



Air Nostrum

At the beginning of the Nineties, Spanish air transport was characterized by centralization, with state-owned Iberia controlling—directly or through its domestic subsidiaries Aviaco, Binter Canarias, Binter Mediterraneo, and Viva Air—all domestic and international scheduled services. The few private airlines were involved in charter-only operations, mostly devoted to inclusive package tours traffic, with little or no thought given to development of a business-oriented market.

This approach was reflected in the hub-and-spoke pattern of scheduled domestic services, with the main hub in Madrid and a secondary one in Barcelona, with limited direct flights between other cities. Scheduled services to European regional centers, or between smaller cities in Spain and principal European destinations, were also poor.

Spain's regional response



JAVIER RODRIGUEZ

Air Nostrum began service with three Fokker 50s, with a 50-seat layout (at 32in/81cm pitch). Four more were delivered in 1995, and three in 1996. The fleet was named after trees of the Mediterranean area.

Under a liberalization scheme, from mid-1990 Spanish charter airlines were allowed to offer scheduled flights on previously unserved international routes; similar deregulation of domestic routes was approved the following year.

A foray into the latter arena was attempted by Meridiana (*Airways*, January 2004 & February 2005), then Italy's largest private airline, which unsuccessfully attempted to set up a Spanish subsidiary aimed at developing a network of domestic and European services from important regional centers such as Valencia—Spain's third largest city located on the Mediterranean coast between Barcelona and Alicante—and San Sebastian, in the Atlantic Basque region. The endeavor was shortlived, leaving the status quo unchanged.

Then NEFINSA, an enterprise owned by the Serratos family—which was involved in various industries such as building materials, telecommunications, and food—sought to enter the airline business. Thus was 'Proyecto Air Nostrum' constituted on May 23, 1994, with an original team of only six people led by Carlos Bertomeu, a consultant without previous airline experience.

The company's title was derived from *Mare Nostrum*, the Latin name for the Mediterranean Sea which skirts Spain's southern shores. In a very short time, market research translated into a proposed network from Valencia, where the new airline was based, with routes to Barcelona, Bilbao, Ibiza, Madrid, and Palma de Mallorca, plus additional services from a secondary hub at Barcelona to Ibiza and Zaragoza.

Air Nostrum's airplane of choice was the Fokker 50. On December 15, 1994, after two examples of the type had been delivered—by which time the staff complement had risen to 100—Air Nostrum's first flight, YW251, took off from Valencia to Bilbao with 17 passengers. In the first 16 days of operation, 190 flights were operated.

From the outset, quality and customer service were the aims under the motto 'a new way to fly'. In the words of Carlos Bertomeu, the airline's chairman, the product had to be designed around customers, who were identified as primarily business travellers. Therefore, schedules were designed to facilitate day-return trips, linking underserved business destinations—and those totally lacking service—with emphasis on in-flight service quality provided in a 'Regional Business Class'.

Accord with Iberia

In 1995 Air Nostrum took delivery of another four Fokker 50s and, by year-end, nearly 13,000 flights had been operated, carrying some 260,000 passengers. The need for domestic regional services proved so strong that, in the following years, the airline experienced exponential growth, both in terms of numbers of aircraft introduced, destinations served, routes operated, and traffic.

International services started in 1995, to Biarritz, Nice, and Toulouse in France. By the end of the following year, Air Nostrum had carried half-a-million people for an average load factor of 65%. With a 99% punctuality rate, the airline had



LUGI VALLERO

A sponsorship agreement with the Valencia Tourist Board has been in place for many years, whereby all aircraft display 'Comunitat Valenciana' titles. This relationship extends to the airplane interiors, with headrest covers, refresher towelettes, and glass-holders co-branded with Comunitat Valenciana advertisements.



JEAN-LUC ALTHERR

Denim Air, owned by Air Nostrum until 2002, still operates Fokker 50s (pictured) and Dash 8s for the Spanish regional. This particular aircraft (PH-FZE) was written off in January 2003 in a runway overrun at Melilla, fortunately without fatalities. A 2002 plan to start Santiago Air Nostrum, a Chilean subsidiary, with Fokker 50s did not reach fruition.

affirmed itself as a high-quality and reliable carrier, serving profitable, albeit less exploited, markets, and was contemplating adding Fokker 70s.

