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Airbus Hopes Its Planes, Not Its Setbacks, Will Stand Out

By NICOLA CLARK and LESLIE WAYNE
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PARIS, June 17 — The A380 superjumbo, swooping high above Le Bourget airfield during its daily demonstration flights, may cast a long shadow over the Paris air show this year. Production delays for the much-publicized 555-seat A380, have been the catalyst for Airbus's outsize woes over the last year.

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Antoine Antonio/Bloomberg News
At the Paris air show, Airbus will face competition with Boeing

But it is another aircraft, the twin-engine A350, that Airbus hopes will grab the headlines at the show, which opens on Monday.

“This will be the year of the 350,” John Leahy, chief operating officer of Airbus, predicted this month. He said that he expected Airbus to secure at least 200 orders for the A350 this year — and as many as half of those could be

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signed by the end of this week.

The pressure certainly is on. “This has to be more than just an exercise in dignity preservation,” said Richard L. Aboulafia, an aviation analyst at the Teal Group, based in Fairfax, Va. “They need to start closing some deals. They do not have the luxury of time.”

Since the titans of the global aerospace industry gathered last summer in England at the Farnborough International Airshow, Airbus has changed chief executives — twice — and has said the delays with the A380s would wipe out more than 4.8 billion euros (\$6.4 billion) in earnings over the next four years. An extensive revamping of the company’s European operations is under way, aimed at eliminating 10,000 jobs in France, Germany, Britain and Spain.

Airbus views the A350 — which it began marketing in 2004 as a competitor to [Boeing’s](#) popular 787 Dreamliner — as the linchpin of its recovery. Boeing and Airbus expect the number of twin-aisle jets in the 180- to 250-seat category in operation to double to about 4,000 planes in 2025.

But like the A380, the A350 has had a checkered development history. Airline customers rejected at least two earlier designs for the plane, openly criticizing it as little more than a stretched version of the company’s A330 model.

By last spring, with barely 100 customers signed up, Airbus engineers were back at the drawing board. In July 2006, they unveiled the redesigned A350-XWB, with a wider fuselage, better fuel economy and more passenger comfort.

Yet by the time the parent company of Airbus, [European Aeronautic Defense and Space Company](#), gave Airbus the permission to market the new version of the plane in December, Boeing had secured nearly 450 orders for the competing 787, a number that has since risen to 584. That makes the 787 Dreamliner — which enters commercial service next year, five years ahead of the A350’s scheduled debut — the most successful new

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aircraft in history.

Demand for the plane is so strong that Boeing says production slots at its factories are booked through 2013.

Airbus so far has just 13 signed contracts for the redesigned A350 from two airlines, while five more customers have committed to buying 148 planes.

Mr. Leahy and other Airbus executives are eager to play down the importance of Boeing's huge competitive advantage, arguing that Boeing's order backlog means that, for new customers at least, the wait for an A350 is no longer than for a 787. In recent weeks, the A350 has gained some momentum. In late May, Qatar Airways announced plans to buy 80 of the jets — an \$18 billion contract the airline is expected to sign at this week's show.

The order represents an increase of 20 planes over Qatar's original commitment for 60 of the earlier version of the A350. This month, Airbus said that Aer Lingus would buy six A350s, another triumph, since Aer Lingus had not previously indicated interest in the aircraft.

Analysts said that many of the A350 orders to be announced this week could be conversions of contracts that were signed before Airbus redesigned the plane. Others may simply formalize commitments that were made public long ago, including one from [Singapore Airlines](#) for 20 planes, and 22 from the Russian state-run carrier, Aeroflot.

Still, Airbus will happily promote every deal it can, analysts said. "I think even conversions are respectable," said Scott Hamilton, an aviation analyst based in Issaquah, Wash. "Every conversion they make is an endorsement of the program."

The Paris air show is traditionally a show of numbers, and the Boeing-Airbus matchup continues to be one of the great corporate rivalries.

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Boeing, rather than introducing the 787 here, as Airbus has with all its new models, will stage the inaugural flight at its manufacturing center in Everett, Wash., on July 8. The event will be broadcast worldwide live in nine languages and will be anchored by [Tom Brokaw](#).

But that hasn't stopped the United States jet maker from garnering some preshow publicity. On June 9, Boeing announced a \$3.5 billion sale of 22 787s to Aeroflot — a genuine coup considering the recent souring of political relations between the United States and Russia.

On the military side, the Paris air show is considered the world's largest arms bazaar, with governments and military contractors seeking deals. The big force is the United States government, since Pentagon budgets dwarf all other national military budgets.

After the United States invaded Iraq, it showed its displeasure with France's opposition to the war by sending only low-level military representatives to the 2003 air show. Those ill-feelings are now in the past. United States Air Force Secretary Michael W. Wynne is scheduled to be the keynote speaker at a conference organized by the French aerospace association, Gifas, which will also feature executives from Lockheed Martin, Boeing, Northrop Grumman and other contractors.

"We're going to be looking to what are the overseas opportunities to sell F-15s and F/A-18s and what kind of partnerships we can do with other countries," said Dan Beck, a spokesman for the military business of Boeing.

The Pentagon, in a statement, said that participation in the air show "highlights the strength of the U.S. commitment to the security of Europe and demonstrates that U.S. industry is producing equipment that will be critical to the success of current and future military operations."

Some of the highest-profile military planes, however, will be notably absent. The Joint

Strike Fighter program, a 10-nation, \$300 billion effort to build the next-generation fighter jet is not ready to be introduced at the show. The F-22 stealth fighter jet, the most expensive plane in skies, requires too much support and backup from the Air Force to make an appearance practical.

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