

ATR Review



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An Alenia Aeronautica and EADS joint venture
ATR
PROPELLING TOMORROW'S WORLD



Edito



The first quarter of 2010 has held its promise of an eventful time for the ATR community.

Our customer portal ATRactive kicked into action. Resolutely modern and user friendly, this ATR

proprietary portal is deemed to become your regular informative tool and permanent assistant. The ATR42-600 flight campaign met with a promising start during a first flight held on the 4th of March, which was a great occasion to introduce this new member to the ATR family.

Our confidence in a strong 50-seater market segment -so suited to the USA requirements-, plus our determination to consolidate our offer, have been well matched by the support and commitments we have received from Operators to-date. We very much appreciate such a vote of confidence.

By way of a return to those who choose the ATR turboprop technology, we are offering real opportunities for greater profitability as well as supporting our operators to reduce their environmental footprint. At a time when there is a new, strong and growing collective awareness of environmental values, ATR is proud to have pioneered the trend and to presently share these values with its customers.

This ATR Review, "new look" version, highlights noteworthy events during the first quarter of the year and focus on key facts and figures, illustrating the on-going dynamism and leadership of ATR in the turboprop market.

Stéphane Mayer
Chief Executive Officer

In flight

Making the case for more ATR turboprops in America and around the world.

Currently, there are large numbers of turboprops in operation throughout the North American region, which remains their largest market in the world.

The turboprop fleet in North America is greater than in the Asia-Pacific region, which has experienced substantial growth in this sector over the past several years, and even bigger than in Europe.

Turboprops are definitely a key component of the regional transportation system, representing over 60% of the world's airline fleet in the under 100-seat category of aircraft. ATR has continually refined and improved the design of its aircraft in order to meet the ever-changing requirements of the marketplace. There are some good reasons that reinforce our belief in the importance of the turboprop in North America as well as in the rest of the world: these reasons are stronger today than ever.

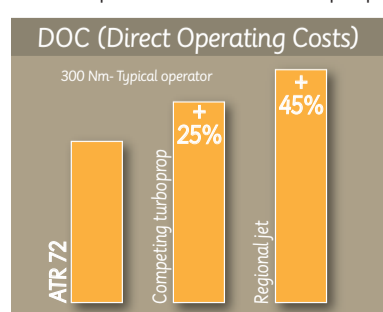
The first one is to do with profitability.

Today, airlines are all focused on prospering. A key element of cost reduction is to invest in the right aircraft in order to achieve operational savings. A strict comparative study of operating costs between the ATR72 aircraft, another turboprop and a regional jet (see graph) reveals noteworthy benefits in operating this highly efficient 70-seat aircraft.

The second reason shouldering our belief, is our collective responsibility in helping to 'Save the Planet'.

As travellers become more concerned with their carbon footprint, "Green" behaviour is a value that has been firmly upheld by ATR

for a considerable amount of time. We continually look to minimize our CO₂ emission – and we are doing our part in helping to make aviation more environmentally-friendly. Using small jets on short sectors only results in buying more fuel and releasing more emissions into the atmosphere; all that for virtually no time saved when comparing with the same trip on a modern turboprop!



The third point in favour of solid growth for ATR aircraft is our continuous enhancement of passenger comfort.

We have taken into account general comments made by the market, as well as the results of ATR surveys on flying turboprops. As a consequence, Dual Class configuration (First and Coach) will be available on the -600 series. Jet-way capability with front door passenger access will be offered as an alternative to rear stairs. Luggage capacity is as much as 1.9 checked in pieces per traveller, plus cabin luggage (see photo).

ATR is also designing new overhead bins to increase carry-on space and convenience. (These changes and more will be displayed during the next Farnborough Airshow.) ATR anticipates that these new product enhancements will provide the seamless service experience a passenger expects when buying a ticket and travelling across an airline's system.

