

Acquisition of 49% of Chinese Ruibo

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This is a translation into English of the original release in Danish. In case of discrepancies between the two texts, the Danish text shall prevail.

Summary

Satair has signed an agreement for the acquisition of 49% of the Chinese company Sichuan Ruibo Hydraulic Component Service (Ruibo) that specializes in repairs of hydraulic products. The acquisition marks a step in the fulfillment of Satair's strategy to strengthen its position in China and Asia in general. The price for the stake in Ruibo, which posted approx. USD 2 million in revenue in 2007, is around USD 1.1 million. The outlook for FY 2007/08 is unchanged.

Ruibo

Satair has signed an agreement to acquire a 49% stake in Sichuan Ruibo Hydraulic Component, which is operating out of Chengdu in southwestern China. Satair's acquisition is limited to the above-mentioned 49% of the shares, as Chinese legislation does not permit foreign businesses to obtain a controlling influence on activities in Chinese aviation. In connection with the acquisition the agreements required to secure influence for Satair on Ruibo's board of directors and daily management have been signed, and Satair has obtained an option enabling it to increase its stake later and, thus, achieve a majority in the event that legislation is introduced that makes it possible. Pursuant to Chinese legislation the acquisition is conditional upon the granting of several public permits, and the plan is for these permits to be granted in the course of the next six months.

Founded in 2000, Ruibo specializes in repairs of hydraulic aircraft components. The company currently has 25 employees, and in recent years it has achieved significant revenue growth driven by growth in Chinese aviation. The customer portfolio includes Chinese airlines such as Air China, China Eastern and China Southern, but Ruibo also provides services to several minor airlines. The acquisition

leaves the current CEO and majority shareholder Fan Mingcong with the remaining 51% of the company's shares. Satair has signed a contract with Fan Mingcong and three key employees according to which they remain in the company for the next three years.

Purchase sum

The parties have agreed on a purchase sum for the 49% stake of USD 1.1 million in cash. Due to formal rules prevailing in China, payment for the shares is not likely to be effected until in the late summer of 2008.

The rationale of the acquisition

It is part of Satair's corporate strategy to widen the range of services offered to customers in Asia, and to customers in China in particular. Chinese aviation is undergoing strong growth, and for a long time Satair has made an active effort to tap into the considerable potential offered by this market. According to figures from Boeing the number of aircraft in China will rise to 4,470 in 2026 from the level of approx. 1,150 in 2006. Against this backdrop the demand for repair and maintenance services is forecast to grow significantly.

About Satair

Satair is among the world's leading distributors of spares for aircraft maintenance and hardware (bolts, rivets, etc.) for aircraft manufacturers.

Headquartered in Copenhagen, the Group has subsidiaries in the UK, France, the USA, UAE, Singapore and China. Some 150 of the Group's total of around 500 employees work in Copenhagen, and together they generate an annual revenue upwards of USD 400 million.



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The acquisition of the stake in Ruibo is a small project, but the development of services within repairs of aircraft parts is an integral part of Satair's strategy, and the Group has identified a promising growth potential in this area. Many of the manufacturers with whom Satair has signed distribution agreements are already demanding services within repairs of aircraft parts in China. Also, there is a potential for achieving synergies through coordination with the Group's existing repair activities in Singapore.

Providers of repairs of aircraft parts must have a special permit to operate, and it is expected that with time the permit obtained in China may be extended to include approvals by FAA (the US Federal Aviation Administration). Satair has already obtained such

permits in Singapore, and an upgrading of Ruibo to FAA approval will involve interesting opportunities in the Chinese market.

The acquisition of the shareholding in Ruibo is expected to become effective in the course of 1H 2008/09, and as stated above payment for the shares is likely to take place in the late summer of 2008. Accordingly, the transaction will not affect the Group's outlook for FY 2007/08 which remains unchanged from the announcement made in the report for 2Q 2007/08 released on February 6, 2008.

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