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EDITORIAL

ATR is maintaining its heading

Despite this second year of worldwide financial turmoil, ATR is maintaining its heading. We have stabilized our production rate at over 50 deliveries per year and scaled new heights with revenues of \$1,400 million. We reached another milestone in 2009 with the sale of our 1,000th aircraft since the beginning of the programme, with 40 more aircraft sold last year.

Moreover, in 2009 we reached two key milestones in the development of the -600 series with the first flight of the ATR72-600 in July and the ATR42-600 power-on in November. We also continued our policy of expanding customer services, opening a new logistic support centre in Kuala Lumpur and increasing the number of aircraft under Global Maintenance Agreements, which today cover 26% of the total ATR fleet in operation.

These achievements make us confident that we can continue to keep the tiller straight and be ready for the expected upturn. We have accomplished this by:

- consolidating production capacity after a massive ramp-up in previous years
- being ready to deliver new -600 series aircraft in 2011
- continuing to improve our global customer services and training network to be closer to operators.
- maintaining our leadership position in the turboprop market.

We trust ATR is and will continue to be the answer to regional airlines' needs thanks to our competitive, comfortable, flexible and green aircraft.

Stéphane Mayer
Chief Executive Officer



NEWS UPDATE

2009 ATR weathers the storm

In an aviation market hit by the economic and financial crisis, ATR succeeded last year in maintaining a very good level of orders, deliveries and revenues.

"ATR has achieved exponential growth since 2005, and despite the crisis business remained stable in 2009," announces Aldo Mucciardi, ATR Secretary General. The figures bear him out: ATR posted \$1.4 billion in revenues in 2009, up from \$1.3 billion the previous year—a record since the programme began. Orders were received for 40 aircraft, against 42 in 2008, and 54 were delivered, against 55 in 2008. "We were also able to preserve our precious human capital, so we're in good shape for the upturn when it comes," Mucciardi affirms. Besides these good results, 2009 also saw the first flight of the ATR 72-600 in July, followed in November by the power-on of the ATR 42-600, bang on schedule. ATR's new series of aircraft has already garnered no fewer than 59 orders.

GMA's on the up

ATR is holding its course. It continued to invest in 2009, notably in services with the opening of a logistic support centre in Kuala Lumpur,

Malaysia. "We are focused on offering our customers efficient and competitive services," says Aldo Mucciardi. Last year, work secured through Global Maintenance Agreements (GMAs) increased with 41 more aircraft under contract. Some of these are new ATR -600 series aircraft. Today, 26% of the total ATR fleet operating around the world is covered by GMAs. The 2009 results therefore show the power of attraction of ATR aircraft. At a time of high fuel costs and growing pressure to green operations, many operators are adopting "the other way to fly" and turning to ATR when renewing their fleet.

Two years' worth of work

In 2010, ATR is aiming to support sales growth even further, investing in development of logistic and technical support and training centres, notably in South Asia and Canada. "Although the crisis is expected to drag on this year, we have an order backlog of 136 aircraft, enough



Stéphane Mayer, ATR CEO

to sustain over two years of production and 43% of it on the new -600 series," explains Aldo Mucciardi. ATR's Secretary General is now eager to "get set for the upturn at the end of 2010 in a market with strong potential for turboprops—and more specifically ATRs—that are more than ever "the other way to fly" solution that operators are looking for."

ATR 42-600 powered on

On 10 November 2009, the first pre-series ATR 42-600 was successfully powered on. This test consisted in delivering electrical power to the aircraft for the first time to check that all electrical systems are functioning correctly, and more specifically to power on the new avionics suite. The power-on test is one of three key milestones in an aircraft's development schedule along with engine run-up tests and first flight.



ATR 42-600 assembly line

NEWS UPDATE

THE RETURN of the turboprop

Turboprop aircraft have been a fixture of the transport market for decades, opening up remote regions and boosting their economic development. After the jet mania of the 1990s, the turboprop is in the vanguard again and can look forward to a bright future.

"In the 1970s, business was booming for regional operators flying 30-to-50-seater aircraft. Up until 1985, traffic growth was above 10% a year compared to 5% at the Majors," recalls Mario Formica, ATR Vice-President, Marketing. The reason for their success was simple: turboprops were ultra-competitive and designed to serve routes between small and medium-sized towns and regions, especially in the United States, where they achieved huge expansion.

At the time, the turboprop market was divided among a dozen or so manufacturers. "In 1992, the arrival of the first 50-seater regional jet aircraft changed the game. And several turboprop manufacturers folded," says Formica.

