

MEDIA RELEASE
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South African Airways Moves Forward with Restructuring Plans

The joint Business Rescue Practitioners (BRPs) of South African Airways (SAA) yesterday announced further initiatives to support the airline's transformation into a sustainable and profitable business.

The BRPs have worked closely with key stakeholders including industry specialists, government, creditors and executive management to develop a comprehensive restructuring programme which will culminate in a Business Rescue Plan to be published in late February and subsequently presented to creditors for approval.

In line with SAA's commitment to take urgent action to conserve funds, and create a viable platform for a successful future, key measures need to be implemented now.

These measures include targeted changes to the route network, deployment of more fuel-efficient aircraft, optimisation of organisational structures and renegotiation of key contracts with suppliers.

Following a careful analysis of SAA's liquidity challenges and after consultations with all relevant stakeholders, the BRPs have identified which routes will be retained to drive the restructured national carrier towards profitability.

Tim Clyde Smith, Regional General Manager – Asia Pacific said, " As expected we are pleased to announce that we have retained SAA's Perth to Johannesburg service- the fastest non-stop service between Australia and South Africa.

"This route has continued to make a profit over the last 6 years and again we extend our heartfelt thanks for the continued support from our industry partners and customers over this period.

"This is a positive outcome of a business allowed to voluntarily enter business rescue and restructure itself whilst it continues to operate. "

"It is however, with a heavy heart that we advise of the termination of the Guangzhou and Hong Kong services in my portfolio. This is a decision by the Business Rescue Practitioners and our family there and our customers affected are our first and foremost priority." continued Clyde-Smith

On other routes, SAA will continue to operate all international services between Johannesburg and Frankfurt, London Heathrow, New York, Perth and Washington via Accra.

Regional services to be retained include from Johannesburg to Blantyre, Dar es Salaam, Harare, Kinshasa, Lagos, Lilongwe, Lusaka, Maputo, Mauritius, Nairobi, Victoria Falls, Livingston and Windhoek.

On 29th February 2020, SAA will close the following regional and international services from Johannesburg to Abidjan via Accra, Entebbe, Guangzhou, Hong Kong, Luanda, Munich, Ndola, and Sao Paulo.

On the domestic route network, SAA will continue to serve Cape Town on a reduced basis.

All other domestic destinations, including Durban, East London and Port Elizabeth, will cease to be operated by SAA on 29th February 2020. Domestic routes operated by Mango will not be affected by the changes.

All customers booked on any cancelled international and regional routes will receive a full refund. Customers booked on cancelled domestic flights will be re-accommodated on services operated by Mango.

Mr Clyde Smith said “Outside of these specified changes, SAA does not intend to make any further significant network changes. Passengers and travel agents can therefore feel confident about booking future travel with South African Airways.”

To improve the airline’s liquidity, rationalisation programmes are under consideration for SAA’s subsidiaries, as well as the sale of selected assets. The BRPs will continue to explore viable investment opportunities with potential investors in respect of SAA.

The decisions and actions announced today are aimed at improving SAA’s balance sheet, creating a platform for a strong and sustainable airline and ensuring that the company is more attractive for potential strategic equity partners.

SAA’s flight schedule for February remains unchanged. Please consult the website for further information.

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