LAN CARGO Signs with Boeing to Shrink Parts Inventory, Reduce Costs

Component Services Program designed to reduce airplane maintenance costs

SEATTLE, July 16 /PRNewswire-FirstCall/ -- Boeing (NYSE: BA) and LAN CARGO, a leading Latin American cargo airline, today announced that the airline will join Boeing's Component Services Program (CSP). The program will provide LAN CARGO timely, worldwide access to spare parts for the carrier's 777 Freighter fleet.

LAN CARGO becomes the 12th airline in the 777 Component Services Program, which is offered jointly by Boeing and Air France Industries/KLM Engineering & Maintenance.

CSP allows airlines to outsource the cost and logistical issues associated with keeping important parts on hand, while significantly reducing inventory. The inventory required to support an airplane type can cost millions of dollars.

"The 777 Freighter provides a competitive edge for LAN CARGO's operation and the 777 Component Services Program will further extend that advantage," said Dale Wilkinson, vice president of Material Services for Commercial Aviation Services, Boeing Commercial Airplanes. "Additionally, LAN will stabilize its long-term 777F maintenance budget planning."

The program provides 24-hour access to a dedicated inventory pool of selected high-value, dispatch-critical components, such as avionics, actuators and precision mechanical assemblies. LAN CARGO will have ready access to components so the airline can remove a faulty unit and replace it with a serviceable one quickly and easily, helping to maintain departure schedules.

LAN CARGO received its first 777 Freighter in April 2009 and currently operates two of the airplanes.

Commercial Aviation Services supports more than 12,100 Boeing commercial jetliners (passenger and freighter airplanes) with numerous lifecycle solutions that deliver the fundamentals of aviation support -- training, spare parts, diagnostic tools, maintenance documents and information, technical advice and modification programs.

Air France Industries and KLM Engineering & Maintenance, which joined forces following the Air France KLM merger, are world-leading multi-product MRO (maintenance, repair and overhaul) providers with a joint workforce of over 14,000, offering comprehensive technical support for airlines, ranging from engineering and line maintenance to engine overhaul and the management, repair and supply of aircraft components, structured around a powerful logistics network. Together they support more than 1,230 aircraft operated by 150 major international airlines.

# # #

Contact:

Bob Saling
Services and Cargo Communications
+1 206-766-2914
bob.saling@boeing.com

Nancy Standifer
Material Services Communications
+1 206-766-2161
nancy.j.standifer@boeing.com

More information: http://www.boeing.com/commercial/repair/exchange.html

SOURCE Boeing