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Confirmation of VSMPO's strategic position within Airbus supply chain



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Airbus and VSMPO-AVISMA Corporation signed a Memorandum of Understanding for the development of an end-to-end strategic collaboration, which covers development, processing and recycling of titanium material utilised for all Airbus aircraft programmes. The contract was signed at the International Aviation and Space Salon MAKS-2013 by Olivier Cauquil, Airbus Senior VP Materials and Parts Procurement and Mikhail Voevodin, General Director VSMPO-AVISMA.

Within the scope of the agreement, VSMPO-AVISMA and Airbus will jointly explore the development of new alloys and processes. Both companies have setup a working group that will seek to enhance the alloys portfolio according to Airbus' needs. VSMPO-AVISMA and Airbus have also agreed to engage Aerospace Dynamics Inc., a worldwide renowned machinist for the development of rough machining at VSMPO's facilities, extending the scope of VSMPO's activities for Airbus to higher value added products. In the frame of the discussion, parties are analysing different cooperation setups such as a corporate Joint Venture, amongst others. In addition, the companies have engaged the qualification of VSMPO-AVISMA for the manufacturing of titanium tubes for aircraft applications to further extend Airbus' product portfolio and covers the study of collection and recycling of titanium scrap, which would set-up a fully integrated industrial process.

Mikhail Voevodin, President and CEO of VSMPO-AVISMA Corporation, said: "The history of Airbus and VSMPO collaboration extends back over 20 years and is characterized by continuous expansion of business relations gradually moving from simple titanium semi-finished products to more complex items. This agreement is a new milestone in our cooperation – it is not only support of Airbus production needs, but also joint development of advanced materials, alloys and processes for the current and potential projects of Airbus".

"This agreement represents a major milestone in VSMPO's and Airbus growing relationship since the initial contract signed in 2009. Airbus is very proud to engage with VSMPO into this new phase, confirming our commitment to support the development of VSMPO not only on the supply of raw material, but also as a high value added products supplier and key R&D partner. This step is significant for Airbus and is also the best recognition of VSMPO's performance and reliability in their 80th year of successful operations", explained Klaus Richter, Executive Vice President Airbus Procurement and EADS Corporate Sourcing.

Since the 1990s, VSMPO-AVISMA has become a major supplier for Airbus and its parent company EADS and today covers 60% of the group's titanium needs in semi-finished products or titanium forgings. Based on the strategic and increasing importance of titanium use in every new aircraft programme and in the aeronautic industry as a whole, in April 2009, EADS/Airbus and VSMPO-AVISMA signed the biggest and longest-term frame contract for the supply of titanium for Airbus and other EADS divisions until 2020. VSMPO-AVISMA is currently supplying titanium forgings for all Airbus programmes, including the A320neo, the A350 XWB and the A380.

Notes to editor:

About Airbus

Airbus is a leading aircraft manufacturer with the most modern and fuel-efficient family of airliners, ranging in capacity from 100 to more than 500 seats. Airbus has sold over 13,200 aircraft to more than 500 customers and operators worldwide and has achieved close to 8,000 deliveries since the first Airbus aircraft entered service. Headquartered in Toulouse, France, Airbus is an EADS company.

About VSMPO-AVISMA

PSC VSMPO-AVISMA Corporation – the largest worldwide titanium producer, providing the full production cycle: from stock processing to production of finished parts of added value. Number of employees – approx.. 20 ths. The Corporation is within the worldwide leaders in titanium products manufacture. The control stock of shares (50%+1) of VSMPO-AVISMA belongs to the management, the blocking shareholding of 25% +1 share belongs to Rostentechology.

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