

Aer Lingus

AER LINGUS
AIRLINE REVIEW

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AER LINGUS

The Shamrock. Reinvented.

STORY *Natasha Leguana*
PHOTOS *Aer Lingus*



For more than eight decades, Aer Lingus has been an ambassador of Ireland to the world. And Ireland has always been a country with a strong identity. Language, music, literature, whiskey (with an 'e'), Guinness beer, and, of course, Aer Lingus (EI)—the country's flag carrier, with its distinctive green aircraft and the shamrock soaring across the skies.

After decades of 'green airplanes', on January 17, 2019, Aer Lingus unveiled a new 'Euro-wide' livery, though preserving the iconic shamrock. The first two aircraft painted in the new colors were Airbus A330-300 EI-FDY and A320-200 EI-CVA, here pictured overflying the famous Cliffs of Moher.

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BUT CHANGE is coming, signaled by a new livery. The shamrock—what else?—remains at the core of the design. But the green tone—far darker—is confined to the vertical fin and the engines.

“We have evolved from an Irish airline that flies internationally into an international airline that is proud to be Irish,” said Sean Doyle, the CEO of Aer Lingus during the unveiling of the new corporate colors in an event last January in Dublin.

“The re-imagining of Aer Lingus’s brand reflects Ireland in 2019: an open, progressive, and liberal society—outward-looking and dynamic.”

It’s a good time to check in on Aer Lingus, which aims to modernize its fleet, reshape its cabin products, and, most importantly, remain competitive and profitable in two of the most cutthroat markets in the world: Europe and the North Atlantic.

OVER SIX DECADES CROSSING THE POND

Sixty-one years ago, in April 1958, the airline began to serve

1 Aer Lingus Teoranta started operations on May 27, 1936, using a De Havilland DH.84 Dragon biplane. It purchased its first DC-3 four years later, in 1940. The Dakotas were used on short-haul routes until 1966.

2 Lockheed L-1049 Super Constellations were used to inaugurate twice-weekly transatlantic services from Shannon to New York on April 26, 1958. The Constables were leased from US airline Seaboard and Western, with Irish cabin crews.

3 Second-hand Vickers Viscount 800s were introduced during the 1960s on short-haul routes and gradually replaced the DC-3s.

New York from Shannon (SNN) using three Lockheed L-1049 Super Constellations leased from Seaboard World Airlines (SB) and Western Airlines (WA). These aircraft flew the route two times a week with Irish cabin crews. Soon after, in December 1960, EI received three Boeing 720s for its New York (IDL) and Boston (BOS) services.

Since then, Aer Lingus has developed a sound origin and destination market, thanks to the large Irish expat communities in New York and Boston. The flights to these two destinations from Shannon and Dublin (DUB) have remained unchanged since their introduction over half a century ago.

The Open Skies Agreement signed between the EU and the USA in 2008 paved the way to a total liberalization of the North Atlantic air travel market. Aer Lingus lost no time in adding Orlando (MCO), Washington (IAD), Chicago (ORD), San Francisco (SFO), and Los Angeles (LAX).

The first long-haul destination outside the United States appeared in the airline’s timetable when then CEO Dermot Mannion, formerly of Emirates Airline, launched direct service to Dubai (DXB), hoping to ride that city’s touristic appeal. But those flights ended just two years later. Today, EI is the only major airline in Europe flying



/ airline review / AER LINGUS



long-haul exclusively to the USA (plus Toronto in Canada), with direct flights to 14 cities.

THE IAG TAKES OVER. ‘VALUE CARRIER’ TRANSFORMATION

2015 was a turbulent year for Aer Lingus. In May, after months of negotiations, the Irish government announced the sale to the International Consolidated Airlines Group (IAG)—owners of British Airways (BA), Iberia (IB), Level (LV), and Vueling (VY)—of its 25% stake in EI. Soon after, Ryanair (FR) sold its 30% stake, and the rest of the shareholders accepted a takeover offer. The IAG assumed control of Aer Lingus in September.

4 In 2013, four Boeing 757s were wet-leased from ASL Airlines of Ireland to ply thinner routes across the Atlantic. Starting later this year, they will be gradually substituted by A321LRs.



Immediately after joining the IAG, Aer Lingus began to revamp its long-haul cabin products, installing lie-flat seats for the Business Class cabin of its Airbus A330s, a new IFE system, Wi-Fi connectivity, and a new menu. Dara McMahon, Aer Lingus’ Director of Marketing and Digital Experience, defined the airline as a ‘value carrier’—functioning as a full-service carrier for long-haul routes and as a low-cost one for medium and short-haul destinations. Both Doyle and McMahon stressed that the business model that Aer Lingus began to adopt in 2015 is now becoming more evident to customers.

“We are developing ourselves as an international carrier using Dublin as its hub to connect Europe with North America. We are not simply an Irish carrier bringing people to Ireland any longer,” McMahon said.

“We think that the new livery is more representative of this ‘international’ character of the airline. As will be the new uniforms that we’ll introduce before the end of 2019, designed by Louise Kennedy.”

