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SIGNS OF THE TIMES

Year in review and outlook for 2015

Company Profile

Vector Aerospace Engine Services

MRO News

from around the world

People on the Move

latest appointments



Innovation is the buzz word

The theme of emerging OEM dominance in the maintenance aftermarket has been arguably the most discussed topic in aircraft maintenance in 2014, certainly here at *AviTrader MRO*. As Oliver Wyman indicate in a recent report, for airlines seeking to compete and place engine and component maintenance on next-generation aircraft, OEMs have largely emerged as the only choice.

Despite the squeeze that OEMs have created for independent MROs, it's worth remembering that OEMs will not always have the best solution for every aircraft operator. Independent providers therefore need to look to innovate in order to

evolve and grow.

Our cover story looks closer at the OEM and MRO relationship and how it has changed over the year and what form this relationship will take in the New Year. There are several issues to consider and various opinions on the table, read our full analysis on page 13.

2015 looks like another exciting year for us at *AviTrader MRO*, as we continue to engage with our readers and editorial partners on how to deliver an even better product. We always welcome suggestions and comments so please do get in touch.

Finally, a big thanks to our advertisers, editorial partners and readers for your continued support throughout the year and we hope to continue along that path in 2015. On behalf of the entire team at *AviTrader*, we wish you all a wonderful holiday season, wealth and good health for the New Year.

Happy reading!

Keith Mwanalushi
Editor



Independent MROs will need to evolve to match the OEMs.

Photo: Magentic MRO

Contents	
MRO and Production News	4
Finance News	11
Other News	12
Cover Story: Year in review and outlook for 2015	13
Company Profile: Vector Aerospace Engine Services	17
2014 memorable quotes	18
Information Technology	19
People on the Move	19

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Groundbreaking of GAMECO's landing gear overhaul base in Qingyuan

Photo: GAMECO

Groundbreaking of GAMECO landing gear overhaul base in Qingyuan

On December 8th, 2014, a ground-breaking ceremony for the new landing gear overhaul facility of GAMECO was held at its Qingyuan branch in Yingfu Industrial Park, Taiping County, Qingxin District, Qingyuan. GAMECO plans to invest over CNY 200m on its Qingyuan Landing Gear Overhaul Base with the main facility to be located in Yingfu and the plating and machining center close by in Longwan. The project land in Yingfu takes up 45 Mus with a total construction area of 10,818 m² for Phase I, including shops to disassemble, clean, repair, assemble and test the landing gear as well as supporting facilities. The design capacity is more than 120 sets of landing gears, which can be overhauled every year. After establishing capabilities for machining and plating in 2015, GAMECO Landing Gear Overhaul Base will become one of only few comprehensive one-stop landing gear overhaul centers in China for aircraft like B737, B777, A320 and A330.

Aircelle to supply titanium exhaust systems for engines on the new 777X jetliner

Aircelle (Safran) will produce titanium exhaust systems for the new 777X commercial jetliner, marking the nacelle manufacturer's first major supplier win with Boeing. These exhaust systems will equip the 777X's two GE9X turbofan engines from GE Aviation, providing the benefits of lower mass, along with increased resistance to heat with the use of Aircelle processes for titanium high-temperature applications. The exhaust system includes acoustically-treated areas for a reduced noise level signature. Based on its experience and proprietary database, Aircelle has optimized the design and manufacturing processes in metallics for nacelle applications, and developed methods of predicting titanium's performance in commercial exhaust systems.

Boeing expands landing gear overhaul and exchange offerings

Air Canada, the largest domestic and international airline in Canada, is the launch customer for Boeing's new landing gear exchange programs for 777-300ER (Extended Range) and 777-200LR (Longer Range) airframes. Under the agreement, Air Canada will receive fully overhauled and certified landing gear shipsets for its fleet of 17 777-300ERs and six 777-200LRs during scheduled maintenance cycles. The terms of the agreement were not disclosed. Boeing currently provides landing gear overhaul and exchange solutions to more than 80 customers on the MD-11, 717, Next-Generation 737, Boeing Business Jet, 747-400ER, 757-300, 767-300ER and the 777-200ER airframes. With a Boeing global network of repair service centers, airline customers receive certified landing gear support anywhere around the world. Boeing provides quick, reliable access to landing gear repair, exchanges and overhauls, which greatly reduces maintenance time and quickly returns airplanes to revenue service.

Spirit announces transfer of Gulfstream wing programs to Triumph Group

Spirit AeroSystems has reached an agreement to transfer the Gulfstream wing work packages at Spirit's facility in Tulsa, Oklahoma, to Triumph Group, the transfer includes both the G650 and G280 wing programs. Spirit employees who are currently working on the Gulfstream programs will be offered positions with Triumph. "The Triumph Group emerged as the preferred owner of the Gulfstream wing programs following a rigorous bid process, and the deal offers compelling positives for both companies," said Spirit AeroSystems President & CEO Larry Lawson. "We thoroughly evaluated all of our options and made the best de-

cision for the company, our people and our customers. Subject to customary closing conditions, the transaction is expected to close in 2014. The agreement provides for Spirit to make a cash payment to Triumph at closing in the amount of US\$160m. The transaction is an estimated loss in the range of US\$205m to US\$235m (US\$1.45 to US\$1.65 per diluted share). The Company estimates that the transaction will generate a cash tax benefit of approximately US\$220m to US\$230m which, if the closing occurs in 2014, will be fully realized in 2014 and 2015, with an overall favorable cash result of the transaction, including estimated closing costs, realized in the same period in the range of US\$55m to US\$65m. Spirit's 2014 full year financial guidance, which was updated last quarter, of US\$6.8 - US\$6.9bn in revenue, US\$3.35 - US\$3.45 earnings per share, and approximately US\$275m in free cash flow, excludes the financial impact of the work transfer and the impact of the deferred tax asset valuation release as a result of this transaction.

PPG Aerospace to supply Gulfstream windows, assemblies for G500, G600 jets

PPG Industries' aerospace transparencies group has been selected by Gulfstream to supply windshields, side cockpit windows and passenger-cabin window assemblies for the G500 and G600 business jets that will provide superior performance for operators and maximum efficiencies for Gulfstream. The passenger-cabin windows will use OPTICOR advanced transparency material to maintain optical clarity and provide a quieter cabin. The equipment has been proven through its use on the Gulfstream G650 program.

GA Telesis Engine Services hits stride in 2014

GA Telesis Engine Services (GATES) continues to build on its successes with another strong year in 2014. The Helsinki, Finland based Engine MRO has added three new customers to their clientele this year, in addition to completing overhaul services on a heavily work-scoped CF6 engine in a shop-record time of just 57 days. GATES was also able to complete performance restoration on a CFM56-5B engine in a turnaround time of 38 days. The company will continue to expand its customer base and improve production efficiency in the upcoming year. Starting in January 2015, GATES will officially launch a dedicated on-wing field team (GATES On-Wing or "GO") to complement its offerings in the aviation marketplace.



