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## DUBAI HAS LANDED

Dubai Airshow Special

Company Profile  
Liebherr-Aerospace

MRO News  
from around the world

People on the Move  
latest appointments



# Call for security dialogue

We live in very uncertain times. The loss of life following the crash of a Metrojet A321 from the Egyptian Red Sea resort of Sharm el-Sheikh has once again tested the aviation industry. The U.K. and U.S. were the first to insinuate that a bomb planted by a terrorist group was a possible cause of the plane's crash, and now an investigation by Russian authorities has confirmed it.

And following the tragic events in Paris, the G20 leaders are pledging to step up aviation security once again since 80% of international travel is within the G20 nations.

Industry experts and thought leaders in the field of security addressed key issues currently affecting the aviation sector on day one of the Dubai Airshow as it kicked off its 2015 edition with a conference dedicated to safety and security.

Peter Kirk, Deputy Director and Head of Aviation Security at the UK Civil Aviation Authority, led a thought-provoking session on the evolution of aviation security regulation, at which he called for increased transparency and dialogue with the general public. He argued that the industry is focused on telling passengers what it wants them to do, but less forthcoming when explaining why. This also raised the issue of industry intelligence. "Ideally we would want them to comply with security features because they believe and understand how those procedures make them and their fellow passengers safer, not just because they are rather tiresome measures that they feel they have to put up with."

Despite staging a successful 2015 Dubai Airshow, the event was somewhat drowned by the horrific terrorist attacks in Paris. No doubt security issues

on all fronts will continue to be a key focus in the days and months to come.

Happy reading!

Keith Mwanalushi  
Editor

### Correction

In the October edition of AviTrader MRO we incorrectly referred to Thomas Global Systems as "Thomson Global" in parts of our article. We sincerely apologise for the error. Thomas Global Systems is a pioneer in the design, production and support of innovative electronic systems solutions for aerospace and defence.



Over a thousand exhibitors landed for the Dubai Airshow.

Photo: Airbus

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**MRO**

Published monthly by

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STTS ground-breaking ceremony Dubai South

Photo: STTS

### STTS, a specialist in aircraft painting, setting up in the Middle East

STTS, a specialist in painting and sealing of airline, military and VIP aircraft, belonging to the French group Finaero, has announced the launch of a purpose-built paint hangar at Dubai South. In order to offer its customers greater proximity, STTS is investing in a US\$34m project that will accommodate a wide-body painting bay at the new international airport. Already well developed in Europe and China, STTS has, over the years, acquired the reputation of a leader in its sector. It also benefits from QAPS, a branch specialized in high Quality Aircraft Painting Services. The group's goal is now to encompass a Middle Eastern service offering. The growing region's demand for quality makes it an ideal platform for STTS. The site will also accommodate an aircraft interior back shop.

### C&L signs contract with Loganair for Saab 340 landing gear overhauls

C&L has signed a 5-year contract with Loganair for the overhaul of all landing gear on its Saab 340 fleet. The gear will be overhauled at the Heroux-Devtek facility in Runcorn, UK as part of C&L's global strategic alliance with the company. C&L has a major share of the Saab 340 gear overhaul market and is one of the largest aftermarket parts and service providers for the aircraft. C&L's

alliance with Heroux-Devtek was formed earlier this year as a way to enhance the global MRO services and support available to operators of Saab 340 aircraft.

### Chromalloy unveils new gas turbine engine component machining facility in Guaymas, Mexico

At a grand opening ceremony and tour in Guaymas, Mexico, Chromalloy announced that its new state-of-the-art gas turbine engine machining facility is operational and producing first article test production on aircraft engine components. "Chromalloy's new 36,000 ft<sup>2</sup> manufacturing center is a dedicated precision machining facility for original equipment manufacturer (OEM) new engine components," said Thomas Mephram, CEO, Sequa Corporation, during the grand opening ceremony. "This brand-new plant is a significant part of our growth strategy as a global supplier in the new engine supply chain. We are doubling our previous Guaymas capacity and growing the workforce," Mephram said, as he and Guaymas state and local officials cut the ceremonial ribbon at the entryway. The new facility, which utilizes Lean and Operational Excellence principles and workflow designs, has the capacity to machine up to 68,000 gas turbine engine components a year. The facility will be online, producing customer orders beginning in January 2016.

By year-end 2016, Chromalloy plans to triple its previous Guaymas workforce, to approximately 250 employees. Chromalloy is a subsidiary of Sequa Corporation.

### Jetstar Pacific signs engine maintenance contract with Lufthansa Technik

Lufthansa Technik and the low-cost carrier Jetstar Pacific, which is headquartered in Ho Chi Minh City, Vietnam, have signed a comprehensive engine maintenance agreement. Under the terms of the contract, Lufthansa Technik will overhaul the V2500 engines in Jetstar Pacific's fleet of Airbus A320 aircraft. The contract covers a term of three years, during which a total of 18 shop load events will be performed.

### SR Technics and airberlin to extend and expand engines contract

SR Technics, one of the leading providers of technical services to airlines, and airberlin, Germany's second-largest carrier, announced that they have signed a memorandum of understanding (MOU) to provide ongoing Engine Services. The MOU confirms that SR Technics will maintain, repair and overhaul both airberlin's Airbus A330 PW4000-100 (PW4168) and its Airbus 320 CFM56 engines until 2024. This represents a five-year extension of the existing Engine Services contract with a value in excess of US\$450m over the term of the contract.

### Comair renews 737NG component support contract with AFI KLM E&M

AFI KLM E&M has renewed its contract with Johannesburg-based airline operator, Comair Limited. AFI KLM E&M has been maintaining Comair's fleet for a number of years and the long-term renewal of the contract covers component repair, the supply of a main base kit, and access to the AFI KLM E&M spares pool. Comair currently operates an all-Boeing fleet of 737 Classic and Next-Generation 737s on both its kulula and British Airways (operated by Comair) brands. Comair continues to upgrade its fleet and has already taken delivery of five aircraft from its current order for eight Boeing Next-Generation 737-800 aircraft, and the remaining three will be delivered late 2015 and early 2016. Comair has also placed an order for eight Boeing 737 MAX's, making Comair the first African airline operator to order the new 737 MAX.



CFM International and Pegasus Airlines sign US\$500m material support agreement for the airlines CFM56-7B fleet  
Photo: CFM International

### Pegasus signs US\$500m services agreement with CFM

One of Turkey's leading low-cost carriers, Pegasus Airlines, has signed an eight-year Time & Materials Support agreement with CFM International to cover a total of 90 shop visits for the CFM56-7B engines powering its fleet of Boeing 737-800 aircraft. The agreement, which also includes the purchase for four spare engines, is valued at US\$500m at list price. The Istanbul-based low-cost airline has been a CFM customer since it launched its charter flights in 1990. Today, the airline, together with affiliates, operates a fleet of 57 Boeing 737 and nine Airbus aircraft which are powered by CFM56 engines on scheduled routes to 103 domestic and international destinations throughout Europe, the Caucasus, Russia, the CIS countries, the Middle East, and North Africa.

### Constant Aviation renews Rolls Royce Authorized Service Center

Constant Aviation has renewed their agreement with Rolls Royce to continue their Authorized Service Center (ASC) designation on the AE 3007 engine line at all three locations – Cleveland, OH, Birmingham, AL and Las Vegas, NV. The ASC allows the ability to offer Embraer Legacy 600/650 operators on Rolls-Royce's CorporateCare program in-house engine maintenance, on-site parts and warranty claim processing. "We began our partnership with Rolls Royce in 2012, when we were named the first ASC for the AE 3007 engine line in the United States. This relationship is important to

our business as we touch more Legacy 600s than any other service center. We recently completed our 32nd 96-Month Inspection, with our 10th 144-Month Inspection currently in work. Providing a one-stop solution to our Legacy 600/650 customers was the initial reason for partnering with Rolls Royce. We knew this added capability would better service our customers," said Jim Rady, Embraer Legacy 600/650 Program Manager.

### Jet Aviation Basel delivers VIP cabin interior on a narrow-body ACJ-A320

Jet Aviation Basel has outfitted and delivered a VIP cabin interior on an Airbus corporate jet ACJ-A320 for an undisclosed governmental client in Europe. This is the company's third delivery this year, all of which were completed on or before the committed delivery dates. The head-of-state ACJ-A320 aircraft configuration includes a beautifully appointed bedroom, bathroom, lounge and office area in addition to a large executive staff area. It was certified under EASA STC for private use and seats 57 passengers and 5 crew members.

### AFGlobal facilities receive certification for aerospace

AFGlobal has reported that its Steel Industries facilities in Michigan received AS9100 Rev C certification from the PRI Registrar for demonstrating its ongoing commitment to quality by satisfying customer requirements of the aerospace industry specifications. This achievement positions AFGlobal for growth in the aerospace industry, and boosts the Company's number of certified facilities to eight. The latest certification covers forging, machining, assembling, heat treatment and testing processes. Along with its NADCAP certification for heat treatment, AS9100 certification gives the Company a solid foundation for meeting the stringent requirements of the aerospace sector.

### Unison Industries signs 10-Year services agreement with Qatar Airways

Unison Industries has signed a 10-year Material Services Agreement with Qatar Airways in support of the airline's unprecedented fleet growth rate. The agreement extends through 2024 and covers external Unison new parts and component repairs for all engine lines in the Qatar Airways fleet which includes the CF6, CFM, V2500, GENx, GE90 and GP7200.

