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Press Cuttings

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Headlines

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Double decker in the sky

various

Branson unveils vision of the future

By Kevin Done in Toulouse

Airline executives led by Sir Richard Branson, chairman of Virgin Atlantic, yesterday started to unveil their visions for how the Airbus A380 Superjumbo will change the way people fly and the face of travel.

Sir Richard said Virgin would not fit more than 500 seats against the Airbus figure of 665 seats on its A380s, which would feature stand-up bars, a beauty parlour and exercise gym. There would also be a casino and gaming area and some private double beds. "There will be two ways to get lucky on a Virgin Atlantic flight," he said.

The UK long-haul carrier has ordered six A380s for delivery between May 2008 and February 2010 for use on routes from London Heathrow to New York JFK, Hong Kong, Sydney, Los Angeles, San Francisco and Tokyo.

Ahmad Fuaad Dahlan, head of sales at Malaysia Airlines, said the A380 represented "a quantum leap into the future" and promised to recreate the luxury of a cruise liner in the sky.

Steven Udvar-Hazy, chief executive of ILEC, the aircraft leasing company, said that 36 years after the entry into service of the Boeing 747, the A380 would start a new era in commercial aviation.

"It will change high density intercontinental routes... it is the way of future mass transport on a global scale. It will be the workhorse serving long-haul routes."

Singapore Airlines has engaged a group of designers from fashion houses to aviation specialists and luxury car designers to produce its A380 cabins.

Airbus will soon embark on a 13-month, four aircraft flight test and certification programme for the A380 starting with a first flight around the end of March.

been 45 points adrift. British Airways made a 5½p descent to 251p on fears of higher fuel costs, while steelmaker Corus softened ¼p to 52½p amid concerns profit margins could be squeezed by higher raw material costs.

The Times p 24 19/01/05

EU heads use A380 launch to urge greater integration

By Kevin Done in Toulouse

European government leaders used the launch of the Airbus A380 superjumbo to issue a rallying call for deeper European integration and industrial co-operation yesterday.

At a spectacular ceremony to unveil the world's biggest commercial passenger jet, Jacques Chirac, the French president, told the 4,500 guests from politics, industry and commerce that Europe must advance further on the path of integration, which he said was essential for growth and employment.

Mr Chirac said the success of Airbus should be pursued in other fields including energy, transport, telecommunications and pharmaceuticals. "Let us do it together with a European ambition."

Flanked by Tony Blair, British prime minister, Gerhard Schröder, German chancellor and Jose Luis Rodriguez Zapatero, Spanish

premier, Mr Chirac said the jumbo project was "a success" for a European industrial policy that had helped make Airbus the world's leading aircraft manufacturer.

The four countries involved in the project are providing about €3bn (\$2.1bn) repayable launch aid for the A380 project.

But it has embroiled the US and the European Union in a bitter dispute over the legality of government subsidies for Airbus and Boeing, its US rival.

Last week the US and the European Commission stepped back from launching the biggest trade dispute in the history of the World Trade Organisation by agreeing to start three months of talks on a settlement aimed at reducing or eliminating subsidies.

Yesterday, however, the four government leaders backed a strong stance by the European Commission in the talks with Washington.

Mr Schröder said: "There is tremendous competition in the negotiations, the European Commission must really push for European interests and hold up the European flag."

The German chancellor praised the readiness of all four governments to provide assistance to Airbus in line with the 1992 US-EU agreement on civil aircraft development aid, which the US abrogated last year.

He said: "We must make use of the legal possibilities provided we will do so in future."

The €13.7bn A380 project is raising the stakes in the rivalry between Airbus and Boeing to new heights and will end the US group's 35-year monopoly of the large aircraft market with its 747 airliner.

The 555-passenger A380 is due to enter service with Singapore Airlines in June 2006.

Vision of the future, Page 27
www.ft.com/airbusforum

Financial Times p21 19/01/05

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The all-singing, all-dancing Airbus is all things to all men

Leaders puffed up with national pride in new giant of the skies, reports Charles Bremner

THE Airbus 380, the giant airliner that is Europe's biggest collaborative project, emerged through the glitz and smoke of a rock show and the pomp of a political launch yesterday to be seized upon by each of four leaders as a symbol of a distinct national vision.

Tony Blair and his French, German and Spanish counterparts were dwarfed by the booming sound and light spectacle in the mammoth hangar at the Toulouse Airbus headquarters. God Himself, or so it appeared, was on hand to present the star of the show: the biggest civil aircraft in the world that will carry up to 850 passengers as well as the industrial ambitions of Europe.

The deity in the show was cast as old man "History" but the grey-haired sage, who was projected in virtual form on a vast backdrop, left no doubt about his biblical origins as he narrated, to an audience of 5,000, the antics of mankind striving through the ages for the dream of flight.

As dancers flew on cables and skipped across the stage, the God-like MC switched from biblical to corporate speak to present the A380 as Man's most heroic flying feat to date. "Everything is possible. Never stop believing. Think differently... take a fresh sheet of paper," said the deity. The world's biggest curtain then drew back to reveal the A380,

in its immensity, a flying Channel ferry in comparison with the finesse of Concorde, that other milestone of aviation unveiled in Toulouse 35 years ago.

Beyond the kitsch unveiling, there was no mistaking the pride and sense of history among the aircraft-makers and politicians as Europe's most successful enterprise showed off the product of their \$12 billion investment.

With its tail eight floors high, two decks running its whole length and a wingspan of 250ft, Airbus F-WWOW, as the prototype is humorously registered, makes a Boeing jumbo jet look like a humble Cessna.