Comlux America signs first wide body completion
Photo: Comlux

Comlux America signs first wide body completion

Comlux America, the Completion and Services center of the Comlux Group based in Indianapolis IN, signed their first wide body completion. The aircraft, an Airbus A330, is scheduled to be put in September of 2015 to be outfitted with a full VIP interior. Since 2009, Comlux has already completed several narrow body completions including ACJ319, ACJ320, ACJ321, BBJ, BBJ3, and B757. They have consistently demonstrated an ability to deliver on time the most customized and innovative interiors to their VIP customers. This aircraft represents the 9th interior completion for Comlux America overall and the 1st wide body completion. In order to house the aircraft and future wide body programs, Comlux America has launched the construction of an extension to the current hangar facility. The expansion will increase the total size from 128,000 ft². (11,900 m²) to 157,000 ft². (14,600 m²), allowing the facility to accommodate one wide body – up to 747-8 size – and six narrow body aircraft simultaneously.

Iberia wins contract to support repair of avionics and OEM aircraft components in CAE simulators located in Europe

Iberia will support the repair of avionics and other OEM aircraft components for the cockpits of full-flight simulators located in Europe and belonging to CAE, a world leader in simulation and training for both civilian and military aircraft. The three-year contract covers the inspection and repair of avionics components such as the multipurpose control display unit and flight management guidance computers. It also allows the use of spare parts held by Iberia. Iberia Maintenance has a specialised avionics workshop, as well as facilities specialising in pneumatics, hydraulics, engine accessories, instruments, entertainment systems, and other parts pertaining to the Airbus A320, A330, and A340 aircraft families, and CRJ aircraft. In the January-August period of this year Iberia Maintenance serviced a total of 40,700 parts.

Delta TechOps opens line maintenance hangar at Tokyo-Narita Hub

Delta TechOps—Delta Air Lines' maintenance division and its maintenance, repair and overhaul (MRO) provider business—opened a line maintenance hangar at its Tokyo-Narita International Airport on December 1st. The leased 13,000 m² facility will provide enhanced TechOps support for Delta's Boeing 747-400, 777, 767, 757 and Airbus A330 transoceanic aircraft. More than 100 Delta TechOps professionals work at the NRT operation. "The new hangar allows us to enhance our capabilities and further support our stellar workforce at Narita," said Lee Gossett, V.P.—Line Maintenance. "We continue to look for more efficient and effective opportunities to handle our routine and non-routine maintenance requirements. This facility will give us much needed flexibility to support Delta's operation and our customers in the Asia-Pacific region."

Vector Aerospace receive FAA and EASA certification for AS332C, L & L1 HTAWS STC

Vector Aerospace Helicopter Services – North America has received FAA and EASA certifica-



Vector Aerospace Super Puma Photo: Vector Aerospace

tion for development and installation of the Helicopter Terrain Awareness System (HTAWS) for AS332 C, L and L1 aircraft. The addition of HTAWS capabilities further complements the growing list of Supplemental Type Certificates (STCs) applicable to the AS332 C, L & L1 aircraft. Other modifications for this series recently developed by Vector Aerospace include: NVG, solid state CVFDR, Dual Garmin combined NAV/Com/ GPS system, HEELS, and Saltwater Cabin protection. Vector Aerospace holds approvals from some of the world's leading turbine engine, airframe and avionics OEMs. Engine products supported include a wide range of General Electric, Honeywell, Pratt & Whitney Canada, Rolls-Royce and Turbomeca. Vector Aerospace also provides support for a wide range of helicopter airframe platforms including from Airbus Helicopters, AgustaWestland, Boeing, and Sikorsky, including major inspections and dynamic component overhaul, and offers full-service avionics capability, including complete aircraft re-wire plus glass cockpit engineering, development and integration.

Magnetic MRO launches engine on-wing maintenance and LRU/QEC support services

Magnetic MRO launched its Engine On-Wing Maintenance unit as part of the strategy to offer Total Technical Care MRO services. Comprehensive Engine On-Wing Services will cover a wide range of engine line maintenance, as well as extensive LRU/QEC component support programs. The services are aimed to support customers in reducing unplanned engine removals due to foreign object damages, bird strikes, or other unscheduled events, thus improving efficiency and predictability of engine operations. Magnetic MRO's comprehensive LRU/QEC programs include up to Power by the Hour support for engine components, providing predictability and peace of mind to our customers on potential and future expenses, as well as reducing the risks of engine-related AOG situations. Engine line maintenance team is available to offer AOG rapid response support on customer's site, at Magnetic MRO hangars in Tallinn, or by remote means, to reduce aircraft downtime and costs, while ensuring the maintenance actions taken are in compliance with national and international requirements. AMM covered tasks are performed within the scope of EASA Part145 Certificate, capability includes all commonly used engine types such as CFM56-3; CFM56-5A; CFM56-5B; CFM56-7B and IAE V2500.



Engine fuel pump V2500

Photo: MTU

MTU Maintenance Canada signs long-term contract with JetBlue for accessory repair

MTU Maintenance Canada, a North American affiliate of German engine manufacturer MTU Aero Engines, has signed a long term contract with JetBlue Airways for V2500 accessories and Line Replaceable Unit (LRU) coverage. The contract has a duration of six years and is valued at approximately US\$50m. The work will be carried out at the Accessory Repair Center (A.R.C.), MTU Maintenance's center of excellence for accessory repair and LRU support. JetBlue, headquartered in Queens, New York (USA), is the seventh largest airline in North America and one of the largest operators of V2500 engines worldwide. The A.R.C. is a one-stop maintenance service facility co-located with MTU Maintenance Canada's engine shop in Richmond, British Columbia. The A.R.C. provides fast and reliable accessory repairs and LRU management solutions for CF34, CFM56, V2500, CF6-80, PW2000, and GE90-115B engines.

OEMServices extends activity with new facility in Paris CDG

OEMServices has launched an important extension program and has moved to a brand new facility of 6.500 m² (70,000 ft²) connected to CDG Airport. Fully adapted to OEMServices customer's requirements, the new center integrates the AOG and distribution services, as well as customer front desk teams. "OEMServices has significantly grown over the past few years and has important ambitions for further development. This new innovating infrastructure enables us to enhance our development and will keep on bringing more flexibility and new solutions for our customers. In France,

this center will be combined with the existing Paris centers facilities : our logistics office with direct access to CDG airside, for quick and efficient customs clearance and air transportation services, and our legacy service center at Orly Airport, dedicated to flow coordination and local services." said Didier Granger, President of OEMServices. The

company is a joint venture founded by four major OEMs: Diehl Aerospace, Liebherr Aerospace, Thales and Zodiac Aerospace. Since 1973, OEMServices has become a leader in AOG and logistic services dedicated to the aerospace industry, as well as component services dedicated to airlines. OEMServices is offering a wide range of solutions through its worldwide service centers network: Paris, Singapore, Dubai, New York and Moscow.

New Safran/Albany production plant inaugurated in eastern France

Safran/Albany inaugurated a new production plant in Commercy, eastern France, within the scope of the industrial partnership between Safran and Albany. Opened in May 2014, the plant makes parts for new-generation aircraft engines using an innovative composite material technology. The first application of this new technology is the production of fan blades and cases for the LEAP aircraft engine from CFM International, which will power the next generation of single-aisle commercial jets, including the Airbus A320neo and the Boeing 737 MAX. The joint production plant has already recruited more than 90 employees, and by 2018, it will have 400 employees on a 10 hectare (25 acre) site, including 27,000 m² (291,600 ft²) of floor-space. The LEAP engine incorporates advanced technologies in its aerodynamic design, materials and environmental protection measures. The 3D woven composite parts made by Safran and Albany are very strong and light, which will help reduce the LEAP's fuel consumption by 15% compared with current CFM engines. Chosen to power new-generation single-aisle commercial jets, the LEAP is already very successful, having recorded over 7,800 orders to date, which equals more than five years of production for Safran. The two partners also inaugurated a

twin plant in Rochester, New Hampshire in the United States, which will produce the same 3D woven composite parts for the LEAP engine. Safran and Albany have invested a total of US\$200m in these plants.

