

In confidence

Golden Air

Golden Air is the first Swedish carrier to introduce a brand new ATR 72-500 series aircraft into its fleet. The regional airline is based at Trollhättan - Vänersborg's Airport. By next autumn its ATR fleet will increase to five. Anders Kallsson, Golden Air's managing director told us about his company's relationship with ATR.



Anders Kallsson,
Managing Director Golden Air

expansion of the planes from 50 to 72 seats were the reasons behind our decision to operate the brand new ATR 72-500 series aircraft in 2008. Underlining our good experience in both leasing and operating ATR aircraft we have recently ordered 2 additional ATR 72-500 planes!

What is your position in the Scandinavian regional market and how do ATR planes contribute to the development of your network?

AK: Golden Air operates both under its own code and via long term Aircraft, Crew, Maintenance and Insurance contracts (ACMI) in the area.

We started operating ATR 72-500 planes because of the requirement coming from Sverigeflyg, a virtual airline to whom we ACMI lease out 3 ATR72-500s.

We also started this year a long term ACMI lease out with Blue1 that allowed us to be back in Finland. This contract also let us indirectly have ATRs flying in SAS via Blue1! The Blue1 contract is for 2 ATR 72-500s, 1 ATR 72-200 and 2 Saab 2000s.

But the peculiarity of our market in Sweden is Sverigeflyg, a virtual airline that handles requirements from local communities and leases in aircraft to cope with them. This is an almost unique venture in the world when we consider its success and stability. The ATR aircraft were essential in getting the Blue1 contract because it had asked for a brand new ATR aircraft.

Do ATR's "green" credentials match both you and your customers' expectations?

AK: For a long time we have given considerable attention to sustainable development and "green products". The ATR 72-500 is in line with our views on emissions. In fact our customer Sverigeflyg accepted the switch from a faster turboprop such as the Saab 2000 to an ATR 72-500 because of the green credentials of your aircraft. The same is true with the noise emission level regulations that the authorities enforce at airports in Sweden. Compliance with these requirements was a key reason your aircraft were selected.

What are your expectations

when it comes to ATR products and customer service requirements?

AK: I expect ATR to continue to develop new products and to stay focused on fuel efficiency and dispatch reliability which are your strong points today compared to the competition. When it comes to customer relations I admit I am not usually involved in day to day operations. On the contrary I only get involved when problems arise and that is when I call my favorite sales director at ATR!

How is the turboprop market evolving in the Scandinavian region and what could ATR do further to expand there?

AK: Scandinavia is a region where turboprop activity is predominant. Around 80% of the regional aircraft operating - 250 planes - are turboprops. The reasons are down to the short routes, low population density and fuel efficiency. When you take all that into account and the average age of the aircraft flying in Scandinavia that gives you an understanding of the potential market here for turboprop sales teams.

In brief

ATR in America

ATR underlined its presence in the US regional turboprop market, participating in the Regional Airline Association's annual convention in Milwaukee in May. The RAA gathering provided the team with a good opportunity to meet many of its US customers and suppliers. With its new aircraft design and optional cabin configurations, ATR was able to drive home a simple message that the company continues to innovate and by listening to our US clients we match their expectations.

Collaboration with Giugiaro design team

The famous Italian designer Giorgetto Giugiaro and the newly appointed CEO of ATR, Filippo Bagnato, met in Turin July 7-8 to officially announce the pre-launch of the new -600 series cabin "Armonia". The world's aerospace community can also see a 'mock up' of the redesigned cabin at the Farnborough International Air Show.

Contract renewal with DHL

ATR signs a 3-year contract extension with DHL for the logistics management of its warehouses. The agreement enters into force starting April 2011. In the context of full SAP implementation by ATR, it saves time and costs associated with a launch of a new global tender.

ATR breaks into the Turkish market with Borajet

Borajet is Turkey's biggest regional airline and is now the country's first turboprop aircraft operator. It started running the ATR on its Istanbul to Tokat route on May 7th. Its also planning routes to coastal Aegean towns and destinations in the Northern and Central Provinces. Borajet now has 4 ATR 72-500 aircraft. Its most recent ATR joined the fleet in June. ATR's aircraft have played a decisive role in the recent opening up of the regional market in Turkey.

ATRReview



www.atracraft.com

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

Tells us how your partnership with ATR started and the advantages of adding new ATR aircraft to your portfolio?

