On the heels of several successful years for ATR, by the time you finish reading this column, three ATRs will have already taken off or landed somewhere around the world. 2014 was a record year for ATR; we posted 160 orders, 5 new customers, a backlog of 280 aircraft and a record number of deliveries: 83.

We need to get our aircraft to our customers as soon as possible and we will beat our deliveries record again this year as we continue our industrial ramp-up. Inside this issue, you will find articles on our green credentials. It is not only good for the environment but also makes business sense. It comes down to basic economics; lower fuel consumption helps our customers save money. On the inside pages you will also see how the credit rating agencies have given ATR a top ranking. According to the agencies, ATRs still maintain half their asset value after a decade of flying. While ATR will be making news as it ramps up the production line even further and looks at plans to increase the revenue potential for airlines with extra seats, other major plans are afoot.

We have reorganized our internal management structure to improve our ability to meet our customers’ needs. For example, we have created a new directorate of quality and one for safety. A new Programs directorate has also been set up to ensure better control and swifter response times. In conclusion, if I had to select one sentence to represent our commitment to our customers for 2015, it would be, “challenge ourselves in order to meet your needs!”

Patrick de Castelbajac
Chief Executive Officer

ATR’s sales figures show impressive results, how did the company get to this point? Patrick de Castelbajac: It’s true that the figures are outstanding, with 160 sales on nearly every continent but especially in the Asia-Pacific region and Latin America. We definitely think there is huge potential in Europe too, because the ATR is the most efficient way to travel regionally since it is so environmentally friendly. We also have to improve our image in Europe. The overall success comes down to great teamwork, everyone in the company contributed. The results are due to major airlines placing orders, and lessors too, which gives us a great deal of confidence moving forward because these people are real professionals who measure the asset value of the aircraft and anticipate market needs well in advance.

Has the sudden decrease in fuel prices made selling turboprops more difficult? Patrick de Castelbajac: Lower fuel prices is great news for our operators, as they can generate extra cash and then purchase new aircraft down the road. However, it is important to understand that fuel prices will not stay at this level forever. That is not me speaking, but the best analysts in the field. Keep in mind that airlines buy planes for 20 years and the...
BUSINESS CASE

TURBOPROPS CAN SAVE BUSINESSES TIME AND MONEY WITH TAILOR-MADE ROUTES FOR THEIR STAFF

The Brazilian industrial company Imetame, which manufactures parts for the oil and mining industry, used to transport workers to remote sites in the state of Mato Grossos Do Sul in a convoy of 60 bus-like. The journey took 30 hours and required hundreds of drivers. Once the workers reached the remote sites, they needed a day’s rest before they could actually start working. The 30-hour journey could take even longer in the rainy season when the jungle roads become treacherous.

Needless to say, the operation cost of Imetame was a great deal of money and lost productivity hours – until an alternative solution appeared in the form of ATR. Now, the company flies its staff directly to the site in Mato Grosso with an ATR 72-500 from the state capital of Espiritu Santo in Southeast Brazil. The flight takes just two hours; the workers get down to business as soon as they land and the company is no longer dependent on road transport.

Having an ATR means the plane can fly in and out every day and the workers spend 15 days on site and 15 days off, with time loss reduced to a minimum. Pietro Baladaschi, ATR’s VP Sales, says, “By switching from buses to a turboprop Imetame de facto became an airline operator too because it makes business sense, it saves time and money, increases flexibility and boosts productivity.”

Staying in Brazil, the National oil company, Petrobras provides another example of how operating an ATR on behalf of industry can be an excellent business model. Petrobras has oil exploration and drilling interests in the remote jungle. Having the right aircraft that can handle the tough landing environment where oil work takes place is crucial, and that is where the ATR comes into its own. The oil company subcontracts a Brazilian charter airline. Total Linhas Aereas, to fly its 1,500 workers in and out of the area with 3 turboprops.

