



## **AIRTANKER SIGNS 27 YEAR AIR-TO-AIR REFUELLING AND AIR TRANSPORT CONTRACT WITH U.K. MINISTRY OF DEFENCE**

- Provision of 14 new Airbus A330-200 Air-to-Air Refuelling and Air Transport aircraft
- Military capability will support UK, US and other coalition forces on operations worldwide
- Programme represents world's largest ever Defence Private Finance Initiative (PFI) programme and completes c.£2.5 billion financing
- AirTanker and its Shareholders will be working in close partnership with the RAF
- Secures thousands of jobs, and significant wider economic impact

**London, 27th March 2008** - AirTanker and its Shareholders (Cobham, EADS, Rolls-Royce, Thales UK and VT Group) have today signed a 27-year contract with the UK Ministry of Defence for the provision of an advanced Air to Air Refuelling and Air Transport capability for the Royal Air Force. The AirTanker consortium will be providing a fleet of 14 new tanker aircraft based on the Airbus A330-200 - powered by Rolls-Royce Trent engines – which will come into service from 2011, replacing the existing fleet of VC-10 and Tristar aircraft.

The Future Strategic Tanker Aircraft contract also includes the provision of all necessary infrastructure, including a state of the art 2-bay hangar, training, maintenance, flight operations, fleet management and ground services to enable worldwide Air-to-Air Refuelling and Air Transport missions. The infrastructure building programme at RAF Brize Norton in Oxfordshire will commence in May 2008. The programme as a whole is expected to sustain directly up to 3,000 long-term jobs. The final stage in the process of preparing for contract closure was a financing competition conducted over the last six months by the AirTanker consortium; the sum raised was approximately £2.5 billion.

Confirmation of the contract award was made by Minister for Defence Equipment and Support Baroness Taylor in letters to the appropriate figures in Parliament. Commenting on the announcement, the Minister said:

*"This deal represents great news for the Royal Air Force and great news for British industry and jobs. The A330s will provide a state-of-the-art Air To Air tanker and passenger aircraft supporting air operations around the world and delivering British forces to operational theatres. Achieving a*

*satisfactory outcome to this complex, high value, PFI deal has been challenging, particularly given the factors currently affecting the financial markets. I congratulate all those involved in securing this cost effective deal.”*

Commenting on the announcement, Phil Blundell, CEO of AirTanker, said:

*“This is a major step forward for the MOD and AirTanker. The FSTA programme provides the MoD and RAF with state-of-the-art transport and refuelling equipment, which represents a step-change in performance. The Airbus A330 FSTA fleet will deliver unrivalled levels of capability, reliability, flexibility and economy to the UK armed forces. We are looking forward hugely to working with the MOD to put in place the new fleet and service.”*

The A330 tanker derivative is the most capable tanker offered internationally and has now won the five most recent tanker procurement contracts including the Australian, United Arab Emirates, Saudi Arabian and US air forces. It will provide a quantum leap in reliability, performance and economy to the RAF with around twice the refuelling capability of the current VC-10s, and will be able to offload 60 tonnes of fuel at 1,000 miles from base, whilst remaining 2 hours on station. The A330 FSTA delivers substantial operational enhancements through its own fuel efficiency.

The fuel necessary for refuelling operations, as well as for the A330 FSTA itself, will be carried in the same tanks as fitted to the standard Airbus A330 airliner, leaving the cabin free for transporting up to 290 personnel, and the cargo holds free to carry equipment and supplies up to a maximum total payload of 44 tonnes. With no reconfiguration required (other than for specialist medical evacuations) the tanker can be assigned quickly to a wider range of missions than the existing fleet, significantly enhancing fleet productivity. A number of the aircraft will be operated on the civil register flying commercial Air Transport tasks when not subject to operational requirements, thereby enabling greater productivity for the fleet. Within the PFI agreement, the MoD will only pay for the service once it is available and then only for the capacity that it uses, subject to agreed minimum usage levels.

The Military Transport Aircraft Division of EADS will be responsible for designing, developing and converting the tankers, and for delivering them to AirTanker, fully certified and with all the required military modifications. The project will be supported by the 5 Shareholders with the equipment and services needed in the conversion programme and through-life support supplied by Cobham (refuelling equipment and aircraft conversion), EADS (A330 FSTA support services), Rolls-Royce (engines), Thales UK (avionics, simulators and training services) and VT Group (infrastructure and facilities management). This work will be done in close partnership with the RAF.

**ENDS**

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**Notes to Editors:**

1. The Future Strategic Tanker Aircraft (FSTA) programme is a 27-year MoD Private Finance Initiative contract to provide air refuelling and air transport services to the RAF. The

programme will replace the RAF's current fleet of 19 VC-10 and 9 TriStar aircraft. The A300-200 aircraft will be owned and supported by AirTanker while the service will be staffed by a mixture of service and civilian personnel.

2. AirTanker has five Shareholders – Cobham, EADS, Rolls-Royce, Thales UK and VT Group plc.
3. AirTanker will provide a fleet of Airbus A330 FSTA aircraft, each powered by two Rolls-Royce Trent 700 engines, to meet the UK FSTA requirement. Approximately 50% of the basic aircraft and 100% of its conversion work for 12 of the FSTA fleet will be carried out in the UK (the first two aircraft will be converted at EADS CASA facilities in Madrid). AirTanker will create and sustain high-value high-quality UK jobs. It will directly sustain up to 3000 jobs and indirectly sustain up to a further 4500 jobs. Principal work locations are Brize Norton (construction of facilities and service delivery), Airbus UK at Broughton and Filton (wing manufacture), Cobham at Wimborne (refuelling equipment) and Bournemouth (aircraft conversion), Rolls-Royce at Derby (engine assembly) and Bristol (project management) and Thales UK at Crawley (mission simulators, defensive aids), Raynes Park (avionics) and Wells (mission planning systems).
4. Conversion is straightforward and low risk, and follows the similar A330-200 MRTT tanker programme for the Royal Australian Air Force, three years in advance of the FSTA project and currently in the final stages of flight tests before delivery next year.
5. Pictures and other graphics can be downloaded from the AirTanker Media Centre section of our website at [www.airtanker.co.uk](http://www.airtanker.co.uk). In addition, CD's with relevant graphics can be provided by contacting Bill Clare.