On hand for the "reveal", as the baptism was inelegantly called, were the bosses of the 14 airlines who have already bought into the Airbus vision of the future with 149 models on order. Singapore Airlines will become next year the first to fly the Airbus, which has British-built wings, undercarriage and fuel system as well as Rolls-Royce engines.

Among the bosses was Sir Richard Branson, whose tweed jacket and open shirt distinguished him from the masses.

The boss of Virgin Atlantic had broken with the solemn majesty of the occasion by promising in Toulouse on Monday to install private double bedrooms and casinos on his A380s "so now there are maybe two ways of getting

lucky on Virgin planes". When Mr Blair visited the Virgin stand after the show he was interested in this development: "Double beds? Now you're talking," he said to Mr Branson.

Superlatives rained down as President Chirac and the other dignitaries hailed the engineering marvel that they hope will help to keep the lead that Airbus has established for the past two years over Boeing as the world's leading civil aircraft maker. For all the hymns to Airbus as the symbol of European co-operation, however, the leaders each struck a national slant during their moment in the spotlight.

For M Chirac, Airbus was largely a tale of Gallic grandeur with European help. "This veritable flying ocean liner will mark a date in the history of aviation," he said, going on to list other milestones, all French. There was no mention of the Wright brothers, who are seen in France as imitators of Clement Ader, who achieved a hop for a few yards in the 1890s, a decade before them. M Chirac also depicted Airbus as proof that Europe must pump public money into high-technology enterprise to compete with the Americans. France wants to be the home of a new European agency for picking industrial champions.

Mr Blair, perhaps with elections in mind, took a different tack, hailing Airbus and its

success against Boeing as proof of Europe's prowess in the free market, thanks to the genius of plucky British industry. "This shows that we can compete in the global market... it is British industry at its best," he said.

Airbus, through BAe Systems, its British component, had created 20,000 jobs for Britain and "export gains running into billions of pounds". Like the headmaster congratulating the first XI, he said: "Now we see the final product, we are amazed. It is simply stunning. Well done all of you in Europe who made it happen. This is a day on which you can be truly proud."

For Gerhard Schröder, Airbus seemed to amount to the revenge of "old Europe" against the Americans who had relegated Germany to that category. "This is a triumph of science and engineering... The tradition of good old Europe made this possible," the Chancellor said. "Our Europe is still in a position to give impulse to innovative actions."

The Spanish leader echoed his country's eternal yearning to be accepted as one of the EU's big boys. The Union was "the best example of civilised co-existence ever invented by man in history," said José Zapatero. Saluting the "dream made reality" that is the Airbus, he said: "Spain is very proud to be part of this event."



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FROM DREAM TO TAKE-OFF

June 1994: Airbus begins engineering development of aircraft, known as A3XX

July 2000: Emirates Airlines wants seven

December 19: Airbus officially launches aircraft, called A380

January 2001: Federal Express in America wants ten of cargo version

February 20: Airbus expands its plant in Hamburg for assembly of cabins. Assembly of aircraft takes place in Toulouse

July 16, 2002: President Chirac lays first stone in Toulouse hangar

June 15, 2003: Emirates increases its orders to 45 A380s

July 4: Airbus plant in Broughton, Wales, opens. It is where wings are made

August 19, 2004: First glimpse of aircraft in Nancy, when a big piece of fuselage is unveiled

March 25, 2004: The front and central sections of the plane are unveiled at the plant in St Nazaire as they are transported to Toulouse

May 7: Jean-Pierre Raffarin, the French Prime Minister, inaugurates Toulouse assembly line

January 18, 2005: Airbus unveils a completed A380

March: Scheduled first test flight of aircraft

March 2006: Forecast start of A380 entering service with Singapore Airlines between London and Singapore

2008: First freight A380s expected to take to air



Things are looking up: Zapatero, Blair, Chirac and Schröder enraptured by the A380 yesterday

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BRITISH AIRWAYS

Airlines need open skies to survive

CARL MORTISHED EUROPEAN BRIEFING

IT WAS, as if Europe was launching a battleship, so many politicians tripping over each other in their rush to heap praise on the A380, an aircraft whose wings have yet to be tested in flight.

The puffery and self-congratulation in Toulouse (aimed squarely at Washington) completely misses the point. No one doubts (even in the absence of proof) that this bird will fly and it is selling well. When Gerhard Schröder, the German Chancellor, reminded his audience that "good old Europe has made this possible", he might have saved his breath. Airbus is a success and Boeing's bruised and battered visage is proof that European companies can create world-beaters if they join forces.

But old Europe is still with us and while the politicians preen in Toulouse, a once-famous air transport business was packing its bags in Geneva. Swiss is not quite ending its operations in the francophone canton — it will continue to ferry passengers to Zurich — but it is in massive retreat. The biggest operator at Geneva Airport is no longer a Swiss firm but EasyJet.

The former Swissair built its business on high-cost short-haul traffic sold at high prices, a business swept away by the EasyJet and Ryanair squadrons. It is a minor national humiliation for Switzerland which saw its flag carrier, Swissair, trimmed to Swiss and perhaps soon to just "S", but there is greater risk to come. The low-cost battalions of Asia are getting new weaponry — the 550-seater A380 could well be

the Trojan horse that brings down the airlines of Europe.

The largest squadron is being assembled in the Gulf where Emirates is almost doubling its fleet. Emirates has ordered 100 aircraft over the past few years including 43 A380s, almost a third of the entire order book for the new aircraft. No other carrier has such a large stake in Airbus's new flagship — Lufthansa has ordered 15. Virgin has requested five and BA has yet to place an order.

