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2009 jet order tally so far: Airbus 194, Boeing 91

Airbus' commercial airplanes backlog got a boost in November when an unnamed customer ordered 52 of its single-aisle A320 jets.

The request lifts Airbus' net order tally to 194 through the first 11 months of 2009, the company said Thursday. The European jet maker leads rival Boeing in net orders this year. Boeing, which updates its orders Web site weekly, lists 93 net orders through Dec. 1.

Boeing won an order for two 737s in the last week from an unidentified customer, bringing its net orders up from 91. The Chicago-based jet maker has been plagued by order cancellations this year, particularly for its delayed 787 Dreamliner. Boeing has received 204 gross orders through Dec. 1 but has logged in 111 cancellations – 83 for its 787.

The company confirmed this week that it still plans to put the fuel-efficient 787 in the air before year's end. Boeing recently finished a crucial test on its 787, one that will verify whether a modification for a structural weakness works. Boeing should have the test results next week.

For the month of November, Airbus picked up 74 new jet orders, announcing several of the new requests at the Dubai Air Show. The company has won 225 gross orders through Nov. 30. Airbus also leads Boeing in the race to deliver the most commercial aircraft this year. The Toulouse, France-based company has handed over 437 jets through the first 11 months of the year. Airbus delivered 38 aircraft in November.

Boeing has delivered 430 jets this year, including 36 aircraft in November. The company plans to deliver between 480 and 485 airplanes total before the end of the year. Boeing will have to hand over at least 50 aircraft in December to meet its goal.

Source: Michelle Dunlop, heraldnet.com - 4th December 2009

US-led team to invest \$1.1 b in JAL

American Airlines Inc has said that it is prepared to invest up to \$1.1 billion in Japan Airlines Corporation together with its global Oneworld alliance members and private equity firm TPG Inc.

Officials of the world's two biggest airlines made their case here for a deeper partnership with JAL on Thursday as they seek access to lucrative Asian routes held by the Japanese carrier now seeking a turnaround under state supervision.

Separately, sources close to the matter said rival All Nippon Airways Co is eyeing integrating its Japan-US operations with United Airline Inc and Continental Airlines Inc, which all belong to the same Star Alliance in view of an anticipated conclusion of an open skies accord between the two countries.

American Airlines, a unit of AMR Corp, said it and Oneworld partners will team up with TPG, a major US investment firm with expertise in the airline industry, to provide incremental financial support eventually totalling over \$1.8 billion to block JAL's defection to rival grouping SkyTeam.

Delta President Mr Edward Bastian countered that the US carrier would also be willing to seek additional venture capital funds to beef up its \$1.02-billion financial package with SkyTeam, which includes a direct investment of \$500 million

Source: thehindubusinessline.com - 4th December 2009

IBA's

Comment:

"This injection of funding into JAL caps a year of extensive investment in Asian aviation by Western manufacturers, banks, lessors and airlines."
- David Rushe

Airlines seeing small signs of hope, recovery

US Airways' revenue fell again in November, but the decline was the smallest in a year and significantly less than in recent months, the latest sign the industry is on the mend.

The Tempe-based carrier said revenue per available seat mile, a key industry measure, fell 2 percent in November from November 2008.

That compares with a string of double-digit revenue declines

dating to February, some as high as 20 percent.

It is an industry-wide phenomenon due to the recession, with passenger revenue down for 12 consecutive months through October, according to the Air Transport Association.

Travel demand is down, especially among big-ticket business travellers, and airlines have had to aggressively slash fares to fill seats.

In November, the airline's passenger traffic was down 1.6 percent on a 1.4 percent decline in seat capacity.

US Airways reiterated previous comments that it is seeing strong last-minute bookings and higher airfares.

Also this week, Continental said its revenue declines moderated in November and Delta said its revenue trends are improving.

Wall Street analysts add it all up and predict a strong rebound for the industry.

"We see a significant recovery in airline revenue that began mid-2009 and has transitioned from expectation to reality," Barclays Capital airline analyst Gary Chase said in a report Thursday.

Morgan Stanley this week upgraded the industry, in part, on encouraging revenue trends.

Kevin Crissey, airline analyst with UBS, called US Airways' November revenue good, its commentary on bookings and fares even better.

US Airways' shares rose 2.3 percent, to \$4.06, on Thursday.

"We think that travel demand is in the first inning or two of a recovery and we see a big upside to the US airline stocks from here," the analyst said in a report Thursday.

The key for airlines, a Delta executive said this week, is to not get giddy about the economy improving and start adding back flights that were cut in droves before and during the recession.

Source: Dawn Gilbertson, azcentral.com - 3rd December 2009

"We see a significant recovery in airline revenue that began mid-2009 and has transitioned from expectation to reality"
- Gary Chase

Emirates sticks to orders schedule for aeroplanes

Emirates, the Dubai state airline, will not alter its huge orders for new aeroplanes because of the Dubai debt situation, the group vice chairman said.

Maurice Flanagan, also the founding chief executive of Emirates in 1985, gave a bullish assessment of the carrier's future on the same day that industry figures showed Middle East carriers continued to lead the world in growth.

The International Air Transport Association (IATA) said passenger demand in October rose 14.3 per cent for the region's airlines. Globally, demand rose by less than 1 per cent in the same period.

Emirates, like other regional airlines including Etihad and Qatar Airways, have gradually acquired a greater share of the international long-haul market, using the Gulf as a transit point between East and West.