### SAEI and Air France Industries KLM Engineering & Maintenance to set up joint component MRO services

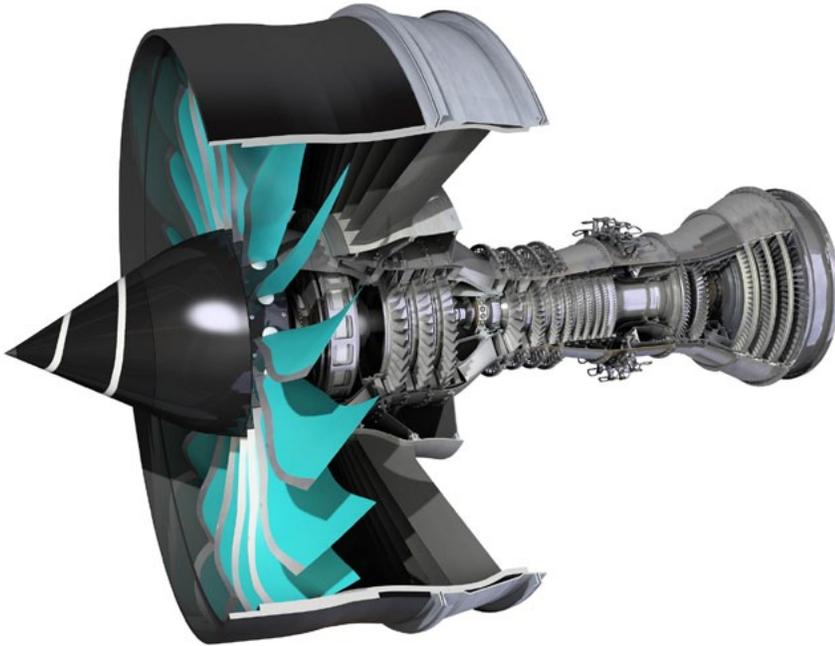
Air France Industries KLM Engineering & Maintenance (AFI KLM E&M) and Saudia Aerospace Engineering Industries (SAEI), have signed an agreement to enter into a long-term strategic partnership. Through a power by the hour scheme, AFI KLM E&M will support Saudia Airlines with Boeing 777 and 787 Aircraft Components and will further assist SAEI to develop the Maintenance, Repair and Overhaul (MRO) capabilities for future Airbus and Boeing Aircraft at SAEI's facilities in Jeddah, Saudi Arabia. In turn AFI KLM E&M will use SAEI as a subcontractor for those parts as SAEI already holds existing capabilities.

### Ethihad Airways deepens strategic cooperation with Air France-KLM

Ethihad Airways has expanded its strategic cooperation with Air France-KLM through a several hundred million US dollar component maintenance agreement for its Boeing 777 fleet. The 10-year deal, effective February 2016, provides Ethihad Airways and its equity partners with access to an extensive global pool of components offered by Air France KLM maintenance arm, Air France Industries KLM Engineering & Maintenance (AFI KLM E&M), for the wide-body aircraft, through the 777 Component Services Program (CSP) jointly operated with Boeing. Ethihad Airways currently operates a fleet of 33 long-range and extended-range passenger and cargo Boeing 777 variants. The maintenance agreement is the latest phase of a partnership struck between the two airlines in October 2012. Both carriers have a commercial alliance involving code sharing on flights across their networks over hubs in Abu Dhabi, Paris and Amsterdam. The wide-ranging codeshare agreement sees Ethihad Airways and Air France-KLM offering joint codes on destinations in Europe, the Middle East, Asia and Australia.

### Gulf Air extends A330 APU support agreement

Gulf Air, the Kingdom of Bahrain's national carrier, has extended its agreement for maintenance of the auxiliary power units (APUs) equipping its six Airbus A330s with AFI KLM E&M. The services covered by the contract will be provided by EPCOR, the AFI KLM E&M subsidiary specializing in APU support, which is been approved by OEM Honeywell to repair the GTPC331-350 APUs equipping Airbus A330s and A340s.



The new UltraFan, a geared design, will offer at least 25% improvement in fuel burn compared with the first generation of Rolls-Royce Trent engines *Photo: Liebherr Aerospace*

### Rolls-Royce and Liebherr-Aerospace announce name of power gearbox joint venture and start of operations

Rolls-Royce and Liebherr-Aerospace have named their 50:50 joint venture to develop manufacturing capability and capacity for the power gearbox for Rolls-Royce's new UltraFan engine design. The new company, to be known as Aerospace Transmission Technologies GmbH, officially started operations at the site of Liebherr-Aerospace in Friedrichshafen last month. The initial team consists of nearly 30 employees, mainly from the two parent companies and is co-led by two managing directors, Heike Liebe from Liebherr-Aerospace and Dr. Rob Harvey from Rolls-Royce. Rolls-Royce already has significant experience in the use of power gearboxes with thousands of engines already in service and will continue to lead the design definition and design integration of the power gearbox, as well as the testing activities. Liebherr has unmatched production engineering know-how and will manufacture the components of the power gear drive train in existing Liebherr facilities for the joint venture during the development phase of the power gearbox. The new UltraFan, a geared design, will offer at least 25 percent improvement in fuel burn compared with the first generation of Rolls-Royce Trent engines. The new power gearbox will enable the UltraFan to deliver efficient power over a range of take-off thrusts for high-bypass ratio engines of the future. For the highest thrust engines, each single gearbox will be capable of handling the equivalent horsepower produced by more than 500 family cars.

### Emirates signs US\$16bn engine services deal with GE Aviation

Emirates has signed a US\$16 billion OnPointSM solution agreement with GE Aviation for the maintenance, repair and overhaul (MRO) of the GE9X engines that will power the airline's fleet of 150 Boeing 777X aircraft over a period of 12 years. This is Emirates' largest single engine MRO contract to date. Emirates also signed a 12-year OnPoint solution contract with GE Aviation worth US\$36m, covering the maintenance and inventory support for various avionics, electrical power and mechanical systems on all Emirates Boeing 777 aircraft in currently service and the 44 more 777-300ERs on order. Under this program, GE will provide the maintenance and support services for Emirates' Boeing 777 fleet with a strengthened local program management and stock support in Dubai, supported by GE's global repair, overhaul and logistics facilities in the UK, the US, and Asia.

### Titan Aviation selects P&WC's ESP program for solid engine maintenance

Dubai-based aircraft management company Titan Aviation Group has signed an Eagle Service Plan (ESP Program) agreement with Pratt & Whitney Canada (P&WC) on behalf of a private company which owns a new Bell 429 helicopter. The ESP Program is an optional pay-per-hour engine maintenance plan designed for corporate and general aviation operators of select Pratt

& Whitney Canada engine models, including its PW207D1 engines which power the Bell 429.

### Ameco Beijing sees fast development on airframe overhaul

Ameco is to deliver a Boeing 747 from ACT Airlines for C-check in this December. This is the fourth ACT aircraft delivered for C check this year. Being capable of airframe overhaul on Boeing 737, 747, 767, 777 and Airbus A319, 320, 330, 380, Ameco is ready for the Boeing 747-8I airframe overhaul capability starting early next year. In the first half of this year, Ameco redelivered cabin modifications for the Boeing 767 fleet of Shanghai Airlines, a wholly-owned subsidiary of China Eastern Airlines. In August, the Beijing-based MRO completed cabin modification on a Condor 767.

### GE opens Middle East Aviation Technology Center

GE has opened its Middle East Aviation Technology Center to support customers' operations by leveraging data analytics, domain experience and software capabilities to increase productivity, maximize performance and minimize downtime for customers using GE's platform for the Industrial Internet. "The aviation technology center provides the environment and expertise to collaborate with our customers to identify challenges while looking at the entire aviation ecosystem. It will support our customers from our engines, to our services, to our software," said Gary Mercer, vice president of Engineering Services for GE Aviation. "The center has evolved to become a state-of-the-art space that will look at thousands of parameters on both aircraft engines and systems in order to provide insights for broad customer operations and drive significant outcomes." The center will enhance the service level for GE systems and engines, serve as a regional customer and product support hub, and be a place where data scientists, user experience designers and application developers can help the customer use the Predix platform to solve business challenges.

### Gulf Helicopters to Provide Pratt & Whitney Canada MRT service in the Middle East

Pratt & Whitney Canada (P&WC) has expanded on-wing mobile repair team (MRT) capabilities and line maintenance options for operators of its PT6T, PT6C and PW207E helicopter engines

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in the Middle East. P&WC's Customer Service Centre – Europe is welcoming Gulf Helicopters Company (GHC) as a Premium Service Provider in the region. GHC will be able to serve operators throughout the Middle East from its base in Doha, State of Qatar. "A number of our PT6T engines (powering the Bell 212/412) and PT6C engines (powering the AW139) located in the Middle East are actually owned by GHC," says Tim Swail, Vice President, Customer Programs, P&WC. "By being part of our Premium Service Providers network, GHC will be able to perform its own on-wing line maintenance on its P&WC-powered fleet and also offer its services to other operators in the region on behalf of P&WC's Customer Service Centre – Europe."

### AFI KLM E&M Components China granted EASA certification

AFI KLM E&M Components China, a wholly owned AIR FRANCE KLM subsidiary, was established in Shanghai in 2013 to repair avionics components and was CAAC-certified in November of that year. Recently this year EASA, the European Aviation Safety Agency, also awarded the China subsidiary EASA Part-145 approval under number EASA.145.0721. "This is a very important certification for us" said Vincent D'Andréa, SVP Components Product AFI KLM E&M, "especially in view of the strict requirements of Chinese airlines that contract work only to shops with CAAC, EASA and/or FAA certification. The approval will be a genuine asset in upcoming tender processes in the quest for increased market share."

### ATR signs 12-year Global Maintenance Agreement with PNG Air

Papua New Guinea's airline, PNG Air, formerly Airlines PNG, and ATR have signed a comprehensive long-term Global Maintenance agreement (GMA) providing a total support package for the airline's fleet of ATR 72-600 aircraft. The airline has recently received one aircraft, with further six to join the fleet within two years. The GMA contract will run over twelve years and covers a large scope of component overhaul and engineering services. They include repair and overhaul of Line Replaceable Units (LRU), maintenance of propellers, landing gear and leading edges. The support package also provides pooling services at ATR's base Singapore and on-site stock access at the airline's home base in Port Moresby. The component supply and logistics will be realized via the ATR facilities in Singapore to and from Port Moresby.

### REVIMA and WIZZ AIR sign long-term agreement for A320 landing gear maintenance

WIZZ AIR (Hungary) has entered into a long term agreement with REVIMA (France) for the support of the airline's A320 landing gear. Through this multi-year agreement, REVIMA will provide repair and maintenance services for the complete landing gear shipsets, as well as the supply of loaned landing gear. The REVIMA Group is specialized in APU and Landing Gear MRO. With sales in excess of €200m, it employs approximately 600 people in its two main business units and benefits from over 60 years of MRO experience, in support of aircraft operators, lessors, and other customers worldwide.

### GoAir extends engine contract with Lufthansa Technik

Mumbai-based GoAir has substantially expanded its business relationship with Lufthansa Technik. In April 2014 GoAir had already signed an initial Total Engine Support TES contract, covering a total of 16 CFM56-5B engine overhaul events. The airline has now extended the contract by an additional 18 engine overhaul events to accommodate the growth of its fleet, consisting entirely of Airbus A320 family aircraft. The extended contract is already in effect, making Lufthansa Technik the preferred MRO provider for component and engine maintenance of GoAir's growing fleet. GoAir offers domestic passenger services with over 140 daily flights connecting to 22 cities.

