

Media release

**Weekly situation report from the provisional administrator of Swissair Group**

Küsnacht, Zurich, 2 November 2001. This reporting week the activities of the provisional administrator of Swissair Group, Karl Wüthrich, a partner in the law firm of Wenger Plattner, and his staff, have centred on three tasks. First, they have compiled preliminary drafts of reports to the competent judges. It is the duty of the provisional administrator to clarify the corporate assets, profitability and income situation and any prospects for debt restructuring of SAirGroup, SAir-Lines, Flightlease AG, Swissair Schweizerische Luftverkehr AG, Swisscargo AG and Cargologic AG and to report accordingly to the competent judges in Bülach and Zurich. On the strength of these reports the judges will decide, on an individual basis, whether to grant a definitive debt-restructuring moratorium to each company. The provisional administrator will inform the public about these reports at the end of November.

The provisional administrator's second major task, jointly with representatives of the Swiss Confederation, the cantons, the banks and the affected companies, has been to work out solutions to impending liquidity squeezes. Their main focus has been on the airline-related companies Atraxis, Swissport and SRTechnics, and also on Gate Gourmet. Negotiations concerning the airline-related companies are at an advanced stage, and it will probably be possible to present definite results in the near future. The liquidity problems at Gate Gourmet should be overcome by a credit of CHF 30 million from SAirGroup, to be granted on standard banking terms. The credit will be secured by pledging a 70% holding in the company USAS Uçak Servisi AS, a stock-exchange listed Turkish catering company.

The third centre of activity has been the redundancy and release from their duties of many employees and the welfare plan for Swissair Group employees taking early retirement. Within the scope of his remit, the provisional administrator is working to allow the impact of these dismissals and releases to be cushioned by appropriate welfare provisions.

**Extension of the debt-restructuring proceedings abroad: first successes**

To prevent foreign enforcement measures as far as possible, specifically the seizure of aircraft, the provisional administrator is endeavouring to extend the debt-restructuring proceedings abroad. The competent courts in the U.S.A., Canada and Israel have agreed to a provisional extension of the debt-restructuring proceedings to their territories. A provisional extension to France is imminent, and a further application is pending in Brazil.

**Sale applications to be expedited**

The provisional administrator has issued instructions to the Management of the Swissair companies on how to structure applications for the sale of holdings. This should expedite the process of decision-making on sale applications. Such sales require the consent of the administrator and the debt restructuring judge.

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For further information

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