Anders Kallsson: We were first convinced in investing in used ATR 72-200 planes because of the stable and good residual values of ATR models. The ATR sales team in the region made us aware of the long term cost value of both the passenger and cargo versions of the planes. The low running costs and the



Golden Air ATR 72-500 in flight

In the know New advertising campaign

The Farnborough International Air Show is the perfectly-timed moment for ATR to launch a new advertising campaign based around the -600 series aircraft. And you won't be able to miss it! A series of five posters will appear in trade magazines and newspapers worldwide. The last advertising campaign on this level was back in 2005. The theme then was ATR's "Talent shows" to underline the modern turboprops coming off the assembly lines. This time the focus is the advantages of the new product, in terms of technology, comfort, profitability and of course environment. With the launch of the 72-600 series turboprop, "This represents a new story for our customers", according to Elio Bains, ATR's Corporate Brand Director.

The posters' visible aim is to grab customers' attention by stimulating their imagination at one level and on another providing them with 3 simple facts: First, the -600 series is the most technologically advanced turboprop on the market. Secondly it's environmentally friendly and thirdly it represents profitability for its customers.

Elio Bains says, "We have always promised our clients we are improving our aircraft. With the -600 series we have proven it again and this advertising campaign is to show how and why."



WHERE TO FIND US?

Farnborough	Farnborough, UK	19 - 25 July
RAAA	Coolumb, Australia	15 - 17 Sept.
Africa Aerospace	Cape Town, South Africa	21 - 25 Sept.
ERA Regional Conference	Barcelona, Spain	22 - 24 Sept.
Operators Conference	Paris, France	19 - 22 Oct.

Edito



My return as Chief Executive Officer of ATR coincides with the Farnborough international Air Show. For myself and all ATR staff our presence there is very important this year.

As always, it's a chance

for us to underline and promote our outstanding products to our long term customers and to airlines who will soon join the ATR global community of turboprop users. But this year is particularly exciting as we will unveil a 'mock up' of the -600 series cabin at Farnborough. We have given the name of "Armonia" to the totally re-looked cabin which is the final result of an extraordinary partnership between ourselves and a famous Italian designer Giugiaro.

As we reveal the new cabin to the aerospace world, we are also unveiling a winning new corporate signature, "Propelling Tomorrow's World". It sends a strong signal that ATR is a vital player in the aviation market of tomorrow and drives home the positive message on our ability to innovate and constantly improve our products.

Farnborough naturally provides us with a chance to catch up with all the key players in the world's aviation industry as well as the turboprop community. Propeller driven aviation has an incredibly bright future. Our presence at Farnborough with the ATR 72-600 and the "mock up" of the new cabin is a great way of illustrating how our product just keeps getting better.

Remember we are doing nothing less than propelling tomorrow's world!

Filippo Bagnato
Chief Executive Officer

In flight

ATR's new boss focused on continuity.

Filippo Bagnato returns to ATR as Chief Executive Officer replacing Stephane Mayer. This is Mr Bagnato's second term as CEO of ATR. Just days after taking over, he sat down with ATRReview to spell out what the management change means for ATR and its customers.

Filippo Bagnato: It was a big surprise for me when I was asked to return to ATR. But I did not hesitate at all. I want to stress that my appointment should be seen as a transition anchored in continuity. I want our customers to feel comfortable and at ease with the change. I want them to have someone they can count on. The strong message of my appointment is continuity, within the company and for its customers. In fact, many customers know me from my previous time in charge and I am spending a lot of time re-establishing contact with them and getting to know the

new customers. I think it essential to be very close to them. However as CEO, the focus of my attention will be on promoting our new product and on training and product support. **You are taking over at a particularly challenging time for the whole industry. Are you positive about the future?** **F.B.:** The financial crisis had a real impact on liquidity for our customers. Nobody can predict a bright future but nevertheless, we see significant signs of traffic growth especially in Asia, South America and Africa. All these regions I

should add are where ATR turboprops are the perfect solution. Today there is limited growth in traffic in both Europe and the United States. Despite the slowdown in North America there is an interesting replacement need developing and ATR is very well positioned to take advantage of that especially as for the 50 pax aircraft ATR is the answer. The new -600 series will be the most advanced turboprop aircraft available on the market with state of the art technology resulting from our long term strategy of continuous improvement in the product.