### ST Aerospace seals landing gear MRO contract with SAS

Singapore Technologies Aerospace (ST Aerospace) has sealed an eight-year contract worth approximately US\$25m (approximately S\$35m) with one of Scandinavia's largest airlines, Scandinavian Airlines (SAS). Under this agreement, ST Aerospace will provide a comprehensive range of landing gear repair, overhaul and exchange services for SAS' fleet of Boeing 737-600/700/800 and Bombardier CRJ900 aircraft. This contract extends an existing agreement covering landing gear maintenance for SAS' fleet of Boeing 737NG aircraft, which ST Aerospace has been supporting since 2005. This extended agreement reinforces the long-standing partnership between ST Aerospace and SAS, which started a decade ago when ST Aerospace first provided landing gear repair and overhaul services to the SAS' fleet of MD-80 aircraft, which was later replaced by Boeing 737NGs.

Over the years, ST Aerospace also provided engine maintenance support for SAS' CFM56 family of engines, and component support for SAS' fleet of Boeing 737CG, 737NG, MD-80, Airbus A320, A330, A340 and Bombardier Q400s.

### ST Aerospace signs cabin reconfiguration contract with Air Canada

Singapore Technologies Aerospace (ST Aerospace) has secured a cabin reconfiguration contract with Air Canada for eight Airbus A330 aircraft. The first A330 will be inducted in the third quarter of 2016, with the last aircraft targeted for redelivery by the end of the first quarter of 2017. For each of the eight aircraft, ST Aerospace will be installing additional premium economy seats in the aircraft cabin whilst enlarging the economy class section. The scope of work will also include the integration of an audio and video on-demand system, and maintenance checks for the entire aircraft fleet. Upon completion of the prototype aircraft, applications will be submitted for Supplemental Type Certificates from the US Federal Aviation Administration and Transport Canada Civil Aviation.

### Beijing General Aviation to manufacture P750 aircraft in Changzhou High-Tech Zone

Beijing General Aviation officially started the construction of the aircraft production facility for Beijing Navigation Changzhou Aircraft Industry (BNCAG) in Changzhou National High-Tech Industrial Development Zone's Aviation Industrial Park on October 28th, 2015. Once the new facility starts operation, it is scheduled to produce 70 P750 planes annually and serve as BGAC's manufacturing and maintenance hub in east China. Changzhou High-Tech Zone, located in China's highly dynamic Yangtze River Delta area, continues enhancing its infrastructure-related offerings. In May of this year the aviation park received approval to establish a block of general aviation controlled airspace, with a flight zone encompassing a maximum of 1,720 km<sup>2</sup> and an allowed flight height of up to 3,000 meters. The airspace will be used by the park's resident companies for flights of their general aircraft and provides aerospace manufacturers with a convenient location for test flights and certifications. To address the fast-growing general aviation market in China, BNCAG will be primarily engaged in the manufacturing and certification of fixed-wing P750 aircraft. The firm will establish the P750 aircraft service and support center for east China in stages, and will manage the company's activities across the general aviation industry



GKN-Aerospace-inspector-completes-dimensional-inspection-of-the-PW1100G-JM-shaft-assembly Photo: GKN Aerospace

chain, including showcasing and sales, test flight and delivery, supply of peripheral aviation equipment as well as modification and maintenance of P750 aircraft. The P750 is a multipurpose and fixed-wing aircraft with a single turboprop engine and offers short-distance take-off and landing, reverse propeller-enabled ability to back up while on the ground, flexibility and motility in the air, as well as superior load capacity in addition to other features. The aircraft has received air worthiness certificates for operation in over 20 countries and regions, including the U.S. and Europe. The P750 is widely used for passenger and cargo transport, tourism, sky diving, aerial photography and surveying, as well as for remote sensing.

**GKN Aerospace signs GBP multi-million agreement with Kawasaki Heavy Industries to supply titanium engine components**

GKN Aerospace has signed a GBP multi-million, long term agreement with Kawasaki Heavy Industries to supply titanium rotating parts for the PW1100G-JM and PW1400G-JM Geared Turbofan (GTF) engines. This contract covers the planned production period for this programme to 2028, with first deliveries targeted for the end of this year. Manufacture of these critical rotating parts will take place at the company's Aerospace Engine Systems (AES) facility in Trollhättan, Sweden which is equipped to manufacture

in titanium to the rigorous standards and tight tolerances required – and to meet the challenging programme ramp-up schedule to full production. GKN Aerospace is a risk and revenue sharing partner (RRSP) directly with Pratt & Whitney with design and production responsibility for the intermediate compressor cases and the turbine exhaust cases for the entire Geared Turbo Fan family: PW1100G-JM, PW1400G-JM, PW1200G, PW1500G, PW1700G and PW1900G.

**Avcorp signs production contract with Boeing**

Avcorp Industries has received notice of an award from The Boeing Company for the production and supply of 767-2C panoramic camera fairings, as part of the KC-46 tanker program. Each shipset of panoramic camera fairings consists of large and complex composites and metallic components which will be assembled into a fully integrated assembly in the Avcorp Delta facility. These fully integrated fairings attach directly to the 767-2C fuselage and will be delivered direct to the final assembly line in Everett, Washington.

**Rolls-Royce names Delta TechOps as approved maintenance center**

Delta TechOps, the maintenance, repair and overhaul (MRO) business of Delta Air Lines, and Rolls-Royce are teaming up, bringing advanced jet engines from Rolls-Royce to a 100,000-ft<sup>2</sup> expanded engine shop at Delta's Technical Operations Center in Atlanta. Rolls-Royce has named Delta TechOps an approved maintenance center for Trent civil aircraft engines to better serve jet engine customers throughout the life cycle of

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## Lufthansa Technik signs multiple new contracts



Johannes Bussmann (CEO Lufthansa Technik) and Nader Khalawi (CEO SAEI) during the signing at the Dubai Airshow  
Photo: LHT

On the occasion of the Dubai Airshow 2015, Lufthansa Technik AG and Saudia Aerospace Engineering Industries (SAEI), the Aircraft Maintenance arm of Saudi Arabian Airlines (Saudia), have signed an agreement to enter into a strategic partnership. Lufthansa Technik will support SAEI with Aircraft Component Maintenance for Saudia's A320 and A330 fleet and will further assist SAEI to develop the Maintenance, Repair and Overhaul (MRO) capabilities for Airbus and Boeing Aircraft at SAEI's facilities in Jeddah, Saudi Arabia. In turn Lufthansa Technik will use SAEI as a subcontractor for those parts SAEI already holds existing capabilities. The partners also intend to jointly market their mutual capacities to third-party customers in the region with commercial or military aircraft.

On the occasion of the Dubai Airshow 2015, Lufthansa Technik AG and low-cost carrier Air Arabia, based in Sharjah, UAE, have signed an airframe-related component contract for radome repair. The contract runs over a period of three years and covers radome maintenance for Air Arabia's A320 fleet. In addition to the repair services, Lufthansa Technik will support Air Arabia as well with spare unit support. The repair work will be done at Lufthansa Technik's facility in Dubai (Lufthansa Technik Middle East Services).

Starting in early 2016, Lufthansa Technik will install Ka-band satellite communication technology on board of several VIP aircraft. The new technology will enable VIP passengers to use the full spectrum of aircraft cabin applications,

like e-mail, internet, access to VPN networks, voice capabilities, video conferencing, cloud computing or e-commerce. The Ka-band technology is the answer to the continuously increasing demands on high-performance in-flight connectivity and outperforms current technologies for speed, bandwidth and coverage. Based on the VIP customers' aircraft types, Lufthansa Technik will hold STCs (Supplemental Type Certificates) for the Airbus A330/A340 family and the Boeing 737.

Lufthansa Technik's aircraft base maintenance division will install the Ka-band technology on the Lufthansa A320 family fleet in summer 2016 and will hold the STC for this aircraft type, too.

Lufthansa Technik and Royal Jet, the Middle East's foremost private charter company, have jointly announced that they have signed an agreement for the completion of two Boeing 737-700 BBJ. The two projects will be completed at Lufthansa Technik's VIP & Executive

Jet Solutions site in Hamburg. The aircraft will be redelivered in Q3 and Q4 2016. The cabin interior was done by the New York-based designer, Edése Doret, who is known for elegant yet innovative designs. Both cabins will be very modern with a spectacular interior design. The VIP interior comprises a private master bedroom together with a fully equipped master bathroom as well as a large lounge area, business and economy class areas. Both aircraft will be equipped with the latest telecommunication and entertainment technology to meet the needs of the exclusive customer base of Royal Jet. Each aircraft will comfortably accommodate 34 guests.

In a Grand Opening ceremony Lufthansa Technik and the Commonwealth of Puerto Rico have now celebrated the achievement of the operational status of Lufthansa Technik Puerto Rico (LTPR). On the occasion of the arrival of the first A320 from JetBlue Airways, the second launching customer of LTPR, a further overhaul line of the facility was opened on time. Currently, LTPR employs more than 200 people at Rafael Hernández International Airport in Aguadilla. When reaching the final configuration of five overhaul lines in early 2017, LTPR will offer up to 400 highly qualified jobs for local employees. From 2017 on, the company will also offer overhaul services for the Boeing 737 family in addition to the Airbus A320 family.



Lufthansa Technik Puerto Rico celebrates the opening of the new facility  
Lufthansa Technik

Photo:



GE's enhanced LM6000-PF+ aeroderivative gas turbine

Photo: MTU

Rolls-Royce engines for the upcoming generation of aircraft. Delta TechOps will add the Trent XWB and Trent 7000 commercial jet engine types to its MRO portfolio. Design work of the expanded engine maintenance facility at Delta's Technical Operations Center in Atlanta will commence in 2016 with construction expected to begin in 2018. The expansion will include space for all aspects of engine overhaul work including a new test cell - a massive concrete installation where stationary jet engines are run at full thrust. Expanded refurbishment areas for blades and vanes, rotors and dozens of other engine components are also planned.

### GE Aviation to build unique materials factories

GE Aviation is creating adjacent factories in Huntsville, Alabama, to mass-produce silicon carbide (SiC) materials used to manufacture ceramic matrix composite components (CMCs) for jet engines and land-based gas turbines. GE Aviation will invest more than US\$200m to construct two factories on 100 acres in Huntsville. When the factories are operational later this decade, they are expected to employ up to 300 people. One plant will produce silicon carbide (SiC) ceramic fiber. It will be the first such operation in the United States. Today, the only large-scale SiC ceramic fiber factory in the world is operated by NGS Advanced Fibers in Japan, which is a joint company of Nippon Carbon, GE, and Safran of France. The adjacent GE factory in Alabama will use the SiC ceramic fiber to produce the unidirectional CMC tape necessary to fabricate CMC components. Construction of the two plants will begin in mid-2016, with full completion by the first half of 2018. Production begins in 2018. GE has already begun hiring the technical team that will transfer to the Huntsville operation. GE expects to begin hiring the hourly workforce in late 2016.

