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BA Takeover of BMI is 'Fantastic' News for Passengers, Claims Airline Chief

Passengers will get a "fantastic deal" from the takeover of BMI airline by British Airways' parent company, the man behind the move said today.

The deal was good for the UK economy, said Willie Walsh, Chief Executive of International Airlines Group (IAG), which also owns Spanish carrier Iberia.

Mr Walsh said the BMI takeover would add welcome long-haul flights to BA and Iberia's schedules.

But he said it was "too early" to say what effect the takeover would have on staff levels at the airlines involved.

Mr Walsh stressed that BMI, owned by German carrier Lufthansa, suffered "massive financial losses" which had been "unsustainable" and he was confident that IAG could make a success of the business.

IAG has been particularly keen to get more take-off and landing slots at Heathrow and the BMI deal - if approved - will provide that at a time when the Government has ruled out runway expansion at the West London airport.

Mr Walsh said today: "This is a great story for IAG and also great for the UK economy and for consumers.

"We will expand our networks, particularly on long-haul which is so critically important to the UK economy. The deal will allow us to connect further to the emerging world economies."

Asked about jobs, Mr Walsh said: "It's far too early for us to say what the impact will be."

Sir Richard Branson's airline Virgin Atlantic, which said today that it still hoped to buy BMI, will oppose the IAG plan on the grounds that it will make BA too dominant at Heathrow.

But Mr Walsh said today he was confident that the IAG deal would go through.

BMI, formerly British Midland, has an extensive long-haul network, which includes Africa, Asia and North America. Services include Amritsar in India as well as popular North American destinations such as New York, Los Angeles, San Francisco, Washington DC and Montreal.

Source: dailyrecord.co.uk - 4th November 2011

Boeing Orders for 737 MAX Grow to 600

Boeing announced on Thursday that order commitments for the upgraded 737 MAX have grown to 600 since the program launched in August with 496 commitments.

Boeing is upgrading the 737 single-aisle commercial airliner with more fuel-efficient engines as it fends off competition from Airbus' A320neo.

"We're getting strong demand from the marketplace," John Hamilton, Boeing's Chief Engineer of the 737 program, said Thursday on a conference call with reporters.

After a presentation by Jim Albaugh, head of Boeing's commercial aircraft division, on Thursday, Goldman's aerospace analyst Noah Poponak wrote in a note that "it also sounds like 500 additional MAX orders could be added before 2011 year-end."

Airbus announced its A320neo, a single-aisle plane with new engines, last December. It has more than 1,000 orders and commitments for the plane, which is set to enter service in 2015, two years before the 737 MAX.

Boeing's decision to replace the engines on the popular 737 and extend the life of the program is good news for Spirit AeroSystems in Wichita.

Spirit is a key partner on the program, supplying the 737 fuselage, wing components, pylons and thrust reversers, said Spirit CEO Jeff Turner.

"All those things we anticipate will play substantially the same role on this derivative," he said on Thursday.

Spirit has said it derives half of its revenue from the 737.

The 737 MAX is on schedule for service in 2017, Hamilton said, although the team is working to shorten that time period.

Boeing is increasing production of its current 737 Next Generation airliners to 42 per month by 2013 and will consider whether to take production even higher, Albaugh said.

Boeing also announced on Thursday that it has chosen a 68-inch fan diameter for CFM International's LEAP 1-B engine on the 737 MAX, up from a 61-inch fan in the current model.

The fan's diameter is important, Hamilton said, because that's the size that will provide the best fuel burn and lowest operating costs on the airplane.

After a presentation by Jim Albaugh, head of Boeing's commercial aircraft division, on Thursday, Goldman's aerospace analyst Noah Poponak wrote in a note that "it also sounds like 500 additional MAX orders could be added before 2011 year-end."

"We've been working with CFM for quite a while in setting a different fan size," Hamilton said.

Boeing said the new engine will have a 10 to 12 percent lower fuel burn than the current 737s and will leap the Airbus A320neo with a 7 percent operating advantage.

Changing the engines on the 737 will require some changes to the plane's design, although Boeing wants to limit the amount, Hamilton said.

Boeing will lengthen the nose gear to accommodate the new engines, reshape the tail cone to reduce drag and switch to fly-by-wire spoilers to improve production flow and the plane's stopping performance.

Boeing also will strengthen the wing and parts of the fuselage and replace the strut to support the weight of a bigger engine.

Source: Molly McMillin, The Wichita Eagle - 4th November 2011

"Boeing will lengthen the nose gear to accommodate the new engines, reshape the tail cone to reduce drag and switch to fly-by-wire spoilers to improve production flow and the plane's stopping performance"

Monarch Airlines to Expand its Birmingham Airport Operation

Monarch is preparing a major expansion at its Birmingham operation with thousands of additional seats, hundreds of new jobs, extra aircraft and new routes.

The low cost airline will add 150,000 new seats to its 2012 programme - 52 per cent up on this year, making Birmingham Airport one of its strongest bases.

The increase will mean the creation of 200 new jobs, with Monarch taking on additional cabin crew, and operational personnel.