This is a very interesting time for ATR with the -600 series launch... **F.B.:** The ATR -500 series served as the foundation for further innovation and research which ultimately resulted in the -600 series. You can call it the result of a natural process of continuous improve-

ment. We have been continually improving our product at ATR and will continue to do so. It has always been at the core of our corporate philosophy. **The new corporate signature is "Propelling Tomorrow's World" What does that bold statement mean to you?** **F.B.:** That means we always have and will continually be innovating to anticipate aeronautical challenges. There is no doubt in today's environment that big innovative ideas are coming from small companies. A small community like ours is ideally fitted for fresh thinking. Let me give you a simple example. These days everyone is talking about green aircraft. Three years ago we used the Paris air show to unveil our green chalet. At the time it was the subject of polite laughter and bemusement. These days no-one is laughing. You could say we are pioneers in the industry. I have no doubt about that.

A small community like ours is ideally fitted for fresh thinking

The new corporate signature is "Propelling Tomorrow's World"



In progress

THE STORY BEHIND THE "ARMONIA" CABIN Rising Cabin Fever

The brand new ATR -600 series planes will be the most technologically advanced turboprop on the market for years to come.

It also marks a new significant make over for the ATR cabins completing the evolution process initiated with the "Elegant" version of the -500 series. Passengers really will sit up and notice!

"We want to give the cabin a completely new-look with a totally new philosophy using designers", says Pierre Tiefenbach, ATR's Customization Director. Particular care has been placed on passenger cabin interface items like the seats, the overhead bins and the Passenger Service Units (PSU).

"The cockpit was radically changed for the benefit of the pilots so we felt we had to make radical changes for the passengers too. That meant changing the overhead bins and the seating", according to Gianfranco Barone, ATR Product Marketing Director.

Putting that vision into place has required teams from ATR working hand in hand with the Italian designer Giugiaro and with the aircraft seat manufacturer Geven, and with SOGERMA for overhead bins (OHB) manufacturing.

Ergonomics at the centre of strategy
ATR and Giugiaro set one overall

mission: What does the passenger expect? Carmine Orsi, ATR's Vice President of Engineering explains the challenge nicely, "We wanted to build a cabin around the needs of the passengers and not have the passengers fit inside the cabin".

The buzz word is ergonomics - improving the comfort and the living space inside the cabin. And nowhere will passengers notice the new difference more than in the seating. Thanks to a new foam design, seats are substantially more comfortable as they shape around the human form. On top of that they are more attractive, offer more space and even weigh less which is music to the ears of airline customers; You could say its mission accomplished all around.

In economy class there will be two types of seating, classic and prestige. Both seat class will provide an inch extra living space as the seat pocket in-front is moved from knee level to head level. While only prestige seats can recline both seating types can be covered in classic leather and in classic seating the arm rest is shorter and stylish. And seat maker Geven is making the seating structurally stronger - 16g qualified.

How will the overhead bins change?

But of course it's not just the seating that's been revolutionized. Take the new overhead bins. They will offer substantially more storage space. (see business case below for more) The lids are replaced by sliding doors. The overhead lighting is easier on the eye and more eco-friendly too.

Passenger Service Unit

When passengers gaze upwards from their comfortable surroundings

they will see other big changes. Most airlines banned smoking 20 years ago. Passengers got the message a long time ago but no smoking warning lights still flicker overhead - but not much longer. Working with the Giugiaro team, the attendant call, lighting and adjustable air supply are re-designed and the no-smoking sign replaced

by a no mobile phone use alert! Getting all the changes in place is not easy. As Gianfranco Barone points out "In Nordic countries our customers prefer the cabin to have straight lines and sober colors while further south ATR customers prefer a more showy colorful look. The big challenge is getting the balance right".



"Prestige" seat

What does the passenger expect?



Business case

Business harmony

New cabin design is not just about good looks - it makes good business sense too.

Bigger overhead bins and new seats are not just about aesthetics. ATR's own market research and feedback from its customers shows both are essential.

Take carry on hand luggage. Trolleys are far bigger these days and secondly many passengers use ATR turboprops to fly to hubs for connecting long distance flights. They need the bigger overhead space so they have access to larger hand luggage throughout their whole journey.

These new super-size bins will please airline customers and passengers because they will be bigger than anything being offered by competitors. In the new cabin nearly 70% of all passengers will be able to store baggage in the overhead bins and their trolleys can be even bigger.

Airline feedback also called for a change in seating configuration and ATR has responded. At the moment ATR does not propose a first class. There are only rows of four seats.

In the new configuration there will be three seats abreast. Each seat will expand by 2 inches in width and each passenger will have larger armrests.