Interest in the regional market was now being shown by Iberia (*Airways*, October 2002). The Spanish flag-carrier was, as part of a drastic overhaul to survive in a fully deregulated European market, reshaping its network to accommodate traffic bound for Spain and South America, from secondary European airports, through its hubs in Madrid and Barcelona. Air Nostrum, with almost 400 flights a week offering 200,000 seats, was the obvious partner. Therefore, a franchise contract between the two airlines was signed in December 1996, which became effective on May 12 the next year.

While there was strict cooperation on commercial terms, especially regarding fares and scheduling, Air Nostrum retained full commercial responsibility and autonomy in terms of network development and yield management—as well as maintaining the standard of its renowned in-flight service.



AIR NOSTRUM

With the franchise agreement with Iberia, the Air Nostrum fleet was repainted in 'Iberia Regional' colors, albeit retaining Air Nostrum titles together with the company's traditional red-and-blue winged sun symbol. This is one of seven leased ATR72-500s.

Indeed, the agreement proved to be a typical 'win-win' situation, enabling Air Nostrum to gain immediate international recognition, offering its customers the ability to connect to Iberia services from Madrid and Barcelona, whilst enabling Iberia to drop unprofitable routes.

As a measure of the partnership's success, in 1998—the first full year of operations under the Iberia Regional scheme—Air Nostrum carried 1.5 million passengers, almost twice as many as in the previous year, with sales also doubled, to some 144 million (\$115 million).

Building the Brand

The fleet, which had seen the introduction of a new type in October 1997—in the form of 68-seat ATR72-500s (replacing ATR72-200s)—was further boosted on March 29, 1998, when the airline's first pure-jet, a Bombardier CRJ, was delivered, marking the start of a long-standing and fruitful relationship with the Canadian manufacturer. At the end of that year, 26 aircraft, including two CRJs, were flying for Air Nostrum.

In 1999, Air Nostrum was named 'Best Regional Carrier' by the ERA (European Regions Airline Association)—a title it held again in 2002 and 2003—while on September 1 that year it became a member, through Iberia, of the Oneworld global alliance (*Airways*, July 2003).

With the turn of the century, the fleet expanded to 45 airplanes, including 13 CRJs, and in 2001 Air Nostrum introduced 52-seat Bombardier Dash 8-Q300s to replace the Fokker 50s. Binter Mediterraneo, an Iberia subsidiary that linked the mainland with the Spanish



JAVIER RODRÍGUEZ

Dash 8-Q300s joined the fleet in 2001. Although an option exists to acquire Q400s, the CRJ700 is also a candidate to replace some of Iberia's McDonnell Douglas MD-87s on selected routes.

enclave of Melilla, in northern Morocco, was acquired, and its CASA CN-235s (one of which suffered a fatal accident in August 2001) were replaced by Fokker 50s and ATR72s. The number of destinations rose to 44, linked by 79 routes, and the three million-a-year mark was reached in 2002.

During the 2004 Farnborough Air Show, Air Nostrum signed with Bombardier for another 20 CRJs (plus 20 options) for delivery between 2005 and 2008. The contract allows the carrier to switch from the CRJ200ER to the 70-seat CRJ700, 86-seat CRJ900, or 74/78-seat Dash 8-Q400, and will take the fleet of Air Nostrum to 80 aircraft by 2008, comprising 51 CRJs and 29 Dash 8-Q300s.

Since 2002, the headquarters of Air Nostrum have been housed in the former Spanish Air Force base at Manises Airport in Valencia. The five refurbished 'hacienda'-style buildings set amongst Mediterranean pine and palm trees and bougainvillea bushes have been leased for 30 years from AENA (the Spanish Civil Aviation Authority). Adjacent is the airline's maintenance base, the largest regional airline hangar in Europe, which was formally opened on March 23, 2004. Around 230 technicians provide maintenance up to C-checks on the entire fleet, with capacity for seven aircraft.