### MTU Aero Engines takes stake in GE's enhanced LM6000-PF+ aeroderivative gas turbine

MTU Aero Engines will have a stake in the LM6000-PF+ (PF+), the latest version of General Electric's (GE) LM6000 aeroderivative gas turbine series. Germany's leading engine manufacturer has taken a 13% work share as a risk- and revenue-sharing partner in the development and production of this industrial gas turbine, which is derived from the CF6 aircraft engine. The PF+ offers higher gas turbine output (52-58 megawatts) and combined-cycle efficiency (56%) than other products in its class. For MTU, the stake in the program translates into expected revenues of around one billion euros over the entire lifecycle of the program. Over 1,200 LM6000 units have been produced and accumulated a combined total of more than 33 million operating hours in more than 50 countries around the world. The PF+ offers reliability of greater than 99 percent. The PF+ with its low-emission combustor builds on global experience from GE's fleet of LM6000 variants and delivers between 52 and 58 megawatts of power. The PF+ version has been developed to deliver more exhaust gas energy for combined-cycle cogeneration processes and to serve the needs of the Oil and Gas industry with its increased power and proven reliability and availability.

### Jet Midwest and TAM to launch FAA SAAB 3408 Freighter conversion program

Jet Midwest Group has signed an agreement with Sweden-based Taby Air Maintenance (TAM) to launch FAA-approved full class E cargo conversions for its B model Saab 340's. The Saab 3408 EASA ST C has already been developed by TAM and approved by EASA. The FAA approval project will be performed at TAM's maintenance center in Orebro, Sweden.

### FL Technics Training conducts Boeing 737 NG training courses with SIA Engineering Philippines

FL Technics Training has conducted Boeing 737 NG training courses with SIA Engineering (Philippines), an MRO company with over 15000 m<sup>2</sup> of modern hangars in the Philippines. SIAEP engineers have undergone 8 weeks of training comprised of theoretical as well as practical courses. FL Technics Training (Part-147 certified training organization) specialists conducted Boeing 737-600/700/800/900 category B1 and category B2 theoretical training courses for a group of ten technical maintenance professionals at the SIAEP headquarters at Clark International Airport, located in the Philippine town of Angeles. The theoretical part was followed by a 2 week-long practical course of the aforementioned training type which took place in Malaysia.

### Norsk Titanium and Alcoa launch joint 3-D printing technology

Norsk Titanium AS (NTi), a global 3-D printing technology leader, has signed a memorandum of understanding with lightweight metals Alcoa to launch a joint technology and industrial cooperation program. Through the program, the companies will identify and explore cooperation projects to leverage each other's advanced manufacturing expertise and strong commercial capabilities focused on serving the fast-growing needs of aerospace, defense, energy, automotive and maritime customers. In July 2015, RTI International Metals, now Alcoa Titanium and Engineered Products, became a strategic investor in and minority owner of Norsk Titanium. The combination of NTi's innovative technology with Alcoa's vertically integrated titanium global supply has significant applications in the titanium closed-die forging market. Today NTi produces aerospace-grade titanium components with its fourth-generation equipment. Based upon extensive material testing, Norsk Titanium expects to formally conclude the multi-year aviation certification process in the first quarter of 2016 and will begin producing titanium components for customer part qualification in 2016 and commercially producing titanium components for its customers by the second half of 2016.

### easyJet takes off under cost-per-flight-hour contract with AJW Group

easyJet has partnered with AJW Group in a five-year cost-per-flight-hour contract to support its growing fleet of Airbus A320 family aircraft. The

collaborative and wholly engaged transition process went live on October 7th 2015. Key factors have included the training, development and enhancement of the AJW resource pool and the in-depth education and practical deployment of many new recruits. In line with the Part 145 extension from easyJet to AJW, a successful audit by the CAA acknowledged AJW's ability to function and process in accordance with the easyJet IT & Quality framework. All AJW's inspection and AOG staff are receiving 145 training and this is an ongoing process until the entire team is fully accredited.



Global 7000 flight test vehicles (FTVs) one and two on final assembly line in Toronto  
Photo: Bombardier

### Bombardier previews Global 7000 aircraft flight test vehicles

Bombardier Business Aircraft opened its doors to media as the company showcased the first two Global 7000 flight test vehicles (FTVs) at the Company's state-of-the-art assembly line in Toronto. Bombardier is employing the highest caliber technology throughout the entire manufacturing process for the Global 7000 and Global 8000 aircraft program. The final assembly line in Toronto features a state-of-the-art automated positioning system that moves the wing structure into place for joining with the fuselage. This system uses laser-guided measuring to ensure components of the aircraft are joined consistently and perfectly each time. Laser-guided technology is also a key feature of the final assembly line's articulated robot drilling. Designed to ensure consistent quality and repeatability, the robot drilling features a tolerance for accuracy and precision within less than one thousandth of an inch. Combining human ingenuity with the most advanced machines, the Global 7000 and Global 8000 final assembly line is a testament to the commitment Bombardier has made to deliver the most advanced aircraft to the market. The Global 7000 and Global 8000 aircraft program is progressing as planned. Flight test vehicles one and two were on display during the event on the high-tech final assembly line in Toronto, and two additional flight test vehicles are in various stages of production and assembly. The program's integrated aircraft ground tests are also making good progress across 15 facilities.



from left to right: Andrew Tanner of Pratt & Whitney and Moti Sonsino of EL AL

Photo: P&W

### Pratt & Whitney to support EL AL PW4000 engines

EL AL has signed an exclusive five-year Maintenance Service Agreement with Pratt & Whitney to provide maintenance services on up to 17 additional PW4000 engines. This agreement supplements the 27 EL AL engines that Pratt & Whitney already services. "One of our core values is to work relentlessly and without compromise for our customers' safety," said Mr. Yosef Barazani, EL AL's vice president of Maintenance & Engineering. "By working with Pratt & Whitney, we know that our engines are being maintained to the highest standards and with short turn-around time, which not only helps us achieve our safety goals, but also helps us to gain greater value from the engines." "Pratt & Whitney and EL AL have a more than 50-year history together, and we are proud to continue to provide valuable services to this premier airline," said Matthew Bromberg, president, Pratt & Whitney Aftermarket.

### AJW Group to assist TECHNIC ONE to set-up technical/maintenance centre in Russia

AJW Group is to help TECHNIC ONE, the Russian repair and spare components business, to set up a spare parts pool for Sukhoi Super Jet (SSJ) and MS-21 aircraft, a component repair service, and a spare parts centre for CFM56 engines. The new technical/maintenance facility will be established in the special economic zone in Ulyanovsk Vostochny in Russia. At the AJW booth at the MRO Europe conference and exhibition in London, Christopher Whiteside, President – AJW Group and Mukharbek Aushev, CEO – TECHNIC ONE, both ratified

the project. "The Russian Government fully endorses and supports the programme" explained Mukharbek Aushev. "We are seeking support from leading Western organizations that have experience of our marketplace and share our vision." Both Russian-made aircraft, the SSJ and MC-21, are based on Western manufactured parts for the airframe components and engines. The objective is to build a center which will support a network of technical support branches across Russia and around the globe which will be supported by AJW's renowned 24/7 AOG and logistics team and AJW's state-of-the-art component repair facility, AJW Technique, in Montreal.

### AJW Aviation to deliver power-by-the-hour support to Brazilian operator, Modern Logistics

Modern Logistics has chosen AJW Aviation and AJW Leasing to provide full power-by-the-hour services for its B737-400 freighters and augment dispatch reliability as the fleet expands to fifteen aircraft by 2017. The multi-year contract recognizes the reputation that AJW has forged in the Brazilian marketplace and the Company's willingness to be flexible and support start-up airlines with their alignment of operational costs. "This strategic partnership is AJW's first PBH contract in Brazil and it spearheads the establishment of a local pool of spares with our other airline and MRO partners" reports James Hardman, VP Customer Services – Latin America, at AJW Aviation. "AJW's ability to scale up the PBH support as Modern Logistics' fleet develops, and our own focus on transforming aviation efficiency, ensured that we were the obvious choice of sup-

port partner. As the relationship develops, we also envisage utilizing Modern Logistics to provide services to AJW throughout the region.”

### Revima APU signs new contracts with Cathay Pacific and SAS – receives Chinese authority approval

Cathay Pacific Airways has signed a long-term maintenance agreement with Revima APU for the support of Auxiliary Power Units (APU) installed on the airline’s Boeing 747-400 and 747-8F aircraft, and on Airbus A300-600F aircraft operated by its subsidiary AHK Air Hong Kong. Through this multi-year agreement, Revima APU will provide repair and maintenance services for Cathay Pacific’s PW901A (Boeing 747-400), PW901C (Boeing 747-8F), and GTCP331-250 (A300-600F) APUs and related components. The contract also includes the repair of field-removed LRUs, as well as spare APU support.

REVIMA APU (France) has signed a long-term Auxiliary Power Unit (APU) support agreement to provide repair and maintenance services for APS3200 APUs installed on A320 Family aircraft operated by Scandinavian Airlines System (SAS).

REVIMA APU is now fully approved by the Civil Aviation Administration of China (CAAC) for repair and

test of the APS5000 Auxiliary Power Unit (APU) installed on the Boeing 787. The company is the first approved independent MRO provider worldwide to receive this approval. REVIMA APU can support all B787 operators as a Pratt & Whitney AeroPower approved facility. Initial EASA approval for APS5000 APU repair was awarded to REVIMA APU in December 2013, and was quickly followed by FAA approval. The addition of CAAC approval means that the company can now release APUs under dual or triple certifications (EASA and/or FAA and/or CAAC). This will allow it to meet the requirements of Chinese B787 operators, as well as those of most other operators worldwide.

### Manion Aviation signs agreement with Meridian Jet center

Manion Aviation is now an officially authorized sales representative for Meridian Jet Center to provide MRO Service Sales support. Meridian Jet Center is an FAA-approved Part 145 certified repair station. It is also certified by European Aviation Safety Agency (EASA). Honeywell has appointed Meridian an authorized TFE731 and -36 Series APU Service Center. The facility is also a Northeast Honeywell Avionics and Mechanical Parts Depot. Meridian Jet Center technicians are certified to work on Beechjets, Challengers, Citations, Falcons, Gulfstreams, Hawkers and Learjets. The fully-equipped maintenance

hangar at Teterboro Airport has 40,000 ft<sup>2</sup> under roof, with another hangar slated for construction in 2016. The company also features a well-stocked parts department, and operates a full-time detailing department.