Dassault Falcon Service to expand maintenance capacity at Bordeaux-Mérignac

Dassault Falcon Service has announced plans to build a heavy maintenance, repair and overhaul facility at Bordeaux-Mérignac Airport in southwestern France. The 7,200 m² facility will be built on a parcel of land adjacent to the Dassault Aviation manufacturing plant and will serve Falcon 7X, 8X and 5X large cabin aircraft. It will complement DFS's existing MR&O installations at Le Bourget Airport near Paris. The new facility, capable of accommodating six aircraft, is expected to commence operations in mid-2016, in time to handle initial C Checks for the fast-selling Falcon 7X, and will eventually employ up to 70 specialists and technicians. More than 230 Falcon 7X's are now in operation and the fleet leaders (the oldest aircraft in the fleet) will begin requiring heavy maintenance by 2016. The decision to locate the new maintenance facility in Merignac was motivated by the large pool of skilled aviation workers and subcontractors in the Bordeaux area and the multiple benefits offered by the nearby Dassault Aviation assembly plant, such as paint shops.

Flying Colours nears completion on maintenance work on second aircraft under approval from QCAA

Flying Colours, the North American-based completions, refurbishment and maintenance specialists reported that maintenance work on a second aircraft under approval from the Qatar Civil Aviation Authority (QCAA) is nearing completion. The project which is being undertaken at Flying Colours' Peterborough, Canada headquarters involves heavy maintenance on a Challenger 604 as well as interior refurbishment and new exterior paint. It is anticipated that delivery to the customer will take place in mid-December. The interior is being refurbished in new luxurious leathers and fabric, custom carpet and includes the installation of a four-place conference grouping which will result in increased passenger capacity, up from 10 to 12. The aircraft's exterior is being refinished in a stylish custom metallic paint scheme.



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FL Technics adds Airbus A330 to capability list

Photo: FL Technics

FL Technics to add Airbus A330 to capability list

FL Technics, a global provider of tailor-made aircraft maintenance, repair and overhaul services, continues to expand the scope of its activities in the global market. Following the expansion of its total hangar capacity to over 30.000 m², the company's management has confirmed plans to introduce Airbus A330 aircraft type to its EASA Part 145 certificate. The certification is expected to be carried out by summer 2016. This year FL Technics has successfully launched a new 8.500 m² MRO centre at Kaunas International Airport and won a tender for the rent of 9.000 m² aircraft maintenance hangar at Indonesia's Soekarno-Hatta International Airport. Moreover, together with its holding company Avia Solutions Group, it is participating in the projects of developing a 25.000 m² aviation cluster in Lithuania and the fourth airport in Moscow – Ramenskoye International. Upon the successful implementation of the aforementioned projects the company will be able to further increase the number of performed heavy maintenance works within the next couple of years. Currently, the FL Technics base maintenance capabilities already cover such popular narrow-body aircraft as Airbus A319/A320/A321, Boeing 737 CL and Boeing 737 NG. Having added sufficient aircraft capacity to service large wide-body machines, the company has decided to expand its capabilities and enter the perspective segment, as there are almost 150 Airbus A330 aircraft operated in Europe alone.

VietJetAir, CFM sign Rate Per Flight Hour agreement for first 21 Airbus A320ceo aircraft

Vietnam's VietJetAir and CFM International have signed a 12-year Rate Per Flight Hour agreement to support the airline's fleet 21 Airbus A320ceo aircraft powered by CFM56-5B engines. Under the terms of the agreement, which is valued at US\$300m, CFM will guarantee maintenance costs for a total of 45 CFM56-5B engines on a dollar per engine flight hour basis. Based in Ho Chi Minh City, VietJetAir has been a CFM customer since it commenced operations in late 2011 with 18 leased CFM56-5B-powered A320 aircraft. Earlier this year, the airline placed an US\$800m order to purchase CFM56-5B engines to power 14 additional Airbus A320ceo (current engine option) and 7 A321ceo aircraft. The airline currently operates a fleet of 39 CFM56-5B engines, including one spare.

GE Aviation and Turbocoating SPA form coating joint venture

GE Aviation and Turbocoating SPA of Parma, Italy, have formed a 50/50 joint venture, called Advanced Ceramic Coatings, to provide thermal barrier coatings for CMCs used in jet engines. Advanced Ceramic Coatings (ACC) will operate from a dedicated area of Turbocoating's U.S. operation in Hickory, North Carolina. Advanced Ceramic Coatings will combine Turbocoating's proprietary coatings technologies and indus-

trial processes with GE Aviation's coatings processes developed specifically for CMCs to focus on producing advanced coatings applied to GE's high-temperature CMCs in the post-fabrication phase. The joint venture expects to deliver its first coated components in late 2015, including CMC shrouds for the best-selling LEAP engine from CFM International, the 50/50 joint company of GE and Snecma (Safran) of France. The LEAP is the first commercial jet engine in the aviation industry to use CMCs in the hot high-pressure turbine section. The creation of Advanced Ceramic Coatings is one of several recent business initiatives by GE Aviation to create the supply chain required to produce CMCs in large volume. In October of this year, GE Aviation formally opened its new factory for mass producing CMCs in Asheville, NC.

AFI KLM E&M awarded EASA certification for GENx maintenance

The GENx new-generation powerplant that will equip the AIR FRANCE KLM fleet of Boeing 787s from the end of next year, represents another step towards the future in MRO terms. AFI KLM E&M teams will be capable for maintenance, repair and overhaul at its Schiphol engine shop. As first step AFI KLM E&M has obtained its first Quick Turn (QT) capability in October. Final testing will be carried out at AFI KLM E&M's test cell in Paris, the only one in Europe to be approved besides General Electric's own. AFI KLM E&M's GENx expertise will also cover engine component requirements, through its CRMA subsidiary and AFI KLM E&M's repair centres of excellence in Amsterdam and Paris. On the strength of these combined capabilities in its global MRO network, AFI KLM E&M can provide comprehensive, effective engine support solutions to fully satisfy its clients' expectations.

IBA awarded CAMO approval for ATR 72, Gulfstream G450, G550 and new G650

International Bureau of Aviation (IBA) has been awarded EASA Part M, subpart G, CAMO approval with the addition of the ATR 72, Gulfstream G450, Gulfstream G550 and Gulfstream G650. IBA are particularly proud to have been awarded the Gulfstream G650 as this is a new and exciting aircraft type and IBA is the first stand-alone UK company (other than Gulfstream Luton) to achieve this approval. A CAMO Approval enables IBA to manage the records, continuous airworthiness and maintenance planning for an aircraft and Chris Len-

non, Asset Management Director of IBA's new Business & Private Aviation Division adds, "The CAMO approval we now hold for the G450 through to G650 business jets is evidence that we are moving into a sector which has an increasing demand for independent services. The likes of corporations and high net worth individuals who own such assets have elevated expectations. They want to ensure that their aircraft are providing efficient services for their own use as well as occasionally being used for revenue generation. At IBA we are able to advise owners on which jurisdiction and aircraft managers to use to provide that flexibility, as well as providing the technical management via our CAMO service."