This development marked the start of the jet mania that took hold for about a decade. Only ATR and its Canadian competitor were able to resist the jet's inexorable ascension. "While some had already written off the turboprop, ATR's strategy was to continue innovating with products and investing in research and new technologies. Indeed, we were convinced that the price of oil was going to rise again and that jet mania would gradually wane in the future business environment."

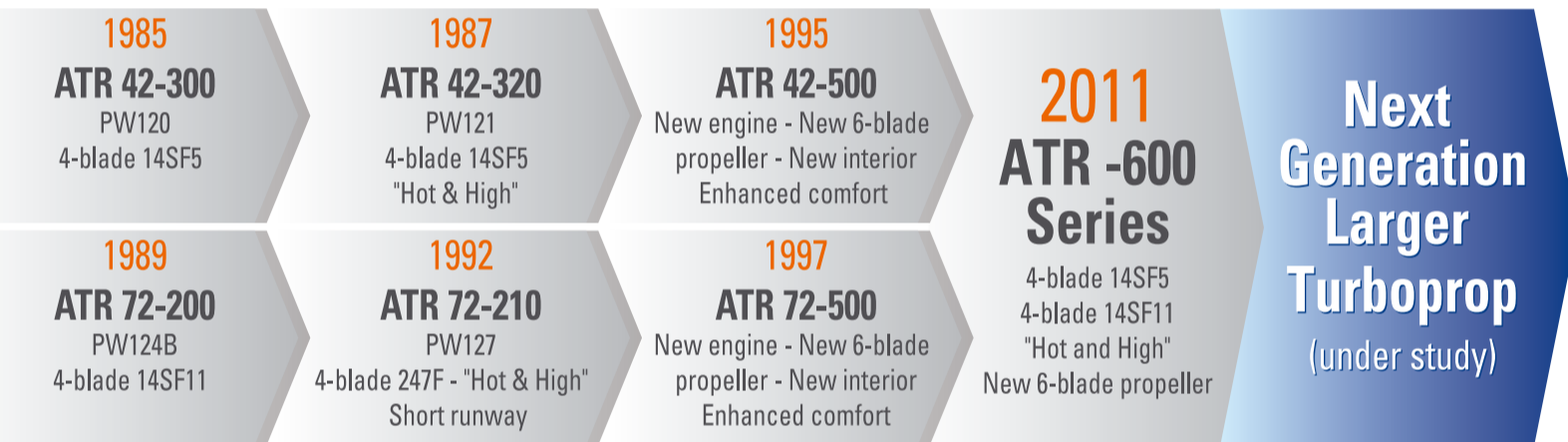
Turboprop sales exceeded regional jet sales in the sub-90-seat segment in the last five years



The September 2001 terrorist attacks in New York marked a watershed. The impact on air traffic was huge, as anxious passengers turned away from flying. A year later, the price of oil began to climb, going from 20 to 45 dollars a barrel between 2002 and 2004, and eventually soaring to 147 dollars in 2008. Operators began to do their sums and concluded that maybe they should be adapting their aircraft to match routes and increasing costs. In this sense, ATR can justifiably claim to be a visionary manufacturer. Turboprop

sales exceeded regional jet sales in the sub-90-seat segment in the last five years: 80% versus 20%. "Between 2005 and 2009, ATR sold 320 aircraft, that's more than one-third of our sales since 1985," says Mario Formica. They are back in earnest and the question now is how far sales will continue to grow. The demand is there. ATR aircraft combine flexibility, comfort, safety and high-tech with very competitive operating costs. Operators are fully aware of the advantages they afford and today ATR is working with 150 customers worldwide and extending its local support network.

Innovation remains a key priority. After the -600 series, ATR is looking at a family of 80-100-seater aircraft geared to the specific needs of certain operators. "Many of them are seeing increased passenger traffic on morning and evening flights," concludes Mario Formica. "So they need more turboprop capacity. We're on it..."



ATR pursues its Clean Sky commitment

Launched in 2007, the Clean Sky JTI* is an industry-driven seven-year research plan to make European air transport greener. The aim is to conceive and validate specific technologies for a new generation of "green" regional aircraft, intended to:

- reduce perceived noise by 3 to 4 EPNdB with respect to Chapter 4 limits, CO₂ and fuel consumption by 50% per passenger kilometre, and NOx emissions by 50%
- improve design, production and maintenance
- monitor aircraft throughout their life cycle
- develop low-weight advanced/sensorized structures, new advanced aerodynamics solutions and load alleviation, ultra-advanced aircraft and engine configurations
- develop cost-effective innovative technologies in all other domains, to offer the highest standards of quality, reliability and safety

"Ultimately, ATR is committed to providing the programme with a prototype aircraft," says Mario Formica. "Besides our involvement in Clean Sky, we are also working to continuously improve our product to ensure enhanced operational performance."