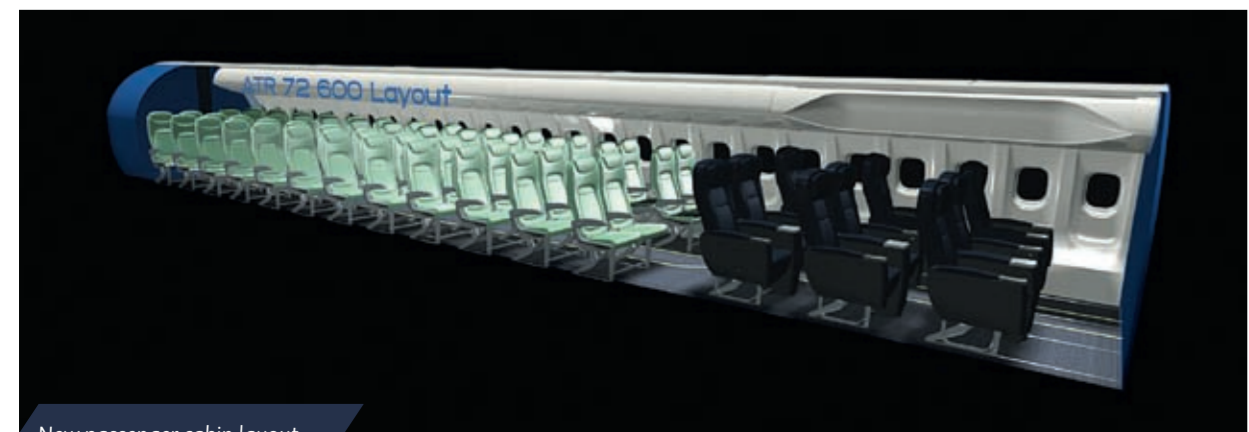
For passengers its more comfort and the airlines will be able to charge more for the seats.

In economy class the prestige and classic seats are not just more comfortable but also offer lower running costs.

Both will be covered with modern fabric that is easier and cheaper to clean. The classic seats will no longer recline which reduces mechanical complications and of course repair costs.

And in another smart business move - the seats are lighter and more ergonomic. Overall seat weight in economy class will fall by at least 100 kilos and that provides more cargo opportunities.

Since the new seats also take up less space airlines could even add an extra stowage at the back.



New passenger cabin layout

In service

-600 series on schedule as ATR helps customers make a smooth transition



The brand new ATR 72-600 series turboprop is expected to enter into service in the second half of 2011. To make that deadline, the plane is now in the development phase with around the clock in flight and ground testing.

Carmine Orsi, ATR Vice-President - Engineering, explained to ATR-review that a special team has been nominated from the engineering side, "Dedicated 100% to and focused on issues related to the entry into service of the -600 series".

While the -600 series marks a landmark in ATR's development

of the most advanced turboprop in the world, it means there is a necessary period of transition for its customers worldwide. More than 150 operators have ATR planes in their fleet and many will make the shift to the -600 series.

When it comes to talking about the -600 entry into service (EIS), customer services activities from customer support, training and vendor monitoring all share a vital role.

Underlining that point, ATR is

ATR customers will continue to receive the same maintenance and operational support

developing 'start up' teams, made up of Customer Support Representatives. They will be with the customers throughout the transition period as they begin flying the new -600 series aircraft. On the training side, ATR is striving to have maximum commonality between the existing -500 series and the -600, in order to keep the same type rating for pilots. In this spirit, ATR is developing courses for flight crew and maintenance

personnel know as 'Differences courses.'

And as Julien Pollentier ATR's Marketing Manager, Customer Services says, "the -600 technological step provides an opportunity for us to offer a fully 'state-of-the-art' training equipment package". One element of this package will be the Web Based Training (WBT) courseware. This will enable early preparation at customers' home base cutting back on unnecessary traveling time and expenses before the practical part of the training. Maintenance and pilot theoretical courses will use innovative full '3D' animation to teach and practice procedures. That in itself is another groundbreaking initiative in ATR's training program.

"Our main goal remains to develop flexible and cost-effective solutions which match the business objectives of ATR customers" says Julien Pollentier. Even though ATR's teams are currently working on the latest avionics available in the -600 series, ATR is simultaneously coordinating continuous -500 support for the future. Known as the "Legacy Plan" the program will reassure customers that components needing replacement or that become obsolete are correctly supported in the future.

To underline the 'commonality' between -500 and -600 series aircraft, the Global Maintenance Contracts or GMAs will not change for customers. ATR customers will continue to receive the same maintenance and operational support. All customers will benefit as the advances made in the -600 will enable ATR to offer a wide range of new services and solutions across the whole family of products.