Air Canada renews radio support agreement with Rockwell Collins

Rockwell Collins announced today that Air Canada has signed a three-year contract to renew the company's ARINC Managed Services (AMS) radio support services agreement for the airline's ground handling operation in Canada. Through its AMS offering, Rockwell Collins provides 24x7 on-site technical support for the UHF ground-to-ground communication system and radio equipment used to manage the airline's ground handling operations. It also maintains a depot maintenance facility that provides centralized inventory, spares and parts management, significantly improving equipment repair and response time. "As Canada's largest domestic and international airline, our ground-to-ground communications are a critical part of ensuring our flights depart on time and safely," said Derwin Cady, manager, Airport Technology and Product Development for Air Canada. "Air Canada has consolidated our radio support with Rockwell Collins' ARINC Managed Services, which saves us time and money by having a single, knowledgeable point of contact for all of our maintenance needs."

FLYHT receives Airbus A320 certification from the European Aviation Safety Agency

FLYHT Aerospace Solutions reported that it has received a Supplemental Type Certificate (STC) for its Automated Flight Information Reporting System (AFIRS) 228 on the Airbus A320 series aircraft from the European Aviation Safety Agency (EASA). "This STC opens many doors for the AFIRS 228," commented



ATR-72-600

Photo: ATR

Jeff Brunner, FLYHT's Vice President of Certification Engineering & China Operations. "Many smaller countries and leasing companies accept approval from the state of manufacture to install equipment such as AFIRS." A STC constitutes regulatory approval to modify an aircraft's design while retaining airworthiness certification and is necessary to permit retrofit installation of aeronautical products such as AFIRS.

Boeing, Toray Industries reach agreement on composites for 777X wings

Boeing has signed a memorandum of agreement with leading composite supplier Toray Industries to expand its current contract for the Boeing 787 Dreamliner to include the 777X wings. Once finalized, the long-term contract extension will take effect in 2015 and meet Boeing's customer affordability goals through the Partnering for Success program. The addition of the 777X to the current 787 contract represents a significant increase in the material provided to Boeing by Toray. Boeing and Toray will also collaborate to improve commercialization of composites in the aerospace market. Specific areas the companies will address include increased consistency and performance of composites across the production system and a cost structure that is more competitive with metals. Boeing and Toray pioneered the use of prepreg composites – a combination of high-strength carbon fiber and toughened epoxy resin – in

the 1970s. By 1994, assemblies including the empennage and floor beams were being produced for the 777 program, the first commercial airplane featuring structurally significant composite parts. That early success culminated in the launch of the 787 in 2004, the world's first largely composite commercial airplane.

ATR obtains EASA certification for new developments in the ATR -600 avionics suite

The propeller-bladed regional aircraft manufacturer ATR has obtained certification for the very latest innovations developed for the avionics of the ATR 42-600s and ATR 72-600s from the European Aviation Safety Agency. The new certification concerns the LPV (Localizer Performance with Vertical guidance), RNP-AR 0.3 (Required Navigation Performance with Authorization Required) and V-NAV (Vertical Navigation) approach functionalities coupled to the autopilot. These new improvements will allow the latest generation ATRs to follow more accurate and even more secure approach trajectories thanks to satellite navigation, without requiring ground-based navigation facilities. These new features, which significantly reduce the pilot's workload, are integrated into a new version of the ATR -600 avionics, the "Standard 2" version.



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Aviation Technical Services acquires Texas Air Composites

Aviation Technical Services (ATS) has acquired Texas Air Composites (TAC), a Domestic 145 Repair Station specializing in composite structural fabrication, support and repair for regional, commercial and military aircraft. Located in Fort Worth, Texas, TAC has an experienced team of over 100 employees and operates over 138,000 ft² of climate-controlled facilities. TAC fits into ATS' strategy to grow and diversify its customer base, capabilities and geographic reach. Today, ATS is principally serving commercial airlines and OEMs; TAC adds a focus on regional airline and military customers. In addition, TAC specializes in advanced composite repair on Airbus, Bombardier and Embraer fleets, while ATS provides a suite of component, engineering and airframe services on primarily Boeing product lines. Finally, the Dallas Fort Worth area is a hub for both the aerospace and aviation industries, and it is in close proximity to ATS' new heavy airframe maintenance facility in Kansas City, Missouri. The TAC leadership team is staying in place and will continue to run the business as a subsidiary of ATS. Several partners assisted with the transaction. ATS' financial advisors were Jefferies, LLC and AeroConsulting Partners and legal advisor was WickPhillips. TAC's financial advisor was FBR Capital Markets and legal advisor was Baker Botts. The purchase price was not disclosed.

Sogclair purchases majority shareholding of MSB Group

Sogclair, the French based aerospace engineering and contracting company has purchased 80% of Montreal, Canada-based precision engineering company MSB Group, for an undisclosed amount. The management of the MSB Group, which consists of the engineering division MSB Design and the contract engineering company MSB Ressources Globales, made the decision to join Sogclair following discussions with a number of potential purchasers. Under the terms of



Vice President MSB Group-Mario Sévigny
Photo: MSB Group

the new agreement the MSB Group, will form the second largest division of the Sogclair company portfolio. Mario Sévigny Co-Founder of MSB, and Philippe Robardey, CEO of Sogclair signed the deal on November 14th, 2014 in Montreal. Sévigny will become Vice President of MSB Group. He will be responsible for running (day-to-day) operations of the North American business reporting directly to Marc Darolles, President of MSB Group. Patrick St-Louis previously President of MSB Ressources Globales for Insourcing, will take up the new role of Vice President Strategic Programme and Customer Relationships. Both will remain key shareholders. The deal brings a number of benefits to both companies. Operationally MSB Group will retain its team, the organisational structure and will benefit from increased financial resources for the development of large value projects. In addition Sogclair's European presence and international network will widen MSB's global footprint and accelerate development in America. Sogclair has mainly focused on the commercial sector of aviation so the deal will expand its business aviation network in

which MSB is already well established. It is anticipated that the mutual cultures of innovation will provide employees with leading-edge expertise and create opportunities to share knowledge skills.

Dassault Aviation buys back 8% of its own shares from Airbus Group

Airbus Group SAS and DASSAULT AVIATION have signed an agreement whereby Dassault Aviation acquires a block of its own shares from Airbus and both companies cooperate to implement additional transactions by Airbus of Dassault Aviation shares in 2015 in the form of accelerated book-buildings subject to market conditions. As per the authorization granted by the shareholders' meeting of September 24th, 2014, Dassault Aviation has bought back from Airbus Group a block representing 8 percent of the share capital of the Company in an off-market block trade. The price of the transaction is €980 per share representing a total amount of approximately €794m, representing a 9.2% discount over the last trading price of the day. Concurrently, a shareholders' agreement has been agreed among GIMD (Groupement Industriel Marcel Dassault, the majority shareholder of Dassault Aviation) and the French State, which sole purpose is to grant the French State a preemption right on any and all transfer of shares of Dassault Aviation by GIMD resulting in the fall of the stake of GIMD below 40 percent of the share capital of Dassault Aviation and any further transfer of shares below this threshold. This transaction enables Airbus Group to reduce its stake in the Company, as announced over the last weeks. Together with a prior recent share buyback, Dassault Aviation owns 9.4 percent of its share capital.