Airlines are also altering their traditional approach and parameters regarding fleet adjustments and fuel

costs at a time when there are a large number of varied 30-seat turboprops nearing their end-of-life and also 50-seat regional jets pending replacement. Meanwhile, the cost of fuel is predicted to level at \$100/barrel or higher. ATR is determined to rise to these challenges with a new and greener solution.

Clearly, the time is ripe to pursue the sub-100 turboprop aircraft market. Our belief is based on universal business motivators: cost-efficiency, market anticipation with timely, innovative product responses and on-going customer satisfaction. The ATR family of aircraft stands ready to meet the challenge – wherever and whenever.

Clearly, the time is ripe to pursue the sub-100 turboprop aircraft market.



72 pax may board with 135 items of luggage

In progress

FLIGHT TESTING THE ATR42-600

Even better than doing a double take

Right from the start, ATR determined it would apply the concept of "aircraft family" to its production.



The reason behind this was to be able to offer the highest possible commonality between aircraft, from engines to cockpit configuration down to equipment part numbers. The benefits of doing so are measured by operators in terms of substantial cost reductions in spares, maintenance and training investments.

"Mission accomplished" with the ATR 42 and 72-600 series! Scheduled on the 4th of March 2010, 8 months after the 1st test flight of the ATR72-600, the maiden flight of the ATR42-600 was unlikely to bring big surprises. "Very good" said the pilot, "nothing special to report!"

"Mission accomplished" with the ATR 42 and 72-600 series!

As it was taking off, the aircraft was already enjoying the maturity and the synergy obtained from earlier ATR programmes.

On this occasion, the advantages of platform commonality turn out to

be to the benefit firstly of ATR, during the flight test phases of both aircraft.

Between three to four flight hours per week for each aircraft type take place, essentially in order to validate handling quality while fine tuning new developing functionalities.

The certification process is due to begin during the 2nd half of this year for the 70-seater, closely followed by that of the 50-seater.

"Having two similar pre-series models, undergoing test flights at more or less the same time, has enabled us to rationalise testing further"

s a y s Carmine Orsi, Vice President of Engineering.

"We can create new synergies between the test

schedules. For example, we set up to check the autopilot on the -72 whilst preparing to test the avionics suite systems on the -42. Up to recently, what was being done on the -72 could be applied to the -42.

Now, we are able to capitalise both ways. Here is an example: we have begun to implement and evaluate the production configuration of the -42 (including tooling improvements and production processes) under flight test conditions; again, the conclusions will be applied to both aircraft."

The time gained from the situation will be used to fully test other functionalities, such as the Flight Management and Flight Warning Systems. Human factors are important to ATR, the objective being to design-in maximum crew comfort. Prior to the certification phase, three different airline crews will fly both test craft to evaluate and report on the man-machine interfacing qualities.

For ATR, having two "flight test benches" equates to more than the already enviable position of doing a double take. Synergies and time savings are used on the -600 series to fine-tune what is not normally done under pre-certification conditions. The very fact that there is nothing special to report on the -42 test flights is worthy of mention.

Business case



A most distinguished and valuable 3rd aircraft life cycle

Facts speak louder than words. To-date, we have over 80 freighter aircraft flying with 15 different operators, on every continent (48 are -42s and 33 are -72s). Eighty-five per cent of the ATR cargo fleet is in Europe and North America, with the remainder being fairly well spread over, notably in Africa, India and Australia. The ATR42 payload is up to 6 tons, representing up to 5 LD3 containers or 3 (88"x100") pallets plus bulk freight, on a range of 500Nm. The ATR72 payload is 8.4 tons, representing 7 LD3 containers or 5 (88"x108") pallets for a flight range under 500Nm. Finally, a remarkable fifty per cent of the ATR freighter fleet is owned by the major transport integrators.

How can we explain such a success? We see three major arguments in favour of what is reported by our Operators as a rather profitable and convenient cargo life cycle: cost-efficiency, conversion choices and ease of operations.

