

Notice from the administrator of Swissair Group to creditors and the media

Over 13 000 claims already recorded – protection of Swissair brand rights – prompt settlement of procedure

Küsnacht, Zurich, 1 March 2002. Since the invitation to register claims was issued on 9 January 2002, the administrator has received more than 23 000 registrations of claims against SAirGroup, SAirLines, Swissair Schweizerische Luftverkehr AG and Flightlease AG. Over 13 000 of these have already been recorded. Given such pleasing progress, all claims will probably be recorded by mid-April 2002. It is already clear that registrations have been made for more than 50% of the CHF-bond capital issued by SAirGroup.

Protection of Swissair brand rights

The administrator supports the application made by SAirGroup today to prevent the new market appearance of Crossair AG under the brand name 'Swiss'. The creditors of SAirGroup have an interest in realising the existing assets on the best possible terms. One such asset, in particular, is the brand name of Swissair. The prohibition applied for is intended to protect the brand rights of SAirGroup and is therefore also in the interest of creditors. So far Crossair AG has refused to negotiate an amicable solution.

Prompt settlement of procedure

Excellent progress in recording the claim registrations and taking the inventory makes a speedy settlement of the debt-restructuring procedure possible. The meetings of creditors of SAirGroup and Swissair will be held on 26 June 2002 and those of the creditors of SAirLines and Flightlease AG on 27 June 2002. Apart from the administrators' reports, the main agenda items will be the elections of the liquidation organs – the liquidator and the members of the creditor committee. Invitations to the meetings of creditors will be sent out by 24 May 2002 at the latest. The documents will be available to creditors for perusal at the administrator's premises from 3 June 2002.

Following the meetings of creditors, a written vote will be held on the debt-restructuring agreements. The administrator will finalise his reports and submit them to the debt restructuring judges, probably by the end of July 2002. On this timetable, in early autumn 2002 it should be possible to commence the process of liquidation in the context of debt restructuring or, if no debt-restructuring agreement is reached for a particular company, in the context of bankruptcy.

Interim report to creditors and the debt restructuring judges

The administrator is now working on an interim report to creditors and the debt restructuring judges. This report will be available to creditors on the administrator's website on 8 March 2002.

Meetings of bondholder creditors

Creditors holding more than 5% of the bond capital have asked for meetings to be held for the creditors who hold the 4.25% bond 2000-2007, the 5.125% bond 1989-2003 and the 6.25% bond 1994-2002. The intention is to elect a bond representative at these meetings, which will be held at 1400 hours on 15 March 2002 at the ABB Event Hall, Oerlikon, Zurich.

The bondholder creditors are free to decide whether to elect a bond representative. The law authorises the bond representative to attend meetings of the Board of Directors and Management in an advisory capacity. The bond representative is bound to the same secrecy as the auditors in the performance of his duties. Thus he is not entitled to issue information to individual bondholder creditors. Information can only ever be given to all bondholder creditors at a meeting relating to bonds.

Even if a bond representative is elected, all bondholder creditors may exercise their voting rights at the meeting of creditors in the procedure for the debt restructuring of SAirGroup on 26 June 2002. They can also cast their votes independently in the voting on the debt-restructuring agreement. The bond representative has no voting rights. From the start of liquidation or bankruptcy proceedings, the interests of all creditors, including bondholders, are safeguarded by their elected liquidation or bankruptcy organs. This means the liquidators or the bankruptcy administration or the creditors committee. The law requires the bondholder creditors to defray the bond representative's expenses. These are deducted from any dividend paid to bondholder creditors in the context of debt restructuring or bankruptcy. However, the preparation and holding of the meeting of bondholder creditors to elect such a representative will place a burden, both of time and finance, on the assets of SAirGroup. The administrator has therefore instructed SAirGroup to keep these expenses as low as possible and not to call creditor meetings for holders of the bonds not mentioned, especially in view of the quick settlement of the debt-restructuring procedure.

For further information

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