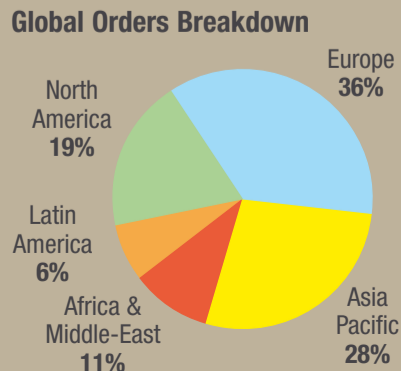
* JTI is a new instrument created by the European Commission for the 7th Framework Programme for Research (FP7) to allow large-scale and long-term public-private research partnerships.



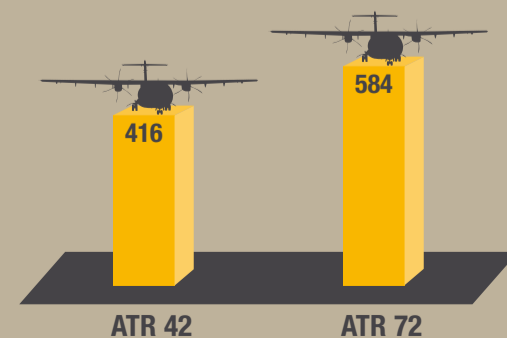
FACTS & FIGURES

ATR PROGRAMME
1,000
 aircraft ordered

ATR WORLDWIDE SUCCESS



FIRM ORDERS



FOCUS

REGIONAL TRAINING CENTRES ATR bestrides the globe

Since 2008, ATR has been stepping up its training effort with a strategy designed to provide global support to customers. Its aim is to guarantee maximum flight safety. To this end, it will be opening several training centres around the world in 2010 and 2011.

ATR's training activity remained very strong and active in 2009. This is the result of the strategy, launched in 2007, to develop Reference Training Centres (RTCs), in response to requests from customers looking for more local, less costly training solutions. "RTCs also enable us to meet their needs more quickly," explains Ivan Lauthier, ATR Vice-President Training and Flight Operations. "And by extending our training know-how outside our home base in Toulouse, we are helping to enhance global flight safety." He adds: "ATRs are designed to operate in rough environments. While the aircraft's operating advantages are vital, proficiency of flight crews and mechanics is just as important. Initial training rating courses clear pilots to fly. Operational line training allows trainees to get a good feel for the aircraft, thereby contributing to flight safety." RTCs offer the same training programmes as the Toulouse centre, only tailored to specific local requirements. ATR is also willing to adapt training content to its customers' specific needs, for example in maintenance, line training or flight operations. Moreover, it guarantees the same quality of service at a very competitive rate.



