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Japanese airline ANA to replace 100 Rolls engines on 787s

By Alwyn Scott | SEATTLE

SEATTLE ANA Holdings Inc (9202.T), Japan's largest airline, said on Wednesday it will replace all 100 Rolls-Royce engines on its fleet of Boeing (BA.N) 787 Dreamliners following three engine failures this year caused by corrosion and cracking of turbine blades.

In response to questions from Reuters, ANA, the world's largest 787 operator, said all 50 of its 787s will receive engines fitted with new blades, a process that could take up to three years.

ANA has five engines that currently need repairs, "but we will replace all the 100 engines for enhanced safety measures," the company said, adding that it had already repaired three engines.

A Rolls-Royce Holdings PLC (RR.L) spokesman said the engine maker would swap out existing blades for new ones on ANA's planes in the short term. Rolls has started production of a new blade design that will be ready by year end, he said.

"We are working very closely with ANA," Rolls spokesman Richard

Wray said in an email.

The new blade will be incorporated next year into engines going onto new 787s, Wray said, adding that other airlines are managing the issue with "ongoing maintenance."

Rolls-Royce Chief Executive Officer Warren East said on Tuesday that ANA's problem was a "manageable issue." He added that ANA's "intensive" use of the engines had caused the blades to wear more quickly than usual.

ANA said the first engine failure happened on a flight from Kuala Lumpur to Tokyo in February. A second flight in March and a third in August had similar problems.

On Wednesday, ANA said four 787s remained grounded and that it had canceled 18 domestic flights due to the engine problem. The airline said it expected no further cancellations through mid-September. Beyond that its schedule had not been finalized.

The Rolls-Royce Trent 1000 engine, one of two engines for the Boeing 787 jetliner, costs about $20 million at list price. General Electric Co (GE.N) makes the other 787 engine, known as the GEnx.

Boeing's 787, built with lightweight carbon-fiber wings and fuselage, is a technological leap forward and burns 20 percent less fuel than the jets it replaces. But it was three years late coming to market and regulators grounded the fleet in 2013 after its lithium batteries overheated and burned.

Boeing has delivered about 445 of the planes, which seat 242 to 290 passengers and cost $225 million to $265 million at list price.

(Reporting by Alwyn Scott; Editing by Alan Crosby and Jonathan Oatis)