

Preliminary agreement to acquire activities in Aero Hardware, USA

Release no. 180
June 14, 2010

(This is a translation into English of the original text in Danish. In case of discrepancies between the two texts, the Danish text shall be considered final and conclusive)

Satair has signed a preliminary agreement to acquire all the assets and activities of Aero Hardware, Florida, USA. Aero Hardware is engaged in the processing and adaptation of hydraulic hoses for the aerospace industry and specializes in the products from Eaton Aerospace. Once the transaction has been closed it is expected to contribute some USD 16 million in revenue growth to Satair during the first twelve month period.

"The decision to acquire Aero Hardware builds upon a number of strategic considerations: besides supporting the fulfilment of Satair's growth ambitions it will help expand our product offerings and strengthen relations with Eaton Aerospace, one of our biggest suppliers. It also holds an attractive potential for generating additional sales of Aero Hardware's products, as now they can be sold through Satair's global sales organization and are used in practically all types of aircraft. This makes the acquisition a unique fit for our strategy", explains John Stær, CEO of Satair.

The parties have agreed on a total price of USD 13.5 million of which goodwill, etc., is expected to account for approx. USD 10 million. USD 8.5 million will be paid at the signing of the contract, while the remaining USD 5.0 million will be converted into an interest-free loan to be repaid in full after a period of 12 months.

Besides making an estimated revenue contribution of approx. USD 16 million during the first 12 months, the agreement entails a number of additional sales opportunities involving Satair's global sales organization with a potential for significant activity growth over a number of years.

The business relations between Satair and Aero Hardware go back several years, and in recent years Aero Hardware has been acting as sub-supplier to Satair.

Closing of the acquisition is scheduled for the first quarter of fiscal 2010/11 starting on July 1, 2010.

About Aero Hardware and the integration into Satair

Aero Hardware specializes in the production of hydraulic hoses for the aerospace industry, and its special competencies give it access to a very broad product portfolio. Raw materials and components are bought in from Eaton Aerospace to be adapted to the specific needs of the customers. The products are used in all Airbus and Boeing aircraft as well as in practically all other types of aircraft, both large and small.

The products have been sold primarily to the commercial Aftermarket, to small aircraft manufacturers (OEMs) and to the military segment in North and South America. Satair has mainly been supplying Aftermarket customers in Europe and Asia with comparable products from Eaton.

The company's operations will remain at the current location in Miami and will be made an integral part of Satair USA Inc. Aero Hardware has 27 employees.

"We are doing a targeted effort to ensure that Satair fulfils an ever-increasing number of customers' needs. Customers wish to concentrate their purchasing on a few central suppliers to achieve efficiencies in both purchasing, transportation and product handling. With the acquisition of Aero Hardware Satair strengthens its position in the global Aftermarket, and that will allow us to contribute even more added value to our customers", says John Stær.

Outlook for 2009/10 and 2010/11

The acquisition of Aero Hardware will have no effect on revenue and earnings in the current fiscal year ending June 2010. The effect on revenue and earnings will be included in the guidance for 2010/11 to be announced on September 14, 2010 together with Satair's Annual Report 2009/10.

Further information

CEO John Stær, tel. +45 3247 0104, e-mail: jst@satair.com or CFO Michael Højgaard, tel. +45 3247 0126, email: mih@satair.com.

About Satair

Satair is among the world leaders in sales and distribution of spares for aircraft maintenance and production parts for manufacturers of aircraft and provides a range of services that reduce costs in the supply chain.

Headquartered in Denmark, Satair provides services to customers and suppliers all over the globe through its 12 sales and warehousing locations in Europe, North America, Middle East, Far East and China.

