

Media release

Swissair Group provisional administrator writes to employees

Küsnacht, Zurich, 25 October 2001. The provisional administrator of Swissair Group, Mr Karl Wüthrich, an attorney with the law firm Wenger Plattner, wrote as follows (full text) to the Group's employees on 25 October 2001:

To the employees of

- SAirGroup
- SAirLines
- Swissair Schweizerische Luftverkehr AG (including AMP)
- Flightlease AG
- Swisscargo AG
- Cargologic AG

Dear Sir/Madam

Effects of the provisional debt-restructuring moratorium on your employment

Since 5 and 8 October 2001, SAirGroup, SAirLines, Swissair Schweizerische Luftverkehrs AG, Flightlease AG, Swisscargo AG and Cargologic AG have been in a provisional debt-restructuring moratorium. I have gained the impression from talks with employees of these companies that, understandably, there is great uncertainty about the effects of the provisional debt-restructuring moratorium on their employment. With this in mind, I am now writing to you to let you know my decision concerning subrogation in your employment, and to guide you as to its consequences.

1. The provisional administrator's decision on subrogation in employment relations

An employer in a debt-restructuring moratorium or in bankruptcy is not allowed to treat individual creditors preferentially. This also applies to claims of employees. Such claims are in competition with those of many small suppliers, customers and business partners, the survival of some of whom is at least equally threatened by the financial debacle at Swissair Group.

For the reasons stated in the enclosed Information Sheet 1 I, as the provisional administrator of the company employing you, am unable, as a precaution, to be subrogated in employment relations and any existing welfare plans. The payment of wages for October makes no difference to this.

2. Consequences for you of the decision against subrogation of your employer's assets now in debt restructuring

The decision against subrogation does not end your employment. In this regard I would refer you to the statements in the Information Sheet 2, which is also enclosed. It is currently being review whether you will be offered a new, interim contract of employment with the assets being restructured.

For those of you whose employment cannot be continued, the effects of this decision against subrogation will, in some circumstances, be serious: I am aware of this. Unfortunately the legal framework does not allow any alternatives. As far as the scope of my function permits, I will work to ensure that your personal situation is not unnecessarily worsened. In this regard please also find enclosed an Information Sheet which may be useful to you in case of personal need, but also to improve the situation with regard to your rights. The Information Sheet lists the institutions from which you can claim on certain conditions, how you can proceed with your employer and what your situation in insurance law is. If you have any questions, please refer them to your employer, to the job mediation centres set up for the purpose or to your employee representative. There are also notes on this in the Information Sheet.

I will also endeavour to convey all further information to you personally as soon as possible; it will also be available on my website www.sachwalter-swissair.ch.

Yours faithfully
The provisional administrator

Karl Wüthrich

Enclosures:

- Information Sheet on Legal Situation
- Information Sheet on Insurance Situation

For further information:

- Website of the provisional administrator: www.sachwalter-swissair.ch
- Filippo T. Beck, Wenger Plattner, telephone 01 914 27 70, fax 01 914 27 88