There is good reason for Emirates to make these investments. It can afford them. It is highly profitable — its operating margin is almost double that of BA. More important, the A380 is the ideal aircraft for its strategy of funneling Asia-bound passengers from Europe through its hub in Dubai. It is stealing market share from every major European carrier and the A380, with its promise of 20 per cent cost reductions, will up the ante.

Analysts at UBS predict that Air France and Lufthansa are under the greatest threat. BA, having chosen to focus its investment on linking Britain with US cities rather than Asian traffic, is affected less.

The cost advantage enjoyed by Emirates is significant. So great is it that Jean-Cyril Spinetta, the Air France chief, has demanded that Emirates open its books. The French carrier accuses Emirates of unfair subsidies, pointing to a supposed sugar daddy in Sheikh Ahmed bin Saeed Al-Maktoum. Oil is lubricating Emirates, say the doubters, and heavy state investment in the vast shopping malls of Dubai's airport complex.

The subsidy charge is denied but there is no doubt that Emirates benefits from Dubai's ultra-efficient hub. Its location is perfect, both in time and space. With its glitzy home half-way from Western Europe to the Far East, Emirates is pick-

ing up passengers by adding flights to medium-sized European cities. Air France and Lufthansa play the hub and spoke game using their respective ports in Paris and Frankfurt but the stopover is often less efficient and less attractive.

Dubai is playing a different game — the Gulf state does everything possible to benefit Emirates, the traffic generated by the airline being a great boon to the city state. Rumours suggest that subsidised jet fuel and sovereign guarantees provided to Emirates debt UBS reports no obvious signs of featherbedding for the airline and instead points to much lower operating expenses. BA's staff costs represented 29 per cent of its revenue last year while at Singapore they were only 20 per cent. Emirates trumped them both with staff accounting for 17 per cent of revenue.

The horrible truth for European carriers is that Emirates is a young business with few legacy costs and a simple idea that works: pile 'em high in the sky. Its next step is to use the long-range A340-500 to pick up stray passengers on America's West coast, fly them direct to Dubai and on to the Far East. BA has been warned.

Europe's carriers have no real strategy to defend themselves, although France restricts Emirates to one Paris flight a day — odd behaviour given the airline's support for French industry in Toulouse. What is really needed from the politicians in Toulouse is something called an air transport policy and it probably means less regulation, not more.

There are too many airlines in Europe. If they continue to fight each other for landing rights, burdened with high overheads, they will succeed in exporting the best of their business to an offshore hub in the Gulf. Emirates is making a huge gamble, an increase in pas-



Casualty: Swiss is in retreat

senger capacity that has never been seen before and it will succeed by cherry-picking traffic from a multitude of inefficient Europeans. Emirates has been able to pick up profitable routes, targeting second-tier cities, such as Manchester and Birmingham; it flies to Nice in France and has an open-skies arrangement with India. Instead of closing the door, let us have open skies and European airline mergers. In such a scenario, Emirates would have to compete even harder.

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BRITISH AIRWAYS 

Your invitation to join the mile-high fitness club

By PAUL MARSTON
IN TOULOUSE
AND JOHN CROWLEY

TRAVELLERS fancying a stretch aboard the new A380, the world's biggest passenger aircraft, will find there is no need to wriggle in their seat.

Even those flying economy class will be able to stroll down the aisle and have a proper workout at 38,000ft in the purpose-built gym.

Passengers with a less energetic attitude towards relaxing at altitude will be able to visit shops or play blackjack and roulette at a mini-casino. Business class travellers will have a beauty parlour, a bar and double beds.

Such a prospect could become reality within three years, according to Sir Richard Branson's Virgin airline.

The carrier expects to introduce six of the aircraft in 2008 from London to New York, Los Angeles, Tokyo, Sydney and Johannesburg. Sir Richard said it would provide an opportunity to "create new ways of flying".

Virgin, whose gym-in-the-sky proposals will be vetted by safety regulators and the Civil Aviation Authority, has made a preliminary order for a further six aircraft because passengers say they prefer more areas to visit in mid-flight than extra leg room.

Travellers are guaranteed a modicum of extra space because all A380 economy seats are an inch wider than on existing jets. The airline plans to configure the aircraft to carry 500 passengers rather than the 555

maximum, though holiday services to Florida may be fitted with extra seats.

Other carriers already committed to flying the plane to Heathrow include Emirates, Qantas, Thai International and Malaysia and Singapore Airlines.

Noel Forgeard, the Airbus chief executive, said: "We've written one of the most beautiful pages of aircraft history."

The first test flights are scheduled in two months while the first commercial service will be flown by Singapore Airlines in the summer of 2006.

BAA, the airport operator, is investing £450million in widening taxi ways and parking space to accommodate the aircraft, which has a wingspan 15 metres greater than Boeing's 747s. Some runway surfaces have been strengthened and luggage conveyor belts will be extended to cope with larger groups of passengers.

Airbus hopes that it will have sold 1,250 A380s by 2023, supplanting the jumbo jet, which has become the workhorse of the skies with more than a 1,000 still in service. In comparison with its American competitor, the A380 has 30 per cent more seats and can fly 10 per cent further without refuelling. Though only slightly longer than a 747, the new jet is 40 per cent heavier.

Airbus says its aircraft is 12 per cent more fuel efficient, consuming less than three litres of fuel per passenger per 100km (62 miles), a rate "comparable to an economical family car". Operational costs overall are estimated to be 20 per cent lower per seat than the 747s.

Manufacture of the A380 has involved nearly 400 British companies, with most

work completed at Rolls-Royce's plant in Derby and BAE's sites at Filton, near Bristol, and Broughton, in north Wales, where the wings are made.

