

# Satair to take over Aero Quality Sales

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*(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 today signed an agreement with TransDigm<sup>\*)</sup> for the acquisition of Aero Quality Sales (AQS), a market-leading distributor of aviation batteries.**

The parties have agreed on a total purchase price of USD 30 million of which goodwill, etc., is expected to account for approx. USD 24 million. The purchase price is paid in cash at the time of closing.

Following the acquisition of AQS, Satair's revenue for FY 2010/11 will increase by approx. USD 6 million, while earnings will be affected only modestly due to integration costs. For the full year 2011/12, AQS is expected to contribute revenue growth in the region of 8%, corresponding to USD 30 million. This amount is expected to increase considerably within a few years. The EBITDA margin is forecast at a level above Satair's current average EBITDA margin, while the requirement for investments in working capital will be below the average requirement for Satair's existing distribution lines. AQS is forecast to contribute a positive free cash flow already from FY 2011/12.

*"AQS is an excellent match for Satair's business model, and it adds yet another dimension to our product portfolio. We expect Satair to be able to benefit from its strong market position by accelerating sales and achieving cost synergies. The acquisition will help Satair solidify its growth ambitions, also within value added services", explains John Stær, CEO of Satair.*

### **AQS and its integration into Satair**

AQS is specialized in the distribution and servicing of aviation batteries, primarily for the French manufacturer SAFT Groupe S.A. and a number of manufacturers in the USA. AQS distributes batteries for practically all types of aircraft, and the company has sales and service centers in Stamford, Connecticut, USA, and in Heston outside London. Founded in 1954, AQS has acquired a central position in the market as a specialist with a very wide portfolio of battery products. The products are sold primarily to the commercial aftermarket, the main customers being the large airlines and maintenance companies, but also with some sales to other segments such as business jets and military customers.

The company will continue its operations in the existing locations for the time being, while its sales activities will be integrated into Satair's global sales organization.

AQS employs a staff of 20.



#### **Further information:**

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\*) TransDigm took over AQS in early December 2010 in connection with the acquisition of a major group of companies. As one of the members of Satair's Board of Directors is also the Chairman of TransDigm, Satair took the necessary precautions in relation to the Board's discussions of and resolution concerning the acquisition. Thus, the board member concerned did not participate in the Board's discussions of and resolution on the acquisition of the activity.

#### **About Satair**

Satair is among the world leaders in sales and distribution of spares for aircraft maintenance 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 sales and warehousing locations in Europe, North America, the Middle East, Asia Pacific and China.

Satair has around 360 employees worldwide and posts an annual revenue of USD 386 million-plus.