LUIGI VALLEIRO

The company headquarters and maintenance hangar at Valencia.



LUIGI VALLEIRO

The operational hubs are in Barcelona, Madrid, and Valencia, where crews and aircraft are based. Denim Airways of The Netherlands (which was once owned by Air Nostrum) currently operates four Fokker 50s and five Dash 8s on behalf of Air Nostrum; in turn, Air Nostrum flies some Dash 8s for Denim Air when required.

While retaining its original network plan, Air Nostrum has also developed seasonal secondary tourist routes, such as Barcelona and Madrid to Olbia, or Nice to Palma. Air Nostrum also complements Iberia's mainline services—such as the Valencia-Madrid route—at offpeak times. Charter work is also undertaken.

Air Nostrum is Spain's foremost regional airline, thanks to its exclusive franchise with Iberia as well as its standard of cabin service (see *Flying with Air Nostrum*). Further growth can be expected, with more slots becoming available at Barcelona and Madrid and six new regional airports opening in Spain through 2008. ➔



JAVIER RODRIGUEZ

Air Nostrum frequently wet-leases equipment to cover peak periods, and in summer 2005 used a BAe 146-200 (above) and a -300 from WDL of Germany. Other leases have included four BAC One-Eleven 500s and a BAe ATP from British World Airlines, a Titan Airways 146, ATR42s from Titan, Air Sicilia, and Íslandsflug, a CRJ100 from Air Littoral, and a Flybe (British European) CRJ200.

FAST FACTS

Air Nostrum: Lineas Aéreas del Mediterraneo

IATA: YW ICAO: ANS IATA/ARC: 694 Radio: Nostrum Air

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Network: 51 destinations, 98 routes (62 domestic, 36 international); operated as Iberia Regional flights with numbers in the IB8000 range

Founded: May 23, 1994

Start date: December 15, 1994

Chairman: Carlos Bertomeu

President: Emilio Serratos

Employees: 1,750

Ownership: NEFINSA (96.8%); Air Nostrum senior management (3.2%)

Traffic (2004):

Passengers: 3,828,000

Flights: 123,505

Financial (2004):

Revenue: 492 million (\$1 billion) (+9% over 2003)

Net income: 20.52 million (\$40 million)

Fleet

Type	Nº	Seats	Engines
Fokker 50	4	Y50	PWC PW125B
Bombardier CRJ200ER	32	Y50	GE CF34-3B1
Bombardier DHC-8-315	19 **	Y52	PWC PW123E
ATR72-212A (500)	7	Y64/68	PWC PW127F

* operated by Denim Air

** 5 operated by Denim Air

On order CRJ200ER 19 DHC-8-315 10

Network: Operated as Iberia Regional flights with numbers in the IB8000 range
Cities served (59): **Domestic:** Albacete, Alicante, Almería, Asturias (Oviedo), Badajoz, Barcelona, Bilbao, Granada, Ibiza, La Coruña, La Rioja, Lanzarote, Las Palmas, León, Madrid, Málaga, Melilla, Menorca (Mahón), Murcia, Palma de Mallorca, Pamplona, Reus, San Sebastián, Santander, Santiago de Compostela, Sevilla, Tenerife (TFN), Valencia, Valladolid, Vigo, Vitoria, Zaragoza **Europe:** Bari, Basel/Mulhouse, Bologna, Bordeaux, Cagliari, Brussels, Frankfurt, Geneva, Hannover, Lisbon, London (LGW), Lyon, Marseille, Milan (MXP), Naples, Nice, Olbia, Oporto/Porto, Palermo, Paris (CDG & ORY), Pisa, Strasbourg, Toulouse, Turin, Verona, Zürich **Africa:** Casablanca



AIR NOSTRUM

Flying with Air Nostrum

Drawing inspiration from the former Crossair product, Air Nostrum developed its own brand of in-flight service that has earned accolades. According to Borja Gómez de Olea López de Letona, director of in-flight services, the airline's philosophy can be defined as one of 'all-round quality'. Because of Air Nostrum's 'Regional Business Class', the same high level of service is provided to all passengers, regardless of the fare paid. The key elements of this product are: pleasant and comfortable leather seating; two flight attendants on each flight; a wide range of reading material, including domestic and international publications, besides Air Nostrum's *Aladierno* and *Ronda Iberia* magazines; food based on fresh ingredients, using high-quality products and traditional indigenous recipes, served on porcelainware.