The cost of conversion is outstandingly competitive due to the fact ATRs have a standard front loading door already larger than any other aircraft in their category (51"x62"). Additionally, the large volume afforded by the ATR fuselage sizes means that standard dimension

pallets and containers can be transported, once the few relatively simple conversion changes have been made.

Operators have a choice of modification standards. The light conversion consists in removing seats plus overhead bins, protecting the lighting and installing nets to hold the cargo in place. A heavier structural modification for maximum payloads involves the reinforcement of the aircraft floor as well as the removal of windows, and strengthening of the replacing fuselage. Further, there is an option of having a larger door installed. Straight forward Quick-change (QC) or Combi versions are part of the ATR aircraft conversion selection, too.

Airlines definitely appreciate the real operational convenience they find when including ATR freighters in their fleets. The loading door height of just over 1m is at man height, so to speak; it makes loading and handling very easy, in addition to making it flexible from the man or ground support equipment (GSE) handling point of view. Being economical on both short and long hauls (over three hours each way), the ATR freighters are obviously good machines to perform "main cities-to-hubs" feeding. But they are also said

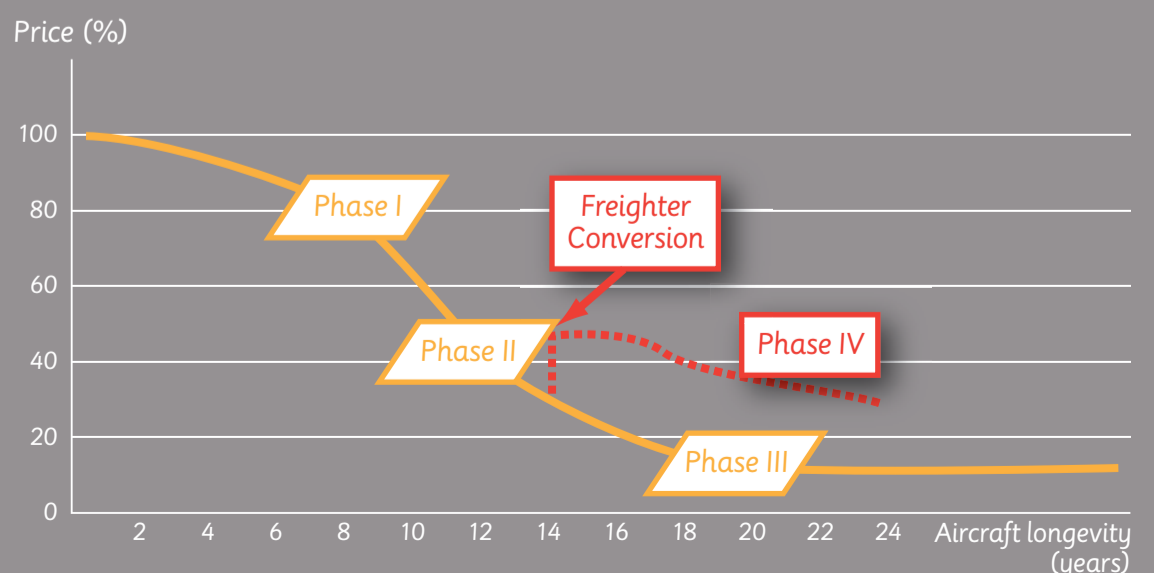
by the main transport integrators to be remarkably well-suited to that feeding process, in that they bring much relief to their usual delivery constraints. In fact, for all our operators, it equates to having more flexibility in the frequency of collection and delivery times, together with a better consolidation of cargo shipments. This, incidentally, has the other advantage of maximising trip revenues.

Lastly but very importantly, the cargo life of ATRs has a fair impact on the residual values of both aircraft types. This is borne out by market prices and unfailing lessor confidence (see our section In-Figures) and the fact that nearly 10% of the total ATR fleet so far is in the cargo operational mode.

