



PRESS RELEASE

Airlink and Safair seek merger approval

JOHANNESBURG: November 27, 2017. Airlink and Safair, two independent South African aviation groups, are seeking approval from South Africa's Competition Commission to merge under the common umbrella of the Airlink group of companies.

Airlink was established in 1992 and is the leading regional airline in Southern Africa. It has a route network of 37 destinations in nine countries and the island of St. Helena.

Safair Operations was established in 1965 and has been a leader in the provision of specialised aviation services for the past 52 years. In 2014 the company launched FlySafair, a low-cost carrier competing in South Africa's domestic market.

The proposal sees the Airlink and low-cost FlySafair airlines and Safair's other businesses, including humanitarian aid flights, continuing to operate separately under their unique brands.

The airlines will retain their respective products, aircraft fleets, management and leadership teams. Employees will be secure with no job losses because of the consolidation.

"Airlink's acquisition of Safair, which is financially robust and profitable, makes good business sense. It presents opportunities to reduce our combined costs, position ourselves for growth while at the same time increasing connectivity and choice while making air travel accessible and affordable for our customers across Southern Africa," explained Airlink CEO and Managing Director, Rodger Foster.

"Our combined networks will enable us to connect 37 destinations in nine Southern African & Indian Ocean countries and St. Helena. This will stimulate and enable trade, tourism, economic growth and social development in those markets we serve," added Foster

"Coming under a single umbrella will create economies of scale that will enable both airlines to share costs, optimise assets and remove systems duplications. This will position the new Airlink Group for future growth," said Elmar Conradie, who will remain as Safair CEO.

In addition, the proposed new ownership structure will see Airlink continue to meet - and in future exceed - South Africa's Broad-based Black Economic Empowerment targets.

The Safair purchase will not affect Airlink's existing SAA franchise partnership, which continues to deliver traffic and business to SAA and Airlink while their customers benefit from the value, convenience and connectivity the arrangement provides.

As part of its continued commitment to the aviation industry within South Africa, Safair shareholder ASL Aviation Holdings will become a minority shareholder of the Airlink Group of companies. ASL Aviation Holdings is a global aviation group with 6 European and 2 Asian airlines in addition to its South African interests.

More details will be provided when the Competition Commission has made its determination, which we anticipate will be during Q1 2018.