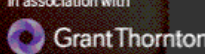


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Safety issues create headwinds for Airbus and Rolls-Royce

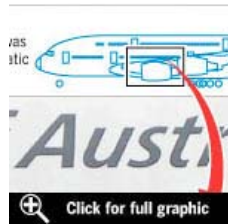
By Pilita Clark, Aerospace Correspondent

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If the ramifications of [Qantas's decision to ground its fleet of A380s](#) after one suffered a serious engine failure were limited to the superjumbo, it would be bad enough.

But for Toulouse-based Airbus, which makes the A380, and the UK's [Rolls-Royce](#), which made the Trent 900 engine that failed shortly after take-off from Singapore, the impact could be more far-reaching.

At the very least, it is another chapter in the A380's troubled manufacturing history. It took Airbus and its parent company, EADS, many years and billions of euros to get the world's largest passenger jet into service in 2007. And if it were not for the 90 aircraft ordered by the most enthusiastic of the A380's 17 customers, Dubai-based Emirates, its 234-strong order book would look decidedly limp.



Even now, some analysts do not believe the A380 will ever amount to a financial success. "It's an albatross," says Richard Aboulafia, vice-president for analysis at the Teal Group aerospace and defence consultancy in Virginia. "It is as close as you get to a market catastrophe."

Airbus obviously disagrees, although Louis Gallois, EADS chief executive, said last month it would take until 2014 or 2015 until the A380 programme reached break-even point.

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The engine failure on the Qantas flight is the worst airborne incident the A380 has suffered.

Alan Joyce, the chief executive of the Australian airline, said it appeared the engine had suffered a so-called "uncontained" failure, suggesting some of the moving parts had broken up and escaped the casing, though he cautioned that this was not yet definite.

Many analysts say it is not unusual in an aircraft that has been flying for a relatively short period of time to encounter problems. Nor should it raise safety concerns about the superjumbo.

"It's a new aircraft and a new engine," says Dr Colin Brown, engineering director at the Institution of Mechanical Engineers, who once worked on engine design at Rolls-Royce. "Is this any less safe than any other aircraft? Absolutely not."

Others doubted that the event would damage sales of the flagship jet. "Clearly while there is some justification for concern, particularly for the engine maker, we do not believe that the event will cause damage to prospects for further A380 sales," says Howard Wheeldon, senior strategist at BGC Partners in London.

But Mr Wheeldon does point to one factor that may have caused shares in Rolls-Royce to tumble 5 per cent on Thursday – compared with the 3.5 per cent fall in EADS stock.

This was the failure during testing in August of another Trent family engine that Rolls-Royce is making for Boeing's new 787 Dreamliner passenger jet. This makes it likely investor sentiment will remain subdued until a report on the cause of the Qantas incident comes out, Mr Wheeldon adds.

Other analysts speculate that the August test engine failure may even have been what prompted Qantas to take the unusual step of grounding all its A380 jets.

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"They may be seeing possible similarities, but that is pure speculation," says Paul Hayes, safety analyst at the UK-based Ascend aviation consultancy.

Rolls-Royce declined to comment. The engines on the Qantas jet were developed many years ago and have since undergone extensive certification by relevant authorities.

Even so, the test failure of the Trent 1000 in August, followed by the in-flight failure of the Trent 900 on the Qantas aircraft, has focused attention on Airbus's new A350 aircraft. Rolls-Royce is the sole engine supplier for that aircraft and is offering another member of the Trent family, the Trent XWB. Rolls-Royce is one of two aircraft engine makers that dominate the market for wide-body jets; the other is GE of the US.

Airlines are normally offered a choice of engines on wide-body or twin-aisle aircraft but Airbus has opted for one supplier on the A350 since GE is the sole-supplier on the rival aircraft made by Boeing.

That puts added pressure on both Airbus and Rolls-Royce as they develop the new composite, lightweight A350, which has garnered nearly twice as many orders as the A380 and is due to enter service in 2013.

As Mr Aboulafia says, "Rolls-Royce has a great safety reputation". However, the Qantas incident means Rolls-Royce will now be looking hard at the Trent 900 as it continues work on its Trent 1000, while still developing the Trent XWB.

"If nothing else it could mean you have got an engineering resource issue," he says. "They've got a lot on their plate."

A total of 234 customers have ordered the A380. Of the five airlines that are now flying it, three use Rolls-Royce engines: Qantas, Singapore Airlines and Lufthansa.

The other aircraft being flown by Emirates and Air France-KLM are powered by Engine Alliance engines, which are made by a GE-Pratt & Whitney consortium.

While Qantas took immediate steps to ground its A380s, and Singapore then suspended flights, Lufthansa said it was using its A380s normally.

The airline only has three of the jets in service and only one is doing daily flights – to Tokyo – meaning it was easier to conduct any checks without disrupting services.

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