AIRBUS HELICOPTERS SEES BRIGHT U.S. MARKET

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While civil helicopter sales are down worldwide with the falling price of oil, Doug Carriger, **Airbus Helicopters**' senior director of marketing for North America, sees a resilient **U.S. market** that is rebounding in key sectors such as EMS and law enforcement, and even showing a few bright spots in the depressed offshore energy market.

Carriger said that this has been a strong year on a number of fronts in the U.S., pointing to the success of light twins in the EMS market (he called it the best year in three years), an upswing in law enforcement orders, more interest in deploying super-mediums into the Gulf of Mexico to handle restructured offshore energy demand, and more interest in the corporate and private markets.

With nearly 900 helicopters flying, "Air medical is the bread and butter of the North American helicopter industry," Carriger said. "I'm hesitant to call it complete saturation. I think it is moving toward a duopoly that is highly competitive. There is overlap between regions with more than one option to call to pick up a patient. Back in the 'gold rush' [ten years ago] it wasn't like that. So that definitely is slowing growth. There was a time when we could do a three-aircraft light twin deal over the phone. It's not like that right now. But this has been the best year in three years for light

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twins in the U.S. Both the H135 and H145 are doing well. There are places where the twins are doing well. In highly competitive markets, the single-engine aircraft is the aircraft of choice. Before, it wasn't. So the market is still so incredibly dynamic and competitive there is a need for those operators to buy aircraft. They might be switching from a light twin to a single but they are still actively buying."

EMS AND LAW ENFORCEMENT OPERATIONS

Carriger said helicopter EMS is a steady buyer. "It has ordered on average 55 new helicopters a year over the last 10 years. The mix shifts and there's some volatility around that. Right now the mix is shifting to singles. The programs that prefer independence or owning the helicopters prefer light twins. They typically like twins and the larger helicopters, but some of the big players are still buying twins, especially if their mission is inter-hospital transfers or specialty transports." However, he continued, "it's not the only time we sell a twin" into the EMSmarket.

Police orders are on the upswing, Carriger said. "Our bookings tripled over the last year in law enforcement, a market that is still looking good. It's our bright spot beyond EMS. Law enforcement in North America is cyclical and we are clearly on an up cycle right now. As corporate America works its way out of recession, municipalities are getting more tax revenue and they are renewing fleets, but they have a longer sales cycle. They are scrutinized and have to do RFPs, but that upswing will continue throughout next year. In North America it is theAS350B3e that is the industry work horse." He attributes the helicopter's popularity in the law enforcement sector to the departments' desire for a well equipped aircraft. But Carriger doesn't get a lot of requests for larger machines. "We don't see it moving heavier too much. Where we see it are aviation units that do multi missions and need the larger cabin to have litters."

While the energy market is depressed, Carriger sees opportunity in the Gulf of Mexico. "Oil and gas is tough. Our colleagues are really hurting in the Gulf of Mexico. There is clearly a market opportunity for the [super-medium]H175 where larger aircraft have been serving that mission. It is going to nip at the near spaces of the heavies and it is a good value proposition." Carriger thinks two to four H175s could be added to the Gulf fleet next year and Airbus Helicopters already has a definitive plan to support H175s in the Gulf.

Finally, he said he is guardedly optimistic about Airbus Helicopters' ability to penetrate the corporate and VIPmarket in the U.S., something it has yet to do. "It hasn't translated into sales yet, but the activity and the interest have gone up considerably and it is a potential bright spot for our market that we are really excited about," he said. "We recently hired a specialist to focus on that market segment for us. We wouldn't be doing that if we didn't see a significant upside in the near term. Corporations will be interested in a light twin and the [under development and cabin-class] H160."

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