-KLM	Firm	25	25	US$ 149.604m
Airbus	A350-900	Singapore Airlines	Firm	30	20	US$ 149.604m
Airbus	A350-900	SriLankan airlines	MoU	4		US$ 149.604m
Airbus	A380	Doric	MoU	20		US$ 210.000m
ATR	42-600	LIAT	Firm	2		US$ 15.879m
ATR	42-600	Nordic Aviation Capital	Firm	5		US$ 15.879m
ATR	72-600	ALC	Firm	5		US$ 20.349m
ATR	72-600	HGI Aircraft Division	Firm	10	10	US$ 20.349m
ATR	72-600	Nordic Aviation Capital	Firm	30	55	US$ 20.349m
ATR	72-600	Undisclosed	Undisclosed	25	25	US$ 20.349m
ATR	72-600	Undisclosed	Undisclosed	5		US$ 20.349m
Boeing	737 MAX 8	CIT	Firm	30		US$ 49.500m
Boeing	737 MAX 8	SkyMark Airlines	Firm	4		US$ 49.500m
Boeing	737 MAX 8	Travel Service	MoU	3		US$ 49.500m
Boeing	737 MAX 8	TUI	Firm	40	90	US$ 49.500m
Boeing	737 MAX 9	TUI	Firm	20		US$ 53.890m
Boeing	737-800	Ryanair	Firm	175		US$ 45.000m
Boeing	737-900ER	Oman Air	Firm	5		US$ 49.500m
Boeing	747-8I	Korean Air	MoU	5		US$ 178.000m
Boeing	777-300ER	Korean Air	MoU	6		US$ 164.500m
Boeing	777-300ER	Qatar Airways	Firm	2	7	US$ 164.500m
Boeing	787-10	ALC	MoU	30		US$ 149.000m
Boeing	787-10	British Airways	MoU	12		US$ 149.000m
Boeing	787-10	GECAS	MoU	10		US$ 149.000m
Boeing	787-10	Singapore Airlines	MoU	30		US$ 149.000m
Boeing	787-10	United Airlines	MoU	20		US$ 149.000m
Boeing	787-9	ALC	MoU	3		US$ 129.300m
Bombardier	CRJ1000	Arik Air	Firm	3		US$ 29.000m
Bombardier	Q400	Arik Air	Firm	4		US$ 21.500m
Bombardier	Q400	Horizon Air	Firm	3		US$ 21.500m
Bombardier	CS100	Odyssey Airlines	Firm	10		US$ 37.092m
Embraer	E170	JAL	Firm	4		US$ 27.580m
Embraer	E175 E2	SkyWest	Firm	100	100	US$ 33.368m
Embraer	E190	Air Costa	Firm	1		US$ 32.500m
Embraer	E190	Conviasa	Firm	7		US$ 32.500m
Embraer	E190 E2	ILFC	MoU	25	25	US$ 35.994m
Embraer	E195 E2	ILFC	MoU	25	25	US$ 39.200m
Embraer	Undisclosed E2s (Assumed E190 E2s)	5 Undisclosed Customers	MoU	65		US$ 35.994m
Irkut	MC-21 (assumed even split between MC-21-200 and -300)	VEB Leasing	MoU	30		US$ 38.500m
						IBA's Total Value of Orders Placed in Paris:



Mike Yeomans - Aviation Analyst (IBA Group)

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WHAT IT TAKES TO FLY.

Lower cost & Longer in the air

For Bill Moeller, director of aftermarket sales for large commercial engines at Pratt & Whitney, the twin targets for the business are to lower costs of ownership for customers and to keep their aircraft in the air for longer. "We can provide tailored solutions for customers," he remarks. "Given that we designed and built the engines in the first place, we are ideally placed to use our OEM knowledge to provide simple, comprehensive solutions. We know how the engines perform – there are several hundred on their current life cycle – so we know what are the right repairs to make, and we can best utilise serviceable material."

Pratt & Whitney is a world leader in the design, manufacture and service of aircraft engines, auxiliary and ground power units and small turbojet propulsion products. Part of United Technologies Corp, the company is headquartered in Hartford, Connecticut and has more than 87 years' experience in the sector.

"We built this company on two words: 'dependable engines,'" says Moeller. "It's great to have a name like that behind you, with a fantastic legacy and new products coming out." The entire company has more than 33,000 employees around the world, serving more than 11,000 customers.