AerCap announces amendment and increase of revolving debt facility to US\$2.2bn

AerCap Holdings N.V. has completed an amendment and upsize of its revolving warehouse facility. The non-recourse facility, which was originally put in place in 2006, has been amended to increase the transaction size from US\$1.6bn to US\$2.2bn and to allow for an additional three year revolving period with a two year term-out period, extending the transaction to December 2019. Credit Suisse acted as lead arranger and structuring agent on the transaction. The facility, which currently finances 29 aircraft, continues to allow for the acquisition of a range of aircraft types, and provides AerCap committed financing and significant flexibility to purchase aircraft. In addition to Credit Suisse, Bank of America Merrill Lynch, Morgan Stanley and ING Bank acted as joint lead arrangers on the transaction. RBC Capital Markets, RBS, Scotiabank, Natixis and Citi acted as co-arrangers. Fifth Third Bank and HSBC were documentation agents. Other lenders include BNP Paribas, Everbank Commercial Finance, Key Corporate Bank, and Siemens. Four new lenders joined the transaction.

B/E Aerospace Board of Directors approves separation of KLX

B/E Aerospace board of directors has approved the separation of its Consumables Management Segment, consisting of B/E Aerospace's aerospace distribution and energy services businesses, which will be known as KLX (KLX), through a dividend distributing all of the shares of KLX common stock on a pro rata basis to the holders of B/E Aerospace's common stock. For every two shares of B/E Aerospace common stock held, B/E

Aerospace's shareholders will receive one share of KLX common stock. No fractional shares of KLX will be issued. Shareholders will receive cash in lieu of fractional shares. The Board has set a record date of December 5th, 2014 and a distribution date of December 16th, 2014. The distribution of KLX common stock will complete the separation KLX from B/E Aerospace. After the distribution, KLX will be an independent, publicly-owned company and B/E Aerospace will not own any shares of KLX common stock.

Airbus Group reports improved 9-month results

Airbus Group reported improved results for the first nine months of 2014, driven by an enhanced operational performance across the company. Demand for the Group's products remains strong overall with a net book-to-bill for commercial aircraft above 1 at the end of September, already fulfilling the full-year target. Group order intake in the first nine months of 2014 was €78.7bn (9m 2013: €137.0bn), with the order book worth €765.4bn on September 30th, 2014 (year-end 2013: €680.6bn). Airbus received 791 net commercial aircraft orders (9m 2013: 1,062 net orders). Net order intake at Airbus Helicopters was 208 units (9m 2013: 276 units), including 19 Super Pumas. Group revenues increased 4.0% to €40.5bn (9m 2013: €38.9bn). Commercial Aircraft revenues rose 5.5%, reflecting the delivery mix with 21 A380s delivered compared to 14 in the first nine months of 2013 and 443 aircraft delivered in total (9m 2013: 445 deliveries). Revenues at Helicopters rose 3.0% with 295 deliveries (9m 2013: 312 units), including the initial EC145 T2. Group EBIT before one-off – an indicator capturing the underlying business margin by excluding material non-recurring charges or profits caused by movements in provisions related to programmes and restructurings or foreign exchange impacts – improved to €2,590m (9m 2013: €2,320m). Commercial Aircraft EBIT before one-off reached €1,780m (9m 2013: €1,712m), driven by operational improvement, including progress on the A380 programme towards breakeven, and the favourable evolution of maturing U.S. dollar hedges despite higher research and development expenses and A350 XWB support costs. Helicopters' EBIT before one-off was €241m (9m 2013: €217m), reflecting the Super Puma recovery. Reported EBIT increased 21% to € 2,583 million (9m 2013: €2,131 million

with one-offs limited to a € 7 million charge from the dollar pre-delivery payment mismatch and balance sheet revaluation. The finance result was €-612m (9m 2013: €-435m while net income rose to €1,399m (9m 2013: €1,203m). Net income and EPS included €-178m of negative foreign exchange revaluation before taxes, particularly in the third quarter. Group self-financed R&D expenses totalled €2,376m (9m 2013: €2,152m). Free cash flow before acquisitions improved significantly to €-2,090 m (9m 2013: €-4,749m), reflecting tight cash control while investing in production and development programmes. Third quarter free cash flow before acquisitions was positive at €180m (Q3 2013: €-686m). The net cash position on September 30th, 2014 was €5.3bn (year-end 2013: €8.5bn) after the 2013 dividend payment of €587m and € 349m pension plan contribution. The gross cash position on September 30th, 2014 was €12.4bn.

Wesco Aircraft Holdings reports results for fiscal 2014 fourth quarter

Wescos Aircraft's net sales in the fiscal 2014 fourth quarter were US\$408.2m an increase of 74% compared to US\$234.3m in the prior year period. External sales in the North America segment increased 72%, while Rest of World external sales increased 83%, in each case, compared to the fiscal 2013 fourth quarter. The external sales increase in both segments was driven mainly by the Haas acquisition, as well as growth across the company's customer base resulting from the continued ramp-up of recently awarded contracts, scope expansion on existing contracts, and new contract wins. Wesco Aircraft's organic sales (excluding the February 2014 acquisition of Haas Group) increased approximately 10% in the fiscal 2014 fourth quarter compared to the prior year period. Organic sales in the North America and Rest of World segments increased 11% and 7%, respectively, over the same periods. Net income in the fiscal 2014 fourth quarter was US\$24.6m Adjusted net income was US\$29.7m compared to US\$31.7m in the same period last year. The decrease was primarily due to lower operating margins and higher interest expense as a result of the Haas acquisition financing, partially offset by growth in sales. Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) in the fiscal 2014 fourth quarter were US\$58.0m, compared to US\$53.0m for the same period last year.

Other News

Willis Lease Finance Corporation (WLFC), the independent jet engine lessor in the commercial finance sector, and **China Aviation Supplies Import & Export Corporation ("CASC")**, China's leader in aviation supplies trade, distribution and logistics, hosted a grand opening ceremony on November 7th to celebrate the launch of their new engine leasing joint venture, **CASC Willis Engine Lease Company (CASC Willis)** in Shanghai, China. CASC Willis Engine Lease Company ("CASC Willis") is a 50/50 joint venture between Willis Lease and CASC. The new company is dedicated to supplying Chinese airlines with the best engine support solutions and creating an engine re-

source sharing platform. CASC Willis is based in Shanghai and is positioned to meet the fast growing demand for leased commercial aircraft engines and aviation assets in the People's Republic of China.

Embraer and **FlightSafety International** completed the training of the first class of pilots for the new Legacy 500 executive jet. These pilots, trained to operate customer jets, benefited from the complete customer support and services structure with advanced training technology. The simulator was qualified as Level C by the **FAA (Federal Aviation Administration)** and by Brazil's **ANAC (Agência**

Nacional de Aviação Civil). Training is being conducted at FlightSafety International, in St. Louis, Missouri in the U.S. FlightSafety International is also Embraer's training service provider for Legacy and Lineage executive jets, in addition to the E-Jets commercial aircraft. The Legacy 500 received certification from ANAC in August and from the FAA in October. **EASA (European Aviation Safety Agency)** certification is imminent. The Legacy 500 is now able to operate in Brazil, United States, and in countries that require FAA certification. The first Legacy 500 was delivered to a Brazilian customer last October.

Signs of the times

Analysis by **Keith Mwanalushi**

2014 saw the most significant step up by OEMs to win the market for high value aftermarket aviation services. In order to grow in the New Year, it seems independent MROs will need to continue to evolve.

