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Amapola does not extend agreement with West Atlantic

Amapola has announced that they will not extend the subcontractor agreement of PostNord with West Atlantic when it expires at the end of this year. West Atlantic has been a subcontractor to Amapola since 2005. The agreement with Amapola involves five BAe ATP-F aircraft and accounted for roughly 10 percent of the revenue in 2014, but has decreased in importance during 2015 as a result of the new Boeing 737-routes that were introduced during the first half of 2015.

During spring, PostNord went through a new procurement process of its outsourced airfreight network in Sweden where West Atlantic decided to submit a proposal in an effort to become a direct supplier to PostNord. As a result of the decision to partake in the procurement process West Atlantic gave up its ability to be a subcontractor in the proposal of Amapola. When PostNord awarded the contract to Amapola, West Atlantic immediately initiated a discussion with Amapola about the extension of the subcontracting agreement, which unfortunately did not lead to an agreement. Work has now commenced to find alternatives for the five aircraft currently deployed by Amapola.

- *It is unfortunate that we were unable to reach an agreement with Amapola. We now look at alternatives for the five aircraft currently deployed by Amapola, such as engaging these aircraft on new routes in our continued expansion or using them to cover the Company's ongoing need for spare parts, says Gustaf Thureborn, CEO and President of West Atlantic. At the same time, the efforts of adding new Boeing 737 routes to the network have progressed very well and we will launch two new routes during the second half of 2015 and we have already signed two new contracts for the first half of 2016.*

For further information

CEO, Gustaf Thureborn	+46 (0) 10 452 95 00
CFO, Magnus Dahlberg	+46 (0) 10 452 95 00
IR-Manager, Thomas Backteman	+46 (0) 708 31 11 66

About West Atlantic

The West Atlantic Group is one of the market leading providers of dedicated air freight services to European NMOs and air freight capacity to Global Integrators and Freight Forwarders. The Group has a well-established geographic network, based around six logistic hubs, and currently operates 51 scheduled destinations. The aircraft portfolio includes 46 customised aircraft in service, whereof a majority is wholly owned. West Atlantic was founded in 1962 and is headquartered in Gothenburg, Sweden. Operations are performed all over Europe and per December 31 2014 West Atlantic had 488 employees. For 2014 West Atlantic reported revenues of MSEK 1,244 and adjusted EBITDA of MSEK 224.

West Atlantic AB (publ) Org. no: 556503-6083, Box 5433, SE-402 29 Gothenburg, Sweden

Investor Relations: investor.relations@westatlantic.eu
Webpage: www.westatlantic.eu

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