

**Unofficial Translation
of German Original**

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To the creditors of SAirGroup AG
in debt restructuring liquidation

Küsnacht, September 2015

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SAirGroup AG in debt restructuring liquidation; Circular no. 25

Dear Sir or Madam

I would hereby like to inform you of the settlement of a further part of the schedule of claims, the publication of supplement no. 3 to the schedule of claims and the assignment of the right to pursue an action as follows:

I. SETTLEMENT OF A FURTHER PART OF THE SCHEDULE OF CLAIMS

1. ACTION CONTESTING THE SCHEDULE OF CLAIMS FILED BY THE BEL- GIAN GOVERNMENT

In the action contesting the schedule of claims filed by the Belgian government and companies controlled by it (see Circular no. 23, section VI.1.), the Federal Supreme Court on 29 May 2015 dismissed the appeal filed by the Belgian government against the ruling of the High Court of Zürich in its entirety.

Consequently, all claims filed by the Belgian government and companies controlled by it under the action contesting the schedule of claims against SAir-Group have been rejected without the right to appeal.

2. ACTION CONTESTING THE SCHEDULE OF CLAIMS FILED BY SABENA SA IN LIQUIDATION

The action contesting the schedule of claims filed by Sabena SA in liquidation (hereinafter referred to as "Sabena"; see Circular no. 22, section VII.1., Circular no. 23, section VI.1. and Circular no. 24, section VI.1.) is still pending before the District Court of Zürich.

In the parallel action contesting the schedule of claims filed by Sabena against SAirLines AG in debt restructuring liquidation, the Federal Supreme Court on 29 May 2015 dismissed the action contesting the schedule of claims filed by Sabena.

II. SUPPLEMENT NO. 3 TO THE SCHEDULE OF CLAIMS

Since the publication of supplement no. 2 to the schedule of claims in February 2013, additional claims, claims registered after publication of the schedule of claims and previously suspended claims have been assessed. Consequently, supplement no. 3 to the schedule of claims is now published.

Supplement no. 3 will be available for inspection by creditors from 30 September 2015 to 20 October 2015 at the offices of the Liquidator, Karl Wüthrich, Wenger Plattner Solicitors, Seestrasse 39, Goldbach-Center, 8700 Küsnacht (please call Christian Rysler to arrange an appointment phone: +41 43 222 38 00).

Actions to contest supplement no. 3 to the schedule of claims must be lodged with the single judge court at the District Court of Zürich, Wengistrasse 30, P.O. Box, 8026 Zürich, within 20 days of official notice in the Swiss Official Gazette of Commerce dated 30 September 2015, that is, **no later than 20 October 2015** (date of postmark, affixed by a Swiss post office). If no action is filed, supplement no. 3 to the schedule of claims will become legally binding.

III. ASSIGNMENT OF THE RIGHT TO PURSUE LEGAL ACTION PURSUANT TO ARTICLE 260 OF THE SWISS FEDERAL LAW ON DEBT COLLECTION AND BANKRUPTCY REGARDING CLAIMS OF THE SWISS FEDERAL TAX ADMINISTRATION

1. BACKGROUND

The Swiss federal government (the Swiss Federal Tax Administration or "FTA") has registered a claim for value-added tax plus interest totalling CHF 6,891,729.97 in the debt restructuring proceedings against SAirGroup following the publication of the schedule of claims. With this claim, the FTA is asserting subsequent value-added tax claims based on turnover from charter flights generated during the tax periods 1995 to 1998 plus default interest. The FTA had previously sought to offset its subsequent claims against input tax credits of VAT group Swissair, which existed between 1 January 1999 and 31 March 2002. However, the Federal Supreme Court in its ruling of 10 March 2010 held that VAT claims for the period prior to 1 January 1999 cannot be offset against input tax credits of the VAT group, but must be charged individually to the taxable entity in question (such as SAirGroup). Based on this ruling, the FTA has asserted the relevant subsequent VAT claims plus default interest against SAirGroup.

The claim is based on public law and was formally stipulated by the FTA with order dated 1 September 2015. SAirGroup filed an objection to this decision within the relevant deadline and simultaneously requested the suspension of proceedings. Due to the pending appellate proceedings, the claim was included pro memoria in the SAirGroup schedule of claims.

The Liquidator and Creditors' Committee have assessed the claim registered by the FTA and considered to be justified. In a 2001 ruling, the Federal Supreme court held that tax exemption for air transport was only applicable to income generated purely on the transportation of passengers, and not to income from the charter business as operated by SAirGroup (then Swissair). The income generated by SAirGroup from the charter business is therefore subject to VAT, and the FTA's claim for the payment of tax and interest is legally justified in this regard. Consequently, the liquidation bodies have decided not to continue pursuing the objection proceedings commenced in defence of the claim for reasons of precaution.

2. ASSIGNMENT OF THE RIGHT TO PURSUE LEGAL ACTION

Each creditor is entitled to request the assignment of the right to take legal action in respect of those legal claims which the Liquidator and the Creditors' Committee decide not to pursue any further (Article 325 in conjunction with Article 260, Swiss Federal Debt Enforcement and Bankruptcy Act). A creditor who requests assignment is entitled to assert the legal claim or to contest a claim lodged against the liquidation estate at his/her own risk and expense. In the event that a creditor wins the legal action or successfully defends the claim asserted against the liquidation estate, the assignment creditor may use the outcome to cover his/her incurred costs and his/her claims against SAirGroup. Any surplus would have to be surrendered to the liquidation estate. If the creditor loses the case, he/she is liable for any court costs and legal fees.

3. ASSIGNMENT REQUESTS BY INDIVIDUAL CREDITORS

The right to pursue legal action in defence against the claim asserted by the FTA and to pursue the pending objection proceedings in this regard, which the liquidation bodies have resolved to discontinue, is herewith offered to creditors.

Requests for assignment according to Article 260 of the Swiss Federal Debt Enforcement and Bankruptcy Act must be submitted to the undersigned Liquidator in writing and **no later than 16 October 2015** (date of postmark, affixed by a Swiss post office). The right to request assignment is deemed to have been forfeited if this deadline is not respected.

Kind regards

SAirGroup AG in debt restructuring liquidation
The Liquidator

Karl Wüthrich