THE AIRBUS A321LR AS A GAME CHANGER

Aer Lingus is now on the verge of a four-year program to place the long-range variant of the Airbus

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A321neo, the so-called A321LR, in a pivotal role that will reshape the network of the Irish airline.

Aer Lingus had initially selected the Airbus A350-900 for its future across the North Atlantic. Since the takeover by the IAG, however, the plans of the future fleet changed to ensure better integration in the group. "For now, our focus remains firmly on the Airbus A330 platform, grow to 16 aircraft, adding to it the versatility of the A321LR," Greg Kaldahl, Chief of Strategy and Planning, told *Airways*.

Aer Lingus has a long and intimate history with the Airbus A330. Twenty-five years ago, EI pioneered the long-haul flights of the type. It was also the first airline to be approved for extended operations (ETOPS) with the twin-engine wide-body.

The long-range version of the A321LR is considered a real game-changer on the transatlantic market, particularly for airlines like Aer Lingus or TAP Air Portugal (TP), which have hubs positioned on the western edge of Europe. Thanks to three additional fuel tanks, the jetliner has a range of around 4,000 nautical miles (7,400km) with 206 passengers onboard in a single-class layout, or 4,700 nautical miles (8,700km) with a load of 164 passengers in two classes.

The A321LR enables Aer Lingus to fly non-stop from Dublin well into the continental US. Its capacity (below 200 passengers in a two-class configuration) and fuel efficiency (20% greater than existing similar aircraft) allow Aer Lingus to open routes that would not sustain a wide-body. The plane also makes it possible

● Nine A350-900s were ordered by the Irish carrier in 2008, with deliveries due to start in 2020. After the acquisition of the Irish carrier by International Air Group (IAG), the order was rejigged into 14 A321LR.

● On short-haul routes, EI operates a fleet of A320s and A321s in a single class layout. Things will change later this year with the introduction of the 'AerSpace' Business Class.

● On the A330s, Economy Class has the classic 3-4-2 cross section layout with a 31-32" seat pitch.

● On the A330s, Business Class features both single and double lie-flat seats with plenty of individual space, including a sort of 'box' to store small personal items.



for EI to increase frequencies to cities already served with the A330s, thus giving more choice to passengers. Shannon Airport (SNN), on the western coast of Ireland, may also see EI increase frequencies or open new long-haul destinations. Cork (ORK), with its 6,998ft (2,133m) runway,

is unsuitable for wide-bodies and is thus also a strong candidate for the A321LR.

By 2020, Aer Lingus will have eight A321LRs in its fleet, and 14 by 2023, all of them in a two-class cabin configuration. These aircraft will not only expand



the EI fleet but replace the four Boeing 757s wet-leased from ASL Airlines Ireland (AG) that serve thinner routes: Dublin to Bradley (BDL) and Philadelphia (PHL); and SNN to Boston and New York.

"We will have 168 seats in Economy and 16 lie-flat seats in Business Class; that will be a product identical in terms of comfort and amenities to the one onboard our A330s," assured McMahon. The first aircraft were expected to arrive by late spring. However, the deliveries have been delayed. The inaugural service to Montreal (YUL) from Dublin, expected to take place in August, has been delayed to summer 2020, and some of the transatlantic services, mostly PHL and BDL from Dublin, and New York-Shannon will be reduced.

Despite the operational setback, Aer Lingus remains optimistic about its future and the A321LR as the game changer

in its hybrid business model. "In 2023, our fleet will include 30 long-haul aircraft serving 20 North American routes", Kaldahl told *Airways*.

A NEW EUROPEAN 'AERSPACE'

For the first time since 2005, the Airbus A321LR will also bring Business Class back to the airline's European market. According to Kaldahl, the Airbus A321LR represents an "opportunity to enhance the guest offering on the Dublin to Europe leg in the form of our lie-flat seating. The service is due to commence before the end of 2019, and further details will be announced when possible."

The new European Business Class, named 'AerSpace', includes not only the new lie-flat seats introduced with the A321LRs, but also more personal space in the rest of the medium and short-haul aircraft. Customers will

get private overhead storage, complimentary food and drinks, lounge access, priority boarding, fast track at security, automatic standby for earlier flights, free changes, and refunds.

Asked whether the network expansion will extend beyond the United States and Europe, Kaldahl was clear. "Our airline's mission is to become the leading value carrier across the Atlantic," he said. "There are still a large number of untapped opportunities to expand our network across the Atlantic. Once we've exhausted these opportunities, we will explore other geographies."

In other words, Aer Lingus aircraft will not be spotted anywhere but Europe and North America any time soon, and we will hardly ever see the new colors of EI on a Boeing jetliner. The airline boasts an all-Airbus fleet (CityJet [WX] operates Avro RJ 85s and, as explained above,

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ASL Airlines Ireland operates the Boeing 757-200s on behalf of EI. "The economics of fleet commonality with our fleet size outweigh any negotiations benefit derived from eventually splitting our fleet between the two major aircraft manufacturers. Besides, as part of the IAG, we benefit from the fleet negotiations of the group," said Kaldahl.