A 2014 report by industry insiders Oliver Wyman says MROs have all but ceded this territory to manufacturers, and independent maintenance providers are now redefining their search for growth within this new paradigm. "Many, for example, appear to have either completed or abandoned pursuits of OEM licenses during the past year. They are turning to new forms of collaboration with OEMs and lessors, while considering mergers and acquisitions to consolidate high-value capabilities, increase efficiency, and broaden reach," the report reads in part.

"The OEMs have taken a strong position in the aftermarket," agrees Abdol Moabery, president and CEO of GA Telesis. "They are aggressively pursuing supply-chain and repair opportunities in the aftermarket and doing their best to lock up their airline customers on OEM programmes."

Moabery admits that some of the OEMs are doing a good job at participating at competitive price levels and he says this puts a tremendous amount of margin pressure on larger after suppliers and MROs that are not OEM affiliated. "Ultimately, this will hurt the smaller suppliers and MRO providers the most since they will not be able to compete with the big guys. Additionally, in order to gain higher levels of efficiency, airlines are looking for more of a total solution



Engine shop activity will continue to have the greatest value in the MRO market.

Photo: Iberia

versus a supplier or maintenance provider that cannot provide more than one service," Moabery adds.

For airlines seeking to compete and place engine and component maintenance on next-generation aircraft, OEMs have largely emerged as the only choice, according to the Wyman report. Engine and large systems manufacturers have designed and deployed effective strategies to restrict alternative material and repair development by third party MROs.

Adolfo Gordo, head of commercial at Iberia Maintenance believes the sector is going through a shift from stand-alone players to a more complex relationship between manufacturers-OEM and MROs to address the needs of customers.

"At Iberia Maintenance we are trying to establish a closer relationship with OEMs by reaching agreements and certification status with them in order to be part of any global solution offered to customers. At the same time, we continue our strategy of reinforcing market niches where we feel we can offer competitive solutions to the market," Gordo describes.

The 2014 survey by Oliver Wyman suggests that MROs have reached a critical point in seeking fruitful forms of cooperation with OEMs. MROs are moving beyond simple licensing agreements, which now represent the majority of current partnerships.

76% of the MRO respondents in the survey said they have partnered with an OEM in the last three years (up from 71% on the previous year), just 56% describe that partnership as a license agreement (down from 82%). "This decline might suggest OEMs are now finalising development of their licensed repair networks, and MROs need to look beyond these arrangements for new sources of revenue," the survey indicates.

Chris Spafford, partner and co-author of the 2014 MRO survey is of the opinion that MROs seem to be running short on new types of collaboration with OEMs, so they are looking for ways to work with lessors and considering M&A deals to broaden their reach. "Working with lessors is key to bidding for engine and component maintenance contracts on new aircraft, as major OEMs almost universally lock up the maintenance business before aircraft are delivered," Spafford advises.



Moabery says the OEMs are just delivering a better product.
Photo: GA Telesis



New efficiencies will impact every sector in the aftermarket.

Photo: ANA

At Hamburg-based interiorsDIRECT, in relation to its customers, which are MRO and airlines, the company sees that the increase of production (aircraft, related equipment and so on) leads to a capacity problem at the OEMs. Also spares, especially of older products are “very difficult” to source as lead-times are often very high including high prices.

“This makes spares sourcing for airlines and MROs difficult and not always efficient,” comments Sebastian Beermann, CEO at interiorsDIRECT. “For us, we designed processes and a product and service that can support these airlines and MROs with a flexible design, production and repair solution for cabin interiors.

“In comparison to the market trend of consolidating single companies to global players we only cooperate with exclusive small and medium sized companies as suppliers for design, production, and repair. These partners are flexible and have the capabilities to provide solutions in a small time frame as well as in high quality. There is direct access to experts instead of a cascade of project managers and complex admin processes we find with the global players,” Beermann explains.

The labour intensive airframe or heavy maintenance and modifications market was worth an estimated \$11.5bn in 2014. While engine and component MROs face staunch OEM competition and must innovate to prosper, airframe providers face no such challenge according to Oliver Wyman. At least in the US, they are seeing the market turn in their favour.

“In comparison to the market trend of consolidating single companies to global players we only cooperate with exclusive small and medium sized companies as suppliers for design, production, and repair.”

Sebastian Beermann, CEO at interiorsDIRECT

Beermann sees the modification sector in particular growing. “The big airframe players already started to categorise their products - customer can only choose between some SFE [Seller furnished equipment]. The airframers are doing this as the final assembly line processes are affected by this complexity of the aircraft equipment. As big airframers have to improve their processes, one change is the standardisation of cabin interiors. So after delivery the modification and customisation activities will grow in the future. Supporting this is that competition on the airline market is growing, too. So to give an airline an individual face, the cabin has to be customised. This will be done in the aftermarket.”

ket.” Beermann states.

Growth in airframe and heavy maintenance categories continues to shift towards countries where labour costs are lower – according to Gordo from Iberia. “Nevertheless for short haul aircraft, distance from the MROs still plays a role and carriers based in Europe look at European MROs as a nice option to have.” Gordo reports that the year 2014 at Iberia Maintenance has been quite successful in this market. “We have reached a flexible and very productive ‘zero slot’ strategy to optimise resources both in labour and facilities. We will continue allowing customers to enjoy flexible options during 2015.”

“The market will certainly continue to grow with the influx of aircraft deliveries,” Moabery chips in, adding that by that factor alone, there will be growth. “However, the airframe maintenance market has historically been a labour cost arbitrage. As competition increases, it becomes a reverse auction and that does not bode well for MROs that cannot compensate for reduced margin by providing other services, like component repair, engine repair or supply-chain services,” cautions Moabery.

Additionally, the GA Telesis CEO hints that technology will eventually reduce the number of mechanics and therefore labour hours needed to complete a task. “That

will most certainly impact MROs in the long-term. Finally, The U.S. and European and Chinese markets are saturated with heavy MROs, and there seems to be a recent growth spurt in Eastern Europe, but this most definitely be impacted by the turmoil in the Ukraine and Russia. The growth still seems to be in Asia, but the question is whether with rising costs there, if the pricing competition will ultimately be too much to bare.” Moabery questions.

In the U.S. in particular, recent investments in domestic capacity by AAR Corp., AMR Corp., and Aviation Technical Services suggest the repatriation trend is accelerating, and there are



Iberia now performs MRO and tests V2500 engines.

Photo: Iberia

Gordo feels that there are many other challenges that the MRO industry will have to face in the coming years. "For instance, MRO companies in Europe need to gain competitiveness through productivity increase to be able to compete with companies in other countries, where labour costs are lower. This will be an on-going process as airlines are focused on cutting costs and maintenance services are an important contributor to their cost structure," states Gordo.

Finally, Moabery agrees that the challenges for the future will most definitely be reliability and technology driven. "The OEMs are just delivering a better product. Engines are outperforming estimated MTBRs, composite technologies are reducing corrosion. Ultimately, these efficiencies will impact every sector in the after-market supply-chain and MRO sectors," Moabery concludes.

early clues that a labour squeeze may develop if the rate of on-shoring continues to climb.

ered in the next years."

When asked which sector of MRO will see the greatest value as we enter 2015, both Gordo and Moabery point to engines. "I feel the engine MRO sector will continue to outperform others," says Moabery. "This is a result of the labour accounting for only about 25% of the total invoice value. It is therefore not that reliant on labour arbitrage."