### Hawaiian Airlines to redesign premium cabins of Airbus A330 fleet

Hawaiian Airlines plans to introduce new luxury design elements and enhanced service options in its A330 premium cabins, including the addition of 180-degree lie-flat seats. The premier global carrier for leisure travel to Hawaii has developed its new seats in partnership with Optimares, an Italian manufacturer focused on traveler-centric design. The first newly outfitted aircraft is expected to enter Hawaiian’s long-haul network in the second quarter of 2016. The airline will begin installing lie-flat seats in the remaining 22 A330 aircraft in September of 2016 through 2017. As part of the cabin redesign, Hawaiian also announced it will add 28 additional Extra Comfort seats on each A330 aircraft in response to growing demand for its popular premium economy service. The Extra Comfort option features 36 inches of seat pitch; priority boarding at the gate; complimentary on-demand in-seat entertainment, and a personal power outlet.

## Finance News

### GE and its Joint Ventures garnered more than US\$17bn in agreements at 2015 Dubai Air Show

At the 2015 Dubai Air Show, GE Aviation and CFM International, its partner company with Snecma (Safran), secured and finalized several engine orders and long-term contracts with the region’s leading carriers and valued at more than US\$17bn. At the same time, GE Aviation also forged new relationships with the Middle East’s growing aviation industry players. “The Middle East’s aviation industry is making a significant impact worldwide,” said Muhammad Al-Lamadani, senior executive and general manager of GE Aviation Sales for the Middle East, Russia/Commonwealth of Independent States and Turkey. “GE Aviation is honored to join the region’s aviation leaders to help take the industry to new heights.”

### Avolon posts 49% increase in 3rd quarter adjusted net income

Avolon reported that lease revenue increased by US\$43.2m, or 31.4%, to US\$180.6m for the three months ended September 30th, 2015 compared to US\$137.4m for the three months ended September 30th, 2014, primarily as a result of an increase in the size of its portfolio offset by a decrease in

the Annualized Lease Rate of 10.9% as of September 30, 2014 to 10.8% as of September 30th. Owned portfolio continued to expand during the three months, building from 122 aircraft delivered as of September 30th, 2014 to 144 aircraft as of September 30th, 2015. As a result, aggregate net book value rose from US\$5,261.6m to \$6,370.2 million, an increase of 21.1%. Lease revenue benefited from 36 new aircraft deliveries during the 12 months ended December 31, 2014 and 30 new aircraft deliveries during the nine months ended September 30, 2015, which together resulted in an increase in lease revenue of US\$48.6m for the 3rd quarter 2015 as compared to the previous year. Net income increased by US\$14.6m, or 33.3%, to US\$58.4m compared to US\$43.8m in September 2014.

### OAG to sell MRO Network

OAG, a global leader in aviation data and analytical services, has announced the sale of its MRO Network business. MRO Network, part of OAG, provides aviation exhibitions, conferences and publications to the MRO, fleet, financing and leasing sectors. MRO Network has been sold to Penton, a U.S.-based professional information services company, for an undisclosed sum.

### AeroCentury earns US\$1.3m in 3rd quarter 2015

AeroCentury, an independent aircraft leasing company, reported earnings totaling US\$1.3m in the third quarter of 2015, compared to US\$1.4m in the second quarter of 2015. Third quarter profits reflect an improvement in utilization as the Company continues to adjust the composition of its portfolio of regional aircraft and engines. Following the US\$11.7m non-cash, pre-tax write-down of certain older aircraft, the net loss in the third quarter of 2014 was US\$8.2m. Net income improved to US\$3.4m for the first nine months of 2015, compared to a net loss of US\$11.8m for the first nine months of 2014, which included US\$18.5m of non-cash pre-tax write-downs on older equipment. Average portfolio utilization increased to 94% during the third quarter of 2015, compared to 90% in the preceding quarter and 80% a year ago, reflecting the improved mix of assets in the lease portfolio. Total revenues decreased 17% to US\$7.8m for the third quarter of 2015, compared to US\$9.4m in the preceding quarter and increased 18% from US\$6.6m in the year ago quarter. Operating lease revenues increased 3% to US\$6.5m in the third quarter of 2015, compared to US\$6.3m in the second quarter and grew 35% from US\$4.8m a year ago.

### Willis Lease Finance 3rd quarter profits increase as utilization improves to 92%

Willis Lease Finance Corporation (WLFC), an independent jet engine lessor in the commercial finance sector, reported its third quarter 2015 net income has increased 163% to US\$2.6m compared to US\$1.0m in the third quarter of 2014. This follows a net loss in the second quarter of 2015 which totaled US\$0.5m resulting from a US\$3.1m non-cash write-down related to the part-out of a wide-body aircraft engine. For the first nine months of 2015, net income was US\$4.4m compared to US\$7.5m for the first nine months of 2014. Average utilization in the current quarter was 91%, a significant improvement from 84% reported for the second quarter in 2015 and 81% reported for the first quarter 2015 and 82% in the year ago period. Utilization was 92% at quarter-end, compared to 87% at the end of the second quarter 2015 and 82% a year ago. Total revenues increased 32% to US\$57.8m in the current quarter from US\$43.8m in the preceding quarter, and increased 27% from US\$45.5m in the third quarter of 2014, fueled by the growing lease portfolio, higher portfolio utilization and higher gains from the sale of equipment.

### Airbus Group reports strong nine months results

Airbus Group revenues increased 6% to €43.0bn (9m 2014: €40.5bn), reflecting the strengthening U.S. dollar and a favorable mix at Airbus. Revenues at Commercial Aircraft rose 8% with 446 aircraft delivered (9m 2014: 443 units), including 19 A380s and five A350 XWBs. Despite lower overall deliveries of 237 units (9m 2014: 295 units), Helicopters' revenues rose 4% due mainly to higher government programme and services activity. Defence and Space's revenues were broadly stable despite the de-consolidation of launcher revenues with the creation of the Airbus Safran Launchers Joint Venture's first phase. 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 – rose 8% to €2,804m (9m 2014: €2,590m). Commercial Aircraft's EBIT before one-off rose 25% to €2,226m (9m 2014: €1,780m), driven by operational improvement with a strong contribution

from the A380 programme. It also reflected some favorable cost phasing, including research & development (R&D) and A350 support costs. Helicopters' EBIT before one-off was €241m (9m 2014: €241m), with lower deliveries and unfavorable mix offset by services activity and progress on the transformation plan. Defence and Space's EBIT before one-off increased to €431m (9m 2014: €370m), driven by good programme execution and its transformation plan. Reported EBIT rose 14% to €2,946m (9m 2014: €2,583m), with net one-offs totaling a positive €142m. Net income increased 36% to €1,900m (9m 2014: €1,399m) while earnings per share (EPS) rose 35% to €2.42 (9m 2014: €1.79). The finance result was €-536m (9m 2014: €-612m) and included one-offs totaling €-156m mainly from the revaluation of financial instruments. (€1.00 = US\$1.10 at time of publication.)

### PAS Technologies acquires Bolton Aerospace

PAS Technologies has acquired Bolton Aerospace. Based in Manchester, Connecticut, Bolton Aerospace is a sub-tier supplier of precision machined products whose customers are direct OEM suppliers to commercial, aerospace and defense manufacturers. Bolton Aerospace is characterized by a high degree of flexibility, capable of delivering manufacturing services ranging from one operation through complete sub-assemblies with complex, multi-process parts—all supported by required documentation and certifications. PAS Technologies already operates globally in five locations, including Kansas City, Missouri; Hillsboro, Ohio; Phoenix, Arizona; Singapore; and Romania. Bolton Aerospace in Manchester, Connecticut will become the newest PAS Technologies location, enabling the company to broaden its presence and capabilities offered to the aerospace market.

### Embraer posts third-quarter net loss of US\$110m

In the third quarter 2015 Embraer delivered 21 commercial and 30 executive (21 light and 9 large) jets. Deliveries in the first nine months of 2015 were 68 commercial and 75 executive (57 light and 18 large) jets. The Company closed 20 firm orders for the current generation of the E-Jets commercial planes, reaching a total of 146 firm orders of both the current and second generation E-Jets commercial aircraft year-to-date. The Commercial Aviation segment's book-to-bill surpassed two times over the first nine months of 2015. Embraer's firm order backlog ended at US\$22.8bn, compared to US\$22.9bn in backlog at the end of the second quarter 2015 and US\$20.9bn at the end of 2014. As a result of aircraft deliveries, coupled with revenues from the Company's Defense & Security business, third quarter revenues were US\$1.285bn, representing year-over-year growth of 3.6%. EBIT and EBITDA margins were 6.6% and 12.3%, respectively, in the third quarter, improving from EBIT margin of 5.5% and EBITDA margin of 11.0% in the third quarter of 2014. Third quarter net loss attributable to Embraer Shareholders and Loss per basic ADS totaled US\$-109.6m and US\$-0.6013, respectively. Excluding deferred income tax and social contribution, adjusted net income was US\$71.5m. Free Cash Flow during the third quarter was US\$-115.3m.

### Volo Aero MRO acquires Flag Precision

Volo Aero MRO has announced the purchase of Flag Precision Corp, an FAA-certified repair station based in Massachusetts. Flag Precision Corp was es-

established in 1964 and became an FAA certified repair station in 1993 with a limited power plant and airframe rating, providing specialized services. With a strong reputation of providing high precision grinding solutions to OEM's and aerospace MRO's for over 20 years their plan is to significantly increase the capability and customer base of Flag Precision. Volo Aero MRO intends to build on the excellent reputation for precision established by Flag Precision Corp by increasing both the customer base as well as the company's repair capability.

### Spirit AeroSystems reports third quarter 2015 revenues of US\$1.6bn

Spirit AeroSystems reported third quarter financial results driven by positive operating performance of mature programs. Spirit's third quarter 2015 revenues were US\$1.6bn, down 6% compared to the same period in 2014, primarily due to the Gulfstream wing divestiture and lower revenues recognized on the 787 program. Operating income was US\$192m, down from US\$216m for the same period in 2014. Net income for the quarter was US\$314m, compared to net income of US\$168m in the same period of 2014. The current quarter includes US\$1.35 earnings per share for the release of the majority of the deferred tax valuation allowance, compared to \$0.30 earnings per share for the same period of 2014.