The planes leave from the city of Manaus, which has a modern airport infrastructure, but the pilots have to land on a very remote and basic landing strip where the drilling takes place. However, the ATR is at home in that kind of environment, where the turboprop does not need ground-based radar navigation and can handle short runways with ease. 200 workers are flown in and out on the turboprop every day and the company can even use the ATR to fly oversized cargo including drilling bores that are 6 meters long.

On the other side of the planet, in Indonesia running ATR charter flights to get employees to and from work is also very common. Around 10 turboprops are involved in this particular business model and TransNusa is the latest to join the club. It has just received its first brand new ATR 42-500, which will be used specifically for flying oil rig staff from the capital, Jakarta, to production sites on the Natuna Islands on behalf of the West Natuna Consortium. According to Lim Kian Hui, ATR’s Sales Director for Indonesia, commercial flights take too long and require changing planes, whereas TransNusa can bring workers to the island within 3 hours point to point, reducing travel costs. With a brand new aircraft the journey is more comfortable, provides lower operating costs and theplanes can be configured to adapt to the requirements of the oil companies. Mining is also a growing industry in Eastern Indonesia and that sector is considering adapting a similar trans-port solution for their employees. Across the globe, a wide range of businesses see the turboprop as an ideal way of ferrying employees to their work destina-tion rapidly, at no time and in a cost-effec-tive manner.

In the Loop

A large backlog of firm orders spanning 4 years and a new record number of orders this year. That ismusic to the ears of the financial community and it means that banks have never been more willing to finance new ATR sales. According to Giorgio Moreni, ATR’s CRO, Finance and Chief Financial Officer, two-thirds of airlines that place orders for ATRs rely on the financial community to provide funding solutions. Thanks to ATR’s great track record and the product’s long-term asset value, financiers are eager to accompany airlines in their future business plans.

Just like anyone who goes to a bank for a loan to buy a house, those with a good credit history and a demonstrated ability to repay, can negotiate attractive interest rates.

Similarly, banks and Export Credit Agen-cies (ECAs) in Europe, such as France’s COFACE and Italy’s SACE, are writing ATR orders since they know that traditional airlines and lessors face little risk buying ATRs, as their resale value is second to none in the industry. They also know that, thanks to ATR’s unrivaled operating costs, even smaller airlines can operate profitably, which provides further guarantees on their ability to repay.

Moreover, thanks to the outstanding maturity of its programs, ATR enjoys the same risk evaluation ratings as Airbus within the financial community, in other words excellent.

The bank community and ATR have a long history of working together. Banks have stood by ATR in the good times and in more difficult times, such as when the global financial crisis made a tough market. Today, however, thanks to ATR’s healthy order book and enduring market success, the future looks very promising.

One last question: You joined ATR last June. Tell us a little about yourself and your way of working?

PdeC: I am reasonably direct, and I want my staff to find solutions, to be customer-focused. I want them to ask themselves, ‘How can we do things better together?’ I am a hard worker and I expect those who work for me to do the same. We must challenge ourselves to meet our customers’ needs. I strongly believe in a couple of simple facts: no one on their own knows how to build an aircraft. Everyone has to work together to bring their expertise and share it. Our staff members come from diverse cultures, backgrounds, training and work expe-riences: this is a real strength for us.

By working together, this will bring the best out in everyone. In the past, I have seen where best practices work well and I am 100% convinced that everyone benefits when we all share what we know.

ATR is ‘MONEY IN THE BANK’ for the Financial Community

Giorgio Moreni, CFO of ATR

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IN SERVICE

ATR’S ROVING AMBASSADORS

CUSTOMER SERVICE REPRESENTATIVES COVER THE WORLD ASSISTING CUSTOMERS AS THEY GROW THEIR BUSINESSES

At the Farnborough Air Show, ATR CEO Patrick de Castelbajac said one of his key priorities going forward was to improve Customer Satisfaction. To achieve this goal, one of the measures involves increasing the number of ATR Customer Support Representatives (CSRs) worldwide. CSRs work in close collaboration with customers to help them strengthen their airline and facilitate the entry into service of new turboprops. The CSRs also offer new support services aimed at optimizing flight utilization.