ATR flight simulator

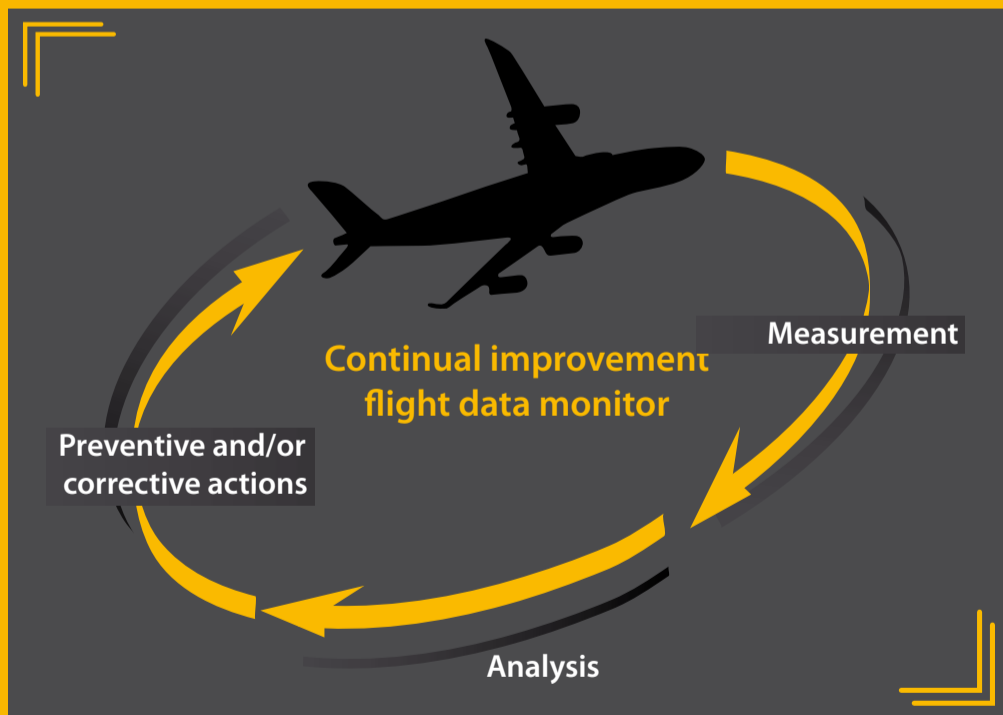
More training centres in 2010-2011

At the end of 2009, ATR formed a partnership with South-African airline Comair to set up an RTC at Johannesburg Airport by 2011. Another

partnership agreement was secured with SIM-Aerotraining, which specializes in flight simulators, in preparation for the opening of a training centre at Roissy-CDG airport by mid-2010. "This centre is what our customers looking for an 'easy' training solution in Western Europe have been waiting for," says Ivan Lauthier. As for the Toulouse centre, it will be the first to offer simulator training on the new ATR -600

series at the beginning of 2011. Later this year, in May, ATR will be opening an RTC in partnership with Canadian firm CAE Flightscap in Toronto for North-American operators. Also with CAE, another RTC will open in Bangalore, India, to strengthen ATR's presence. And in 2011, ATR will be looking at Brazil to meet recurrent needs there. "Our training strategy supports sales of our aircraft world-

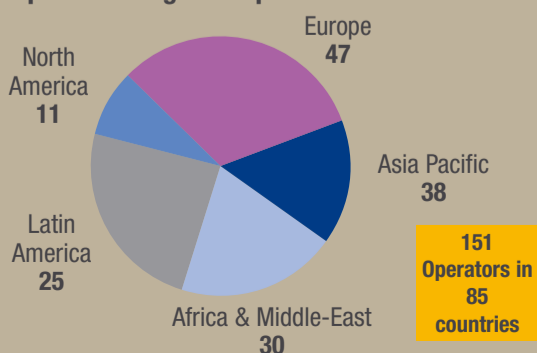
wide and boosts the quality of the ATR portfolio. This is a key discriminator for us," affirms Ivan Lauthier. Early in 2011, a new e-learning WBT tool (for Web-Based Training) will be available. This interactive tool, built around the latest 3D technologies, is under development with Toulouse-based supplier Operantis and will offer a training programme covering all ATR variants. QED...



SAFETY MANAGEMENT SYSTEM A new service for ATR customers

"As part of its service development strategy, ATR, in partnership with Canadian firm CAE Flightscap, will be offering its customers a new Flight Data Monitoring (FDM) software service starting this spring," announces Patrick Massicot, ATR Service Development & Marketing Director. "Analysis of incidents and accidents shows that human factors very often have a major impact on flight safety. Since January 2009, airlines have been mandated to establish a Safety Management System (SMS). We therefore want to serve our customers' requirements in this area." ATR sent out a questionnaire to its 150 customers to identify their SMS needs. The future FDM service will cover three areas: systematic analysis of flight data to identify safety impacts; analysis of events and specific "deviations"; and operational auditing and support in enhancing maintenance and operations procedures. "FDM is a cornerstone of SMS, offering an effective solution for analysing and preventing incidents, enhancing procedures and cutting maintenance costs," concludes Patrick Massicot.

ATR WORLDWIDE COVERAGE Operators Regional split



FLEET STATISTICS

735 million passengers flew with ATR

	ATR 42	ATR 72	TOTAL
CUMULATIVE CYCLES (in Millions)	11.1	8.8	19.9
CUMULATIVE FLIGHT HOURS (in Millions)	9.9	7.6	17.5

