Page 1 of 5



25 Nov. 2008 No. 845 **MRO**

Aviation Maintenance News

The project for an aircraft MRO base at Kaunas Airport in Lithuania has been launched - an auction for long-term land lease was announced aiming to attract professionals of MRO industry. "This project is one of our strategic goals, the completion of which will provide the essential element to strengthen our positions when negotiating regarding airline bases in Kaunas. So far it has been one of the missing elements in our infrastructure, largely limiting airline possibilities of basing and planning flights not only to Kaunas, but from Kaunas as well, as technical maintenance is required for such operations," said Arijandas Sliupas, General Manager of Kaunas Airport. The MRO base is a consequent stage of the airport infrastructure development plan, attracting private capital for the development of numerous infrastructure objects with the aim to become a competitive player, offering a wide range of high-quality services, not only in Lithuania but in the whole Central and Eastern Europe region. #845.MRO1

On 6 November 2008, **President Arroyo of the Philippines led the ground-breaking of the USD 100 million MRO facility at the 2500-hectare Clark Civil Aviation Complex**. President Arroyo and Clark International Airport Corp (CIAC) CEO Victor Jose Luciano were joined by SIA Engineering Co (SIAEC) CEO William Tan and Cebu Pacific Air CEO Lance Gokongwei during the ground-breaking ceremony for the project, expected to be completed by mid-2009. Luciano said that the project is the **second base of SIA Engineering** after their main hub in Singapore. The project involves the initial **construction of three large hangars** - and eventually five - that will service long-haul commercial aircraft at the 10-hectare airport property. The first hangar will service narrowbody aircraft such as the Airbus 320 while the second and third will service widebody aircraft such as B.747s and B.777s. The facility will generate at least 1000 jobs in its construction phase and will complement the development of 'Diosdado Macapagal International Airport' (DMIA) as a logistics and services hub. Luciano stressed the MRO is an important integral part of the operations of the DMIA because it can now handle maintenance, repair and overhaul of legacy carriers in the Asian region. #845.MRO2

Iberia has refitted its maintenance hangars for painting aircraft to improve and extend its services to its own aircraft, as well as to those of other carriers. The 2900-m² hangar is equipped for stripping, sanding, painting, and drying the paint on aircraft following major overhauls, and also for painting new aircraft before they enter service. Located at Iberia's La Muñoza maintenance facilities near Madrid-Barajas, the hangar now boasts the latest equipment and special lighting that is brighter than daylight. Other innovations include air quality monitors that allow more precise control of ventilation and air temperature and humidity in the hangar. The paint used at the new facility features fewer volatile components, making it more friendly to the environment. It is also lighter in weight to reduce fuel consumption. Iberia Maintenance has seven hangars in Madrid for the different tasks involved in the inspection and repair of airframes, engines and components, plus an additional facility in Palma de Mallorca and a new hangar now under construction at Barcelona Airport. #845.MRO3

PremiAir's fixed-wing maintenance operation has successfully completed its move to a newly refurbished 20 000-ft² hangar at the U.K.'s Oxford Airport. The new facilities have been approved

Page 2 of 5



25 Nov. 2008 No. 845 **MRO**

for EASA Part 145 for base maintenance and are fully functioning as the home for PremiAir's fixed-wing business and a new centre of excellence for Beechcraft MRO. Hangar No 1 is fitted with bespoke electrics, lighting, heating, and modern insulation. The GBP 1 million investment in the facility includes new workshops, customer reception areas, office space and dedicated car parking. PremiAir is creating 15 new engineering jobs at Oxford, and it is envisaged that the new facility will provide employment for 25 to 30 personnel by the end of 2008. David McRobert, PremiAir Group Managing Director, said: "We are delighted to have completed our move to Oxford Airport. It is an excellent addition to our line-up of bases in southern England." -- PremiAir's existing facilities at Blackbushe Airport in Surrey are now a dedicated helicopter engineering base. #845.MRO4

In October 2008, ExecuJet South Africa commissioned its new facility at Cape Town

International Airport. A ZAR 250 million world-class aviation and business centre is being developed by a local businessman and ExecuJet South Africa, as the anchor tenant, obtained naming rights of the facility. Phase 1 of the ExecuJet Business Centre is now completed and the final phase is due for completion in early 2009. This purpose built state-of-the-art FBO facility is strategically located parallel to the main runway with 5000 m² of hangar and 7000 m² of dedicated ramp parking, and has exclusive access to the taxiway and runway of Cape Town International. ExecuJet's comprehensive suite of business and general aviation services will include a Fixed Base Operation (FBO), non-scheduled business aircraft charter services, General Aviation aircraft maintenance services, boardroom and secretarial services, parking facilities, concierge services, and helicopter transfers. "The provision of these services will be an extension of the services already provided by ExecuJet South Africa at Lanseria International Airport and other ExecuJet facilities in Dubai, Sydney, Melbourne, Kuala Lumpur, Zürich, Berlin, Copenhagen, and Monterey", says Ettore Poggi, Managing Director, ExecuJet South Africa. ExecuJet South Africa's maintenance division at Lanseria International Airport was credited by the European Aviation Safety Agency (EASA) as a Part 145-approved Maintenance Organization on 1 August 2008. Steve Bothma, ExecuJet South Africa's Maintenance Director adds: "This also means that many foreign aircraft are now able to visit our facility for approved and recognized maintenance services, and we will soon extend these capabilities to our new Cape Town facility." --ExecuJet South Africa is the first of its kind for a maintenance organization providing services to the general aviation industry in southern Africa. #845.MRO5