NOT ONEWORLD ANYMORE

The airline was a oneworld member for almost seven years, but withdrew in 2007 after deciding to become a low-cost carrier, which did not fit the alliance's pitch to Premium travelers. After its incorporation into the IAG, and with Iberia and British Airways being prominent members of oneworld, it would have been reasonable to expect Aer Lingus to return to the global travel alliance; however, so far, the position of the airline has been not to, Kaldahl confirmed.

"Aer Lingus has benefited considerably from being part of the IAG," Kaldahl said. "Being part of the airline group has afforded us greater buying power and cost synergies. Its support has enabled



10 The airline's CEO, Sean Doyle, poses in the hangar at Dublin Airport in front of Airbus A330-300 St. Munchin (EI-329), the first of the fleet wearing the new livery. A former British Airways executive, Doyle took the helm of the Irish carrier on January 1, 2019.

11 Aer Lingus's brand refresh will include the introduction of new crew uniforms by Irish stylist Louise Kennedy later this year.

us to expand our fleet, launch new routes, and create jobs while achieving excellent financial results." In 2015, the airline posted a net profit of €117.9 million (US\$131.9 million); in 2016, €205.5 million (US\$229.9 million); and, in 2017, €235.8 million (US\$263.8 million). In 2018, profits soared to €305 million (US\$341.2 million).

"We have not yet approved a business case for joining oneworld. Our focus, at this point, is on joining the Atlantic joint business and working with partners American Airlines [AA] and British Airways," Kaldahl said.

Besides the Airbus A321LR, Aer Lingus is relying on US Transportation Security Administration



(TSA) pre-clearance at Dublin and Shannon as part of its strategy to stand above its competitors.

The only premises with this feature in Europe, they are staffed and operated by US Customs and Border Protection officers and allow travelers to clear US Immigration and Customs before boarding to the States. All US-bound commercial flights out of DUB and SNN are now treated like domestic flights on arrival, cutting overall travel times by up to two hours in crowded airports like New York and Los Angeles (LAX), particularly in the busy summer season.

REINVENTING THE CONCEPT OF A HYBRID CARRIER

Aer Lingus is a unique airline that transitioned from a full-service airline to a low-cost carrier and now positions itself as a 'value carrier.' Its transformation showcases how two different types of competitors—full-service and low-cost long-haul carriers in the North Atlantic market, and low-cost airlines in Europe—have driven a particular product differentiation.

The arrival of the Airbus A321LR, together with a new cabin product and corporate image, and the help of the IAG on cost control and capacity discipline, are leading Aer Lingus on a path to profitability. 12

12 Dublin and Shannon are the only European airports featuring US Customs and Border Protection pre-clearance facilities. This enables passengers to disembark in the US without further controls.

13 EI's A320s at Dublin airport. In 2018, the carrier's hub registered a record 31.5 million passenger traffic.

Fast Facts

AER LINGUS

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WEB: www.aerlingus.com

CEO: Sean Doyle

OWNERSHIP: International Airlines Group 98.05%; other investors 1.95%

EMPLOYEES: AerClub

FLEET:

Type	Active	On Order	Configuration
Airbus A320-200	34	—	174Y
Airbus A321neo	3	—	212Y
Airbus A321LR	0	14	16C, 168Y
Airbus A330-200	5	—	24C, 236Y
Airbus A330-300	8	4	30C, 283C
A340-300 ¹	1	—	48Y
A372-600 ¹	9	—	72Y
Boeing 757-200(WL) ²	4	—	12C, 165Y
British Aerospace Aero RJ 85 ³	2	—	98Y

Total

¹ Aircraft operated by Seaboard Air (RE)

² Aircraft operated by ASL Airlines Ireland (AG)

³ Aircraft operated by CityJet (WV)

DESTINATIONS: Aberdeen, Alicante, Amsterdam, Athens, Barcelona, Belfast, Berlin, Bilbao, Birmingham, Bologna, Bordeaux, Boston, Bristol, Budapest, Brussels, Burgos, Catania, Chicago, Cork, Cork, Donegal, Dublin, Dubrovnik, Düsseldorf, Edinburgh, Faro, Fuerteventura, Geneva, Glasgow, Hamburg, Harford, Isle of Man, Limerick, Jersey, Kerry, Knock, Lanzarote, Las Palmas, Leeds, Lisbon, London (LHR, LGW, LCY), Los Angeles, Lyon, Madrid, Miami, Malaga, Manchester, Marseille, Milan (LIN, MXP), Minneapolis, Montpellier, Munich, Murcia, Newcastle, Newquay, New York (EWR, LGA), Nice, Nantes, Naples, Orlando, Palma De Maiorca, Paris, Perpignan, Philadelphia, Pisa, Prague, Pula, Rennes, Rome, Rovaniemi, Salzburg, San Francisco, Santiago de Compostela, Seattle, Shannon, Split, Stuttgart, Tenerife, Toronto, Toulouse, Venice, Verona, Vienna, Washington DC, Zurich