Sir Richard described the launch of the super-jumbo as "a giant historic step". He added: "It is obviously difficult to get new landing slots at the world's busiest airports. So using an existing slot to fly more people makes a lot of sense. This plane will be a beautiful beast to own."

Virgin will pay about £150million per aircraft, but will be eligible for substantial compensation from Airbus if the planes prove less efficient than promised.

Yesterday's unveiling of the plane in Toulouse was big on Continental pomp and ceremony, resembling a hi-tech *son et lumiere* with dancers in reclining passenger poses suspended above 60ft jets of shimmering water.

An on-screen cartoon Merlin figure commended the fathers of the super-jumbo project for their "vision".

He advised baffled spectators that "dreams must be flown if we want them to come true", before adding solemnly: "The key is to remember them."

At one point the British contribution was represented by a man on stilts in a bowler hat with a Union flag stitched into his jacket.

At another juncture, while Germany's cultural influences on the project were identified as Einstein and Goethe, Britain's counterparts were judged to be The Beatles.

Undeterred, Tony Blair hailed the ceremony as "stunning". Peter Mandelson, the EU's trade commissioner, looked on with similar admiration.

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BRITISH AIRWAYS

Double-decker in the sky

The collapse of the dotcom and equities markets, and the terrorist atrocities of September 11, have been wretched for the airline industry. It was, therefore, hardly surprising that the unveiling in Toulouse yesterday of the Airbus super-jumbo jet should have been heralded as the dawn of a new age. Tony Blair said the project would change the way we travel and help create 100,000 jobs in Britain, where the engines, wings and landing-gear are made. Sir Richard Branson, whose Virgin Atlantic has ordered six of the aircraft, held out the prospect of double beds, gym areas, mini casinos, beauty parlours and bars.

Whether reality will match these promises remains to be seen. But the launch of the A380, which can seat 555 people on two decks, is another landmark in the rise of a remarkable European joint venture. Across the wide range of its fleet, Airbus has already overtaken Boeing in terms of orders. With the super-jumbo, it hopes to eclipse its rival's 747 series in the wide-body, long-haul sector. The first and the biggest customers to date, respectively Singapore Airlines and the Dubai-based Emirates, indicate that Asia will prove the best market. In China alone, it is expected that the number of people travelling overseas will double to 50 million a year by 2008.

Orders have been placed in Europe by Lufthansa and Air France and in America by the freight carriers FedEx and UPS. It is thought that BA will follow suit in a few years' time. The order book stands at nearly 150, well on the way to the 250 needed to cover the £6 billion development costs.

After the commercial failure of the Anglo-French Concorde, it is gratifying to see a European consortium, this time involving Britain, France, Germany and Spain, overtaking Boeing as the market leader. After a couple of false starts, the American company has decided to concentrate on the medium-capacity 7E7. With the A380, Airbus is counting on rising demand for hub destinations, such as Heathrow and JFK, where the super-jumbo will be able to land more people per runway slot than any other aircraft. With the 7E7, Boeing is investing in a much smaller jet that will be able to bypass the congested and expensive hubs.

There are good grounds for confidence in each strategy. But whichever proves the more successful, it is heartening, after the recent slump in the airline business, to see the two giant manufacturers investing heavily in the future.

x 61

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BRITISH AIRWAYS 

Casinos, gyms and double beds – but will enough airlines get on board?

Blair and Branson hail Airbus 'superjumbo.' But it needs more orders to break even

Andrew Clark in Toulouse

In a blizzard of dry ice, operatic music and multiethnic dancing, the world's largest passenger plane made its first public appearance at a vast airfield on the outskirts of Toulouse yesterday.

Bathed in soft purple light, the Airbus A380 "superjumbo" dwarfed a crowd of 5,000 guests including Tony Blair and his fellow heads of government from France, Germany and Spain.

The double-decker aircraft, which can carry up to 850 passengers, and has a wingspan of 90 metres, is billed as the biggest development in mass market air travel since the introduction of the Boeing 747 in 1969.

Virgin Atlantic, which has ordered six of the planes, is planning to use the extra space for in-flight gyms, beauty salons and casinos. Other airlines, including Emirates, intend to install showers and private rooms for first-class passengers.

With Welsh-made wings, a German fuselage and a Spanish tail, the aircraft is regarded as a symbol of European industrial cooperation. Its completion is a huge

operation between European countries.

The French president, Jacques Chirac, went further, praising a "truly magnificent endeavour" and calling for closer European integration: "To our partners, I say we must go further down this European path which is so vital for growth, for prosperity and well-being."

Airbus has devoted five years and £5.5bn to the superjumbo project, which is running £1bn over budget. The British government has invested £580m, which will be more than paid back if the plane is a success.

Britain's BAE Systems owns a fifth of Airbus. Many airlines have chosen to fit Rolls-Royce engines to their A380s. The British manufacturer said the power of one A380 taking off would be equivalent to 3,500 family cars.

An estimated 20,000 British workers are involved in the project. To date, however, orders are well short of break-even. Airbus needs to sell 250 of the aircraft, which have a catalogue price of \$260m (£140m) each, to regain its costs. Airlines have only committed themselves to 149.

America's cash-strapped airlines are yet to order any A380s. British Airways has so far ignored pressure to sign up, as have Japan's airlines.

Experts are split on its prospects for success. Chris Tarry of the aviation research firm CTAIRA, said it would help long-haul airlines squeeze more passengers through limited landing slots at congested airports such as Heathrow and Tokyo's Narita terminal.

Stretched

But he pointed out that many carriers were already financially stretched: "You shouldn't naturally assume that everyone who has 747s is going to want to replace them with A380s."