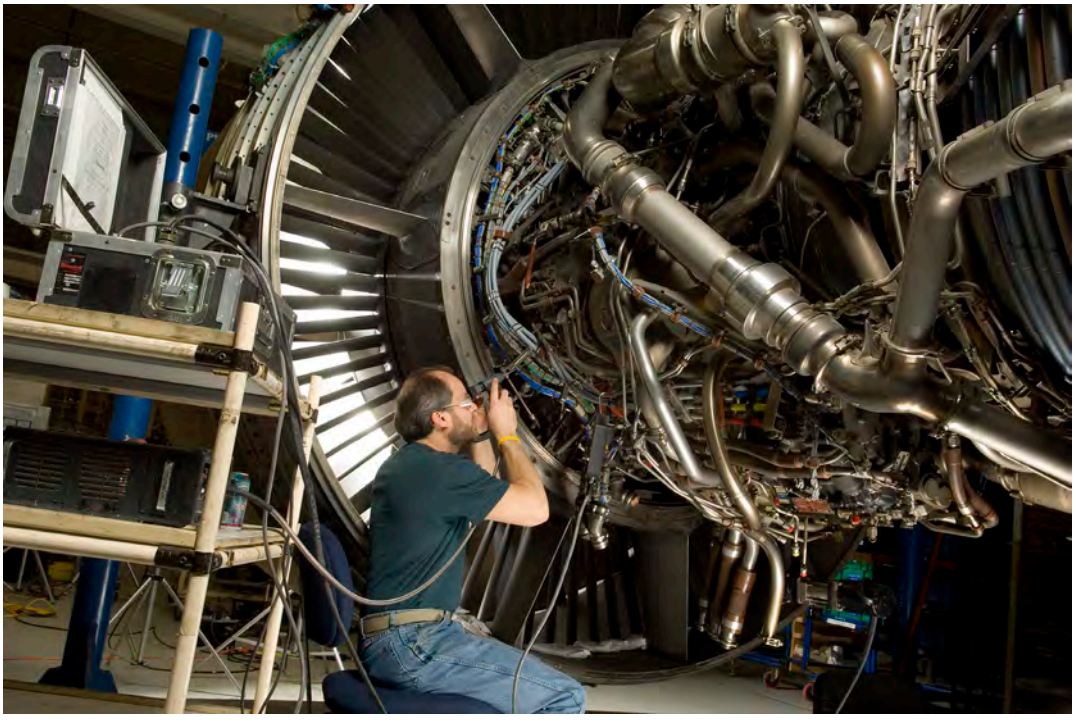
It reported revenue of $14 billion in 2012. With such a vast global network, the MRO component of the company is also extremely substantial, giving Moeller an excellent overview of the industry. "We complete more than a million repairs every year and have developed 25,000 unique repairs," he says. "This year alone we have developed 50 new repairs for customers. So this volume of solutions and serviceable material is clearly where we have a leg up. We can really build and maintain engines that stay on the wing."

From an industry perspective, lowering customer costs and improving reliability remain the two prime focuses of Pratt & Whitney's MRO operation. Its customers continue to thank it for succeeding in both aims.

Corporate news for Pratt & Whitney MRO

In March 2013 Pratt & Whitney won the gold award at the Air Transport World Annual AdAwards reception in Washington DC. The company's 'global wingspan' advertisement was voted top of the engine maintenance & support category by the magazine's readership, which praised its 'eye-catching graphic'. The awards are 'a true measure of a company being able to communicate its message to its readers,' according to the magazine. The judges said that Pratt & Whitney 'hit the mark. If you are a services business in the airline industry you have to be a 24/7 business, and Pratt does a great job of demonstrating just that. The message is clear, original and innovative,' they concluded.

Bill Moeller



PW4000 engine

Photo: Pratt & Whitney

DVB headquarter in Berlin 1935 Photo: DVB Bank

DVB Bank advised Marubeni Corporation on the acquisition of 15.25% stake in Aircastle Limited

DVB Bank was the exclusive financial advisor to Marubeni Corporation (Marubeni), in a landmark transaction for the acquisition of 15.25% stake in Aircastle Limited (Aircastle) for US$209m, through issuance of new shares.

