

To the creditors and the debt
restructuring judge in the matter of
Swissair Schweiz. Luftverkehr AG

Küsnacht, 16 August 2002 Wü/cb

Interim report of the Administrator

Ladies and Gentlemen

Your Honour

The creditors of SAirGroup, SAirLines and Flightlease AG received my interim reports of 12 March and 10 May 2002 as an enclosure to the invitation to the creditors' meetings of 26 and 27 June 2002. Moreover, I had the opportunity to inform these creditors on the state of the proceedings at the creditors' meetings. I would now like to send you as creditors of Swissair Schweizerische Luftverkehr AG (hereafter called "Swissair") my interim reports to date, and inform you on the current state of the debt restructuring procedure and next steps planned.

1. GENERAL

Since the termination of flight operations on 30 March 2002, the main activities of Swissair have consisted in the winding up of its worldwide operations and in securing available assets.

Staff numbers at Swissair have been drastically reduced over the past few months. At present, a small, efficient team remains for the work involved in the winding up operations.

Swissair had major receivables outstanding in Switzerland and abroad. Thanks to the commitment of the Swissair employees responsible, a large

amount of these receivables has been collected and, as far as legally permissible pursuant to local law, transferred to Switzerland.

Operating equipment and moveables (furniture, vehicles, etc.) are being sold off continually with the approval of the debt restructuring judge. The so called in-flight material has been relocated to Switzerland over the past few months. A public liquidation sale is planned for this autumn. Creditors will be informed in due course through my website.

2. STATUS PER 5 OCTOBER 2001

The compilation of an inventory of Swissair assets is well advanced. An unforeseen delay occurred owing to irregularities discovered in connection with the restructuring of the Swissair Group in 1997. At that time, the company name of "old" Swissair was changed to SAirGroup and a "new" Swissair was founded. The assets required for flight operations were transferred from the "old" Swissair to the "new" one in the form of a non-cash contribution. Recently, there have been several indications that the restructuring was not implemented correctly. Therefore some uncertainties remain as to which assets are legally in the possession of the "new" Swissair and which belong to SAirGroup ("old" Swissair). The facts of the matter are being investigated.

The registration of claims has been delayed partly by the organisation and staging of the creditors' meetings for SAirGroup, SAirLines and Flightlease AG, primarily however by the receipt of over 3'000 new claims after 30 March 2002. A total of about 10'000 claims have been lodged by creditors. Registration is now proceeding swiftly and I am confident that it can be concluded in the course of this summer. In parallel with the registration of claims, the legally required statement by the debtor on the individual claims is in the process of being procured.

3. NEXT STEPS IN THE DEBT RESTRUCTURING PROCESS

As soon as the asset inventory has been completed, all claims have been registered and Swissair's statement is available, I will be in a position to assess whether a debt restructuring agreement with assignment of assets is feasible at all. This primarily depends on whether the assets available cover

the privileged claims lodged by employees. It will presumably be necessary to negotiate with the employee representatives as to the amount of the registered claims. These discussions will be based on Swissair's statement regarding the registered claims. I expect to be able to communicate my definitive assessment of the feasibility of a debt restructuring and the further procedure to the creditors by the end of October.

4. INFORMATION TO CREDITORS

Creditors will continue to be informed of the ongoing proceedings through the reports published on my website www.sachwalter-swissair.ch.

Yours sincerely

Administrator

Karl Wüthrich