

“Regional Issues and Strategy”

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Case Study: Aircraft & Helo Engines



Engine OEM's:

- GE
- Pratt & Whitney
- Rolls-Royce
- Turbomecca
- 3rd Party MRO's
 - Standard Aero
 - ANZ
 - Qantas

Service situations:

- Low volume for in-house shops: bad in Australia, worse in New Zealand.
- Significant distance and weight driving high freight time and costs if shipped abroad.
- Most shops are either losing money or marginal, each have limited scope/contracts.
- Defence is getting poor value for money or high TRT due to shipping.
- Defence wants competition to hold costs down but still aren't optimised.
- Component repair requires significant volumes to amortise fixed cost investments in machine tools and heat treating facilities.
- Most component repair is going to 3rd party shops like Brinco and Chromalloy; and
- TRT isn't competitive to world standards due to part shortages on exported component.

Appreciating AUD and NZD are hurting competitiveness against USD suppliers (not a short-term situation)

Who's Got What...All in Separate Shops



| Qantas | ANZ/TAE | Turbomecca | PWC | US FMS | LTQ | Standard Aero | Coming |
|----------|---------|------------|-------|--------|--------|-----------------------|-------------|
| RR-Adour | GE F404 | RTM322 | PT6 | C17 | GE CF6 | RR-AE2100 (Canada) | P&W F135 |
| RR-T56 | GE F414 | | PW100 | | CFM56 | | |
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Questions?

