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Airbus / EADS

- **Market forecast:** Airbus foresees demand for 24,300 new aircraft until 2026 - passenger traffic to grow at an average annual rate of 4.9%
- **EADS:** confirms ongoing discussions on golden shares for France and Germany – current shareholders agreement expires in 2010, Lagardere and Daimler reportedly consider selling their shares – decision expected at AGM in May
- **Power-8:** minimum target of €300 mln savings across the company achieved so far, Airbus confident it will meet the €2.1 bln target by 2012
- **A350:** Airbus to invest between €400 and €500 mln for the final assembly line in Toulouse
- **China:** first assembly line outside Europe to begin production in August - first A320 to be delivered in first half of 2009

Boeing

- **787:** assembly started for second of six flight test aircraft - degree of components and condition of assembly "much better" than aircraft one – in total 21 aircraft in various stages of production world-wide
- **787:** largest customer ILFC (74 orders) expects its first delivery to be pushed back by 9-12 months, seeks compensation
- **777:** "modest refreshes" in coming years may include "some composite" – a major replacement to be an all-composite but not until "the end of the next decade"
- **India:** Boeing signs agreement with Tata group subsidiary for 787 structural components with "potential to develop into a more broad-based alliance" - Boeing estimates India will need aircraft worth about \$86 billion over the next 20 years

Competition – orders

- **Narrow-body:** Boeing to decide in next two months on raising 737 production rate (27.5 per month in 2007) – Airbus plans to increase A320 output to 40 (currently 34) until 2010 (Hamburg 22, Toulouse 16, China 2)
- **Wide-body:** Boeing contemplates a two-tiered strategy involving the 787-10 stretch and a refreshed 777-300ER, to compete with the 350-seat A350-1000

Other manufacturers

- **Rolls-Royce:** announcing good financial results (2007 sales rise by 3.9%, order book grew by 76%), says it will increasingly ensure the supply chain is "either dollarized or low-cost"
- **Dassault Aviation** 2007 results: full year sales rose 23.6% to €4.08 bln
- **Russia:** OAK to shift focus from large regional jets to mainline airliners in order to address fleet replacement needs of Russian airlines – MS-21 new first funding priority for 2008 (until now was the SSJ) to enable entry into service in 2015
- **General Aviation:** 2007 worldwide deliveries of GA planes totalled 4,272, up 5.4% - all-time high also in business jet deliveries (source: GAMA)

Aviation

- **European Airlines:** passenger boardings up by 4.1% to 358 million in 2007 – record load factor of 77.1% - traffic growth by region: South Atlantic routes +11.8%, Middle Eastern +9.7%, transborder European routes +7%, European domestic +1.1% (source: AEA)
- **Asia:** IATA expects Asia to be the largest commercial airline market with a 27% share of global traffic by 2010

Airline market

- **Delta-Northwest:** announcement of merger expected as early as this week (would still need regulatory, anti-trust approval)
- **Iberia:** to bid for Spanair, Spain's second largest carrier, owned by SAS – takeover would add 9,5 million passengers
- **Alitalia:** Air France-KLM to submit binding offer by March 14, is "ready to inject €3 billion over 6 years and wants to buy 100%" of the Italian carrier
- **British Airways:** will pay up to \$200 million in compensation to passengers affected by fixing of ticket prices – investigation into fixing cargo rates in Europe ongoing

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