

3rd. Communiqué concerning Air Mauritius

The Air Mauritius recovery and restructuring operation has been set in motion.

Representatives of the Lazard Bank will arrive in Mauritius during the next week. They will make proposals for the renegotiation and restructuring of the hedging contracts. They will meet the management of Air Mauritius as well as Mr. Xavier-Luc DUVAL, the Vice Prime Minister.

Last Friday, the management of Air Mauritius had floated a tender for the review of the company's operations. Five consulting firms, all of international repute, will submit their bids by the end of next week. These will then be presented to the Board of Air Mauritius.

Government has welcomed the decision of the top management to:

- reduce its salary by 10% to 15%
- reduce air ticket allowance to six per year
- sell the saloon company cars

A meeting was held between the union congress and Mr. Xavier-Luc DUVAL, the Vice Prime Minister. The meeting took place in a very cordial atmosphere and the union's demands are being examined. Other meetings are planned and they will be held on a regular basis.

Management of Air Mauritius has started to take steps for selling some of the company's assets. Sale of these assets will enable the raising of funds to deal with the losses incurred as a result of:

- the hedging
- the drop in Euro/Dollar exchange parity
- the drop in the number of passengers

Air Mauritius has planned to convene a general assembly of its shareholders during the first half of this coming March.

Government reiterates its call to the public and to Mauritian operators so that they continue to give their support to Air Mauritius and to the company's employees so that the latter may strive to keep the quality of service offered to customers.

Office of Xavier-Luc DUVAL, the Vice Prime Minister
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