Illustrating the emphasis given to service—and unusually for the airline industry—the all-female cabin attendants come within the purview of Air Nostrum's commercial department rather than flight operations.

A day trip provided *Airways* with the opportunity to sample the Regional Business Class. Operating as Flight IB 8817—one of three daily Air Nostrum departures between Turin [Torino] and Madrid—scheduled to depart at 0715lt, the CRJ200ER assigned to the service was undergoing de-icing, after standing overnight in the freezing cold, when passengers were bused to its remote stand.

With an almost full cabin, including many travellers

connecting at Madrid, boarding was accomplished by 0710, and immediately after the last passenger was seated and doors closed, the two well-groomed flight attendants offered Italian and Spanish newspapers.

The cabin interior of the CRJs is pleasant, with dark-blue leather seats and blue carpeting, despite the rather cramped interior of this aircraft type.

We taxied at 0728, 13 minutes later than scheduled—but still within the official IATA allowance of 15 minutes before a delayed departure is declared—because de-icing took longer than expected, and we were airborne at 0737.

Soon after takeoff a continental breakfast was offered, preceded by a hot towel service. Orange juice, in real glasses, was accompanied by a choice of croissants or apple custard pastries. Hot drinks, including milk, were available, and my tea was served with an individual teabag, not from a pot. To complete the simple yet satisfying breakfast, a tray was presented with a choice of plain yoghurt with freshly sliced fruits or a cheese and bread selection, followed by refresher towelettes.

Overcast skies blocked views of Nice, Marseille, and Barcelona, before our descent into Madrid-Barajas, where we landed at 0911, blocking in exactly on time four minutes later.

The return trip, also aboard a CRJ200ER, was scheduled to depart at 1925 as IB 8816. Air Nostrum uses Terminal 3 at Madrid, which is dedicated to regional flights and not as convenient as the other terminals. In fact, the small size of the gates dictates that passengers wait in an unappealing area where the check-in desks are located, with very limited distractions available. For example, those wishing to shop have to go through security to reach the nearby shopping area of Terminal 2, before coming out of the 'sterile' area again and passing through security again before reaching their gate.

The security screening process through the cramped area took a while, because of the almost simultaneous departure of two flights. Once through, reaching the aircraft was easy as it was parked immediately outside the terminal, only a short walk from the building.

Onboard, two pleasant cabin attendants began service with distribution of newspapers. Pushback was at 1920, five minutes earlier than scheduled, and we took off at 1931.

After hot towels, dinner was served. There was a choice of three salads—tuna, cheese and olives, or duck breast on greens—followed by a choice of hot main course ('entree' in the USA): a tasty offering of *bacalao a la Vizcayna* (Vizcaya-style cod) with deep-fried zucchini and red peppers; or *solomillo* steak with vegetables.

An ample choice of drinks was available, and after the main course a tray with a selection of Spanish cheeses was proffered, then a choice of three desserts, which included fresh fruits, cheesecake with jam, or chocolate cake.

During dinner, the flight attendants showed a touch of class when my glass of sparkling water came with an unrequested slice of lemon and ice.

Slight turbulence accompanied most of the flight, and we began our descent to Turin immediately after overflying Nice. At 2111 we were on the ground, and four minutes later at the remote stand, ten minutes ahead of schedule.

Overall, both flights were conducted faultlessly and epitomized a service level that is increasingly becoming a rarity, at least in the Western world. ➔



AIR NOSTRUM



PHOTOS: LUIGI VALLERO



All flights feature a complimentary bar service (juices, cooling drinks, or spirits) and, depending on the schedule and the duration of the flight, breakfast, lunch, snack, or supper.