All in all, there is a very good case for treating the 3rd life cycle of ATRs

as a key element in regional aircraft selection. What's more, statistically, reality goes even further. Average numbers for ATR freighter fleets show that instead of simply having had a New aircraft life, then a Resale life and later, a Converted aircraft life, what happens is this: the third aircraft life cycle is in fact at least a fourth ownership! We rest our case...

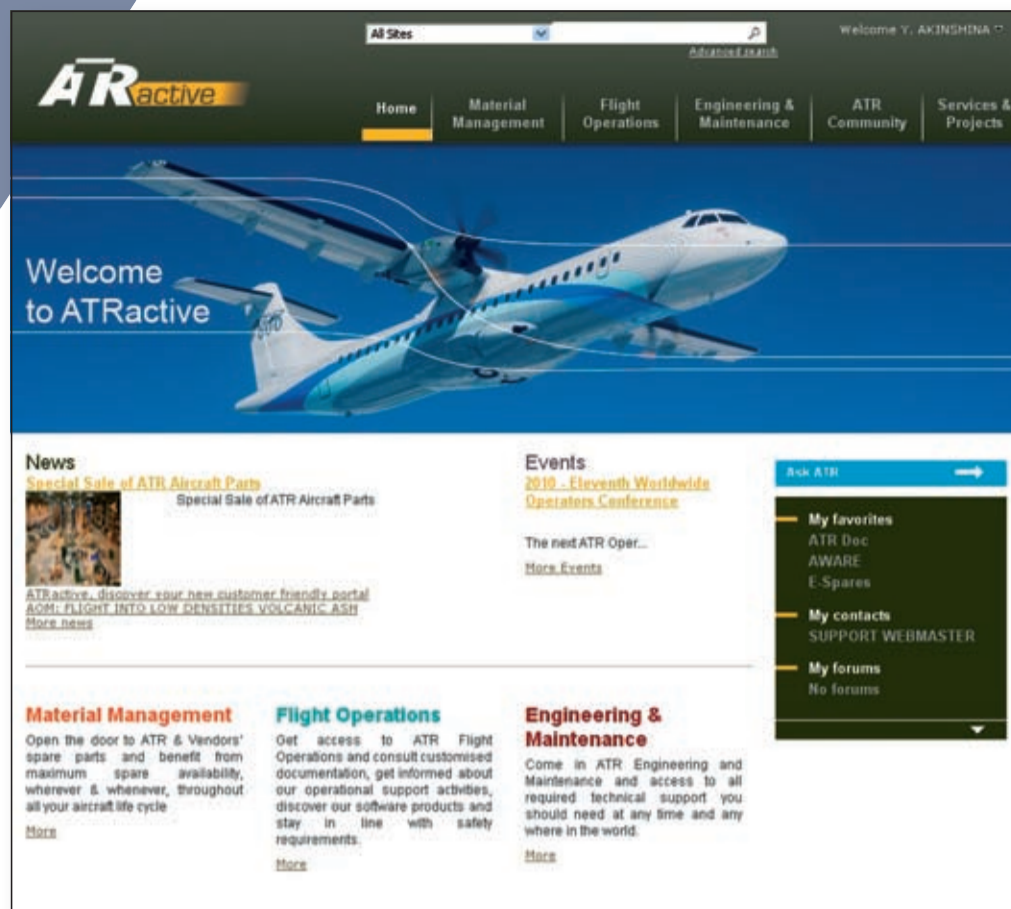
Typical Aircraft Price Behaviour



In service

ATRactive For you, right by you

IN FIGURES



We imagined it 18 months ago: to be particularly attractive to airlines, the proprietary portal we were about to design had to be as if it had been conceived by ATR operators themselves, for their purposes and with their vision. We listened and worked with our operators. And so was traced that all important part of our e-Services Roadmap, the activation of a new, very modern portal.