### B/E Aerospace reports third quarter 2015 financial results

B/E Aerospace reported third quarter 2015 revenues of US\$679.8m, an increase of 4.0% as compared with the prior year period. On a constant currency basis, revenues increased approximately 4.9%. Operating earnings of US\$124.2m increased 1.9% and operating margin was 18.3%, while net earnings were US\$76.7m, representing an increase of 14.3% as compared with the prior year period. On a GAAP basis, operating earnings were US\$75.2m, while net earnings were US\$45.8m. Bookings during the third quarter of 2015 were approximately US\$675m and the book-to-bill ratio was approximately 1 to 1. The year-to-date book-to-bill ratio is approximately 1.1 to 1. Backlog as of September 30th, 2015 was approximately US\$3.2bn, while awarded but unbooked backlog was approximately US\$5.0bn, bringing total backlog, both booked and awarded, and unbooked to approximately US\$8.2bn.

### MTU Aero Engines posts significant higher revenues and earnings after nine months

In the first nine months of 2015, MTU Aero Engines AG boosted its revenues by 16% to €3,257.0m (1-9/2014: €2,811.6m). The group's operating profit grew by 23% to €333.1m (1-9/2014: €270.9m), while the EBIT margin rose from 9.6% to 10.2%. Net income increased by 30% to €231.4m (1-9/2014: €178.3 million). MTU's commercial maintenance business recorded the highest increase in revenues for the nine-month period, which rose by 25% to €1,148.4m (1-9/2014: €920.8m). The main source of these revenues was the V2500 engine for the Airbus A320. In the commercial engine business, revenues increased by 15%, from €1,563.9m to €1,792.8m. Together, the V2500, the GP7000 engine for the A380 and the GENx for the Boeing 787 and 747-8 accounted for the major part of these revenues. Revenues in the military engine business amounted to €345.9m, compared with €351.7m for the

same period in 2014. The EJ200 Eurofighter engine was the main source of these revenues. MTU's order backlog amounted to €11,126.8m (31.12.2014: €11,176.5m), which corresponds to a production span of around two-and-a-half years. The majority of these orders relate to the V2500 engine for the Airbus A320 and the PW1000G family of geared turbofan engines, most notably the PW1100G-JM for the A320neo. MTU's operating profit grew substantially in the first nine months of 2015, especially in the commercial maintenance business, where MTU registered an increase of 41% to €112.4m (1-9/2014: €79.9 million). The EBIT margin in the MRO segment rose by 1.1 percentage points to 9.8%. In the OEM segment, adjusted EBIT increased by 16% to €220.4m (1-9/2014: €189.4m). This raised the EBIT margin in this segment to 10.3%, compared with 9.9% in the equivalent period of 2014. (€1.00 = US\$1.11 at time of publication.)

### UTC reaffirms 2015 full year expectations

United Technologies has reported third quarter 2015 results. Third quarter earnings per share of US\$1.61 and net income attributable to common shareholders of US\$1.4bn were down 17% and 19% respectively, versus the third quarter of 2014. Results for the current quarter include restructuring costs of US\$0.06 per share, while earnings per share in the year ago quarter included \$0.22 of favorable one-time items net of restructuring. Excluding these items in both quarters, earnings per share of US\$1.67 decreased 2% year-over-year. Foreign currency had an unfavorable impact of US\$0.05, or % in the quarter. Excluding the impact of both unfavorable foreign exchange rate changes and restructuring and one-time items, earnings per share were up 1% year-over-year. Sales of US\$13.8bn decreased by 6% in the quarter, driven by 5 points of adverse foreign exchange and a 1 point decline in organic sales primarily attributed to a delay in engine deliveries as a result of the transition to a new logistics center at Pratt & Whitney. These deliveries should largely be recovered in the fourth quarter. Third quarter segment operating margin was 17.2%, and 17.6% when adjusted for restructuring costs. UTC expects the previously announced sale of its Sikorsky unit to close in the fourth quarter of 2015. The Board of Directors has authorized a new \$12 billion share repurchase program, including the \$6 billion accelerated share repurchase using the net proceeds from the Sikorsky sale. The new share repurchase program replaces the previous program announced on July 20<sup>th</sup>, 2015.

### Boeing reports strong third-quarter results

The Boeing Company reported third-quarter revenue increased 9% to US\$25.8bn on record commercial deliveries. Core earnings per share (non-GAAP) for the quarter increased 18% to US\$2.52 reflecting strong performance across the company, and GAAP earnings per share was US\$2.47. Core earnings per share (non-GAAP) guidance for 2015 increased to between US\$7.95 and US\$8.15, from US\$7.70 and US\$7.90 on continued strong operating performance. GAAP earnings per share guidance for 2015 increased to between US\$7.65 and US\$7.85, from US\$7.60 and US\$7.80. Operating cash flow guidance increased to approximately US\$9.5bn. Revenue guidance increased US\$0.5bn to between US\$95.0bn and US\$97.0bn on higher commercial airplane deliveries. Defense, Space & Security operating margin guidance increased to approximately 10%. Commercial Airplanes third-quarter revenue increased 10% to US\$17.7bn on higher delivery volume and mix. Third-quarter operating margin was 10%, reflecting higher R&D and the dilutive impact of higher 787 deliveries partially offset by strong performance on production programs. During the quarter, the company began final assem-

bly and achieved power-on of the first 737 MAX airplane. In total, the 737 program has won nearly 2,900 firm orders for the 737 MAX since its launch. Also during the quarter, the company completed firm configuration for the 777X. The 777X program is on schedule for first delivery in 2020. Commercial Airplanes booked 166 net orders during the quarter. Backlog remains strong with nearly 5,700 airplanes valued at \$426 billion.

### TAT Technologies closes acquisition of Chromalloy Israel

TAT Technologies, a leading provider of services and products for the commercial and military aerospace and ground defense industries, has completed the acquisition of Chromalloy Israel for approximately US\$3.5m. In addition, TAT will pay an earn-out, capped at US\$2m, in the event that Chromalloy Israel meets certain annual revenue targets in 2015 and 2016. TAT will include Chromalloy Israel's financial results in its consolidated financial statements from the date of closing. Following the completion of the transaction, Chromalloy Israel is going to change its name to Turbochrome Ltd.

### Avolon shareholders approve merger agreement with Bohai Leasing

Avolon, the international aircraft leasing company, has announced that at the extraordinary general meeting held on October 21st, the Company's shareholders voted in favor of the proposal to authorize and approve the previously announced Merger Agreement, dated September 3rd, 2015 (the "Merger Agreement"), among Bohai Leasing (Parent), Mariner Acquisition (Merger Sub) and the Company, pursuant to which the Company will merge with and into Merger Sub with the Company surviving the merger as a wholly-owned indirect subsidiary of Parent (the "Merger"), and to authorize, approve and confirm the transactions contemplated by the Merger Agreement, including the Merger. The Company's shareholders also voted in favor of the proposals to amend and restate the Company's memorandum and articles of association and to decrease and amend the Company's authorized share capital, in both cases upon the completion of the Merger. The parties currently expect to complete the Merger no later than the first quarter

of 2016, subject to the satisfaction or waiver of all conditions set forth in the Merger Agreement. Upon completion of the Merger, the Company will become a privately held company and its common shares will no longer be listed on the New York Stock Exchange.

### Kaman acquires Timken Alcor Aerospace Technologies

Kaman Corporation reported that its Aerospace segment has acquired Timken Alcor Aerospace Technologies (TAAT) of Mesa, Arizona. TAAT, which will be renamed "EXTEX Engineered Products, Inc.," designs and supplies aftermarket parts to support businesses conducting maintenance, repair, and overhauls (MROs) in aerospace markets primarily located in North America. Kaman Corporation, Executive Vice President and Chief Financial Officer, Robert Starr commented, "TAAT will be a great fit with our specialty bearing product lines. We expect the acquisition to be neutral to earnings per share in 2015, excluding one-time acquisition costs, and accretive in 2016." TAAT had annual sales of approximately US\$20m in 2014.

### Safran reports strong revenue growth in third quarter 2015

Safran has reported that third-quarter 2015 adjusted revenue was €4,141m, up 15.4% year-on-year at an average EUR/USD rate in Q3 2015 of 1.11. On an organic basis, growth was 4.6%, driven notably by an increase of civil aftermarket revenue (up 18.5% in USD). The full-year 2015 outlook is confirmed for adjusted revenue growth, adjusted recurring operating income growth and free cash flow conversion rate, subject to usual uncertainties on the amount of advance payments and the rhythm of payments by state-clients in the fourth quarter. In the third quarter 2015, Aerospace Propulsion recorded revenue of €2,220m, an increase of 14.2% compared to revenue in the year-ago period of €1,944m. On an organic basis, revenue was up 5.7%. The Aircraft Equipment segment reported third-quarter 2015 revenue of €1,180m, up 15.6%, or slightly down (-0.8%) on an organic basis, compared to €1,021m in the year-ago period. Service revenue grew by 24.1%, including the effect of the stronger USD, and accounts for 30.5% of sales.

## Information Technology

**Seabury MRO Solutions**, formerly known as **Volartec**, has reported the expansion of its customer base with the signing of **Nauru Airlines**. Nauru Airlines has selected Alkym Management and Control System for Aircraft Maintenance to help with the process of bringing all airworthiness control tasks in house. Alkym Management and Control System for Aircraft Maintenance is one of the most comprehensive and cost-effective solutions designed specifically for the MRO industry. It has over 18 different modules that are aimed to increase operational efficiency, reduce costs, improve performance, and maximize productivity, while enhancing growth and meeting future challenges.

**Aerexchange**, a leading business process network focused on aviation, and

Pentagon 2000 Software, developer of the Pentagon 2000SQL system, have partnered to offer MRO suppliers the ability to seamlessly conduct transactions across the Aerexchange network and support direct ERP electronic collaboration with over 40 global airlines. The system-to-system connection enables efficient and error free collaboration on purchase-to-pay and repair management processes. The new Pentagon 2000SQL direct interfaces for AeroRepair and AeroBuy will offer Pentagon customers on the Aerexchange network a solution to respond to RFQs, acknowledge purchase and repair orders, send and receive shipment notifications, provide status updates and submit invoices to 40 global airlines without ever leaving their Pentagon systems. The Pentagon integration will help users reduce costs, improve service and grow revenues.



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## Its show time

Over 1100 exhibitors and 65,000 trade visitors converged on Dubai for the 2015 edition of the Dubai Airshow. **Keith Mwanalushi** speaks to some of the exhibitors.



A strong presence of Airbus products at the Dubai show.

Photo: Airbus

Two years ago, Emirates, Etihad and Qatar Airways made headlines at the bi-annual show with orders worth over U\$150bn, pushing them to the forefront of global aviation. At this year's event, orders at the show flowed in thick and fast, by day two of the five day event, deals worth almost \$30 billion were agreed.