Frontier Airlines has cancelled plans to build a USD 25 million heavy maintenance hangar at Colorado Springs Airport as the carrier reorganizes under bankruptcy protection. A Frontier spokesman said that the airline no longer needs the facility because it has reduced the size of its fleet. He says the airline plans no reduction in passenger service to Colorado Springs. -- Frontier entered Chapter 11 bankruptcy protection in April 2008. It has announced layoffs, cuts in its flight schedule, and new labour agreements. #845.MRO6

On 4 November 2008, **Air China, China Southern Airlines, and China Eastern Airlines signed a letter of intent on co-operating in aircraft maintenance**. The agreement was signed during the Zhuhai Air Show and will enable the three major Chinese airlines to share resources in maintenance material, technology and training **in a bid to further cut operating costs**. No estimation of the amount to be saved through the co-operation is provided. Owing to the rise of oil price and slowdown of market demand, China Eastern and Air China have posted net losses of CNY 2.29 billion and CNY 675 million, respectively, in the first three quarters of 2008. #845.MRO7

Copyright © 2008 - Momberger Airport Information - http://www.momberger.com

Page 3 of 5



25 Nov. 2008 No. 845 **MRO**

Honeywell has signed a ten-year contract with China's Kunpeng Airlines to provide MRO on **Embraer E-190 components, avionics, and lighting**. Valued at USD 21 million, the agreement covers more than 65 Honeywell parts. Kunpeng took delivery of its first E-190 in September 2008 and expects to take delivery of 50 aircraft over the next four years. Separately, Honeywell will supply China Eastern Airlines with its 131-9A APU for 30 forthcoming A320s. Deal includes a ten-year maintenance agreement and covers additional A320 deliveries over the next three years. Financial terms were not disclosed. #845.MRO8

On 5 November 2008, **General Dynamics completed its acquisition of Zürich-based Jet Aviation for CHF 2.45 billion from Dreamliner Lux S.a.r.l., a company controlled by the Permira Funds**. The companies had announced the plans for the acquisition in August (#840.MRO4). Jet Aviation will continue serving the entire aircraft manufacturing community and its global client base as a new business unit within the General Dynamics Aerospace group, operating under the Jet Aviation and Midcoast Aviation brands. Current management will remain in place. "As a unit of General Dynamics, Jet Aviation positions us to capture additional growth opportunities in the business-aviation market," said Nicholas D. Chabraja, General Dynamics chairman and chief executive officer. #845.MRO9

Lufthansa Technik and Norwegian Air Shuttle have signed an agreement for overhaul services on more than 100 engines. According to the new contract, Lufthansa Technik will take care of the CFM56-7B engines for all 53 aircraft of Norwegian's Boeing 737NG fleet and a further seven spare engines. The 15-year contract is LHT's largest engine service assignment in Scandinavia to date and the first major order for the **new engine overhaul centre currently under construction in Hamburg**. With the new facility, Lufthansa Technik can shorten the engine processing times and expands its engine overhaul capacity from 320 to more than 400 engines per year. #845.MRO10

* Lufthansa Technik AG and Saudi Arabia's National Air Services (NAS) have signed a fiveyear contract for Total Component Support TCS® of up to 40 aircraft. The agreement includes services for several VIP and executive jets based on narrowbody aircraft families. The signing of the contract follows an agreement reached by NAS and Lufthansa Technik in May 2008. Also included are maintenance works, repair and overhaul for components of the Airbus A320 family and regional jets of the Embraer 190/195 family, both in service with the company's low-cost-subsidiary Nasair. The contract makes NAS the launch customer for MRO of the Embraer 190/195 aircraft type with Lufthansa Technik. National Air Services (NAS) is provided with a broad variety of services by Lufthansa Technik at King Khalid International Airport in Riyadh, ranging from the setup of a home base spare parts pool and onsite service to access to LHT's worldwide pools and its highly qualified repair and overhaul facilities in Hamburg and Frankfurt. #845.MRO11

