

## **Air Mauritius- Creditors trust current administrators to rescue Air Mauritius**

(Grant Thornton, Ebene- 4<sup>th</sup> May 2020)- **Sattar Hajee Abdoula and Arvindsingh Gokhool, Joint Administrators of Air Mauritius, held the first creditors meeting today by audio conference. No replacement of the administrators was proposed and therefore, the resolution for the replacement of the Administrators was not carried. The creditors at the meeting have by a majority of 96.77%, voted that a creditors' committee should be appointed. None of the nominees for the creditors' committee received the requisite number of votes. The administrators have therefore decided, in a spirit of fairness, that all persons who had been nominated by individual creditors will form part of the creditors' committee.**

The mandate of the creditors committee will be to consult with the administrators on the administration. The committee consists of 68 members representing employees, lessors, banks, large suppliers as well as small creditors.

At the outset of the meeting, the administrators have disclosed their interests and relationship with the Company. In his statement to the creditors, Sattar Hajee Abdoula pointed out that, *“our full and complete investigation and conduct of an administration of this size and complexity will take time. We will need to actively engage with all the different stakeholders, including the lessors, the unions and employees, the banks, the different suppliers and shareholders and Government, with a view to being able to propose a restructuring plan”*.

The administrators have obtained an order extending by 90 days the very short period of 21 days for the administrators to maintain or not the contracts of employment. An order extending the convening period for the watershed meeting has also been granted. The watershed meeting will take place soon after the 30th November 2020.

*“We have done so to give us time to discuss with the creditors and try to work out a solution,”* said the administrators in their statement.

The Court has also granted the administrators exemption from personal liability towards creditors for payments which may become due under any agreement entered into by the Company prior to it being placed in Administration.

*“Sacrifices will have to be made by all stakeholders to ensure that the company survives. Since our appointment, we have consulted several key stakeholders. We have been assessing MK's financial situation and looking at all feasible options that will keep the Company afloat. We are currently working with an airline advisory specialist whose recommendations are being thoroughly assessed in light of the unprecedented impact of the Covid-19 pandemic on the industry. Today's vote of confidence from the creditors reflects their trust in us to bring Air Mauritius out of administration as soon as possible. We remain strongly committed to restructuring and transforming the national airline to get it back to profitability and hence, enable it to fulfil its valued contribution to the economy, especially to the travel and tourism industry,”* says Sattar Hajee Abdoula.

This process of voluntary administration provides the company with the necessary breathing space and sets the conducive conditions for restructuring its operations and safeguarding its long-term interests. In the meantime, the company maintains its planned humanitarian flights for the repatriation of stranded passengers, including Mauritian nationals, as well as for the transport of important medical supplies.

*“We fully understand that these are difficult times for all employees of Air Mauritius and its wholly owned subsidiary, Airmate. Many of them have brought us their support and sent their suggestions to restructure the company. We are very thankful for that,”* highlights Sattar Hajee Abdoula.

**Sattar Hajee Abdoula, FCA**  
**Arvindsingh K. Gokhool, FCCA**

4<sup>th</sup> May 2020

*This Communique is issued pursuant to Listing Rule 11.3 and the Securities Act 2005.*