The new routes will include Rome, Milan and Venice, all cities the airline hopes will appeal to both leisure travellers and businessmen.

The other two new destinations for summer next year are Dubrovnik in Croatia and Heraklion in Crete.

To cope with the extra routes it is adding two additional Airbus A320 aircraft to its fleet of four aircraft already at Birmingham.

The airline's Managing Director, Kevin George, said: "Since launching scheduled services from Birmingham in Summer 2005,

The low cost airline will add 150,000 new seats to its 2012 programme - 52 per cent up on this year, making Birmingham Airport one of its strongest bases "

Monarch's operation has continued to grow from strength to strength and we have expanded our operations based on customer demand."

Paul Kehoe, Birmingham Airport's Chief Executive Officer, said: "The increase in the choice of routes served by Monarch underpins the confidence the airline has in the future growth of our region. In a difficult market it is encouraging to see this expansion also supporting the creation of up to 200 jobs."

Source: birminghampost.net - 4th November 2011

Low-Cost Offerings From New Airline

Australia's newest airline is unlikely to consider flying Brisbane to Mount Isa in the short-term, according to Air Australia's Chief Executive Officer Michael James.

The new-start airline, which first took off as Strategic Airlines in 2009 will retire its red, white and blue brand, former name and full service business model from November 15, 2011, to re-launch as a wholly Australian-owned low cost carrier Air Australia.

Mr James said Mount Isa was not on the immediate radar, but the company was constantly evaluating all ports for its A320 operations.

"We will be discussing possibilities with airport authorities as our fleet and network grows."

Air Australia yesterday revealed its new-look livery, flight attendant uniforms and a commitment to bring Australia a fresh approach to affordable air travel.

"Simplicity, value, operational integrity, genuine fares and service are our promise and all that we believe many Australian travellers want in order to get safely and enjoyably from A to B," said Mr James in Brisbane.

"Air Australia will avoid the massive product complexity of larger airlines as we do not want to be strapped down to charging our passengers ever higher fares to cover ever escalating costs," he said.

"Many of our staff and advisors have extensive airline backgrounds and we have seen it all before, we understand the challenges of the industry and we understand the market.

"The new-start airline, which first took off as Strategic Airlines in 2009 will retire its red, white and blue brand, former name and full service business model from November 15, 2011, to re-launch as a wholly Australian-owned low cost carrier Air Australia"

"We also believe there is mounting nostalgia in the consumer market and in the industry for an airline which offers genuine value and makes it readily possible for families and Australians of all ages to have the chance to fly."

The airline will initially fly to Bali, Phuket and Honolulu and will continue to serve existing routes flown by Strategic Airlines.

The company has also been granted rights to operate services between Australia and China and Australia and the USA and is in the process of doubling its pilot base and recruiting new flight attendants.

Source: northweststar.com.au - 4th November 2011

"The airline will initially fly to Bali, Phuket and Honolulu and will continue to serve existing routes flown by Strategic Airlines"

Boeing Delivers Cathay Pacific's First 747-8 Freighter

Boeing delivered a 747-8 Freighter to Hong Kong-based Cathay Pacific Airways, making it the second freight operator worldwide to take delivery of Boeing's newest freighter. With this new addition to its fleet, Cathay Pacific also becomes the first carrier in Asia Pacific to operate the 747-8. The new airplane is the first of 10 747-8 Freighters Cathay Pacific has on order with Boeing.

"We are pleased to take delivery of this excellent new freighter, which will be a perfect addition to the Cathay Pacific cargo fleet", said Cathay Pacific Chief Executive Officer John Slosar. "The B747-8F will help us further strengthen Hong Kong's position as the world's leading international air cargo hub. We look forward to the efficiency and environmental benefits that we expect to realise with this great new airplane."

The 747-8 Freighters are expected to progressively replace the 747-400 Boeing Converted Freighter (BCF) in the Cathay Pacific Cargo fleet. Cathay Pacific currently operates six 747-400 Freighters, six 747-400ER Freighters and eight 747-400BCFs.

"Cathay Pacific's integration of this new freighter into their fleet strengthens their industry position and proves once again their commitment to being a market leader," said Boeing Commercial Airplanes President and CEO Jim Albaugh.

"We are pleased to take delivery of this excellent new freighter, which will be a perfect addition to the Cathay Pacific cargo fleet"

- Cathay Pacific CEO, John Slosar

From the day it is delivered, the 747-8 Freighter will give Cathay Pacific double-digit improvements in fuel burn, operating costs and lower emissions over the 747-400 Freighter.

"Cathay Pacific is a proven world-class operator," said Ihsane Mounir, senior vice president of Sales & Marketing for greater China and Korea, Boeing Commercial Airplanes. "We thank Cathay Pacific for their confidence in the biggest and newest Boeing freighter."

The 747-8 Freighter provides 16 percent more revenue-generating cargo volume and boasts a significantly improved environmental performance. Per seat-kilometer, its carbon dioxide emissions are 16 percent lower than those of the 747-400 Freighter. It also reduced its noise footprint by more than 30 percent.