British travellers will be among the first to get a taste of the new aircraft. Singa-

pore Airlines, the A380's lead customer, announced that its inaugural service next year would be between London, Singapore and Sydney on the so-called "kangaroo" route to Australia.

Singapore's chief executive, Cheong Choong Kong, said the A380's name was auspicious in Chinese: "The number 88 sounds like the words 'growth and prosperity'."

In common with many other airlines, Singapore only intends to carry around 500 people on the A380 – a fifth more than can fit on a jumbo jet. Rather than packing the plane with 850 economy seats, carriers are keen to introduce extended first and business-class facilities.

Virgin Atlantic has delayed its £1.5bn superjumbo order until late 2007. It is worried that many airports, including Gatwick and Los Angeles, will take years to adapt their facilities to handle the aircraft.

Airports have had to invest heavily in improvements. Heathrow's operator, BAA, is spending £450m on widening its taxiways, strengthening its runways and building bigger piers for embarking passengers.

Virgin's chairman, Sir Richard Branson, said that with casinos and private double beds on board, customers on his super-

Links

airbus.com/events/a380_reveal/event

[Airbus A380 launch](http://airbus.com)

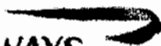
guardian.co.uk/airlines

boost to Airbus in its long-running transatlantic battle with America's Boeing to be the world's top manufacturer of passenger aircraft.

Mr Blair described the superjumbo as "simply stunning" and said it marked "an unprecedented level of industrial coop-



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jumbos would have "two chances to get lucky".

He seized the opportunity to attack British Airways for "buying American, rather than buying European" in its insistence on sticking with Boeing 747s.

"To be perfectly honest, it would be quite nice if BA were to buy some A380s as well — because it would support British aerospace and it would support Europe," Sir Richard said.

Quieter

The new aircraft is more fuel-efficient and quieter than its predecessors. Airlines say it is environmentally friendly because it will carry more passengers, precluding the need for more takeoffs and landings.

But green campaigners have given it a cool reception.

Richard Dyer of Friends of the Earth said: "It's positive that aircraft are getting more efficient. But the technological progress is not happening fast enough — growth in air travel is outstepping the improvements."

The anti-Heathrow noise campaign group Hacan ClearSkies said although it was quieter than a traditional jumbo jet, the A380 would only just meet new international noise standards, to be introduced next year. Hacan's chairman, John Stewart, said: "If this isn't used to reduce the overall number of planes landing at airports, it will be a missed opportunity."

Airlines see the opportunity differently. They regard the A380 as a way to lay on extra capacity for pent-up demand.

Lufthansa's boss, Wolfgang Mayrhuber, pointed out that the US and Europe account for a small percentage of the world's population but a large percentage of airline passengers: "That shows we're only at the very beginning of air transport."

Geoff Dixon, chief executive of the Australian national airline, Qantas, said the Antipodes would be brought closer by the new plane. He said it would stimulate renewed travel by "conquering the tyranny of distance" for far-flung, isolated countries.

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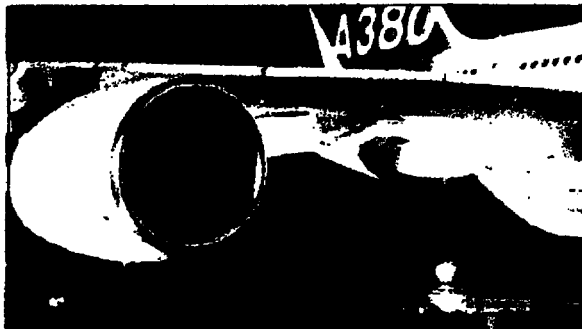
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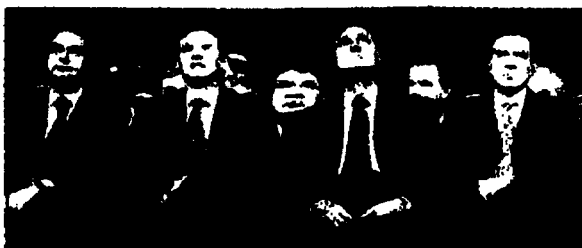


Flight facts

- By 2016, enthusiasts expect one in eight aircraft at Heathrow airport to be superjumbos, enabling up to 10 million more people to travel without extra flights.
- Wings for the superjumbo are built in a £350m factory in Broughton, Wales. They are hauled to Airbus's assembly plant in Toulouse by barge, ship and lorry.
- Airbus's A380 assembly hall incorporates 32,000 tonnes of steel, the equivalent of four Eiffel towers.
- The superjumbo is 12% more fuel-efficient than an ordinary jumbo jet and can fly 10% further.
- Emirates Airlines is the biggest customer to date, with an order for 45 superjumbos under a plan to develop Dubai as an international travel hub.
- The first European airline to operate the A380 will be Air France, which intends to use the superjumbo for services



Above, the launch of the Airbus A380 in Toulouse yesterday. Below, José Luis Rodríguez Zapatero, Tony Blair, Jacques Chirac and Gerhard Schröder watch the unveiling ceremony



- from Paris to New York and Montreal in summer 2007.
- The first flight will be operated by Singapore Airlines in 2006 between London, Singapore and Sydney.
- Airbus is considering making a "stretch" version of the plane, which could carry as many as 1,000 passengers.
- The superjumbo has a range of 8,000 nautical miles, sufficient to go from London to Tokyo. But it cannot go as far as Airbus's smaller A340-500, which can go non-stop from London to Perth.
- Each superjumbo will undergo more than 1,000 hours of test flights before it can carry passengers.
- In the early days, the A380 was known within Airbus as the A3XX or "VLA" — very large aircraft.
- A cargo version of the plane, already ordered by delivery firms Federal Express and UPS, will be able to carry 150 tonnes of freight.