ATR has two types of CSRs: those who accompany specific airlines with the Entry Into Service (EIS) of their new aircraft, and the Regional Customer Support Representatives based in the proximity to their next assignment.

Australia, Russia and Brazil offices to cover the associated customers located in Australia, Russia and Central America. ATR has a total of 24 CSRs from more than 12 different nationalities based in 18 different countries. That combined with their background in engineering and mechanics makes them ideal reps. Often they worked for airlines in the past before joining ATR so they have a key advantage in that they understand customers’ requirements, as they have been on the other side of the conversation before. They also benefit from the support and supply they can receive from ATR. At some times, they also benefit from the support of the Regional CSRs. Ultimately, the role of the CSRs is to enable the airlines to become autonomous while reassuring them that they can rely on ATR representatives to assist them. In the words of Marc Bouret, ATR’s CSR and Airlines Project Director, “The number of CSRs deployed has increased as the number of new ATR customers grows and that trend will continue. To meet this increase in demand, two more Regional Support Representatives (CSRs) will be added, one in Southeast Asia and another in Africa. This is all part of the CEO’s mission statement to focus on customer proximities.”

In early December, all 24 representatives met in Toulouse.

APECES20 (Single European Sky ATM Research - ATM (Air Traffic Management) unit) counts around 3,000 experts in Europe and beyond in an effort to make the SES (Single European Sky) a reality by developing technologies and procedures for a new-generation of air traffic management system capable of enhancing performance. SESAR aims to increase the ATM system capable of enhancing performance. SESAR aims to increase the ATM system capable of enhancing performance.

Europe’s ambitious initiative for safer, more efficient and cleaner skies

Simplicity and cleaner skies.

expected to run from 2015 onwards — aims to demonstrate the viability of solutions developed by the SESAR project in larger and more operationally-integrated environments.

Together, in conjunction with ALENIA AERONAUTICA, ATR is gearing up for an even bigger role in the next phase, SESAR2020, whose “Call for Expression of Interest” was launched on July 9th 2014.

AIRCRAFT UTILIZATION

As of January 1st 2015, we have a backlog of 280 aircraft (30 ATR 42-600s and 250 ATR 72-500s). This is the best ATR backlog at the beginning of the year.

IN FIGURES

The aim is to revolutionize air traffic management systems by 2024

Customers benefit from new technology and stay one step ahead of new mandatory EU regulations

In Turin to optimize advanced flight approaches (APV)

Our ATR 42-600 prototype has conducted a series of flight tests in Turin to optimize advanced flight approaches (APV). The CSRs also provide updates on a regular basis on all the services and support they can receive from ATR. At some times, they also benefit from the support of the Regional CSRs. Ultimately, the role of the CSRs is to enable the airlines to become autonomous while reassuring them that they can rely on ATR representatives to assist them. In the words of Marc Bouret, ATR’s CSR and Airlines Project Director, “The number of CSRs deployed has increased as the number of new ATR customers grows and that trend will continue. To meet this increase in demand, two more Regional Support Representatives (CSRs) will be added, one in Southeast Asia and another in Africa. This is all part of the CEO’s mission statement to focus on customer proximities.”

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IN CONFIDENCE

TRANSNUSA
PURCHASES ITS FIRST EVER BRAND NEW ATR AND PLEDGES MORE ORDERS ARE ON THE WAY

They are based on the mentioned assumptions and are expressed in good faith. Printed on mixed FSC®-certified papers, wood from well-managed forests. Send your remarks by email at the following address: corporateweb@atr.fr

IN BRIEF

NEW SENIOR APPOINTMENT AT ATR: MOVING FROM HELICOPTERS TO TURBOPROPS

Laurence Rigolini has been appointed new Corporate Secretary of ATR. She previously worked for Airbus Helicopters and TransNusa CEO Juvenile Jodjana.