The transaction was announced on 6 June 2013 and closed on 12 July 2013 after having received regulatory approvals from the US and Germany. DVB Bank advised Marubeni on the evaluation and execution of the transaction with Aircastle. In connection with the transaction, Aircastle and Marubeni also entered into a shareholder agreement where Marubeni has the right to designate two directors for appointment to Aircastle's board of directors. The shareholder agreement also contains certain provisions relating to Marubeni's and its affiliates' ability to transfer and acquire Aircastle's securities.

Doric Nimrod Air Three lists with Market Capitalisation of £220m

Nimrod Capital and Doric Lease announced the successful listing of a new investment company on the London Stock Exchange (LSE). Doric Nimrod Air Three Ltd. ("DNA3") aims to pay a quarterly dividend equivalent to 8.25% annum (based on the issue price of 100 pence per share) following the purchase and leasing of four Airbus A380 planes to Emirates. DNA3 continues an investment model that has been proven highly successful for UK investors as it has been for many years in Europe, and follows the launch of two previous successful offerings by Nimrod Capital. The Doric Lease Corp team, the lease asset manager, has a long and successful history in managing these types of aircraft investments.

DNA3's investment strategy is the purchase of four A380 aircraft, scheduled for delivery from September to November 2013, and leasing them to Emirates, each for a period of up to 12 years. DNA3 will aim to pay a dividend of 2.0625 pence per share per quarter, equivalent to an annual dividend of 8.25% per 100 pence share. Under the terms of the lease, the airline is responsible for insurance and all other service, maintenance and repair costs. In addition to the regular yield of 8.25 per cent, once the lease has expired, the aircraft are likely to be sold and investors paid out from the residual value.

TransDigm acquires electromechanical actuation division from GE Aviation

TransDigm Group announced that it acquired the assets of GE Aviation's Electromechanical Actuation Division for approximately $150m in cash on June 28, 2013. The business, which will be conducted by TransDigm through a new entity, Whippany Actuation Systems, (Whippany), located in Whippany, New Jersey, manufactures proprietary, highly engineered aerospace electromechanical motion control subsystems for civil and military applications. Product offerings include control electronics, motors, high power mechanical transmissions and actuators. Whippany's revenues are estimated to be approximately $80m.

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Labour relations were solidified on July 10th, as AJW Technique ratified its first collective bargaining agreement with a fast-growing list of employees. Negotiations with the IAMAW (International Association of Machinists and Aerospace Workers) have been very constructive and progressed smoothly over the past 6 months since initial acquisition.

A common goal for both AJW Technique and IAMAW was the development of an exceptional MRO with a world-class employee skill-set, able to compete in today's competitive market place. The co-operative spirit of the team and growing trust between Union and Company, has enabled a collaborative Collective Bargaining Agreement (CBA) to be written in record time.

AJW Technique now has almost 70 employees at its Montreal facility and more joining the team each week as the organisation expands to meet customer demand. This development has given a welcome start to many of the experienced technicians that live in a city so focused on aviation. Numbers of staff at AJW's new MRO are expected to push beyond 200 by the end of 2014.

The SEGERS GROUP has entered into an agreement to acquire PROPTECH Portsmouth Limited, a privately owned FAA and EASA certified aircraft propeller repair and overhaul MRO located in Portsmouth, England. When the acquisition process is completed, Proptech will become a wholly owned subsidiary of the Segers Group.

The acquisition follows Segers Group's strategic initiative to develop an enhanced propeller capability and to reach further into Europe. Subject to customary conditions precedent, the transaction is anticipated to close by the end of September 2013.

Segers is an independently owned global group of companies that has been supporting civilian and military operators for over 30 years. Segers Aero Corporation located in Fairhope, Alabama, USA is a Rolls-Royce Authorized Maintenance Center (AMC) and holds FAA, EASA and various other specific country approvals and quality awards. The MRO provides maintenance for multiple products including the Rolls-Royce Allison T56/501D Engine Series and Lockheed Martin QEC, the Hamilton Sundstrand 54H60 Propeller, T56/501D Accessories and the Pratt & Whitney Canada PT6A and PT6T Engines.

Aviation Technical Services (ATS) has been purchased from Macquarie Group by members of the current Senior Leadership Team and a handful of experienced aerospace investors. The new ownership group is headed by current President and CEO, Matt Yerbic, and is backed by Wells Fargo, NewSpring Capital and Greenpoint Technologies of Kirkland, Washington. As part of the ownership change, ATS is governed by a diverse and experienced Board of Directors whose average tenure in the aerospace industry is nearly 20 years. Members of the Board and the Senior Leadership Team are all investors in the company. Together, they bring significant experience, a solid understanding of the business, its customers and a passion for growing a successful company.