Named ATRactive, it is the multi-utility instrument of ATR's long term strategy for Customer support services. It fully informs and updates; it brings user-supplier commonality of tools, through highly integrated functions; it gives individual or company specific responses in a user-friendly, expert

environment. We describe the portal via its main qualities –informative, intuitive, interactive.

Most of ATRactive's working features are the logical outcome of its founding principles. Typical of this is the convenience of its single-password entry for interactive access to all pre-authorized pages and applications. Airline vocabulary, rather than aircraft manufacturer language, is used. Administrative tasks are earnestly facilitated through the automated completion of forms. Simple commands, such as "Ask ATR", activate the query management application from anywhere inside the portal; data relevant to where

frequent users of the previous portal, plus a lot of newcomers, enrolled onto the programme. Even though an average of 30% of orders for parts were already directly placed through e-spares, which is a good industry average, we believe customers will increase in numbers, once they get into the habit of logging-in. For us, it is only the beginning of a successful move. We intend for the portal to evolve, as per our established roadmap. For example, today and for the sake of high integration of services, we are making our portal available to OEMs, airline authorities and MROs. Tomorrow, you will have access to them via

www.attractive.com

the query originates from is pulled out first. ATRactive is a great communication tool as well. If you ask it, it will bring you live information, whether general or explicit, much like an around the clock news broadcast does. You will be documented in a prompt and comprehensive manner.

The number of connections recorded on the first day of ATRactive's new life was telling! We went from 255 to 400 the following day to 700 a few days later. Clearly,

sub-portals from wherever you are in ATRactive, for an even higher integration level of all ATR applications. We are currently refining options, such as individual customisation of airline menus, self-generation of required links, on-line surveys, easy interaction with CRM applications, and more... All that will be done via our operational steering committee, who will prioritise the next evolutions. Upgrades will be the result of your feedback plus connection statistics and data from the types of queries received.

ATRactive has required much teamwork, airline thinking and vision. We have produced a tool which is modern and capable of remaining so. But we will continue to enquire from you whether you are fully satisfied with what ATRactive offers, to better e-serve you through our new proprietary portal.



56 %

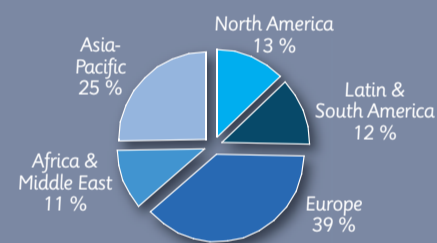
is the ATR market share for total turboprop orders since 2005.



DELIVERIES : 882

OVER 700 MILLION passengers carried in more than 80 countries.

FLEET IN SERVICE



CUMULATIVE ATR FLIGHTS



2009 Leading aircraft utilisation (12 months)

	ATR42	ATR72
Max Flying Hours	3,085	3,290
Max Flights	3,970	3,980

Leading aircraft utilisation (end December 2009)

	ATR42	ATR72
Cumulative Flying Hours	56,374	40,500
Cumulative Flights	55,917	60,340

In the loop

ETHICS AND COMPLIANCE



F. Torrea, ATR International Compliance Officer

You have heard these words before. 'Ethics' may bring back memories of philosophy classes, when this word grazed your eardrum while you were day dreaming. 'Compliance' may evoke the blindness of law enforcement. These two important words are the symbol of companies who value a set of principles which go beyond mere profits.

ATR is part of these companies who share and promote ethical values. Together with its mother companies, Finmeccanica and EADS it follows the rules laid out in its Codes of Ethics and published on its intranet.

With regards to Compliance, ATR has also taken initiatives to ensure that all employees behave with the utmost respect of laws and regulations. In January this year, ATR formally adhered to the "Global Principles of Business Ethics for the Aerospace and Defense Industry" (endorsed by the European and US Aerospace and Defense Trade Associations).