ATR LAUNCHES PROGRAMS DIRECTORATE

Thierry Caude has been appointed Senior Vice President, Programs. This newly created directorate manages ATR’s product improvement projects including supply chain optimization. His report directly to CEO Patrick de Castelbajac.

NEW HEAD OF ATR PROCUREMENT

David Brigitte joins ATR from Alenia Aermacchi as new Senior VP, Procurement. He is responsible for contract negotiations with suppliers and reports directly to CEO Patrick de Castelbajac.

GLAMOR IN CANNES
RED CARPET SUCCESS FOR ATR IN CORPORATE MEDIA SECTOR

ATR’s documentary “Let’s fly Brazil - The new flying rivers” has received a silver dolphin award at this year’s Cannes Corporate Media and TV Festival. It is one of the most prestigious gatherings worldwide for the corporate audiovisual industry.

FOR ATR OPERATORS GOING THROUGH CUSTOMS IS NOW EASIER THAN EVER

ATR has just received Authorized Economic Operator (AEO) status from the French Government. This simplifies customs procedures for the import and export of aircraft and spare parts for operators and is recognized throughout the EU, the US and China.

ATR 13TH OPERATORS’ CONFERENCE

As announced, ATR’s 13th Operators’ Conference will take place from March 30th to April 1st, 2015 in Nice (France). Hoping that this event should be a good occasion to reinforce our co-operation, we are looking forward to meeting you personally and sharing together on your ATR operations! Register on: www.atr-conference.com

WHERE TO FIND US IN 2015

13th Global Operations Conference France 31 Mar

MRO Americas Miami, USA 14-16 Apr.

FAA - FTA Aerospace Mexico 2015 Santa Lucía, Mexico 22-25 Apr.

IN CONFIDENCE

INDONESIA-BASED TRANSNUSA HAS LEASED ATRs IN THE PAST BUT, IN SEPTEMBER, IT SIGNED ITS FIRST EVER BRAND NEW ATR 42-600 AND HAS AN OPTION TO PURCHASE THREE MORE. TRANSNUSA CEO, JUVENILE JODJANA, SLEPT DOWN AT ATR REVIEW IN TOULOUSE TO TALK ABOUT HIS PLANS FOR THE FUTURE AND HOW ATR FITS INTO THEM.

DO YOU KNOW

NEW TOKYO OFFICE TO SERVE JAPAN AND NORTH ASIA REGION

ATR has opened a new office in Tokyo, as part of its ongoing commitment to be as close and responsive to its customers as possible.

HEADED BY REGIONAL SALES VICE PRESIDENT DOMINIQUE DUMAS, THE NEW NORTH ASIA AND PHILIPPINES OFFICE WILL MANAGE ATR’S PRESENCE IN JAPAN, MONGOLIA, SOUTH KOREA, TAIWAN AND THE PHILIPPINES.

DID YOU KNOW

ATR has three ATR aircraft operating across this region.

This summer’s delivery of an ATR 42-600 to Amakusa Airlines is expected to be the first of many in Japan, due to the country’s very specific operational and regulatory constraints.

Japanese air passengers expect a high level of service, quality and punctuality, so many airlines are looking to upgrade to more efficient, modern aircraft.

Moreover, our ATR-600 is the only turboprop to meet Japan’s strict landing access of around 1,200 meters. However, for the ATR-42 it is just perfect and we can execute a maximum amount of takeoffs. This plane also burns less fuel and we have already had feedback from passengers that it is now available.

How do you plan to expand and how can the ATR turboprop help you?

Indonesia is a huge market, in a huge country: there are 17,000 islands with thousands of airports scattered all over Indonesia. It offers many opportunities that we can explore and...