In terms of challenges for the upcoming year Beermann highlights a few issues including making spares available on-time, for an acceptable price. "This will be a growing problem as more and more older aircraft are in operation, thus increasing the need for parts. Also the market supply by OEMs is getting more difficult as production rates are increasing."

"Definitely, engines shop activity will continue to have the greatest value in the MRO market," Gordo adds. In fact, Iberia has just received a new certification during 2014 to overhaul, repair and test V2500 engines. "We expect to win some customers operating this engine in the short and medium term due to the number of these engines powering aircraft currently and the number of V2500 engines that will be deliv-

From a technology side Beermann says the acceptance of 3D printing as a revolution in technology is important. "This technology is mature now but the engineering departments of MROs and airlines have not fully understood what this can mean to them. 2014 was a year that showed clearly that the 3D printing (additive manufacturing) will play a new part in production. In the MRO market this is not yet established."



Gordo - MRO companies in Europe need to gain competitiveness

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Vector spreads its wings

Vector Aerospace Engine Services – Atlantic (ES-A) is a fully-authorized Pratt & Whitney Canada (PWC) distributor and designated overhaul facility for the PT6A & JT15D engine series, as well as a PWC designated overhaul facility for the PW100 and PW150A engine series.

More than twenty years of specialisation in the repair and overhaul of PWC products enables ES-A to provide quality workmanship, industry leading turn-around times, exceptional customer service and warranty coverage; and competitive pricing.

Headquartered in Slemon Park, Prince Edward Island (PEI), Canada; ES-A operates a 140,000-square-foot facility, complemented by fly-in capabilities and hangar space and is PEI’s largest aerospace company. In addition to its headquarters in PEI, ES-A also has a service centre in Calgary, Alberta, Canada; as well as facilities in the United States, South Africa, Kenya, the UK, France, Australia and Singapore.

Colin MacDonald, spokesman, said the strongest competency at the company is in the area of customer service. “We always strive to nurture long-term relationships with our customers. We invite our customers to our facilities to look around and watch as their engine is disassembled. We want them

to stand shoulder to shoulder with our technicians as we work together to draw a conclusion as to what kind of work scope is actually required on their engine. We demonstrate. We won’t just tell them what the problem is,” MacDonald said.

He said the work methods permit the technicians to devote their personal attention to the engine they are assigned and that this facilitates responsibility and accountability and results in a product with exceptional quality and reliability.

“Our employees are among the industry’s most skilled, knowledgeable and highly trained, with work methods that allow them to devote their personal attention to the engine they are assigned to. Attention to detail, meeting deadlines, and delivering on promises have earned us a fiercely loyal base of customers throughout the world. At Vector, we strive for the best in everything we do.

There is nothing more important to Vector than our employees. Our team is what makes us different from our competitors, and makes us so successful in a very competitive market place. The families and the communities that our employees live in provide a solid foundation, and great support for our team,” MacDonald explained.

In recent news, Vector Aerospace - UK, announced the further expansion of its global military business portfolio with a contract to support the T56 engines of a major operator of the Hercules transport aircraft. Vector Aerospace - UK managing director Michael Tyrrell said, “This latest success is a significant milestone in the growth of our international military business. An important factor is our ability to partner with local support organisations and this is where our track record stands us in such good stead.”

In operation for over twenty years, ES-A has grown significantly since opening in 1992 with only four employees. Today, ES-A has a total of 617 employees and 441 of them work at its headquarters in PEI.

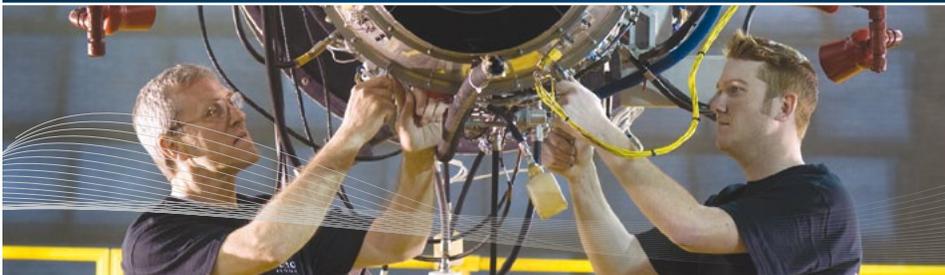


Colin MacDonald, Vector Aerospace Engine Services



Vector Aerospace Engine Services - Atlantic facility in Summerside, Prince Edward Island, Canada.

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2014 Memorable quotes

As the year draws to an end, we look back at some memorable quotes from various industry executives interviewed by **AviTrader MRO**.

Aftermarket for new regional aircraft types - AviTrader January, 2014

"From my perspective, the question is credibility. Will the Russians and Chinese for example, be able to obtain sufficient confidence in the market place that their products will be compatible with the many Western systems installed and can they be reliably supported globally? Personally I think it will be a minimum of 15 years before they have an impact on the majors." - **Christopher Whiteside, AJW Group**

AviTrader February, 2014 - Line Maintenance, driving down the cost

"As preferences of the clients and trends in air travel tend to change fast, the airlines have to react to secure the demand for their services. Thus, being able to promptly adapt their line maintenance services, with regard to both changes in locations or in aircraft type, this is of high importance." - **Asta Zirlyte, FL Technics**

Lessors taking on the aftermarket – AviTrader March, 2014

"In any case, financial and leasing companies are step by step increasing their presence in the MRO market, with a perspective to become another large player in a relatively small and highly competitive segment." - **Zilvinas Sadauskas, Locatory.Com**

AviTrader April, 2014 – Training in emerging markets

"The air transport industry is closely linked to the economic situation in these countries. Probably, the air transport industry has grown faster than the infrastructure needed to support it, such as training centre facilities, human resources and authority approvals to achieve the minimum number of needed qualified technicians." - **Lino Sanchez, Iberia Maintenance**

Boeing 767 modification and conversion – AviTrader May, 2014

"We are constantly challenged by the uniqueness of the 767 as every aircraft has a different configuration in terms of wiring, structures and modification status. We constantly encounter engineering issues where the modification is not matching the aircraft configuration. With a dedicated and highly trained production staff along with an excellent in-house engineering department we are able to support the OEM in re-engineering the modification or updating the revision status of the modification we are installing." - **Daniel Hofmann, Lufthansa Technik**

AviTrader June, 2014 – Regional aircraft engine MRO

"The smaller airlines and minor repair jobs can end up sinking down the list of priorities. OEMs have intense workloads and often cannot take in-depth care of each individual engine, or offer customised work scopes like independent engine MROs can. They also do not have time to service older model engines. The all-inclusive packages offered by OEMs are never going to be the right level of support for every customer." - **Kjetil Galta, Aero Gulf**

Farnborough review – AviTrader July, 2014

"A decade ago, some of today's main cost drivers had little effect on the fleet; there were fewer options in most asset categories. Competition between lessors had yet to balloon, order books were reasonable, and crude was still below U\$40. The trend by a number of countries to limit older aircraft to be placed in their country, creates an imbalance in the historic lifecycle of commercial aircraft. As such, commercial aircraft have gradually but steadily for the last several years shown shorter average lifespans." - **Jacob Agnew, mba aircraft solutions**

AviTrader August, 2014 – MRO global trends

"The industry is very tight knit and most players keep a common goal of offering their clients the best price and service. MROs work on return business, thus any unusual strategies leave a customer with many concerns." - **Chris Heredia, Ascent Aviation**

