

Paris Air Show provides promising kiss to Connecticut companies

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A visitor takes a photograph of an aerostructure at the Paris Air Show in Paris, France, on Wednesday, June 22, 2011. Photographer: Chris Ratcliffe/Bloomberg Photo: Bloomberg, Chris Ratcliffe / © 2011 Bloomberg Finance LP

The skies are somewhat clear for a Connecticut aviation industry anticipating a good lift from billions of dollars in deals announced during the Paris Air Show this past week, though an uncertain economy and military cuts might slow things down, analysts said.

Connecticut had 27 companies exhibiting at the show with more in attendance. This year, the show was dominated by the contest for air carriers between Airbus and Boeing.



A visitor inspects a GEnx aircraft jet engine, manufactured by General Electric Co., at the company's stand at the Paris Air Show in Paris, France, on Thursday, June 23, 2011. Photographer: Fabrice Dimier/Bloomberg Photo: Bloomberg, Fabrice Dimier / ©2011 Bloomberg Finance LP

"We're happy with any plane order," said Michael Bacal, a spokesman for Stamford-based Hexcel Corp., one of the world's largest makers of carbon-fiber materials that dress the outside of planes. "We're on both."

Total orders for commercial jets topped 1,100 during the show, with Airbus landing the king's share of 955 to Boeing's 145, according to a review by St. Louis-based Stifel Nicolaus analysts.

Hexcel supplies the skin to many aircraft, though reports out earlier this month indicate Alcoa is pushing a new aluminum alloy as competition for future builds. Hexcel CEO David Berges opened the Euronext exchange on day 1 of the show, following the announcement last week the company would list in Europe, where it has production facilities.

Hexcel was once again at the show, as were other big names in the business and in Connecticut.

Fairfield-based General Electric Co. and Hartford-based United Technologies Corp. saw both their engine-making divisions land solid orders to power the jet orders, but GE Aviation's partnership in the Leap-X engine clearly was a winner at the competition, with more than \$27 billion in engine orders.

Stephen Levensen, a Stifel analyst, said in several notes from the show that Asian bankers and businesses had significant presence at the show while the U.S. military showing was subdued, which matched observations by other analysts and companies.

"(Paris) certainly is a strong indication the commercial market is back," said Ray Jaworowski, senior aerospace analyst for Newtown-based Forecast International. "You do have to view these orders with caution... Airlines order aircraft on what they expect. If we draw back into recession, a number could be canceled or delayed."

Like Levensen, Jaworowski noted the lack of a military presence, and said with budget cuts around the globe and the winding down of a U.S. troop presence in Afghanistan, defense work could slow. But he said there might not be much of an impact on business as commercial work surges at the same time defense drops off. Jaworowski stayed home this year as other Forecast staff attended the show.

Jaworowski said military work is booming now, but it's the future that remains in question as lawmakers look to make cuts as the U.S. withdraws from conflicts.

On the helicopter side, he said he doesn't expect the U.S. to trim its contracts, as the Pentagon continues to rely on helicopters as a key component in its response planning.

It was a somewhat tame show for the big helicopter makers, Jaworowski said, though Sikorsky announced a key 24-unit contract with Australia right before the show opened on June 20.

During the event, Sikorsky announced a number of sales of civilian helicopters and service and support deals, while Eurocopter, a unit of the Paris- and Munich-based EADS, announced it was hiring 300 engineers and displayed its latest high-speed helicopter, the X-3.

"This is their answer to Sikorsky's X-2," Jaworowski said. Both aircraft use propellers mounted like an airplane to boost speed.

But Jaworowski said he thinks Italy's AgustaWestland might have come out slightly ahead of the competition, announcing a key new agreement in Russia to open a line of production there.

"The manufacturers are positioning themselves for the future," Jaworowski said, "But the big growth, we're a year away."