



John Menzies plc

Announcement

20 August 2013

Menzies expands International footprint

Menzies Aviation, the aviation services subsidiary of **John Menzies plc**, today announces two acquisitions as part of its strategy to expand the business in attractive growth markets. It has agreed to acquire the Australian ground handling business, Skystar from Mondelphous for £7.7m in cash, and the Colombian ground and cargo handling business, Desacol for a maximum consideration of £6.4m in cash.

Skystar is a ground handling provider, which operates at eight airports throughout Australia and New Zealand handling 17,000 turnarounds per annum for 10 airlines, including Jetstar and Qantas. Skystar brings with it entry into the Perth ground handling market, one of our attractive airport targets. The acquisition is conditional on receiving regulatory approval in New Zealand and is expected to complete soon.

Desacol is a ground and cargo handling business in Colombia operating in five airports, with its largest operation being based in Bogota. It handles 60,000 turnarounds and 50,000 tonnes of cargo per annum with a number of our existing customers and provides an opportunity to develop relationships with key customers such as LAN and COPA airlines. Bogota is a key attractive airport in our growth strategy, as well as Colombia being a strong LATAM market that provides a bridgehead for further opportunities in other countries. The acquisition is expected to complete in the next two weeks.

Both acquisitions will be funded from existing debt facilities and will be earnings enhancing, with the full benefit in 2014.

Craig Smyth, Menzies Aviation Managing Director, said:

“The acquisition of Skystar is an excellent consolidation play for Menzies in the important markets of Australia and New Zealand. Skystar fits well with our existing successful operations in Oceania and I look forward to growing the market share of our enlarged network in the region. Desacol is a very exciting development into a new attractive market, as well as expanding our relationship with some key new LATAM low cost and national carrier airlines.”

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