Paint technologies – AviTrader September, 2014

"Weight savings are an emotive subject. For example, some people will say that basecoat and clear coat systems will save you weight but this is not an accurate statement and if an airline is expecting a weight saving every time he is using basecoat clear coat, he may be disappointed." - **Andrew Richardson, Eirtech Aviation**

AviTrader October, 2014 - European MRO industry

"We see the business in Europe as rather flat, while other regions - like Asia, are growing rapidly. There is also a price pressure, which is expected to last and become an acquired behaviour that airlines will hardly abandon. As part of our 'Transform 2015' cost reduction plans, our ability to develop the use of repaired and used serviceable parts contributes to offer competitive maintenance schemes." - **Aurélien Gomez, AFI KLM E&M**

MRO apprenticeship – AviTrader MRO November, 2014

"For years, the AIA and other industry analysts have been telling us that our skilled workforce is ageing, with retirement for a significant percentage of that workforce just around the corner. When you combine that fact with the challenge individual's face in acquiring the licenses and certifications to fill MRO jobs and the focus on up-and-coming industries like renewable energy, we've got a problem that we must address now, before we have a talent vacuum." - **Doug Russell, Exostar**

AviTrader December, 2014 – Year in review and outlook for 2015

"The challenges for the future will most definitely be reliability and technology driven. The OEMs are just delivering a better product. Engines are outperforming estimated MTBRs, composite technologies are reducing corrosion and therefore labour hours need to repair airframes, components are being run by software versus circuit cards. Ultimately, these efficiencies will impact every sector in the aftermarket supply-chain and MRO sectors." - **Abdol Moabery, GA Telesis**

Rockwell Collins' Venue HD cabin management and entertainment system, Airshow Moving Map and audio/video on-demand (AVOD) streaming solution, have been selected by an undisclosed customer for a wide-body Airbus A340 business jet. The comprehensive cabin package will be installed in mid-2015. The updated A340 will feature full-cabin video and music streaming capabilities for both Apple and Android personal devices, made possible by Venue's audio/video on-demand (AVOD) function. The aircraft will also feature various-sized large HD monitors in parts of the cabin for optimized viewing of Blu-ray movies and other high-resolution content. The selected cabin systems will be supported 24/7 by Rockwell Collins' world-class customer service

team, with over 2,000 staff and technicians operating from 46 bases around the globe. Rockwell Collins' Venue system has been selected for a number of large VIP business aircraft over the last several years, including Airbus and Boeing business aircraft. Venue features a fault-tolerant, ruggedized fiber optic backbone, which ensures maximum system availability while providing necessary bandwidth to integrate the latest consumer technologies. It also features intuitive cabin controls for passengers to easily manage their ride environment, both from on-board interfaces and personal devices. Venue has been installed on more than 450 business aircraft, ranging from turboprops to long-range business jets and VIP aircraft.

People On The Move



Dr. Stefan Weingartner

Dr. Stefan Weingartner, Member of the Executive Board of MTU Aero Engines AG and President MTU Maintenance, will leave the company on his own request in order to take on a new professional challenge. Against this background,

the Supervisory Board of MTU Aero Engines AG has decided in its meeting today to reduce the Management Board to three Members. The tasks of Weingartner – who will accompany and support the change process – will be transferred to the other Board functions. The responsibility for the locations of MTU Maintenance will be combined in the leadership of Dr. Rainer Martens as Chief Operating Officer. Sales and Marketing of MTU Maintenance will be integrated in the Board function of Programs headed by Michael Schreyoegg. The new structure will become effective at the beginning of 2015.



Philippe Petitcolin
Photo: Roberto Frankenberg / Safran

Safran's Board of Directors met on December 5th, 2014, following a months-long selection process led by its Nomination and Remuneration Committee, approving in principle the appointment of **Philippe Petitcolin** to succeed **Jean-Paul Herteman** as

Chief Executive Officer of Safran after the Annual General Meeting of Shareholders on April 23rd, 2015. The Board also approved in principle the appointment of Ross McInnes as Chairman of the Board during the Board meeting which will follow the same Annual General Meeting

Wesco Aircraft, a leading provider of comprehensive supply chain management services to the global aerospace industry, reported that **Randy J. Snyder** is retiring from his role as president and chief executive officer. The board of directors

has appointed **Hal Weinstein** as interim chief executive officer, effective immediately. Mr. Snyder will continue to serve as chairman of the board. The board has begun its search for a permanent chief executive officer with assistance from a nationally recognized executive search agency. In addition, Wesco Aircraft's board of directors announced the formation of a new executive committee under the direction of board member **Adam J. Palmer**. The committee will work closely with Mr. Weinstein and other members of senior management to steer the company's strategic direction and operations during the transition.

Lufthansa Technik AG appointed **Antonio Schulthess** as new Chief Executive Human Resources. On March 15th, 2015, Schulthess will take over the position from **Dr. Johannes Bussmann**, who is replacing **August Wilhelm Henningsen** as Chairman of the Executive Board. On this date, Henningsen is retiring.



Ni Jilian new General Manager of Ameco Beijing

Approved by the Board of Directors, **Ni Jiliang** was appointed as the General Manager of Ameco Beijing, effective on November 21st, 2014. He has taken over the role from his predecessor **Hu Yuliang** who was at the position from April of 2009. Ni Jiliang will work together with his counterpart from Germany **Dr. Andreas Heizner** who has been the General Manager and CEO of Ameco Beijing since January 1st, 2011. Ni Jiliang joined Ameco Beijing in 1988 right after he graduated from Civil Aviation University of China and began his career as an engineer. He took over several management positions when he worked in Ameco, including department manager of Engineering, subdivision manager of Engine Services and executive director of Operation. From April 2009 to January 2013, He was the General Manager of Air China Technics Chengdu Maintenance Base and then he acted as Vice General Manger of Air China Technics from Janu-

ary 2013 until November 2014.

Benjamin Moreau has been appointed Chief Executive of AIR FRANCE KLM Group subsidiary CRMA. Founded in 1957 and based in Elancourt, CRMA has a workforce of over 300 and specializes in the repair of engine parts and assemblies, especially those of CFM Engines, Very Big Engines (GE90, GP7200) and in aircraft component overhaul.

Wesco Aircraft Holdings announced that **Gregory A. Hann**, executive vice president and chief financial officer, has informed the company's board of directors of his intention to retire, effective March 31st, 2015. To ensure an orderly transition, Mr. Hann will continue to serve as Wesco Aircraft's chief financial officer until a replacement can be found, and will remain an employee of the company until March 31st, 2015. Thereafter, Mr. Hann will serve as a consultant to the company for one year.

Singapore Technologies Engineering announced the appointment of senior management personnel to new key management positions in the Group with a view to further strengthen its leadership team. **Mr Lee Fook Sun**, currently President of Singapore Technologies Electronics (ST Electronics) and President, Defence Business of ST Engineering, will assume additional responsibilities as Deputy CEO of ST Engineering. In this new position, he will explore additional synergies across the Group's four business sectors. **Mr Vincent Chong Sy Feng**, currently President of Strategic Plans & Business Development, Singapore Technologies Aerospace (ST Aerospace), will be appointed Deputy CEO (Corporate Development). In this new position, he will oversee the Group's corporate functions. **Mr Lim Serh Ghee**, currently Chief Operating Officer and President, Defence Business of ST Aerospace, will be appointed President ST Aerospace. The sector is currently overseen by **Mr Tan Pheng Hock**, President and CEO of ST Engineering. The appointments are effective 1 December 2014.