Among those agreeing new purchases were Boeing and Jet Airways, who signed a deal worth approximately U\$8bn which will see the manufacturer build 75 new 737 MAX aircraft for the Indian carrier, a partner airline of Abu Dhabi's Etihad.

Despite the global appeal of the Dubai show, the event is as much a reflection of the aviation industry in the Middle East. Manufacturers and suppliers recognise the importance of the Middle East market.

Since the 2013 show, falling oil prices have left airlines in a stronger position, but there is no question that the depressed price of oil has had an impact on the oil and gas industry's operations and exploration activity. "We are confident that

the situation will improve and the market will return to growth," comments Jackie Khougaz, Director, Commercial Services, Pratt & Whitney Canada (P&WC) which exhibited at the Canadian pavilion stand 1826.

With this belief in mind, P&WC is building on its capabilities in the region. "We have recently appointed H + S Aviation Middle East LLC as an authorised P&WC Designated Overhaul Facility (DOF). H + S is located at the Abu Dhabi airport in the UAE and provides MRO services for P&WC turboshaft engines," says Khougaz – these being the PW206, PW207 and PT6C-67C.

P&WC also recently expanded the capabilities of its network of Mobile Repair Teams (MRT) by appointing Gulf Helicopters Company (GHC) as a premium service provider for on-wing MRT and line maintenance services. GHC is based in Doha, Qatar.

"In both instances, this reflects P&WC's willingness to support local investment in expanding our maintenance services and capabilities to operators in the region," Khougaz continues.

Fleets in the Middle East are also served by P&WC CSC Europe GmbH, P&WC's MRO facility in Ludwigsfelde, Germany, and by two P&WC MRTs stationed in Germany and the United Kingdom.

Collectively, Middle East-based airlines, namely Emirates, Etihad, and Qatar Airways, operate the largest share of A380s in the world and Rainer Janke, VP Marketing and Sales for Lufthansa Technik Philippines sees growing opportunities for a share of that business.

"We are pleased to offer our A380 base maintenance services to the Middle East market. From 2012, we have grown our A380 capacity and expertise, having performed light to heavy checks, and various modifications for Qantas, Air France, and very soon, Lufthansa and Asiana Airlines," Janke confirms.



Jackie Khougaz, Director, Commercial Services, Pratt & Whitney Canada

With a number of Middle East-based operators flying to the Philippines as often as twice daily on the average, Janke also sees opportunities to expand line and base maintenance business for their fleet.

“Furthermore, we are launching our 777 base maintenance capability next year and would like to establish relationships with 777 operators in the Middle East,” Janke adds.

For P&WC the Dubai Airshow is an ideal opportunity to further relationships with key aviation players. “It is an opportunity for us to continue our dialogue with operators from the various aviation segments, including regional airlines, helicopters, business aviation, and general aviation,” Khougaz, tells AviTrader MRO.



His Highness Sheikh Mohammed bin Rashid Al Maktoum opening the show.

Photo: Airbus

She stresses that it is a way of staying abreast of developments in the industry, including determining operators' future needs. “We schedule a raft of meetings during the event and also conduct extensive informal exchanges.”

Most of Pratt & Whitney's commercial Auxiliary Power Unit (APU) business has been transferred to the APU group in P&WC. “The integration of the APU business is very complementary to P&WC and will provide additional opportunities to best serve our customers. We have a well-established presence in all jet airline markets.”

Khougaz highlights that the portfolio is continuing to grow with the development of the company's latest APU family, the APS2600 (for the E2, MRJ and ARJ aircraft) to support the regional airline market. In the small, wide-body market, the company offers the APS5000 (for B787 aircraft).

“We will also be promoting our Severe Environment Programme (SEP) for PW100 and PW150 engines.” Obviously, flying conditions in the Middle East provide some specific challenges, including high temperatures, wind and blowing sand. Khougaz says the SEP responds to these operational challenges and is intended to improve the predictability of maintenance intervals and time-

on-wing performance. The programme consists of maintenance guidelines and specialised packages of replacement parts.

During the show, P&WC provided maintenance updates during a day-long working group session. “These sessions are traditionally well at-

**“AAR's diverse portfolio of capabilities and broad experience in commercial and defence allows us to customise solutions for customers that add value, reduce costs and give them a competitive edge.”**

Rahul Shah, Senior VP for Strategic Growth and Business Development, Asia Pacific, Middle East & Africa

tended and are an ideal opportunity for us to provide operators with detailed technical support in areas of most interest to them,” she said.

Jim O'Sullivan, VP Sales and Business Development for Europe, Middle East, Africa at HEICO Aerospace Corporation sees the Middle East as a huge opportunity for development in many areas including the usage of more cost efficient alternatives such as PMA parts and DER repairs.

“Most airlines understand that creating and maintaining the options for an operator to use PMAs and DER repairs keeps maintenance costs in check, and independent MROs competitive,”

states O'Sullivan.

According to O'Sullivan, most of the major airlines worldwide are aware of this and take advantage of the benefits associated with PMAs and DER's. In an industry where profit margins are low, continuous cost-saving initiatives are always business-critical.

“Many of the carriers in the Middle East region are proponents of alternatives and dual sourcing, to include the use of PMAs. However, there are still carriers in the region that have not benefitted from the cost-savings and supply-assurances PMAs and DER's provide,” O'Sullivan observes.

“Most airlines understand that creating and maintaining the options for an operator to use PMAs and DER repairs keeps maintenance costs in check, and independent MROs competitive,”

Taking into account overall worldwide PMA use, it is clear that the Middle East is still noticeably behind Europe and the Americas. O'Sullivan believes this difference in penetration creates a significant disadvantage for those airlines that are not utilising PMA parts and DER repairs, “but yet are competing with both local and international airlines that are taking advantage of these benefits.”

Analysts estimate that about 76% of heavy MRO airframe work is done within the Middle East region which should fuel the need for greater part-

nerships between domestic and other international MROs and supply chain service providers.

O'Sullivan says HEICO has grown at a compounded yearly growth rate of 17%. "This growth is a combination of large organic growth and a significant acquisition strategy. As we continue to expand our worldwide customer base, and seek potential new partnerships and facility locations, we look to the Middle East as a potential area for growth."

During the show, AFI KLM E&M and Saudia Aerospace Engineering Industries (SAEI) of Saudi Arabia, signed an agreement to enter into a long term strategic partnership. Through a power by the hour scheme, AFI KLM E&M will support Saudia Airlines with Boeing 777 and 787 aircraft components and will further assist SAEI to develop the MRO capabilities for future Airbus and Boeing Aircraft at SAEI's facilities in Jeddah, Saudi Arabia. In turn AFI KLM



The A350 XWB was on static and flying display.

Photo: Airbus

E&M will use SAEI as a subcontractor for those parts as SAEI already holds existing capabilities.

GE Aviation and CFM International, its partner company with Snecma (Safran), secured and finalised several engine orders and long-term contracts valued at more than US\$17 billion with the region's major carriers. At the same time, GE Aviation also forged new relationships with the Middle East's growing aviation industry players.

"The Middle East's aviation industry is making a significant impact worldwide," said Muhammad Al-Lamadani, Senior Executive and GM of GE Aviation Sales for the Middle East, Russia/Commonwealth of Independent States and Turkey. "GE Aviation is honoured to join the region's aviation leaders to help take the industry to new heights."

At the show, Turkish low cost carrier Pegasus Airlines, signed an eight-year Time & Materials Support agreement with CFM International to cover a total of 90 shop

visits for the CFM56-7B engines powering its fleet of Boeing 737-800 aircraft. The agreement, which also includes the purchase for four spare engines, is valued at US\$500m at list price.

Also present at the show AAR Corp showcased its expanded global presence in the Middle East, Europe and Africa. Over the past year, AAR has expanded its supply chain, airlift and MRO offerings in regions where both military and commercial fleets are growing.

The company recently relocated its Middle East office to the World Trade Centre in Abu Dhabi. "AAR's diverse portfolio of capabilities and broad experience in commercial and defence allows us to customise solutions for customers that add value, reduce costs and give them a competitive edge," said Rahul Shah, Senior VP for Strategic Growth and Business Development, Asia Pacific, Middle East & Africa. "We're proud of our reputation as an industry leader and are excited to expand our relationships in the Middle East," he added.

In conclusion, Michele van Akelijen, Managing Director, F&E Aerospace, organiser of the Dubai Airshow says the event has continued to attract ever-increasing numbers of new exhibiting partners. "This is due not only to the phenomenal growth trajectory of the industry but also underscores our commitment to ensuring that the aviation sector is represented across all areas of the business mix."



CFM signed a US\$500m agreement with Pegasus Airlines.

Photo: CFM

## Long-term cooperation with customers and partners

Liebherr-Aerospace is a leading supplier of systems for the aviation industry and has more than five decades of experience in this field. The range of aviation equipment developed, produced and serviced caters for the civil and military sectors including flight control and actuation systems, landing gear and air management systems as well as gearboxes.

These systems are deployed in wide-bodied aircraft, single aisle and regional aircraft, business jets, combat aircraft, military transporters, military training aircraft, civil helicopters and combat helicopters.

Liebherr-Aerospace has four aviation equipment production plants at Lindenberg (Germany), Toulouse (France), Guaratinguetá (Brazil) and Nizhny Novgorod (Russia). These production sites offer a worldwide service with additional customer service centre in Saline (Michigan/USA), Seattle (Washington/USA), Montréal (Canada), Sao José dos Campos (Brazil), Hamburg (Germany), Moscow (Russia), Dubai (UAE), Singapore and Shanghai (People's Republic of China).



Liebherr-Aerospace Dubai logistic-centre

Photo: Liebherr-Aerospace



Liebherr customer services landing gear

Photo: Liebherr-Aerospace

A worldwide service network enables Liebherr-Aerospace to anticipate and understand individual customer needs with quick response times, wherever required, according to the company.

The wide range customer portfolio and services allows the company to have a comprehensive overview of the aviation market and its local specifics. This diversity allows Liebherr-Aerospace to remain independent and to take decisions rapidly and autonomously.

To ensure the company is one step ahead, there is continued investment in the services portfolio, innovative technologies and facilities. Last year, Lieb-

Liebherr-Aerospace officially inaugurated a new maintenance station in Shanghai (China), near to Shanghai Pudong airport. Aside from housing offices, the station offers up to 30 work benches, about 150 m<sup>2</sup> storage area for piece parts and line replaceable units as well as areas with state-of-the-art equipment for planning, receiving, cleaning, rework, testing, inspection and shipping.

