

VOLVO AERO

Press Information

Volvo Aero signs agreement with Skyways Express worth at least SEK 100 M

Volvo Aero and Skyways Express have signed an agreement whereby Volvo Aero will become Skyways' exclusive supplier of engine overhaul and equipment maintenance services for the PW125 engines. The agreement is estimated to be worth at least SEK 100 M to Volvo Aero.

The agreement is based on a price per hour of flying time and gives Volvo Aero total responsibility for the customer's fleet of aircraft powered by PW125 engines. Volvo Aero will be working on both engines and equipment. The agreement is valid until 2005 after which it will be extended automatically for one year at a time.

Within the framework of the agreement, Volvo Aero will also provide technical support functions to relieve the load on Skyways, as well as assisting with Skyways' maintenance planning. Under the terms of the agreement, Volvo Aero Services will also supply reserve engines if necessary.

"We are very pleased to have secured this agreement in tough competition with a number of maintenance facilities in both Europe and the US," comments Göran Nordén, marketing and sales manager in Volvo Aero's Engine Services business area.

Engine Services in Trollhättan will perform maintenance of the PW125 engines. Since the agreement falls within the framework of Volvo Aero's planned annual volume, it will not result in recruitment of any new personnel.

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For further information, please contact Olof Pettersson, Business Unit Manager PW100, telephone +46 705-105 550 or Pär Carlsson, Vice President, Technical, at Skyways, +46 733-85 86 00.

A photo showing the Fokker 50 is available on the Internet:

<http://www.skyways.se/organisation/hires/fokker.jpg>

Volvo Aero develops and manufactures components for aircraft and rocket engines with a high technology content in cooperation with the world's leading producers. Volvo Aero offers an extensive range of services, including sales of spare parts for aircraft engines and aircraft, sales and leasing of aircraft engines and aircraft, as well as overhaul and repair of aircraft engines. Volvo Aero is part of the Volvo Group, one of the world's leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications, aerospace components and services. The Group also provides complete solutions for financing and service.