Like other businesses owned by the Dubai Government, it does not have an explicit sovereign guarantee covering its debts and obligations.

This has led to concern among shareholders of Airbus, the aircraft maker that counts Emirates as its largest customer.

Mr Flanagan told Bloomberg News that Dubai's leaders were unlikely to cancel purchases while Emirates continued to make money, and that the carrier had a detailed business plan for expanding its fleet.

"We're not being stupid about it," he said. "We don't order aircraft without knowing what to do with them."

John Leahy, the Airbus sales chief, told Reuters that the company did not expect changes to the huge orders from Emirates.

"We have complete faith in Emirates," Mr Leahy said. "They are current in all their contractual commitments with Airbus and we are confident that they will remain so."

"We expect [the Emirates chief executive] Tim Clark and his team to continue their growth strategy, and we want to be part of that bright future."

Source: thenational.ae - 30th November 2009

IBA's
Comment:
"As of November 2009, Emirates has 168 outstanding orders for Airbus and Boeing widebodies and is a critical customer for the A380 programme. It is not surprising that the airline remains confident given its bullish expansive strategy during the recession."
- David Rushe

Airline gets official merger nod

China Eastern Airlines received official approval from the securities regulator on Monday to take over its smaller rival Shanghai Airlines in a merger that may see it dominate the Shanghai aviation market.

The China Securities Regulatory Commission gave the nod to the merger plan on Monday, Shanghai-based China Eastern said in a statement to the Shanghai Stock Exchange.

"We still need to submit supplementary materials to the commission, and we expect to get the official notice by the end of this year," said Luo Zhuping, board secretary of China Eastern.

The government approval is the final go-ahead the two carriers required for their merger after they secured the nod from the Civil Aviation Administration of China and the Ministry of Commerce. Their respective shareholders also approved the deal in October.

After getting the final nod, the two carriers will begin swapping shares and Shanghai Airlines will be delisted to finally complete the merger.

The merger, in which Shanghai Airlines shareholders will exchange one share for 1.3 shares in China Eastern, will boost the latter's market share to more than 50 percent in the city and help it become the country's second-largest airline by fleet size after China Southern Airlines.

China Eastern's Chairman Liu Shaoyong earlier said the merger is set to be completed by the end of this year.

China Eastern has also won approval from the CSRC to issue no more than 490 million new Hong Kong-listed shares at 1 yuan each to CES Global, a wholly owned unit of the carrier's parent, China Eastern Air Holding Co, to fund the merger.

Source: Winny Wang, shanghaidaily.com - 1st December 2009

IBA's

Comment:

"The Chinese passenger and cargo market are poised to be two main areas of growth when the market begins to recover. Foreign investment and airline consolidation has ensured that an improved structure exists to facilitate this growth."

- David Rushe



IBA Group News

Press Releases & Presentations can be viewed in the News & Views section of our website, www.ibagroup.com

IBA Aircraft for Sale

IBA has a limited mandate to sell an ATR 42-320 msn 0240. This is a 1991 model, currently on lease to Fly540 in Kenya. The lease is for 60 months from June 2007 at a rental of \$55,000 per month plus maintenance reserves. Options exist to purchase the aircraft with the existing lease in place or with no lease. If this opportunity would be of interest, please contact Owen Geach (owen.geach@ibagroup.com) or David Rushe (david.rushe@ibagroup.com) for further information.

2008 AgustaWestland AW139 Helicopter - MSN: 31121, Total Time: 916, Cycles: 780

2008 AgustaWestland AW139 Helicopter - MSN: 31142, Total Time: 419, Cycles: 223

2002 Embraer Legacy - MSN: 145505, Total time: 2281, Cycles: 1484

Publications - 2009 Editions

Please contact ross.elliott@ibagroup.com for more information.

Aircraft Values Book	Published in February & August 2009	£650 per year
Lease Rate Digest	Published in February & August 2009	£375 per year
Engine Values Book	Published in April 2009	£650 per year
Maintenance Cost Journal	Published Quarterly	£175 per year

Phil Seymour's Notes on the Week

The most important things in golf are keeping a flexible posture, knees slightly bent, both hands placed in front of you, keep your head down and then type at the keyboard your letter of "profound apology".

No apologies this week from me joining in the Tiger story.

Letter from Phil to Tiger:

Dear Tiger,

I am sorry to hear that your Thanksgiving holiday was messed up. I am sure you have valid reasons for "transgressing".

For many years my wife has followed your career and we have even walked together in your footsteps at the British Open. My wife has been telling me for years "Phil, if you want to get better at golf you must go to the gym, just like Tiger.", "Phil, why can't you be focused at everything you do, just like Tiger".

I hope you get through these tough times.

All the best,

Phil

Note left for my wife this morning:

Dear Jane,

Sorry I left early this morning and I am afraid I will be very late home tonight.

Love,

Phil

P.S.: "Just like Tiger"

Phil.seymour@ibagroup.com

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As a leading independent aviation consultancy, IBA Group Ltd. offers technical advice, commercial business solutions & asset valuations for our worldwide client base.

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JET VALUES 2



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Comprehensive data on over **21,000** different aircraft and over **120** models of Western build commercial passenger and freighter aircraft.

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- Forecast Base, Market and Soft Values, and Forecast Base Lease Rates

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Why not set up a free trial to experience the system's cutting edge functionality for yourself? Simply contact Ross Elliott on ross.elliott@ibagroup.com or +44 (0) 1293 772743 for more information.

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