Information Technology News

Commsoft, a world leader in aviation engineering and maintenance systems, released that its Open Aviation Strategic Engineering System (OASES) has been selected by Falko Regional Aircraft Limited to support its extensive and growing portfolio of leased aircraft. A market-leading asset manager in the regional aircraft arena, Falko has specialised for some years in the management of BAe146/Avro RJ aircraft but, with plans to increase both the size and diversity of its portfolio, has recently acquired eight Boeing 717-200s. Falko plans to begin using OASES immediately within Commsoft's own hosted environment and will be importing data, initially, for BAe146/Avro RJ aircraft in its portfolio. Looking forward, Falko intends to use OASES to support the offer of CAMO services to future customers.

Philippine Airlines (PAL) have selected an extensive range of Thales Avionics equipment for their 44 A321s and 20 A330s. The package includes the TopFlight FMS (Flight Management System) for which a new software version is being supplied for PAL's new aircraft. Release 1A, certified on the Airbus A320 and A330 Family, provides new capabilities such as Required Navigation Performance with Authorization Required (RNP AR down to RNP 0.1) and GNSS Landing System (GLS) capabilities.

Locatory.com, an IT company supporting the aviation industry with IT-based Supply Chain Optimisation solutions worldwide, and UAC-Antonov, a Joint Venture company between the Russian United Aircraft Corporation and the Ukrainian Antonov Company, have signed a partnership agreement, according to which the parties will establish an online stock of parts and components for Antonov (An) family aircraft, as well as promote and market it in the emerging markets. Under the new partnership, UAC-Antonov will develop solutions for listing a wide range of An aircraft spare parts and components on the Locatory.com platform, covering both traditional An-24/An-26 and more modern An-140, An-148 and An-158 aircraft. Furthermore, Locatory.com will provide UAC-Antonov with new IT-solutions aimed at facilitating smoother integration of Antonov spare parts into the global component e-stock.

Airclaims has signed a 6-month contract with Hi Fly Malta to provide CAMO support for an A340-600. Airclaims, a leading provider of aviation claims, risk and asset management services, will be relying on Commsoft's OASES MRO IT system to fulfil the contract. Designed to combine ease of use with a technical sophistication that allows for the full integration of all maintenance and engineering functions, OASES is structured in a modular format. To support the Hi Fly Malta Airbus, Airclaims will be using the Core, Airworthiness and Planning modules.

Spairliners GmbH has named Sven-Uve Hueschler as new Managing and Financial Director. He assumed his role on July 1st and took over the responsibility of former Managing Director/CFO Andre Schulte-Bisping. Sven-Uve Hueschler has been with Lufthansa Technik AG for seven years and was previously in the position of Head of Business Development of the Product Division Aircraft Component Services.

Thales announced the appointment of Dominique Giannoni as the new CEO of their In-flight Entertainment and Connectivity (IFEC) business.

With a deep rooted background in aviation and telecommunications sectors, Giannoni has vast business experience that relies on excellence in systems integration and program management.

Spirit AeroSystems has named two experienced industry executives to its senior leadership team: Heidi Wood as senior vice president, strategy, and Duane Hawkins as senior vice president, operations. Wood joins Spirit from Avjet Corporation, where she served as senior vice president and co-leader of global sales. Wood will report directly to the CEO. Hawkins comes to Spirit from Raytheon Missile Systems, where he has served since 2012 as vice president, deputy, air warfare systems.

General William Kurtz, has been named Military Advisor to Jean-Paul Herteman, Chairman and CEO of Safran. He replaces Baudouin Albanel, who is retiring.

Franck Saudo has been named Executive Vice President, Operator Customers at Turbomeca (Safran), replacing Bruno Even, who is now Chief Executive Officer of Sagem.

David Quancard, has been named director of the Space Engines division at Snecma (Safran), replacing Martin Sion, who is now Chairman and CEO of Aircelle.

Messier-Bugatti-Dowty (Safran) has appointed Vincent Caro as Executive Vice President, Programs, for the Landing Gear and Systems Integration Division. He will also be in charge of program coordination across the various divisions. Vincent Caro replaces Hélène Moreau-Leroy, who has taken over new responsibilities within the Group.

General William Kurtz