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BRITISH AIRWAYS 

With a hangar full of canapes

and champagne, French roll out the world's biggest passenger plane

Unveiled, the jumbo that's too heavy to take off

From **Ray Massey**
Transport Editor, in Toulouse

IT is as tall as an eight-storey building. But as the world's biggest passenger plane was unveiled yesterday, it was overweight and over-hyped.

And the partying that accompanied the launch of the 555-seater Airbus A380 super jumbo was definitely over the top.

With Tony Blair, French president Jacques Chirac, German Chancellor Gerhard Schroeder and Spanish Premier Jose Luis Rodriguez Zapatero leading the VIP line-up, more than 3,000 square yards of hangar were put aside for 5,000 guests to tuck in.

They consumed champagne, canapes, cocktails and croissants in super jumbo quantities at the jamboree in Toulouse.

And they were treated to an extravagant show which combined Disney's Fantasia, shades of Harry Potter and sci-fi elements of Star Trek.

There were typically French-style cultural references and nods towards mysticism, using lights, lasers, fireworks, acrobats, dancers, men on stilts and giant water fountains.

Against the background of a giant blue sky, a cartoon magician took the audience on a tour through the history of flight from Icarus and Leonardo da Vinci to the Wright Brothers and the new Airbus.

But the presentation for the gigantic double-decker plane - nine tons overweight and yet to fly - seemed at times more a propaganda exercise for a federal Europe and a less-than-subtle showcase by the French for

their Paris Olympics bid.

Jacques Chirac was the most blatant, referring repeatedly to a great European adventure, European success, European ambition and the European flag. He said: 'We can and must advance further on the path of European integration.'

He said the aircraft embodies the European vision and would 'bear the colours of our continent' in the air.

Mr Blair said he was 'thrilled' by the new plane, which he described as 'amazing and simply stunning'.

But, with a General Election in the offing, he concentrated more on its boost to UK jobs. 'It is British industry at its best. It is European co-operation at its best.'

However, he added: 'Airbus demonstrates we can achieve more together in Europe than we ever can alone.'

The A380's wings are built in the North Wales town of Broughton, and in Bristol - a total of 12,000 jobs - while its Rolls-Royce engines are made in Derby.

Some 400 supply firms bring the jobs total to 22,000 - and another 100,000 could follow, said Mr Blair.

But there has been controversy about subsidies for the jet. It has had £2.5 billion in 'launch aid' - effectively State money to underwrite it - of which the UK has contributed £530 million. The project is supposed to cost £5.7 billion but, say experts, could spiral to £10 billion.

Airbus needs to sell 250 of the jets - which cost £155 million each - to break even and 700 before the launch aid is repaid. So far, it has 149 firm orders.

Most airlines will seek to maximise profits by filling the plane with more seats, up to a maximum

of 850 economy places.

Virgin boss Sir Richard Branson, who has ordered six with an option for six more, stole some of the limelight yesterday by announcing plans to incorporate a bar, a casino, a beauty and massage parlour and even 35 double beds in which passengers will be invited to join the 'mile high club'.

He said he would limit seats to about 500, adding: 'With the casino and the beds, our passengers will have at least two ways to get lucky on one of our flights.'

Later, as he discussed his plans with Mr Blair, the Premier visibly puffed out his cheeks and intoned: 'Double beds - now you're talking.'

Virgin Atlantic will be using its jets to fly to New York, Hong Kong, Sydney, Los Angeles, San Francisco and Tokyo, with ambitions to take Disney World visitors to Orlando in Florida.

Capable of a range of more than 9,000 miles, the A380 will have its first test flight before the end of March.

Singapore Airlines will be the first to fly passengers in summer next year - from London to Sydney. But British Airways has so far resisted signing up for the super jumbo.

Yesterday, its chairman, Martin Broughton, said of the plane: 'We would not be ordering any in the immediate future.'

'We like to see how they get on for at least three years and then the policy is to order the Mark II version.'

'History tells us brand-new air-



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Client: British Airways
Source: Daily Mail (Main)
Date: 19 January 2005
Page: 22,23
Circulation: 2477416
Area(cm²): 1031



craft tend to have a lot of teething problems. That's been the history of aviation.

'You are better off letting someone else have all the problems, and buy the plane once they have been sorted.' Some experts fear sales may be hit by the jet's weight problem.

Buyers have been promised money back if efficiency gains and cost cuts fail to materialise. There is also concern about longer check-in and disembarking times, with airlines predicting a 90-minute turnaround.

And, despite all the innovations, the A380's seats have only an inch of extra width compared to the Boeing 747 - the plane whose thunder it is hoping to steal.

More than ten million passengers a year are expected to use the super jumbos at Heathrow alone within a decade.

The airport has been busy for months making £450million of modifications to strengthen runways to cater for the A380. But other airports have not been so quick, adding to Virgin's decision to delay its order until 2008. And Heathrow protesters say the A380 will be 'one of the noisiest beasts in the sky'. Although bigger and heavier than the 747, the A380 needs less distance to take off and land, makes half the noise, and is more fuel-efficient.

It can carry 35 per cent more passengers than its Boeing rival, and has around 50 per cent more floor space.

It will be the first long-haul aircraft to consume less than three litres of fuel per passenger over 60 100 kilometres - a rate comparable to an economical family car.

But Boeing says the Airbus is a 'white elephant' and is pinning its future on smaller 250-passenger 7E7 'dreamliner' aircraft flying between small airports.