Furthermore, at the beginning of this year, a new logistics centre in Dubai (UAE) which is located on the premises of Liebherr Middle East FZE in the Jebel Ali Free Zone was opened. The logistic center offers 1,000 m<sup>2</sup> of floor space and houses a storage, an area for receiving and shipping as well as offices for the management of piece parts and line replaceable units. Liebherr-Aerospace's original equipment inventory is also available for sale and exchange there. Storage and logistics processes are managed by OEMServices, a major player in component support for airlines.

Liebherr bases its relationships on loyalty and fair play, through long-term close cooperation with customers and partners. The company reports that success is founded on the degree to which employees identify with the offered services, products, and the values from a family-owned business.



Liebherr-Aerospace Dubai logistic-centre

Photo: Liebherr-Aerospace

**Operations**

More than 600 employees in customer services in the global network are dedicated to supporting customers locally.

The stations, offering a wide range of services, are regional focal points and the first point of contact for customers.

Each station is able to provide local support with:

- Material solutions
- Service solutions
- Technical support

The long life of an aircraft represents years of accumulated experience and knowledge of systems and equipment performance. Liebherr-Aerospace channels this knowledge, compiled with innovative technologies, to push the boundaries of future services.



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A310, A320, QEC available for CFM56-7B & -5B*

# In the hot seat.....

**Keith Mwanalushi** speaks to **Bob James, AerFin CEO.**

**AviTrader MRO:** What attracted you to this business?

**James:** My grandfather Horace Bird was a tenant farmer on land at Moor Lane Derby where Rolls Royce design offices are now situated. I recall him telling me many stories when I was young about Rolls Royce, their engines and him having to go to the Rolls Royce Main Works site to pay his rent and meeting Lord Hives the then Chairman of Rolls Royce. He was totally in awe of the company and their engineering excellence and his impressions rubbed off on me. I joined Rolls Royce in 1980 as an apprentice at their Mountsorrel facility and subsequently spent 12 years in various departments across the business. Were it not for my grandfather and his stories of Rolls Royce and the work of Lord Hives I would probably have either gone down the mines or into the building industry!

**AviTrader MRO:** What does a typical day's work entail in your job?

**James:** AerFin is currently in a growth phase both having recently been acquired by CarVal and itself having acquired an airframe rotatable component business based in Gatwick. Therefore a significant amount of my time has been spent on integration of the businesses, travel, and recruitment. Developing key customer accounts and providing support to the management team is also a fundamental part of my role. For all of the business travel and time spent pouring over spreadsheets I would say that most of my time is spent with the people in AerFin, as it is these guys that are driving the business forward and which will make AerFin a great success. Taking time to listen to the team, seek their opinions and buy-in on every transaction that we're involved with is important. Whether it's a technician disassembling engines, a sales executive selling a \$1500 flight attendant seat or the commercial director buying a \$12m aircraft, their decisions and opinions really matter.

**AviTrader MRO:** What is the most challenging part of your job?

**James:** Sourcing and acquiring aircraft and engines for disassembly at a price that makes financial sense and which fits our investment criteria is probably the most challenging aspect right now. With new sources of capital coming to the business chasing yield with interest rates being so low, the barriers to entry to the spare parts market has been reduced. We are seeing new entrants coming in with traditional business models all with cheap money looking for the same assets and that is driving prices high. Our new shareholder is proving to be an excellent partner and being diversified across dif-

ferent industries is patient and effective in assessing and managing risks so the AerFin approach is one of being cautious ensuring that we're building a balanced sustainable platform and one that takes a longer term view when assessing transactions.

**AviTrader MRO:** AerFin began operations in 2010, what has been the response from the market since then?

**James:** The industry is experiencing some dynamic shifts in technology across the aircraft types as more environmentally and fuel efficient aircraft come to the market. There are in excess of 6,000 commercial aircraft forecast to retire over the next 10 years and these represent a good opportunity to provide material to support a \$60bn annual MRO market. Those companies that are well financed, with clean balance sheets, that have limited legacy products in inventory and which are committed to bringing new products and services in to the changing market have the potential to be highly successful. Bringing cost saving benefits to the airlines in a professional and efficient manner, while working closely with MROs and OEMs, AerFin has been well received by customers and suppliers alike and is widely recognised by the market as one of those businesses that will challenge traditional spares parts models and be extremely successful.

**AviTrader MRO:** How can airlines reduce the operational costs of maturing fleets?

**James:** The size of the aftermarket parts for commercial aircraft is estimated at \$3.5bn and is forecast to grow at a rate of 5.5% CAG through 2020. Aircraft global MRO market is estimated at \$62bn with Component MRO accounting for 22% (\$13.6bn) and Engine MRO accounting for 40% (\$25bn).

Given maintenance generally accounts for 15% of airline operating cost, the most efficient route to reducing costs of maturing fleets is by improving their MRO agreements and supply chain management, which means increasing use of used material and effective management of MRO providers. AerFin is a provider of flight hour agreements and in the case of wheel and brakes aircraft cost per aircraft (CPAL) landing contracts and these are complementary services that we are bringing to the industry on only mature products but also on new equipment such as the Boeing 787 where we have established CPAL programmes.

**AviTrader MRO:** AerFin has acquired Airline Services Components LTD at London Gatwick. How significant is the component business at AerFin?

**James:** The acquisition of the trade and assets of Airline Services Components was a key develop-



Bob James, AerFin CEO

ment in the growth of AerFin. It provides us to return maximum value to our shareholders from complete aircraft acquisitions. The ability to support operators, lessors and MROs at all stages of an aircraft lifecycle is fundamental to the success of AerFin and has been significantly enhanced through the skills and vast experience that the Airline Services Components Ltd team brings to the business.

**AviTrader MRO:** Which aircraft types are you seeing the greatest demand for end-of-life solutions and why?

**James:** AerFin have been working closely with SR Technics to address the significant demand from operators to provide end-of-life solutions for the A340-300 aircraft in particular. As the fuel prices have remained low, operators have looked to extend the life of the aircraft provided a cost efficient solution to cover maintenance could be found. Through offering creative solutions covered under Beyond.Fleet.Services we hope to offer an integrated service that will keep the A340 fleet flying for years to come.

We see similar demand coming from the Boeing B777 as operators look to refleet with new aircraft and phase out older aircraft.

**AviTrader MRO:** What's next in the pipeline at AerFin?

**James:** The future pipeline of AerFin will see us focus on our core aircraft product lines of A320 and B737NG aircraft to support our long term service agreements and AOG support. We have also recently expanded our facility to 100,000 sq ft in Wales [UK] to provide engine disassembly services with full CFM56 teardown capability currently in place that we use to disassemble our owned and third party engines.



Wes DeMoss

C&L welcomed **Wes DeMoss** as manager of C&L's growing Military and OEM Business Development division. Wes spent four years developing Hawker Beechcraft's association with all the major military contractors, and in 2009, he became Government Business Sales Manager. Wes later joined APPH Wichita, now known as Heroux-Devtek Wichita, as Business Development Manager. There, Wes gained extensive experience in legacy and new product development with all of the major OEMs.

AJW Aviation has commenced a far-reaching programme to augment its operational skills base

with the appointment of **Guy van den Berg** as Director of Contract Services. He joins AJW following a highly successful career in the military both as a helicopter and an air transport operator across the UK, EU, Middle East and Asia. For the last three years, he has been a senior leader responsible for air capability planning and assisting defense transformation across the air environment. Most recently he has worked for the MOD on defense test and evaluation.

TrueAero has announced the appointment of **Ed Blyskal** as Director of Business Development & Marketing. Ed's vast experience and industry knowledge will expedite the global expansion as TrueAero continues to support A340 and A330 operators worldwide.

GE Capital Aviation Services (GECAS), the commercial aircraft financing arm of GE, has appointed **Alec Burger** as its president and CEO effective January 1st, 2016. Burger will take over the executive management of the business from Norman C.T. Liu, who will stay on as Chairman of GECAS until late 2016 when he will retire from GE.

HAECO Americas reported the promotions of **Mark Peterman** to President of HAECO Cabin Solutions and of **Jose Pevida** to Senior Vice President of Engineering for HAECO Cabin So-



Alec Burger

lutions. **David Kelly** has also been hired as the company's new Vice President of Marketing and Strategy.

**Kevin Gettemeier** has joined the AV8 MRO team as new Technical Salesperson, effective Tuesday, October 20th. Kevin has more than forty years of aviation experience in flying, aircraft maintenance, operations and business development. AV8 MRO is an FAA- and EASA-approved repair station with the in-house capabilities to repair and overhaul all series of Hawker landing gear and major component parts.

## Other News

**Royal Jordanian Airlines** is now using **Rockwell Collins'** ARINC GLOBALink to provide primary communications for its fleet of aircraft. The airline, based in Amman, provides service to Europe, Asia, Africa, North America and throughout the Middle East. Royal Jordanian is using Rockwell Collins' entire suite of ARINC GLOBALink services, including Very High Frequency (VHF), SATCOM, and HF DL to meet the airline's diverse range of aviation communication needs. The airline is also using Rockwell Collins OpCenter web-based messaging solutions and future plans call for the implementation of the company's Web Aircraft Situational Display (WebASD) to enable global flight tracking.

**Airline Services Interiors**, the dedicated interiors division of **Airline Services Ltd** has completed the design and integration of **Panasonic's** next generation eX3 In-Flight Entertainment system into the first of 18 British Airways Boeing 747 aircraft. The upgrade, which took nine months to complete, features in all classes of passenger seating from World Traveller (economy) through to First Class. It is anticipated that all 18 Boeing 747's will be refitted by August 2016. As part of the upgrade, Airline Services Interiors has integrated new universal power sockets on every seat in World Traveller Plus (premium economy) together with individual

USB sockets to allow customers to power their phones and tablets. The cabin interiors of the British Airways 747s have also been refreshed so they match those on the airline's new A380 and 787 aircraft and Airline Services Interiors has developed new fitted seat covers to improve comfort and appearance.

**Satcom Direct** is the first Inmarsat SwiftBroadband (SBB) distribution partner to provision and enable the new SwiftBroadband high data rate (HDR) service with **Honeywell avionics**, nearly doubling in-flight data speeds available to business aviation. Satcom Direct has made HDR service available to SwiftBroadband customers, providing a faster and more efficient broadband connection. HDR enhances passengers' overall network connectivity experience by unlocking the ability to use high-bandwidth applications in-flight. The service can provide up to 650 kbps per streaming channel. Customers with a Satcom Direct Router (SDR) can use Satcom Direct's exclusive SkyBondSM service to combine up to 2 channels, currently, providing speeds of up to 1.3 Mbps. This is approximately two times faster per channel than traditional SwiftBroadband in-flight connections.