Boeing And Volvo Aero Sign Parts Distribution Agreement

The Boeing Company has signed an agreement granting exclusive marketing and distribution rights for surplus Boeing commercial airplane parts to The AGES Group, a Volvo Aero company.

Surplus parts are those that are no longer required for production and that no longer need to be maintained in the normal Boeing spare parts inventory.

The AGES Group - which distributes aircraft parts and engages in engine leasing - will use its existing 150-person global sales force to market and distribute the surplus Boeing parts to aircraft operators and maintenance and repair stations around the world.

The agreement calls for Boeing and AGES to share the net revenue of the surplus parts sales. The revenue-sharing formula was not disclosed. The first phase of the agreement runs for five years, with the option to renew it at the end of the initial phase for another five years.

The agreement covers approximately 230,000 individual part numbers, primarily for out-of-production aircraft. The parts inventory will be transferred from the Boeing Spares Distribution Centers in Seattle and Torrance, Calif., to an AGES Group warehouse near Seattle.

Operators will continue to be able to check parts availability through the Boeing web site for ordering spare parts, the Boeing PART Page, and the surplus parts will continue to be shipped on a "next-day" basis. However, the actual order, shipping, and warranty processes will be handled by AGES. The parts are new and retain FAA certification.

"This is a long-term agreement that allows us to reduce our inventory and generate additional revenue by leveraging The AGES Group's excellent marketing and distribution network to sell our surplus parts," said Darce Lamb, vice president - Airline Logistics Support, Boeing Commercial Airplanes Group. "By relying on the experienced AGES sales team to market these parts, we can make them more readily available to our customers. At the same time, we'll be able to focus Boeing resources on our main spare parts operation."

"The partnership with Boeing strengthens our position as a leading provider of service in the aerospace market," said Fred Bodin, president - Volvo Aero Corporation. "This fits very well with our expansion strategy by allowing us to offer a broader product family for sale to the aftermarket."

Volvo Aero, a wholly owned subsidiary of AB Volvo, develops, manufactures and maintains military and commercial aircraft engines and components. AGES is a leading provider of high-quality aircraft, engine and airframe support services to the worldwide aviation industry.

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