Saudi Arabia's MAZ Aviation has announced the creation of a trio of companies to deliver aircraft and fleet management services, aircraft maintenance, and logistics support. At the heart of the new business is a USD 70 million 10 000-m² maintenance and support centre being built at 'King Khalid International Airport' in Riyadh. "Globally, the Middle East is one of the most important markets for business and private aviation, yet it is one of the most underserved in terms of services," said Mohammed Al-Zeer, Chairman of Ajwaa Alalam Holding. The three companies in the group are Ajwaa Alalam Aviation Services (AJWA Serv) specializing in providing aircraft and fleet management services;

Page 4 of 5



25 Nov. 2008 No. 845 **MRO**

Ajwaa Alalam Technical Company (AJWA Tech) specializing in providing aircraft maintenance services; and Ajwaa Alalam Logistics (AJWA Logistics) which provides spare parts and logistics. The Riyadh facility will be able to handle all types of aircraft up to Boeing 777s and Airbus A340s and will become operational in the first quarter of 2011. #845.MRO12

Indian aviation services provider Air Works has received the approval from the Indian Directorate General of Civil Aviation (DGCA) for its commercial MRO operations in Hosur, near Bangalore. With the announcement, Air Works has become India's first DGCA-approved independent airline MRO and will perform services such as line and base maintenance, aircraft painting, structural repairs, cabin upgrades, and avionic upgrades. Air Works will also be offering component repairs and spare parts sourcing. Air Works' CEO Fredrik Groth said: "We now look forward to performing our services to the airlines of India, which so far have had to either build up in-house maintenance capabilities or send their aircraft abroad for servicing." Air Works Commercial MRO in Hosur presently has one hangar capable of housing two ATR 72-size aircraft or one narrowbody aircraft, together with 13 000 ft² of office and back shop space. The company plans to invest up to USD 40 million to build two more hangars for paint operations and future engine and component activities to be ready by no later than year end 2009. #845.MRO13

Beirut FBO Cedar Jet Centre has started offering aircraft maintenance services in partnership with its MEA group sister company MASCO and plans to open a new hangar dedicated to maintenance operations in December 2008. The facility at the Lebanese capital's 'Hariri International Airport' is EASA-approved as a maintenance organization and has already completed major overhaul checks on Airbus corporate jetliners. Cedar and MASCO have recently begun to offer line maintenance for aircraft ranging in size from a Boeing Business Jet to an Eclipse 500 very light jet. --MASCO is one of two authorized service providers in Lebanon. It now wants to expand into providing line maintenance for other business jet types, such as the Hawker and Falcon families. #845.MRO14

El Salvador's TACA has awarded Sabena Technics company Barfield a ten-year contract to provide full component support for their Embraer 190 fleet. The scope of this contract includes test, repair and overhaul of all rotable components, including hydraulic and air conditioned components, instruments, avionics, and IFE. Frederic Denise, Barfield's Chief Operating Officer, said: "This contract with TACA is very important to us; it is the fruit of the excellent relationship between both companies developed over the last ten years in supporting various aircraft types operated by TACA." #845.MRO15

Linhas Aéreas Moçambicanas (LAM) has passed its IOSA (IATA Operational Safety Audit) inspection, which it says removes the airline from the list of six blacklisted Southern African countries. The IOSA audit guarantee is an internationally recognized and accepted evaluation system designed to assess the operational management and control systems of an airline. Airlines which do not comply with the IOSA programme run the risk of losing their IARA membership after a year. #845.MRO16

Starting in 2009, the Technical Educational Skills Development Authority (TESDA) in the Philippines will offer a new course on aircraft structure repair. TESDA has appointed Aerotechnik Services, a wholly-owned Filipino company focusing on aviation, to conduct the course, including handson training for students enrolled in the new curriculum. TESDA Director General Agusto L. Syjuco Jr. said the new curriculum will enable TESDA to maintain its cutting-edge in skills training for Filipinos in aircraft

Page 5 of 5



25 Nov. 2008 No. 845 **MRO**

maintenance. TESDA National Capital Region Director Antonio del Rosario also welcomed the new curriculum since TESDA is pursuing high-end technology courses needed in support of the industries. Syjuco also said that TESDA has acquired new facilities for students taking the aircraft structure course. Students will be trained in the repair of all types of aircraft, including the B.747, L-1011, B.777, B.737, MD-90, MD-11, Airbus 300, and Airbus 330. According to Jesus R. Lim, Assistant Vice President for Training of Aerotechnik Services, the graduates of the course will form the nucleus of all-Filipino aircraft structural mechanics capable of overhauling any type of aircraft. "There will be no need anymore for Filipino airlines to send their planes for repair abroad as we will do the job here conserving our foreign currency," Lim said, adding that Filipino aircraft mechanics are among the best in the world. The average time frame for an aircraft to be overhauled is 60 days. The overhaul includes checking of any corrosion or cracks of the plane's structure. A 'hangar' to be constructed at the TESDA Taguig compound is now undergoing face-lifting and renovation to accommodate the facilities for the structure repair course. #845.MRO17