IN FIGURES

30 %

more passengers will have access to trolley space in the overhead bins in the -600 series cabin.

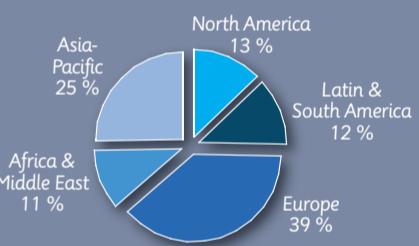


DELIVERIES : 889

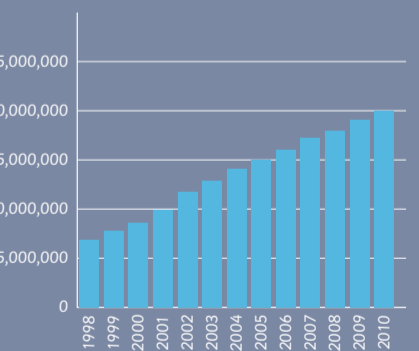
OVER 700 MILLION

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 air

THE GIUGIARO CONNECTION



Luigi Lombardi, ATR Senior Vice President, Operations

Just a few years ago who would have thought the Turin-based car designer Giugiaro and ATR's own design team would be working together! But today it's a reality. Three years ago, ATR and legendary boss Giorgetto Giugiaro behind the Ferrari GG50 and the Maserati Bora and ATR made contact. Giugiaro had brought his design expertise from sports cars to rail transport and wanted to bring his ideas to the aviation industry. For him, ATR was the perfect partner. For ATR it was a natural fit too!

There was one over-riding ambition at the company: To place the passenger at the heart of the new cabin. Giugiaro designs cars around the comfort of the driver and passengers - that is the exact same goal of ATR with the -600 series. "Continuous improvement is what makes ATR. The -600 series is the latest step in our company philosophy to improve the quality of our products in an ever demanding market", according to Luigi Lombardi, ATR Senior Vice President, Operations. ATR has set itself an ambitious goal. Just as long-haul carriers aim to dazzle passengers with their in-flight surroundings, ATR is counting on its partnership with Giugiaro to leave its passengers enchanted by the new cabin experience. As Luigi Lombardi insists, "We need to maintain our leadership in the market in a never ending way. The latest answer to this need is the -600".

In the loop

Interview with Fabrizio Giugiaro, Design Director, Italdesign Giugiaro



You are of course associated with designing luxury cars, what persuaded you to turn your attention to plane interiors and what has been the main challenge working on the cabin of an ATR aircraft?

Fabrizio Giugiaro: The transition was entirely pragmatic. Stretching back to the 1970s we have been constantly expanding our product design activity. Of course these are all completely different projects but they all share a common approach: Our teams are constantly focused on the technical feasibility of the product. The dimensions and economies of scale are the key issues. That is our working method that we apply to any program our staff are involved in. The project developed for ATR was extremely motivating and challenging. We had to respect very restrictive constraints for the structure. It was a constant balance between the most wanted design for ATR and the possible design considering the limitations. For example we spent two full days discussing how to reduce 100 g without adversely touching the design proposal.

Designing the cabin has been a collaborative effort between yourself, ATR and the Naples-based seat maker Geven. How has that worked out?

FG: I have to say it has been absolutely great teamwork across the board stretching from Naples to Toulouse and Giugiaro's offices in Turin and Barcelona. It brought together partners who are all the best there is, in their fields of expertise. We at Giugiaro have plenty of experience in designing cars. Geven is a huge player in civil aviation. Its seats are a reference in the long-haul carriers as well as corporate jets and are a perfect fit for us. For some time we have wanted to translate our design expertise from the car industry to aviation and ATR as a world leader in the turboprop market was just the partner we were looking for. All three partners had the experience and desire to come up with a fantastic new product: The 'Armonia' cabin is the proof!

What are the key words to describe the new ATR cabin from the designer point of view?

FG: The main idea was to confer an emotionally and stylishly charged atmosphere in the cabin. We wanted to re-interpret the technologically advanced aeronautic components that are traditionally featured in a rational and unemotional way. To do that we tried to conceal the technical aspects in order to get a warmer ambience and allow passengers to feel more relaxed and their flight a pleasant experience. This comfort is assisted by a distinctive lighting project, with color changing LEDs that smoothly change the inside color of the cabin making the atmosphere stress-free. A further key issue was weight reduction, that is not visible on the design but is the biggest factor for fuel economy, making the ATR-600 the most ecological airplane for passengers!