

ARCHIVED REPORT

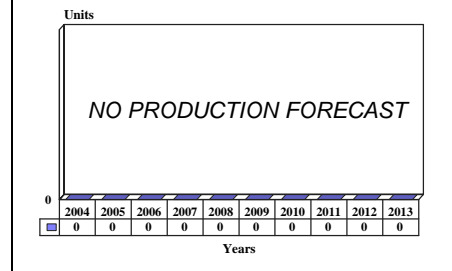
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Fairchild 728/928 - Archived 5/2005

Outlook

- Program acquired by Chinese investment group in 2003
- New owner talking with potential suppliers, hopes to relaunch program
- No forecast of either model at this time

10 Year Unit Production Forecast
2004 - 2013



Orientation

Description. Twin-turbofan, short-range passenger transport aircraft.

Sponsor. Originally sponsored by Fairchild Dornier, Oberpfaffenhofen, Germany; China's D'Long International acquired program in June 2003, set up Fairchild Dornier AeroIndustries.

Status. D'Long talking with potential suppliers and may relaunch program, with aircraft final assembly at

the Oberpfaffenhofen facility. Relaunch could result in first deliveries in 2006.

Total Produced. None

Application. 70- to 105-passenger regional commercial passenger service.

Price Range. Estimated at \$26 million. Envoy 7 estimated at \$29 million.

Contractors

(728/928 as available)

Design Features. Low-wing transport featuring five-abreast seating powered by two underwing-mounted engines. Retractable, tricycle-type landing gear with two wheels per unit.

	<u>Metric</u>	<u>U.S.</u>
Dimensions		
Wingspan	26.62/28.28 m	87.25/92.75 ft
Length overall	26.52/30 m	87/98.4 ft
Height overall	9.04 m	29.75 ft
Weight		
Max TOW	34,860/47,333 kg	76,853/104,133 lb
Max payload	8,210 kg	18,100 lb
Performance		
Max cruise speed	Mach 0.82	Mach 0.82

Typical range	3,150/3,560 km	1,700/1,925 nm
Takeoff run	1,539 m	5,050 ft

Propulsion

- (2) General Electric CF34-8D3 advanced high-bypass-ratio turbofan engines rated at approximately 60.4 kN (13,575 lbst) each.

Seating

728 seats 68-78 passengers; 928 seats 90-110.



FAIRCHILD 728JET

Source: Fairchild Dornier

Variants/Upgrades

728-200. Extended-range (by 400 nautical miles) variant featuring 2,790-pound increase in maximum gross weight, originally slated for certification at the beginning of 2004.

Envoy 7. Corporate jet version of 728 typically seating 18 in a larger cabin than that of Global Express and Gulfstream V.

928-100. Stretched variant of 728 seating 90-110. Powered by updated (17,000-18,000 lbst) CF34-8XXs.

928-200. Extended-range variant of above; has a planned in-service date of early 2005.

Program Review

Background. The 728JET, subsequently redesignated the 728-100, was announced at the November 1997 Dubai Air Show and the baseline 70-seater was to serve as the basis for a new family of 55-105-seat regional jets.

At the end of 1999 Fairchild was acquired by Allianz Capital Partners of Munich, and Clayton, Dubilier & Rice of New York. The financial restructuring included a cash injection of \$400 million and an \$800 million debt financing arrangement, to shore up the program.

Bankruptcy. Fairchild Dornier was declared insolvent in July 2002 and development work was suspended. Subsequent talks with Bombardier, Alenia and a Russian industrial group failed to produce a buyer for the program.

New Owner. In June 2003, Chinese investment group D'Long International acquired the 728 program and began seeking funds to relaunch the project. D'Long is

talking with potential partners/suppliers in Asia, Europe and North America, and has said that up to 40 percent of the 728 – including the fuselage, tail, and wing – could be built by Chinese companies.

Final assembly would take place at the former Fairchild facility at Oberpfaffenhofen, Germany, and first deliveries could take place in 2006.

Funding

Development costs had been estimated at \$1.2 billion for the 728JET family of aircraft.

Timetable

<u>Month</u>	<u>Year</u>	<u>Major Development</u>
Nov	1997	728JET proposal announced
Early	1998	Design definition, talks with partner and operators
Mid	1998	Program officially launched
Apr	1999	Lufthansa CityLine orders 60, with 60 options
Jul	2002	Fairchild Dornier declared insolvent, development suspended
Jun	2003	D'Long International acquires 728 program

Worldwide Distribution

Not applicable.

Forecast Rationale

China's D'Long International has acquired this program and, under the new name Fairchild Dornier AeroIndustries, held talks with Europe's StarAlliance of airlines late last year with a view toward launch orders for both the 728 and 928 models. Little has been heard since, although several of the Star member airlines appear more interested in the Bombardier and Embraer proposals.

In late 2003 project manager Werner von Anhalt stated that the revived effort was "not going to be a Chinese project. It's going to be a German-developed aircraft for the worldwide market."

The D'Long group has discussed the program with potential suppliers, partners, and investors in Asia, Europe and North America and noted that up to 40

percent of the aircraft may be produced by the Chinese industry. The latter could reportedly provide the fuselage, tail, wing and some unspecified sub-assemblies.

If relaunched, the 728/928 would arrive late on the scene and would face formidable competition from existing 70/90-seat regional jets offered by both Bombardier and Embraer.

Even the domestic Chinese market would be contested by the upcoming ARJ21 family of regional jets under development by China's AVIC I.

We believe this program is too uncertain to forecast its relaunch at this time. We will, however, continue to monitor its progress and revise our assessment as events warrant.

Ten-Year Outlook

No production is forecast.

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