Client: British Airways
Source: The Daily Mirror (Late)
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Double-decker Airbus offers showers ..and some shopping GIANT JET SET FOR TAKE-OFF

By ROBERT STANFIELD

THIS is the height of luxury for travellers on the world's biggest passenger plane, unveiled today.

The full-length double-decker Airbus A380 boasts showers, shops, a casino, gym, library and cocktail bar - plus a children's play area.

Jetting 8,000 miles non-stop between Europe and Asia, it will be the height of an eight-storey hotel and seat more than 550 passengers.

Incredibly, more than 70 cars could be parked on its wings. Its engine has a thrust equal to 3,500 family cars.

Manufacturer Airbus hopes the plane, due to enter service next year, will fill the gap left by the scrapping of Concorde.

The jet will be unveiled in Toulouse, France. Tony Blair will be present with the leaders

of France, Germany and Spain whose countries helped subsidise the project with Britain. Airbus said: "This is the largest, best and most important aircraft in our history."

Sir Richard Branson, whose Virgin Atlantic airline has bought three of the £150million jets, will also be at the ceremony. Courier giant FedEx has ordered 10 A380s. Airlines such as BA are expected to follow.

Only 60 airports worldwide are large enough to house the plane. Heathrow, Paris, Hong Kong, Washington and Amsterdam airports are having to make extra space. The A380's first test flight is not due until March.



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Client: British Airways
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BRITISH AIRWAYS

The future of air travel: 1 extra inch on your seat

From **STEPHEN MOYES** in Toulouse

IT'S a flying luxury hotel with gyms, shops, casinos and private bedrooms.

But the world's biggest and sexiest jetliner could still turn out to be a pain in the posterior.

The new 550-seater A380 Airbus unveiled yesterday has economy seats just **ONE INCH** wider than normal. That's despite being the length of nine London buses and half the height of Nelson's Column.

Experts say air firms will still have to pack in passengers to make the £150million "double decker" super-jumbo pay.

Good news is that flights won't be more expensive - and could even be cheaper in the long run.

Unveiled at Toulouse in south west France after 10 years and £5.7billion development, the A380 involved 22,000 British workers and could create another 100,000

jobs. And the lack of bum space didn't seem to put anyone off at the glittering launch ceremony.

Virgin Atlantic boss Sir Richard Branson has ordered half a dozen, with the option of another six.

Plugging the private sleeping areas and casinos, he promised a flight of fancy at 30,000ft.

He joked: "Maybe now there will be two ways of getting lucky on a Virgin plane."

Tony Blair was impressed. He puffed out his cheeks and arched his eyebrows as he exclaimed: "Double beds?" Sir Richard said they would be a "great attraction".

Earlier the PM - standing alongside leading politicians from Germany, France and Spain - hailed the project as an example of European co-operation at its best.

"It's simply stunning," he said. The A380 - with Rolls Royce engines and wings made in Broughton, North Wales - has stand-up bars, food counters, beauty parlours and whirlpool

baths. It makes its first test flight in March and is due to come into service next year.

But Gordon Bethune, boss of America's Continental Airlines, reckons the Airbus could be too big for its own good.

He said: "What's in it for me to sit on an airplane with 500 other people, wait for my bags with 500 other people, check in with 500 other people?"

10 JUMBO FACTS

- APART from Concorde, the A380 is seen as the biggest advance since the Boeing 747.
- IT has created around 22,000 jobs in 400 British companies.
- THE plane is more fuel efficient and quieter than a 747.
- PARTS are being made in 15 plants in four countries.
- VIRGIN Atlantic will begin operating the A380 in 2006.
- HEATHROW is making alterations to accommodate it.
- SINGAPORE Airlines will be first to fly it in spring 2006.
- AIRBUS has 149 orders - 100 short of the break-even target.
- THE UK has invested £530million aid for the project.
- COSTS could over-run by up to £750million.



AIR WE GO. The super jet is unveiled yesterday

Japan opts out of airline subsidy talks

By Mariko Sanchanta in Tokyo and Edward Alden in Washington

Japan yesterday said it would not take part in talks announced last week by the European Union and the US to end state aid to Boeing and Airbus.

Calling a truce over the biggest dispute in the history of the World Trade Organisation, Washington and Brussels gave themselves three months to come to an agreement to eliminate subsidies that could be extended to other countries, such as Japan, which is Boeing's biggest industrial partner.

But Shoichi Nakagawa, Japan's trade minister, said Japan had "never been involved in the talks nor does it intend to take part in them".

Mr Nakagawa was speaking after meeting Peter Mandelson, the EU trade commissioner, in Brussels on Monday.

Japan's firm stance could be a blow to US and EU hopes of extending any bilateral agreement to other countries that might have ambitions to enter the large civil aircraft market.

These countries include Japan, China, Russia, Canada and Brazil.

Washington and Brussels fear that if they alone agree to reduce subsidies, other countries, such as Japan, which currently does not assemble large aircraft but does manufacture some critical components for Boeing, could take advantage to become fully fledged competitors.

Japan will play a key role in the development of Boeing's new 7E7 Dreamliner, a mid-sized long-range jet that the company hopes will reverse its long decline in the global competition with Airbus.

But critics say that by outsourcing critical technology

gies to the Japanese - in particular the construction of the composite wings for the 7E7 - Boeing might be creating new future competition.

Mitsubishi, Fuji and Kawasaki Heavy Industries - Boeing's top three industrial partners - are contracted to complete 35 per cent of the development and production of the 7E7 airframe, and will receive about \$3bn in low-interest loans from the Japanese government.

The EU has a particular interest in Japan agreeing to any new restraints.