PERFORMANCE Last 12 months average

DISPATCH RELIABILITY / ATR -500 SERIES	99.6%
SCHEDULE COMPLETION RATE / ATR -500 SERIES	99.95%

WHERE TO FIND US

2010

Date	Event	Location
2-7 February	Singapore Airshow	Singapore
4-6 February	Italy Aerospace Expo	Rome, Italy
3-7 March	India Aviation Airshow	Hyderabad, India
4-6 May	EBACE	Geneva, Switzerland
24-27 May	RAA Regional Conference	Milwaukee, USA
19-25 July	Farnborough	Farnborough, UK
15-17 September	RAAA	Coolumb, Australia
21-25 September	Africa Aerospace	Cape Town, South Africa
22-24 September	ERA Regional Conference	Barcelona, Spain
16-21 November	Airshow China	Zhuhai, China

HIGHLIGHTS

INTERVIEW

“We chose ATR because we believe it can support our growth and is committed to our airline”

On 6 January, Indonesia's Wings Air, a regional subsidiary of the largest national private carrier Lion Air, took delivery of the first three ATR 72-500s in Indonesia. The airline has signed a contract to purchase 15 ATR 72-500s, with an option for 15 ATR 72-600s. CEO Rusdi Kirana explains the rationale behind this decision.



Mr Rusdi Kirana, President & CEO Lion Air

In terms of network strategy and operating costs, what are the advantages of operating a mixed fleet of turboprops and turbojets?

RK: A mixed fleet enables us to match the aircraft type to the capacity of the market, which in turn allows us to operate high-frequency services to cater for demand.

With environmental issues now an increasing concern, do you think in the near future ATR aircraft's "green" credentials will help boost your company's marketing effectiveness and success?

RK: We are a green-conscious airline and responsible corporate citizen, so it is always our intention to invest in equipment and aircraft with a low carbon footprint. All our new aircraft generate less carbon emissions. Our corporate mission is to reduce our carbon footprint; we do not see it as leverage for marketing opportunities.

How is the turboprop market evolving in Indonesia and with the BIMP-EAGA Open Skies agreement? What is your position in this market?

RK: With the advent of Open Skies, we feel it is important for us to optimize our operating environment and streamline our fleet. As part of this process, we have evolved into a hub-and-spoke network where the turboprops can carry passengers from the spoke to the hub, and then connect to trunk routes.

What are your expectations regarding ATR's products and customer service?

RK: ATR is a good company to work with and we appreciate their professional approach. We hope to see all our orders delivered in a timely manner and backed up by excellent after-sales service.

Wings Air is currently operating a mixed fleet of DHC8s and ATR72-500s, plus its MD90 jets and turboprops. What sets ATR aircraft apart? Today, what are the results of your partnership with ATR?

Rusdi Kirana: It is our intention to standardize our Wings Air operation with a single fleet type and we've chosen ATR72-500 to achieve this. The aircraft offers low operating costs, high reliability and provides superior passenger comfort which is in line with our business objectives.

In your opinion, what distinguishes ATR from other turboprop or regional jet aircraft? Why did you choose ATRs to develop your fleet?

RK: We selected ATR because we believe it can support our growth and is committed to our airline. In addition, when choosing an aircraft, the operating costs and how it fits into our operational strategy are fundamental. We believe ATRs meet these requirements, so we chose the ATR72-500 to replace our existing aircraft.



Wings Air ATR 72-500 taking off

TELEX

■ ATR CUSTOMER-CENTRIC APPROACH

Responding to the continuing demand for its real-time equipment management solution, ATR today is reinforcing the company's expanding customer support network by opening a logistic support center for ATR operators in the Asia-Pacific region having contracted a global maintenance agreement (GMA). This announcement follows another year of growth and profitability for ATR and continues the company's dedication to its Customer care program to ensure delivery of the highest quality products and services to its worldwide customer base.

■ INAUGURAL CEREMONY IN MANADO

ATR and Wings Air were proud to mark a significant milestone on January 6 as the airline took delivery of the first three ATR 72-500s earlier in Toulouse, France. The exclusive event—hosted by Lion Air and Wings Air in the presence SH Sarundajang, Governor of North Sulawesi, and His Excellency Freddy Numberi, Indonesia's Minister of Transportation—took place in Manado, Indonesia, the regional carrier's headquarters. This ceremony was broadcasted through the local TV channel and was appeared on the article of the local newspaper Manado Post.



■ ISC START-UP PROJECT

The 6th ATR Structural Task Group and Industry Steering Committee (ISC) met in Toulouse on 8-11 December 2009. Evolving aircraft maintenance and life extensions were at the heart of discussions. Attending airlines expressed a desire to step up the pace of scheduled maintenance tasks tied to calendar time. ATR is already studying the feasibility of this request, which will require a major effort.

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