This emphasis on Ethics and Compliance has led to issuing a new "Business Ethics and Compliance Policy" covering rules applicable to sales activities mainly, and to training sessions on the rules set out in this procedure. Beyond that, the environmental involvement of ATR and its continuous effort to be a friendly and fair work place shows its deep commitment to ethical values and behaviours.

Green talk

HOW WELL DID YOU KNOW...



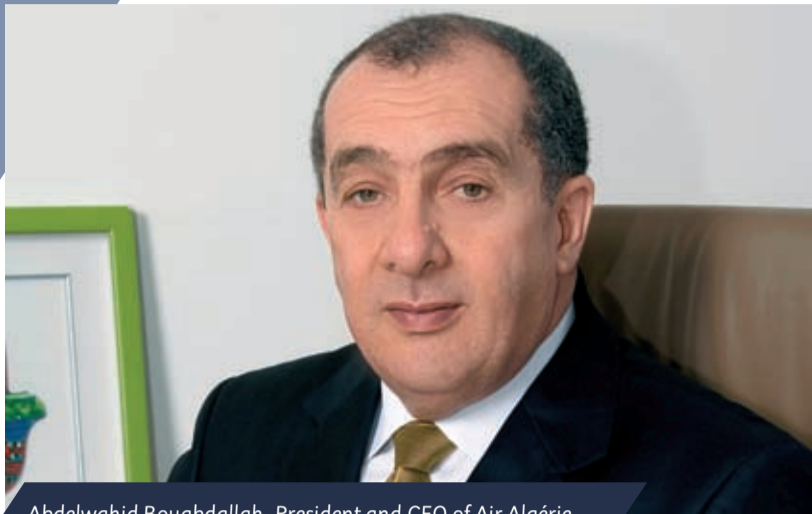
- A turboprop has 20% higher propulsive efficiency compared to a turbofan within the typical regional sectors' speed range (about 300kts or 550 Km/h). Substantial fuel and CO2 efficiencies follow.
- On a 1 hour flight (about 200 Nm or 400 Km), an ATR72-600 burns only as much fuel as a B747 uses in 10 minutes of taxiing!
- A fleet of 10 ATR72-600 generates about 22,000 Tons less CO₂ emissions per year compared to its direct turboprop competitor and 50,000 Tons less than a similar sized regional jet (*)

(*) 2,500 cycles/year/aircraft. Average sector: 250 Nm

In confidence

Air Algérie

We talked to the CEO of Air Algérie, M. Abdelwahid Bouabdallah, about what his partnership with ATR has achieved. The airline's fleet of 8 ATR aircraft will soon increase with another 4, it regularly operates the domestic route network in Algeria.



Abdelwahid Bouabdallah, President and CEO of Air Algérie.

Air Algérie has been flying ATR aircraft for a number of years. What is your assessment of your partnership with ATR?

Air Algérie has been operating ATR 72-500 series aircraft since 2003. It has a fleet of 8 ATR planes and that is increasing with another four joining our fleet. The first new one arrived in the first half of February this year. The simple fact that we took that decision is a clear indication that we are

anything but dissatisfied about our partnership with ATR. Our ATR fleet is primarily focused on our domestic route network and a large share of the aircraft are located in the Saharan region where there are adverse factors to take into consideration, both the extreme temperature and sand. The ATR fleet handle this adversity well. As for customer support provided by ATR - I would like to underline how rapid and flexible ATR

management are each time we need their help.

Air Algérie has just ordered 4 new ATR 72-500 series aircraft. How will these planes help you develop your regional flight route network?

Air Algérie has the most compact domestic route network in Africa. It's expanding and that means that we have to constantly develop our capacity. That is why we have decided to acquire four new aircraft. At the same time our marketing team are pushing to open new routes throughout the Mediterranean region which means we will probably need to increase our fleet of ATR aircraft even further in the near future.