Eight customers have ordered a total of 75 747-8 Freighters.

Source: sacbee.com - 4th November 2011

ALC Announces Delivery Of Its First ATR 72-600, Marking Its 90th Aircraft Acquisition

On Thursday, Air Lease Corporation (ALC) concluded delivery of its first ATR 72-600, on lease to Brazil's TRIP Linhas Aéreas. This marks the 90th aircraft in ALC's fleet since the company's inception in February 2010. ALC's fleet includes aircraft manufactured by Boeing, Airbus, Embraer, and ATR, which are leased to 52 airlines around the world.

"We are pleased to announce that ALC has reached another milestone today in acquiring our 90th aircraft. Our pipeline continues to drive a steady pace of deliveries as we push towards our target of 100 aircraft by year end," said John L. Plueger, President and Chief Operating Officer of ALC.

In addition, ALC concluded the following lease deliveries from its order book: one new Airbus A330-200 (MSN 1256) leased to Vietnam Airlines, one new Airbus A330-200 (MSN 1260) leased to Air China, one new Embraer E190-100LR (MSN 19000487) leased to Air Astana, one new Embraer E175 (MSN 17000330) leased to Alitalia and one Airbus A320-200 (MSN 4869) leased to

SriLankan Airlines. Further, ALC acquired one Boeing 737-800 (MSN 30285) leased to Jeju Air.

Launched in 2010, ALC is an aircraft leasing company based in Los Angeles, California that has airline customers throughout the world. ALC and its team of dedicated and experienced professionals are principally engaged in purchasing commercial aircraft and leasing them to its airline partners worldwide through customized aircraft leasing and financing solutions.

Source: thestreet.com - 3rd November 2011

Kingfisher Inks Frequent Flier Pact With American Airlines

Kingfisher Airlines on Thursday said it has signed a comprehensive frequent flier agreement with American Airlines. Kingfisher Airlines is a member-elect of the world's leading quality airline alliance, oneworld, of which American Airlines is a founder member. As a result of this agreement, which covers the entire route network of both airlines, King Club members would be able to earn King Miles even when they fly on American Airlines flights anywhere in the world.

Similarly, frequent flyers of American Airlines would be able to earn Advantage points when they fly on any Kingfisher Airlines flight.

"More importantly, King Club members will also be able to redeem their accumulated King Miles to undertake travel on an American Airlines flight anywhere in the world. The agreement comes into effect from November 1, 2011," Kingfisher Airlines said in a statement.

Source: hindustantimes.com - 3rd November 2011

"As a result of this agreement, which covers the entire route network of both airlines, King Club members would be able to earn King Miles even when they fly on American Airlines flights anywhere in the world"



IBA Group News

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

Conference Dates

3rd - 4th November - 12th Annual Asia Pacific AirFinance Conference, Hong Kong - IBA's Dr Stuart Hatcher will be speaking, IBA's Laurie Hatcher and Owen Geach will be attending

7th - 8th November - Aircraft Asset Management Training Seminar, Dublin, Ireland - James Uniacke and Ben Jacques will be speaking

1st - 2nd December 2011 - Aviation Investors Summit, London - Phil Seymour and Owen Geach will be speaking

24th - 26th January 2012 - Euromoney 14th Annual International Aviation Finance Conference, Dublin - IBA is sponsoring and will be speaking - IBA's Phil Seymour, Owen Geach, Steve Fisk and Dr Stuart Hatcher will attend

7th - 8th February 2012 - 2nd Annual International Corporate Jet and Helicopter Finance Conference, London - Phil Seymour, Owen Geach, Ben Jacques and Mark Wooller will attend

Phil Seymour's Notes on the Week

Whilst some of you have headed for Hong Kong to the Euromoney Air Finance Conference, I decided to head to the PMA Summit. No, nothing to do with another trek up Kilimanjaro, but that prickly thorn of a subject, Parts Manufacturer Approval. Basically lower priced spare parts for aircraft and engine with FAA approval. Airlines love them, why not indeed at around 40% cheaper than the Original Equipment Manufacturer price?

Most lessors still prefer OEM parts to be fitted, especially in the engine, and deal with the subject in various ways in the drafting of the lease. However, the last thing that the owner/financier needs is the next operator wanting PMA parts off the aircraft and engine.

A fantastically complex subject with OEM's fighting their corner, airlines needing to save money and the PMA businesses creating more complex parts, including HPT blades.

This is not a new subject but the story hasn't moved on in 5 years.

Some head-banging required! I have volunteered to do it; at a price!

If you are interested we will be updating the IBA PMA Report, just in time for Christmas, a fantastic stocking filler at only £300/\$500!

Phil

Publications - 2011 Editions

Please contact marketing@ibagroup.com for more information.

Aircraft Values Book	Published in February 2011 & August 2011	£660 per year
Lease Rate Digest	Published in February 2011 & August 2011	£360 per year
Engine Values Book	Published in April 2011	£650 per year
Maintenance Cost Journal	Published Quarterly	£200 per year

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