

## **Aviall Services, Inc. Announces New \$2 Billion Worldwide Ten-Year Distribution Agreement with Smiths Aerospace**

**Dallas 01/31/06** Aviall Services, a business unit of Aviall Inc., (NYSE: AVL), today announced that it has received from Smiths Aerospace LLC the worldwide aftermarket distribution rights for their civil aerospace line of products for a ten-year period. Aviall will assume its service provider responsibilities for the aftermarket after a transition period of several months.

The total program revenue is estimated to be approximately \$2 billion. For 2006, similar to other recent contracts, Aviall will receive a commission for civil product aftermarket sales during the transition period and will begin to report full revenues when Aviall takes over full operational responsibility. On an annualized basis, first year equivalent revenues are expected to be in the range of \$130 to \$140 million.

As Smiths' civil aftermarket full-service provider, Aviall will utilize its critical core competencies of inventory forecasting and management, field sales and marketing, product fulfillment, quality management and technology-backed tools to ensure Smiths Aerospace's aftermarket customers have the product availability and support necessary to meet their needs.

Smiths Aerospace products covered by the agreement involve mechanical and electronic systems. Mechanical systems products include actuators, holdback devices, propeller systems, flight control systems, landing gear systems, and thrust reverser control systems. Electronic systems offerings include flight management systems, power systems, modules, navigation equipment and supplemental power systems.

Smiths Aerospace has held key positions in the supply chains from the early days of aviation up to and including the Boeing 787 and Airbus A380.

Paul Fulchino, Chairman, President, and CEO of Aviall, Inc. stated, "We are extremely pleased by the confidence Smiths Aerospace has demonstrated in joining with us to offer the highest customer service and supplier standards within the industry. We are confident Aviall's experienced sales team, extensive network of stocking locations, Internet-based parts quoting and order-entry system, and computerized inventory control systems will continue to exceed our customers' and suppliers' expectations."

Fulchino went on to say, "It is particularly gratifying to note Smiths' choice of Aviall for distribution of its entire civil aftermarket product line, covering all legacy, current production and future aircraft entering service during the term of the agreement. The choice underscores the value Aviall brings to the market throughout the product life cycle."

"The combination of Smiths' and Aviall expertise in the aftermarket will create all round value through faster product deliveries and enhanced customer satisfaction," commented John Ferrie, President, Smiths Aerospace. "This relationship will broaden our market reach and allow Smiths to increase growth in its core aftermarket."

Contact: Aviall, Inc.  
David Leedy  
Phone: 972-586-1703  
FAX: 972-586-1702  
Email: [dleedy@aviall.com](mailto:dleedy@aviall.com)