Air Algérie flies routes in regions where there are severe weather conditions. In your opinion what are the operational advantages of ATR planes flying in difficult weather conditions?

The high wing provides an obvious advantage - it shields the motor winglets from sand erosion. On some jets with a low wing, the

sand can cause a number of problems including premature engine wear - a problem we have never faced with our ATRs.

How is your airline preparing for the future in terms of sustainable development? Do the "Green advantages" of ATR meet your own specification targets?

You know as an airline that also serves Europe we are from now on bound by the EU's ETS which stands for the European Union's Emission Trading System. Since we will soon be flying to destinations in southern Europe with our ATR aircraft our own scheme to monitor our planes' greenhouse gas emissions was provided to the relevant authorities on the 26th August 2009 and was approved last December. Our monitoring system was put into effect on the 1st January this year and all our fleet was included in the action plan.

In this framework none of the emissions from our ATR aircraft are subject to penalties. As for noise pollution we have absolutely nothing to worry about.



An ATR 72-500 Air Algérie in the run-up area.

In the know Routes 2010

The event was hosted in Toulouse, the reputed capital city of aeronautics where ATR is headquartered. This special rendez-vous was a unique opportunity for European airports and airlines to discuss and envisage tomorrow's routes all together. During the event, more than 150 visitors took part in the ATR Final Assembly Line (FAL) outing. Guided by ATR staff, the tour presented the various stages of aircraft assembly work carried out in Toulouse. As a conclusion to the visit, guests were invited onboard two finished aircraft in differing cabin configurations. Staff was on hand to answer all visitors' queries after giving a short presentation on each airplane.

"It was an amazing opportunity to freely appreciate how much comfort, technology and innovation could be found on ATR aircraft," said a visitor. "First and foremost, one thinks about ATR's well reputed operational profitability. It was an eye-opener for me to see how much more is on offer."

There was another welcomed surprise; as one of the major sponsors for Routes 2010, ATR offered flight-simulator time to delegates who so experienced the new -600 series.

In brief

Delivery Ceremony for MASwings

ATR celebrated the 10th ATR 72-500 handover to its customer MASwings on Friday, 9th April. The exclusive event - hosted by ATR - took place in Toulouse (France) in the presence of guest of honor, Datuk Masidi Manjun, Minister of tourism, culture and environment of Sabah, Malaysia.



Customer Satisfaction Survey kick-off

Constantly wishing to offer maximum client satisfaction, the ATR Customer Support Division has published its latest online survey. Its link has been forwarded to all ATR Operators, via their technical, maintenance, purchasing and operational managements. For more information, please contact...

EBACE 2010 : mastering the challenge

ATR participated in the 10th EBACE Corporate Aviation show in Geneva, Switzerland. The EBACE event gave ATR the opportunity to meet many of our customers and suppliers. With new aircraft design and optional cabin configurations, ATR maintains its presence in the regional VIP aircraft market.

New Training Center to open in Toronto

Following the homogeneity of training standards throughout all ATR referenced centers worldwide, this new North American Training Center (ANATC) is planned to be launched during the 2nd quarter of 2010 in Toronto, Canada. Three North-American operators have fully supported ATR with this project, backing it up with their long term contractual commitments to use the NARTC.

WHERE TO FIND US ?

RAA 35th Annual convention	Milwaukee	24 - 27 May
AIREXPO	Muret	29 May
100 ans d'Aéronautique	Mérignac	18 - 19 June
Farnborough International Airshow	Farnborough	19 - 25 July
Regional Aviation Association of Australia	Coolum	15 - 17 Sept.
Africa Aerospace & Defence	Cape Town	21 - 25 Sept.
ERA General Assembly	Barcelona	22 - 24 Sept.
AIREX	Istanbul	30 Sept. - 3 Oct.
11th Operators Conference	Paris	19 - 22 October
Arab Air Carriers Organization	Cairo	19 - 21 October



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