Brussels has alleged that Boeing has attempted to cir-

cumvent a 1992 US-EU bilateral agreement that restricted subsidies by enlisting other countries to help subsidise its aircraft development costs.

The US announced last year that it was pulling out of the 1992 deal.

Etienne Reuter, head of press affairs at the European Commission in Japan, yesterday stressed that "these are still the early days and we don't want to dramatise [Japan's reaction]... We think it would be valuable for everybody to come on board [when the agreement is finalised], in order to have a level playing field."

Financial Times p 27 19/1/04

CIVIL AVIATION

Swiss cuts more jobs in battle to break even

By Neil Simonian in Zurich

Swiss International Air Lines is to cut up to 15 per cent of its workforce in a further round of radical job cuts aimed at regaining profitability.

The move, which follows the loss of about 3,000 jobs or one-third of staff in 2003, is part of a plan to staunch mounting losses on regional routes and ensure break-even this year.

Swiss, which is expected to announce an operating loss of about Sfr200m (\$169m) for 2004, said it would reduce its regional fleet by up to 13 aircraft - or about one-third - by mid-2006. However, the company, born from the ashes of Swissair in early 2002, said services would be maintained by outsourcing many loss-making routes to lower cost "partner" airlines.

The company has already shifted some services to smaller carriers such as Cirrus Air, Denim Air and Styrian Spirit. The cuts will principally fall on services from Basle and Geneva.

Cristoph Franz, chief executive, declined to say which airlines would carry out the

services. The nature of whether former Swiss aircraft or staff might be redeployed. "We are in negotiations with several interested parties," he said. Mr Franz stopped short of announcing the creation of a new low-cost subsidiary to handle regional services. However, he said this remained an option. Talks on creating a new contractual structure for air crew, scheduled for later this year, failed to produce adequate savings.

Swiss said about one-third of the planned 600-1,000 job cuts would come through natural wastage. The reduction, along with further attempts to negotiate contracts with suppliers, were aimed at treating annual savings of Sfr300m from 2007.

Swiss's unions reacted angrily to the cuts. "We are fundamentally disappointed. We offered management a big savings programme back in November, and it hasn't been taken further," said Martin Gupknecht, a spokesman for the company's regional pilots. "We will now demand to see the details justifying these latest plans."

(From THE WALL STREET JOURNAL)

By Susan Carey

CHICAGO -- United Airlines and the leadership of its pilots union reached a tentative agreement yesterday on a new labor pact to replace a previous one rejected as unfair to other unions by the judge overseeing the bankruptcy proceedings of United parent UAL Corp.

The new agreement, which must be ratified by United's 6,600 active pilots, postpones the proposed termination of the pilots' pension plan, which stipulated that other workers' pensions also be eliminated along with the pilots' plan. United wants to jettison the four plans, which cover 123,000 active and retired workers, to avoid making more than \$4 billion in contributions to the underfunded plans through 2008. It contends it won't be able to attract financing to step out of court protection with that liability.

The new deal gives United about the same level of costs savings -- \$185 million a year over the five-year pact -- as the previous agreement. It also calls, like the earlier version, for the pilots to receive \$550 million in convertible notes in reorganized UAL when it emerges from Chapter 11 if the group's defined-benefit pension plan is terminated.

U.S. Bankruptcy Court Judge Eugene Wedoff Jan. 7 threw out the earlier agreement reached with the Air Line Pilots Association, saying several provisions "unjustifiably tilted" the bankruptcy process. UAL's other unions, its creditors committee and the federal Pension Benefit Guaranty Corp., a pension insurer, also objected to the earlier plan.

The new pact, if approved by the pilots and the judge, postpones the pension-termination question for 90 days while the company and its unions try to explore ways of salvaging those benefits. But UAL warned in a letter to the union that it intends to ask Judge Wedoff to schedule a trial on pension terminations in early May. If the company can persuade the court that it must shed those obligations to succeed, the judge could allow the company to foist those obligations onto the PBGC. If UAL finds a way to save any of its four pension plans, ALPA will demand the full benefit of that solution to maintain its pension plan in the same status as any other surviving plans.

The new pilot deal initially would cut pay by 11.8%, although pay rates would rise again by 7% via five small increases through May 2009. The agreement the judge wouldn't approve had included an immediate 14.7% pay cut. The difference would be made up by the pilots' giving up a portion of their participation in a companywide bonus program for operational targets attained. ALPA's leadership unanimously recommended the pilots ratify the pact. Voting will be conducted from tomorrow through the end of the month.

The pay cuts would mean a 12-year Boeing 777 captain's pay would be cut to \$178.91 an hour. A captain of a smaller Boeing 737 would be paid \$129.21 an hour.

UAL, which filed for bankruptcy-court protection 25 months ago, cut worker pay and benefits early in 2003. As industry conditions worsened, UAL approached its employees six months ago and asked for further givebacks totaling \$725 million a year and for permission to shed the pension plans, which were consuming about \$639 million a year in cash until UAL stopped making contributions.

With the threat that UAL would ask Judge Wedoff to annul the current labor contracts and let the company impose terms on the workers, the unions representing mechanics and flight attendants reached tentative agreements on new contracts earlier this month. Their members now are voting on the agreements. A third union, representing ramp workers and customer-service agents, agreed to an interim 11.5% pay cut to April to allow more time for bargaining on a consensual contract.

United, said it was pleased with the ALPA pact. The company declined to discuss specific terms. ALPA also wouldn't disclose specifics but said it chose to accept the revised terms rather than pursue a litigated contract outcome in bankruptcy court.

(END) Dow Jones Newswires

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